# 1/22/09 OVERVIEW: DCCED FY10 OPERATING BUDGET

# ALASKA STATE LEGISLATURE

## House Community & Regional Affairs Committee


**Rep. Cathy Muñoz, Co-Chair**

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Rep. John Harris, Rep. Wes Keller, Rep. Charisse Millett, Rep. Sharon Cissna, Rep. Berta Gardner


February 4, 2009

Commissioner Emil Notti
Department of Commerce, Community & Economic Development
P.O. Box 110800
Juneau, Alaska 99811-0800

Commissioner Notti,

We appreciated the departmental overview you and Deputy Commissioner Black presented to the House Community and Regional Affairs Committee on January 22nd.

We are asking you to follow-up with us by providing answers these questions. (All committee members have been cc'ed on this request – we would appreciate it if you could cc members with your answers.)

1. Do you have any early indications on how much funding in President Obama's economic stimulus package will be going to your Department and what those monies might be used for?

2. What is the latest on the deal to provide electricity from coal in Healy to the Homer Electric Association and the Golden Valley Electric Association of Fairbanks? There have been protests in Homer recently against the "clean" coal project calling for the deal to be delayed and submitted to a more thorough public review process. Some are worried that Homer will be locked into paying a higher price for electricity. Please comment on these concerns.

3. The Alaska Railroad Corp. recently announced the elimination of 12 jobs, partly due to the slowdown in production at the Flint Hills Refinery. Do you foresee the possibility of the refinery closing down entirely? If so, what further effect would that have on the railroad? What plans are there to increase shipping prospects for the railroad?

4. The Commissioner mentioned $57,000 is distributed per ARDOR. Can you tell us how this money is used within each ARDOR?

5. Please give us an update on the PCE program and on any possible changes to the program supported by the Department, in particular the possibility of adding businesses to the program.

6. Regarding the Regulatory Commission of Alaska within your Department, please explain how emergency Cost of Power Adjustment (COPA) gets approved, and provide a copy of the statute from which the Emergency COPA regulations are derived.

Thank-you.

Thank you Comm
obviously the skillsets in your staff, questions to you & them may showcase the dept challenges

Possible Questions for DCRA Overview MTG

1. Does the Department's position on PCE include expanding the program to covering small businesses?
2. In the last year, how many jobs in the Department have moved out of Juneau? (Bethel?)
3. What percentage of the projects within the Alaska Renewable Energy Fund have already been awarded? How many grants are proving problematic?
4. What are you doing in Newtok and other villages facing climate change/ erosion issues?
5. What is going on in Emmonak? Are there options other than disaster declaration? (canary in the coal mine)
6. What opportunities are available in Alaska in regards to the proposed economic stimulus package in DC?
7. How do you currently fund and support Local Government Specialists?

New pres stimulus pkg any $

8. Homer - Healy - FBICS — ARDOR 57K?
9. Return of Commerce CRA separate dept
10. ~~Now~~ Two deputies - only funded one
11. Flint Hills/ARR — 4 SC (Vonsel, SE, Kusko) — AEA
12. Two years on the job — what has surprised you, what has disappointed
13. LBC report due shortly - briefly [redacted] highlights
14. Carbon footprint
15. Insurance - in/out

Skip

Next week - overview AML preview

committee information - set aside time
9 45 AM stop

Binder System x3764 Rienneta

Reg. Enid Rotti, Mike Black

Give Tyson basic questions
CMO

Get Tyson Sched

Update Energy Projects

Gov's Leg. Liaison?

Cathy Wasserman? AML
1.86

Cogkill
x 3719
Amanda

President of Mayors?

Notice for AML MTG?

Common Bills? Pre-files

Session Sched. Status of State

Memos to Speaker on bills to hear

Seaton's Mining Tax Bill

Session
School

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

*Sarah Palin, Governor*
*Emil Notti, Commissioner*

Emil Notti

Commissioner

Department of Commerce, Community and Economic Development

BIOGRAPHY/RESUME

Mr. Emil Notti was appointed by Governor Sarah Palin as the Commissioner of Commerce, Community and Economic Development in December 2006. He is an engineer, prominent Alaska Native leader and Alaska public servant.

He graduated from Northrop University with a dual degree in aeronautical and electrical engineering. His extensive background includes first president of the Alaska Federation of Natives during which he was an instrumental player in establishing the state's Native corporations; past president of Doyon Limited; former Commissioner of the Department of Community and Regional Affairs under Governor Sheffield; 30-year board member with the National Bank of Alaska; and Veteran of the United States Navy.

Born in Koyukuk, Notti holds an Honorary Doctorate degree from the Alaska Methodist University.

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**Deputy Commissioner Michael Black**
**State of Alaska, Department of Commerce, Community and Economic Development**

Deputy Commissioner Michael Black addresses the rural and community assistance issues for the Department. He had previously served as the Director for the Division of Community and Regional Affairs for the past four years and previously for over 20 years in staff positions for DCCED. His work experience and performance uniquely qualify him for the duties of Deputy Commissioner. He was appointed Deputy Commissioner in September 2007.

Mike assists the Department in understanding rural issues and overseeing the Divisions of Community and Regional Affairs, Division of Investments and the Office of Economic Development. As Director of the Division of Community and Regional Affairs, his Division led the way on such issues as affordable fuel for rural communities, municipal revenue sharing, planning and coordination of assistance for flood and erosion threatened communities, rural land ownership issues in small communities and more.

In addition, he serves on the boards of the Alaska Coastal Policy Cabinet, AK Workforce Investment Board, Disaster Policy Cabinet, Alaska Aerospace Development Corporation, Alaska Seafood Marketing Institute and the State Emergency Response Commission as the designee for the Commissioner.

Mike has experience at all levels of the Department and with many rural organizations and leadership. His performance and experience uniquely qualifies him to assist Governor Palin and Commissioner Emil Notti in their efforts to provide for healthy communities in rural Alaska.

**Department of Commerce, Community & Economic Development**
**To the House Community & Regional Affairs Committees**
***January 22nd, 2009***

## MISSION:
## *Promoting a healthy economy and strong communities*

This goal is accomplished through four overarching goals: working with communities and the private sector in creating jobs for Alaskans, strengthening Alaska's rural communities, marketing Alaska's goods and services throughout the world and maintaining a fair and consistent business, thus providing a regulatory environment in the state.

- **Commerce** Regulate existing industry to protect consumers and help create a stable business climate

- **Community** Assist local communities with self-governance and sustainability

- **Economic Development** Coordinate, promote and develop economic growth by new or expanding businesses

**Divisions**

- Office of the Commissioner
- Administrative Services
- Banking and Securities (regulate industry and protect consumers)
- Community and Regional Affairs (Constitutionally Established under Article X, Section 14 to assist local governments)
- Insurance (regulate industry and protect consumers)
- Investments (business development and fishing loans)
- Corporations, Business and Professional Licensing (license 67,000 businesses and 50,000 professionals in more than 120 occupations, and register 1,500 corporations)
- Office of Economic Development (Tourism, Mining, Fisheries, Timber, Small Business)

**6 Agencies:**

- Alaska Seafood Marketing Institute (ASMI)
- Alaska Aerospace Development Corporation
- Alaska Industrial Development & Export Authority/Alaska Energy Authority (AIDEA/AEA)
- Alaska Railroad Corporation
- Regulatory Commission of Alaska
- Serve Alaska (formerly Alaska State Community Services Commission)

**Number of Employees: 558 (525 Full-time employees)**

**Located in:**

- Anchorage – *297*
- Bethel - 3
- Dillingham -1
- Fairbanks- 11
- Juneau- 202
- Kotzebue - 1
- Nome - 2
- Seattle (ASMI) - 7
- Tok – 4
- Kodiak – 28
- Petersburg – 1
- Soldotna – 1

| OPERATING | FY2009 | FY2010 | Change | % Change |
|---|---|---|---|---|
| All Funds | 195,643,500 | 187,618,100 | -8,025,400 | -4.1% |
| Gen Funds | 38,161,900 | 19,627,000 | -18,534,900 | -48.6% |

## Issues/Programs of Interest to C&RA Committees:

- **Energy**
  - **AEA, PCE and local utility assistance**
  - **Energy Plan**
  - **Renewable Energy Fund**
  - **DCRA issues with local government assistance in management of utilities**
  - **Division of Investments Bulk Fuel Bridge Loan Program, Energy Efficiency Upgrades**

- **Emmonak economic/fisheries disaster declaration**

**Rural Out-Migration – Research and Policy function of DCRA**

- **fact or fiction?**
- **School Closures**

- **Climate Change**
  - **Sub-cabinet – working to develop Alaska Climate Change Strategy**
  - **Newtok example of interagency coordination and work on relocation and Community Development**

- **Economic Development**
  - **Fisheries, Mining, Tourism, Timber, ARDORs (Alaska Regional Development Organizations, Economic information**
  - **Economic Development Plan**

- **Revenue Sharing/Community Assistance**

| | | FY09 | FY10 | Change | % Change |
|---|---|---|---|---|---|
| Revenue Sharing | | | | | |
| | Community Revenue Sharing | 60,000.0 | 60,000.0 | 0.0 | 0.0% |
| | National Forest Receipts (Federal Funds) | 9,403.4 | 15,703.4 | 6,300.0 | 67.0% |
| | Payment in Lieu of Taxes | 6,426.6 | 10,100.0 | 3,673.4 | 57.2% |
| | Fisheries Taxes ( | 3,600.0 | 3,600.0 | 0.0 | 0.0% |

- **Municipal Property Tax Exemptions**

- **Grants to Communities/ Named Recipients** DCRA's Grant administrators administered $900 million in grants representing 11 programs with an average of over 200 grants per administrator

- **Research/Information**
  - **Alaska Economic Performance Report and Net Rate of Return**
  - **Alaska's Mineral Industry Report**
  - **Alaska Logging History for Society of American Foresters**
  - **Film Office Annual Report**

- **Economic Recession, Lending limitations and the role of AIDEA and Division of Investments**

# Hot topics by Divisions and Agencies

## Divisions

- **Commissioner's Office**
  - **Deputy Commissioner position in Juneau**

- **Administrative Services**
  - **Budget issues**

- **Banking and Securities**
  - **Mortgage Lending**
  - **Uniform Securities Act**

- **Community and Regional Affairs**
  - **Local Government Assistance**
  - **Community Revenue Sharing**
  - **Grants and the FY09 capital budget**

- **Corporations, Business and Professional Licensing**
  - **Board revisions**
- **Insurance**
  - **Insurance statute revisions; Title 21**
  - **Contract Service Providers (Auto Guarantees)**
  - **Insolvency provisions (clarifications to what happens when an insurance carrier goes out of business)**
- **Investments**
  - **Capstone**
  - **Bulk Fuel Bridge Loan Fund**
  - **Fuel efficiency upgrade loans for fishing fleet proposals (HB 20)**
- **Office of Economic Development**
  - **Mining-Mineral prices, tax regulation, Industry investment (HB 40)**
  - **Fisheries -RSDA's, Inland waters permits, efficiency improvements**
  - **Tourism- TMAP (Tourism Mentorship Assistance Program) and DART (Developing Alaska Rural Tourism) programs,**
  - **Economic Impact of Tourism Industry research project**
  - **Forest Products- Asian markets, wood pellets/wood energy**
  - **Economic information- 2008 Summary**
  - **Film Office (SB 230)- regulations**
  - **Small Business/ ARDORS – equal funding for additional ARDORS**

## Agencies

- **Alaska Aerospace Development Corporation**
  - **Kodiak Launch Facility 2nd Launch Pad $17.5 million total/ $3 million GF**
- **Alaska Energy Authority**
  - **Energy Plan**
  - **Renewable Energy Grant Program (HB152)**
  - **REGA study (Railbelt Energy Grid Authority)**
  - **Power Cost Equalization** *(ceiling, businesses, clinics)*
  - **Bulk Fuel Revolving Loan Fund** *$750k individual limit, $1.8 co-op limit at 5% interest*
- **Alaska Industrial Development and Export Authority**
  - **Healy Clean Coal Plant**
  - **Loan Portfolio $300 plus million available for bonding (AA bond rating)**
- **Alaska Railroad Corporation**
  - **Implications of potential Flint Hills shutdown and tourism downturn**
- **Alaska Seafood Marketing Institute**
  - **Sustainable fisheries**
  - **Carbon footprint tracking**
  - **Global marketing efforts**
- **Alaska State Community Service Commission (Now Serve Alaska)**
  - **Vista and Americorps**
- **Regulatory Commission of Alaska**
  - **Net Energy Metering (HB 31, HB 66)**

**Plus 23 seats on Boards and Commissions**

- **Marine pilots board issue of Chukchi Sea and Arctic Ocean**
- **ASMI**
- **Permanent Fund**

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

*Sarah Palin, Governor*
*Emil Notti, Commissioner*

February 17, 2009

The Honorable Cathy Munoz, Co-Chair
State Capitol Building, Room 409
Juneau, AK 99801-1182

The Honorable Rep. Bob Herron, Co-Chair
State Capitol Building, Room 415
Juneau, AK 99801-1182

Dear Madam Co-Chair, Mr. Co-Chair and Honorable Committee:

In regards to questions presented in the House Community and Regional Affairs Committee on January 22nd, the responses (preceded by the original question) are as follows:

1. **Do you have any early indications on how much funding in President Obama's economic stimulus package will be going to your Department and what those monies might be used for?**

   Although it is difficult to say exactly how much of the proposed economic stimulus bill working its way through Congress will fall in Alaska or the Department of Commerce, Community & Economic Development (none of those projects are earmarked to specific projects), preliminary numbers indicate that we *may receive* a total of $1.8 billion, detailed as follows:

   - $2.45 million for Community Development Block Grants
   - $3.96 million for Community Services Block Grant Program
   - $200,000 – Emergency Shelter Grants
   - $625,000 – Rural Utility Business Advisor program
   - $1.66 million – AmeriCorps Programs
   - $35 million – Alaska Aerospace construction project
   - $1.1 billion of Energy Projects
   - $710 million of AIDEA development projects

   Please remember that the above numbers are extremely rough estimates and may be a bit optimistic. However, we are making every effort to receive all funding available to the State.

2. **What is the latest on the deal to provide electricity from coal in Healy to the Homer Electric Association and the Golden Valley Electric Association of Fairbanks? There have been protests in Homer recently against the "Clean" coat project calling for the deal to be delayed and submitted to a more thorough public review process. Some are worried that Homer will be locked into paying a higher price for electricity. Please comment on these concerns.**

   On January 13, 2009 the Boards of HEA and GVEA endorsed by resolution the January 9, 2009 Settlement Term Sheet negotiated between AIDEA, GVEA and HEA for the sale of

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HCCP to GVEA. As part of this agreement HEA is to purchase 50% of the plant's power and pay in rates a corresponding amount of liability associated with the purchase and restart costs associated with HCCP only, as well as long term operations and maintenance costs associated with the facility.

Several of the key differences of this current agreement and the prior agreements between HEA and AIDEA are these: the plant will come on-line sooner than in any other course of action, will be restarted at a lower cost to the rail belt consumers, and will lessen the exposure of a coal-based fuel source to both GVEA and HEA. In this agreement, HEA is taking only half the plant's power, whereas, in the prior agreement it was obligated to take all the plant's power.

The price of power coming out of HCCP is an uncertainty that was factored into the purchase price. If the reliability and price of power was known with certainty, then the price of HCCP would have been adjusted upwards to compensate for the lower risk. As such the price agreed to by the parties is fair and reasonable considering risks.

3. **The Alaska Railroad Corp recently announced the elimination of 12 jobs, partly due to the slowdown in production at the Flint Hills Refinery. Do you foresee the possibility of the refinery closing down entirely? If so, what further effect would that have on the railroad? What plans are there to increase shipping prospects for the railroad?**

**Position eliminations:** The Alaska Railroad recently announced the elimination of 80 positions which took place throughout 2008. A hiring freeze initiated in 2007 created vacancies that allowed the Alaska Railroad to remove certain positions from the book. Less than ten of these 80 positions resulted from involuntary layoffs.

**Flint Hills:** We believe there is still a possibility that Flint Hills may close the refinery. As reported by the company on numerous occasions, Flint Hills has been considering three options for the future of the refinery. The three options include continuing to operate the refinery, turning the refinery into a terminal (which involves shipping fuel north), or selling the refinery. If the refinery becomes a terminal or closes the impact to the Alaska Railroad would be monumental.

- Loss of 45 percent of its freight revenue. The Railroad would have to offset about $30 million in revenue loss.
- Nearly 200 railroad positions could be eliminated
- Drop in winter cash flow could affect our ability to offer year-round transportation service
- Drop in business would cause divestiture of locomotive/track equipment, draconian reductions in capital maintenance and railbelt capital investment.
- Second order economic effects, according to ISER, could almost double the impact.

**Shipping Prospects:** In 2008 the Alaska Railroad Marketing Department was reorganized into the Business Development Department to emphasize focus on finding new business.

We are experiencing a healthy up tick in freight (pipe etc.) moving to support North Slope activity and a renewed interest in the export coal market.

4. **The Commissioner mentioned $57,000 is distributed per ARDOR. Can you tell us how this money is used within each ARDOR?**

   Because each ARDOR is unique in their own particular region they may not use these funds the same way. Primarily, the ARDORs will use these funds as seed money to leverage for additional funds in accomplishing economic development goals for their region. Some ARDORs may use these funds to apply towards administration costs. Collectively, an example of how the ARDORs leveraged these funds can be found on page 2 & 3 of the ARDOR report. Also in the report, the ARDORs are shown individually.

   The state's relatively modest contribution has allowed the ARDORs to leverage $5.60 of federal and private sector dollars for every dollar of state money spent.

   The ARDOR reports can be found on the State's website at:
   http://www.commerce.state.ak.us/oed/ardor/ardor.htm

   This information is prepared in the ARDOR Annual report which will be produced in early September, or mid October.

5. **Please give us an update on the PCE program and on and possible changes to the program supported by the Department, in particular the possibility of addition businesses to the program.**

   The department supports continuation of the Power Cost Equalization program and at the same time is working towards a time when energy costs in rural Alaska are reduced to a point where the program becomes obsolete. We support healthy communities with strong economies and at the same time we have concerns with expanding PCE to a point where it becomes a target for federal taxation.

6. **Regarding the Regulatory Commission of Alaska within your Department, please explain how emergency Cost of Power Adjustment (COPA) gets approved, and provide a copy of the statues from which the Emergency COPA regulations are derived.**

   An emergency COPA provision does not exist in the statutes or regulations governing the RCA. Regulations at 3 AAC 52.501 through 3 AAC 52.504 address non-emergency COPAs. An electric utility may implement a COPA filing that does not include a new methodology or new cost element immediately upon filing with the commission under 3 AAC 52.504(b). That filing is subject to subsequent review, adjustment and approval by the commission.

STATE OF ALASKA
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COMMUNITY AND
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Office of the Commissioner

*Sarah Palin, Governor*
*Emil Notti, Commissioner*

AEL&P has a tariff provision in Schedule No. 98 of its current operating tariff that provides for emergency adjustments to AEL&P's cost of power adjustment (COPA). Schedule No. 98 contains the following provision.

> "In the event of a failure of the Snettisham hydroelectric project or transmission lines extending for a period of ten day or longer, an emergency fuel adjustment may be included in the Cost of Power Adjustment rate, beginning 14 days after the emergency occurs and remaining in effect until the energy is again available to the Juneau area from Snettisham and the monthly billing cycle has made a full revolution. The COPA rate shall be recalculated every 30 days until the balancing account has been reduced to less than $50,000 and greater than ($50,000)."

The EFCRA tariff provision and the EFCRA rate calculation were approved pursuant to Order U-97-245(1).1 The RCA provided information regarding how the EFRCA rate is determined when it review AEL&P's TA360-1 in Letter Order L0800135 last spring. A copy of the letter order is provided with this memo.

Thank you for the opportunity to answer these questions in more detail. If any further information is needed, please contact me at (907) 465-2501.

Sincerely,

Emil Notti
Commissioner

Attachments: File TA360-1 (EFCRA)

Cc: Representative Cissna
Representative Gardner
Representative Harris
Representative Keller
Representative Millett

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# Promoting a healthy economy and strong communities . . .

**Department of Commerce, Community, and Economic Development**

# Department's Fiscal Year 2010 Operating Budget Overview

**January 20, 2009**

**Sarah Palin, Governor**
**Emil Notti, Commissioner**

State of Alaska
Department of Commerce, Community, and
Economic Development

Department's Fiscal Year 2010 Budget Overview

Sarah Palin, Governor

Emil Notti, Commissioner

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The State of Alaska, Department of Commerce, Community, and Economic Development (Commerce), complies with Title II of the Americans with Disabilities Act of 1990. This publication is available in alternative communication formats upon request. Please contact Jennie Starkey at 907-269-4560 or Jennie.Starkey@alaska.gov to make necessary arrangements. Commerce's Telephonic Device for the Deaf (TDD) number is 907-465-4537.

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Office of the Commissioner

*Sarah Palin, Governor*
*Emil Notti, Commissioner*

January 20, 2009

Dear Legislators:

The following is a brief overview of the Department of Commerce, Community, and Economic Development's Divisions and activities. The overview will provide you with a glimpse of our division's activities, a brief synopsis of what each division does and what we have accomplished in the last year.

As part of this introduction we have provided a summary of the general operating budget, source of funds, and expenditures to try to give you a context for individual budget presentations by each division. This report describes in detail only the line or internal divisions. The independent corporations or authorities of the Department of Commerce, Community, and Economic Development are summarized at the end of this report. More detailed descriptions of their activities and budgets will are provided in the divisions narrative in this publication.

As Commissioner, my priority for this coming year is to address the sustainability of communities, especially in rural Alaska, and statewide economic development. One of the most important economic development issues in the State is the Energy issue. Another issue involves strategies for statewide economic development that can provide jobs and opportunities for communities.

Another initative of the Department and Alaska Energy Authority is developing long term plans for energy independence, replacing rural community dependence on diesel fuels, establishing an economic development plan in conjunction with AIDEA, and providing jobs in chronic high unemployment regions of the state. We are providing for the future of the State on a variety of fronts.

The Department is moving forward. I am contining to organize the Department to best accomplish our mission and to address the priorities we have set for accountability and better consumer protection.

I look forward to working with each of you to better serve your respective constituencies. Thank you for reviewing this report and please feel free to share your recommendations with me.

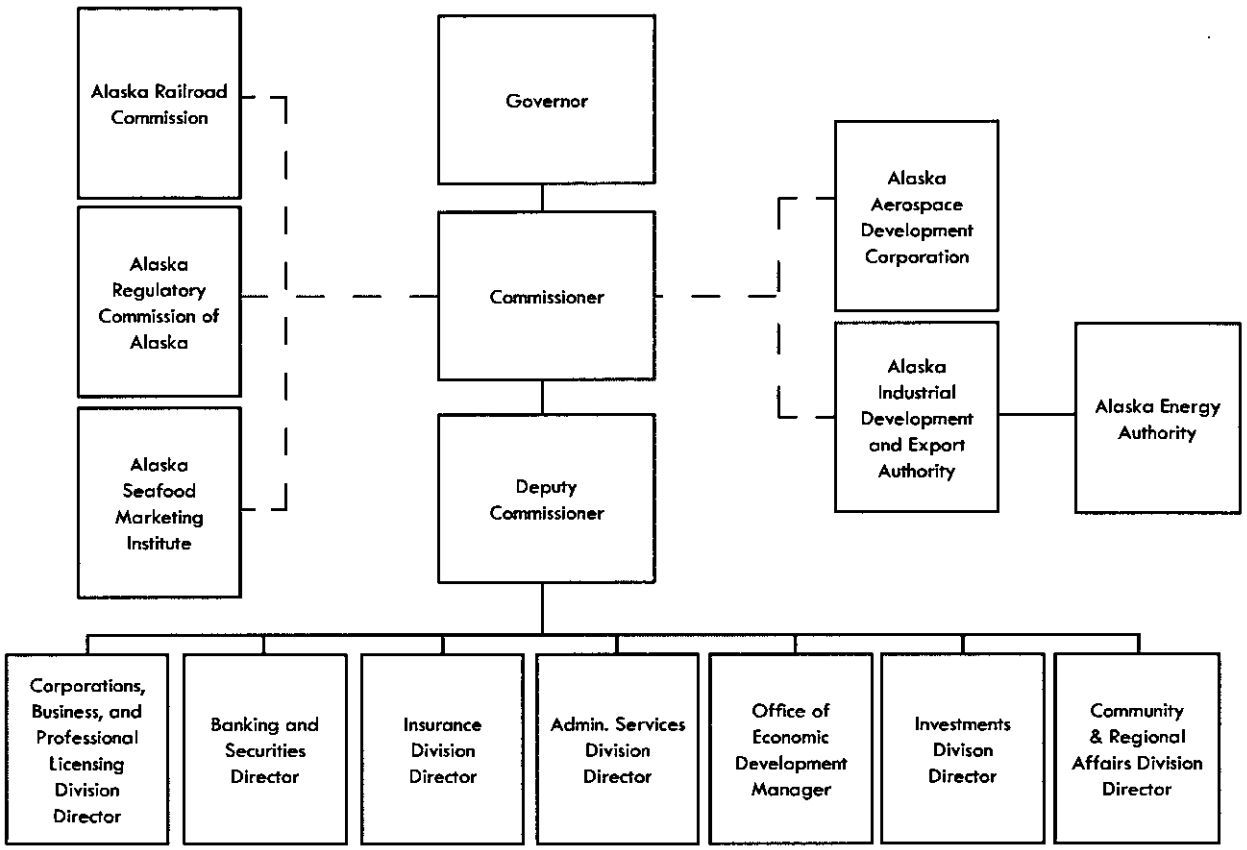
Sincerely,

Emil Notti

Emil Notti
Commissioner

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# Organization Chart



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# Department Budget Overview

Emil Notti,
Commissioner



**Our Mission:**

Promoting a healthy economy and strong communities.

**Contact:**

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The total FY 2010 operating budget request for the Department of Commerce, Community and Economic Development is $187,618,100. This includes a general fund reduction of 48.6% from the FY2009 Management Plan (a decrease of $18.5 million). This decrease is primarily due to the removal of $23 million of general funds used to pay for a one-year increase in the ceiling of Power Cost Equalization formula from 52.5 cents to $1/kWh.

**General Fund Changes.** To more accurately compare budgetary changes, when the $23 million one-time PCE funding is removed from comparisons, the Department's GF increases by $4.5 million. The requested increases can be broken into two groups: budgetary changes that *maintain* the current level of service or budgetary changes that *increase* the level of service. About $4.36 million is requested to *maintain* the current level of service as follows:

- $2 million of GF to replace business license revenue due to the annual reduction in fees from $100 to $50
- $1.9 million of GF in ASMI to replace lost federal and other revenue
- $255.5 of GF for contractual salary increases
- $210.3 of GF for the AEA Executive Director/Statewide Energy Coordinator

The only general fund budgetary change that *increases* the current level of service is $150,000 of general funds to the Alaska Energy Authority to support the implementation of alternative energy and other energy initiatives.

**Non-General Fund Requests.** The Power Cost Equalization request program is fully funded under the traditional statutory formula and $32.8 million is the estimated amount needed for this—down from $51.1 million in FY09.

The recently passed Economic Stimulus package increased federal funds for the Payment in Lieu of Taxes (PILT) program and the National Forest Receipts programs by more than 50%. A $3.7 million increment is requested for the PILT program and another $6.3 million is

requested for the National Forest Receipts. All of the funding for these programs is distributed to communities.

**Capital Budget.** Finally, the overwhelming majority of our $138,311,401 capital budget request is for projects that pass through the Department to our associated organizations, corporations, and communities. For example, $17.5 million ($3.5 million GF) is requested for the Alaska Aerospace Development Corporation's new launch pad and rocket motor storage facility; $31 million for Alaska Energy Authority projects ($21 million federal funds); Community Block Grants, match for Denali Commission rural transportation projects.

# Significant Budget Changes

## Divisions within the Department

**Commissioners Office**

Significant Budget Changes (in thousands):
1. Increase to reflect increases in core services: ..... $171.0
2. Cost-of-living increases per union agreements: ..... $7.8

**Division of Administrative Services**

Significant Budget Changes (in thousands):
1. Increase to reflect increases in core services: ..... $8.2
2. Cost-of-living increases per union agreements: ..... $76.9

**Serve Alaska**

Significant Budget Changes (in thousands):
1. Cost-of-living increases per union agreements: ..... $4.9

**Division of Banking and Securities**

Significant Budget Changes (in thousands):
1. Increase to reflect increases in core services: ..... $8.2
2. Cost-of-living increases per union agreements: ..... $39.0
3. Implement mortgage licensee examinations every three years: ..... $208.0

**Division of Community & Regional Affairs**

Significant Budget Changes (in thousands):
1. Cost-of-living increases per union agreements: ..... $110.8
2. Replace $2 million of Business License revenue with GF due to reduction in cost of a business license
3. Remove excess expenditure authority: ..... $340.6

**Division of Corporations, Business, and Professional Licensing**

Significant Budget Changes (in thousands):
1. Increase to reflect increases in core services: ..... $26.4
2. Cost-of-living increases per union agreements: ..... $98.9

**Division of Insurance**

Significant Budget Changes (in thousands):
1. Reflect funding for temporary positions working on an imaging capital project: ..... $122.8
2. Cost-of-living increases per union agreements: ..... $100.1

**Division of Investments**

Significant Budget Changes (in thousands):
1. Increase to reflect increases in core services: ..... $13.6
2. Cost-of-living increases per union agreements: ..... $77.2

**Office of Economic Development**

Significant Budget Changes (in thousands):
1. Reflect contract with DMV to provide services to Tok and surrounding communities: ..... $40.6
2. Cost-of-living increases per union agreements: ..... $25.2
3. Fund each Alaska Regional Development Organization at the FY 09 level: ..... $57.7



## Corporations, Agencies, and Contracts wthin the Department

- AEA Energy Projects: $31 million ($20 million federal and $11 million other)
- AEA-Denali Commission Match for rural Power System Upgrades: $10 million Other Funds
- Community Block Grants: $6.1 million ($70,000 GF and $6,030,000 federal)
- Manufacturing Extension Program: $806,401 GF
- Community Development and Assistance: $2.63 million ($430,000 GF, $600,000 federal, $1,600,000 other)
- Denali Commission Match for Rural Transportation: $5 million other funds
- NPR-A Impact Grant program: $22.5 million federal
- Electrical Emergencies Program: $250,000 general funds

# Department Financial Summary

| (In Thousands) By Expenditure Category | FY 2009 Management Plan | FY 2010 Governor's Proposed | Difference Between FY 09 & FY 10 | % Change From FY 09 & FY 10 |
|---|---|---|---|---|
| Personnel Service | 47,492.5 | 49,042.4 | 1,549.9 | 3.3% |
| Travel | 2,258.3 | 2,287.5 | 29.2 | 1.3% |
| Services | 65,726.0 | 65,087.7 | (638.3) | -1.0% |
| Commodities | 3,470.5 | 3,508.2 | 37.7 | 1.1% |
| Capital Outlay | 788.1 | 753.1 | (35.0) | -4.4% |
| Grants, Benefits | 75,908.1 | 66,939.2 | (8,968.9) | -11.8% |
| Miscellaneous | - | - | - | 0.0% |
| **Total Expenditures** | **195,643.5** | **187,618.1** | **(8,025.4)** | **-4.1%** |

| (In Thousands) By Components | FY 2009 Management Plan | FY 2010 Governor's Proposed | Difference Between FY 09 & FY 10 | % Change From FY 09 & FY 10 |
|---|---|---|---|---|
| **Division Components** | | | | |
| Commissioner's Office | 742.0 | 920.8 | 178.8 | 24.1% |
| Administrative Services | 4,348.8 | 4,433.9 | 85.1 | 2.0% |
| Serve Alaska | - | 3,289.7 | 3,289.7 | 100.0% |
| ASCSC | 3,284.8 | - | -3284.8 | -100.0% |
| Banking & Securities | 3,040.4 | 3,287.4 | 247.0 | 8.1% |
| CDQ Program | 57.5 | 57.6 | 0.1 | 0.2% |
| DCRA | 9,903.2 | 9,703.4 | -199.8 | -2.0% |
| Corp, Bus. & Prof Licensing | 8,872.5 | 10,945.3 | 2,072.8 | 23.4% |
| Office of Con. Affairs & Investigation | 1,917.2 | - | -1917.2 | -100.0% |
| Insurance | 6,383.3 | 6,606.2 | 222.9 | 3.5% |
| Investments | 4,487.5 | 4,578.3 | 90.8 | 2.0% |
| OED | 2,962.0 | 3,085.5 | 123.5 | 4.2% |
| DCCED Facilities | 1,052.7 | 1,345.2 | 292.5 | 27.8% |
| **Total Division Component Expenditures** | **47051.9** | **48,253.3** | **1,201.4** | **2.6%** |
| **Corporation/Agency/Other** | | | | |
| Revenue Sharing | 19,430.0 | 29,403.4 | 9,973.4 | 51.3% |
| Qualified Trade Association | 9,000.0 | 9,000.0 | - | 0.0% |
| QTA Independent Traveler Grants | - | - | - | 0.0% |
| Alaska Seafood Marketing Inst. | 18,627.9 | 17,667.4 | -960.5 | -5.2% |
| Regulatory Commission of Alaska | 8,371.3 | 8,074.3 | -297.0 | -3.5% |
| Alaska Aerospace Dev. Corp. | 28,524.6 | 28,561.0 | 36.4 | 0.1% |
| Alaska Industrial Dev. & Export Auth. | 8,243.4 | 8,866.4 | 623.0 | 7.6% |
| Alaska Energy Authority | 56,394.4 | 37,792.3 | -18602.1 | -33.0% |
| **Total Corp./Agency/Other Expenditures** | **148591.6** | **139,364.8** | **2,326.9** | **1.6%** |

4

| (in Thousands) By Funding Source | FY 2009 Management Plan | FY 2010 Governor's Proposed | Difference Between FY 09 & FY 10 | % Change From FY 09 & FY 10 |
|---|---|---|---|---|
| Federal Receipts | 54,921.9 | 64,377.2 | 9,455.3 | 17.2% |
| General Fund Match | 799.2 | 810.7 | 11.5 | 1.4% |
| General Fund | 32,813.3 | 14,265.9 | -18,547.4 | -56.5% |
| General Fund Program | 18.7 | 18.7 | - | 0.0% |
| Inter-Agency Receipts | 13,080.5 | 13,685.8 | 605.3 | 4.6% |
| Commercial Fish Loan Fund | 3,704.2 | 3,784.5 | 80.3 | 2.2% |
| Surety Fund | 278.1 | 280.0 | 1.9 | 0.7% |
| CIP Reciepts | 4,330.9 | 4,461.6 | 130.7 | 3.0% |
| Power Project | 1,056.5 | 1,056.5 | - | 0.0% |
| Fisheries Enh. Rev. Loan Fund | 557.6 | 564.1 | 6.5 | 1.2% |
| Bulk Fuel Rev. Loan Fund | 53.7 | 53.7 | - | 0.0% |
| Power Cost Equalization | 28,160.0 | 32,160.0 | 4,000.0 | 14.2% |
| Alaska Aerospace Dev. Corp. | 452.4 | 521.4 | 69.0 | 15.3% |
| AIDEA Receipts | 5134 | 5,443.6 | 309.6 | 6.0% |
| Alaska Energy Authority | 1,067.1 | 1,067.1 | - | 0.0% |
| Statutory Designated Receipts | 1,474.6 | 474.8 | -999.8 | -67.8% |
| RCA Receipts | 8,371.3 | 8,074.3 | -297.0 | -3.5% |
| Receipt Supported Services | 28,001.0 | 27,100.6 | -900.4 | -3.2% |
| Rural Development Initiative Fund | 51.8 | 52.5 | 0.7 | 1.4% |
| Small Bus. Econ. Dev. Rev. Loan | 50.0 | 50.7 | 0.7 | 1.4% |
| Bus. & Corp. Receipts | 6,262.4 | 4,306.6 | -1,955.8 | -31.2% |
| Special Vehicle Reg. Receipts | 135.8 | 135.8 | - | 0.0% |
| Vehicle Rental Tax Receipts | 4,530.7 | 4,531.7 | 1.0 | 0.0% |
| Fuel Bridge Loan Fund | 218.0 | 218.0 | - | 0.0% |
| Capstone Avionics | 119.8 | 122.3 | 2.5 | 2.1% |
| **Funding Totals** | **195,643.5** | **187,618.1** | **-8,025.4** | **-4.1%** |

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**Total Permanent Positions**

| By Staff Category | FY 2009 Management Plan | FY 2010 Governor's Proposed | Difference Between FY 09 & FY 10 | % Change From FY 09 & FY 10 |
|---|---|---|---|---|
| Permanent Full-time | 523 | 525 | 2 | 0.38% |
| Permanent Part-time | 2 | 2 | 0 | 0% |
| **Total Permanent Staff** | **525** | **527** | **2** | **0.38%** |

| By Component Permanent (Full & Part) | FY 2009 Management Plan | FY 2010 Governor's Proposed | Difference Between FY 09 & FY 10 | % Change From FY 09 & FY 10 |
|---|---|---|---|---|
| **Division Components** | | | | |
| Commissioner's Office | 6 | 6 | - | 0.0% |
| Administrative Services | 46 | 46 | - | 0.0% |
| Serve Alaska | - | 3 | 3 | 100% |
| ASCSC | 3 | - | -3 | -100% |
| Banking & Securities | 20 | 22 | 2 | 10% |
| CDQ Program | - | - | - | 0.0% |
| DCRA | 59 | 59 | - | 0.0% |
| Corp, Bus. & Prof Licensing | 64 | 82 | 18 | 28.1% |
| Office of Con. Affairs and Invest. | 18 | 0 | -18 | -100.0% |
| Insurance | 53 | 53 | - | 0.0% |
| Investments | 44 | 44 | - | 0.0% |
| OED | 15 | 15 | - | 0.0% |
| **Total Division Component Staff** | **328** | **330** | **2** | **0.6%** |
| **Corporations/Agency/Other** | | | | |
| Alaska Seafood Marketing Inst. | 19 | 19 | 0 | 0.0% |
| Regulatory Commission of Alaska | 57 | 57 | 0 | 0.0% |
| Alaska Aerospace Dev. Corp. | 53 | 52 | -1 | -1.9% |
| Alaska Industrial Dev. & Export Auth | 68 | 69 | 1 | 1.5% |
| **Total Corp./Agency/Other Staff** | **197** | **197** | **0** | **0.0%** |
| **Total Permanent Staff** | **525** | **527** | **2** | **0.4%** |

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# Commissioner's Office

## Overview

Emil Notti,
Commissioner



**Our Mission:**

Promoting a healthy economy and strong communities.

The Department continues to make the organizational changes needed and necessary to carrying out our mission. We have made personnel changes in the Director's level of several Divisions and our Legislative Liaison position has a new face. I believe that our new Directors and Legislative Liaison are very capable and will serve the Department and the people of Alaska in an outstanding manner.

The Commissioner's Office has one Deputy Commissioner position filled and another authorized but with no funding. In these difficult economic times that has probably been unavoidable. Even though the mission of this Department is extremely diverse and demanding, our ability to manage the responsibilities of being not only the representative of commerce as well as community issues of the State has made me proud.

The Department is certainly in the middle of many exciting initiatives and activities. Whether it is our involvement in developing a strategy for alternative energy under the leadership of our Alaska Energy Authority, the participation of the Department in development of Climate Change Policies, the involvement of our staff in the creation of a Statewide Economic Development Strategy through the Alaska Industrial Development Authority, ensuring the health and credibility of our financial institutions, the protection of our residents from fraudulent schemes, or the safeguarding of the welfare of our rural communities in very difficult economic times, our Department and our staff are dedicated and capable.

Certainly the State finds itself, as does most of the world, in times of uncertainty and stress. However, the opportunities for Alaska certainly outshine most other states and some countries. But these are only opportunities and opportunities missed are doubly vexing. The Department must continue to provide essential services to the State of Alaska's residents if we are as a state to benefit from our unique geography, resources and people. I am committed to ensuring that each unit of this Department is fulfilling its mission in a way that lives up to the promises given upon the creation of this organization fifty years ago.

**Contact:**

Office of the Commissioner
P.O. Box 110800
Juneau, AK 99811-0800
Phone: 907-465-2505
Fax: 907-465-5442

## Commissioner's Office Financial Summary

| (In Thousands) By Expenditure Category | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY09 & FY10 | % Change From FY09 to FY10 |
|---|---|---|---|---|
| Personnel Service | 611.1 | 789.9 | 178.8 | 29.3% |
| Travel | 58.2 | 58.2 | - | 0.0% |
| Services | 65.5 | 65.5 | - | 0.0% |
| Commodities | 7.2 | 7.2 | - | 0.0% |
| Capital Outlay | - | - | - | 0.0% |
| Grants, Benefits | - | - | - | 0.0% |
| Miscellaneous | - | - | - | 0.0% |
| **Total Expenditures** | **742.0** | **920.8** | **178.8** | **24.1%** |

| (In Thousands) By Funding Source | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY09 & FY10 | % Change From FY09 to FY10 |
|---|---|---|---|---|
| General Fund Receipts | 99.1 | 100.1 | 1.0 | 1.0% |
| Inter-Agency Receipts | 642.9 | 820.7 | 177.8 | 27.7% |
| **Funding Totals** | **742.0** | **920.8** | **178.8** | **24.1%** |

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### Significant Budget Changes (in thousands)

1. Increase to reflect increases in core services: 171.0
2. Cost-of-living increases per union agreements: $7.8

| By Staff Category | FY 2009 Management Plan | FY 2010 Governor | |
|---|---|---|---|
| Permanent Full-time | 6 | 6 | **No Change** |
| Permanent Part-time | - | - | |
| Nonpermanent | - | - | |
| **Total Staff** | **6** | **6** | |

# Division of Administrative Services

Amanda Ryder,
Director



**Our Mission:**

To provide management services and centralized administrative support to the divisions and agencies in the department.

**Contact:**

Division of Administrative Services
P.O. Box 110803
Juneau, AK 99811-0803
Phone: 907-465-2505
Fax: 907-465-2563

The Division of Administrative Services provides management assistance to the Commissioner and professional support services for the Department's divisions and agencies. Centralized administrative support includes operating/ capital budgeting, financial management, procurement, property control, personnel actions and recruitment, and information technology.

The Finance Management Section reconciles grants and cooperative agreements with expenditures, prepares reimbursement requests, records receivables, and federal reports. The Department is substantially funded by sources other than State general funds. Most of the revenue received in the Department are revenues generated by the Department as well as federal receipts. The Division also develops the Department's cost allocation plan, calculates indirect costs and negotiates approval with the Federal Division of Cost Allocation. The Division prepares audit responses to audit recommendations and findings from OMB internal auditors, federal auditors and special audits conducted by state legislative auditors.

The Budget section provides departmental policy, procedures, processing, training and controls relating to the operating/ capital budget and ensuring compliance with state laws and regulations.

The Procurement Section provides services for all procurements over $25,000, professional service contracts, and alternate and exempt procurements. Procurement within DCCED is conducted in accordance with applicable laws and regulations.

The Information Technology (IT) Section focuses on providing coordination of computer services and programming activities to the entire department. At any one time, the IT section has between 20 and 25 active projects in various stages of implementation. The IT section chief acts as the Department liaison to the Department of Administration

Enterprise Technology Services. Key services include desktop deployment and support, custom systems programming and maintenance, website development and maintenance and providing all aspects of the computing infrastructure that the Department requires in fulfilling its mission.

## Accomplishments in FY08

**Supply and Inventory.** Programs were implemented to improve purchasing and property management systems allowing a smoother yearly inventory process as well as better tracking and documentation of the department's property.

**CBP Portal.** A custom portal was developed for the Division of Corporations, Business and Professional Licensing to integrate the division's applications into one location for ease of use.

**Business Licensing.** Developed a completely new .Net application to track and issue business licenses for the Division of Corporations, Business and Professional Licensing.

**Tax Assessor Reporting.** Implemented a new system to provide enhanced reporting capabilities to the state tax assessor's office.

**Oracle Strong Passwords.** Implemented new rules for password creation, retention and expiration for the Department's oracle users to provide for better security.

# Division of Administrative Services Financial Summary

| (in Thousands) By Expenditure Category | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Personnel Service | 3,871.9 | 3,948.8 | 76.9 | 2.00% |
| Travel | 47.5 | 47.5 | - | 0.0% |
| Services | 342.2 | 350.4 | 8.2 | 2.4% |
| Commodities | 61.1 | 61.1 | - | 0.0% |
| Capital Outlay | 26.1 | 26.1 | - | 0.0% |
| Grants, Benefits | - | - | - | 0.0% |
| Miscellaneous | - | - | - | 0.0% |
| **Total Expenditures** | **4,348.8** | **4,433.9** | **85.1** | **2.0%** |

| (in Thousands) By Funding Source | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| General Fund Receipts | 1,233.7 | 1,258.5 | 24.8 | 2.00% |
| Inter-Agency Receipts | 3,115.10 | 3,175.40 | 60.30 | 1.9% |
| **Funding Totals** | **4,348.8** | **4,433.9** | **85.1** | **2.0%** |



**Significant Budget Changes (in thousands):**

1. Increase to reflect increases in core services: $8.2
2. Cost-of-living increases per union agreements: $76.9

| By Staff Category | FY 2009 Management Plan | FY 2010 Governor |
|---|---|---|
| Permanent Full-time | 46 | 46 |
| Permanent Part-time | - | - |
| Nonpermanent | 1 | 1 |
| **Total Staff** | **47** | **47** |

No Change

# Serve Alaska

Nita Madsen,
Director





**Our Mission:**

Working together to foster, support and promote the ethic of service and volunteerism and to engage Alaskans of all ages and backgrounds in tangible, results-oriented community projects.

**Contact:**

Alaska State Community
Service Commission
550 W. Seventh Ave.
Suite 1770
Anchorage, AK 99501
Phone: 907-269-4659
Fax: 907-269-5666

The Alaska State Community Service commission (ASCSC) was created in 1994 by Governor Walter J. Hickel to establish the state's eligibility to receive AmeriCorps funding. In November 2008 Administrative Order 245 was issued to change the name to ***Serve Alaska.*** The State commission is comprised of a 15-25 member Governor appointed nonpartisan board. The composition of the Commission is legally constrained to ensure non-partisanship and political neutrality. The National and Community Service Trust Act and administrative regulations issued in conjunction with it, specify requirements for balance in the Commission.

Based on population and funding availability, the Commission recommends formula and competitive applications to the Corporation for National and Community Service. Applications are selected based on their ability to address unmet community needs in education, public safety, disability inclusion, homeland security, faith-based and community initiative, environment or other human needs.

## Our Goals

To more effectively serve the populace of our state, the Alaska State Community Service Commission (ASCSC) will place a priority on programs that address statewide needs. Programmatic focus areas shall include the following:

- Developing Young Alaskans: projects could include but are not limited to: life skills development, job readiness or education.
- Meeting the Needs of Rural Alaska: projects could include but are not limited to: health, environment, and youth development.
- Meeting Alaska's Social Needs: projects could include but are not limited to: prisoner reentry, domestic violence, and drug and alcohol dependency. **Serve Alaska,** the State Service Commission's Core Service is

*Vibrant and caring communities strengthen and sustained through service and volunteerism*

In Alaska last program year:

- **AmeriCorps members** served 275,400 hours in meeting critical community needs in education public safety, health and the environment (Based on $17.50 as an hourly wage this would equate to $4,181,950. AmeriCorps members can not replace an employee);
- **AmeriCorps members** providing tutoring & mentoring services resulted in 373 individuals receiving their GED;
- **AmeriCorps members** assisted 476 ex-offenders with service for re-entry, 32 of the ex-offenders received full-time employment as a result of the services provided;
- **AmeriCorps members** coordinated backhaul and recycling for 20 rural communities resulting in 1,113,402 pounds of solid waste removal;



AmeriCorps Members Oath of Service Group, April 2008

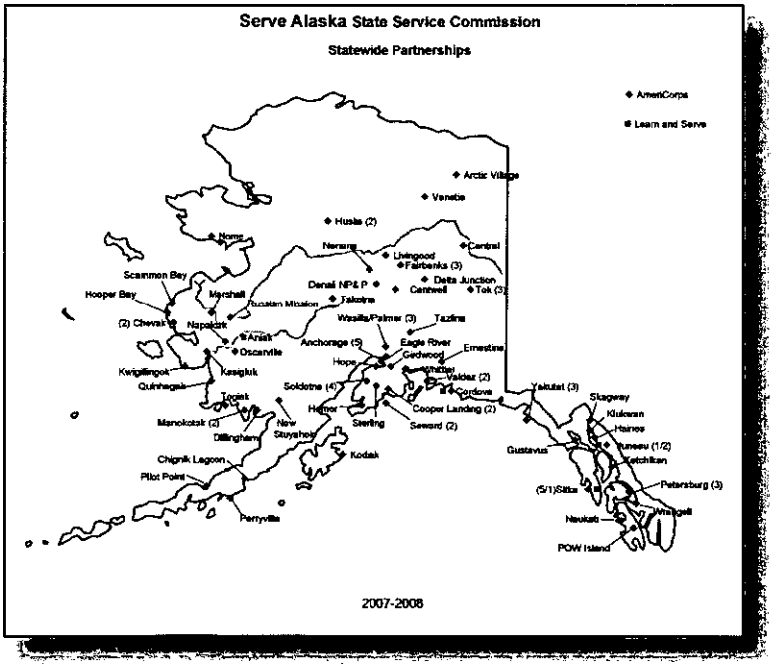
- **AmeriCorps members** recruited and engaged 6,669 volunteers in a wide variety of activities related to education, public safety, health and the environment.

In **Alaska** between March 1, 1994 and March 1, 2008

- There have been 2,558 AmeriCorps members enrolled, serving 3,221,148 hours of service and earned $6,049,584 of the Segal AmeriCorps Education Awards (scholarships).
- Between March 1, 1995 and March 1, 2008 $2,541,428, of the Segal Education Awards have been used to attend the Alaska Title IV Universities and Vocational Training Institutes.

The state **must** have a state commission in order to access the AmeriCorps funding

375 students have participated in the **Learn and Service America** programs in the state. The primary difference in service learning and community service projects is **Service Learning** must connect the service to the curriculum.



## Serve Alaska Financial Summary

| (in Thousands) By Expenditure Category | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Personnel Service | - | 260.0 | 260.0 | 100.0% |
| Travel | - | 57.3 | 57.3 | 100.0% |
| Services | - | 155.0 | 155.0 | 100.0% |
| Commodities | - | 12.1 | 12.1 | 100.0% |
| Capital Outlay | - | 8.0 | 8.0 | 100.0% |
| Grants, Benefits | - | 2,797.3 | 2,797.3 | 100.0% |
| Miscellaneous | - | - | - | 100.0% |
| **Total Expenditures** | **-** | **3,289.7** | **3,289.7** | **100.0%** |

| (in Thousands) By Funding Source | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Federal Receipts | - | 3,072.9 | 3,072.9 | 100.0% |
| General Fund Match | - | 86.0 | 86.0 | 100.0% |
| General Fund Receipts | - | 26.1 | 26.1 | 100.0% |
| Statutory Designated Receipts | - | 104.7 | 104.7 | 100.0% |
| **Funding Totals** | **-** | **3,289.7** | **3,289.7** | **100.0%** |

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### Significant Budget Changes (in thousands):

1. Cost-of-living increases per union agreements: $4.9

| By Staff Category | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Permanent Full-time | - | 3 | 3 | 100% |
| Permanent Part-time | - | - | - | - |
| Nonpermanent | - | - | - | 0.0% |
| **Total Staff** | **-** | **3** | **3** | |

## ASCSC Financial Summary

| (In Thousands) By Expenditure Category | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Personnel Service | 242.6 | - | -242.6 | -100.0% |
| Travel | 57.3 | - | -57.3 | -100.0% |
| Services | 167.5 | - | -167.5 | -100.0% |
| Commodities | 12.1 | - | -12.1 | -100.0% |
| Capital Outlay | 8.0 | - | -8 | -100.0% |
| Grants, Benefits | 2,797.3 | - | -2,797.3 | -100.0% |
| Miscellaneous | - | - | 0 | -100.0% |
| **Total Expenditures** | **3,284.8** | **-** | **-3,284.8** | **-100.0%** |

| (In Thousands) By Funding Source | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Federal Receipts | 3,069.7 | - | -3,069.7 | 100.0% |
| General Fund Match | 84.5 | - | -84.5 | 100.0% |
| General Fund Receipts | 26.1 | - | -26.1 | 100.0% |
| Statutory Designated Receipts | 104.5 | - | -104.5 | 100.0% |
| **Funding Totals** | **3,284.8** | **-** | **-3,284.8** | **100.0%** |

| By Staff Category | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Permanent Full-time | 3 | - | -3 | -100% |
| Permanent Part-time | - | - | - | - |
| Nonpermanent | - | - | - | 0.0% |
| **Total Staff** | **3** | **-** | **-3** | **-100.0%** |

# Division of Banking and Securities

Lorie L. Hovanec,
Director





**Our Mission:**

Protect consumers of financial services and maintain a safe and sound state financial system.

**Contact:**

Division of Banking and Securities
P.O. Box 110807
Juneau, AK 99811-0807
Phone: 907-465-2521
Fax: 907-465-2549

## Banking Section

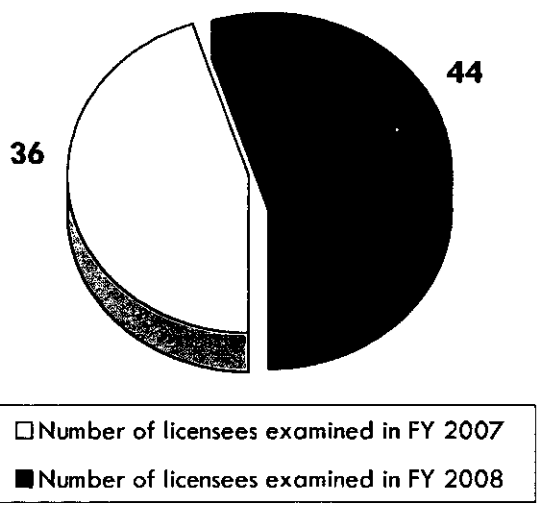
Seventy-one financial institutions are subject to regulation by the Division, including banks, credit unions, trust companies, small loan companies, payday lenders and premium finance companies.

### Our Accomplishments:

- We conducted examinations of more than half of the institutions we supervise, or 44 financial institutions; the majority was conducted on the premises of the institution.

  *(Note: most institutions are examined once every 18 months as required by statute).*

**Examinations Conducted**




- As a result of our investigations into licensed activity, the Division required refunds of approximately $10,000 in finance charges and fees made directly to Alaska borrowers.

- We approved four new licenses to conduct a payday lending business in Alaska and four new licenses to conduct a premium finance business in Alaska.
- One payday loan license voluntarily surrendered it's license due to a felony conviction.
- Seven out of eight licensed small loan offices restructured to operate under a national bank umbrella and are no long subject to state law.




**Don't Borrow Trouble-Alaska" Campaign Partners**
AARP Alaska
Alaska Housing Finance Corporation
Alaska Legal Services
Alaska Office of Faith-Based & Community Initiatives
Alaska Mortgage Bankers Association
Alaska Public Interest Research Group
Anchorage Board of Realtors
Anchorage Equal Rights Commission
Anchorage Neighborhood Housing Services
Association of Alaska Housing Authorities
Consumer Credit Counseling Services
Cook Inlet Tribal Council
Fairbanks Neighborhood Housing Services
Federal Trade Commission
State of Alaska Division of Banking & Securities
State of Alaska Attorney General's Office
United Way of Anchorage
U.S. Attorney's Office
YWCA of Anchorage

- The Division approved the merger of a national bank into a state bank.
- The Division approved the acquisition of a state chartered trust company.

## Securities Section

### The Mission

The Securities Section of the Alaska Division of Banking and Securities administers and enforces the Alaska Securities Act and associated regulations. The administrative function includes regulating securities offerings (stocks, bonds, mutual funds etc.) and registering the firms and individuals who sell securities or give investment advice.

The enforcement function includes handling complaints and investigations of registered entities and regulated offerings as well as investigating unregistered activities (scams), whether offered directly by an individual or via phone, internet, newspaper, or public meetings. The Securities section's primary mission is protecting Alaska residents from investment activities that may cause financial harm.

### Highlights

The Securities section in FY 2008 generated over $13 million in revenue with a budget of approximately two million dollars. The operation of the section is completely industry-supported through the assessment of various fees.

### Activities

- Completed the registration of over 60,000 broker-dealer and investment advisers firms and their agents.
- Completed the registration of over 5,000 mutual funds to be sold to Alaska investors.
- Completed the registration of almost 300 exempt securities transaction for the creation of Alaska businesses.
- Completed the registration of almost 350 security offerings.
- Completed or in process of completing over 50 securities investigations. The Division's goal is to conduct a thorough investigation to determine if a law has been violated and protect investors and Native shareholders.

- Completed 13 determinations or interpretive opinions regarding securities issues.

### Major Accomplishments

- Conducted investigations of several brokerage firms regarding the failure of the Auction Rate Securities market. The Division received complaints that represented almost $100 million in invested funds. Final resolution of the complaints is continuing into FY 2009.

- Planning outreach for FY 2009 in coordination with AARP to deliver investor education to fourteen communities. In FY 2008, delivered investor education program with AARP to eleven communities and over 1,500 Alaskans.

### ANCSA Oversight

The Securities Section also provides oversight for those Alaska Native Claims Settlement Act (ANCSA) corporations which by statute are require to submit their annual reports and election proxy materials to the Division. The Division's review of these documents is limited to ensuring that they comply with AS 45.55.160, which requires that documents not contain an untrue statement or an omission of a material fact which is necessary in order to make the statement, in the light of the circumstance under which it is made, not misleading. In FY 08 the Securities Section reviewed ANCSA documents and investigated 35 complaints that certain reports and materials were untrue or misleading.

## Consumer Finance Section

In addition to its banking and securities sections, the Division added a third section in response to added responsibilities under two new laws which came into effect July 1, 2008:

(1) The Alaska Mortgage Lending Regulation Act, under which the Division licenses, examines and regulates mortgage loan originators, brokers and lenders and

(2) The Alaska Uniform Money Services Act under which the Division licenses, examines and regulates money service businesses (businesses which sell or issue money orders, traveler's checks or stored value cards, receive money for transmission, and exchange currency).

### Our Accomplishments

- Section Chief position was filled by an existing Division examiner who worked on the legislation.

- In the final months of FY 08, the Division set up the new section's structure, office space and prepared to hire more staff.

- The section is now up and running in FY 09 and is conducting licensing activities under these new laws. It is anticipated that 200 licenses for mortgage lending and 35 licenses for money service businesses will be issued during FY 09.

# Banking and Securities Financial Summary

| (in Thousands) By Expenditure Category | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Personnel Service | 1,753.9 | 1,971.5 | 217.6 | 12.41% |
| Travel | 116.6 | 141.6 | 25.0 | 21.44% |
| Services | 1,090.5 | 1,092.9 | 2.4 | 0.22% |
| Commodities | 16.4 | 53.4 | 37.0 | 225.61% |
| Capital Outlay | 63.0 | 28.0 | (35.0) | -55.56% |
| Grants, Benefits | - | - | - | 0.0% |
| Miscellaneous | - | - | - | 0.0% |
| **Total Expenditures** | **3,040.4** | **3,287.4** | **247.0** | **8.1%** |

| (in Thousands) By Funding Source | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Federal Receipts | 250.0 | 250.0 | - | 0.00% |
| Receipt Supported Services | 2,790.4 | 3,037.4 | 247.0 | 8.9% |
| **Funding Totals** | **3,040.4** | **3,287.4** | **247.0** | **8.1%** |



## Significant Budget Changes (in thousands):

1. Increase to reflect increases in core services: $8.2
2. Cost-of-living increases per union agreements: $39.0
3. Implement mortgage licensee examinations every three years: $208.0

| By Staff Category | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Permanent Full-time | 20 | 22 | 2 | 10% |
| Permanent Part-time | 0 | 0 | 0 | - |
| Nonpermanent | 0 | 0 | 0 | 0.0% |
| **Total Staff** | **20** | **22** | **2** | **10.0%** |

# Division of Community & Regional Affairs

Tara Jollie, Director





**Our Mission:**

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

**Contact:**

Division of Community & Regional Affairs
550 W. 7th Avenue
Suite 1770
Anchorage, AK 99501
Phone: 907-269-4501
Fax: 907-269-4539

DCRA is a small Division of 60 dedicated staff that strive to meet its constitutional mandate to "advise and assist local governments." Much of our attention is focused on smaller communities because of their limited resources and need for this type of technical assistance. DCRA maintains seven offices throughout the state to allow staff a closer relationship with our constituent groups. The breadth of programs offered by DCRA is significant. Services include providing technical assistance for local government administration and rural utility management, Municipal Trust Lands management, administration of more than 2,000 grants, coordinating community mapping projects, preparing reports on municipal boundary alterations for the Local Boundary Commission, and researching a myriad of other issues affecting Alaskans. DCRA also plays a significant role in collaborating with other agencies for the benefit of Alaska's rural communities.

## Our Accomplishments

**Rural Utility Business Advisor Program**, or RUBA, provides technical assistance for effective rural utility management. The majority of DCRA's regional office staff is RUBA and funded by the federal Environmental Protection Agency (EPA). RUBA staff is charged with providing the technical assistance necessary to manage sanitation services in rural Alaska. A small number of DCRA staff complement the RUBA program and provide local government assistance to those communities that do not participate in the federal program.

RUBA staff and local government specialists made 182 trips to 172 communities for a total of 470 days of on-site assistance in the areas of utility management, financial management, personnel issues, elections and ordinance adoption. Staff presented nine 32-hour Utility Management classes in six regional locations throughout the state to 102 utility managers. Contractors funded by RUBA presented three regional QuickBooks accounting classes to 32 participants representing 23 communities. Contractors also completed on-site installation and training for QuickBooks in the communities of Port Lions, Houston, Fort Yukon, and Thorne Bay.

**Municipal Lands Trustee Program:** DCRA assistance was instrumental in the settlement of land claims and the submission of boundary maps for the communities of Igiugig and Chefornak. ANCSA 14(c) lands were surveyed in Ninilchik, Mekoryuk and Naknek. Final plats were recorded for Allakaket, Kaltag, and Twin Hills.

**Community Planning:** DCRA Planning section provides technical advice, training, and funding opportunities for community and regional planning. These services include the National Flood Insurance Program which provides an opportunity for individuals, businesses, and renters in 32 cities and boroughs to purchase flood insurance coverage. Planning staff also serves as coordinator for the Newtok Planning Group, a multi-agency group assisting the Native Village of Newtok in its relocation efforts.

**Grants and Financial Aid to Communities:** DCRA grant administrators administered $900 million representing 11 programs with an average of over 200 grants per administrator. DCRA is also responsible for administering several state and federal shared revenue programs which provide financial assistance directly to communities, including Community Revenue Sharing, Payment in Lieu of Taxes, National Forest Receipts, Shared Fisheries Business Tax, and Fishery Resource Landing Tax.

**Staff to the Local Boundary Commission:** In 2008, DCRA replaced the LBC Director with Brent Williams. LBC worked on major issues involving Commission decisions: incorporation of a new Wrangell borough; and, annexation to the Ketchikan Gateway Borough. As a result of the Commission's revised regulations that took effect, January 9, 2008, LBC staff initiated required revisions to all boundary-change petition forms.

**State Assessor's Office:** The annual full value determination for taxable property in 84 municipalities was again completed within statutory deadlines. The office presented ten training workshops on assessment practices and Boards of Equalization. New personal property value models reflecting full values of several different categories of property were developed. The office also conducted audits on assessment practices for Ketchikan Gateway Borough, Haines Borough, Kenai Peninsula Borough and the Fairbanks North Star Borough. The office also assisted the Kenai Peninsula Borough assembly with reviewing assessment alternatives for tax purposes. This involved several meetings with the assembly and the public to investigate allegations of problems with the current methodology.

**Research and Analysis:** DCRA's research section maintains widely used Community Profile and Capital Projects databases. The database provides internet access to every municipal budget and year-end financial statement submitted to DCRA annually. The Financial Documents Delivery System is available through DCRA's website. The section also publishes reports on fuel prices across Alaska, as well as bi-monthly reports on liens filed against rural local governmental entities.

# Division of Community & Regional Affairs Financial Summary

| (in Thousands) By Expenditure Category | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Personnel Service | 5,430.4 | 5,536.9 | 106.5 | 2.0% |
| Travel | 250.9 | 250.9 | - | 0.0% |
| Services | 2,182.1 | 1,875.8 | (306.3) | -14.0% |
| Commodities | 65.0 | 65.0 | - | 0.0% |
| Capital Outlay | 14.0 | 14.0 | - | 0.0% |
| Grants, Benefits | 1,960.8 | 1,960.8 | - | 0.0% |
| Miscellaneous | - | - | - | 0.0% |
| **Total Expenditures** | **9,903.2** | **9,703.4** | **(199.8)** | **-2.0%** |

| (in Thousands) By Funding Source | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Federal Receipts | 2,364.3 | 2,364.3 | - | 0.0% |
| General Fund Match | 714.7 | 724.7 | 10.0 | 1.4% |
| General Fund Receipts | 1,370.9 | 3,460.9 | 2,090.0 | 152.5% |
| General Fund Program Receipts | 18.7 | 18.7 | - | 0.0% |
| Inter-Agency Receipts | 838.4 | 497.8 | (340.6) | -40.6% |
| Debt Retirement | - | - | - | 0.0% |
| CIP Receipts | 682.8 | 694.9 | 12.1 | 1.8% |
| Statutory Designated Receipts | 31.1 | 31.1 | - | 0.0% |
| Bus. & Corp. Receipts | 3,528.5 | 1,557.2 | (1,971.3) | -55.9% |
| Vehicle Rental Tax Receipts | 135.8 | 135.8 | - | 0.0% |
| Anatomical Gift Awareness Fund | - | - | - | 0.0% |
| Bulk Fuel Bridge Loan Fund | 218.00 | 218.00 | - | 0.0% |
| **Funding Totals** | **9,903.2** | **9,703.4** | **(199.8)** | **-2.0%** |

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## Significant Budget Changes (in thousands):

1. Cost-of-living increases per union agreements: $110.8
2. Replace $2 million of Business License revenue with GF due to reduction in cost of a business license
3. Remove excess expenditure authority: $340.6

| By Staff Category | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Permanent Full-time | 59 | 59 | 0 | 0.0% |
| Permanent Part-time | 0 | 0 | 0 | 0.0% |
| Nonpermanent | 3 | 1 | -2 | -66.7% |
| **Total Staff** | **62** | **60** | **-2** | **-3.2%** |

# Division of Corporations, Business, and Professional Licensing

Lynne Smith, Director



**Our Mission:**

To ensure that competent professional and commercial services are available to Alaska consumers; and to protect the public from unethical and incompetent providers of services

**Contact:**

Division of Corporations, Business, and Professional Licensing
300 W. Willoughby Ave.
9th Floor
PO Box 110806
Juneau, AK 99811-0805
Phone: 907-465-2530
Fax: 907-465-3257

The Division of Corporations, Business and Professional Licensing regulates 39 professional and occupational licensing programs and administers the Alaska business licensing and corporations programs. Each year, the Division regulates over 100,000 individuals, businesses and corporations that offer services to Alaska consumers. To effectively administer these regulatory programs, there are 20 professional licensing boards and commissions established by Alaska Statutes that regulate certain industries. Individuals who serve on these boards and commissions are appointed by the Governor, confirmed by the Legislature and are comprised of industry and public members. The Division provides administrative, budgetary, and investigation services to the regulatory programs when appropriate. There are 19 programs solely administered through the Division without the oversight of a board or commission.



The Division licenses businesses to engage in commerce in Alaska and grant tobacco endorsements for sale of tobacco or tobacco-related products. The Division also registers corporations and trademarks for entities engaged in commerce in Alaska.

- Serve as a one-stop location to investigate and resolve consumer complaints regarding state licenses, state licensed non-depository lending, money service companies and other state licensed businesses.
- Provide consumer outreach and education regarding consumer borrowing and the use of state licensed professionals.

## Issues Addressed in 2008

- Implementation of the Alaska Mortgage Licensing Regulation Act.
- Prescription Drug Monitoring Program signed into law.

- Veterinary students in their fourth year are authorized to perform an internship in Alaska. Statutory changes were also enacted allowing researchers and out of state experts to assist State licensed veterinarians without encountering licensing issues.
- The Division is encouraging licensees to use the web for renewals by mailing notices instead of renewal forms to licensees and advising how to renew online or how to download application forms.
- Coordination efforts between U.S. Coast Guard, U.S. Customs Office, Alaska State Troopers and local harbormasters' offices has resulted in greater compliance of marine pilot exemption laws on foreign pleasure craft entering southeast waters.

## Coming in Fiscal Year 2010

- Online capabilities for licensing programs that currently do not have online capabilities.
- Provide new guide unit area maps for the Big Games Commercial Services Board along with access to Guide Hunt and Transporter Activity Records via the internet.
- Business license fees are decreased from $100 to $50 annually.

## Corporations, Business and Professional Licensing

| (in Thousands) By Expenditure Category | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Personnel Service | 4,073.3 | 5,710.8 | 1,637.5 | 40.2% |
| Travel | 334.4 | 344.4 | 10.0 | 3.0% |
| Services | 4,246.7 | 4,647.0 | 400.3 | 9.4% |
| Commodities | 80.7 | 105.7 | 25.0 | 31.0% |
| Capital Outlay | 137.4 | 137.4 | 0.0 | 0.0% |
| Grants, Benefits | - | - | - | 0.0% |
| Miscellaneous | - | - | - | 0.0% |
| **Total Expenditures** | **8,872.5** | **10,945.3** | **2,072.8** | **23.4%** |

| (in Thousands) By Funding Source | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Federal Receipts | 400.0 | 400.0 | 0.0 | 0.0% |
| Inter-Agency Receipts | 317.5 | 692.0 | 374.5 | 118.0% |
| Surety Fund | 278.1 | 280.0 | 1.9 | 0.7% |
| CIP Receipts | - | - | 0.0 | 0.0% |
| Receipt Supported Services | 6,343.9 | 8,024.8 | 1,680.9 | 26.5% |
| Bus. & Corp. Receipts | 1,533.00 | 1,548.50 | 15.5 | 1.0% |
| **Funding Totals** | **8,872.5** | **10,945.3** | **2,072.8** | **23.4%** |



### Significant Budget Changes (in thousands):

1. Increase to reflect increases in core services: $26.4
2. Cost-of-living increases per union agreements: $98.9

| By Staff Category | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Permanent Full-time | 64 | 82 | 18 | 28.1% |
| Permanent Part-time | - | - | - | 0.0% |
| Nonpermanent | - | - | - | 0.0% |
| **Total Staff** | **64.0** | **82.0** | **18.0** | **28.1%** |

# Division of Insurance

Linda Hall, Director





**Our Mission:**

To assure competitive, viable, ethical and lawful insurance is available to Alaskans

**Contact:**

Division of Insurance
550 W 7th Ave Ste 1560
Anchorage, AK 99501
Phone: 907-269-7900
Fax: 907-269-7910

The Division of Insurance provides the regulatory framework for insurance industry operations in Alaska and impacts consumers, agents, and insurance companies. Oversight of both the financial solvency and the underwriting and claims practices of insurance entities is a primary regulatory function.

For FY 08 total premium taxes and penalties collected by the Division on insurace business written in Alaska were $48,494,318 with an additional $11,510,009 collected in fees from the entities regulated for a total revenue attributed to the Division of $60,004,327. Total premiums written in Alaska in calendar year 2007 was $2.926 billion with 1,068 insurance companies doing business in Alaska on an admitted basis.

The National Association of Insurance Commissioners renewed the Division's accreditation in September of 2007. This accreditation is a recognition that the financial analysis and examinations performed by the Alaska examiners can be relied upon by other regulatory jurisdictions.

## Core Services

### Licensing

The Licensing section oversees and administers licenses of agents in compliance with Alaska statutes and regulations as one component of the emphasis on public protection in the Division.

### Compliance

Compliance is monitored by the Financial Examination section and the Market Conduct section. These sections enforce statutes and regulations and conduct examinations of insurance companies and agencies. The third compliance section is Financial Reports and Audits which enforces statutes and regulations on tax and surplus lines matters and collects premium tax revenue for the State.

The Financial Examination section conducts examinations that are the primary method of oversight of the financial condition of insurance companies and focus on solvency. The Market Conduct Examination section monitors the insurance market for signs of problems. Both sections work collaboratively with the other Division sections to provide technical support.

## Investigations

This section investigates alleged or suspected fraudulent insurance activities. In FY 2007, 54 cases were opened and reviewed in the Investigation section. Since early 2006 there have been eight criminal.

## Filing Approval

The Filings Review section monitors the raters and policy forms used by insurers providing insurance coverage for Alaskans. The rate review considers the funds needed to pay claims. In 2007, the section reviewed 4,022 rate and form filings.

## Public Information

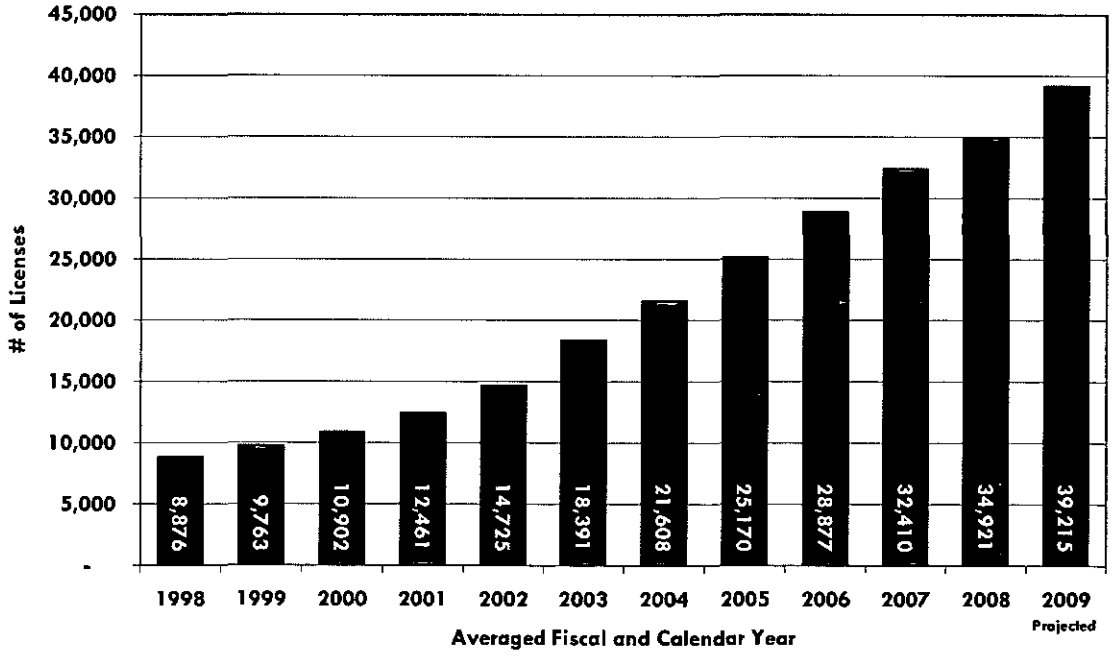
Public information and education are key to preventing insurance fraud and promoting consumer protection. Outreach efforts include presentations to community groups and press releases about current insurance topics. In addition, education materials are prepared, such as guides for consumers on Homeowners and Auto insurance, long term care and many more.

Consumer Services specialists investigation complaints, gather and evaluate data, research insurance laws and take appropriate action to bring the complaint to proper resolution.

In 2007, 331 consumer complaints were opened and the specialists resolved complaints that provided additional benefit payments to consumers of $634,228. The Division web site includes an electronic consumer complaint form which has made reporting a complaint to the Division easier.



**Number of Licenses Maintained by the Division of Insurance**



## Division of Insurance Financial Summary

| (In Thousands) By Expenditure Category | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Personnel Service | 4,316.4 | 4,525.5 | 209.1 | 4.8% |
| Travel | 187.5 | 187.5 | - | 0.0% |
| Services | 1,784.9 | 1,798.7 | 13.8 | 0.8% |
| Commodities | 59.2 | 59.2 | - | 0.0% |
| Capital Outlay | 35.3 | 35.3 | - | 0.0% |
| Grants, Benefits | - | - | - | 0.0% |
| Miscellaneous | - | - | - | 0.0% |
| **Total Expenditures** | **6,383.3** | **6,606.2** | **222.9** | **3.5%** |

| (In Thousands) By Funding Source | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| CIP Receipts | - | 125.3 | 125.3 | 100.0% |
| Receipt Supported Services | 6,383.30 | 6,480.90 | 97.60 | 1.5% |
| **Funding Totals** | **6,383.3** | **6,606.2** | **222.9** | **3.5%** |

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### Significant Budget Changes (in thousands):

1. Reflect funding for temporary positions working on an imaging capital project: $122.8
2. Cost-of-living increases per union agreements: $100.1

| By Staff Category | FY 2009 Management Plan | FY 2010 Governor | |
|---|---|---|---|
| Permanent Full-time | 53 | 53 | **No Change** |
| Permanent Part-time | - | - | |
| Nonpermanent | 3 | 3 | |
| Total Staff | 56 | 56 | |

# Division of Investments

Greg Winegar,
Director



**Our Mission:**

Promote economic development and provide interagency and interdepartmental servicing of loan portfolios that increase operational efficiencies and to protect the State's investments in the loan funds administered by ADI while providing a return of capital when it does not impair program missions.

**Contact:**

Division of Investments
PO Box 34159
Juneau, AK 99803-4159
Phone: 907-465-2510
Fax: 907-465-2103

The Alaska Division of Investments (ADI) mission is to promote economic development and provide interagency and interdepartmental servicing of loan portfolios that increase operational efficiencies and to protect the State's investments in the loan funds administered by ADI while providing a return of capital when it does not impair program missions.

## Lending



ADI accomplishes its mission by administering and servicing thirteen loan programs under the Department of Commerce, Community, & Economic Development. These programs were primarily designed to promote economic development through direct state lending in industries and areas of the state that are not adequately serviced by the private sector. Private sector financing for these programs is generally not feasible due to limitations on the types of collateral available or because of a higher level of risk.

Active lending is available in six loan programs: Capstone Avionics, Commercial Fishing Revolving Loan Fund, Fisheries Enhancement Revolving Loan Fund, Small Business Economic Development Revolving Loan Fund, the Rural Development Initiative Fund and the Self Help Group Home Loan Program. These programs accomplish important policy goals as they create jobs for Alaskans, generate significant economic activity and provide a revenue stream back to the state in the form of earnings. These programs are completely self-sufficient and receive no support from the General Fund.

ADI provides loan servicing in six portfolios for four other state agencies: the Alaska Industrial Development and Export Authority, the Division of Community & Regional Affairs, the Department of Health and Social Services, and the Department of Environmental Conservation.

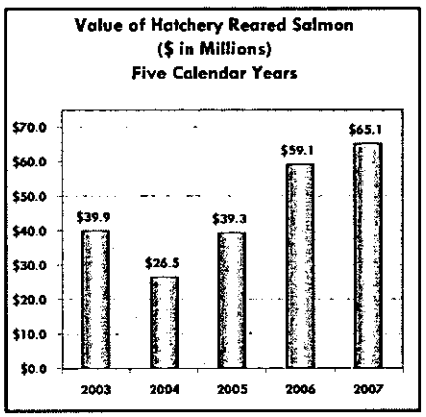
## Commercial Fishing Revolving Loan Fund

This program benefits Alaska's economy by promoting the development of a predominantly resident fishery. This is accomplished by providing low interest rate loans to Alaskan commercial fishing harvesters to help them purchase limited entry permits, quota share, vessels and gear. During FY 08 120 new loans were made totaling $6.7 million. A total of 361 jobs were either created or saved as a result of these loans.

In September 2008 ADI created a new loan program that will provide low-interest loans to commercial fishing vessel owners who wish to replace older engines with new, more fuel efficient engines. These loans not only improve the viability of Alaskan fishing operations, they also benefit the environment by reducing the industry's carbon footprint. Since inception twenty-six loan applications have been received totaling $1.2 million.

## Fisheries Enhancement Revolving Loan Fund

This program promotes the enhancement of the State's fisheries by making loans to qualified nonprofit corporations to build and operate salmon hatcheries and to engage in other fisheries related enhancement activities. During FY 08 four loans were made totaling $2.2 million. Salmon hatcheries provide a significant financial contribution to numerous coastal economies.




## Rural Development Initiative Fund

This program benefits Alaska's economy by creating jobs and generating economic activity in communities of 5,000 or less. During FY 08 a total of five loans were made that created or saved forty-nine jobs.

## Small Business Economic Development Revolving Loan Fund

This program benefits Alaska's economy by creating jobs and generating economic activity in areas of the state that have experienced economic difficulties. During FY 08 a total of seven loans were made that created or saved seventy jobs.

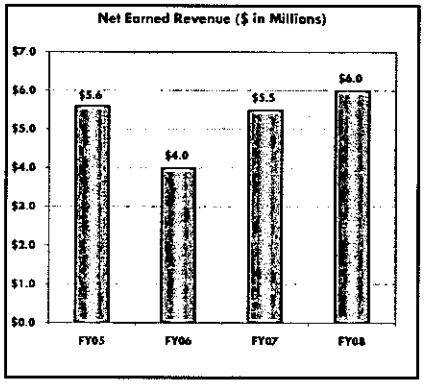
## Alaska Capstone Avionics Loan Program

The Alaska Capstone Avionics Loan Program (Capstone Program) was implemented July 1, 2008. The Capstone Program is a joint endeavor involving both federal and state government and private industry in an effort to improve aviation safety as well as enhancing economic efficiency in the State of Alaska. The Capstone Program provides low interest loans to aircraft owners that fly a substantial number of flight hours in Alaska so that they can purchase Capstone Avionics equipment. This equipment allows aircraft to interact with ground infrastructure and satellite stations to provide pilots with a whole package of real time data needed for safe flight. The Federal Aviation Administration (FAA) has committed to installing and maintaining the required ground infrastructure (approximately $493 million) if a sufficient number of aircraft owners install the Capstone Avionics equipment. A pilot project demonstrated that aircraft equipped with Capstone Avionics were involved in 47% fewer accidents. The FAA estimated that the state could reap $824 million in safety and

community access benefits over the next twenty-seven years as a result of this new technology. ADI developed program regulations, policies and procedures, accounting infrastructure and servicing guidelines by the July 1st implementation date. Since inception, six loans have been made totaling $562,100.

## Net Earned Revenue used for Government Operations

In addition to accomplishing very important policy goals, proper financial management of the loan portfolios creates earnings that can be made available for the operations of state government without sacrificing program goals. Improved market conditions and efficient program management resulted in increased earnings in FY 08.




## Volunteer Tax & Loan Program

ADI supports and promotes economic development not only through their loan programs, but also through the Volunteer Tax & Loan Program (VTLP), which has been operating successfully since it originated in 1996. The VTLP was created as an effort to lay a foundation for strengthening the commercial fishing industry and rural Alaska's fishing community's economy. The VTLP program is a cooperative effort between ADI, the Alaska Business Development Center (ABDC), the University of Alaska Anchorage, the Internal Revenue Service and the private sector. Each year ABDC's VTLP sends volunteers to rural communities to assist taxpayers with the completion of tax returns and provides them with tax education. The program also serves taxpayers through a mail-in site located in the Anchorage office. ADI directly supports the VTLP through a fisheries business development contract with ABDC. The focus of the VTLP continues to be rural harvesting communities targeted by the IRS as having tax compliance issues. The VTLP program has won four national awards for excellence and is an outstanding example of how the state, federal government, higher education system and private sector can work together to create a program that accomplishes program goals for all concerned. Since inception, 45,692 Alaskan's have been assisted and a total of 22.7 million in tax refunds has been returned to the communities.

# Division of Investments Financial Summary

| (in Thousands) By Expenditure Category | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Personnel Service | 3,473.7 | 3,543.5 | 69.8 | 2.0% |
| Travel | 33.5 | 33.5 | - | 0.0% |
| Services | 936.1 | 957.1 | 21 | 2.2% |
| Commodities | 38.4 | 38.4 | - | 0.0% |
| Capital Outlay | 5.8 | 5.8 | - | 0.0% |
| Grants, Benefits | - | - | - | 0.0% |
| Miscellaneous | - | - | - | 0.0% |
| **Total Expenditures** | **4,487.5** | **4,578.3** | **90.8** | **2.0%** |

| (in Thousands) By Funding Source | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Inter-Agency Receipts | 4.1 | 4.2 | 0.1 | 2.4% |
| Commercial Fish Loan Fund | 3,704.2 | 3,784.5 | 80.3 | 2.2% |
| Fisheries Enh. Rev. Loan Fund | 557.6 | 564.1 | 6.5 | 1.2% |
| Rural Dev. Initiative Fund | 51.8 | 52.5 | 0.7 | 1.4% |
| Small Bus. Dev. Rev. Loan Fund | 50.0 | 50.7 | 0.7 | 1.4% |
| Capstone Avionics | 119.80 | 122.30 | 2.50 | 2.1% |
| **Funding Totals** | **4,487.5** | **4,578.3** | **90.8** | **2.0%** |

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## Significant Budget Changes (in thousands):

1. Increase to reflect increases in core services: $13.6
2. Cost-of-living increases per union agreements: $77.2

| By Staff Category | FY 2009 Management Plan | FY 2010 Governor | |
|---|---|---|---|
| Permanent Full-time | 44 | 44 | **No Change** |
| Permanent Part-time | - | - | |
| Nonpermanent | 1 | 1 | |
| **Total Staff** | **45** | **45** | |

# Office of Economic Development

Joe Austerman,
Manager



**Our Mission:**

Support the advancement of successful tourism, film, fisheries, forest products, minerals, and small business assistance programs in order to increase economic activity in Alaska and create new employment for Alaskans.

**Contact:**

Office of Economic Development
550 W. 7th Avenue
Suite 1770
Anchorage, AK 99501
Phone: 907-269-8100
Fax: 907-269-8125

The Office of Economic Development continues to pursue its mission of responsible industry advocacy for the benefit of Alaska. Our primary focus is in fostering responsible development of the mineral, timber, film, tourism, and fishery industries as well as assisting with small business development. OED's unique positioning within government provides for a critical conduit between the State and industries that are seeking to do business in Alaska. The industry development specialists in OED work with industry and policy makers alike in offering expertise in recognizing and capitalizing on opportunities with an emphasis on achieving a mutually beneficial outcome for both industry and the people of Alaska.



In the past year, OED has expanded our area of expertise and broadened our economic analysis abilities by adding a senior level economist to our staff. Having a senior level economist along with industry expertise has bolstered OED's capacity to provide timely and valuable economic and cost benefit analysis in evaluating policy and investment along with the potential impact to community and industry.

While we advocate for the proper development of industry, our customers are the people of Alaska and we are proud to be of service to them.

## OED Publications and Reports

- Alaska Economic Performance Report and Net Rate of Return
- Alaska's Mineral Industry Report
- Report of the Alaska Minerals Commission
- Alaska Logging History for Society of American Foresters
- Film Office Annual Report – Available February of 2009'

- Also provide economic information and opinions to multiple users including Governor's Office, representatives, Department of Fish and Game, Department of Transportation, AIDEA, and general public

## Office of Economic Development Highlights of 2008

**Fisheries:** Our industry development specialist works with industry, state, federal and local agencies serving as a primary conduit for fisheries related economic development projects in Alaska.

**Film:** Film is a relatively new sector to OED created with the passing of SB230. The primary activity associated with this sector has been in getting it rolled out. As of January of 09', the office is staffed and regulations supporting the bill are ready for public review and comment.

- The office has processed and approved three Pre Qualifying applications with an estimated qualifying spend in Alaska at just under $5 million.
- Disney has completed production work and is waiting for the final regulations package to apply for the final tax credit.

**Tourism:** OED's tourism staff continues to successfully assist entrepreneurs, primarily rural, interested in establishing tourism based business and draw new dollars to their communities. Activities for the year include:

- The Developing Alaska Rural Tourism (DART) project is a partnership between OED and the (U.S.) Economic Development Administration (EDA). Currently under DART, OED is helping several regional Alaska tourism destination marketing efforts get underway, offering targeted business development training workshops, and managing the Tourism Mentorship Assistance Program (TMAP). TMAP represents an 18 month long program that partners current successful tourism business owners with new or potential business owners.
- OED manages the Alaska Visitor Statistics Program (AVSP), the most comprehensive visitor arrival, visitor profile, and visitor spending data collected for Alaska's visitor industry. OED has just released the interim visitor numbers for Summer 2008. They indicate that just over 1.7 million out-of-state visitors came to Alaska between May and September 2008. This represents a slight (0.4 percent) decline from Summer 2007.
- OED manages the statewide AlaskaHost customer service training program - designed for employees of the hospitality and visitor services industry. The core of the AlaskaHost program trains participants in how to provide quality customer service for both residents and visitors to Alaska.

**Minerals:** Along with coordinating the Alaska Minerals commission and generating industry reports, the minerals development specialist in OED is the industry's primary state contact in evaluating investment potential in Alaska. This sector serves as a resource in interpreting government policy, promoting development opportunities and encouraging investment in Alaska. 2007 was a banner year in minerals exploration and development in the State. However, we know that 08' and 09' will be substantially less. Below are some of the activities conducted by this OED sector:

- Agency support in analysis of the minerals industry in the form of:
  - Identifying opportunities for financial support – analysis of needs and economics of that help.
  - Tax load analysis of specific operations/ projects or generic projects by location, land status.
  - Marketing recommendations – opportunities, informational development, tax analysis, infrastructure needs, economic analysis.
  - Infrastructure needs for projects and regions of mineral prominence.
  - Participated in the evaluation of the BLM Eastern area management plan.
- Providing support to and liaison between industries:
  - Assisting the small miner in technical issues with mines and recovery plants and legal issues to the extent that this assistance does not encroach on private industry consultants and attorneys.
  - Providing financial liaison between lenders and the mining industry – AIDEA, others.
  - Providing liaison between agencies and industry for legislative tax proposals and other issues.
  - Otherwise providing minerals-related information to the worldwide mining industry relative to opportunities in the State of Alaska.

**Forestry:** While the primary mission of this sector is to promote Alaska's hardwood resources for value added end products, the expertise available in this sector of OED has also been tapped for bio fuel energy analysis. 08' activity includes, but is not limited to:

- Promoting development of Alaska's hardwood resources.
  - Completed revision of hardwood prospectus.
  - Translation of hardwood prospectus into Japanese.
  - Providing assistance in securing investment in new sawmills in Mat-Su area.
- Partnering to promote and encouraging wood-based energy projects.
  - Provided technical assistance to companies in Kenai, Fairbanks, Mat-Su, Rural Alaska interested in wood pellet manufactoring.
  - Partners include AEA, FEDC, AK Village Initiative, DNR- DOF.
- Conducted survey of existing and potential Asian markets for Alaska wood.
  - Site visits in November, 2008.
  - Reports to be issued jointly with Federal and University agencies.

**Business Development:** Along with assisting businesses through the Small Business Assistance Center, OED also manages the Made in Alaska Program and the Alaska Product Preference Program.

## Alaska Regional Development Organizations (ARDORs)

- In 2008, the State of Alaska, Office of Economic Development recognized the Interior Rivers Resource Conservation & Development Council (IRRC&D) as a reestablished ARDOR region. This

will make a total of 12 ARDORs partnered with the SOA helping to provide assistance in rural Alaska to communities, businesses and entrepreneurs.

### Made In Alaska Program (MIA)

- Strengthened the integrity and the legal support of the MIA program by Federally Trade marking and registering the Mother Bear and Cub logo with the U.S. Trade mark office, for the MIA program.
- Through Webb Consulting increasing the rural outreach training programs (through Webinar) for marketing, and development of small businesses.

### Small Business Assistance Center (SBAC)

- This is an effort to further develop outreach to rural Alaska and support small businesses and entrepreneurs. Expanding the partnership between the ARDORs, University of Alaska Anchorage, Small Business Development Center, Alaska Manufacturing Extension Partnership and the Division of Investments. Several businesses have followed the directions given by the OED specialist which resulted in winning start-up fees for their business in excess of $35,000.
- Provided support for entrepreneurs and small businesses in the Kenai Peninsula Economic Development District (ARDOR) region which helped to generate an additional $2 million dollar in new revenue for manufactures in the state.

# Office of Economic Development Financial Summary

| (in Thousands) By Expenditure Category | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Personnel Service | 1,485.9 | 1549.0 | 63.1 | 4% |
| Travel | 89.5 | 89.5 | - | 0% |
| Services | 724.1 | 726.1 | 2.0 | 0% |
| Commodities | 24.6 | 25.3 | 0.7 | 3% |
| Capital Outlay | 17.9 | 17.9 | - | 0% |
| Grants, Benefits | 620.0 | 677.7 | 57.7 | 9% |
| Miscellaneous | - | - | - | 0.0% |
| **Total Expenditures** | **2,962.0** | **3,085.5** | **123.5** | **4.2%** |

| (in Thousands) By Funding Source | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Federal Receipts | 169.4 | 169.6 | 0.2 | 0.1% |
| General Fund Receipts | 291.8 | 313.2 | 21.4 | 7.3% |
| Inter-Agency Receipts | 742.4 | 842.0 | 99.6 | 13.4% |
| CIP Receipts | 103.5 | 104.8 | 1.3 | 1.3% |
| Statutory Designated Receipts | 128.4 | 128.4 | - | 0.0% |
| Bus. & Corp. Receipts | 1,200.9 | 1,200.9 | - | 0.0% |
| Vehicle Rental Tax Receipts | 325.60 | 326.60 | 1.00 | 0.3% |
| **Funding Totals** | **2,962.0** | **3,085.5** | **123.5** | **4.2%** |



## Significant Budget Changes (in thousands):

1. Reflect contract with DMV to provide services to Tok and surrounding communities: $40.6
2. Cost-of-living increases per union agreements: $25.2
3. Fund each Alaska Regional Development Organization at the FY 09 level: $57.7

| By Staff Category | FY 2009 Management Plan | FY 2010 Governor | |
|---|---|---|---|
| Permanent Full-time | 13 | 13 | No Change |
| Permanent Part-time | 2 | 2 | |
| Nonpermanent | 3 | 3 | |
| **Total Staff** | **18.0** | **18.0** | |

# Corporations

**Contact:**

Alaska Aerospace Development Corporation
4300 B Street, Suite 101
Anchorage, AK 99503
Phone: 907-561-3338
Fax: 907-561-3339

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Alaska Industrial Development Export Authority
813 W. Northern Lights Blvd.
Anchorage, AK 99503
Phone: 907-771-3000
Fax: 907-771-3044
Toll Free (Alaska only): 888-300-8534

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Alaska Energy Authority
813 W. Northern Lights Blvd.
Anchorage, AK 99503
Phone: 907-771-3000
Fax: 907-771-3044
Toll Free (Alaska only): 888-300-8534

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Alaska Railroad Commission
327 W. Ship Creek Ave.
Anchorage, AK 99501
Phone: 800-321-6518

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Alaska Regulatory Commission
701 W. 8th Avenue, Suite 300
Anchorage, AK 99501-3469
Phone: 907-276-6222
Fax: 907-276-0160

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Alaska Seafood Marketing Institute
311 N. Franklin Street, Suite 200
Juneau, AK 99801-1147
Phone: 907-465-5560
Fax: 907-465-5572
Toll Free: 800-478-2903

**The following corporations have been assigned to the Department of Commerce, Community, and Economic Development by Statute. While these entities are independent from the Department, their respective missions are complimentary, and within the scope of the philosophical mission of the Department to promote economic development, foster commerce, and facilitate responsible industry development across the state.**

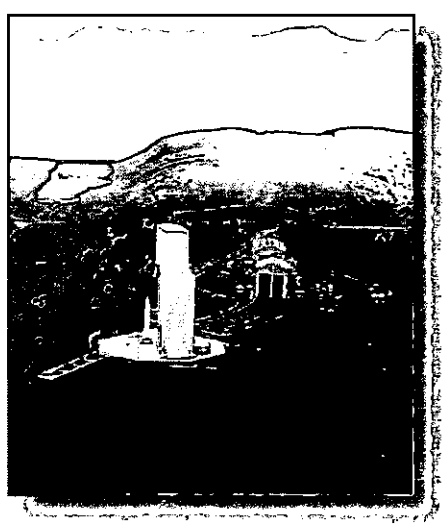
## Alaska Aerospace Development Corporation (AADC)

**Mission:**

**To promote aerospace related economic growth and development and strengthen Alaska's technological infrastructure.**

The Alaska Aerospace Development Corporation was created by the Alaska State Legislature in 1991 as a public corporation of the state with a charter to take a leading role in developing aerospace industry in Alaska and for the nation.

AADC designed, built, and operates the Kodiak Launch Complex (KLC), a high technology state-of-the-industry spaceport on Kodiak Island in partial fulfillment of its charter. Design work on KLC was initiated with a $15.6M grant from the legislature, which AADC leveraged to gain approximately $139.0M in federal grants to invest in the construction of KLC and upgrades to the facility. Launch operations commenced at KLC in 1998, and to date there have been 14 missions launched from the facility,

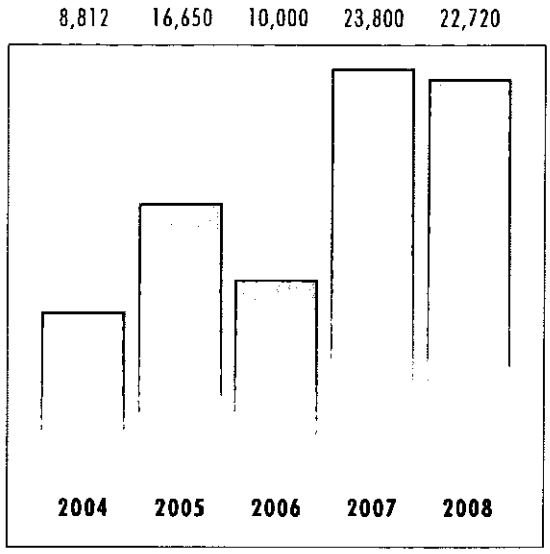


all successful. Launch and related revenue brought into the state has totaled $93.5M.

AADC is a significant source of revenue for Kodiak and state residents. Each year AADC contracts an independent review of its revenue contributions to the state. The record is marked by steady growth in economic activity. The FY08 Economic Impact Report prepared by Northern Economics, Inc. revealed that the total economic contribution of AADC's operations and projects amounted to $28.7M. The data show AADC's business operations contributed $17.8M to the Kodiak economy and another $10.9M to the rest of the state. The total regional employment generated by AADC operations is estimated at 155 jobs being contributed to Kodiak. AADC continues to have a positive economic impact to Kodiak and other areas of Alaska.

AADC pursues business opportunities across the aerospace industry. The requirement for spaceport facilities to meet rapid response launch capabilities is expanding. The ability to meet this requirement enables AADC with an opportunity to be a key service provider to organizations upgrading and replacing key space infrastructure components.

**AIDEA**
Dividend History by Year Declared
(in thousands)



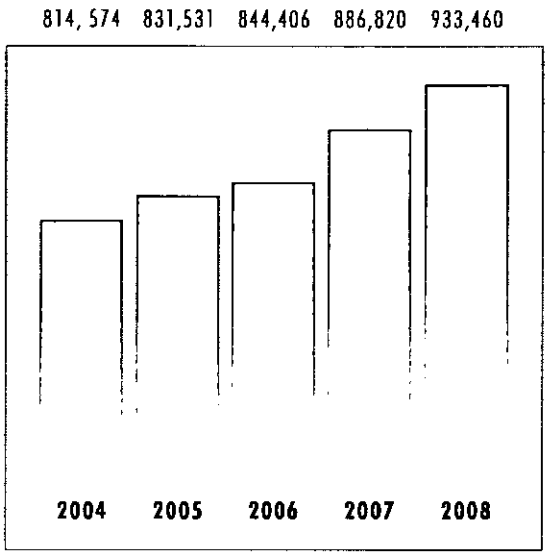

This capability requires a spaceport which can quickly prepare and launch space vehicles with a variety of payloads that is cost competitive and ensures the highest quality standards are met. AADC's current facilities and the planned construction of an additional launch pad and rocket motor storage facility will provide strategic opportunities for AADC to provide rapid launch capabilities at a competitive price.

## Alaska Industrial Development and Export Authority (AIDEA)

**Mission: To provide various means of financing to promote economic growth and diversification in Alaska.**

AIDEA is a public corporation of the State of Alaska, constituting a political subdivision with separate and independent legal existence under the laws of the State. AIDEA was established in 1967 to advance Alaska's economic prosperity and to create jobs for Alaskans. AIDEA accomplishes this mission through its Credit programs by providing long-term capital to businesses for operations and expansion, and through the Development Finance Program by developing and owning infrastructure projects such as roads, ports and airport facilities with the purpose of advancing the economic prosperity of a region.

The Credit programs provide affordable long-term capital to Alaska businesses for new and existing projects, or for the refinancing of existing




**AIDEA REVOLVING FUND**
Net Assets
(in thousands)

has provided the state and its citizens with over $251 million in dividend funds to support much-needed programs, services and projects.

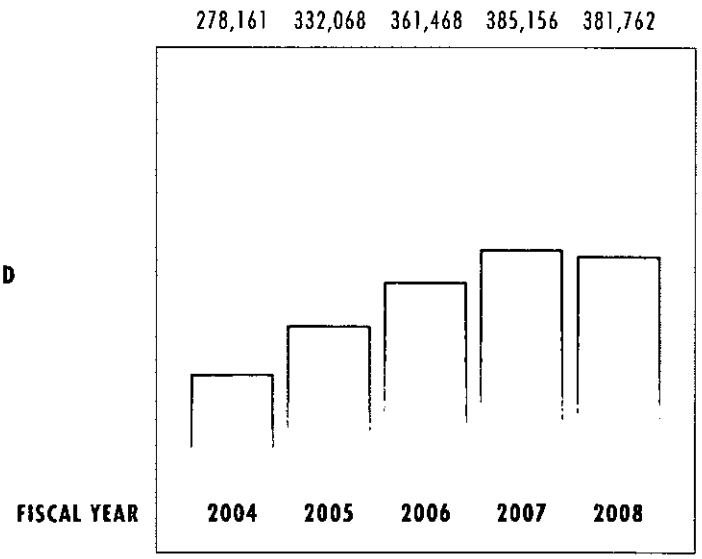
Key challenges lay ahead for AIDEA based on current economic forecasts suggesting a constriction in the secondary capital market. AIDEA projects more businesses seeking out funding in both the development finance and loan participation programs. AIDEA will seek to attract diverse economic development projects in the state as well as increase the loan portfolio to generate increased earnings in



loans. In FY 2008, AIDEA issued more than $48 million in loans through the Loan Participation program, which resulted in more than 570 permanent jobs, including 206 construction jobs. At the end of FY 2008, the total Loan Participation portfolio was $381.5 million. Thousands of jobs have been created or retained as a result of AIDEA's Loan Participation and Conduit Revenue Bond programs, and these programs will continue to be an economic and job catalyst into the future.

The Development Finance program finances infrastructure necessary to support larger economic development projects in Alaska. This program has led to the estimated creation and retention of over 630 direct jobs in the regions of the state where AIDEA projects are located and have a tremendous economic impact on the respective communities.

AIDEA also provides, pursuant to Alaska statutes, an annual dividend to the state general fund. Since 1996, AIDEA




**AIDEA REVOLVING FUND**
Total Loans
(in thousands)

FY 2010. Based on market demands, AIDEA is expanding the Ketchikan Shipyard and the Skagway Ore Terminal that will increase the economic development and job growth in the areas where the facilities are located. AIDEA must also maintain its current credit rating on its revolving fund bonds as this rating strengthens its ability to provide the kinds of financing that helps promote economic growth, development and diversification in Alaska.

## Alaska Energy Authority (AEA)/ AIDEA

### Mission: Reduce the cost of energy in Alaska

Alaska Energy Authority (AEA) projects and programs support its mission by:

1. providing for the operation and maintenance of existing Authority-owned projects with maximum utility control;

2. assisting in the development of safe, reliable, and efficient energy systems throughout Alaska, which are sustainable and environmentally sound;

3. reducing the cost of electricity for residential customers and community facilities in rural Alaska; and

4. responding quickly and effectively to electrical emergencies.

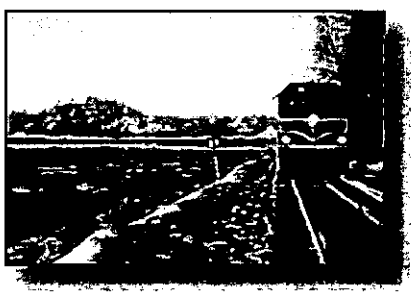
The Alaska Energy Authority was created in1976 by the Alaska Legislature. The Authority is a public corporation of the State with separate and independent legal existence. In 1993, under comprehensive energy legislation, oversight of AEA's existing state hydroelectric projects and the Alaska Intertie was transferred to the Alaska Industrial Development and Export Authority (AIDEA). Pursuant to legislation, the members of the Board of AIDEA also serve as the members of the Board of AEA. AIDEA provides staffing and administrative overhead for AEA; however, AEA continues to exist as a separate legal entity. There is no commingling of funds, assets, or liabilities between AIDEA and AEA and there is no responsibility of one for the debts or the obligations of the other. Programs addressing the energy needs of rural communities were transferred to a newly-created Division of Energy within the Department of Community and Regional Affairs. In 1999, Rural energy programs were integrated into AEA, with AIDEA providing staffing and administrative overhead. Division of Energy staff became AIDEA employees. The integration of Rural energy programs was done by the Legislature as part of a larger reorganization of state agencies. Benefits include: 1) a coordinated state energy policy encompassing rural energy programs and state-owned hydroelectric projects; 2) AIDEA oversight to foster a business-oriented attitude toward finance and development; and 3) a focused approach to work with the federal Denali Commission on rural energy issues.

AEA provides for the development and implementation of energy infrastructure projects through a variety of programs. Bulk Fuel Upgrades and Rural Power System Upgrades are funded by the Denali Commission with AEA staff providing direct project management for both programs. The Alternative Energy and Energy Efficiency Program manages projects that seek to lower the cost of power and heat to Alaskan communities while maintaining system safety and reliability.

In 2008, the Renewable Energy Fund was established for the purpose of recommending grants for renewable energy projects. AEA expects to play a lead role in the construction of many of the projects recommended through this program.

AEA's role as Statewide Energy Coordinator led to the development of the Statewide Energy Plan. Staff continues to move forward to implement the plan by engaging Alaskans to provide energy solutions through their active participation in the selection and ownership of their alternative energy sources.





## Alaska Railroad Corporation

**Mission: Safety, Service, Profitability.**

**Vision: Building a Great Railroad Across the Great Land**

While wholly owned by the State of Alaska, the Alaska Railroad Corporation (ARRC) is an independent authority responsible for its own financial and legal obligations. According to statute, ARRC is mandated to be a self-sustaining corporation required to conduct its business without operating subsidies from the state. Employees are not State employees but employees of the Corporation who is responsible for all compensation and benefits.

ARRC was purchased by the State of Alaska in January 1985 and charged with providing transportation services, fostering economic development, and promoting the development of the state's transportation network. The Railroad is governed by a seven-member Board of Directors appointed by the Governor of Alaska. ARRC falls under the Department of Commerce but is enabled to operate as an independent enterprise through its exemption from the Executive Budget Act.

From tidewater at Whittier and Seward to the heart of the Interior Alaska in Fairbanks, ARRC's mainline rail covers 467 miles. There are 651 total miles of track including industrial spur lines and yard track. ARRC's operations are supported through revenues generated by providing freight, passenger and real estate services to Alaska businesses and the general public. Its Maintenance and operations centers are located in Seward, Whittier, Anchorage, Healy and Fairbanks. ARRC has commercial property including docks and/or rail in four ports and is the only remaining full-service railroad in the United States, providing both year-round regularly scheduled freight and passenger services.

## Alaska Regulatory Commission of Alaska (RCA)

**Mission: Decide all nature of disputes between individual regulated entities, regulated entities and their consumers or shippers and regulated entities and the Attorney General representing the public interest.**

The Alaska Legislature created the Regulatory Commission of Alaska in 1999, giving it broad authority to regulate utilities and pipeline carriers throughout the state. The Commission monitors active certificates for public utilities and pipelines; these certifi-

cates cover a broad range of activities, from provisional certificates for small village water and wastewater systems to fully regulated telecommunications, electric, and natural gas monopolies. In addition, the RCA regulates public utilities by certifying qualified providers of public utility and pipeline services and ensuring that they provide safe and adequate services and facilities at just and reasonable rates, terms, and conditions

## Alaska Seafood Marketing Institute (ASMI)

### Mission: Increase the economic value of the Alaska seafood resource through:

- Increasing positive awareness of the Alaska Seafood brand
- Collaborative marketing programs that align ASMI and industry marketing efforts for maximum impact within the food industry
- Long-term proactive marketing planning
- Quality assurance, technical industry analysis, education, advocacy and research
- Prudent, efficient fiscal management

ASMI was created over twenty years ago as a cooperative partnership between the Alaska seafood industry and state government to advance the mutually beneficial goal of a stable seafood industry in Alaska. It is Alaska's "official seafood marketing agency", and is established under State law as a public corporation. ASMI is governed by a seven member board of directors appointed by the Governor of Alaska.

In order to accomplish its mission ASMI engages in marketing activities promoting all species of Alaska Seafood in the United States, Europe and Asia. The "Alaska Seafood" brand is one of the best known and most respected seafood brands in the world and ranks in the top three most popular brands at restaurants in the United States. Promoting Alaska itself is an integral part of the "Alaska Seafood" brand promotion effort and helps generate interest in Alaska that goes well beyond simply purchasing Alaska Seafood in the market place.

The majority of ASMI's funding comes from a voluntary self-assessment by the Alaska Seafood industry. Federal matching grants (for overseas marketing) and state of Alaska general funds provide the remainder of ASMI marketing budget. ASMI is governed by a seven member board of directors appointed by the Governor of Alaska.

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# Corporation/Agency/Other Financial Summary

| (in Thousands) By Funding Source | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| **Revenue Sharing** | | | | |
| Payment In Lieu Of Taxes | 6,426.6 | 10,100.0 | 3,673.4 | 57.2% |
| National Forest Receipts | 9,403.4 | 15,703.4 | 6,300.0 | 67.0% |
| Fisheries Taxes | 3,600.0 | 3,600.0 | - | 0.0% |
| **Total Revenue Sharing** | **19,430.0** | **29,403.4** | **9,973.4** | **51.3%** |
| Qualified Trade Association | 9,000.0 | 9,000.0 | - | 0.0% |
| QTA Independent Traveler Grants | - | - | - | 0.0% |
| Alaska Seafood Marketing Inst. | 18,627.9 | 17,667.4 | (960.5) | -5.2% |
| Regulatory Commission of Alaska | 8,371.3 | 8,074.3 | (297.0) | -3.5% |
| **Alaska Aerospace Development Corp.** | | | | |
| AK Aerospace Development Corp. | 4,335.6 | 4,387.3 | 51.7 | 1.2% |
| AADC Facilities Maintenance | 24,189.0 | 24,173.7 | (15.3) | -0.1% |
| **Total AADC** | **28,524.6** | **28,561.0** | **36.4** | **0.1%** |
| **Alaska Industrial Dev. & Export Auth.** | | | | |
| AIDEA | 7,981.4 | 8,604.4 | 623.0 | 7.8% |
| AIDEA Facilities Maintenance | 262.0 | 262.0 | - | 0.0% |
| **Total AIDEA** | **8,243.4** | **8,866.4** | **623.0** | **7.6%** |
| **Alaska Energy Authority** | | | | |
| AEA Owned Facilities | 1,067.1 | 1,067.1 | - | 0.0% |
| AEA Rural Energy Operations | 3,146.5 | 3,184.1 | 37.6 | 1.2% |
| AEA Technical Assistance | 100.7 | 100.7 | - | 0.0% |
| AEA Power Cost Equalization | 51,160.0 | 32,160.0 | (19,000.0) | -37.1% |
| Alternative Energy&Efficiency | 920.1 | 1,280.4 | 360.3 | 39.2% |
| **Total AEA** | **56,394.4** | **37,792.3** | **(18,602.1)** | **-33.0%** |

| By Staff Category | FY 2009 Management Plan | FY 2010 Governor's Proposed | Difference Between FY 09 & FY 10 | % Change From FY 09 & FY 10 |
|---|---|---|---|---|
| Permanent Full-time | 197 | 197 | 0 | 0.0% |
| Permanent Part-time | 0 | 0 | 0 | 0.0% |
| Nonpermanent | 4 | 3 | -1 | -25.0% |
| **Total Staff** | **201** | **200** | **-1** | **-0.5%** |

| By Corporation/Agency Permanent (Full & Part-time) | FY 2009 Management Plan | FY 2010 Governor's Proposed | Difference Between FY 09 & FY 10 | % Change From FY 09 & FY 10 |
|---|---|---|---|---|
| ASMI | 19 | 19 | 0 | 0.0% |
| RCA | 57 | 57 | 0 | 0.0% |
| **Alaska Aerospace Dev Corp** | | | | |
| AADC | 25 | 24 | -1 | -4.0% |
| AADC Facilities Maintneance | 28 | 28 | 0 | 0.0% |
| **Total AADC** | **53** | **52** | **-1** | **-1.9%** |
| AIDEA | 68 | 69 | 1 | 1.5% |
| **Total Staff** | **197** | **197** | **0** | **0.0%** |

| By Corporation/Agency Nonpermanent | FY 2009 Management Plan | FY 2010 Governor's Proposed | Difference Between FY 09 & FY 10 | % Change From FY 09 & FY 10 |
|---|---|---|---|---|
| ASMI | - | - | - | - |
| RCA | 4 | 3 | -1 | -25.0% |
| **Alaska Aerospace Dev Corp** | - | - | - | - |
| AADC | - | - | - | - |
| AADC Facilities Maintneance | - | - | - | - |
| **Total AADC** | **-** | **-** | **-** | **-** |
| AIDEA | - | - | - | - |
| **Total Staff** | **4** | **3** | **-1** | **-25.0%** |

CRA Overview
Talking Points Draft for Commissioner
1/13/09

## Department of Commerce, Community & Economic Development
## To the House Community & Regional Affairs Committees
*January 22nd, 2009*

## MISSION:

***Promoting a healthy economy and strong communities***

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This goal is accomplished through four overarching goals: working with communities and the private sector in creating jobs for Alaskans, strengthening Alaska's rural communities, marketing Alaska's goods and services throughout the world and maintaining a fair and consistent business, thus providing a regulatory environment in the state.

- **Commerce** Regulate existing industry to protect consumers and help create a stable business climate

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- **Community** Assist local communities with self-governance and sustainability

- **Economic Development** Coordinate, promote and develop economic growth by new or expanding businesses

**Divisions**

- Office of the Commissioner
- Administrative Services
- Banking and Securities (regulate industry and protect consumers)
- Community and Regional Affairs (Constitutionally Established under Article X, Section 14 to assist local governments)

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- Insurance (regulate industry and protect consumers)
- Investments (business development and fishing loans)

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- Corporations, Business and Professional Licensing (license 67,000 businesses and 50,000 professionals in more than 120 occupations, and register 1,500 corporations)
- Office of Economic Development (Tourism, Mining, Fisheries, Timber, Small Business)

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**6 Agencies:**

- Alaska Seafood Marketing Institute (ASMI)
- Alaska Aerospace Development Corporation
- Alaska Industrial Development & Export Authority/Alaska Energy Authority (AIDEA/AEA)
- Alaska Railroad Corporation
- Regulatory Commission of Alaska
- SERVE Alaska (formerly Alaska State Community Services Commission)

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**Number of Employees: 539 (525 Full-time employees)**

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**Located in:**

- Anchorage
- Bethel
- Dillingham
- Fairbanks
- Juneau
- Kotzebue
- Nome
- Seattle (ASMI)
- Tok

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| OPERATING | FY2009 | FY2010 | Change | % Change |
|---|---|---|---|---|
| All Funds | 195,643,500 | 187,618,100 | -8,025,400 | -4.1% |
| Gen Funds | 38,161,900 | 19,627,000 | -18,534,900 | -48.6% |

**Issues/Programs of Interest to C&RA Committees:**

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- **Energy**
  - **AEA, PCE and local utility assistance**
  - **Energy Plan**
  - **Renewable Energy Fund**
  - **DCRA issues with local government assistance**
  - **Division of Investments Bulk Fuel Bridge Loan Program, Energy Efficiency Upgrades**
- **Rural Out-Migration**
  - **fact or fiction?**
  - **School Closures**
- **Climate Change**

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- Sub-cabinet
- Newtok example of interagency coordination

- Economic Development
  - Fisheries, Mining, Tourism, Timber, ARDORs, Economic information
  - Economic Development Plan
- Revenue Sharing/Community Assistance
- Energy Assistance/Alternative Energy
- Senior Property Tax Exemption
- Grants to Communities/ Named Recipients
- Research/Information
- Economic Recession, Lending limitations and the role of AIDEA and Division of Investments

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## Hot topics by Divisions and Agencies

Divisions

- Commissioner's Office
  - Deputy Commissioner position in Juneau
- Administrative Services
  - Budget issues
- Banking and Securities
  - Mortgage Lending
  - Uniform Securities Act and ANCSA revisions
- Community and Regional Affairs
  - Local Government Assistance
  - Community Revenue Sharing
  - Grants and the FY09 capital budget
- Corporations, Business and Professional Licensing
  - Board revisions
  - Sport fish guides and big game guides
- Insurance
  - Insurance statute revisions
  - Contract Service Providers (Auto Guarantees)
  - Insolvency provisions (clarifications to what happens when an insurance carrier goes out of business)

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- **Investments**
  - **Capstone**
  - **Bulk Fuel Bridge Loan Fund**
  - **Fuel efficiency upgrade loans for fishing fleet proposals**
- **Office of Economic Development**
  - **Mining-Mineral prices, tax regulation, Industry investment**
  - **Fisheries -RSDA's, Inland waters permits, efficiency improvements**
  - **Tourism- TMAP and DART programs, Economic Impact of Tourism Industry research project**
  - **Forest Products- Asian markets, wood pellets/wood energy**
  - **Economic information- 2008 Summary**
  - **Film Office (SB 230)- regulations**
  - **Small Business/ ARDORS – equal funding for additional ARDORS**

**Agencies**

- **Alaska Aerospace Development Corporation**
  - **Kodiak Launch Facility 2nd Launch Pad**
- **Alaska Energy Authority**
  - **Energy Plan**
  - **Renewable Energy Grant Program (HB152)**
  - **REGA study (Railbelt Energy Grid Authority)**
  - **Power Cost Equalization**
  - **Bulk Fuel**
- **Alaska Industrial Development and Export Authority**
  - **Healy Clean Coal Plant**
  - **Loan Portfolio $300 plus million available for bonding (AA bond rating)**
- **Alaska Railroad Corporation**
  - **Implications of potential Flint Hills shutdown and tourism downturn**
- **Alaska Seafood Marketing Institute**
  - **Sustainable fisheries**
  - **Carbon footprint tracking**
  - **Global marketing efforts**
- **Alaska State Community Service Commission (Now SERVE Alaska)**
  - **Vista and Americorps**
- **Regulatory Commission of Alaska**
  - **Enstar rate increase**

**Plus 23 seats on Boards and Commissions**

- **Marine pilots board issue of Chukchi Sea and Arctic Ocean**
- **ASMI**
- **Permanent Fund**

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**Energy¶**

- **AEA, PCE reporting and local government assistance¶**
- **Energy Plan¶**
- **Renewable Energy Fund¶**
- **CRA issues with local government assistance¶**
- **Division of Investments Bulk Fuel Bridge Loan Program, ¶**

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**Statutory Obligations¶**

**Section 44.33.020 Duties of department; regulations¶**

(a) The Department of Commerce, Community, and Economic Development shall (1) advise and assist local governments;

(2) advise the governor and other commissioners on the delivery of government services to rural areas, including services relating to public safety, justice, economic development, natural resource management, education, and public health;

(3) make recommendations to the governor and other commissioners about policy changes that would affect rural governments and rural affairs;

(4) serve as staff for the Local Boundary Commission;

(5) conduct studies and carry out experimental and pilot projects for the purpose of developing solutions to community and regional problems;

(6) promote cooperative solutions to problems affecting more than one community or region, including joint service agreements, regional compacts, and other forms of cooperation;

(7) serve as a clearinghouse for information useful in solution of community and regional problems, and channel to the appropriate authority requests for information and services;(8) advise and assist community and regional governments on matters of finance, including but not limited to bond marketing and procurement of federal funds; (9) prepare suggested guidelines relating to the content of notice of bond sale advertisements, prospectuses, and other bonding matters issued by local governments; (10) administer state funds appropriated for the benefit of unorganized regions within the state, allowing for maximum participation by local advisory councils and similar bodies; (11) as assigned through a delegation by the governor, administer and implement the state's role in the federal community development quota program established under 16 U.S.C. 1855(i) or a successor federal program; the department may adopt regulations under a delegation from the governor to implement duties und ... [1]

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(9) prepare suggested guidelines relating to the content of notice of bond sale advertisements, prospectuses, and other bonding matters issued by local governments;

(10) administer state funds appropriated for the benefit of unorganized regions within the state, allowing for maximum participation by local advisory councils and similar bodies;

(11) as assigned through a delegation by the governor, administer and implement the state's role in the federal community development quota program established under 16 U.S.C. 1855(i) or a successor federal program; the department may adopt regulations under a delegation from the governor to implement duties under this paragraph;

(12) carry out those administrative functions in the unorganized borough that the legislature may prescribe;

(13) study existing and proposed laws and state activities that affect community and regional affairs and submit to the governor recommended changes in those laws and activities;

(14) coordinate activities of the state that affect community and regional affairs;

(15) assist in the development of new communities and serve as the agent of the state for purposes of participation in federal programs relating to new communities;

(16) supervise planning, management, and other activities required for local eligibility for financial aid under those federal and state programs that provide assistance to community and regional governments;

(17) advise and assist municipalities on procedures of assessment, valuation, and taxation, and notify municipalities of major errors in those procedures;

(18) apply for, receive, and use funds from federal and other sources, public or private, for use in carrying out the powers and duties of the department;

(19) request and utilize the resources of other agencies of state government in carrying out the purposes of this chapter to the extent such utilization is more efficient than maintaining departmental staff, reimbursing the other agencies when appropriate;

(20) administer state and, as appropriate, federal programs for revenue sharing, grants, and other forms of financial assistance to community and regional governments;
(21) administer the state programs relating to commerce or community development, enforce the laws relating to these programs, and adopt regulations under these laws;
(22) register corporations;
(23) collect corporation franchise taxes;
(24) enforce state laws regulating public utilities and other public service enterprises, banking and securities, insurance, and other businesses and enterprises touched with a public interest;
(25) make veterans' loans;
(26) furnish the budgeting, clerical, and administrative services for regulatory agencies and professional and occupational licensing boards not otherwise provided for;
(27) conduct studies, enter into contracts and agreements, and make surveys relating to the economic development of the state and, when appropriate, assemble, analyze, and disseminate the findings obtained;
(28) provide factual information and technical assistance for potential industrial and commercial investors;
(29) receive gifts, grants, and other aid that facilitate the powers and duties of the department from agencies and instrumentalities of the United States or other public or private sources;
(30) establish and activate programs to achieve balanced economic development in the state and advise the governor on economic development policy matters;
(31) formulate a continuing program for basic economic development and for the necessary promotion, planning and research that will advance the economic development of the state;
(32) cooperate with private, governmental, and other public institutions and agencies in the execution of economic development programs;
(33) review the programs and annual reports of other departments and agencies as they are related to economic development and prepare an annual report on the economic growth of the state;
(34) administer the economic development programs of the state;
(35) perform all other duties and powers necessary or proper in relation to economic development and planning for the state;
(36) request tourism-related businesses in the state to provide data regarding occupancy levels, traffic flow and gross receipts and to participate in visitor surveys conducted by the department; data collected under this paragraph that discloses the particulars of an individual business is not a matter of public record and shall be kept confidential; however, this restriction does not prevent the department from using the data to formulate tourism economic impact information including expenditure patterns, tax receipts and fees, employment and income attributable to tourism, and other information considered relevant to the planning, evaluation, and policy direction of tourism in the state;
(37) provide administrative and budgetary services to the Real Estate Commission under AS 08.88 as requested by the commission;
(38) sell at cost, to the extent possible, publications and promotional materials developed by the department;

(39) as delegated by the governor, administer under 16 U.S.C. 1856 the internal waters foreign processing permit procedures and collect related fees;
(40) administer state laws relating to the issuance of business licenses;
(41) comply with AS 15.07.055 to serve as a voter registration agency to the extent required by state and federal law, including 42 U.S.C. 1973gg (National Voter Registration Act of 1993);

(42) *[Repealed, E.O. No. 112 Sec. 3 (2004)].*

(43) carry out other functions and duties, consistent with law, necessary or appropriate to accomplish the purpose of this chapter;

(44) administer the Alaska BIDCO assistance program under AS 37.17.500 - 37.17.690 and adopt regulations to carry out the provisions of those statutes.

(b) The department may adopt regulations necessary to carry out its statutory functions.

# 1/27/09

# OVERVIEW: AK CHAM. COMMERCE AK MUNI. LEAGUE

# ALASKA STATE LEGISLATURE

## House Community & Regional Affairs Committee


**Rep. Cathy Muñoz, Co-Chair**

State Capitol Building, Room 409
Juneau, Alaska 99801-1182
Phone (907) 465-3744
Fax (907) 465-2273
Rep_Cathy_Munoz@legis.state.ak.us

**Rep. Bob Herron, Co-Chair**

State Capitol Building, Room 415
Juneau, Alaska 99801
Phone: (907) 465-4942
Fax: (907) 465-4589
Rep_Bob_Herron@legis.state.ak.us


## MEMORANDUM

Date: January 22nd, 2009

To: Suzi Lowell, Chief Clerk

From: Rep. Cathy Muñoz, Co-Chair
Rep. Bob Herron, Co-Chair

Re: House Community & Regional Affairs Committee Schedule

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Schedule for House Community & Regional Affairs

Tuesday, January 27th at 8:00 a.m. Room 124

Alaska Municipal League Overview
Kathie Wasserman, Executive Director

Alaska State Chamber of Commerce Overview
Wayne Stevens, President / CEO

+ Teleconferenced

ALASKA MUNICIPAL LEAGUE
Alaska Conference of Mayors

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

- The Alaska Municipal League is a non-profit, membership organization made up of 150 cities and boroughs within the state.
- The League's mission is to lobby on a state and federal level for those issues which strengthen Alaska's municipalities.
- We also are responsible for training and local government help to all municipalities.
- We are the "headquarters" or provide support for the Alaska Conference of Mayors, the Alaska Association of Municipal Clerks, the Alaska Municipal Managers Association, the Alaska Municipal Attorney's Association, the Alaska Government Finance Officers Association and the Alaska Assessors Association. We have seats on the Board of the National Association of Counties, the National League of Cities and the Western Interstate Region.
- We have a board of 26 elected officials from each of 11 districts plus past AML Presidents and representatives from the previously mentioned associations.
- Our office is here in Juneau.
- We are attempting to improve our relationship with industry throughout Alaska, as municipalities understand that a community cannot be healthy without good jobs.
- We attempt to give our members the information and ability to participate in meetings throughout the state, by either helping to provide their travel or simply encouraging those closest to meeting locations to attend on behalf of AML.
- We do NOT operate a barge line.
- We provide the opportunity for members to join our insurance pool and our investment pool.
- We publish a quarterly magazine with information on legislation, congressional information, issues, classified job section and other information. We provide opportunity for state agencies to send us articles

and/or information which we send to our municipalities either through this newsletter or via email/fax.

- We do NOT lobby for capitol projects; only those issues which affect all municipalities. We do not (as a rule) take positions on regional issues that might pit one municipality against another or one region against another.

- We hold three conferences each year; January in Juneau (Legislative Conference); August in a mid-sized community (session wrap-up and priority drafting); and Annual Conference (rotated between Juneau, Anchorage and Fairbanks) to provide 2 days of Newly Elected Officials Training and three days of workshops and training for Councils and Assemblies.

- Publish and print the Municipal Officials Guide; the Alaska Municipal Salary Survey; a Legislative ebulletin; and a quarterly newsletter.

# Board Mission and Introduction

**AML MISSION**

- To represent the unified voice of Alaska's municipalities to successfully influence favorable federal and state legislation;
- To build consensus and partnerships with organizations and the public to solve Alaska's challenges;
- To provide training and joint services to strengthen Alaska local government.

Welcome to the AML Board of Directors! Your job as board member is critical to the long-term well-being of Alaska, because in U.S. government, voluntary state municipal leagues provide the only unified voice for local governments which make the state and federal governments aware of local needs. Every state has a municipal league. In Alaska, our vast areas and wide variety of cultures and lifestyles make the need for AML even greater.

**Basic Board member responsibilities:**

- **Be prepared:** Review agenda and supporting materials prior to board and committee meetings.

- **Be present: Attempt to physically attend and actively participate in all four board and committee meetings throughout the year.**
  1. January – Joint meeting with Alaska Conference of Mayors and Legislative Committee – Juneau
  2. April – AML Board Retreat in Anchorage
  3. August – Joint meeting with Alaska Conference of Mayors and Legislative Committee Members – Location varies – held in smaller communities
  4. November - Annual Local Government Conference – Location varies – held in larger communities

- **Be informed: Make policy and operational decisions.** Learn about the organization's mission, services, policies and programs. Keep up-to-date on state and national developments that impact Alaska's municipalities. During the year, the Board gives staff detailed direction on current operational, program and policy issues.

- **Be an advocate: Legislative Contacts** – Board members will be called upon to contact Legislators throughout the year in order to discuss League policy and priority positions and to encourage support for those positions. Especially during session, Board members are encouraged to visit legislators and committee hearings while they are in Juneau and to write letters, emails and make phone calls with regards to those issues that affect all of Alaska's local governments. Advocate for AML's legislative agenda, member services and programs.

- **Be a participant:** Serve on committees and offer to take on special assignments when possible.

- **Be aware**: Follow conflict of interest and confidentiality policies.

- **Be engaged in the association business:** You have a fiduciary responsibility to review and understand the organization's finances outlined in the budget. Ensure that the budget matches the adopted Strategic Plan and require staff to demonstrate measurable results as outlined in the Strategic Plan. Adopt the annual AML budget.

**The AML staff members are:**

- Kathie Wasserman, Executive Director — kathie@akml.org
- Betty Svensson, Deputy Director — betty@akml.org
- Jeremy Woodrow, Communications Coordinator — jeremy@akml.org
- Sarah Geary, Bookkeeper — sarah@akml.org
- Rebecca Van Keuren, Administrative Assistant — rebecca@akml.org

**Contract Worker:**

- Ray Gillespie, Lobbyist — raygillespie@ak.net

**Toll Free Number – 1(877)636-1325** – If you ever have any questions or need assistance, we keep this toll-free number for use by our members. Our regular Juneau number is 1(907)586-1325.

**Web page – www.akml.org** – Our web page is updated regularly and you can find helpful information and links.

**Fax Number – 1(907)463-5480**

**Thank you for committing to serve Alaska's local governments!**

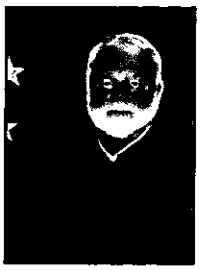
# Alaska Municipal League
# 2009 Board of Directors



*President*
*Denise Michels, Mayor*
*City of Nome*



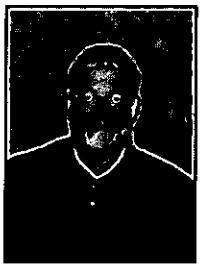
*First Vice-President*
*Bert Cottle, Mayor*
*City of Valdez*



*Second Vice-President*
*Hal Smalley, Assembly/Council*
*Kenai Pen. Boro./City of Kenai*



*District 1*
*Scott McAdams, Mayor*
*City and Borough of Sitka*



*District 2*
*Bruce Botelho, Mayor*
*City and Borough of Juneau*



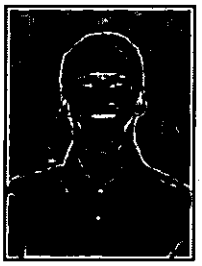
*District 4*
*Lynne Woods, Assembly*
*Matanuska-Susitna Boro.*



*District 5*
*Jennifer Johnston, Assembly*
*Municipality of Anchorage*



*District 6*
*Aremda Bulard, Assembly*
*Denali Borough*



*District 7*
*Luke Hopkins, Assembly*
*Fairbanks North Star Borough*



*District 9*
*Thor Williams*
*City of Bethel*



*District 10*
*Kay Andrews, Council*
*City of Aleknagik*



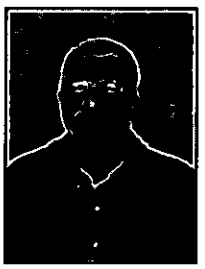
*Director At-Large*
*Eileen Holmes, Assembly*
*Denali Borough*



*Past President*
*Tim Beck, Assembly*
*Fairbanks North Star Borough*



*Past President*
*David Talerico, Mayor*
*Denali Borough*



*Past President*
*Jerome Selby, Mayor*
*Kodiak Island Borough*



*Past President & NACo Rep.*
*Pete Sprague, Assembly*
*Kenai Peninsula Borough*



*Past President & NLC Rep.*
*Carolyn Floyd, Mayor*
*City of Kodiak*



*ACoM Ex-Officio*
*Shirley Marquardt, Mayor*
*City of Unalaska*

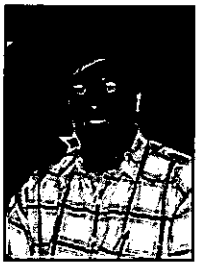
Contact information for each AML Board Member is available online at *www.akml.org* under *"About Us"* → *"AML Board"*



*AMMA Ex-Officio*
*Walt Wrede*
*City of Homer*



*Leg. Comm. Co-Chair Ex-Officio*
*Michael Catsi*
*Southwest AK Municipal Conf.*



*Leg. Comm. Co-Chair Ex-Officio*
*Scott Brandt-Erichsen*
*Ketchikan Gateway Borough*

**NOT PICTURED:**

*District 3*
*Seat open at date of publish*

*District 8*
*Enoch Oktollik*
*Mayor, City of Wainwright*

*AAMC Ex-Officio*
*Julie Cozzi, CMC*
*Clerk, Haines Borough*

*AGFOA Ex-Officio*
*Deven Mitchell*
*AK Muni. Bond Bank Authority*

*AMAA Ex-Officio*
*Michael Gatti*
*Wohlforth, Johnson, Brecht, Cartledge & Brooking*

## ALASKA CONFERENCE OF MAYORS

**2009 Leadership**
**President: Mayor Shirley Marquardt, City of Unalaska**
**1st Vice-President: Mayor Ernie Weiss, City of King Cove**
**2nd Vice-President: Mayor Bruce Botelho, City and Borough of Juneau**

### PAST PRESIDENTS

| | |
|---|---|
| 2008 | Mayor Jim Whitaker, Fairbanks North Star Borough |
| 2007 | Mayor Dick Wyland, City of Seldovia |
| 2006 | Mayor Denise Michels. City of Nome |
| 2005 | Mayor Tim Anderson, Matanuska-Susitna Borough |
| 2004 | Mayor Kathie Wasserman, City of Pelican |
| 2003 | Mayor George Wuerch, Municipality of Anchorage |
| 2002 | Mayor Sarah Palin, City of Wasilla |
| 2001 | Mayor Sarah Palin, City of Wasilla |
| 2000 | Mayor Bob Knight, City of Nenana |
| 1999 | Mayor Mike Navarre, Kenai Peninsula Borough |
| 1998 | Mayor John Gonzales, Denali Borough |
| 1997 | Mayor Carolyn Floyd, City of Kodiak |
| 1996 | Mayor Rick Mystrom, Municipality of Anchorage |
| 1995 | Mayor Alaire Stanton, City of Ketchikan |
| 1994 | Mayor Don Long, City of Barrow |
| 1993 | Mayor Glen Alsworth, Sr., Lake & Peninsula Borough |
| 1992 | Mayor Dan Keck, City & Borough of Sitka |
| 1991 | Mayor Bob Brodie, City of Kodiak |
| 1990 | Mayor Willie Goodwin, City of Kotzebue |
| 1989 | Mayor John Williams, City of Kenai |
| 1988 | Mayor Erling Johansen, City of Cordova |
| 1987 | Mayor George Ahmaogak, North Slope Borough |
| 1986 | Mayor Tom Wagoner, City of Kenai |
| 1985 | Mayor John Dapcevich, City & Borough of Sitka |
| 1984 | Mayor John Halliwill, City of Haines |
| 1983 | Mayor Vincent O'Reilly, City of Kenai |
| 1982 | Mayor Leo Rasmussen, City of Nome |
| 1981 | Mayor W.D. Overstreet, City & Borough of Juneau |

# MAJOR AML MEMBER SERVICES

**AML JOINT INSURANCE ASSOCIATION (AMLJIA)**

- AML Board of Directors appoints 7 members of 9 member Board of Trustees
- AMLJIA is a member owned insurance pool that provides a full range of municipal insurance
- AMLJIA has 153 participants including municipalities and school districts
- AMLJIA provides an institutional fee of $100,000 + 3% inflation to AML each year
- AMLJIA has staff offices in Anchorage and Juneau

**AML INVESTMENT POOL (AMLIP)**

- AML Board of Directors appoints 4 members of 7 member AMLIP Board of Directors
- AMLIP provides short-term pooled investment opportunities. Members can withdraw money immediately without penalty
- AMLIP has 70 municipal and school district participants

**AML ENDORSED DEFERRED COMPENSATION PROGRAM**

- AML endorses a National Association of Counties Program in conjunction with Nationwide Insurance Deferred Compensation Program
- AML receives a small institutional fee of approximately $3,000 per year

**U.S. COMMUNITIES MUNICIPAL JOINT PURCHASING PROGRAM**

- AML endorses the NLC, NACo and ICMA purchasing program based on using bids from huge counties and cities like Los Angeles, to get low prices on computers, office supplies and equipment, etc. Often the vendor pays the shipping costs, which is another huge savings for municipalities in Alaska
- AML receives a small fee of one half of one percent of purchases

and/or information which we send to our municipalities either through this newsletter or via email/fax.

- We do NOT lobby for capitol projects; only those issues which affect all municipalities. We do not (as a rule) take positions on regional issues that might pit one municipality against another or one region against another.

- We hold three conferences each year; January in Juneau (Legislative Conference); August in a mid-sized community (session wrap-up and priority drafting); and Annual Conference (rotated between Juneau, Anchorage and Fairbanks) to provide 2 days of Newly Elected Officials Training and three days of workshops and training for Councils and Assemblies.

- Publish and print the Municipal Officials Guide; the Alaska Municipal Salary Survey; a Legislative ebulletin; and a quarterly newsletter.

# Alaska Municipal League

# 2009 Policy Statement

Approved by AML Membership — November 2008

ALASKA MUNICIPAL LEAGUE

Alaska Conference of Mayors

Alaska Municipal League · 217 Second Street, Suite 200 · Juneau, Alaska 99801 · 907-586-1325 · www.akml.org

## J. SOLID WASTE COLLECTION, DISPOSAL, & LANDFILLS

### 1. Solid Waste Reduction Programs:

The League supports funding and financial incentives for recycling and other regulatory programs to reduce solid waste in local landfills in order to extend their useful life.

### 2. Cleaning up our Communities:

a. The League supports the funding for clean-up of junk/abandoned vehicles through the motor vehicle registration fee and the fuel tax. The League also supports legislation that will ease notice requirements in Title 28 for disposing of abandoned vehicles which are more appropriately defined as scrap metal. These vehicles have no Vehicle Identification Number (VIN) or other identifying marks.
b. The League supports amendments to AS 30.090.100 to authorize municipalities to use the same process for the disposal of derelict vessels.

### 3. Public Landfills:

The League supports the concept of state-established public landfill sites, where no alternate sites exist to serve local and regional needs of small communities, which are currently bearing a considerable burden by complying with federal and state environmental regulations.

## K. TELECOMMUNICATIONS AND COMPUTING

### 1. Alaska Rural Communications System (ARCS):

The League strongly supports continued funding for ARCS and public broadcasting as a critical link for emergency communications for communities across Alaska.

### 2. Bridging the Digital Divide:

The League supports efforts to ensure affordable, high-speed internet access statewide. Especially in consideration of Alaska's many physically remote communities, reliable, high-speed internet access is critical to economic development, commerce, education, and training.

### 3. State Oversight of Emergency Communications:

The League supports stronger state involvement to provide oversight and enforcement of safe operations of local radio communications, such as VHF band.

1. **Support the findings and action recommendations of the Rural Energy Action Council which include:**
   - Power Cost Equalization (PCE) Program Funding: Full funding of the PCE Endowment through joint congressional and state appropriations.
   - Bulk Storage Operations and Maintenance
   - Bulk Fuel Upgrade Projects
   - Bulk Fuel Cooperatives
   - High Cost of Bulk Fuel in Rural Alaska
   - Diesel Powerhouse Efficiency Improvements
   - Alternative Energy
   - Energy Conservation and Building Weatherization Program
   - Low Income Home Energy Assistance Program
   - Energy Funding for School Districts
   - Rural Energy Centers

2. **Provide Funding:**

a. Provide funding for construction, refurbishment and replacement of electric power infrastructure.

b. Provide funding for exploration and development of renewable energy sources such as wind, hydro, solar, geothermal, tidal, biomass and wave.

c. Provide funding for immediate or short-term programs designed to address current energy requirements while long-term energy solutions are developed.

3. **Partnerships:**

Work in partnership with local communities to enhance knowledge and expertise to move important energy projects forward.

4. **Railbelt Energy Fund:**

Use the Alaska Railbelt Energy Fund to pay for energy projects along the "rail belt" corridor of the state.

5. **Interties:**

Support the expansion of electrical utilities between communities through construction of interties, and upgrades to decrease line loss and increase efficiency.

6. **Natural Gas:**

The League supports development of plans or programs to bring the state's natural gas resources to as many local communities as possible.

7. **Fuel Costs:**

The Governor and Legislature are urged to develop a program which uses some of the State of Alaska owned oil to provide low cost fuel to Alaskan homes, businesses and industry.

## G. UTILITY REGULATION

### 1. Regulatory Commission of Alaska (RCA) Reauthorization:

RCA provides an important safeguard for Alaska utilities and their customers and should be reauthorized. However there should be a series of statutory changes and performance measurements that address timely case clearance and ensure the agency is operating in an effective and efficient manner.

### 2. Exemption of Municipal Utilities from RCA:

The League supports statutory exemptions that allow municipal utilities to operate in the best interest of the consumer without regulation by the Regulatory Commission of Alaska (RCA).

### 3. Solid Waste Collection and Disposal:

The League supports continued state regulation of solid waste collection and disposal. The lack of competition in this utility could increase costs to consumers, unless a municipality opts to take over solid waste collection and disposal regulations.

## H. FUNDING ASSISTANCE FOR UTILITIES

### 1. Sustainable Water and Sewer Funding:

The League urges the state to develop and implement a mechanism to create a fund that will result in a long-term sustainable state-funded water and sewer program.

### 1. Municipal Matching Grant Program:

The League strongly supports continuation of the Alaska Department of Environmental Conservation's Municipal Matching Grant Program which provides at least ~~50~~ 60 percent of the cost of sewage systems, auxiliary equipment, solid waste facilities, and water systems.

### 2. Village Safe Water Program:

The League strongly supports continuation of the Village Safe Water Program of the Alaska Department of Environmental Conservation. The League also strongly supports the funding of the Remote Maintenance Worker Program through the State of Alaska Department of Environmental Conservation. The League supports state technical and financial assistance to rural communities to improve the basic sanitation facilities. The League supports an appropriation level to meet the needs of rural Alaskan communities throughout the state.

### 3. Revolving Loan Programs:

The League strongly supports continuation of revolving loan programs such as the Drinking Water Fund and the Clean Water Fund.

## I. ENERGY

A statewide energy plan to provide reliable, sustainable, available, and affordable energy is critical to the citizens of Alaska and to the promotion of economic development opportunities. Therefore, the League recommends that the state:

b. The League supports the transfer to municipalities of federal and/or state lands to provide for needed expansion and/or development of municipal-owned port and harbor facilities and operations.
c. The League supports state funding of maintenance for state owned harbors and not deferring the cost to the local government.
d. The League urges the State to complete a comprehensive statewide ports and harbors plan.

### 2. Alaska Marine Highway System (AMHS):

Long-range planning and stable funding for maintenance, operation, and expansion of the system are necessary to ensure the most effective service to the users of the system and the most efficient operation of the vessels. The League strongly recommends:

a. Changes to adopted AMHS Regional Transportation Plans must allow for community input and ensure adequate notice to minimize economic impacts to communities and their businesses.
b. Funding be allocated to purchase new vessels and technology as needed, to replace the aging fleet and to comply with the Safety of Life at Sea (SOLAS) deadlines.
c. Funding that may currently be used for new vessel purchases, such as Shakwak funds, be used for such purpose and not for other transportation projects that have multiple funding sources.
d. A baseline schedule be adopted and published at least 2 years in advance for all AMHS routes, and provide service commensurate with community size and usage.
e. Full, consistent and predictable funding for maintenance and operation of the AMHS.
f. DOT partner with communities to maximize marketing efforts and revenue potential for the AMHS.
g. The Legislature reinstate the AMHS Trust Fund.
h. The AMHS be included on an equitable basis with other state transportation systems, including the regional transportation plans.
i. The use of state supported public and/or private feeder ferries as improvements to ferry service.
j. Alaska shipyards, maintenance, and training services are used whenever possible.

## F. STATE POLICIES AFFECTING LOCAL COMMUNITIES

### 1. Building Officials:

a. The League supports continuation of state policy to not require building officials or plan reviewers to be registered architects or engineers.
b. The League supports the rights of local communities that have statutory deferral to enforce the state building codes without interference by state officials. If an error occurs by a local government official, the state may then overrule the decision.

### 2. Safety Code Adoption:

The League urges municipal representation on any review panel for adoption of codes.

### 3. Payment & Performance Bonds for Public Works Projects:

The League supports an amendment to AS 36.25.010 providing for an inflationary increase up to $250,000 in the contract limit for requiring payment and performance bonds of contractors for public buildings or public works projects.

### 5. Costs of Railroad Crossings:
The Alaska Municipal League supports the Alaska Railroad having the responsibility and incurring the cost of maintaining railroad crossings, traffic safety signals, and related infrastructure.

### 6. Historic Rights of Way (R.S. 2477):
The League supports continued research and identification of traditional public rights for rights-of-way on property as provided by R.S. 2477, and provide for a funding mechanism to assert designation.

### 7. Public Transit:
The League supports development and funding of cost-effective public transit systems. The Statewide Transportation Plan should include a statewide plan for public transportation. The League supports an annual appropriation to match federal and local funding to expand transportation services across the State and to include fuel cost reimbursement as part of the State energy assistance program. The League encourages the Legislature to explore changes to the pupil transportation funding requirements that would allow blending of public and pupil transit systems to achieve economies of scale.

### 8. Pedestrian/Bicycle Lanes:
The League supports legislation to require that provisions for and funding of pedestrian/bicycle lanes and/or paths be included on all major state road and rail projects where determined by local municipalities.

## D. AIR TRANSPORTATION

### 1. Airport Maintenance:
The League supports adequate funding for equipment, maintenance, and operation of airports, including Homeland Security requirements.

### 2. Transfer of Land and Facilities for Municipal Airports:
The League supports the transfer of federal and/or state lands and facilities to municipalities, if requested, to provide for needed construction and expansion of municipal-owned airport facilities and operations.

### 3. Airport Construction Assistance:
The League supports an equitable approach to state construction assistance for both state and municipal airports and the concept of necessary expansion and upgrading of airports, airport facilities, and air navigational aids in Alaska.

### 4. Minimum Runway Lengths
The League supports that runway lengths be adequate to ensure safe transportation and to meet each community's need.

## E. MARINE TRANSPORTATION

### 1. Port and Harbor Development:
a. The League urges the state to fully fund deferred maintenance improvements to port and harbor facilities through the Municipal Harbor Facility Grant program. Enable municipalities to use the proceeds from the transfer of state harbors for the local matching share of harbor matching grant program.

### 8. Construction Standards Related to Climate Impact:

The League encourages the state to consider recommendations for new construction standards as identified by the State's energy plan and the State's climate change panel.

## B. MUNICIPAL INVOLVEMENT IN TRANSPORTATION PLANNING

### 1. Statewide Comprehensive Transportation Plan:

The League supports the continued development of a statewide comprehensive transportation plan that combines overall state, regional, and local transportation needs. Planning should place more emphasis on the needs and priorities of communities as identified by residents and local governments.

### 2. Sustainable Transportation Funding:

The League urges the state to develop and implement a mechanism to create a fund that will result in a long-term sustainable state-funded transportation program.

## C. SURFACE TRANSPORTATION

### 1. State Transportation System Maintenance:

The League supports an increased level of funding for maintenance of the state transportation system (roads, bridges, bike paths, trails, etc.) to reflect the increasing costs and age of the system.

### 2. State Local Road Maintenance:

The League supports legislation to provide funding for local roads by allocating a portion of the state gas tax receipts, motor vehicle registration fees, and federal highway funds. Consolidation of state and local road maintenance operations may provide opportunities for cost savings and efficiencies. The League supports transfer of responsibility for road maintenance or ownership of roads from the state to a municipality only upon agreement by the affected municipality.

### 3. Federal Highway Funds:

The League strongly recommends the state Department of Transportation and Public Facilities:

a. Ensure the Statewide Transportation Improvement Plan (STIP) follows the Federal Highways Administration (FHWA) process to better involve citizens and local governments in the funding and implementation of prioritized local projects.
b. Provide for an appropriate sharing of federal receipts for local road needs.
c. Expend at least 10 percent of the surface transportation program for construction of project upgrades and at least 10 percent for safety programs.
d. Set aside a percentage of federal highway funds be allocated for the maintenance of road, trail, and transit projects.
e. Provide earmark funding directly to communities.
f. Support local control of Metropolitan Area Planning Organization (MPO) transportation solutions.
g. Enter into a Memoranda of Agreement with local tribal governments for road maintenance and construction.

### 4. Trail Marking:

The League strongly urges the continuation of a statewide program of uniform permanent trail marking and annual winter maintenance and trail staking be established and funded by the state, with local input.

# PART IV
# PUBLIC WORKS & INFRASTRUCTURE

**The goal is to recognize the importance of transportation, energy programs and utilities infrastructure to the economic and social well being of Alaska communities, to support planning for an integrated transportation system, to assist local governments in providing potable water, wastewater treatment, solid waste disposal and other utilities and to advocate an equitable approach to the funding of construction and maintenance of these facilities.**

## A. PUBLIC WORKS AND INFRASTRUCTURE POLICY

### 1. Deferred Maintenance:

The League believes deferred maintenance of public infrastructure is a shared responsibility between state and local government. The League supports the use of revenue sources other than just local taxation to fund maintenance that has been deferred. The League urges the state to share state revenues and recommends a high priority be placed on funding the backlog of deferred maintenance projects on the state and local level.

### 2. Bond Funding:

Bonding is a funding mechanism for infrastructure development and deferred maintenance. Bond funding is proactive, not reactive, therefore, the League supports bonding as a responsible funding mechanism for statewide infrastructure development and deferred maintenance of local and state facilities. The League urges the state to maintain current bonding commitments and provide additional funding of unprecedented increases in labor and material costs.

### 3. Davis-Bacon Projects:

The League advocates raising the threshold for state Davis-Bacon project filing requirements from $2,000 to $50,000 per project.

### 4. Force Accounting:

The use of force accounts is an effective tool to provide training and employment opportunities for rural Alaskan communities, while developing needed local infrastructure. The League supports a municipality's right to use force accounts without the imposition of limitations.

### 5. Municipal Capital Matching Grants:

The League supports funding the Municipal Capital Matching Grants Program as the most efficient and effective means of constructing needed public facilities. The construction and maintenance of public facilities is one of the most critical responsibilities of government. It is necessary for the state to share the resources of the people of Alaska with its political subdivisions to meet this responsibility at the level of government closest to the people.

### 6. Retainage Accounts:

The League encourages the state to base the retainage account interest payment requirements on actual interest earned by municipalities.

### 7. Financial Sustainability:

In order to protect infrastructure investments, the League acknowledges that maintenance and operations must be considered in the overall funding of projects. Therefore, the League recommends local participation in the development of reasonable criteria to ensure projects are sustainable.

## 4. Oil, Gas, and Mineral Resources:

a. **Arctic National Wildlife Refuge (ANWR):** The League urges the Congress of the United States to open the Coastal Plain of the Arctic Oil Reserve to environmentally responsible oil and gas exploration, development, and production. The League strongly supports the 90-10 split of revenues as required by the Statehood Act.

b. **National Petroleum Reserve Alaska:** The League supports oil and gas leasing and other mineral entry in the National Petroleum Reserve Alaska.

c. **Exploration and Development:** The League encourages the State of Alaska to promote environmentally responsible oil, gas, and mineral exploration and development that is not detrimental to Alaskan fisheries or subsistence activities.

d. **Tax and Royalty Incentives:** The League supports the implementation by the State of Alaska of tax incentives that promote oil and gas exploration in mature and marginal oil and gas fields that would otherwise be uneconomical.

e. **Rural Natural Gas Wells:** The League supports development of rural natural gas wells for local consumption and urges the state to fund a pilot program to test this technology.

f. **Mineral Development:** The League supports private exploration and development of mineral resources including state-owned minerals, as well as the review of resource extraction fees. The League also urges the State of Alaska to redistribute federal mineral revenue sharing funds to local governments. The League supports a review of tax and royalty rates for mineral extraction.

g. **State and Local Cooperation:** The League encourages state and federal agencies to fully participate with local governments in public processes associated with resource development decisions made by those entities.

h. **Carbon Sequestration:** The League supports the study of carbon sequestration with proportionate amounts of those carbon sequestration credits going to municipalities.

i. **In-state Refining:** The League strongly urges the state to fund the study and support the retention and expansion of oil refining and petro-chemical development.

## 7. Waste Disposal:

The League encourages the state and federal governments to adopt and maintain acceptable standards concerning waste disposal from the processing of all resources.

## 8. Human Resources:

a. **Alaska Hire:** The League supports and encourages all efforts on the part of the Governor and the Legislature to implement a local, regional, and statewide hire policy.

b. **Training Incentives:** The League supports the development of incentives that would encourage the Alaska education system, contractors, and other employers to train and hire local workers.

## 9. Rural and Affordable Housing:

a. **Alaska Housing Finance Corporation:** The League supports full funding for the Alaska Housing Finance Corporation to meet general U.S. housing standards.

b. **Tribal Designated Housing Entities:** The League supports and encourages any effort to include language in state policies, statutes, and regulations that would give Tribal Designated Housing Entities the same access to planning activities, loans, and grants as are now available to Alaska Housing Authorities.

c. The League encourages development of affordable housing.

g. **Fisheries Business Tax Credits:** The League supports fisheries business tax credits that would allow onshore fish processors to receive credit for capital improvements to fish processing plants for value added processing. The League supports the application of the fisheries business tax credit to cooperative or municipal utility construction related to value added processing.
h. **Marketing:** The League supports increased state funding of the Alaska Seafood Marketing Institute (ASMI), with emphasis on wider distribution of higher value products. The League supports a geographic balance on the Board of Directors of ASMI.
i. **Fresh Product Marketing Access:** The League supports the development of marine, air, and ground transportation links for the purpose of enhancing the marketing of fresh fish and higher value products.
j. **Crab Management:** The League strongly urges the state to retain jurisdiction over management of the crab fishery in the federal Exclusive Economic Zone. The Legislature is urged to appropriate any additional funds necessary to allow the state to comply with federal requirements.
k. **Mariculture:** The League supports the development of a stable, year-round, private shellfish mariculture industry, in a manner compatible with existing fisheries and other traditional activities.
l. **Aquaculture:** The league supports Alaska's salmon ocean ranching program and continues to oppose finfish aquaculture.

m. **State Control of Fishery Management:** The League urges the state to fund research necessary to ensure that the state maintains management authority over groundfish and other fishery allocations within federal waters off Alaska. The League urges the North Pacific Fisheries Management Council to incorporate provisions in any comprehensive rationalization plan relating to federal fisheries off Alaska's coast to ensure processing onshore and to maximize opportunities for Alaskan fishermen to enter and participate in these fisheries.
n. **High Seas Interception:** The League supports continued state and federal efforts to end the high seas interception of Alaska's fisheries resources and illegal taking of fish in the U.S. Exclusive Economic Zone.
o. **Fish Escapement Count:** The League urges the Alaska Department of Fish and Game to review its fish escapement count procedures for accuracy on all anadromous rivers and seek broad public input.
p. **Groundfish Rationalization:** The League urges the state to call upon the North Pacific Fisheries Management Council for a moratorium on rationalization of Gulf of Alaska ground fisheries until the social and economic impacts to coastal communities are understood.
q. **Socio-Economic Impacts:** The League urges the state to call upon the North Pacific Fisheries Management Council to use data regarding socio and economic impacts on communities for revision of existing and for development of future fisheries management policy.
r. **Crew Data Collection:** The League urges the state to expedite the development of collecting crew data for use in social and economic impact studies, for use in existing and future fisheries rationalization/management programs.

### 3. Agriculture and Timber:

**a. Agriculture:**

The League supports state and local encouragement of agriculture through farmland preservation, the opening up of new agriculture lands with adequate road access, the authority for municipal tax credits, education and research, and aggressive support of the development, processing, and marketing of Alaska agricultural products.

**b. Timber:**

The League supports the sustainable management of state-owned, municipally-owned, or privately-owned timber resources.

the exploration, inventory, planning, conservation, development, mitigation of impacts, processing, and marketing of natural resources in a manner that produces maximum long-term benefit for the state and municipalities.

## C. STATE AND FEDERAL POLICIES AFFECTING LOCAL COMMUNITIES

### 1. Recreation and Tourism:

a. **Promotion and Attraction:** The League encourages assistance to municipalities for local and regional tourism promotion.

b. **Rural Tourism Development:** The League supports implementation of rural tourism development including non-consumptive eco-tourism, and marketing strategies that assist rural communities' residents in realizing the potential of tourism in their communities, and in understanding the challenges and impacts.

c. **Alaska Tourism Marketing:** The League supports increased funding for Alaska tourism marketing.

d. **Independent Travelers:** The League supports increased marketing efforts to attract more independent travelers. The positive economic impact from independent travelers benefits many communities around the state.

e. **Visitor Industry:** The League supports providing a business and regulatory environment that will encourage the growth of Alaska's visitor industry and not impose additional requirements that are burdensome, duplicative, and non-productive.

f. **Parks and Recreational Facilities:** The League supports increased funding for staff, maintenance and operation of parks, trails for motorized and non-motorized users, and other recreational facilities to accommodate, disperse, and expand recreation opportunities for residents and visitors.

g. **International Exchanges:** The League supports local, state, and federal efforts to encourage trade, tourism, and exchanges of educational and scientific projects between the people of the State of Alaska and international communities.

### 2. Fisheries:

The League urges the Governor and Legislature to develop a long-term statewide policy on commercial fisheries, focusing on scientific resource management and limiting political influence.

a. **Management and Enforcement:** The League supports adequate funding for management, research, and enforcement, which will assure a sustained maximum harvest on a long-term basis.

b. **Fisheries Enhancement, Protection, and Projects:** The League supports fisheries enhancement and protection programs, funded through Alaska Department of Fish & Game cost recovery and additional legislative appropriation.

c. **Fisheries Habitat Protection:** The League encourages the state to develop programs and policies for fisheries habitat protection in cooperation with affected local governments.

d. **Adequate Shares for Alaska under Salmon Treaties:** The League urges state and federal negotiators on the North Pacific Salmon Commission to ensure that Alaskans have a proportionate and equitable share of the fish controlled by treaty.

e. **Fisheries Research:** The League supports increased state and federal fisheries, marine mammal, and avian research programs the League supports full federal funding for ~~and~~ the domestic observer program.

f. **Marine Mammal Research:** The League urges the state to fund peer reviewed scientific research on any marine mammals that are threatened or listed as depleted under the Marine Mammal Protection act (MMPA) or the Endangered Species Act.

# RESOURCES & ECONOMIC DEVELOPMENT

**The goal is to support responsible and sustainable community economic development and resource management and provide for community growth. In addition, the League supports policies that will assist communities to establish economic development programs that improve quality of life through incentives for concurrent, diversified and vertically integrated economic development, such as: high tech industry, Made in Alaska, Alaska gas line, and to promote tourism, international trade, fisheries, agriculture, timber, oil, gas, and mineral development, and their associated, value-added components. The League also supports policies for the development of the human resources in Alaska's communities, focusing on creating and sustaining private sector employment.**

## A. AUTHORITY AND INCENTIVES

### 1. Cooperative Projects:

The League encourages expansion of a "partnership" approach to economic development.

### 2. Alaska Regional Development Organizations:

**a. Reauthorization and Funding:** The League urges the state Legislature to reauthorize and increase funding to the Alaska Regional Development Organizations (ARDOR), and to leverage more private funds.

### 4. Denali Commission:

The League supports the Denali Commission as it improves infrastructure, supports training, encourages economic development, and plays a key role in coordinating federal agencies and services in Alaska.

### 5. Workforce Development Act:

The League supports the reinstatement of funding to support continued employment and reemployment at the local level.

### 6. Micro-enterprise and Small Business:

The League urges the state administration and Legislature to provide improved programming and assistance for the development of the entrepreneurship, micro-enterprise and small business sectors of the Alaskan economy.

## B. IMPACT

### 1. Impact Assistance:

The League urges a collaborative approach of municipal, state, and federal legislation that would provide appropriate financial assistance as identified by the municipalities facing socioeconomic impacts of development or other activity.

### 2. Development Projects:

The League urges that development projects substantially impacting communities be reviewed by the municipalities and that municipalities be involved as full partners in the development process.

### 3. Natural Resource Development Policies:

The League supports the adoption and implementation by the State of Alaska of a Natural Resource Development Plan, in cooperation with the private sector. Such a plan would include policies for

## J. GLOBAL CLIMATE CHANGE

In order to address the effects of global climate change, the League encourages the State of Alaska to undertake initiatives for energy conservation and to support development of alternative, renewable and clean energy resources; address environment, infrastructure, and potentially conflicting federal compliance impacts in order to establish a long-term, sustainable plan for the state and local communities.

### 1. Funding for Research on the Effects of Climate Change in Alaska:

The Alaska Municipal League supports increased state and federal funding for research in Alaska on the effects of global climate change and on feasible ways to mitigate and adapt to climate change. Increased funding should particularly be directed to research within the University of Alaska system, including research regarding renewable and alternative energy, energy efficiency, and social and economic costs of climate change.

## G. LAND SALES AND SUBDIVISIONS

### 1. Recording Requirements:
All property owners should be required to record any land transfer or boundary change within 30 days and approval should be required before any land transfer is recorded by the District Recorder's Office including the sales price.

### 2. Inspections:
The League urges the state to fund and reinstate its program for inspection of individual septic systems and water quality.

### 3. ADEC Review of Plats:
Where adequate municipal oversight does not exist, the League supports the Alaska Department of Environmental Conservation's review of subdivision plats for adequate on-site water and sewage disposal systems.

## H. GEOGRAPHICAL INFORMATION SYSTEMS

Computer based geographical information systems should continue to be coordinated and standardized to allow for sharing of data between state and local agencies. Data should be web-based and readily accessible for public information and use.

## I. STATE AND FEDERAL POLICIES AFFECTING LOCAL COMMUNITIES

### 1. Recreational Opportunities:
The League strongly supports maintaining existing state parks and facilities.

### 2. Fish and Game Resources:
The League supports Alaska's right and responsibility to manage its own fish and game resources.

### 3. Regulatory Authority:
The League opposes state and federal legislation that attempts to limit land use regulatory authority of municipalities by any means.

### 4. Gravel Extraction:
The League supports legislation that sets priorities for the reasonable extraction of gravel and sediments in or near streambeds for prevention, control, and mitigation of erosion, flooding, or damage. Extraction for public purposes should be free of royalty payments to state and federal governments.

### 5. Leaking Storage Tanks:
The League strongly encourages the state to reauthorize the Board of Storage Tank Assistance, the underground storage tank revolving loan fund, and the tank cleanup loan program.

### 6. Transfer of Federal Lands:
The League urges the State of Alaska to assist and cooperate with tribes, municipalities and other entities for the expeditious transfer or retransfer of federal lands.

### 2. Land Disposals:
The disposal of interests in State lands to private interests, including the sales price, should be recorded by the state at the District Recorder's offices within 30 days.

### 3. Enforcement:
The state should provide the resources to actively manage and enforce existing state land management policies and regulations.

## D. COASTAL ZONE MANAGEMENT

### 1. Local Control and Participation:
The League supports maximum local control and involvement in the development, management, ~~and~~ implementation, and expedited appeals process of coastal planning and policies. The League recognizes the vital role that coastal districts and coastal resource service areas (CRSA's) provide in reviewing these plans and policies. The program should continue to include review and evaluation processes.

### 2. Agency Review of Local District Programs and Projects:
The League supports legislation or administrative actions that would require state and federal agencies to disclose all comments and recommendations to municipalities prior to the approval of projects.

### 3. Notice:
The League urges the State of Alaska and the federal government to provide immediate notice of changes to coastal management programs to communities impacted by such changes.

### 4. Quality Standards:
The state should reinstate the air, land and water quality standards into the Coastal Zone Management policy.

## E. WATERSHEDS

### 1. Protection and Maintenance:
The league supports the protection, restoration, and maintenance of watersheds.

### 2. Coordination and Funding:
The League encourages the state to improve funding for watershed protection, and the more efficient use of government resources.

## F. WETLANDS
The League supports the protection restoration, ~~and~~ maintenance and use of wetlands, where appropriate, for private and public infrastructure needs. The League supports the development of a regionalized rapid assessment approach to evaluate wetlands for unique characteristics.

# PART III
# LAND USE, RESOURCES & ECONOMIC DEVELOPMENT

## LAND USE

**The goal of the Land Use section is to encourage the adoption of policies that will establish the authority, knowledge, and intergovernmental cooperation necessary for municipalities to document ownership and control of land and manage public lands.**

### A. LOCAL OPTIONS

1. **Planning, Zoning and Land Use:**

a. The League believes that local planning and zoning laws, review processes, and land use and subdivision regulations apply to all state land use actions. This will allow for comprehensive local control of community development, including the same access requirements as municipalities or private developers.

### B. LAND SELECTION

1. **Easements, Conveyance & Land Use:**

The League supports programs to identify easements and entitlement lands, and requests all land transfers be conducted expeditiously.

2. **Conveyance and Land Use:**

a. The state should reevaluate its land survey criteria for conveying large, remote parcels in order to save time and money.

b. The League urges cooperative efforts to resolve conveyance issues of lands not yet jointly agreed upon by municipal, state, and federal government on lands affected by the municipal land selection process.

c. The state and federal government and their agencies should clean up all hazardous material, including previously undisclosed hazardous material at active and formerly used defense sites. The cleanup effort should meet EPA and Alaska Department of Environmental Conservation (ADEC) standards and standards acceptable to the community that are consistent with the intended use of the property.

d. The League opposes any changes to Section 14, paragraph (c) (3) of ANCSA that would reduce the ability of municipalities to receive their full entitlement to lands.

### C. STATE LAND MANAGEMENT

1. **State Land Use Decisions:**

The state and its instrumentalities should fully include municipalities in ~~state~~ land use decisions for lands within or adjacent to a municipality or land use decisions having potential impact on municipalities.

## E. ALASKA TEMPORARY ASSISTANCE PROGRAM

### 1. Adequate Funding and Job Opportunities:

a. The League urges the state to match federal funding dollar-for-dollar under the Alaska Temporary Assistance Program.
b. The League urges the state to fund childcare, work services, and other services designed to help welfare recipients into the workforce statewide.
c. The League urges the state to provide funding for training and economic development to further increase employment opportunities statewide.

### 2. Safety Net:

The League urges a state-maintained safety net for those moving from welfare to work. This net may vary with each recipient, but should encompass assistance needed for childcare, transportation, training and education, health care, and counseling.

### 3. Focus:

The focus of the Welfare to Work Program should remain on finding and creating jobs, providing supportive services, protecting the welfare of children, and keeping people employed.

### 6. Funding for Distance Delivery of Education for Nurses and Nursing Assistants:

Acknowledging the serious shortage of qualified nursing personnel across the state, the League urges the state to fund the University of Alaska and technical education centers to increase the programs and delivery models which will allow students to obtain most of their training in their local communities through distance delivery to achieve licenses in Practical Nursing (LPN), Associate Degree in Nursing (ADN), Bachelor of Science Degree in Nursing (BSN), and Certified Nursing Assistants (CNA).

### 7. Telemedicine:

The League supports telemedicine services throughout Alaska.

## C. LIABILITY ISSUES

### 1. Liability for Failure to Take an Incapacitated Person into Custody:

The League supports removing any implied liability of a municipality for failing to take a person incapacitated by alcohol, drugs, or mental illness into custody.

### 2. Liability for Emergency Response Outside Municipal Boundaries:

The League supports legislation limiting liability when a municipal service is provided outside municipal boundaries during an emergency.

### 3. Liability of Health Clinics and Hospitals for Actions of Non-Employee:

The League supports legislation to limit the liability of a municipality and its local health facility for actions of a non-employee.

### 4. Liability for Corrections Community Service Workers:

The League supports legislation that would require the State of Alaska to assume full responsibility for medical costs and liability related to state court-ordered corrections community service workers.

### 5. Liability for Jail/Prison Operations:

The League supports legislation providing reasonable statutory immunity from civil damages resulting from an act or omission in the administration, operation, or monitoring of a correctional facility.

### 6. Municipal Liability Limitations:

The League supports legislation which limits liability of the state and municipalities for attorney fees.

## D. STATE-FUNDED SOCIAL PROGRAMS

The League urges the state to adequately fund essential social programs:

- Child protection
- Substance abuse
- Domestic and sexual abuse
- Suicide prevention
- Fetal Alcohol Effect/Fetal Alcohol Syndrome
- Mental Health

e. **Research on Therapeutic Courts:** The League supports researching the cost and effectiveness of the therapeutic court program throughout the state.

### 6. Workers' Compensation for Emergency Service Personnel:

The League opposes any changes to workers' compensation laws that eliminate local government options for alternative coverage of volunteer firefighters, police, paramedics, and other emergency service personnel. The League opposes any changes in the law that would presume that any heart, respiratory, or circulatory disease, or cancer arose out of past or present service as a firefighter or other emergency service provider. The League further opposes proposals to change the basis for computing compensation for injured volunteers and urges continuation of current provisions establishing the rate of compensation for volunteer firefighters.

### 7. Training:

The League urges the Legislature to assure, through state assistance, that local, full-time, on-call responders, volunteer police, fire, emergency medical, and other emergency preparedness personnel throughout the State of Alaska have access to adequate facilities and program resources for training.

### 8. Violence Prevention:

Recognizing that prevention and education are more cost efficient than adjudication, the League supports and encourages programs and funding which prevent and intervene in the cycle of violence.

## B. HEALTH

### 1. Statewide Comprehensive Health Planning and Negotiation of Governmental Roles:

The League supports development of a statewide plan identifying core physical and mental health care needs and defining the roles and options for government, tribal, nonprofit, and private sector programs for the prevention and treatment of injury or illness.

### 2. Public Health Nursing:

The League supports full funding of public health nursing.

### 3. Health Care Costs:

The League urges the development of state policies and programs aimed at providing affordable and accessible medical care for all Alaskans, including exploration of pooling, utilization review, and a method of providing insurance for underinsured and uninsured residents of Alaska. Municipal governments must be involved in the discussion of any proposal dealing with health care costs. Proposed statewide solutions should allow for locally developed alternatives.

### 4. Hospital and Health Facility Funding:

The League supports state assistance for hospital and health facility construction and operating costs.

### 5. EMS Equipment:

The League supports funding for EMS Capital Equipment.

d. **Rehabilitation Programs:** The League supports the restoration of funding for rehabilitation programs that include education, mental health counseling, job skills, and drug and alcohol treatment. Youth treatment programs should include long-term residential care and after-care treatment.
e. **Preventive Programs:** The League supports preventive programs for youth and families.
f. **National and Community Service:** The League supports the federal AmeriCorps and VISTA programs. AmeriCorps and VISTA provide public services to many Alaskan communities and train young people to become community leaders by giving them responsibility. Many of Alaska's leaders are former Americorps or VISTA volunteers.
g. **Gang Activities:** Increased gang activity and growth must be addressed now by state and local authorities.

### 4. Jails and Correction Facilities:

a. **Community Jail Funding:** The League supports legislation that fully funds community jails. Community jails serve all Alaskans and provide a great savings to the State by reducing inter-state prisoner transportation costs. Municipalities should not pick up the cost for a state responsibility. The League supports a balanced and equitable formula to fund all correctional facilities in the state.
b. **New Jail Space:** Overcrowding in jails is a serious problem and new jail space is needed. Alaska could gain through economic multiplier effects by housing Alaskan prisoners in state. The League recommends that additional funding for new jail space and operations be appropriated. Public safety for all Alaskans is critically affected by the availability of jails. The cost of building and operating jails is beyond the financial abilities of local municipalities.
c. **Contract Jails and Holding Facilities:** There is a strong need for increased funding for contract jails. The state should accept an equitable share of staff training and liability associated with operating these jails and set standards for the safe operation and maintenance of facilities. The League urges the state to provide funds for additional community jails in areas that do not have them because of the lack of state funding.
d. **Halfway Houses:** Halfway houses serve an appropriate role in the correctional process. The League supports locating these in communities to which the prisoner will return upon release. The state should reach agreement with the local governments on the location of halfway houses in their area.
e. **Probation/Parole:** The League supports full staffing of probation and parole offices throughout the state.
f. **Corrections Officer Training:** The League urges the State to increase corrections officer training availability to ensure timely receipt of this training for newly hired community jail corrections officers.

### 5. Courts:

a. **Prosecution Costs:** The League recommends full funding for the Department of Law so that criminals are prosecuted to the fullest extent of the law. The League opposes any legislation that forces municipalities to prosecute criminals.
b. **Criminal Defense Costs:** The League recommends the state provide full financial support for the Public Defender Agency and the Office of Public Advocacy so that all citizens may receive the full benefit of their state and federal constitutional rights.
c. **Funding:** The League recommends full funding for the Alaska Court System for the efficient administration of justice.
d. **Tribal Courts:** The League urges the state to recognize shared jurisdiction between state, local governments, and tribes for misdemeanors and offenses to reduce costs to the state and local governments, recognizing tribal courts can be more effective, and in some cases, tribal courts may be the only alternative.

1. **Animal Cruelty:** The League supports an amendment to the animal cruelty statute to allow either a municipal animal control officer or a peace officer to take an animal into custody without first obtaining an opinion from a licensed veterinarian that cruelty has probably occurred. The League further supports legislation that would allow an animal taken into custody to be placed in a municipal animal shelter without first trying to place the animal in a shelter operated by a veterinarian. Municipal animal control officers and facilities are adequate to assess and care for animals that are victims of cruelty and can arrange for proper veterinary care, if needed.

## 2. Emergency Communications:

**a. E-911 Emergency Dispatch Services**

- For Statewide E-911 service, ensure that all residents and visitors within the State of Alaska have access to E-911. Basic E-911 service is not available to all communities in the State of Alaska, due primarily to a lack of designated Primary Public Safety Answering Points (PSAP's).
- The League supports amending current Alaska statutes so that the E-911 surcharge is equitable for all devices and modes capable of calling E-911 and provide a mechanism for sufficient funding to accommodate the changing requirements of E-911 public safety answering points. Current E-911 technology in the State is not compatible with Next Generation calling services used by the public, including Voice over Internet Protocol, Short Messaging Service, Instant Messaging, and Telematics.
- The League supports amending the current Alaska statutes so that the Regulatory Commission of Alaska (RCA) has clear authority for the local exchange carrier provision of E-911 dispatch calling services and develop a statewide organization with local representation and sufficient authority to administer the needs of a statewide E-911 system. Many issues related to the effectiveness of E-911 emergency calling must be resolved at a statewide level. The State of Alaska does not have an effective mechanism for administering the complex operational and technical issues related to E-911.

**b. Development of a Statewide Integrated Emergency Radio Communications System:** The League supports the continued development and implementation of the Alaska's Land Mobile Radio System (ALMR), to ensure good stable communications during disasters. However, the League opposes passing on the operations and maintenance costs to local jurisdictions. Passing these costs on to local governments will drastically reduce the number of participants on this system, further reducing statewide interoperable communications

## 3. Youth:

**a. Juvenile Crime Issues:** The League recognizes that juvenile crime continues to be a serious problem in Alaska. The nature of juvenile crime is becoming more violent, and the cost of vandalism is increasing. The League recommends that juvenile laws be equitably enforced. While accountability and consequence should be a part of our juvenile system, without effective follow-through with case-managed social services and rehabilitation programs, the system will continue to fail our youth. Confidentiality should be balanced between the public's need to know and the juvenile offender's best interest.

**b. Jurisdiction for Juveniles:** Jurisdiction for minor offenses for juvenile crimes should be extended to the municipalities that want to participate. The League recognizes and encourages increased state and local support and funding of youth courts.

**c. Juvenile Detention and Correction Costs:** The League supports a state/local process to develop consistent policies for state/local roles in providing police, jail, and prosecution services. Juvenile detention and correctional programs require different facilities. The League supports the construction and operation of these facilities in local communities to minimize transportation costs and maintain community and family involvement.

# PUBLIC SERVICES

**The goal is to ensure adequate state support for public safety, health, and welfare of all Alaskans. This support should include funding for a systematic review of the criminal justice system. This will allow the Department of Public Safety, the Court System, and the Department of Corrections to evaluate their workloads, coordinate priorities, and fulfill their missions.**

## A. STATE PUBLIC SAFETY RESPONSIBILITY

1. **Public Safety:**

a. **State Public Safety Funding:** The League urges the Legislature to provide full funding for the Department of Public Safety so that an appropriate level of service will be provided statewide, including necessary incentives to establish full trooper staffing to protect the health and welfare of our communities.

b. **Homeland Security:** The League urges the state to pass through funding to municipalities in a timely manner for local homeland security needs, while ensuring, to the extent possible, a regional cooperation and application process.

c. **VPSO Funding:** The League urges the Legislature to provide appropriate funding, including cost-of-living adjustments and housing, and necessary resources for the Village Public Safety Officer Program directly to the affected non-profit organization who will be fully responsible for this position.

d. **Training for VPO's/VPSO's:** There is a critical need for mandatory certification, training, and background verification for Village Police Officers (VPO's). Village Public Safety Officers' (VPSO's) and Village Police Officers' (VPO's) training should be certified and recognized by the State of Alaska.

e. **Alaska Police Standards Certification Tiers:** The League supports authorizing the Alaska Police Standards Council (APSC) by statute to create tiers of peace officers, as well as task APSC with creating the corresponding training standards and minimum qualifications for officers. Currently, law enforcement across the state spans a spectrum that ranges from highly-skilled to barely-skilled personnel and departments. Creating tiers will improve standards and structure to current law enforcement programs. A tiered program will codify hiring and training standards across the state, and improve public safety.

f. **Hazard Mitigation and Fuel Management:** The League advocates legislation supporting funding for communities in the development of hazard mitigation and urban and wildland fuel management programs.

g. **Firefighting Equipment:** The League supports continued state and federal support for acquisition of replacement of aging fire fighting equipment and for training on the operation of the equipment throughout the state, including fire service areas.

h. **Local Control of Minimum Fire Staffing:** The League supports and encourages cooperative agreements between municipalities, neighboring departments, and communities in order to meet the minimum staffing requirements set out by national standards.

i. **Fire Standards Council:** The League supports continued funding of the Fire Standards Council to develop appropriate training standards for Alaskan communities. However, the League opposes efforts to mandate national standards on Alaskan communities.

j. **The Office of Rural Fire Protection:** The League supports continued funding for the Department of Public Safety, Division of Fire Prevention, Office of Rural Fire Protection. This office provides the maintenance and continuing education for participants in the successful Project Code Red program.

k. **Methamphetamines:** The League supports legislation designed to address the growing problem with methamphetamine production, including public awareness.

## F. COMMUNITY DEVELOPMENT

The state has a duty under Article 10, Section 14 of the Alaska State Constitution to advise and assist local governments. Many communities are on the verge of dissolution and failure of their local government. It is critical that the state assist communities with either sustaining municipalities or the orderly dissolution of failing municipalities. Adequate funding must be provided to the Department of Commerce, Community and Economic Development, Division of Community Advocacy to provide this advice and their services.

### 1. Local Government Service Center:

The League supports an information, research, service, and training clearinghouse for municipal and tribal local governments in Alaska.

### 2. Local Planning:

The League encourages local governments to include elements of affordable housing in comprehensive and local planning processes.

### 3. Sustainability Programs:

The League urges the state to assist communities to develop sustainability programs.

## G. CONTRACTING STATE SERVICES

The League supports the voluntary contracting of state services to appropriate local governments when such action is cost effective and appropriate and accepted by the local governing body.

## H. STATE POLICIES AFFECTING LOCAL COMMUNITIES

### Open Meetings Act:

To increase public understanding and support for legislative policy decisions, the Legislature should hold all meetings open to the public.

### Recorder's Office:

The League supports the funding, maintenance and accessibility of the District Recorder's Offices, recognizing that the function is vital to all communities, municipalities, businesses, and citizens.

### Pro-rata Reduction of Benefits:

The League opposes pro-rata reduction of benefits. When the state underestimates the needs in the budget, this policy shifts the impact to the recipients of the service.

### Financial Disclosure Reporting

The League supports returning to the 2007 APOC financial disclosure and conflict of interest forms for local governments.

## C. PUBLIC EMPLOYEES LABOR RELATIONS

### 1. Alaska Public Employees Labor Relations Act:

The League opposes any legislation that would force municipalities to be subject to the provisions of the Alaska Public Employees Labor Relations Act. Just as strongly, the League opposes any legislative efforts to dictate the provisions of local public employee labor relations ordinances. The League supports legislation to allow each municipality to reject or withdraw from the terms of the Alaska Public Employees Labor Relations Act at any time by action of the governing body. The scope of decisions as to local government finance and labor policies is best left to the local governing body.

### 2. Binding Arbitration:

Binding arbitration on local governments and school districts is not acceptable to the League. Binding arbitration hinders local elected officials' ability to determine their personnel costs and prevents local governments from having complete control of determining the local tax rate. The scope of decisions with regard to what local government can afford for labor is best left to the local bodies possessing that knowledge.

## D. TRIBAL COUNCIL/LOCAL GOVERNMENT RELATIONS

### 1. Rural Governance:

The League supports and encourages efforts on the part of the Legislature and other concerned parties to address tribal/state and municipal government relations.

### 2. Partnerships:

The League encourages rural municipalities to partner with the local tribes to provide municipal services where rural municipalities cannot afford to provide services on their own.

## E. FORMATION AND ALTERATION OF MUNICIPALITIES

### 1. Local Government Structure in the Unorganized Borough:

The League supports state policies that provide incentives to encourage the formation of boroughs or annexation to boroughs in the unorganized areas of the state, but does not mandate such action. The League urges the Legislature to take a more active role as the Assembly of the Unorganized Borough as mandated by the Constitution.

### 2. New Incorporation or Annexation:

The League urges the Alaska Legislature to amend Title 29 of Alaska Statutes to allow petitions for borough incorporation on the basis of their merits rather than administratively imposed criteria.

### 3. Entitlement Lands:

The League supports legislative changes to entitlement lands provisions to encourage existing municipalities to provide services to portions of the unorganized borough through annexation.

# LOCAL GOVERNMENT

**The goal is to preserve to the greatest degree and number local government options and prerogatives to ensure municipal government can be highly responsive to unique local circumstances and to meet the mandate of the Alaska Constitution "to provide for maximum local self government."**

## A. PRESERVE LOCAL AUTONOMY

### 1. Effective, Independent, and Economically Sustainable Local Government:

The League supports legislative and regulatory action that promotes more effective, independent, and economically sustainable local government.

### 2. Lobbying:

The League supports the continued exemption of municipal officials and employees from the lobbying reporting of Alaska State Statutes.

### 3. State-wide Ballot Initiatives:

The League opposes restrictions on municipalities' involvement in state-wide ballot initiatives.

### 4. Antitrust Laws:

The League supports legislation at both the state and federal levels placing municipalities in an equal position with state governments with respect to federal antitrust laws.

### 5. Local Construction:

The League supports amendments to Title 36, the Public Contracts Code, to permit local governments to establish their own notice, reporting, local hire, and prevailing wage requirements and methods for local construction. The League recommends an amendment to Alaska Statute 36.25.010 providing for an inflationary increase in the contract limit for requiring bonds of contractors for public buildings or public works projects. The League opposes any requirements that would have the state set local wage levels.

## B. ELECTIONS AND REAPPORTIONMENT

### 1. Local Elections:

The League opposes legislation that would diminish the authority of municipalities to conduct their own elections. The League opposes changes to AS 29.20.060 that restricts the ability of a municipality to establish local election districts.

### 2. Amendment to National Voter Registration Act (Motor Voter):

The League supports efforts by the Division of Elections to seek amendments to the NVRA to allow for the removal of voters' names from the list of registered voters when voters have not voted in four calendar years.

### 3. Help America Vote Act (HAVA):

The League supports full funding from the Legislature to support the HAVA requirements.

### 5. University of Alaska:

The League supports increased funding for the University of Alaska and its extended campuses to fulfill their role as a critical economic engine for Alaska to:

- Provide a first-class teacher education program with statewide accessibility,
- Provide a first-class undergraduate and graduate education to Alaskan students,
- Provide job training programs to prepare Alaskans to fill existing jobs in the state, as well as further expand the economy,
- Research and develop new technologies and strategies to support the growth of Alaska's economy, and
- Coordinate with K-12 schools to address unique local needs in development of their teacher education programs.
- Develop entrepreneurial programs.

### 6. Technical and Vocational Education:

The League supports funding for Technical and Vocational education programs.

### 7. Consolidation:

Any discussion of school district consolidation by the Legislature must involve municipalities and should consider potential impacts, educational benefits, and cost savings.

## D. FEDERAL POLICIES AFFECTING EDUCATION:

### 1. NCLB Flexibility:

The League supports DEED's plan for flexibility in the "No Child Left Behind" act.

### 2. Support of School Nutritional Programs:

a. The League recognizes the need for school nutrition programs including breakfast and lunch to ensure students are ready to learn, including use of federal funds and local community groups to meet these nutritional needs.
b. The League encourages the use of Alaskan food sources in school nutritional programs.

### 8. Local Autonomy to Provide Funding:

The League supports local autonomy to supplement state funding while recognizing the importance of maintaining a reasonable local funding "cap" to prevent wide disparities in education quality across the state.

### 9. Block Grants:

The League supports a needs-based block grant that is adequate to meet the specific bilingual and vocational education needs in all communities.

## B. ASSEMBLY/COUNCIL/SCHOOL BOARD AUTHORITY:

The League supports assembly/council authority in education matters. As the local governing body is responsible for levying taxes to support education, it must retain control over expenditures for school operating and capital expenses so that it may strike a balance for the tax burden placed upon local taxpayers.

## C. STATE POLICIES AFFECTING LOCAL COMMUNITIES:

### 1. Community Schools:

The League recognizes the importance of community schools and supports reinstatement and increased funding for the program. Community schools provide an integral link between a community and its citizens by promoting the advancement and development of learning and skills for citizens in school districts.

### 2. Charter Schools:

The League recognizes the benefits and contributions of charter schools and supports charter schools as authorized by state statutes, provided that local school districts retain the authority to grant and revoke charter schools in their district.

### 3. Early Childhood Education:

The League recognizes the importance of voluntary early childhood education and developmental programs for all children from birth through age eight, and supports continued development, regulation, and maintenance of standards for such programs. The League urges the Legislature to fund public preschool and early childhood programs as a component of state education program funding. The League encourages the Legislature to establish statewide Early Childhood Program standards to promote quality childcare to include a safe, healthy, enriching environment and trained, professional staff with personal background checks that go beyond current childcare licensing requirements.

### 4. Distance Delivery Programs & Other Alternatives:

The League supports distance delivery programs to meet specific educational needs of various student populations. The League recognizes that certain distance delivery opportunities are the best alternative for certain student populations, particularly in remote areas. The state must compensate for any federal funding reductions to distance delivery costs including e-rates.

### 4. Basic Education Adequacy Standards:

An adequate education shall provide all students opportunities to acquire the knowledge and skills necessary to prepare them to take a productive role in society by creating a prepared workforce for Alaska's future.

The necessary components of an adequate education are:

a. A locally adopted curricula that meet or exceed Alaska State Standards.
b. Qualified educators who are provided the time and support for professional development.
c. A safe and healthy environment, in well-maintained facilities that are capable of supporting appropriate technology for programs.
d. Facilities:
   - Adequate construction and condition per Department of Education & Early Development (DEED) standards, including lighting, ventilation
e. Operations and Maintenance: Adequate funding to:
   - Provide required heat, light, etc. with costs adjusted regionally
   - Perform required maintenance and replacement
   - Provide student transportation
   - Utilize distance education to meet curriculum needs of all students

The League supports that maintenance be fully considered in the education adequacy review.

### 5. Grants for School Construction and Maintenance Programs:

a. The League supports funding of the priority-based school construction and maintenance grant programs established by AS 14.11.007-019 equitably to all districts.
b. The League supports a grant program for improving energy efficiency of existing and new school facilities.

### 6. School Performance:

AML Supports:

a. Evaluative tools for the purpose of making communities aware of their school performance. The purpose of evaluative tools is not to close down schools, but to help communities, families, school staff and students become aware of how well students are learning in their school.
b. Continued funding for school improvement plans.
c. Develop and implement funding to prepare teachers to teach in rural communities.
c. Funding for programs, including scholarships or educational loan forgiveness that encourages Alaskans to teach in Alaska.

### 7. Bonded Indebtedness for School Construction and Major Maintenance:

a. The League urges the Governor and Legislature to fully fund all current school debt reimbursement programs. Short funding of school debt reimbursement may put municipalities in default, conflict with bond ballot language, and adversely impact future bond propositions on both the local and state levels if voter trust is damaged.
b. The League urges the state to authorize additional bonding for the municipal school debt reimbursement in an amount adequate to meet existing school facility needs and allow need and construction costs to determine the limit on the amount of bonding included in the program for any one school district.
c. The League opposes any effort by the state to reduce school debt reimbursement through deduction of interest earned on school bond proceeds.

# PART II
# EDUCATION, LOCAL GOVERNMENT & PUBLIC SERVICES

## EDUCATION

**The goal is to ensure the level of state support required by the Alaska Constitution so that all residents of Alaska have access to high-quality educational opportunities. The schools of Alaska need to be nurtured and guided at the local level to meet high standards of performance.**

## A. BASIC EDUCATION SUPPORT

### 1. Alaska's Constitutional Mandate Regarding Education:

The Alaska State Constitution requires that the state establish and maintain a system of public education open to all children of the state. In the opinion of the League, the state has fallen short of this goal. The League recommends the foundation formula be automatically adjusted annually to avoid losing education quality due to the impacts of inflation. Since education is a state responsibility, funding for education shall not be a consideration when comparing state aid to municipalities with the budget for state operations.

In MacCauley v. Hildebrand (1971), the Alaska Supreme Court states:

*The constitutional mandate for pervasive state authority in the field of education could not be clearer. First, the language is mandatory, not permissive. Second, the section not only requires that the Legislature "establish" a school system, but also gives to that body the continuing obligation to "maintain" the system. Finally, the provision is unqualified: no other unit of government shares responsibility or authority.*

The Alaska Supreme Court reaffirmed this position in subsequent rulings.

### 2. State Education Funding Formula:

The League urges the Governor and Legislature to continually fully fund the education funding formula and monitor the allocation of funds to promote equity in educational opportunities across the state, taking cost differentials into consideration.

Area Cost Differentials: The League supports program funding adjusted by the Area Cost Differential (the ISER study) to mitigate the economy of scale to offset increased heating and energy costs, travel costs, cost of rural transportation, increased operating costs in all rural areas of the state, and lack of access to goods and services. The League supports funding for a periodic update of the ISER study to ensure currency.

### 3. Early Funding for Education:

The League urges the Legislature to continue early funding so that school districts know the amount of funding available prior to the deadline for submission of school budgets, by forward funding and/or early approval of school funding appropriations.

## F. FEDERAL ISSUES

### 1. Arctic National Wildlife Refuge (ANWR):

(Note: Also in Section IV- Land Use, Resources, and Economic Development) The League urges the Congress of the United States to open the Coastal Plain of the Arctic oil reserve, including the Alaska Native Claims settlement lands, to environmentally responsible oil and gas exploration, development, and production and upon collaboration with the local residents. The League also strongly supports the 90-10 split of revenues as required by the Statehood Act. The League also urges the State of Alaska to redistribute federal mineral revenue sharing funds to local governments.

### 2. PILT:

The League supports full funding of the federal Payments in Lieu of Taxes (PILT) program and legislation that would inflation proof the program. In addition, the League supports the continued inclusion of direct payments to municipalities in the unorganized borough under the PILT program.

### 3. Internet Sales Tax and Out-of-State Sales:

The League supports the efforts of the National League of Cities and National Association of Counties to fairly tax internet and out-of-state transactions, respecting local option to the extent feasible, and allowing collection by parties involved in the transactions.

### 4. National Forest Receipts:

The League opposes the state's addition of any constraints not contained in federal law on how recipient municipalities may spend National Forest Receipts monies. The League also opposes the state's retention of any part of such funds.

### 5. Outer Continental Shelf (OCS) Revenue Sharing:

The League endorses enactment by the United States Congress of an OCS revenue sharing program, to be funded annually from the proceeds of the oil, gas, and mineral recovery lease sales on the OCS at fifty percent (50%). The League also endorses an automatic direct pass-through of a fair and equitable amount of the state's allocation under this program to communities affected by OCS activities during exploration, development and production.

### 6. Municipal Bond Tax Exemption:

The League supports the maintenance of the tax exemption of municipal bonds and federal legislation to remove restrictions placed on municipal bonds.

### 7. School Construction Federal Arbitrage Rules:

The League supports federal legislative changes to the Internal Revenue Code (S.526 – Public School Construction Partnership Act and H.R. 1084 – Lifetime Tax Relief Act of 1999) modifying public school construction arbitrage rules to extend the arbitrage period from two years to four years. Where most other states enjoy the benefit of up to a 12-month construction season, Alaska communities are faced with a limited construction season. Accordingly, the existing arbitrage rules are extremely restrictive and costly to Alaska taxpayers.

### 8. Educational Initiatives:

The League urges the federal government to fund the national initiatives regarding education such as Head Start, special education, and No Child Left Behind.

urges the state to take financial responsibility for the mandated state PERS/TRS cost increases; the mandated Senior Citizen/Disabled Veteran Property Tax Exemption; and the exemption of state-owned property that shifts the costs of protecting and serving state facilities to local taxpayers. The League urges the legislature to resist passing spending mandates to local government through revenue sharing programs.

### 3. Municipalities Support Negotiated and Funded Public Service Transfers:

The League supports the negotiation of service responsibility transfers from the state to municipalities, provided the state enters into good faith negotiations to identify and transfer appropriate services, which may more effectively be provided on the local level, and ensure adequate, stable resources and timely payment in the future to implement these services. Municipalities should also be allowed to bid on provisions of state services. The League opposes unfunded transfers of state responsibility including food inspections, maintenance of Class III state roads, and any other unilateral unfunded transfers of current state responsibility to communities. The League encourages the state to make safety, code, and maintenance upgrades to transfers before communities accept responsibility.

### 4. Tort Reform:

The League supports continued tort reform that minimizes the financial exposure of municipalities. Issues of particular concern include, but not limited to, recreational activities on public lands, parks, trails, or facilities.

### 5. Support of the Municipal Bond Bank:

The League urges the state to take whatever action is necessary to ensure that the Municipal Bond Bank continues to be an independent and strong entity to help municipalities meet public facility construction needs at the lowest possible bonding cost.

### 6. Direct Deposit of Transfer Payments:

The League requests the State of Alaska to provide the option to municipalities to receive all municipal transfer payments by direct deposit if requested by the municipality.

### 7. Liens on Property for Delinquent Municipal Payments:

The League supports legislation that would provide municipal authority to lien property to include delinquent utility payments where it does not now exist.

### 8. Tax Caps:

The League opposes any attempt to lower the statutory limits on property taxation levels for service or projects at the local level.

### 9. Utility Fees:

The League supports legislation to remove prohibitions in AS 42.05.641 that prevent municipalities from assessing fees on utilities regulated by the Regulatory Commission of Alaska.

### 10. Budget Surpluses:

In the years of budget surplus the legislature is encouraged to balance use of the funds between capital projects, unfunded mandates, deferred maintenance, etc. and to set surplus funds aside for future lean years

## D. PUBLIC EMPLOYEES' RETIREMENT AND BENEFITS

### 1. Funding of Massive Unexpected Increases in PERS/TRS Costs Due to Inaccurate Projections:

The League recognizes the work of the Alaska State Legislature and Governor Palin and her administration to address the PERS/TRS crisis. To avoid catastrophic negative impacts on local services and significant hardship for local taxpayers, the existing unfunded liability of PERS should be addressed through a long term legislative solution in which the State continues to bear its appropriate share of unfunded past service costs. The League still believes the State should bear responsibility for 85% of the unfunded past service cost liability, and the employer paying 15%. The League supports the state permanently paying all past service costs related to the TRS system. In addition, the League urges the State to "pay down" the unfunded PERS/TRS obligations through cash payments and/or Pension Obligation Bonds and should amortize the 8.25% debt over as short a time as possible.

### 2. Increases in Benefits:

The League opposes any legislation that increases the cost of the Public Employees' Retirement System or the Teachers' Retirement System.

The League strongly urges the development of a mandatory statutory process that implements a comprehensive actuarial analysis including long-term impacts on the state, municipalities, school districts and university members, and requires a full public and employer review/comment process under the Alaska Retirement Management (ARM) Board, prior to action by the Legislature. Due to the permanent and irrevocable nature of any benefit changes in the PERS/TRS systems, benefit changes should be acted on by the Legislature in the year following introduction to allow for an adequate comprehensive actuarial analysis, discussion with employers, and allow time for the public decision-making process.

### 3. Inclusion of Political Subdivisions in State Group Health Insurance:

The League urges the Commissioner of Administration to allow political subdivisions to participate in the state group health insurance plan in order to save money for Alaskan taxpayers without additional cost to the state.

### 4. Public Employee Retiree Rehire:

The League supports an amendment to state statute that would only allow a defined benefit retiree to return to work on active service as a defined contribution plan employee.

## E. STATE-LOCAL FINANCIAL POLICIES AND RELATIONS

### 1. North Slope Natural Gas Pipeline:

The League strongly endorses the construction of an all Alaskan natural gas pipeline from the North Slope, including regional spurs and petrochemical development as proposed by the Alaska Gas Pipeline Port Authority and the Alaska Natural Gas Development Authority. The program should be structured in such a way to include a provision for a PILT program or other guaranteed mechanism for local municipalities to levy local taxes.

### 2. State Unfunded Mandates on Local Taxpayers:

The League supports a statutory prohibition of state unfunded mandates passed down to municipalities that is similar to the federal statute prohibiting federal unfunded mandates passed down to states. The federal statute was strongly supported by the State of Alaska. The League strongly

## C. LOCAL TAXES

### 1. Tax Levying Authority:

The League opposes any action that would diminish the existing statutory authority of local governments to raise needed revenues through the levy of taxes. The League opposes any efforts by the state that would reduce local tax bases or adversely affect the marketability of municipal bonds. The League supports legislation to remove the prohibition in AS 4.21.010. (c) that prevents local voters from approving a special tax on alcohol.

### 2. Sales and Property Taxes:

a. The League supports municipal control over sales and property tax. These taxes are the principal sources of local government revenue and, therefore, require local control. Specifically, the League supports an amendment to AS 29.45.050 (a) to increase the optional residential property tax exemption to $50,000. Additionally, currently 100 of 162 municipalities depend on sales tax of 1% - 7%. The League vigorously defends sales tax as a local option to maintain control over this key local revenue source. Imposition of a state sales tax would jeopardize local economics and cause a reduction in municipal sales tax.

b. **Keep Sales Tax Local:** State sales taxes, or statewide mandated sales tax exemptions, are strongly discouraged because they would jeopardize local economies, reduce municipal sales tax revenue, and interfere with the evolution of municipal sales tax codes and exemptions, which have been refined and tailored to individual communities.

### 3. Property Tax Rate and Assessment Equity:

The League opposes state legislation and initiatives that result in discrimination against individuals, businesses, and classes of property taxpayers. Equitable taxation based on the market value of property is the basis of property tax. Discriminatory tax rates and assessment policies discourage business development and treat individuals inequitably.

### 4. Mandatory Sales Disclosure:

The League supports legislation to require mandatory sales reporting of real estate transfers. This information will be used by municipalities that levy property tax to assist in assuring more equitable property assessments.

### 5. State-Mandated Local Senior Citizen/Disabled Veteran:

The unfunded mandatory state property tax exemptions, such as the senior citizen/disabled veteran property tax exemption, must be funded by the state according to AS 29.45.030 (g), "The state shall reimburse a city or borough for real property tax revenues lost."

### 6. Legislative Definition of Tax Exemption Due to Charitable Purposes:

The League supports enactment of a statutory definition of the "charitable purposes" real property tax exemption as requested by the Alaska Association of Assessing Officials.

### 2. State Funding for Education

**Full Funding for Education:** The League supports continued long-term full funding of the education foundation program, school debt reimbursement, and construction and opposes any change in the State's Foundation Formula that would increase the burden to local governments. (See Part II, Education for a full discussion of AML's position.)

### 3. Municipal Capital Matching Grants

a. **Full Funding for the Municipal Capital Matching Grant Program:** The League supports full funding for the Municipal Capital Matching Grant Program for local capital infrastructure needs at not less than the historical funding level of $20 million level per year, adjusted for inflation since inception of the program in 1993. (See also A.1. in Public Works and Infrastructure section). The purpose of the Municipal Capital Matching Grant Program was to allow communities to meet their top infrastructure needs most efficiently while shielding them from the political legislative allocation process.
b. **State and Municipal Facilities and Infrastructure:** Funding for the maintenance of state and municipal facilities and infrastructure should be provided on a timely and consistent basis.
c. **Deferred Maintenance:** The existing program to provide ongoing funding for deferred maintenance for state and municipal public facilities and infrastructure should be expanded using revenue sources other than local taxation for state mandated facilities.
d. **Governmental Accounting Standards Board (GASB) Statement Number 34:** State support should be at a level at which municipalities can implement a deferred maintenance program and establish necessary reserves sufficient for future maintenance in order to comply with GASB 34.

## B. ADMINISTRATION OF MUNICIPAL GRANTS AND ENTITLEMENTS

### 1. Regulation of Grants & Entitlements

a. **Standardized Grant and Entitlement Programs:** The League supports simple and standardized grant and entitlement programs. The League opposes the addition of special conditions or regulations to grants and entitlement programs by state departments administering the grants when such conditions are not contained in the appropriation or the authorizing legislation. Further, legislatively authorized grant award time frames should not be reduced due to administrative grant management policies.
b. **Reduction of Administrative Fees:** The League further supports the reduction of all administrative fees deducted by state departments administering the grants programs, and supports direct expenditures for those services.
c. **Interest Earned on Grant Funds:** The League supports the grantees' retention or use of interest earned on grant funds.

### 2. Maintaining the Integrity of Objective Project and Program Ranking Processes

The League supports maintaining the integrity of objective state grant ranking processes, developed in cooperation with the Legislature, municipalities and school districts. Such objective ranking processes include Capital Project Matching Grants, School Construction Grants, and Water and Sewer Construction Grants. Rather than substitute projects at the legislative level, the League supports revision of the prioritization criteria, as appropriate, to best reflect the needs of Alaskans.

# PART I
# REVENUE AND FINANCE

**The goal is for municipalities to partner with the state to provide needed public services to Alaskans while maintaining the lowest possible cost to the public, municipalities, and the state, recognizing that all states provide financial support to their political subdivisions to reduce local taxes and equitably share state resources**

## A. REVENUE SHARING, FUNDING FOR EDUCATION, GRANTS, & FISCAL PLANNING.

### 1. State Revenue Sharing

a. **Sustainable Revenue Sharing:** The State of Alaska is urged to adopt a sustainable revenue sharing program by annually appropriating 6% of natural resource revenues, with no cap, to municipalities; with a base amount of $250,000 to all boroughs, $75,000 to all cities, and $25,000 to unincorporated communities, with the remainder to be allocated on a per capita basis. The sharing of state revenues is consistent with the Owner State concept, intergovernmental cooperation, and constitutional provisions, which provide for natural resource ownership by all the people of the State of Alaska. Delivery of services at the local level is part of the annual state responsibility to citizen/owners for the betterment of the State of Alaska. Fish tax, which has a revenue sharing program, is excluded from this program. The League opposes linking community revenue sharing with PERS/TRS and education funding.

b. **Return of Locally-Generated State Revenues:** State shared revenues should be tied to specific locally generated revenues. Money to be returned to local governments and taxpayers should be based on:
   - Tobacco Tax: Tobacco tax settlement revenues should be shared with local taxpayers for health and social services impacted by tobacco use.
   - Alcohol Tax: The wholesale tax on alcohol should be shared equitably with municipalities for programs that mitigate the impacts of alcohol consumption based on a proportion of the local vs. state expenditures for public safety and alcohol treatment.
   - Marine Fuel Taxes: Eighty percent (80%) of all the taxes from the sale of marine fuel used in watercraft shall be allocated to municipalities that have responsibility and/or ownership for marine ports/harbors for use in marine port harbor facilities maintenance and improvements.
   - Motor Vehicle Registration Fee and Fuel Tax: Fuel tax and vehicle registration fees should be used to fund state and municipal highway road operation, maintenance, and improvements. The motor vehicle fuel tax and vehicle registration fees should be shared on an equitable basis between local and state government based on the proportion of local vs. state maintained center-line road miles. The League also supports an increase in fuel tax and vehicle registration fees, provided they are used for the benefit of road maintenance, for public transportation, and/or for the elimination of the 10% local match for federal highway funds.
   - State Fisheries Business and Fisheries Landing Taxes: The state needs to strengthen its enforcement and collection efforts in this program and further recommends the state share collection information with municipalities upon request.

c. **State PILT:** State lands and facilities consume local government services but AS 29.45.030 exempts them from local property and sales taxes that are applicable to all other citizens and businesses. A state PILT (Payment in Lieu of Taxes) similar to the federal PILT program should be established to reduce local taxpayer subsidization of state lands, state parks, and facilities. Based on the above criteria, local taxpayers are currently subsidizing state government by approximately $75 million per year. These subsidies should be funded with a PILT.

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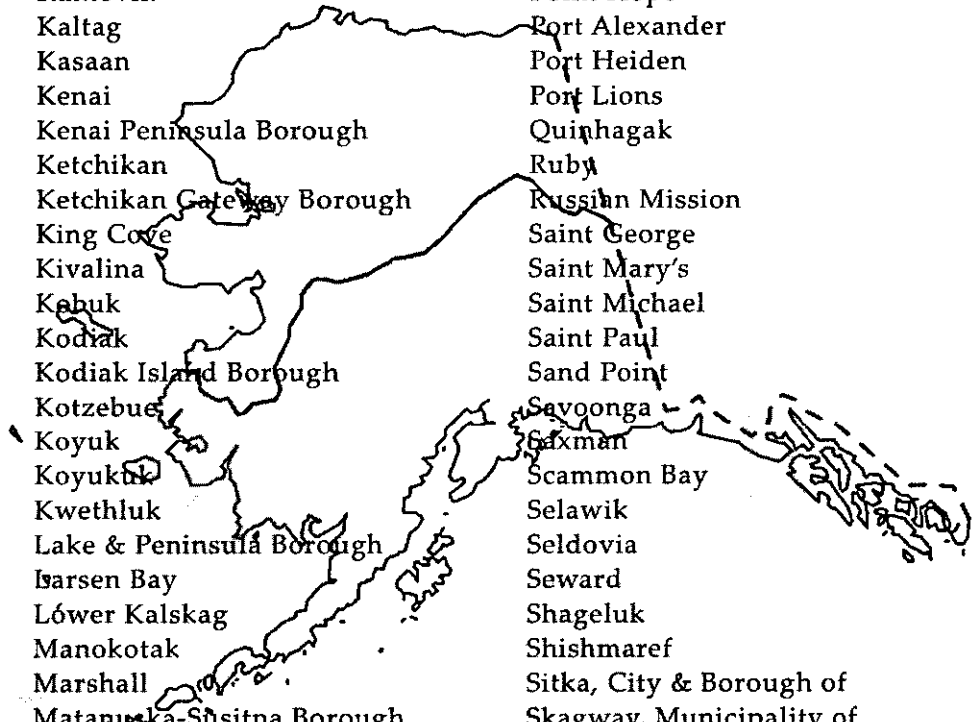
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# Alaska Municipal League
# Member Municipalities

Adak
Akhiok
Akutan
Alakanuk
Aleknagik
Aleutians East Borough
Allakaket
Ambler
Anchorage, Municipality of
Anderson
Angoon
Aniak
Anvik
Atka
Atqasuk
Barrow
Bethel
Bettles
Brevig Mission
Bristol Bay Borough
Buckland
Chefornak
Chevak
Chignik
Chuathbaluk
Clark's Point
Coffman Cove
ColdBay
Cordova
Craig
Delta Junction
Denali Borough
Dillingham
Diomede
Eagle
Eek
Egegik
Ekwok
Elim
Emmonak
Fairbanks
Fairbanks North Star Borough
False Pass
Fort Yukon
Galena
Gambell
Golovin
Goodnews Bay
Grayling
Gustavus
Haines Borough
Holy Cross
Homer
Hoonah
Houston
Hughes
Huslia
Juneau, City & Borough of
Kachemak
Kake
Kaktovik
Kaltag
Kasaan
Kenai
Kenai Peninsula Borough
Ketchikan
Ketchikan Gateway Borough
King Cove
Kivalina
Kobuk
Kodiak
Kodiak Island Borough
Kotzebue
Koyuk
Koyukuk
Kwethluk
Lake & Peninsula Borough
Larsen Bay
Lower Kalskag
Manokotak
Marshall
Matanuska-Susitna Borough
McGrath
Mekoryuk
Metlakatla Indian Community
Mountain Village
Napakiak
Napaskiak
Nenana
New Stuyahok
Newhalen
Nightmute
Nikolai
Nome
Noorvik
North Slope Borough
NorthPole
Northwest Arctic Borough
Nuiqsut
Nulato
NunamIqua
Nunapitchuk
Old Harbor
Ouzinkie
Palmer
Pelican
Petersburg
Pilot Point
Pilot Station
Platinum
Point Hope
Port Alexander
Port Heiden
Port Lions
Quinhagak
Ruby
Russian Mission
Saint George
Saint Mary's
Saint Michael
Saint Paul
Sand Point
Savoonga
Saxman
Scammon Bay
Selawik
Seldovia
Seward
Shageluk
Shishmaref
Sitka, City & Borough of
Skagway, Municipality of
Soldotna
Stebbins
Tanana
Teller
Tenakee Springs
Thorne Bay
Togiak
Toksook Bay
Unalakleet
Unalaska
Upper Kalskag
Valdez
Wainwright
Wales
Wasilla
White Mountain
Whittier
Wrangell, City & Borough of
Yakutat, City & Borough of



# Alaska Municipal League

# 2009 Resolutions

Approved by AML Membership — November 2008




Alaska Municipal League · 217 Second Street, Suite 200 Juneau, Alaska 99801 · 907-586-1325 · www.akml.org

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ALASKA MUNICIPAL LEAGUE
Alaska Conference of Mayors

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**ALASKA MUNICIPAL LEAGUE**
**RESOLUTION #2009-01**

**A RESOLUTION SUPPORTING PASSAGE OF S.777 AND H.R.1023 WHICH WOULD REPEAL THE 3% WITHHOLDING REQUIREMENT OF THE TAX INCREASE PREVENTION AND RECONCILIATION ACT OF 2006.**

**WHEREAS,** the Alaska Municipal League is charged with leading the members in developing statewide policy for the member municipalities; and

**WHEREAS,** Section 511 of the Tax Increase Prevention and Reconciliation Act of 2006 (Public Law 109-222) will require boroughs, cities and states to withhold 3% of payments from nearly all vendors and contractors for federal income and tax purposes; and

**WHEREAS,** this federal income tax withholding provision will dampen competitive bidding, increase the cost of public sector procurement, as well as the burden on city and borough taxpayers; and

**WHEREAS,** while cities and boroughs do not fall under this mandate yet, it will most probably fall under it in the next few years; and

**WHEREAS,** complying with this law will be onerous for cities and boroughs, their vendors and their contractors; and

**WHEREAS,** Section 511 will not accomplish its stated goal of closing the budget gap.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League is opposed to Section 511 of the Tax Increase Prevention and Reconciliation Act of 2006 and supports passage of S.777 and H.R.1023 and encourages the Governor and Legislature to work to support passage of these acts.

**PASSED AND APPROVED** by the Alaska Municipal League on this 14th day of November, 2008.

Signed: _____
Denise Michels, President, Alaska Municipal League

Attest: Kathie Wasserman
Kathie Wasserman, Executive Director, Alaska Municipal

ALASKA MUNICIPAL LEAGUE
Alaska Conference of Mayors

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**ALASKA MUNICIPAL LEAGUE**
**RESOLUTION #2009-02**

**A RESOLUTION URGING THE GOVERNOR'S ADMINISTRATION AND THE ALASKA LEGISLATURE TO RE-ESTABLISH THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS AS A CABINET LEVEL DEPARTMENT OF STATE GOVERNMENT**

**WHEREAS,** the State of Alaska relies on healthy, functional communities for the delivery of vital services and for maintaining social and economic stability at the local and regional levels; and

**WHEREAS,** Alaska communities face unprecedented challenges underscored by high energy prices and related costs; and

**WHEREAS,** for 27 years, the Department of Community and Regional Affairs provided direct services and assistance to urban and rural communities throughout the state; and

**WHEREAS,** the Department of Community and Regional Affairs was a vital source of knowledge on community issues and conditions; and

**WHEREAS,** the Department of Community and Regional Affairs provided communities a "seat at the table" and a distinct voice in the Governor's cabinet; and

**WHEREAS,** the importance of maintaining healthy, functional communities is a crucial component in the formulation of state policies across a wide range of topics and activities.

**NOW, THEREFORE BE IT RESOLVED** that the Governor's Administration and the Alaska Legislature are urged to re-establish the Alaska Department of Community and Regional Affairs to provide cabinet-level standing for vital community, regional and rural issues and concerns.

**PASSED AND APPROVED** by the Alaska Municipal League on this 14th day of November, 2008.

Signed: _____
Denise Michels, President, Alaska Municipal League

Attest: Kathie Wasserman
Kathie Wasserman, Executive Director, Alaska Municipal League

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Alaska Conference of Mayors

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**ALASKA MUNICIPAL LEAGUE**
**RESOLUTION #2009-03**

**A RESOLUTION IN SUPPORT OF LEGISLATION REQUIRING MANDATORY REAL ESTATE DISCLOSURE.**

**WHEREAS,** Borough assessors are bound by AS 29.45.110 to assess real property at is full and true value; and

**WHEREAS,** full and true value is the estimated price that a property would bring in an open market and under prevailing market conditions in a sale between a willing buyer and a willing seller; and

**WHEREAS,** a growing number of taxpayers are becoming disenchanted with assessment values and are calling for better mechanics of the assessing process; and

**WHEREAS,** correct data is imperative in the ability to arrive at true and equitable assessments; and

**WHEREAS,** data is currently obtained from requests for information through questionnaire mailers in many jurisdictions; and

**WHEREAS,** this process is often incomplete and erroneous, and not a true reflection of actual market values; and

**WHEREAS,** Mandatory Real Estate Sales Disclosure of Sales Price would greatly aid and enhance accuracy within assessing departments statewide; and

**WHEREAS,** 35 states in the U.S. currently require mandatory sales disclosure.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League urges the 26th Alaska State Legislature to enact legislation requiring mandatory real estate sales disclosure.

**PASSED AND APPROVED** by the Alaska Municipal League on this 14th day of November, 2008.

Signed: _____
Denise Michels, President, Alaska Municipal League

Attest: _____
Kathie Wasserman, Executive Director, Alaska Municipal League

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Alaska Conference of Mayors

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**ALASKA MUNICIPAL LEAGUE**
**RESOLUTION #2009-04**

**A RESOLUTION REQUESTING THE GOVERNOR TO INCLUDE AN ADDITIONAL $15 MILLION IN THE PROPOSED FY2010 BUDGET FOR COMMUNITY REVENUE SHARING, BRINGING THE PROGRAM TO A MINIMUM FUNDING LEVEL OF $75 MILLION AS THE STATE RAMPS UP TO 6% OF NATURAL RESOURCE REVENUES, ADJUSTED ANNUALLY FOR INFLATION.**

**WHEREAS,** the Alaska Municipal League commends the Governor and the Legislature for approving SB 72; and

**WHEREAS,** SB 72 establishes the Community Revenue Sharing fund which calls for a $60 million Revenue Sharing program; and

**WHEREAS,** the State of Alaska is experiencing budget surpluses while costs of providing local government services continues to escalate dramatically; and

**WHEREAS,** in 1985, annual Revenue Sharing was $141 million at a time when the price of oil was about $20 per barrel; and

**WHEREAS,** local governments and communities need additional state support when inflation increases, population increases and increasing energy costs are taken into consideration.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League request the Governor include an additional $15 million in her proposed FY2010 budget for Community Revenue Sharing, bringing the program to a funding level of $75 million, adjusted annually for inflation.

**BE IT FURTHER RESOLVED** that the Alaska Municipal League request the Governor introduce legislation amending SB 72 and the Community Revenue Sharing fund so it will generate an annual revenue sharing fund of $75 million, adjusted annually for inflation.

**BE IT FURTHER RESOLVED** that the State of Alaska is urged to adopt a sustainable revenue sharing program by annually appropriating 6% of natural resource revenues, with no cap, to municipalities; with a base amount of $250,000 to all boroughs, $75,000 to all cities, and $25,000 to unincorporated communities, with the remainder to be allocated on a per capita basis.

**AND, BE IT FURTHER RESOLVED** that the Alaska Municipal League request the Governor include an annual revenue sharing fund of $75 million in the 10-year Fiscal Plan contemplated by HB 125.

**PASSED AND APPROVED** by the Alaska Municipal League on this 14th day of November, 2008.

Signed: _____
Denise Michels, President, Alaska Municipal League

Attest: Kathie Wasserman
Kathie Wasserman, Executive Director, Alaska Municipal League

ALASKA MUNICIPAL LEAGUE
Alaska Conference of Mayors

217 Second Street, Suite 200 • Juneau, Alaska 99801
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**ALASKA MUNICIPAL LEAGUE**
**RESOLUTION #2009-06**

**A RESOLUTION SUPPORTING THE IMMEDIATE BAN RELATING TO THE RETAIL SALE OR DISTRIBUTION OF TOY-LIKE NOVELTY LIGHTERS WITHIN THE BOUNDARIES OF THE STATE OF ALASKA.**

**WHEREAS,** juvenile fire setting has been identified as the fastest growing fire threat in the United States; and

**WHEREAS,** novelty lighters have features that are attractive to children; and

**WHEREAS,** the Consumer Product Safety Commission has recalled thousands of novelty lighters since 1996 due to their danger to the public safety; and

**WHEREAS,** the National Fire Protection Association, Western Fire Chief's Association, National Association of State Fire Marshals, along with many other state and national public safety agencies have supported the prohibition of the sale and distribution of novelty lighters; and

**WHEREAS,** the function of a lighter can be achieved without the novelty of visual effects, flashing lights, musical sounds or toy-like designs.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League does encourage and support the Department of Public Safety, Office of the State Fire Marshal, as provided within the authority of Alaska Statute 18.70.10 to immediately ban the sale and distribution of novelty lighters within the State of Alaska.

**PASSED AND APPROVED** by the Alaska Municipal League on this 14th day of November, 2008.

Signed: _____
Denise Michels, President, Alaska Municipal League

Attest: Kathie Wasserman
Kathie Wasserman, Executive Director, Alaska Municipal League

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**ALASKA MUNICIPAL LEAGUE**
**RESOLUTION #2009-07**

**A RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE SUPPORTING THE EXEMPTION OF STATE DISCLOSURE REQUIREMENTS FOR MUNICIPAL OFFICERS AND CANDIDATES.**

**WHEREAS,** State Statute 39.50, effective in 2008, requires financial business and conflict of interest reporting, available on the state web site, for all state and municipal officials, candidates, board members and commission members and their spouses, domestic partners and dependent children; and

**WHEREAS,** the Alaska Municipal League is NOT opposed to the filing of financial business and conflict of interest reports; but does oppose web posting of that information from spouses, domestic partners and dependent children; and

**WHEREAS,** under AS 39.50, mayors, council members, assembly members, school board members, city and borough managers, planning and zoning commissioners, and elected utility board members are all required to file these public conflict of interest reports; and

**WHEREAS,** these new rules require sources of income over $1,000, as well as the amount of the income, thereby requiring all business owners to list how much money his/her business makes and to report such income as salary, social security, interest, dividends, rental income and retirement money (IRAs, etc.); and

**WHEREAS,** this statute also invades the privacy of those people doing business with the candidate or municipal official; and

**WHEREAS,** this information is to be posted on the internet, local municipal officials are concerned with identity theft and invasion of privacy; and

**WHEREAS,** these new rulings have severely limited those people willing to serve their local municipalities, it will become more and more difficult to find residents to step up to the plate for positions that hold little or no financial gain, yet can be contentious, time consuming and difficult, at best; and

**WHEREAS,** close to half of Alaska's municipalities have voted to be exempt from this state disclosure requirement and many placed the question on the ballot during this last election; and

**WHEREAS,** most municipalities already have disclosure regulations in place that are available upon request at the Borough or City Hall.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League supports the automatic exemption of all Alaska municipalities from the State of Alaska Financial Disclosure rule, to be replaced by local financial disclosure forms to be available to all of the public upon request rather than posted on the internet.

**BE IT FURTHER RESOLVED** that the Alaska Municipal League requests the state create filing forms and regulations for public official financial disclosure reports that separate state officials, local officials and lobbyists from one another.

**AND, BE IT FURTHER RESOLVED** that the Alaska Municipal League fears that the requirement of state disclosure laws will drastically reduce the availability of qualified persons willing to serve in local government.

**PASSED AND APPROVED** by the Alaska Municipal League on this 14th day of November, 2008.

Signed: _____
Denise Michels, President, Alaska Municipal League

Attest: Kathie Wasserman
Kathie Wasserman, Executive Director, Alaska Municipal League

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**ALASKA MUNICIPAL LEAGUE**
**RESOLUTION #2009-08**

**A RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE URGING THE ALASKA STATE LEGISLATURE IN 2009, TO MODIFY, BASED ON SCIENCE, THE STANDARDS GOVERNING THE DISCHARGE OF CRUISE SHIP WASTEWATER SUCH THAT THOSE STANDARDS WILL CONTINUE TO PROTECT AQUATIC LIFE AND THE ENVIRONMENT; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS,** during the 1990s, the size and number of cruise ships visiting Alaska coastal communities grew dramatically and became an increasingly important component of the local and regional economies; and

**WHEREAS,** in 1999, the Alaska Department of Environmental Conservation, U.S. Coast Guard, U.S. Environmental Protection Agency, members of the Southeast Conference, representatives of the cruise ship industry, and local concerned citizens formed a group to explore ways to improve environmental standards for the cruise ship industry in Alaska; and

**WHEREAS,** the Alaska Cruise Ship Initiative (ACSI) group was created in 2000 to 1). Identify waste streams from cruise ships; 2). Develop pollution prevention and waste management solutions; 3). Assess and verify compliance with volunteer wastewater sampling; and 4). Keep the Alaska public informed; and

**WHEREAS,** in late 2000, the ACSI commissioned a Science Advisory Panel with expertise in oceanography, bacteriology, chemistry, aquatic and human toxicology, marine biology, ecology and vessel engineering to address issues concerning treatment, discharge, dispersion, fate, and effects of wastewaters produced by commercial cruise ships; and

**WHEREAS,** the work of the groups noted above led to the enactment of laws (AS 46.03.460 – AS 46.06.490) by the Alaska Legislature in 2001 establishing wastewater discharge standards for cruise ships and creating the Commercial Passenger Vessel Environmental Compliance Program; and

**WHEREAS,** in 2002, the Alaska Department of Environmental Conservation adopted regulations (18 AAC 69) to implement and interpret the laws enacted by the Legislature in 2001; and

**WHEREAS,** in 2004, the Alaska Legislature refined laws enacted in 2001 (AS 46.03.460 – AS 46.06.490); and

**WHEREAS,** in 2006, following a two-year rule-making effort, the Alaska Department of Environmental Conservation adopted regulations to interpret and implement the 2004 statutory changes; and

**WHEREAS,** the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS,** in 2006, following the adoption of regulations by the Alaska Department of Environmental Conservation, Alaska voters approved an initiative further governing the operation and regulation of large cruise ships; and

**WHEREAS,** in March 2008, as a major step toward fulfilling the terms of the 2006 initiative, the Alaska Department of Environmental Conservation issued the first ever general permit for wastewater discharge from large cruise ships operating in Alaska waters; and

**WHEREAS,** the standards imposed on cruise ships are far in excess of those imposed on shore-based municipal wastewater facilities, as was recognized in the Department of Environmental Conservation press release announcing the March 2008 permit, which stated:

> The majority of large cruise ships operating in Alaska have advanced wastewater treatment systems that produce a very high quality discharge – much higher, for example, than shore-based municipal sewage treatment systems. Even so, cruise ship discharges are expected to have trouble meeting water quality standards for four parameters – ammonia, copper, nickel and zinc; and

**WHEREAS,** recognizing that it is currently unfeasible or impractical to meet discharge standards for the ammonia, copper, nickel and zinc parameters, the Alaska Department of Environmental Conservation applied more lenient standards during the 2008 and 2009 seasons and postponed implementation of the stricter standards until the 2010 season; and

**WHEREAS,** the point-of-release standards could mean that beginning in 2010, cruise ships will have to defer all discharges until they are out of Alaska waters; and

**WHEREAS,** compelling cruise ships to postpone discharge of wastewater until outside Alaska waters will likely shorten the time cruise ships are in port and result in fewer ports of call, which will negatively impact Alaskan businesses.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League urges the Alaska State Legislature in 2009, to modify, based on science, the standards governing the discharge of cruise ship wastewater such that those standards governing the discharge of cruise ship wastewater such that those standards will continue to protect aquatic life and the environment.

**FURTHER BE IT RESOLVED** that the Alaska Municipal League requests that this resolution becomes effective immediately upon adoption by the State Legislature.

**PASSED AND APPROVED** by the Alaska Municipal League on this 14th day of November, 2008.

Signed: _____
Denise Michels, President, Alaska Municipal League

Attest: Kathie Wasserman
Kathie Wasserman, Executive Director, Alaska Municipal League

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**ALASKA MUNICIPAL LEAGUE**
**RESOLUTION #2009-09**

**A RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE ADVOCATING FOR THE RECONSIDERATION OF THE U.S. CENSUS BUREAU'S AMERICAN COMMUNITY SURVEY DATA GATHERING METHODOLOGY.**

**WHEREAS,** the Alaska Municipal League is tasked with promoting strong economies, healthy communities and a quality environment in Alaska; and

**WHEREAS,** the socioeconomic health of communities in Alaska is often evaluated by statistical reports produced by government agencies such as the U.S. Census Bureau; and

**WHEREAS,** the Alaska Municipal League is committed to ensuring every resident is counted; and

**WHEREAS,** the collection and availability of accurate data is important to understanding regional and local socioeconomic conditions; and

**WHEREAS,** many important economic and political decisions are based on socioeconomic information gathered for Alaskan communities; and

**WHEREAS,** the U.S. Census Bureau has discontinued the Decennial Long-form for the 2010 Census and implemented the American Community Survey, an annual survey for collecting community demographic and economic information; and

**WHEREAS,** the American Community Survey's methodology uses a significantly reduced sample size than the Decennial Long-form's methodology, resulting in an overall reduction in data reliability and longitudinal comparability; and

**WHEREAS,** rural Alaskan communities vary widely in socioeconomic characteristics and smaller sample sizes could distort American Community Survey findings; and

**WHEREAS,** current American Community Survey methodology calls for selection of sample participants using street addresses and land-based phone lines, and many residents of rural Alaskan communities have neither, excluding many rural Alaskan residents from the population considered for sample selection.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League requests that the U.S. Census Bureau increase American Community Survey sample sizes to increase data reliability and ensure comparability with 2000 U.S. Census Decennial Long-form data; and

**BE IT FURTHER RESOLVED** that the Alaska Municipal league requests that the U.S. Census Bureau give special consideration to data gathering in small rural communities to ensure accurate representation of the socioeconomic characteristics of those communities in the Census data.

**AND, BE IT FURTHER RESOLVED** that the Alaska Municipal League appeals to local organizations and groups to partner together to achieve an accurate and complete count throughout Alaska.

**AND, BE IT FURTHER RESOLVED** that the Alaska Municipal League encourages residents to participate in Census promotional events and initiatives that will raise the overall awareness of the 2010 Census and increase participation among all populations.

**PASSED AND APPROVED** by the Alaska Municipal League on this 14th day of November, 2008.

Signed: _____
Denise Michels, President, Alaska Municipal League

Attest: Kathie Wasserman
Kathie Wasserman, Executive Director, Alaska Municipal League

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**ALASKA MUNICIPAL LEAGUE**
**RESOLUTION #2009-11**

**A RESOLUTION URGING THE GOVERNOR AND THE ALASKA LEGISLATURE TO DEVELOP THE STATE'S RENEWABLE ENERGY RESOURCES AND CONTINUE TO EXPAND PROGRAMS THAT INCREASE END-USE CONSERVATION AND ENERGY EFFICIENCY.**

**WHEREAS,** there has been an increase in the volatility of the price for crude oil; and

**WHEREAS,** the resulting uncertainty has caused great concern among Alaska's residents, businesses and public entities; and

**WHEREAS,** fuel costs for space heating and electricity production are excessively high throughout Alaska; and

**WHEREAS,** the future sustainability of communities and the state as a whole depends upon the development of renewable energy resources, increasing the efficient use of energy, and increasing the widespread use of conservation measures; and

**WHEREAS,** Alaska is blessed with abundant renewable energy resources including wind, geothermal, hydroelectric, biomass, solar and in-water (tidal, wave, river) resources; and

**WHEREAS,** substantial energy savings for households, businesses and local governments will result from new and retrofitted energy-efficient buildings, appliances and heating systems; and

**WHEREAS,** the state's and the nation's energy security is enhanced to the extent that imported fossil fuel is replaced with renewable energy sources and energy conservation; and

**WHEREAS,** it is both timely and urgent to reduce our dependence on fossil fuels; and

**WHEREAS,** it is in the state's ability to implement and expand renewable energy and energy conservation programs.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League urges the Governor and the Alaska Legislature to:

- Fully fund the Home Energy Rebate Program and expand the program to include business and industry;
- Supplement funding for the Low Income Home Weatherization Program;
- Provide funding assistance to expand the percentage of energy produced in the state from renewable and alternative sources, particularly in high-cost regions;
- Create funding incentives for utilities to develop alternative resources;
- Create a regulatory environment which will encourage development of alternative and renewable energy;
- Provide funding assistance to all new and retrofitted public buildings to meet certified energy efficiency standards; and
- Coordinate regional energy planning to promote efficiencies.

**PASSED AND APPROVED** by the Alaska Municipal League on this 14th day of November, 2008.

Signed: _____
Denise Michels, President, Alaska Municipal League

Attest: Kathie Wasserman
Kathie Wasserman, Executive Director, Alaska Municipal League

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**ALASKA MUNICIPAL LEAGUE**
**RESOLUTION #2009-12**

**A RESOLUTION URGING THE GOVERNOR AND THE ALASKA LEGISLATURE TO CAPITALIZE STABLE LONG-TERM TRANSPORTATION FUNDING FOR ALASKA**

**WHEREAS,** Alaska's transportation system has fallen far behind the needs of Alaska for cost effective transportation which allows economic growth and the safe cost-effective movement of people, goods and services; and

**WHEREAS,** the Alaska Highway System, the Alaska Marine Highway System, Alaska airports, Alaska ports and harbors and Alaska's local roads, all need several years of significant funding for infrastructure improvement, upgrade and expansion; and

**WHEREAS,** the general appropriation process has resulted in significant underfunding of transportation infrastructure; and

**WHEREAS,** the economic future of Alaska is highly dependent upon a quality, cost-effective transportation system; and

**WHEREAS,** the development of Alaska transportation infrastructure is dependent upon a steady and reliable stream of revenue; and

**WHEREAS,** the development of an energy policy that works for Alaska requires a quality transportation system in order to be successful; and

**WHEREAS,** estimates of annual funding needs for transportation infrastructure improvements, upgrades and expansions exceed $300 million per year; and

**WHEREAS,** the State of Alaska is in a position to seriously consider long-term transportation financing at this moment in history.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League urges the Governor and the Alaska Legislature to establish a Transportation Trust Fund for Alaska or other suitable and sustainable funding mechanisms that generate at least $300 million annually to accomplish the following purposes:

- Generate investment earnings to develop transportation infrastructure in Alaska.
- Improve, upgrade and expand State of Alaska roads and highways.
- Improve, upgrade and expand the Alaska Marine Highway System.
- Improve, upgrade and expand the airports in Alaska.
- Improve, upgrade and expand Alaska's ports and harbors.
- Provide regular funding to Alaska's communities to improve, upgrade and expand public transit and local roads built to local road standards.

**AND, BE IT FURTHER RESOLVED** that not less than 15-percent of the total funding will be allocated to each of the five programs each year (roads and highways, Alaska Marine Highway System, airports, ports and harbors, public transit and local roads).

**PASSED AND APPROVED** by the Alaska Municipal League on this 14th day of November, 2008.

Signed: _____
Denise Michels, President, Alaska Municipal League

Attest: Kathie Wasserman
Kathie Wasserman, Executive Director, Alaska Municipal League

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**ALASKA MUNICIPAL LEAGUE**
**RESOLUTION #2009-13**

**A RESOLUTION SUPPORTING as 14.56.355: PUBLIC LIBRARY CONSTRUCTION AND MAJOR EXPANSION GRANTS AND RECOMMENDING FULL APPROPRIATION OF FUNDS TO IMPLEMENT THE PROGRAM.**

**WHEREAS,** Alaska's first formal programs relating to public library construction was passed in 1970; and

**WHEREAS,** AS 14.56.350 outlined a public library construction program for rural areas that required a minimum 10% match of cash, land, service or "other items acceptable to the division of state libraries."; and

**WHEREAS,** AS 14.56.350 outlined a public library construction program that allowed larger communities to apply for funding with an expected 40% match; and

**WHEREAS,** a significant number of public libraries (50) were built between 1970 and 1998 utilizing federal and state library construction grant programs; and

**WHEREAS,** the rural and urban Public Library Construction Grant program for public library construction was repealed in 1998; and

**WHEREAS,** the enactment of the federal Library Technology and Services Act (LSTA) specifically excluded library construction from grant consideration; and

**WHEREAS,** a 2004 Building Needs Assessment conducted by the Alaska State Library identified 22 communities that indicated a need for a new library building; and

**WHEREAS,** in 2008, eight more communities were added to the list; and

**WHEREAS,** a new public library construction grant program was proposed in Senate Bill 119 during the 25th session of the Alaska Legislature; and

**WHEREAS,** Senate Bill 119 was passed into law on June 8, 2008; and

**WHEREAS,** AS 14.56.355 Library construction and major expansion matching grant program states:
There is established in the Department of Commerce, Community, and Economic Development, a matching grant program for library construction and major expansion.

a) A person in charge of construction or major expansion of an eligible library may apply to the department for a matching grant under regulations adopted by the department.

b) Subject to appropriation, the department shall award not more than 50% of the total proposed grant project costs to an eligible applicant.
c) The department shall establish regulations to implement this section and the eligibility standards under AS 14.56.356. The regulations must include consideration for and establishment of an eligibility priority for an application that is submitted by a community that does not have a public library described in AS 14.56.356(a)(2).

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League supports the Public Library Construction and Major Expansion Grant program and urges the Governor and the Alaska Legislature to appropriate funds in the FY2010 budget to implement the grant program.

**PASSED AND APPROVED** by the Alaska Municipal League on this 14th day of November, 2008.

Signed: _____
Denise Michels, President, Alaska Municipal League

Attest: _____
Kathie Wasserman, Executive Director, Alaska Municipal League

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**ALASKA MUNICIPAL LEAGUE**
**RESOLUTION #2009-14**

**A RESOLUTION URGING THE GOVERNOR AND THE ALASKA LEGISLATURE TO EXPAND THE POWER COST EQUALIZATION PROGRAM TO INCLUDE MUNICIPAL FACILITIES, SCHOOLS, HEALTH CLINICS, AND COMMERCIAL ENTERPRISES NOT ELIGIBLE UNDER EXISTING LAW.**

**WHEREAS,** energy costs throughout Alaska are creating significant financial burdens for many residents; and

**WHEREAS,** communities purchase fuel at a contract price that remains fixed even when prices fall; and

**WHEREAS,** rural municipalities, schools, health clinics and commercial enterprises are facing increasing difficulty meeting energy expenses; and

**WHEREAS,** the high cost of fuel for space heating and electricity generation threatens the stability of rural communities; and

**WHEREAS,** communities that pay in excess of the average kilowatt-hour cost of Juneau, Anchorage, and Fairbanks should be eligible for funding; and

**WHEREAS**, the Alaska Legislature amended the Power Cost Equalization Program during the 2008 Special Session by raising the eligibility ceiling to $1.00 per kilowatt-hour for one year; and

**WHEREAS,** the State of Alaska administers the Power Cost Equalization Program to provide residents relief from burdensome fuel costs, thereby providing for community stability and economic relief.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League urges the Governor and the Alaska Legislature to expand the Power Cost Equalization Program to include municipal facilities, schools, health clinics, and commercial enterprises with an appropriate increase in the 70 KwH per capita credit used to calculate the subsidy, and provide comprehensive assistance to eligible communities.

**AND, BE IT FINALLY RESOLVED** that the Alaska Municipal League believes that the expanded PCE program should provide short-term relief from burdensome energy costs and be phased out as the cost of energy is reduced.

**PASSED AND APPROVED** by the Alaska Municipal League on this 14th day of November, 2008.

Signed: _____
Denise Michels, President, Alaska Municipal League

Attest: Kathie Wasserman
Kathie Wasserman, Executive Director, Alaska Municipal League

Member of the National League of Cities and the National Association of Counties

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Alaska Conference of Mayors

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**ALASKA MUNICIPAL LEAUGE**
**RESOLUTION #2009-15**

**A RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE URGING THE GOVERNOR AND LEGISLATURE TO GET INVOLVED IN THE EPA GREENHOUSE GAS EMISSIONS REGULATORY EFFORTS**

**WHEREAS,** the Environmental Protection Agency (EPA) has been obligated by the U.S. Supreme Court to regulate greenhouse gases in order to protect the public health and welfare; and

**WHEREAS,** Alaska, and the Arctic in particular, is the recipient of the global impact of greenhouse gas emissions; and

**WHEREAS,** it appears certain that the EPA will move forward with some form of regulation; and

**WHEREAS,** the Alaska Conference of Mayors has adopted a letter which will be sent to the EPA prior to November 28, 2008.

**NOW THEREFORE BE IT RESOLVED,** that the Alaska Municipal League urges the Legislature and the Governor to participate in the process of developing regulatory effort so the best interest of the people of Alaska can be represented and included in the future regulations.

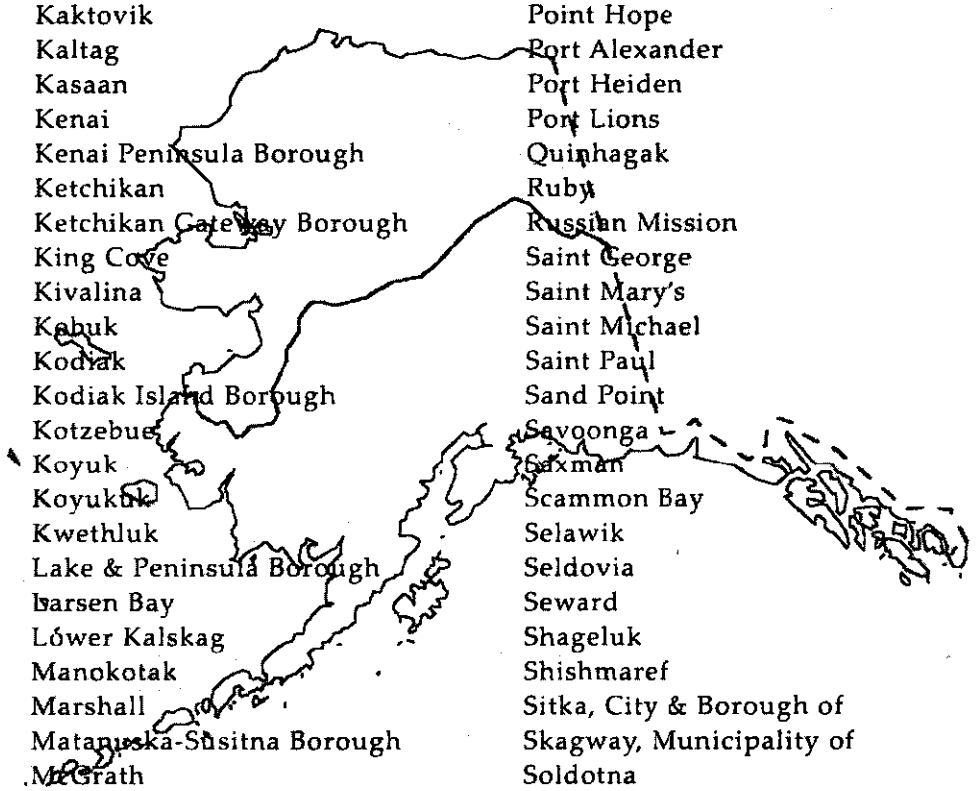
**PASSED AND APPROVED** by the Alaska Municipal League on this 14th day of November, 2008.

Signed: _____
Denise Michels, President, Alaska Municipal League

Attest: Kathie Wasserman
Kathie Wasserman, Executive Director, Alaska Municipal League

# Alaska Municipal League
# Member Municipalities

Adak
Akhiok
Akutan
Alakanuk
Aleknagik
Aleutians East Borough
Allakaket
Ambler
Anchorage, Municipality of
Anderson
Angoon
Aniak
Anvik
Atka
Atqasuk
Barrow
Bethel
Bettles
Brevig Mission
Bristol Bay Borough
Buckland
Chefornak
Chevak
Chignik
Chuathbaluk
Clark's Point
Coffman Cove
ColdBay
Cordova
Craig
Delta Junction
Denali Borough
Dillingham
Diomede
Eagle
Eek
Egegik
Ekwok
Elim
Emmonak
Fairbanks
Fairbanks North Star Borough
False Pass
Fort Yukon
Galena
Gambell
Golovin
Goodnews Bay
Grayling
Gustavus
Haines Borough
Holy Cross
Homer
Hoonah
Houston
Hughes
Huslia
Juneau, City & Borough of
Kachemak
Kake
Kaktovik
Kaltag
Kasaan
Kenai
Kenai Peninsula Borough
Ketchikan
Ketchikan Gateway Borough
King Cove
Kivalina
Kobuk
Kodiak
Kodiak Island Borough
Kotzebue
Koyuk
Koyukuk
Kwethluk
Lake & Peninsula Borough
Larsen Bay
Lower Kalskag
Manokotak
Marshall
Matanuska-Susitna Borough
McGrath
Mekoryuk
Metlakatla Indian Community
Mountain Village
Napakiak
Napaskiak
Nenana
New Stuyahok
Newhalen
Nightmute
Nikolai
Nome
Noorvik
North Slope Borough
NorthPole
Northwest Arctic Borough
Nuiqsut
Nulato
NunamIqua
Nunapitchuk
Old Harbor
Ouzinkie
Palmer
Pelican
Petersburg
Pilot Point
Pilot Station
Platinum
Point Hope
Port Alexander
Port Heiden
Port Lions
Quinhagak
Ruby
Russian Mission
Saint George
Saint Mary's
Saint Michael
Saint Paul
Sand Point
Savoonga
Saxman
Scammon Bay
Selawik
Seldovia
Seward
Shageluk
Shishmaref
Sitka, City & Borough of
Skagway, Municipality of
Soldotna
Stebbins
Tanana
Teller
Tenakee Springs
Thorne Bay
Togiak
Toksook Bay
Unalakleet
Unalaska
Upper Kalskag
Valdez
Wainwright
Wales
Wasilla
White Mountain
Whittier
Wrangell, City & Borough of
Yakutat, City & Borough of



# Alaska State Chamber of Commerce
# 2009 Legislative Priorities

## Ballot Initiative Reform

The Alaska State Chamber of Commerce should work with the Alaska Legislature to pass legislation that makes the drafting, signature gathering and financing of ballot initiatives more transparent to Alaska voters. The Alaska State Chamber of Commerce should work with the Alaska Legislature to pass legislation that, at a minimum, establishes:

1. A streamlined financial disclosure system including disclosure of the first dollar spent or collected – prior to an initiative being formally certified for the ballot – and online filing so that Alaskans can follow the money from the beginning and access important information prior to the election.

2. An opportunity for meaningful public involvement and vetting of proposed initiatives to increase awareness and ensure the public is well informed prior to signature gathering and voting, e.g. requiring petition sponsors to hold public hearings in a majority of election districts prior to petition certification.

## Apply a permanent solution for workers' compensation Health care benefit costs

HB228 passed in 2007 to extend to the fee schedule to March 31, 2009. The Legislature needs to either extend the freeze or apply a permanent solution for workers' compensation health care benefit costs.

• The State of Alaska should purchase a program containing the new data at the 90th percentile of every procedure code billed in Alaska by zip code for the 2008 year. The fee schedule would go into affect on March 31, 2009. Every year the CPT codes would be updated by the program provider to reflect the correct coding initiatives and new procedure codes.

• New AMA and CMS procedure codes would be reimbursed at the 90$^{th}$ percent of the billed charges until the following year when the program provider can determine the 90$^{th}$ percentile.

• The State of Alaska fee schedule should adopt the Centers for Medicare and Medicaid Services' national correct coding standard (CCI edits) and the AMA's published coding and billing practices. The majority of other state workers' compensation fee schedules have either adopted the CCI edits outright or have made modified versions of them integral to their rules and regulations.

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CHAMBER
OF COMMERCE

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## Support for Oil and Gas Exploration and Development in Alaska's Outer Continental Shelf (OCS) Waters

The Alaska State Chamber of Commerce strongly supports offshore oil and gas exploration and production in Alaska's Beaufort Sea, Chukchi Sea, Cook Inlet and the North Aleutian Basin in Bristol Bay. The Chamber asks the Alaska Congressional Delegation and Governor to support responsible development of these valuable resources and organize a concerted effort to encourage Congress and the Federal Administration to enact offshore revenue sharing for states and local communities.

## Support for changes to the "point of discharge" standard Governing cruise ship wastewater permits

The Alaska State Chamber of Commerce urges the Governor and the Alaska State Legislature to delete the "point of discharge" standard governing the cruise ship wastewater permits. The State Chamber Commerce asks the 2009 legislature to apply the best available data and technology when setting standards for cruise ship wastewater discharge permits.

## Progress on a Natural Gas Pipeline Project and essential Infrastructure improvements

The Alaska State Chamber of Commerce encourages the Alaska Legislature and Administration to work in cooperation with the federal government and all stakeholders to accomplish measurable and real progress toward securing the construction of a natural gas pipeline in 2009.

# Alaska State Chamber of Commerce
# 2009 Positions

## Education
Invest in Alaska's Human Resources for a Sustainable Robust Future

## Fiscal Issues
"Savings – the first step to a fiscal plan"

## Fish and Game
Support for promoting Alaska Seafood and state funding for ASMI
Advocate the wise management of Alaska's fish and wildlife resources

## Health Care
Establishment of Health Care Commission to Address Growing Health Care Concerns in Alaska
Relief for Health Care Workforce Shortage: Health Care Professions Loan Repayment & Incentive Program

## Insurance
Support Workers' Compensation Exclusive Liability Statute

## Resources and Economic Development
Advocate for progressive and responsible non-renewable, resource development
Positive, Objective, and Timely Permitting Process for Resource Development
Strategic Economic Development Plan for Alaska

## State Conduct
Support for the current Alaska Coastal Management Program (ACMP)
Privatization, bringing the state government budget under control

## Transportation
Protecting Alaska's economy and cost of living against the imposition of marine cargo container fees
Develop a State Funded Transportation Program
Knik Arm Crossing Support
Support for state funding for the completion of the Port of Anchorage Expansion Project
State General Fund Support for Transportation

## Miscellaneous
Opposing the Employee Free Choice Act/"Card Check" Legislation

The full position statements are available on our web site at www.alaskachamber.com

ALASKA STATE CHAMBER OF COMMERCE

Headquarters
217 2nd Stree
Suite 20
Juneau
Alaska 9980
(907) 586-232
FAX 463-551

Regional Office
601 W. 5th Ave
Suite 70
Anchorage
Alaska 9950
(907) 278-272
FAX 278-664

www.alaskachamber.com

ALASKA MUNICIPAL LEAGUE
Alaska Conference of Mayors

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

- The Alaska Municipal League is a non-profit, membership organization made up of 150 cities and boroughs within the state.
- The League's mission is to lobby on a state and federal level for those issues which strengthen Alaska's municipalities.
- We also are responsible for training and local government help to all municipalities.
- We are the "headquarters" or provide support for the Alaska Conference of Mayors, the Alaska Association of Municipal Clerks, the Alaska Municipal Managers Association, the Alaska Municipal Attorney's Association, the Alaska Government Finance Officers Association and the Alaska Assessors Association. We have seats on the Board of the National Association of Counties, the National League of Cities and the Western Interstate Region.
- We have a board of 26 elected officials from each of 11 districts plus past AML Presidents and representatives from the previously mentioned associations.
- Our office is here in Juneau.
- We are attempting to improve our relationship with industry throughout Alaska, as municipalities understand that a community cannot be healthy without good jobs.
- We attempt to give our members the information and ability to participate in meetings throughout the state, by either helping to provide their travel or simply encouraging those closest to meeting locations to attend on behalf of AML.
- We do NOT operate a barge line.
- We provide the opportunity for members to join our insurance pool and our investment pool.
- We publish a quarterly magazine with information on legislation, congressional information, issues, classified job section and other information. We provide opportunity for state agencies to send us articles

# 2/5/09 DCCED: OFFICE OF ECONOMIC DEVELOP-MENT

Rob

**For Rep. Austerman:**

- What have you seen lacking that led you to begin this process?

- No other state in the union, including the five you reference, is nearly as dependent as Alaska on oil tax receipts. Do you see this effecting the type of legislation you will be proposing?
- What is your assessment of how the state's ARDOR programs are performing? Should the state increase funding for ARDORs? Besides a possible "system-wide capacity building fund" mentioned on p3you're your briefing paper, do you foresee substantial changes to the ARDOR system?

- At the top of p.4, you mention the Small Business Development Center has a rural outreach program. Do any of UA's Small Business Development Centers have staff actually based in rural Alaska; and do you have a feel for whether you think their rural outreach program is robust enough in comparison to what the SBDCs do in urban areas?

- Under the last section on page 6, what would you say to someone that said the reason for more government vs. private oversight of AIDEA, OED and DOI is because under private oversight there would be a greater risk of certain sectors getting a smaller slice of the pie. In other words, the government oversight tends to make fund distribution more fair.

- Page 6, second to the last bullet point, Was the New Business Incentive Program ever funded and if so how successful was it?

- Last bullet point on P. 6, are you suggesting merging these Divisions into one Division? What do you think about separating DCCED into two Departments like it used to be?

- On the first bullet, P. 7, Do you think the state should pay for the certification of economic development professionals?

- Third bullet on P.7, which industries do you think are particularly underserved by OED at present?

- It seems like (on p. 7) from your suggestions under 1, 2 and 6 of Possible Legislature discussion points that you believe there are ways the state can do more with what we have without spending more money. But there are also items on that list suggesting you think the state needs to consider increasing budgeting in certain areas. Do you expect the legislature and public to support increasing state expenditures and what strategies will you employ to convince them it's money well spent?

- On P. 7 you mention the possibility of creating "incentive programs to support economic development programs." Do you know of programs currently in place that are not working and should be altered or discontinued or that are working so well they deserve more funding? What kind of additional incentive programs do you envision?

**For Greg Winegar, Division of Investments:**

How are the 12 state loan programs your division manages chosen?

What does your division do besides managing loan programs?

**For Joe Austerman, OED**

Why does Alaska not have a web presence for attracting and retaining businesses? It seems like a relatively small amount of money might go a long way here.

# OFFICE OF ECONOMIC DEVELOPMENT

**MISSION: Facilitate successful tourism, film, fisheries, forest products, minerals and small business assistance programs in order to foster economic opportunity and increase economic activity in Alaska for the benefit of Alaskans.**

| PROGRAM | OVERVIEW | CONTACT | WEBSITE |
|---|---|---|---|
| Alaska Regional Development Organizations (ARDORs) | Supports development of economic regions in Alaska. The program is based on the notion that local organized regions, in partnership with the State, can most effectively stimulate economic development and produce healthy and sustainable local economies. | **Michael Hanzuk**<br>(907) 269-8104<br>michael.hanzuk@alaska.gov | http://www.commerce.state.ak.us/oed/ardor/ardor.htm |
| Small Business Assistance Center (SBAC) | Assisting Alaskan entrepreneurs and small businesses in developing their businesses or ideas. | **Michael Hanzuk**<br>(907) 269-8104<br>michael.hanzuk@alaska.gov | http://www.commerce.state.ak.us/oed/smallbus/home.cfm |
| Alaskan Product Preference Program | Alaskan businesses that manufacture a product with at least 25% value added in Alaska may submit for bids when doing business with the State of Alaska. | **Michael Hanzuk**<br>(907) 269-8104<br>michael.hanzuk@alaska.gov | http://www.commerce.state.ak.us/oed/prodpref/prodpref.htm |
| Made In Alaska | Supports local manufacturers and products made in Alaska. Participants are eligible to use the "Made In Alaska "Mother Bear and cub" Logo on their products | **Michael Hanzuk**<br>(907) 269-8104<br>michael.hanzuk@alaska.gov | http://www.madeinalaska.org |
| Developing Alaska Rural Tourism (DART) | Partnership project between Alaska Office of Economic Development (OED) and US Economic Development Administration (EDA) to provide technical assistance and training for regional and community tourism development efforts, and provide business mentorship opportunities for new tourism businesses in rural Alaska. | **Odin Brudie**<br>(907) 465-5466<br>odin.brudie@alaska.gov | http://commerce.state.ak.us/oed/dart/home.htm |
| Tourism Mentorship Assistance Program (TMAP) | OED pairs up new entrepreneurs with experienced visitor industry mentors who will assist them with business and market development. | **Dru Garson**<br>(907) 465-2162<br>dru.garson@alaska.gov | http://www.commerce.state.ak.us/oed/TMAP/home.cfm |
| AlaskaHost Program | Customer service training for the visitor industry. Participants get "hands-on" experience and skills in serving or working with visitors. A certificated program available at low or no-cost to rural communities. | **Dru Garson**<br>(907) 465-2162<br>dru.garson@alaska.gov | http://www.commerce.state.ak.us/oed/alaskahost/home.htm |

| PROGRAM | OVERVIEW | CONTACT | WEBSITE |
|---|---|---|---|
| Alaska Film Office | Our mission is to develop Alaska as a prime location for film, television, commercial, and new media productions. We offer information and assistance as well as administering Alaska's Film Production Tax Credit. Producers can receive transferable tax credits between on eligible expenses. Alaska companies can purchase these credits at a discount and apply them to their tax liabilities. We are also working to increase Alaska's film production infrastructure and crew-base. | **Dave Worrell**<br>(907) 269-8491<br>david.worrell@alaska.gov | www.film.alaska.gov |
| Minerals Development | • Provide industry information to the public and others<br>• Work with industry and public to identify and resolve impediments to minerals development<br>• Support efforts to improve workforce development and technical education for employment in the minerals industry<br>• Provide administrative support for the Alaska Minerals Commission<br>• Participate in preparation of the annual Alaska Minerals Industry report | **Rich Hughes**<br>(907) 451-2738<br>rich.hughes@alaska.gov | http://www.commerce.state.ak.us/oed/minerals/mining.htm |
| Forestry Development | Emerging technologies using wood are more available now than in the past. The Alaska Village Initiative (AVI) is partnering with the State, FEDC others to explore wood-based energy opportunities in rural Alaska - these could include:<br>• Cordwood systems<br>• Pellet-feed systems<br>• Bio-diesel<br>Also works with industry developing markets for timber products | **Jack Phelps**<br>(907) 269-8115<br>jack.phelps@alaska.gov | http://www.commerce.state.ak.us/oed/forest_products/forest_products.htm |
| Fisheries Development | Work with Regional Seafood Development Associations (RSDAs) and help to bring new RSDAs into existence (currently four statewide)<br>Work with small Alaska seafood businesses and provide technical information for the following:<br>• Direct seafood marketing<br>• Loan sources for vessel upgrades<br>• Seafood export market data and opportunities | **Kevin O'Sullivan**<br>(907) 465-5464<br>kevin.osullivan@alaska.gov | http://www.commerce.state.ak.us/oed/seafood/seafood.cfm |

# Alaska Department of Commerce, Community, and Economic Development

## Office of Economic Development



Manager, Joe Austerman

**Biography:**

Joe Austerman has been appointed by Commissioner Notti to serve as the Manager of the Office of Economic Development. Joe has worked with the Department since February 2007. Joe is a lifelong Alaskan born at Elmendorf Air Force Base. He is a graduate of Wasilla High School and holds a Bachelors degree from Northern Arizona University in Finance. He has spent most of his adult life as an entrepreneur, most notably in building the Alaska franchise area for Mail Boxes Etc. which are now known as the UPS Stores.

Joe will be in charge of promoting economic development in Alaska including, but not limited to, mining, fishing, timber and tourism.

He will be responsible for supervising 18 employees and the compilation of the Net Rate of Return and the Alaska Economic Performance Report. Additional duties include a wide variety of economic issues for specific industry sectors.

The Commissioner stated, "Joe's experience of both the private and public sector will be a great asset to serve as Manager of the Office of Economic Development. I look forward to working with him as we engage in addressing the unique challenges that face economic and community development in Alaska."

# Office of Economic Development

Joe Austerman,
Manager



**Our Mission:**

Support the advancement of successful tourism, film, fisheries, forest products, minerals, and small business assistance programs in order to increase economic activity in Alaska and create new employment for Alaskans.

**Contact:**

Office of Economic Development
550 W. 7th Avenue
Suite 1770
Anchorage, AK 99501
Phone: 907-269-8100
Fax: 907-269-8125

The Office of Economic Development continues to pursue its mission of responsible industry advocacy for the benefit of Alaska. Our primary focus is in fostering responsible development of the mineral, timber, film, tourism, and fishery industries as well as assisting with small business development. OED's unique positioning within government provides for a critical conduit between the State and industries that are seeking to do business in Alaska. The industry development specialist in OED work with industry and policy makers alike in offering expertise in recognizing and capitalizing on opportunities with an emphasis on achieving a mutually beneficial outcome for both industry and the people of Alaska.

In the past year, OED has expanded our area of expertise and broadened our economic analysis abilities by adding a senior level economist to our staff. Having a senior level economist along with industry expertise has bolstered OED's capacity to provide timely and valuable economic and cost benefit analysis in evaluating policy and investment along with the potential impact to community and industry.

While we advocate for the proper development of industry, our customers are the people of Alaska and we are proud to be of service to them.

OED Publications and reports:

- Alaska Economic Performance Report and Net Rate of Return
- Alaska's Mineral Industry Report
- Report of the Alaska Minerals Commission
- Alaska logging history for Society of American Foresters
- Film Office annual report – Available Feb. of 09'

- Also provide economic information and opinions to multiple users including Governor's Office, representatives, Department of Fish and Game, Department of Transportation, AIDEA, and general public

## Office of Economic Development Highlights of 2008

**Fisheries:** Our industry development specialist works with industry, state, federal and local agencies serving as a primary conduit for fisheries related economic development projects in Alaska.

- Working with two Regional Seafood Development Associations (RSDAs) who are asking constituent fishermen to vote to self-assess themselves and fund commercial fisheries economic development projects in respective regions (PWS/ Copper River Marketing Association, and Rainforest Wild).
- Brought a new RSDA (Aleutia) into existence, the fourth RSDA statewide.
- Currently assisting individuals from Cook Inlet interested in forming a RSDA in their region.
- Continuing work with emerging small Alaska seafood businesses [Approximately 200 (193) constituent responses in the past ten months] providing them with technical information for the following:
  - Direct seafood marketing
  - Loan sources for vessel upgrades
  - Seafood export market data and opportunities. [Approximately 200 (193) constituent responses past 10 months].
- Participated in the 2008 Pacific Marine Expo in November. Activities included the following:
  - Served on a Panel comprised of commercial fishermen, fisheries biologists, and state agency staff to discuss Bristol Bay processing capacity and foregone harvests.
  - Presented the Internal Waters Processing permit (IWP) application process

**Film:** Film is a relatively new sector to OED created with the passing of SB230. The primary activity associated with this sector has been in getting it rolled out. As of January of 09', the office is staffed and regulations supporting the bill are ready for public review and comment. To accommodate the bills effective date of September, 2nd of 08, OED established a Pre Qualifying procedure that would allow production companies to begin work while the sector was in the build out process. Industry activity to date:

- The office has processed and approved three Pre Qualifying applications with an estimated qualifying spend in Alaska at just under $5 million.
- Disney has completed production work and is waiting for the final regulations package to apply for the final tax credit.
- The office is currently working with numerous production companies interested in doing work in Alaska.

**Tourism:** OED's tourism staff continues to successfully assist entrepreneurs, primarily rural, interested in establishing tourism based business and draw new dollars to their communities. Activities for the year include:

- The Developing Alaska Rural Tourism (DART) project is a partnership between OED and the (U.S.) Economic Development Administration (EDA). Currently under DART, OED is helping several regional Alaska tourism destination marketing efforts get underway, offering targeted business development training workshops, and managing the Tourism Mentorship Assistance Program (TMAP). TMAP

represents an 18 month long program that partners current successful tourism business owners with new or potential business owners. These experienced mentors show their commitment to expanding the visitor industry in Alaska's rural areas by sharing their skills in the establishment and operation of a new business.

- OED manages the Alaska Visitor Statistics Program (AVSP), the most comprehensive visitor arrival, visitor profile, and visitor spending data collected for Alaska's visitor industry. The State has conducted the baseline study approximately every four years since 1985. Updates are released in the interim years. OED has just released the interim visitor numbers for Summer 2008. They indicate that just over 1.7 million out-of-state visitors came to Alaska between May and September 2008. This represents a slight (0.4 percent) decline from Summer 2007. OED conducted the last baseline study in 2006. If funding resources are available, OED will initiate the next baseline study in 2010.

- OED manages the statewide AlaskaHost customer service training program - designed for employees of the hospitality and visitor services industry. The core of the AlaskaHost program trains participants in how to provide quality customer service for both residents and visitors to Alaska. Last year OED also added CulturalHost to the curriculum – a training class designed to provide a greater understanding and appreciation of Alaska Native culture for workers within Alaska's hospitality and tourism industry.

**Minerals:** Along with coordinating the Alaska Minerals commission and generating industry reports, the minerals development specialist in OED is the industries primary state contact in evaluating investment potential in Alaska. This sector serves as a resource in interpreting Govt. policy, promoting development opportunities and encouraging investment in Alaska. 2007 was a banner year in minerals exploration and development in the State. However, we know that 08' and 09' will be substantially less. Below are some of the activities conducted by this OED sector:

- Agency support in analysis of the minerals industry in the form of:
  - Identifying opportunities for financial support – analysis of needs and economics of that help
  - Tax load analysis of specific operations/ projects or generic projects by location, land status
  - Marketing recommendations – opportunities, informational development, tax analysis, infrastructure needs, economic analysis
  - Working with municipalities relative to tax loading of the industry by imposition of severance taxes on production
  - Legislative tax proposal economic analysis
  - Analysis of reclamation methods and costing for mining projects
  - Forecasting value of industry and revenue that will be generated
  - Analysis of benefits of mining projects on rural communities and populations

- Infrastructure needs for projects and regions of mineral prominence.
- Participated in the evaluation of the BLM Eastern area management plan.

- Providing support to and liaison between industries:
  - Assisting the small miner in technical issues with mines and recovery plants and legal issues to the extent that this assistance does not encroach on private industry consultants and attorneys
  - Providing financial liaison between lenders and the mining industry – AIDEA, others
  - Providing liaison between agencies and industry for legislative tax proposals and other issues
  - Providing a list of properly registered and licensed consultants to industry
  - Otherwise providing minerals-related information to the worldwide mining industry relative to opportunities in the State of Alaska.

Forestry: While the primary mission of this sector is to promote Alaska's hardwood resources for value added end products, the expertise available in this sector of OED has also been tapped for bio fuel energy analysis. 08' activity includes, but is not limited to:

- Promoting development of Alaska's hardwood resources
  - Completed revision of hardwood prospectus
  - Translation of hardwood prospectus into Japanese
  - Providing Assistance in securing investment in new sawmills in MatSu area
- Partnering to promote and encouraging wood-based energy projects
  - Provided technical assistance to companies in Kenai, Fairbanks, MatSu, Rural AK
  - Partners include AEA, FEDC, AK Village Initiative, DNR- DOF
- Conducted survey of existing and potential Asian markets for Alaska wood
  - Site visits in November, 2008
  - Reports to be issued jointly with Federal and University agencies

**Business Development:** Along with assisting businesses through the Small Business Assistance Center, OED also manages the Made in Alaska Program and the Alaska Product Preference Program. The ARDORs(AK Regional Development Organizations) coordinator is another element of this sector in OED.

Alaska Regional Development Organizations (ARDORs)

- In 2008, the State of Alaska, Office of Economic Development recognized the Interior Rivers Resource Conservation & Development Council (IRRC&D) as a reestablished ARDOR region. This will make a total of 12 ARDORs partnered with the SOA helping to provide assistance in rural Alaska to communities, businesses and entrepreneurs.

Made In Alaska Program (MIA)

- Strengthened the integrity and the legal support of the MIA program by Federally Trade marking and registering the Mother Bear and cub logo with the U.S. Trade mark office, for the MIA program.

- Through Webb Consulting increasing the rural outreach training programs (through Webinar) for marketing, and development of small businesses.

Small Business Assistance Center (SBAC)

- This is an effort to further develop outreach to rural Alaska and support small businesses and entrepreneurs. Expanding the partnership between the ARDORs, University of Alaska Anchorage, Small Business Development Center, Alaska Manufacturing Extension Partnership and the Division of Investments. Several businesses have followed the directions given by the OED specialist which resulted in winning start-up fees for their business in excess of over $35,000.

- Provided support for entrepreneurs and small businesses in the Kenai Peninsula Economic Development District (ARDOR) region which helped to generate an additional $2 million dollar in new revenue for manufactures in the state.

# Office of Economic Development Financial Summary

| (in Thousands) By Expenditure Category | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Personnel Service | 1,485.9 | 1549.0 | 63.1 | 4% |
| Travel | 89.5 | 89.5 | - | 0% |
| Services | 724.1 | 726.1 | 2.0 | 0% |
| Commodities | 24.6 | 25.3 | 0.7 | 3% |
| Capital Outlay | 17.9 | 17.9 | - | 0% |
| Grants, Benefits | 620.0 | 677.7 | 57.7 | 9% |
| Miscellaneous | - | - | - | 0.0% |
| **Total Expenditures** | **2,962.0** | **3,085.5** | **123.5** | **4.2%** |

| (in Thousands) By Funding Source | FY 2009 Management Plan | FY 2010 Governor | Difference Between FY 09 & FY 10 | % Change From FY 09 to FY 10 |
|---|---|---|---|---|
| Federal Receipts | 169.4 | 169.6 | 0.2 | 0.1% |
| General Fund Receipts | 291.8 | 313.2 | 21.4 | 7.3% |
| Inter-Agency Receipts | 742.4 | 842.0 | 99.6 | 13.4% |
| CIP Receipts | 103.5 | 104.8 | 1.3 | 1.3% |
| Statutory Designated Receipts | 128.4 | 128.4 | - | 0.0% |
| Bus. & Corp. Receipts | 1,200.9 | 1,200.9 | - | 0.0% |
| Vehicle Rental Tax Receipts | 325.60 | 326.60 | 1.00 | 0.3% |
| **Funding Totals** | **2,962.0** | **3,085.5** | **123.5** | **4.2%** |

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## Significant Budget Changes (in thousands):

1. Reflect contract with DMV to provide services to Tok and surrounding communities: $40.6
2. Cost-of-living increases per union agreements: $25.2
3. Fund each Alaska Regional Development Organization at the FY 09 level: $57.7

| By Staff Category | FY 2009 Management Plan | FY 2010 Governor | |
|---|---|---|---|
| Permanent Full-time | 13 | 13 | No Change |
| Permanent Part-time | 2 | 2 | |
| Nonpermanent | 3 | 3 | |
| **Total Staff** | **18.0** | **18.0** | |

# Office of Economic Development (OED)

## Presentation to the Community & Regional Affairs Committee

February 5, 2009

# Our MISSION:

- Fostering economic opportunties in Alaska for the benefit of Alaskans
- Established in 2004, the OED facilitates economic development and employment opportunities, particularly in rural Alaska. The OED offers specialized assistance in the tourism, fisheries, film, small business, and minerals development sectors.
- OED's unique position provides for a critical conduit between state government and industries that are seeking to do business in Alaska. The industry development specialists in OED work with industry and policy makers alike in offering expertise in recognizing and capitalizing on opportunities for the benefit of the people of Alaska.

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# OED WEBSITE HOMEPAGE

# Office of Economic Development

## Headlines...

- State Film Office Announces Opening
- Proposed Regulations for Film Production Incentive Program
- Tourism Mentorship Assistance Program Brings Mentors and Entrepreneurs Together
- Summer 2008 Visitor Volume Estimate Released
- NEW! Report of the Alaska Minerals Commission 2009
- Alaska Economic Performance Report, 2007
- Icy Strait Point Honored for Sustaining Native Culture
- Small Business Regulations Report
- Alaska Consultants List for the Minerals Industry
- Minerals Development 2008
- Navigating Tourism Business Opportunities with the Alaska Cruise Industry, 2008
- Alaska Consultants List for the Minerals Industry, 2008
- Rebuilding the Gulf Coast
- Archived News Articles

## Welcome

Established in 2004, the OED facilitates economic development and employment opportunities, particularly in rural Alaska. The OED offers specialized assistance in the tourism, film, small business, fisheries, and minerals development sectors.

## Of Interest...

- Alaska Photo Library
- Planning a Trip to Alaska
- Small Business Assistance Center
- Forest Products
- AlaskaHost Program
- Customs Guide to Alaska Native Arts
- Economic Development Resources and Publications
- List of Alaska CVBs and Chambers of Commerce
- Division of Community and Regional Affairs



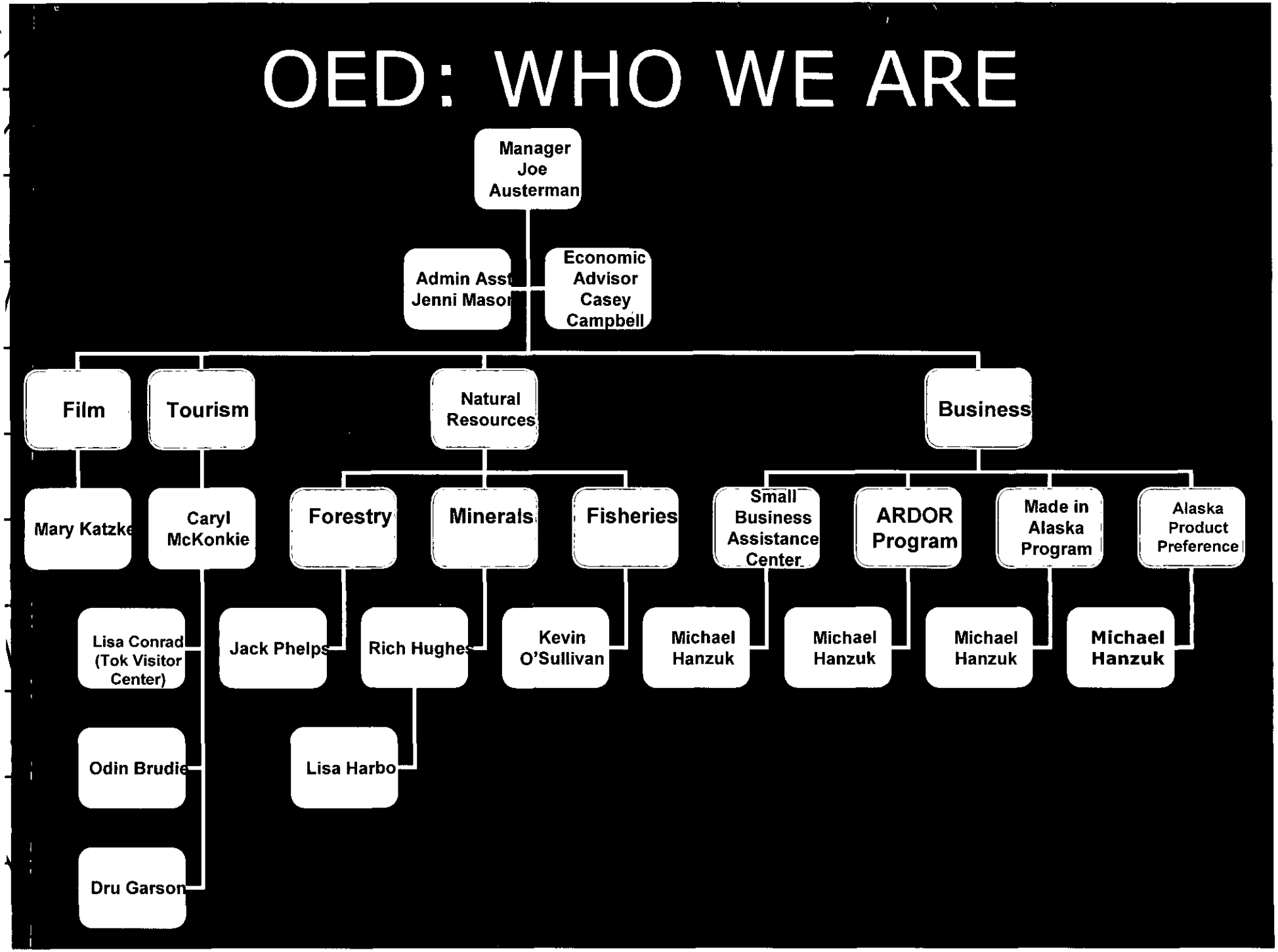
Joe Austerman
Manager of OED
Mr. Austerman's Bio

## Quick Links...

- Alaska Product Preference
- Alaska Regional Development Organizations (ARDOR)
- Film Incentives Program
- Tourism Development
- Minerals Development
- Fisheries Development
- Kid's Page (School Reports)
- Alaska Public Lands Information
- Small Business Regulations

http://www.commerce.state.ak.us/oed/home.htm

# OED: WHO WE ARE



# OED Studies & Publications*

Alaska Economic Performance Report and Net Rate of Return

Alaska's Mineral Industry Report

Report of the Alaska Minerals Commission

Alaska logging history for Society of American Foresters

Film Office annual report – *Available Feb. of 09'*

Also provide economic information and opinions to multiple users including Governor's Office, representatives, Department of Fish and Game, Department of Transportation, AIDEA, and general public

*** This is a small sample of studies and publications created by OED. A complete list is available at this link:**

http://www.commerce.state.ak.us/oed/econdev/econdev.htm

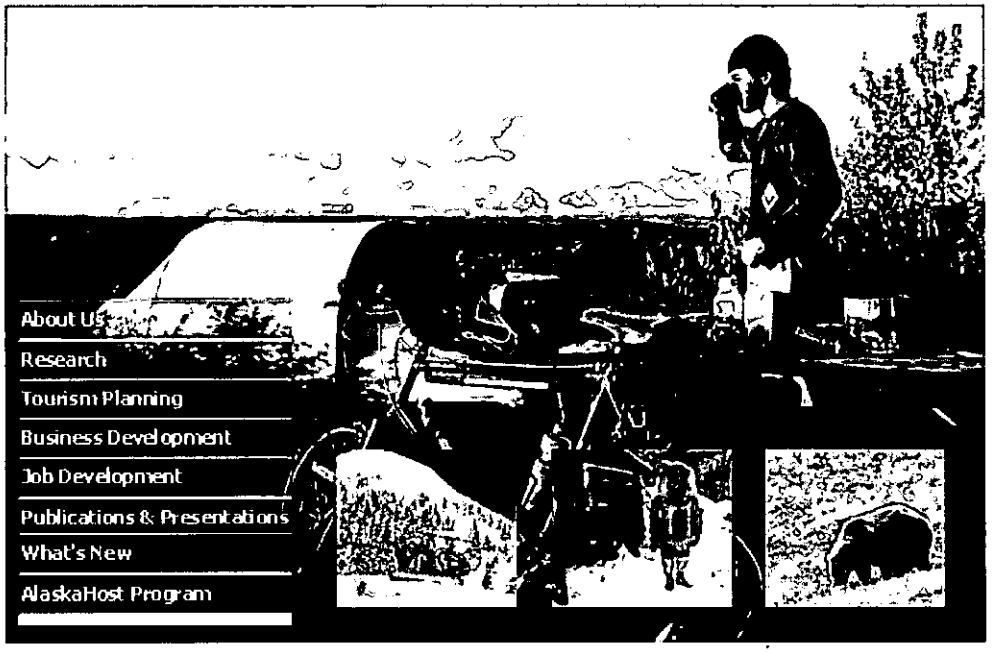
# Economic Analysis

- A Senior Level Economist joined OED in 2008. His contributions have allowed us to:
  - Broadened our economic expertise and analysis abilities
  - Provide timely and valuable economic and cost benefit analysis in evaluating policy and investment along with the potential impact to community and industry.
    - Example: Tourism Impact White Paper prepared for Rep. Ramras

# TOURISM DEVELOPMENT

## Alaska Office of Tourism Development

State of Alaska > Commerce > OED > Alaska Office of Tourism Development




- Developing Alaska Rural Tourism
- Tourism Mentorship Assistance Program
- Visitor Information and Travel Planner
- Alaska Travel Industry Association
- Alaska Info for School Reports
- Western States Tourism Policy Council

Staff Directory Webmaster Email Us!

### Quick Links...

- Film Program
- Tourism Development
- Minerals Development
- Fisheries Development
- Kid's Page
- Alaska Public Lands Information

### Of Interest...

- Planning a Trip to Alaska
- Small Business Development
- Forest Products
- Alaska State Forestry
- AlaskaHost Training
- Customs Guide to Alaska Native Arts
- Economic Development

# Tourism

DART (Developing Alaska Rural Tourism) project is a partnership between OED and the U.S. Economic Development Administration (EDA).

- Helping several regional Alaska tourism destination marketing efforts get underway
- Offering targeted business development training workshops

Manage TMAP (Tourism Mentorship Assistance Program)

Manage AVSP (Alaska Visitor Statistics Program)

Manage statewide AlaskaHost customer service training

- CulturalHost added to curriculum –provide greater understanding & appreciation of Alaska Native Culture

# FORESTRY DEVELOPMENT

## Forest Products

State of Alaska > Commerce > OED > Forest Products > Introduction

Forest Products Introduction

- Commercial Timber Species
- Employment
- Forest Products Assistance Contacts
- Forest Product Preference Program
- Funding Sources
- Historical Overview
- International Export
- Related Links
- Southeast Timber Task Force
- Sources of Timber Supply
- Trade Leads
- 2000 International Market Survey

### Alaska Forest Products

Alaska forest products receive a 7 percent preference in a state procurement bid for wood products manufactured from Alaska timber. To be considered a supplier eligible for the Alaska Forest Product Preference, a supplier must also annually notify the Department of Community and Economic Development of their willingness to supply forest products.

**Alaska Forest Products**

- List of Forest Product Participants
- List of Forest Products

**Document**

Product Description Form

Documents must be viewed/printed with Adobe Acrobat Reader

### Introduction

Forest products have been an important contributor to the economy of Alaska for over half a century. Sitka spruce and western hemlock of very high quality have been exported as logs, lumber and timbers into the Pacific Rim for the past forty years. The lower quality portion of the timber was used to produce dissolving pulp which was sold around the world for producing rayon, pharmaceuticals, and fine quality paper products.

Until the mid 1980s, almost all of the export volume of Alaska wood fiber products originated from the coastal rain forest of Southeast Alaska. At that time, the Southcentral forest, also a coastal rain forest, experienced an increasing volume harvest and export of logs and lumber. The interior "boreal" forest in Alaska, containing commercial stands of white spruce and paper birch, has not been exploited to a comparable degree.

### Quick Links...

- Alaska Regional Development Organizations
- Film Program
- Tourism Development
- Minerals Development
- Fisheries Development
- Kid's Page
- Alaska Public Lands Information
- Small Business Regulations Program

### Of Interest...

- Planning a Trip to Alaska
- Small Business Development
- Forest Products
- Alaska State Forestry
- AlaskaHost Training
- Customs Guide to Alaska Native Arts
- Economic Development
- List of Alaska CVBs and Chambers of Commerce
- Division of Community Advocacy

# Forestry

- Promoting development of Alaska's hardwood resources
  - Completed revision of hardwood prospectus
  - Translation of hardwood prospectus into Japanese
  - Providing Assistance in securing investment in new sawmills in MatSu area
- Partnering to promote & encouraging wood-based energy projects
  - Provided technical assistance to companies in Kenai, Fairbanks, MatSu, and Rural Alaska
  - Partners include AEA, FEDC, AK Village Initiative, DNR- DOF
- Conducted survey of existing & potential Asian markets for Alaska wood
  - Site visits in November, 2008
  - Reports to be issued jointly with Federal and University agencies

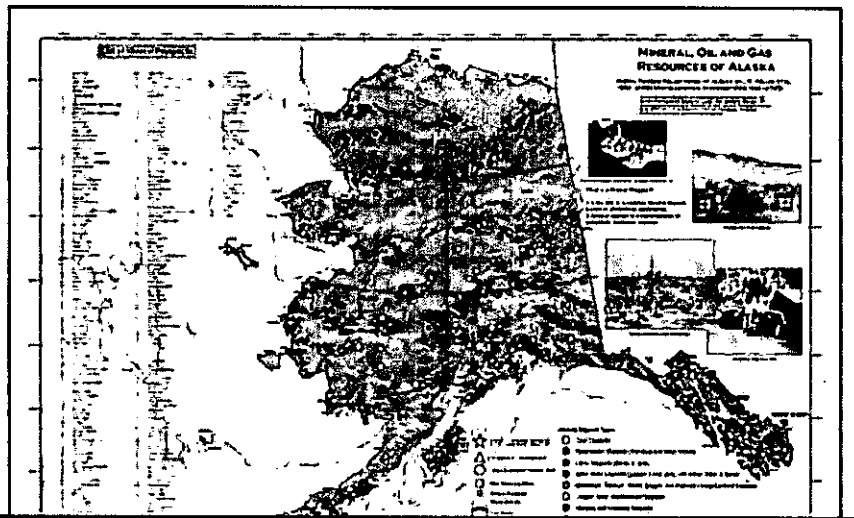
# MINERALS DEVELOPMENT

Mining in Alaska | Incentives | Related Links | Minerals Home Page

Strategically situated on the Pacific Rim, the state of Alaska offers prospective land, sanctity of title, a state-sponsored geological and geophysical mapping effort, a reasonable permitting process, talented workforce, exploration incentives, and inventive infrastructure equity sharing programs. The Office of Economic Development is the primary advocacy agency in state government promoting mineral exploration and development by providing information, economic data, and technical assistance and extending a welcome to companies and individuals seeking to and doing business in Alaska.

## Success Stories:

**Success Stories: Alaska's Operating Mines and Advanced Exploration Properties** include open pit and underground hard rock mines, developing hard rock projects, a coal mine and several coal projects in progress, an underground placer mine and a number of conventional placer mines, and a healthy exploration industry. Employment in the industry is a significant contributor to rural employment and economic prosperity. The value of the industry is well over $1B annually and growing rapidly. Mine, developing and exploration projects are located throughout the state.




http://www.commerce.state.ak.us/oed/minerals/mining.htm

# Minerals

**Support in analysis of the minerals industry which includes some of the following:**

- Identifying opportunities for financial support
- Working with municipalities relative to tax loading of the industry by imposition of severance taxes on production
- Legislative tax proposal economic analysis
- Analysis of reclamation methods and costing for mining projects
- Analysis of benefits of mining projects for rural communities
- Infrastructure needs for projects and regions of mineral prominence.

**Liaison between industries which includes some of the following:**

- Financial liaison between lenders and the mining industry – AIDEA, others
- Liaison between agencies and industry for legislative tax proposals and other issues
- Otherwise providing minerals-related information to the worldwide mining industry relative to opportunities in the State of Alaska.

# FISHERIES DEVELOPMENT

## Office of Fisheries Development

State of Alaska > Commerce > OED > Office of Fisheries Development

### Office Information and Resources

- Frequently Asked Questions
- Overview of Our Office
- Reports and Documents
- Related Links

### Fisheries Development Topics

- Alaska Fisheries Business Assistance Project
- Alaska Processors
- By-Product Development
- Fisheries Revitalization Strategy
- Fisherman Direct Marketing
- Internal Waters Processing Permit
- Organic Aquatic Species
- Regional Seafood Development Associations (RSDA's)
- Seafood Grant Programs
- Seafood Marketing
- Seafood Quality
- Shellfish Farming

Welcome to the Office of Fisheries Development for the State of Alaska. The Office of Fisheries Development performs a number of functions related to the economic development of Alaska's commercial fishing and seafood industry. Working in conjunction with industry, state, federal, and local agencies, this office serves as a catalyst for fisheries related economic development projects in Alaska.



You are Visitor: 624687

### For more information contact:

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Juneau, Alaska 99801-0804
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### Quick Links...

- Alaska Product Preference
- Alaska Regional Development Organizations
- Film Program
- Tourism Development
- Minerals Development
- Fisheries Development
- Kid's Page
- Alaska Public Lands Informati
- Small Business Regulations Program

### Of Interest...

- Planning a Trip to Alaska
- Small Business Development
- Forest Products
- Alaska State Forestry
- AlaskaHost Training
- Customs Guide to Alaska Nati Arts
- Economic Development
- List of Alaska CVBs and Chambers of Commerce
- Division of Community and Regional Affairs

# Fisheries

Working with two Regional Seafood Development Associations (RSDAs) who have asked constituent fishermen to vote to self-assess themselves and fund commercial fisheries economic development projects in their regions (PWS/Copper River Marketing Association, and Rainforest Wild).

Brought a new RSDA (Aleutia) into existence, the fourth statewide.

Assisting people from Cook Inlet interested in a RSDA in their region.

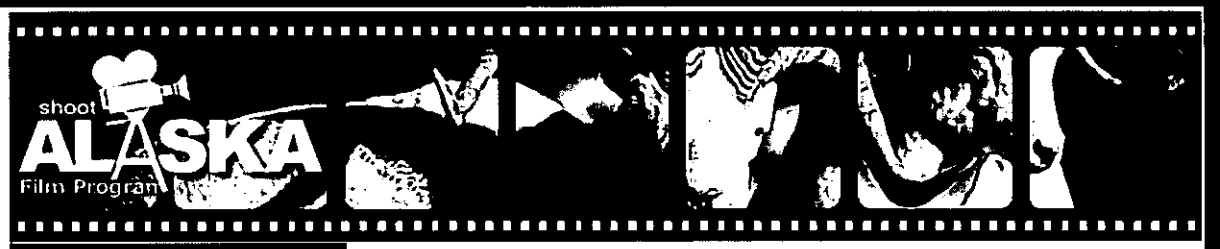
Continuing work with emerging small Alaska seafood businesses [Approximately 200 constituent responses in the past 10 months] & provided them with technical information for the following:

- Direct seafood marketing
- Loan sources for vessel upgrades
- Seafood export market data and opportunities.

Participated in the 2008 Pacific Marine Expo in November.

- Served on a panel comprised of commercial fishermen, fisheries biologists, and state agency staff to discuss Bristol Bay processing capacity and foregone harvests.
- Presented the Internal Waters Processing permit (IWP) application process

# FILM DEVELOPMENT





- Home
- Filming in Alaska
- Production & Support Services
- Weather
- Photo Gallery
- Regional Map
- Links
- Film Incentives


## FILM INCENTIVES

### NEW Alaska Film Incentive Program

Proposed Regulations for the Alaska Film Production Incentive Program

Public Comment Instructions for Proposed Regulations

On June 4, 2008 Governor Sarah Palin signed SB230 into law, creating the Alaska Film Office. The initiative provides a transferable tax credit for qualified film production expenditures as an incentive to attract large scale film production in Alaska.

The Alaska Office of Economic Development has initiated drafting of regulations and continues work with the Alaska Department of Revenue and Alaska Department of Law on this process as expeditiously as possible. In the meantime, producers can call for an application to apply for a notice to pre-qualify for the tax credit.

However, productions that are pre-qualified during the regulations process must be aware that ultimate qualifying spending criteria may differ than what can be inferred from statute. Any production company incurring expenses while the regulations are still being vetted does so under the assumed risk that expenses believed to qualify for a tax credit may not.

### Incentive Program Summary

- Must spend at least $100,000 in a consecutive 24 month period.
- 30 percent transferable tax credit on qualified expenditures.
- Claim an extra 10% for wages paid to Alaska residents.
- Claim an extra 2% if filming in a rural area.
- Claim an extra 2% if filming between October 1 and March 30.
- No salary cap per employee per production.

The final version of the bill signed by the Governor can be viewed at:

Text of SB 230

# The Alaska Film Office

*New sector created with the passing of SB230.*
*As of January of 2009, the office is staffed and regulations supporting the bill are ready for public review and comment.*

Pre-Qualifying procedure established allowing companies to begin work while the sector was in the build out process.

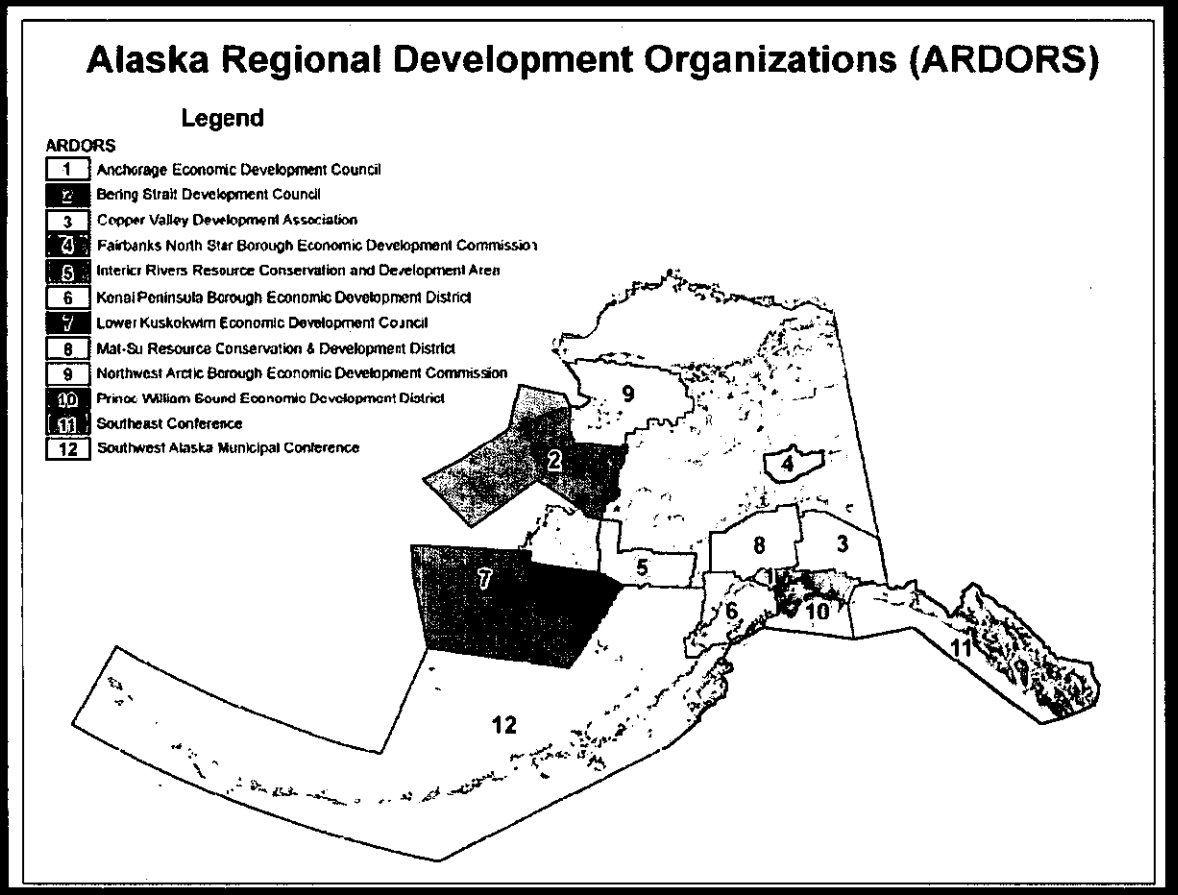
Processed and approved three Pre-Qualifying applications with estimated qualifying spend in AK just under $5 million.

Disney has completed production work and is waiting for the final regulations package to apply for the final tax credit.

- The office is currently working with numerous production companies interested in doing work in Alaska.

# ARDOR Program

## (Alaska Regional Development Organizations)

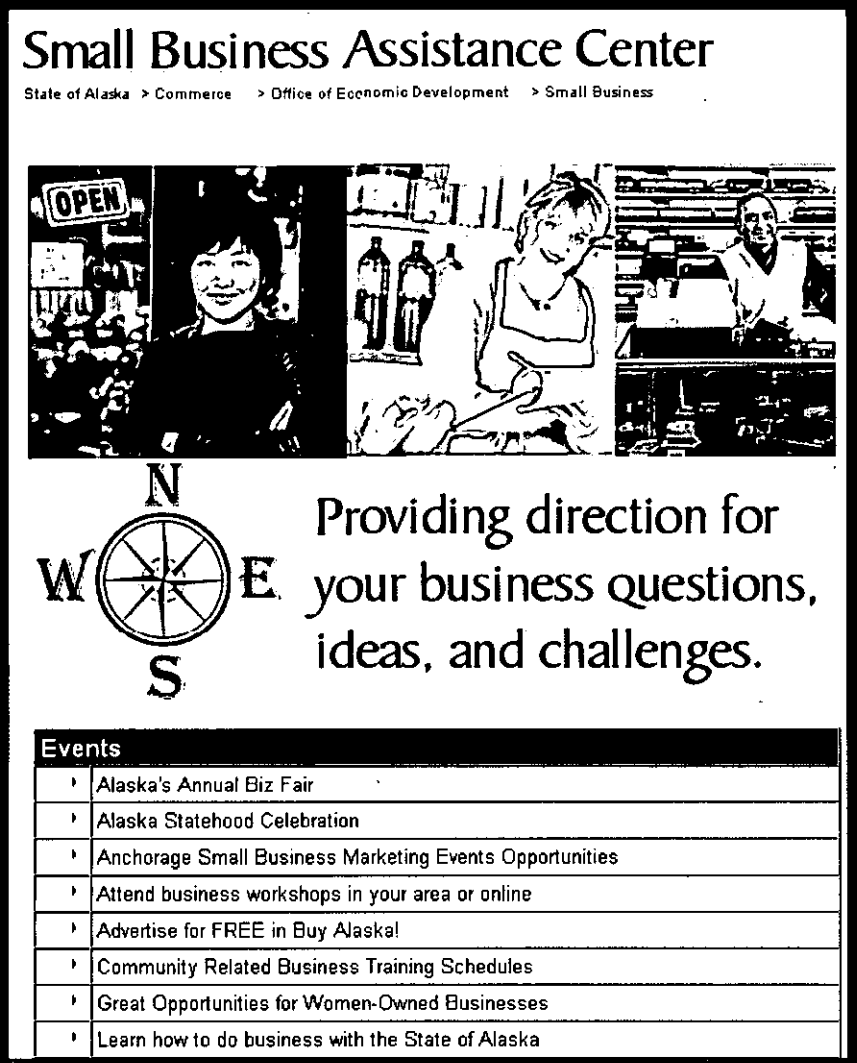



In 2008 OED recognized the Interior Rivers Resource Conservation & Development Council (IRRC&D) as a reestablished ARDOR region. This makes a total of 12 ARDORs partnered with the State to provide assistance in rural Alaska to communities, businesses and entrepreneurs.

Helping Alaska Regions Develop Their Economies

http://www.commerce.state.ak.us/oed/ardor/ardor.htm

# SMALL BUSINESS ASSISTANCE CENTER (SBAC)




Outreach to rural Alaska and support small businesses and entrepreneurs.

Expanding partnership between the ARDORs, University of Alaska Anchorage, SBAC, Alaska Manufacturing Extension Partnership, and the Division of Investments.

- Several businesses have followed the directions given by the OED Specialist which resulted in winning start-up fees for their business in excess of $35,000.
- Provided support for entrepreneurs and small businesses in the Kenai Peninsula Economic Development District (ARDOR) region which generated an additional **$2 million dollars** in new revenue for manufactures in the state.

# MADE IN ALASKA PROGRAM (MIA)

MADE IN ALASKA

Strengthened integrity and legal support of the program by registering the logo with the U.S. Trade mark office

Webb Consulting: rural outreach training via Webinar for marketing, and small businesses development.

http://www.commerce.state.ak.us/oed/mia/permit.htm

# ALASKA PRODUCT PREFERENCE PROGRAM

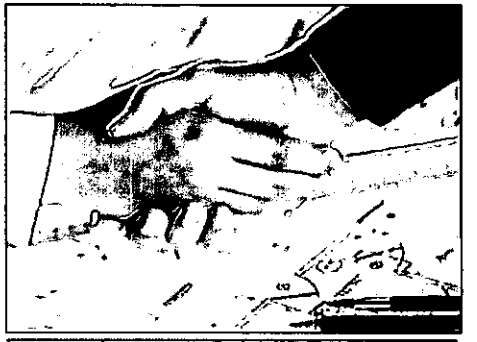
Staff Directory Commer

## Alaska Product Preference Program

State of Alaska > Commerce > OED > Product Preference Program

**The Alaska Product Preference AS 36.30.332 and 3AAC 92.010**

The Alaska Product Preference (APP), AS 36.30.332 is one of eight State of Alaska preferences applied to in-state bids on State contracts, or proposals in response to a request for proposal. Under the State's procurement code, the Alaska Product Preference can provide a local bidder or offeror with a cost preference between three and seven percent.



**List of Participants**

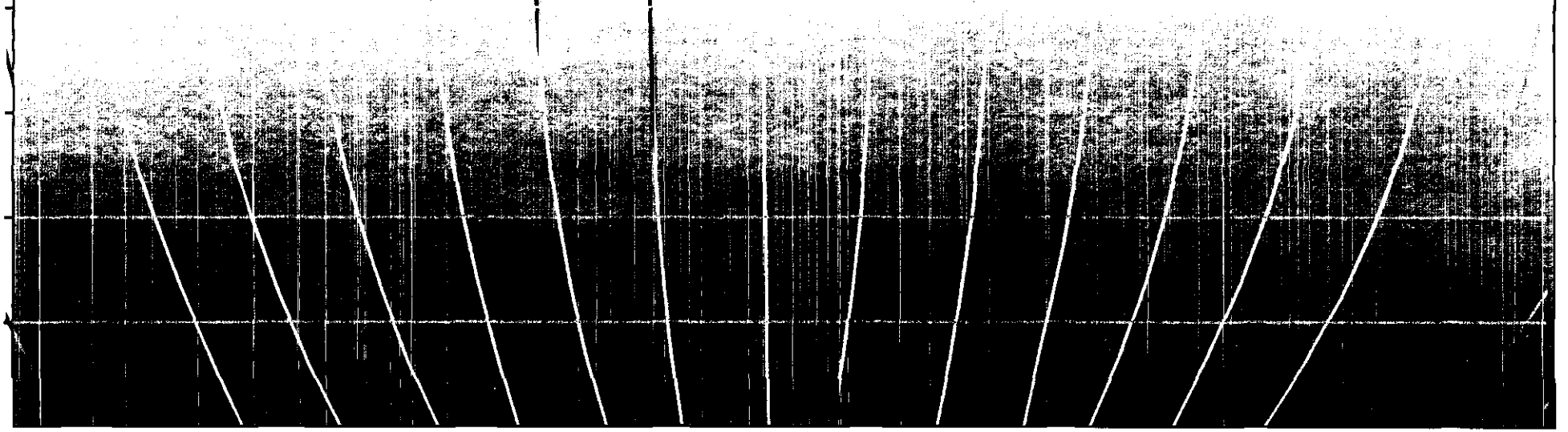
**List of Products**

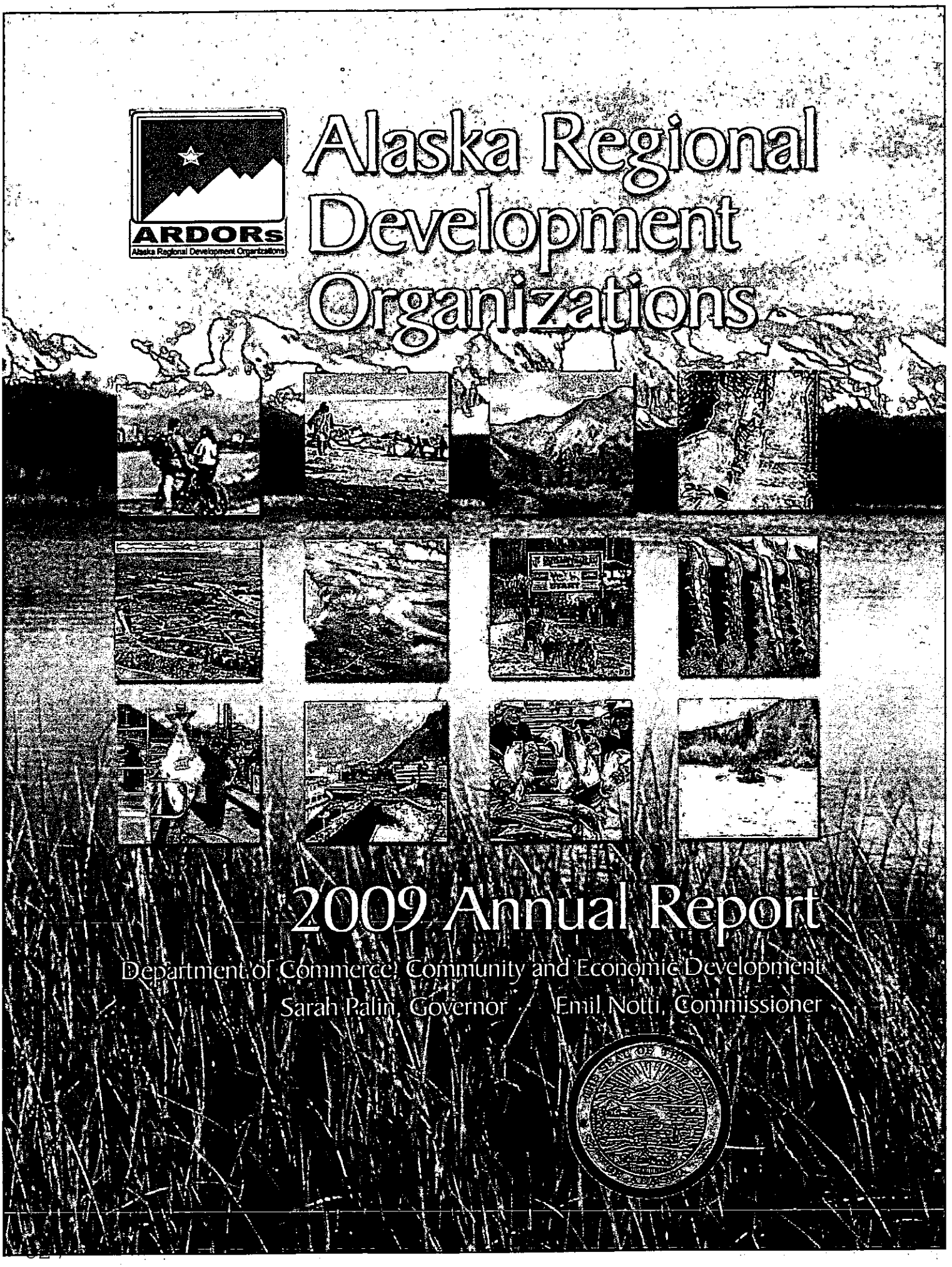
In order for a State procurement officer to consider whether a bid or offer qualifies as APP, the vendor and the product must be on the Alaska Product Preference list published by the Department of Commerce, Community, and Economic Development at least 30 days prior to the issuing date of the solicitation.

The list is published twice a year, on the first working day of April and October.

# Future contribution opportunities for OED

- Alaska Economic Data Warehouse
- Alaska Industry Multipliers
- Provide financial support for development activity
- Develop programs similar to DART for other industries
- Improved outreach






# Alaska Regional Development Organizations

## 2009 Annual Report

Department of Commerce, Community and Economic Development

Sarah Palin, Governor  Emil Notti, Commissioner

The State of Alaska, Department of Commerce, Community, and Economic Development complies with Title II of the Americans with Disabilities Act of 1990. This publication is available in alternative communication formats upon request. Please contact 907-269-4560 or to make any necessary arrangements. Department of Commerce Telephonic Device for the Deaf (TDD) number is (907) 465-5437. This publication was released by the Department of Commerce, Community and Economic Development, Office of Economic Development, produced at a cost of $22.61 per copy, and printed in Juneau, Alaska by the State of Alaska's Department of Commerce, Community and Economic Development, Office of Economic Development, Division of Administrative Services Procurement Section.

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For a PDF on-line version of this publication, go to:
http://www.commerce.state.ak.us/oed/ardor/ardor.htm




# STATE OF ALASKA

Sarah Palin, Governor

# DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT

Emil Notti, Commissioner

# OFFICE OF ECONOMIC DEVELOPMENT

Joseph M. Austerman, Manager of OED

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Marty Metiva, Mat-Su Resource Conservation and Development, Inc.
Jade Hill, Northwest Arctic Borough Economic Development Commission
Sue Cogswell, Prince William Sound Economic Development District
Shelly Wright, Southeast Conference
Michael Catsi, Southwest Alaska Municipal Conference

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# Introduction

This report contains the economic development successes and challenges of the grantees of the Alaska Regional Economic Assistance Program (ARDORs) during fiscal year 2008. Created in 1988 by the Alaska Legislature, the Program went through sunset review last spring and was reauthorized for another five years. This annual report is an integral part of the report to the Alaska Legislature, prepared by the Department of Commerce, Community, and Economic Development, Office of Economic Development.

# Overview

The ARDORs are a partnership between the State of Alaska and locally driven organizations intended to create more sustainable, stronger, and healthier economies throughout Alaska. In June 2008, the Interior Rivers Resource Conservation and Development Council, Inc. (IRRC&D), was recognized by the State of Alaska as an Alaskan Regional Development Organization (ARDOR) in accordance with AS 44.33.895. The Program now consists of 12 in-state ARDORs, planning and implementing economic development efforts appropriate and beneficial to their respective regions.

The ARDORs work in partnership with state, federal, municipal, regional, academic, native Alaskan, and private businesses and organizations in their region to develop a Community Economic Development Strategy (CEDS). They deliver technical and financial training and consultations to entrepreneurs, private businesses, schools, and individuals; host economic development conferences and summits that attract audiences from across the nation; engage in projects and efforts to create or refine local infrastructure; and develop innovative approaches to development in their own regions.

Each ARDOR's board of directors represent the economic development interests in the region, and its role is to direct the development and implementation of their CEDS.

Each year the Department awards grants to ARDORs to assist them in their regional economic development efforts. In FY08, eleven ARDORs were awarded $56,363. The amount of funding in FY09 awarded to the twelve ARDOR regions is $51,666.

The annual performance measures for the ARDORs are:

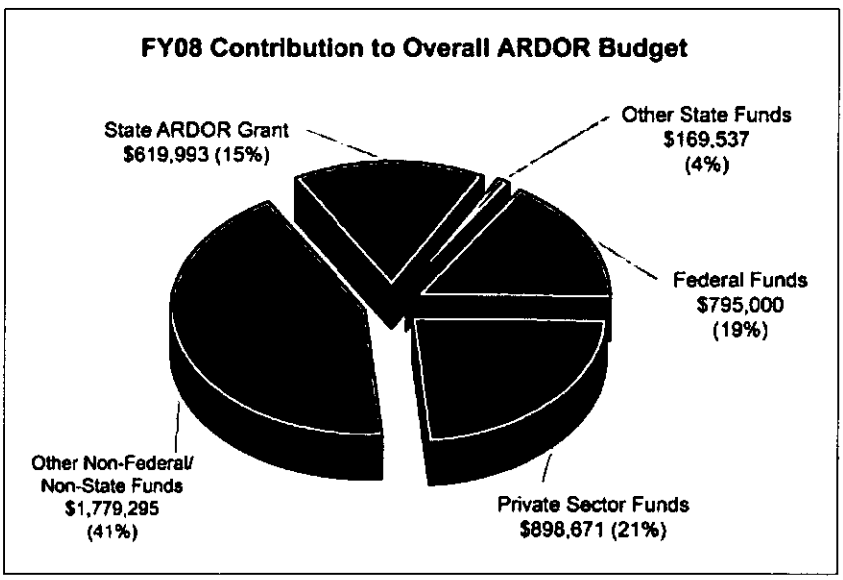
1. number of coordinated regional efforts that resulted in new business opportunities;
2. percentage of annual goals the ARDOR achieved; and
3. amount of non-State funds raised to leverage the State grant.

**In FY08, the ARDORs:**

1. generated over 55 coordinated regional efforts that have or may have generated new business opportunities[1] such as:
   - identified workforce development opportunities throughout Alaska;
   - supported the Alaska Marketplace competition that spurs entrepreneurship and business development;
   - sponsored entrepreneurial and business conferences and workshops; and
2. achieved over 203 percent of their collective goals for the fiscal year; and
3. Averaged raising $5.85 from non-State sources for every dollar of State grant money - (See chart below)

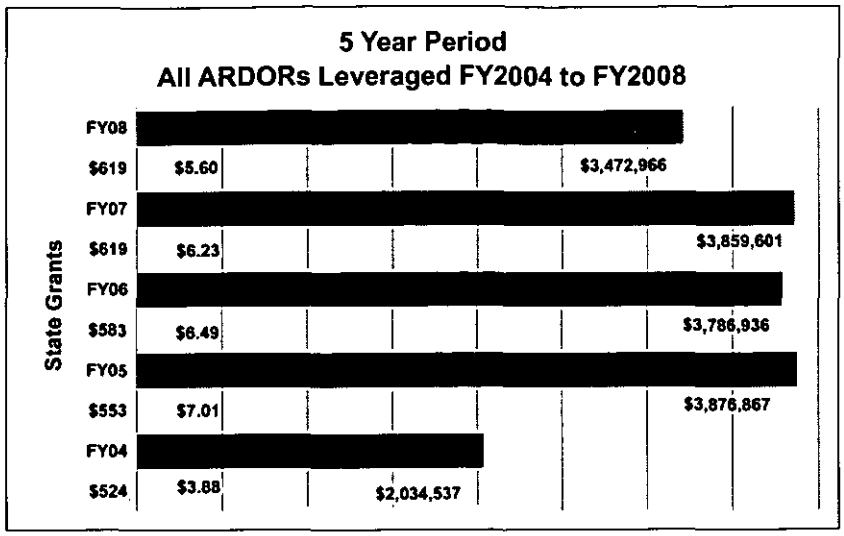
| Funding Source | $ FY08 | $ Leveraged |
|---|---|---|
| State ARDOR Grant | $619,993 | |
| Other State Funds | $169,537 | 0.27 |
| TOTAL STATE FUNDS | $789,530 | |
| Federal Funds | $795,000 | $1.28 |
| Private Sector Funds | $898,671 | $1.45 |
| Other Non-Federal/Non-State Funds | $1,779,295 | $2.87 |
| TOTAL WITHOUT ANY STATE FUNDS | $3,347.966 | 5.60 |
| TOTAL ARDOR FUNDS | $4,262,496 | |
| In-Kind Contributions | $360,530 | $0.58 |

- In addition, the ARDORs $619,993 grant grew into $3,472,966 cash funds and had support by the private sector of 21%. The ARDOR budget is shown in dollars and percentage collectively in FY08.



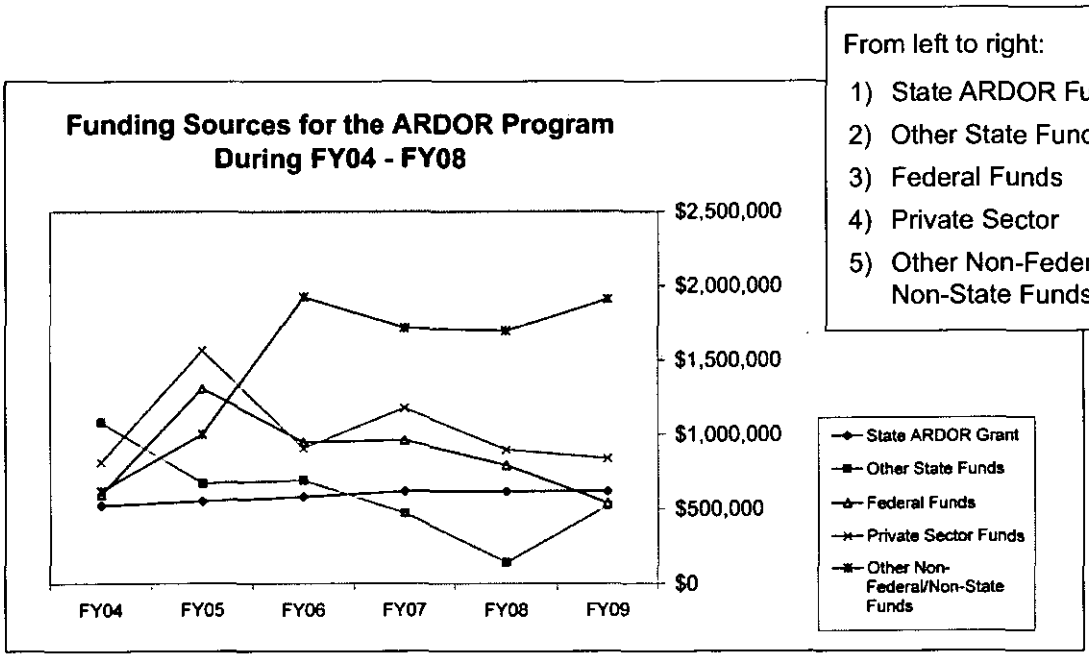

1 This measure counts many ARDOR activities, and may not reflect the breadth and scope of the functions performed by an ARDOR in its respective region. For example, many ARDORs provided services that ranged from technical training on small business development and provided small business loans to grant writing.

Since the reauthorization period from 2004 to 2008, the ARDORs have collectively leveraged an average of $5.85 for every dollar in this particular State grant. A portion of the $620,000 funds were withheld pending designation of a region as an ARDOR. In 2008, Interior Rivers Resource Conservation and Development (IRRC&D) region was added as a recognized ARDOR. Over all, the ARDORs have used the grant funds to generate and leverage funds from various sources. Collectively State ARDOR Grant funds have stayed relatively the same, ARDORs have had to rely more on other Non-State/Non-Federal, Private, and Federal funds to generate their operating budget.




The ARDORs were collectively funded by various organizations; FY09 does not reflect total funds reported.[2]

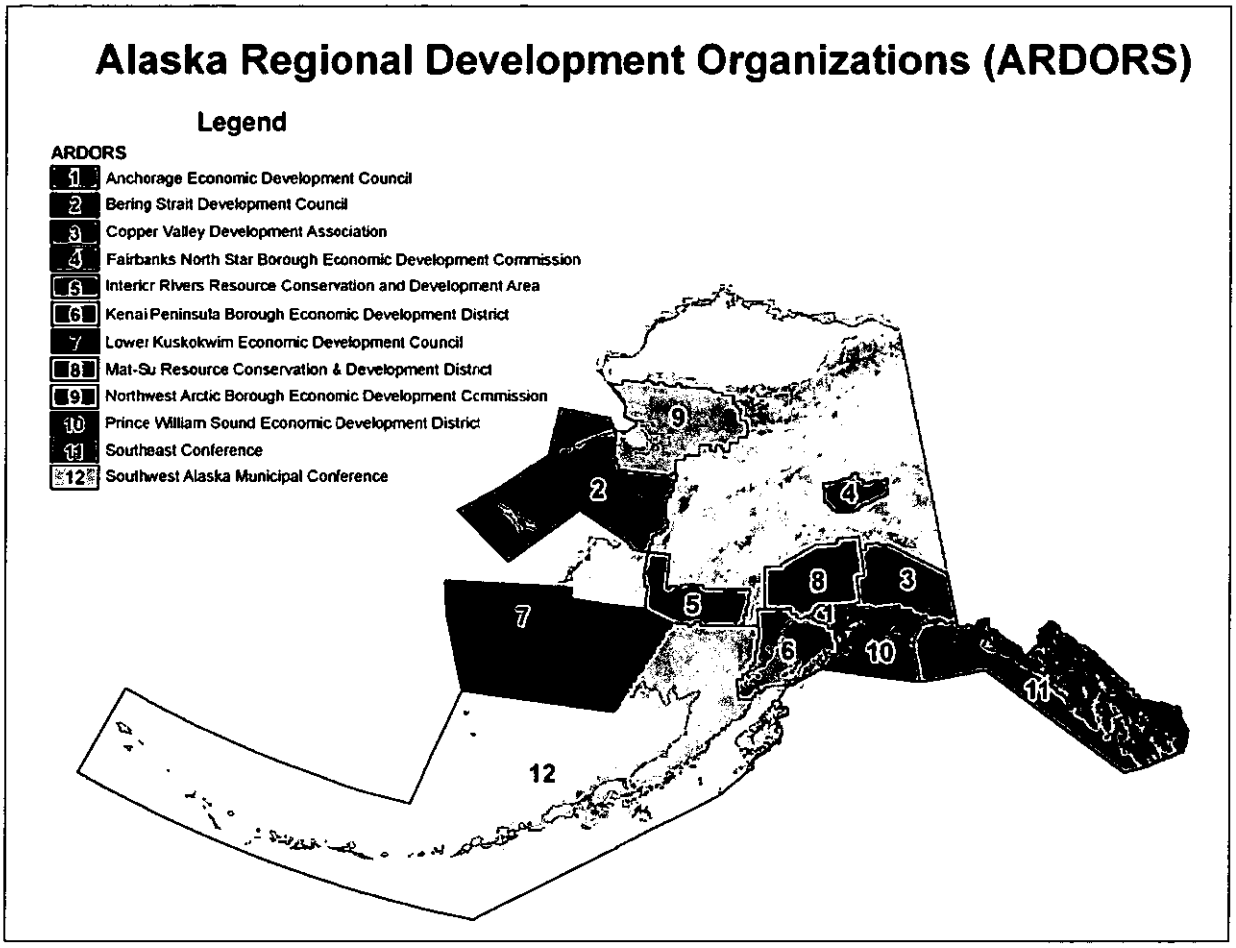
A total of five categories reflect how the ARDORs were funded during the five year reauthorization period of FY04 to FY08.




2 Not all ARDOR funding in FY09 has been reported collectively at the time this report was compiled and should not be considered as final.

# The ARDORs

An ARDOR works within a particular region of Alaska to collaborate with local organizations to plan implementation strategies and deliver services that result in sustainable economic development.[3] To determine a regional boundary the region's boundaries are submitted to the Department with the first grant application. The region has to be large enough and contain adequate resources to support a regional economic development program, and be an economically viable unit with shared interests, resources, traditions, and goals. The State approves the region and agrees to make the ARDOR the sole grant recipient within that region. These regions do not necessarily correspond to other regional designations in Alaska. Region #5 on the map is the newest ARDOR.




The following information is provided by the individual ARDOR organizations and is submitted during the application period for the following Fiscal Year. These individual reports will reflect FY08 activities as well as provide funding information and an over view of their location at the end of each region's report.

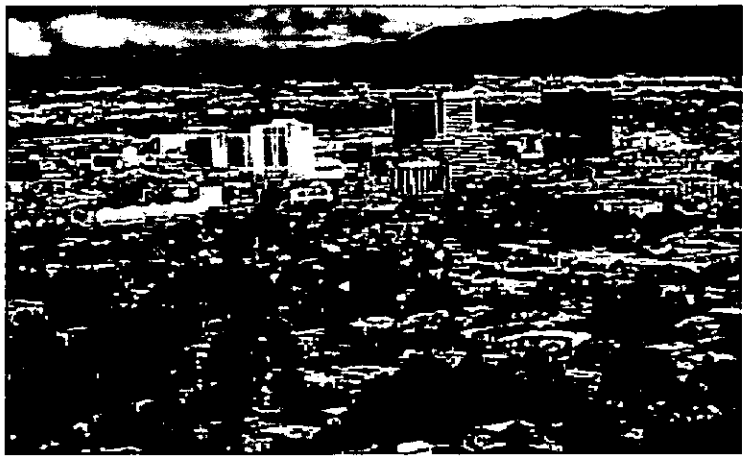
3 See Appendix A – This chart will represent just some of the additional support offered by the ARDORs in their region.

# Anchorage Economic Development Corporation (AEDC)

www.aedcweb.com

## Mission Statement

AEDC exists to grow and diversify the Anchorage economy.



Information submitted by Erin Ealum, Business and Economic Development Director

## Regional Description

The Anchorage Economic Development Corporation (AEDC) has been an ARDOR since 1989, and serves the Municipality of Anchorage, the largest metropolitan area in Alaska (population 266,281; land mass - 7,361 square miles). Employment rate is 76% according to the 2005 American Community Survey (ACS), with 78% in private businesses, 3.4% military troops, and 18.6% employed by the local, state or federal governments State of Alaska Department of Labor (DOL). According to the 2005 American Community Survey (ACS), 91.7% of (AEDC) residents are a minimum of a high school graduate, and 32.3% have at least a bachelor's degree.

## AEDC FY08 Goals

1. Assist Anchorage and Alaska companies through a well-organized and sustained program to encourage growth, retention and/or expansion outside of Alaska.
2. Implement and sustain an external marketing program focused on attracting businesses in select industries with the most potential for leveraging growth. Encourage targeted companies to visit; in order to market Anchorage effectively, businesses must experience Alaska first hand. Incorporate a network of Anchorage business leaders who can help build relationships with Outside businesses in their respective industry sector.
3. Ensure that developing solutions to workforce development issues is a top priority among policy makers, the business community, and other like-minded organizations. Foster positive communication and bring together other organizations focusing on workforce development issues to create synergies.

4. Increase AEDC investor base and use increased funding to broaden marketing of Anchorage; expand business recruitment, and support key workforce development initiatives.
5. Align with other appropriate organizations (public and private) to prevent duplication of efforts and to communicate and market a common vision for Anchorage economic development and growth.
6. Recognize the entire State of Alaska as an important constituent, and enhance business between Anchorage and the rest of the state.
7. Maintain constant communication with investors to facilitate deal flow and meet investors' needs and expectations.
8. Oversee management of financial and personnel resources, ensuring resources are allocated properly to achieve AEDC goals in a positive, energized and enthusiastic team environment

## AEDC FY08 Goals Accomplished[4]

1. Hosted four national and international journalists representing; Air Cargo Weekly, World Trade, Business Travel and Modern Weekly.
2. Met with Puget Sound-area organizations and discussed areas of commonality that enable the two regions to work together on economic development initiatives.
3. Nearly a dozen Chinese officials from the Beijing Investment Promotion Bureau and the Beijing Liqiao Free Trade Center met with Anchorage officials and signed agreements to facilitate groundwork for economic ties between Anchorage and Beijing.
4. Met with Japanese business leaders and presented an overview of business opportunities in Anchorage.
5. Participated in a World Trade Center trade mission to Alberta and discussed how the province has addressed its massive workforce needs and how the Oil Sands project will affect Alaska.
6. AEDC President & CEO Bill Popp presented an updated on Anchorage's economy and Alaska's workforce needs to the following organizations:
   - Alaska State Legislature House
   - Finance Committee
   - East Anchorage Rotary
   - Kenai Chamber of Commerce
   - South Central Alaska Council of Building & Construction Trades Unions
   - Statewide Credit Union Organization
   - USKH, Inc.

4 AEDC achieved 75% of their FY2008 projected goals. These goals should not be used as a guide for a percentage of measurement but as a reference that represents a portion of the many things an ARDOR does

7. Attended the Supply Chain Management Logistics World 2007 Conference in Singapore and researched global logistics opportunities for Anchorage.
8. Food and Drink Quarterly, one of the food and restaurant industry's leading magazines, recently featured Anchorage in a three-page cover story by AEDC President & CEO Bill Popp. The article notes that Alaska's supply of salmon worldwide has dropped from 50 percent to less than 20 percent, largely from competition by farmed salmon. Improving the "cool chain" system of transporting freshly caught seafood and other perishables will strengthen Anchorage's role in the international marketplace. See the full story at www.fdqmagazine.com
9. World Trade Magazine featured Anchorage and AEDC. An AEDC video was also featured on the home page of the magazine's website.
10. The Associated Press released a story on the two Memoranda of Understanding signed between Anchorage and Beijing. They also ran a story on how Anchorage has "grown up" which was picked up by The New York Times, LA Times, MSNBC, abcnews.com, and many others.
    - http://abcnews.go.com/US/wireStory?id=4297647
    - http://hosted.ap.org/specials/interactives/national/alaska_tamed_city/index,html
11. Sponsored and assisted with the organization of the second annual Cross-Cultural Communication Series.
12. Facilitated the development of a southcentral energy policy proposal by the Tri-Borough Commission Mayor's energy policy task force.
13. AEDC recently collaborated with the Alaska Industrial Development Authority, Alaska Film Group and the Anchorage Convention & Visitors Bureau for a one-day workshop to address the desire to bring film industry investment to Alaska.
14. Anchorage reaffirmed its commitment to increased international trade and cultural exchanges with Incheon, Korea during a Sister Cities Summit. AEDC President Bill Popp, Sister-City Commission Chair Suzette Mashburn and Commissioners Dr. Won Pal Chung and Yohyon Pharr represented Anchorage in Incheon as an international cargo hub and rapidly becoming one of the worlds's technologically advanced cities.
15. AEDC Measurable 1Q08:
    - Total unique users on AEDC website: 4,575
    - Total businesses assisted: 206
    - Total ad equivalency from earned media: $702,956
    - Total media impressions: $7,237,267



## AEDC FY08 Identified Economic Development Needs and Action Opportunities

- Communications
- Workforce Development
- Industry Recruitment and Business Expansion

## AEDC FY08 Coordinated Regional Efforts Resulting in New Business Opportunities

Commodity Forwarders, Inc. (CFI), an AEDC investor and recipient of a HUD grant administered by AEDC, began construction in January on a $300,000 remodel to its current facility at Ted Stevens Anchorage International Airport (TSAIA) to improve the current perishables handling infrastructure. The upgraded chill/freeze infrastructure will include coolers approximately 34X25 feet and will feature drive-in racking and doors wide enough to accommodate ULDs (Unit Loading Devices), a feature unique to Commodity Forwarders, Inc.

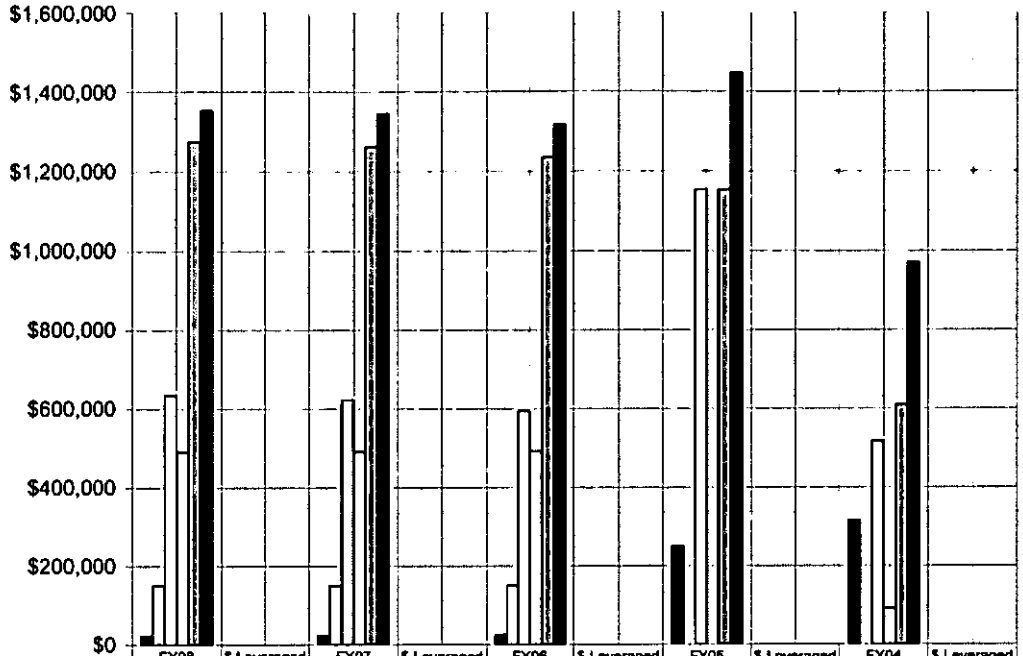
The capacity in each cooler is approximately 85 pallets, which represents an overall capacity of150,000 pounds. Improving the perishables handling infrastructure at TSAIA will help ensure the safety and quality of fresh products moving in and out of Alaska and allow for future growth opportunities at TSAIA.

## AEDC Highlighted Coordinated Regional Efforts

The Anchorage Economic Development Corporation, the Matanuska-Susitna Borough and the Kenai Peninsula Borough have agreed to team up on economic development efforts. The three communities, spanning more than 52,000 square miles across Southcentral Alaska, signed a Memorandum of Agreement in late April.

The Anchorage Economic Development Corporation has been given limited authority to lead the effort to recruit new business investment to the region. Southcentral is the fastest growing region of the state, with more than 60 percent of the state population. AEDC will focus on several industries as immediate business opportunities to continue to grow the regional economy. AEDC will provide efficiencies in the marketing of the Southcentral region to international and domestic business interests and will use innovative recruitment tools and strategies to engage new business investment and help expand existing businesses in the region.

## AEDC Funding Source FY04 - FY08



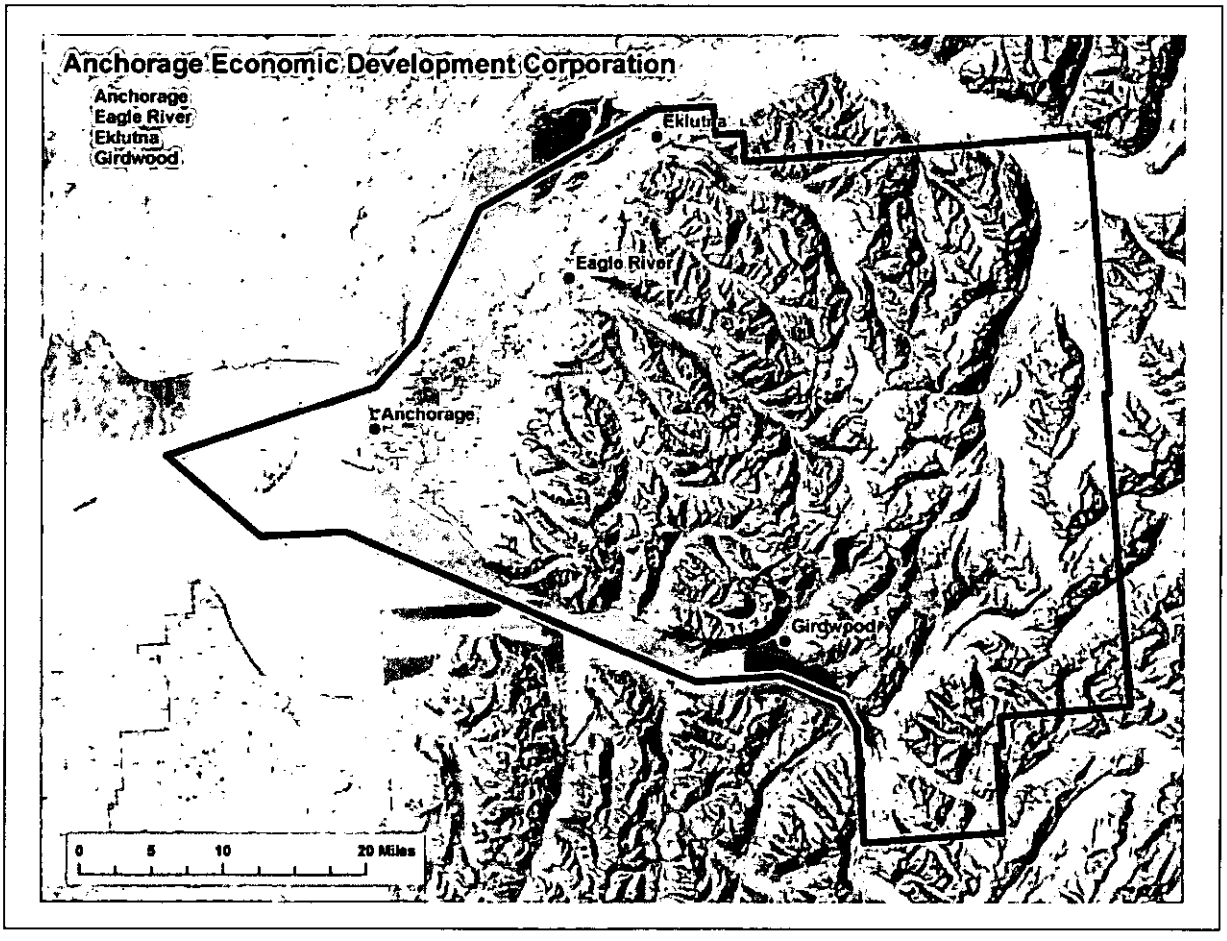

| | FY08 | $ Leveraged | FY07 | $ Leveraged | FY06 | $ Leveraged | FY05 | $ Leveraged | FY04 | $ Leveraged |
|---|---|---|---|---|---|---|---|---|---|---|
| ■ Other State Funds | $23,000 | 0.41 | $23,000 | 0.38 | $25,000 | 0.43 | $250,000 | 5.46 | $314,400 | 6.66 |
| □ Federal Funds | $150,000 | 2.66 | $150,000 | 2.46 | $150,000 | 2.60 | | | | |
| □ Private Sector Funds | $634,440 | 11.26 | $622,000 | 10.19 | $593,500 | 10.27 | $1,153,784 | 25.20 | $516,500 | 10.94 |
| □ Other Non-Federal/Non-State Funds | $490,500 | 8.70 | $490,500 | 8.03 | $491,500 | 8.51 | | | $91,500 | 1.94 |
| □ Total without any State Funds | $1,274,940 | 22.62 | $1,262,500 | 20.68 | $1,235,000 | 21.38 | $1,153,784 | 25.20 | $608,000 | 12.88 |
| ■ Total With ARDOR Grant | $1,354,303 | 24.03 | $1,346,560 | 22.05 | $1,317,771 | 22.81 | $1,449,568 | 31.66 | $969,620 | 20.53 |

## AEDC Current Board of Directors and Contact

**Officers:**
Brian Nerland; Board Chair, Dennis Mitchell; Vice Chair, Lon Wilson; Secretary/Treasurer

**Members:**
Sandra Halliwill, Scott Pruitt, Greg Kessler, Jeffrey Davis, Bill O'Leary, Dennis Mitchell, Eric Van Andel, Michael Prozeralik, Craig Haymes, Connie Carter, Marla Wellington, John Palmatier, Brian Nerland, Sheldon Fisher, Sophie Minich, Marla Wellington. Stewart Osgood, Bob Lacher, Joseph C. Everhart. Lon Wilson, Suzanne Cherot, Stephanie Holthaus, Pat Walsh, David Hamilton, Bruce Lamoureux, Chris Brown, Greg Pearce, Martin Hanofee, Peter Grunwaldt, Chris Stephens

**Ex-Officio Members:**
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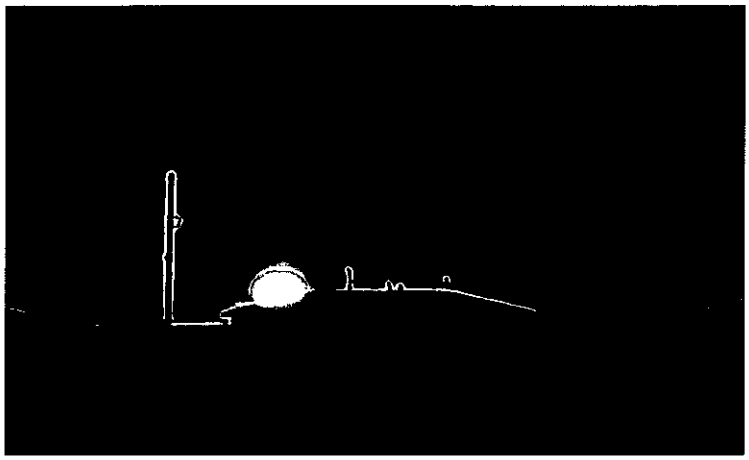

**Contact** **Bill Popp President/CEO**
**Erin E. Ealum**
Business and Economic Development Director
900 W. 5th Avenue, Suite 300, Anchorage, AK 99501
Phone: (907) 258-3700 Fax: (907) 258-6646
Email: eealum@aedcweb.com Web Address: www.aedcweb.com

# Bering Strait Development Council (BSDC)

www.kawerak.org

## Mission Statement

To improve the quality of life in the Bering Strait Region through employment and economic opportunities



Sunset at Wales - Photo by Pearl Mikulski
Information provided by Barb Nickels, Program Director,
Kawerak Community Planning & Development/Bering Strait Development Council

## Regional Description

The Bering Strait Development Council (BSDC), a designated Alaska Regional Development Organization (ARDOR) was formed January 15, 1997. Located in Northwest Alaska, the Bering Strait region (also referred to as the Seward Peninsula, the Norton Sound District, Western Alaska or the Nome Area) the area contains 570 miles of coastline that includes all of Norton Sound, The Bering Sea and Arctic Ocean. The regional boundaries extend 230 miles east to west and 230 miles north to south and encompass an area of more than 22,000 square miles.

The economy of the Bering Strait region continues to be cash and subsistence based, unlike the dominant cash-credit-based economies of urban areas within Alaska and the lower 48 states. A mixed economy of subsistence combined with cash-based employment is common within Alaska's rural and/or coastal communities. Generally inaccessible by road, all but subsistence goods are transported into the region by either airplane during the winter or barge during the summer, resulting in high freight costs and a higher cost of living. Subsistence hunting, fishing, and gathering help supplement the exorbitant price of groceries. This augmentation of prices, in addition to strong cultural traditions is the two main factors that continue to sustain the subsistence lifestyle.

Nome is the supply, service, and transportation center of the Bering Strait region. Approximately 40% of employment in Nome is funded by local, state, and federal government agencies. Norton Sound Health Corporation (NSHC), the Nome School District, and Kawerak are the major employers and provide health care, education, and social services. Bering Strait School District (BSSD), with the majority of job opportunities in any given village, has approximately 569 full and part-time employees, while NSHC has 428 employees both within Nome and in the surrounding smaller communities. Kawerak Incorporated is the third largest

employer with 217 regular employees. Retail and transportation services also provide year-round income. Construction, mining, commercial fishing, and tourism provide seasonal employment.

There are also limited employment opportunities available in the villages with the IRA Councils, Village Corporations, City, village stores, or other small private enterprises.

Nevertheless, unemployment continues to be high in the villages, sometimes as high as 75%.

## BSDC FY08 Goals

1. Update four (4) community Local Economic Development Plans (LEDP) and the five-year Comprehensive Economic Development Strategy (CEDS).
2. Host, plan and coordinate an Alternative Energy Summit to be held in conjunction with the Kawerak Regional Conference.
3. Work with Economic Development Administration (EDA) grant recipients and other communities that have constructed multi-use facilities in the region by reviewing and assisting in completing business plan development.
4. Support entrepreneurship and small business development in the region.
5. Assist in regional initiatives including artist development, small business seed money opportunities, economic infrastructure and natural resource development with partner organizations.
6. Support the Bering Strait Development Council , other Alaska Regional Development Organizations, Economic Development Districts, State University's and the Resource Conservation & Development program.
7. Assist communities to obtain State of Alaska and other grant information. Provide technical assistance for all grant applications and grant management.
8. Review/comment on the Division of Community Affairs (DCA) community profiles and provide statistical information. Provide statistical information for the Office of Economic Development (OED), as appropriate.

## BSDC FY08 Goals Accomplished[5]

The following are the goals accomplished from July 1, 2007 – June 30, 2008:

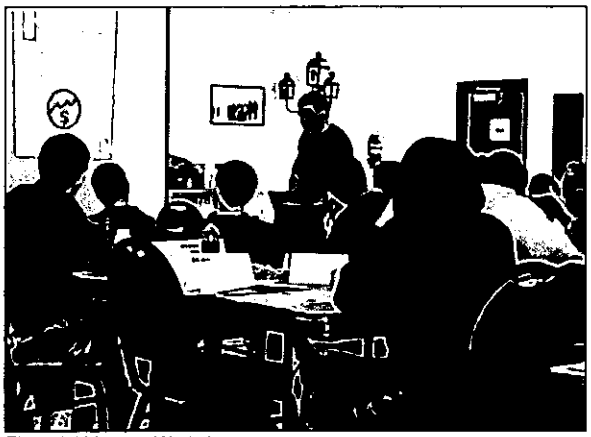
1. Traveled multiple times to four communities to facilitate joint community meetings with IRA's, Cities, Corporations and other community members.



Financial Literacy Workshop

5 BSDC set eight goals for FY08 and achieved a total of 39. These goals should not be used as a guide for a percentage of measurement but as a reference that represents a portion of the many things an ARDOR does. Some of these goals are on going and may have more of an indirect than a direct effect. Following page shows additional goals accomplished in FY08.

2. Sustained partnerships with local, State and Federal agencies and businesses to assist with the implementation of the goals and priorities of the communities.
3. Updated six (6) Local Economic Development Plans (LEDPSs).
   - White Mountain, Brevig Mission, King Island, Savoonga, Council and Mary's Igloo.
4. Compiled new information to develop a new 5-year Comprehensive Economic Development Strategy (CEDS) for the Bering Strait region. The CEDS will be finalized and distributed to local, State and Federal agencies July 31, 2008.
5. Hosted an Energy Summit on September 27 and 28, 2007 in conjunction with the Kawerak Regional Conference. These conferences brought more than 250 people to the region.
   - Workshop sponsors were Alaska Housing Finance Corporation, Alaska Energy Authority – Project REAP, United States Department of Agriculture (USDA), ABS Alaskan, Arctic Energy Systems, RurAL CAP, Nome Joint Utility and Bering Straits Native Corporation.
6. Formed a regional Energy Team to share alternative energy information and project data. Organizations involved include Kawerak, Bering Straits Native Corporation (BSNC), Norton Sound Economic Development Corporation (NSEDC) and the Nome Chamber as members.
   - Eight new alternative energy projects have been initiated: BSNC solar panels, BSNC windmill farm, Unalakleet, and King Island buildings are installing windmills as pilot test projects, Shaktoolik Native Store installed windmills, and three local projects by individuals in Nome.
7. Applied for and was awarded an AmeriCorp VISTA through the RurAL CAP VISTA Energy Program (VEP) for one year to assist in starting comprehensive community energy plans.
8. Partnered with the 10 ARDORs and other regional organizations to form a group - AlaskanPower - to review and compile existing regional energy plans and policies and work on drafting a state-wide energy policy and plan.
9. Partnered with AFN to form an ad hoc group charged with drafting a matrix of energy solutions. The top five short term energy solution strategies will be brought forth at the 4th Special Legislative Session.
10. Attended the Department of Energy Tribal Development Energy Conference in Anchorage.
11. Attended the 2008 International Wind Diesel Workshop Conference in Girdwood.
12. Traveled to two EDA multi-use facilities; White Mountain and Stebbins. Providing technical assistance for the development of plans to implement small businesses in the facilities.
13. Provided technical and grant writing assistance to two communities in the planning & design and construction phases of a new multi-use facility.



Financial Literacy Workshop

14. Facilitated business related workshops in Teller, Brevig Mission and Nome for financial literacy, taxes for small businesses, business planning, credit repair and accounting for 38 participants.
15. Worked extensively with EDA and the Shishmaref Tannery's management staff to initiate development of job descriptions, accounting procedures, policies and procedures, orientation and training for new staff.
16. Purchased new accounting software and provided specific QuickBooks training to accounting staff member at the Tannery.
17. Responded to small business assistance requests to more than 77 individuals.
18. Provided assistance to seven new businesses in the region.
19. Partnered with AFN's Alaska Market Place to be an assessor of the submitted applications. Live radio spots were done to promote the competition.
20. Traveled to Stebbins, St. Michael and Golovin to assist individuals in business plan development for the Alaska Market Place competition. Twelve other individuals were assisted.
    - Four individuals from the region were Alaska Market Place winners and have started their businesses.
21. Provided tuition assistance to two clients for business related classes at Northwest Campus.
    - One client has since established a business.
22. Partnered with Alaska Manufacturing Extension Partnership to extend E-Commerce services throughout the region. Provided technical assistance to the eight established E-Centers in the region.
23. Worked with Alaska Native artists to develop portfolios, obtain Made in Alaska and Silverhand permits, and to market their art globally.
    - Eleven clients had developed portfolios.
    - Four new clients obtained Silverhand permits.
    - The Bering Strait Inuit Cooperative (BSIC) has been added to the Buy Alaska online program.
    - More than 235 clients have utilized the E-Commerce Centers.
24. Hosted training workshops for web design and Internet marketing in Nome and provided travel scholarships to surrounding community members.
25. Traveled to Stebbins and Unalakleet to facilitate internet marketing and basic computer skills training.
26. Attended and networked at the Resource Development and Conservation annual meeting and built relationships to benefit the region.



Regional E-Commerce Workshop

27. Participated in ten (10) ARDOR teleconferences.
28. Attended EDA's Comprehensive Economic Development Strategy training with other EDA Planning Grant recipients.
29. Incorporated the eleven (11) ARDORs officially as an Alaska Regional Development Organization. Applied for 501(c)(3) status for the newly formed state-wide economic development organization.
30. Partnered with more than 17 economic development organizations to compile an LOI for submittal to the Denali Commission for a web portal entrepreneurial assistance site that will fill the gaps within the State. This project has been selected to fund.
31. Invited to facilitate two workshops at the Leading Change Conference: Developing Community Plans and Utilizing Western Tools – E-Commerce.
32. Approved a regional backhaul project to be added to our Work Plan. A committee has been formed and a Feasibility Study and Project Execution Plan have been initiated.
33. Created an ARDOR Fact Sheet outlining the goals and objectives of the program and an "Alaskan's Speak" brochure for State-wide distribution.
34. Attended the Legislative session to advocate for a five year reauthorization period for the Regional Economic Assistance program. Partnered with all the ARDORs to strategize our planning efforts.
35. Published three (3) articles in the Kawerak Newsletter defining specific ARDOR projects.
36. Partnered with the State of Alaska and EDA on the new DART II program.
37. Finalized the Tourism DVD project and have held community viewings.
38. Hosted the Grant Writer Symposium October 9-11, 2007.
    - Forty-seven (47) participants.
    - Each community was represented.
    - Six funding agencies participated.
    - Excel classes were also offered this year through Northwest Campus.
39. Provided $156,000 in grant writer contracts to our communities to provide salary and fringe for their grant writers. Distributed all State and other agency grant information and provided technical assistance.
    - Ten community priority projects have been funded.

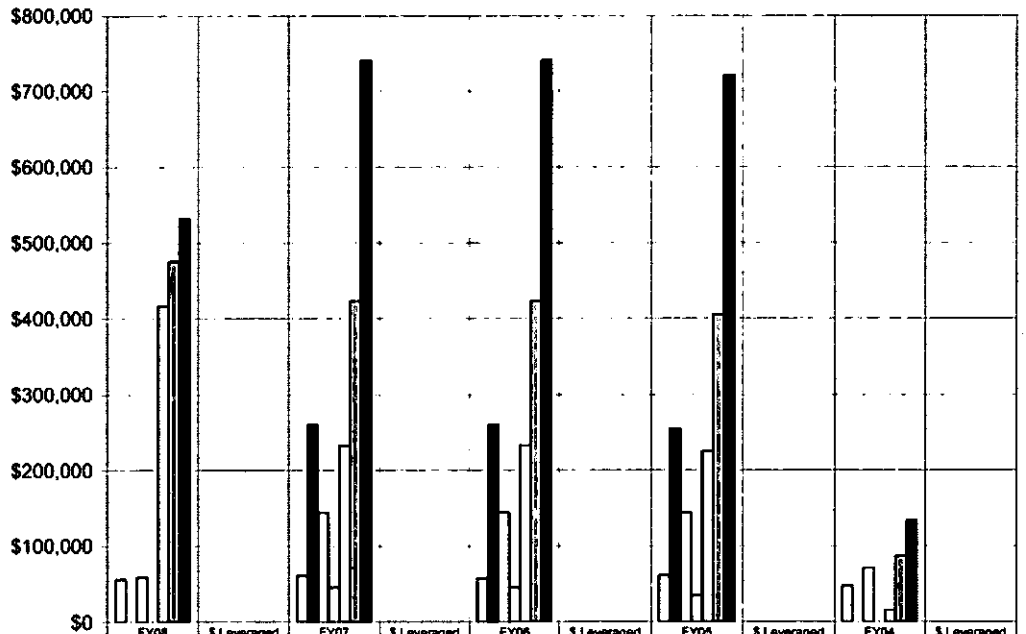
## BSDC FY08 Identified Economic Development Needs and Action Opportunities

- Access to capital and business support for new and existing businesses
- Affordable renewable energy alternatives for the region.
- Sustainable small business, E-Commerce, tourism and infrastructure development.

## BSDC FY08 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Partnered with Alaska Manufacturing Extension Partnership to promote E-Commerce and to provide professional business assistance to local manufacturers.
2. Partnered with 17 economic development organizations to submit a proposal to Denali Commission to further assist entrepreneurial efforts State-wide.
3. Partnered with Nome Chamber of Commerce, Nome Visitor's Association, and the City of Nome to finalize an education tourism DVD.
4. Partnered with Northwest Campus on shared interests and services.
5. Collaborated with the State of Alaska DART II program.
6. Supported and collaborated with Bering Straits Native Corporation, Norton Sound Economic Development Corporation, Alaska Federation of Natives, City Governments, U.S. Department of Agriculture and Norton Sound Health Corporation.

**BSDC Funding Sources FY04 - FY08**

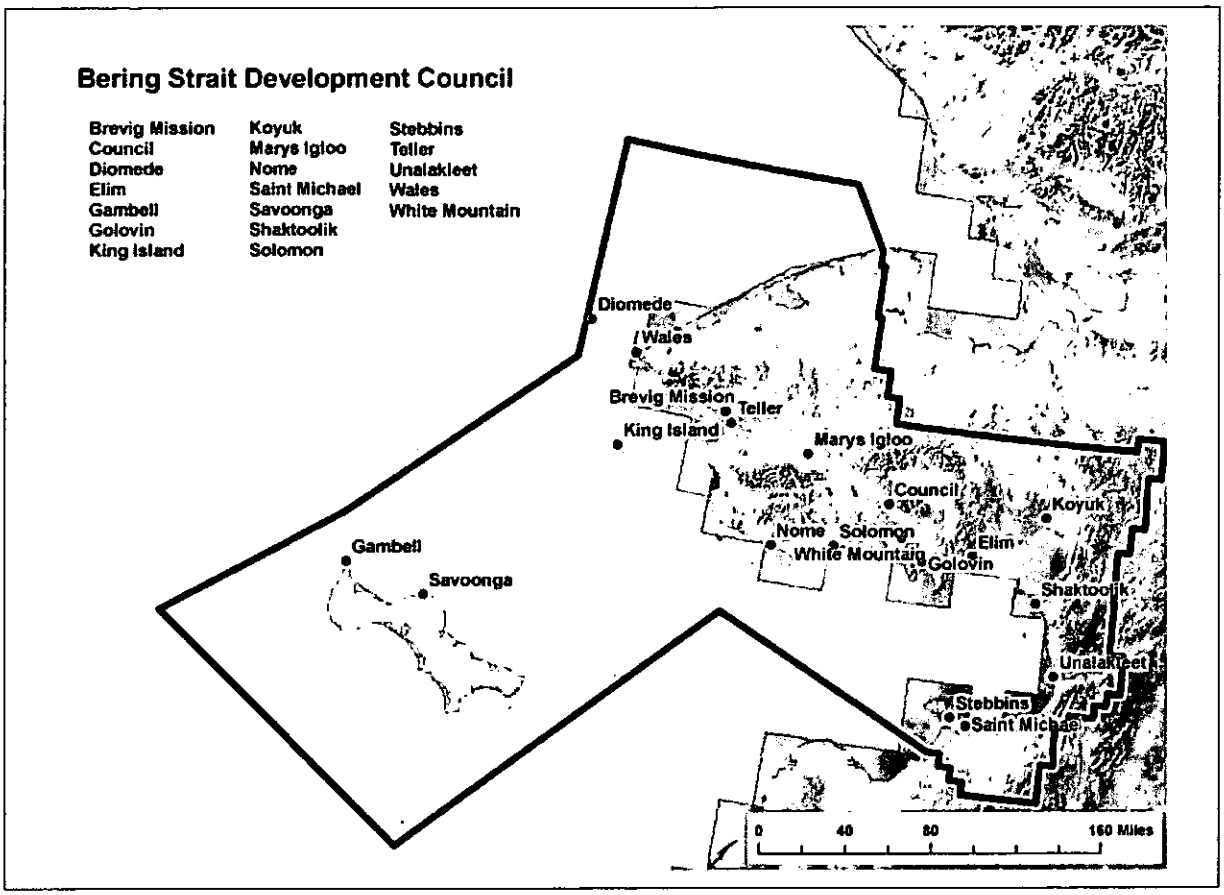



| | FY08 | $ Leveraged | FY07 | $ Leveraged | FY06 | $ Leveraged | FY05 | $ Leveraged | FY04 | $ Leveraged |
|---|---|---|---|---|---|---|---|---|---|---|
| State ARDOR Grant | $56,363 | 0.00 | $61,060 | 0.00 | $57,771 | 0.00 | $61,284 | 0.00 | $47,820 | 0.00 |
| Other State Funds | | | $260,417 | 4.26 | $260,417 | 4.51 | $255,000 | 4.16 | | |
| Federal Funds | $59,000 | 1.05 | $144,818 | 2.37 | $144,818 | 2.51 | $144,818 | 2.36 | $71,000 | 1.48 |
| Private Sector Funds | | | $45,437 | 0.74 | $45,437 | 0.79 | $35,223 | 0.57 | | |
| Other Non-Federal/Non-State Funds | $416,539 | 7.39 | $233,000 | 3.82 | $233,000 | 4.03 | $225,000 | 3.67 | $15,781 | 0.33 |
| Total without any State Funds | $475,539 | 8.44 | $423,255 | 6.93 | $423,255 | 7.33 | $405,041 | 6.61 | $86,781 | 1.81 |
| Total With ARDOR Grant | $531,902 | 9.44 | $741,443 | 12.14 | $741,443 | 12.83 | $721,325 | 11.77 | $134,601 | 2.81 |

## BSDC Current Board of Directors and Contact

**Executive Committee:**
Robert Keith, Chair, Irene Anderson, Co-Chair, Sue Greenly, Secretary

**Members:**
Simon Kineen, John Odden, Melvin Otten, Daryl Kooley, Mitch Erickson, Kevin Zweifel, Loren Prosser, Leah Senungetuk, Janis Dickens, Ellen Richard, Joel Alowa, Delbert Pungowiyi




**Contact** **Barb Nickels**
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Phone: 907 443-4248 Fax: 907/443-4449
Email: bnickels@kawerak.org Web Address: www.kawerak.org

# Copper Valley Development Association (CVDA)

www.coppervalley.org

## Mission Statement

Facilitating partnerships to improve the quality of life in Alaska's Copper Valley through economic development while protecting our natural and cultural resources.



Information submitted by Clair Scribner, Program Coordinator
Copper Valley Development Association

## Regional Description

Copper Valley Development Association (CVDA) has been an Alaskan Regional Development Organization (ARDOR) since 1991. It serves the Copper Valley, encompassing approximately 20,649 square miles with a population of 3,120 (2000 Census). The Copper Valley and its communities are unincorporated. The major population centers are focused in the Glennallen, Copper Center and Kenny Lake communities which are situated near the junctions of major highways or with access to recreational resources. They are also the major shopping and service centers for the area. Each of these communities has approximately 500 persons in their loosely defined boundaries. Other smaller communities in the Copper Valley are Tolsona, Nelchina/Mendeltna, Gulkana, Gakona, Sourdough/ Paxson, Chistochina, Slana/Nabesna/Chisana, Mentasta, Copperville, Tazlina, Chitina, and McCarthy/ Kennecott. Many are small and offer a remote lifestyle, with subsistence supplementing their livelihoods.

## CVDA FY08 Goals

1. General, Agricultural, and Tourism Business Development: Enrich and diversify the local economy. Enhance the image of the Copper Valley as a tourist destination, with adequate services for visitors and residents alike. Increase the awareness and appreciation of our richly diverse natural and cultural histories.
2. Employment/Training: Assist in development of new employment opportunities for Copper Valley residents.
3. Education and Youth Services: Facilitate meaningful educational opportunities for youths and adults in the Copper Valley.

4. Infrastructure: Assist in development of infrastructure in the Copper Valley that will enhance economic development in all sectors and improve the quality of life for residents.
5. Housing: Assist development of adequate quality housing to meet the future need of Copper Valley residents.
6. Land Conservation and Management: Facilitate responsible use and protection of sustainable resources. Assist with waste management and protection of natural resources from hazardous waste.
7. Water Management: Assist development of improved water quality in the Copper Valley.

## CVDA FY08 GOALS ACCOMPLISHED[6]

1. Enhanced tourism marketing – Supported Copper Valley Chamber of Commerce (CVCC) advertising efforts and capacity development. Developed the third edition of the Historical Copper Center Map and Activity Guide with over 10,000 copies distributed for use by tourists. Helped promote five community special events.
2. Enhanced activities/attractions for locals and tourists – Provided marketing and fundraising assistance, race and meeting coordination, and other technical support to the Copper Basin 300 sled dog race. Facilitated strategic planning for CVCC. Assisted Copper Valley Historical Society with securing grant funding for museum expansion; assisting with grant administration and capacity building. Coordinated four community special events.
3. Increased education of work force – Informed community of local educational and networking opportunities with monthly calendar updates; distributed and posted educational opportunities and provided planning support; participated on Copper River Native Association Vocational Education Advisory Committee; facilitated community workshop planning meeting and notification of funding opportunities.
4. Enhanced student understanding of regional resources – Facilitated design of fourteen signs for the Kenny Lake School Interpretive Trail Project, working with local students and employing three local contractors. Provided assistance to Wrangell Institute for Science and Environment (WISE); provided technical, planning, and implementation assistance to Youth Environmental Summit; and coordinated two infrastructure field trips for elementary school students.
5. Increased agricultural facilities – Provided technical advice and support of Kenny Lake community kitchen project including project management and grant administration assistance. Provided technical assistance for community garden and cemetery land planning in Kenny Lake. Supported UAF Cooperative Extension efforts to toward wood fuel projects, including Kenny Lake School boiler project. Supported bi-weekly Farmers Market in Copper Center.

6 Out of the six goals reported in 2007 for 2008, the CVDA has completed over 100% of their goals, this does not include the additional projects underway or achieved during this period. These goals should not be used as a guide for percentage of measurements but as a reference that represents a portion of the many things an ARDOR does.

6. Increased access to recycling – Provided ongoing technical and administrative assistance to Recycling Our Area's Resources. Facilitated scrap metal recycling project and helped with community clean-up outreach. Assisted with electronics recycling events which collected over 8,000 pounds of electronics. Implemented Recycling Tip of the Week program in local paper.
7. Enhanced environmental protection – The Copper Valley Abandoned Vehicle and Scrap Metal Project continued; an additional 78 refrigerators, 200 lead-acid batteries, 13 vehicles, and 16,000 pounds of scrap metal were recycled for a total of 8.78 million pounds recycled by the end of FY08. An additional 125 vehicles and additional scrap metal have been inventoried for removal in July '08.
8. Increased community networking and awareness – A new website was launched in February 2008 with growing resources directed at community members and local small businesses and organizations. Monthly program reports and community calendars were distributed to over 200 people.
9. Community planning – Provided planning assistance to Kenny Lake; provided planning information to two communities; updated one community profile and made plans to conduct more community updates during the CEDS update process; facilitated community revenue sharing funding outreach and education.

## CVDA FY08 Identified Economic Development Needs and Action Opportunities

1. An updated Comprehensive Economic Development Strategy (CEDS) is needed for the Copper Valley. The CEDS has not been updated since it was originally created in 2003. Copper River Native Association currently holds a grant to conduct the update; CVDA has submitted a proposal to assist with the update in winter 08-09.
2. A comprehensive water resource inventory needs to be conducted to appropriately plan for water facility expansion. Existing inventories are being complied to identify gaps in the inventory.
3. The tourism industry is a significant contributor to the Copper Valley economy, however many local small tourism-based businesses lack the skills or resources to develop effective marketing plans and tools. In addition to partnering with State of Alaska on the Developing Alaska's Rural Tourism program, CVDA is planning a series of small business workshops to educate entrepreneurs on marketing strategies and planning, advertising venues, web presence, search engine optimization and developing effective brochures and rack cards.
4. There is very limited quality housing available in the Copper Valley, and most residents are suffering from exponential increases in fuel and electricity costs associated with heating their homes. CVDA is planning a housing summit for November 2008 that will focus on educating local residents on weatherization programs, funding sources, and home improvement project and connecting residents with local and statewide resources to accomplish home improvement projects or purchase.

5. The local electric cooperative, Copper Valley Electric Association, Inc. (CVEA), is pursuing a new alternative energy project. In March 2008, CVEA filed an application for a preliminary permit with the Federal Energy Regulatory Commission (FERC) to undertake an Allison Lake Hydroelectric Project. For CVEA the project holds the potential for increased hydro power generation which could displace over 20,000 MWH of fossil fuel generation and provide members of the Cooperative long-term, sustainable, environmentally clean energy.

## CVDA FY08 Coordinated Regional Efforts Resulting in New Business Opportunities

- Supported local cottage industry by coordinating four events that provided over 100 vendors venues to sell their products and promote their services to tourists and Copper Valley residents.
- Supported the expansion and diversification of the local economy by providing technical assistance and mentoring to 22 individuals and businesses in the area of business plan development, marketing assistance, non-profit creation, referrals to local and statewide resources, and other entrepreneurial support.
- By offering a series of basic and advanced workshops directed at increasing the efficiency of non-profit Board leadership, over 25 non-profits received training in Board roles and responsibility, financial oversight, non-profit budgeting, and improving financial statements for the purpose of increased grant funding. CVDA partnered with Natural Resources Conservation Service, Prince William Sound Community College, the American Legion Post 27, and the Foraker Group.

## CVDA Highlighted Coordinated Regional Efforts

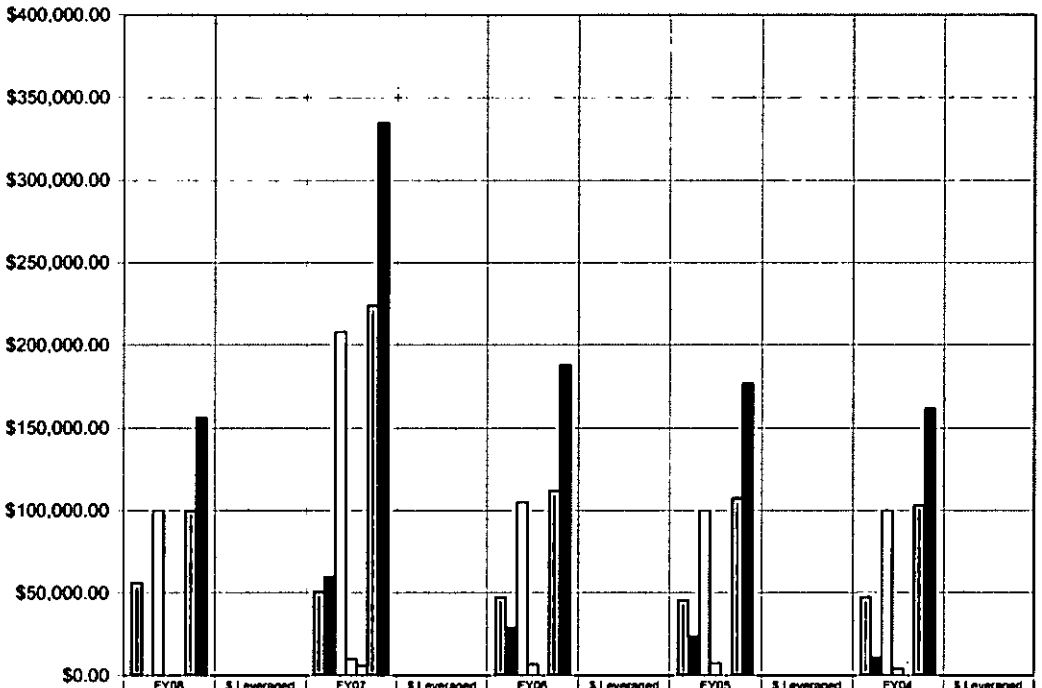
Over 1,050 vehicles and 8.78 million pounds of other hazardous waste have been removed from the Copper Valley as part of the Abandoned Vehicle and Scrap Metal Project since 2004. The project hit peak momentum in Summer and impacted McCarthy, Chitina, Kenny Lake, Copper Center, Copperville, Glennallen, Gakona, Gulkana, and Chistochina. In 2008 the project will extend along the Glenn Hwy. to Nelchina and north to Slana and remove an additional 125 vehicles.

Educating the public about the environmental and health hazards associated with abandoned vehicles is part of the project; several educational programs have been delivered locally, and many youth have been engaged as volunteers with the project. Removal of these hazards has enhanced the fish and wildlife habitat in our region, protecting those species, improving the quality of life and property values for residents and increasing scenic values for tourists in the Copper Valley.

Local contractors have been employed whenever possible; seven were used to advance the project, including hauling vehicles to the staging site, performing vehicle inventory, project assistance, and graphic design. This project is a fine example of how conservation efforts can stimulate the local economy.

The project, led by CVDA, has been funded and supported by a variety of federal, state, tribal, and local agencies. CVDA recognizes the following as supporters of the project: USDA Natural Resources Conservation Service, the State of Alaska, Kenny Lake Soil and Water Conservation District, Bureau of Land Management, Wrangell St. Elias National Park and Preserve, Alaska Department of Natural Resources, Environmental Protection Agency, Recycling Our Area's Resources, Inc., Copper Basin Sanitation Services, Inc., Ahtna, Inc., ConocoPhillips Alaska, Inc., RurAL Cap—AmeriCorps, Chet's Trucking, Copper Basin Distributors, Chitina Traditional Indian Village Council, and local landowners.

**CVDA Funding Sources FY04 - FY08**

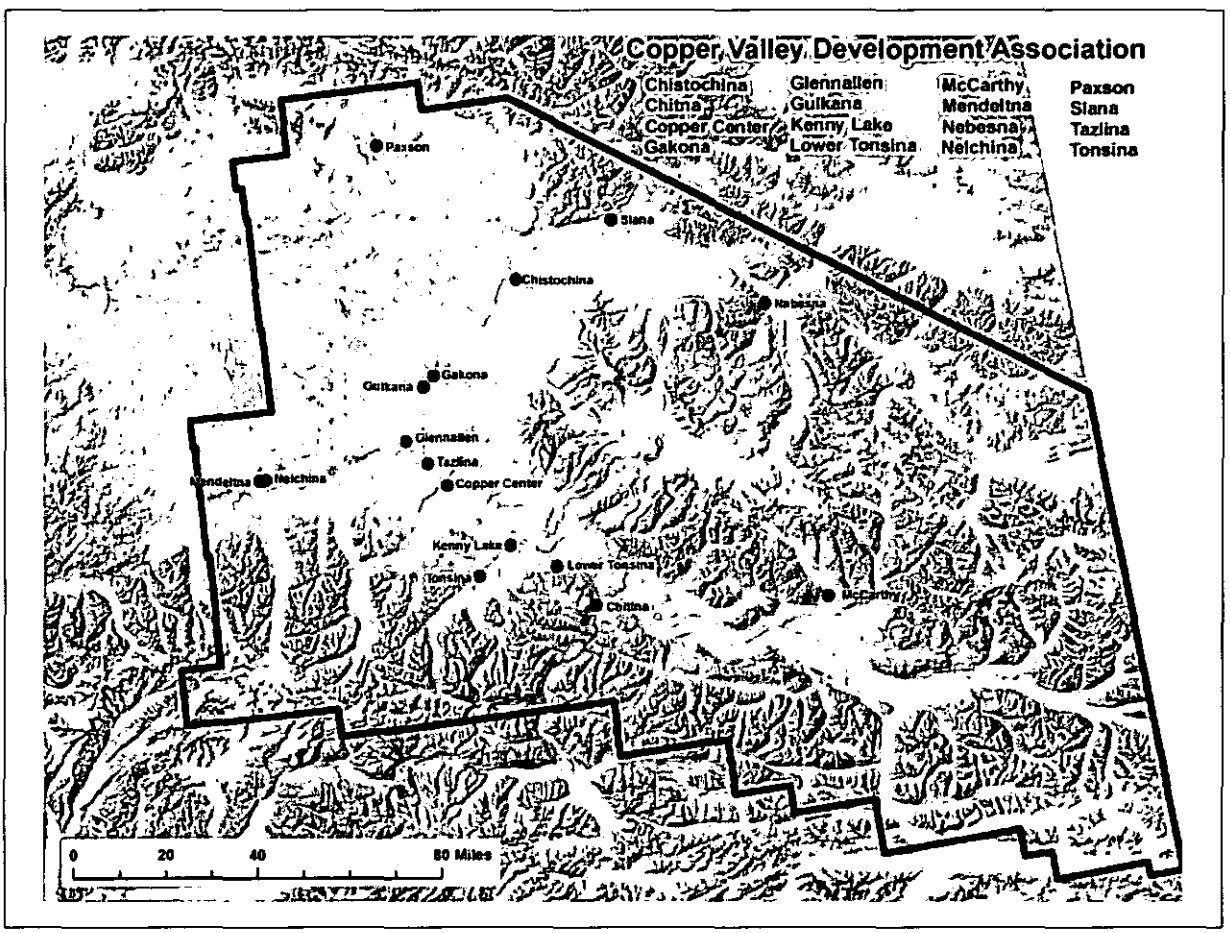



| | FY08 | $ Leveraged | FY07 | $ Leveraged | FY06 | $ Leveraged | FY05 | $ Leveraged | FY04 | $ Leveraged |
|---|---|---|---|---|---|---|---|---|---|---|
| State ARDOR Grant | $56,363.00 | 0.00 | $50,727 | 0.00 | $47,438 | 0.00 | $45,784 | 0.00 | $47,530 | 0.00 |
| Other State Funds | | | $59,800 | 1.18 | $28,800 | 0.61 | $23,500 | 0.51 | $10,800 | 0.23 |
| Federal Funds | $100,000.00 | 1.77 | $208,000 | 4.10 | $105,060 | 2.21 | $100,000 | 2.18 | $100,000 | 2.10 |
| Private Sector Funds | | | $10,000 | 0.20 | $6,800 | 0.14 | $7,500 | 0.16 | $4,137 | 0.09 |
| Other Non-Federal/Non-State Funds | | | $6,050 | 0.12 | | | | | | |
| Total without any State Funds | $100,000.00 | 1.77 | $224,050 | 4.42 | $111,860 | 2.36 | $107,500 | 2.35 | $103,137 | 2.17 |
| Total With ARDOR Grant | $156,363.00 | 2.77 | $334,577 | 6.60 | $188,098 | 3.97 | $176,784 | 3.86 | $161,467 | 3.40 |

## Current Board of Directors and Contact

**Executive Committee:**
Teri Nutter, President; Terry Keizer, Vice President; Lori Price, Secretary; and Heidi Veach, Treasurer

**Members:**
Bonnie Westlund and Lisa Christie



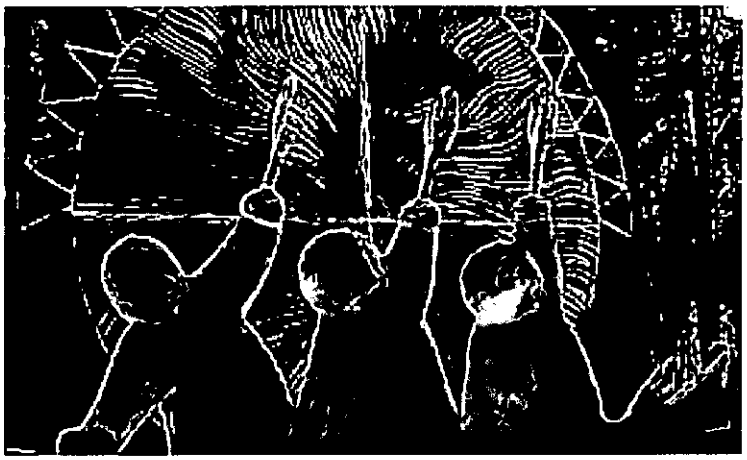

**Contact** **Clair Scribner, Program Coordinator**
PO Box 9, Glennallen, AK 99588
Phone: 907-822-5001 Fax: 907-822-5009
Email: cvda@cvinternet.net
Web Address: www.coppervalley.org

# Fairbanks North Star Borough Economic Development Commission (FNSB)

http://www.co.fairbanks.ak.us/MayorsOffice/EconomicDevelopment/default.htm

## Mission Statement

Established by ordinance to actively promote, foster and coordinate public and private initiatives that create or increase profitable employment opportunities which improve our community's standard of living, quality of life, and the sustainability of our diverse urban and rural life styles.



Information submitted by Kathryn Dodge, PhD, Fairbanks North Star Borough

## Regional Description

The FNSB Alaskan Regional Development Organization (ARDOR) was established in 1999 and serves the second largest metropolitan population in Alaska (population 97,484; 7,444 square miles). 70.7% of the population participates in the labor force (2006 American Community Survey), with another 12.6% of the population stationed at Ft. Wainwright Army base or Eielson Air Force base (American Community Survey, 2005). 94.4% of Fairbanks North Star Borough residents (over age 25) have a minimum of a high school diploma and 24.5% have at least a bachelor's degree (ACS 2006). Key industries are: military, state and federal government, university, Alaska Native corporations, oil and gas support, mining and tourism.

## FNSB ARDOR FY08 Goals

1. Work with greater Fairbanks Military complex, US Department of Energy, USDA Rural Development, Chena Hot Springs Resort, Fairbanks North Star Borough, and Cold Climate Housing Research Center (CCHRC), Fairbanks Economic Development Corp. (FEDC), University of Alaska Fairbanks (UAF) to develop and pursue options for developing alternative energy solutions.
2. Work closely with City of North Pole and FNSB Community Planning to develop proposed North Pole theme city design criteria and implementation plan. Gather community input, help city develop strategy to implement the concept.
3. Work closely with Fairbanks Downtown Association to complete development, and begin implementation of, "Vision Fairbanks" - an urban renewal plan for downtown Fairbanks.

4. Work with other ARDORs, Center for Economic Development & Economic Development Association (EDA) to develop statewide economic development capacity, thus growing the entire state's capacity.
5. In partnership with Nome ARDOR, develop and pilot Northern and Interior regional community partnerships.
6. Conduct and publish quarterly research and analysis of FNSB economy.
7. Ensure FNSB population is properly accounted for in the current and future census estimates and counts.
8. Help FNSB conduct a senior needs quality of life assessment.
9. Work with FEDC & UAF to develop Accelerator and other entrepreneurial development programs

## FNSB FY08 Goals Accomplished[7]

1. Alternative energy technologies:
   - In partnership with FEDC and Interior Issues Council, developed model of energy consumption in Fairbanks which was incorporated into an FNSB Regional Energy Flex Plan.
   - FNSB, FEDC contracted for phase one feasibility study of coal-to-gas syn-fuel plant.
2. Vision Fairbanks:
   - Completed Vision Fairbanks Strategic plan, ARDOR board endorsed implementation of plan. ARDOR worked with Downtown Association to get plan adopted by Fairbanks City Council and FNSB Assembly. Assisted in putting together funding plan.
3. Statewide Capacity Development:
   - In conjunction with other ARDORS, Center for Economic Development, and EDA helped put on first Basic Economic Development class in Alaska.
4. Nome Partnership:
   - Placed VISTA in Nome, began developing Northern and Interior regional community partnerships.
5. Quarterly reports on FNSB Economy:
   - Gathered and published quarterly research and analysis of the FNSB economy.
6. FNSB Population:
   - Challenged US Census population estimate, resulting in US Census adjusting their estimate upward by 9%.
7. Sr. Quality of Life Assessment:
   - Received $25,000 from FNSB and $25,000 from Alaska Mental Health Trust Authority to conduct a Sr. Quality of Life Assessment. Conducted early input survey and community focus groups.
8. Accelerator:
   - Worked with FEDC and Small Business Development Center (SBDC) to put together virtual incubator / entrepreneurial training for September delivery.

7 The FNSB has many different projects on-going around their region. This reflects only a portion of the FNSB's activities. Out of the 9 goals reported in FY08 the FNSB completed 8. These goals should not be used as a guide for a percentage of measurements but as a reference that represents a portion of the many things an ARDOR does.

## FNSB FY08 Identified Economic Development Needs and Action Opportunities

Affordable energy to our community:

- The most significant need for FY08 was to take control of our energy destiny. Therefore we worked to identify projects that would guarantee our community has a long-term reliable and sufficient source of affordable energy. We continue to pursue development of an affordable energy source fueled by bio-mass or coal.

## FNSB ARDOR FY08 Coordinated Regional Efforts Resulting in New Business Opportunities

The FNSB ARDOR's biggest accomplishment for 2007 was documenting that the Fairbanks North Star Borough's population had been underestimated by approximately 9,000 people, or 10% of the population. They documented this by working collaboratively with the State of Alaska, Division of Community and Regional Affairs regarding the 2006 population estimate and with the US Census Bureau.

The FNSB ARDOR was one of the founding members of an Interior Think Tank (Interior Issues Council) which is working on anticipating opportunities and challenges and planning for, or resolving them, before they occur.

High energy costs continue to challenge people and businesses' bottom line. This is a key challenge and we are working on possible solutions, although they are years away at best. The ARDOR was a key partner in the Downtown Revitalization project for Fairb anks, where it partnered with local organizations to create a Downtown Revitalization Plan; recruited an urban planning consultant team, Crandall Arambula (CA); held four public meetings where an average of 400 people worked together to develop a community vision to revitalize downtown Fairbanks; and in the final meeting approved the concept which is now moving into the public approval stage and implementation.

The ARDOR partnered with other economic development organizations to hold the first ever team building meeting of all the region's local economic development partners and their staff members.

Finally, the FNSB has begun to write quarterly analyses of the local economy which has been well received through-out the region.

## FNSB Highlighted Coordinated Regional Efforts

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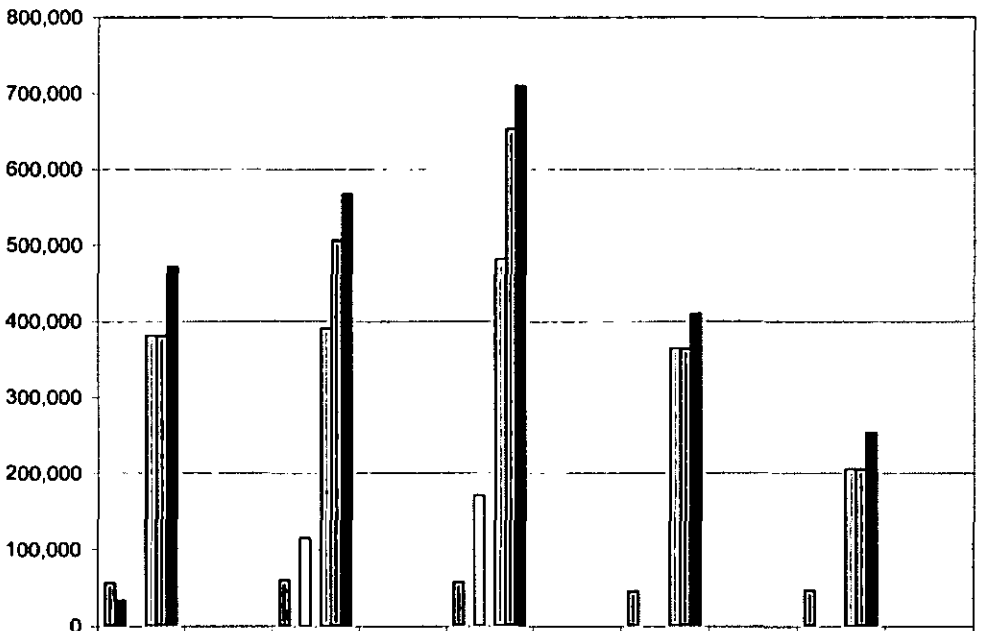
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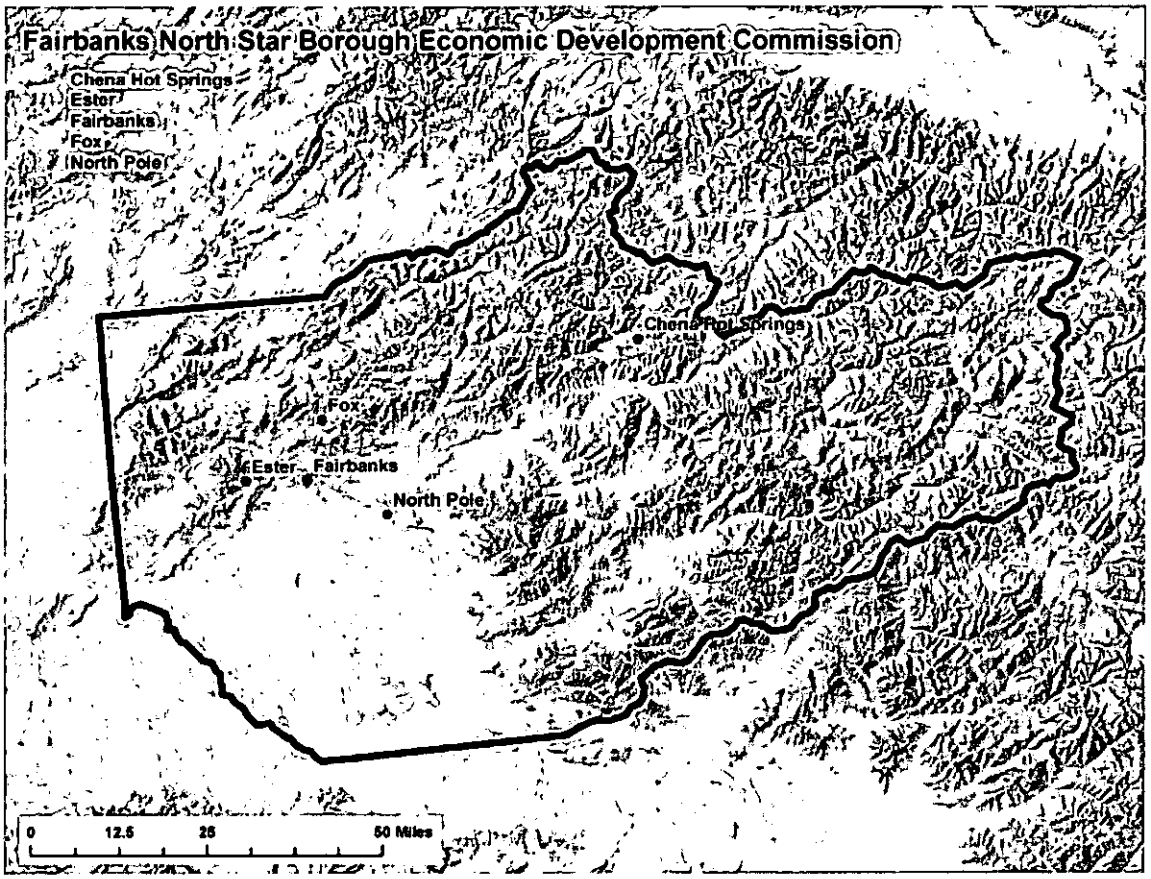
**FNSB Funding Sources FY04 - FY08**




| | FY08 | $ Leveraged | FY07 | $ Leveraged | FY06 | $ Leveraged | FY05 | $ Leveraged | FY04 | $ Leveraged |
|---|---|---|---|---|---|---|---|---|---|---|
| State ARDOR Grant | 56,363 | 0 | $61,060 | 0 | $57,771 | 0 | $45,784 | 0 | $47,530 | 0.00 |
| Other State Funds | 33,537 | | | | | | | | | |
| Federal Funds | | | $115,487 | 1.89 | $171,000 | 2.96 | | | | |
| Private Sector Funds | | | | | | | | | | |
| Other Non-Federal/Non-State Funds | 381,363 | 6.77 | $391,060 | 6.40 | $481,681 | 8.34 | $364,080 | 7.95 | $206,080 | 4.34 |
| Total without any State Funds | 381,363 | 6.77 | 506,547 | 8.30 | 652,681 | 11.30 | 364,080 | 7.95 | 206,080 | 4.34 |
| Total With ARDOR Grant | 471,263 | 8.36 | 567,607 | 9.30 | 710,452 | 12.30 | 409,864 | 8.95 | 253,610 | 5.34 |

## FNSB Current Board of Directors and Contact

**Executive Committee**
Chair: Jim Whitaker, Terry Strle, Jeff Jacobson, Daniel S. "Toby" Osborn, Jeffry J. Cook, John C. "Jake" Poole, Kelly Brown, Victoria "Torie" Foote



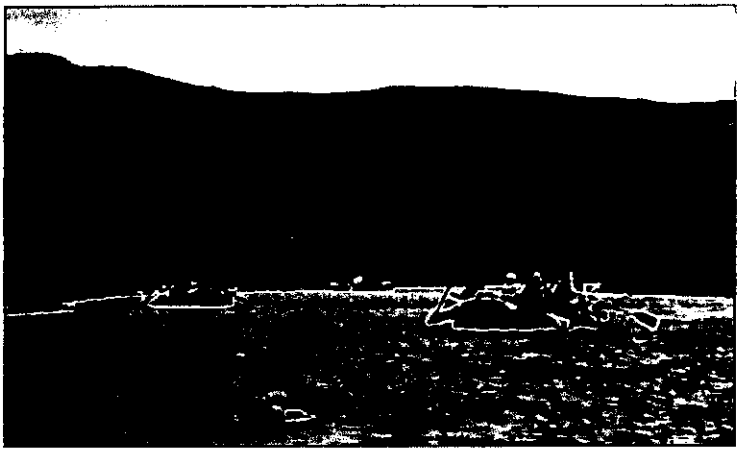

**Contact** **Dr. Kathryn Dodge (Director)**
P.O. 71267, Fairbanks, AK 99707
Phone: 907 469-1309 Fax: 907 459-1102
Email: kdodge@co.fairbanks.ak.us
Web Address: http://www.co.fairbanks.ak.us/MayorsOffice/EconomicDevelopment/default.htm

# Interior Rivers Resource Conservation & Development Council, Inc. (IRRCDC)

Redesignated June 10, 2008

## Mission Statement

The mission of the Interior Rivers RC&D Council is to create long-term jobs and improve village living standards on behalf of all residents of the region.



## Regional Description

The Interior Rivers Resource Conservation & Development (IRRC&D) was incorporated in the 1980's to assist with community and economic development for 14, now 16 mid-Kuskokwim and mid-Yukon villages. Communities served under this region are: Aniak, Anvik, Chuathbaluk, Crooked Creek, Georgetown, Grayling, Holy Cross, Lime Village, Lower Kalskag, Napaimute, Red Devil, Russian Mission, Shageluk, Sleetmute, Stony River, Upper Kalskag. This region encompasses 35,000 square miles.

Some projects since incorporation were sale of native arts and crafts from this area, the production of the Interior Rivers State Fair (aka KNA farm), and aerial mapping of all communities in the region.

Future projects, still in the discussion stages are: large scale production sawmill, providing education and supplies for community gardens. Other projects may be added with community interest and Board direction.

IRRC&D was re-incorporated in May of 2008 and was staffed in August 2008 to continue providing services to the area villages. Although knowledge of IRRC&D is new we are an old organization to this area. With representation from each community we will continue to provide community and economic development.

Because the region was re-established as an ARDOR at the end of FY08, their goals and accomplishments report will carry into FY09. The IRRC&D has provided a glimpse into some of the regional activities.

## IRRC&D FY08 Goals

1. Hire an Executive Director; establish the ARDOR office in one of the member village communities. This will be determined by the domicile of the Executive Director, while establishing regular office hours.
2. Notify each stakeholder that the Inter Rivers RC&D/ARDOR is open for business.
3. Complete the organizing and planning for the Comprehensive Economic Development Strategy (CEDS) and begin compiling and composing the draft CEDS.
4. Find and organize existing Local Economic Development Plans (LEDP), and in the commonalities to synthesize into a draft district CEDS.
5. Attend regional gatherings to gain support for the ARDOR and solicit additional input to the draft CEDS.
6. Establish a dialogue with the village of McGrath, Telida, Nikolai and Takotna at the headwaters of the Kuskokwim River to solicit their interest in membership with the ARDOR. Also establish a dialogue with St. Mary's, Pitka's Point and Marshall on the lower Yukon River to solicit their interest in membership with the ARDOR.

## IRRC&D FY08 Goals Accomplished

Because these goals where submitted towards the end of the FY08, these goals are carried over to FY09.

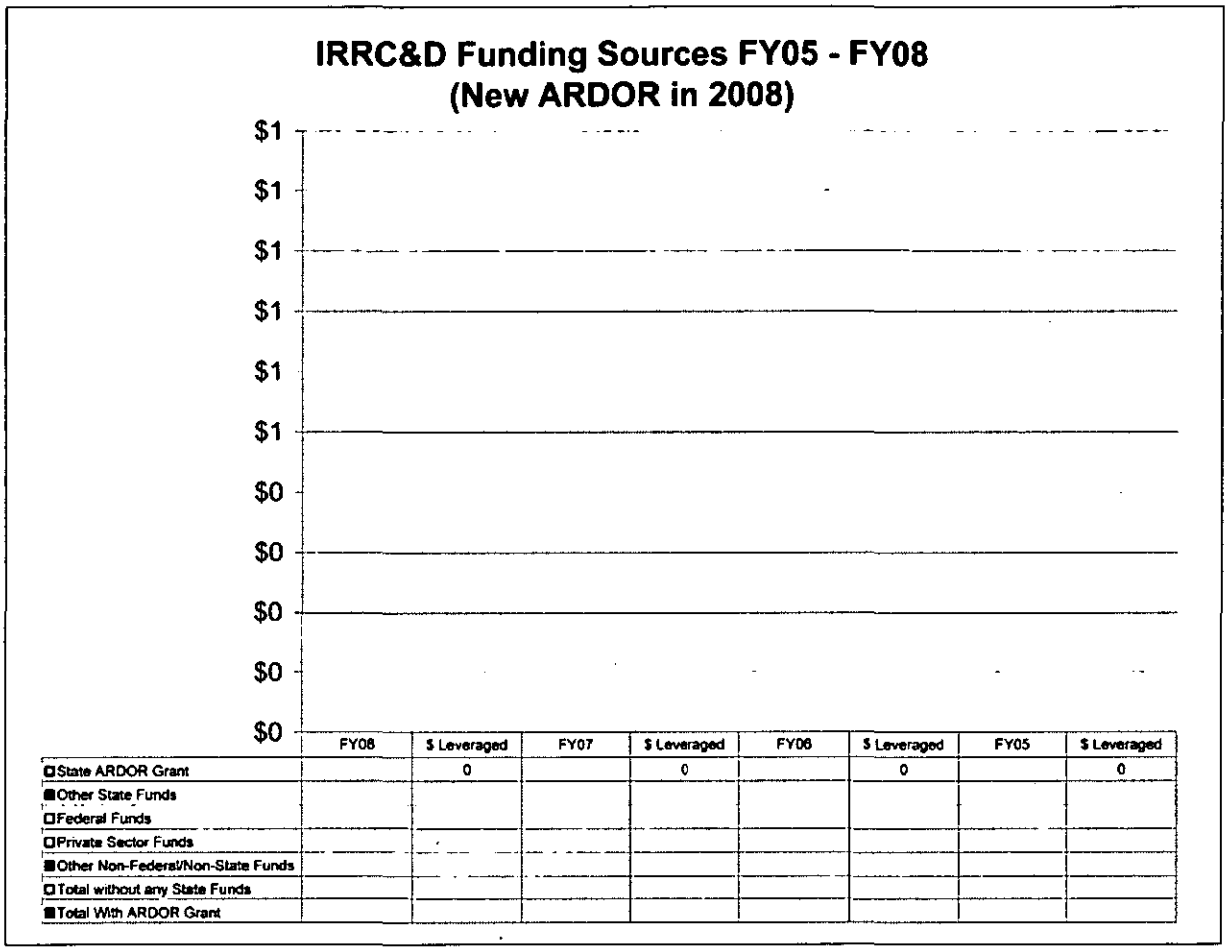
- An Executive Director, Nicholas Morgan, of Aniak was hired by the Board and has started working with the region and the communities.
  - The physical location of the office is Lot 10, Blk 12, East Ramp of Aniak Airport. The mailing address is PO Box 309, Aniak, Alaska 99557.
- The office officially opened for business August 18, 2008 with support provided, by USDA Natural Resource Conservation Service.

## IRRC&D FY08 Identified Economic Development Needs and Action Opportunities

1. The region needs to find an alternative to the high cost of fuel.
2. Identify more regional assets that will attract new businesses.

## IRRC&D FY 08 Coordinated Regional Efforts Resulting in New Business Opportunities

Rafting down the Aniak River has grown from a local activity to a tourist activity.

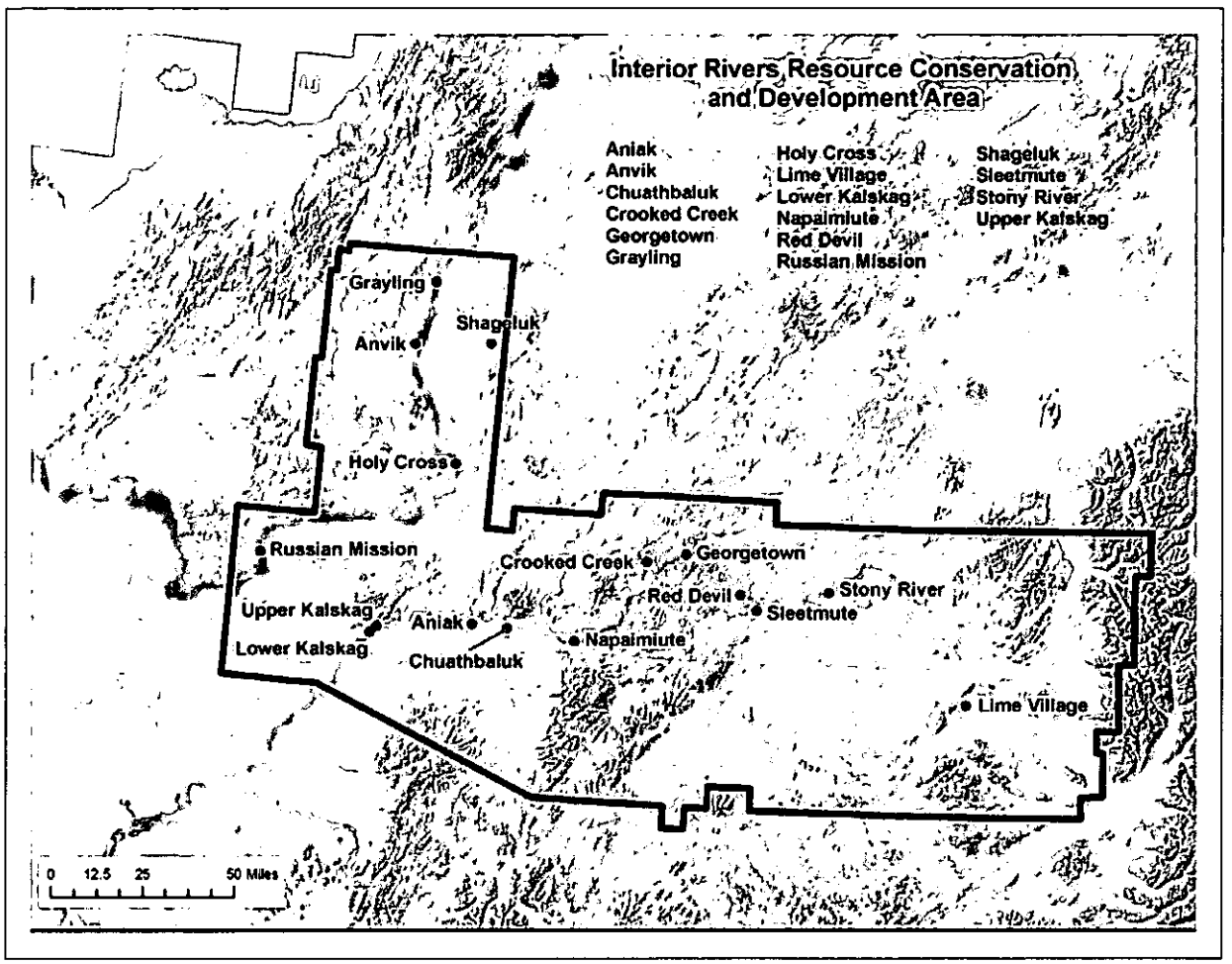



| | FY08 | $ Leveraged | FY07 | $ Leveraged | FY06 | $ Leveraged | FY05 | $ Leveraged |
|---|---|---|---|---|---|---|---|---|
| State ARDOR Grant | | 0 | | 0 | | 0 | | 0 |
| Other State Funds | | | | | | | | |
| Federal Funds | | | | | | | | |
| Private Sector Funds | | | | | | | | |
| Other Non-Federal/Non-State Funds | | | | | | | | |
| Total without any State Funds | | | | | | | | |
| Total With ARDOR Grant | | | | | | | | |

## IRRC&D Current Board of Directors and Contact Information

**Executive Committee**
Chair: Wayne Morgan, Vivian Changsak, Cheryl Jerabek

**Members**
Robert Walker, Jerry Peterson, Evelyn Thomas, Michael Fredericks, Brenda Deacon, Phillip Demientieff, Sr., Joe Bobby, Vivian Changsak, Mark Leary, Theodore Gordon, Denise Kozevnikoff, Arnold Hamilton, Pete Mellick, Mary Willis, Glen Kameroff, Sr.



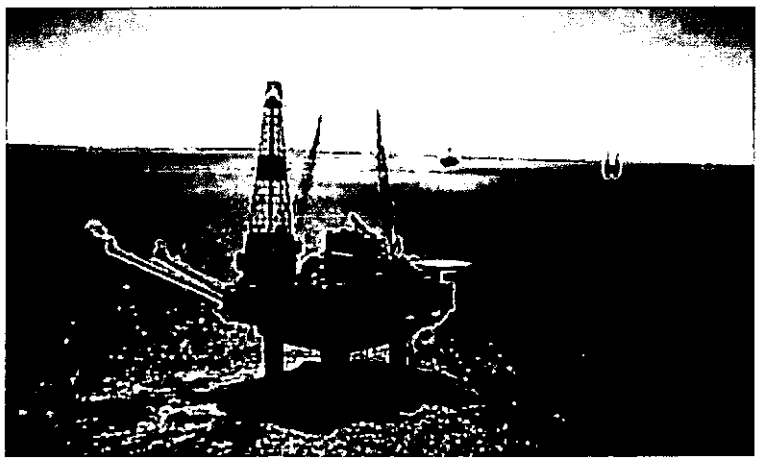

**Contact** **Nicholas Morgan, Executive Director**
Interior Rivers Resource Conservation & Development Council,
PO Box 309, Aniak, Alaska 99557
Phone: (907) 675-4578 Fax: (907) 675-4579
E-mail: nicholasmrgn@yahoo.com

# Kenai Peninsula Economic Development District (KPEDD)

(www.kpedd.org)

## Mission Statement

To provide leadership in enhancing, fostering, and promoting responsible and sustainable economic development.



Information submitted by John Torgerson, Executive Director
Kenai Peninsula Economic Development District

## Regional Description

Kenai Peninsula Economic Development District (ARDOR) has been an ARDOR since 1989, and serves the Kenai Peninsula Borough. The organization is also an Economic Development District under the federal Economic Development Administration and is the recognized economic development partner of the Kenai Peninsula Borough.

The Kenai Peninsula Borough's economy has seasonal influences from industries such as construction, tourism, and seafood which are most active in the warmer months. Employment falls off in the winter months. To some extent, this seasonality has an impact on other industries such as transportation, retail, trade and energy.

The borough has had a growing economy with some fluctuation based on the oil and gas industry and, in some years, poor commercial fishing and/or season adjustment of the sport fish guiding seasons.

A definite strength of the Kenai Peninsula economy is its diversity. It is easy to recognize that there is more than one industry in the mix. Prominent economic sectors on the peninsula – most natural resource based – are oil and gas, seafood, tourism, healthcare, government, retail and services. However, because of global economic pressures, a declining economic base and an aging infrastructure, several major sectors have declined over the years – timber, for example, is no longer a major peninsula industry. More recently, declining supplies of natural gas caused a major manufacturing industry to mothball its facility. The oil and natural gas sector remains a strong industry in spite of local supply issues. Record high oil prices may have an adverse effect on the tourism, transportation and fishing industries as we move forward – all important components of the Kenai Peninsula economy.

## KPEDD FY08 Goals

1. Stimulate entrepreneurs and small business to create and retain sustainable wealth and related opportunities.
2. Position KPEDD as a regional leader in public policy/economic development.
3. Redefine KPEDD's structure, composition and role in regional economic development.

## KPEDD FY08 Goals Accomplished[8]

1. Enhanced our small business innovation center infrastructure through capital improvements
2. Lobbied for systemic improvements in our Economic Development Administration Revolving Loan Fund
3. Developed on-line applications for our small business loan funds and technical assistance programs
4. Held a public forum on Ballot Initiative #4 to highlight the economic implications to the Peninsula
5. Participated in the ARDOR program reauthorization
6. Established the ARDOR group as an incorporated 501 c (3) entity to facilitate coordinated multi-regional initiatives
7. Collaborated with Anchorage Economic Development Corporation and Mat-Su region in a business recruitment MOU
8. Led an Alaska Venture Capital initiative with Anchorage Economic Development Corporation
9. Rewrote organizations Articles of Incorporation and filed amendments to by-laws that allowed the organization to legally restructure

## KPEDD FY08 Identified Economic Development Needs and Action Opportunities

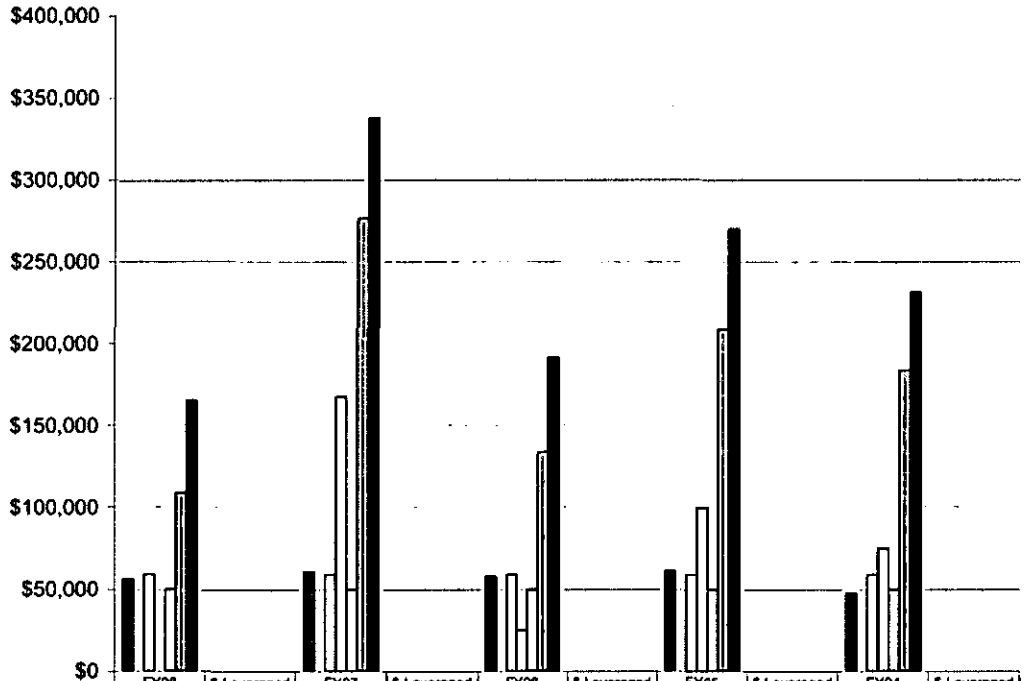
1. Initial capitalization of the Alaska Venture Capital initiative will be time-consuming and fairly a fairly complex undertaking
2. The Pebble mine issues are highly charged and emotional issues that will divisive no matter whether the project succeeds or fails

8 KPEDD set three goals for 2008, although only 3 goals were set during FY08, KPEDD achieved three times that in working with Coordinated Regional Effort Resulting in New Business. These goals should not be used as a guide for a percentage of measurements but as a reference that represents a portion of the many things an ARDOR does.

## FY08 Coordinated Regional Efforts Resulting in New Business Opportunities

1. The establishment of an ARDOR state-wide entity coupled with a tentatively approved submission to the Denali Commission for a major entrepreneurial initiative should greatly enhance a state-wide effort to support diversity in the economy
2. The Alaska Venture Capital initiative should provide a framework for providing equity funding for Alaska businesses and entrepreneurs for the first time
3. The tri-region business recruitment MOU should provide new business entrants to the South Central region with related spin-off benefits to other businesses in the region

**KPEDD Funding Sources FY04 - FY08**

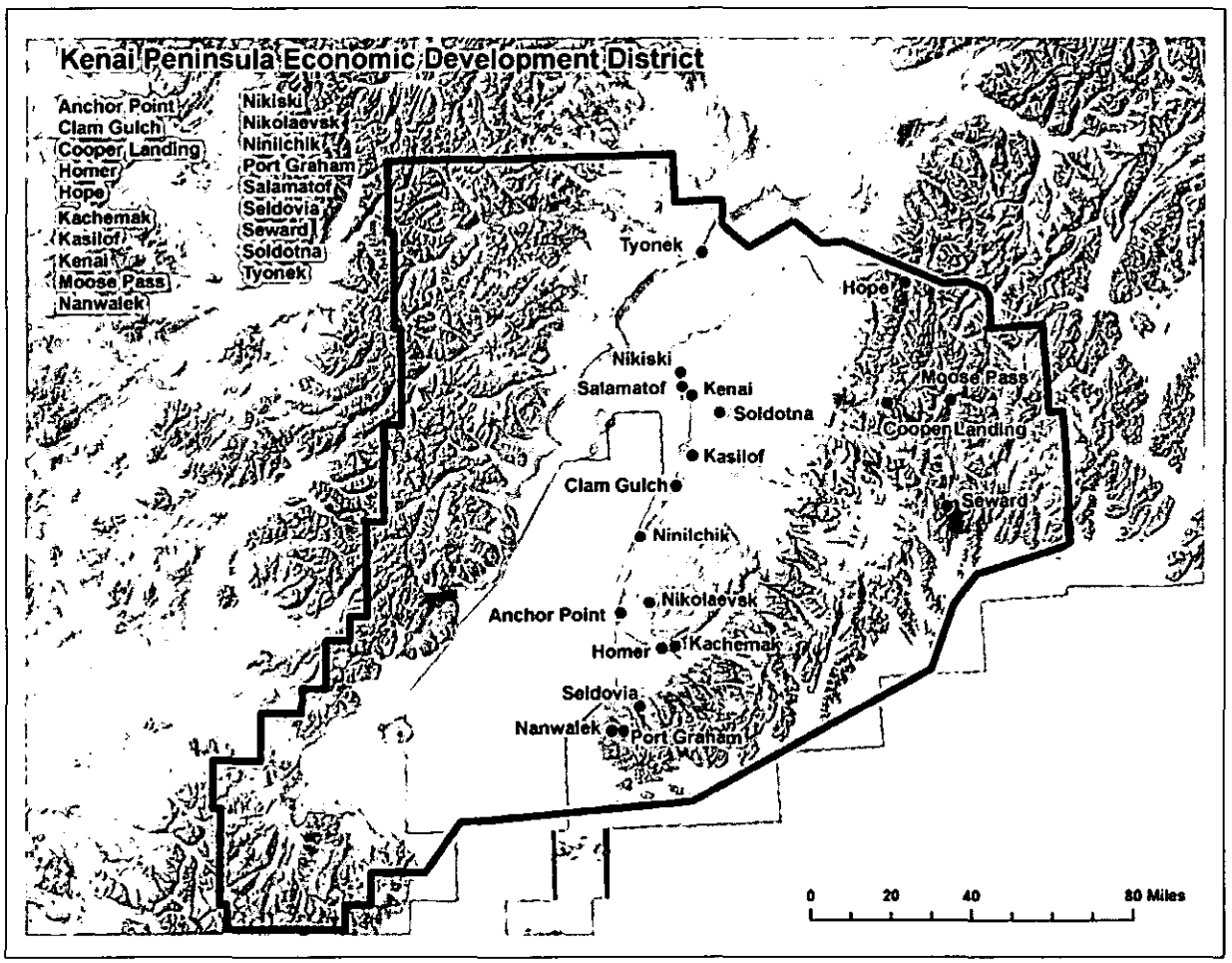



| | FY08 | $ Leveraged | FY07 | $ Leveraged | FY06 | $ Leveraged | FY05 | $ Leveraged | FY04 | $ Leveraged |
|---|---|---|---|---|---|---|---|---|---|---|
| State ARDOR Grant | $56,363 | 0.00 | $61,060 | 0.00 | $57,771 | 0.00 | $61,284 | 0.00 | $47,570 | 0.00 |
| Other State Funds | | | | | | | | | | |
| Federal Funds | $59,000 | 1.05 | $59,000 | 0.97 | $59,000 | 1.02 | $59,000 | 0.96 | $59,000 | 1.24 |
| Private Sector Funds | | | $167,769 | 2.75 | $25,000 | 0.43 | $100,000 | 1.63 | $75,000 | 1.58 |
| Other Non-Federal/Non-State Funds | $50,000 | 0.89 | $50,000 | 0.82 | $50,000 | 0.87 | $50,000 | 0.82 | $50,000 | 1.05 |
| Total without any State Funds | $109,000 | 1.93 | $276,769 | 4.53 | $134,000 | 2.32 | $209,000 | 3.41 | $184,000 | 3.87 |
| Total With ARDOR Grant | $165,363 | 2.93 | $337,829 | 5.53 | $191,771 | 3.32 | $270,284 | 4.41 | $231,570 | 4.87 |

## KPEDD Current Board of Directors and Contact

**Executive Committee:**
Kristine Holdridge, President, Barry Eldridge - Vice President, Barbara Blakeley - Treasurer, Peter Micciche - Secretary

**Members**
Jeanne Camp, Hugh Darling, Dave Durham, Paul Fischer, Ronda Haynes, Anne Marie Holen, Ron Long, Sal Mattero and Tom Smith



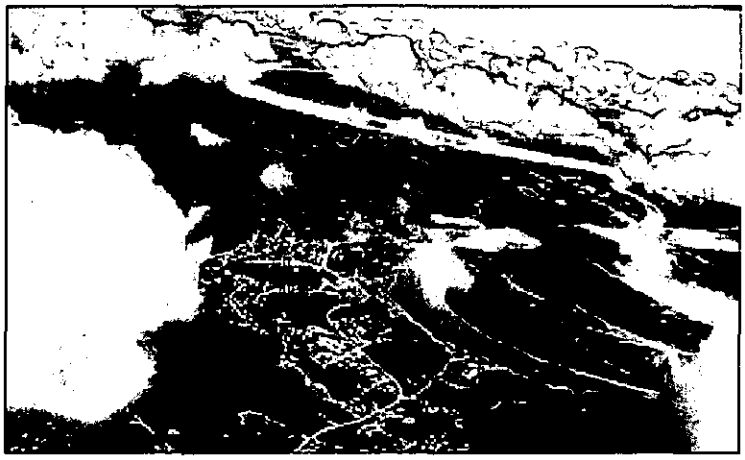

**Contact:** **John Torgerson, Executive Director**
Kenai Peninsula Economic Development District, Inc.
14896 Kenai Spur Highway, #103A, Kenai, AK 99611-7000
Phone: 907-283-3335 x224 Fax: 907-283-3913
E-Mail: jtorgerson@kpedd.org Web Address: www.kpedd.org

# Lower Kuskokwim Economic Development Council (LKEDC)

www.lkedc.org

## Mission Statement:

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



Information submitted by Carl Berger, Executive Director
Lower Kuskokwim Economic Development Council

## Regional Description

Lower Kuskokwim EDC – Designated as an Alaska Regional Development Organization (ARDOR) in 1991, LKEDC received its corporate charter and was designated a private non-profit charitable corporation, exempt from taxation under 26 USC 501(c)3. The Council is the state designated ARDOR for Bethel and 26 villages in the Lower Kuskokwim region of SW Alaska, located in the unorganized borough. The governing body of LKEDC is the board of directors, representing the participating communities, and also governs a Lower Kuskokwim RC&D council.

The Bethel census area encompasses a 41,087 square mile area in western Alaska where two types of landscapes predominate: In the southwest lies the vast Yukon Kuskokwim delta region, commonly referred to as the Y-K delta. The Kuskokwim river flows southwest and effectively divides the region into a western and eastern half. Few people live east of the river, in the area of the Kilbuck mountains. The remainder of the census area contains most of the 26 villages that border the river and coastal areas. The Y-K delta is a large coastal plain with almost 900 miles of shoreline along the Bering Sea; two near shore islands, Nunivak and Nelson, belong to the area. Marsh, wetlands, grasslands and many tundra lakes provide habitat for waterfowl, migratory birds and small fur-bearing mammals. Current population approximates 16,000, of which 6,000 live in Bethel, the regional center.

At a median age of 25.3 years, area residents are much younger than the state average. No roads connect any of the communities to each other access is by air, boat or snowmachine only. There are no major agricultural or industrial enterprises in our region at this time.

## LKEDC FY08 Goals

1. Develop, expand, diversify and promote quality standards for all Lower Kuskokwim fisheries products, especially salmon, halibut and herring.
2. Develop and expand the growth of individual visitors and a tourism program.
3. Develop and expand the local and regional and retail and services industry.

## LKEDC FY08 Goals Accomplished[9]

1. 220 Slush ice bags were made available to commercial salmon fisherman during the 2007 season; 456 fishermen recorded landings during the commercial season, valued at $1,265,035., an 11% increase. (2008 season begins 6/20/08)
2. In-region birding tours are scheduled during Summer 2008 by a successful AK Marketplace village vendor we assisted, hosting 6 birders; ten individual travelers expected to visit our region during Summer 2008.
3. Two Bethel workshop presentations were made in Nov 07 & Jan 08, in cooperation with local agency partners in response to local needs; training and technical assistance is continuously provided to local entrepreneurs on request.

## LKEDC FY08 Identified Economic Development Needs and Action Opportunities

Construction and partial opening of Yuut Elitnaurviat vocational center in Bethel allows for initiation of vocational training programs for local jobs and employment. Planning and construction of a new regional fisheries processing facility by Coastal Villages Seafoods will provides for local employment opportunities in the fishing industry. Economic Diversity through recruitment of small entrepreneurs in local communities.

The best alternative energy source for our area is wind generation. We provided input to the City for their $400k successful proposal to set up a local wind generator, and have provided information to 2 others who are interested in applying to the Alaska Energy Authority grant assistance program. We have publicized the successful village efforts of AVEC and others that are promoting successful wind generation in our villages.

The cost of fuel has already risen for the winter, based on purchases made during August 2008 when fuel costs were near the peak. We advocate buying our region's fuel supply in future years at mid-winter, when the price is usually lowest and paying to store the supply until the following summer, when it can be sent out, asking the State of Alaska to assist in subsidizing these storage costs.

9 LKEDC established 100% of their goals established in the plan. These goals should not be used as a guide for a percentage of measurements but as a reference that represents a portion of the many things an ARDOR does.

## LKEDC FY08 Coordinated Regional Efforts Resulting in New Business Opportunities

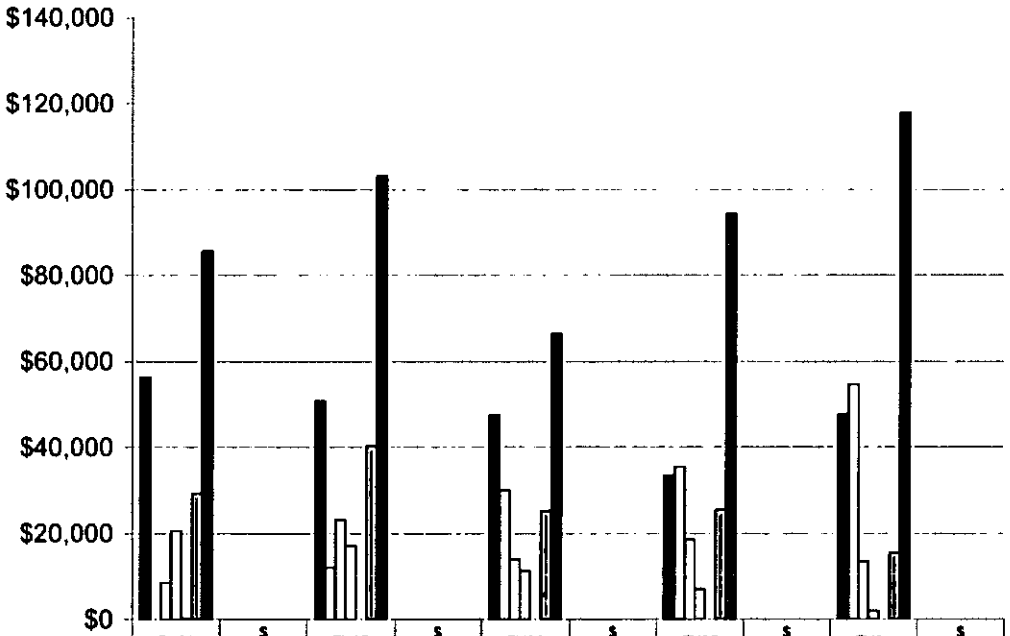
Small business consultations by LKEDC Executive Director, and community members; assisted successful AK Marketplace finalists in our region with technical assistance as they developed and implemented their business ideas; ten Alaska Marketplace applicants from our area were assisted at our two regional workshops held in Bethel during the fall. Of the thirteen successful winners in the final statewide competition, seven were selected from our region, receiving a total of over $140,000 of the $300,000 awarded. We are planning another Bethel workshop in Jan 2009, for the next Alaska Marketplace competition.

## LKEDC Highlighted Coordinated Regional Efforts

Continuation of six year partnership with Bethel Chamber of Commerce;
Liaison with the Resource Conservation & Development program coordinator, through our Board of Directors;

Development of the new "Birding in Yup'ik Country" brochure, containing a regional birding checklist, and planning to revise and reprint "Alaska's Yukon Kuskokwim Delta", produced by LKEDC, with assistance from local tourism committee members.

### LKEDC Funding Sources FY04 - FY08



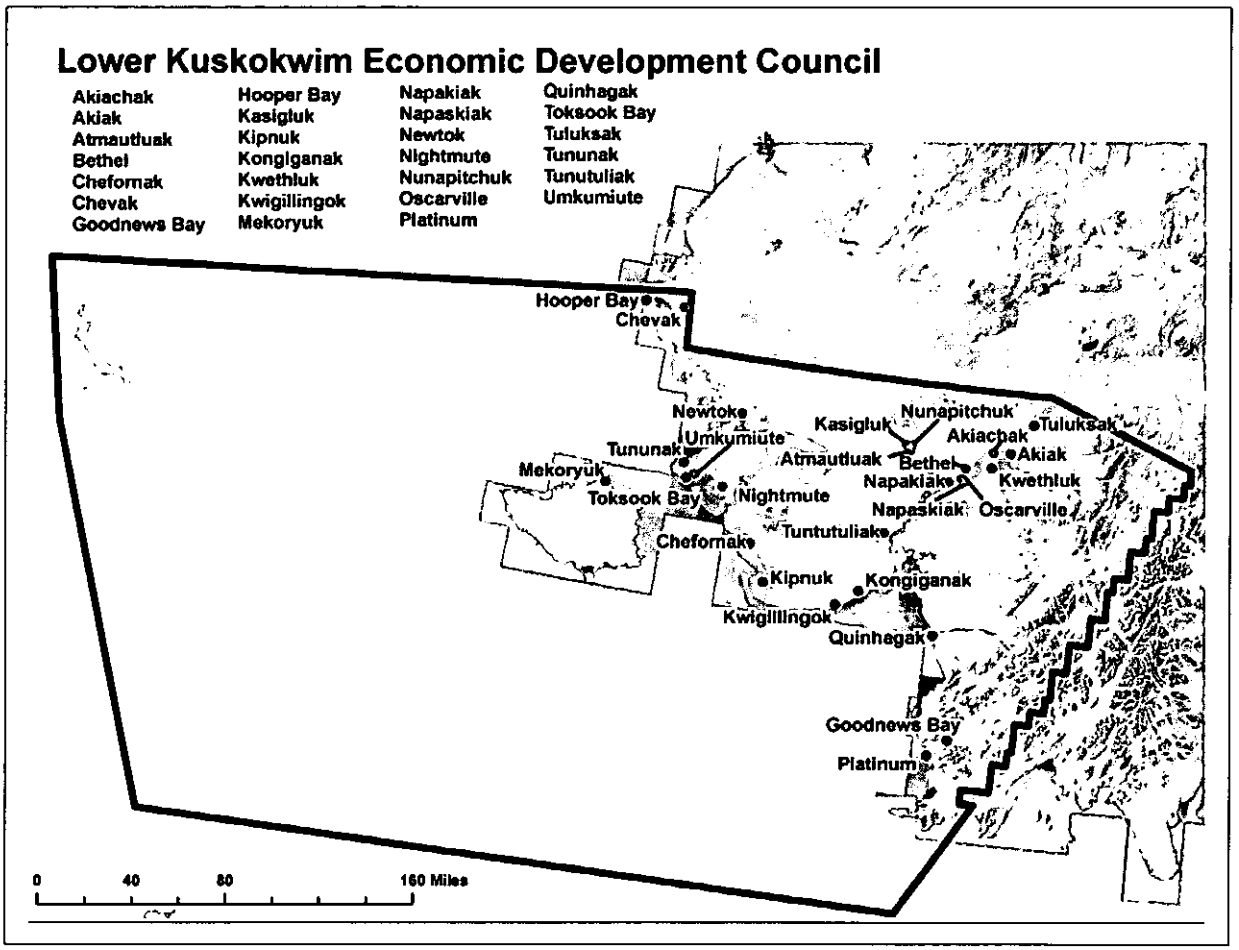

| | FY08 | $ Leveraged | FY07 | $ Leveraged | FY06 | $ Leveraged | FY05 | $ Leveraged | FY04 | $ Leveraged |
|---|---|---|---|---|---|---|---|---|---|---|
| State ARDOR Grant | $56,363 | 0.00 | $50,727 | 0.00 | $47,438 | 0.00 | $33,384 | 0.00 | $47,720 | 0.00 |
| Other State Funds | | | $12,062 | 0.24 | $30,000 | 0.63 | $35,500 | 1.06 | $54,684 | 1.15 |
| Federal Funds | $8,537 | 0.15 | $23,100 | 0.46 | $14,000 | 0.30 | $18,500 | 0.55 | $13,500 | 0.28 |
| Private Sector Funds | $20,600 | 0.37 | $17,146 | 0.34 | $11,211 | 0.24 | $7,000 | 0.21 | $2,000 | 0.04 |
| Other Non-Federal/Non-State Funds | $185 | | | | | | | | | |
| Total without any State Funds | $29,322 | 0.52 | $40,248 | 0.79 | $25,211 | 0.53 | $25,500 | 0.76 | $15,500 | 0.32 |
| Total With ARDOR Grant | $85,685 | 1.52 | $103,035 | 2.03 | $66,411 | 1.40 | $94,384 | 2.83 | $117,904 | 2.47 |

## LKEDC Current Board of Directors and Contact

**Executive Committee Members**
Fred Phillip, Chairman, Arthur Lake, Vice Chair, Peter Julius, Secretary, Alexie Jimmie, Treasurer

**Council Members**
Max Angellan, Fannie Moore, Les Daenzer

**Ex-Officio Members**
Richard Foster, Lyman Hoffman, Mary Nelson




**Contact** **Carl Berger, Executive Director**
Lower Kuskokwim Economic Development Council
PO Box 2021, Bethel, Alaska 99559
Phone: 907 543-5967 Fax: 907 543-3130
Email: carl_berger@ddc-alaska.org Web Address: http://www.lkedc.org

# Mat-Su Resource Conservation and Development, Inc. (MAT-SURC&D)

www.matsudevelopment.org

## Mission Statement

The MISSION of the Mat-Su RC&D Council is to assist in creating jobs, expanding the local economy, conserve natural resources and enhance the quality of life for the residents and institutions of the Matanuska-Susitna Borough.



Information submitted by Marty Metiva, Executive Director
Matanuska Susitna RC&D

## Regional Description

The Alaskan Regional Development Organization (ARDOR) has been an ARDOR since the Mat-Su RC&D Inc was incorporated in 1991 and is a private nonprofit charitable corporation, exempt from taxation under 26 U.S.C. 501(c)(3). The Council is also the state designated Alaska Regional Development Organization (ARDOR) for the Matanuska-Susitna Borough. The governing body of the RC&D Council is the membership which is made up of representatives from the participating communities.

The Matanuska-Susitna Borough (Borough) lies in the heart of south central Alaska, Encompassing about 25,000 square miles of rolling low lands, mountains, lakes, rivers and streams. The Borough includes portions of the Alaska Range to the northwest, portions of the Chugach Mountains to the southeast, and essentially the entire Talkeetna and Clearwater Ranges in its interior. The Municipality of Anchorage, Upper Cook Inlet, and Knik Arm delineates the Borough's southern border.

The entire Borough is experiencing rapid population growth and had an estimated population of over 74,000 in 2005. It is the fastest growth area in Alaska and the 31st fastest growing area in the United States. Between 2000 and 2004 the Borough's population grew by 18 percent, compared to 5 percent statewide and 7 percent in Anchorage. In other words, the Borough population grew at an annual rate of 3.9 percent versus 1.5 percent for Anchorage and 1 percent for the state. As a result of strong population growth, the Borough is now home to nearly 11 percent of the state's population versus 7 percent in 1990.

## MAT-SU RC&D FY08 Goals

1. Create Small Business revolving loan program
2. Continue formation/funding of Mat-Su Economic Enterprise (MEE)
3. Partner with public & private entities to develop anchor attractions & develop area into a tourist destination

## MAT-SU RC&D FY08 Goals Accomplished[10]

1. Continued to work with DNR on sale of Big Lake Hatchery – delayed due to turnover in staffing at Department of Natural Resources
2. Formed MEE board & began working with small businesses in Borough – currently working with five existing businesses to help in sustainability.
3. Partnered with Private Developers, City of Wasilla, and Mat-Su Borough & Wasilla Rotary on funding and development of 3.2 mile trail system to be used for various events that will increase tourism in area.
4. Working with Private Developer on 16- Screen Movie Theatre in area
5. Pursued/applied for $75,000 Farmers Market Grant to develop additional Farmers Markets/Road –side stands & create additional distribution streams for local producer growers & crafts

## MAT-SU FY08 Identified Economic Development Needs and Action Opportunities

1. Diversify economy through recruitment of new businesses/industry:
   - Manufacturing
   - Technology
   - Satellite offices of existing businesses
2. Completion of New Prison at Port Mackenzie
3. Continue with KABATA project
4. Rail Extension from Port
5. Expansion of tourism infrastructure through recruitment of Hotels, Resorts & development of Hatcher Pass Ski area

10 MAT-SU RC&D achieved over 100% of their goals established in FY08. These goals should not be used as a guide for a percentage of measurement but as a reference that represents a portion of the many things an ARDOR does. Some of these goals are on going and may have more of an indirect than a direct effect.

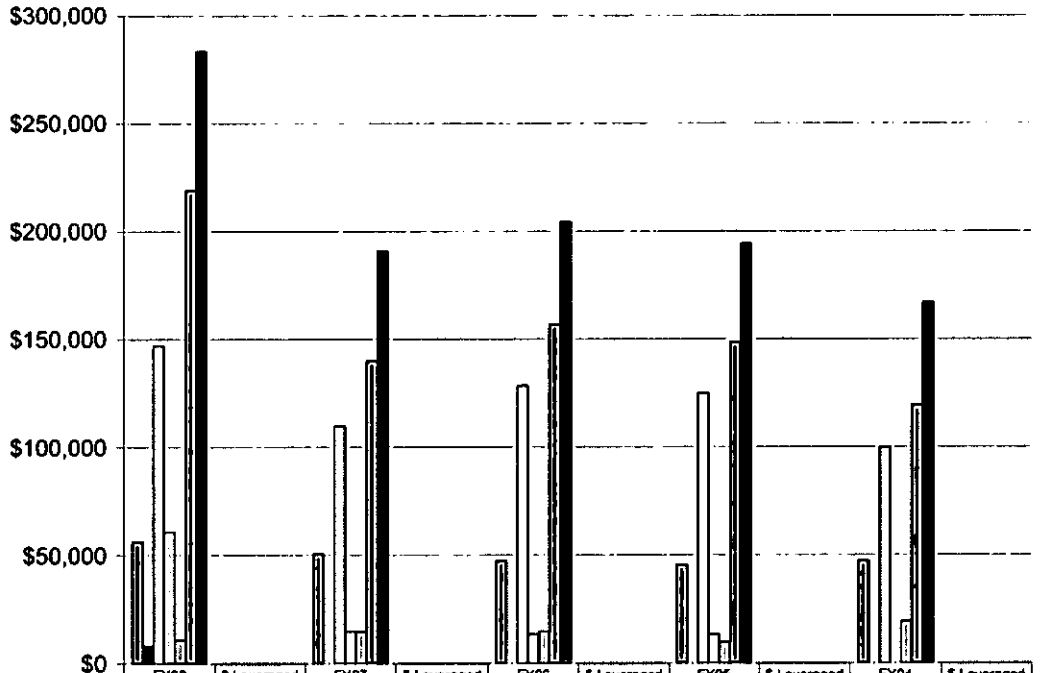
## MAT-SU FY08 Coordinated Regional Efforts Resulting in New Business Opportunities

- Assisted in development of new Valley Creamery utilizing local Dairy Farmers products
- Formation of Mat-Su Economic Enterprise
- Small business consultation by ARDOR staff & community members

## Highlighted Coordinated Regional Efforts

- Partnered with Area Chambers of Commerce & SBDC on Economic Development Conference
- Partnered with local other public & private entities on funding & development of 3.5 mile trail system
- Partnering to help develop anchor attractions and development of Convention Center

### Mat-Su RC&D Funding Sources FY04 - FY08

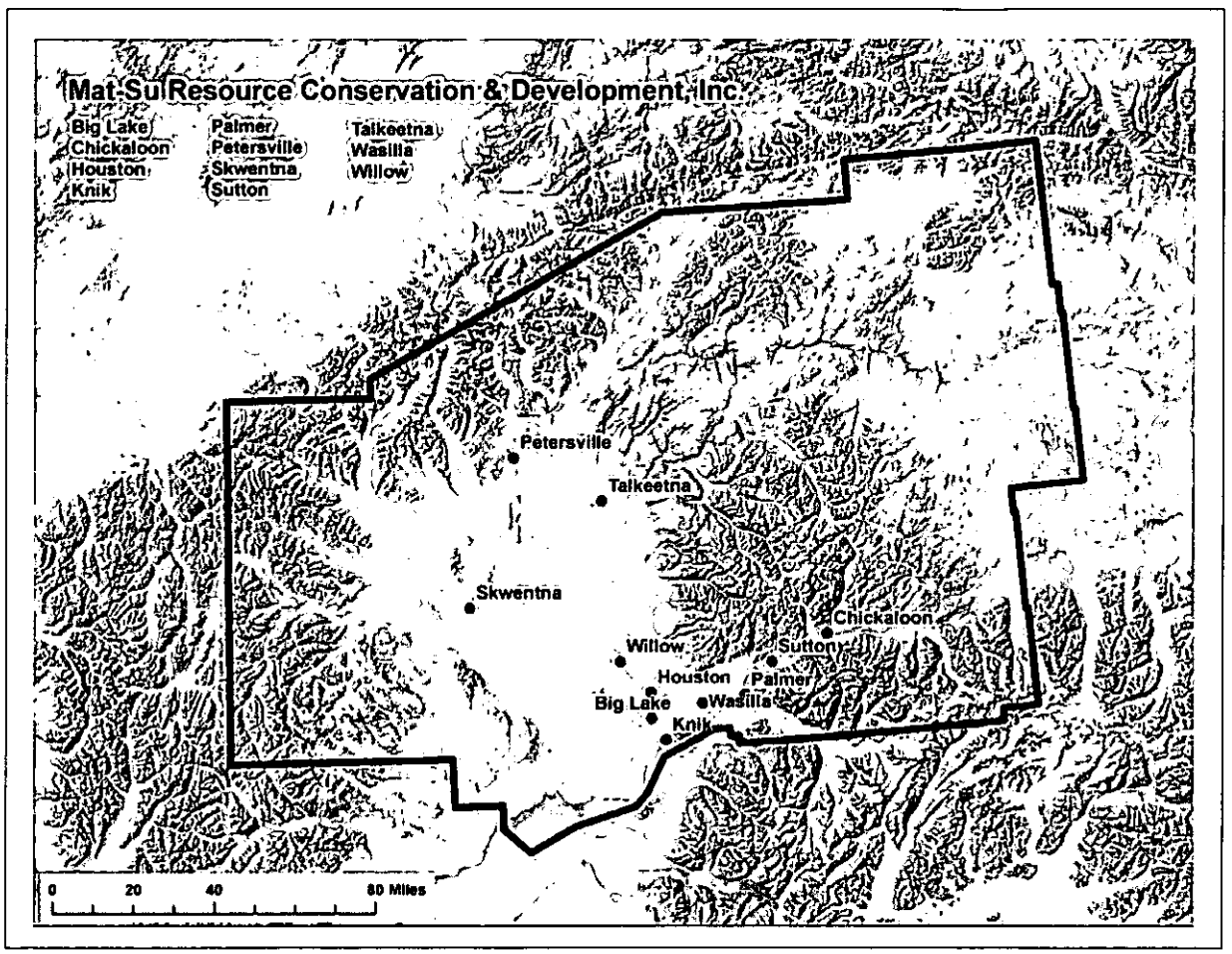



| | FY08 | $ Leveraged | FY07 | $ Leveraged | FY06 | $ Leveraged | FY05 | $ Leveraged | FY04 | $ Leveraged |
|---|---|---|---|---|---|---|---|---|---|---|
| State ARDOR Grant | $56,363 | 0.00 | $50,727 | 0.00 | $47,438 | 0.00 | $45,784 | 0.00 | $47,450 | 0.00 |
| Other State Funds | $8,000 | 0.14 | | | | | | | | |
| Federal Funds | $147,000 | 2.61 | $110,000 | 2.17 | $128,432 | 2.71 | $125,000 | 2.73 | $100,000 | 2.11 |
| Private Sector Funds | $61,000 | 1.08 | $15,000 | 0.30 | $13,500 | 0.28 | $13,500 | 0.29 | $1 | 0.00 |
| Other Non-Federal/Non-State Funds | $11,000 | 0.20 | $15,000 | 0.30 | $15,000 | 0.32 | $10,000 | 0.22 | $19,550 | 0.41 |
| Total without any State Funds | $219,000 | 3.89 | $140,000 | 2.76 | $156,932 | 3.31 | $148,500 | 3.24 | $119,551 | 2.52 |
| Total With ARDOR Grant | $283,363 | 5.03 | $190,727 | 3.76 | $204,370 | 4.31 | $194,284 | 4.24 | $167,001 | 3.52 |

## Current Board of Directors and Contact

**Executive Committee**
Darcie Salmon, President, Vicki Wehe, Treasurer, Al Jorgensen, Secretary, Roger Purcell, Vice-President, Ted Smith, Past President

**Council Members**
Rosemary Burnett, Bill Allen, Rose Marie "Tiny" DePriest, Dave Hanson, Casey Reynolds, Bonnie Quill, Cheryl Metiva, John Douglas, Dick Zoebel, Alfred Tellman, Steve Totten, Robert Burnett, Jim Houston, Billy Stephon, Jackie Kinchloe




**Contact** **Marty Metiva**
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Phone: 907-373-1062 ext 108 Fax: 907-373-1064
E-mail: matsurcd@mtaonline.net Web Address: http://www.matsurcd.com

# Northwest Arctic Borough Economic Development Commission (NWAB)

www.nwabor.org

## Mission Statement

A central mission of the administration of the Northwest Arctic Borough is to promote economic development that is consistent with the traditional culture and values of the people of the region



Information submitted by Jade Hill, Director, Northwest Arctic Borough

## Regional Description

The Northwest Arctic Economic Development Department has been an ARDOR since 1987, and serves the Northwest Arctic Borough, the second-largest borough in Alaska, comprising approximately 35,683 square miles (roughly the size of the state of Indiana) and eleven communities along the Kotzebue Sound, Wullik, Noatak, Kobuk, Selawik, Buckland and Kugruk Rivers. Kotzebue is the transportation and service hub for 10 outlying villages.

The population of the Northwest Arctic Borough was 7,301 in 2003, and according to Alaska Department of Labor & Workforce Development and DCED statistics, there were 2,886 jobs in that same year. Government, mining, health care, transportation, services and construction are the primary economic activities in Kotzebue. In the smaller outlying communities, cash employment is limited to the schools, clinics, local government, Maniilaq Association, and small retail stores. Subsistence is a large part of the Northwest Arctic Borough lifestyle. Seasonal employment includes commercial fishing, fish processing, fire fighting, construction, and barge operations.

According to the 2000 Census, 72% of (ARDOR) residents are a minimum of a high school graduate, and 12.7% have at least a bachelor's degree.

## NWAB FY08 Goals

1. Begin to build the capacity of a smart and flexible workforce and entrepreneurial base to adapt to perpetual changes in technology and anticipate new job markets that meet community demand.
2. Support the Sulianich Arts Center, which will lead to enhanced tourism.
3. Support entrepreneurs and small business development in the region.

## NWAB FY08 Goals Accomplished[11]

1. Briefing papers /budget for the QAI/Sivulliq Nipi (a computer literacy/multi-media literacy/financial literacy apprenticeship) developed *
2. Multi-Media website material developed, Curriculum prepared
3. A yearly total of 15 presentations made on QAI/Sivulliq Nipi
   - Six (6) presentations to the Arctic Economic Development Summit (a collaborative effort between the Northwest Arctic and North Slope Boroughs)
   - Two (2) presentations on KOTZ radio
   - Three (3) presentations to the Northwest Arctic Workforce Development and Education Consortium, and
   - Four (4) Presentations to NAB Assembly aired on KOTZ radio
4. On request, submitted a proposal to the Denali Commission Economic Development Advisory Committee
5. Total artwork sold during the year is $109,446, for 137 artists
6. Provided a place to work/workshops for 1,200 participants in the Maniilaq Alcohol Recovery Program, with workshops in carving, skin sewing and sewing
7. Provided a place to work and master artist guidance for local artists, totaling 1,152 sessions
8. Held Sulianich Association Board Meeting and discussed plan of action to include Sulianich in regional tourism: The board is comprised of local artists, National Park Service, Maniilaq Association, Northwest Inupiaq Housing Authority, Chukchi Campus and Sulianich Arts Center Staff
9. Incorporated Sulianich Arts Center marketing and distribution into QAI Sivulliq Nipi Apprenticeship curriculum as a example entrepreneurial project, to begin once QAI Sivulliq Nipi project is funded
10. Total number of small business grant applicants for the year was 41
11. The amount of Small Business grants awarded was 19 for a yearly total of $28,082. This included incentives for 13 fishermen, totaling $18,876 for nets, motors and fishing licenses
12. 5 applicants were referred to Small Business Development Center

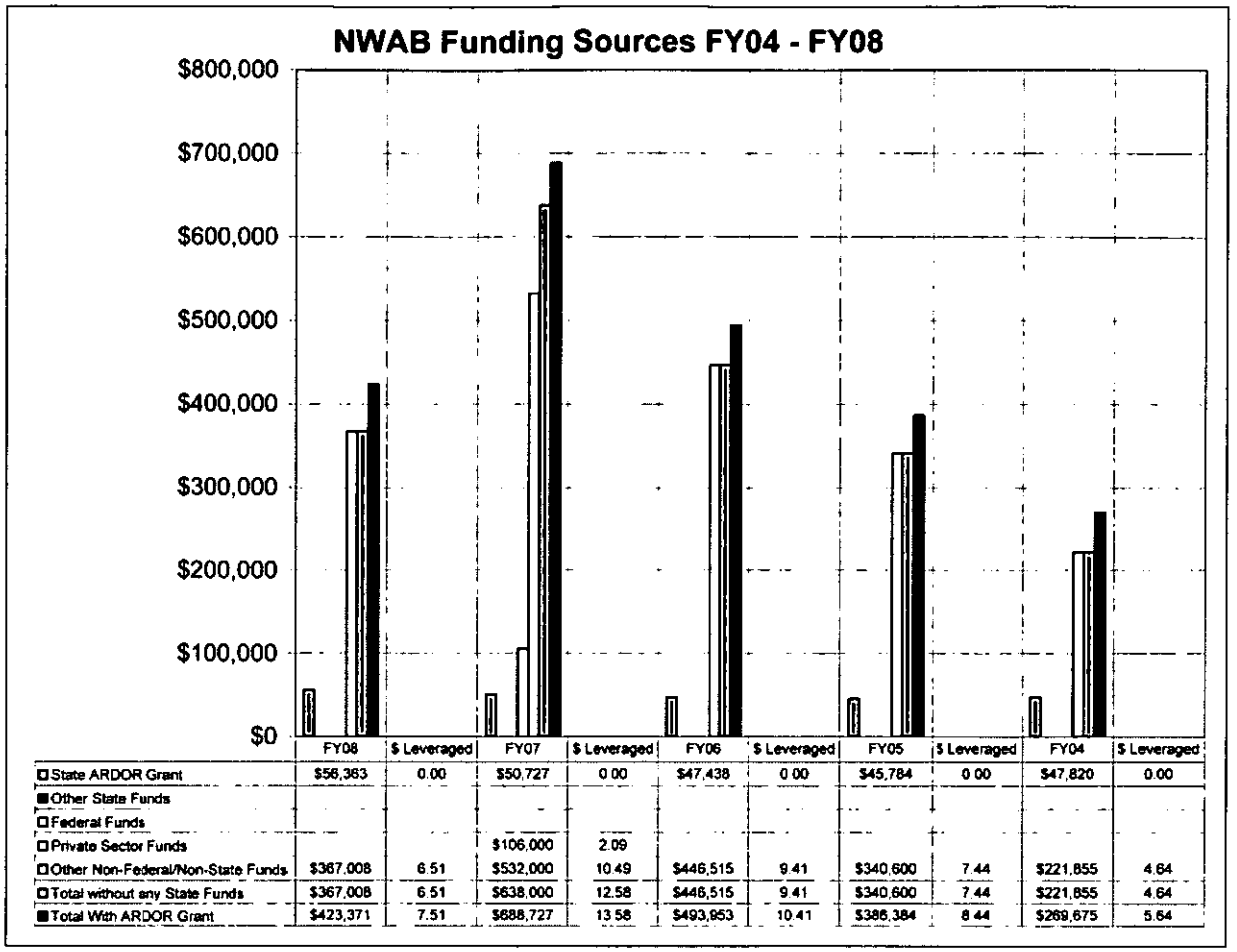
11 NWAB achieved over 100% of their goals established for FY08. These goals should not be used as a guide for a percentage of measurements but as a reference that represents a portion of the many things an ARDOR does.

## FY08 Identified Economic Development Needs and Action Opportunities

- The Northwest Arctic Borough began advancing the idea of promoting and accelerating opportunities for entrepreneurial development and technology advancement in the region through a computer literacy/multi-media literacy/financial literacy project called the QAI Sivulliq Nipi, it became clear how woefully inadequate the bandwidth was to economic development in our region.
- In FY 07/08, NWAB made 'Solicit support for expanding broadband capacity in the Northwest Arctic Borough in preparation for an increasingly technology-based economy' one of our ARDOR goals. The Northwest Arctic Economic Development Department developed the Northwest Alaska Broadband Task Force and held two (2) task force meetings with stakeholders to begin to: assess current broadband conditions, develop a plan to address broadband needs in the region and recommend the plan and regional representation to a proposed Alaska Broadband Task Force in January 09.

## FY08 Coordinated Regional Efforts Resulting in New Business Opportunities

- As regions across the State are addressing the pressing issue of the rising cost of energy, the Northwest Arctic Borough, Maniilaq Association, and NANA initiated planning for a Northwest Arctic Economic Development Summit, in partnership with the Alaska Housing Finance Corporation, Alaska Village Energy Cooperative, the Denali Commission, NOVA Gold, Shell Exploration, and Teck Cominco. The purpose was to bring in approximately 200 participants from communities of the Northwest Arctic region to create localized solutions to the energy crisis. Summit dates: July 29th – 31st, 2008.
- NANA, in partnership with other regional organizations, has also begun developing an energy plan and assessing geothermal, wind, and biomass potential in the region; in part supported by three U.S. Department of Energy grants.
- Our region has also responded with the creation of three (3) energy-related positions at major organizations in the region.
- In addition, with only two (2) energy raters in the region, discussions about training residents to become raters has begun.
- To promote the collaborative effort to find solutions to the energy crisis, prepared script and promo for pre- Summit talk show to include NANA, Northwest Arctic Borough, Maniilaq Association and Northwest Inupiaq Housing Authority representatives; and produced two (2) additional Conservation Tips Public Service Announcements/Promos in advance of Summit. Also assisted with Alaska Energy Authority meeting's airing on KOTZ radio.



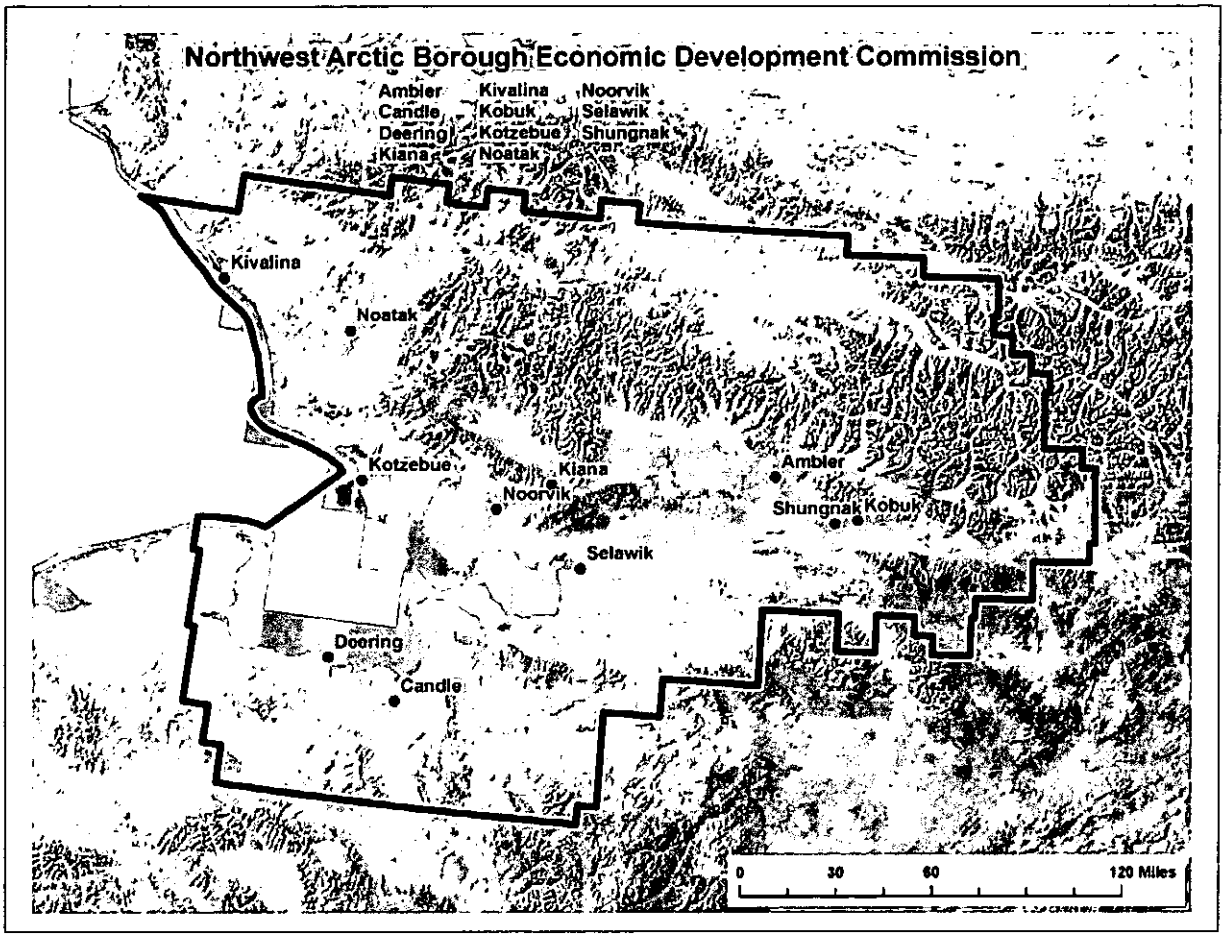

| | FY08 | $ Leveraged | FY07 | $ Leveraged | FY06 | $ Leveraged | FY05 | $ Leveraged | FY04 | $ Leveraged |
|---|---|---|---|---|---|---|---|---|---|---|
| State ARDOR Grant | $56,363 | 0.00 | $50,727 | 0.00 | $47,438 | 0.00 | $45,784 | 0.00 | $47,820 | 0.00 |
| Other State Funds | - | - | - | - | - | - | - | - | - | - |
| Federal Funds | | | | | | | | | | |
| Private Sector Funds | | | $106,000 | 2.09 | | | | | | |
| Other Non-Federal/Non-State Funds | $367,008 | 6.51 | $532,000 | 10.49 | $446,515 | 9.41 | $340,600 | 7.44 | $221,855 | 4.64 |
| Total without any State Funds | $367,008 | 6.51 | $638,000 | 12.58 | $446,515 | 9.41 | $340,600 | 7.44 | $221,855 | 4.64 |
| Total With ARDOR Grant | $423,371 | 7.51 | $688,727 | 13.58 | $493,953 | 10.41 | $386,384 | 8.44 | $269,675 | 5.64 |

## Current Board of Directors and Contact

**Executive Members:**
Lucy Nelson, Chair, Daisy Lambert, Brad Reeve, Jerilyn Sanchez, Jim Somers

**Members:**
Dolly Foster, Frederica Schaeffer, Pauline Pungalik, Diana Ramoth, Julia Cleveland, Miki Jones, Claudia Sampson, Sherry Swan, Johnetta Cleveland, Pearl Moto

**Ex-Officio Members:**
Mayor, Siikauraq Martha Whiting, Borough Assembly Chair, Clement Richards



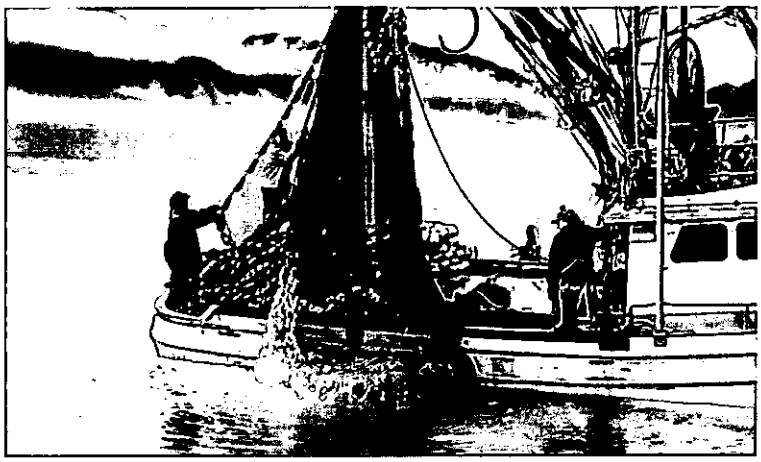

**Contact** **Jade Hill, Executive Director**
Northwest Arctic Borough Economic Development Commission
P.O. Box 1110, Kotzebue, AK 99752
Phone Number: 907-442-2500, Ext. 116 Fax: 907-442-3740
Email: dhamilton@nwabor.org Web Address: www.nwabor.org

# Prince William Sound Economic Development District (PWSEDD)

www.pwsedc.org

## Mission Statement

The mission of Prince William Sound Economic Development District is to serve as a forum for the discussion of regional economic issues and to foster economic growth and job creation through strategic planning and infrastructure development.



Information submitted by Sue Cogswell, Executive Director
Prince William Sound Economic Development District

## Regional Description

Prince William Sound Economic Development Council became an ARDOR on November 1, 1991, and a federal Economic Development District in May, 2001. PWSEDD is the least populated region of the over 300 economic development districts in the United States. The economy is mainly local, state and federal government, shipping of crude oil, freight, fishing and tourism.

Prince William Sound region is located in South Central Alaska, at the north end of the Gulf of Alaska, approximately 1,000 miles northwest of Seattle. This extremely mountainous area covers about 20,000 square miles of water, ice and land, extending from 250 miles east/west from Icy Bay to the eastern boundaries of the Anchorage Municipality and Kenai Peninsula Borough on the west. On the south, the area is bounded by the Gulf of Alaska.

The population of Prince William Sound is 6,157, according to the Alaska Department of Labor & Workforce Development and DCED statistics. There are approximately 3,686 jobs in the region, mainly in the petroleum industry, fishing, government services, health, education, transportation and tourism. Subsistence is practiced by the region's Native people.

## PWSEDD FY08 Goals

- Increase Tourism
- Support fishing industry
- Diversify local economies/improve energy resources/transportation

## PWSEDD FY08 Goals Accomplished[12]

**Increase Tourism**

1. Prince William Sound Marine Trail System, a project involving our five communities, Chugach National Forest, National Wildlife Federation, U. S. Forest Service, Alaska Department of Natural Resources, Division of Parks and Outdoor Recreation, Alaska Geographic Society, National Geographic Society and PWSEDD, has held community meetings, met with land owners, stake holders, and others to form a marine trail system, similar to the SEATRAIL System in Southeast Alaska.
   - The final map will show:
     i. recreational boaters, motor or sail, kayakers, areas for camping, hiking, birding, etc., in consideration of private lands, archeological sites and other regions not desiring visitors.
     ii. Safety information will also be provided with the GeoMap. A Memorandum of Agreement is being drafted currently, and funding is being sought for the project.
2. PWSEDD and its directors continue efforts to promote adventure and eco-tourism which we are seeing definite results. In June, 2008, Princess Cruises returned to Valdez after 10 years and will offer 8 cruises this summer. "Connoisseur Gulf of Alaska" received a huge welcome in Valdez. This resulted from ARDORs working with local visitor bureaus in Valdez, Glennallen and Fairbanks called "Alaska's Adventure Corridor, Let the Adventure Begin!" marketing tourism along the Richardson Highway and Wrangell St. Elias National Park.
3. Major improvements have been made to the Valdez city dock, recently named John Kelsey Memorial Dock, will include installation of new security gates, a federal requirement to control unauthorized access to the area when cruise ships and other vessels are docked.
4. 150 private planes and pilots participated in the Valdez Fly-In, May 9, 10, 11th, with an estimated crowd of over 2,000 watching the aerobatic, STOL (short take-off and landing), HRM Prince William, was invited as a guest of honor, as he is a pilot. The Prince's private secretary sent regrets, as Prince William was visiting Afghanistan. The "2007 Fly-In DVD," and "Prince William Sound, Up Close" was provided for Prince William's viewing pleasure.
5. FLYING MAGAZINE, Nov. 05, featured the Valdez Fly-In, at PWSEDD's invitation. We will continue our efforts to publicize this event, as aviation is vital to Alaska's economy. Two new exhibits planned for the Whittier museum will feature the U. S. Coast Guard Rescue Missions and the contribution of early Alaska Native pilots.
6. We worked with Euro-Alaska Tours each fall and winter to provide our Prince William Sound rack cards and brochures to the German tourism shows. This is a tremendous opportunity to show DVDs of our events and spectacular scenery, as the Euro-Alaska Tour staff is very familiar with our region and the amenities we offer.

12 This measure counts many ARDOR activities, and may not reflect the breadth and scope of the functions performed by an ARDOR in its respective region. For example, many ARDORs provided services that ranged from technical training on small business development and provided small business loans to grant writing.

**Fishing Industry/Energy Conservation**

7. Working with grants received from the Alaska Department of Commerce, Community, and Economic Development, Denali Commission, USDA, and the Economic Development Administration, PWSEDD is supporting Valdez Fisheries Development Association's effort to build a regional cold storage facility/processing capability for fishermen in Prince William Sound, as well as agricultural entities inland.
   - This facility will be powered by Waste Energy supplied by Valdez PetroStar Refinery.
   - A 5 year plan first provided the local workforce with training to become Certified Seafood Processors, using state-of-the-art equipment in the VFDA plant. This course was provided for fishing communities in Alaska in partnership with the university system.
8. Fish returning from the VFDA's hatchery operations will be a main source of product for the cold storage and processing plant. Plant design allows for shutdown of unused portions of the facility when there are fluctuations in demand for cold storage.
9. Ground breaking for the new "Green" cold/warm storage plant is scheduled for June, 2008.

**Energy**

10. PWSEDD attended several meetings with the Alaska Energy Authority in Anchorage and Valdez, the most recent at the Denali Commission office on June 26th. Also had an opportunity in May 2008, to see a geo-thermal energy project in Sheridan, Wyoming. This $100,000 system will heat and cool a 25,000 sq. ft. historic hotel being restored in that city.
11. Cordova is improving its hydro facility at Humpback Creek. The Village of Eyak is studying a wind generation system. Chenega Bay is planning a hydro plant. All communities are seeking cheaper alternative energy. Chenega Bay recently had funding approved by the Denali Commission for a feasibility study regarding a hydro plant.

**Military**

12. The City of Valdez is worked with 65 members of the U.S. Army 95th Chemical Company to train with local responders, the U. S. Coast Guard, local hospital, Dept. of Transportation, Valdez and Alyeska fire department, in the event of a chemical or biological threat in June, 2008.
13. Valdez also works with the military to provide camping grounds for military personnel and their families.

## PWSEDD FY08 Identified Economic Needs and Action Opportunities

1. An All Alaska Natural Gas Pipeline from the North Slope to Valdez is the greatest economic need.
   - PWSEDD board members Dave Cobb and Dave Dengel have been proponents and active participants of this project since its conception. The Alaska Gasline Port Authority has recently been joined by the Mitsubishi Corporation. Valdez City Attorney and AGPA's project manager Bill Walker says this partner is "probably the most encouraging development we have heard". Mitsubishi provides one half of the natural gas imported to Japan and is prominent in markets in China, as well. AGPA's leaders say they have permits and all aspects to build a pipeline more expediently than the Canadian line now under consideration, but can create a partnership for both entities.
   - The All Alaska Natural Gas Pipeline is a regional effort that will provide many new employment opportunities to our region's population, and is jointly supported by all cities and villages in Prince William Sound.
2. Valdez Fisheries Development Association's new cold/warm storage facility will offer all fishermen in our region, as well as nearby inland communities the opportunity to process a larger variety of seafood, produce, throughout the entire year. It's a great opportunity to "value-add" increased profitability to fishermen and farmers.

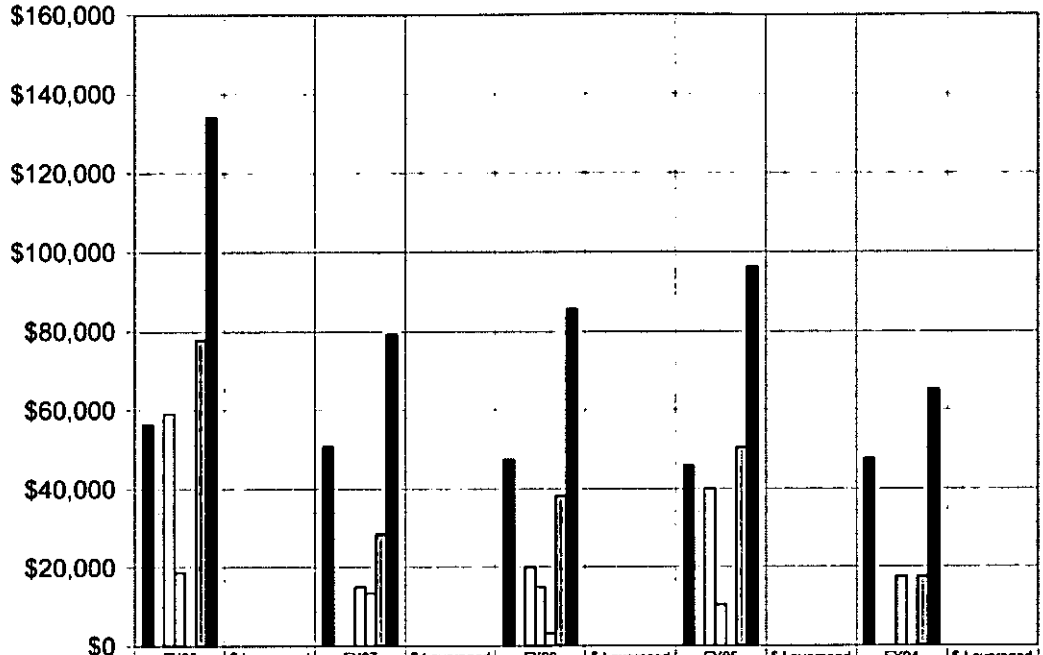
## PWSEDD FY08 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Construction will begin this summer on the new Valdez Fisheries Cold Storage facility that will offer new business opportunities.
2. New Business opportunities are now available for the tourism industry as major cruise lines are now visiting the Port of Valdez, the City of Whittier is benefiting by the 211,000 passengers disembarking at their port..

## PWSEDD FY08 Highlighted Coordinated Regional Efforts

1. Cold Storage/Processing Plant/Valdez, New Hydro/Wind/Thermal Energy explorations, Increased cruise ship dockings
2. Private Enterprise, Reynolds Alaska LLC guide/outfitting stores/hunting trips/Valdez, Alpine Properties - Cordova residential developed Eyak Lake, first 13 properties now available.
3. HYDRO Construction in Cordova and Chenega Bay - A new business for sporting goods has opened in Valdez, and will offer exclusive flights to the Russian Far East for bear hunters, (in the former State of Alaska jet). About 10 jobs have been added for this business.

## PWSEDD Funding Sources FY04 - FY08

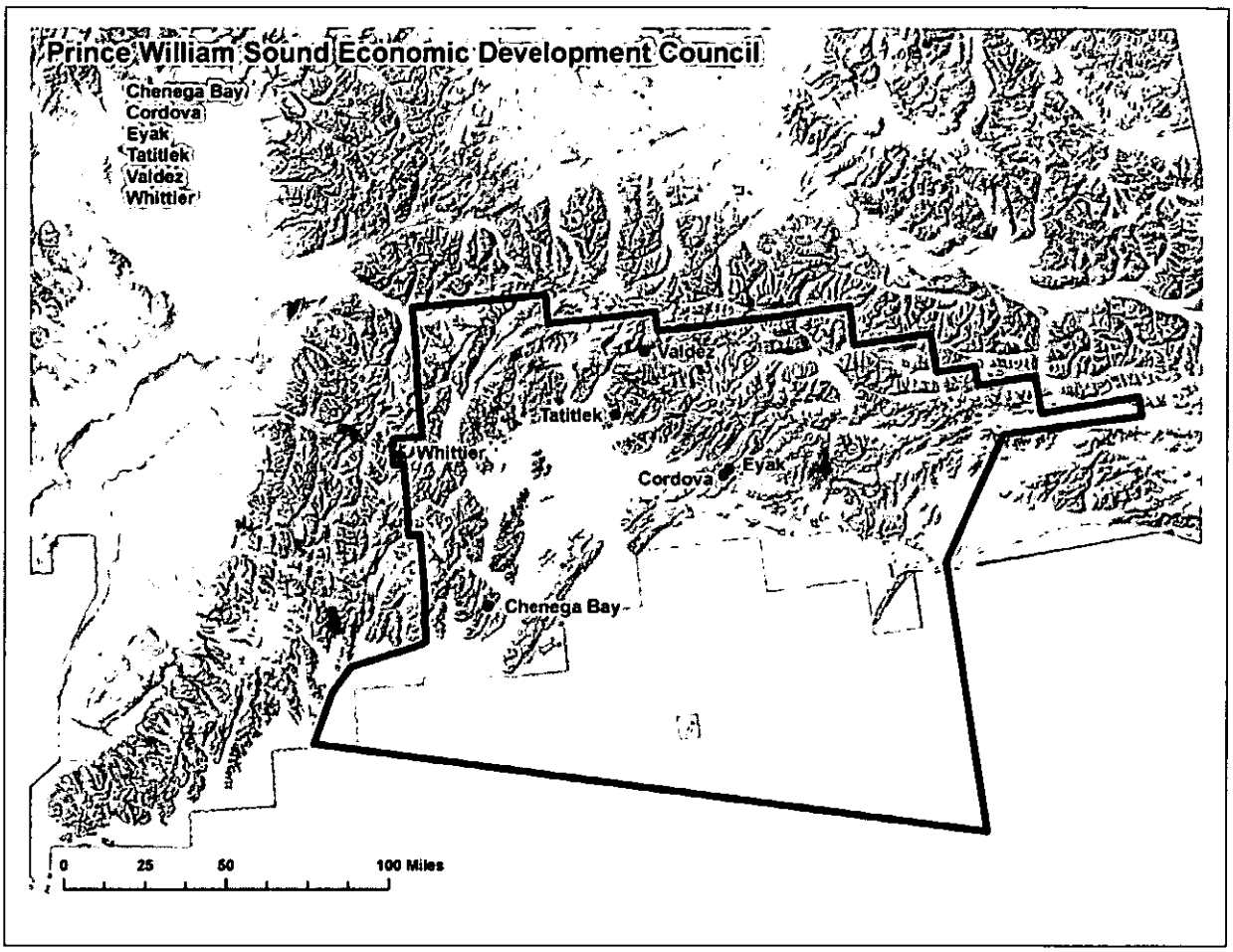



| | FY08 | $ Leveraged | FY07 | $ Leveraged | FY06 | $ Leveraged | FY05 | $ Leveraged | FY04 | $ Leveraged |
|---|---|---|---|---|---|---|---|---|---|---|
| State ARDOR Grant | $56,363 | 0.00 | $50,727 | 0.00 | $47,438 | 0.00 | $45,784 | 0.00 | $47,620 | 0.00 |
| Other State Funds | | | | | | | | | | |
| Federal Funds | $59,000 | 1.05 | | | $20,000 | 0.42 | $40,000 | 0.87 | | |
| Private Sector Funds | $18,769 | 0.33 | $15,000 | 0.30 | $15,000 | 0.32 | $10,500 | 0.23 | $17,582 | 0.37 |
| Other Non-Federal/Non-State Funds | | | $13,470 | 0.27 | $3,162 | 0.07 | | | | |
| Total without any State Funds | $77,769 | 1.38 | $28,470 | 0.56 | $38,162 | 0.80 | $50,500 | 1.10 | $17,582 | 0.37 |
| Total With ARDOR Grant | $134,132 | 2.38 | $79,197 | 1.56 | $85,600 | 1.80 | $96,284 | 2.10 | $65,202 | 1.37 |

## PWSEDD Current Board of Directors and Contact

**Executive Members**
Dave Dengel, Pres. - Dave Cobb, V. Pres. - Clay Koplin, Treas. - Capt. Marilynn Heddell, Sec. – Peter Denmark - Clay Koplin - Michael Vigil - Chuck Totemoff - David Totemoff

**Members**
David Totemoff, Charles W. Totemoff, Mark Ernest, Michael J. Vigil, Scott A.Hahn




**Contact** **Sue Cogswell, Executive Director**
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E-Mail: sue_cogs@yahoo.com Web Address: http://www.pwsedd.org

# Southeast Conference (SEC)

www.seconference.org

## Mission Statement

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



Information submitted by Shelly Wright, Executive Director
Southeast Conference

## Regional Description

Southeast Conference Economic Development District is a nonprofit membership organization that advances the collective interests of the people, communities and businesses of Southeast Alaska. It is the Alaska Regional Development Organization (ARDOR) for Alaska and also the U.S. Dept. of Agriculture (USDA) Resource Conservation and Development Council (RC&D) representing Southeast Alaska.

Southeast Conference is managed by a board of 13 directors (seven public, six private) and is funded primarily by legislative appropriations to the ARDOR, federal allocations to the RC&D, and membership fees. Southeast Conference membership is open to entities that support its mission: to help develop strong economies, healthy communities, and a quality environment in Southeast Alaska. There are approximately 150 dues-paying members include municipalities, state and federal agencies, businesses, tribal organizations, individuals, nonprofits and chambers of commerce.

In 2007, about 69,328 people, or 10.2 percent of the state's residents, lived in Southeast Alaska. The number of jobs in Southeast Alaska rose slightly in 2007 for the third straight year, up 0.5 percent from 2006, according to the Alaska Dept. of Labor and Workforce Development (ADLWD). The ADLWD estimates that the region will gain more jobs in 2008 but the school enrollments and the population decrease speaks differently.

## SEC FY08 Goals

1. Community Development: Southeast Conference will undertake, advocate, support, and assist in development, maintenance, and enhancement of public infrastructure.
2. Economic Development: Support and assist in planning and execution of local and regional economic development efforts and projects.
3. Environmental Assistance: Support and assist communities, boroughs, and other organizations in efforts to sustain and improve the quality of the region's environment.

## SEC FY08 Goals Accomplished[13]

1. Alaska Marine Highway vessel replacement fund and the maintenance fund was funded for the first time in many years. There will be a three year schedule.
2. Swan-Tyee will be complete in 2009. Funds are secured for the development stages of Kake-Petersburg intertie. Reynolds Creek project is in the design stage. Craig became the first town in Alaska to successfully use wood waste as heating fuel. Craig found federal and state funding sources for it 1/5 million project and contributed approximately $90,000 in local money. Other communities are now investing in similar plans and Craig is offering to share its experience with this pilot program.
3. Ketchikan Shipyard is completing the civil engineering work necessary for the installation of a second ship lift. The additional dry-dock will create more jobs and expand the capacity of the shipyard, allowing it's operator, Alaska Ship and Drydock Inc., to handle more vessel repair and construction work.
4. Tongass Land Management Plan is in the implementation stages and we are working closely with the Forest Service.
5. $25,000 was distributed to Southeast students in scholarship funds.
6. We began working with Alaska Workforce Development Investment Board as the Regional Advisory Council to begin the training and development of vocational institutions in Southeast Alaska.
7. We are in the beginning stages of the Regional Solid Waste Authority. We are developing the enabling ordinance for the authority, bringing as many communities as we can into the authority.
8. Two major port projects are underway for Hoonah: state ferry terminal improvements and the new Industrial Marine Project with boat haul-out facility.

## SEC FY08 Identified Economic Development Needs and Action Opportunities

- Electrical Intertie and Regional Energy Authority
- Alaska Marine Highway System Organizational Plan
- Regional Solid Waste Authority (Management Plan and Facility)
- Economic Inventory of SE Alaska Communities - Vocational training facilities and on the job training is of great importance to Southeast Alaska.

13 SEC achieved over 100% of the goals reported for FY08. These goals should not be used as a percentage of measurement but as a reference that represents a portion of what the ARDOR does.

The major issue or crisis facing the region in 2008 and into the future is the declining population of Southeast Alaska. Most of the decline is due to migration based on lack of viable jobs. The challenge is to create long term, economically and environmentally sustainable year round jobs that pay a wage to support a family.

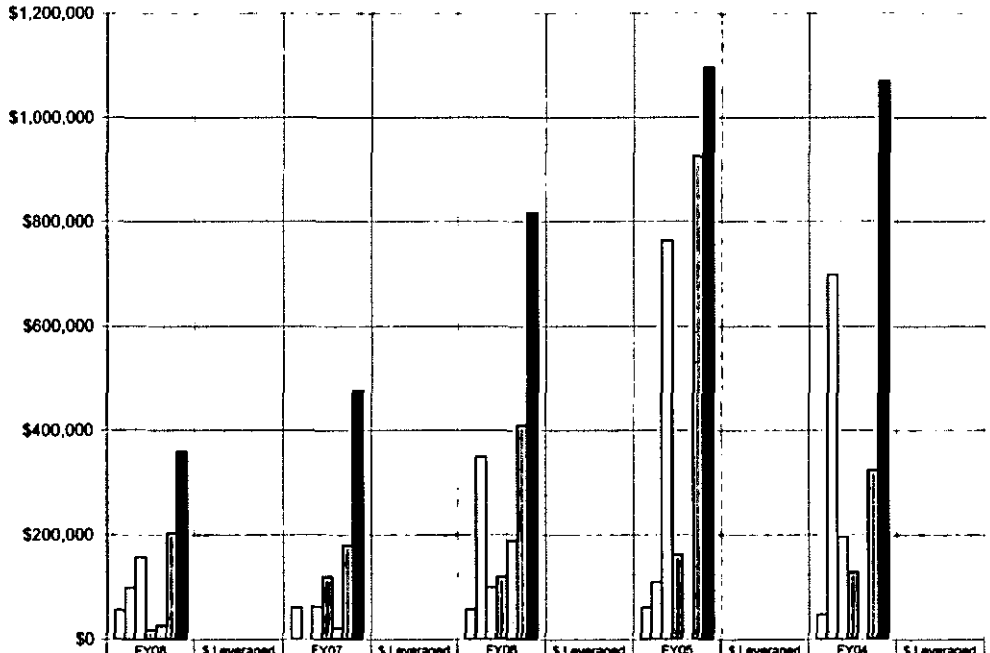
## SEC FY08 Coordinated Regional Efforts Resulting in New Business Opportunities

- We held a "Be Your Own Boss" workshop in March. We started a network for business owners in Southeast Alaska. The network continues to communicate on regional business issues.
- Strategic Planning for Communities workshops were held and will continue to be facilitated by Southeast Conference and Central Council of Tlingit & Haida Tribes of Alaska.

## SEC Highlighted Coordinated Regional Efforts

- Affordable, renewable energy, Southeast Alaska intertie
- Upgraded reliable transportation, Marine Transportation Advisory Board
- Workforce Development, Regional Advisory Council

### SEC Funding Sources FY04 - FY08




| | FY08 | $ Leveraged | FY07 | $ Leveraged | FY06 | $ Leveraged | FY05 | $ Leveraged | FY04 | $ Leveraged |
|---|---|---|---|---|---|---|---|---|---|---|
| State ARDOR Grant | $56,363 | 0.00 | $61,060 | 0.00 | $57,771 | 0.00 | $61,284 | 0.00 | $47,823 | 0.00 |
| Other State Funds | $100,000 | 1.77 | | | $350,000 | 6.06 | $110,000 | 1.79 | $698,554 | 14.61 |
| Federal Funds | $158,000 | 2.80 | $63,000 | 1.03 | $100,000 | 1.73 | $764,000 | 12.47 | $195,601 | 4.09 |
| Private Sector Funds | $18,769 | 0.33 | $120,443 | 1.97 | $120,000 | 2.08 | $162,000 | 2.64 | $128,350 | 2.68 |
| Other Non-Federal/Non-State Funds | $26,700 | 0.47 | $22,537 | 0.37 | $190,000 | 3.29 | | | | |
| Total without any State Funds | $203,469 | 3.61 | $181,060 | 2.97 | $410,000 | 7.10 | $926,000 | 15.11 | $323,951 | 6.77 |
| Total With ARDOR Grant | $359,832 | 6.38 | $477,120 | 7.81 | $817,771 | 14.16 | $1,087,284 | 17.90 | $1,070,328 | 22.38 |

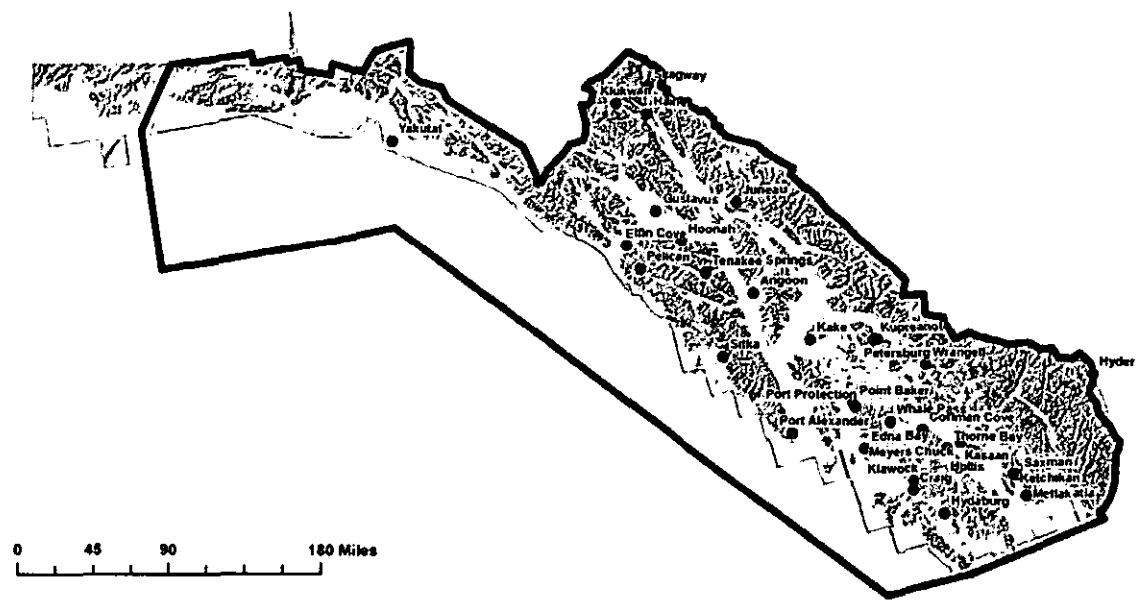
## SEC Current Board of Directors and Contact

**Executive Committee:**
Jon Bolling, President - Mike Korsmo, Vice President - Linda Snow, Treasure - Paul Axelson, Secretary

**Members:**
Maxine Thompson, J.C. Conley, Julie Decker, Randy Wanamaker, John Stein, Robert Venables, Leo Luczak, David Stone, Carol Rushmore

### Southeast Conference

| | | | | |
|---|---|---|---|---|
| Angoon | Hoonah | Klukwan | Port Protection | Wrangell |
| Coffman Cove | Hyder | Kupreanof | Saxman | Yakutat |
| Craig | Hydyaburg | Metlakatla | Sitka | |
| Edna Bay | Juneau | Meyers Chuck | Skagway | |
| Elfin Cove | Kake | Pelican | Tenakee Springs | |
| Gustavus | Kasaan | Petersburg | Thorne Bay | |
| Haines | Ketchikan | Point Baker | Whale Pass | |
| Hollis | Klawock | Port Alexander | | |




**Contact** **Shelly Wright, Executive Director**
Southeast Conference
P.O. Box 21989
612 W. Willoughby Ave, Juneau, Alaska 99802
Phone: (907) 523-2327 Fax: (907) 463-5670
E-mail: shellyw@seconference.org Web Address: www.seconference.org

# Southwest Alaska Municipal Conference (SWAMC)

www.swamc.org

## Mission Statement

Purpose: To advance the collective interests of Southwest Alaska people, businesses, and communities, and help to promote economic opportunities to improve the quality of life and influence long-term, responsible development in the region.



Information submitted by: Mike Catsi, Executive Director
Southwest Alaska Municipal Conference

## Regional Description

SWAMC has been an ARDOR since 1988, and serves the three sub-regions of Southwest Alaska: the Aleutian/Pribilofs, Bristol Bay, and Kodiak. SWAMC was formed out of the common interests of the region encompassing the Aleutians East Borough, the Aleutians West Census Area, the Bristol Bay Borough, the Dillingham Census Area, the Kodiak Island Borough, and the Lake & Peninsula Borough. In 1988, municipal leaders from the region forged a partnership to advocate for the needs of rural communities and the responsible development of the region's core economic sector - commercial seafood harvesting and processing.

As of the 2000 Census, Southwest Alaska had just over 30,000 residents living in fifty-four communities within the region. The combined area of the four boroughs and two census areas equal 93,875 square miles, 61,000 of which is land mass. The labor force in Southwest Alaska is structured to respond to the direct demands of the commercial seafood industry, as well as support functions ancillary to that industry. Fluctuations of seafood prices have left some regional communities and residents searching to develop other income sources. Soaring fuel costs have also dampened much of the historical fishing activity in the region. Limited infrastructure in the area determines much of market activity that takes place in Southwest Alaska. It is important for local communities to develop their own economies and resources to avoid being too dependent on outside service providers, where cost variances displace a large chunk of discretionary incomes.

## SWAMC FY08 Goals

1. Obtain funding appropriation for Alaska Department of Fish and Game (ADF&G) to develop a new seafood crew member database.
2. Partner with community representatives and regional entities to identify areas of economic opportunity, especially in tourism and small business development.
3. Drive down or stabilize energy costs through renewable and alternative energy systems, as well as the pursuit of regional fuel-buying coops.
4. Strengthen regional relationships among other development organizations, agencies, and businesses to ensure communicated needs and opportunities.
5. Host stakeholder meeting in the region to determine interest in forming coordinated backhaul strategies and other solid waste solutions.
6. Contribute to ARDOR reauthorization legislation.
7. Provide an effective and informational annual economic summit and membership meeting for SWAMC members and other development stakeholders.

## SWAMC FY08 Goals Accomplished[14]

1. SB 221, the State capital budget, included $150,000 to develop a fisheries crew member database, to be taken up by ADF&G.
   - This database will help put fishing communities on equal footing with other industry-based communities w/ better labor data, and will open up increased grant, loan, and trade adjustment opportunities.
2. Worked toward setting up an energy strategy for the region by developing and adopting a new Southwest Alaska Comprehensive Energy Policy which focuses on short-, mid-, and long-term goals and objectives to meeting our region's energy needs. Various energy resources and development needs were taken into consideration with the formulation of the policy.
3. Helped lead the charge in getting ARDOR reauthorization with a new 5 year reauthorization period.
4. SWAMC capitalized on a small business opportunity to offer four technical assistance workshops to small business owners and potential operators (including fishing and tourism) in the region in FY09, with the hope that these workshops will build capacity and create new opportunities for Southwest Alaskans.
5. The trainings are anticipated to save or create 50 jobs in the region (based on workshop participation).
6. Held economic summit and membership meeting in Jan. –Feb. 2008, attended by over 130 stakeholders and agencies, and featured topics such as entrepreneurship & small business financing, port and harbor development, seafood marketing, and a renewable energy workshop.

14 SWAMC accomplished 100% of the reported goals in FY07. These goals should not be used as a guide for a percentage of measurement but as a reference that represents a portion of the many things an ARDOR does.

## SWAMC FY08 Identified Economic Development Needs and Action Opportunities

- Need to continue working with state agencies and stakeholders to find the best and most effective crewmember database system for all involved.
- Opportunity to partner with Alaska Municipal League (AML) and other organizations to lobby effectively on behalf of Southwest communities. New efforts will concentrate on a Broadband Task Force and more legislation that will benefit responsible economic development in rural Alaska.
- Need to partner with Bristol Bay area entities to get the necessary training, funding, and waste inventories to get a backhaul barge up and running in FY09.
- Opportunity to work with other regional development agencies (Community Development Quota groups, for example) to deliver more technical assistance workshops and work in developing a tourism strategy for Southwest Alaska.
- SWAMC has laid the groundwork to host a dialog to take place between economic developers, resource developers, and the environmental community regarding appropriate and sustainable economic development in Alaska.

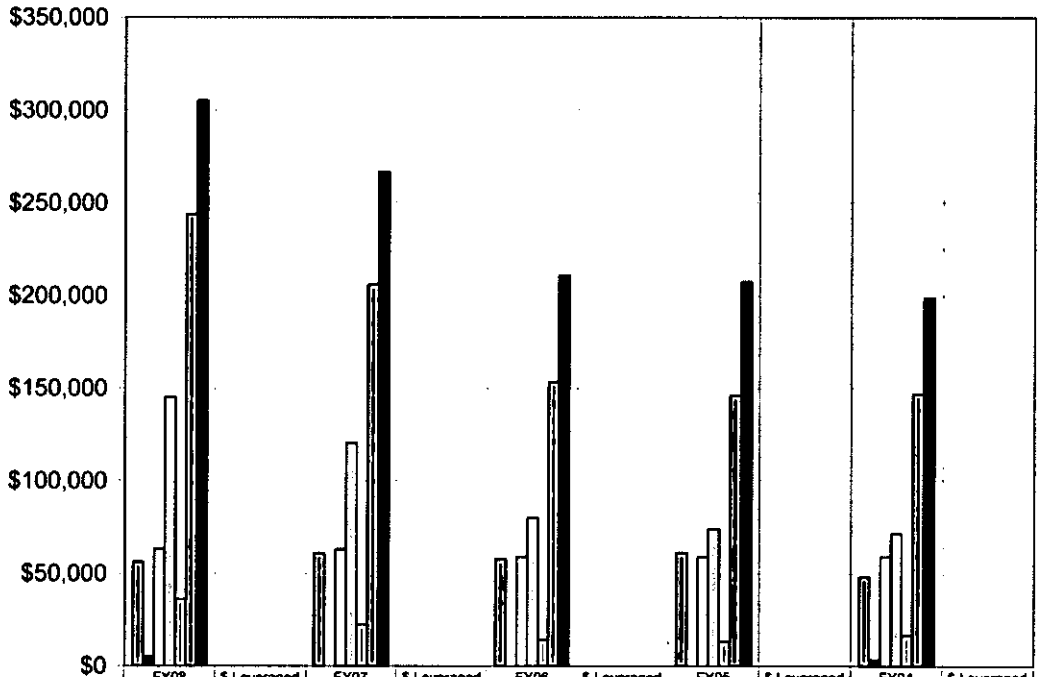
## SWAMC FY08 Coordinated Regional Efforts Resulting in New Business Opportunities

- SWAMC partnered with USDA Rural Development to provide a renewable energy workshop in conjunction with the Annual Economic Summit. The energy workshop drew over 40 participants and spawned ideas ranging from local tidal energy and in-stream hydro to village solar panel banks and swamp methane capture for energy.
- SWAMC partnered with University of Alaska- Bristol Bay Campus to sponsor the first Western Alaska Interdisciplinary Science Conference (WAISC) to help generate new enthusiasm for science and education in the region and to develop new science-based research opportunities. Over 100 people attended the Conference.
- In conjunction with WAISC, SWAMC partnered with Bristol Bay Native Corporation to host a recycling/backhaul coordinators meeting. There were 40 landfill operators and environmental coordinators in attendance. The backhaul effort could spur more revenue for communities and free up more landfill space.

## SWAMC Coordinated Regional Efforts

SWAMC teamed up with several community leaders in the Southwest region, along with the area's Legislative delegation to gain funding for the new crew member database system. SWAMC began partnering with regional landfill operators and EPA IGAP Coordinators to start a regional backhaul and recycling program. SWAMC's Energy Task Force continues to receive guidance from several energy sector representatives. The organization also played a prominent role in the legislative efforts of the Alaska Municipal League during the past session to ensure progress on important economic development issues like education funding, PERS/TRS relief, community revenue sharing, and a renewable energy fund.

### SWAMC Funding Sources FY04 - FY08

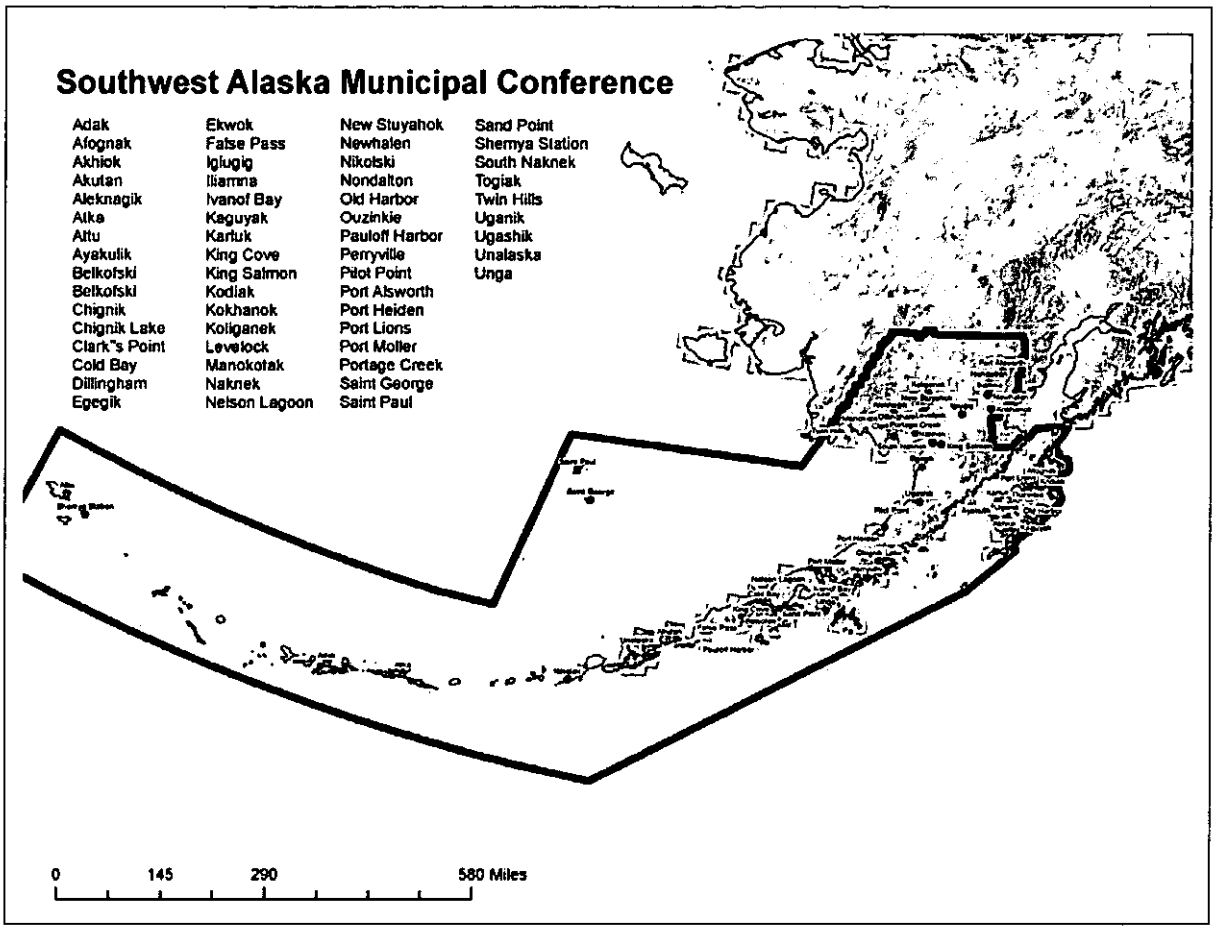



| | FY08 | $ Leveraged | FY07 | $ Leveraged | FY06 | $ Leveraged | FY05 | $ Leveraged | FY04 | $ Leveraged |
|---|---|---|---|---|---|---|---|---|---|---|
| State ARDOR Grant | $56,363 | 0.00 | $61,060 | 0.00 | $57,771 | 0.00 | $61,284 | 0.00 | $48,170 | 0.00 |
| Other State Funds | $5,000 | | | | | | | | $3,550 | 0.07 |
| Federal Funds | $63,000 | 1.12 | $63,000 | 1.03 | $59,000 | 1.02 | $59,000 | 0.96 | $59,000 | 1.22 |
| Private Sector Funds | $145,093 | 2.57 | $120,443 | 1.97 | $80,000 | 1.38 | $74,000 | 1.21 | $71,500 | 1.48 |
| Other Non-Federal/Non-State Funds | $36,000 | 0.64 | $22,537 | 0.37 | $14,320 | 0.25 | $13,362 | 0.22 | $16,600 | 0.34 |
| Total without any State Funds | $244,093 | 4.33 | $205,980 | 3.37 | $153,320 | 2.65 | $146,362 | 2.39 | $147,100 | 3.05 |
| Total With ARDOR Grant | $305,456 | 5.42 | $267,040 | 4.37 | $211,091 | 3.65 | $207,646 | 3.39 | $198,820 | 4.13 |

## SWAMC Current Board of Directors and Contact Information

**Executive Committee:**
Tom Abell – President, Glen Gardner - V. President, Alice Ruby – Secretary/Treasurer

**Members:**
Shirley Marquardt, Kara Sandvik, Deborah King, Linda Freed, Bill Hester, Joe Sullivan, Ernest Weiss




**Contact** **Michael Catsi, Executive Director**
Southwest Alaska Municipal Conference
3300 Arctic Boulevard, Suite 203 Anchorage, AK 99503
Phone Number: 907-562-7380 Fax: 907-562-0438
E-Mail: mcatsi@swamc.org Web Address: http://www.swamc.org

| (What services do you provide as an organization) | Sounding Board & Referrals | Business Training | Develop Business plan | Manufacturing | Business Expansion | Business Credit Counseling | Personal Credit Counseling | Business Loans | Business Loan Guaranty | Market Strategies/ Planning | Marketing Resource | Market Research | Information on Region | Retail Business | Hospitality Business | Health Care Business | Information on Licenses & Permits | Information on Nonprofits | Number of Staff | List a minimum of "Three" other services you might offer not listed. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **AEDC** | X | | | | X | | | | | X | | | X | | | | | | 7 | 1) Implement and sustain an external marketing program focused on attracting businesses<br>2) Act as "clearinghouse" for business opportunities and generate as many viable ones as possible for investors<br>3) Partner with local economic research firms and/or organizations. Respond to research inquiries and refer to appropriate data source |
| **BSDC** | X | X | X | X | X | X | X | | | X | X | | X | X | X | X | X | | 3 | 1) Regional Community Planning<br>2) Small Business Development<br>3) Rural Infrastructure and Economic Development<br>4) E-Commerce and Manufacturing<br>5) Artist Development |
| **CVDA** | X | X | X | | X | | | | | X | X | | X | | | | X | X | 2 | |
| **FNSB** | X | | | | | X | | | | | | | X | | | | X | | 1 | 1) Research & analysis<br>2) planning<br>3) VISTA umbrella<br>4) pilot projects with partners;<br>5) work econ dev projects with partners<br>6) quarterly economic analysis<br>7) Partner with local economic research firms and/or organizations. |
| **IRRC&D** | | | | | | | | | | | | | | | | | | | | New ARDOR 2008 |
| **KPEDD** | X | | | X | X | X | | X | | X | | | X | X | X | | X | | 2 | |
| **LKEDC** | X | | | | X | X | X | | | X | | X | X | X | X | | X | X | 1 | 1) Regional initiatives<br>2) Legislative Advocacy |
| **Mat-Su RC&D** | X | | | X | | | | | | X | X | | X | X | X | | X | X | 1 | |
| **NWAB** | X | X | | | | | | | | X | X | | X | | | | X | X | 1 | 1) Regional Planning<br>2) Workforce Development<br>3) Research and Analysis |
| **PWSEDD** | X | | | X | X | | | X | | X | | | X | X | X | X | X | X | 1 | |
| **SEC** | X | | | | | | | | | X | X | X | X | | | | | X | 2 | 1) EDD, RC&D, and Workforce Development.<br>2) Regional Planning for transportation, energy resources, solid waste, timber development, mining development, fisheries development, health care and education<br>3) legislative Advocacy<br>4) Regional Forum |
| **SWAMC** | X | X | | | | | | | | | | | X | | X | | | | 2.5 | 1) Regional Planning<br>2) legislative Advocacy<br>3) Regional Forum<br>4) Workforce Development |

APPENDIX A - ARDOR Resource Chart





# Alaska Regional Development Organizations Contacts

APPENDIX B - ARDOR Contacts

**ANCHORAGE ECONOMIC DEVELOPMENT CORPORATION** (4/11/89)
Erin Ealum, Development Director
900 West 5th Avenue, Suite 300, Anchorage, Alaska 99501
Phone: (907) 258-3700 Fax: (907) 258-6646
E-mail: EEalum@aedcweb.com
Web site: www.aedcweb.com/

**BERING STRAIT DEVELOPMENT COUNCIL** (1/15/97)
Barb Nickels, Director Kawerak, Inc.
PO Box 948, Nome, Alaska 99762
Phone: (907) 443-4248 Fax: (907) 443-4449
E-mail: cpd.pd@kawerak.org
Web site: http://www.kawerak.org/service Divisions/csd/cpd/index.html

**COPPER VALLEY DEVELOPMENT ASSOCIATION** (11/1/90)
Clair Scribner, Program Coordinator
PO Box 9, Glennallen, Alaska 99588
Phone: (907) 822-5001 Fax: (907) 822-5009
E-mail: cvda@cvinternet.net
Web site: www.coppervalley.org

**FAIRBANKS NORTH STAR BOROUGH ECONOMIC DEVELOPMENT COMMISSION** (4/24/00)
Dr. Kathryn Dodge,
Economic Development Specialist
PO Box 71267, Fairbanks, AK 99707-1267
Phone: (907) 459-1309 Fax: (907) 459-1102
E-Mail: kdodge@co.fairbanks.ak.us
Web site: www.co.fairbanks.ak.us/Mayors Office/EconomicDevelopment/default.htm

**Interior Rivers Resource Conservation & Development Council** (6/11/08)
Nicholas Morgan, Executive Director
P.O. Box 309, Aniak, AK 99557
Phone: (907) 675-4578 Fax: (907) 675-4579
E-mail: nicholasmrgn@yahoo.com

**KENAI PENINSULA ECONOMIC DEVELOPMENT DISTRICT** (2/22/89)
John Torgerson, Executive Director
14896 Kenai Spur Highway, #103A
Kenai, Alaska 99611-7000
Phone: (907) 283-3335 Fax: (907) 283-3913
E-mail: jtorgerson@kpedd.org
Web site: www.kpedd.org

**LOWER KUSKOKWIM ECONOMIC DEVELOPMENT COUNCIL** (9/17/91)
Carl Berger, Executive Director
PO Box 2021, Bethel, Alaska 99559
Phone: (907) 543-5967 Fax: (907) 543-3130
E-mail: carl_berger@ddc-alaska.org
Web site: www.lkedc.org

**MAT-SU RESOURCE CONSERVATION & DEVELOPMENT, INC.** (11/1/93)
Marty Metiva, Executive Director
1700 E. Bogard Suite 203, Wasilla, Alaska 99654
Phone: (907) 373-1062 Fax: (907) 373-1064
E-mail: martymet@msn.com
Web site: http://www.matsurcd.com

**NORTHWEST ARCTIC BOROUGH ECONOMIC DEVELOPMENT COMMISSION** (6/28/89)
Jade Hill, Program Director
PO Box 1110, Kotzebue, Alaska 99752
Phone: (907) 442-2500 Fax: (907) 442-3740
E-mail: jhill@nwabor.org
Web site: www.nwabor.org

**PRINCE WILLIAM SOUND ECONOMIC DEVELOPMENT DISTRICT** (11/1/91)
Sue Cogswell, Executive Director
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Phone: (907) 222-2440 Fax: (907) 222-2411
E-mail: sue_cogs@yahoo.com
Web site: www.pwsedd.org

**SOUTHEAST CONFERENCE** (4/14/89)
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PO Box 21989, Juneau, Alaska 99802
Phone: (907) 523-2327 Fax: (907) 463-5670
E-mail: shellyw@seconference.org
Web site: www.seconference.org

**SOUTHWEST ALASKA MUNICIPAL CONFERENCE** (4/6/89)
Michael "Mike" Catsi, Executive Director
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E-mail: mcatsi@swamc.org
Web sites: www.swamc.org
www.southwestalaska.com

**DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT**
Office of Economic Development
Michael Hanzuk
ARDOR Coordinator
Development Specialist
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Office: (907) 269-8104
Fax: (907) 269-5240
E-mail: michael.hanzuk@alaska.gov

# 2/5/09

# OVERVIEW: ALASKA SEAFOOD MARKETING INSTITUTE

Ray Riutta has held the position of ASMI Executive Director since August, 2002. He has guided the organization through pivotal changes, including legislative action to restructure ASMI and increase its revenue stream. He has implemented new marketing initiatives and a multi-million dollar consumer advertising campaign for Alaska Seafood.

Prior to joining ASMI he served in the US Coast Guard for 34 years retiring at the rank of Vice Admiral. He had numerous tours in Alaska and in Washington, D.C. He spent many years at sea sailing in the Bering Sea, the Pacific and the Atlantic Ocean in command of Coast Guard Cutters. During his tenure as District Commander for Alaska he served as a member of the North Pacific Fisheries Management Council and has worked closely with the Pacific Region Coast Guards (China, Japan, Korea, Canada and Russia) while in command of all Coast Guard forces in the Pacific.

During his service career Ray traveled extensively in Europe, Asia and Central America, and lived in London, England for 3 years where he was assigned to the US Embassy.

Ray is from Astoria, Oregon, where many members of his family were involved in the fishing industry. Prior to entering the service Ray worked part-time commercial fishing on the Columbia River. He is a 1968 graduate of the U.S. Coast Guard Academy and a 1990 graduate of he National War College.

ALASKA SEAFOOD
RAY RIUTTA
Executive Director

Alaska Seafood Marketing Institute
311 North Franklin Street, Suite 200
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907/465-5569 800/478-2903
Fax 907/465-5572
RRiutta@AlaskaSeafood.org
www.AlaskaSeafood.org




# *Wild, Natural & Sustainable®*

## Alaska Seafood Marketing Institute

## 2009

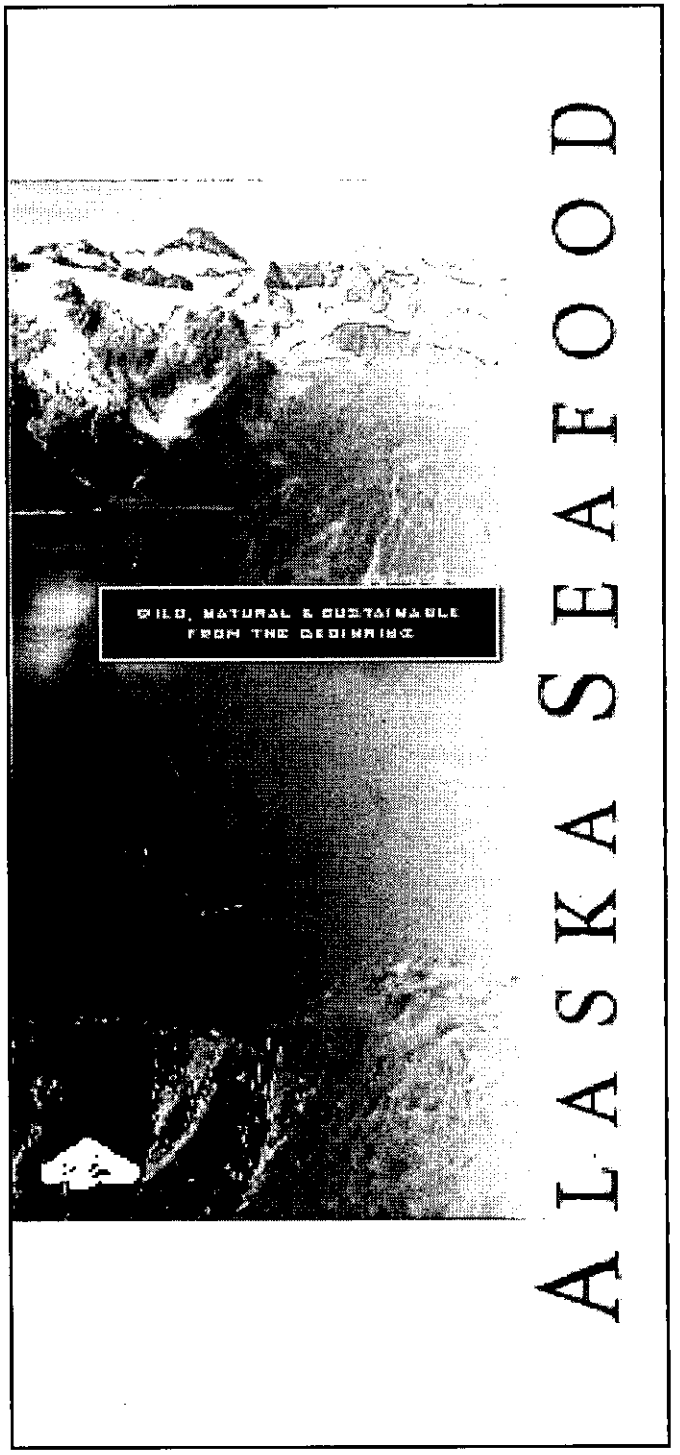
House Committee on Community and Regional Affairs

# ASMI is....

- **a partnership** of public and private sectors to foster economic development

- **guided by Governor-appointed Board of Directors**: five processors, two commercial harvesters

- **Alaska's official seafood promotion arm**



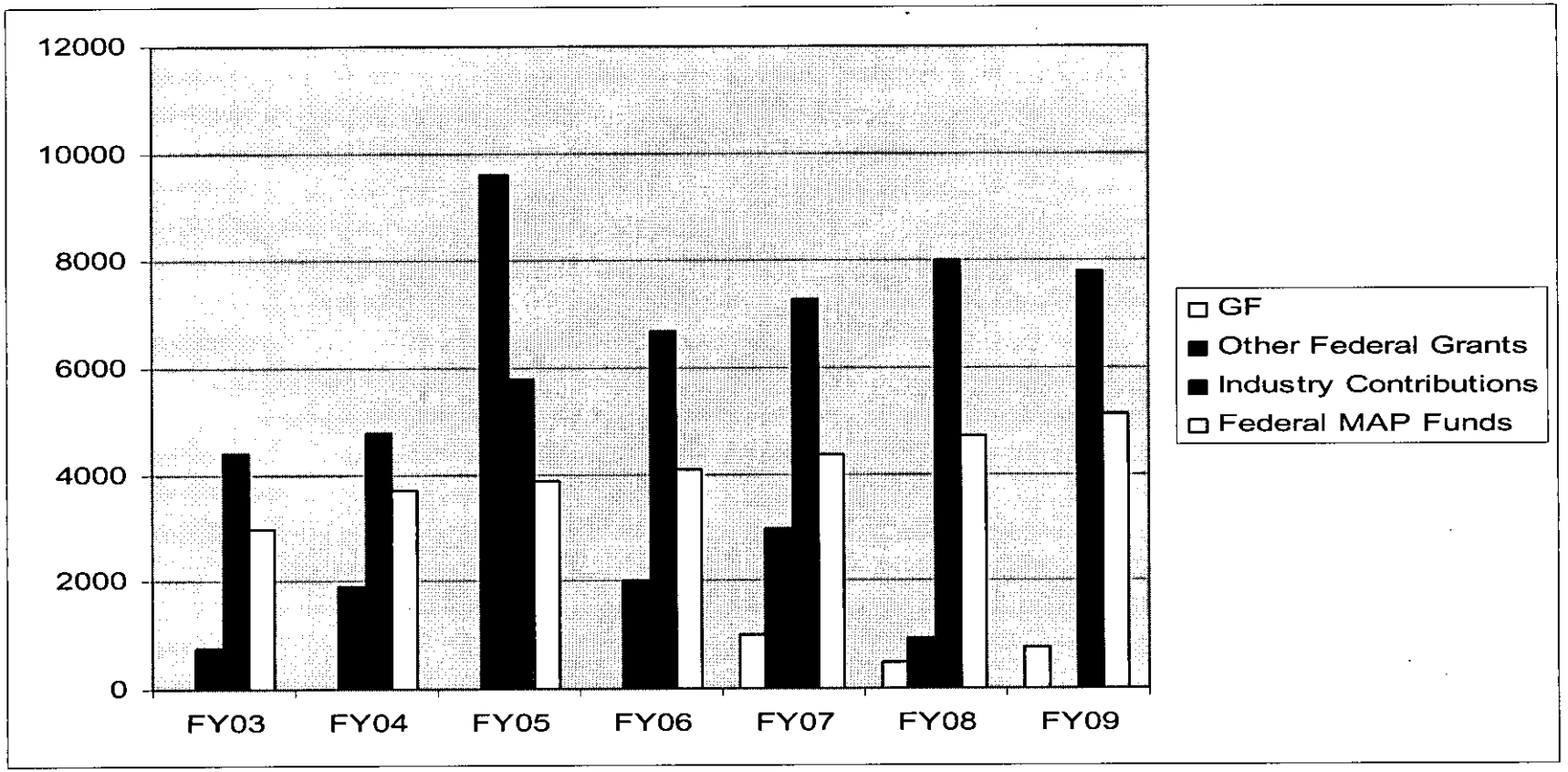
# MISSION

Increase the economic value of the Alaska seafood resource

# ASMI ROLE

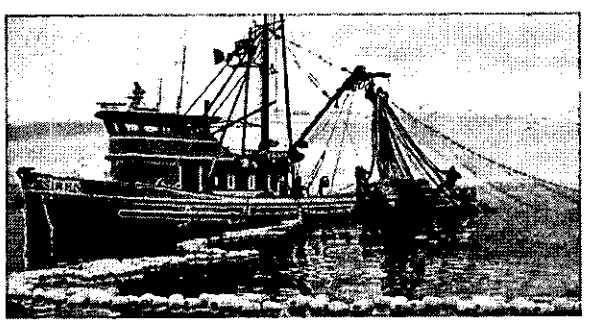
- Reposition our seafood industry as a competitive market-driven food production industry
- Boost value of Alaska's seafood product portfolio

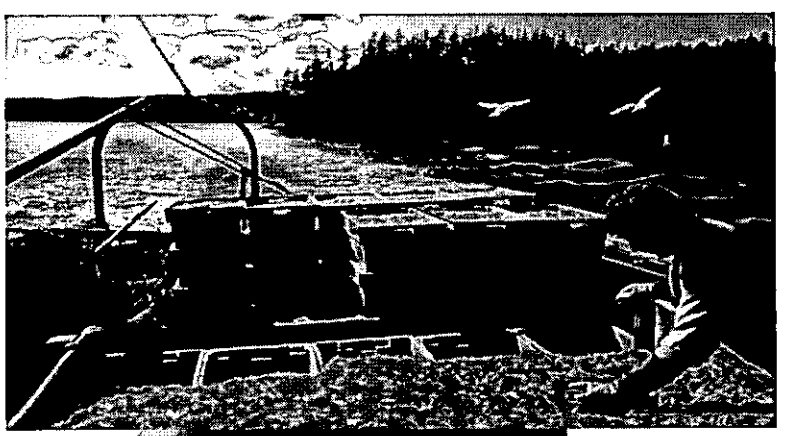
# FUNDING

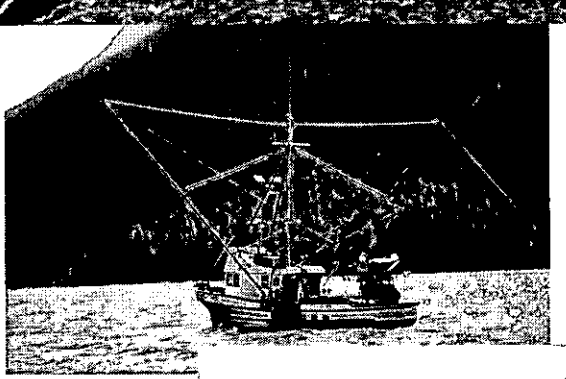


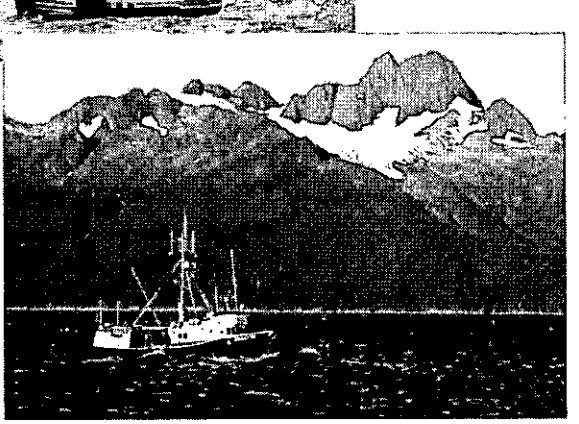

YELLOW: State of Alaska GF: FY 2009 $750K (pictured)
(FY 2010 Governor's proposed Op Bud: $2.7 M)
DARK BLUE: federal grants that are going away
RED: Industry contributions: avg. $6M- 7M/yr
LIGHT BLUE: Federal MAP funds FY 2009 $5.1 M

# JOBS, TAX REVENUE TO STATE AND LOCAL GOV'T



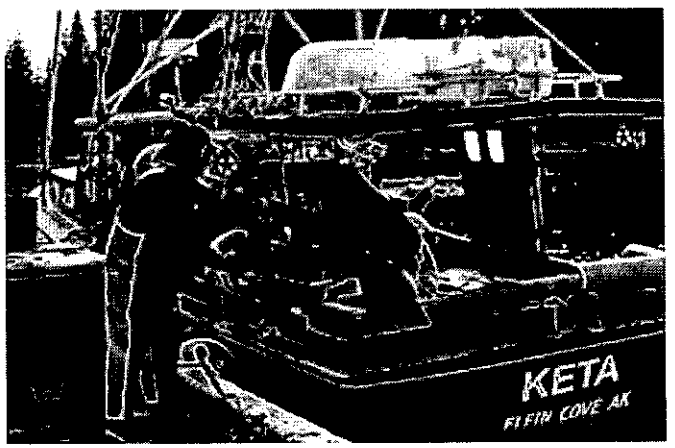




## INDUSTRY SNAPSHOT

# Alaska seafood industry worth $5.8 billion (direct and induced economic output)



**$84,000,000** in state and local tax revenue

Revenue to State:
**$55 million in FY 2008**

Revenue to Boroughs and Municipalities:
**$14 million in FY 2008**

# Revenue to State:
# **$55 million in FY 2008**

- Fisheries Business Tax $ **35 M**
- Fisheries Resources Landing Tax $ **14 M**
- Marine Fuels Tax (half of total) $ **3 M**
- Corporate Income Tax, Fisheries $ **2.7 M**

# Revenue to Boroughs and Municipalities: **$14 million in FY 2008**

- Total Municipal Fish Tax $ 7.4 M
- Total Borough Fish Tax $ 6.9 M
- Total does NOT include sales tax or municipal or borough property tax

# **54,000** people employed

- more than 11,000 people employed for 9 months of year



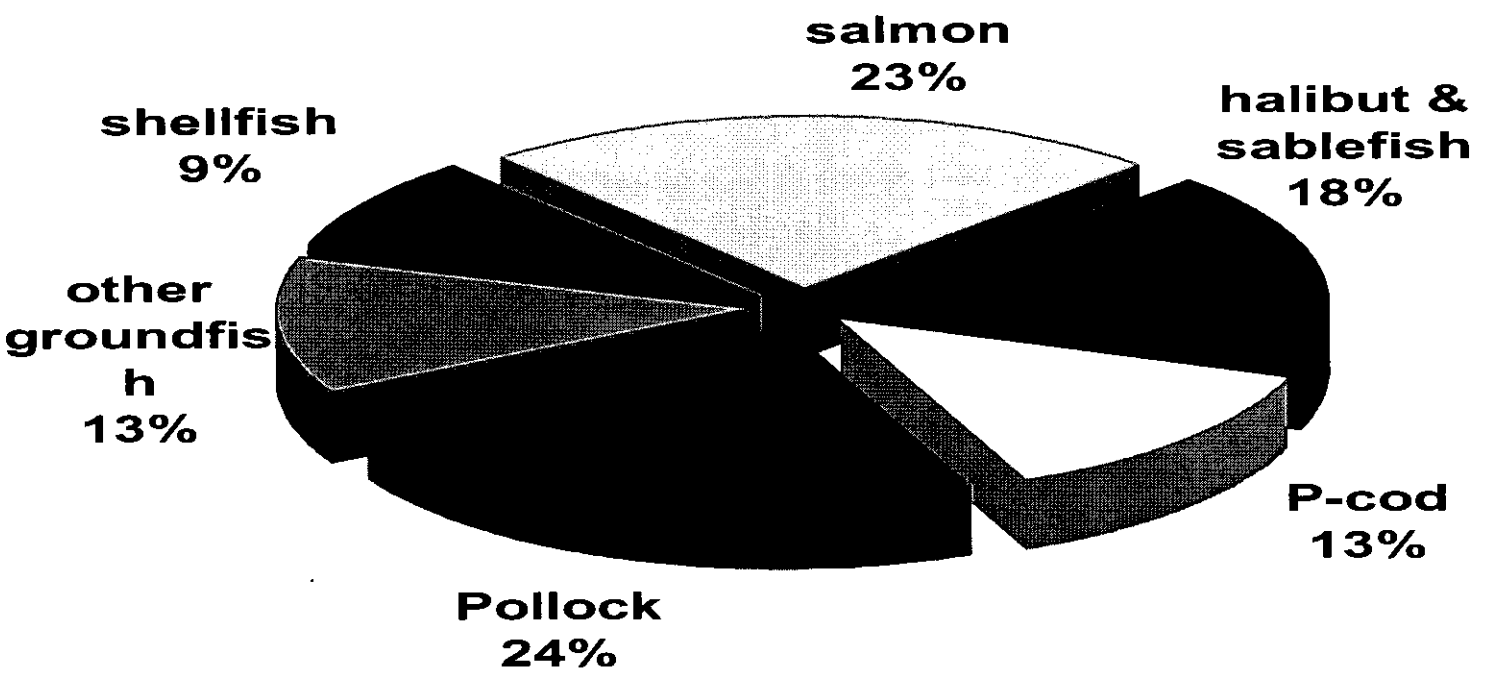
# Salmon fishing employment ONLY

- 74% active salmon fishers are Alaska residents.
- 600 live in Anchorage and Mat-Su
- 222 of Alaska communities benefit, including Anchorage



# Alaska Ex-Vessel Value

## $1.6 Billion in 2007






Source: ASMI, ADF&G, SMIS estimates

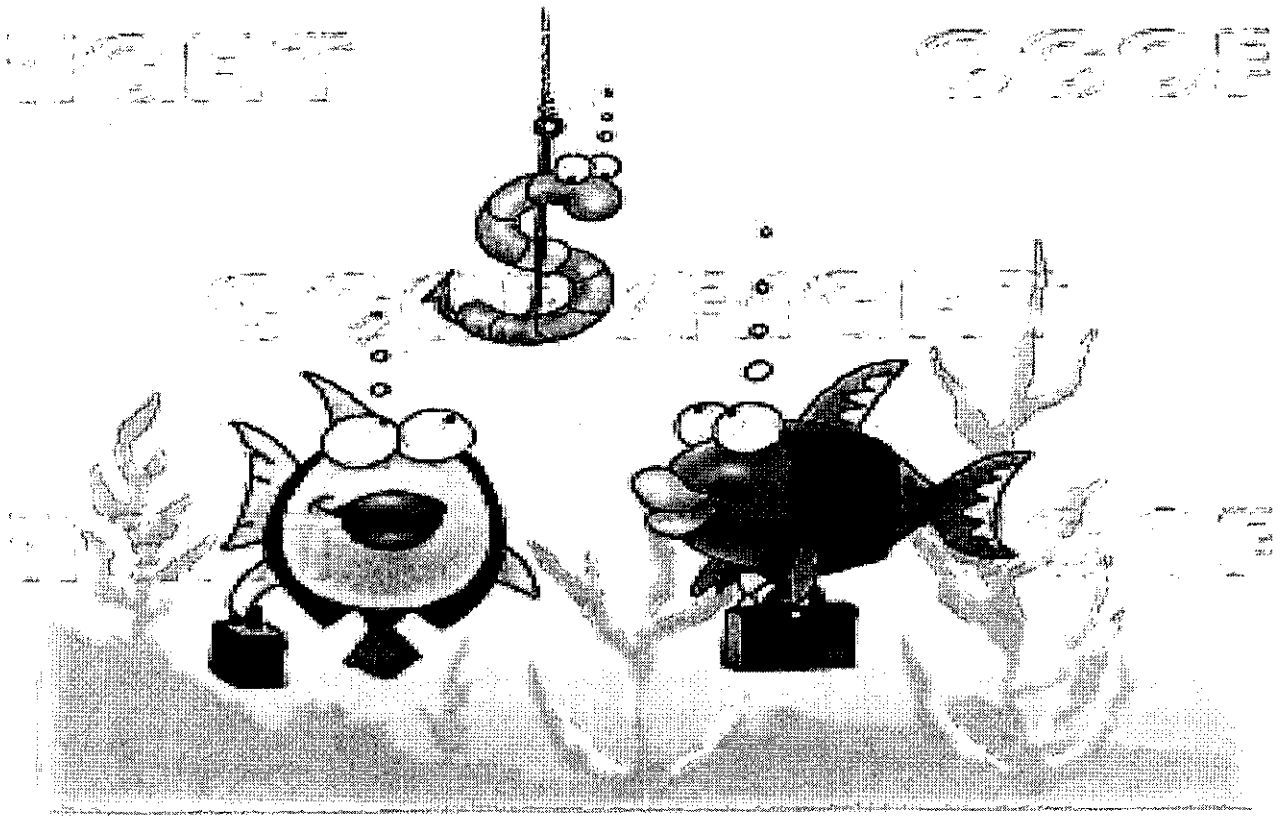
# Alaska Seafood Accomplishments

**Increases in:**

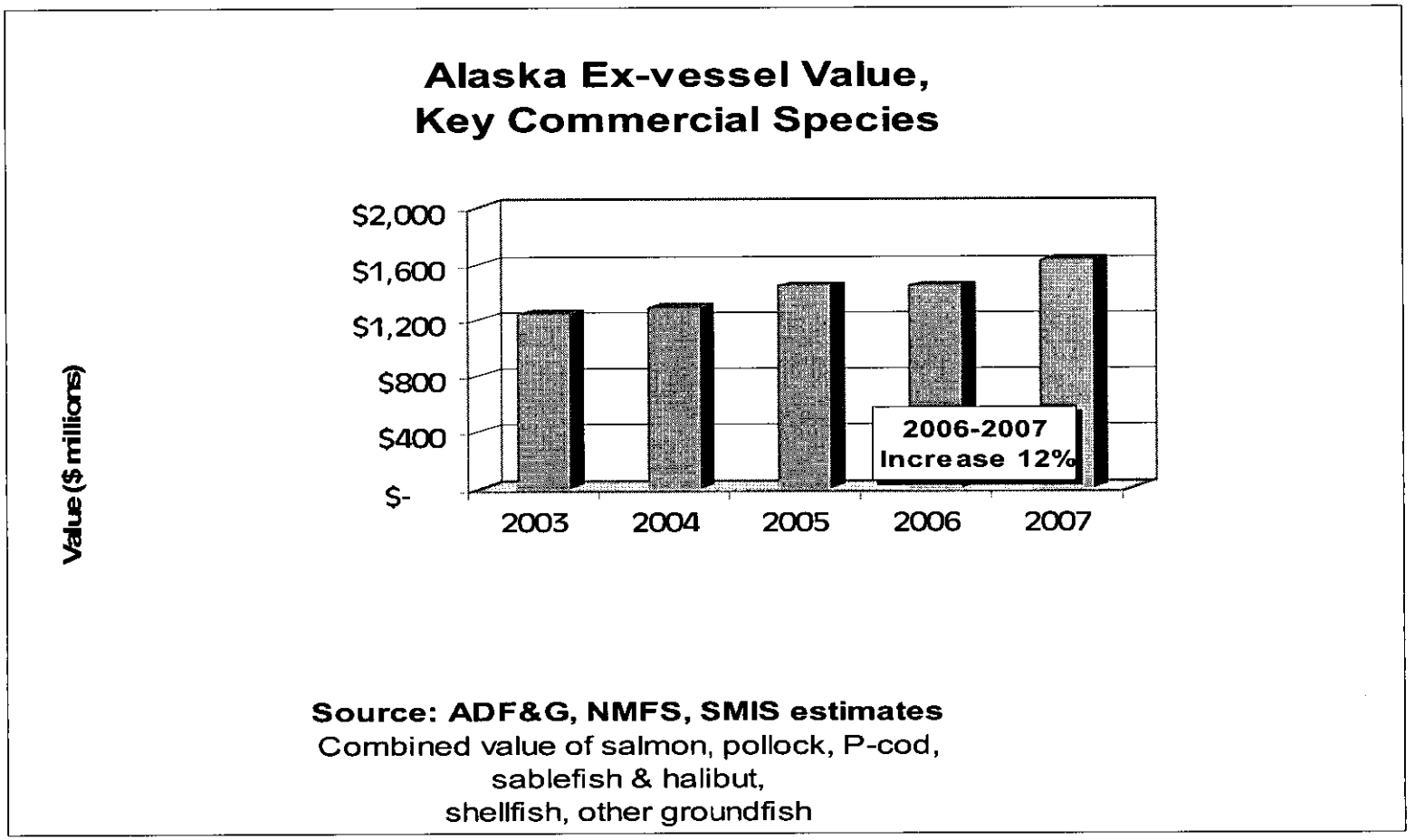
- **Ex-vessel and first wholesale value of harvest**
- **Export value to ASMI countries**
- **Wild Alaska Seafood now commands respect in the marketplace---**

# PERFORMANCE

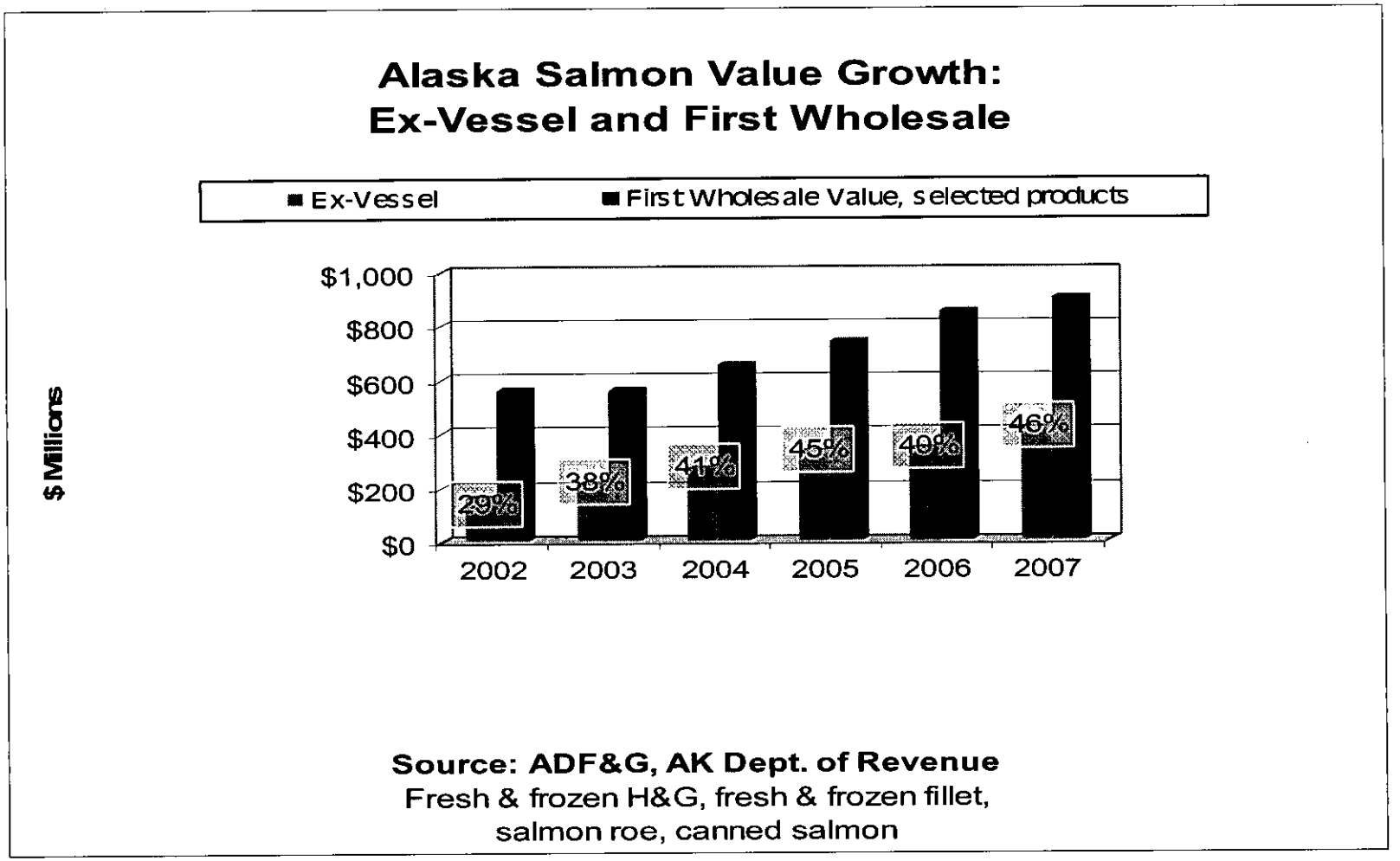
- The first wholesale value of Alaska's seafood harvest continued its upward value trend and reached $3.6 billion



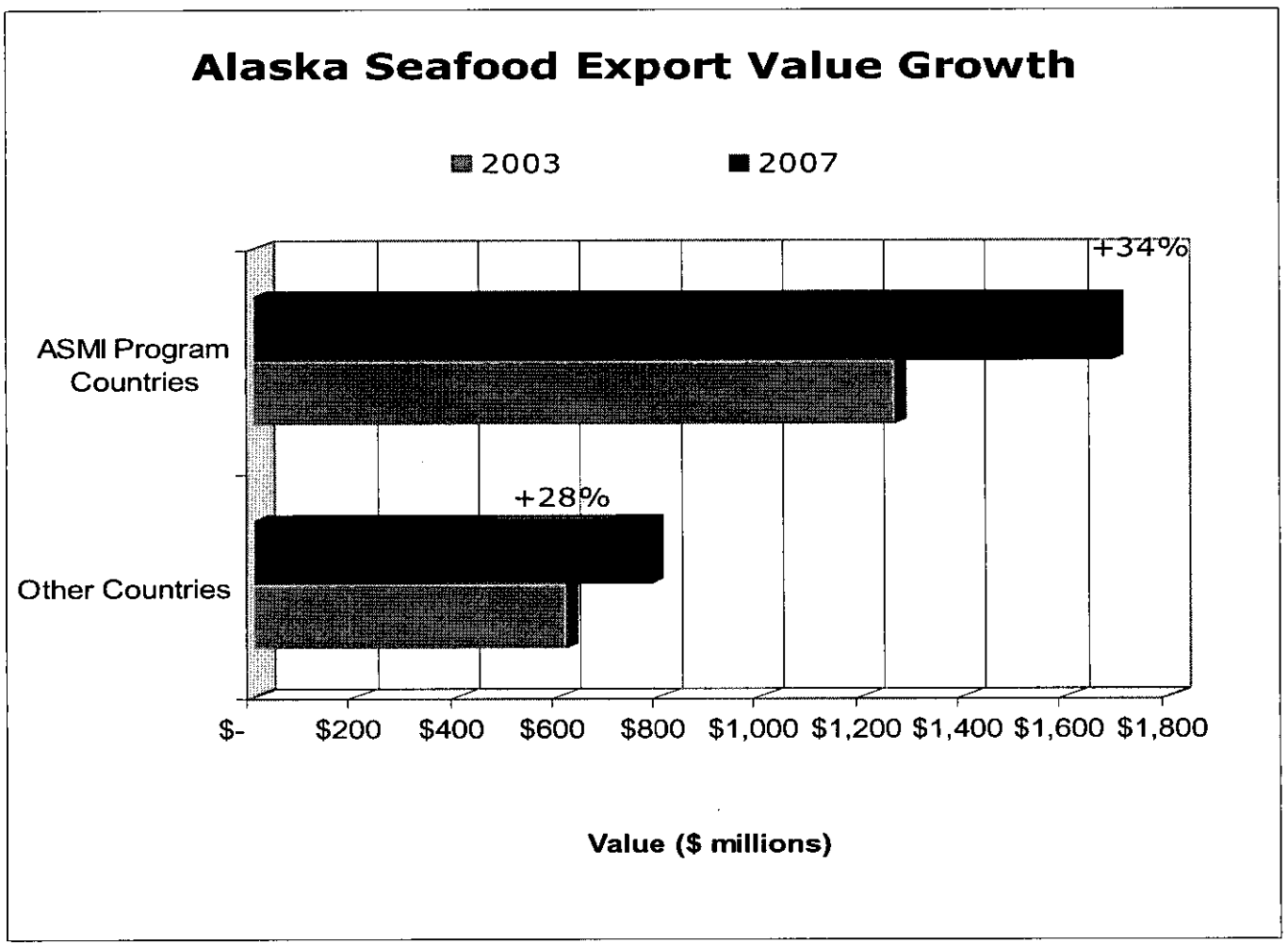
- **The price paid to fishermen for Alaska's seafood harvest, the ex-vessel value, reached $1.6 billion in 2007.**



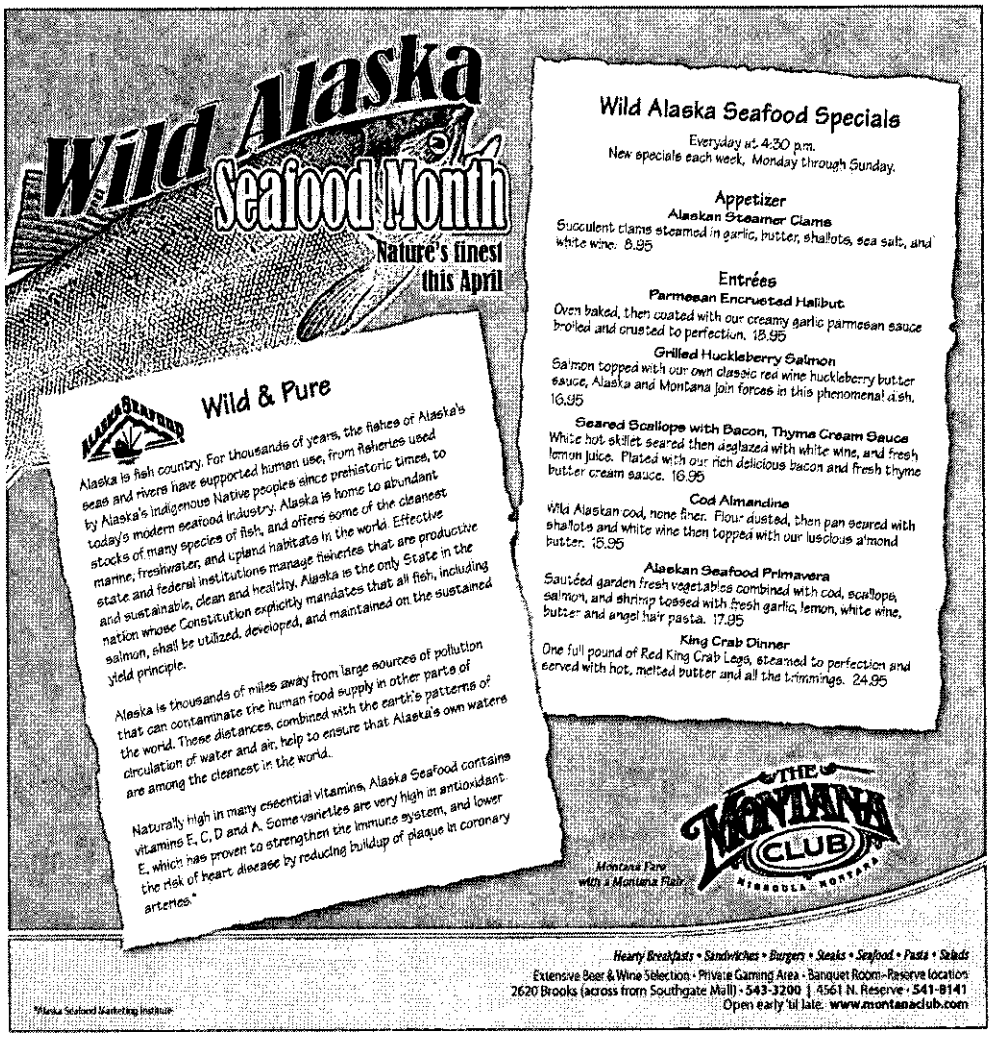
- **The first wholesale value of Alaska salmon products reached $900 million, boosting state and local economies and the private sector.**

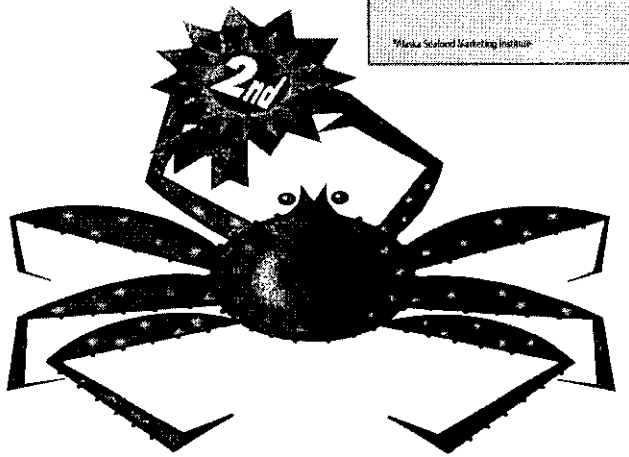


- **Seafood exports to ASMI destination countries exceeded $1.7 billion, and had a higher rate of growth than non-ASMI countries.**



- **The Alaska Seafood brand is the second most popular food brand on U.S. menus.**

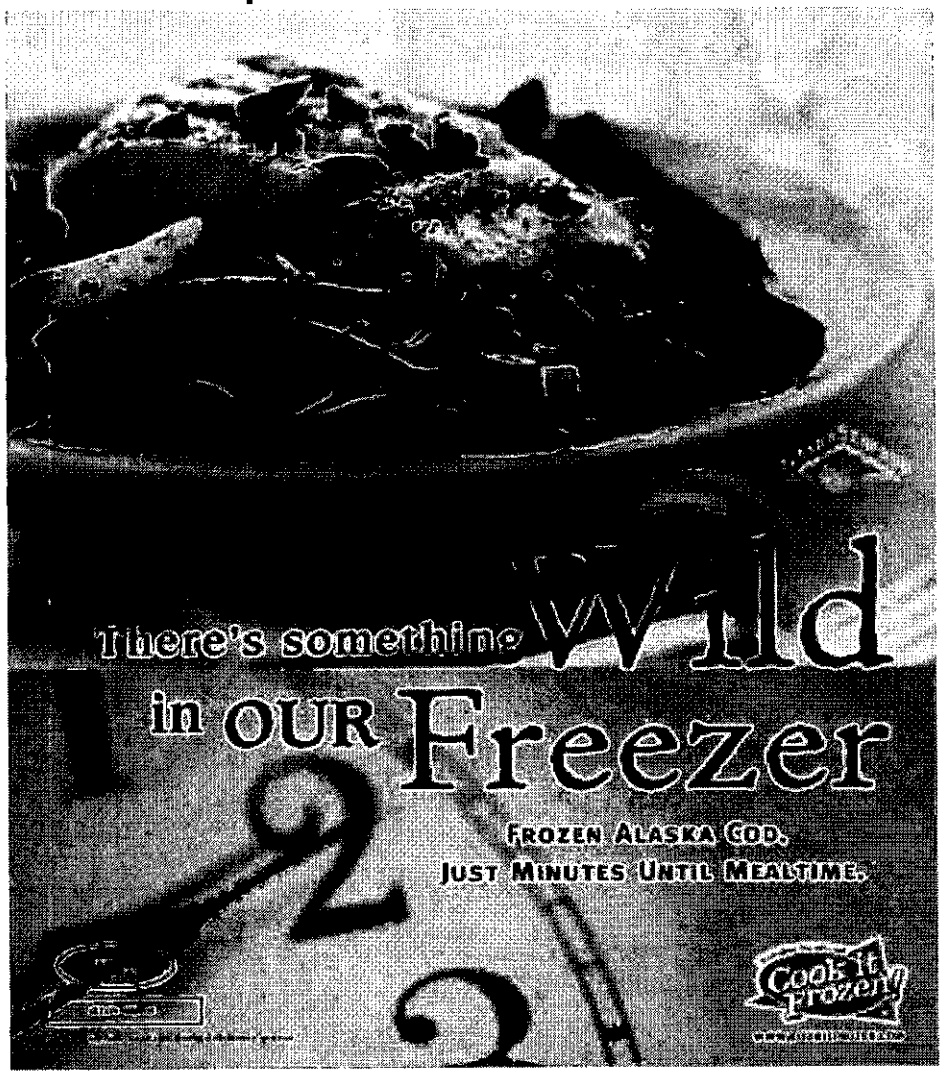


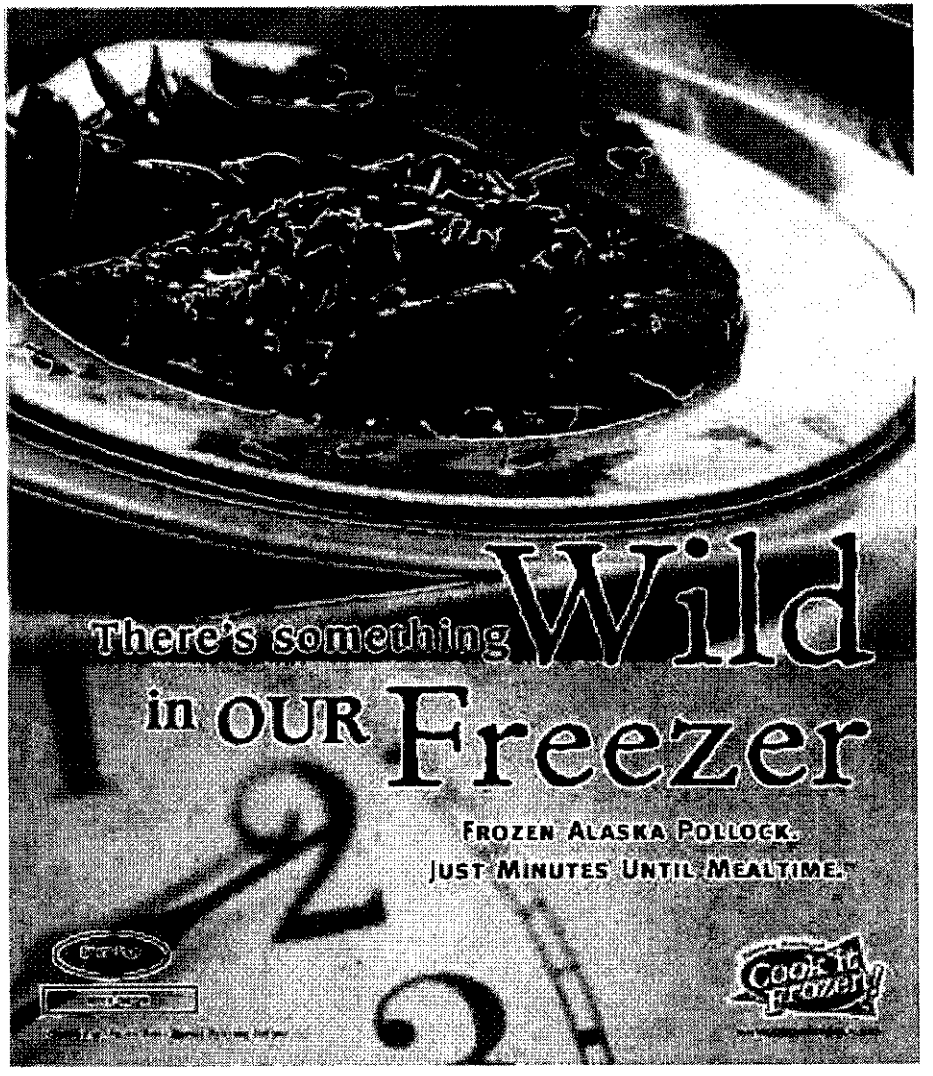



# Brand Value: U.S. restaurant diners have a positive impression of the Alaska Seafood brand (77%).



# Brand Value: COOK IT FROZEN! promotions boosted value and product movement



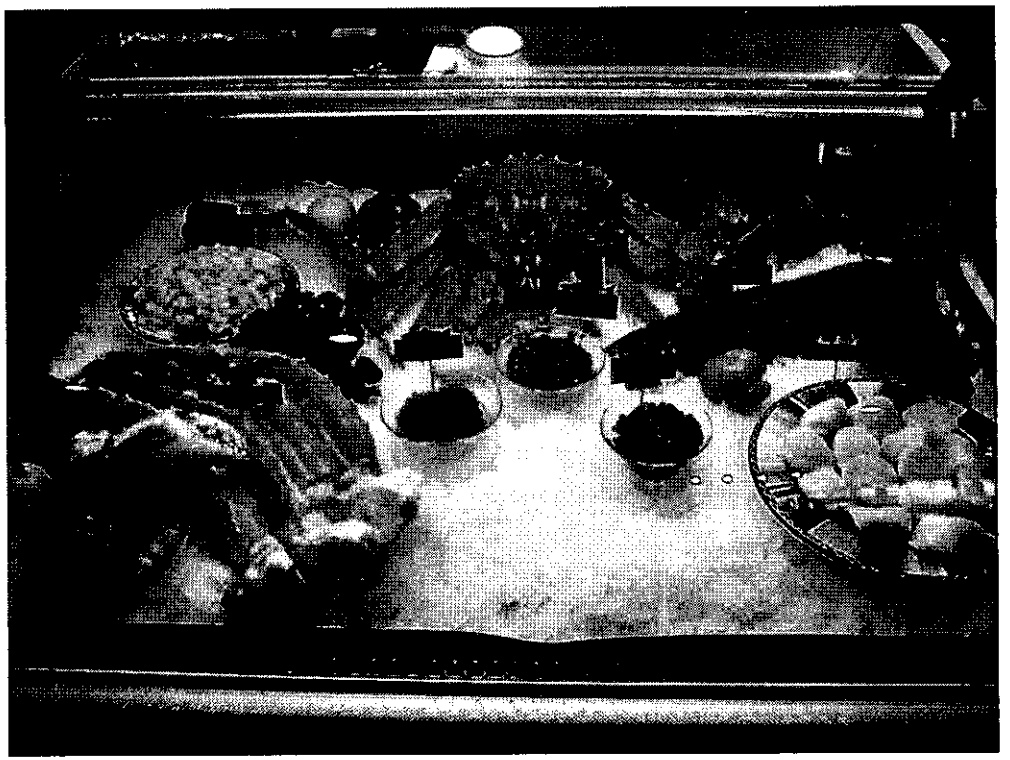



# Brand Value: Alaska Pavilion at ESE 2008:

**$31 million** on-site sales

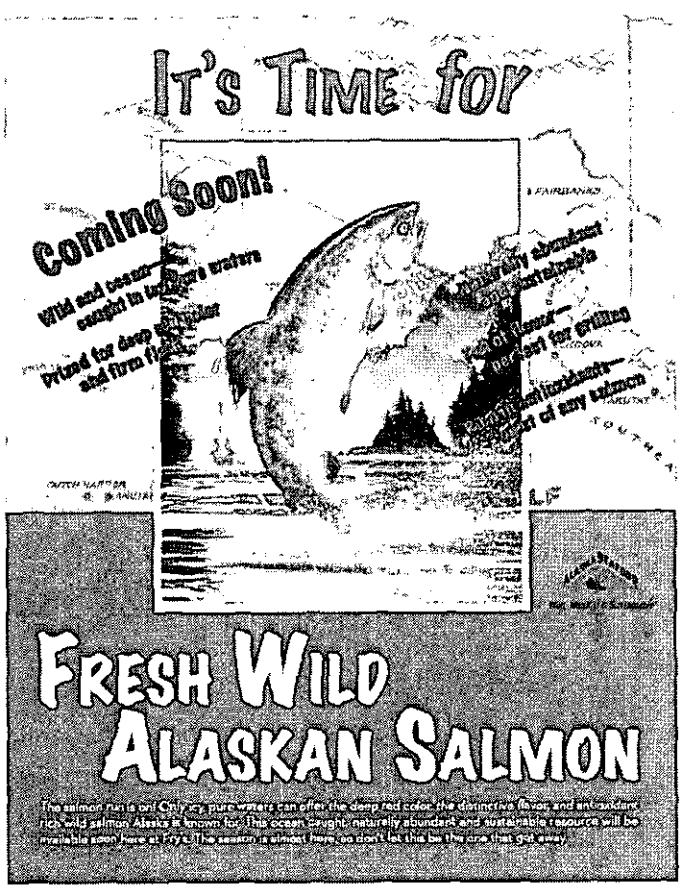
**$125 million** follow-on sales





# TACTICS

Consumer campaigns
PR and advertising campaigns
Promotional material
Expositions and trade shows
Technical support and training
Alignment with industry
Brand management
Media tours, trade missions



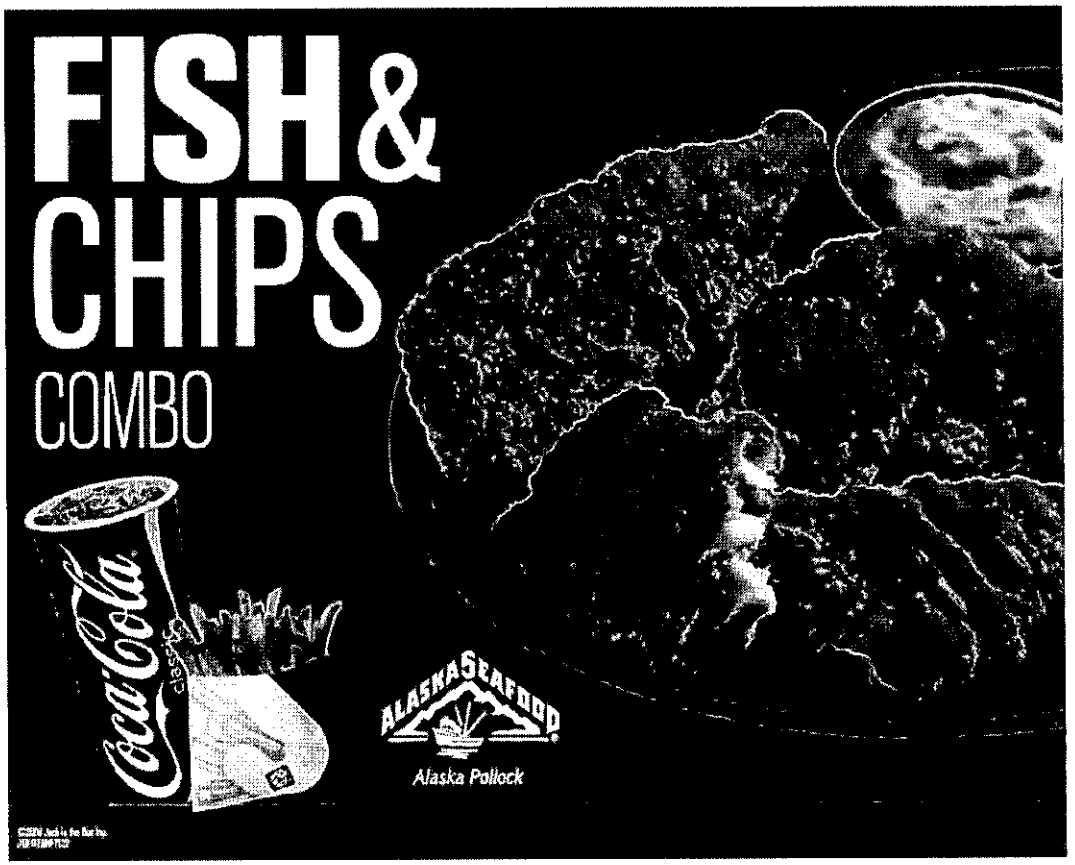
Implemented via partnerships with

- retail grocers
- foodservice distributors
- restaurant chains
- foodservice operators
- universities
- culinary schools
- media

# U.S. Marketing 2008 Sample accomplishments

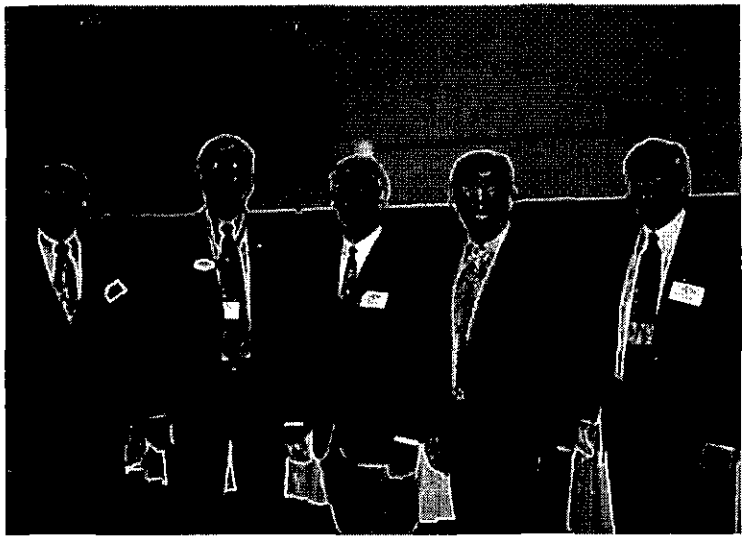
- Increased value of fresh, frozen, and shelf stable Alaska Seafood

*Shown:*
*ASMI promotion with Jack in the Box (Alaska Pollock)*

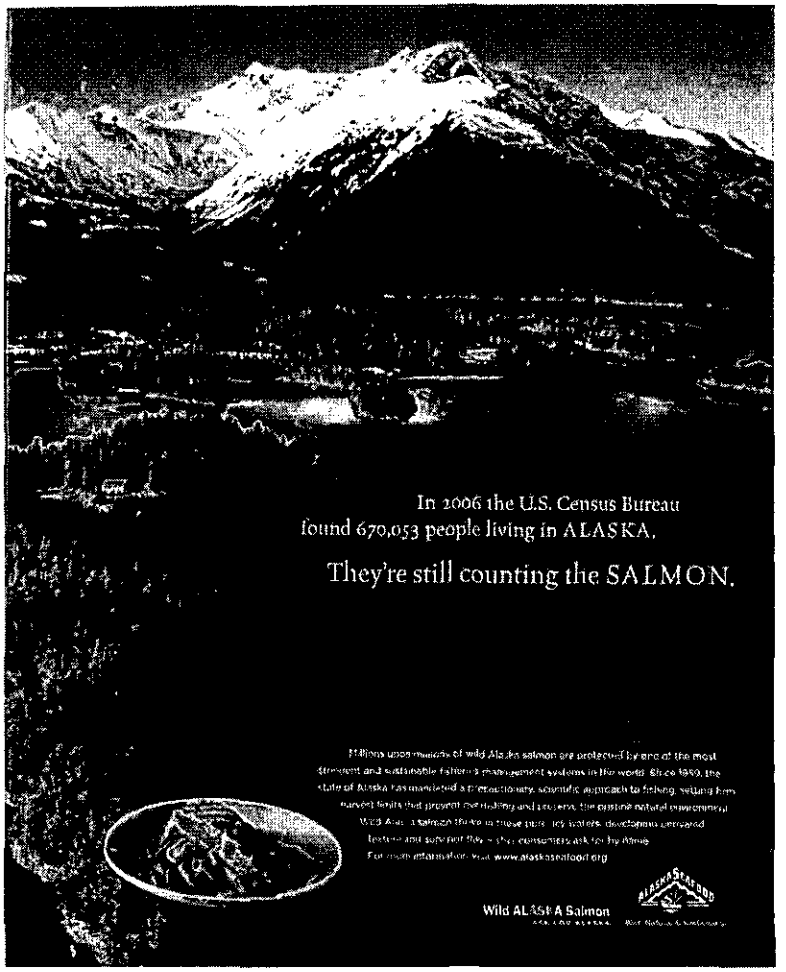


- # Alaska Seafood Sustainability Forum

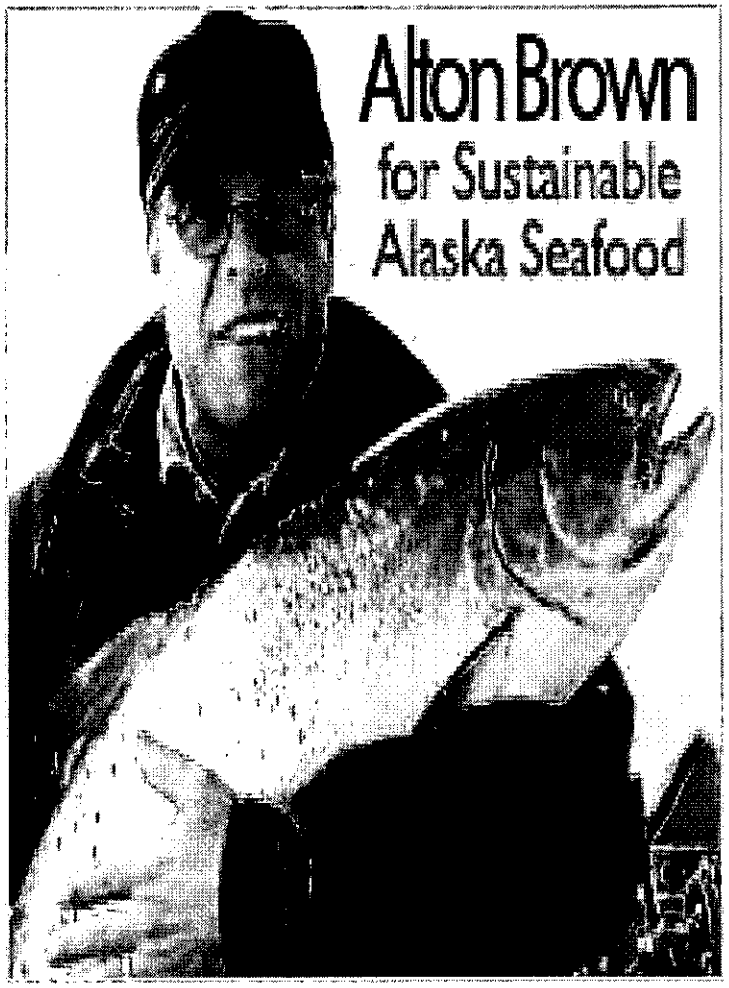
  Held in Anchorage for 100+ international and U.S. customers, including large foodservice and retail purveyors

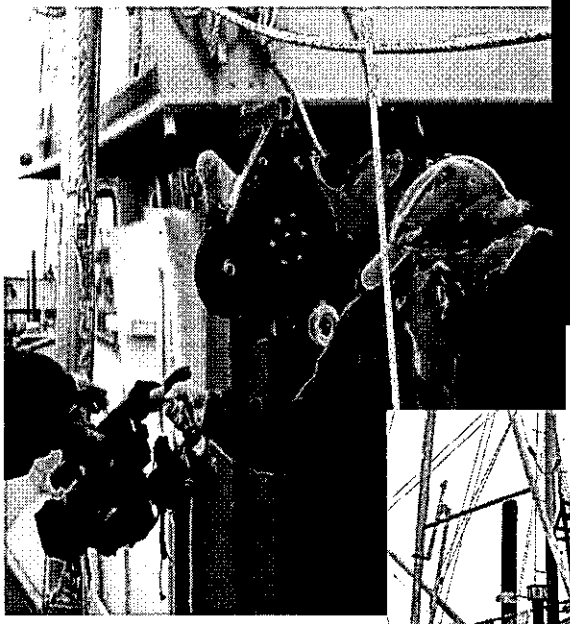


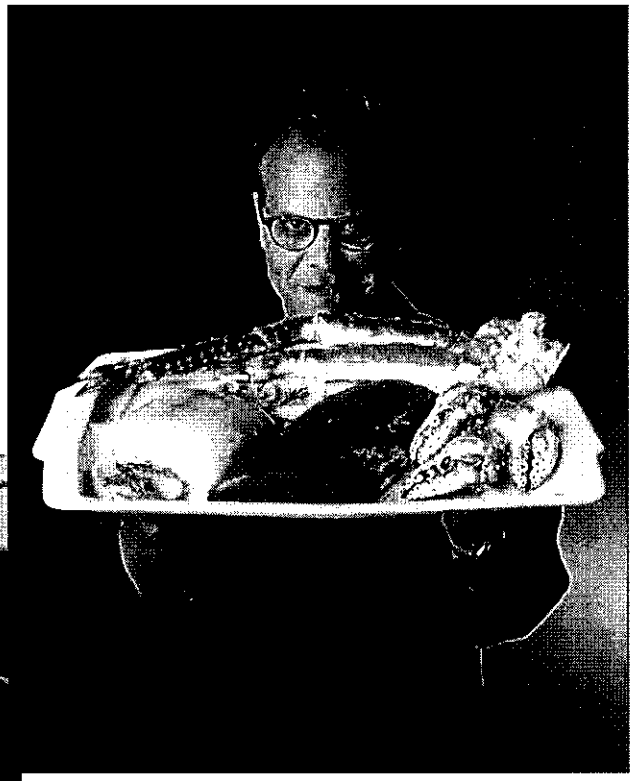
**(Left to right:) Dr. James Balsiger, Acting Administrator NOAA Fisheries; Ray Riutta, Executive Director ASMI; Denby Lloyd, Commissioner, ADFG; Peter Hajipieris, Birds Eye/Iglo; Dr. Bruce Leaman, International Pacific Halibut Commission**

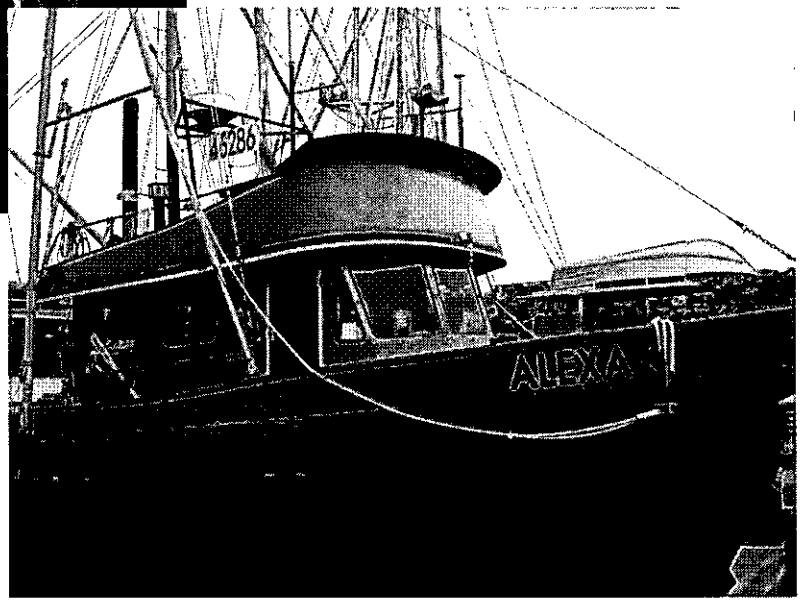


- sustainable Alaska Seafood video starring Alton Brown

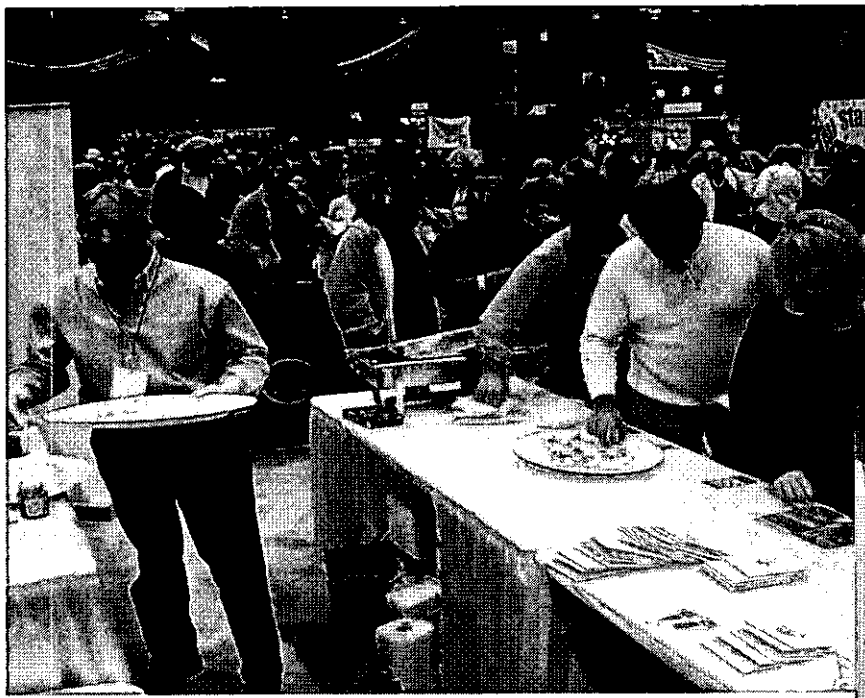






- Innovative Promotional Activities





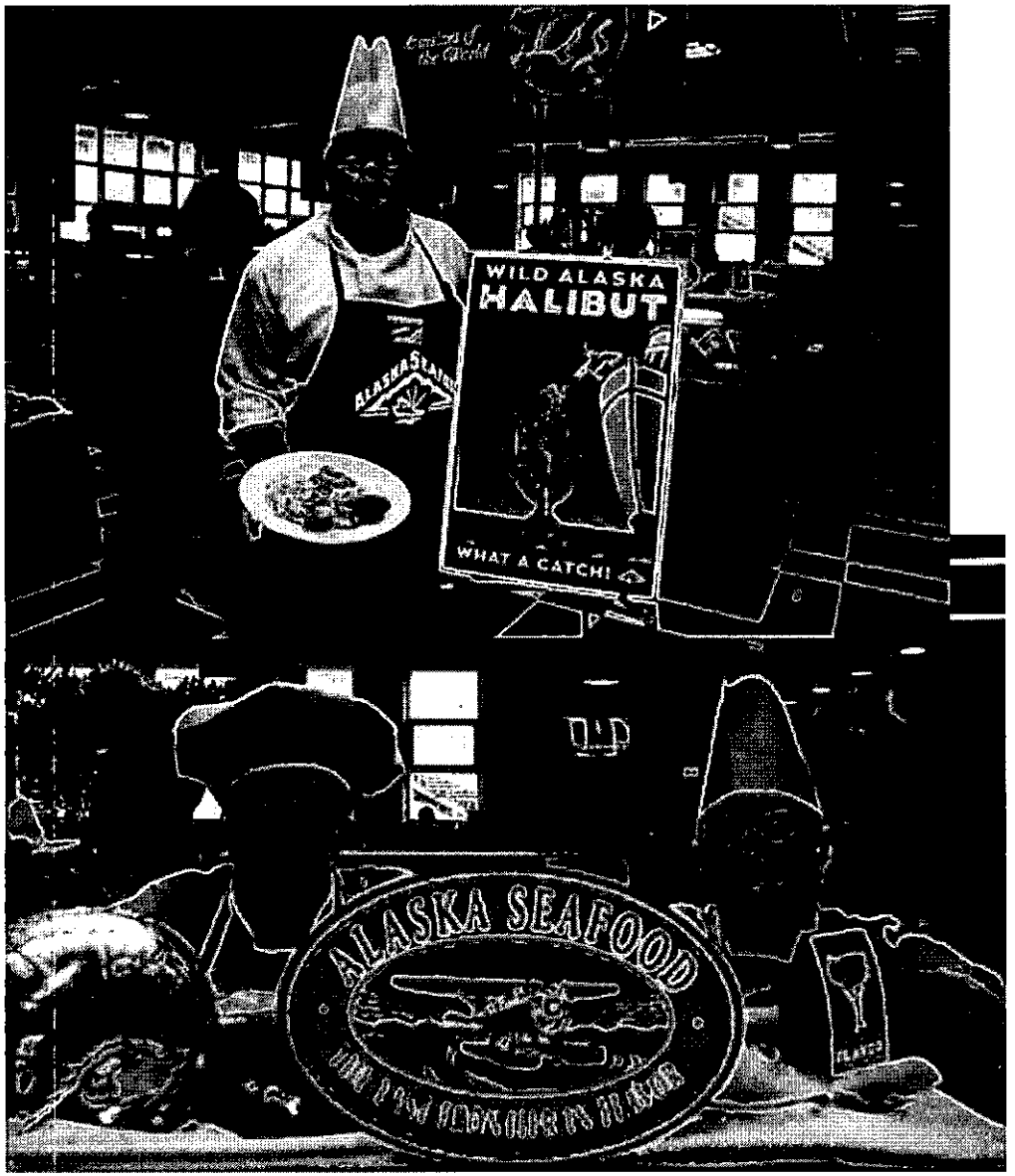


WILD ALASKA SEAFOOD

COOK IT FROZEN!®

www.cookitfrozen.com

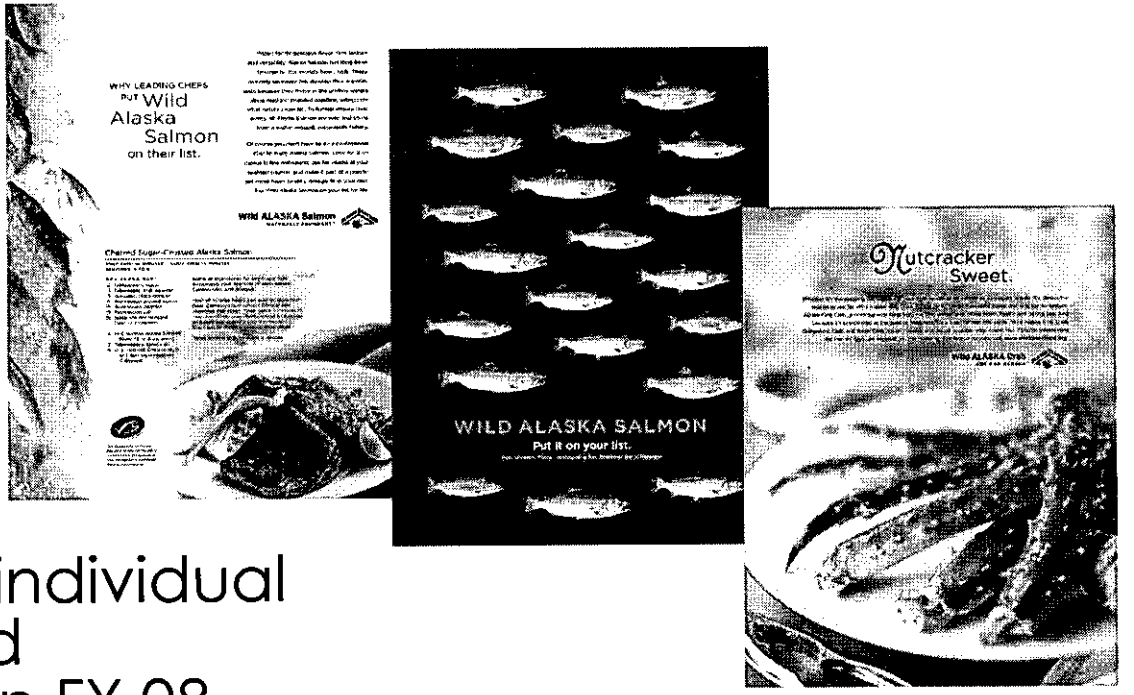
# University of Massachusetts






- "Alaska Seafood U" goes live






- National ad campaign: 241,000,000 individual or household impressions in FY 08

- Public Relations activities – choice editorial placements

*Shown:*

- *O*
- *Coastal Living*
- *Saveur*
- *NW Palate*

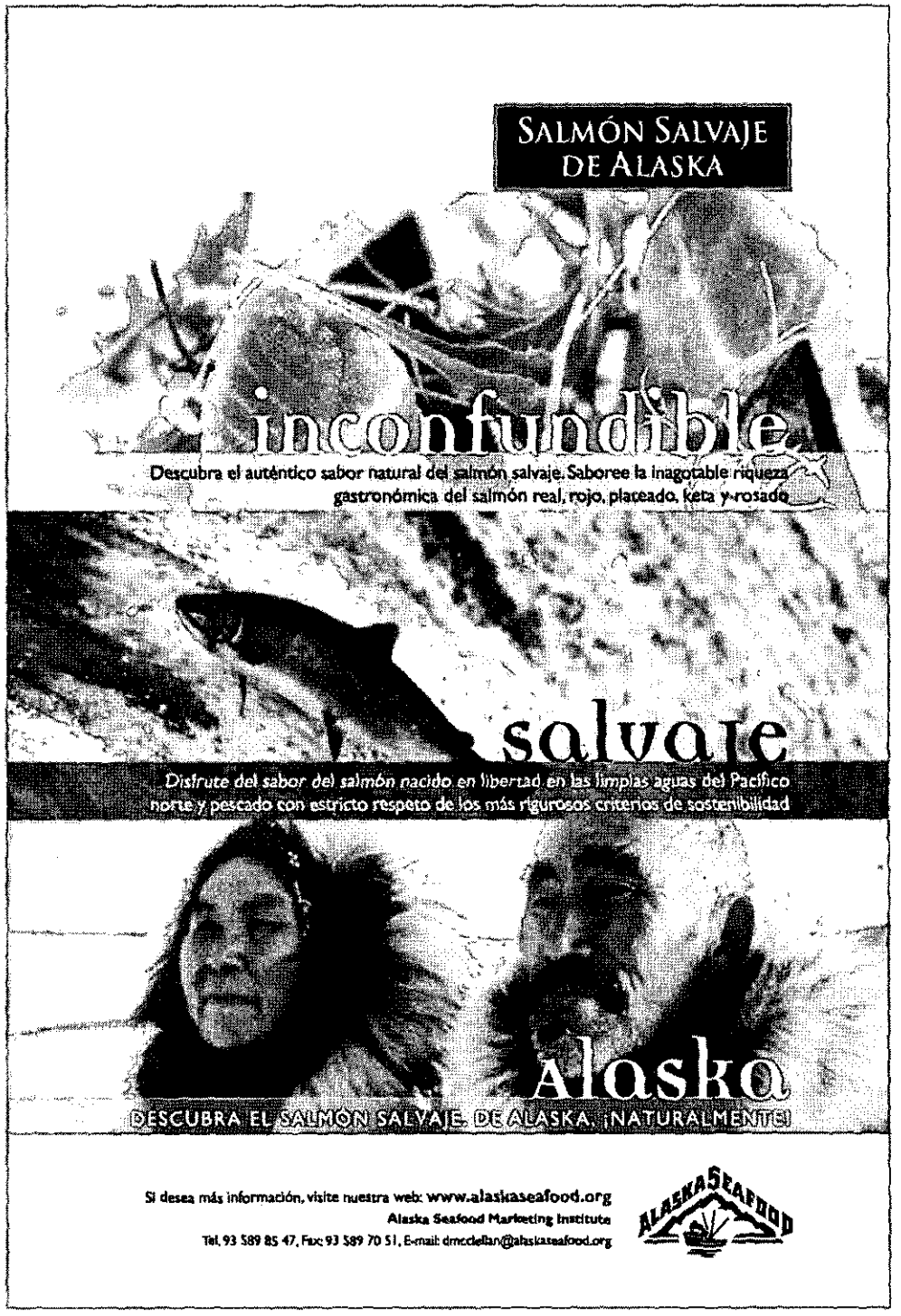


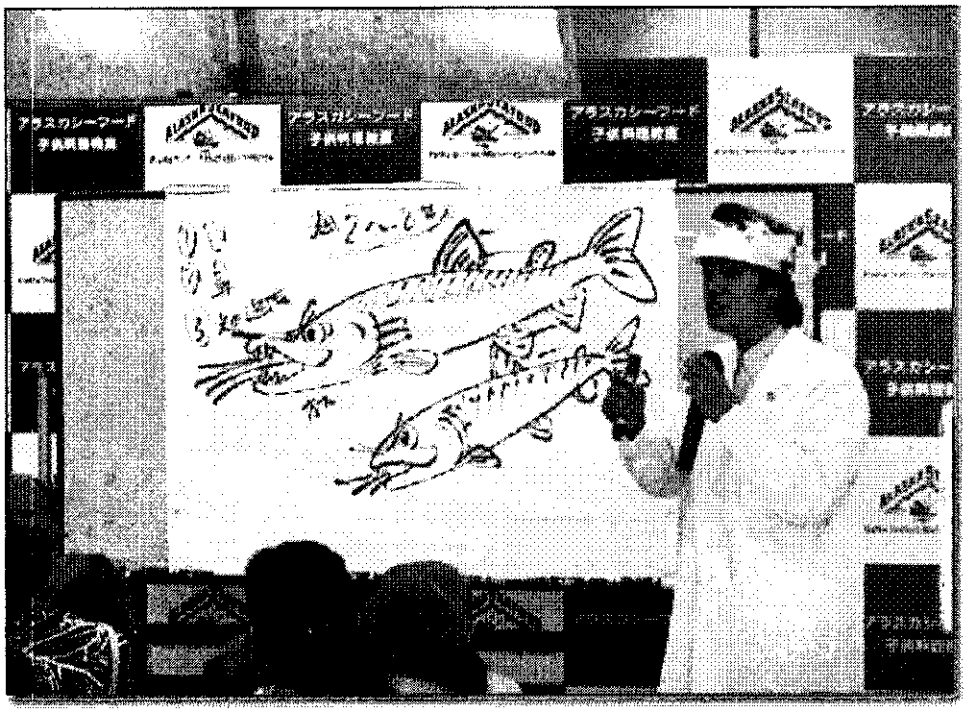
# International Marketing 2008 Sample accomplishments:

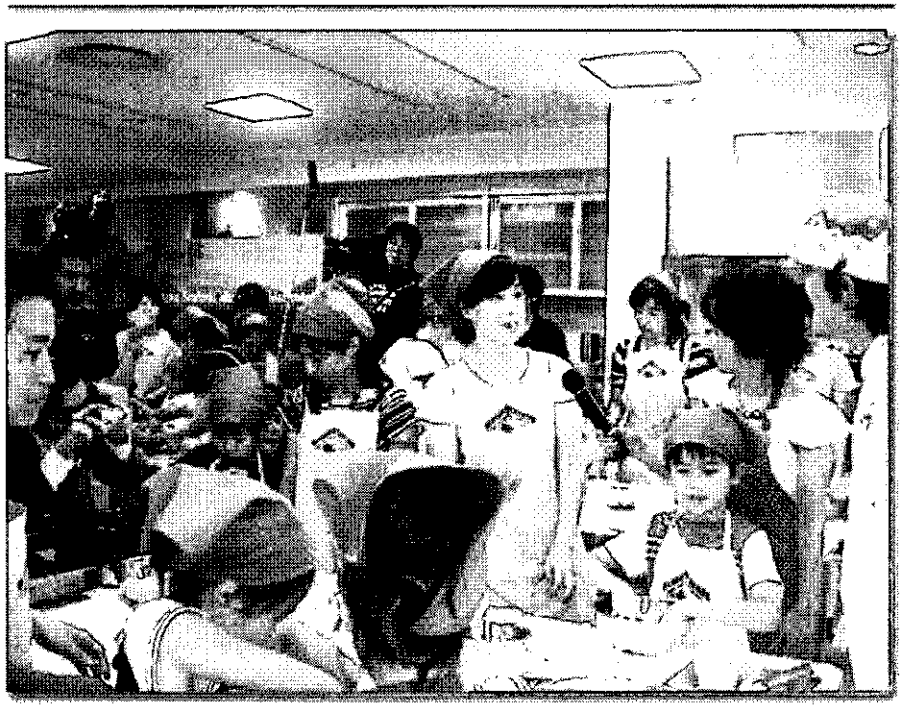
- Increased the value of fresh, frozen, and shelf stable (canned and pouched) Alaska Seafood in key international markets.



- Innovative promotions with retail grocers, foodservice distributors, restaurant chains, foodservice operators, universities, and culinary schools




アラスカシーフード
アラスカシーフード
アラスカシーフード







# Media tours/trade missions to Alaska from Germany and Japan.



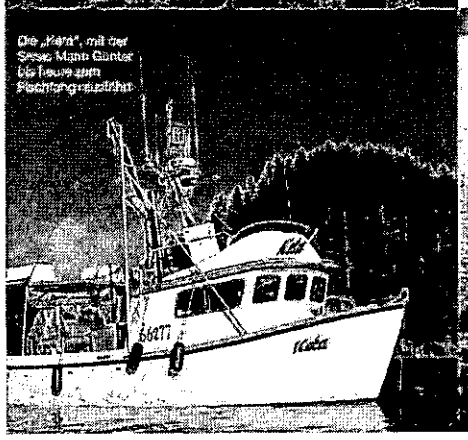


Links: Lachsräuchern nach Art der Indianer Nordamerikas - an Zedernholzbrettern. Rechts: Jahrelang hat Sissi Gabisch selbst Wildlachs gefangen, darunter auch die hochgeschätzten, seltenen Königslachse



Sissis Kelabkoma-Kaviar, wie man ihn in Alaska traditionsgemäß zubereitet: mit Crème fraîche auf frischem Weißbrot

DIE SCHÖNSTE FARBE DER NATUR: LACHSROT



Die „Kara", mit der Sissi Mann Günter bis heute zum Fischfang auszieht





Große Teile Alaskas sind reine Wildnis. Straßen, Schienen

# Alaska chefs provided education and training to retail supermarket seafood managers and chefs in China.





*Anchorage chefs Al Levinson (above), and Naomi Everett of UAA.*

# Expositions and trade shows

Mr. Edward Schafer, then U.S. Secretary of Agriculture, flanked by ASMI representative for China, Robin Wang (l) and assistant Roger Zhang at Food and Hospitality China in December.

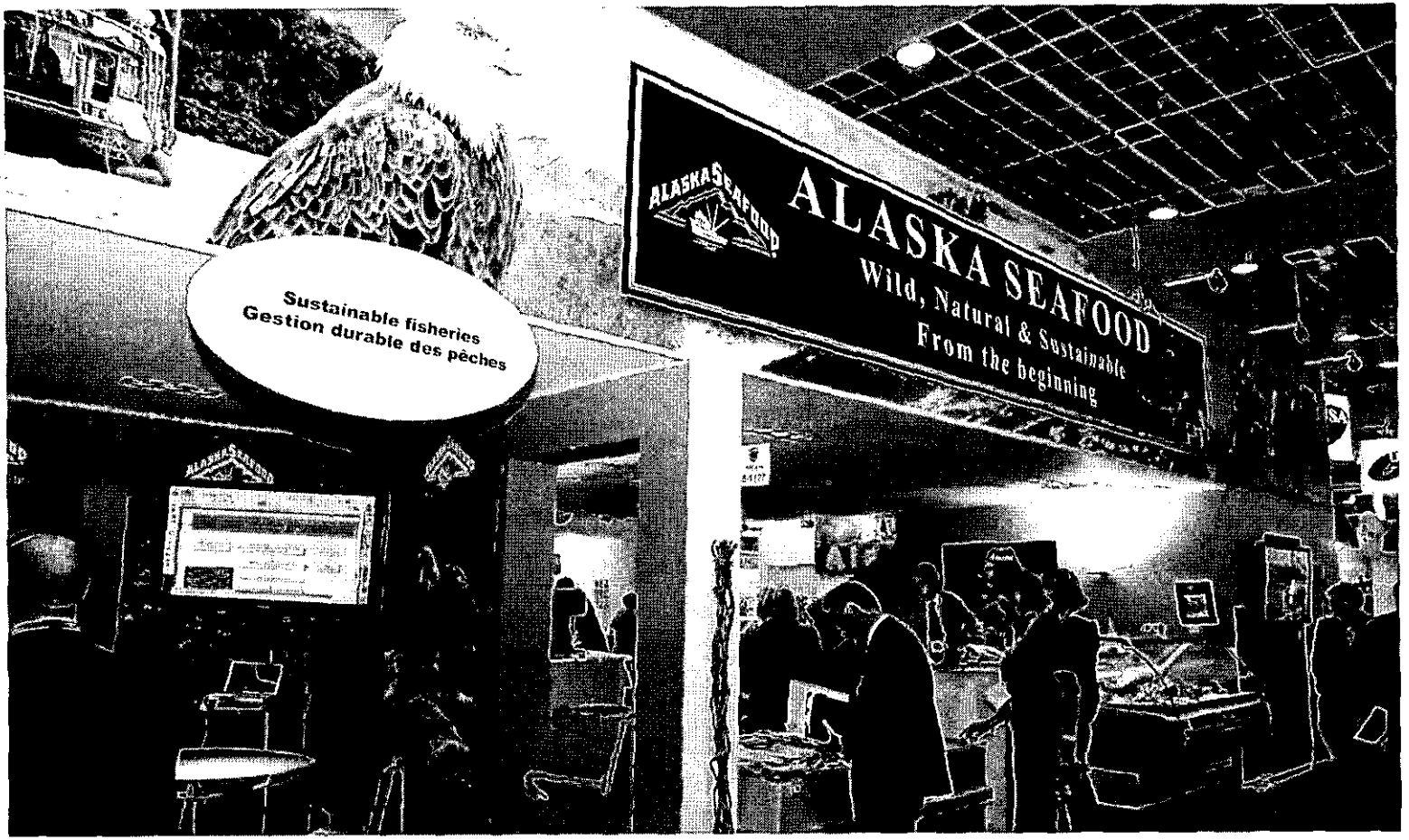


# Conducted outreach at trade shows and exhibitions in the European Union, China, Japan and Russia.

U.S. Ambassador to Russian Federation John Beyrle (center) discusses Alaska Seafood with ASMI at World Food Moscow last fall.



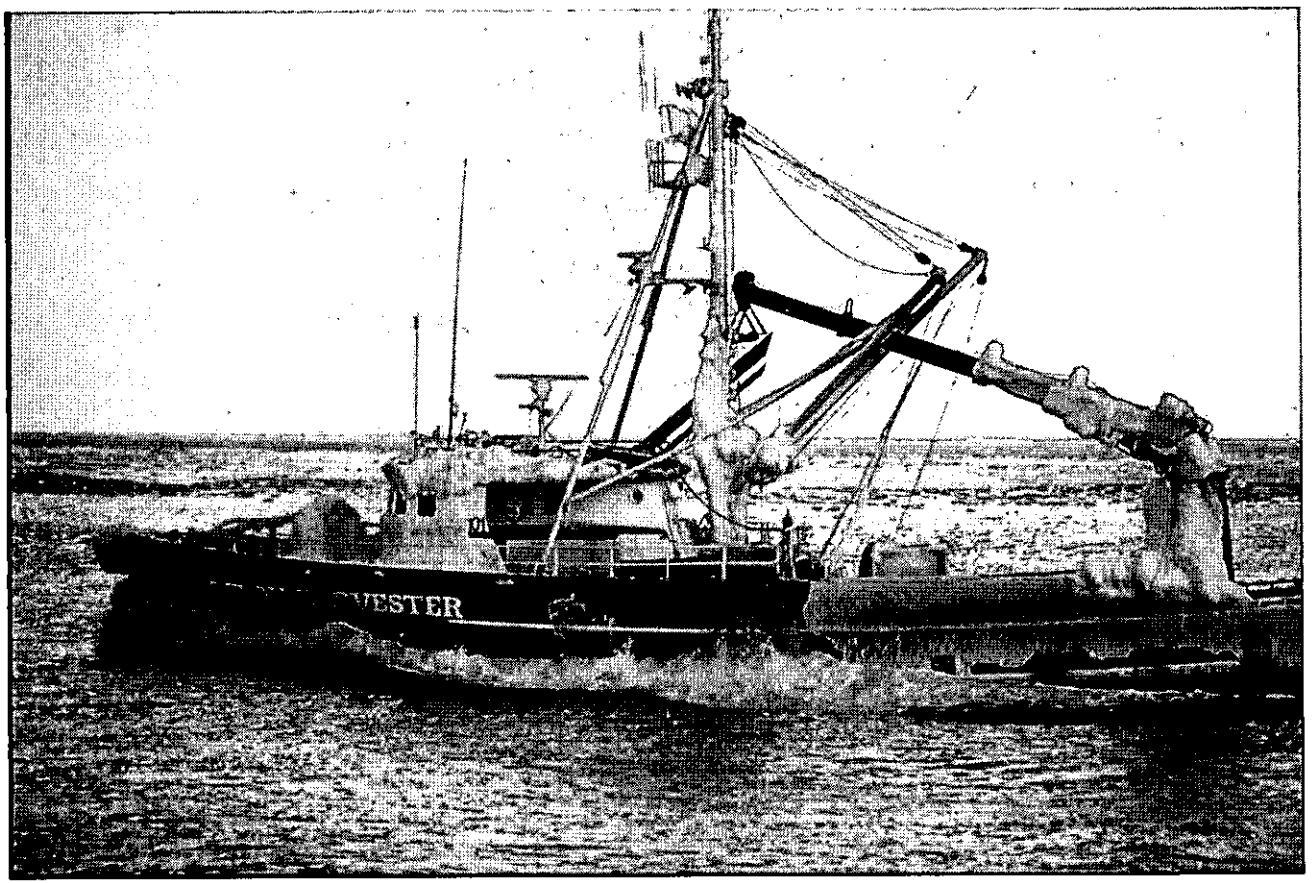
- Launched sustainability initiative with international customers through Sustainability Forum, sustainability center at ESE



# ASMI messages and materials also portray Alaska as a desirable visitor destination



# Threats and Challenges



- **Global aquaculture** –overtakes wild production

- **Competing proteins – and nations --** -– pork, chicken and beef, dairy and farmed salmon; NSEC

- **Price resistance** –it's here

- **Funding** – for infrastructure and marketing

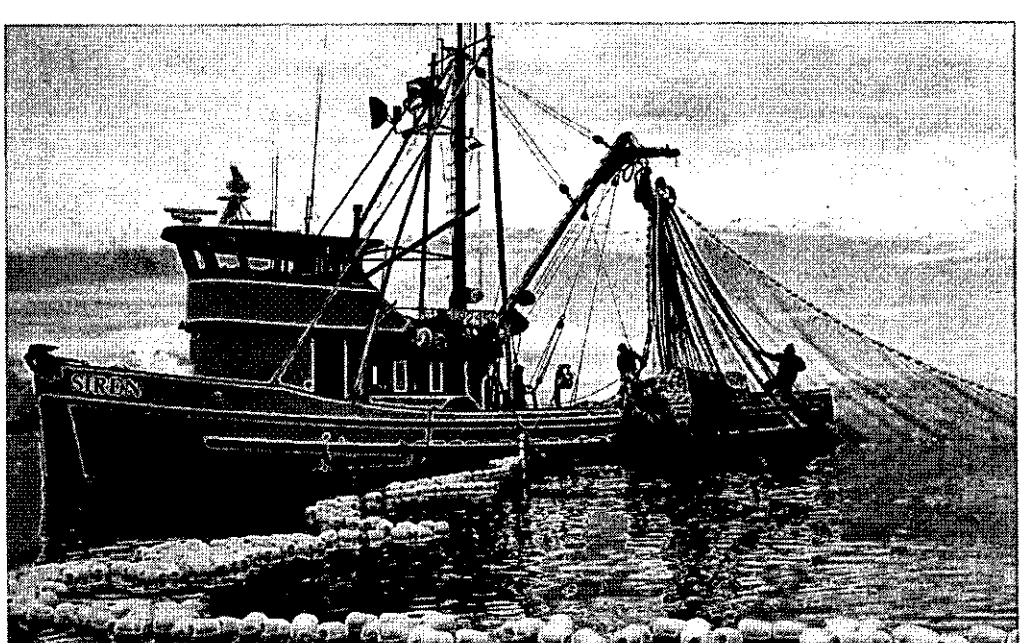
- **Economic turbulence/credit crunch**

- **Energy, fuel, transportation costs**



# CONCLUSION

- ASMI provides a unique and critical function
- sources of non-recurring federal funding will need to be replaced with funding from other sources



# Alaska Seafood Marketing Institute

311 N. Franklin St., Ste. 200
Juneau, Alaska
907-465-5560
www.alaskaseafood.org

***Wild, Natural & Sustainable®***




*Wild, Natural & Sustainable®*

# Alaska Seafood Marketing Institute
# 2009 Legislative Session Brief

**MISSION** The Alaska Seafood Marketing Institute is a marketing organization with the mission of **increasing the economic value of the Alaska seafood resource** through:

- Increasing the positive awareness of the Alaska Seafood brand
- Collaborative marketing programs that align ASMI and industry marketing efforts for maximum impact within the food industry
- Long-term proactive marketing planning
- Quality assurance, technical industry analysis, education, advocacy and research
- Prudent, efficient fiscal management

**PRIORITY Support the Governor's FY 10 operating budget proposal for ASMI.**
* includes $2,667,500 in state general funds, general funds replace federal dollars; total budget is $17,667,400.
* the state contribution of $2,667,500 is the minimum necessary to support ASMI's marketing effort
* the Alaska seafood industry's contribution to ASMI in the form of voluntary assessments amounts to between $6,000,000 and $8,000,000 per year

**RATIONALE ASMI has met with success in raising the value of Alaska's seafood harvest.**
* enhances health of private sector business, raises contribution to state treasury, stimulates sustainable state and local economic growth
* the result includes more than $90,000,000 in seafood industry taxes to the state and local governments, stimulating employment, and fostering economic stability

**Alaska must aggressively position Alaska Seafood as a premium offering in a highly competitive market to prevent price erosion.** Alaska must build on the momentum and brand equity Alaska Seafood currently enjoys in the market place, and meet known threats with aggressive promotional strategies to head off Alaska Seafood price erosion.

**The State of Alaska and the Alaska seafood industry, through ASMI, have made significant strides to improve the value for Alaska Seafood, and we can't afford to lose ground. The Alaska State Legislature plays a vital role by investing through ASMI in economic development of a renewable resource industry that is the state's largest private sector employer and generates widespread economic benefits.**

* * * *




*Wild, Natural & Sustainable®*

**AMPLIFICATION of ASMI Talking Points for 2009 Legislative Session**
**Funding Request FAQ * Accomplishments * Threats* Performance * Conclusion**

**Why support ASMI?**
Support for ASMI is support for sustainable and renewable natural resource development and economic growth. Investment in promotion of Alaska Seafood raises the value of Alaska seafood products, enhancing the vitality of private sector business, the state economy, and local and regional economies. Together, the State of Alaska and the Alaska seafood industry have made significant strides to improve the value for Alaska Seafood. We need to build on the momentum and position we currently enjoy in the market place.

**Why is a larger state contribution needed?**
Sources of short term federal funding used during the last several years to finance the promotion of Alaska Seafood are finished. Excluding the federal funds ASMI receives from USDA for international promotions*, federal dollars ASMI received FY 04 through FY 08 came to more than $17 million. ASMI spread expenditure of these dollars over a period of several years for sustained impact, but now the funds are spent. To sustain the momentum of Alaska Seafood in the marketplace and hold onto value gains, a fund source shift is needed.

**How is a state contribution routed to ASMI?**
The Governor's FY 10 operating budget proposal for the Dept. of Commerce, Community and Economic Development contains a state general fund contribution for ASMI in the form of $2,667,500 in unrestricted general funds. The total FY 10 budget for ASMI is $17,667,400 (slightly lower than last year, when ASMI received $750,000 as a state contribution). This represents a fund source shift that will partially offset the loss of non-recurring federal funds. The Alaska seafood industry's contribution to ASMI in the form of voluntary assessments amounts to between $6,000,000 and $8,000,000 per year

**What will ASMI do with the state contribution?**
ASMI will apply the funds to position Alaska Seafood as a premium offering in a highly competitive international market, and counter a number of emerging threats that are exerting pressure on Alaska's seafood industry. ASMI's proven track record building the value of the brand for key commercial Alaska seafood species is raising the value of the seafood harvest. ASMI uses foodservice and retail promotions, technical education, public relations and advertising in its effective campaigns in the U.S. and key overseas markets.

*ASMI applies for U.S.D.A. Foreign Agricultural Service funds from the Market Access Program through annual application to the federal government. Increased ASMI contribution or "match" for federal MAP funds for the promotional effort in key overseas markets attracts an increased allocation of these federal funds.

## ACCOMPLISHMENTS

ASMI is a key part of the successful effort to reposition Alaska's seafood industry as a competitive market-driven food-production industry. ASMI works with retail grocers, foodservice distributors, restaurant chains, foodservice operators, universities, culinary schools, and the media. It conducts consumer campaigns, public relations and advertising activities, and aligns with industry efforts for maximum effectiveness.

- The overall industry outlook is positive, especially for salmon, which is a dramatic turnaround from seven years ago when companies were literally walking away from the salmon business.
- Through the Community Development Quota program, many rural coastal communities are participating in Alaska's largest commercial fisheries, including the pollock fishery. The increases in commercial seafood value bring millions of dollars to participants in the CDQ program.
- Ex-vessel value of Alaska's seafood harvest has increased, and ex-vessel value of salmon doubled in three years to more that $300M.
- First wholesale value of Alaska salmon products has increased: most active salmon fishermen (75%) are Alaska residents and spend earnings all over the state. Six hundred active salmon fishermen reside in Anchorage and Mat-Su, with the majority spread through Alaska's coastal communities. 222 Alaska communities involved with Alaska salmon, including Anchorage, benefit from improvements in the market.
- Export value of Alaska Seafood to ASMI destination countries has increased markedly over the past several years.
- ASMI's worldwide promotions of Alaska Seafood also showcase Alaska as a destination for visitors. While not the specific goal of ASMI marketing efforts this is an added benefit that comes at no additional cost.

**Wild Alaska Seafood now commands respect in the marketplace.** Here are examples:

- As a result of ASMI foodservice promotions and informing the public about wild Alaska seafood, a wide majority of U.S. restaurant diners have a positive impression of the Alaska Seafood brand (77%).
- The trade component of the U.S. national advertising campaign for Alaska Seafood was circulated to retail and foodservice buyers making purchasing decisions for 17,000 retail grocery locations and 903,000 foodservice outlets.
- Alaska Salmon is preferred 84% to 16% over Atlantic Salmon in restaurants.
- The Alaska Seafood brand is the second most popular food brand on menus of the top 500 U.S. restaurant chains.
- Cook It Frozen promotions at retail grocery stores in the U.S. support value-added frozen product sales.
- Television ads on the Food Network in February and March of 2007 generated 193,785,000 household impressions, and reached more than 60 million women in ASMI's top target demographic.
- Combined television and consumer magazine ads in FY 08 generated 241 million household impressions.

- Alaska seafood sales at the ASMI-anchored Alaska Pavilion at Europe's largest seafood trade show have grown steadily: in 2008, participating Alaska seafood companies made **$31 million** in on-site sales, and **$125 million in projected sales** for the ensuing year.

**THREAT ANALYSIS**

There are a number of threats ASMI must counter in order to raise the value of the seafood harvest. Here is an example of the scope of such threats. In 2008, Greenpeace released results of a retail grocery survey it had conducted in the U.S.; the organization is demanding that Alaska pollock be pulled from store shelves. Recently they launched a media campaign accusing Alaska of mismanaging Alaska pollock, and demanding a 50% cut in the harvest quota. Whether the concern is contaminants in seafood, confusion over eco-labels, or the global ramping up of aquaculture, ASMI must effectively challenge attacks, and educate the consumer, trade customers and the media about the value of Alaska's seafood.

Examples of external threats to increasing brand value:

- Global aquaculture –relatively constant wild seafood supply overtaken by aquaculture, which now produces more seafood than capture fisheries

- Competing nations, not just competing proteins – pork, chicken and beef, dairy and farmed fish are priced lower and have better funded marketing campaigns. ASMI competes against nations for market share, and in the case of many competing products the governments of the countries (e.g., Norway, Chile, Scotland, Australia) are actively involved in providing funding.

- Price resistance – following periods of increase in value for particular species, Alaska producers are encountering price resistance

- Seasonality, consistency of supply, inelasticity of supply – product availability fluctuates within the season and from year to year, and there are upper limits to wild seafood production in sustainably managed fisheries

- International economics – currency fluctuations, softening of domestic or foreign economies (e.g., ASMI's U.S. dollars in key overseas markets shrink dramatically when converted to Euros, Yen, and Yuan), tariff and trade barriers

- Increasing fuel and transportation costs

- Confusion over eco-labels – a proliferation of eco-labels in the marketplace (labels denoting sustainably produced seafood), and the issues of traceability and country of origin labeling require educating customers at consumer and trade levels about Alaska Seafood brand and Alaska as the model of sustainable fisheries management

- Funding - Dollars available to support infrastructure and marketing, many federal sources drying up, promotional costs are rising

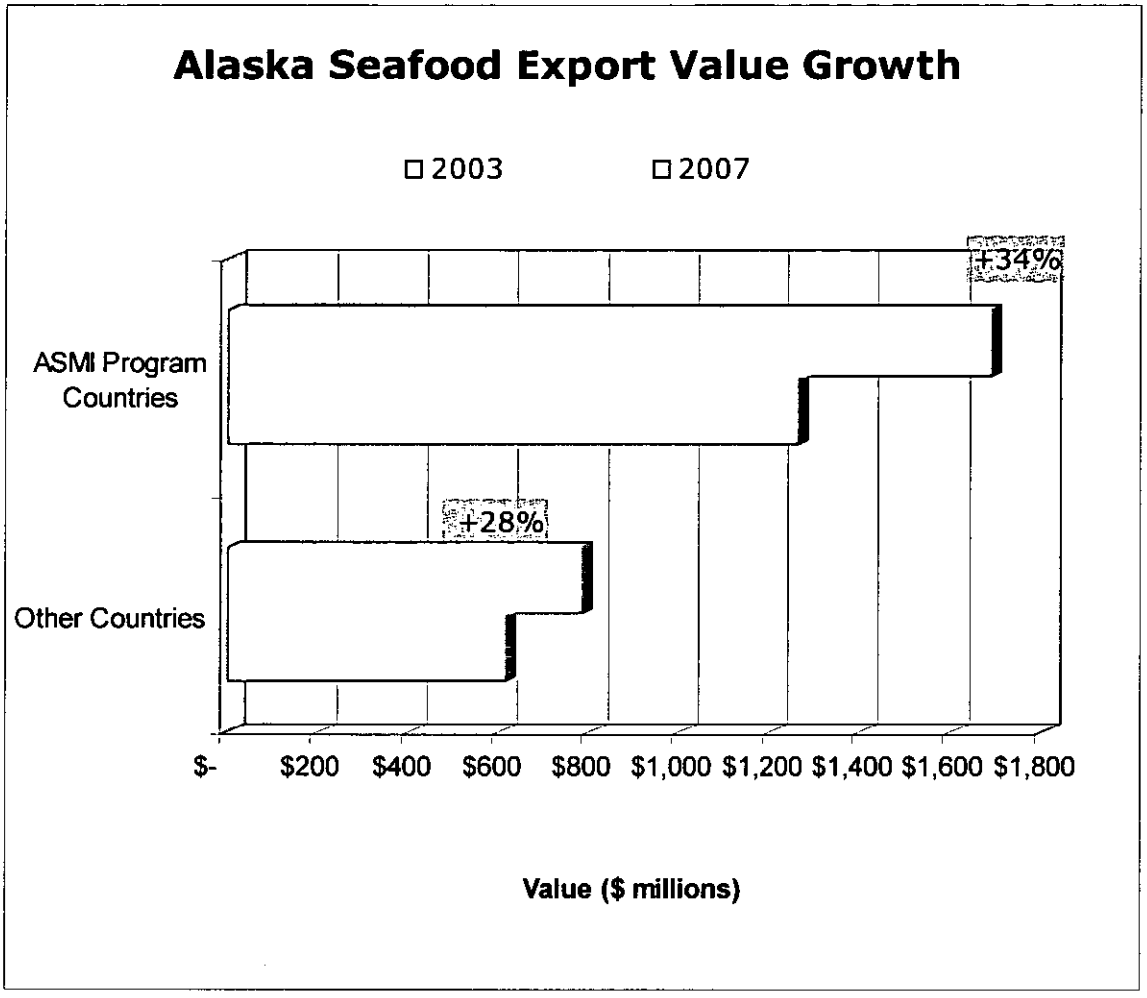
- Worldwide economic turbulence and a credit crunch creating uncertainty for Alaska seafood producers and suppliers

**PERFORMANCE**

ASMI is accomplishing its mission of increasing the economic value of Alaska seafood resources, however a disruption in funding will challenge our ability to deliver key Alaska messages to a critical number of people.

- **The first wholesale value of Alaska's seafood harvest (all key commercial species) has continued its upward value trend and reached $3.6 billion, providing increased revenue to state and local governments and the private sector. Value increased 12.5% from 2006-2007.**
- **The price paid to fishermen for Alaska's seafood harvest, the ex-vessel value, reached $1.6 billion in 2007.**
- **The first wholesale value of Alaska salmon products reached $900 million, continuing an upward trend established from 2002-2007, boosting state and local economies and the private sector.**
- **Alaska seafood is among the three most popular food brands on U.S. menus. It has ranked third, and second, and has not yet reached the top spot.**

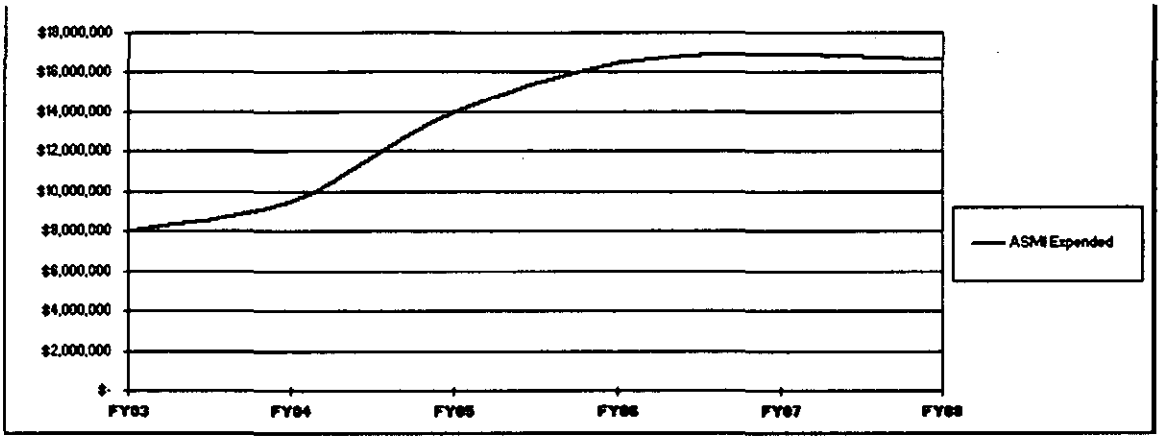
- **Seafood exports to ASMI destination countries exceeded $1.7 billion, up 34% from 2003 to 2007, a higher rate of growth than in non-ASMI countries.**

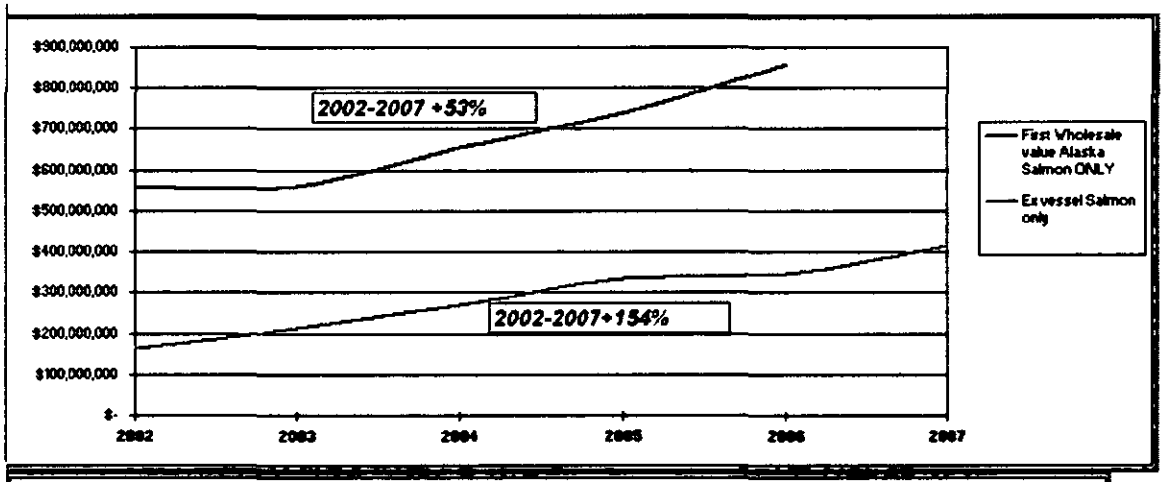


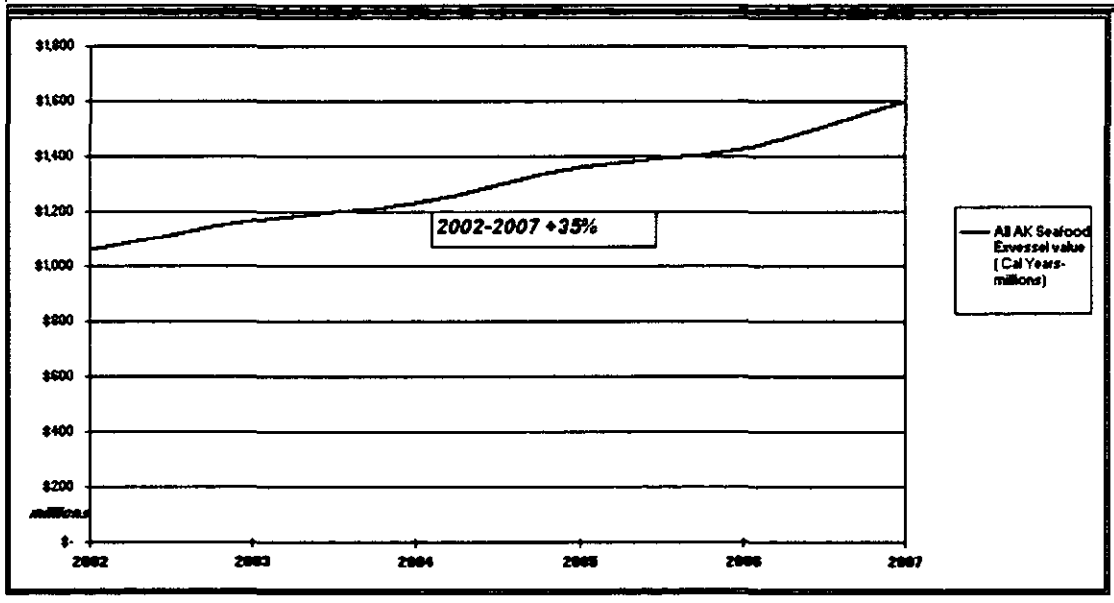

ASMI Performance, including performance targets, strategies to meet the targets, analysis and tables are available at http://www.gov.state.ak.us/omb/results/view.php?p=18, on the State of Alaska website for Office of Management and Budget, Performance section, for Alaska Seafood Marketing Institute within the Dept. of Commerce, Community and Economic Development. Some highlights of this information are included below. This URL will lead to the Summary page: also review the "Details" sections.

# REVENUE, EXPENDITURE AND ALASKA SEAFOOD VALUE TRENDS

| | FY03 | FY04 | FY05 | FY06 | FY07 | FY08 |
|---|---|---|---|---|---|---|
| ASMI Expended | $ 8,000,000 | $ 9,500,000 | $ 14,000,000 | $ 16,500,000 | $ 16,900,000 | $ 16,700,000 |
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| First Wholesale value Alaska Salmon ONLY | $ 559,000,000 | $ 559,000,000 | $ 657,000,000 | $ 741,000,000 | $ 857,000,000 | |
| Ex vessel Salmon only | $ 163,000,000 | $ 212,000,000 | $ 272,000,000 | $ 334,000,000 | $ 348,000,000 | $ 417,000,000 |
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| All AK Seafood Exvessel value ( Cal Years-billions) | $ 1.061 | $ 1.167 | $ 1.232 | $ 1.361 | $ 1.425 | $ 1.600 |



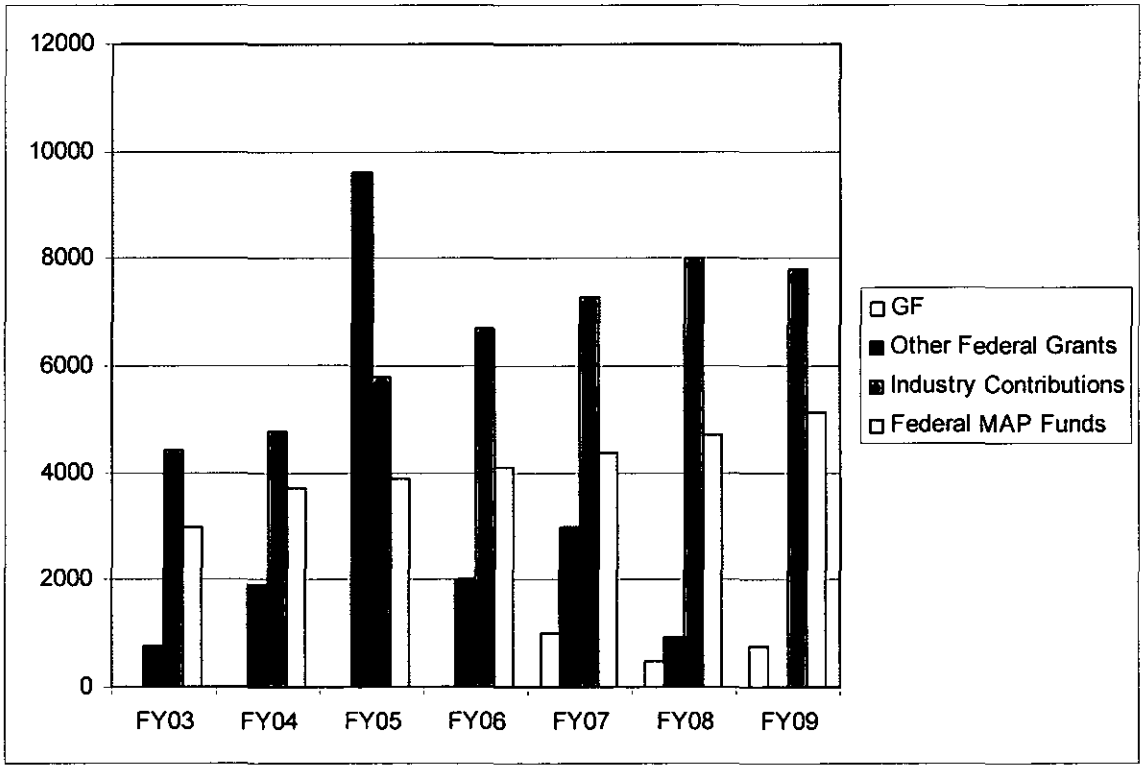



## CONCLUSION

ASMI provides a unique and critical function for the Alaska Seafood industry, one that individual companies or direct marketers cannot provide on their own, and provides a demonstrable return on investment. That function is building and defending the Alaska Seafood Brand, one of the best known seafood brands in the world. Through ASMI efforts both in the U.S. and abroad, customers are drawn to Alaska Seafood: this provides the traditional "pull" for our products. The industry, which is better aligned with ASMI efforts than ever before, can then focus on traditional trade spending with the retailers and foodservice operators providing the "push" for Alaska Seafood products. This powerful combination of "push and pull" leverages the overall industry spending in the most efficient and effective way.

In order for ASMI to sustain momentum for Alaska Seafood in the U.S., Asia, and European Union, the non-MAP federal funding sources it has been utilizing to maximize the value of the seafood harvest will need to be replaced with funding from other sources.

| *Revenue sources* | FY03 | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 |
|---|---|---|---|---|---|---|---|
| GF | 0 | 0 | 0 | 0 | 1000 | 500 | 750 |
| Other Federal Grants | 772 | 1900 | 9609 | 2000 | 2991 | 948 | 0 |
| Industry Contributions | 4400 | 4800 | 5800 | 6700 | 7300 | 8000 | 7800 |
| Federal MAP Funds | 3000 | 3700 | 3900 | 4100 | 4355 | 4700 | 5132 |



# 3/17/09 OVERVIEW: DENALI COMMIS-SION

# Advisory Committees



## George Cannelos (Chair) - Denali Commissioner - Denali Commission



George J. Cannelos serves as Federal Co-Chair of the Denali Commission. He was appointed to lead this independent federal agency by the U.S. Secretary of Commerce in 2005. Prior to his appointment, he served as president and chief operating officer of KPB Architects, and as director of the Heritage Land Bank for the Municipality of Anchorage. He capped a 32-year military career as a Brigadier General commanding the Alaska Air National Guard.

Mr. Cannelos has extensive experience in rural Alaska, and has lived in Anchorage, Bethel and Juneau. He began his career in Alaska in 1975 with the Department of Community & Regional Affairs. He completed planning and community development projects in over 50 Alaskan communities in the public and private sectors to include comprehensive, strategic, and transportation planning, feasibility studies, training and land management. He served as chief operating officer for Chugach Alaska, Inc., and general manager for Bethel Native Corporation.

He earned a bachelor's degree in economics from Lewis and Clark College and a master's of regional planning from the University of Pennsylvania. Mr. Cannelos is a member of the Urban Land Institute, the American Institute of Certified Planners, Anchorage Rotary, and the Veterans of Foreign Wars. He is board chair for the Anchorage Community Land Trust, Vice Chair of Anchorage Winter Cities and a board member of the Foraker Group.

**Speeches and Documents**

**Calendar of Events**

**Program Staff**

**Advisory Committee**

- **George Cannelos (Chair)**
- **Carvel Zimin, Jr.**
- **Chuck Pool, P.E., R.L.S.**
- **Chuck Quinlan**
- **Mike Hoffman**
- **Norm Phillips**
- **Randy Romenesko, P.E.**
- **Steve Ivanoff**
- **Walter Sampson**

**Monthly Program Update**

**Partner Links**

**Documents**



Click on the State of Alaska icon to view an interactive map of all Denali Commission projects by funding year, location, and program area.

USA.gov Government Made Easy Search

FOIA | Privacy Statement



# DENALI COMMISSION

Presentation before Committees on Community and Regional Affairs, Alaska State Legislature
March 17, 2009



DENALI COMMISSION

Appalachian Regional Commission 1965

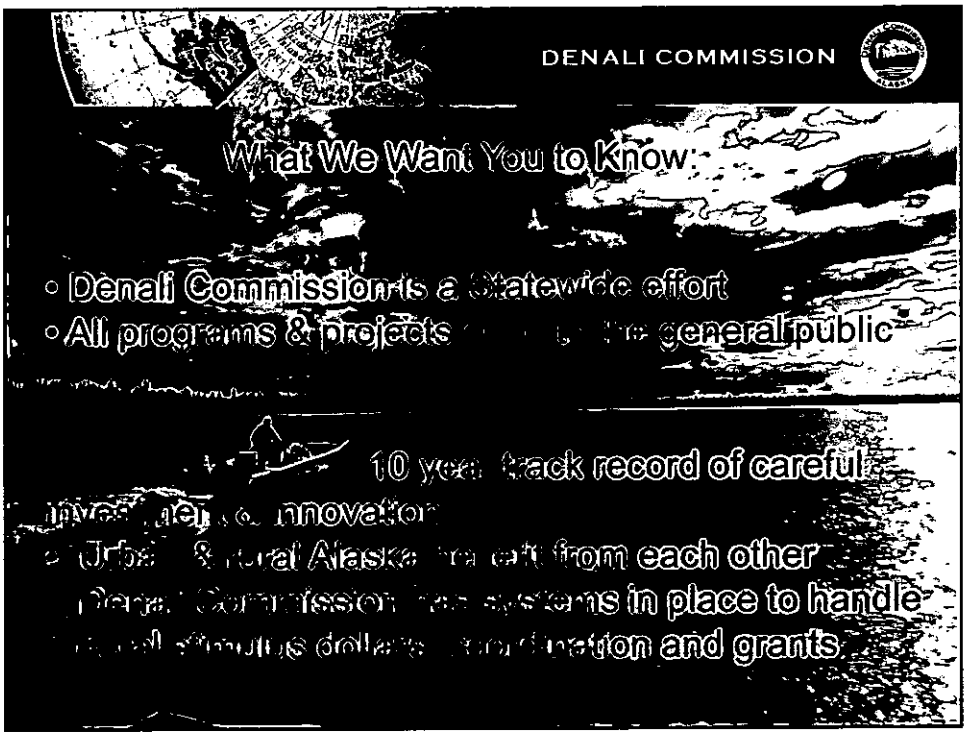
Denali Commission 1998

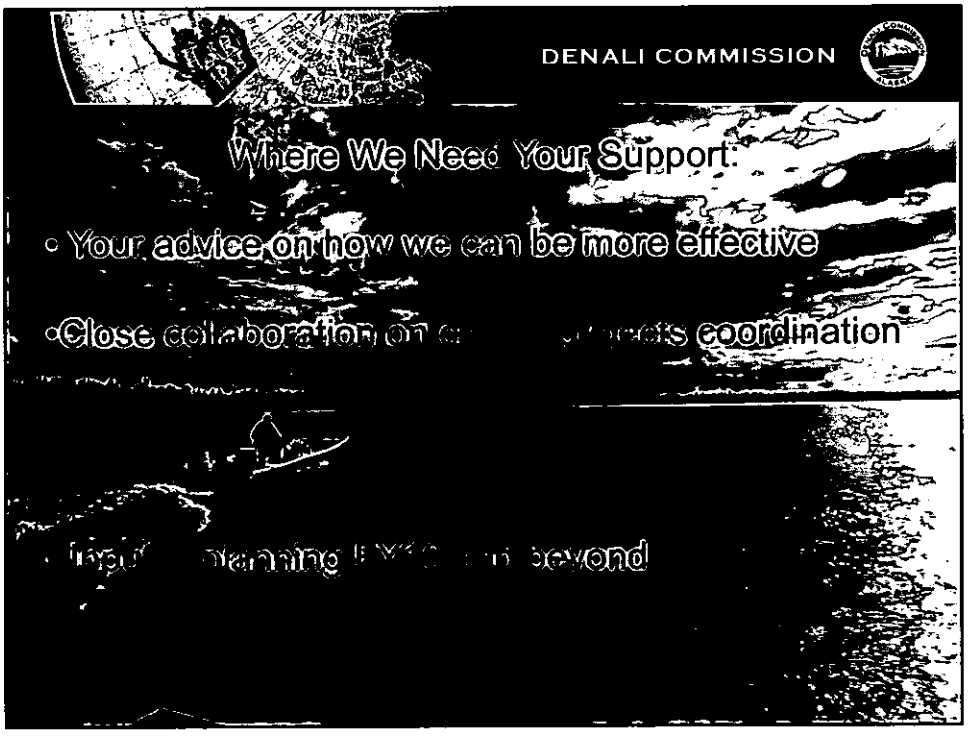
Delta Regional Commission

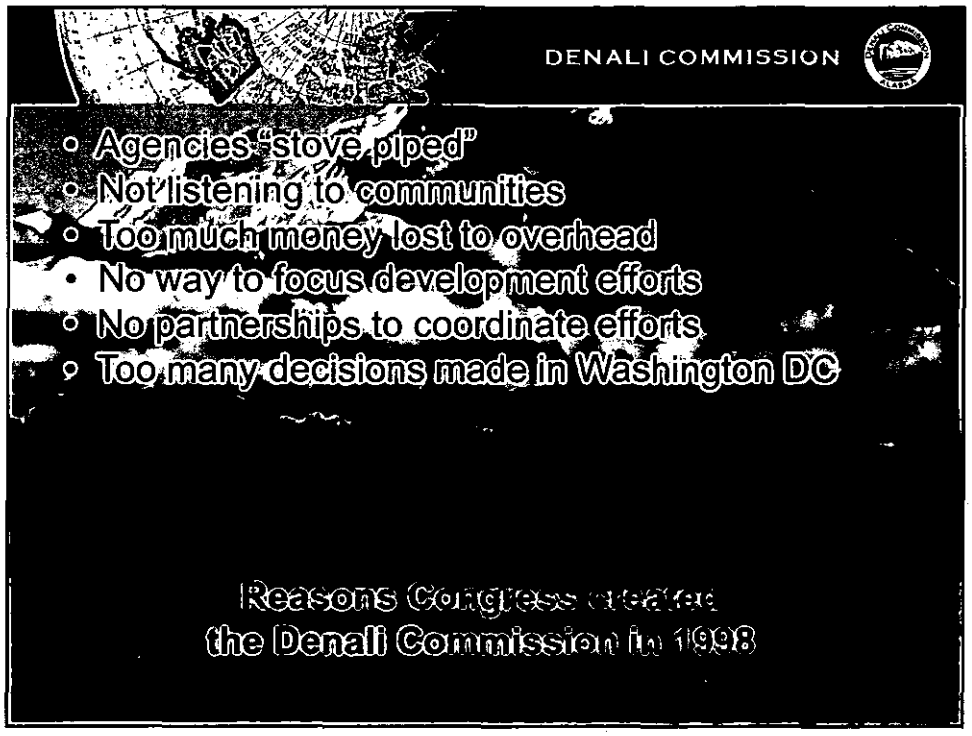
APPALACHIAN REGIONAL COMMISSION

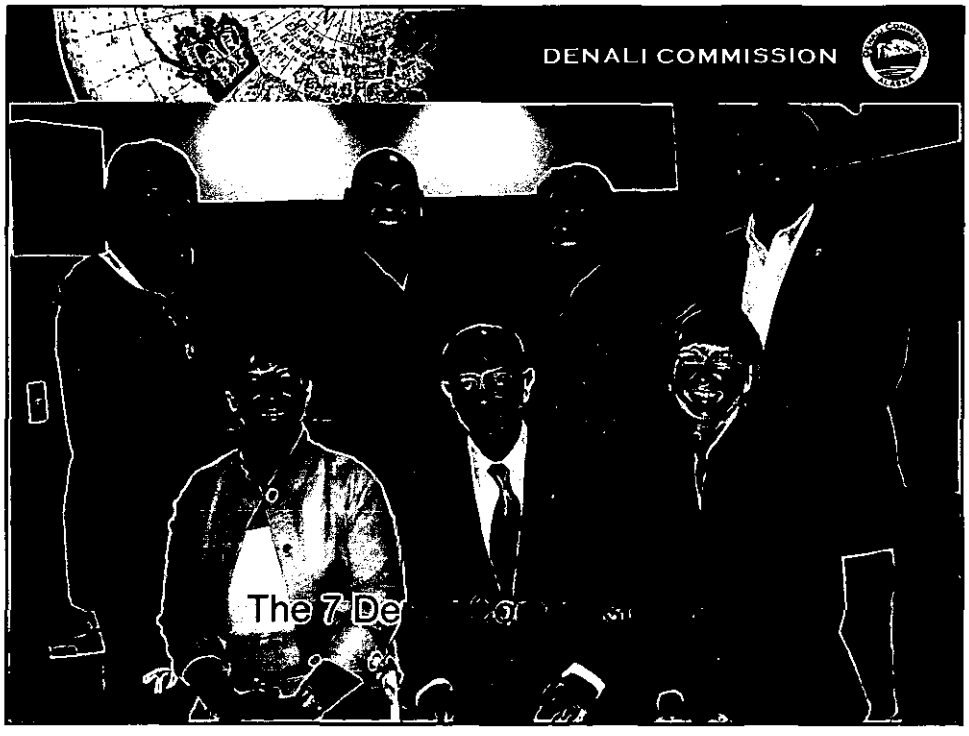
10 Years Of Progress 1998-2008

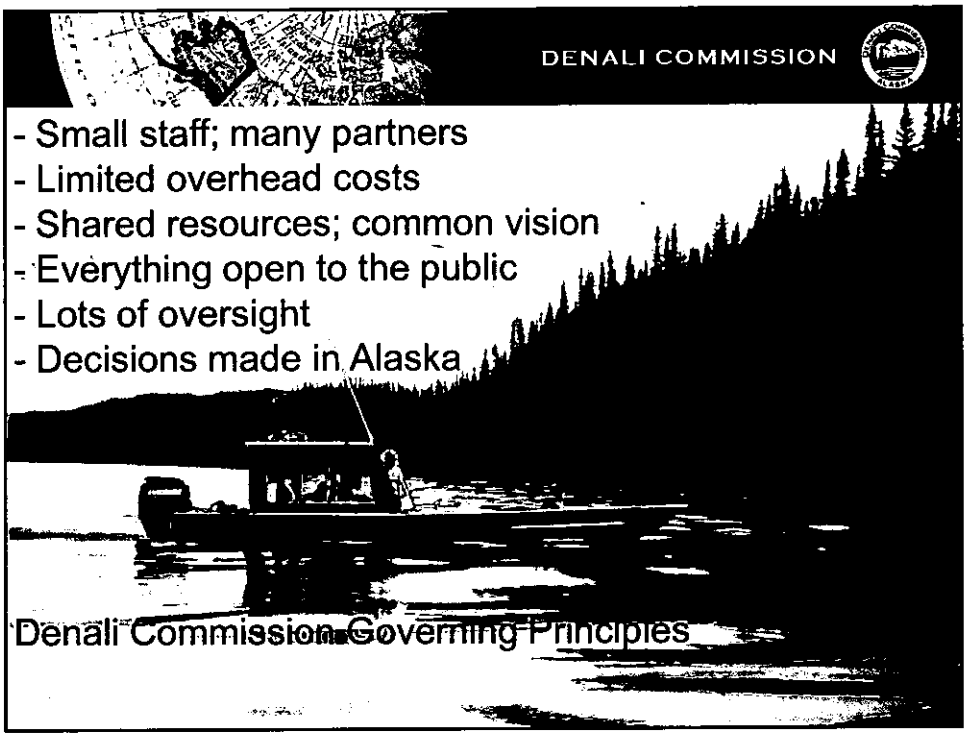
## Regional Commissions
## A Model For Government

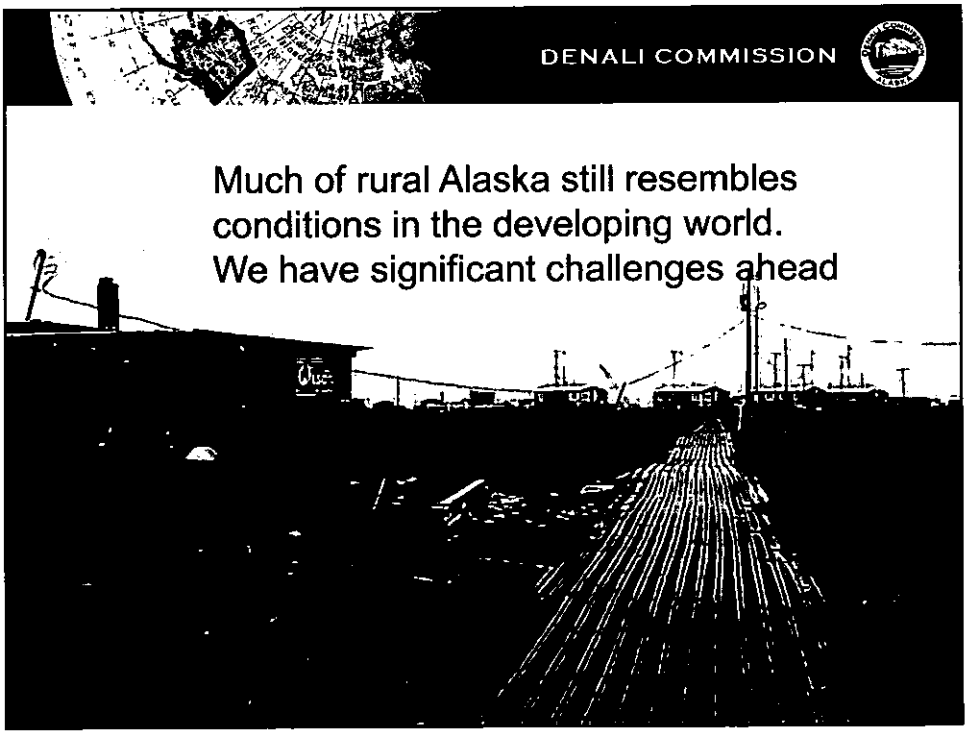

DENALI COMMISSION
What We Want You to Know:
◦ Denali Commission is a Statewide effort
◦ All programs & projects
general public
10 year track record of careful
innovation
Urban & Rural Alaska
from each other
in place to handle
and grants


DENALI COMMISSION
Where We Need Your Support:
◦ Your advice on how we can be more effective
◦Close collaboration on
coordination
beyond

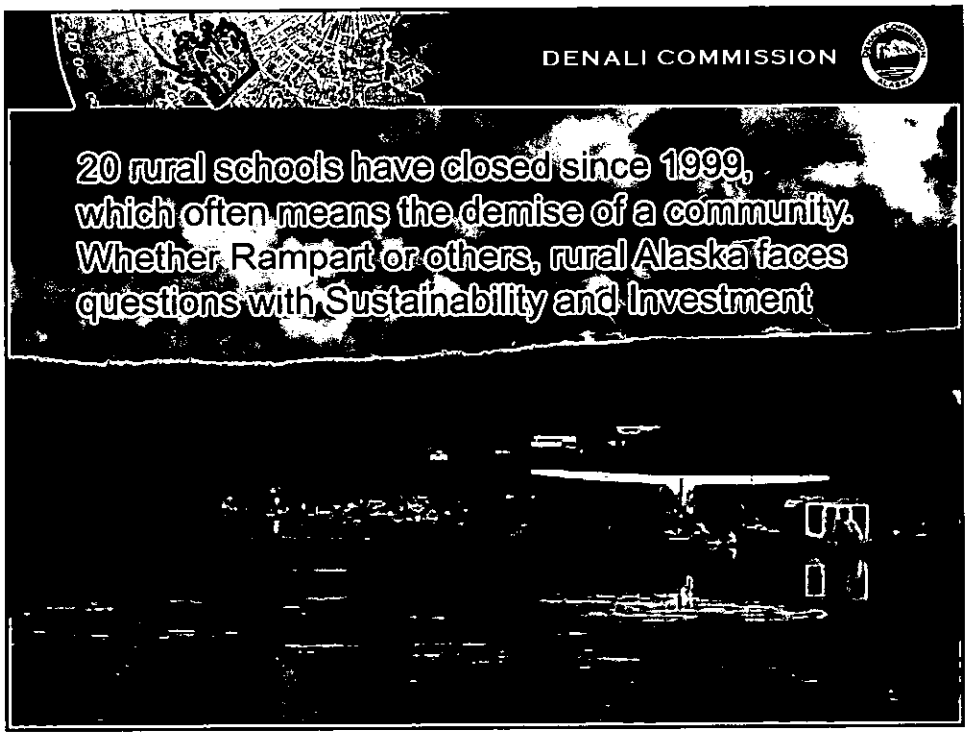

DENALI COMMISSION
Agencies "stove piped"
Not listening to communities
Too much money lost to overhead
No way to focus development efforts
No partnerships to coordinate efforts
Too many decisions made in Washington DC
Reasons Congress created
the Denali Commission in 1998


DENALI COMMISSION
The 7 De

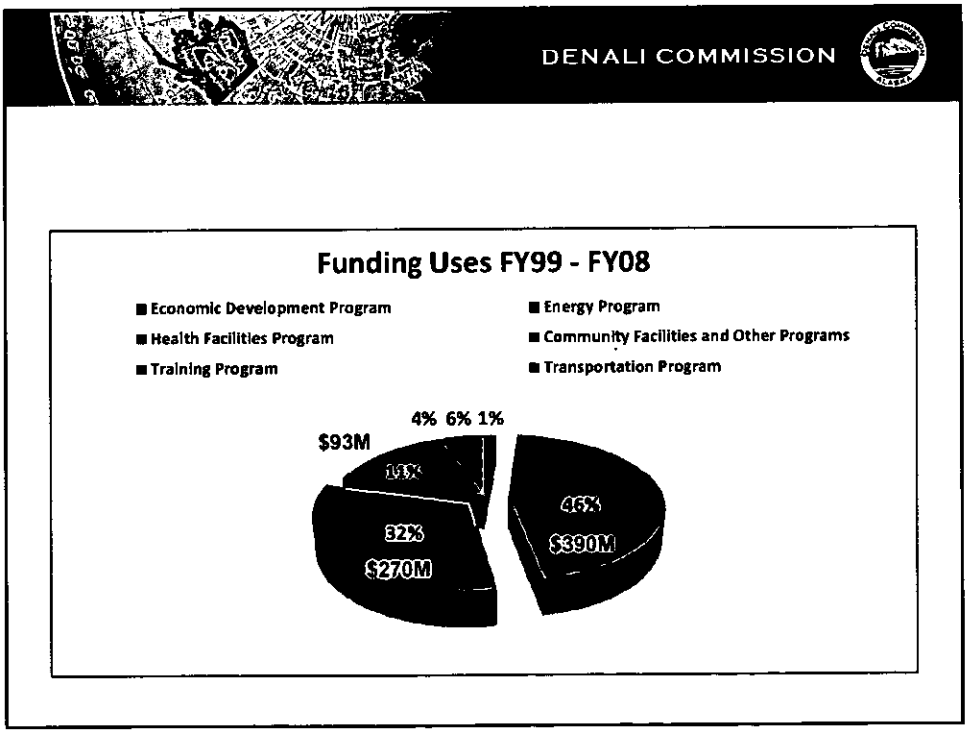

DENALI COMMISSION
- Small staff; many partners
- Limited overhead costs
- Shared resources; common vision
- Everything open to the public
- Lots of oversight
- Decisions made in Alaska
Denali Commission Governing Principles


DENALI COMMISSION
Much of rural Alaska still resembles conditions in the developing world.
We have significant challenges ahead

DENALI COMMISSION

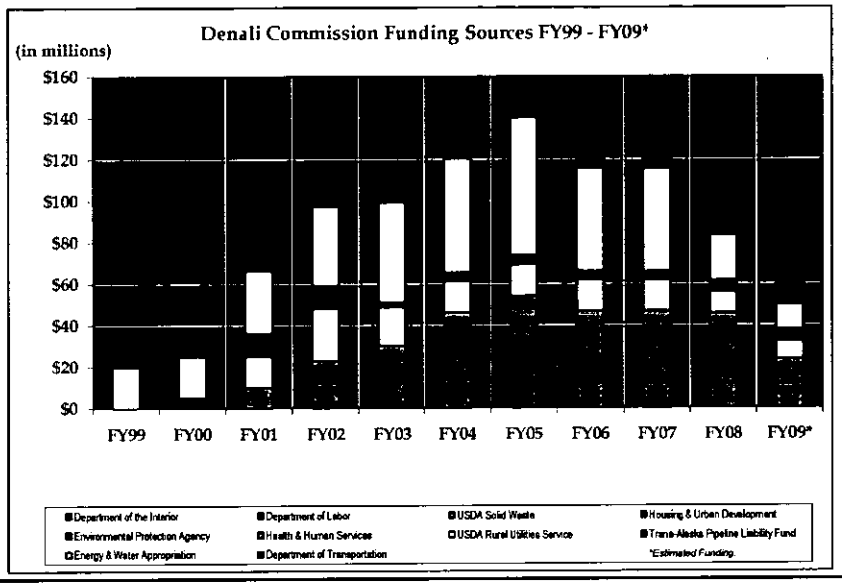



DENALI COMMISSION

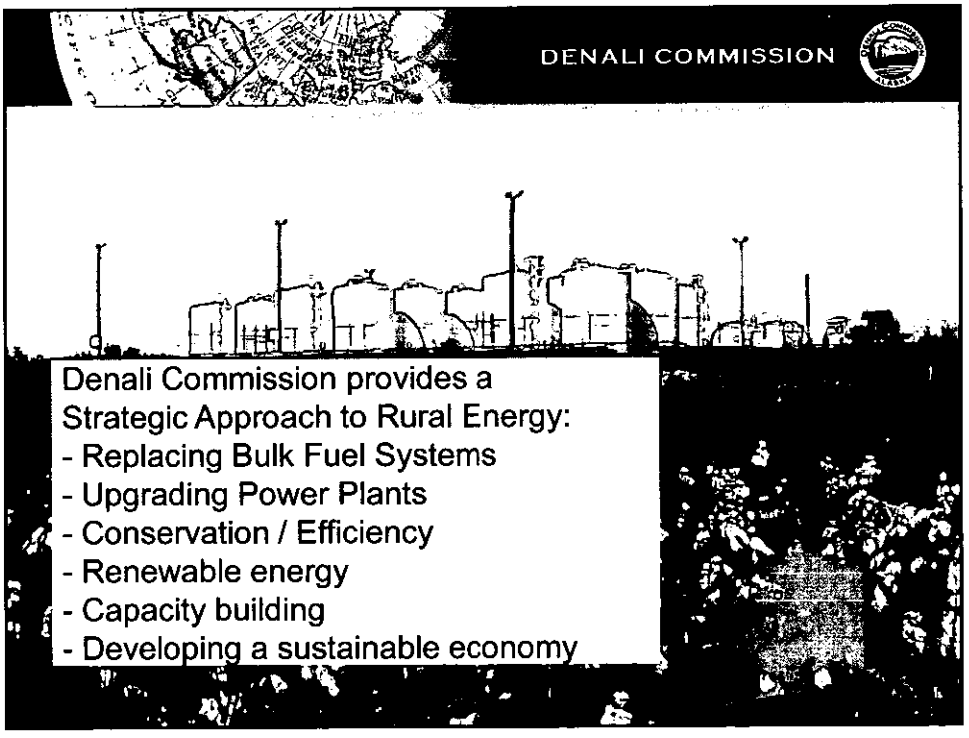


DENALI COMMISSION

The Denali Commission future is in flux – future investment is a team effort




DENALI COMMISSION



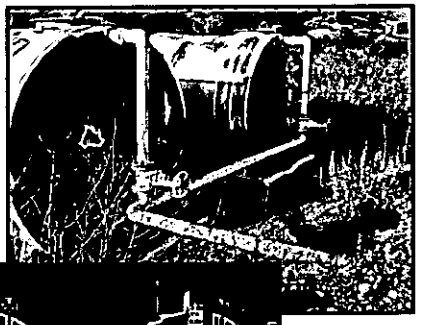
Denali Commission provides a Strategic Approach to Rural Energy:

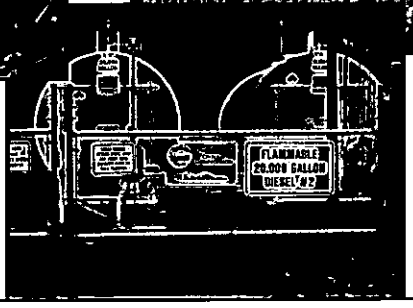
- Replacing Bulk Fuel Systems
- Upgrading Power Plants
- Conservation / Efficiency
- Renewable energy
- Capacity building
- Developing a sustainable economy

DENALI COMMISSION

Tuntutuliak Power Plant



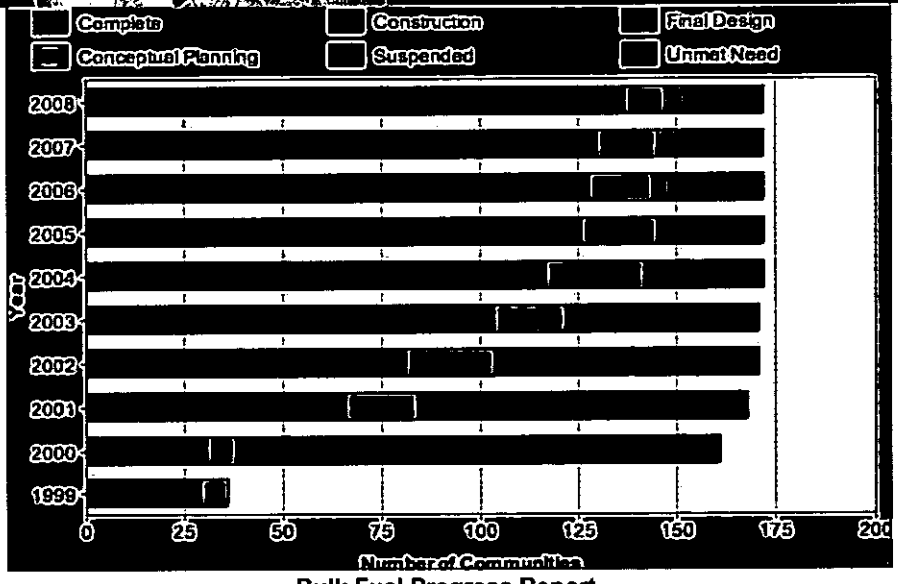




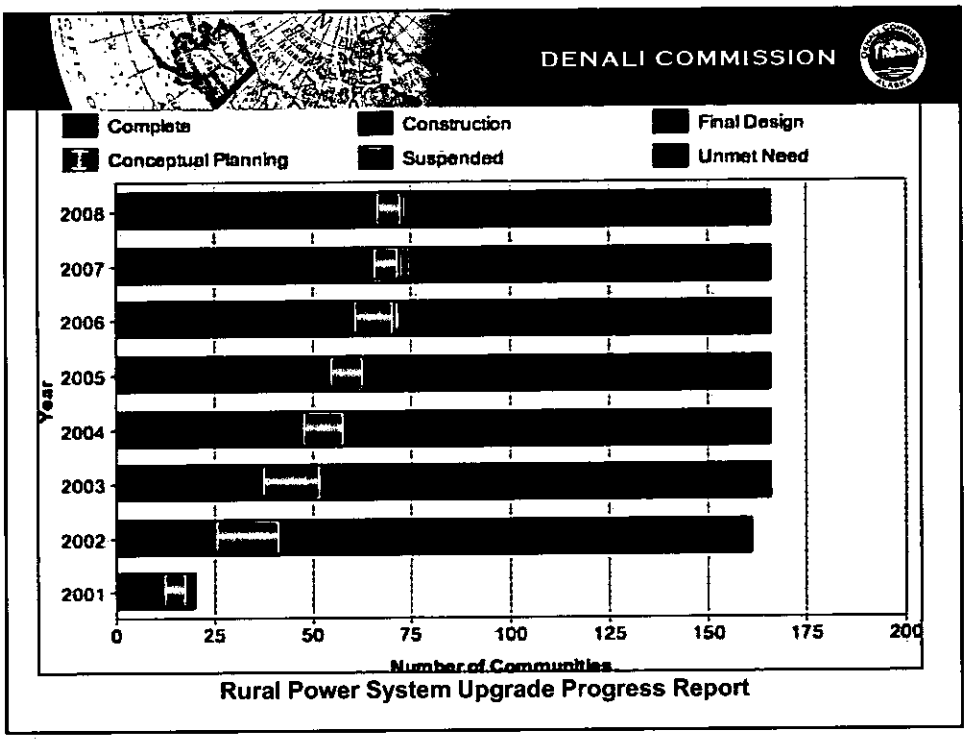

"Legacy Program"
- Bulk fuel facilities
- Power plant upgrades
- Energy conservation

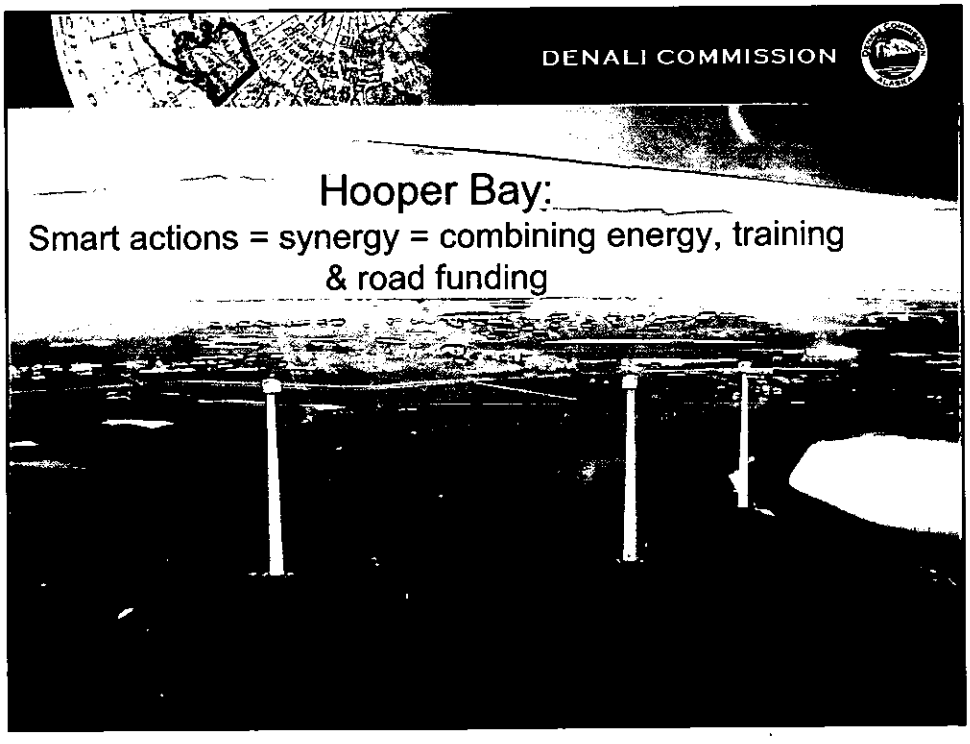
False Pass Bulk Fuel -- before & after

DENALI COMMISSION



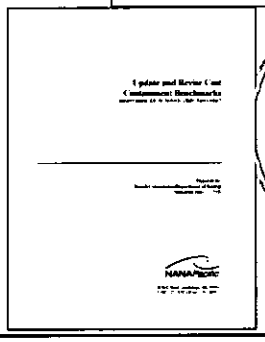

Bulk Fuel Progress Report

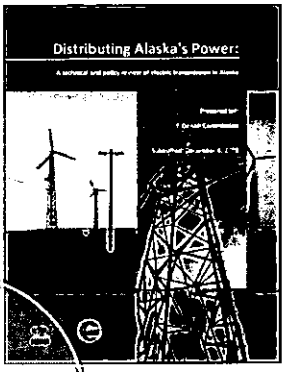

DENALI COMMISSION
Complete
Construction
Final Design
Conceptual Planning
Suspended
Unmet Need
2008
2007
2006
2005
2004
2003
2002
2001
Year
0
25
50
75
100
125
150
175
200
Number of Communities
Rural Power System Upgrade Progress Report


DENALI COMMISSION
Hooper Bay:
Smart actions = synergy = combining energy, training & road funding

DENALI COMMISSION







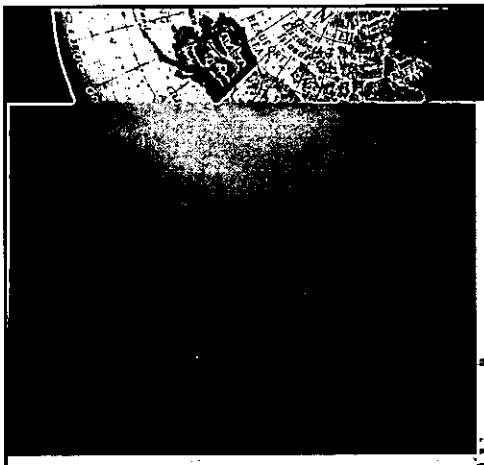

Fuel Costs, Migration and Community Viability

Update and Revise Cost Containment Benchmarks

Distributing Alaska's Power

Find ways to make the cost of energy affordable
If not, we will lose villages

DENALI COMMISSION



Denali Access System Program: Supporting road and waterfront projects in rural Alaska

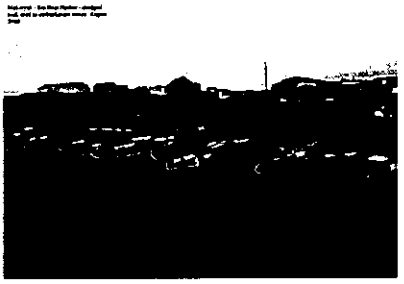


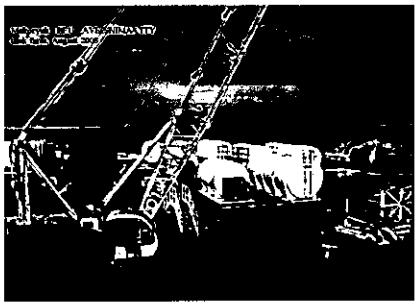
Partners including FHWA, WFLH, BIA, USACE, ADOT/PF, Native Corporations and others

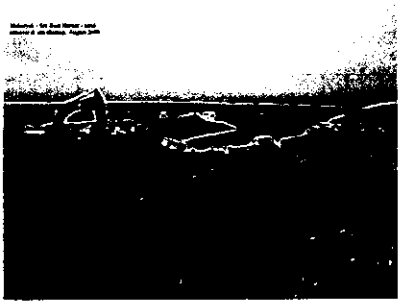
DENALI COMMISSION

## Merkoryuk Harbor Dredging

- Two for One - improved harbor
- Dredge spoils used as fill material for new bulk fuel facility
- Lower cost, less equipment use



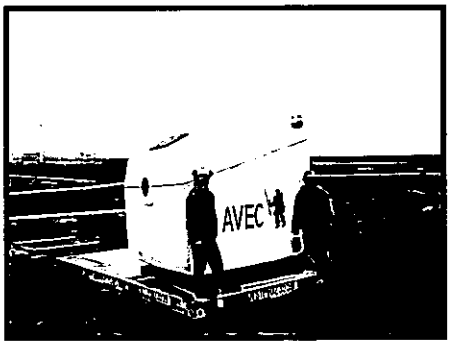


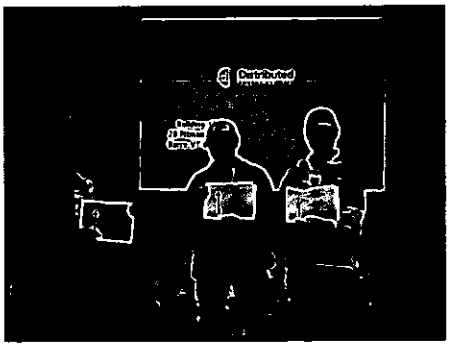


DENALI COMMISSION

## Denali Commission Training Funds:

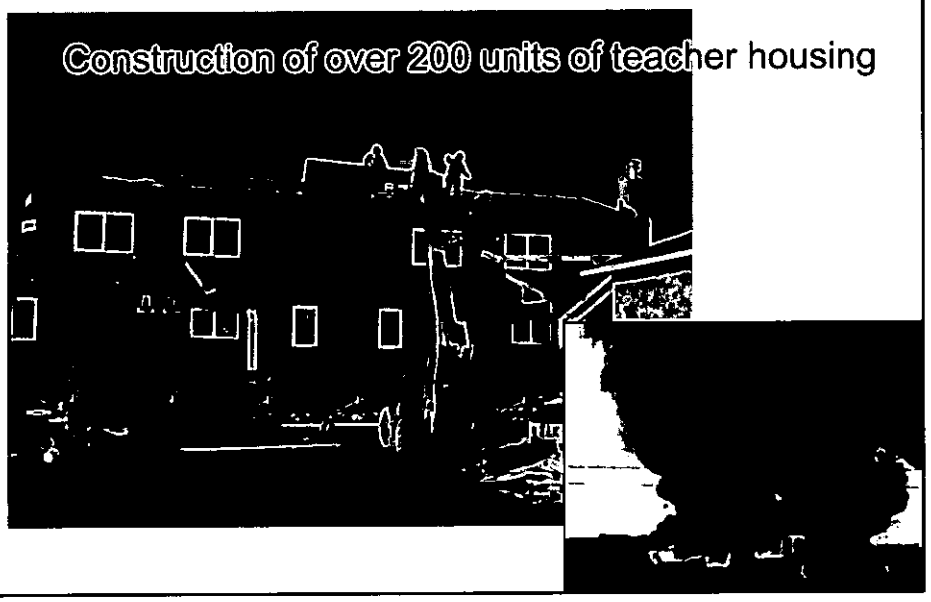
- Training rural Wind Technicians in Vermont
- STG Construction working with Northern Power
- Diesel-wind projects in Gambell, Savoonga, Chevak & Hooper Bay



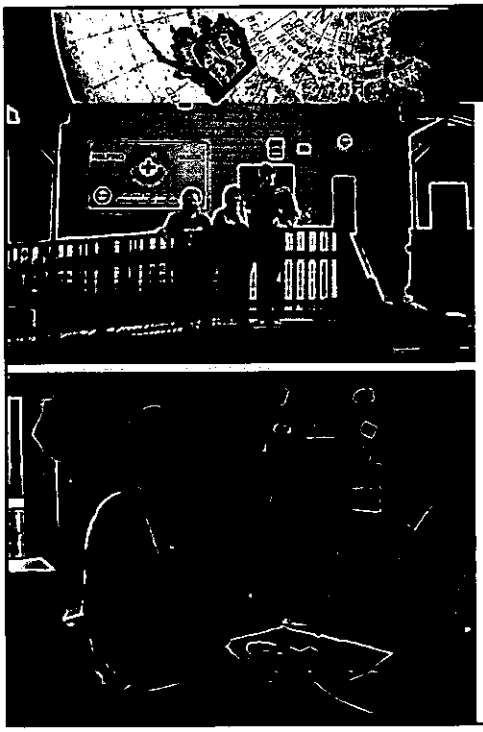
DENALI COMMISSION

Construction of over 200 units of teacher housing

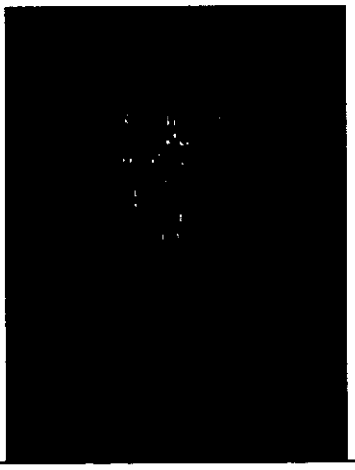


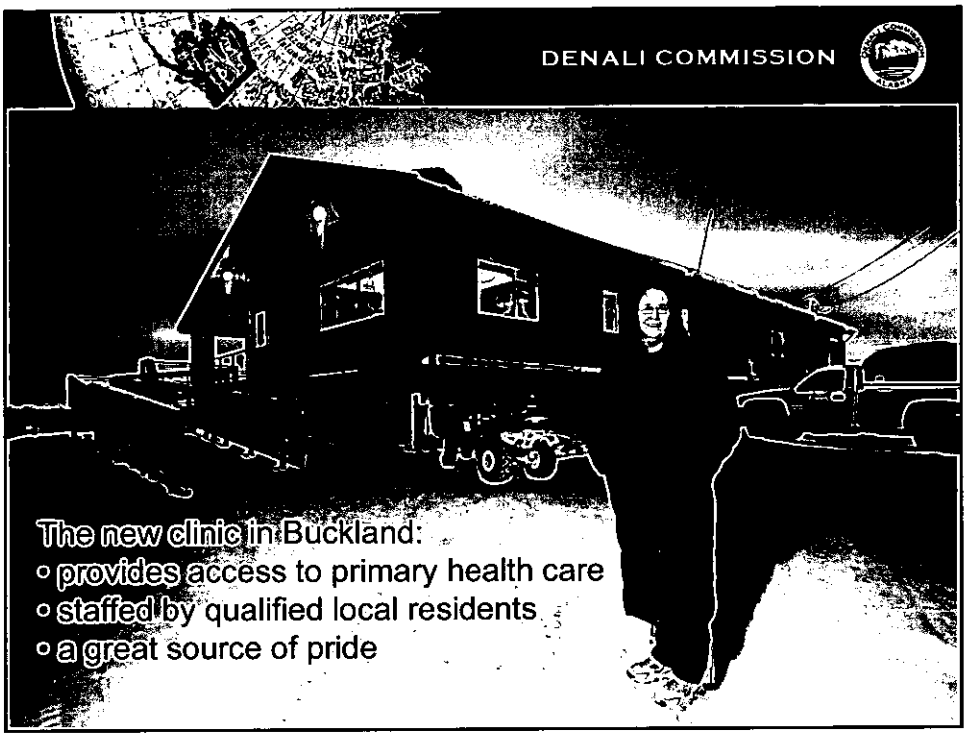
DENALI COMMISSION

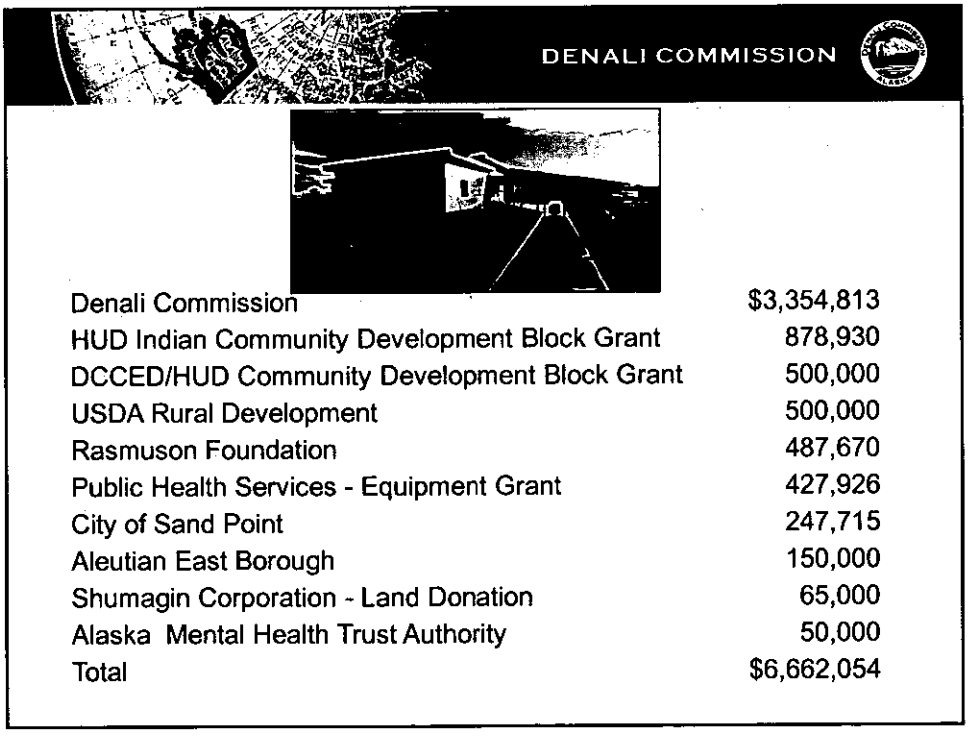
Primary health care delivery is key to village success









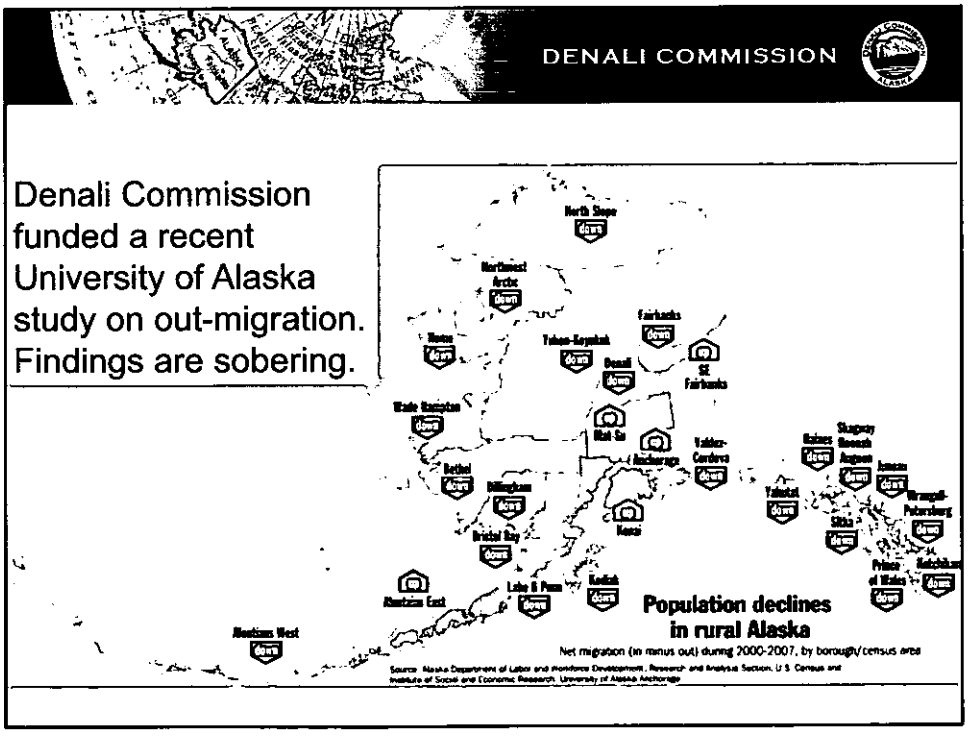



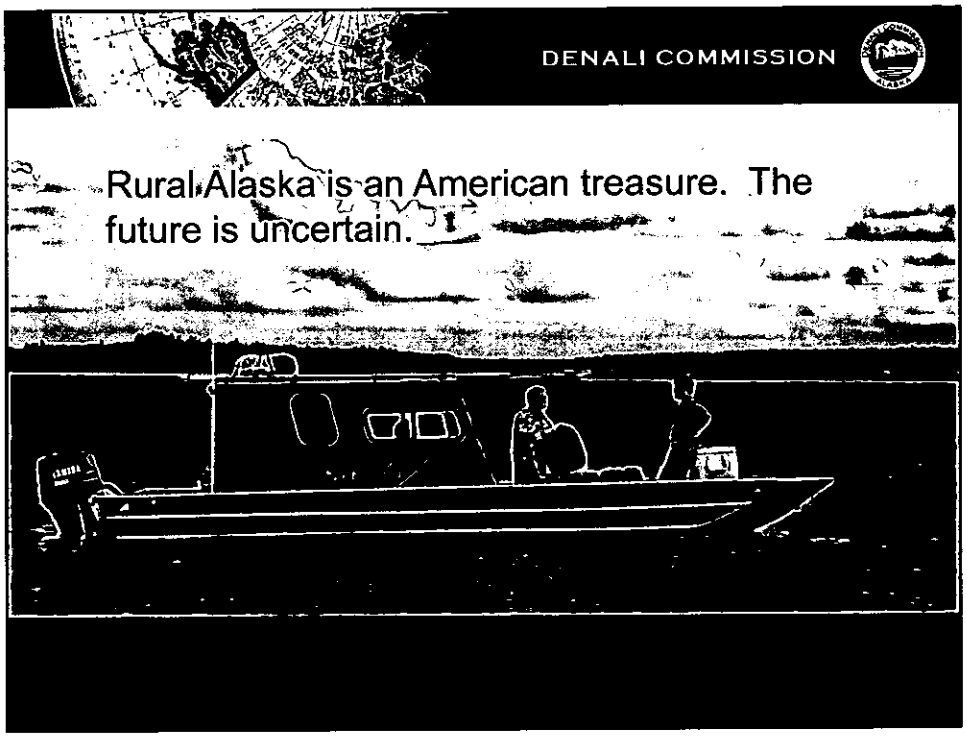

| | |
|---|---|
| Denali Commission | $3,354,813 |
| HUD Indian Community Development Block Grant | 878,930 |
| DCCED/HUD Community Development Block Grant | 500,000 |
| USDA Rural Development | 500,000 |
| Rasmuson Foundation | 487,670 |
| Public Health Services - Equipment Grant | 427,926 |
| City of Sand Point | 247,715 |
| Aleutian East Borough | 150,000 |
| Shumagin Corporation - Land Donation | 65,000 |
| Alaska Mental Health Trust Authority | 50,000 |
| Total | $6,662,054 |

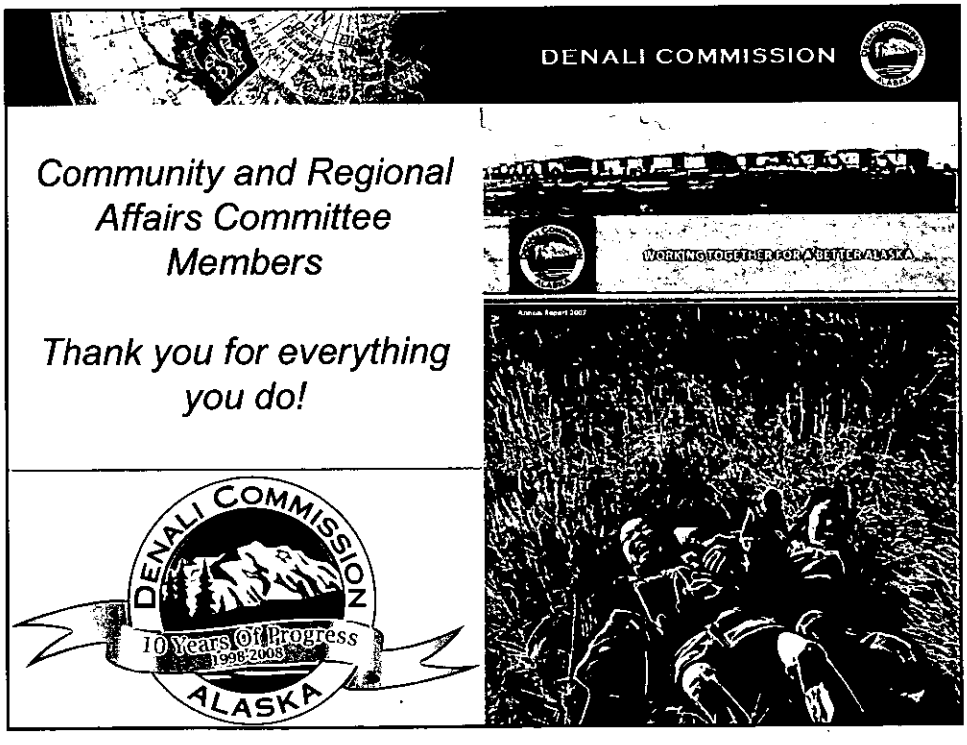

DENALI COMMISSION
EXIT
Denali Commission has a key role in federal-state government coordination


DENALI COMMISSION
Government coordination requires listening, trust & respect


DENALI COMMISSION
IAWG Recommendations include a proposal for an Inter-agency group to carry on government Coordination regarding climate change

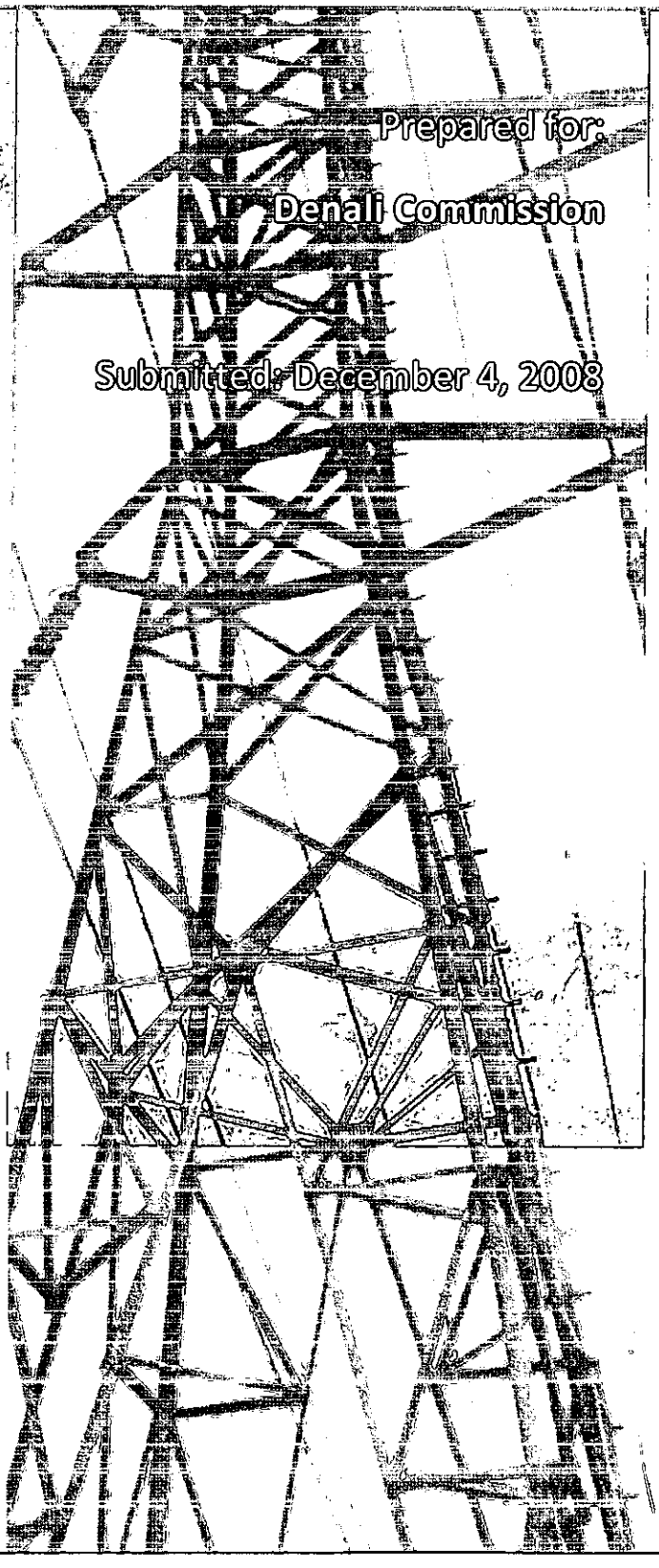

DENALI COMMISSION
Denali Commission funded a recent University of Alaska study on out-migration. Findings are sobering.
Population declines in rural Alaska
Net migration (in minus out) during 2000-2007, by borough/census area


DENALI COMMISSION
Rural Alaska is an American treasure. The future is uncertain.


DENALI COMMISSION
Community and Regional Affairs Committee Members
Thank you for everything you do!
DENALI COMMISSION
10 Years Of Progress
1998-2008
ALASKA
WORKING TOGETHER FOR A BETTER ALASKA

# Distributing Alaska's Power:

## A technical and policy review of electric transmission in Alaska



Prepared for:

Denali Commission

Submitted: December 4, 2008

NANA Pacific

WHPacific

NANA Colt

DENALI COMMISSION ALASKA

770

**Denali Commission**
510 L Street, Suite 410
Anchorage, AK 99501

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December 2008

Denali Commission Intertie Study
Prepared for the Denali Commission
By NANA Pacific

I am pleased to present a copy of *Distributing Alaska's Power: A Technical and Policy Review of Electric Transmission in Alaska* prepared at our request by NANA Pacific. This report examines the role that intertie lines could play in meeting the critical need for low cost, reliable electrical power throughout Alaska.

This report originated at the request of the Commission's Energy Advisory Committee who recognized the key role connectivity between communities could play in the State's energy future. I would especially like to thank committee members for their innovative ideas and dedication on behalf of all Alaskans. They are:

- John MacKinnon, Denali Commissioner and Executive Director, Associated General Contractors of Alaska
- Vince Beltrami, Denali Commissioner and Executive President, Alaska AFL-CIO
- Nels Anderson, Jr.
- Eric Marchegiani, P.E., U.S. Department of Agriculture Rural Development
- Bob Martin, Goldbelt Corporation
- Brad Reeve, Kotzebue Electric Association
- Dr. Buck Sharpton, Ph.D., University of Alaska Fairbanks

This year marks the 10th anniversary of the Denali Commission. The Commission works with tribal, state, federal and local partners to improve infrastructure and the quality of life in rural Alaska. This report will serve as an important tool and resource as we move forward with our mission.

Thank you for your interest in the Denali Commission. Please visit our website at www.denali.gov where you can learn more about our programs or sign up for our monthly e-newsletter to receive updates on our progress on finding solutions to the challenges of Alaska.

Sincerely,

George J. Cannelos

George J. Cannelos
Federal Co-Chair

# Executive Summary

In 2008, energy costs in Alaska skyrocketed. This is particularly true in rural areas of Alaska where fuel costs often exceed $8.00 a gallon. One way to reduce these costs and potentially spur economic development is diversifying power and energy by producing renewable energy in combination with conventional energy sources. This could facilitate the phasing in of renewable energy and reduction in reliance on fossil fuels. To bring this energy to market- be it a small rural Alaskan community or the Railbelt- it is vital to wisely plan, develop, implement and operate effective electrical transmission systems.

The Denali Commission commissioned NANA Pacific to prepare this report to examine the role that intertie lines could play in addressing the critical need for low cost reliable electrical power throughout Alaska. NANA Pacific assembled a team of engineers and policy analysts who completed the following work:

- Examined the mission and history of energy management agencies, such as the Tennessee Valley Authority or the Bonneville Power Administration (BPA),
- Reviewed about 70 existing reconnaissance or feasibility-level intertie studies,
- Reported on interviews from Alaskan policy makers and experts in the field of transmission,
- Reviewed the current state of the electrical intertie technology,
- Provided an overview of environmental considerations,
- Examined the role of anchor tenants or "value hubs", and

From this data, the team formulated several conclusions. The team found that:

**Transmission Lines enable renewable energy development.** Transmission lines allow for the movement of energy and capacity between geographic locations. They can, therefore, present a solution to the "energy/capacity shortfall" challenge by bringing renewable energy from the energy source to the consumer.

**Transmission lines should be incremental.** In the majority of cases, transmission lines should be constructed incrementally so as to optimize the generation-load profile of existing communities and their resources. However, these incremental projects should be vetted against broad regional and statewide transmission plans so as to insure growth of an integrated electrical grid over time.

**Transmission lines should consider intangible criteria such as quality of life and economic development.** The benefits and costs of transmission lines, often unforeseen, accrue over time frames much longer than most local or regional interests are capable of identifying and analyzing. Therefore, evaluations of the benefits and costs related to transmission systems must consider, in an integrated fashion, the multiregional effects of energy costs on quality of life and distant economic development.

**There may be opportunities for co-development (gas pipeline, transmission lines, and other regional development initiatives).** Significant benefit may be accrued by co-developing regional interties. Benefits will be accrued in terms of economies of scale in areas such as right-of-way acquisition, construction costs as well as provision of energy and capacity to meet the demand of these projects.

For example, a gas pipeline and an electrical transmission line could share the same right-of-way, go through permitting concurrently, and utilize much of the same equipment, thus reducing costs.

**Opportunities exist for improved statewide coordination.** More could be accomplished by a higher level coordinating entity that can capably work across jurisdictions and promote policy criteria such as economic development, quality of life, and other factors.

**Interties in Alaska should consider national and international (through Canada) connection.** While the mission of Alaska Energy Authority (AEA) is to reduce the cost of energy in Alaska, there are several noteworthy international considerations.

**Value hubs are an important consideration in planning intertie projects.** Electricity-hungry industries often locate their facilities in areas with cheap power, even if these locations are remote. These operations could become "value hubs," or large energy users, which can economically justify the interties for electrical distribution to nearby communities. They could also create a sufficient demand to justify large power generation projects.

**There are several possible roles for a Joint Commission**. Many of the conclusions in this report could be managed by an organization composed of federal state and local partners but does not have the responsibility for implementing an existing portfolio of projects. Such an organization would have, at the core of its mission, responsibility for providing a forum for the discussion of complex projects of statewide and perhaps international interest. The following suggestions for a possible agenda for such an organization are derived from lessons learned in the preparation of this report.

- Work with relevant stakeholders to develop "the big picture."
- Serve as "point agency" for discussions with international neighbors
- Provide a bridge between overlapping international, federal, state, regional and local jurisdictions
- Facilitate complex discussions on the trade-offs between cultural integrity and traditional lifestyle and economic development
- Help sustain and expand technological gains in power generation and distribution
- Facilitate the identification and development of transportation/utility systems (TUS) as defined in ANILCA, Article 11

# Foreword

This report presents the results of NANA Pacific's review and analysis of current transmission historical and policy developments in Alaska.

NANA Pacific appreciates the assistance and contributions of many individuals and agencies involved in the development of this report.

Due to the reconnaissance nature and literature of this study, the technical team and authors should be considered impartial regarding the relative value of proposed and existing transmission lines. Recommendations on infrastructure development, technology, and projects should be left to public policy agencies and their respective engineers.

Due to the multi-disciplinary nature of transmission, a team made up of engineers, planners, policy specialists, and socio-economic experts were assembled to address the transmission study.

- Principal Investigator, Brian Hickey, PE, PMP- NANA-Colt
- Project Manager & Rural Infrastructure Specialist: Jay Hermanson- NANA Pacific
- Senior Policy Analyst/Specialist, Brian Saylor- NANA Pacific
- Project Engineer: Brian Yanity, MS- NANA Pacific
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- GIS Designer/Planner: Kelly Singh- WHPacific
- Planner/Technical Writer: Suzanne Taylor- WHPacific

## Acronyms

| | |
|---|---|
| AAC | All-Aluminum Conductor |
| AC | Alternating Current |
| ACC | All-Copper Conductor |
| ACSR | Aluminum Conductor/Steel Reinforced |
| AEA | Alaska Energy Authority |
| AK-BC | Alaska-British Columbia |
| ANILCA | Alaska National Interest Lands Conservation Act |
| AP&T | Alaska Power and Telephone |
| ARDOR | Alaska Regional Development Organization |
| b/c | benefit/cost |
| BESS | Battery Energy Storage System |
| BPA | Bonneville Power Administration |
| CEQ | Council on Environmental Quality |
| CHP | Combined Heat and Power |
| CVEA | Copper Valley Electric Association |
| DC | Direct Current |
| DSM | Demand Side Management |
| FAA | Federal Aviation Administration |
| FACTS | Flexible AC Transmission System |
| FEIS | Final Environmental Impact Statement |
| FERC | Federal Economic Regulatory Commission |
| GVEA | Golden Valley Electric Association |
| HVDC | High-Voltage DC |
| IPP | Independent Power Producers |
| kV | Kilovolt |
| MW | Megawatt |
| NEPA | National Environmental Policy Act |
| NESC | National Electrical Safety Code |
| NOAA | National Oceanic and Atmospheric Administration |
| O&M | Operations and Management |
| PARC | President's Appalachian Regional Commission |
| PHEV | Plug-in Hybrid Electric Vehicle |
| PV | Photovoltaic |
| RCA | Regulatory Commission of Alaska |
| REGA | Railbelt Electrical Grid Authority |
| ROM | Rough Order of Magnitude |
| RUBA | Rural Utility Business Advisor |
| SCADA | Supervisory Control and Data Acquisition |
| SMES | Super-Conducting Magnetic Energy Storage (System) |

| | |
|---|---|
| SWGR | Single-Wire Ground Return |
| SWER | Single-Wire Earth Return |
| TUS | Transportation/Utility System |
| UAA | University of Alaska Anchorage |
| USACE | United States Army Corps of Engineers |
| USFWS | United States Fish and Wildlife Service |
| VAR | volt ampere reactive |
| WIA | Wyoming Infrastructure Authority |
| 4S | Super Safe, Small and Simple |

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# 1 Introduction

As fuel costs remain high, the need for alternative means of producing and delivering energy has become critical. This contributes to an increasing interest in interties as a means of promoting rural, regional, and statewide infrastructure development.

Over the years, a variety of electric transmission (intertie and tieline) technical studies have been completed for various regions of Alaska. These were commissioned by public sector entities, utilities, and other interested parties. While dated, these studies are important and hold beneficial information.

The Denali Commission has participated in energy infrastructure projects targeting the rural sector, including bulk fuel, rural power systems upgrades, and other types of energy infrastructure. The Denali Commission requested NANA Pacific to undertake a review of past intertie studies to be presented in a format for public, agency and stakeholder review that addresses policy needs today.

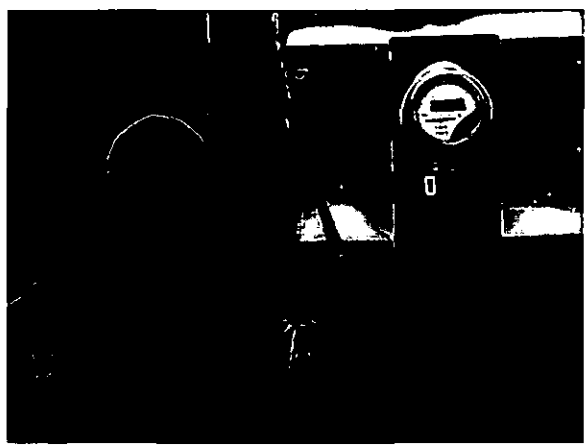
The study is made up of the following sections:

1. ***Literature Review.*** The literature review identifies and summarizes known and appropriate electric transmission studies done to date. This entailed a review of archives at Alaska Energy Authority (AEA), utilities, and state and local governments, and a concise summary assessment of these documents.

2. ***Professional Knowledge Review.*** This step entails interviews with professionals knowledgeable on the intertie infrastructure development issue, including public, utilities, and private sector representatives.

3. ***Technological Assessment.*** The technological assessment includes a review of technological innovations that could drive or hinder intertie development for Alaska conditions. There are emerging technologies currently in the development stage that could create new opportunities for intertie development by helping to drive down development costs and making interties more commercially viable.

4. ***Discussion of Value Hubs.*** Value hubs are defined as large users of energy that can economically justify the creation of interties to supply that energy to the hub and the surrounding area. This section includes an analysis of the concept and mapping of plausible value hubs in Alaska.



5. ***Cost Scenarios.*** Different types of tieline/intertie scenarios were developed with the objective of developing cost metric ranges (cost/mile or other) for various regional and topographical anomalies. These cost scenarios address intra-regional projects (i.e. micro-grids, community to community; or community to hub) only.

# 2 Policy Environment of Interties

Private and public agencies are organized for specific purposes. These purposes can be found in articles of incorporation, authorizing legislation or other policy documents. These statements of purpose help organizations remain focused on the specific policy objectives that they were initially intended to address.

This section summarizes the Denali Commission's policy objectives. These objectives are then used as criteria to determine the extent to which intertie projects support the Commission's purpose and policy objectives.

## 2.1 Denali Commission Purpose

According to the Denali Commission website, the Denali Commission Act of 1998 defines its specific purposes as follows:

- To deliver the services of the Federal Government in the most cost-effective manner practicable by reducing administrative and overhead costs.
- To provide job training and other economic development services in rural communities particularly distressed communities (many of which have a rate of unemployment that exceeds 50 percent).
- To promote rural development, provide power generation and transmission facilities, modern communication systems, water and sewer systems and other infrastructure needs.

Intertie projects distribute electrical energy among rural Alaskan communities. These projects appear to be an effective way of meeting two of the three specific purposes of the Denali Commission's enabling legislation. The 1998 Denali Commission Act specifically addressees transmission in Alaska as a policy and programmatic focal point.

In addition, the act established economic development committees to consider and approve applications which promote economic development and private sector investment to reduce poverty in economically distressed rural villages. This objective appears to be supported by the rural communities it serves. A recent edition of the commission's newsletter recounted the opinion of one Alaska native leader urging the commission to build infrastructure that allows rural Alaskans to focus on creating economic opportunities for residents of rural Alaska.

The Denali Commission recognizes the importance of this economic development policy objective. The Commission's Investment Guidance re-emphasizes its commitment to accelerating the building of sustainable infrastructure in rural Alaska to enhance the health and safety of rural residents and to provide the underpinnings for economic opportunity. Further, the policy states that the Commission will invest the limited funds with which it is entrusted in the most conscientious and sustainable manner possible with the objective of maximizing the benefits to rural Alaskans.

## 2.2 Experience of Other Development Entities

The Denali Commission is a federal agency formed by the government to accomplish specific policy objectives. This section examines the way in which policy objectives have been included in the authorizing legislation which created a number of the Denali Commission's predecessors. The purpose of this section is to better understand how basic policy objectives are embedded in these agencies, and to clarify the specific objectives which may influence the nature and scope of electrical transmission projects supported by the Denali Commission.

### 2.2.1 The Appalachian Regional Commission

The authorizing legislation for the Denali Commission is reportedly modeled on the successful Appalachian Regional Commission, a federal-state partnership that works with the people of Appalachia to create opportunities for self-sustaining economic development and improved quality of life.

In 1963, President Kennedy formed a federal-state committee that came to be known as the President's Appalachian Regional Commission (PARC), and directed it to draw up "a comprehensive program for the economic development of the Appalachian Region." In its report to the President and the Congress, the Commission emphasized the importance of addressing human needs of residents of the Appalachian region as well as economic development. Subsequent updates of the Appalachian regional commission's authorizing legislation have provided an even greater emphasis on regional economic development and the quality of life.

Specifically, the 1998 reauthorization language stated that the purpose of the Commission was to assist the Appalachian region in:

- Providing the infrastructure necessary for economic and human resource development;
- Developing the region's industry;
- Building entrepreneurial communities;
- Generating a diversified regional economy; and
- Making the region's industrial and commercial resources more competitive in national and world markets.

In addition, the enabling language was to provide a framework for coordinating federal, state, and local initiatives to respond to the economic competitiveness challenges in the Appalachian region through:

- Improving the skills of the region's workforce;
- Adapting and applying new technologies for the region's businesses, including eco-industrial development technologies; and
- Improving the access of the region's businesses to the technical and financial resources necessary to development of the businesses;

Furthermore, the Appalachian Regional Commission's objective is to address the needs of severely and persistently distressed areas of the Appalachian region and focus special attention on the areas of greatest need so as to provide a fairer opportunity for the people of the region to share the quality of life generally enjoyed by citizens across the United States.

The Commission used this expanded charge in its energy goals:

> Develop the Appalachian Region's energy potential to increase the supply of locally produced, clean, affordable energy, and to create and retain jobs.

### 2.2.2 Bonneville Power Administration

Another major energy management agency, the Bonneville Power Administration (BPA) developed Transmission Adequacy Guidelines to guide the selection of energy transmission projects. They stated:

> One of the challenges facing the electric utility industry today is how to balance reliability, economic, environmental and the other public purpose objectives to optimize transmission and resources to meet the needs of the region. These critical issues must be addressed to move the Northwest electrical system into the 21st century. BPA is initiating the development of transmission adequacy standards because BPA needs to find a better way to determine how much transmission it needs, the solutions to be deployed, and the criteria to be applied to guide prudent investment decisions consistent with its obligations.

### 2.2.3 Wyoming Infrastructure Authority

According to the Wyoming Infrastructure Authority website, the Wyoming Infrastructure Authority (WIA) was created in June 2004 by the state legislature, tasked with diversifying and growing the state's economy through the development of electric transmission infrastructure. The Authority is responsible for planning, financing, building, maintaining and operating interstate electric transmission and related facilities.

In passing the legislation, the Wyoming Legislature found that:

> (iv) It is in the public interest of the citizens of this state to promote the economic welfare of the state and its residents by increasing employment, stimulating economic activity, augmenting sources of tax revenue, fostering economic stability and improving the balance of the state's economy;
>
> (v) This article constitutes a valid public purpose of primary benefit to all citizens of this state.

Wyoming state statute describes the policy objectives of the Authority. It states:

> 37-5-303. Purposes.
>
> (a) The purpose for which the authority is created is to diversify and expand the Wyoming economy through improvements in the state's electric transmission infrastructure and to

facilitate the consumption of Wyoming energy by planning, financing, constructing, developing, acquiring, maintaining and operating electric transmission facilities and related supporting infrastructure and undivided or other interests therein to facilitate the transmission of energy. In order to provide for the financing, construction, development, maintenance, upgrade and operation of existing and new electric transmission facilities, the authority may own, lease or rent facilities constructed pursuant to the authority conferred herein, and all facilities, structures and properties incidental and necessary thereto, to facilitate the transmission of energy.

In the 2006 session, the legislature expanded the Authority's role to become directly involved in financing and promoting advanced coal technologies related to electric generation. The Authority will be seeking partnerships to demonstrate the commercial viability of advanced coal technologies.

The Wyoming Infrastructure Authority was created, in part, to promote economic development.

### 2.2.4 The World Bank

International programs have multiple policy objectives including improvements in the quality of life and economic development. The World Bank (formally known as the International Bank for Reconstruction and Development) and The International Development Association are committed to fighting global poverty. Their efforts are focused on reaching Millennium Development goals. Countries borrow for poverty reduction programs as well as to promote economic growth to improve the standard of living, social services and environmental programs.

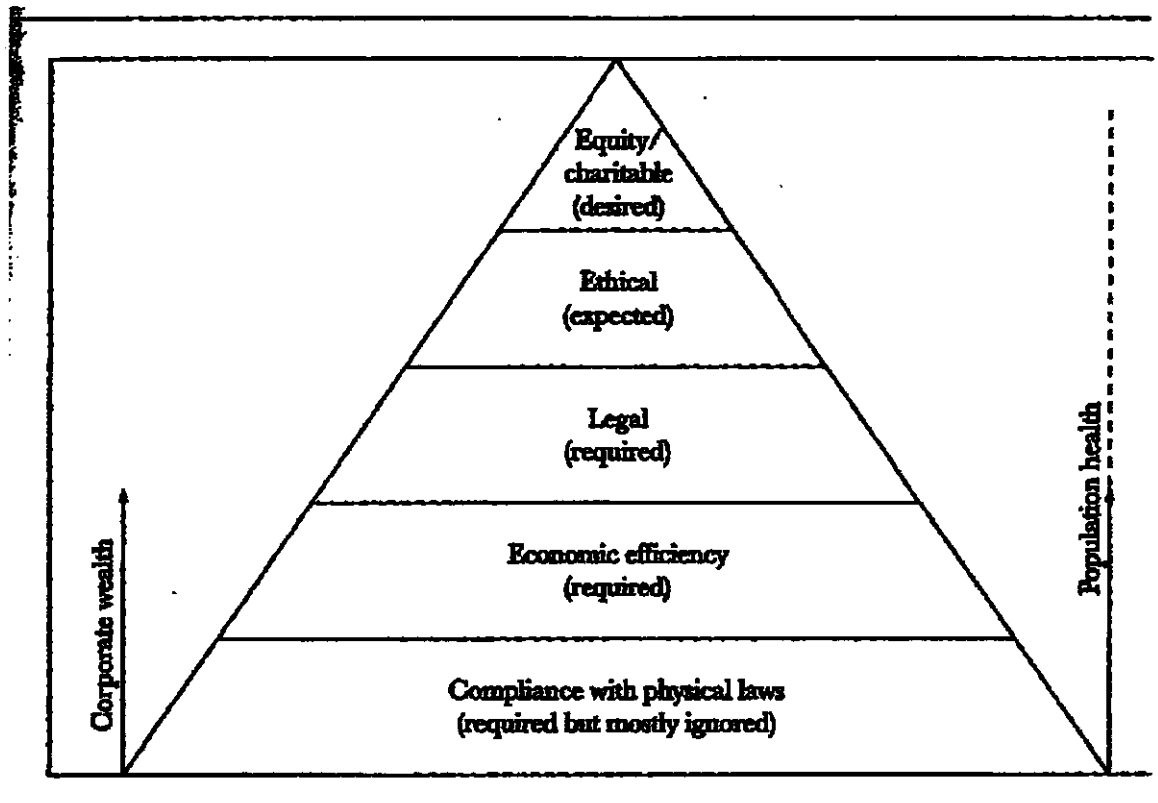
## 2.3 A Policy Framework for Denali Commission-sponsored Transmission Projects

The policy challenge is to develop a strategy for electrical transmission project development that will reduce conflicts among policy goals and alternative methods of energy production and distribution, economic development, and health and welfare of rural Alaskan populations. Sustainable development can be evaluated in terms of economic efficiency, ecological, effectiveness, and environmental equity, according to L.A. Aday, in *Reinventing Public Health: Policies and Practices for a Healthy Nation.*

The term economic development refers to the growth of the economy as well as broader concept-encompassing factors that reflect on the population's quality of life. Research has shown that health improves with income and vice versa in developed or developing countries. Policies that affect income will have a substantial influence on health, which in turn will influence income and related indicators of economic development.

The policy criteria that are proposed here are consistent with the Denali Commission's policy objectives and are organized according to a policy framework developed by A.B. Carroll (Figure 1.). Carroll's original conception contained a pyramid of social responsibility organizes multiple factors into four components: economic, legal, ethical and charitable responsibilities.

Figure 1 Pyramid of Social Corporate Responsibility




*Note.* Adapted from "The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders—Balancing Economic, Legal, and Social Responsibilities," by A. B. Carroll, 1991, *Business Horizons, 34*, p. 42, fig. 3. Used with permission of Elsevier.

### 2.3.1 Policy Criteria #1: Economic Efficiency

Economic efficiency is the extent to which the allocation of resources results in maximum benefit at minimum cost. With respect to interties, economic efficiency has been one of the dominant policy objectives. Many of the discussions, however, have been limited to the cost per kilowatt hour and the capital costs of construction. These discussions could be enhanced by adding additional criteria regarding regional economic development potential and the extent to which reduced energy costs can create more disposable household income which could be used for entrepreneurial business development or the purchase of local services.

Sustainable development suggests that profits resulting from enhanced economic efficiency may not be the only aspect of economic efficiency which might be applied to funding decisions for electrical transmission. An additional and important aspect is the extent to which management and production systems can help promote quality of life in the affected population.

Additional considerations also include the extent to which the proposed project impacts the natural ecosystem. These include environmental protection and the mitigation of natural system changes. They seek to minimize the incidence of regional, local and global consequences of economic development and include minimization of equal ecological hazards and health risks emanating primarily from

economic activities. These considerations are especially important in evaluating intertie projects in rural Alaska.

### 2.3.2 Policy Criteria #2: Legal Responsibility

Legal responsibilities include social expectations of businesses to comply with federal, state and local laws and regulations that are the ground rules under which they must operate. These laws coexist with economic responsibilities as a fundamental component of the free enterprise system. All projects promoted by the Commission must meet this basic threshold. Therefore, it is important to recognize the responsibility of intertie projects to conduct their business in a legal manner and in compliance with applicable local, state and federal laws and regulations.

### 2.3.3 Policy Criteria #3: Ethical Responsibility

Ethical responsibilities include those activities and practices that society expects or prohibits, but has not yet codified into law these include environmental issues, civil rights and consumer movements. Changing ethics and social values precede and motivate the establishment of new laws and regulations.

Chief among these is the obligation of any organization proposing to construct an intertie to demonstrate ongoing conversations with affected communities. These discussions must be honest and thorough, alerting communities regarding the costs and benefits of electrical distribution systems.

### 2.3.4 Policy Criteria #4: Equity and Charitable Responsibility

Equity and charitable responsibilities include the requirement of being a good corporate citizen. They include discretionary or voluntary donations and participation in humanitarian programs. Regulations that govern the operation of energy providers make their potential role as a philanthropic entity extremely difficult. Many of these organizations are publicly supported. Their ability to donate cash or services to a local community could be a transfer of resources from the state to a local government or agency without appropriate legislative oversight. For those organizations that are owned as a cooperative, donating to charitable organizations increases the operating budget of the organization, therefore increasing the cost of energy production or distribution. For this reason, expecting organizations which generate or distribute power to exercise charitable or a philanthropic activities is probably unrealistic.

# 3 Transmission Literature Review

The purpose of this section is to identify and synthesize studies plans and commentary regarding the development and implementation of intertie projects in Alaska. The authors quickly discovered the lack of a coordinated approach to the development and implementation of transmission infrastructure. With one exception, the studies reviewed in this section addressed local and regional projects. This led to the development of a statewide map of existing and proposed intertie projects.

Since the early 1970s, about 70 reconnaissance or feasibility-level studies have been conducted on Alaska electric transmission line proposals. Seven general **regional themes** were covered in the literature:

- Central Alaska, including the Railbelt and Copper Valley Electric Association
- Southeast Alaska
- Southwest Alaska
- Northwest Alaska
- North Slope

The overwhelming majority of the intertie literature available dealt with the Railbelt and Southeast Alaska regions. The only inter-regional connection described in the literature was the Copper Valley to Railbelt Interconnection. A truly state-wide Alaska power grid was not addressed in any of the literature reviewed.

It must be stressed that proposed interties on the maps in this report only reflect lines which were discussed in the literature review. Communities in large regions of the state, such as the Seward Peninsula/Norton Sound region, the upper Yukon River area, and much of the Interior, are not shown connected to any proposed intertie. It is recommended that future intertie studies cover these areas not previously studied and expand on these topical areas.

The only statewide assessment of rural Alaska intertie projects is the 1997 report Rural Alaska Electric Utility Interties: A Comprehensive Survey of Existing and Proposed Transmission Lines Serving Utilities Participating in the Power Cost Equalization Program, prepared for the Alaska Department of Community and Regional Affairs, Division of Energy. The methodology for this study was a survey letter, literature review, and telephone survey. In total, 34 proposed interties between rural Alaska communities were identified in the telephone survey, in addition to 83 "conceptual" interties mentioned. In this 1997 report, existing interties were identified in rural Alaska communities participating in the Power Cost Equalization program: Bethel-Napakiak, Bethel-Oscarville, Dot Lake-Tok, and Shungnak-Kobuk. The Dot Lake-Tok intertie is a 40-mile, 7.2-kV line which functions more as a distribution line. Other existing electrical interties connecting rural Alaska communities include the Naknek-King Salmon-South Naknek, and Iliamna-Newhalen-Nondalton lines in the Bristol Bay region. The Interior Alaska communities of Alatna and Allakaket are connected by a submarine cable under the Koyukuk River.

Three general technical themes were discussed in the literature:

- Conventional alternating current (AC) transmission lines (overhead and submarine cables)
- Direct Current (DC) submarine transmission lines
- Single Wire Earth Return (SWER), also called Single Wire Ground Return (SWGR), was a technology proposed in several studies during the 1970s and 1980s, for both overhead and submarine cables. A lower per-mile cost was expected with SWER transmission lines, and the technology notably featured in 1975 and 1980 intertie studies for the Lower Kuskokwim region by Robert W. Retherford Associates. An experimental, 8.5-mile SWER transmission line was built between Bethel and Napakiak in 1980 at a cost of $280,000. This line has been deteriorating in recent years, resulting in line loss, poor reliability and higher energy costs, and is presently being upgraded to a standard three-phase line. An experimental, 10.5-mile SWER line was also constructed between Shungnak and Kobuk in 1980. In 1991, this line was rebuilt as a conventional 14-kV, three phase line for a cost of $1,350,000.

It was noted that few significant technical advances in electric transmission line technology have occurred over the past several decades.

Engineering and construction metrics dominate the economic feasibility criteria of the literature reviewed. Until the early 1980s, environmental concerns were not discussed in the literature in any detail. However, the economic and financial assumptions used in these studies varied widely (variable discount rates, etc.). As a result, it is not meaningful to compare the economics of the different intertie proposals discussed in different reports or publications.

The general criteria for measuring economic feasibility, or 'categories of possible benefit', for an electric intertie were identified below by the 1989 Railbelt intertie economic feasibility study by Decision Focus:

- **Reliability**
  Intertie projects can improve total system reliability, which is measured by the number, duration, and magnitude of power outages for electric customers.
- **Economy energy transfer**
  Savings are realized when higher cost energy in one area can be displaced with lower cost energy imported from another area via an intertie.
- **Transmission efficiency**
  Savings result from reduction of transmission energy losses with new and improved interties.
- **Capacity sharing**
  An intertie project may allow different areas to share generation capacity and, as a result, an increment of future investment in generation capacity could be deferred or avoided.
- **Operating reserves sharing**
  Similar to capacity sharing, an intertie project may allow different areas to share operating (or "spinning") reserve capacity, which are typically maintained to help avoid outages.

## 3.1 Interties and Economic Development

There was little mention in most of the literature reviewed of new economic development opportunities associated with the construction of new interties. The exceptions to this were the several regional intertie studies for Southeast Alaska, which discussed a variety of economic development possibilities enabled by new electric transmission infrastructure, such as "value hubs" in the form of large remote mining operations, revenue from power export to Canada, and the construction of new generation facilities. This concept of economic value hubs are discussed below in section 6. However, the only existing "value hubs" identified in Alaska associated with a new electric interties is the Greens Creek Mine near Juneau, and the Pogo and Fort Knox mines near Fairbanks. A new submarine cable intertie was constructed specifically to serve the remote mine. Other key industrial facilities in Southeast Alaska, such as wood and pulp mills, tend be located in or near existing population centers.

If Southeast Alaska were to be connected to the greater North American power grid via British Columbia, the "value hub" could be in the form of bulk power sales to very large external power markets. Renewable energy generated in Alaska could be exported to western parts of Canada and the contiguous U.S. The construction of new hydroelectric, tidal, or geothermal power plants, along with new transmission lines, could serve as a major economic stimulus to Southeast Alaska as a region.

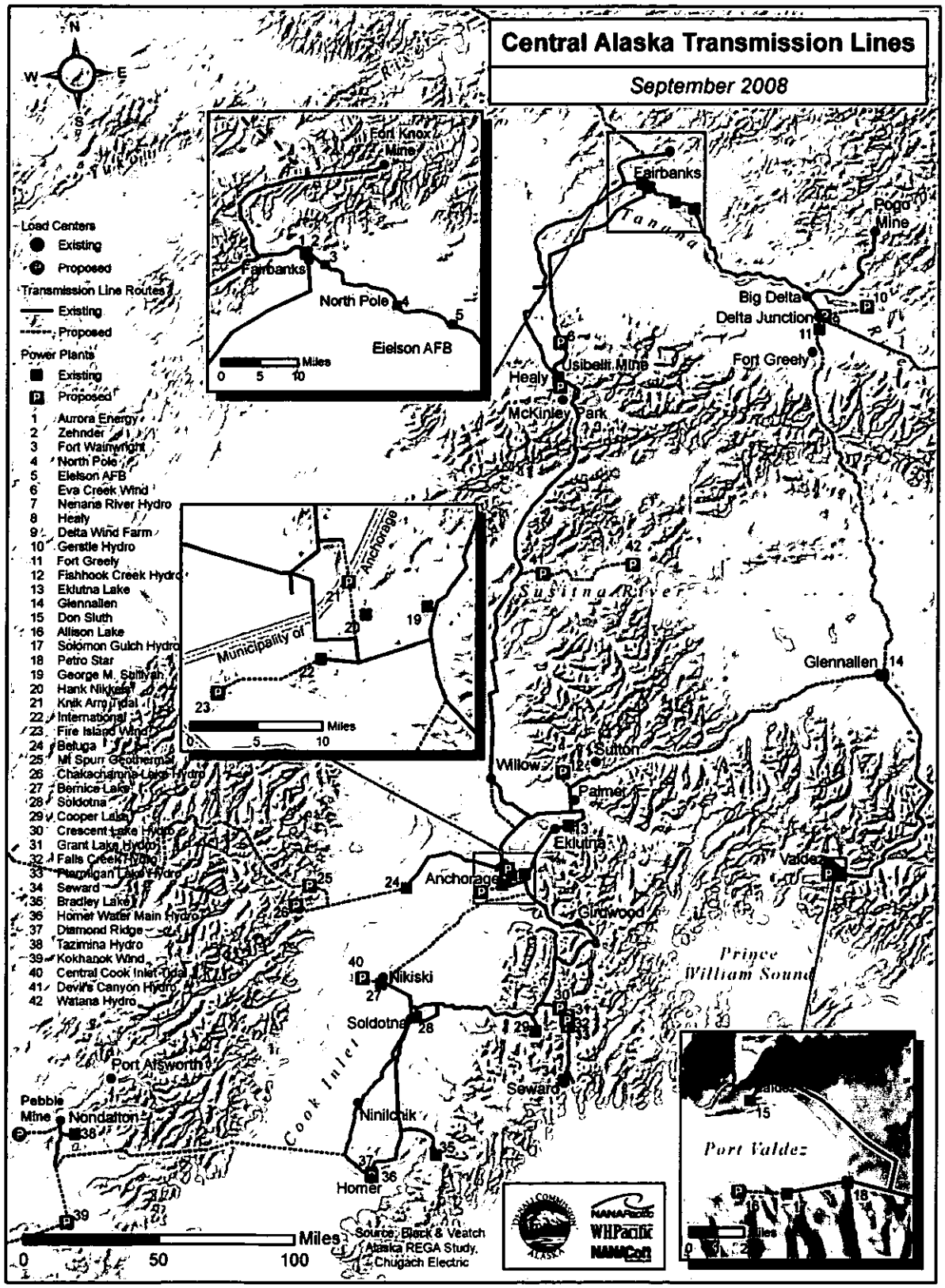
### 3.1.1 Central Alaska

#### *3.1.1.1 Railbelt*

The Railbelt Intertie system connects the utilities of Homer Electric Association, Chugach Electric Association, the Seward Electrical System, Anchorage Municipal Light and Power, Matanuska Electric Association, and Golden Valley Electric Association. The Railbelt Intertie system, also called the Railbelt Interconnection or grid, serves the majority of Alaska's population.

A 2008 Black & Veatch report for the Alaska Energy Authority, the *Alaska Railbelt Electrical Grid Authority (REGA) Study,* recommended the creation of a new state power authority to own and operate the Railbelt transmission system, with the six existing utilities serving the purpose of local distribution. Such a regional entity would have the following functional responsibilities:

- Independent, coordinated operation of the Railbelt transmission system
- Economic dispatching of the region's generation facilities
- Regional resource and transmission expansion planning
- Joint development of new generation and transmission facilities.


Central Alaska Transmission Lines
September 2008
N
W
E
S
Load Centers
Existing
Proposed
Transmission Line Routes
Existing
Proposed
Power Plants
Existing
Proposed
1 Aurora Energy
2 Zehnder
3 Fort Wainwright
4 North Pole
5 Eielson AFB
6 Eva Creek Wind
7 Nenana River Hydro
8 Healy
9 Delta Wind Farm
10 Gerstle Hydro
11 Fort Greely
12 Fishhook Creek Hydro
13 Eklutna Lake
14 Glennallen
15 Don Sluth
16 Allison Lake
17 Solomon Gulch Hydro
18 Petro Star
19 George M. Sullivan
20 Hank Nikkels
21 Knik Arm Tidal
22 International
23 Fire Island Wind
24 Beluga
25 Mt Spurr Geothermal
26 Chakachamna Lake Hydro
27 Bernice Lake
28 Soldotna
29 Cooper Lake
30 Crescent Lake Hydro
31 Grant Lake Hydro
32 Falls Creek Hydro
33 Ptarmigan Lake Hydro
34 Seward
35 Bradley Lake
36 Homer Water Main Hydro
37 Diamond Ridge
38 Tazimina Hydro
39 Kokhanok Wind
40 Central Cook Inlet Tidal
41 Devil's Canyon Hydro
42 Watana Hydro
Fort Knox Mine
Fairbanks
North Pole
Eielson AFB
Miles
0 5 10
Municipality of Anchorage
Miles
0 5 10
Fairbanks
Pogo Mine
Big Delta
Delta Junction
Fort Greely
Usibelli Mine
Healy
McKinley Park
Tanana
Susitna River
Glennallen
Sutton
Willow
Palmer
Eklutna
Anchorage
Girdwood
Valdez
Prince William Sound
Kenai
Nikiski
Soldotna
Cook Inlet
Port Alsworth
Pebble Mine
Nondalton
Iliamna
Seward
Homer
Port Valdez
Miles
0 50 100
Source: Black & Veatch
Alaska REGA Study,
Chugach Electric
NANAPacific
WHPacific
NANACon

#### 3.1.1.1.1 Anchorage-Fairbanks Intertie

The 345-kV Anchorage-Fairbanks Intertie, also called the Alaska Intertie, was completed in 1985, with a maximum transfer capacity of 70 MW (due to system operating constraints, not design limitations). The 170-mile line between Healy and Willow was built with a capability to handle 345-kV, though currently is operated at 138-kV.

The Anchorage-Fairbanks Intertie was found to be feasible by a 1981 study for the Alaska Power Authority by Gilbert/Commonwealth, which concluded that its operation will result in significant economic benefits to both areas. The chief economic benefit of the Anchorage-Fairbanks Intertie was the assumption that the Fairbanks power generated by oil fuel would be substantially more costly than gas-fired generation in Anchorage. The report recommended the construction of approximately 160 miles of new transmission line designed for future operation at 345 kV. This recommendation assumed that the Susitna hydroelectric project would be built; otherwise, the recommended voltage for the line was 138 kV.

According to the 1989 report *Economic Feasibility of the Proposed 138 kV Transmission Lines in the Railbelt* by Decision Focus, the overall benefit/cost (b/c) of a "limited upgrade of the Anchorage-Fairbanks Intertie" was estimated to be 4.4, and a b/c ratio of 1.6 for the Healy-Fairbanks (northern line) intertie.

The 11-volume *Railbelt Intertie Reconnaissance Study*, prepared for the Alaska Energy Authority by various consultants, is described in table below:

**Table 1 - Railbelt Intertie Reconnaissance Study Summary**

| Volume | Title | Author | Date | Description |
|---|---|---|---|---|
| 1 | *Economic and Demographic Projections for the Alaska Railbelt: 1988-2010* | UAA Institute of Social and Economic Research | 1988 | There is a 66% chance that Railbelt employment growth between 1987 and 2010 will be between 0.9 to 1.9 percent annually, while the number of households will increase by 1.1 to 2.0 percent annually. |
| 2 | *Forecast of Electricity Demand in Alaska Railbelt Region: 1988-2010.* | UAA Institute of Social and Economic Research and Adams, Morgenthaler & Co. | 1989 | There is a 66% chance that Railbelt demand for electric energy will grow at an average annual rate between 0.2 and 1.3% during the period 1988-2010. |
| 3 | *Analysis of Electrical End Use Efficiency Programs for the Alaska Railbelt* | UAA Institute of Social and Economic Research | 1989 | Energy efficiency measures, assuming 100% participation by electric customers in the efficiency programs, could save 9% of the total Railbelt electric load in 2010. |
| 4 | *Fuel Price Outlooks: Crude Oil, Natural Gas, and Fuel Oil* | ICF Incorporated | 1988 | Predicted 2010 price of crude oil to be $40/barrel (consensus) or $20/barrel (low), in 1987 dollars. |
| 5 | *Anchorage-Kenai Transmission Intertie Project* | Power Engineers, Inc. and Hart-Crowser Inc. | 1987 | Proposed increasing the Anchorage-Kenai the intertie transfer capacity to 125 MW by 2000, including three alternate routes for a new "Southern Intertie". |
| 6 | *Anchorage-Fairbanks Transmission Intertie Expansion and Upgrade Project* | Harza Engineering | 1987 | Recommended new Healy-Fairbanks, and Douglas-Lake Lorraine 345 kV transmission lines be constructed for a cost of $118 million (1987 dollars) |
| 7 | *Railbelt Stability Study* | Power Technologies, Inc. | 1988 | Recommends alternative equipment additions to facilitate delivery of Bradley Lake power to Anchorage. |
| 8 | *Northeast Transmission Intertie Project* | Power Engineers, Inc. and Hart-Crowser Inc. | 1989 | Recommended an intertie connecting the Matanuska Valley to Glennallen following the Glenn Highway, and from there following the Richardson Highway to Delta Junction. This intertie would connect Copper Valley Electric Association to the Railbelt power grid. |
| 9 | *Estimated Costs and Environmental Impacts of Coal-Fired Power Plants in the Alaska Railbelt Region* | Stone and Webster Engineering Corp. | 1988 | Estimates of construction and O&M costs and environmental impacts of coal power plants 150, 100 and 50 MW in capacity on the Alaska Railbelt. |
| 10 | *Estimated Costs and Environmental Impacts of a Natural Gas Pipeline System Linking Fairbanks with the Cook Inlet Area.* | Stone and Webster Engineering Corp. | 1989 | The total cost of a gas line between Cook Inlet and Fairbanks is estimated at $190 million in 1988 dollars. The purpose of such a line would chiefly be to supply Fairbanks with Cook Inlet gas. |
| 11 | *Benefit/Cost Analysis* | Decision Focus, Inc. | 1989 | Benefit/cost analysis recommended a limited upgrade of the Anchorage-Fairbanks intertie from 70 MW to 100 MW, construction of a gas line to Fairbanks, and electric end-use conservation programs. |

In 1987, Volume 6 of the Alaska Energy Authority's *Railbelt Intertie Reconnaissance Study* recommended that new Healy-Fairbanks and Douglas-Lake Lorraine 345-kV transmission lines be constructed for a cost of $118 million (1987 dollars). The purpose of these two new lines would be to augment the existing Anchorage-Fairbanks Intertie. The 1990 report by the North American Electric Reliability Council, *Reliability Assessment of the Railbelt Interconnected Electric Utility Systems of the Alaska Systems Coordinating Council 1990-1999,* examined peak demand and generation adequacy, transmission adequacy, operations, and reliability issues.

The final report of the 1991 Alaska Energy Authority *Railbelt Intertie Feasibility Study*, examined the feasibility of two new 138-kV intertie projects to augment the existing Railbelt grid system: the northern line (between Healy and Fairbanks) and the southern line (between Soldotna and Anchorage). Based on the work of the reconnaissance studies on the Railbelt Intertie, this final report is a description and analysis of preliminary engineering design, capital and operating costs, environmental impacts, and economics (benefit/cost) of the proposed intertie projects. The benefit-cost (b/c) ratio of the Soldotna-Anchorage "southern" intertie was estimated to range between 0.7 and 1.5, with a construction cost ranging between $64 million and $126 million in 1991 dollars. The b/c ratio of the Healy-Fairbanks "northern" intertie was estimated to be 1.3, with a total construction cost of $78 million in 1991 dollars.

#### 3.1.1.1.2 Northern Intertie

The 1988 report *Preliminary Review: Northeast Transmission Feasibility Design and Cost Estimate* by Power Engineers, Inc. and Hart-Crowser Inc. recommended a new 345-kV Healy-Fairbanks transmission line. The 1991 Alaska Energy Authority *Railbelt Intertie Feasibility Study*, proposed two alternatives for the Northern Intertie: preferred "south route" and alternative "north route". The purpose of the project is to supplement the existing 138-kV line between Healy and Fairbanks. Expected project benefits are mostly due to "economy energy" of increased substitution of gas generation from oil-fired generation and reduced transmission losses, but also reliability and capacity-sharing benefits.

The Northern Intertie, a 97-mile-long, 230-kV transmission line serving as second-circuit intertie between Fairbanks and Healy, was completed by Golden Valley Electric Association in 2003.

#### 3.1.1.1.3 Anchorage-Kenai Peninsula (Southern) Intertie

The 115-kV Quartz Creek intertie between Anchorage and the Kenai Peninsula, completed in 1960, has a maximum transfer capacity of 75 MW. However, approximately 245 MW of generation capacity exists on the Kenai Peninsula. Therefore, the Quartz Creek Line is considered the weak link in the Railbelt transmission system, and parts of it are difficult to access for repairs, especially for avalanche damage. By providing a second circuit between Anchorage and the Kenai Peninsula, the 138-kV Southern Intertie was proposed to help improve the reliability of power supply to the entire Railbelt region.

In 1987, Volume 5 of the Alaska Energy Authority's *Railbelt Intertie Reconnaissance Study* recommended increasing the overall Anchorage-Kenai intertie transfer capacity to 125 MW by 2000, and proposed three alternate routes for a new "Southern Intertie". According to the 1989 report *Economic Feasibility*

*of the Proposed 138 kV Transmission Lines in the Railbelt* by Decision Focus, the overall benefit/cost (b/c) ratio of the new Kenai-Anchorage (southern line) intertie was estimated to be between 1.3 and 1.8. The 1991 Alaska Energy Authority *Railbelt Intertie Feasibility Study*, concluded that the preferred route for the Southern Intertie is the "Enstar route" through the Kenai National Wildlife Refuge following the same path as the existing Enstar gas pipeline right-of-way; the alternate route is the "Tesoro route", following the west coast of the Kenai Peninsula near the existing Tesoro pipeline right-of-way. Both of these route alternatives would involve a submarine cable under Turnagain Arm. Project benefits listed were reliability, generation dispatch and efficiency, and generation reserve requirements.

A 1996 route selection study for Chugach Electric Association described in more detail these two route alternatives, with proposed alternative voltages of 138 kV or 230 kV. The 1998 report *Ratepayer Impacts of Proposed Transmission Projects: Final Report* by DFI/Aeronomics concluded that the Southern Intertie would be beneficial to Chugach Electric Association ratepayers. This conclusion was re-evaluated in 2002 by Chugach staff. The 2002 document *Records of Decision: Southern Intertie Project, Kenai Peninsula to Anchorage, Alaska*, by the USDA Rural Utilities Service, U.S. Fish and Wildlife Service, and U.S. Army Corps of Engineers states that the Tesoro Route can be built and concludes the Environmental Impact process. This line has not been constructed.

#### 3.1.1.1.4 Kenai Peninsula

A 1983 report by Ebasco Services Inc., *City of Seward: Transmission System Alternatives*, recommended a 115-kV transmission line from the Chugach Electric Association substation at Dave's Creek to the City of Seward, upgrading an older 24.9-kV line. The 115-kV Dave's Creek-Seward intertie was completed in the 1990s and is owned by the City of Seward.

A 138-kV transmission line from Bradley Lake hydroelectric plant to Soldotna (the Soldotna-Fritz Creek Circuit) was recommended in a 1983 report by Commonwealth Associates for Homer Electric Association. The Soldotna-Fritz Creek intertie, providing a second circuit to connect the Homer/Bradley Lake and Soldotna/Kenai areas, was completed in 1996.

#### 3.1.1.1.5 Matanuska Electric Association

The 2004 Dryden & LaRue study on the proposed 230-kV Teeland-Douglas transmission line, within the service area of Matanuska Electric Association, estimated construction costs for each of the alternative routes ranging between $12 million and $16 million in 2004 dollars.

#### 3.1.1.1.6 Future Railbelt Generation and Load Centers

Proposed new generation for the Railbelt should include in long-term transmission line planning: the Chackachamna hydroelectric project, four proposed hydro projects in the Moose Pass area, and the Fire Island wind project. Other natural gas, coal, wind, hydropower, geothermal or tidal power developments in the Railbelt area are possible. In addition to population growth, proposed new 'load centers' connected to the Railbelt should also be anticipated, in particular large-scale mining projects.

### *3.1.1.2 Copper Valley Electric Association*

#### 3.1.1.2.1 Glennallen-Valdez Transmission Line

The Glennallen-Valdez intertie was first described in detail by a 1978 report by Robert W. Retherford Associates, for Copper Valley Electric Association (CVEA): *The Proposed Glennallen-Valdez Transmission Line: An Analysis of Available Alternatives.* This was followed by a 1981 report by the International Engineering Company, *Transmission Line Design Review of the Glennallen-Valdez 138 kV Transmission Line.* The 106-mile-long Glennallen-Valdez transmission line was completed in 1982. The main purpose of the line is to displace diesel generation in Glennallen with hydropower generated at the Solomon Gulch plant near Valdez.

#### 3.1.1.2.2 Copper Valley-Railbelt Intertie

Over the years, several studies have proposed an intertie to connect the CVEA system to the Railbelt power grid. Volume 8 of the 1989 Alaska Energy Authority's *Railbelt Intertie Reconnaissance Study* recommended an intertie connecting the Matanuska Valley to Glennallen following the Glenn Highway, and from there following the Richardson Highway to Delta Junction. The estimated cost of construction for the suggested route was about $156 million in 1989 dollars. The 1991 Alaska Energy Authority report, *Glennallen to Fairbanks Intertie: Preliminary Assessment,* estimated a construction cost of $92.5 million in 1991 dollars, and concluded that the proposed Glennallen-Fairbanks intertie would be uneconomic.

Also during the early 1990s, a transmission line was proposed to connect Matanuska Electric Association in the Railbelt region to the CVEA system in Glennallen. In 1993, the Alaska State Legislature appropriated $35 million for a zero-interest, 50-year loan to pay for construction of the Copper Valley Intertie. A 1993 POWER Engineers report on the proposed 138-kV Sutton-Glennallen transmission line estimated the total construction cost to be $40.4 million in 1992 dollars.

The 1994 feasibility study of the Copper Valley Intertie by R.W. Beck and Associates for the DCRA Division of Energy proposed a 138-kV transmission line proposed between Sutton and Glennallen, a distance of approximately 135 miles. Study includes a feasibility-level design of the preferred Intertie alternative, construction cost estimate and schedule, environmental study, electric systems analysis, forecast of electric power requirements, and an economic analysis. The 1994 study estimates the construction cost of the Intertie to be $46.7 million in 1993 dollars. A 1994 report for the Alaska Department of Community and Regional Affairs, Division of Energy, Copper Valley Intertie Plan of Finance, provided a more detailed financial analysis of the project. A 1995 CH2M Hill study updated the resource cost analysis and cost of the power supply alternatives. Data from the 1994 Intertie Study were reviewed and updated to reflect these changes.

### 3.1.2 Southeast Alaska

Utilities in Southeast Alaska have long proposed a variety of electrical interconnections between communities and hydroelectric plants as part of a comprehensive regional electric power system. The region also has a large amount of untapped hydroelectric potential, and export of this hydropower to

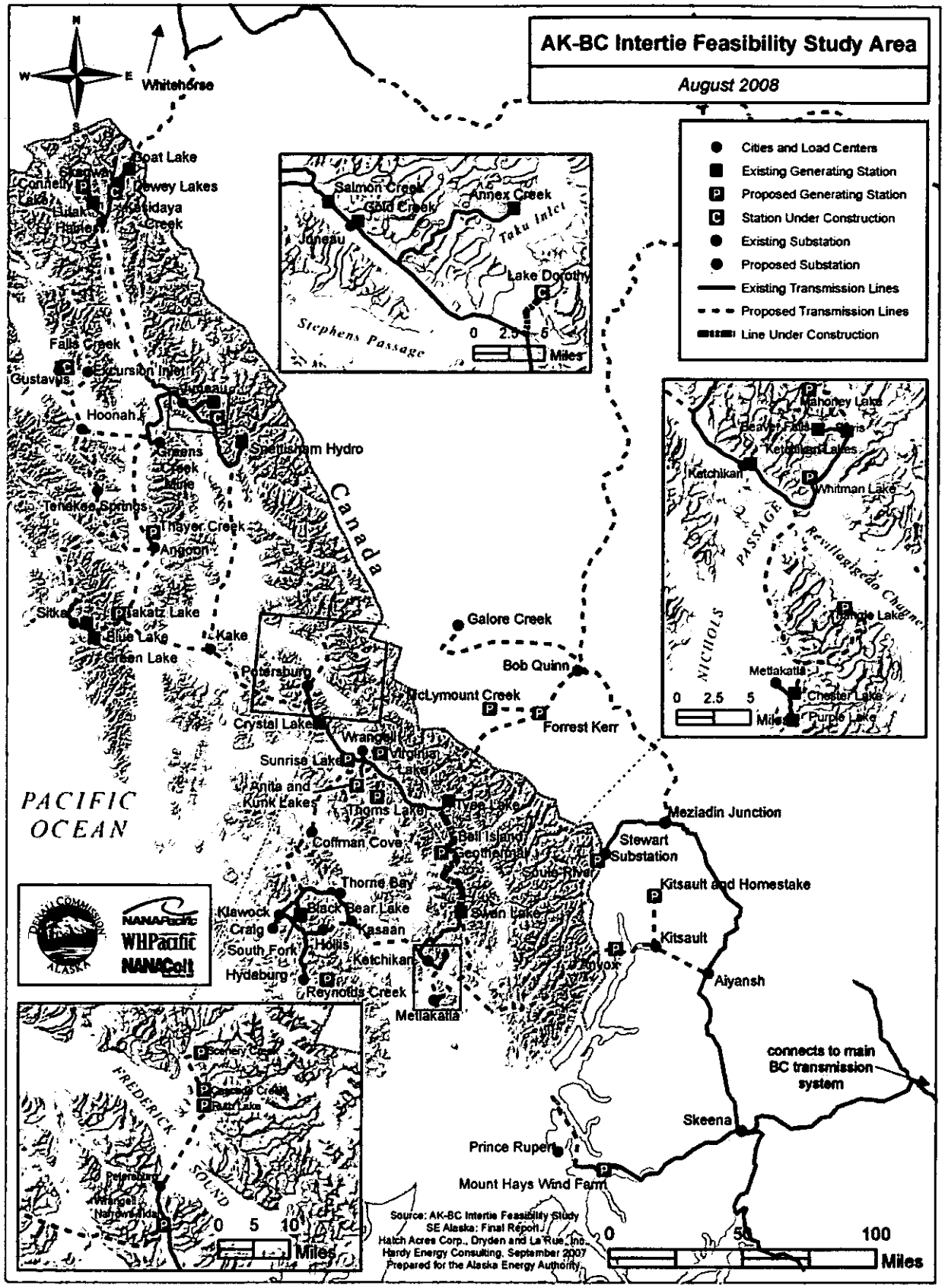
British Columbia is a possibility. The purpose of new electric transmission lines, along with new hydroelectric projects, would be to reduce the need for diesel generation, stabilize and equalize power rates, better coordinate the efficient use of the region's water resources for hydropower generation, increase regional electric system reliability, and create revenue from the export of power.

Economic development opportunities associated with a regional transmission system include the utilization of Alaska-generated hydroelectric power for mining operations in both Southeast Alaska and Northwestern British Columbia. A surplus of hydroelectric power in Southeast Alaska would enable a transition from fuel oil to electric heating for homes and buildings, as well as future applications of electric vehicles and hydrogen production. New interties will make many more potential hydroelectric sites economic to build, along with possible tidal and geothermal sites.

The Swan-Tyee Intertie, to connect the electric utilities of Petersburg and Wrangell to Ketchikan, is presently under construction.

Chief Proposed Interties within SE Alaska:

- Juneau-Greens Creek-Hoonah
- Kake-Petersburg
- Metlakatla-Ketchikan
- Ketchikan-Prince of Wales Island
- Kake-Sitka
- Juneau-Angoon-Sitka
- Hoonah-Gustavus
- Juneau-Haines


AK-BC Intertie Feasibility Study Area
August 2008
Cities and Load Centers
Existing Generating Station
Proposed Generating Station
Station Under Construction
Existing Substation
Proposed Substation
Existing Transmission Lines
Proposed Transmission Lines
Line Under Construction
Whitehorse
Boat Lake
Skagway
Connelly Lake
Dewey Lakes
Lutak
Haidaya Creek
Flatiron
Salmon Creek
Gold Creek
Annex Creek
Juneau
Taku Inlet
Lake Dorothy
Stephens Passage
0 2.5 5 Miles
Falls Creek
Gustavus
Excursion Inlet
Juneau
Hoonah
Spetsishan Hydro
Canada
Greens Creek
Mine
Tenakee Springs
Thayer Creek
Angoon
Sitka
Blatakatz Lake
Blue Lake
Green Lake
Kake
Petersburg
Galore Creek
Bob Quinn
McLymount Creek
Forrest Kerr
Crystal Lake
Wrangell
Virginian Lake
Sunrise Lake
Anita and Kunk Lakes
Thoms Lake
Tyee Lake
PACIFIC OCEAN
Coffman Cove
Bell Island
Gedtmatal
Meziadin Junction
Stewart Substation
South River
Thorne Bay
Kitsault and Homestake
Klawock
Black Bear Lake
Craig
Kasaan
Swan Lake
Kitsault
South Fork Hollis
Ketchikan
Anyox
Hydaburg
Reynolds Creek
Metlakatla
Aiyansh
connects to main BC transmission system
Skeena
Prince Rupert
Mount Hays Wind Farm
Mahoney Lake
Beaver Falls
Ketchikan Lakes
Whitman Lake
PASSAGE
Revillagigedo Channel
NICHOLS
Triangle Lake
Chester Lake
Purple Lake
0 2.5 5 Miles
Scenery Creek
Petersburg
Wrangell
Nahwahlida
FREDERICK SOUND
0 5 10 Miles
Source: AK-BC Intertie Feasibility Study
SE Alaska: Final Report
Hatch Acres Corp., Dryden and La Rue, Inc.
Hardy Energy Consulting, September 2007
Prepared for the Alaska Energy Authority
0 50 100 Miles
NANAPacific
WHPacific
NANACoal

### *3.1.2.1 Southeast Alaska Regional Transmission Line Studies*

A preliminary regional intertie study was a 1980 report by Harstad Associates for the Alaska Power Administration, *Snettisham-Ketchikan Transmission System Preliminary Feasibility Design.* This report concluded that a transmission system connecting Juneau-Snettisham with Petersburg, Wrangell and Ketchikan was technically feasible.

Harza Engineering Company's 1987 *Southeast Alaska Transmission Intertie Study* for the Alaska Power Authority, was a reconnaissance-level study on new transmission links in Southeast Alaska. Perhaps the most important single study on interties possibilities in the region, it included systems studies, route selection, engineering studies, and economic analysis. The chief findings and recommendations of the *Southeast Alaska Transmission Intertie Study* are for more detailed feasibility/design studies of the following interconnections:

- Juneau-Greens Creek Mine-Hoonah-Tenakee Springs-Angoon-Sitka
- Swan-Tyee Intertie (to connect Petersburg/Wrangell to Ketchikan)
- Quartz Hill Mine, Alaska to Kitsault, British Columbia

The estimated construction cost of these three interconnections, at the January 1987 price level, was $153 million, with an overall benefit/cost (b/c) ratio of 1.26. Without the Quartz Hill Mine line and load, the overall cost of the plan was estimated to be $112 million and b/c ratio to be 1.12. If the proposed Quartz Hill Mine was not to be connected to the BC Hydro system in Canada, and instead have its power supplied by hydroelectric generation within Alaska, the cost of constructing the needed transmission lines was estimated to be $167 million in 1987 dollars, with a b/c ratio of 1.21. Power systems studies in the 1987 report indicated that a transmission grid for the region should be a predominantly 138-kV AC system with DC transmission for submarine cable segments exceeding 25 miles in length. The proposed regional system would also utilize the existing Snettisham-Juneau, Tyee Lake-Wrangell-Petersburg and Swan Lake-Ketchikan transmission lines at their present design voltage levels.

The Southeast Conference's 1998 *Southeast Alaska Electrical Intertie System Plan*, by Acres International, proposed a five-phase approach to new intertie construction:

**Table 2- Southeast Alaska Summary of Interties**

| Timeline | *Intertie*, Voltage | Estimated Cost (millions in 1996 dollars) | Transmission Line Length (miles) | | |
|---|---|---|---|---|---|
| | | | Submarine Cable | Overhead | Total |
| Phase I (1995-2010) | *Swan-Tyee*, 138 kV | $69.8 | 0 | 57 | 0 |
| | *Metlakatla-Ketchikan*, 34.5 kV | 8.8 | 1 | 14 | 15 |
| Phase II (2010-2015) | *Kake-Petersburg*, 69 kV | 19.7 | 2 | 45 | 47 |
| | *Kake-Sitka*, 138 kV | 45.5 | 33 | 22 | 55 |
| Phase III (2015-2020) | *Sitka-Tenakee Springs/ Angoon- Hoonah-Greens Creek-Juneau*, 69-kV | 173.8 | 28 | 121 | 149 |
| Phase IV (2020-2025) | *Juneau-Skagway*, 69 kV overhead, 100 kV DC submarine | 79.2 | 64 | 7 | 71 |
| Phase V (2025-2030) | *Ketchikan-Prince of Wales*, 69 kV or 115 kV | 39.1 | 18 | 1 | 47 |
| | **Total System** | **$ 435.8** | **146** | **246** | **392** |

The 1998 report presents a proposed system plan for an integrated electrical intertie system in Southeast Alaska, a proposal for joint system operation and planning, and for development of a 20-year power grid plan for Southeast Alaska responsive to each community's needs. The report draws on the content of existing state and federal reconnaissance-level investigations on potential hydroelectric sites and transmission line corridors, and does not include original research. The two-part 2003 report *Southeast Alaska Intertie System Plan,* by D. Hittle & Associates for the Southeast Conference, proposed a regional intertie system in eight phases, described in the table below, with a total system cost estimated to be $316 million in 2003 dollars:

**Table 3- Southeast Alaska Intertie System Plan**

| | Intertie | Estimated Cost (millions in 2003 dollars) | Transmission Line Length (miles) | | |
|---|---|---|---|---|---|
| | | | Submarine Cable | Overhead | Total |
| SEI – 1 | Juneau-Greens Creek-Hoonah | $ 37.1 | 34.5 | 18.7 | 53.2 |
| SEI – 2 | Kake-Petersburg | 23.1 | 1.7 | 49.9 | 51.6 |
| SEI – 3 | Metlakatla-Ketchikan | 6.0 | 1.0 | 16.0 | 17.0 |
| SEI – 4 | Ketchikan-Prince of Wales | 31.7 | 17.2 | 18.0 | 35.2 |
| SEI – 5 | Kake-Sitka | 50.3 | 35.0 | 24.0 | 59.0 |
| SEI – 6 | Hawk Inlet-Angoon-Sitka | 81.2 | 82.0 | 22.0 | 104.0 |
| SEI – 7 | Hoonah-Gustavus | 26.4 | 29.1 | 1.0 | 30.0 |
| SEI – 8 | Juneau-Haines | 69.8 | 2.8 | 82.5 | 85.3 |
| | **Total System** | **$ 316.0** | **203.2** | **212.1** | **415.3** |

The 2007 *AK-BC Intertie Feasibility Study* further examined Southeast Alaska regional transmission intertie development scenarios with the possibility of power exports. The 2007 study discussed many specific hydroelectric projects which, when combined with new interties, would be made economical by an interconnection with Canada.

### *3.1.2.2 Swan-Tyee Intertie*

The Swan-Tyee Intertie, between the existing Tyee Lake and Swan Lake hydroelectric plants, will electrically connect Ketchikan to Wrangell and Petersburg. The primary purpose of the Swan-Tyee Intertie is to transmit excess energy from the Tyee Lake plant to Ketchikan. The transmission line is presently under construction and is scheduled for completion at the end of 2009. Both the Swan Lake and Tyee Lake hydroelectric plants are owned by the Four Dam Pool Power Agency.

The 1987 regional intertie reconnaissance study recommended further evaluation of a 138-kV Swan-Tyee transmission line. Following the completion of a new electric load forecast for several Southeast Alaska electric utilities in 1990, the Alaska Energy Authority commissioned a preliminary assessment of financial and market feasibility of the Swan-Tyee Intertie. The purpose of the 1991 report *Lake Tyee to Swan Lake Intertie: Preliminary Market and Financial Assessment* was to determine the amount of debt that the Swan-Tyee Intertie could support and the amount of additional funding required for construction. The study also estimated the amount of surplus power generation from the Tyee Lake hydroelectric plant, the potential savings to Ketchikan Public Utilities of using this power compared to other supply alternatives, and the amount of debt the intertie project could take on without affecting customer power rates.

The 1992 feasibility study of Swan-Tyee Intertie, commissioned for the Alaska Energy Authority, includes a review of Intertie route options, preliminary engineering design, environmental assessment, construction and O&M cost estimates, economic analysis, and review of power supply options. The Intertie was judged to be economically feasible, with a primary benefit of displacing future diesel generation in Ketchikan.

### *3.1.2.3 Kake-Petersburg Intertie*

According to the 1981 reconnaissance report by Robert W. Retherford Associates for the Alaska Power Authority, the proposed intertie would connect the town of Kake to the interconnected Petersburg/Wrangell/Tyee Lake system. The route selected resulted in a proposed 45 miles of new overhead lines and 2 miles of submarine cables, using 40-kV Single Wire Earth Return (SWER) or 34.5-kV, three-phase tieline, with a transfer capability of 1.35 MW. The SWER alternative was recommended. A Kake-Petersburg Intertie feasibility study completed by Ebasco Services Inc. in 1984 for the Alaska Power Authority concluded that the transmission line was economically feasible, with a benefit/cost (b/c) ratio estimated to be between 1.0 and 1.24.

The 1987 regional intertie reconnaissance study indentified a transmission line between Kake and Petersburg as having long-term benefits by using surplus generation at Tyee Lake to offset diesel generation in Kake. A 1996 feasibility study by R.W. Beck for the Alaska Department of Community and Regional Affairs, Division of Energy, evaluated several possible route/design alternatives, and concluded that the Kake-Petersburg Intertie was not economic compared to the base-case of diesel generation in Kake, with an Intertie b/c ratio estimated to be between 0.50 and 0.95. However, the rising cost of diesel-powered generation in Kake may warrant re-evaluation of the intertie under today's economic conditions.

The 2003 regional intertie report by D. Hittle and Associates estimated the cost of the Kake-Petersburg Intertie to be $23.1 million in 2003 dollars. Based on a 2005 report by D. Hittle and Associates, the 2007 AK-BC intertie report estimated the construction cost of the line to be $31 million in 2007 dollars, and that the Kake-Petersburg Intertie would be economic starting in 2011. An extension of the Kake-Petersburg line would be to the Takatz site on Baranof Island. The 2007 report estimated the construction cost of a 45-mile-long, submarine 138-kV DC transmission line between Kake and Takatz to be $160 million in 2007 dollars. Takatz is the site of a proposed hydroelectric plant about 20 miles east of Sitka.

### *3.1.2.4 Thomas Bay Hydroelectric Projects*

The Thomas Bay Energy Development near Petersburg is a proposal for the three hydroelectric projects at Cascade Creek (30 to 70 MW of potential), Scenery Creek (30 to 60 MW), and Ruth Lake (20 to 40 MW). The Thomas Bay hydropower complex is being proposed by Tollhouse Energy Company, which is based in Bellingham, Washington. The three potential hydroelectric sites of Cascade Creek, Scenery Creek, and Ruth Lake have received preliminary permits from the Federal Energy Regulatory Commission (FERC). The 2007 AK-BC intertie report estimated the construction cost of a Thomas Bay-

Petersburg transmission line to be $66 million in 2007 dollars, with a total length of 22 miles (9 submarine, 12 overhead).

#### *3.1.2.5 Metlakatla-Ketchikan Intertie*

Originally identified in the 1987 regional intertie study, the 17-mile Metlakatla-Ketchikan Intertie was evaluated in a 2000 reconnaissance report by R.W. Beck. The 2007 AK-BC intertie report estimated the construction cost of a 34.5-kV Metlakatla-Ketchikan transmission line to be $14.9 million in 2007 dollars, and that the line would be economic starting in 2013.

#### *3.1.2.6 Prince of Wales Island*

On Prince of Wales Island, the interties of Alaska Power & Telephone (AP&T) Company connect Black Bear Lake and the South Fork hydroelectric plants to the communities of Klawock and Craig, with later extensions to Thorne Bay (1999), Kasaan (2001), Hollis (2003), and Hydaburg (2004). A 7-mile-long, 24.9-kV intertie connecting Craig and Klawock was constructed in 1987 for a cost of $869,000. The 4.5-MW Black Bear Lake plant was completed in 1995, and the 2-MW South Fork plant was completed in 2006. Together, these two hydroelectric plants provide the majority of power for Prince of Wales Island, and have reduced the cost of electricity compared to diesel generation. For example, a 1997 report for the Alaska Department of Community and Regional Affairs, Division of Energy, *City of Thorne Bay, Electricity Sales Agreement and Intertie Evaluation,* indicated that the ten-year AP&T power purchase agreement (and new intertie) would reduce the cost of energy in Thorne Bay by approximately 1.7 cents/kWh. Future expansion of the Prince of Wales Island power grid is planned to include the load centers of Naukati and Coffman Cove. From Coffman Cove, a 50-mile-long DC submarine cable to Wrangell was estimated by the 2007 AK-BC intertie report to cost $170 million in 2007 dollars. The 1998 and 1987 regional intertie reconnaissance studies recommended a Prince of Wales-Ketchikan intertie as one of the last phases of the regional intertie system. The 2003 regional intertie report by D. Hittle and Associates estimated the cost of the Prince of Wales-Ketchikan Intertie to be $31.7 million in 2003 dollars. The 2007 AK-BC intertie report concluded that a Prince of Wales-Ketchikan intertie was uneconomic.

#### *3.1.2.7 Juneau-Greens Creek Mine-Hoonah Intertie*

Two reconnaissance-level studies conducted in 1981 on the Juneau-Hoonah Transmission Line Evaluation for the U.S. Dept. of Energy, Alaska Power Administration concluded that a 50.4-mile-long 69-kV transmission line between Juneau and Hoonah would be economic. The construction cost was estimated to be $20.6 million in 1981 dollars. The majority of the power demand to be served by the Juneau-Hoonah Intertie was expected to be from the then-proposed Greens Creek Mine on Admiralty Island and new timber industry facilities in the Hoonah area on Chichagof. The overall feasibility of the intertie was dependent on the expected load of the Greens Creek Mine, and service only to Hoonah was not economically feasible. The 1998 and 1987 regional intertie reconnaissance studies recommended the Juneau-Hoonah intertie as part of a longer connection including Tenakee Springs, Angoon, and Sitka. Phase 1 of the 2003 regional intertie study by D. Hittle and Associates recommended a line from Juneau

to Greens Creek Mine, and continuing on to Hoonah. The report estimated the cost of a Juneau-Greens Creek-Hoonah Intertie to be $37.1 million in 2003 dollars

A 9.5-mile submarine cable transmission line, connecting Juneau to the Greens Creek Mine, was completed in 2006. The Kennecott Greens Creek Mining Company purchases power from Alaska Electric Light and Power, the Juneau utility, which is in the process of building the first (15 MW) phase of Lake Dorothy hydroelectric plant to help serve the mine's energy demand. An extension of this line to Hoonah was estimated to cost $30 million in a 2006 study for the Alaska Energy Authority by Emerman Consulting. This reported concluded that intertie extension to Hoonah would not have access to any surplus hydropower generation in the Juneau area as long as the Greens Creek Mine is in operation. Thus the generation capacity of the regional electric grid would not be large enough to provide tangible economic benefits to Hoonah.

#### *3.1.2.8 Alaska-Canada Interconnection Proposals*

The proposed Bradfield Intertie would connect the existing hydroelectric plant at Tyee Lake, Alaska to neighboring British Columbia. A 1988 report by Harza Engineering Company for the Alaska Power Authority, *Southeast Alaska Transmission Intertie Study: Addendum 1, Tyee/Johnny Mountain Transmission Line Study*, was a preliminary investigation of a proposed transmission line between the existing Tyee Lake hydroelectric plant in Alaska and gold mining operations at Johnny Mountain, British Columbia. The line was proposed by Bradfield Electric, Inc., an independent concern based in Wrangell. The 1988 report recommended a 69-kV line, though it also recommended the transmission line and required substation facilities at Tyee Lake be built to 138 kV. A 41.5-mile, 138-kV Bradfield Intertie was estimated to cost $16.7 million in 1988 dollars. The Johnny Mountain gold mine only operated briefly between 1988 and 1990, though may be reopened in the future.

The mining company NovaGold is also developing the Galore Creek gold mine in the same area of British Columbia. Nearby, Calgary-based Alta Gas is proposing the 195-MW Forest Kerr hydroelectric project on the Iskut River. Plans for the Forest Kerr project include a 138-kV line to be connected to the lines of the British Columbia Transmission Corporation (formerly the BC Hydro transmission system), which in turn is part of the greater North American grid system, connected to the contiguous United States. The Bradfield Intertie connected to the Forest Kerr project could in turn enable the export of hydroelectric power from Southeast Alaska into Canada or to the U.S. Pacific Northwest. According to an article in the July/August 2008 issue of the publication *IEEE Power and Energy*, British Columbia's domestic consumption of electricity has begun to outstrip its supply. Although for many years the province had a surplus of power, it is now a net importer of electricity. Demand for electricity in British Columbia is expected to increase as much as 45% by 2025.

The 2007 Alaska Energy Authority study, *AK-BC Intertie Feasibility Study SE Alaska: Final Report*, by Hatch Acres and Dryden & LaRue, concluded that the export of energy after the year 2015 to British Columbia via the Bradfield Intertie appears to be economic at discount rates of 6%. Construction of the Alaska section of the Bradfield AK-BC Intertie (Tyee Lake to U.S./Canada border) was estimated to cost

$32 million in 2006 dollars, and the British Columbia section of the AK-BC Intertie (U.S./Canada border to Forest Kerr) was estimated to cost $36 million.

A transmission intertie from the Haines/Skagway area to Whitehorse, Yukon was examined in the early 1980s by the Alaska Power Administration and the Northern Canada Power Commission. A 1983 report by FWS Engineers to the Northern Canada Power Commission estimated that the 148-km-long Canadian section of the intertie (Whitehorse-White Pass) would cost between $10.5 million to $11.5 million in 1983 Canadian dollars. This was followed by a 1984 study by R.W. Beck and Associates for the Alaska Power Administration and the Northern Canada Power Commission: *Economic and Financial Analysis of a Proposed Transmission Intertie between Whitehorse, Yukon Territory and Haines, Skagway and Juneau, Alaska.* The 1984 report estimated a construction cost for the U.S. section of the intertie (White Pass-Skagway) to be $7.3 million in 1983 U.S. dollars, as well as Skagway-Juneau intertie to cost $35.8 million in 1983 dollars. The report concluded that the proposed intertie would only be economic under the conditions of low load growth in the Yukon and high or extra high load growth in the Juneau area. In other words, if excess hydroelectric power generated in the Yukon would be exported to Alaska.

A 1983 report by B.C. Hydro's Systems Engineering Division analyzed a proposed electric transmission line between Whitehorse, Yukon and British Columbia, and briefly discusses possible Alaska-Canada interties.

The 1987 regional intertie study for the Alaska Energy Authority proposed an intertie from the proposed molybdenum mine at Quartz Hill in Alaska to Kitsault, British Columbia to import power from Canada. However, the mine site at Quartz Hill, about 50 miles east of Ketchikan, has yet to be developed due to global molybdenum prices over the past 20 years.

## 3.2 Southwest Alaska

### 3.2.1 Southwest Alaska Regional Interties

The 1975 Robert W. Retherford Associates regional study for the Alaska Power Administration, *A Regional Electric Power System for the Lower Kuskokwim Vicinity: A Preliminary Feasibility Assessment,* concluded that a regional electric power system of lines interconnecting the ten villages within a 40-mile radius of Bethel is a feasible project. Most of the transmission interconnections proposed use conventional 3-phase, 4-wire electric lines. A 70-mile transmission line to the proposed 36-MW Golden Gate hydroelectric site on the Kisaralik River is also described. The report recommends more in-depth study of this and smaller hydropower sites in the region.

Included in 1975 study was a preliminary assessment of Single Wire Earth Return (SWER), which promised lower transmission line costs. Both conventional 4-wire and SWER regional power lines were estimated to be more economical than village power systems. SWER/SWGR technology is discussed in greater detail below in section 5.1.4.

SWER in the region was further examined in 1980 in the *Lower Kuskokwim Single Wire Ground Return Transmission System, Phase I Report,* by Robert W. Retherford Associates for the Alaska Division of

Energy and Power Development. This study included preliminary field investigations, design, routing and cost estimates, and recommended a SWER prototype transmission line be built between Bethel and Napakiak. The phase I report was followed in 1982 by the *Lower Kuskokwim Single Wire Ground Return Transmission System, Phase II Report (Bethel to Napakiak SWGR System Design Manual and Construction Summary)*. The Bethel-to-Napakiak SWER demonstration project extends 8.5 miles over tundra.

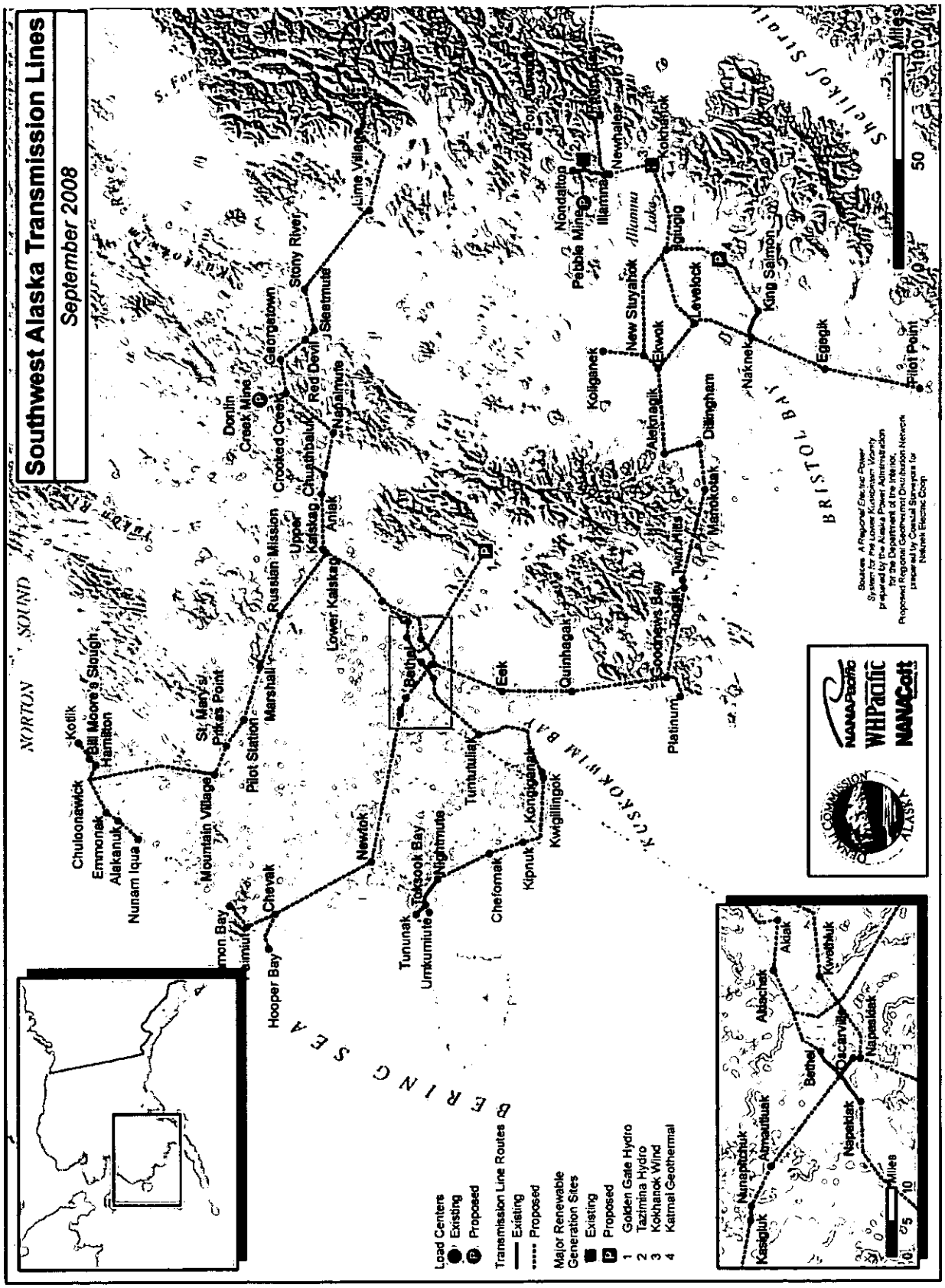



**Figure 4 Southwest Alaska Transmission Lines**

The purpose of the 1982 report is to consolidate information concerning the final design, general construction techniques and construction cost data of the 15-kV Bethel-to-Napakiak SWER Transmission

System, which became operational in October 1980 at a total construction cost of about $280,000 in 1980 dollars. This line has been deteriorating in recent years, resulting in line loss, poor reliability and higher energy costs, and is presently being upgraded to a standard three-phase line. The Bethel-Oscarville Intertie is a 5-mile, 15-kV, conventional single-phase line that was constructed in 1988 at a cost of $281,000.

#### *3.2.1.1 Bethel-Nyac Intertie*

Nyac is a community more than 60 miles east of Bethel. A 1995 feasibility study, design and cost estimate of the Bethel-Nyac transmission intertie was prepared by FPE Roen Engineers for the Alaska Dept. of Community and Regional Affairs, Division of Energy. A 1996 cost estimate on the Bethel-Nyac Intertie by Dryden & LaRue estimated a total project cost of $46.8 million in 1995 dollars. A 1996 amendment to Bethel-Nyac intertie study provided updated technical design and cost information. It was proposed that this intertie connect to the proposed Golden Gate hydroelectric site forty miles south of Nyac.

### 3.2.2 Other Southwest Alaska Intertie Studies

Outside of the Bethel area, five existing interties between rural communities in Southwest Alaska were identified:

- Naknek-King Salmon-South Naknek
- Iliamna-Newhalen-Nondalton
- The Toksook Bay to Tununak intertie is a 6.6-mile-long electric line energized in 2006. The total project cost was $2,049,494, according to the Denali Commission's June 2008 project closeout summary.
- Kasigluk-Nunapitchuk
- 
- St. Mary's-Andreafski/Pitkas Point, line completed in 1985.

A 1985 feasibility study on the Kokhanok-Newhalen electrical tie line was conducted by Dryden & LaRue for the Kokhanok Village Council. The study concluded that it would be technically feasible to connect Kokhanok to the Newhalen-Illiamna-Nondalton system, an existing intertie completed in 1982.

In 1986, Polarconsult Alaska studied the feasibility of a Manokotak-Dillingham transmission line for the Alaska Power Authority. This study recommended a SWER system to connect Manokotak Heights to the Nushagak Electric Cooperative in Dillingham.

Naknek Electric Association has proposed a regional electric interconnection plan centered on a possible 25 MW geothermal power plant near Katmai National Park. As proposed, such a scenario would involve the construction of about 450 miles of new electric intertie/transmission lines.



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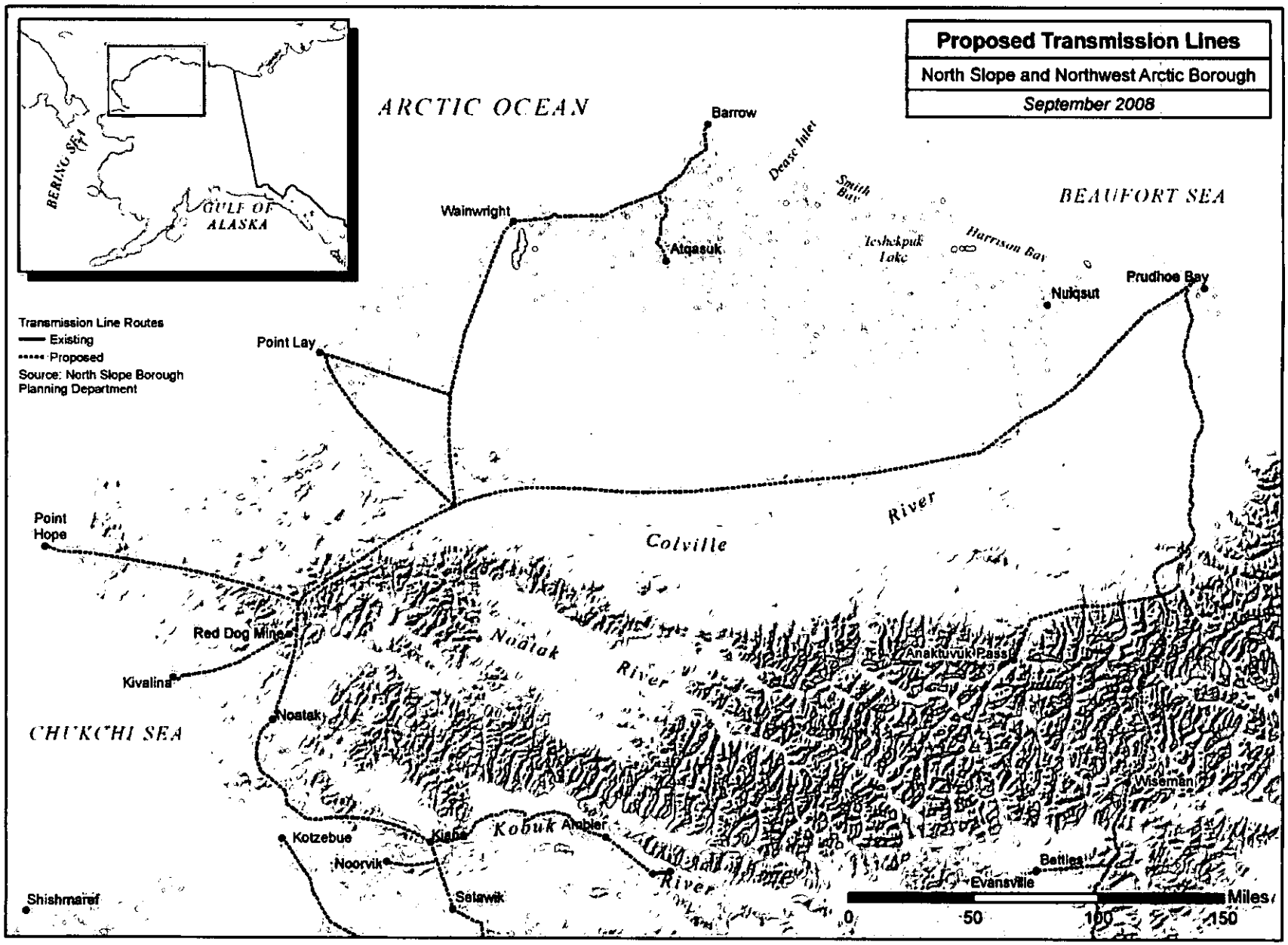
## 3.3 Northwest Alaska

A 1984 final report on the Kobuk-Shungnak SWER transmission line was done by the Thomas D. Humphrey Company for the Alaska Department of Commerce and Economic Development. An SWER transmission line was constructed in 1980 between Shungnak and Kobuk, with a total length of 10.5 miles. In 1991, this line was rebuilt as a conventional 15-kV, three-phase line for a cost of $1,350,000. A Shungnak-Ambler intertie is being investigated by the NANA Regional Corporation, as is an intertie connecting Kivalina, the Port of Red Dog Mine, and Noatak. Several possibilities exist in the region for connecting electric loads and generation capacity of both local communities and mining operations.

## 3.4 North Slope

A 1981 report by Robert W. Retherford Associates for the North Slope Borough examined the feasibility of a Barrow-Atqasuk-Wainwright transmission line, recommending a 70-mile line between Barrow and Atqasuk, and a 67-mile line between Barrow and Wainwright. The total project cost was estimated to be $16 million in 1980 dollars.

The following year, in 1982, the U.S. Dept. of Energy, Alaska Power Administration, studied a proposal for an 8000-MW high-voltage DC transmission line between proposed coal and gas-fired power generation on the Alaska North Slope to Canada and the Pacific Northwest. This 1982 report was an update of the 1972 North Slope Transmission Study, and concluded that further study of the concept was not warranted.


Proposed Transmission Lines
North Slope and Northwest Arctic Borough
September 2008
ARCTIC OCEAN
BEAUFORT SEA
CHUKCHI SEA
BERING SEA
GULF OF ALASKA
Barrow
Dease Inlet
Smith Bay
Wainwright
Atqasuk
Teshekpuk Lake
Harrison Bay
Nuiqsut
Prudhoe Bay
Point Lay
Point Hope
Colville River
Red Dog Mine
Kivalina
Noatak
Noatak River
Anaktuvuk Pass
Wiseman
Kotzebue
Kiana
Kobuk
Noorvik
Selawik
Shishmaref
Bettles
Evansville
Transmission Line Routes
Existing
Proposed
Source: North Slope Borough Planning Department
0
50
100
150
Miles

# 4 Professional Opinion Survey

The objective of the previous section was to provide an historical perspective of electrical transmission through a review of existing literature.

The purpose of this section is to synthesize the opinions of professionals involved in the development, planning, engineering, construction and management of energy transmission systems regarding the extent to which these systems address the policy objectives of the Denali Commission. Furthermore, efforts were made to explore policy criteria beyond the traditional criteria of reliability, economic energy transfer, transmission efficiency, capacity sharing, and operating reserves sharing.

Fifteen Alaskan experts were interviewed. Their responses are synthesized below. All comments are anonymous by agreement with the respondents; no comments are attributable to any individual respondent.

## 4.1 What do you see as the value of intertie projects? Why do we build them?

The following five reasons for building intertie projects were given:

1. Excess stranded capacity is available in one area and can be transmitted to an area that has insufficient capacity, thus increasing systems efficiency.
2. Power is cheaper in one area than in another area.
3. Linking numerous communities to different sources of power will improve power systems reliability.
4. Increased transmission lines reduce line loss, and improve economies of scale.
5. Additional lines can add more capacity to existing lines.

Interties create options for communities. They can help reduce the cost of energy for connected communities and help to promote economic development. Communities can make their own decisions about their futures if an intertie project is available.

Many of the respondents emphasized the importance linking newer low-cost power sources to power users. Most thought that continuing reliance on diesel fuel as the basic fuel stock was unsustainable. Connecting communities which rely on diesel-fueled power generation is delaying efforts to develop and transmit renewable energy such as geothermal, wind, hydropower and biomass.

One respondent emphasized the importance of the intertie as a "two-way street," meaning that there should be opportunities for the sharing of power costs and improvements in reliability for all communities linked by an intertie. It should not benefit only one community.

Another respondent emphasized the importance of building institutional capacity for managing complex energy distribution. He believed that supervisory control and data acquisition (SCADA) is an essential ingredient in the development of any intertie project. Institution development is critical in Alaska because our knowledge base is about 20 years behind that of many other communities.

## 4.2 Most of these projects are paid for, in part, using public funds. What do you see as the public policy objectives that these projects are trying to realize?

As one respondent said, "Electricity is the key to life and the economy. Energy is the lifeblood of the modern human lifestyle. Interties are a part of this." Therefore, it is the government's responsibility to promote this essential, basic service through power provision, policy, and financing mechanisms. Interties can be part of "taking care of Alaskans, not of making money."

Respondents also voiced general concerns about the impact of high energy costs on the sustainability and viability of rural communities. One respondent posed the question "where do people go if energy costs get too high? I think that, without power, villages will disappear. People will probably go to Anchorage or Fairbanks."

Many respondents emphasized the importance of local energy production in retaining wealth in local communities. The use of local labor and the opportunity to develop local economic enterprise are both directly related to the availability of low-cost power. Interties are an important part of this system if they reduce the cost of power or mitigate the extent of cost increases

A few respondents mentioned the importance of the logical clusters of communities which could create enough critical mass to justify an inter-village energy distribution system. The natural alliances among adjacent communities can help in the development and organization of an intertie system. Not only are the communities in close geographic proximity, but in many cases share some of the same cultural values and community histories. This common ground could help reduce some of the conflicts and organizational issues that surround regional utility projects.

While energy is an essential ingredient, the availability of low-cost energy does not necessarily result in economic development. The cost of electricity is probably a small component of the total cost of production. Therefore, without all of the other production ingredients in place, businesses would not be attracted solely on the basis of low-cost energy.

The continued operation of basic public services, on the other hand, could be greatly affected by the continued rise in the cost of energy. Schools, health clinics, public offices and other elements of the public infrastructure could become too costly to operate. Without these basic services, some communities will have difficulties. If an intertie can help prevent this situation, it is in the public's interest to build it. This relates directly to the Denali Commission's policy objective of helping to sustain rural Alaskan communities

## 4.3 To what extent should publicly-funded intertie projects promote community or regional economic development? How can these impacts be measured?

Available energy and economic development are closely intertwined. One respondent called the lack of energy "the number one impediment to economic development around the world." However, even with interties, the high cost of electricity may not promote community economic development.

Reducing the cost of electricity through interties may promote economic development by reducing the proportion of the family budget that is allocated to heating and electric energy, thus increasing the amount of family discretionary income. These funds could be used by local entrepreneurs to develop small community businesses, such as crafts, local businesses and fish processing. One respondent suggested that there could be dramatic improvements in value added fish processing in the Bristol Bay region if there were adequate power. He noted that potential hydroelectric power generation sites in the Woods River/Tickchick Lakes area could be linked to Bristol Bay fish processors through interties. He also cited examples of potential improvements in value added fish processing in the Chignik area from local hydropower, and salmon processing in Holy Cross using wind and a hydropower shared it with the Donlin Creek project.

Large scale economic enterprises, such as mining, fish processing, smelting and value added timber products, require substantial amounts of energy. Interties are required if there is no on-site power source. Small and medium scale hydroelectric projects can generate enough power for local fish or timber processing. However, most mining operations require huge amounts of electricity. The power sources must be large scale, geothermal or fossil fuel. Respondents strongly suggested that diesel-fueled electricity generation is not economically feasible for large economic development projects.

Large economic development projects, particularly mines, have proposed being energy producers and sellers. The proposed Donlin Creek and Pebble mines require at least 600 MW of electricity to operate. These operations could become "value hubs," or large energy users, which can economically justify the interties for electrical distribution to nearby communities. They also create a sufficient demand to justify large power generation projects, such as the Susitna hydroelectric project, the Mt. Spurr geothermal project or the potential for a large-scale regional gas power generation plant.

Most respondents agreed that public funding of intertie planning and construction could make the difference between an economically feasible and infeasible project.

Most respondents argued that the economic impacts of intertie projects could be measured by the net improvement in the price of energy. However, economic planners suggested that successful intertie proposals include documented interactions with regional economic developers or sponsors, such as Alaska Regional Development Organizations (ARDORs), Rural Utility Business Advisors (RUBAs), the Department of Transportation and Public Facilities, and local community leaders demonstrating planning activities linking efficient energy production (perhaps involving interties) and economic development.

*Fueling Development: Energy Technology for Developing Countries,* a report by the Office of Technology Assessment noted that securing higher standards of living for increasing populations requires rapid economic growth. This further increases the demand for energy services. The demand for increased energy could be even greater in supplying the needs for a growing economic engine. This creates a potential dilemma. On one hand the rapid rates of economic growth necessary to provide rising standards of living for growing populations require sharp increases in energy services. The cost of building the infrastructure, however, could divert available investment funds, thus limiting the economic development itself. This could stifle economic growth and the quality of life in rural communities.

## 4.4 Intertie proposals often suggest that the project will lower the cost of electricity in participating communities. Have you found this to be true in the long-term?

There was some disagreement among respondents about the long-term impact of interties in reducing electrical costs. One respondent suggested that the Railbelt and Northern interties have reduced energy costs in Fairbanks or at least eliminated or tempered steep cost increases. On the other hand, interties that link renewable energy, such as the Toksook Bay/Tununak wind project, have dramatically reduced costs to all participating communities.

## 4.5 To what extent do these projects impact the quality of life of Alaskans, especially rural Alaskans? How can these impacts be measured?

Intertie projects enhance the quality of life in rural Alaska to the extent that they make energy affordable. As one respondent said, "the cost of heat and lights in a cold and dark place is a top priority in community sustainability, ahead of health and education." As mentioned earlier, continued high energy costs could severely threaten the stability of rural Alaskan communities. The resulting outmigration could affect the stability of hub communities or larger Alaskan cities such as Anchorage Fairbanks and Juneau.

The quality of life can also be enhanced as reduced energy costs allow more discretionary spending in the family budget. The NANA region's Red Dog Mine is evidence that large economic enterprises enhance the quality of life in rural Alaska. Therefore, to the extent that interties support regional economic development, the quality of life is enhanced

## 4.6 The notion of an "anchor user" has been discussed more frequently in recent years. How does this arrangement work? To what extent is an anchor user a valuable addition to an intertie project?

All respondents agreed that anchor tenants, also called "value hubs," were a critical, but not a required, part of any transmission system. Value hubs are critical because they may provide the critical mass necessary to justify an efficient energy transmission system. They are not required, because it is important to produce and deliver low-cost energy for rural Alaskan communities to sustain them, regardless of the presence of an anchor tenant. Examples of successful anchor tenants include the Red

Dog and Fort Knox mines. Economies of scale are shown by the cost savings and improved reliability of power within the Railbelt interconnection. Other anchor users have been proposed linking economic development and power distribution systems.

The most common examples of industries that could be anchor tenants are fish plants and mining operations. They would provide the "economic engine" for the region, and allow for the economies of scale that would help reduce the cost of power in local communities.

Local communities must be in charge of their own destinies, including the ability to accept or reject a transmission project. This suggests that intertie projects must involve regional and local governments. Communities are becoming more sophisticated in negotiating with larger corporations. In this way, they are increasing their own real and perceived sense of empowerment in dictating their own futures. In some cases, the future may involve major economic development initiatives, such as mining, fish processing, smelting or timber products. In other cases, these economic development initiatives may be rejected. By themselves these initiatives are an insufficient rationale for developing and intertie.

Most interties follow established communication routes. Traditional interactions and personal and family alliances appear to drive the establishment of communications among villages. We see these communication patterns today in the organization of air traffic among local communities, attendance at sports tournaments and traditional gatherings, and the organization of mutually beneficial projects. Trust is an essential element in developing the ongoing relationship among communities which must exist in order to justify an intertie.

Local communities must have an economic incentive to interconnect. For each community on both sides of an interconnection, there must be mutual benefits in the reliability of electrical power and a reduction in its cost. The cost of operating and maintaining the interties must also be taken into account.

A successful intertie proposal should demonstrate that the proposers have "explored" engaging a potential anchor user.

## 4.7 In the overall scheme of things, how important are the environmental impacts of these projects? How can these impacts be measured?

In the 1940s, there was a drive to distribute electric power to communities as quickly as possible. Most environmental concerns surrounded construction and systems maintenance challenges. Times have changed. An in-depth literature review revealed increasing attention to environmental factors associated with energy distribution, starting in the early 1980s.

Now, environmental concerns about the effect of interties on environmental aesthetics, the impact on flora and fauna, and the pollution produced in the power generation phase are all extremely important. Mitigation of these impacts has caused the permitting process to extend for as long as seven years. This adds to the cost of intertie construction.

People do not want to "see the wires" of transmission lines. Some feel that it compromises the beauty and pristine character of the Alaskan environment. Utility corridors which cross environmentally sensitive areas must demonstrate minimal impact on the environment through the preparation of Environmental Impact Statements.

The source of power is also a major concern. Coal is considered a "dirty" fuel by certain segments of the population. It was recently rejected as the principal feedstock for the generation of electrical power in the Mat-Su Valley. Some also consider the coal-to-liquids and Fischer-Tropsch conversion processes environmentally objectionable. There continue to be concerns about the proposed nuclear generation facility in Galena. Concerns with the use of fossil fuels, especially diesel fuel, are repeatedly raised.

The construction of transmission lines also requires the use of costly metals (copper and steel) which require substantial energy to refine.

## 4.8 To what extent are intertie sponsors expected to be "good corporate citizens"? Should they be active in the communities they serve? Are they expected to become philanthropists?

There was little support among respondents for intertie sponsors to be "good corporate citizens" beyond their diligence in making electrical power cheaper, more reliable, and accessible. Some noted that power co-ops are measured according to the cost of the power that they generate. These costs of doing business include public participation and socially responsible development. However, philanthropy is not expected.

The Regulatory Commission of Alaska (RCA) could make it difficult for private sector economic development projects, such as mines or natural resource processors, to sell low-cost energy to local communities. One respondent urged the review and modification of RCA regulations for independent power producers which could reduce impediments for entry into the market. He believed that the REGA recommendations would support such changes in utility regulations in Alaska.

## 4.9 Is there anything else that you would like to share with the Denali Commission about intertie projects?

Many respondents believed that the Denali Commission could play an important role in energy production and distribution. One respondent said that "no single institution has all the resources" required to manage the energy generation and distribution portfolio. The Commission can organize and coordinate teams which could accomplish these larger goals. They can help decide "what projects we can accomplish together."

One specific recommendation was that the commission addresses the provisions of Article 11 of the Alaska National Interest Lands Conservation Act (ANILCA) of 1981, which discusses the transportation/utility system (TUS). In passing the legislation, Congress recognized that Alaska's transportation and utility network was largely undeveloped and future needs would be best identified and provided through an orderly process involving the state and federal governments and the public.

Agencies would have to determine whether a proposed TUS project is "compatible" with the purposes for which a conservation system unit was established. If an agency denies an application for a TUS, the president of the United States can reverse the denial. Congress must agree with the president's recommendation by passing a joint resolution within 120 days. Many of the respondents suggested that the commission assist in identifying several key corridors and obtaining Congressional support.

One respondent said that Alaska could use some help in sustaining and expanding gains in energy generation and distribution technology. We tend to train people "on the job." These people often leave their positions, leaving little enhanced institutional capacity behind them. One respondent said, "The people who make it work are making big bucks." He argued for increased workforce development in planning and management of energy generation and distribution systems.

The Commission should become more involved in helping to advance intertie technology, including demonstrations of wave, current and tidal energy generation. This should emphasize the integration of operations and management with the marketing of technological advances. These advances should have at least a 30-year planning and implementation horizon. An organization that has a clear mandate to do this without extensive shortsighted political interference could have a positive effect on Alaska's ability to develop, operate and market new technology.

It could also help fund research to improve intertie construction technology, the development of hydrogen fuels, and the monitoring of the nuclear demonstration site at Galena. One respondent said "we should be an example to the world about how to do it right. We should develop our technology and export knowledge to the world." Others disagreed, arguing that this was more appropriately the role of the University.

Respondents in the energy sector believed that the efforts to modernize Alaska's bulk fuel storage system were brilliant. Now, however, other alternative fuels need to be explored. The Commission could serve a valuable role in assisting rural communities in infrastructure development. This role could be uniquely filled by the Commission. Because it is a partnership among federal and state agencies, it is one of the few groups that have the ability to bridge overlapping jurisdictions. This role could be invaluable in facilitating the resolution of Agency conflicts.

# 5 Electric Utility Technology Review

The purpose of this section is to review the current state of the technology for developing constructing and implementing efficient electrical intertie systems. The information presented here is intended to help identify strengths and weaknesses in our understanding of these critical technologies.

The technology assessment is broken down into three categories: generation, transmission and distribution, and energy end-use. The electric transmission and distribution technology assessment is obviously the most directly relevant focus for this study, but generation and end-use of energy are also vital parts of the energy supply chain.

Over the next two decades, the replacement of ageing electrical infrastructure will be needed. Most of Alaska's existing electrical infrastructure was built during the three-decade period spanning the 1960s to the 1980s.

## 5.1 Power Generation

### 5.1.1 Central-Station Power Plants

The status quo of electric power generation is relatively large, three-phase alternating current (AC) generators. The vast majority of standard three-phase generating capacity is owned and operated by established electric utilities or independent power producers (IPPs). Commonly referred to as 'central station' generation plants, the 'prime-mover' energy sources for standard three-phase generation range from steam turbines (fueled by coal, natural gas, oil, nuclear, or renewable heat sources such as biomass, geothermal, or solar thermal), natural gas turbines, diesel engines, and renewable sources such as hydroelectric or tidal turbines, and wind turbines, or even wave energy converters. A common type of generation unit in Alaska's Railbelt region is the natural gas fired combustion turbine. The most efficient of these units is the natural gas fired combustion turbines operated as a combined-cycle plant, which utilizes the waste heat from a gas turbine to power a steam turbine. These combined cycle plants make up about 30 percent of the installed thermal generation in the Railbelt region. Throughout most of the rest of Alaska generation consists primarily of small diesel fired reciprocating engines and hydro electric plants with a smattering of wind powered units. Most hydro generation outside of the Railbelt is located in the southeastern region of the state, however several small hydro units exist in other areas Most electric generators produce AC power, but photovoltaic (PV) solar panels and hydrogen fuel cells (see below) generate power by direct current (DC) only, and wind system operate asynchronously. For grid-tied systems, such generating units are connected to DC-AC or AC-DC-AC power conversion equipment.

### 5.1.2 Distributed Generation Technology

Distributed generation consists of relatively small generation units located closer to, or co-located with, the end user. Distributed generation is possible both at the scale of individual homes, as well as at large commercial or industrial users such as office buildings and factories. Distributed generation technology offers opportunities for small-scale renewable energy applications, such as roof-top solar PV

installations. Distributed generation can also be done with fossil fuels, such as natural gas micro-turbines or combined heat and power (CHP) applications using natural gas, as in fuel cells, or with oil, or even coal.

The future mix of power generation resources will likely be composed of both large, central station power plants and various, small-scale distributed generation plants. In effect, a decentralization of power grids around the world is a possible outcome; however, economically it is difficult to overcome the economies of scale found in central station power generation. With proper real-time control and protection systems, distributed generation could offer greater power grid flexibility.

Net-metering, or allowing very small-scale power plants to sell power back to the grid, is allowed under the utility regulatory structure in the majority of U.S. states. Net-metering is typically done with small-scale renewable energy installations at homes, such as roof-top solar panel installations, and usually has a maximum capacity limit (typically under 100 kW) of how much power can be exported to the local distribution grid. Net-metering legislation is being considered in Alaska.

### 5.1.3 Future Power Generation Possibilities

In addition to the renewable energy sources described above, other emerging technologies offer future possibilities for Alaska power generation.

#### *5.1.3.1 Fuel cells*

Fuel cells convert pure hydrogen and oxygen directly into electricity, with a byproduct of heat, and emitting only water vapor as exhaust. Fuel cells utilize a number of technologies to produce electricity, Solid Oxide, Phosphoric acid, Proton Exchange Membrane to name a few. Fuel cells can run off of any hydrocarbon-based fuel source, for example, natural gas, methanol or even gasoline. A natural gas-based fuel cell with a reformer attached can extract the hydrogen from the natural gas before it enters the cell. However, the hydrogen reformation process takes time, and cannot be done rapidly for large quantities of gas. Reforming hydrogen from natural gas also emits carbon-based air pollutants and the hydrogen gas is highly explosive.

Although fuel cell technology has been in existence since the 1800s, the commercial use of fuel cells has so far been limited to small-scale, specialized applications. Over the short to medium term, natural gas is the most practical feedstock in Alaska for fuel cells. For pure-hydrogen fuel cell use to become widespread, a comprehensive hydrogen delivery infrastructure needs to be developed (read below). Also, the performance of fuel cells in cold temperatures is an important technical concern for Alaska.

#### *5.1.3.2 Small-scale nuclear*

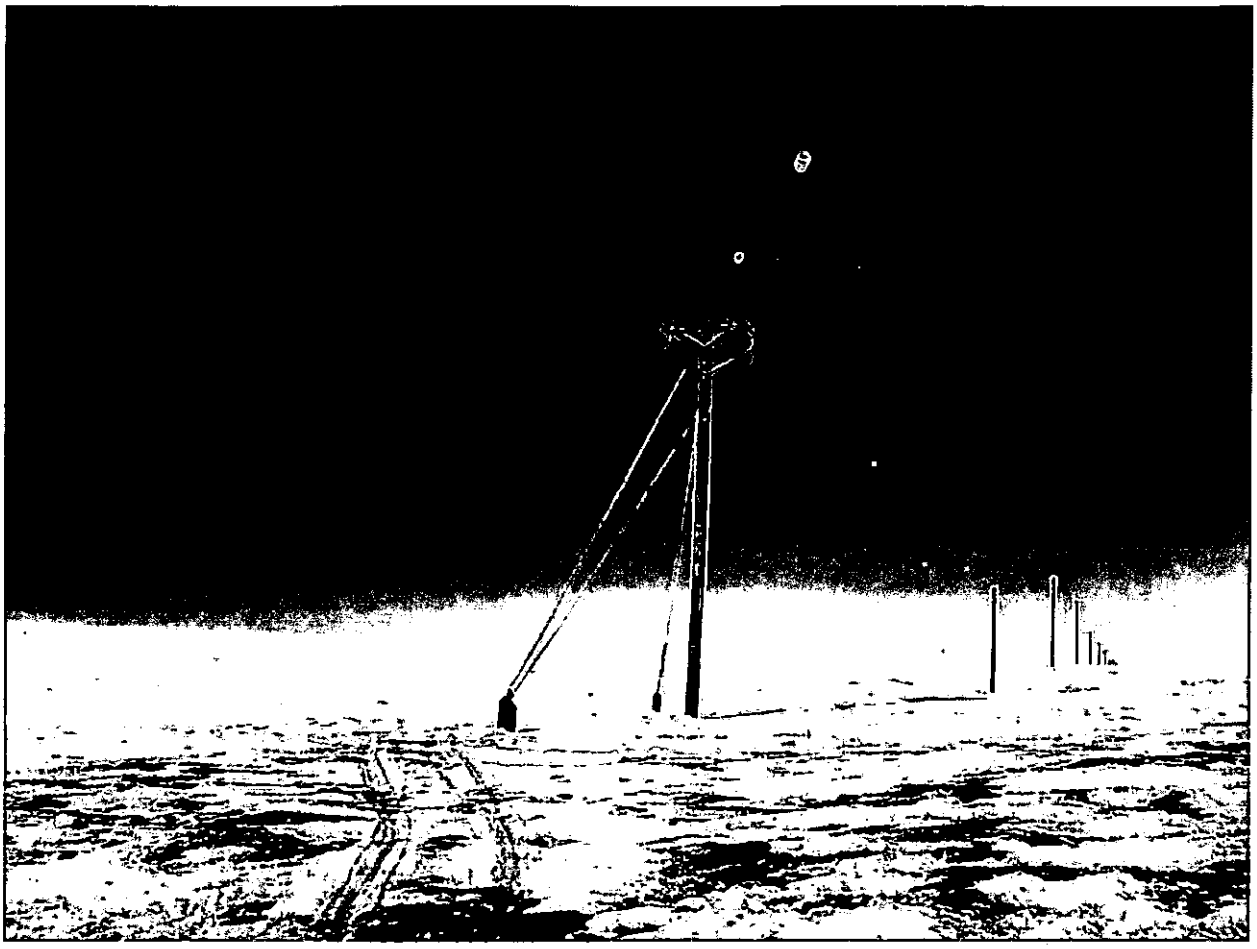
Historically, the practicality of nuclear energy has been dictated by economies of scale. Typically, nuclear power plants are built with capacities of 1000 MW or more. The smallest commercial nuclear power plant in the U.S. has a capacity of 478 MW, which is larger than any single generation facility existing in Alaska today. However, emerging small-scale reactor technology, if proven safe and reliable, could find various applications for Alaska.

At present, the only proposed Alaska nuclear installation is for the town of Galena on the Yukon River. The proposed power plant would be a 10-megawatt (MW) 4S reactor (Super Safe, Small and Simple) reactor under development by the nuclear power systems division of Toshiba. The 4S modular "battery" design is a sodium-cooled fast reactor operating at atmospheric pressure with 'modular' construction, and would be housed in a sealed, cylindrical vault 30 meters underground, while the building above ground would connect to the town's electrical distribution system. The reactor will run on highly-enriched uranium or uranium-plutonium alloy fuel rods, with no refueling for 30 years, after which time the entire reactor will be replaced, presumably with a new 4S unit. Other than electric power production, the proposed end-uses of the surplus nuclear energy in Galena include heating for city buildings, schools, the public swimming pool, and the health clinic. However, the Galena 4S project is years away from regulatory approval, and may not turn out to be economically viable. If this project succeeds, Toshiba plans to sell other 4S reactors to other towns in rural Alaska and around the world. Alaska's mining industry has already expressed interest in small reactors powering remote, large-scale operations.

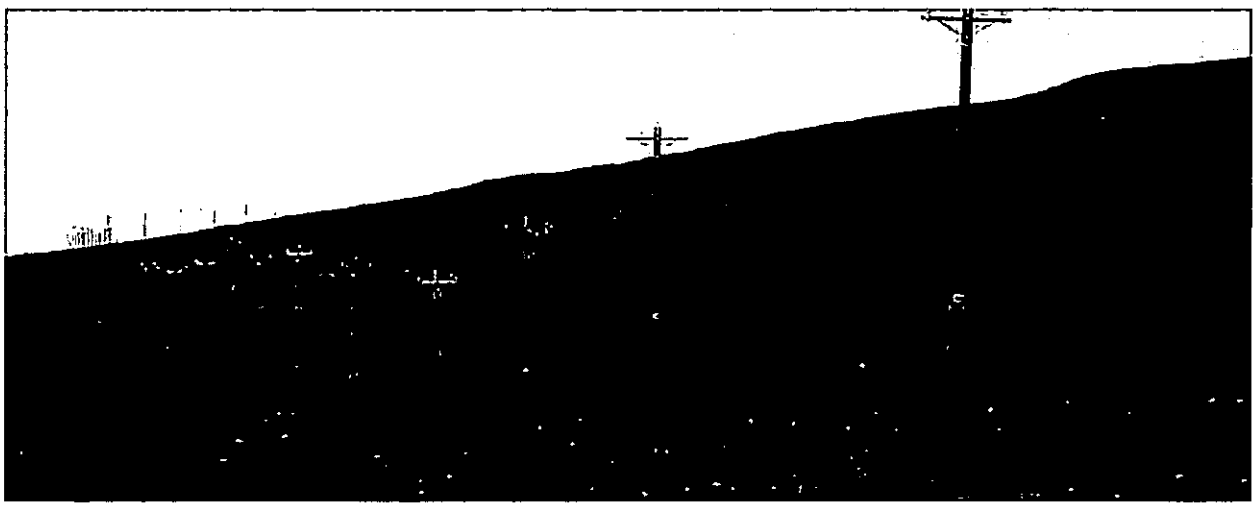
In addition to electricity production and district heating, other uses have been proposed for small nuclear reactors including hydrogen production and saltwater desalination. Perhaps hydrogen could be produced using surplus electricity from the small reactor, and this hydrogen could in turn power vehicles such as trucks or snow machines.

### 5.1.4 Power Transmission and Distribution

The transmission system efficiently carries large amounts of electric power from generating stations to end-users. Electricity *transmission* lines are generally defined as have a voltage greater than 35 kV. Electricity *distribution* lines are generally defined as having a voltage less than 35 kV, with line voltages between 34.5 kV and 138 kV, sometimes defined as *sub-transmission*. However, in Alaska, 15 kV interties between small communities may be called "transmission", while falling under the standard industry definition of distribution voltage. Common electric intertie voltages in Alaska include 230 kV, 138 kV, 115 kV, 69 kV, 34.5 kV, and 15kV lines. In rural Alaska, 'islanded micro-grids' are the rule for electric power on the village scale, with only a handful of existing village-to-village interties.



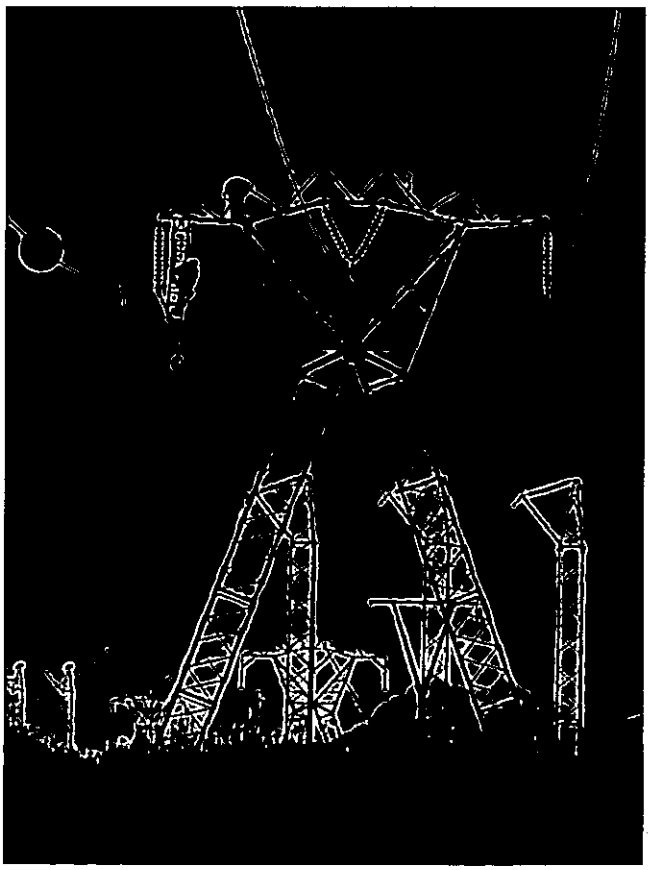
*Toksook Bay to Nightmute 13.8kV intertie. Photo courtesy of Alaska Village Electric Cooperative.*



*Toksook Bay to Nightmute 13.8 kV intertie. Photo courtesy of Denali Commission.*



*Quartz Creek 115kV transmission line along the Seward Highway near Girdwood. Photo by Brian Yanity.*



*Linemen working on tower of Beluga-Anchorage 230-kV transmission line. Photo courtesy of Chugach Electric Association*

Almost all power generation and transmission/distribution lines are three-phase AC, while electric systems within homes are generally

single-phase AC. Three-phase generators are much simpler and more efficient than singe-phase machines. Also, compared to single-phase lines, three-phase power lines require less copper to carry the same amount of power. Supplying single-phase power from three-phase lines is a simple process. Transmission and distribution line voltages are classified in two ways, first based on the IEEE standard voltage insulations classifications i.e. 15kv, 25kv, 48kv, 69 kv 120kv 145kv etc. Lines insulated for a particular voltage class meet certain minimum standards and can be operated at any voltage below the rated insulation value. Second, lines are sometimes identified based upon actual operating voltages which generally following the IEEE standard transformer voltages, although transformers of non-standard voltage output can be constructed. For distribution class voltages these operating voltages are generally referred by the combination to the three phase and single phase operating voltage i.e. 12.470/7.2 kV or 24.9/14.4kV and by the three phase operating voltage for transmission level voltages, 115kV or 138kv.

Electricity flows through the path of least resistance, or in the case of AC power, impedance (or total opposition to current flow from the combined resistance, capacitance, and inductance). Due to the complex network of elements which make up the power grid, this path of least impedance may not take the most direct route geographically. Modifying grid impedances to control actual power flows in real-time is expensive and complex therefore, in grid system energy sales are generally defined in terms of contract paths with variations in actual flows accounted for through an energy accounting mechanism known as "inadvertent payback". The practical realization of this physical phenomenon is that without careful real-time monitoring and exhaustive long term planning, unintended flows across transmission lines can lead to system collapses or "black-outs".

Besides the construction of new transmission lines, other options for improving electric transmission capacity include the upgrade of existing lines, control system and substation improvements, and the installation of transformers or compensation devices (reactors or capacitors). Compensation systems (which change impedance) such as static volt-ampere reactive (VAR) compensators and Flexible AC Transmission Systems (FACTS) use high-voltage semiconductors. Such devices improve grid flexibility, power transfer capability and reliability maximizing line capacity or by enabling rapid routing of power to different locations; however, as discussed above these systems are complex and costly. With more advanced computing and communication technologies, so-called "smart-grid" technology may add more intelligent control to power system operation, but will require a significant upgrade to the existing Supervisory Control and Data Acquisition (SCADA) systems capabilities

Three-phase AC overhead transmission and distribution line technology has remained basically unchanged for over a century. Few significant technical advances in overhead electric transmission line technology have occurred over the past several decades. More notable are the improvements in underground/submarine AC cable technology, such as the introduction of solid dielectric insulation materials which eliminate the need for costly and complex liquid oil dielectric insulating systems.

### *5.1.4.1 High Voltage DC (HVDC) Overhead Lines*

Overhead high-voltage DC (HVDC) transmission lines are practical for very large scale applications, most notably for long-distance bulk power transmission. HVDC lines require DC/AC converter stations on each end of the line to connect to the standard AC power grid, which greatly add to the capital expense of the transmission line. However, due to the physical limitations of AC systems, HVDC lines are the only viable option for high-capacity overhead transmission lines more than several hundred miles in length. Over 100 HVDC bulk overhead long-distance transmission systems exist in the world today, with notable examples including the Pacific Intertie from Celilo, Oregon to Sylmar, California (846 miles, 500 kV HVDC, 3100 MW transfer capacity), and the Itaipu-Sao Paulo line in Brazil (2000 km, 600 kV HVDC, 6300 MW transfer capacity).

### *5.1.4.2 DC Submarine/Underground Cable*

For submarine or underground cables longer than a distance of about 40-50 miles, AC transmission lines reach their physical limit of capacitance. On small, lightly interconnected, systems the acceptable length for AC cables can be much shorter due to the system's ability to withstand switching of the cable's capacitive charging current. Direct current (DC) electric transmission eliminates this problem, although it requires DC/AC converter stations on each end of the cable. Unlike AC underground/submarine cables, there is no physical limit for the distance or power level for DC underground/submarine cables. At present, existing DC transmission technology is far too large in scale for consideration in Alaska, except for a select few possible applications with submarine cables. Applications for conventional HVDC in Alaska might include a connection between the proposed Pebble Mine in southwest Alaska and the Railbelt energy grid, or between proposed major hydroelectric projects in southeast Alaska such as the Yukon-Taiya and the Canadian/ Lower 48 energy grids.

### *5.1.4.3 Single Wire Earth Return (SWER)*

Single wire earth return (SWER), also referred to single wire ground return (SWGR), is a technology that was proposed for use in Alaska in several studies during the 1970s and 1980s, for both overhead and submarine cables. A lower-per mile cost was expected with SWER transmission lines, and the technology was notably featured in 1975 and 1980 intertie studies for the Lower Kuskokwim region by Robert W. Retherford Associates.

SWER consists of using an overhead (or submarine) wire for the high voltage ('hot') leg of a transmission circuit, and using the earth as a return pathway ('neutral') instead of a separate dedicated conductor to complete the transmission circuit. Conceptually, a SWER circuit is very similar to the electrical system of a car, which uses the vehicle's chassis as a return pathway to the battery's negative terminal instead of a separate dedicated wire. SWER systems can be used for single phase AC transmission or for monopolar DC transmission. The primary rationale for using a SWER circuit in a rural area is to reduce the cost of the transmission line by eliminating multiple conductors and thereby allowing the use of lighter and less costly structure installations.

One of the primary technical considerations with SWER circuits is the intentional routing of electrical currents into the earth to complete a transmission circuit. Proper design is necessary to safely transfer

these currents into the ground so they are dispersed and to adequately protect the public in situations where short circuits to ground occur. Also, DC earth currents have the capability to cause accelerated corrosion of buried metallic objects, such as pipelines and similar metallic infrastructure. In areas with a significant buried metallic infrastructure, SWER circuits require special design or may not be appropriate due to this phenomenon.

The unique technical considerations of SWER circuits need to be addressed by proper field investigations and design. The two documented SWER circuits in Alaska demonstrated that the technology is feasible in Alaska, although both systems have since been replaced by conventional three-phase AC circuits.

The National Electric Code (NEC) has not allowed SWER circuits for non-emergency use since 1961. Similarly, the National Electric Safety Code (NESC) also does not allow SWER circuits for non-emergency use. The State of Alaska has adopted both of these codes. Future SWER systems in Alaska could be allowed either through a project-specific code variance from the Alaska Department of Labor and Workforce Development, or a future state amendment to these codes.

#### *5.1.4.4 Alternating Current (AC) SWER*

Single-phase AC SWER systems are used in rural parts of Australia, New Zealand, South Africa, and other nations with significant rural populations. The two documented SWER circuits built in Alaska have both been single phase AC circuits. Brief descriptions of these follow.

An experimental, 8.5-mile SWER transmission line was built between Bethel and Napakiak in 1980 at a cost of $280,000. This line employed several innovative design elements intended to lower the cost of rural transmission lines, including SWER and low-cost bipod poles. Portions of this line fell down at least once due to conductor breaks that allowed several of the bipods to fall over. This line has been deteriorating in recent years, resulting in line loss, poor reliability and higher energy costs, and is presently being upgraded to a standard three-phase line at a budgeted cost of approximately $2.8 million.

An experimental 10.5-mile SWER line was also constructed between Shungnak and Kobuk in 1980. In 1991, this line was rebuilt as a conventional 15 kV, three phase AC line for a cost of $1,350,000.

These early experimental SWER interties in Alaska used single-phase AC power. The primary perceived economic benefit of such construction techniques is the use of fewer conductors allowing for fewer and lighter transmission structures resulting in reduced installation costs both in terms of labor and materials. While other international jurisdictions may have accepted SWER as an acceptable rural transmission technology, the actual life cycle cost data to either confirm or refute the hypothesized savings from SWER systems in Alaska was not found in our research.

#### *5.1.4.5 Direct current (DC) SWER*

A more recent proposed variation of the SWER concept is DC SWER, with proponents claiming that such a system would be less costly to install than conventional AC. Similar to AC SWER, most of the cost savings proposed from this system are derived from the fact that one wire can be used instead of four,

simplifying the structural loads and design considerations for poles. This would allow fewer poles per line mile, and would allow the use of lighter fiberglass poles with less costly foundations. The cost savings associated with such construction must be evaluated against the lifecycle costs of the line, including converter and line maintenance, system efficiency, and similar cost considerations.

Direct current SWER circuits are rather common. For example, many of the HVDC submarine cables operating in northern Europe are or were originally monopolar circuits utilizing a single submarine cable and earth return. The 500 MW, 400 kV Fenno-Skan link between Finland and Sweden, commissioned in 1989, is a monopolar system with an anode in Sweden and cathode in Finland. Some of the original monopolar SWER circuits have been upgraded to bipolar circuits to increase their capacity.

In 2007, the Denali Commission funded the first phase of a research and development project to assess the feasibility and construct a prototype small scale HVDC converter that would be appropriate for use in rural Alaskan transmission grids. This converter is designed for a power throughput of one MW and nominal operating voltage of 60 kV DC. The intent of this Denali Commission project is to develop an HVDC SWER transmission system that will be less costly to build and maintain than the existing three phase AC lines currently used for transmission in rural Alaska.

The technology being developed in this project would also be applicable for submarine or overland cable transmission connections. The availability of a small-scale HVDC technology would allow consideration of numerous rural interties that are not currently technically viable, such as between communities in southeast Alaska. This is because direct current can be transmitted via cables of unlimited length, whereas cable applications using alternating current are limited to approximately 30 miles depending on configuration and voltage.

This HVDC study is currently under way, and is scheduled for completion by the end of 2008.

## 5.2 Future Electric Energy Transmission and Storage Technologies

#### *5.2.1.1 Power grid telecommunication applications*

In addition to moving electric energy, another possible application for electric transmission and distribution lines is sending telecommunications signals. A power line's "carrier signal" of 60 Hz can be used to send broadband telecommunications signals in a manner which does not interfere with the energy carrying function of the same line. Power line carrier telecommunications technology, which possibly involves applications ranging from phone to broadband internet, has been implemented in several U.S. cities, most notably Manassas, Virginia. Power line carrier telecommunication systems may add economic value to a new electric intertie project. For rural Alaska, such developments may provide new telecommunications links and reduction in the number of overall satellite uplinks, as a side benefit to new village-to-village electric interties.

#### *5.2.1.2 Superconducting cables*

Cables made from superconducting materials could greatly reduce, or perhaps virtually eliminate, transmission line losses over long distances. The technology could make it much more practical to move

larger amounts of electric energy over longer distances, and allow greater grid flexibility over short line distances. Superconductors are already used for electric power grid applications in the form of short-range underground cables in dense, urban areas. One of the major challenges with the technology is that superconducting cables need to be cooled by liquid nitrogen to temperatures of around -200° C. In the future, improved superconductors may be able to operate at much higher temperatures, and not require cooling systems. Additionally, carbon nano-fiber technology has been shown to be superconducting in some situations and may provide a practical solution to lossless overhead line conductors, in terms of both strength weight and conductivity. Such improvements could make superconducting transmission lines practical between Alaska communities.

#### *5.2.1.3 Storage of electrical energy*

Electricity is unique among commodities in that it cannot practically be stored in significant quantities. Therefore electricity, though treated as a commodity, is in practice generated and delivered in real time. Practically speaking this means that virtually all electricity generated is consumed as soon as it is produced by power plants. However, the storage of electrical energy may become more important in the years ahead with improved technology.

A conventional hydroelectric reservoir is a form of energy storage, as is the storage of hydrocarbon power-generation fuels such as natural gas and coal. However, these forms of energy are stored before being converted into electricity. Long-term hydro-thermal optimization of generation resources includes the scheduling of reservoir water, fossil fuels, and equipment maintenance as a form of "energy storage". In the example of the grid system in Southcentral Alaska, such operational planning involves the storing of water in a hydroelectric reservoir until it is most valuable: when natural gas-fired generation is most expensive.

Pumped-storage hydropower, which requires a specially-designed hydroelectric plant that can also pump water to a higher reservoir, is the most common large-scale form of electric power storage. Pumped-storage hydroelectric plants thus convert surplus power that is available during low-demand periods into prime power to serve system needs during periods of peak-demand. Until the late 1970s, pumped-storage hydropower was the only bulk energy storage technology available to electric utilities. Pumped-storage plants typically are only built as part of very large-scale grids, and there are no existing pumped-storage hydropower plants in Alaska. The number of sites available for pumped-storage hydro facilities is very limited due to geographic, geologic, and environmental constraints.

The storage of electricity in batteries has long been practical on the small scale, but has proven difficult and expensive on a large scale. However, the utility-scale battery storage of electricity is an emerging technology which has improved considerably over the past decade. Such systems are presently limited in capacity to about 50 MW or less in output, and can discharge power only for a period of seconds or minutes. The most notable Alaskan example of a large-scale electric storage battery is Golden Valley Electric Association's Battery Energy Storage System (BESS) installation in Fairbanks, operating successfully since 2003. The BESS was designed for a discharge capacity of 46 MW, with a specified run time of about 15 minutes before the batteries are exhausted. The BESS currently has batteries installed

to provide 25 MW of electric power for about 15 minutes. However, this short amount of time which stored energy is available is enough to act as spinning reserve, or allow sufficient time to start a gas turbine, and improves overall grid reliability.

Other existing technologies used to storage electric energy over a short time period (seconds or minutes), include mechanical flywheels, and compressed air storage. More experimental electric energy storage technologies under development include super-capacitors, superconducting magnetic energy storage systems (SMES), and hydrogen (see below).

#### *5.2.1.4 Hydrogen production and storage*

Although the vast majority of hydrogen used in the world today is produced by reforming natural gas or other hydrocarbon fuels, electricity can be used to produce hydrogen from water via electrolysis. The use of hydrogen from hydrocarbon sources such as gas or coal results in pollution from the carbon and other chemical components of these feedstocks. However, since the burning of pure hydrogen emits only water vapor as a byproduct, hydrogen can be a genuinely clean fuel when it is made from electricity generated by non-polluting sources. Hydrogen thus offers much promise for the storage of electric energy generated by variable renewable sources, such as solar and wind. Hydrogen can in turn be stored, power fuel cells to generated electricity, or be burned as a fuel in a manner similar to natural gas.

Hydrogen technology is presently very expensive, and is still in the pre-commercial stage for large-scale power applications. Hydrogen storage is still an unresolved problem, which has so far proven to be difficult and very expensive. Various experimental large-scale hydrogen storage technologies include high-pressure and cryogenic tanks, as well as the use of advanced solid state and liquid materials.

Hydrogen fuel cells (see generation section above) can produce on-site electricity and heat. Hydrogen fuel-cell, or hydrogen-electric, vehicles use hydrogen to produce electricity, which powers an electric motor. However, the inherent inefficiencies of the primary energy source-electricity-hydrogen-electricity energy conversion chain make 'renewable-electric' hydrogen costly as a vehicle fuel. Other types of experimental hydrogen vehicles can burn hydrogen gas directly has a turbine/engine fuel.

A comprehensive hydrogen distribution infrastructure would in many ways be similar to today's existing natural gas pipeline and distribution system, with the addition of hydrogen fueling stations for vehicles. Fueling stations could possibly have hydrogen production on-site, either in the form of electrolysis units or natural gas reformers. In Alaska, the most likely source of hydrogen over the short to medium-term is reformed natural gas or coal. Long-term sources of hydrogen would include electricity produced from Alaska's abundant renewable resources.

## 5.3 Energy End-Use

In addition to changes in the number of customers (for example, population growth or decline in a particular area), the overall demand for electricity can be influenced by other developments in how electricity customers use energy.

### 5.3.1 Energy Efficiency and Demand-Side Management

Reducing the per-capita demand for electricity is common way to displace the need for the construction of both new generation plants and transmission lines. In particular, it is often more economical for energy efficiency measures to reduce demand, than having the same amount of electricity demand be met by building new generation capacity. In addition, energy efficiency offers the environmental benefits of providing the same service with less electricity generation.

Demand-side management (DSM) is the planning and implementation of utility activities designed to influence customer use of electricity. These DSM activities will produce desired changes in the utility's overall 'load shape', or the timing and magnitude of the overall electricity demand. The fundamental objective of DSM is to reduce overall demand and flatten, as much as possible, the peaks and valleys of electricity demand. This flattening of the overall demand curve is desirable, and a function of the "real-time commodity" nature electricity. Due to its real-time production, electricity generation must equal electricity demand at every moment of the day. Therefore, electricity demand curves with steep peaks and valleys result in significant capital and O&M investment in under-utilized generation assets. This under-utilization is also one of the key drives in intertie construction, i.e. the sharing of capacity. DSM systems can enable the utility to automatically switch off loads, for customers who volunteer or are provided incentives to do so, during periods of peak demand. Often, interruptible electric service is offered to large power users at a discounted price. Large industrial customers willing to participate are usually needed for DSM programs to be feasible. Power-line telecommunication technology (see above) can be employed by a utility to activate DSM systems of residential users.

### 5.3.2 Electric Heating

With the rising cost of hydrocarbon heating fuels such as natural gas and oil, the use of electric heat will become more economic in Alaska. This is particularly true in Southeast Alaska, where abundant electricity generated by hydropower facilities is available. Many utility customers in Southeast Alaska have already starting converting their heating systems to all-electric. Electric heating on a community scale can also be implemented with an intelligently controlled 'managed electric heat' strategy, which would fall under the category of demand-side management (see above). It should be noted that widespread use of electric heating may require upgrades to a community's power distribution systems at the neighborhood-level.

### 5.3.3 Electric Vehicles

Electric vehicles can charge their batteries using grid power, even from a standard home electric outlet. Such vehicles can take the form of either all-electric vehicles relying on storage batteries, or plug-in hybrid electric vehicles (PHEVs), which combine a battery-electric drive-train and a gasoline engine. Although all-electric vehicles typically have a driving range (between battery charging) of only 100 miles or less, many Alaska cities and towns have 'islanded' road networks where daily driving distances are well within this constraint.

As electric vehicles become more widespread, they could become a significant portion of the overall load of electric utilities. Demand-side management strategies can be employed by encouraging electric

vehicle owners to charge their batteries at night, or the time of day with the lowest energy demand. This balancing out of load demand throughout the 24-hour day could provide economic benefits to the power grid as a whole.

# 6 Environmental Considerations

Environmental concerns remain a principal concern in the development of transmission lines throughout Alaska and warrant further discussion and analysis. Environmental concerns should be a focal point of the policy review and criteria of a given project. The following section outlines a plausible permitting process and a discussion on potential environmental benefits.

## 6.1 The Permitting Process

Development proposals such as transmission lines are subject to varying degrees of environmental documentation regardless of length, size or location. Typically, an environmental document is created that complies with the National Environmental Policy Act (NEPA) and Council on Environmental Quality (CEQ) guidelines.

Complying with NEPA involves agency and public involvement. Scoping activities require public notice and invitations to comment early on a development proposal. More than one scoping meeting may be prudent if the proposed transmission line is particularly long and/or crosses multiple jurisdictions.

Complex or possibly controversial proposals warrant multiple ways of involving resource agencies and the public. Web sites and newsletters/post cards and other media should be used.

Specific resource categories need to be researched such as Threatened and Endangered Species. The United States Fish and Wildlife Service (USF&WS) and the National Oceanic and Atmospheric Administration (NOAA) must be consulted for both on and off shore species. The Magnuson-Stevens Act requires that all impacts to open water include an Essential Fish Habitat consultation.

Animal migration routes, known spawning, rearing and other fish habitat must be mapped. Denning sites, traditional calving sites and other types of habitat need to be assessed. Wetlands will need to be delineated and those delineations coordinated with the United States Army Corps of Engineers (USACE).

Section 106 consultation with the State Historic Preservation Office is required. Archaeological survey and investigation may be necessary as well as Determinations of Eligibility and Determinations of Effect. A Memorandum of Agreement may need to be worked out to insure impacts to cultural resources are mitigated.

Multiple local jurisdictions will need to be consulted as well as local planning and zoning regulations, where applicable. Local jurisdictions may have permitting requirements and other land use controls that will impact an intertie proposal

Telecommunications in primarily urban areas can be impacted. Any environmental documentation will have to include an analysis of intertie impacts to the telecommunications network, in any. Air space conflicts with airports, air strips, float plane lakes etc. must be avoided. The Federal Aviation Administration (FAA) has strict regulations regarding air space conflicts.

Viewsheds in Alaska are dramatic reminders of the vastness of our State. However, any intertie proposal will need to analyze and be sensitive to the appearance of the line with respect to aesthetic values.

Of particular note for an intertie proposal is the possibility of needing access through national parks or wildlife refuges. Federal and State agencies in charge of these types of resources will need to be consulted early and often. Local tribal governments and Native Corporations will also play a large role in any environmental documentation required for an intertie proposal.

## 6.2 Environmental Benefits of Interties

If the environmental impact concerns discussed above are adequately addressed, the construction of new electric transmission lines can lead to net environmental benefits. The environmental benefits of interties include the enabling of the use of more renewable energy generation, in order to displace fossil fuel generation sources such as diesel, coal, or natural gas. Renewable energy generation sites are often located in remote areas distant from population centers, and thus require adequate transmission infrastructure to be practical. In other words, a new transmission line often serves as the enabler of a new renewable generation project such as a wind farm, hydroelectric or geothermal power plant.

Also, the capital-intensive nature of renewable energy projects means that the more electric customers can be served by a particular project, the more favorable the economics will be for that particular renewable energy installation. For example, several wind energy projects recently completed, or under development, in Southwest Alaska are being pursued jointly by several communities which are interconnected, or have plans for interties between them. The interties allow the costs and benefits of the installed wind turbines to be shared between several communities.

In addition to renewable development, environmental benefits can also be realized by operating fossil fuel generation sources more efficiently due to the capacity-sharing benefits of an electrical intertie. Electric interties between communities in rural Alaska can also enable the consolidation of fuel storage and diesel generation facilities. This consolidation can reduce the number of remote tanks farms and diesel power plants which need to be maintained, and decrease the risk of fuel spills. Fewer power plants also mean fewer locations to deal with used diesel engine filters, used oil and other contaminants. Small fuel farms across rural Alaska present serious environmental risk due to potential spills and the lack of enough qualified/trained fuel farm employees.

While the primary environmental complaint of electric transmission lines is subjective aesthetic impact of "visual pollution", oil spills present the risk of concrete, non - subjective water and ground pollution, including destruction of wildlife habitat and local food sources. Where renewable power generation is feasible, electric interties also could allow for the conversion of oil heating to electric heating, further reducing the need for distributed oil storage.

# 7 Value Hubs

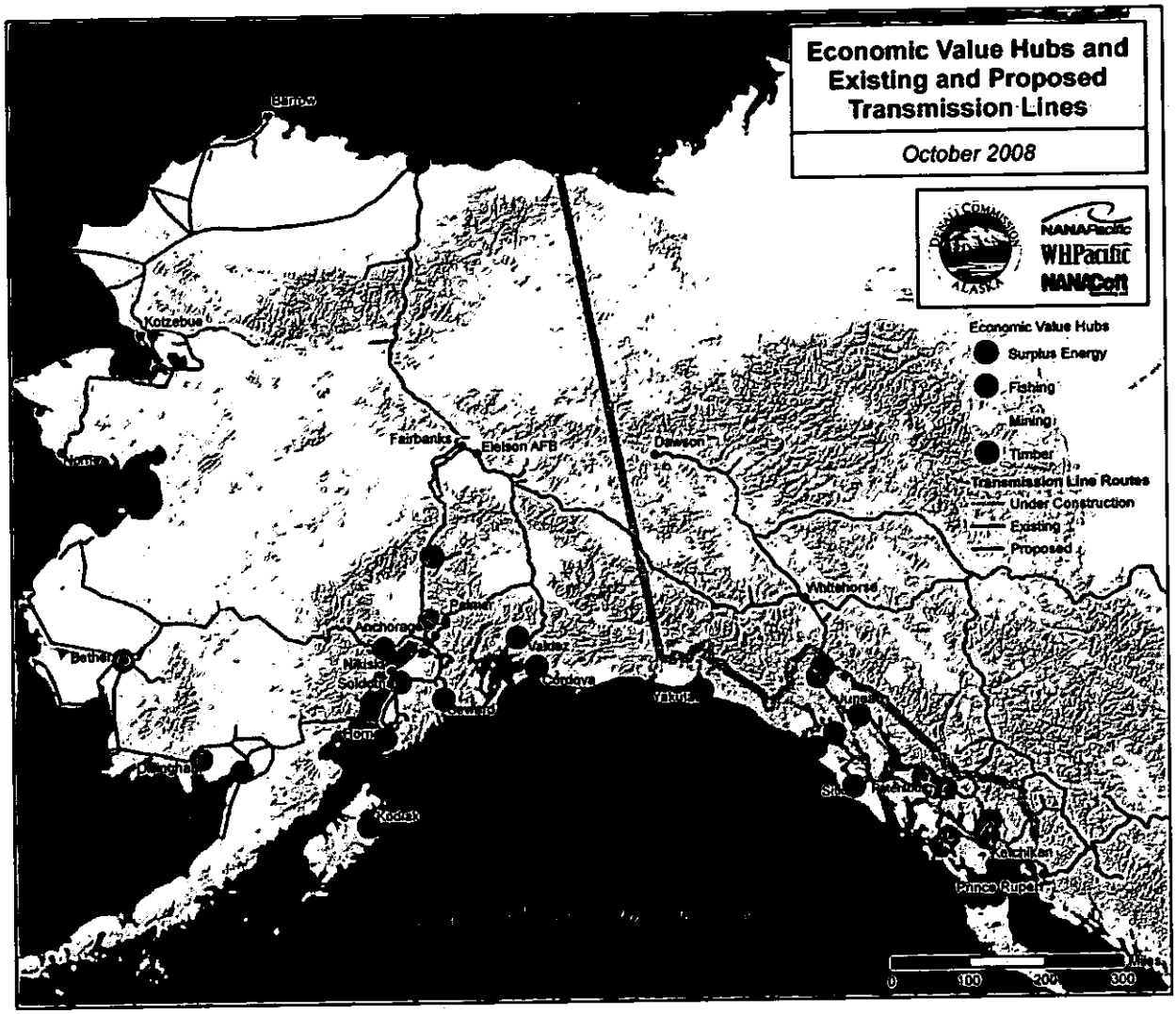
Four categories of economic *value hubs* were identified for this study:

- Surplus Energy
- Fishing
- Mining
- Timber

These four categories were based on major resource extraction industries that tend to be located in rural areas, and were chosen to reflect economic value hubs that are not in Alaska's population centers. However, the fishing and timber value hubs on the map are located in cities and towns where these industries have long been established. With fishing in particular, the hubs shown on the map do not show all the important fishing industry centers in the state, such as Unalaska. The mining value hubs on the map reflect both existing and proposed major mining sites, in various stages of development, some of which (i.e. Pebble and Donlin Creek) have yet to receive regulatory approval.

The value hub category of "surplus energy" is far more speculative than mining, fishing, or timber, and reflects possible locations where excess electricity supply would provide opportunities for energy-intensive industries. Electricity-hungry industries often locate their facilities in areas with cheap power, even if these locations are remote. Examples of these industries include established industries as metals processing (aluminum smelting in particular), contemporary internet 'server-farms' or data centers, or even proposed future industries such as hydrogen production from electricity. Alcan's aluminum smelter in Kitimat, British Columbia is a prime example of a large industrial facility located in a remote area due to its proximity to cheap power from a nearby hydroelectric plant. No such surplus energy value hubs yet exist in Alaska.

The surplus energy value hubs on the Alaska statewide intertie map include locations where a surplus of electricity generation capacity does not yet exist, but has the potential to exist due to nearby potential for renewable or natural gas power generation. In particular, the surplus energy hub shown at Skagway reflects the huge potential for large-scale hydropower generation from the speculative Yukon-Taiya project, and the hub shown on the Parks Highway near Talkeetna is adjacent to the large hydroelectric potential of the Susitna River. The surplus energy hub shown at the western shore of upper Cook Inlet (around Tyonek) is a unique location where significant coal, natural gas, petroleum, hydropower, geothermal, tidal, and wind energy resources all exist within about a 30-mile radius.




## 7.1 Value hubs in Canada with connections to Alaska:

Two major mining prospects in northwestern British Columbia were shown on the statewide economic value hub map, due to their proximity to Southeast Alaska and the proposed AK-BC intertie.

Many untapped hydroelectric sites exist in the Yukon Territory, along with various proposals for large-scale mines. In 2006, the Yukon Energy Corporation published a 20-year resource plan, which identifies potential industrial development opportunities, or value hubs, in the form of potential mine developments and gas pipeline compressor stations. TransCanada's proposed natural gas pipeline route parallels the Alaska Highway through the territory, and the pipeline needs compressor stations at key locations in order to operate. These compressor stations are major electric loads in their own right, and may have power demands of up to 30 MW each.

# 8 Rough Order of Magnitude Cost Comparisons

This section has been developed as a relative analysis of the cost drivers associated with electrical transmission. While many of the Denali Commission's infrastructure projects can be put into a cost benchmark framework, electrical transmission does not lend itself to benchmarking in the manner that the Commission has traditionally benchmarked its projects.

The cost of constructing an electrical transmission line in Alaska is dependent on several variables and cost drivers, including the following:

- Material Costs including Transportation
- Project Size and Bidding Environment
- Permitting
- Project Life Expectancy
- Construction

## 8.1 Material Costs

Materials for transmission lines are dependent on the amount of transmission line construction taking place elsewhere and the health of the raw materials markets, specifically the steel and aluminum markets. At times of heavy transmission construction activity, material costs and delivery schedules will increase due to supply and demand. Transportation costs from the west coast will also vary with demand and generally will push Alaskan delivered prices higher than anywhere else in the country.

## 8.2 Project Size and Bidding Environment

Alaska has a limited number of skilled line workers that can build transmission lines and rarely has the manpower to build more than one major project in any given year. This limited labor pool has very significant impacts of the cost of a given project. Major transmission projects in the lower 48 will also draw workers from Alaska. There are a limited number of qualified line contractors in the state and this limited competition also impacts costs. Due to high mobilization/demobilization and general condition costs, the average cost per mile for long lines will be less than for shorter lines. Projects large enough to attract the attention of outside contractors usually result in more competitive prices.

## 8.3 Permitting

All transmission lines in Alaska will require permits from the various agencies that are affected. The permitting process can take from months to years, depending impediments or opposition to the project. The cost of this effort is completely dependent on the particular line and the lands crossed.

## 8.4 Project Life Expectancy

Projects with short life expectancies, such as those serving mines with life expectancies of 20 years or less, can be designed and constructed for lesser climatological conditions than lines with greater life

expectancies. Line materials with shorter anticipated lives but more economical costs such as wood poles and composite insulators, are better choices for lines with limited live expectancies.

## 8.5 Construction

The line routing will determine many aspects impacting cost including: access, clearing, foundation types, etc. The climatological conditions (ice, wind, etc.) that the line must withstand are completely dependent on the local weather conditions along the route. Heavy ice and or wind will determine many of the design components including; tower weights, span lengths, conductor type, etc.

Access will dictate the construction method. If the line can be constructed adjacent to an existing road and built from the road the cost is considerably less than areas that are inaccessible and may require helicopter or ice road construction. Permitting stipulations will limit construction activities such as requiring winter only construction. Winter construction in Alaska will cost considerably more than summertime. Similarly, foundations to fit the various soil conditions and tower loadings will greatly impact construction costs. A simple augured hole with a direct embedded pole is much less costly than a driven pipe pile.

The attached table is intended to provide a "Rough Order of Magnitude" (ROM) relative cost for a transmission line in Alaska in 2008. These estimates were prepared to allow us to compare various transmission lines within the study group on an apples-to-apples basis, and are not intended to reflect absolute cost of any given project. All of the above variables will contribute to the actual line cost.

**Table 4- Rough Order of Magnitude Costs of Transmission**

| | Category 1 | Category 2 |
|---|---|---|
| 69kV | $200,000/mile | $500,000/mile |
| 115/138kV | $300,000/mile | $1,000,000/mile |
| 230kV | $500,000/mile | $1,500,000/mile |

Category 1 = Primarily favorable conditions

- Good Material Costs
- Good Bidding Environment
- Normal Permitting & Stipulations
- All-Season Road Access
- Favorable geotechnical and clearing conditions

Category 2 = Mostly unfavorable conditions

- Competing transmission projects in Alaska or outside
- Extended permitting – EIS
- No road access – helicopter or frozen ground construction required
- Poor geotechnical conditions

Category 2 is most of rural Alaska. The lower voltage lines used for in rural Alaska roughly correspond with the category 2 69-kV line as show in the table above.

# 9 Conclusion

Modern life and commerce as we know it cannot exist without adequate supplies of electric energy at acceptable prices. Without electric energy, there can be no telecommunications systems, no Internet, no cell phones; no television or cable TV, more fundamentally no electric lights, traffic lights or cash registers, and in some areas no heat. Further, this implies no access to credit or debit cards, no interbank electronic transfers or financial infrastructure. Essentially without electricity life as we know it would revert back to that found in the pre-industrial era. Therefore, it is imperative that we understand maintain and improve this basic infrastructure component that has become such an integral part of modern society.

## 9.1 Transmission Lines enable renewable energy development

Due to the "real-time commoditized" nature of electricity it is technically necessary that sufficient generation be available at each moment of the day to serve connected electric load demand. Often emerging renewable technologies (as well as more mainstream technologies) are limited in their ability to provide either energy or capacity or both in the quantities required on demand. Therefore, spare capacity or energy from a different region with a different generation-load profile could be used to make up such energy to capacity short falls. Fundamentally, transmission lines allow for the movement of energy and capacity between geographic locations they can, therefore, present a solution to the "energy/capacity shortfall" challenge. A good example is a wind-hydro optimization system. Lake-tap and reservoir hydro-plants (and to a lesser degree run-of-river hydro plants) have assured capacity, but may not have sufficient stored water to provide this capacity year-round. Wind projects produce energy when the wind blows, but have no assured capacity. However when a wind project is connected to a grid with a hydro plant via a transmission lines, the wind energy can be used to offset or conserve water usage. This effectively stores the wind's potential energy in the form of conserved water, and allows the hydro plant to provide assured capacity for a greater portion of the year.

Renewable energy generation sites are often located in remote areas distant from population centers, and thus require adequate transmission infrastructure to be practical. In other words, a new transmission line often serves as the enabler of a new renewable generation project such as a wind farm, hydroelectric or geothermal power plant. Also, the capital-intensive nature of renewable energy projects means that the more electric customers can be served by a particular project, the more favorable the economics will be for that particular renewable energy installation. Interties thus enable more electric consumers to share the costs and benefits of a single power plant.

## 9.2 Transmission lines should be incremental

Although in some cases, in order to promote future growth, backbone transmission lines must be constructed in advance of the availability of connected generation or load; in the majority of cases the transmission lines should be constructed incrementally so as to optimize the generation-load profile of existing communities and their resources. However, these incremental projects should be vetted against

broad regional and statewide transmission plans so as to insure growth of an integrated electrical grid over time and in a manner congruent with the sustainability of a particular region or community.

## 9.3 Transmission lines must consider intangible criteria such as quality of life and economic development

Transmission lines are community, regional and statewide infrastructure development projects much like state and federal interstate highway projects, international airports and marine ferry systems. Transmission interties facilitate the movement of a commodity between regions and, as such, generate both costs and benefits that often reach far beyond regional and local interests. These benefits and costs, often unforeseen, accrue over time frames much longer than most local or regional interests are capable of identifying and analyzing. Therefore, evaluations of the benefits and costs related to transmission interties must consider in an integrated fashion the multiregional effects of energy costs on quality of life and sometimes far-distant economic development.

## 9.4 There may be opportunities for co-development

When regional or interregional infrastructure projects are taken on, such as natural gas and oil pipelines or major highways, significant benefit may be accrued by co-developing regional interties. Benefits will be accrued in terms of economies of scale in areas such as right-of-way acquisition and construction costs. Also, there is a need for the provision of energy to meet the demands of these projects – in the case of pipelines, the pumping and processing requirements, and in terms of highways, to facilitate economic growth along these corridors.

Co-mobilization of remote infrastructure projects creates opportunities for cost savings if construction execution schedules can be coordinated.

## 9.5 Opportunities exist for improved statewide coordination

The literature review suggested that the concept development associated with transmission and interties occurred either at the regional or community level, often times by an entity that was not looking at a broader context. While recent initiatives associated with the Southeast Conference and the proposed Railbelt Electrical Grid Authority are indeed noteworthy, more could be accomplished by a higher-level coordinating entity that can capably work across jurisdictions and promote policy criteria such as economic development, quality of life, and other factors.

This statewide coordinating entity could encourage and coordinate regionalization/batching of projects, management, purchases, and design, thereby creating some economies of scale in the development of transmission systems. This entity could also be responsible for documenting lessons learned, continuous programmatic improvements, risk management and tolerance, and could improve coordination between various governmental levels.

## 9.6 Interties in Alaska should consider national and international (through Canada) connection

The development of transmission projects in Southeast Alaska is already being influenced by the Canadian electric power entities of BC Hydro, BC Transmission Corporation and Yukon Energy. While the mission of Alaska Energy Authority (AEA) is to provide safe, reliable, and affordable power to Alaskans, these international considerations are noteworthy in that they have economic and regional development potential. This is potentially outside of AEA's frame of reference. The economies of scale involved with bi-national hydroelectric and transmission line projects could result in significant electricity cost savings for Southeast Alaska residents. In particular, if the massive Yukon-Taiya hydroelectric project is resurrected in the future, it could become economic to build comprehensive transmission links between Alaska, the Yukon, and BC.

Many untapped hydroelectric sites exist in the Yukon and northwestern BC, as well as various proposals for large-scale mines. TransCanada's proposed natural gas pipeline route parallels the Alaska Highway through the Yukon and part of northern BC, and the pipeline needs compressor stations at key locations in order to operate. These compressor stations may require up to 30 MW power each, and could justify an electric transmission line along the length of the gas pipeline. Combined with Yukon-Taiya and other proposed and existing projects in BC and the Yukon, hydropower could be used to power the gas line's compressor stations. However, this hydroelectric energy would have to be cost-competitive with gas-fired generation. Another possibility enabled by a gas pipeline route along the Alaska Highway would be to electrically connect Interior Alaska (and perhaps the Railbelt) to the main BC grid system via the Yukon.

## 9.7 Value hubs are an important consideration in planning intertie projects.

Four categories of economic *value hubs* were identified for this study: surplus energy, fishing, mining, and timber. These categories were chosen to reflect natural-resource-based industries that are not in Alaska's major urban centers, and comprise only a partial, simplified list of all the economic development possibilities in rural Alaska. The fishing and timber hubs shown on the value hub map in section 6 are located in cities and towns where these industries have long been established. The mining value hubs on the map reflect both existing and proposed major mining sites, in various stages of development, some of which are in the proposal phase and have not been yet been permitted by regulatory agencies. The value hub category of "surplus energy" is far more speculative than mining, fishing, or timber, and reflects possible locations where excess electricity supply would provide opportunities for energy-intensive industries. Electricity-hungry industries often locate their facilities in areas with cheap power, even if these locations are remote. Examples of these industries include established industries such as metals processing (aluminum smelting in particular), contemporary internet 'server-farms' or data centers, or even proposed future industries such as hydrogen production from electricity. No such surplus energy value hubs yet exist in Alaska.

## 9.8 A Joint Commission is needed

Many of the recommendations presented in the previous paragraphs could be managed by an agency or organization, composed of federal, state and local partners, that does not have the responsibility for implementing an existing portfolio of projects. Such an organization would have, at the core of its mission, responsibility for providing a forum for the discussion of complex projects of statewide and perhaps international interest. The following suggestions for a possible agenda for such an organization are derived from lessons learned in the preparation of this report.

### 9.8.1 Work with others to develop "the big picture."

During the literature review, NANA engineers identified and compiled numerous intertie engineering studies and plans. Some of these plans have been implemented. Others remain "discussion pieces," and await further detailed review. Many will be found to be practically or economically unsound, and will never be implemented. The synthesis of all of these studies and plans, however, presents a picture of a probable future for energy distribution in Alaska.

This future is fragile. In order to avoid regional competition and develop the most effective intertie system possible, some single agency could be assigned the role of stewardship of "the big picture."

### 9.8.2 Serve as "point agency" for discussions with international neighbors

The aim of the Yukon-Taiya project (1951) was the utilization by industrial developments in Alaska of power generated by a US/Canadian bi-national project. The proposed Alaska gas pipeline presents additional opportunities for collaboration with Canada in energy distribution. Other plans describing the distribution of hydroelectric power generated in Southeast Alaska to British Columbia industries and communities are worthy of consideration. In addition, futurists see strengthening of relationships with the Russian Far East. These may also involve the distribution of energy resources.

Some organization, other than the Alaska State Government, could provide a focal point for international discussions on energy generation and distribution.

### Provide a bridge between overlapping international, federal, state, regional and local jurisdictions

Large scale energy generation and distribution efforts involve all levels of government. As described above, strong relationships with neighboring countries are an essential ingredient in the development of an efficient energy distribution system. Statewide interests must also be addressed, as some interties will surely cross regional boundaries. Regional involvement is critical to the successful implementation of an integrated statewide system. This involves intense interaction with regional corporations and borough governments. Last, local jurisdictions, including cities and villages, are the important users of the energy which could be distributed using an efficient intertie system.

It is critical to assign some organization the role of a facilitator of the discussions and negotiations among all of these levels of government. Without this critical role, serious and prudent distribution system issues could be overcome by regional competition.

### 9.8.3 Facilitate complex discussions on the trade-offs between cultural integrity, traditional lifestyle and economic development

These discussions are extremely sensitive. The cultural identity of rural Alaskan communities must be maintained. At the same time, our modern lifestyles rely heavily on the availability of affordable energy.

These crucial discussions of the trade-offs between cultural integrity and traditional lifestyle and economic development (including energy generation and distribution) must be conducted in a professional and respectful way. A joint commission with no vested interest in any particular outcome could provide an important service in facilitating these critical discussions.

### 9.8.4 Help sustain and expand technological gains in power generation and distribution

There was a general sense that Alaska could be a world leader in the environmentally responsible energy generation and distribution. Some cited the important technological gains that came from the design, construction, operation and maintenance of the trans-Alaska oil pipeline. They argued that we should show the same international leadership in the technological development of power generation and distribution systems.

While there was some compelling argument that this role should be retained by the University of Alaska, all agreed that a joint commission could, at least, be a valuable participant in helping to establish and maintain a fully funded research agenda.

### 9.8.5 Facilitate the identification and development of transportation/utility systems (TUS) as defined in ANILCA, Article 11

In passing this legislation, Congress recognized that Alaska's transportation and utility network is largely undeveloped and future needs with best be identified and provided through an orderly process involving the state and federal governments and the public. In an attempt to minimize the adverse impacts of locating transportation and utility systems (TUSs), the act established a single statutory authority to approve or disapprove such systems the process support obtaining permission to build a TSU across or within a conservation systems unit in Alaska is complicated and difficult.

A joint commission with some statutory responsibility to coordinate the activities of state and federal agencies could provide a valuable service in providing an orderly and continuous decision-making process involving all levels of government.

### 9.8.6 Encourage research and development of new energy technology applicable to rural Alaska and Arctic Environments

A joint commission should encourage research and development on new energy technology applicable to rural Alaska, in particular that relating electric energy transmission, distribution, and storage. Perhaps a model for this effort would be the now-defunct Alaska Science and Technology Foundation. This organization was a public corporation established in 1988 to provide small grants to support basic and applied research to enhance technological innovation in the state. Projects involving emerging

energy technologies are inherently risky, and applications involving rural Alaska require specialized knowledge of local conditions.

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Intertie/Tie Line Reconnaissance Study

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Brian Saylor

# 2008 Rural Alaska Energy Conference

Girdwood, Alaska



September 12, 2008

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Intertie/Tie Line Reconnaissance Study

## Methodology

- ❑ Literature Review
- ❑ Targeted Interviews
- ❑ Technological Assessment
- ❑ Market Assessment
- ❑ Costs Scenarios



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## Why Build an Intertie?

- To promote energy efficiency by sharing available capacity.
- To increase the reliability of electrical power.
- To help reduce the cost of electricity through the use of more efficient fuels or renewable resources.



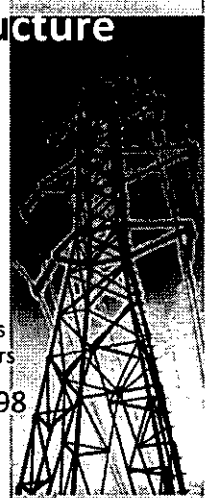
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Brian Saylor

## History of other public infrastructure development agencies

- Tennessee Valley Authority, 1930s
  - Revitalized the economy of the Tennessee River region.
  - Emphasized physical, economic and social development
- Bonneville Power Authority, 1930s
  - Focused on balancing reliability, economic development environmental concerns and other public objectives.
  - Organized the sale and distribution of hydroelectric dams built by the Bureau of Reclamation and Corps of Engineers
- Appalachian Regional Commission, 1963, 1998
  - Emphasizes self-sustaining economic development
  - Promotes improved quality of life



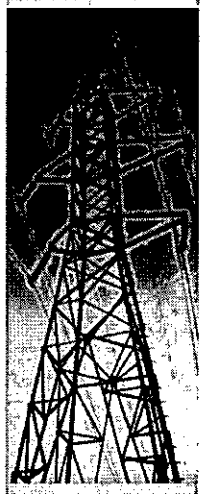
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Denali Commission

Intertie/Tie Line Reconnaissance Study

Presented By:
Jay Hermanson, NANA Pacific
Brian Hickey, P.E., NANA CoH
Brian Saylor

## Public Benefits of Interties

- Natural resource industries rely on cheap power.
- Large consumers (mines, fish processors or value-added timber products) could help increase economies of scale and reduce energy costs.
- Public funding can help transmit low cost energy to rural communities.



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Brian Saylor

## Electrical Power & Quality of Life in Rural Alaska

"Electricity is the key to life and the economy. Energy is the lifeblood of the modern human lifestyles."

"The cost of the heat and light in a cold and dark place is a top priority, maybe ahead of health and education."

*2008 Intertie Interviews*



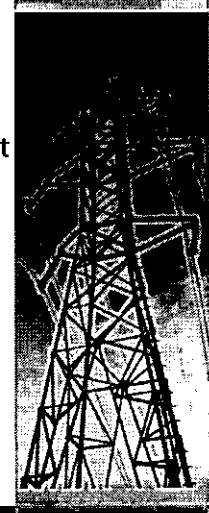
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Brian Rickey, P.E., NANA CoE
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## Electrical Power & Quality of Life in Rural Alaska

- Interties are useful if they reduce the cost of heat and lights.
- The high cost of energy threatens the sustainability of rural Alaskan communities.
- Lower energy costs result in more discretionary income to spend locally.



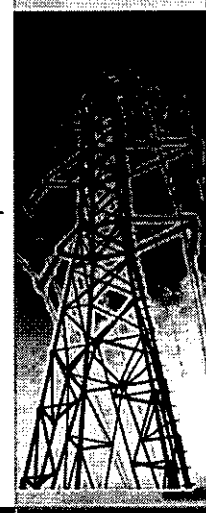
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Brian Saylor

## Interties & Economic Development

- Low-cost energy is an important input into some large production process (mining, smelting, and fish and timber processing.)
- Emerging industries are an important partner in energy generation and distribution planning.
- Cheap power does not guarantee economic development.



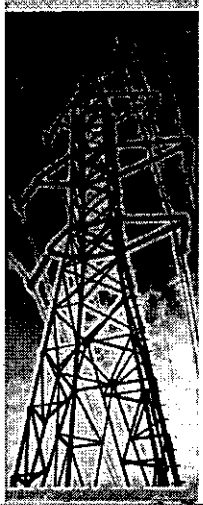
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## Intertie/Tie Line Reconnaissance Study

Presented By:
Jay Hermanson, NANA Pacific
Brian Hickey, P.E., NANA Colt
Brian Saylor

### Literature Review

- **Technological Assessment**. Conventional alternating current (AC) transmission lines, direct current transmission lines, and single wire ground return.
- **Regional Themes**. Railbelt, Southeast Alaska, Copper Valley Electric Association, Southwest Alaska, Northwest Alaska, and the North Slope.
- **Criteria for measuring economic feasibility.** Reliability, economic energy transfer, transmission efficiency, capacity sharing, and operating reserve sharing.



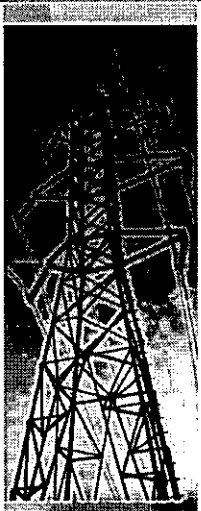
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## Intertie/Tie Line Reconnaissance Study

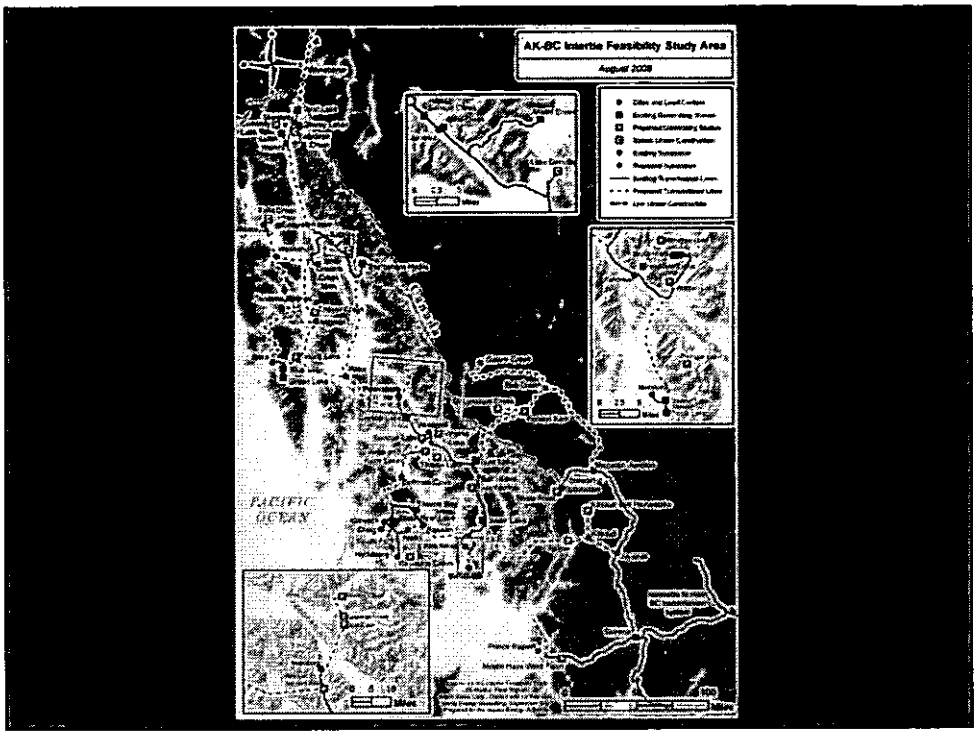
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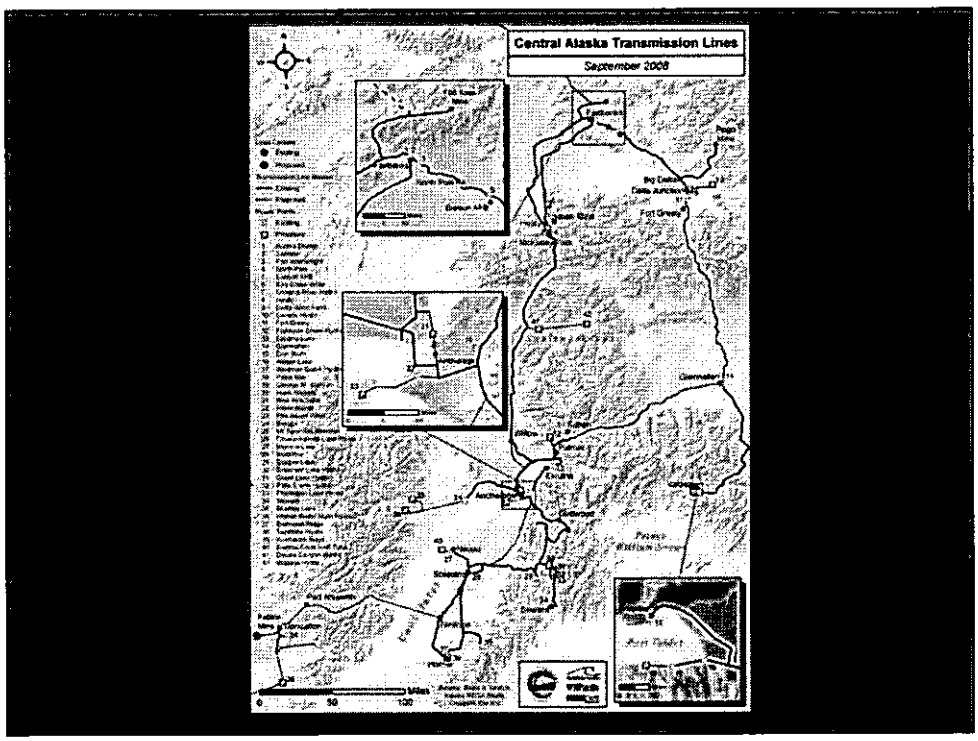
### Technological Assessment

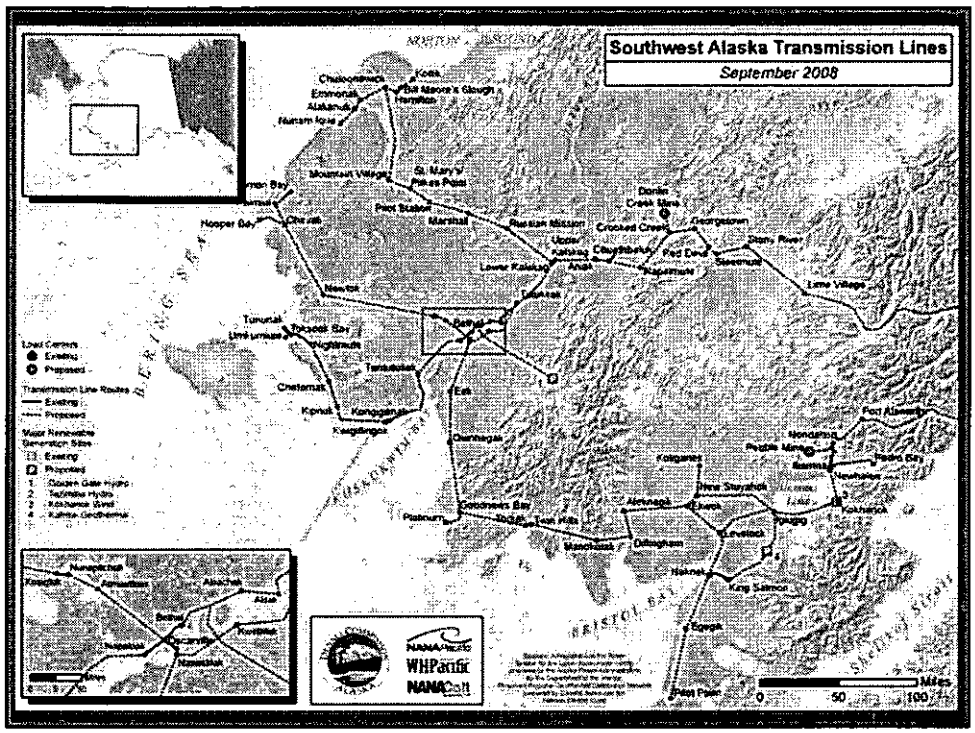
- **Power Generation**. New technologies include distributed fuel cells and expanded alternative energy sources. Improvements to existing technologies, gas turbine, clean coal, and coal gasification.
- **Power Transmission and Distribution**. The power transmission and distribution technology has not significantly changed over the years.
- **Disruptive Technologies- Electric Energy Transmission and Storage.** Advances in storage technologies will drive technology change and transmission/distribution development.

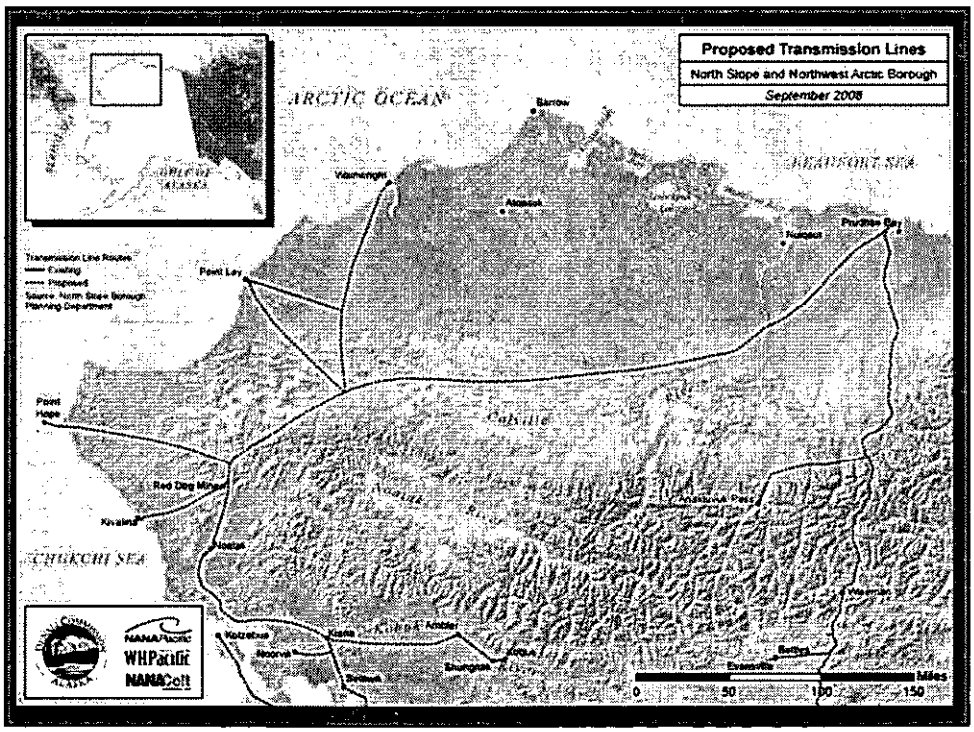


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AK-BC Intertie Feasibility Study Area
August 2008
PACIFIC
OCEAN


Central Alaska Transmission Lines
September 2008
Fort Greely
Glennallen
Valdez
Anchorage
Wasilla
Palmer
Prince William Sound
Kenai Peninsula
Port Mackenzie
Fairbanks
North Pole
Eielson AFB
Delta Junction
Healy
Nenana
Cantwell
Talkeetna
Willow
Healy
Clear
Denali
Nikiski
Soldotna
Kenai
Homer
Seward
Whittier
Cordova
Tok
Big Delta
Clear AFB
Anderson
Salcha
Gakona
Chitina
McKinley Village
Trapper Creek
Hope
Girdwood
Indian
Portage
Port Alsworth
Iliamna
Nondalton
Pedro Bay
Newhalen
Kodiak
Port Heiden
Chignik
Sand Point
King Cove
Cold Bay
Unalaska
Dutch Harbor
Akutan
Nikolski
Atka
Adak
Shemya
Eareckson AS
Attu
Port Moller
Nelson Lagoon
Togiak
Dillingham
Aleknagik
Manokotak
Clarks Point
Ekwok
New Stuyahok
Koliganek
Igiugig
Kokhanok
Levelock
Naknek
King Salmon
Egegik
Ugashik
Pilot Point
Ivanof Bay
Perryville
Chignik Lake
Chignik Lagoon
Larsen Bay
Karluk
Old Harbor
Ouzinkie
Port Lions
Akhiok
Kodiak
Afognak
Larsen Bay
Valdez
Cordova
Tatitlek
Port Graham
Nanwalek
Seldovia
Tyonek
Beluga
Point Mackenzie
Wasilla
Palmer
Houston
Big Lake
Willow
Talkeetna
Trapper Creek
Healy
Clear
Denali
Nenana
Cantwell
Glennallen
Tok
Delta Junction
Eielson AFB
North Pole
Fairbanks
Anderson
Healy
Clear
Denali
Nenana
Cantwell
Talkeetna
Willow
Wasilla
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Houston
Big Lake
Anchorage
Girdwood
Indian
Portage
Whittier
Seward
Kenai
Soldotna
Nikiski
Homer
Port Alsworth
Iliamna
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Newhalen
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Ekwok
New Stuyahok
Koliganek
Igiugig
Kokhanok
Levelock
Naknek
King Salmon
Egegik
Ugashik
Pilot Point
Ivanof Bay
Perryville
Chignik Lake
Chignik Lagoon
Larsen Bay
Karluk
Old Harbor
Ouzinkie
Port Lions
Akhiok
Afognak
Port Graham
Nanwalek
Seldovia
Tyonek
Beluga
Point Mackenzie
Prince William Sound
Kenai Peninsula
Port Mackenzie
Port Heiden
Port Moller
Nelson Lagoon
Port Alsworth
Port Lions
Port Graham
Port Mackenzie
Port Heiden
Port Moller
Nelson Lagoon
Port Alsworth
Port Lions
Port Graham
Port Mackenzie


Southwest Alaska Transmission Lines
September 2008
BERING SEA
BRISTOL BAY
Load Centers
Existing
Proposed
Transmission Line Routes
Existing
Proposed
Major Renewable Generation Sites
Existing
Proposed
1. Chuitna Coal
2. Tazimina Hydro
3. Kokhanok Wind
4. Kaltag Geothermal
NANAPacific
WHPacific
NANACoal
Miles
0
50
100


Proposed Transmission Lines
North Slope and Northwest Arctic Borough
September 2008
ARCTIC OCEAN
BEAUFORT SEA
CHUKCHI SEA
Transmission Line Routes
Existing
Proposed
Source: North Slope Borough Planning Department
Barrow
Wainwright
Atqasuk
Nuiqsut
Prudhoe Bay
Point Lay
Point Hope
Red Dog Mine
Kivalina
Noatak
Kotzebue
Noorvik
Selawik
Shungnak
Kobuk
Ambler
Bettles
Evansville
NANAPacific
WHPacific
NANACoal
Miles
0
50
100
150

## Intertie/Tie Line Reconnaissance Study

Presented By:
Jay Hermanson, NANA Pacific
Brian Hickey, P.E., NANA Gov't.
Brian Saylor

### Anchoring interties through "value hubs"

- Value hubs are clusters of consumers.
  - Villages
  - Individuals
  - Economic development projects.
- Reflect historical communications patterns.
- Grow organically.
- Must have an economic incentive to interconnect.



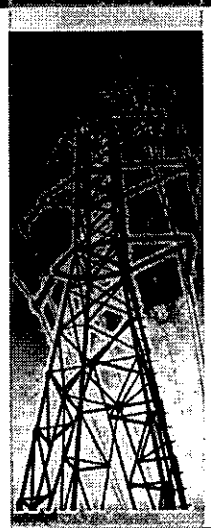
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## Intertie/Tie Line Reconnaissance Study

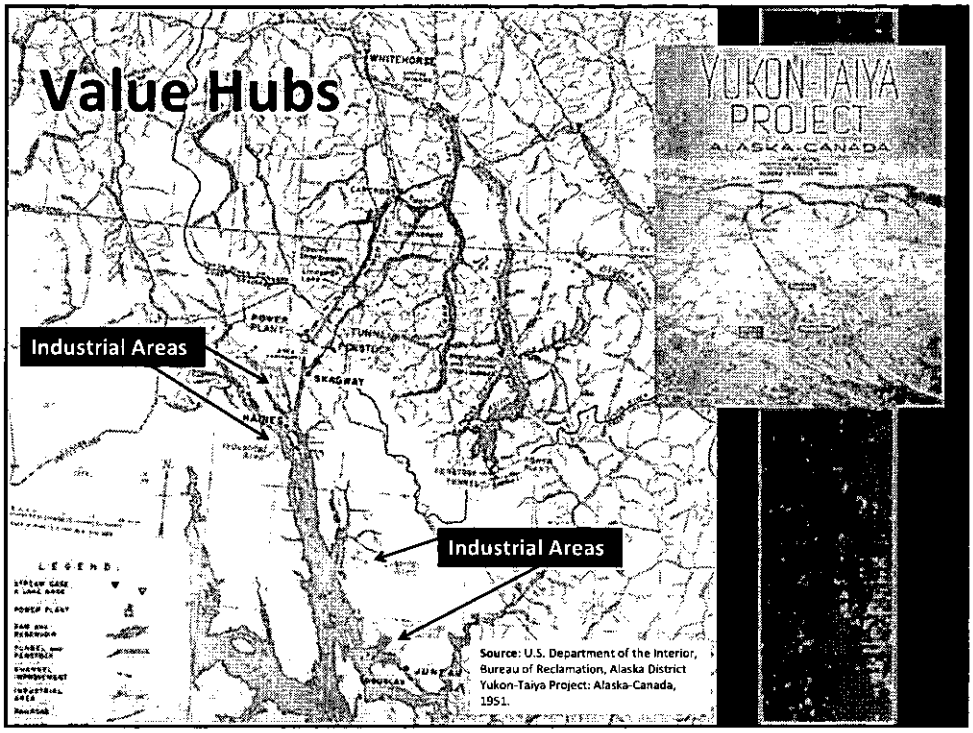
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Brian Saylor

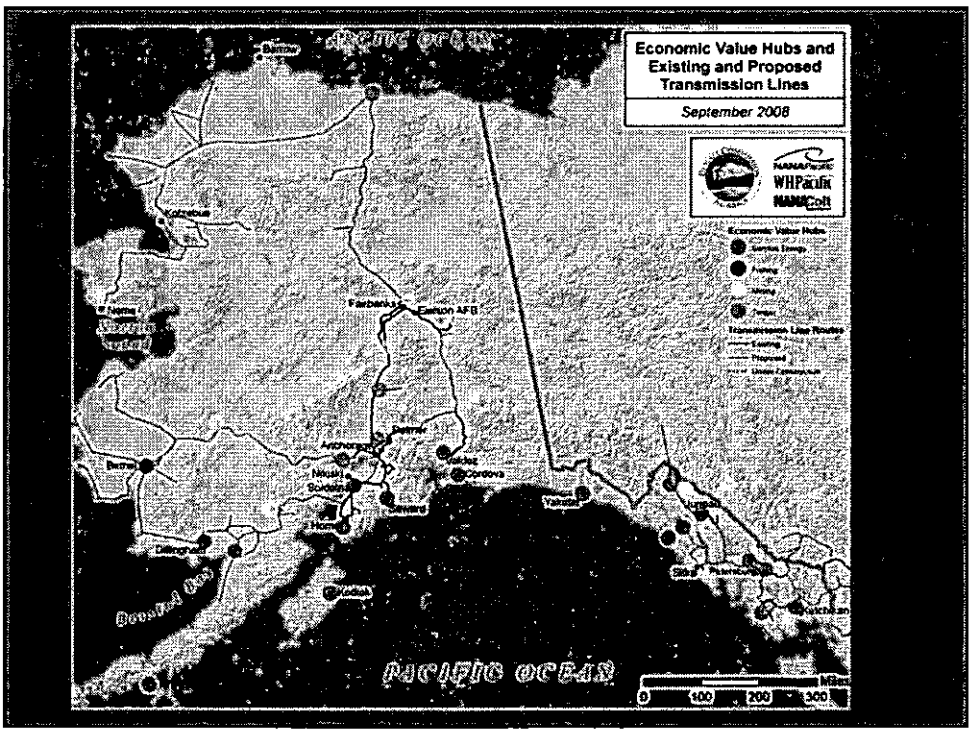
### Anchoring interties through "value hubs" (Continued)

- Mining
- Fish Processing
- Timber
- Energy Surplus



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Value Hubs
YUKON-TAIYA PROJECT
ALASKA-CANADA
Industrial Areas
Industrial Areas
Source: U.S. Department of the Interior, Bureau of Reclamation, Alaska District Yukon-Taiya Project: Alaska-Canada, 1951.


Economic Value Hubs and Existing and Proposed Transmission Lines
September 2008
WHPacific
NANAWorley
Economic Value Hubs
Transmission Line Routes
ARCTIC OCEAN
PACIFIC OCEAN
Miles
0
100
200
300

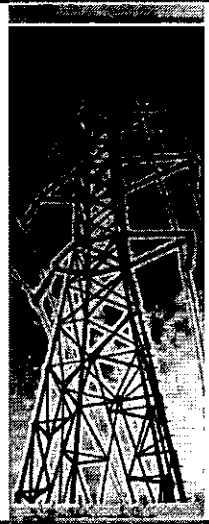
## Intertie/Tie Line Reconnaissance Study

Presented By:
Jay Hermanson, NANA Pacific
Brian Hickey, P.E., NANA CoH
Brian Saylor

### Comparative Costs

The cost of constructing an electrical transmission line in Alaska is dependent on:

- ❑Material Costs(including Transportation)
- ❑Project Size and Bidding Environment
- ❑Permitting
- ❑Project Life Expectancy
- ❑Construction



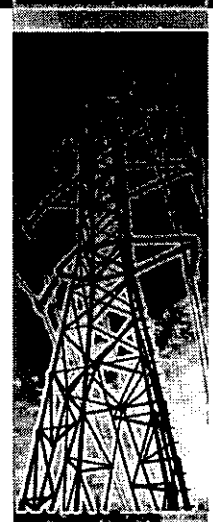
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## Intertie/Tie Line Reconnaissance Study

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Brian Saylor

### Comparative Costs

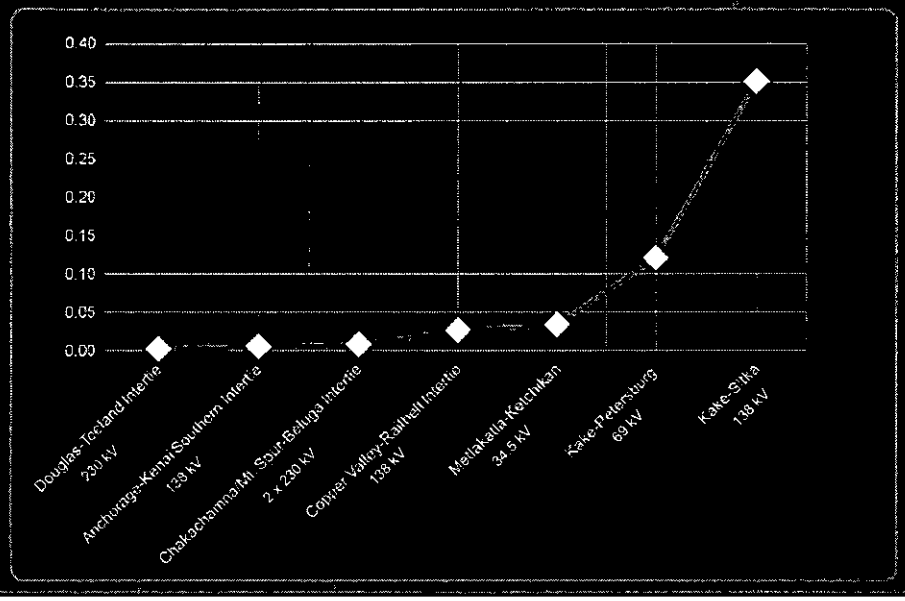
| | Category 1<br>Primarily Favorable Conditions | Category 2<br>Mostly Unfavorable Conditions |
|---|---|---|
| 69kV | $200,000/mile | $500,000/mile |
| 115/138kV | $300,000/mile | $1,000,000/mile |
| 230kV | $500,000/mile | $1,500,000/mile |



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# Relative Ranking of Interties

## Relative Capital Costs on a per unit basis

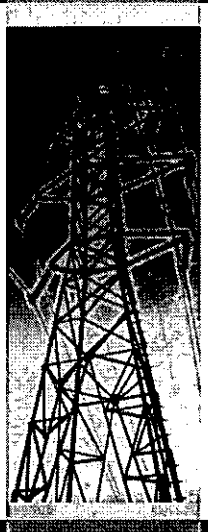



# Intertie/Tie Line Reconnaissance Study

Presented By:
Jay Hermanson, NANA Pacific
Brian Hickey, P.E., NANA COE
Brian Saylor

## Possible Roles for a Joint Commission

- ❑ Work with others to develop "the big picture."
- ❑ Serve as "point agency" for discussions with international neighbors.
- ❑ Provide a bridge between overlapping international, federal, state, regional and local jurisdictions.
- ❑ Facilitate complex discussions on the trade-offs between cultural integrity and traditional lifestyle and economic development.
- ❑ Help sustain and expand technological gains in power generation and distribution.
- ❑ Facilitate the identification and development of transportation/utility systems (TUS) as defined in ANILCA, Article 11.

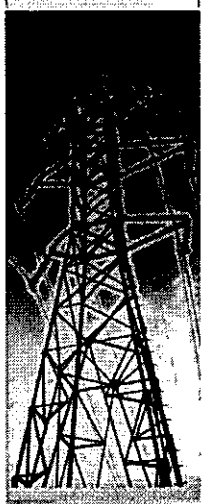


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## Intertie/Tie Line Reconnaissance Study

Presented By:
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# Questions?



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# 4/2/09 OVERVIEW: ALASKA STATEHOOD CELEB. COMMIS.

Sarah Palin, Governor

ALASKA STATEHOOD CELEBRATION COMMISSION MEMBERS

Kris Perry
*Chair*
Anchorage

Melissa Stepovich
*Vice-Chair*
Fairbanks

Christopher S. Constant
Anchorage

Representative Mark Neuman
Mat-Su Valley

Representative David Guttenberg
Fairbanks

Senator Thomas Wagoner
Kenai

Leo Rasmussen
Nome

Senator Gary L Stevens
Kodiak

Kate Tesar
Juneau

Mia Costello
Ex-Officio Member

Colleen Sullivan-Leonard
*Staff*
Office of the Governor
550 W 7th Avenue, Suite 1700
Anchorage, AK 99501
Phone: 907-269-7450
Fax: 907-269 -7461
AK50@alaska.gov

April 3, 2009

Honorable Representative Bob Herron
Community and Regional Affairs
State Capitol Building
Juneau, AK 99811

Dear Co-Chairman Herron;

On behalf of the Alaska Statehood Celebration Commission we sincerely thank you and all of the committee members who so graciously allowed us time to present to you on April 2nd. As our work on the commission continues we look forward to continuing further communication with you and other legislators.

Our outreach to areas across the state has been ongoing for the last 3 years and will continue until January 2010. We have been pleased with the input we have received from communities from all across the state. Many understand the significance of Alaska's statehood and appreciate how far we have come in the last 50 years!

Thank you again for your time and if we can be of further assistance please do not hesitate to call or contact us at AK50@alaska.gov

Sincerely,

Colleen Sullivan-Leonard

Colleen Sullivan-Leonard, Coordinator
Alaska Statehood Celebration Commission




## Purpose

*The Alaska Statehood Celebration Commission is established to research, plan and prepare to celebrate Alaska's 50th anniversary of admission as the 49th state of the United States of America*

## Vision

*Honor our history, celebrate our future*

## Mission

*Alaska's 50th Anniversary Celebration will inspire the people of our great state, and across the world, to rejoice in Alaska's past, present, and future*

## Values

*The Alaska Statehood Celebration Commission will honor and celebrate:*

- *Alaska's Native heritage*
- *Alaska's culture and history*
- *Those instrumental in Statehood*
- *Alaska's Constitution*
- *Alaska's achievements and opportunities*
- *Our children and our future*




# Alaska Statehood Celebration Commission
# Celebration Ideas for Communities

- Dance or gala
- Community picnic/potluck/potlatch
- Pancake breakfast
- Bonfire
- Fireworks show
- Time Capsule
- Athletic competition
- Alaska Spelling Bee or Alaska Geography Bee
- Children's essay contest
- Alaska history poster exhibit
- Children's art exhibit depicting Alaska statehood
- School concert
- Pioneer picnic
- Alaska trivia contest
- Community quilt
- Display Alaska Statehood flags in government offices
- Cultural event featuring dancing, story telling, skits, etc.

# LAWS OF ALASKA

# 2004

**Source**
CSHB 476(STA) am S

**Chapter No.**
_____

## AN ACT

Establishing the Alaska Statehood Celebration Commission; and providing for an effective date.

---

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

THE ACT FOLLOWS ON PAGE 1

**AN ACT**

Establishing the Alaska Statehood Celebration Commission; and providing for an effective date.

---

*** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

PURPOSE OF THE ACT. January 2009, will mark the 50th anniversary of Alaska's admission as the 49th state of the United States of America. It is fitting that the occasion be marked by a celebration commensurate with the state's magnificent heritage and in ways that reflect upon the opportunities that 50 years of Statehood have brought to the state and the people. Appropriate recognition of those benefits and scheduling of a statewide celebration to commemorate the occasion will require advance research, planning, and preparation. To that end, an Alaska Statehood Celebration Commission is established and its powers and duties set out.

*** Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to

read:

ALASKA STATEHOOD CELEBRATION COMMISSION. (a) The Alaska Statehood Celebration Commission is established. The commission consists of nine members, determined as follows:

(1) the governor shall appoint four public members of the commission, of whom one member shall be a resident of and be appointed from each of the four judicial districts in the state;

(2) the speaker of the house of representatives shall appoint one member of the house of representatives who is a member of the majority caucus and one member of the house of representatives who is a member of the minority caucus, in consultation with the leadership of that caucus;

(3) the president of the senate shall appoint one member of the senate who is a member of the majority caucus and one member of the senate who is a member of the minority caucus, in consultation with the leadership of that caucus; and

(4) the governor or the governor's designee.

(b) The governor shall designate the chair and vice-chair of the commission.

(c) If a member of the commission resigns or is otherwise unable to perform the duties of a member of the commission or if a legislator member of the commission is no longer a member of the legislative body from which the member was appointed, the officer responsible for appointing that member shall appoint a replacement member as soon as possible.

(d) Notwithstanding AS 39.20.180, public members of the commission are not entitled to expenses, travel, or per diem allowances.

(e) A majority of the members of the commission constitutes a quorum. The commission may approve measures, make recommendations, and take other action based on a vote of a majority of the quorum that is present.

*** Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to read:

POWERS AND DUTIES OF THE ALASKA STATEHOOD CELEBRATION COMMISSION. (a) The Alaska Statehood Celebration Commission shall plan and administer all official state activities leading up to and relating to the 50th anniversary of

Alaska Statehood and, to that end, shall

(1) organize and adopt rules for the conduct of its business;

(2) prepare a timetable and budget for completion of its responsibilities under this Act; and

(3) advise the governor and, annually, at the beginning of each regular session, the legislature on all activities relating to the 50th anniversary of Alaska Statehood.

(b) The commission may

(1) appoint subcommittees, which may include persons who are not members of the commission; individuals not members of the commission who serve on subcommittees may, subject to appropriation, be reimbursed for necessary expenses incurred in performance of their services to the commission under this Act;

(2) engage in joint projects with any municipality, civic organization, or other entity to accomplish the purpose of this Act;

(3) subject to appropriations made for the purpose, employ persons and incur expenses as may be required to carry out the purposes of this Act; and

(4) accept gifts and grants from the federal government and from public and nonpublic sources and, subject to appropriation by the legislature, expend those gifts and grants to carry out the purposes of this Act.

(c) The commission shall initiate a public process to solicit ideas concerning

(1) appropriate ways in which to celebrate the 50th anniversary of Alaska Statehood; and

(2) one or more projects that the commission may encourage, sponsor, or support that would serve as a permanent legacy or reminder to commemorate the occasion.

(d) In carrying out its responsibilities under this Act, the commission shall encourage and involve participation by all Alaskans in the 50th anniversary of Statehood celebration and commemoration.

(e) The Office of the Governor shall provide the commission with all reasonable and necessary staff support, but the governor may delegate or assign this obligation to another agency.

*** Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to read:

UNAUTHORIZED REPRESENTATION OF ASSOCIATION WITH ALASKA STATEHOOD CELEBRATION COMMISSION. A person may not use, display, or publish any name, title, or device that tends to indicate that the person is affiliated with or is supported or sponsored by the Alaska Statehood Celebration Commission without the written authorization of the commission.

*** Sec. 5.** Sections 1 - 4 of this Act are repealed January 31, 2010.

*** Sec. 6.** This Act takes effect January 1, 2005.



CELEBRATING STATEHOOD 1959 • 2009 ALASKA 50

# ★ THANK YOU SPONSORS ★

Lus Rosenmeyer

# 50 YEAR CELEBRATION OF STATEHOOD

## ~NOME STYLE~

**STAR SPONSORS:**

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2. BERING AIR & NOME JOINT UTILITIES
3. NOME AVIATION HERITAGE MUSEUM
4. NOME CHAMBER OF COMMERCE
5. NOME TRADING CO. - BILL CASH
6. RASMUSSEN'S MUSIC MART - LEO & ERNA
7. KRIER INC.
8. STARGATE ALASKA/KENNETH HUGHES



Stars: 1. Charles Lean, 2. Mitch Erickson, 3. Tom Gray, 4. Arne Handeland, 5. Jerry Steiger, 6. Leo Rasmussen, Chair, 7. Jay Wieler, 8. Kenneth Hughes.
Alternates/Participants: Geoff Hubert, Tim Smith, Loren Prosser
In the Air: Photographer Peggy Fagerstrom, Videographer John Lane, Pilot Russell Rowe.

Significant assistance and other contributions provided by:

Chuck & Peggy Fagerstrom - Photography & Chairing; Alaska DOT; Seaside Center - Baking the cakes; Alaska State Troopers; Bering Air - Pallets & 207 Flight for Stars; Western Community Energy, Frontier - Pallets; Arctic Cat; Nome Joint Utilities; Ken Hughes/Stargate Alaska - Star Locations; City of Nome & Public Works; Nome Trading Company - Ordering supplies, transportation & Chairing; Rasmussen's Music Mart – Ordering supplies & Chairing; George Krier; Gorilla Fireworks/Robert Hall; Tim & Rita Smith; Kevin Knowlton; JROTC; Jano Kralik; Ian Graham; Chloe Matheis; Audrey Buie; Justin Shield; Cass Matheis; Dallas Cash; Jack & Binxy Johnson; Sheri Fagerstrom

CELEBRATING
STATEHOOD
1959 • 2009
ALASKA
50
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# 50-YEARS OF STATEHOOD CELEBRATION PROGRAM NOME ALASKA

SPONSORS:

BRILLIANT STARS:
City of Nome
Nome Aviation Heritage Museum
Nome Chamber of Commerce
Alaska 50-year Celebration Commission

GOLD ALASKA FLAMBES:
NSEDC
Krier Inc.
NJUS
Bering Air
Leo & Erna Rasmussen

SILVER CELEBRATORS:
Nome Volunteer Fire Dept.
Nome Rotary
Stargate Alaska
VFW Post #9569
Nome Trading Company
Crowley Maritime
Q-Trucking/Charley Reader
Wells Fargo Bank
Sitnasuak Village Corporation

CONTRIBUTORS:
RJ/RJ's Auto
Marty & Patty James/Maruskiya's
Charlie & Mikey Lean
Jano Kralik
Nome Grocery/Nome Liquor
Bonanza Fuel
Western Community Energy

**December 31, 2008**

Evening: 8-STARS OF GOLD offshore Nome

**January 3, 2009**

Thru the day: First Day of Sale Cancellations with the 50-year USPS Statehood Stamp

6:30pm: Torch Light Parade from State Office Building to Anvil City Square
Chair Richard Beneville

7:15pm: The 49/50 Sparkle
Chair Charles Fagerstrom

7:45pm: Baked Alaska Flambe (setting world record)
Chair Bill Cash

8:15pm: Birthday Celebration in Old St. Joes
Senator Donny Olson, Guest Speaker

50-Year History Birthday Cake with all 3rd of January Birthdays
Chair Kay & Jim Hansen

History Contest for all participants with 1st, 2nd and more

**January 9, 2009**

7:00pm: 50 Years of the Constitution (ACLU & Justice) with the Honorable Bruce Botelho, Mayor of City/Borough of Juneau & former Alaska Attorney General

On line at UAF – Northwest College Campus

872

873

# Alaska 50th Statehood Celebration Commission



## *Celebrating 50 Years of Statehood 1959-2009*





April 2, 2009

# Alaska Statehood Celebration Commission

## Members

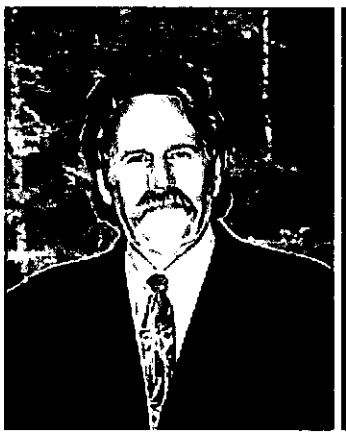


- Chair, Kris Perry, **Anchorage**
- Vice-Chair, Melissa Stepovich, **Fairbanks**
- Mr. Christopher Constant, **Anchorage**
- Mr. Leo Rasmussen, **Nome**
- Ms. Kate Tesar, **Juneau**
- Senator Gary Stevens, **Kodiak**
- Senator Tom Wagoner, **Kenai**
- Representative Dave Guttenberg, **Fairbanks**
- Representative Mark Neuman, **Mat-Su Valley**









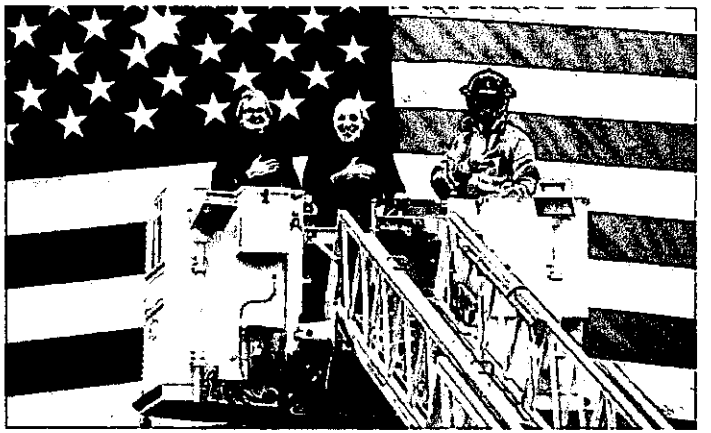








# Legislative Directive



- The Statehood Commission was enacted on January 1, 2005, and ends January 31, 2010.
- The Statehood Commission consists of nine members from each Judicial District.
- The Statehood Commission shall plan and administer all official state activities.
- The Statehood Commission will set policy, prepare a timetable and budget.



# Alaska Statehood Vision, Mission, and Value




- **Vision-** Honor our history, celebrate our future.
- 
- **Mission-** Inspire the people of this great state and
- across the world to rejoice in Alaska's past, present, and future.

- **Value-** To honor and celebrate:
  *Alaska's Native heritage, culture, and history.
  *Those instrumental in statehood and Alaska's Constitution.
  *Alaska's achievements and opportunities.
  *Our children and our future.

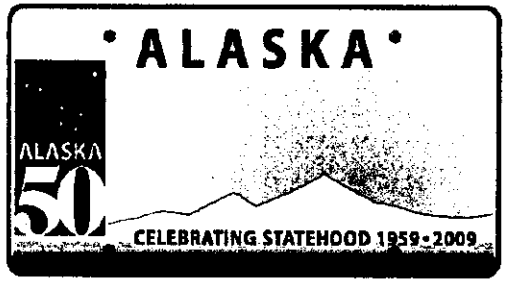


# Alaska Statehood Objectives

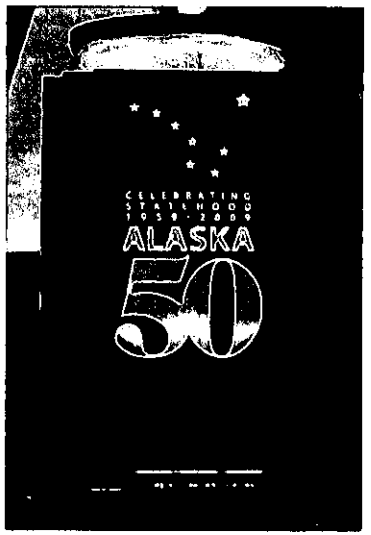


- Establish sub-committees for budget, public relations and website development.
- Engage in joint projects with municipalities, university, civic organizations and non-profits.
- Initiate a public process to solicit ideas for celebrating the 50th anniversary.
- Determine statehood projects, such as legacy or commemorative items for 50th anniversary.






# Alaska Statehood Projects




- Alaska Statehood License Plate unveiled January 2008.
- Alaska Statehood Medallion designed July 2008.
- U.S. Mint State Quarter issued August 2008.
- Alaska Statehood Stamp issued January 2009.
- Alaska Airlines "Paint the Plane" Spirit of Alaska unveiled January 2009.














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CELEBRATING STATEHOOD 1959 · 2009 ALASKA 50

# *Alaskans Celebrate!*

## *Historical Dates to Remember:*

- **Statehood Bill** passed Congress, June 28, 1958.
- **Statehood Act** signed by President Eisenhower, July 7, 1958.
- **Statehood Proclamation** signed by President Eisenhower January 3, 1959.
- Participating communities: Juneau, Anchorage, Fairbanks, Nome, Chugiak-Eagle River, Kodiak, Petersburg, Sitka, Kenai, Unalaska and more.



FESTIVAL FAIRBANKS

ALASKA
Beyond Your Dreams. Within Your Reach.

Alaska Airlines / Horizon Air.

Stars
A University of Alaska Project

# Statehood Commission Outreach and Support



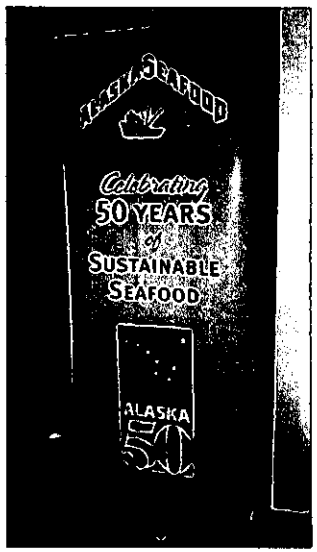
- Events attended by thousands of Alaskans, tourists, and international dignitaries.

- Statehood Commission assisted communities with fundraising efforts- Alaska Statehood medallions.



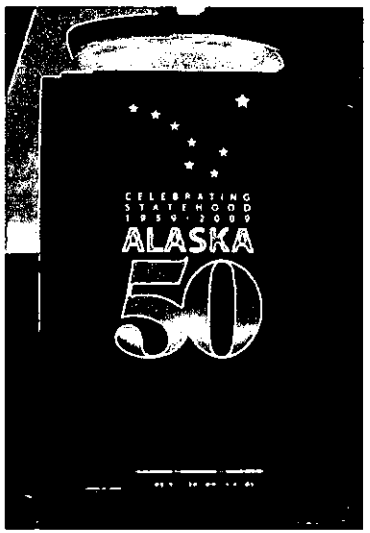
- Collateral material distributed to thousands across the state and nation. (books, pens, lapel pins, pencils and posters.)




- Alaska Statehood Logo requested and used by more than 400 businesses and communities across the state. (Coca-Cola, ASMI, ARR, ACVB, Princess Cruises,Buy Alaska, Heritage Coffee, etc.)

# Alaska Statehood Commission 2009-2010




- Assist community recognition of 50th anniversary of statehood.
- Outreach to our military members stationed overseas.
- Continue work with tourism industry to encourage travel to Alaska for statehood celebrations.
- Working with University, State Museum and Library for preservation and archiving of statehood work.

# 12/4/09 ECONOMIC DEVEL. IN STATE GOVERN-MENT




Sarah Palin
GOVERNOR

**STATE OF ALASKA**
OFFICE OF THE GOVERNOR
JUNEAU

February 25, 2009

# ADMINISTRATIVE ORDER NO. 249

I, Sarah Palin, Governor of the State of Alaska, under the authority of art. III, secs. 1 and 24, of the Alaska Constitution, reestablish the Alaska Diversified Economic Planning Team.

## PURPOSE

The purpose of this Order is to revoke Administrative Order 248 and re-create the Alaska Diversified Economic Planning Team ("planning team") to establish and prepare a framework for the state's future economic growth and to set state economic development goals and missions. The planning team shall identify the state's strengths and weaknesses in economic development and determine practical strategies to implement both short-term and long-term economic development and economic diversification goals. The planning team shall develop a statewide strategic comprehensive economic development plan to guide the state now and in the future and develop a blueprint on how to respond to current economic conditions.

Alaska's economic planning effort would be known as the "LEGACY" Plan. The name "LEGACY" is used to reflect two central goals of the plan. One goal is that this planning effort be an ongoing project used by successive administrations. It is not designed to produce a static document that is read and not used. Second, the name "LEGACY" reflects that a successful state plan would be a tool to shape the next 50 years of Alaska's history. The plan is designed to reflect goals of providing jobs for Alaskans and diversifying the overall state economy.

The enumerated "LEGACY" goals are

1. lead Alaska to energy independence with an "all of the above" approach;
2. education, training, and workforce development;
3. global and national competitiveness of Alaska businesses and industries;
4. assist development of infrastructure and reduce transportation costs;
5. create jobs by promoting a favorable investment and regulatory climate; and
6. yearly benchmarks in standard-based development.

## BACKGROUND

Coordination among agencies that have a role in shaping state economic development policies and plans is necessary to eliminate duplication and better utilize state resources to create a long-term and ongoing state economic development plan. A comprehensive long-term plan would permit fiscal predictability and workforce development, lay a foundation for diversified economic development in all regions of the state, and enhance global and national competitiveness of Alaskan businesses and industries. It would permit the development of infrastructure needed for economic development, promote education and training, and improve utilization of all of Alaska's energy resources. Both the Alaska Energy Authority and the Alaska Industrial Development and Export Authority are already engaged in strategic long-term planning to improve the economy. With the cooperation of other state agencies, this planning and coordination can be enhanced to further economic development and make sure that resources are used wisely.

The coordination of the "LEGACY" Plan for economic development initiatives can be furthered through improved interagency planning at the state level. Therefore, the role of the planning team is to facilitate and enhance the coordination and integration of the "LEGACY" Plan and economic development policy and initiatives throughout the state.

**DUTIES**

The planning team shall serve as the advisory committee to the governor to develop policy and procedural recommendations for the "LEGACY" Plan and existing and future state strategic economic development plans and policies, and provide a forum for interaction with the private sector, local governments, boroughs, tribes, and other interested parties throughout the state. These plans and policies are administered primarily through the Department of Commerce, Community, and Economic Development; the Department of Transportation and Public Facilities; the Department of Labor and Workforce Development; the Alaska Housing Finance Corporation; the Alaska Industrial Development and Export Authority; and the Alaska Energy Authority, in cooperation with the University of Alaska.

The planning team shall perform the following duties:

1. identify state, federal, and local government agencies, and private entities that support or prepare economic development plans;

2. identify, at the state, federal, and local levels, barriers to coordination that serve to inhibit strategic and diversified economic development;

3. recommend the removal of barriers that inhibit economic development in the state and recommend affirmative measures to promote economic development in the state;

4. propose changes in statutes or regulations that would facilitate strategic economic development;

5. reach out to and involve stakeholders in economic development, including representatives from the private, public, and non-profit sectors;

6. develop mechanisms and incentives for creating in the state a diversified and strong economy that makes use of the state's abundant energy resources, workforce, educational facilities, and strategic location;

7. identify potential financing needed to foster long-term economic development throughout all regions in the state; and

8. prepare and issue the "LEGACY" Plan, a strategic and comprehensive economic development plan that can be updated annually and provide a blueprint for future generations.

**MEMBERSHIP**

The planning team consists of seven voting members, as follows:

1. the commissioner of the Department of Commerce, Community, and Economic Development, or the commissioner's designee; that person shall serve as chair;

2. the commissioner of the Department of Labor and Workforce Development, or the commissioner's designee;

3. the commissioner of the Department of Transportation and Public Facilities, or the commissioner's designee;

4. a representative from the office of the governor;

5. the executive director of the Alaska Housing Finance Corporation, or the executive director's designee;

6. the executive director of the Alaska Energy Authority, or the executive director's designee;

7. the executive director of the Alaska Industrial Development and Export Authority, or the executive director's designee;

8. the president of the University of Alaska, or the president of the university's designee.

## OTHER PROVISIONS

The planning team may set operating procedures as bylaws and establish standing and workgroup committees as it considers appropriate. Workgroup committees may include individuals who are not members of the planning team.

A planning team member does not receive compensation as a member of the planning team. Per diem and travel expenses for a member of the planning team are the responsibility of the state agency, authority, or entity that the member represents.

The planning team may use teleconferencing or other electronic means, to the extent practicable, in order to gain the widest public participation at minimum cost.

Meetings of the planning team shall be conducted, and notice of regular meetings provided, in accordance with AS 44.62.310 and 44.62.312 (open meetings of governmental bodies). A majority of appointed voting members of the planning team constitutes a quorum for conducting business.

Records of the planning team are subject to inspection and copying as public records under AS 40.25.100 - 40.25.295 (Alaska Public Records Act).

## SUPPORT SERVICES

The Department of Commerce, Community, and Economic Development and the Alaska Industrial Development and Export Authority shall provide administrative support for the planning team.

## DURATION

The planning team shall forward its initial report to the governor on or before December 15, 2009 and shall provide to the governor an updated report on or before December 15 of each calendar year thereafter. This Order takes effect immediately.

DATED at Juneau, Alaska this 25th day of February, 2009.

/s/Sarah Palin
Governor

House Community & Regional Affairs Committee Meeting
December 4, Anchorage LIO, Room 220, 10am – 1pm

Agenda & Presenters: (Q & A following, and perhaps during, each presentation)

1. Rep. Alan Austerman – Presenting briefing paper: "Economic Development in State Government" (with legislative aide Erin Harrington).

2. Michael Catsi, President of the Alaska Partnership for Economic Development, and John Torgerson, Kenai Peninsula Economic Development Center and former Senator from District D – Kasilof (Joint Powerpoint – 15-20 min.)

3. Susan Bell, Governor's Office – Discussing the Legacy Plan. (No powerpoint. 5-10 min.)

4. Ted Leonard, Alaska Industrial Development and Export Authority (AIDEA) – talking about AIDEA's strategic planning process and observations for the legislature in preparation for 2010 session. (Powerpoint 15 min.)
   List of other AIDEA employees that will be present and available to answer questions from the Committee:
   a. Sara Fisher-Goad — Deputy Director of Operations
   b. James Hemsath — Deputy Director of Development
   c. Chris Anderson — Deputy Director of Credit
   (We have also asked Mark Davis to be available from DCCED. Mark Davis has worked closely with AIDEA's management on our strategic plan.)

<u>Available for Questions (Partial List)</u>

- Commissioner Emil Notti, Dept of Commerce, Community & Economic Development
- Joe Austerman, Director of the Office of Economic Development
- Greg Winegar, Div. of Investments

Documents:

1. Economic Development in State Government (Bound booklet)
2. Spreadsheet from Office of Economic Development

# Economic Development in State Government

Presented by:

**Representative Alan Austerman**

***Alaska State Legislature***

December 2009

**~ Representing Alaska State House District 36 ~**
Akhiok | Igiugig | Iliamna | Karluk | Kodiak | Kokhanok | Larsen Bay | Levelock
Newhalen | Nondalton | Old Harbor | Ouzinkie | Pedro Bay | Port Alsworth | Port Lions

# BRIEFING PAPER:
# ECONOMIC DEVELOPMENT
# IN STATE GOVERNMENT

*A review of economic development configuration in Alaska's agencies, models from other states, and potential changes to Alaska's economic development system*

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Alaska's Department of Commerce, Community and Economic Development includes both **Economic Development** and **Community Development** functions. The department's mission is to "promote a healthy economy, strong communities, and protect consumers in Alaska."

The difference between economic development and community development is not always well-understood. To establish a shared understanding of these terms, the following definition is presented:

> Community development is capacity building; economic development is wealth creation.
>
> --Robert Shively, *Economic Development for Small Communities*

To go further, community development often refers to projects that create infrastructure and community capacity. Public works projects, schools, bridges, libraries, community centers and parks… these are community development projects. Economic development projects, on the other hand, would be the construction of a new clinic by a group of private physicians, or the expansion of a metal fabrication shop by a business owner. Community development and economic development are deeply intertwined, because economic development—and the private investors, owners, and entrepreneurs who lead the way—also requires community infrastructure, either to support their businesses or to enable a lifestyle that makes them want to live and stay in a community. At their cores, both community development and economic development are about resilience, the ability of a community or economy to respond to both opportunities and threats, to adapt to change. But the two functions are quite different, *and the appropriate activities and roles for government in economic development are much different than in community development.*

The purpose of this paper is to examine ***economic development*** activities in state government. While we recognize the interconnectedness of the two functions, the focus of this work is on resources within state government that support private sector investment in Alaska's economy.

## Current Resources within State Government and the University System

### Alaska's Office of Economic Development (OED), within DCCED

- The mission of OED, as described in the FY10 Governor's Operating budget, is to "Advance successful tourism, film, fisheries, forest products, minerals, and small business assistance programs in order to increase economic activity in Alaska and create new employment opportunities for Alaska."

- Alaska's OED currently has a division head, plus 11 employees in five sub-programs, many of which can be tied to one or more functions in Alaska Statute.
    - The Alaska Film Office (3 employees, one of whom is shared with Tourism) (AS 44.33.231, Film Office)
    - Business Development (2 employees, one of whom is a forest products specialist) (AS 44.33.900 Alaska Forest Products Research and Marketing Program)
    - Office of Fisheries (1) (AS 44.33.065, Regional Seafood Development Associations)
    - Office of Mineral Development (2) (AS 44.33.431, Alaska Minerals Commission)
    - Tourism Program (4, one of whom is shared with Film) (AS 44.33.119, Alaska Division of Tourism)

## Alaska Industrial Development and Export Authority (AIDEA), within DCCED

- The mission of AIDEA, as described in the FY10 Governor's Operating budget, is "to provide means of financing to promote economic growth and diversification in Alaska."
- AIDEA's board of directors consists of five individuals
    - The Commissioner of Revenue
    - The Commissioner of Commerce, Community, and Economic Development
    - One other person appointed by the executive branch
    - Two public members appointed by the governor
- AIDEA's economic development programs have approximately 30 staff assigned to it, with 30 who are professional staff (estimate from AIDEA staff, October 2009)
    - AIDEA is a "public corporation of the state and a body corporate and politic constituting a political subdivision within the Department of Commerce, Community and Economic Development, but with separate and independent legal existence," under AS 44.88.010—44.88.159
    - AIDEA has a number of loan participation, revolving loan, and bond programs
    - AIDEA has ownership stakes in several major projects
- AIDEA also is home to another agency, Alaska Energy Authority (AEA) which currently has a community development mission
    - Though the agencies are separate, they share employees and resources

## Alaska Division of Investments (DOI), within DCCED

- DOI's "primary responsibility is to administer and service twelve state loan programs under the Department of Commerce, Community, and Economic Development. These programs were primarily designed to promote economic development through direct state lending in industries that are not adequately serviced by the private sector."
- DOI typically interfaces with individual lenders and small businesses (in contrast to AIDEA, which handles significant industrial investments)
- DOI has 44 FTE employees (FY2010 budget)
- Loan programs authorized in statute are not comprehensive across range of Alaska industry

## Non-Governmental Economic Development Organizations in Alaska

### ARDORs

- Alaska Regional Development Organizations (ARDORs) are established under 44.33.895 (Alaska regional economic assistance program) and is subject to regulations at 3 AAC 57.010-900.
    - Under the statute the department can provide grants of up to $100,000 annually to match funds from non-state sources.

- The state's contributions to the ARDOR under this program are $50,000 annually. With the addition of an ARDOR in the last two years, the state's total contribution has increased, but organizations still receive the same amount. (Annual funding since 1992 is flat at $620,000; except for increase of $57,000 starting in FY09 with addition of twelfth ARDOR)
- According to the website of OED, ARDORs are intended to
  - *enable communities to pool their limited resources, and work together on economic development issues;*
  - *develop partnerships among public, private and other organizations,*
  - *offer a technical, nonpartisan capacity to develop and implement an economic development strategy,*
  - *often have extensive experience with federal/State programs, and*
  - *provide needed technical assistance via direct links with local citizens.*
- With large service regions and limited funding, some ARDORs have very difficult times attracting experienced staff to run economic development programs
  - Some conversations have been had to establish system-wide capacity-building fund for the ARDORs so that staff of the ARDORs can take advantage of professional development opportunities despite limited budgets

**Additional Regional Economic Development Groups**

- Regional/local groups also exist, such as Juneau Economic Development Council, Fairbanks Economic Development Corporation, Alaska Village Initiatives.
  - These have more local focus

**University Economic Development Resources and Coordination with State Resources**

The University of Alaska has several economic development programs doing technical assistance, training, etc.

- **Center for Economic Development, at the Institute of Social and Economic Research, UAA**
  - One of 52 university centers nationally designated by Economic Development Administration
  - Works at level of *municipalities, large non-profits, service-providing for profits (such as Alaska Native Corporations)*
    - 2008 Annual Report includes list of clients: http://ced.uaa.alaska.edu/publications/2008AnnualReport.pdf
  - According to their website, CED "leverages the resources of the university system to support economic development in Alaska, providing technical assistance in the form of information, data, and know-how in evaluating, shaping and implementing specific projects and programs that promote economic development across the state." (http://ced.uaa.alaska.edu)
  - Supported by fee for service in most cases, in order to support program delivery costs; some budget also from State
  - CED helps with local and regional planning, feasibility analysis, strategic planning (organizational and community) financial analysis, market and economic research
  - Recently, CED began coordinating accredited certification courses for the International Economic Development Council, to certify IECD economic development professionals
    - NB: Currently, there is not a single certified economic development professional working in Alaska

- **Small Business Development Centers**
  - Works at level of small, individual entrepreneurs
  - Provide free- and low-cost consulting to small business and micro-enterprise
  - Funded by US Small Business Administration with matching funds from state.
  - Provides consulting services and low-cost educational programs to entrepreneurs
  - Program's "business advisors" are certified through the Alaska SBDC's professional Certification program
  - Has a rural outreach program

## How are Other State Governments Doing Economic Development?

Several states are recognized for their innovation in economic development within state government. Some of these are profiled below.

The states profiled below were selected because of their recognition as successful models, or commonalities with Alaska (rural Western). This report profiles North Dakota, Wyoming, Indiana, and Kentucky, which are all recognized for their economic development programs, as well as Oregon, which shares some similarities with Alaska as a Western state with large rural areas. All of these states have advisory and/or policy bodies that primarily comprise private sector leaders.

*NB: Descriptions below reference "primary" or "basic" industries. These are industries that bring new dollars into a state's economy. Oftentimes these are because the business outputs are produced for markets outside the state. In some cases federal government programs, which bring dollars into state economies, can also be seen as contributing to the primary/basic sectors. This differs from support sector businesses, which provide services within the state. Primary/basic businesses are the economic pumps for an economy.*

**North Dakota www.business.nd.gov**

- Economic Development & Finance is a division within a department that also houses Tourism and Community Development
  - Tourism is separate because development approach differs significantly from standard "primary/basic" sector activities.
- North Dakota has an Economic Development Foundation, a private foundation established by the Legislature, to provide guidance and private-sector oversight of state economic development efforts. It maintains a strategic plan for economic development.
  - 23 "business leaders," meet quarterly
  - has the ability to raise private funding to support state efforts
- Division heads are professional positions, not appointed
- Majority of staff at Economic Development and Finance Division are certified economic development professionals through the IEDC
- Primary function of division is to work with businesses to identify the state programs and resources that will help them establish, grow, or retain in North Dakota; deal structuring (not technical assistance, which is pointed to university, SBDCs, etc.)
- North Dakota has a development bank, the Bank of North Dakota, which manages nearly all of the state's loan and investment programs, with very few exceptions
- Department ***only works on inquiries/investments that are in the Basic sector of the economy*** (Basic industries bring new money into the economy from out of state, while secondary industries provide services to support the basic industries)

- Web presence: North Dakota has http://www.business.nd.gov/, which is a user-friendly portal to information necessary to do business in North Dakota
- 17 staff for ED&F, including 2 finance people to run loan programs outside the Bank of North Dakota

**Wyoming www.wyomingbusiness.org**

- Wyoming Business Council is the economic development group in state government
    - It has a corporate structure, incorporates private business practices, regional offices
    - Has a Board of Directors and CEO, though it is within state government
        - Board members are successful business owners from Wyoming
        - Board members appointed by Governor; CEO hired by Board
        - Employees of agency are at-will
        - Board does "business plan" for department
    - Staff of 53 for WBC, plus 19 for Tourism
        - 7-8 administrative staff, all other work on economic development and management of community grant programs
    - History of the WBC: http://www.wyomingbusiness.org/about/history.aspx
    - Enabling Legislation: Wyoming Statutes 9-12-101 through 9-12-804 (http://legisweb.state.wy.us/statutes/statutes.aspx?file=titles/Title9/T9CH12.htm)
    - WBC focuses on basic industries, with few exceptions in rural areas where basic service infrastructure (grocery stores) do not exist
        - Industries have to produce something sold outside the region to get WBC attention.
    - WBC works closely with university programs, including SBDCs, Intellectual property, incubators, etc.

**Kentucky www.thinkkentucky.com**

- Primary state agency for economic development is the Cabinet for Economic Development, which is governed by the Kentucky Economic Development Partnership Board
- Kentucky Economic Development Partnership Board
    - Enabled in 1992 by HB 89.
        - Thirteen members representing each of eight congressional districts and different industries, plus secretaries from four cabinets (Econ. Development, Finance and Administration, Environmental and Public Protection, and Tourism), plus Governor
        - Cabinet includes
            - Office of Secretary
            - Department for Business Development
                - "Responsible for coordinating the recruitment and attraction of new companies that will enhance the overall viability of the state's economy, as well as assisting and encouraging job retention and creation by working with existing Kentucky business. The Department partners with outside agencies and communities to conduct workshops, community assessments, and business surveys to support local development efforts"
            - Department of Financial Incentives
            - Department of Commercialization and Innovation

- "Responsible for developing and implementing a strategy to create, attract, and assist knowledge-based companies to Kentucky."

**Indiana www.in.gov/iedc**

- Primary state group for economic development is the Indiana Economic Development Corporation
  - Created in February 2005 to replace the former Department of Commerce
  - Has a board of 12, including governor and 11 private industry participants
  - According to IEDC website, "The IEDC is focused exclusively on economic development and has incorporated all state entities with economic development responsibilities into its organizational structure."

**Oregon www.oregon4biz.com**

- Economic development is a division within the Oregon Business Development Department, which also houses community development functions
  - About 25% of department budget goes to economic development
- Economic development overseen by the Oregon Business Development Commission, which is statutorily authorized, and consists of seven private sector individuals (not agency) appointed by the Governor
  - Entity sets policy direction for agency activity
- Department head is appointed, but division heads are professional staff
- 13 people working in field around Oregon, plus five people specializing in international development
- No certification/training requirements specific to department; some perhaps specific to positions, particularly for international development people
- Primary role of business development division is deal structuring, pulling state resources together to support creation or retention of jobs
- Staff only work on primary (basic) sector industries, refer others to university, SBDCs, other partners

## Points to Consider about Alaska's Current System

- State government's oversight and/or policy direction from private sector is currently limited to two of five seats on the board of AIDEA.
  - There is no private sector input built into OED or DOI
  - Without private sector input it may be difficult to align state programs across divisions with real needs in Alaska economy
- Incentive programs in Alaska Statute are limited
  - New Business Incentive Program (DCCED), established under 45.81.010, is not funded
  - Film Incentive office supported by two staff at OED (DCCED)
  - Exploration Incentive Credits (DNR)
  - AGIA (DNR)
  - Various AIDEA Programs
- Economic Development functions are distributed between several divisions and/or offices, including:
  - Division on Investments (Greg Winegar, Division Director)
  - Office of Economic Development (Joe Austerman, Director)
  - Alaska Industrial Development and Export Authority (Ted Leonard, Executive Director)

    - Economic development staffing in these offices are about 15% of total DCCED personnel
        - Viewed alone they are 8%, 2%, and 6% respectively
        - May have difficulty getting strategic focus within larger mission of department
- No certified economic developers currently working in state (compares to other states where professional certification is common among economic development staffers)
    - University's Center for Economic Development has started offering training modules several times per year (the standard for these courses is multi-day intensives) for certification through the International Economic Development Council
        - This is a relatively new service
        - Department estimates cost in training to reach certification goals, before travel and lost work time, is $3,400 per person
    - Currently there are no practicing certified economic development professionals working in Alaska (in state government or out of state government)
- State government's interaction with University resources may be inefficient; economic development resources may be "siloed"
    - Do OED and AIDEA have regular practice of directing inquiries to existing University resources?
    - Do agencies and universities work closely to avoid duplicating tools and services?
    - What gaps should agencies fill that are not natural to the University?
- State government, through OED, is currently focused on a small set of industries
    - Focus may be broadened to allow room for additional industries/ideas
- Alaska state government does not maintain a web presence focused on attracting or retaining business
    - For contrast, see Oregon, http://www.oregon4biz.com/, found in two clicks from the State of OR homepage); North Dakota, http://www.business.nd.gov; Kentucky http://www.thinkkentucky.com/

## Possible Areas of Discussion for Legislature

1. Restructuring economic development functions within state government under alternate models such as public/private partnerships, corporate structures, strengthened divisions, or others.
2. Consideration of creation of a non-governmental (private sector) policy group at head of state economic development. Depending on departmental structure the advisory entity could be modeled on corporate, foundation, policy, or other board structures
3. Establishment or reestablishment of incentive programs to support economic development programs Cash, corp. tax credits
4. Budgeting for ARDOR programs
5. Budgeting for University programs that support small business development
6. Oversight hearings prior to and within the budget process to assess focus and resources of state offices with economic development missions
7. Establishment of additional loan programs to support small business economic development

## Additional Resources

- Alaska Economic Development Programs, prepared by Office of Economic Development
  - Document available through Office of Representative Austerman
  - Note: This matrix does not differentiate between Economic Development and Community Development programs (see definition on Page 1). True "economic development" programs are fewer than one dozen.
- Department and subunit missions: Office of Management and Budget
  - See http://gov.state.ak.us/omb/results/agencies.php#10 for missions related to DCCED and its divisions
- Alaska SourceLink www.aksourcelink.com. A web portal hosted by the university that provides information on all economic development support resources in the state

Robert Shively

# 2 Community Development or Economic Development?

Love and marriage, love and marriage...
You can't have one without the other.
—Sammy Cahn

**SO GOES THE** refrain from an old song. The same holds true for community development and economic development. *You can't have one without the other.* The two activities are complementary, not competitive. They are different sides of the same coin.

I had a professor in college who used to tell his students, "The line of demarcation between a genius and a maniac is very hard to draw." Similarly, one could easily say, "The line of demarcation between community development and economic development is very hard to draw." For example, suppose a new four-lane highway is built around a small city and serves a 160-acre industrial site. Is that economic development or community development? Who knows? Who cares?

**Community development is capacity building; economic development is wealth creation.**

*Community development* involves public facilities—schools, libraries, parks, hospitals, cultural attractions, recreational facilities. These are quality of life factors, and companies look closely at them when considering an investment in a town.

*Economic development* represents the creation of wealth, primarily through the attraction of investment. Economic development and its concomitant wealth creation provide the financial resources and tax base that make community development possible.

You can't have one without the other.

## The Relationship between Community and Economic Development

Stanford Research Institute alludes to the relationship of community and economic development in its definition of economic development: "The process by which your community will improve its *capacity* to grow and develop—economically, educationally, socially, and culturally" (Kotler, Haider, and Rein 1993, p. 75, emphasis added).

Community development is not only about physical structures and their contents, but also involves leadership training and development. It includes building the social structures for governance and community involvement while facilitating citizen participation and input. Capacity building includes creating a critical mass of an involved, informed, and enthusiastic citizenry, giving a community the capacity to solve its problems and create a better quality of life.

While many community leaders are frequently involved in both community and development activities, there are distinct differences in the management, supervision, and funding of the

two. Community development activities are primarily the province of governmental bodies—the city council, board of education, or county commissioners, for example. These governing bodies are elected by the people and allocate public funds to capacity-building projects. Private entities may provide funds for a community facility such as a library, hospital, or museum, but the management of the facility is usually the responsibility of the appropriate governmental body.

Economic development, on the other hand, has historically been a project of the private sector, usually the local chamber of commerce and/or a local development corporation. Because of the close relationship between community and economic development and state and federal grant programs available only to political subdivisions, the current trend is to create a public-private partnership in which the financing and the governance of the economic development program are shared by the private and public sectors. This is more thoroughly discussed in chapter 4, "Organizing the Economic Development Program," and chapter 10, "Funding the Economic Development Program."

## Defining Economic Development

Though accurate, it is not sufficient to define economic development simply as wealth creation. It deserves a more comprehensive definition.

A generation ago, the American Economic Development Council (which recently merged with the Council on Urban Economic Development to form the International Economic Development Council) adopted the following definition:

> Economic development—the process of creating wealth through the mobilization of human, financial, capital, physical, and natural resources to generate marketable goods and services.

Although not universally accepted by the profession, this definition established two important concepts:

1. It established that economic development is a process, a continuum, a game that never ends. A specific event such as the groundbreaking for a new industry is an event, the result of the continuing process.
2. It identified wealth creation as the goal and result of the process of economic development.

Other organizations and individuals have developed other definitions. MDC, an economic development think tank primarily serving the Southern states, uses this definition:

> Economic development—the process by which a community creates, retains and reinvests wealth. The goal of economic development should be to raise people's standard of living (MDC 1999).

This definition reasserts wealth creation as the result of economic development and introduces two very important functions—the retention and reinvestment of wealth. Retention of wealth-creating enterprises is an important part of any economic development program; it is usually referred to as retention and expansion, or R and E. (See chapter 8, "Building a Manufacturing Base.")

The reinvestment of wealth in a community is a key part of community and economic development, especially in small towns. The location of a new industry from outside the community is an important event, but how often does it occur? For a community to prosper, it is essential that people of means reinvest their wealth in the community even though it may not attract the publicity that a new industry does. Reinvesting in a community involves expanding existing businesses; real es-

tate acquisition and development; and investing in entrepreneurial ventures, housing development, and similar activities.

The Aspen Institute developed this definition:

> Economic development is essentially the process by which individuals and organizations make decisions to invest in an area. Through innovations and adaptations these investors increase their capacity to create wealth.

This definition reinforces the concepts of process, wealth creation, and investment. More importantly, it recognizes the role of individuals and organizations in the economic development process.

M. Ross Boyle, president of Growth Strategies Organization, Inc., a long-time leader in the field and past chairman of the American Economic Development Council, used this definition in his many presentations at the Economic Development Institute, University of Oklahoma: "Economic development is investment for the purpose of creating wealth: the use of people, money, and materials to produce profits." Boyle's definition stresses the importance of investment in creating wealth. His reference to profits, although not stated specifically, implies that investors produce profits for themselves and also increase profit potential for all businesses in a community.

The Economic Development Council of Colorado states that economic development is "creating and retaining community wealth which results in jobs, payroll, tax revenues, and a higher per capita income."

These definitions are all consistent in identifying process, wealth creation, investment, reinvestment, and retention of wealth as the driving forces of economic development. To bring these essential concepts together, I offer the following definition:

> **Economic development is the process of creating wealth through investment and reinvestment in a community resulting in more jobs, higher incomes, an expanded tax base, a more diversified economy, business improvement, and a better quality of life.**

# Legislation, Executive Orders and Policy from Other States

1. North Dakota
2. Wyoming
3. Oregon
4. Indiana
5. Washington

**54-60-04. North Dakota economic development foundation - Executive committee - Duties.** The North Dakota economic development foundation is created.

1. The foundation is composed of a minimum of fifteen and a maximum of thirty members appointed by the governor for two-year terms, except the governor shall appoint approximately one-half of the initial foundation members to one-year terms in order to initiate a cycle of staggered terms. Appointment of the foundation members must ensure a cross section of business, tourism, and economic development representation, and must ensure that at least one member represents rural concerns.

2. The foundation members shall elect an executive committee with a minimum of five and a maximum of seven foundation members, which shall include a chairman, vice chairman, secretary, treasurer, and up to three members at large.

3. The foundation shall seek funding for administrative expenses from private sector sources and shall seek and distribute private sector funds for use in commerce-related activities in the state.

4. The foundation shall:
   a. Provide the governor advice and counsel in selecting the commissioner.
   b. Serve in an advisory role to the commissioner.
   c. Develop a strategic plan for economic development in the state and set accountability standards, measurements, and benchmarks to evaluate the effectiveness of the department in implementing the strategic plan.
   d. Develop a strategic plan for the development of value-added agriculture in the state.
   e. Monitor tourism and economic development activities and initiatives of the department.
   f. Recommend state and federal legislation relating to strengthening the state's economy and increasing the state's population.
   g. Monitor state and federal legislation and initiatives that may impact the state's economy and population.
   h. Serve as a source of expertise for developing public and private initiatives to strengthen the state's economy and increase the state's population.

**54-60-05. Compensation and reimbursement of foundation members.** The foundation may establish the level of compensation to which a foundation member is entitled. A foundation member is entitled to reimbursement for mileage and expenses as provided for state officers.

Sixty-first
Legislative Assembly
of North Dakota

# SENATE BILL NO. 2110

Introduced by

Industry, Business and Labor Committee

(At the request of the Department of Commerce)

A BILL for an Act to create and enact two new sections to chapter 54-60 of the North Dakota Century Code, relating to the rural development office and the North Dakota rural development council; to amend and reenact sections 10-30.5-04, 54-34.3-01, 54-34.3-03, and 54-34.3-04, subsection 2 of section 54-34.3-13, sections 54-34.3-15, 54-34.4-01, and 54-34.4-02, subsection 1 of section 54-34.4-03, subsection 3 of section 54-60-04, and sections 54-60-06 and 54-60-17 of the North Dakota Century Code, relating to the powers of the North Dakota Development Fund, Incorporated, the department of commerce division of economic development and finance, the department of commerce division of tourism, the state tourism policy, the North Dakota economic development foundation, the North Dakota commerce cabinet, and the department of commerce division of workforce development; and to repeal sections 54-34.3-05, 54-34.4-04, and 54-60-11 of the North Dakota Century Code, relating to the finance office, the motion picture development office, and target industries.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 10-30.5-04 of the North Dakota Century Code is amended and reenacted as follows:

**10-30.5-04. ~~(Effective through July 31, 2009)~~ Powers.** The corporation must be organized as a nonprofit corporation. In addition to the powers in chapter 10-33, the corporation may:

1. Cooperate and contract with any private or public entity.
2. Receive appropriations from the legislative assembly and other public moneys as well as contributions from other private or public contributors.
3. ~~Borrow funds not to exceed ten million dollars from the Bank of North Dakota for the purpose of investing in North Dakota alternative and venture capital investments and early stage capital funds. The corporation may provide~~ Provide

management services for the Bank's alternative and venture capital investments and early-stage capital funds.

~~**(Effective after July 31, 2009) Powers.** The corporation must be organized as a nonprofit corporation. In addition to the powers in chapter 10-33, the corporation may:~~

~~1. Cooperate and contract with any private or public entity.~~

~~2. Receive appropriations from the legislative assembly and other public moneys as well as contributions from other private or public contributors.~~

**SECTION 2. AMENDMENT.** Section 54-34.3-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-34.3-01. Department of commerce division of economic development and finance established - Mission.** The department of commerce division of economic development and finance is established to assume the functions, powers, and duties of the department of economic development and finance with respect to programs and other efforts intended to enhance the economic development of the state. The mission of the division is to develop strategies and programs to:

1. Facilitate the growth, diversification, and expansion of existing enterprises and the attraction and creation of new wealth-generating enterprises in the state;
2. Promote economic diversification and innovation within the basic industries and economic sectors of this state, including strategies and programs designed to specialize and focus the state's economy on ~~advanced agriculture and food processing, energy byproduct development, export services and tourism, and advanced manufacturing~~ identified target industries;
3. Promote increased productivity and value-added products, processes, and services in the state, and the export of those goods and services by North Dakota enterprises to the nation and to the world;
4. Maintain and revitalize economically depressed rural areas by working in close collaboration with local communities and by encouraging communities to enter into cooperative relationships for more efficient and effective education, health care, government service, and infrastructure maintenance;
5. Forge a supportive partnership with the Bank of North Dakota, the board of higher education and the state's institutions of higher education, regional planning

councils, local development organizations and authorities, the ~~Myron G. Nelson Fund, Incorporated, the~~ state's nonprofit development corporations, and other appropriate private and public sector organizations in achieving the economic goals of the state; and

6. Identify those statutes, administrative rules, and policies that impede the attraction, creation, and expansion of businesses and job creation in this state.

**SECTION 3. AMENDMENT.** Section 54-34.3-03 of the North Dakota Century Code is amended and reenacted as follows:

**54-34.3-03. Division structure.** The division consists of:

1. ~~A finance office;~~
2. ~~An international business and trade office;~~
3. ~~Offices established by statute; and~~
4. 2. Offices the director organizes and establishes as necessary to carry out most efficiently and effectively the mission and duties of the division.

**SECTION 4. AMENDMENT.** Section 54-34.3-04 of the North Dakota Century Code is amended and reenacted as follows:

**54-34.3-04. Director - Compensation - Duties.** A director shall supervise and control the division. The director shall:

1. Manage the internal operations of the division and establish policies that promote the orderly and efficient administration of the division;
2. Appoint personnel as may be determined necessary to carry out this chapter and fix their compensation within the limits of legislative appropriations;
3. Assume central responsibility to develop, implement, and coordinate within state government a comprehensive program of economic development consistent with the mission of the division;
4. Coordinate that program of economic development with all other appropriate state and local government departments, agencies, institutions, and organizations that perform research, develop and administer programs, gather statistics, or perform other functions relating to economic development, and those government entities shall advise, cooperate, and provide reasonable assistance to the director in carrying out this chapter;

5. Advise, and cooperate with, departments and agencies of the federal government and of other states, private business and agricultural organizations and associations, research institutions, and any individual or other private or public entity, and call upon those entities or individuals for consultation and assistance in their respective fields of endeavor or interest in order that the division and the state may benefit from up-to-date technical advice, information, and assistance;
6. Cooperate with individuals and both public and private entities, including the state's congressional delegation, in identifying and pursuing potential sources of funding and to receive those funds to be expended for purposes consistent with this chapter;
7. Have authority to enter into contracts upon terms and conditions as determined by the director to be reasonable and to effectuate the purposes of this chapter; ~~and~~
8. Identify and coordinate sources of capital and financial assistance, including lending programs of the Bank of North Dakota, and administer programs of financial assistance placed under the administration of the division, to business and industry, local governments, and other entities and individuals in the state consistent with the mission of the division; and
9. Have authority to do any and all other things necessary and proper to carry out this chapter.

**SECTION 5. AMENDMENT.** Subsection 2 of section 54-34.3-13 of the North Dakota Century Code is amended and reenacted as follows:

2. The department shall designate an applicant city as a rural growth incentive city eligible for a loan if the city raises funds in the amount of a dollar-for-dollar match for the amount requested in the loan~~, prepares an economic development strategic plan,~~ and meets any additional program requirements provided by rule. The source of city funds used for loan matching funds may be any combination of public and private funds. If the department designates a city as a rural growth incentive city eligible for a loan under this section, subject to the availability of funds, the state shall make a loan to the city in an amount not less than twenty-five thousand dollars and not more than seventy-five thousand dollars. The department shall establish the amount of the interest rate for loans provided to a

city under this subsection. The funding source of the state loan is the North Dakota development fund. The city shall distribute the city and state funds to qualifying new or expanded primary sector businesses in the city. A qualifying business in the city includes a business that provides essential services to the city. For purposes of this subsection, a business that provides essential services does not include a public utility. The governing body of the city determines whether a new or expanded primary sector business qualifies for funding, and the director of the department determines whether a business that provides essential services to the city qualifies for funding. The state shall distribute a loan to a rural growth incentive city once the city establishes the city has chosen a specified qualified business to receive funding.

**SECTION 6. AMENDMENT.** Section 54-34.3-15 of the North Dakota Century Code is amended and reenacted as follows:

**54-34.3-15. Local economic developer ~~certification~~ education program.** The director shall implement ~~a certification~~ an education program through which the division provides training to assist local economic developers and community leaders in meeting the needs of businesses. The director may contract with a third-party service provider to assist in implementing the program. The director may set and charge a fee for the receipt of services under this program.

**SECTION 7. AMENDMENT.** Section 54-34.4-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-34.4-01. Division of tourism - Director.** The division of tourism is established to foster and promote tourism to, and within, the state and the full development of the state's tourism resources and to serve as a planning and coordinating agency for tourism-related programs of the state and the state's ~~political subdivisions~~ tourism partners. The director shall supervise and control the division of tourism.

**SECTION 8. AMENDMENT.** Section 54-34.4-02 of the North Dakota Century Code is amended and reenacted as follows:

**54-34.4-02. Duties of director.** The director of the department of commerce division of tourism, within the limits of legislative appropriations, shall:

1. Implement the state's tourism policy;

2. Prepare and update annually a tourism ~~master~~ marketing plan for the ~~development~~ promotion and expansion of tourism in the state which identifies the state's tourism resources, estimates the impact of tourism on the state's economy, and proposes a ~~five-year plan~~ marketing strategy for activities of the division;

3. Work with industry groups to prepare a long-term strategic plan each biennium.

4. Measure and forecast visitor volume, receipts, and related social and economic impacts;

~~4.~~ 5. Work with the private sector and local, state, and federal agencies to develop the state's tourism-related infrastructure, facilities, services, and attractions, including the state's highways ~~and~~, parks, and historic sites;

~~5.~~ 6. Organize and coordinate programs designed to promote tourism to, and within, the state through various means. Those means may include:

a. ~~Display~~ Print advertising in magazines ~~and~~, newspapers, and direct mail;

b. Advertising on radio ~~and~~, on television, online, in displays, or using other advertising media;

c. Publishing pamphlets, brochures, and other graphic and pictorial materials; ~~and~~

d. Designing the tourism side of the state highway map;

e. Aiding and assisting representatives of the media to ensure greater coverage of the state's visitor attractions, events, and recreational opportunities; and

f. Other marketing activities and events aimed at increasing visitor volume.

~~6. Participate in travel shows;~~

7. ~~Supervise and administer visitor information centers that receive funding from the state~~ Work with the department of transportation to improve visitor services along highways in the state and in state rest areas;

8. Develop opportunities for professional and technical education and training in the visitor industry;

9. Foster an understanding among the state's residents of the economic importance to the state of hospitality and tourism;

10. ~~Cooperate with local, state, and federal agencies and organizations and the private sector for the promotion and development of tourism to, and within, the state;~~

~~11.~~ Provide advice and technical assistance to local, public, and private tourism organizations in promoting and developing tourism; and

~~12.~~ 11. Monitor the policies and programs of state agencies that significantly affect the visitor industry, notify those agencies of the effects of their actions on travel to, and within the state, and if necessary recommend programs or policy changes to those agencies.

**SECTION 9. AMENDMENT.** Subsection 1 of section 54-34.4-03 of the North Dakota Century Code is amended and reenacted as follows:

1. The legislative assembly declares that:
   a. This state is endowed with scenic beauty, historical sites, cultural resources, local festivals, attractions, recreational facilities, and a population whose ethnic diversity and traditions are attractive to visitors;
   b. These human and physical resources should be preserved and nurtured, not only because they are appreciated by other Americans and by visitors from other lands, but because they are valued by the state's residents;
   c. Tourism contributes to economic well-being by creating job opportunities, generating revenues for local businesses, and creating new wealth in the economy;
   d. Tourism is an educational and informational medium for personal growth which informs residents about their state's geography and history, their political institutions, their cultural resources, their environment, and about each other;
   e. Tourism instills state pride and a sense of common interest among the state's residents;
   f. Tourism enhances the quality of life and well-being of the state's residents by affording opportunities for recreation, new experiences, and relief from job stress;
   g. Tourism advertising and marketing improves the image of North Dakota;
   h. Tourism promotes international understanding and good will, and contributes to intercultural appreciation;

~~h.~~ i. Tourism engenders appreciation of the state's cultural, architectural, technological, agricultural, and industrial achievements and is helpful in attracting new residents;

~~i.~~ j. The development and promotion of tourism to and within the state is in the interest of the people of this state;

~~j.~~ k. Tourism should develop in an orderly manner in order to provide the maximum benefit to the state and its residents;

~~k.~~ l. The development of a strong and competitive state visitor industry depends upon the availability of trained personnel, necessary infrastructure, and a receptive climate for tourism investment; and

~~l.~~ m. A comprehensive tourism policy is essential if tourism in the state is to grow in an orderly manner.

**SECTION 10. AMENDMENT.** Subsection 3 of section 54-60-04 of the North Dakota Century Code is amended and reenacted as follows:

3. The foundation shall seek funding for administrative expenses from private sector sources and shall seek and distribute private sector funds for use in commerce-related activities ~~in~~ of the state.

**SECTION 11. AMENDMENT.** Section 54-60-06 of the North Dakota Century Code is amended and reenacted as follows:

**54-60-06. Commerce cabinet.** The North Dakota commerce cabinet is created. The cabinet is composed of the directors of each of the department divisions and of the executive heads, or other authorized representatives, of the state board for career and technical education, the state board of higher education, the Bank of North Dakota, the department of agriculture, workforce safety and insurance, the department of transportation, job service North Dakota, the game and fish department, and of any other state agency appointed by the commissioner. The commissioner is the chairman of the cabinet and shall determine which agencies are members of the cabinet. The cabinet shall:

1. Coordinate and communicate economic development and tourism efforts of the agencies represented.
2. Meet at times determined by the commissioner.

~~3. Develop and make available before each regular session of the legislative assembly a list that identifies economic development moneys included in budget requests of cabinet agencies.~~

**SECTION 12. AMENDMENT.** Section 54-60-17 of the North Dakota Century Code is amended and reenacted as follows:

**54-60-17. Division of workforce development - ~~Higher education internships~~ Internships, apprenticeships, and work experience opportunities.** The division of workforce development shall administer a program to increase use of ~~higher education~~ internships, apprenticeships, and work experience opportunities for higher education students and high school students enrolled in grade eleven or twelve. The primary focus of this program must be higher education internships in target industries. This program shall provide services to employers, communities, and business organizations to increase ~~higher education~~ internship, apprenticeship, and work experience opportunities.

**SECTION 13.** A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

**Rural development office.**

1. The commissioner shall administer the rural development office. The purpose of the office is to assist in the development of rural North Dakota communities.
2. The commissioner may contract with a third party for the provision of services for the rural development office. If the commissioner contracts with a third party under this subsection, all data and databases collected and created by the third party in performing services for the office are the property of the department and the third party.
3. The department may seek and accept any gift, grant, or donation of funds, property, services, or other assistance from public or private sources for the purpose of furthering the objectives of the rural development office.

**SECTION 14.** A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

**North Dakota rural development council - Composition.** The North Dakota rural development council is created.

1. The North Dakota rural development council is composed of a minimum of nine and a maximum of seventeen members. The commissioner is an ex officio voting member of the council. The governor shall appoint council members for two-year terms, except the governor shall appoint approximately one-half of the initial council members to one-year terms in order to initiate a cycle of staggered terms. Appointment of the council members must ensure representation from eight regions designated by the commissioner. Members of the council serve at the pleasure of the governor.
2. The council shall select its own officers who shall serve for a term of two years commencing on October first of each year.
3. The council shall have at least two meetings each year and such additional meetings as the chairman determines necessary at a time and place to be fixed by the chairman. Special meetings must be called by the chairman on written request of any four members. A simple majority of the council constitutes a quorum and may act upon any matter coming before the council. Members of the council are entitled to reimbursement in the same manner and at the same rate provided by law for other state officials.
4. The council, in cooperation with the rural development office, shall:
   a. Facilitate collaboration among federal, state, local, and tribal governments and the private and nonprofit sectors in the planning and implementation of programs and policies that have an impact on rural areas of the state;
   b. Monitor, report, and comment on policies and programs that address, or fail to address, the needs of the rural areas of the state; and
   c. Facilitate the development of strategies to reduce or eliminate conflicting or duplicative administrative or regulatory requirements of federal, state, local, and tribal governments.

**SECTION 15. REPEAL.** Sections 54-34.3-05, 54-34.4-04, and 54-60-11 of the North Dakota Century Code are repealed.

Wyoming Statutes 9-12-101 through 9-12-804

CHAPTER 12 - WYOMING ECONOMIC DEVELOPMENT ACT

ARTICLE 1 - IN GENERAL

**9-12-101. Short title.**

This chapter shall be known and may be cited as the "Wyoming Economic Development Act."

**9-12-102. Definitions.**

(a) As used in this act, the following terms have the following meanings, except where the context clearly indicates otherwise:

(i) "Board" means the board of directors of the council;

(ii) "Council" means the Wyoming business council, the body corporate created by this article;

(iii) "Federal agency" means the United States, the President of the United States, and any department, corporation, agency, or instrumentality heretofore or hereafter created, designated, or established by the United States;

(iv) "Financial aid" means:

(A) The infusion of risk capital to persons by making investments for use in the development and exploitation of specific products;

(B) The purchase of securities;

(C) Royalty agreements;

(D) Loans and loan guarantees;

(E) Any contractual arrangement in which the council provides technological services to any person involving the development and exploitation of a specific product.

(v) "Person" means natural persons, firms, foundations, associations, corporations, business trusts, partnerships, joint ventures, and public bodies, including but not limited to the state of Wyoming, any state, and any agency, department, institution, political subdivision or instrumentality of Wyoming or any state;

(vi) "Product" means any product, device, technique or process, which is or may be exploitable commercially and includes products, devices, techniques or processes which have advanced

beyond the theoretic stage and are readily capable of being, or have been, reduced to practice but excludes pure research;

(vii) "Venture" means any contractual arrangement with any person whereby the council obtains rights from or in a product or proceeds therefrom in exchange for the granting of financial aid to the person;

(viii) "This act" means W.S. 9-12-101 through 9-12-1203.

**9-12-103. Wyoming business council; creation; composition; compensation; termination; meetings; surety bonds; fiscal control.**

(a) There is created the Wyoming business council. The council is a body corporate operating as a state instrumentality operated solely for the public benefit. As such it shall have, and is hereby vested with, the powers and duties conferred in this chapter. It shall be governed by a board of directors consisting of fifteen (15) voting directors, appointed by the governor with the advice and consent of the senate. The governor shall be a member and cochairman of the board, but shall not vote. The appointed directors shall have demonstrated leadership and business expertise. An equal number of directors shall be appointed to initial terms of one (1), two (2) and three (3) years. Thereafter, directors shall serve for terms of three (3) years. No appointed director shall serve more than two (2) successive three (3) year terms. If a vacancy occurs, the governor shall appoint a successor in accordance with W.S. 28-12-101. The governor may remove any board member he appoints for cause and shall remove any director who fails to attend three (3) consecutive regular meetings of the council. No appointed council member shall send a designee to attend a council meeting nor vote by proxy. The board shall select one (1) of its members to act as cochairman of the board. The board shall retain a chief executive officer. The chief executive officer serves at the pleasure of the board. All of the appointed directors shall be appointed at large and at least twelve (12) of the appointed directors shall be residents of Wyoming.

(b) The appointed directors shall receive per diem for attending board meetings in the same amount as state legislators and shall receive no other compensation for serving on the board. The board shall fix the salary of the chief executive officer. Subject to the approval of the directors, the chief executive officer shall determine the terms of employment, tenure, duties, working conditions, promotion and termination of all other employees which the chief executive officer determines are necessary to carry out the purposes and functions of the council. Employees of the council shall be covered by the Wyoming Retirement Act, the State Employees and Officials Group Insurance Act and the Wyoming Deferred Compensation Act.

(c) Upon termination of the council, all its rights and properties shall pass to and be vested in the state.

(d) The council shall determine the date, time, place and method of notice for all regular meetings of the council. A majority of the voting directors of the council constitutes a quorum for the transaction of any business or the exercise of any power or function of the council. Matters shall be decided by a majority vote of the voting members of the council. As unanimously determined by the council members, the council may take action by conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other at the same time.

(e) The council may execute and maintain at its expense a blanket surety bond covering each director, the chief executive officer and the employees or other officers of the council in the penal sum of two hundred fifty thousand dollars ($250,000.00).

(f) The council may also form committees and advisory councils, which may include representatives who are not members of the board, to undertake more extensive study and discussion of the issues before the board.

(g) Except as specifically provided in this act, the following provisions do not apply to the council:

(i) W.S. 9-2-1001 through 9-2-1026.1;

(ii) W.S. 9-3-101 through 9-3-105;

(iii) The Wyoming Administrative Procedure Act.

(h) Except as specifically provided in this act, the provisions of W.S. 16-4-201 through 16-4-205 and 16-4-401 through 16-4-408 shall apply to the council.

**9-12-104. General powers and duties of the council.**

(a) Except as otherwise limited by this act, the council may:

(i) Sue and be sued and procure necessary liability insurance;

(ii) Have a seal;

(iii) Make and execute contracts and other instruments;

(iv) Adopt rules and regulations to implement the programs and functions assigned to the council by this act. Any rule adopted by the council shall be submitted to the management council of the legislature in accordance with W.S. 28-9-101 through 28-9-108, approved by the governor as provided in W.S. 16-3-103(d) and filed with the secretary of state;

(v) Acquire or contract to acquire by grant, purchase, option or otherwise, real, personal or mixed property or any interest in property, including patents, copyrights, trademarks or any other evidence of protection or exclusivity as to products;

(vi) Own, hold, clear, improve and rehabilitate, and sell, assign, exchange, transfer, convey, lease and mortgage real, personal or mixed property or otherwise dispose of, or encumber the same;

(vii) Grant options to purchase any interest in or asset arising out of an agreement;

(viii) Provide advisory, consultative or educational services, technical assistance and advice to any person in order to carry out the purposes of the council;

(ix) Mortgage or pledge any or all of its revenue, income, or interest in or asset arising out of a venture agreement;

(x) Except as otherwise provided in this act, deposit any funds of the council in any financial institutions located within the state;

(xi) Procure insurance against any loss in connection with its property and other assets and operations in amounts and from insurers it deems desirable;

(xii) Engage the services of consultants on a contract basis for rendering professional, financial and technical assistance and advice, including for studies and investigation likely to lead to business development;

(xiii) Contract for and accept any gifts or grants or loans of funds or property or financial or other aid in any form from the federal government or any agency or instrumentality thereof, or from any other source and pass through or otherwise comply, subject to the provisions of this chapter, with the terms and conditions thereof;

(xiv) Enter into agreements with persons doing business or who will do business in this state for the advancement of financial assistance to those persons for research and the development of specific products, procedures and techniques to be developed and produced in this state conditioned upon contractual assurances that the benefits of increasing or maintaining employment and tax revenues shall remain in and accrue to this state;

(xv) Consent to the modification of the terms of any mortgage, loan or contract to which the council is a party;

(xvi) Organize, conduct, sponsor or cooperate in and assist the conduct of special institutes, conferences and demonstrations relating to the stimulation and formulation of business development;

(xvii) Make investments in projects that have potential to stimulate economic development in the state;

(xviii) Render advice and assistance and to provide services to state agencies, local and regional economic development entities, private firms and other persons providing services or facilities for economic development in Wyoming;

(xix) Do all acts and things necessary or convenient to carry out the powers granted to it by this act or any other act;

(xx) Provide a program for severance pay and other transitional employment services to employees of the department of commerce who lost their employment with the state of Wyoming due to this act and who are not reemployed with the council within sixty (60) days of having their employment terminated with the department of commerce;

(xxi) Repealed by Laws 2008, Ch. 6, 2.

(b) The board, consistent with this act, shall develop guidelines for each of the areas specified in subsection (a) of this section relative to definitions, types of grants or loans, level of funding and repayment requirements.

**9-12-105. Economic development services.**

(a) It shall be the duty of the council to encourage, stimulate and support the development and expansion of the economy of the state. The council is charged with the following duties and responsibilities:

(i) To see that there are prepared and carried out effective economic development marketing and promotional programs;

(ii) To make available, in conjunction and cooperation with localities, chambers of commerce, industrial authorities and other public and private groups, to prospective new businesses basic information and pertinent factors of interest and concern to such businesses;

(iii) To formulate, promulgate and advance programs throughout the state for encouraging the location of new businesses in the state and the retention and growth of existing businesses;

(iv) To encourage and solicit private sector involvement, support and funding for economic development in the state;

(v) To encourage the coordination of the economic development efforts of public institutions, regions, communities and private industry and collect and maintain data on the development and utilization of economic development capabilities;

(vi) To establish such offices within and without the state that are necessary to the expansion and development of industries and trade. The council shall establish economic development regions and offices within the state based upon socioeconomic and geographic similarities;

(vii) To encourage the export of products and services from the state to national and international markets; and

(viii) To advise the University of Wyoming and the Wyoming community college commission in designating technical training and other educational programs in Wyoming's community colleges and the University of Wyoming beneficial to economic development activities in this state.

**9-12-106. Planning and research.**

(a) It shall also be the duty of the council to:

(i) Develop a comprehensive economic development strategy for the state, starting the first year of each new gubernatorial administration, consistent with the provisions of this act; and

(ii) Conduct such studies and research, in collaboration with state agencies, university and community colleges, local and regional industrial authorities and organizations, and other persons within

and without the state, as the council may deem necessary, to assist in the development of the comprehensive economic strategy and the development of recommendations and advice on the improvement of economic development and related programs and strategies across the state.

(b) The council may establish a Wyoming market research center to conduct regional, national and international market research for Wyoming manufacturers and to conduct market feasibility studies for value added projects across all economic sectors, including agriculture. If a center is formed:

(i) The council and center shall develop a plan to phase-in fees for services and a formula for commissions payable by manufacturers for sales which are directly attributable to the center's research. The plan shall be directed to make the center self-sufficient by July 1, 2003;

(ii) The center may utilize the services of student interns from the University of Wyoming and community colleges to provide those students with practical marketing experience.

**9-12-107. Tourism promotion and development.**

(a) Repealed By Laws 2007, Ch. 5, 2.

(b) Repealed By Laws 2003, Ch. 8, 2.

**9-12-108. Coordination of business permits.**

(a) The council shall:

(i) Compile information on the federal, state and local requirements necessary to begin and operate a business in Wyoming and make this information available to the public on request;

(ii) Develop application procedures to expedite the state licensing and permitting process;

(iii) Assist prospective businesses in obtaining the necessary federal, state and local permits and licenses;

(iv) Encourage and facilitate the participation of federal, state and local government agencies in permit and license coordination;

(v) Review permit requirements and the value to the state of these permits and prepare recommendations for changes for submission to the appropriate agency, the governor and the legislature.

(b) The council may request assistance from any state agency to carry out its duties under this section. State agencies shall cooperate with the request for assistance.

**9-12-109. Promotion of agriculture.**

The council shall encourage and promote the development of agriculture in the state including horticulture, apiculture, livestock, poultry, dairying and the kindred industries and including the development of new value-added agribusiness and product uses and markets for Wyoming agricultural products.

**9-12-110. Exemptions from taxation; exceptions.**

The exercise of the powers granted by this act constitutes the performance of an essential governmental function. The council shall not be required to pay any taxes levied by any municipality or political subdivision of the state, other than to comply with the Wyoming employment security law and for assessments for local improvements, upon its property or monies. Except as provided herein, the council's monies and the income therefrom, shall be free from taxation of every kind by the state, municipalities and political subdivisions of the state.

**9-12-111. Investment and management of funds; audit.**

(a) Except as otherwise provided in this act, the council may invest funds not required for immediate disbursement in securities in which state funds may be invested as provided by law, sell securities it has purchased and deposit securities in any financial institution. Funds deposited in financial institutions shall be secured by obligations authorized as permissible security for state investments. In investing and managing its funds, the council shall exercise the judgment and care which persons of prudence, discretion and intelligence would exercise under similar circumstances in managing the permanent disposition of their funds, considering the probable income and the probable safety of their capital.

(b) The director of the department of audit or his designee shall conduct an audit of the books and accounts of the council. The examination shall include a financial and compliance audit of the council's operations as the examiner deems appropriate. The audit shall be conducted at least once in each year and copies of the audit report shall be filed with the secretary of state, the joint minerals, business and economic development committee and the legislative service office.

**9-12-112. Annual report and budget.**

(a) The council shall submit an annual report in the manner provided by W.S. 9-2-1014 and using the benchmarks prescribed in this act. In addition to the requirements of W.S. 9-2-1014, included within the annual report shall be:

(i) The status of the implementation of the comprehensive economic development strategy and recommended legislative and executive actions related to the implementation of the comprehensive economic development strategy;

(ii) A summary of the total investments made by the council under the Wyoming partnership challenge loan program, article 3 of this chapter, including:

(A) The name of each borrower and the amount of each loan;

(B) An evaluation of the loan success in economic development using appropriate performance indicators as identified by the council;

(C) The cost of the loan program to the people of Wyoming in terms of:

(I) Forgone interest that could have been obtained if the funds had been invested by the state treasurer with the permanent funds of the state;

(II) Administrative and other costs associated with the program.

(D) Revenues and any other benefits obtained from the program.

(iii) Repealed By Laws 2003, Ch. 8, 2.

(iv) Progress concerning the development of the research marketing center and its self-sufficiency under W.S. 9-12-106(b);

(v) A report of the film industry financial incentive program as provided in W.S. 9-12-406;

(vi) A summary of the total investments made by the council under the workforce housing infrastructure program under W.S. 9-12-901 through 9-12-905, including:

(A) The name of each borrower and the amount of each loan;

(B) An evaluation of the loan success in providing workforce housing infrastructure;

(C) The cost of the program to the people of Wyoming in terms of administrative and other costs associated with the program.

(b) The council shall submit its budget for review as provided by W.S. 9-2-1010 through 9-2-1014.

**9-12-113. Conflicts of interest.**

Council members shall be subject to the provisions of W.S. 16-6-118 and shall abstain from voting in accordance with that section.

ARTICLE 2 - SCIENCE, TECHNOLOGY AND ENERGY FINANCIAL AID

**9-12-201. Assumption of science technology and energy authority functions.**

In assuming the functions of the science energy and technology authority the council shall administer the program in accordance with the provisions of this act generally and the specific provisions of this article.

**9-12-202. Applications for financial aid from the council.**

(a) All applications for financial aid shall be submitted to the council who shall investigate and prepare a report concerning the advisability of approving the proposed financial aid for the applicant and concerning any other factors deemed relevant by the council.

(b) The investigation and report shall include such facts about the applicant under consideration as its history, wage standards, job opportunities, stability of employment, past and present financial condition

and structure, pro-forma income statements, present and future markets and prospects, integrity of management as well as the feasibility of the proposed product to be granted financial aid, including the state of development of the product as well as the likelihood of its commercial feasibility.

(c) After consideration of the report, the council shall approve or deny the application. The applicant shall be promptly notified of the decision. In making the decision as to approval or denial of an application, the council shall give priority to those applicants whereby:

(i) The proceeds of the seed capital aid will only be used to cover the initial capitalization needs of the enterprise within Wyoming except as otherwise authorized in this article;

(ii) The enterprise has a reasonable chance of success;

(iii) Participation by the council is necessary to the success of the enterprise because funding for the enterprise is unavailable in the traditional capital markets, or because funding has been offered on terms that would substantially hinder the success of the enterprise;

(iv) The enterprise seed capital has the reasonable potential to create a substantial amount of primary employment within the state;

(v) The entrepreneur and other founders of the enterprise have already made or are contractually committed to make a substantial financial and time commitment to the enterprise;

(vi) There is a reasonable possibility that the council will recoup at least its initial investment from seed capital contracts; and

(vii) Binding commitments have been made to the council by the applicant for adequate reporting of financial data to the council including a requirement for an annual or other periodic audit of the books of the enterprise, and for control by the council over the management of the enterprise, so as to protect the investment including the right of access to financial and other records of the enterprise.

(d) In determining the level of financial support to be advanced, the council shall limit its proportion of financial aid consistent with the existence of a market failure in product development financing but shall not provide more than twenty percent (20%) of the funds of the council for any one (1) project. Any financial aid toward product development financing granted pursuant to this section shall be equally matched or exceeded by the applicant. No financial aid granted pursuant to this section shall in any manner be pledged as collateral by the applicant.

(e) Before granting any seed capital financial aid, the council shall enter into an agreement with the applicant providing for a return to the council which is commensurate with the level of risk and amount of the financial aid.

ARTICLE 3 - WYOMING PARTNERSHIP CHALLENGE LOAN PROGRAM

**9-12-301. Definitions.**

(a) As used in this article:

(i) "Business" means any proposed or existing enterprise which employs people within the state, provides services within the state, uses resources within the state or otherwise adds economic value to goods, services or resources within the state, and includes farm and ranch operations;

(ii) "Community development organization" means a group of private citizens organized as a business entity authorized to do business in this state for the purpose of providing financing for new, existing, or expanding businesses and other economic or community development purposes throughout its community or county, and which may take equity positions and shall take security positions in its borrowers' businesses and appropriate personal guarantees from the owners thereof;

(iii) "Economic development account" means the economic development enterprise account within the revolving investment fund created under article XVI, section 12 of the Wyoming constitution. The account shall consist of funds from payments as provided in W.S. 9-12-305 and other funds as provided by law;

(iv) "State development organization" means a corporation organized under W.S. 17-11-101 through 17-11-120 with the authority to provide financing for new, existing or expanding businesses and to fulfill other economic or community development purposes throughout the state of Wyoming, and which may take equity positions and shall take security positions in its borrowers' businesses and appropriate personal guarantees from the owners thereof;

(v) "Economic disaster" means an event occurring in Wyoming that has an economic impact with total lost revenues to impacted businesses in a twelve (12) calendar month period of at least four million dollars ($4,000,000.00) or an economic impact with total lost revenues to impacted businesses in four (4) or less counties in a twelve (12) calendar month period of at least one million dollars ($1,000,000.00). The business council may use good faith estimates of lost revenues to businesses in determining whether an event qualifies as an economic disaster. Calculation of lost revenues shall only include actual losses incurred and shall not include any future losses;

(vi) "Bridge financing" means the provision of financing for that portion of the total project cost which is calculated by subtracting from total project cost the sum of ownership debt and equity. The council shall not consider a proposal in which the bridge financing component exceeds thirty-five percent (35%) of total project cost or five hundred thousand dollars ($500,000.00), whichever is less, and the business does not contribute more than fifteen percent (15%) of the total project cost;

(vii) "Guarantee loan participation" means a provision of financing by the council in which the council participates with a lender that has secured a federal guaranteed loan to guarantee repayment of a loan made to a business. The maximum participation by the council shall be fifty percent (50%) of the loan or one million dollars ($1,000,000.00), whichever is less;

(viii) "Loan guarantee" means a provision of financing by the council in which the council guarantees a portion of a bank loan made to a business;

(ix) "Wyoming main street loan participation" means a provision of financing by the council in which the council participates with a lender that has made a loan to a business for building improvements

to maintain the structure's historical character. The maximum participation by the council shall be seventy-five percent (75%) of the loan or one hundred thousand dollars ($100,000.00), whichever is less.

**9-12-302. Wyoming partnership challenge loan program; creation; rulemaking; administration account.**

(a) The council shall establish and administer a partnership challenge loan program under this article and may contract for necessary professional services. Loans authorized under the program shall be limited, except as otherwise provided under W.S. 9-12-304(c) through (g), to community development organizations and state development organizations and made in accordance with the provisions of W.S. 9-12-304. Any community development organization or state development organization may submit an application to the council to participate in the program on forms prescribed by and subject to rules promulgated by the council.

(b) The council, shall establish all fees and interest rates to be charged for each loan as it is underwritten for this program. The interest rate for loans made under this program shall be not less than four percent (4%) per annum. Fees on loans under the program shall be paid monthly and deposited into a program administration account which is continuously appropriated to the council to be expended solely for the purpose of administering this article and loans authorized under it.

**9-12-303. Council duties; actions on loan applications.**

All complete applications to participate in the loan program established under this article which conform with the criteria established by law and rules promulgated under this article which are submitted to the council shall be considered by the council. The council shall review the application and may communicate directly with the applicant and other lenders or potential lenders of the applicant. The council shall approve or disapprove each application it considers in accordance with this article and rules promulgated under it. In making its determination under this section, the council shall consider whether approval of the application would cause unfair competition with any existing business in the area. The council shall establish loan amortization schedules, terms and conditions for each loan approved.

**9-12-304. Criteria for loans.**

(a) Except as otherwise provided under subsections (c) through (g) of this section, loans under this article may only be made by the council to community development organizations and state development organizations which meet the following eligibility criteria:

(i) The community development organization or state development organization will contribute an amount of cash or cash equivalent at least equal to the loan it receives under this article to a program of investment in its area of local economic development;

(ii) The community development organization or state development organization will consolidate the loan it receives under this article and its required contribution under paragraph (i) of this subsection and make loans to Wyoming businesses and investments in support of Wyoming businesses, such as infrastructure construction loans and occupational training loans;

(iii) The community development organization has been endorsed by a resolution of the legislative body of its municipality or county or, in the case of a state development organization, has been endorsed by a resolution of the council; and

(iv) As part of any agreement under this article and to ensure funds loaned or committed under this section are invested by the community development organization or the state development organization in local economic development in a reasonable period of time, the council shall reserve the right to terminate the agreement.

(b) Loans, loan commitments or loan guarantees or any combination thereof shall be made under this article only:

(i) If the total amount to a single community development organization, or to a business for an economic disaster loan as provided under subsection (c) of this section or to a business for bridge financing as provided under subsection (d) of this section, does not exceed five hundred thousand dollars ($500,000.00), if the total amount to state development organizations does not exceed three million five hundred thousand dollars ($3,500,000.00), if the amount to a business for a federally guaranteed loan as provided under subsection (e) of this section does not exceed one million dollars ($1,000,000.00), if the amount to a business for a loan guarantee does not exceed one hundred thousand dollars ($100,000.00) per loan guaranteed or eighty percent (80%) of any net loan loss by the bank, whichever is less or if the amount to a business for a Wyoming main street loan participation as provided under subsection (g) of this section does not exceed one hundred thousand dollars ($100,000.00);

(ii) If there are sufficient funds in the economic development enterprise account to fully fund it and all other outstanding commitments, loans, loan guarantees and guarantee loan participations;

(iii) If funds provided by the state are adequately collateralized. The adequacy of the collateral shall be determined by the council;

(iv) If the application for the loan or loan commitment is submitted on or after September 1, 1996.

(c) Any business or group of businesses may apply to the council for designation of an area of this state as an area in which an economic disaster as defined in W.S. 9-12-301(a)(v) has occurred. The council shall prescribe the form and contents of such applications. The council shall review each application and make a determination as soon as practicable as to whether an economic disaster area designation shall be made. The council may make loans to any business located within the designated economic disaster area that has lost revenue as a result of the economic disaster. Subsection (a) of this section does not apply to economic disaster loans under this subsection.

(d) Any business may apply to the council for bridge financing as defined in W.S. 9-12-301(a)(vi). The council shall prescribe the form and contents of such application. The council shall review each application and make a determination as soon as practicable. In the event of a default for any loan made under this subsection, liability shall be shared proportionately between the state and the lending institution in the same percentage as the source of the loan. The interest of the state and the lending institution shall have priority over any claim of the business receiving the bridge financing or any other third party.

(e) Any business may apply to the council for a guarantee loan participation as defined in W.S. 9-12-301(a)(vii). The council shall prescribe the form and contents of the application. The council shall review each application and make a determination as soon as practicable. The council shall structure any guarantee loan participation so that in the event of default of any loan which is participated in under this subsection:

(i) Liability shall be shared proportionally between the state and the lending institution in the same percentage as the source of the funding for the loan; and

(ii) The interest of the state and the lending institution shall have priority over any claim of the business receiving the financing or any other third party.

(f) Any business may apply to the council for a loan guarantee as defined in W.S. 9-12-301(a)(viii). The council shall prescribe the form and contents of the application. The council shall review each application and make a determination as soon as practicable. The council shall structure any loan guarantee so that in the event of default of any loan that is guaranteed under this subsection:

(i) Liability to the state under the guarantee shall not exceed one hundred thousand dollars ($100,000.00) per loan guaranteed or eighty percent (80%) of any net loan loss by the bank, whichever is less; and

(ii) The interest of the state and the lending institution shall have priority over any claim of the business receiving the financing or other third party.

(g) Any business may apply to the council for a Wyoming main street loan participation as defined in W.S. 9-12-301(a)(ix). The council shall prescribe the form and contents of the application. The council shall review each application and make a determination as soon as practicable. In the event of a default for any loan made under this subsection, liability shall be shared proportionately between the state and the lender in the same percentage as the source of the loan. The interest of the state and the lender shall have priority over any claim of the business receiving the main street loan participation or any other third party.

**9-12-305. Economic development enterprise fund account; deposits; continuous appropriation; loans.**

Except for fees deposited in accordance with W.S. 9-12-302(b), all repayments of principal and interest to the state in connection with loans made under this article and other funds as appropriated by the legislature for the challenge loan program shall be deposited into the economic development enterprise account within the revolving investment fund. All funds in the account may be used for and are continuously appropriated for loans authorized to be made under this article. The total principal balance of outstanding loans shall not exceed the amounts appropriated by the legislature plus interest accrued and collected less any losses of loan principal or interest.

**9-12-306. Audit; report.**

(a) The director of the state department of audit or his designee shall annually examine the loan program created under this article and submit his report of examination to the governor, the legislature and the council. This examination shall include a financial and compliance audit of the council's operations, and

such financial audit of borrowers under this article as the examiner deems appropriate. As a condition of any loan under this article, the borrower shall agree to allow the examiner to examine its books and records. The examiner shall treat all proprietary information received in the course of the examination or audit as confidential.

(b) On or before July 15 of each year, the council shall submit a written report to the joint minerals, business and economic development interim committee reviewing rules adopted by the council during the reporting period, presenting a portfolio of loans made under the program and presenting a risk analysis of the portfolio of loans prepared by the state banking commissioner. The report, portfolio of loans and risk analysis required under this subsection shall be public records. The risk analysis prepared by the state banking commissioner shall not be subject to the limitations of W.S. 9-1-512.

**9-12-307. Penalty.**

Any person who knowingly makes a false statement to the council in connection with an application under this article or article 9 of this chapter is guilty of a felony punishable by imprisonment for not more than two (2) years, a fine of not more than two thousand dollars ($2,000.00), or both.

ARTICLE 4 - FILM AND VIDEO PROMOTION

**9-12-401. Repealed By Laws 2003, Ch. 8, 2.**

**9-12-402. Film industry financial incentive program; creation.**

There is created the film industry financial incentive program to encourage the use of this state as a site for filming and providing production services for filmed entertainment. The program shall be administered by the Wyoming tourism board.

**9-12-403. Film industry financial incentive program; definitions.**

(a) As used in this article:

(i) "Filmed entertainment" means any one (1) motion picture, television production, commercial or music video to be sold or displayed in electronic medium or film motion pictures;

(ii) "Production costs" means the total cost of producing filmed entertainment;

(iii) "Program" means the film industry financial incentive program created under this article;

(iv) "Qualified expenditures" mean expenditures for goods purchased or leased or services purchased, leased or employed from a vendor or supplier who is located and doing business in this state if the expenditure was made in this state and was made for a qualified production. Qualified expenditures for which reimbursement may be made are limited to:

(A) Salaries and employment benefits for services rendered in and to residents of this state;

(B) Rents for real and personal property located in this state used in the production;

(C) Payments for preproduction, production, post-production and digital media effects services provided in this state;

(D) Costs of set construction provided in this state.

(v) "Qualified production" means filmed entertainment totally or partially produced and filmed in this state that would have widespread public appeal and would likely encourage members of the public to visit the state of Wyoming;

(vi) "Board" means the Wyoming tourism board.

**9-12-404. Film industry financial incentive program; reimbursement eligibility; submission of required documentation; payment.**

(a) The board may contract with the makers of a qualified production to provide a reimbursement of up to fifteen percent (15%) of the production's qualified expenditures if a minimum of two hundred thousand dollars ($200,000.00) in total qualified expenditures are made.

(b) The sum of all contractual obligations under this section shall not exceed the total appropriation available for the program for any fiscal biennium.

(c) A qualified production applying for a payment under this section shall submit documentation for claimed qualified expenditures to the board.

**9-12-405. Film industry financial incentive program; contract required; procedure; approval process.**

(a) The board may contract with any entity engaged in this state in producing filmed entertainment for reimbursement of qualified expenditures as provided in this article. The board shall be provided information required to determine if the production is a qualified production and to determine the qualified expenditures, production costs and other information necessary for the council to determine both eligibility for and the appropriate level of reimbursement. No reimbursement shall be made unless the board has entered into an agreement which provides for adequate consideration to the state in exchange for the reimbursement provided. No reimbursement of qualified expenditures shall be made by the board until the qualified production is complete and substantially all contractual commitments made to the board have been fulfilled. If a qualified production is not completed according to a reasonable schedule, the contract shall be terminated and funds reallocated to other qualified productions.

(b) The board shall establish a process by which a contract under this article is formulated and executed and reimbursement amounts are determined. The board shall require information including, but not limited to:

(i) Production related employment;

(ii) Proposed total production budgets;

(iii) Planned expenditures in this state which are intended for use exclusively as an integral part of preproduction, production or post-production activities engaged in primarily in this state; and

(iv) A signed affidavit by a person authorized to commit the entity that the information provided to the board has been verified and is correct.

(d) The board shall not contract with any qualified production for reimbursement of qualified expenditures under this article unless the board determines that adequate consideration to the state in exchange for the reimbursement will be provided under the contract. The reimbursement shall not exceed the amount of measurable benefit gained by the state resulting from the qualified production expenditures. The consideration may include but is not limited to:

(i) Providing a storyline that is set in Wyoming;

(ii) Providing additional Wyoming behind the scenes footage;

(iii) Using Wyoming props and product placement; and

(iv) Providing a clear statement in the credits that the product was filmed in Wyoming.

**9-12-406. Film industry financial incentive program; rules and regulations; fraudulent claims; reporting.**

(a) The board may adopt rules and regulations to implement this article, including, but not limited to, requirements for the contract process, requirements for substantial completion of contractual commitments, records required for submission for substantiation of reimbursement and determination of and qualification for reimbursement.

(b) An entity that obtains payment under this article through a claim that is fraudulent is liable for reimbursement of the amount paid plus an amount double the payment plus reimbursement of reasonable costs. The amounts under this subsection are in addition to any criminal penalty for which the entity is liable for the same acts. The entity shall also be liable for costs and fees incurred by the state in investigating and prosecuting the fraudulent claim.

(c) The board shall report to the joint travel, recreation, wildlife and cultural resources interim committee and the joint appropriations interim committee by October 1 each year, expenditures under this article and the return to the state on funds expended pursuant to this article.

**9-12-407. Sunset provision.**

W.S. 9-12-402 through 9-12-406 are repealed effective June 30, 2011.

ARTICLE 5 - WYOMING COUNCIL FOR WOMEN'S ISSUES

**9-12-501. Creation; areas of attention.**

(a) The Wyoming council for women's issues is created within the Wyoming business council. The council for women's issues shall focus attention on the status of women in Wyoming with emphasis on the following areas:

(i) Employment practices;

(ii) Educational opportunities;

(iii) Home and community;

(iv) Legal rights and responsibilities.

(b) As used in this article, unless otherwise specified, "council" means the Wyoming council for women's issues.

**9-12-502. Membership; term; appointments; vacancies; removal; officers; acceptance of gifts and donations; expenses.**

(a) The council shall be composed of fourteen (14) members, each of whom shall serve for a term of six (6) years. The governor shall make the appointments and fill any vacancies for unexpired terms. The governor may remove any member as provided in W.S. 9-1-202. The council shall be composed of one (1) woman from each of the judicial districts in the state, four (4) persons chosen at large and the chief executive officer of the Wyoming business council or his designee who shall be an ex officio member. Not more than nine (9) members shall be from the same political party. Of the initial members appointed from each of the judicial districts, three (3) members shall be appointed for terms of two (2) years, three (3) members shall be appointed for terms of four (4) years and three (3) members shall be appointed for terms of six (6) years.

(b) The council shall elect a chairman and vice-chairman from its members. The Wyoming business council may employ a secretary on a part-time basis to assist the council. The council may accept gifts and donations.

(c) Members of the council shall receive no compensation but shall be reimbursed under W.S. 9-3-102 and 9-3-103 for per diem and travel expenses incurred in the performance of their duties.

ARTICLE 6 - COMMUNITY INFRASTRUCTURE PROGRAM

**9-12-601. Wyoming business ready community program; purpose; creation; rulemaking.**

(a) It is the purpose of this article to promote economic development at the city, town and county level in order to create additional economic health and a stronger state economy.

(b) The council shall establish and administer a Wyoming business ready community program as provided by this article. Any city, town or county may submit an application to the council for a grant or loan under the program on forms prescribed by and subject to rules promulgated by the council. Grants or loans

may be applied for by a joint powers board with the approval of all participating agencies to the joint powers agreement. Grants and loans may be made by the council for economic or educational development infrastructure projects, including the purchase of land, buildings, facilities, telecommunications infrastructure, rights of way, airports, sewer and water projects, roads, landscaping, recreational and convention facilities or other infrastructure determined by the council to be consistent with the purposes of this article. In adopting rules and making grants and loans under this article the council shall require all projects to be related to economic or educational development infrastructure, which shall not include rehabilitation or expansion of existing infrastructure unless the council determines the rehabilitation or expansion is necessary to meet the purposes of this article. All grants, loans or cooperative agreements made under this article shall be referred by the council to the state loan and investment board for final approval or disapproval. The state loan and investment board may adopt rules as necessary to implement its duties under this article.

(c) Grants shall be matching grants as determined by the council. Loans shall be made at no or low interest rates.

(d) Grants or loans shall be made under this article, only if the applicant demonstrates that upon receipt of the grant or loan, all projected project costs will be funded. Grants or loans for one (1) project may not exceed a maximum annual amount established by rule of the council. Multi-year projects may be awarded up to the maximum annual amount each year, for a period not to exceed three (3) years, as approved by the state loan and investment board. The application shall identify the source of all funds to be used for the project.

(e) Grants or loans may be used to fund project costs in accordance with approved applications and rules of the council. Grant or loan funds may be used to contract with community development organizations and state development organizations in accordance with the purposes of this article and approved applications.

(f) Loans provided under this article shall be adequately collateralized as determined by the council. No loans shall be made without the written opinion of the attorney general certifying the legality of the transaction and all documents connected therewith. An election approving the project and borrowing for the project by the qualified electors of the borrowing entity shall be required only if the attorney general determines such an election is otherwise required by law.

(g) Repayments of loans under this section shall be credited to the business ready community account.

(h) The council may also enter into cooperative agreements with the Eastern Shoshone Tribe and the Northern Arapaho Tribe in order to promote the purposes of this article.

(j) Grants may be made by the council for projects, in accordance with rules of the council, which:

(i) Improve the development of businesses that will provide data generation and information technology storage capabilities statewide or in municipalities of the state;

(ii) Encourage and provide for the expansion of existing businesses providing information technology storage enterprises in the state, including those developed through the University of Wyoming business technology center;

(iii) Provide a reduction of the costs of electrical power or bandwidth, or both, to businesses meeting the provisions of paragraph (j)(i) or (ii) of this section. In exchange for providing these reductions in costs, the political subdivision receiving the grant and providing the reduction in costs shall contract with the business to receive direct benefits and indirect economic development benefits including:

(A) A specific amount of capital investment by the business;

(B) A specific minimum payroll created by the business;

(C) The provision of information technology storage services to the state or the political subdivision at a price discounted from the fair market value of the services; and

(D) An agreement to repay with a reasonable rate of return any funds received to reduce costs if the business relocates from the political subdivision prior to the expiration of five (5) years from the date of first receiving funds.

(k) As used in this article:

(i) "Community development organization" means as defined by W.S. 9-12-301(a)(ii);

(ii) "State development organization" means as defined by W.S. 9-12-301(a)(iv).

**9-12-602. Wyoming business ready community program account.**

There is created the business ready community account. Funds shall be credited to the account as provided by law. Funds in the account are continuously appropriated to the council to be used only for cooperative agreements, grants or loans authorized to be made under this article.

**9-12-603. Council duties; actions on grant and loan applications.**

All complete applications to participate in the grant and loan program established under this article which conform with the criteria established by law and rules promulgated under this article which are submitted to the council shall be considered by the council. The council shall approve or disapprove each application it considers in accordance with this article and rules of the council.

ARTICLE 7 - AIR SERVICES FINANCIAL AID

**9-12-701. Amended and Renumbered as W.S. 10-3-601 by Laws 2005, ch. 13, 1.**

**9-12-702. Amended and Renumbered as W.S. 10-3-602 By Laws 2005, ch. 13, 1.**

ARTICLE 8 - WYOMING COMMUNITY FACILITIES PROGRAM

**9-12-801. Wyoming community facilities program; purpose; creation; administration by council; rulemaking authority; eligible projects.**

(a) It is the purpose of this article to assist communities to preserve former school and government facilities that have existing or future community uses.

(b) The council shall administer a Wyoming community facilities program as provided by this article, subject to the approval of grants and loans by the state loan and investment board as provided by this article.

(c) Any qualifying community with a demonstrated need for a community facility, including a city, town, county, joint powers board or other local governmental entity, may submit an application to the council for a grant or loan under this program on forms prescribed by and subject to rules promulgated by the council. Application by a joint powers board shall require the approval of all participating agencies to the joint powers agreement.

(d) Grants or loans may be recommended by the council and awarded by the state loan and investment board for economic development community facilities projects which provide:

(i) Space for community gatherings and functions;

(ii) Appropriate recreational, swimming and athletic facilities for community members, particularly youth;

(iii) Other functions or uses determined by the council to be consistent with the purposes of this article.

(e) In adopting rules and recommending grants and loans under this article, the council shall require all projects to be related to economic development or enhancement of quality of life in a community. Projects may consist of:

(i) The expansion, renovation or remodeling of existing surplus government facilities;

(ii) The purchase of an interest in or cooperative agreements for the expansion, renovation or conversion of school facilities to the extent the facilities exceed statewide school building and facility adequacy standards established by the school facilities commission under W.S. 21-15-115. No ownership interest to the project or facility under a project shall remain with the school district upon expenditure of any funds under this program for any project.

(f) All grants, loans or cooperative agreements recommended by the council shall be referred by the council to the state loan and investment board for final approval or disapproval in accordance with this article.

**9-12-802. Community facility qualifications; demonstration of need.**

(a) To qualify for a grant or loan under this article, an applicant shall demonstrate:

(i) A commitment by the applicant community to adequately maintain the project facility for which the grant or loan is requested during a reasonable period of time;

(ii) A partnership or other working arrangement or agreement with other local governmental entities to ensure the viability of the project facility over a reasonable period of time;

(iii) The project facility is not otherwise provided in the community or that such a facility exists except that the financing of that facility has not been paid in full;

(iv) The project will not compete with existing governmental organizations or businesses;

(v) The relationship of the project facility to a community economic development plan or to the enhancement of quality of life in the community;

(vi) That all project costs will be funded at the time of receipt of a grant or loan under this article, with funding sources specified within the project application;

(vii) The availability of funds sufficient to maintain the project facility. The project application shall clearly identify maintenance funding sources sufficient to cover maintenance costs for a period of not less than four (4) years;

(viii) Any other criteria developed by the council consistent with the purposes of this article.

**9-12-803. Community facility grant and loan; approval by state loan and investment board.**

(a) Grants shall be awarded on a matching basis at match proportions recommended by the council and approved by the board.

(b) Grants or loans may be used to fund project costs in accordance with approved applications and rules and regulations established by the council. Grant or loan funds may be used to contract with community development organizations and state development organizations in accordance with this article and approved project applications. For purposes of this subsection, "community development organizations" shall be as defined under W.S. 9-12-301(a)(ii) and "state development organizations" shall be as defined under W.S. 9-12-301(a)(iv).

(c) Loans provided under this article shall be adequately collateralized as determined by the council. No loans shall be made without the written opinion of the attorney general certifying the legality of the transaction and all documents connected therewith. An election approving the project and borrowing for the project by the qualified electors of the borrowing entity shall be required only if the attorney general determines such an election is otherwise required by law.

(d) Repayments of loans under this article shall be credited to the community facilities program account.

(e) The council shall prioritize proposed cooperative agreements, grants and loans it recommends to the state loan and investment board in accordance with rules it adopts under this article.

(f) The state loan and investment board shall adopt rules as necessary to implement its duties under this article governing the approval or disapproval of projects recommended by the council.

**9-12-804. Wyoming community facilities program account.**

The community facilities program account is created within the special revenue fund and shall consist of funds credited to the account as provided by law. Funds in the account are continuously appropriated to the council to be used only for cooperative agreements, grants or loans authorized by the state loan and investment board under this article.

**9-12-805. Tribal participation in community facilities program.**

The council may enter into cooperative agreements with the business council of the Eastern Shoshone Indian Tribe, the business council of the Northern Arapaho Indian Tribe or the joint business council of the Eastern Shoshone and Northern Arapaho Indian Tribes to promote the purposes of the community facilities program and to allow those entities to participate in the program.

ARTICLE 9 - COMMUNITY WORKFORCE HOUSING PROGRAM

**9-12-901. Wyoming workforce housing infrastructure program; purpose; definitions.**

(a) The legislature finds and declares that:

(i) There is in this state by reason of the location and expansion of mineral extractive industries and other economic developments, a critical shortage of adequate housing;

(ii) It is in the public interest of the citizens of this state to facilitate the provision of adequate housing in order to promote the economic welfare of the state and its residents by increasing employment, stimulating economic activity, augmenting sources of tax revenue, fostering economic stability, furthering health care and improving the balance of the state's economy;

(iii) It is the purpose of this article to promote and continue economic development by providing adequate housing necessary to create additional economic health and a stronger state economy;

(iv) This article constitutes a valid public purpose, of primary benefit to all citizens of the state of Wyoming.

(b) As used in this article:

(i) "Community development organization" means as defined by W.S. 9-12-301(a)(ii);

(ii) "Community land trust" means land held in trust as a public investment for the long-term benefit of a community to provide secure, affordable access to land and workforce housing for community residents;

(iii) "State development organization" means as defined by W.S. 9-12-301(a)(iv);

(iv) "Workforce housing" means owner-occupied, residential dwellings;

(v) "Workforce housing infrastructure" means publicly owned infrastructure to a workforce housing subdivision or development, and if determined by the council to be consistent with the purposes of this article, through a workforce housing subdivision or development. To be considered "workforce housing infrastructure" under this article, the infrastructure shall be for a workforce housing subdivision or development for which the political subdivision making application under this article has required, through zoning or otherwise, the inclusion of a specified percentage or number of housing units at specified maximum initial sale prices or to have a specified initially finished, maximum square footage. In addition, the following shall apply:

(A) "Workforce housing infrastructure" includes:

(I) Rights of way;

(II) Sewer and water distribution projects;

(III) Storm water control and drainage facilities;

(IV) Streets, roads and bridges;

(V) Curbs, gutters and sidewalks;

(VI) Lift stations;

(VII) Traffic signals;

(VIII) Street lighting;

(IX) Payment for the additional costs of over-sizing water and sewer distribution lines through or to a subdivision to accommodate future expansion;

(X) The purchase of land as necessary to accommodate infrastructure projects;

(XI) Other infrastructure determined by the council to be consistent with the purposes of this article.

(B) "Workforce housing infrastructure" shall not include:

(I) Projects, the primary purpose of which is to bring public infrastructure to existing housing which is supplied by a well or uses a septic system. Nothing in this subdivision prohibits the use of funding under this article to provide such infrastructure as incidental to an approved project;

(II) Refinancing of existing projects that have been financed previously with other resources;

(III) Financing any project under the Wyoming water development program established by W.S. 41-2-112 through 41-2-124;

(IV) Financing any project that does not provide for the construction of additional housing units or that involves rehabilitation or expansion of existing infrastructure unless the council determines the rehabilitation or expansion is necessary to meet the purposes of this article;

(V) Financing any infrastructure project which is not under public ownership.

**9-12-902. Wyoming workforce housing infrastructure program; creation; rulemaking.**

(a) The council shall establish and administer a Wyoming workforce housing infrastructure program as provided by this article. Any city, town, county or special improvement district may submit an application to the council for a loan under the program on forms prescribed by and subject to rules promulgated by the council. Loans may be applied for by a joint powers board with the approval of all participating agencies to the joint powers agreement. Loans may be made by the council for workforce housing infrastructure projects and community land trust projects. In adopting rules and making loans under this article the council shall require all projects to be related to workforce housing infrastructure or community land trusts.

(b) Loans may be made at zero interest rate, up to an annual interest rate equal to the average prime interest rate as determined in accordance with subsection (e) of this section. The council shall establish criteria for determining the maximum loan amounts subject to final approval by the state loan and investment board.

(c) Loans shall be made under this article, only if the applicant demonstrates that upon receipt of the loan, all projected project costs will be funded. Loans for one (1) project may not exceed a maximum annual amount established by rule of the council. Multi-year projects may be awarded up to the maximum annual amount each year, for a period not to exceed three (3) years, as approved by the state loan and investment board. The application shall identify the source of all funds to be used for the project.

(d) Loans may be used to fund project costs in accordance with approved applications and rules of the council. Loan funds may be used to contract with community development organizations, state development organizations and nonprofit organizations in accordance with the purposes of this article and approved applications.

(e) Loans provided under this article shall be adequately collateralized as determined by the council. The council shall establish interest rates to be charged for loans under the program, but the interest rate shall not exceed an annual interest rate equal to the average prime interest rate as determined by the state treasurer. To determine the average prime interest rate, the state treasurer shall average the prime interest rate for at least seventy-five percent (75%) of the thirty (30) largest banks in the United States. The interest rate shall be adjusted on January 1 of each year. Interest rates shall be established in recognition of the repayment abilities and needs of the local governmental entity eligible for loans under the program. The council shall establish loan amortization schedules, terms and conditions for each loan approved.

(f) No loans shall be made without the written opinion of the attorney general certifying the legality of the transaction and all documents connected therewith. An election approving the project and borrowing for the project by the qualified electors of the borrowing entity shall be required only if the attorney general determines such an election is otherwise required by law.

(g) Loans and loan commitments or any combination thereof shall be made under this article only:

(i) If there are sufficient funds in the workforce housing infrastructure program account to fully fund it and all other outstanding commitments and loans;

(ii) If repayment of any loan provided by the state is adequately collateralized. The adequacy of the collateral shall be determined by the council, subject to final approval by the state loan and investment board.

(h) Repayments of loans under this section shall be credited to the Wyoming workforce housing infrastructure program account.

(j) The council may also enter into cooperative agreements with the Eastern Shoshone Tribe and the Northern Arapaho Tribe in order to promote the purposes of this article.

(k) After approval of loans, the applicants shall report to the council, as required by the approved application. The report shall include:

(i) The progress of the project until the project is completed;

(ii) Any additional information required by the council to ensure compliance with loan requirements or compliance with this article.

**9-12-903. Council duties; actions on loan applications.**

(a) All complete applications to participate in the program established under this article, which conform with the criteria established by law and rules promulgated under this article and which are submitted to the council, shall be considered by the council. The council shall approve or disapprove each application considered in accordance with this article and rules promulgated by the council. All loans or cooperative agreements made under this article shall be referred by the council to the state loan and investment board for final approval or disapproval. The state loan and investment board may adopt rules as necessary to implement its duties under this article.

(b) In adopting rules and making funds available under this article, the council shall provide a competitive application and scoring system adequate to measure the benefits of each application. The application scoring system shall target the projects based on ranking criteria which address:

(i) The need for the proposed housing;

(ii) The affordability of the proposed housing;

(iii) The number of additional housing units to be developed, with consideration of the percentage of critical workforce housing needs in the community to be served;

(iv) The extent to which the project is part of an overall community and economic development plan;

(v) The extent to which the project demonstrates readiness;

(vi) Any other criteria determined by the council to be consistent with the purposes of this article.

(c) The council may negotiate and enter into appropriate contracts or memoranda of understanding with Wyoming state agencies, authorities or instrumentalities as necessary or convenient to facilitate the council's duties under this article.

**9-12-904. Community land trusts; eligibility; requirements.**

(a) Loans made under this article for community land trusts, in addition to meeting other requirements of this article, shall require that:

(i) The land subject of the trust be owned or leased by a political subdivision of the state, including a city, town, county, special improvement district or a housing authority authorized under W.S. 15-10-116;

(ii) The land be used for workforce housing with lots for housing leased and with the political subdivision remaining the owner of the land or the primary lessee;

(iii) The leases of lots be upon such terms as to allow commercial lenders to lend funds for housing construction on terms comparable to housing built on fee owned lands;

(iv) The housing development on lands subject to the trust include a specified percentage or number of housing units at specified maximum initial sale prices or be required to have a specified initially finished, maximum square footage as required by the political subdivision making application under this article, through zoning or otherwise;

(v) The lease terms for housing constructed on the land subject to the trust provide for continuation of the initial long term community benefit through subsequent sales of the housing.

(b) The political subdivision owning or leasing the land subject to the community land trust may fulfill the requirements of this section directly, through a housing authority created pursuant to W.S. 15-10-116, or by agreement with private nonprofit entities.

**9-12-905. Wyoming workforce housing infrastructure program account.**

(a) There is created the workforce housing infrastructure program account. Funds shall be credited to the account as provided by law. Funds in the account shall be used only upon legislative appropriation for cooperative agreements and loans authorized to be made under this article. All funds including any

earned interest and repayments of principal on loans under this article remaining in the workforce housing infrastructure program account at the end of a biennium shall not lapse and shall not revert as provided in W.S. 9-4-207 but shall remain in the account to implement the purposes of this section.

(b) Interest and repayments of principal on loans under this article shall be redeposited into the workforce housing infrastructure program account.

(c) Accrued interest and other earnings on unexpended funds within the account shall be credited to the workforce housing infrastructure program account.

ARTICLE 10 - WYOMING TOURISM BOARD

**9-12-1001. Wyoming tourism board; creation; composition; appointment; terms; compensation.**

(a) There is created the Wyoming tourism board. The board shall serve as the leading proponent of Wyoming's tourism and hospitality industry and shall provide governance and oversight for the division of travel and tourism.

(b) The board shall be comprised of nine (9) members who shall be employed in or associated closely with the travel industry. The board shall be appointed by the governor, and approved with the advice and consent of the senate, in accordance with W.S. 28-12-101 through 28-12-103, as follows:

(i) One (1) member shall be from tourism appointment district 1, consisting of Albany, Carbon and Laramie counties;

(ii) One (1) member shall be from tourism appointment district 2, consisting of Converse, Goshen, Natrona, Niobrara and Platte counties;

(iii) One (1) member shall be from tourism appointment district 3, consisting of Campbell, Crook, Johnson, Sheridan and Weston counties;

(iv) One (1) member shall be from tourism appointment district 4, consisting of Lincoln, Sweetwater and Uinta counties;

(v) One (1) member shall be from tourism appointment district 5, consisting of Big Horn, Hot Springs, Park and Washakie counties;

(vi) One (1) member shall be from tourism appointment district 6, consisting of Fremont, Sublette and Teton counties;

(vii) Three (3) members shall be at-large members appointed to provide geographic and tourism industry balance.

(c) Each appointed member shall serve for three (3) years, except that the initial appointments of the members shall be:

(i) One (1) year for one (1) of the at-large members and the members appointed from tourism appointment district 2 and tourism appointment district 5;

(ii) Two (2) years for one (1) of the at-large members and the members appointed from tourism appointment district 1 and tourism appointment district 3; and

(iii) Three (3) years for one (1) of the at-large members and the members appointed from tourism appointment district 4 and tourism appointment district 6.

(d) No appointed member shall serve more than two (2) consecutive three (3) year terms.

(e) The board shall select a chairman and a vice-chairman from among its members.

(f) The governor may remove any member as provided by W.S. 9-1-202.

(g) Members of the board shall receive mileage and per diem for attending board meetings or other meetings as assigned by the board, in the same amount as state legislators and shall receive no other compensation for serving on the board.

(h) For purposes of this article, "board" means the Wyoming tourism board.

**9-12-1002. General powers and duties of the board; rulemaking authority.**

(a) The board shall be responsible for implementing the tourism program and functions assigned to the Wyoming business council under the Wyoming Economic Development Act, including the expenditure of all funds appropriated for the tourism program and shall:

(i) Assemble and distribute information concerning the scenic and recreational opportunities and resources of Wyoming;

(ii) Encourage close cooperation between public and private agencies engaged in stimulating recognition of Wyoming recreational resources;

(iii) Implement programs to promote tourism in Wyoming; and

(iv) Administer the film industry financial incentive program as provided in W.S. 9-12-402 through 9-12-406.

(b) The board shall assign a member to attend all regularly scheduled meetings of the Wyoming business council.

(c) The board shall promulgate rules and regulations necessary to implement this article.

ARTICLE 11 - MAINSTREET PROGRAM

**9-12-1101. Definitions.**

(a) As used in this article:

(i) "Board" means the Wyoming main street advisory board;

(ii) "Business area" means a commercial area existing at the time services under the Wyoming main street program are requested by a municipality;

(iii) "Municipality" means a city, town, county or district;

(iv) "Revitalization" means the process of engaging in activities to increase economic activity while preserving and building upon a location's historically significant characteristics.

**9-12-1102. Wyoming main street advisory board.**

(a) There is created a Wyoming main street advisory board. The board shall consist of seven (7) members appointed by the governor, not more than four (4) of whom shall be from the same political party. Board members shall elect from their membership a chairman, vice-chairman and secretary.

(b) The governor may remove any member of the board as provided by W.S. 9-1-202.

(c) Board members shall serve a three (3) year term provided that of the initial board, two (2) members shall be appointed for a one (1) year term, two (2) members for two (2) year terms and three (3) members for three (3) year terms. Vacancies on the board shall be filled by appointment of the governor for the unexpired term.

(d) Members of the board shall receive the same per diem, expenses and travel allowance as members of the legislature while in actual attendance at meetings of the board and the performance of their duties relative thereto.

(e) The department shall provide staff services as required by the board to carry out the board's duties.

(f) The board shall meet as often as necessary to conduct business, but not less than three (3) times each year. Meetings shall be called by the chairman. A majority of members of the board shall constitute a quorum.

**9-12-1103. Duties of the board.**

(a) The board shall:

(i) Assist the council in developing a plan to operate the Wyoming main street program;

(ii) Annually review the program and report findings and recommendations, including recommendations for future legislation, to the governor;

(iii) Provide a comprehensive evaluation of the Wyoming main street program annually to the joint minerals, business and economic development interim committee no later than September 1 of

each year. The report shall include findings and recommendations, including recommendations for future legislation.

**9-12-1104. Duties of the council.**

(a) The council shall establish and administer a Wyoming main street program to coordinate state and local participation in programs offered by the national main street center, created by the national trust for historic preservation, to assist municipalities in planning, managing and implementing programs for the revitalization of business areas.

(b) In carrying out subsection (a) of this section, the council shall:

(i) Enter into contracts to obtain business area revitalization services;

(ii) Subject to legislative authorization, employ any staff necessary to operate the Wyoming main street program;

(iii) With advice from the board, develop a plan describing the objectives of the Wyoming main street program and methods by which the council shall:

(A) Coordinate the activities of that program with private and public sector revitalizations of business areas;

(B) Solicit and use private sector funding for revitalization of business areas;

(C) Assist municipalities engaged in the revitalization of their business areas.

(iv) Coordinate with other state and local public and private entities that provide services to municipalities undertaking projects for the revitalization of business areas;

(v) Provide training, technical assistance and information on the revitalization of business areas to municipalities which do not participate in the Wyoming main street program;

(vi) Repealed By Laws 2009, Ch. 8, 2.

(c) The council shall promulgate rules necessary to carry out the provisions of this article.

**9-12-1105. Main street program.**

(a) The council with advice from the board shall determine the number of municipalities to participate in the Wyoming main street program. The council shall select program participants that represent different geographical regions or populations. The council shall hold at least one (1) public hearing before making selections under this subsection.

(b) In making its selection pursuant to subsection (a) of this section, the council, with the assistance of the board, shall develop criteria for use in selecting program participants which relate to at least the following issues:

(i) Private and public sector interest in and commitment to revitalization of a business area selected by the municipality;

(ii) Potential private sector investment in a business area selected by the municipality;

(iii) Local organizational and financial commitment to employ a program manager for not less than three (3) years;

(iv) Local assistance in paying for the services of a design consultant recommended by the advisory board;

(v) Local commitment to assist in training programs to direct activities related to business areas in municipalities that do not participate in the Wyoming main street program.

ARTICLE 12 - WYOMING ENERGY PERFORMANCE PROGRAM

**9-12-1201. Definitions.**

(a) As used in this article:

(i) "Agency" means a branch, agency, department, board, instrumentality or institution of the state of Wyoming, a county, a municipal corporation, a school district, a community college district, the University of Wyoming, the joint business council of the Eastern Shoshone and Northern Arapaho Indian tribes, the business council of the Eastern Shoshone Indian tribe, the business council of the Northern Arapaho Indian tribe, a joint powers board formed pursuant to this act or a special district specifically involved in providing facilities or functions enumerated in W.S. 16-1-104(c);

(ii) "Energy conservation measure" means an energy study, audit, improvement or equipment that is designed to provide energy, water and operational cost savings at least equivalent to the amount expended by a facility owner for such energy study, audit, improvement or equipment over a period of not more than twenty (20) years after the date such improvement or equipment is installed or becomes operational;

(iii) "Energy performance contract" means the contract that allows a facility owner to accomplish energy or water efficiency projects without upfront capital costs or capital appropriations. An energy performance contract shall not be considered to be a contract for public improvement pursuant to W.S. 15-1-113;

(iv) "Energy services company" means the contractor not organized under the auspices of a utility regulated by the public service commission with demonstrated technical, operational, financial and managerial capabilities to design and implement energy conservation measures and the ability to secure necessary financial measures to ensure related guarantees for operational cost savings and who is responsible for the audit, design, implementation, measurement, verification and guarantee of savings for individual projects;

(v) "Facility owner" means an agency or group of agencies, a public hospital or other public entity responsible for an individual facility or group of facilities;

(vi) "Investment grade energy audit" means the detailed engineering investigation and report of a facility's current energy and water consuming equipment inventory, condition, operation, maintenance and performance, energy baseline, potential energy and water efficiency upgrades, life cycle costs and risks for future performance that provides the justification for the energy performance contract project;

(vii) "Wyoming energy conservation improvement program" means the Wyoming business council state energy office program designed to enable and support development and implementation of energy performance contract projects.

**9-12-1202. Energy performance contracting.**

The council shall establish a Wyoming energy conservation improvement program which provides support development and implementation of energy performance contract projects to facility owners voluntarily participating in the program. In order to participate in the program, facility owners and energy services companies shall be subject to the provisions of this article and rules adopted pursuant to this article.

**9-12-1203. Energy performance contracting.**

(a) Upon receipt of a request from a facility owner, the Wyoming business council shall provide the facility owner with a list of energy service companies interested in providing services to the facility owner and qualified by the Wyoming business council to participate in the Wyoming energy conservation improvement program.

(b) The energy services company participating in the Wyoming energy conservation improvement program shall provide an investment grade audit showing the estimated energy and operational cost savings that would result from the proposed energy conservation measures. Before executing any contract or lease purchase agreement under subsection (c) of this section, the energy services company shall provide the facility owner with plans for the proposed energy conservation measures prepared by an engineer licensed to practice in Wyoming.

(c) Notwithstanding W.S. 15-1-113 and subject to the provisions of subsection (e) of this section, a facility owner may enter into an installment payment contract or lease purchase agreement for an energy or water conservation measure which meets the criteria of this section. Any documents related to negotiations entered into pursuant to this section with individual energy services companies by an agency or facility owner shall be considered trade secrets pursuant to the provisions of the Wyoming Public Records Act, W.S. 16-4-201 through 16-4-205. After a contract has been executed by an agency, the contract and all proposals from energy service companies shall be open records available for public inspection in accordance with the Wyoming Public Records Act.

(d) Energy performance contracts entered into pursuant to the Wyoming energy conservation improvement program shall require the energy services company to provide to the facility owner an annual reconciliation of the guaranteed energy savings. If the reconciliation reveals a shortfall in annual energy savings, the energy services company shall be liable for compensation to the facility owner for such

shortfall under the provisions of the energy performance contract. If the reconciliation reveals an excess in annual energy savings, the excess savings shall be retained by the facility owner and shall not be used to cover potential energy savings shortages in subsequent contract years.

(e) An energy performance contract entered into pursuant to the Wyoming energy conservation improvement program may provide for financing, including tax exempt financing, by a third party. The contract for third party financing may be separate from the energy performance contract. A separate contract for third party financing shall include a provision that the third party financier shall not be granted rights or privileges that exceed the rights and privileges available to the energy services company.

(f) The Wyoming business council may provide support under the Wyoming energy conservation improvement program as requested by facility owners for purposes of this section. The Wyoming business council state energy office may fix, charge and collect reasonable fees for any administrative support and resources or other services provided by the Wyoming business council pursuant to this subsection.

(g) If the facility owner fails to appropriate or receive an appropriation of money for a periodic payment due for improvements made through an energy performance contract, any security interest in any property created pursuant to the energy performance contract, may be enforced by the holder of such a security interest against the property.

(h) The term of an energy performance contract shall not exceed twenty (20) years after the date on which the work required by the energy performance contract to implement all energy conservation measures is completed.

(j) The Wyoming business council shall submit to the joint minerals, business and economic development interim committee by October 1, an annual report on the energy performance contracting performed under the Wyoming energy conservation improvement program. The report shall include the number of applications submitted, the number of facility owners, the number of energy performance contracts, the results of the investment grade energy audits and the results of the energy performance contracts.

# Office of the Governor
# State of Oregon

**EXECUTIVE ORDER NO. 08-11**

**RESTRUCTURING OREGON ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT**

The continued vitality of Oregon's complex economic landscape requires thriving communities, a strong and well-educated workforce, a healthy environment and the establishment of diversified, progressive industries. Oregon must manage its assets and position itself today for continued economic success into the 21st Century.

Oregon faces the unprecedented challenges of population growth, aging community infrastructure and pressing climate change concerns. While there are opportunities in the global marketplace for Oregon companies, there is also intense competition from other states and nations. By aggressively taking advantage of economic development opportunities, particularly those presented by promoting industries fighting global warming with innovation and new technologies, Oregon can stimulate new businesses and jobs.

The Oregon Economic and Community Development Department (OECDD) is the state agency primarily responsible for job creation in Oregon. The OECDD's broad scope of work has created disparate expectations of OECDD's mission. Two of OECDD's three program divisions are focused on job retention, creation and recruitment. The primary focus of OECDD's third division, the Community Development Division, is to help Oregon communities meet their infrastructure goals, particularly in the areas of safe drinking water and water and wastewater systems. The absence of a clear and focused agency-wide mission has hindered OECDD's ability to successfully partner with stakeholder groups around the state to promote economic development.

OECDD's realignment will provide an essential, strategic framework to address the challenges facing Oregon and position the state for long-term success into the 21st Century and provide clarity, accountability and viability for the department's distinct missions. To this end, OECDD's community and business development functions will be separated.

OECDD's business development divisions should form a stand-alone department with the mission of serving as a catalyst of sustainable economic growth. This department will focus on the retention and expansion of Oregon companies, leveraging Oregon's innovation and strategic partnerships in the global economy, recruitment of new businesses to the state, creation of jobs by transferring innovative knowledge into the marketplace and raising real wages.

OECDD's community development programs are best served in an agency with a complementary structure and focus as the division's core functions. Community-based resources will be realigned to ensure the most efficient and effective delivery of services. At the same time, infrastructure-based activities will be focused to ensure a sustainable relationship between the natural and built environments, with an asset management model serving as its structural framework.

**NOW THEREFORE, IT IS HEREBY DIRECTED AND ORDERED:**

1. OECDD's Community Development Division shall be considered separate and distinct from all other activities and functions of OECDD's Business and Trade Development Division and Innovation and Economic Strategies Division within OECDD.

2. The OECDD Director shall work with the OECD Commission to ensure that Community Development policies and programs be pursued, and oversight administered, in a manner that is separate and distinct from the oversight and administration of all other Business Development programs, activities and functions within OECDD.

3. The OECDD Director shall work with the OECD Commission to establish a framework that enables Community Development to more effectively focus its activities on infrastructure-related projects and other community-based resource programs.

4. The OECDD Director shall work with the OECD Commission to ensure that staff from the Central Operations Division is assigned appropriately to provide direct support separately for Community Development activities and functions and for Business Development activities and functions.

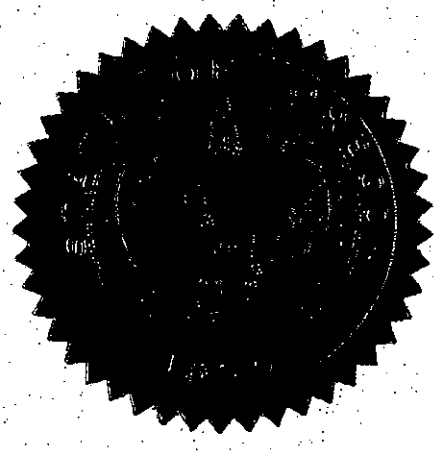
5. The OECDD Director shall seek and consider input from stakeholders and legislators throughout the state, particularly regarding policy and structural details to ensure the effective design and implementation of a strategic redesign of the department.

6. OECDD and other appropriate state agencies shall identify areas of overlapping authority and coordinate activities and resources to facilitate the structural reorganization.

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**PAGE THREE**

7. OECDD and other appropriate state agencies shall begin necessary planning to implement a proposed reorganization if legislation to restructure the agency is adopted by the Legislative Assembly.

Done at Salem, Oregon, this 12th day of May, 2008.



Theodore R. Kulongoski
GOVERNOR

ATTEST:

Bill Bradbury
SECRETARY OF STATE

# Enrolled
# House Bill 2152

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Presession filed (at the request of Governor Theodore R. Kulongoski for Economic and Community Development Department)

CHAPTER .....

AN ACT

Relating to economic development; creating new provisions; amending ORS 183.635, 200.025, 200.045, 200.055, 200.057, 200.065, 200.110, 200.120, 200.170, 285A.010, 285A.020, 285A.040, 285A.045, 285A.050, 285A.055, 285A.060, 285A.070, 285A.075, 285A.080, 285A.116, 285A.152, 285A.185, 285A.188, 285A.190, 285A.192, 285A.200, 285A.206, 285A.213, 285A.224, 285A.227, 285A.306, 285A.346, 285A.349, 285A.600, 285A.615, 285A.627, 285A.654, 285A.657, 285A.660, 285A.669, 285A.672, 285A.678, 285A.681, 285A.684, 285A.687, 285A.690, 285A.693, 285A.696, 285A.702, 285A.705, 285A.708, 285B.050, 285B.053, 285B.056, 285B.059, 285B.062, 285B.065, 285B.068, 285B.080, 285B.081, 285B.086, 285B.089, 285B.092, 285B.093, 285B.126, 285B.132, 285B.135, 285B.138, 285B.141, 285B.147, 285B.168, 285B.178, 285B.179, 285B.200, 285B.206, 285B.209, 285B.215, 285B.218, 285B.230, 285B.233, 285B.236, 285B.260, 285B.266, 285B.283, 285B.286, 285B.290, 285B.323, 285B.326, 285B.329, 285B.335, 285B.338, 285B.341, 285B.344, 285B.362, 285B.371, 285B.410, 285B.413, 285B.419, 285B.422, 285B.428, 285B.437, 285B.440, 285B.449, 285B.455, 285B.460, 285B.462, 285B.465, 285B.467, 285B.470, 285B.473, 285B.482, 285B.503, 285B.506, 285B.512, 285B.515, 285B.533, 285B.551, 285B.560, 285B.563, 285B.572, 285B.575, 285B.581, 285B.584, 285B.590, 285B.593, 285B.599, 285B.740, 285B.743, 285B.746, 285B.749, 285B.758, 285C.612, 468B.415, 657.665, 777.267, 777.277, 777.282, 777.284 and section 32, chapter 773, Oregon Laws 2003, sections 2, 3 and 4, chapter 756, Oregon Laws 2005, and sections 7 and 9, chapter 746, Oregon Laws 2007; repealing ORS 285A.483, 285A.486, 285A.489, 285A.495, 285B.239, 285B.242, 285B.245, 285B.248, 285B.263, 285B.264 and 285B.269; appropriating money; and declaring an emergency.

**Be It Enacted by the People of the State of Oregon:**

## OREGON INFRASTRUCTURE FINANCE AUTHORITY CREATION AND ADMINISTRATIVE PROVISIONS

**SECTION 1. Sections 1a to 7 of this 2009 Act are added to and made a part of ORS chapter 285A.**

**SECTION 1a. (1) The Oregon Infrastructure Finance Authority Board is created as a policy-making and advisory body within the Oregon Business Development Department. The board consists of nine members as follows:**

**(a) One nonvoting member appointed from members of the Senate by the President of the Senate;**

(b) One nonvoting member appointed from members of the House of Representatives by the Speaker of the House of Representatives;

(c) One member appointed by the State Treasurer; and

(d) Six members appointed by the Governor.

(2) Persons appointed members of the board must be Oregon residents, well qualified by experience to make policy and recommendations in areas of concern to the Oregon Infrastructure Finance Authority and to perform the duties of office. Members shall be appointed with consideration given to knowledge and experience:

(a) In the field of state and municipal finance;

(b) Of the infrastructure and public works needs in Oregon cities;

(c) Of the infrastructure and public works needs in Oregon counties;

(d) Of issues related to ports that affect the state;

(e) Of issues related to special service district services furnished across the state; and

(f) Of infrastructure and public works necessary to further Oregon's long term economic growth.

(3) The office of the State Treasurer may recommend persons with expertise in the field of state and municipal finance for membership on the board.

(4) The term of a member of the board appointed by the Governor, the State Treasurer or the President of the Senate is four years. The term of a member appointed by the Speaker of the House of Representatives is two years.

(5) In case of a vacancy on the board for any cause, the appointing authority shall appoint a successor to serve for the unexpired term.

(6) A member of the board may be appointed to serve two consecutive terms. A member who serves two consecutive terms is not eligible for reappointment within one year following the expiration of the second term.

(7) The board shall select one of its members to chair the board for such term and with duties and powers necessary to perform the functions of the office as the board determines.

(8) A majority of the voting members of the board constitutes a quorum for the transaction of business.

SECTION 2. The Oregon Infrastructure Finance Authority Board shall:

(1) Serve as a body to advise municipalities, state agencies and private persons on the development and implementation of state policies and programs relating to the infrastructure needs of this state and its communities.

(2) Advise the Governor, the Director of the Oregon Business Development Department and the Oregon Business Development Department on all matters relating to infrastructure and public works programs and activities administered by the Oregon Infrastructure Finance Authority.

(3) Develop a recommended biennial budget for the operation of the authority and submit the budget to the director and the Governor.

(4) Seek and receive the views of all levels of government and the private sector with respect to state policies and programs to address the infrastructure needs of this state.

(5) Prepare and submit to the Director of the Oregon Business Development Department suggested administrative rules that the board determines are necessary for the operation of the programs under the direction of the authority.

(6) Establish policies and procedures for loan and grant programs administered by the authority.

SECTION 3. (1) The Oregon Infrastructure Finance Authority is established as an administrative section within the Oregon Business Development Department, subject to the supervision of the administrator of the authority. The authority consists of the administrator and all personnel employed by the authority.

**(2) The authority shall develop and administer programs and funds of the department that address the infrastructure needs of this state pursuant to the policies of, and as may be recommended by, the Oregon Infrastructure Finance Authority Board.**

**(3) The authority shall provide the Oregon Infrastructure Finance Authority Board with staff and other assistance as necessary for the board to perform its duties.**

**(4) The authority shall employ, in accordance with the State Personnel Relations Law, the staff necessary to allow the authority to carry out its responsibilities.**

**SECTION 3a. (1) The Oregon Infrastructure Finance Authority may:**

**(a) Conduct hearings and conferences to develop facts, explain programs and activities, and obtain advice;**

**(b) Enter into agreements with other public bodies, as defined in ORS 174.109, or associations or private persons for services to assist the authority and the Oregon Infrastructure Finance Authority Board;**

**(c) Enter into agreements with other public bodies, as defined in ORS 174.109, the federal government, associations or private persons for cooperative endeavors that further programs administered by the authority;**

**(d) Subject to applicable policies and procedures, enter into agreements for loans, grants or other assistance, including, but not limited to, direct purchase of goods or services, with local governments, as defined in ORS 174.116, special government bodies, as defined in ORS 174.117, or other eligible applicants for infrastructure development;**

**(e) Appoint committees, consultants or other persons with expertise in infrastructure-related matters to advise the Oregon Infrastructure Finance Authority Board or the authority;**

**(f) Obtain assistance or data from any state agency; or**

**(g) Perform any other act necessary to carry out the duties of the authority.**

**(2) The authority shall administer the state's participation in the federal Community Development Block Grant funding program authorized by 42 U.S.C. 5301 et seq.**

**SECTION 4. (1) The Director of the Oregon Business Development Department, upon consultation with and the approval of the Oregon Infrastructure Finance Authority Board, shall appoint an administrator of the Oregon Infrastructure Finance Authority who shall serve at the pleasure of the director.**

**(2) The administrator shall receive such salary as may be provided by law or as fixed by the director.**

**(3) The administrator shall be the administrative head of the authority.**

**(4) The administrator may suggest rules to the director for the government of the authority, the conduct of its employees, the assignment and performance of its business and the custody, use and preservation of its records, papers and property.**

**(5) The administrator shall hire the staff necessary to allow the authority to carry out its duties. In accordance with the State Personnel Relations Law, the administrator and any manager hired by the administrator shall be in the unclassified service.**

**SECTION 5. (1) The Oregon Infrastructure Finance Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Oregon Infrastructure Finance Fund shall be credited to the fund. The Oregon Infrastructure Finance Fund consists of all moneys credited to the fund, including moneys from the Administrative Services Economic Development Fund, federal funds collected or received and fees, moneys or other revenues, including miscellaneous receipts, collected or received by the Oregon Infrastructure Finance Authority. The moneys in the Oregon Infrastructure Finance Fund are continuously appropriated to the Oregon Business Development Department for the authority for the purposes of sections 1a to 7 of this 2009 Act.**

**(2) The authority may finance programs and projects determined to further infrastructure development within this state by making grants or loans using moneys in the fund.**

**(3) The Oregon Infrastructure Finance Authority Board may suggest to the Director of the Oregon Business Development Department administrative rules for establishing standards, objectives and criteria for use of moneys in the fund. The department shall adopt rules to establish standards, objectives and criteria for use of moneys in the fund.**

**SECTION 6. The Oregon Infrastructure Finance Authority may not direct, supervise or control the policy, programs, personnel or administration of any program or entity unless specifically authorized by statute.**

**SECTION 7. The Director of the Oregon Business Development Department, in accordance with ORS chapter 183, may adopt rules for the operation of the Oregon Infrastructure Finance Authority as the director determines necessary or convenient for the authority to perform its duties and functions and as are consistent with and necessary to carry out the policies established by the Oregon Infrastructure Finance Authority Board.**

## OREGON BUSINESS DEVELOPMENT COMMISSION ADMINISTRATIVE PROVISIONS

**SECTION 8.** ORS 285A.010 is amended to read:

285A.010. As used in ORS 284.101 to 284.146 and ORS chapters 285A, 285B and 285C, unless the context requires otherwise:

**(1) "Administrator" means the administrator of the Oregon Infrastructure Finance Authority.**

**(2) "Association" means a nonprofit, private, incorporated or unincorporated institution, foundation, organization, entity or group, whether local, state, regional or national, that is operating or doing business in Oregon.**

**(3) "Authority" means the Oregon Infrastructure Finance Authority.**

**(4) "Board" means the Oregon Infrastructure Finance Authority Board.**

[*(1)*] **(5)** "Commission" means the [*Oregon Economic and Community Development Commission*] **Oregon Business Development Commission**.

[*(2)*] **(6)** "Community" means an area or locality in which the body of inhabitants has common economic or employment interests. The term is not limited to a city, county or other political subdivision and need not, but may be, limited by political boundaries.

[*(3)*] **(7)** "Department" means the [*Economic and Community Development Department*] **Oregon Business Development Department**.

[*(4)*] **(8)** "Director" means the Director of the [*Economic and Community Development Department*] **Oregon Business Development Department**.

[*(5)*] **(9)** "Distressed area" means a county, city, community or other geographic area that is designated as a distressed area by the department, based on indicators of economic distress or dislocation, including but not limited to unemployment, poverty and job loss.

[*(6)*] **(10)** "International trade" means the export and import of products and services and the movement of capital for the purpose of investment.

**(11) "Local government" has the meaning given that term in ORS 174.116.**

**(12) "Municipality" means an Oregon city or county, the Port of Portland created by ORS 778.010, a county service district organized under ORS chapter 451, a district as defined in ORS 198.010, a tribal council of a federally recognized Indian tribe in this state or an airport district organized under ORS chapter 838.**

**(13) "Public body" has the meaning given that term in ORS 174.109.**

[*(7)*] **(14)** "Rural area" means an area located entirely outside of the acknowledged Portland Metropolitan Area Regional Urban Growth Boundary and the acknowledged urban growth boundaries of cities with populations of 30,000 or more.

[*(8) "Traded sector" means industries in which member firms sell their goods or services into markets for which national or international competition exists.*]

[*(9)*] **(15)** "Small business" means a business having 100 or fewer employees.

**(16) "State agency" includes state officers, departments, boards and commissions.**

**(17) "Traded sector" means industries in which member firms sell their goods or services into markets for which national or international competition exists.**

**SECTION 9.** ORS 285A.020 is amended to read:

285A.020. (1) The Legislative Assembly finds that:

(a) Oregon possesses [*many*] unique and sustaining virtues that will guide and assist in maintaining the state's economic health, including but not limited to Oregon's:

(A) Special heritage;

(B) Respect for and cultivation of the environment; and

(C) Attention to quality of life issues that are important to the state's economic development, including but not limited to access to quality, affordable child care for all children in Oregon.

(b) Oregon is strategically placed to compete and succeed in the global [*community.*] **marketplace.**

(c) All regions of the state should share in Oregon's economic recovery.

(d) Creating and retaining quality jobs [*is*] **are** vital to the state's [*continued economic development.*] **economic health.**

(e) Oregon's agriculture and natural resource industries provide opportunities for beneficial economic enterprise, including sustainable [*economic*] **business** development activities.

(f) A well educated and trained workforce is necessary to [*advance in today's global economy.*] **support business and industry needs throughout the state.**

(g) The ability of existing businesses to grow [*and prosper*] is critical to Oregon's [*economy.*] **prosperity.**

(h) [*Utilizing the state's*] **The state must utilize its** competitive advantages [*is essential*] to retain existing businesses and attract new companies and investment into the state.

(i) Continued [*economic*] development **in Oregon** depends on strengthening traded sector industries.

(j) International trade **and** development [*and promotion is invaluable*] **of international trade are essential** for future [*economic*] **business** development opportunities.

(k) Small businesses remain a critical element of the state's [*economic development, comprising more than 90 percent of Oregon's businesses.*] **economy.**

(L) Capacity building **to support business development** in rural and distressed areas is a key component of economic development and revitalization efforts.

(m) Oregon's ports are important partners in the state's economic development efforts and are key components of local and state economic development strategies.

(n) Improving and enhancing infrastructure is necessary to the state's future economic development.

(o) Federal, state and local agencies working together will continue to enhance industrial site development and other economic development activities.

[*(p) The Economic and Community Development Department should be encouraged to convene community development partners to explore the prospect of making loans to private industrial landowners from the Brownfields Redevelopment Fund for future development opportunities.*]

(2) It is the purpose of ORS 284.101 to 284.146 and ORS chapters 285A, 285B and 285C [*to advance Oregon's economy.*] **to enable the creation, retention, expansion and attraction of businesses that provide sustainable, living wage jobs for Oregonians through public-private partnerships and leveraged funding and to support economic opportunities for Oregon companies and entrepreneurs.**

(3) The Legislative Assembly declares that it is the immediate economic strategy of the state to:

(a) Promote a favorable investment climate to strengthen businesses, create jobs and raise real wages;

(b) Improve the national and global competitiveness of Oregon companies; and

(c) Assist [*Oregon communities in building capacity*] **and further efforts** to retain, expand and attract businesses.

(4) To promote the advancement of the Oregon economy and implement the immediate economic strategy of the state, the [*Economic and Community*] **Oregon Business** Development Department shall invest resources in accordance with the following principles:

(a) Processes for making public investments and working with local and regional issues must be designed for flexibility so that actions can adapt to the constantly changing conditions and demands under which communities and businesses operate.

(b) Partnerships among local, state and federal governments and public and private organizations and entities should be strengthened to further the economic strategy of the state.

(c) The expected impact of public investment and assistance shall be identified, in terms of measurable outcomes, whenever possible.

(d) State, federal and community goals, constraints and obligations should be identified at the beginning of the planning process, and the state should work actively with community partners, regions and state and local agencies to address and accomplish their mutual objectives.

(5) When the department provides funds or assistance for projects, programs, technical support or other authorized activities pursuant to ORS 284.101 to 284.146 and ORS chapters 285A, 285B and 285C, the department shall give priority to projects, programs and activities that:

(a) Retain and create jobs and raise real wages;

[*(b) Promote capacity building, emphasizing rural and distressed areas;*]

**(b) Promote capacity building, emphasizing rural and distressed areas to further economic development initiatives;**

(c) Assist small business creation and expansion;

(d) Invest and engage in training a skilled workforce;

(e) Retain and expand existing companies and recruit new investment to Oregon;

(f) Capitalize on Oregon's competitive advantages and strategically invest resources to offset competitive disadvantages;

(g) Support innovation and research;

(h) Assist industry clusters to succeed;

(i) Market Oregon's advantages;

(j) Promote international trade and attract foreign direct investment;

(k) Support the development of industrial and commercial lands;

(L) Advance the efforts of ports to promote economic development activities; and

(m) Build capacity in Oregon's arts and cultural organizations, creative businesses and individual artists.

**SECTION 10.** ORS 285A.040 is amended to read:

285A.040. (1) There is established the Oregon [*Economic and Community*] **Business** Development Commission consisting of nine members appointed as follows:

(a) One nonvoting[, *ex officio*] member appointed from among the members of the Senate by the President of the Senate;

(b) One nonvoting[, *ex officio*] member appointed from among the members of the House of Representatives by the Speaker of the House of Representatives; and

(c) Seven members appointed by the Governor, subject to confirmation by the Senate in the manner prescribed in ORS 171.562 and 171.565. The Governor shall appoint members of the commission in compliance with all of the following:

(A) Members shall be appointed with consideration given to representation of the different geographic regions of the state, and at least one member shall be a resident of the area east of the Cascade Range.

(B) Not more than five members may belong to one political party. Party affiliation shall be determined by the appropriate entry on official election registration cards.

(C) Members shall be appointed with consideration given to representation of the following areas of expertise or training:

(i) International trade;

**(ii) Traded sector business development;**

[*(ii)*] **(iii)** Small business [*needs and issues;*] **development;**

[*(iii)*] **(iv)** Local [*government needs and issues;*] **economic development;**

[*(iv) Marketing and branding;*]

[*(v) Arts and culture;*]

[*(vi)*] **(v)** Finance **and business investment**;

[*(vii)*] **(vi)** Innovation; **or**

[*(viii) Telecommunications; or*]

[*(ix)*] **(vii)** Other areas of training or expertise identified by the [*commission.*] **Governor.**

(2)(a) The term of office of each member appointed by the Governor is four years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member appointed by the Governor, the Governor shall appoint a successor whose term begins on July 1 of the following year. A member appointed by the Governor is eligible for reappointment. In case of a vacancy among the members appointed by the Governor for any cause, the Governor shall appoint a person to fill the office for the unexpired term.

(b) The term of office of the member appointed by the President of the Senate is four years. In case of a vacancy for any cause, the President of the Senate shall appoint a Senator to fill the office for the unexpired term.

(c) The term of office of the member appointed by the Speaker of the House of Representatives is two years. In case of a vacancy for any cause, the Speaker of the House of Representatives shall appoint a Representative to fill the office for the unexpired term.

(3) A member of the commission who is appointed by the Governor is entitled to compensation and expenses as provided by ORS 292.495. [*Ex officio*] **Legislative** members of the commission are prohibited from receiving compensation and reimbursement for expenses.

(4) Subject to confirmation by the Senate, the Governor shall appoint one of the voting commissioners as presiding officer of the commission. The presiding officer shall have duties and powers as the commission determines are necessary for the office.

(5) Five voting members of the commission constitute a quorum for the transaction of business.

(6) The commission shall meet at least quarterly at a time and place determined by the commission. The commission shall also meet at other times and places as are specified by the call of the presiding officer or by the call of a majority of the voting members of the commission.

(7) A vacancy among the voting members of the commission does not impair the right of the remaining voting commissioners to exercise all the powers of the commission. If the remaining voting commissioners are unable to agree, the Governor shall have the right to vote as a member of the commission.

**(8) A member of the commission appointed due to expertise or training in local economic development described in subsection (1)(c)(C)(iv) of this section shall also be an elected local government official with experience in economic development matters.**

**SECTION 11.** ORS 285A.045 is amended to read:

285A.045. (1) As its primary duty, the Oregon [*Economic and Community*] **Business** Development Commission shall develop and maintain [*an*] **the** economic [*and community*] development policy **and strategy** for this state [*that implements the strategy declared*] **outlined** in ORS 285A.020 [*(3)*].

(2) The commission shall provide oversight and direction to the [*Economic and Community*] **Oregon Business** Development Department in carrying out the [*duties and creating*] **economic development** policies [*to further the economic*] **and** strategy [*set forth in ORS 285A.020.*] **established by the commission.** In addition, the commission may perform any other duty vested in the commission by law.

(3) The commission shall keep complete and accurate records of all the meetings, transactions and business of the commission at the office of the [*Economic and Community Development*] department.

(4) When a power, duty or function is vested in the commission, the commission may designate department officers, agents, employees or committee members to exercise the power, duty or function of the commission. When the commission designates a person in writing to exercise a power, duty or function of the commission, the person may exercise the power, duty or function.

(5) In carrying out its duties under subsection (1) of this section, the commission shall coordinate its activities with federal, state and local agencies, community partners and regions, when appropriate.

**(6) The commission may prepare and submit suggested administrative rules to the Director of the Oregon Business Development Department that the commission determines are necessary for the objectives and programs of the department.**

**SECTION 12.** ORS 285A.050 is amended to read:

285A.050. (1) The Oregon [*Economic and Community*] **Business** Development Commission shall report biennially to the Governor and the Legislative Assembly on the success of economic development efforts. The report shall include the progress toward achievement of performance measures for the [*Economic and Community*] **Oregon Business** Development Department as adopted by the Legislative Assembly. At a minimum, the report shall include the following:

(a) For the overall [*Economic and Community Development*] department and for [*each*] identifiable [*program*] **programs** and funding [*source*] **sources**:

(A) The number of jobs created and retained;

(B) The average wage levels of jobs created and retained; and

(C) Other measures identified by the commission.

(b) The status of the Oregon economy as it relates to the economic strategy outlined in ORS 285A.020.

(c) Other issues identified by the commission.

(2) Reports to the Legislative Assembly required under this section shall be made in accordance with ORS 192.245.

**SECTION 13.** ORS 285A.055 is amended to read:

285A.055. Prior to the approval of bond financing of economic development projects under ORS 285B.320 to 285B.371[,] **or** the making of [*a loan*] **loans** [*under ORS 285A.666 to 285A.732 or the making of any loan*] or the granting of any moneys from any source, the Oregon [*Economic and Community*] **Business** Development Commission[, *or the Economic and Community Development Department as the designee of the commission*], **or the Oregon Business Development Department as the designee of the commission,** shall:

(1) Determine that the action is cost effective, considering both major public expenses and major public benefits;

(2) Find that the project will produce goods or services which are sold in markets for which national or international competition exists or, if the project is to be constructed and operated by a nonprofit organization, that the project will not compete with local for-profit businesses;

(3) Determine that the action is the best use of the moneys involved, considering other pending applications for those moneys;

(4) Find that the project involved is consistent with the [*Economic and Community*] **Oregon Business** Development Department's comprehensive policy and programs; and

(5) Find that the project involved is consistent with applicable adopted local economic development plans.

**SECTION 14.** ORS 285A.060 is amended to read:

285A.060. (1) To aid and advise the Oregon [*Economic and Community*] **Business** Development Commission in the performance of its duties, the commission may establish such advisory and technical committees as it considers necessary. Such committees may be continuing or temporary. The presiding officer of the commission shall determine the representation, membership, terms and organization of the committees and shall appoint their members. Members shall be appointed with due consideration given to the geographic representation described in ORS 285A.040 (1). The Director

of the [*Economic and Community*] **Oregon Business** Development Department, or designee, shall be an ex officio member of each committee.

(2) Members of the committees appointed pursuant to this section shall receive no compensation, but may receive payment for their actual and necessary travel and other expenses while engaged in the performance of their official duties.

## OREGON BUSINESS DEVELOPMENT DEPARTMENT ADMINISTRATIVE PROVISIONS

**SECTION 15.** ORS 285A.070 is amended to read:

285A.070. (1) The [*Economic and Community*] **Oregon Business** Development Department is established.

(2) The department shall be under the supervision of the Director of the [*Economic and Community*] **Oregon Business** Development Department, who shall be appointed by and shall hold office at the pleasure of the Governor.

(3) The appointment of the director shall be subject to confirmation by the Senate in the manner provided by ORS 171.562 and 171.565.

(4) Subject to policy direction by the Oregon [*Economic and Community*] **Business** Development Commission, the director shall:

(a) Be the administrative head of the department;

(b) Administer the laws of the state relating to economic development; and

(c) Intervene, as authorized by the commission, pursuant to the rules of practice and procedure, in the proceedings of state and federal agencies that may substantially affect economic development within Oregon.

(5) In addition to duties otherwise required by law, and subject to policy direction by the commission, the director shall prescribe rules for the government of the department, the conduct of its employees, the assignment and performance of its business and the custody, use and preservation of its records, papers and property, based on best managerial practices as determined by the director and in a manner consistent with applicable law.

(6) The director shall organize the department in whatever manner the director considers necessary to conduct the work of the department efficiently and effectively, subject to approval by the commission.

(7) The director may appoint all subordinate officers and employees of the department and may prescribe their duties, assignments and reassignments and fix their compensation, subject to any applicable provisions of the State Personnel Relations Law. Subject to any other applicable law regulating travel expenses, the officers and employees of the department shall be allowed such reasonable and necessary travel and other expenses as may be incurred in the performance of their duties.

(8) The director may delegate the exercise or discharge of any power, duty or function that is vested in or imposed by law upon the director to any department employee for the purpose of conducting an official act in the name of the director. The official act of any person acting in the name of the director by the authority of the director is an official act of the director.

(9) The director may require a fidelity bond of any officer or employee of the department who has charge of, handles or has access to any state money or property, and who is not otherwise required by law to give a bond. The director shall fix the amount of the bond, except as otherwise provided by law, and approve the sureties. The department shall pay the premiums on the bond.

(10) The [*Oregon Economic and Community Development*] commission shall report periodically to the Governor on the director's performance and make appropriate recommendations.

**SECTION 16.** ORS 285A.075 is amended to read:

285A.075. (1) The [*Economic and Community*] **Oregon Business** Development Department shall:

(a) Implement programs and adopt rules in accordance with applicable provisions of ORS chapter 183 that are consistent and necessary to carry out the policies established by the Oregon [*Eco-*

*nomic and Community*] **Business** Development Commission and the duties, functions and powers vested by law in the department.

(b) Act as the official state liaison agency for persons interested in locating industrial or business firms in the state and for state and local groups seeking new industry or business, and maintain the confidentiality of negotiations conducted pursuant to this paragraph, if requested.

(c) Coordinate state and federal economic and community development programs.

[*(d) Administer the state's participation in the federal Community Development Block Grant funding program authorized by 42 U.S.C. 5301 et seq.*]

[*(e)*] **(d)** Actively recruit domestic and international business firms to those communities desiring business recruitment.

**(e) Work with existing Oregon companies to assist in their expansion or help them retain jobs in the state.**

(f) Consult with local governments to establish regions for the purpose of job development [*and community assistance*] to facilitate economic activities in the region. Regions established for this purpose need not be of the same size in geographic area or population.

(g) Establish and operate foreign trade offices in foreign countries in which the department considers a foreign trade office necessary. The department shall use department employees, contracts with public or private persons or a combination of employees and contractors to establish and operate foreign trade offices. Department employees, including managers, who are assigned to work in a foreign trade office shall be in the unclassified service, and the director shall set the salaries of such employees. ORS 276.428, 279A.120, 279A.140, 279A.155, 279A.275, 279B.025, 279B.235, 279B.270, 279B.280, 279C.370, 279C.500 to 279C.530, 279C.540, 279C.545, 279C.800 to 279C.870, 282.020, 282.050, 282.210, 282.220, 282.230, 283.140, 459A.475, 459A.490, 653.268 and 653.269 do not apply to the department's operation of foreign trade offices outside the state.

(h) Consult with other state agencies and with local agencies and officials prior to defining or designating distressed areas for purposes of ORS 285A.020.

(i) Budget moneys for travel and various other expenses of industrial or commercial site location agents, film or video production location agents, business journal writers, elected state officials or other state personnel to accomplish the purposes of ORS 284.101 to 284.146 and ORS chapters 285A, 285B and 285C. The department may expend moneys duly budgeted to pay the travel and other expenses of such persons if the director determines the expense may promote the purposes of this subsection.

(j) Promulgate rules to govern contracts.

(k) Develop strategies to address issues that are necessary and appropriate to Oregon's future and adopt goals that include measurable indicators of success (Oregon benchmarks) that show the extent to which each goal is being achieved.

(L) Use practices and procedures that the department determines are the best practices for carrying out the duties of the department.

(2) The department shall have no regulatory power over the activities of private persons. Its functions shall be solely advisory, coordinative and promotional.

(3) Notwithstanding ORS 279A.140, the department may award grants or enter into contracts as necessary or appropriate to carry out the duties, functions and powers vested in the department by law.

**SECTION 17.** ORS 285A.080 is amended to read:

285A.080. The Director of the [*Economic and Community*] **Oregon Business** Development Department and all unclassified personnel shall receive such salary as may be provided by law or be fixed by the Oregon [*Economic and Community*] **Business** Development Commission. In addition to salaries, the director and all unclassified personnel, subject to the limitations otherwise provided by law, shall be reimbursed for all reasonable expenses necessarily incurred in the performance of official duties.

**SECTION 18.** ORS 285A.116 is amended to read:

285A.116. (1) The Oregon [*Economic and Community*] **Business** Development [*Commission*] **Department** shall establish regions for the purpose of job development [*and community assistance by the Economic and Community Development Department*]. When establishing the regions, the [*commission must*] **department shall** consider the optimal size for each region that will most effectively facilitate economic development activities in the region. Regions established by the [*commission*] **department** do not have to be of the same size or population.

(2) The Director of the [*Economic and Community*] **Oregon Business** Development Department shall provide for economic innovation coordination in the central office, which shall assist the field representatives in establishing contacts between local businesses and universities and community colleges in Oregon to promote the use of the research capacities of these institutions for development of new products.

**SECTION 19.** ORS 285A.152 is amended to read:

285A.152. (1) The Fujian Sister State Committee established under ORS 285A.148 may:

(a) Organize activities for and host visiting delegations from Fujian Province;

(b) Organize activities for and participate in delegations visiting Fujian Province and China;

(c) Provide for the exchange of information between the State of Oregon and Fujian Province;

(d) Work with representatives of Fujian Province on joint projects; and

(e) Take all actions necessary to facilitate and promote relations between the State of Oregon and Fujian Province.

(2) The Fujian Sister State Committee [*shall*] **may** visit Fujian Province at least biennially for the purpose of fulfilling the objectives described in subsection (1) of this section.

**DIVISION OF DUTIES AMONG OREGON BUSINESS DEVELOPMENT COMMISSION, OREGON BUSINESS DEVELOPMENT DEPARTMENT AND OREGON INFRASTRUCTURE FINANCE AUTHORITY**

Note: there are 67 additional pages of legislation in HB 2152

**SECTION 20.** ORS 285A.185 is amended to read:

285A.185. (1) As used in this section, "brownfield" means real property wh development is complicated by actual or perceived environmental contamination.

(2) The [*Economic and Community*] **Oregon Business** Development Department shall assist private persons and local governments to redevelop brownfields.

(3) The [*Economic and Community Development*] department shall:

(a) Act as the primary point of contact for information regarding public and private funding options available to a person interested in redeveloping a brownfield;

(b) Facilitate the funding process involving landowners or prospective purchasers, lending institutions, other state agencies, local jurisdictions, consultants and interested citizens;

(c) Serve as a key advocate for the redevelopment of brownfields in Oregon;

(d) Provide information to private persons and local governments on brownfield redevelopment funding;

(e) Enhance the availability of funding resources through program development, grant proposals and other appropriate opportunities; and

(f) Adopt rules necessary to carry out this section.

**SECTION 21.** ORS 285A.188 is amended to read:

285A.188. (1) As used in this section:

(a) "Environmental action" means activities undertaken to:

(A) Determine if a release has occurred or may occur, if the release or potential release poses a significant threat to human health or the environment or if additional remedial actions may be required at the site;

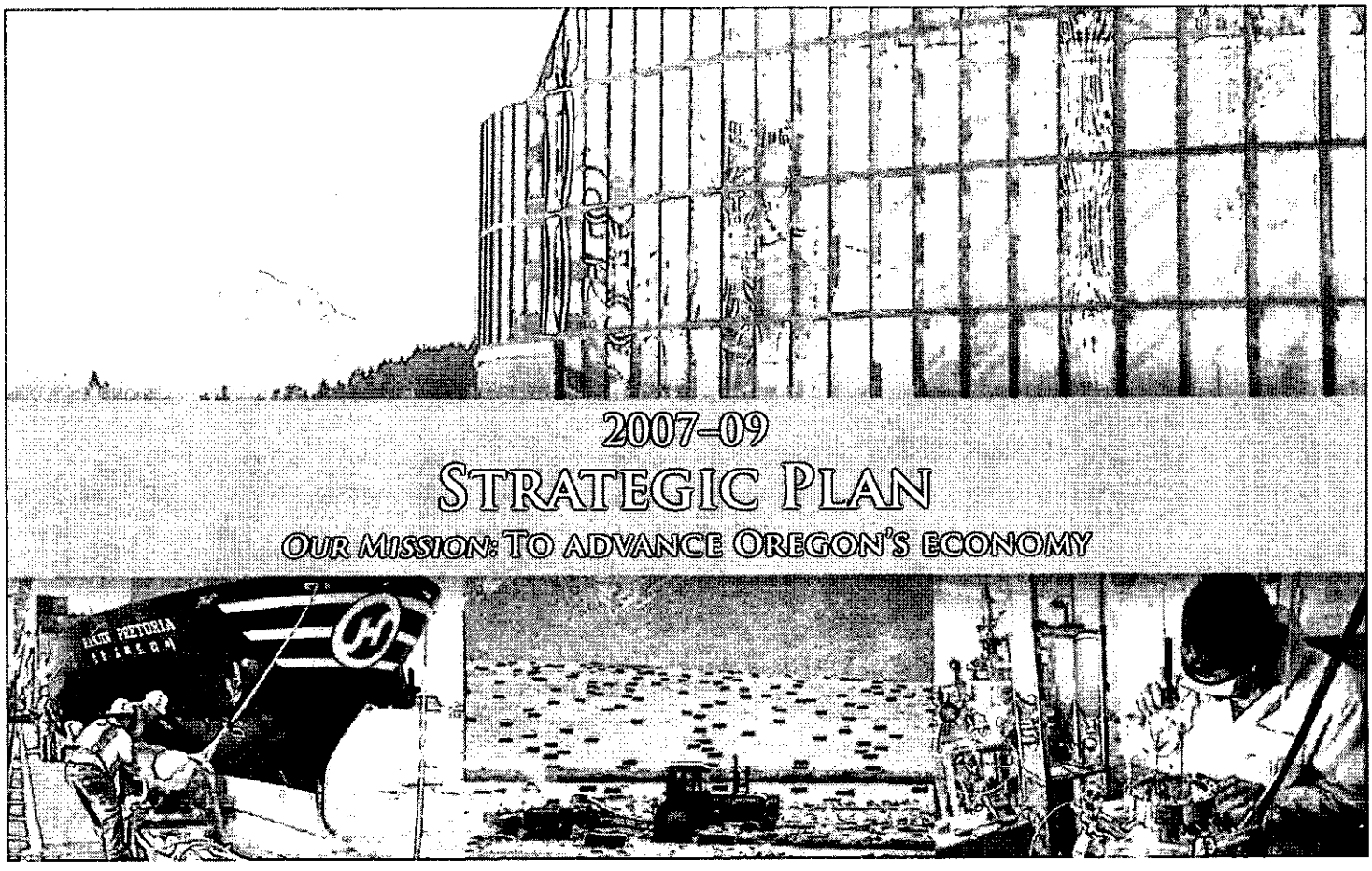
(B) Conduct a remedial investigation and a feasibility study;

(C) Plan for remedial action or removal action; or

(D) Conduct a remedial action or removal action at a site.

OREGON

ECONOMIC & COMMUNITY
DEVELOPMENT DEPARTMENT



# 2007–09
# STRATEGIC PLAN

## OUR MISSION: TO ADVANCE OREGON'S ECONOMY

Bob Repine, Director

econ.oregon.gov

www.oregon4biz.com

OREGON
ECONOMIC & COMMUNITY
DEVELOPMENT DEPARTMENT

2007 MISSION & OBJECTIVES

## *MISSION:*

TO ADVANCE OREGON'S ECONOMY

## *GOALS:*

### Promote a favorable investment climate to strengthen businesses, create jobs and raise real wages.

- Invest and engage in training a skilled workforce
- Retain and expand existing companies and recruit new investment
- Capitalize on competitive advantages and strategically invest resources to offset disadvantages

### Assist Oregon communities to build capacity to retain, expand and attract businesses.

- Support the development of industrial and commercial lands
- Advance ports' efforts to promote economic development activities
- Promote capacity building, emphasizing rural and distressed areas
- Build capacity in Oregon's arts and cultural organizations, creative businesses and individual artists

### Improve national and global competitiveness of Oregon companies.

- Support innovation and research
- Assist industry clusters to succeed
- Market Oregon's advantages
- Promote international trade and attract foreign direct investment

When we began the process to set the new direction for the Oregon Economic & Community Development Department, it was understood that this wasn't simply an exercise for the sake of going through the motions. We weren't creating a plan that sits on a bookshelf never to be looked at again. This was about setting our objectives, and defining a clear, measurable path for success that creates hope and opportunity for all Oregonians.



We identified the three core objectives of the department:

- Promote favorable investment climate to strengthen businesses, create jobs and raise real wages.
- Assist Oregon communities to build capacity to retain, expand and attract businesses.
- Improve national and global competitiveness of Oregon companies.

With a clear direction, we identified the strategies, resources and people to take us there. These are summarized in this document, but there are many specific tactics that have been produced to achieve each strategy. For information on our specific programs and services, please contact our offices to see how we can assist your business or community.

We believe the three objectives listed above best serve our mission to expand Oregon's economy. Fulfilling our mission means our work will enhance both rural and urban communities; expand both existing and emerging industries; and assist both small and large businesses. We look forward to paving the way for continued sustainable economic development in Oregon, and working with Governor Kulongoski, private industry and other state agency partners to ensure opportunity for Oregonians in 2007 and beyond.

Bob Repine,
Director

SUSTAINABLE ECONOMIC DEVELOPMENT

EXPAND GLOBAL COMPETITIVENESS

CREATE JOBS

ASSIST COMMUNITIES

STRENGTHEN BUSINESSES

"We're looking at having our best year ever. Partly as a result of good planning, but most of the credit belongs to the superior workforce we've found here in Oregon."

*Matt Conable, President*
*William Henry Knives*

# GOAL

## Promote a favorable investment climate to strengthen businesses, create jobs and raise real wages.

Oregon is strategically located to engage in the global economy and must continue to ensure that existing businesses are able to prosper and grow through global trade. Being competitive globally means Oregon must have a well-educated and trained workforce. Oregon recognizes that continuous investment in workforce training is essential for all businesses to remain competitive in the new global market.

Oregon will **invest in programs that provide training opportunities for the existing workforce**, strengthening the capacity of the individual worker and enabling companies to be more productive. Oregon also will develop strategies to identify common skill and training needs within clusters of industries throughout the state. Oregon will use leveraged resources to strengthen industry cluster consortia as a way to take advantage of common opportunities and strategies.



Photo courtesy of the Oregon Institute of Technology

Oregon will **concentrate on strengthening "traded-sector" industries**, those trading outside the local economies, as a way of ensuring our place in the global economy. This approach will be comprehensive and will integrate all available resources and techniques to retain, strengthen and expand traded-sector businesses in the state. Financing, tax incentives, workforce training and technical assistance will be marketed to local partners.

Oregon will **capitalize on competitive advantages and strategically invest resources to offset disadvantages.** Industrial land availability is one of several investment areas the Oregon Economic & Community Development Department (OECDD) will focus on. Existing Oregon businesses that are expanding, as well as new startups and businesses being recruited to the state, need properly prepared "project-ready" industrial land in a predictable, timely manner. Oregon will continue to work on a comprehensive approach to expanding the development of properties with high potential and in demand through the industrial site certification process. This includes enhancing the site certification program and marketing sites to potential developers.

## GOAL

### Assist Oregon communities to build capacity to retain, expand and attract businesses.

As Oregon improves its global competitiveness, it's important that all Oregonians reap the benefits. By **facilitating local capacity building, especially in rural and distressed areas,** OECDD will help ensure that communities have the expertise and infrastructure needed to retain and expand existing companies and attract new businesses.

In coordination with other state and local agencies and partners, the department can help reduce barriers and **support the development of industrial and commercial lands.** This will allow communities in rural as well as urban areas to improve local opportunities for sound economic growth. A consolidated development fund will make it easier to fund important water and sewer projects, build essential community facilities and plan for the future.

Oregon's 23 ports are important partners in the state's economic development efforts. The leadership and expertise of port officials are critical to the alignment of local and state economic development strategies. Port infrastructure is a key component of local business expansion and retention plans. By **advancing ports' efforts to promote economic development activities** the department can leverage these critical assets.

The Arts Commission and Cultural Trust will **build capacity in Oregon's arts and cultural organizations, creative businesses, and individual artists** by developing and awarding strategic infrastructure funding and organizational technical assistance to Oregon's cultural and creative sector. This will attract artists and creative workers to Oregon, as well as businesses that realize the benefits of locating within a vibrant arts sector. The Arts Commission also recognizes the advantages of incorporating art and culture in rural and community development plans and will provide resources to help these plans succeed.

LOWE'S GROUNDBREAKING



After an extensive search and evaluation process, Lowe's, the world's second-largest home improvement retailer, selected Lebanon, Oregon, as the location for its new west coast regional distribution center. The facility, located on an Oregon Certified Site, will be the state's third largest building at 1.4 million square feet—roughly the size of 31 football fields under one roof.

The Port of Newport recently began the first phase of rebuilding it's international terminal facility. "Project funding is vital to maintain our ability to provide commercial shipping which contributes significantly to economic benefit through wages, products, services and marine transportation."

*Don Mann, General Manager*
*Port of Newport*

## WHY INNOVATION?

Simply put, innovation helps firms compete, communities prosper and people thrive.

Competitive firms that rely on innovation offer good jobs at nearly twice the average wage, cultivate ingenious people who apply their skills at work and in the communities, and anchor key industries by attracting competitors and suppliers seeking proximity.

Most important, these firms inspire their customers, their employees and their neighbors.



GOAL

## Improve national and global competitiveness of Oregon companies.

Future economic growth in our state depends on Oregon's ability to compete on a global scale. Developing and enhancing competitive advantages for Oregon businesses keeps existing businesses thriving and attracts new companies into the state.

To enhance competitiveness, OECDD will leverage public funds with private investments to **support innovation and research** through the Oregon Innovation Council (Oregon InC). Working with OECDD, Oregon InC has recommended 11 high-return projects that will help existing businesses achieve growth through innovation, and help new industries emerge.

Established industries also bring opportunity for economic growth. There is an inherent competitive advantage to multiple companies that operate in the same industry in the same geographic area, making an "industry cluster." Talented workforce, established vendors and existing distribution channels are all benefits of doing business within a cluster. Recognizing this, OECDD will **assist industry clusters to succeed** by identifying clusters and investing resources to support their growth and competitiveness.

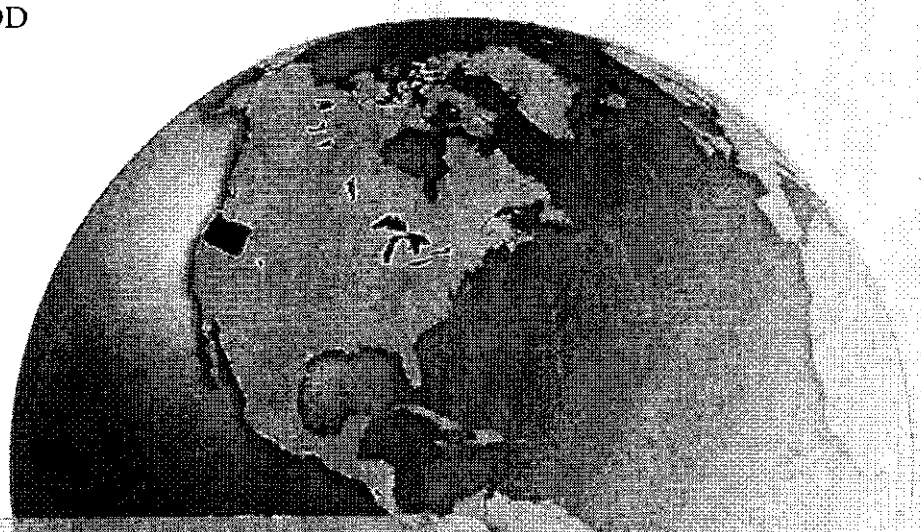


Photos courtesy of Northwest Food Processors Association

In both emerging and existing industries, Oregon is a great place to do business. OECDD will **market Oregon's advantages** to the world, communicating the compelling reasons why businesses should expand to Oregon. This will contribute to enhancing the overall brand image of Oregon including its people, products and places. OECDD will work through Brand Oregon partners such as the Department of Agriculture, Tourism Commission and private industry to identify and communicate all the competitive advantages that make Oregon attractive to business.

BRAND OREGON

Marketing Oregon products and services overseas and establishing new opportunities in foreign markets will help Oregon's economy to grow. OECDD will **promote international trade and attract foreign direct investment** to increase the global competitiveness of Oregon companies.



### World Trade Quick Facts

- Total 2005 exports: $12.38 billion (#23 of US States)
- Consistently ranks among top 15 US states in exports per capita
- One in four manufacturing jobs (1 in 5 of all jobs) linked to international trade
- Top 2005 export sectors (% of total)
  - Computer & electronic products 37%
  - Transportation equipment 13%
  - Crops 12%
  - Machinery manufacturing 11%
  - Chemical manufacturing 4%
  - Primary metal manufacturing 3%
  - Paper products 2%
  - Wood products 2%
- Canada, South Korea and Japan continue to be Oregon's largest export markets but China and Mexico are becoming strong export partners

## REPORT OF THE COMMISSION

*Introduction*

The 2007 Legislature, through a budget note, directed the Oregon Economic and Community and Community Development Commission (the "Commission") to develop a plan for the future of the Regional Investment Boards (the "Boards" or "RIBs").

During the period from August through December 2007, the Commission met with representatives of all thirteen Boards to discuss the role of the boards, what each Board saw as strengths and weaknesses of the current structure, and whether there were ways to improve that structure. The Commission also met separately with the Oregon Economic and Community Development Department ("OECDD") management team on a number of occasions to discuss the same issues.

This report sets forth the Commission's report to the Legislature in response to the directive the Commission received.

*Summary of Conclusions*

The following is a summary of the Commission's conclusions concerning the roles and responsibilities of the Boards:

- The original purpose for creating and funding the Boards was to create a system for deploying state funds at the local level for both economic and community development. The Commission believes the Boards have played, and continue to play, an important role in that respect, at least outside the urban areas of the State.

- The current system works most effectively in more rural parts of the State, where the population is too small to fund the kinds development activities that larger counties and cities can fund independently of the state. The Boards are less important in urban areas of the state.

- The Commission believes it is important for the Boards to maintain a regional perspective as the economic health and growth of areas within a region are interdependent and communities should not be viewed in isolation.

- In recent years, at the direction of the Commission, the Boards have been required to tie all expenditures of state funds to job creation. The Commission believes this has caused the Boards to either discount important needs on the community development side or to create strained connections between expenditures and job creation.

- The Commission believes the Boards should be permitted to direct funds to community development projects regardless of whether there is a direct link to job creation. However, the Commission and OECDD need to develop criteria to determine which community development projects should be funded with state money. The Commission and OECDD also need to develop metrics to measure the outcomes of such expenditures.

- A separate question is what role the Boards should have in setting the agenda for major infrastructure investments. This report does not address that issue, which would require input from cities, counties and other public and private stakeholders to reach an informed recommendation. The Commission does believe, however, that the Boards play a valuable role in economic and community development that is distinct from whatever role they may play with respect to investment in major infrastructure.

- The Commission believes there may be a need to modify the ways in which the Boards are structured to ensure both appropriate representation from various stakeholders and sufficient rotation of membership so as to ensure new perspectives over time.

*History*

The Regional Investment Program was established by the Legislature in 1987 as the Regional Strategies Program. Recognizing that economic opportunities and challenges often cross jurisdictional boundaries, counties joined together to form regions, self-selecting their partners based on shared economic interests. Volunteer boards were created and the board members, chosen from both public and private sectors, developed strategies to diversify and strengthen Oregon's regional economies. Each Board also was required to identify one industry that was key to the region's economic growth and a plan for developing that industry.

The 1993 Legislature modified the process by expanding the number of key industries for each region from one to three and moving the decision-making for strategy implementation to the local level.

Recognizing that many rural areas were severely impacted by federal forest and salmon policies and not keeping pace with the state's urban economic diversification and growth, the 1995 Legislature created the Rural Investment Fund. This flexible funding source was designed to help Boards meet the economic and community development priorities of small, rural communities. The same volunteer regional Boards added rural action plans to their existing strategies and then funded projects to implement their plans.

As the state's economy grew and the unemployment rate dropped, the focus of both programs was modified in 1999 to give the regional Boards the flexibility to fund community development and capacity building projects and to allow the regional Boards to fund various business development activities regardless of industry.

When the state's economy fell into a recession in 2001, immediate job creation and retention, along with leveraging short- and long-term investments became the emphasis of the two programs. These remain the current program priorities.

*The Current Role of the Boards*

The Boards currently seek to develop strategies for economic development in each region of the state, focusing on investments that contribute to the creation/retention of jobs and the leverage of short- and long-term investments. This planning involves an assessment of the region's economy, including barriers to economic development and opportunities on which the Board can capitalize. OECDD staff works with the Boards in developing their strategies and staff coordinates those strategies with OECDD's work in the region.

OECDD staff considers the Boards to be a critical part of the delivery system for economic and community development in the State. The Commission has been advised by the staff, and the Commission agrees, that the Boards add value in the following categories:

- **The Boards help OECDD at a strategic level by developing regional strategies for economic and community development.**

  The Boards provide a vehicle for elected and non-elected individuals to meet as a group to coordinate and address issues that cross-jurisdictional boundaries. Rather than individual localities working independently of each other, the Boards assist OECDD by developing regional strategies that are consistent with OECDD's statewide mission.

- **The Boards are able to target funds for economic and community development on a local and regional basis.**

  By directing grants and loans at the regional and local level, the Boards are able provide financial support for economic and community development needs that cannot be administered as effectively at the agency level. OECDD staff advises that these grants and loans form an important part of OECDD's economic development strategy. Decision-making on grants and loans is improved by the involvement of individuals who live and work in the affected communities.

- **The Boards have created an economic development delivery system that would not otherwise exist.**

  The Boards use some of the state funding they receive to fund economic and community development professionals in regions where cities and counties lack the resources to do so themselves. These individuals provide project development assistance to businesses and communities, package and coordinate funding for projects, prepare grant and loan applications for other programs, help communities with complex land-use planning regulations, and manage funded projects on behalf of communities.

*The Future Role of the Boards*

The Commission believes the Boards play an important role in the delivery of economic and community development services across the State. At the same time, the Commission also believes that lack of clarity in defining and measuring goals, as well as changes in direction over time, have created a climate of uncertainty and disagreement over the role of the Boards.

Part of the challenge lies in the level of unmet needs in many parts of the state. As the Oregon economy has evolved over the past two decades, and as parts of the resource-based economy eroded, the rural parts of the state have lost significant numbers of jobs. Not only have lost jobs been a hardship for families in those areas, but the reduction in employment has reduced revenues for local government. Essentially, the kinds of businesses and organizations that are necessary for communities to thrive have also eroded in those parts of the State.

The Regional Investment Boards have attempted to address these issues by investing in projects that not only are designed to create jobs, but also are designed to maintain or rebuild communities. Such investments inevitably give rise to questions about the advisability of using state funds to support private or government activities where outcomes are difficult to measure.

While the Commission believes the Boards play an important role in the delivery of economic and community development services, we also believe changes need to occur in order to provide better direction to the Boards and accountability for how state funds are expended through the program. The specific changes we would recommend will require additional discussion with interested parties. Therefore, the Commission recommends that we work with OECDD, the Governor's Office, the Legislature, and the Boards to develop further details and legislation for consideration in the 2009 Legislative Session.

Among the issues we need to address are the following:

- **Better define the strategies for the Boards**

The focus of the Boards has changed over time from job creation to community development and back to job creation. In recent years, at the direction of the Commission, the Boards have been required to tie all expenditures of state funds to job creation. The Commission believes this has caused the Boards to either discount important needs on the community development side or to create strained connections between expenditures and job creation.

The Commission recommends that the Boards be permitted to develop strategies that include community development aspects, recognizing that a singular focus on job creation may not be practical in communities that cannot afford some of the basic infrastructure and capacity that is an essential prerequisite to job creation. At the same time, consideration needs to be given to how far the state should go in funding community development through the Boards, particularly given the difficulties involved in measuring the outcomes of these expenditure.

- **Develop better metrics to measure outcomes of expenditures.**

The Boards currently attempt to measure the outcomes of their expenditures by the number of jobs created and retained. Based on the expanded focus of the program described above, the Commission and OECDD need to develop metrics to measure the outcomes of investments in infrastructure and capacity.

- **Focus on opportunities to leverage additional private and public investments**

The Commission has been advised that a regional investment can be an important piece in assembling larger investments. A relatively small grant or loan can demonstrate to a business that it is an important part of the local economy and that the Board, which represents the entire region, supports the growth and development of the business.

Similarly, a number of government and non-governmental organization programs require a demonstration of local support for a community's project before a grant or loan is awarded. Regional Investment Funds are often the only source available to demonstrate this local support.

- **Reserve a portion of the funding for the Regional Investment Program to address cross-regional needs and opportunities**

The Commission believes an important role for the Commission and OECDD is to coordinate issues and opportunities from a statewide perspective. As needs and opportunities are identified at the regional levels, the Commission and OECDD need to consider whether there are needs or

opportunities that cross regional lines. If so, OECDD needs to work with the affected Boards to assist in the funding.

- **Increase interaction between the Commission and the Boards.**

Communication between the Boards and the Commission has been infrequent. The Commission recommends establishing regular meetings with one or more Board representatives to discuss regional strategies and what kinds of assistance the State can and should provide.

- **Evaluate the structure of the Boards**

Based on its review to date, the Commission believes the governance structures of the Boards may need modification to ensure the Boards include appropriate representation from various stakeholders and that there is a sufficient rotation of membership to ensure new perspectives over time. Certain governance changes may also improve communication among the Boards, OECDD, the Commission, and the Legislature.

- **Evaluate the roles of the Boards in setting priorities for infrastructure and other capital improvement needs**

Major infrastructure investments in transportation, water, sewer, and the like are not made directly by the Boards, but some Boards have had a role in setting priorities for these investments. In some regions, the Boards have played a significant role, while participation in other regions has been relatively minor.

The Commission believes the Boards can play a significant role in setting priorities for infrastructure and other capital improvement needs in regions where county and city governments lack the resources to perform these functions themselves or in regions where priorities need to be established regionally, rather than by county or city jurisdiction. If Boards are to play this role effectively, however, they need to be given the resources to do so.

*Conclusion*

The Boards and their members exemplify the kind of volunteerism and collaboration that help Oregon remain competitive with larger states that invest more in economic and community development than we do.

The Legislature has declared the economic strategy of the State to be to: "(a) promote a favorable investment climate to strengthen businesses, create jobs and raise real wages; (b) improve the national and global competitiveness of Oregon companies; and (c) assist Oregon communities in building capacity to retain, expand and attract businesses." The Commission finds that the Regional Investment Boards are an important part in how we as a state pursue this strategy.

The more difficult question is how much funding to provide the Boards and what kinds of direction should be provided to the Boards with respect to how that funding should be applied. Some would argue that the Boards, which are comprised of both elected officials and community leaders, know their community needs best and therefore should have broad discretion to apply state funds as they see fit. Others would argue that whenever state funds are spent, the state has a responsibility to the taxpayers to establish concrete goals and measure progress toward meeting those goals.

The Commission believes that goals and metrics for the Regional Investment Boards can and should be established. Such goals and metrics have existed in the past, but we believe they can be improved upon. We propose to bring a more complete set of recommendations on this subject to the Legislature for its 2009 session.

Separate issues for consideration include the role of the Boards in urban parts of the state, where their functions may overlap more with local government than is the case in rural parts of the state, and what role the Boards should play in establishing priorities for major infrastructure investment. Again, we propose to bring a more complete set of recommendation to the Legislature for its 2009 session.

Finally, we would observe that the directive given the Commission by the Legislature caused us to undertake a process that we believe has already had value in itself. By discussing these issues with Boards around the state, we have learned more about the opportunities and challenges we collectively face. We look forward to learning more as the discussion continues.

business oregon

# Business Financing Resources

Business Oregon has a team of professionals to assist businesses with their financing needs by packaging loan programs or by matching a partner service provider with a business.

## Oregon Finance Programs

Business Oregon manages the following financing programs to assist businesses:

- Oregon Business Development Fund
- Oregon Capital Access Program
- Oregon Credit Enhancement Fund
- Oregon Industrial Development Bonds
- Entrepreneurial Development Loan Fund
- Business Retention Program
- Brownfields Redevelopment Fund

Learn more >>

## Business Resources and Services

There are several assistance and financing programs available from local and federal resources that may be used to meet business needs. These resources are:

- United States Department of Agriculture (USDA)
- Farm Service Agency (FSA)
- Small Business Administration (SBA)
- Oregon Small Business Development Centers
- SCORE—Counselors to America's Small Business
- Other Small Business Service Providers

Learn more >>

## Starting a Business in Oregon

The business finance team provides a range of financing services to businesses and lending partners. These services include: revolving loan funds for working capital and term loans; loan guarantees on bank loans; loans for startup businesses; and tax-exempt, bond financing for manufacturers.

Learn more >>

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# STATE OF INDIANA

## EXECUTIVE DEPARTMENT
## INDIANAPOLIS

**EXECUTIVE ORDER** 05-01

**FOR:** CREATION OF THE OFFICE OF SECRETARY OF COMMERCE AND COORDINATION OF THE STATE'S ECONOMIC DEVELOPMENT AND JOB TRAINING EFFORTS

TO ALL WHOM THESE PRESENTS MAY COME, GREETINGS.

**WHEREAS,** in recent years, Indiana has experienced significant job losses, resulting in diminished hope and opportunity for Hoosiers and a decline in revenues available to address the problems faced by our State;

**WHEREAS,** fostering opportunities for business growth and job creation is vital to restoring Indiana's economic health and helping Indiana realize its true potential;

**WHEREAS,** business growth and job creation depend upon the availability of a skilled workforce, resulting in the need for coordination between our State's economic development efforts and its job training and labor programs;

**WHEREAS,** consistent with the foregoing identification of need, the General Government Subcommittee of the Government Efficiency Commission has recommended the establishment of an office of economic development, headed by a chief economic development officer reporting directly to the Governor with complete responsibility, accountability, and authority for all functions related to economic development and job creation and retention within the State;

**WHEREAS,** it is in the best interests of the citizens of Indiana to establish the position of Secretary of Commerce to lead Indiana's economic development efforts and to coordinate those efforts with its job training and labor programs;

**WHEREAS,** the Governor has proposed legislation to the General Assembly that would abolish the Department of Commerce and expedite the transfer of its business development powers and duties to the Indiana Economic Development Corporation (IEDC); and

**WHEREAS,** it is appropriate and necessary to give immediate effect to actions designed to address the needs and implement the reforms described in this Executive Order;

**NOW, THEREFORE, I, Mitchell E. Daniels, Jr.,** by virtue of the authority vested in me as Governor of the State of Indiana, do hereby order that:

1. The position of Secretary of Commerce is hereby created.

2. The Secretary of Commerce shall be appointed by, report directly to, and serve at the pleasure of the Governor.

3. The Secretary of Commerce, shall, among other things, oversee and coordinate the State's efforts to foster business growth, industry modernization, economic diversification, and job creation and retention.

4. The Secretary of Commerce shall be the chief executive officer of the Department of Commerce and, upon the elimination of such department, of the IEDC, and shall have such powers, duties and responsibilities in such capacity as may be set forth by statute upon enactment of legislation or as may be designated by the Governor from time to time consistent with the exercise of executive authority under the Constitution and laws of the State.

5. In furtherance of the goal of coordinating the State's economic development efforts with its job training and labor programs, the Commissioner of the Department of Workforce Development (DWD) and the Commissioner of the Department of Labor, each of whom is appointed by and serves at the pleasure of the Governor, shall report to the Secretary of Commerce.

6. Consistent with the foregoing, and as a means of providing for the consolidation of all job training programs under the Secretary of Commerce, the Commissioner of the DWD and the Secretary of the Family and Social Services Administration (FSSA) are hereby authorized and directed to enter into such inter-agency agreements or memoranda of understanding and to take such other actions as may be necessary in order to provide for DWD's administration, to the fullest extent permitted by law, of the Indiana Manpower and Comprehensive Training (IMPACT) job training programs currently administered by the FSSA's Division of Family and Children.



SF 18323 (R2/8-99)

7. Upon the enactment of the legislation by the General Assembly to codify the measures described in paragraphs 1 through 5 of this Executive Order, this Executive Order shall expire as to those measures; provided, however, that this Executive Order shall continue in effect as to the measures described in paragraph 6 hereof.

**IN TESTIMONY WHEREOF**, I, Mitchell E. Daniels, Jr., have hereunto set my hand and caused to be affixed the Great Seal of the State of Indiana on this 10th day of January, 2005.

Mitchell E. Daniels, Jr.
Governor of Indiana

ATTEST: Todd Rokita
Secretary of State

SOURCE: IC 5-28; (05)HE1003.1.34. --> SECTION 34. IC 5-28 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**ARTICLE 28. INDIANA ECONOMIC DEVELOPMENT CORPORATION**

**Chapter 1. Purpose**

**Sec. 1. (a) It is the intent of the general assembly to improve the quality of life for the citizens of Indiana by encouraging the:**

**(1) diversification of Indiana's economy and the orderly economic development and growth of Indiana;**

**(2) creation of new jobs;**

**(3) retention of existing jobs;**

**(4) growth and modernization of existing industry; and**

**(5) promotion of Indiana.**

**(b) The general assembly finds the following:**

**(1) Certain activities associated with the functions listed in subsection (a) may not work properly with the traditional responsibilities and activities of state agencies.**

**(2) The functions listed in subsection (a) can be achieved most efficiently by a body politic and corporate that:**

**(A) serves the interests of the state by carrying out the programs set forth in this article;**

**(B) is free from certain administrative restrictions that would hinder its performance; and**

**(C) possesses broad powers designed to maximize the state's economic development efforts.**

**(3) The corporation established by this article will:**

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**(A) lead the state's economic development efforts;**

**(B) carry out the programs under this article, including the providing of grants and loans; and**

**(C) perform other essential public services for the state.**

**(4) In return for the corporation's economic development efforts to carry out the functions listed in subsection (a), the general assembly should appropriate state funds to the corporation.**

**Chapter 2. Definitions**

**Sec. 1. The definitions in this chapter apply throughout this article.**

**Sec. 2. "Board" refers to the board of the corporation established under IC 5-28-4.**

**Sec. 3. Except as otherwise provided, "corporation" refers to the Indiana economic development corporation established by IC 5-28-3-1.**

**Sec. 4. "Economic development" refers to the purposes described in IC 5-28-1-1.**

**Sec. 5. "Secretary of commerce" refers to the secretary of commerce appointed under IC 5-28-3-4(a).**

**Chapter 3. Indiana Economic Development Corporation**

**Sec. 1. The Indiana economic development corporation is established.**

**Sec. 2. (a) The corporation is a body politic and corporate, not a state agency but an independent instrumentality exercising essential public functions.**

**(b) The corporation and the corporation's funds, accounts, and financial affairs shall be**

examined biennially by the state board of accounts under IC 5-11.

Sec. 3. Employees of the corporation are not employees of the state.

Sec. 4. (a) The governor shall appoint the secretary of commerce, who shall serve at the pleasure of the governor. The secretary of commerce is the chief executive officer of the corporation.

(b) The governor shall appoint the president of the corporation, who shall serve at the pleasure of the governor. The president shall report to the secretary of commerce.

Chapter 4. Corporation Board

Sec. 1. The corporation shall be governed by a board.

Sec. 2. (a) The board is composed of the following twelve (12) members, none of whom may be members of the general assembly:

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(1) The governor.

(2) Eleven (11) individuals appointed by the governor.

The individuals appointed under subdivision (2) must be employed in or retired from the private or nonprofit sector or academia.

(b) When making appointments under subsection (a)(2), the governor shall appoint the following:

(1) At least five (5) members belonging to the same political party as the governor.

(2) At least three (3) members who belong to a major political party (as defined in IC 3-5-2-30) other than the party of which the governor is a member.

Sec. 3. (a) The term of office of an appointed member of the board is four (4) years.

(b) Each member holds office for the term of appointment and continues to serve after expiration of the appointment until a successor is appointed and qualified. A member is eligible for reappointment.

(c) Members of the board appointed under section 2(a)(2) of this chapter serve at the pleasure of the governor.

Sec. 4. The governor shall serve as chairperson of the board.

Sec. 5. The members of the board are entitled to a salary per diem for attending meetings equal to the per diem provided by law for members of the general assembly. The members of the board are also entitled to receive reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the members' duties as approved by the budget agency.

Sec. 6. Seven (7) members constitute a quorum for the transaction of business. The affirmative vote of at least seven (7) members is necessary for action to be taken by the board. Members may not vote by proxy.

Sec. 7. Meetings of the board shall be held at the call of the chairperson or whenever any six (6) voting members request a meeting. The members shall meet at least once every three (3) months to attend to the business of the board.

Chapter 5. General Powers

Sec. 1. The corporation shall carry out the economic development functions of the state in conformity with the laws enacted by the general assembly.

Sec. 2. The corporation is granted all powers necessary or appropriate to carry out the corporation's public and corporate purposes under this chapter.

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**Sec. 3. (a) Subject to approval by the budget agency, the corporation may, without the approval of the attorney general, employ legal counsel, technical experts, and other officers, agents, and employees, permanent or temporary, the corporation considers necessary to carry out the efficient operation of the corporation.**

**(b) Subject to approval by the budget agency, the corporation may enter into contracts without the approval of the attorney general.**

**Sec. 4. (a) The corporation shall determine qualifications, duties, compensation, and terms of service for persons employed by the corporation as employees or as independent contractors.**

**(b) The board may adopt a resolution providing that the corporation's employees who are eligible to participate in the public employees' retirement fund under the eligibility requirements set forth in IC 5-10.2 and IC 5-10.3 shall participate in the fund.**

**(c) The board may adopt a resolution to allow the corporation's employees to participate in group insurance and other benefit plans, including the state employees' deferred compensation plan, that are available to state employees.**

**Sec. 5. The board and the employees of the corporation are:**

**(1) under the jurisdiction of and rules adopted by the state ethics commission; and**

**(2) subject to ethics rules and requirements that apply to the executive branch of state government.**

**However, the board may adopt additional ethics rules and requirements that are more stringent than those adopted by the state ethics commission.**

**Sec. 6. The board shall establish an advisory committee to advise the board and the corporation on issues determined by the board. The advisory committee must:**

**(1) have members that represent diverse geographic areas and economic sectors of Indiana; and**

**(2) include members or representatives of local economic development organizations.**

**Sec. 7. For purposes of IC 34-13-2, IC 34-13-3, and IC 34-13-4, the board and the employees of the corporation are public employees (as defined in IC 34-6-2-38).**

**Sec. 8. The corporation shall adopt rules under IC 4-22-2 to carry out its duties under this article. The board may also adopt emergency rules under IC 4-22-2-37.1 to carry out its duties under**

**this article.**

**Sec. 9. Except as specifically provided by law, the corporation and the board are subject to IC 5-14-1.5 and IC 5-14-3.**

**Sec. 10. An employee of the corporation is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the employee's duties as approved by the budget agency.**

**Sec. 11. The corporation may request appropriations from the general assembly to:**

**(1) carry out the corporation's duties under this article; and**

**(2) fund economic development and job creation programs.**

**Sec. 12. (a) The Indiana promotion fund is established within the state treasury.**

**(b) Except as provided in section 13 of this chapter, the corporation shall deposit the following in the fund:**

**(1) All funding received from the private sector under IC 5-28-6-1(6).**

**(2) All other gifts, donations, bequests, devises, and contributions received by the**

corporation.

(c) The corporation shall administer the fund. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(e) Except as provided in the terms of a gift, a donation, a contribution, a bequest, a devise, or other private sector funding, money in the fund may be used at the discretion of the board to carry out in any manner the corporation's purposes under this article.

(f) Money in the fund may be transferred to any fund administered by the corporation.

(g) Money in the fund is continuously appropriated to the corporation for the purposes of this article.

Sec. 13. (a) Notwithstanding section 12 of this chapter, the board may establish a nonprofit subsidiary corporation to solicit and accept private sector funding, gifts, donations, bequests, devises, and contributions.

(b) A subsidiary corporation established under this section:

(1) must use money received under subsection (a) to carry out in any manner the purposes and programs under this article;

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(2) must report to the budget committee each year concerning:

(A) the use of money received under subsection (a); and

(B) the balances in any accounts or funds established by the subsidiary corporation; and

(3) may deposit money received under subsection (a) in an account or fund that is:

(A) administered by the subsidiary corporation; and

(B) not part of the state treasury.

(c) The state board of accounts shall annually audit a subsidiary corporation established under this section.

Chapter 6. Duties

Sec. 1. The corporation shall do the following:

(1) Create and regularly update a strategic economic development plan.

(2) Establish strategic benchmarks and performance measures.

(3) Monitor and report on Indiana's economic performance.

(4) Market Indiana to businesses worldwide.

(5) Assist Indiana businesses that want to grow.

(6) Solicit funding from the private sector for selected initiatives.

(7) Provide for the orderly economic development and growth of Indiana.

(8) Establish and coordinate the operation of programs commonly available to all citizens of Indiana to implement a strategic plan for the state's economic development and enhance the general welfare.

(9) Evaluate and analyze the state's economy to determine the direction of future public and private actions, and report and make recommendations to the general assembly in an electronic format under IC 5-14-6 with respect to the state's economy.

Sec. 2. (a) The corporation shall develop and promote programs designed to make the

best use of Indiana resources to ensure a balanced economy and continuing economic growth for Indiana, and, for those purposes, may do the following:

(1) Cooperate with federal, state, and local governments and agencies in the coordination of programs to make the best use of Indiana resources.

(2) Receive and expend funds, grants, gifts, and contributions of money, property, labor, interest accrued from loans made

by the corporation, and other things of value from public and private sources, including grants from agencies and instrumentalities of the state and the federal government. The corporation:

(A) may accept federal grants for providing planning assistance, making grants, or providing other services or functions necessary to political subdivisions, planning commissions, or other public or private organizations;

(B) shall administer these grants in accordance with the terms of the grants; and

(C) may contract with political subdivisions, planning commissions, or other public or private organizations to carry out the purposes for which the grants were made.

(3) Direct that assistance, information, and advice regarding the duties and functions of the corporation be given to the corporation by an officer, agent, or employee of the executive branch of the state. The head of any other state department or agency may assign one (1) or more of the department's or agency's employees to the corporation on a temporary basis or may direct a division or an agency under the department's or agency's supervision and control to make a special study or survey requested by the corporation.

(b) The corporation shall perform the following duties:

(1) Develop and implement industrial development programs to encourage expansion of existing industrial, commercial, and business facilities in Indiana and to encourage new industrial, commercial, and business locations in Indiana.

(2) Assist businesses and industries in acquiring, improving, and developing overseas markets and encourage international plant locations in Indiana. The corporation, with the approval of the governor, may establish foreign offices to assist in this function.

(3) Promote the growth of minority business enterprises by doing the following:

(A) Mobilizing and coordinating the activities, resources, and efforts of governmental and private agencies, businesses, trade associations, institutions, and individuals.

(B) Assisting minority businesses in obtaining governmental or commercial financing for expansion or establishment of new businesses or individual development projects.

(C) Aiding minority businesses in procuring contracts

from governmental or private sources, or both.

(D) Providing technical, managerial, and counseling assistance to minority business enterprises.

(4) Assist the office of the lieutenant governor in:

(A) community economic development planning;

(B) implementation of programs designed to further community economic development; and

(C) the development and promotion of Indiana's tourist resources.

(5) Assist the commissioner of agriculture in promoting and marketing of Indiana's agricultural products and provide assistance to the commissioner of agriculture.

(6) With the approval of the governor, implement federal programs delegated to the state to carry out the purposes of this article.

(7) Promote the growth of small businesses by doing the following:

(A) Assisting small businesses in obtaining and preparing the permits required to conduct business in Indiana.

(B) Serving as a liaison between small businesses and state agencies.

(C) Providing information concerning business assistance programs available through government agencies and private sources.

(8) Assist the Indiana commission for agriculture and rural development in performing its functions under IC 4-4-22.

(9) Establish a public information page on its current Internet site on the world wide web. The page must provide the following:

(A) By program, cumulative information on the total amount of incentives awarded, the total number of companies that received the incentives and were assisted in a year, and the names and addresses of those companies.

(B) A mechanism on the page whereby the public may request further information online about specific programs or incentives awarded.

(C) A mechanism for the public to receive an electronic response.

(c) The corporation may do the following:

(1) Disseminate information concerning the industrial, commercial, governmental, educational, cultural, recreational, agricultural, and other advantages of Indiana.

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(2) Plan, direct, and conduct research activities.

(3) Assist in community economic development planning and the implementation of programs designed to further community economic development.

Chapter 7. Training 2000 Program and Fund

Sec. 1. As used in this chapter, "business" includes an entity that has the objective of supplying a service or an article of trade or commerce.

Sec. 2. The corporation shall do the following:

(1) Establish policies to carry out a training assistance program, the purpose of which is to provide assistance to the following:

(A) New or expanding businesses, for the training of potential employees and the retraining and upgrading of the skills of potential employees.

(B) Businesses in Indiana, for the retraining and upgrading of employees' skills required to support new capital investment.

(C) Businesses in Indiana, for the development of basic workforce skills of employees, including the following:

(i) Literacy.

(ii) Communication skills.

(iii) Computational skills.

(iv) Other transferable workforce skills approved by the corporation.

(2) Provide promotional materials regarding the training program.

(3) Determine the eligibility of an industry for the training program.

(4) Require a commitment by a business receiving training assistance under this chapter to continue operations at a site on which the training assistance is used for at least five (5) years after the date the training assistance expires. If a business fails to comply with this commitment, the corporation shall require the business to repay the training assistance provided to the business under this chapter.

Sec. 3. The corporation may do the following:

(1) Adopt policies and guidelines necessary to carry out this chapter.

(2) Accept money and other things of value from all sources to carry out the purposes of the training program.

(3) Provide services and materials in order to carry out the

purposes of the training program.

(4) Develop or assist in the development of training plans.

(5) Evaluate the training program with respect to the program's impact on the improvement of workforce skills, job creation, and job retention.

(6) Involve other entities, by contract or otherwise, in carrying out the purposes of the training program.

Sec. 4. Participation in the training program is limited to businesses that:

(1) meet the eligibility requirements of the corporation; and

(2) comply with this chapter.

Sec. 5. (a) The training 2000 fund is established within the state treasury to be used exclusively for the purposes of this chapter.

(b) The fund consists of appropriations from the general assembly.

(c) The corporation shall administer the fund. The following may be paid from money in the fund:

(1) Expenses of administering the fund.

(2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

Chapter 8. Economic Development Fund

Sec. 1. As used in this chapter, "federal agency" means the Economic Development Administration of the United States Department of Commerce.

Sec. 2. As used in this chapter, "federal program" means a federal loan or grant program that promotes economic development.

Sec. 3. As used in this chapter, "fund" refers to the economic development fund established by section 5 of this chapter.

Sec. 4. As used in this chapter, "qualified entity" means the state, a political subdivision of the state, an agency of the state or a political subdivision of the state, a nonprofit corporation, or the Indiana development finance authority established under IC 4-4-10.9 and IC 4-4-11.

Sec. 5. (a) The economic development fund is established within the state treasury. The fund is a revolving fund to provide grants and loans for economic development activities in Indiana for the purposes of this chapter.

(b) The fund consists of appropriations from the general assembly and loan repayments.

(c) The corporation shall administer the fund. The following may be paid from money in the fund:

(1) Expenses of administering the fund.

(2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.

(d) Earnings from loans made under this chapter shall be deposited in the fund.

(e) The money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund.

Sec. 6. (a) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(b) The treasurer of state shall also:

(1) receive cash receipts belonging to the fund, deposit these amounts in the fund, and submit a monthly report to the corporation of these transactions; and

(2) make payments on vouchers authorized by the corporation.

Sec. 7. The auditor of state shall draw warrants on the treasurer of state in payment of properly prepared vouchers signed by the president of the corporation or the president's designee.

Sec. 8. (a) The corporation shall receive grants allocated by a federal program for the purposes specified in section 9(c) of this chapter. Guidelines shall be prepared by the corporation enumerating the qualification procedures for receipt of grants and loans from the fund. These guidelines must be consistent with Indiana law and federal program requirements.

(b) The board, with the approval of the budget agency and the governor, shall allocate parts of the fund for the purposes specified in section 9(c) of this chapter. The corporation shall make allocations on the basis of the need of the qualified entity.

(c) The corporation shall keep complete sets of records showing all transactions by the fund in a manner that enables the corporation to prepare at the end of each fiscal year a complete report for the general assembly. The information in the report must be sufficient to permit a complete review and understanding of the operation and financial condition of the fund. The report must be submitted in electronic format under IC 5-14-6.

Sec. 9. (a) If federal money will not be used in conjunction with

fund money, a qualified entity that wants a grant from the fund must submit an application for the grant to the corporation. The corporation shall review the application and may approve the application if the activities for which the grant money is to be used are activities:

(1) that the qualified entity has statutory authority to perform; and

(2) for which this chapter permits fund money to be used.

(b) When fund money is to be used to match federal money, a qualified entity that wants a grant must submit to the corporation an application for a grant under the federal program. The corporation shall review the application and shall submit the application to the federal agency if the corporation finds that the activities for which the grant money is to be used are activities:

(1) that the qualified entity has statutory authority to perform; and

(2) for which the federal program permits money to be used.

Before submitting an application to the federal agency, the corporation must also approve the completeness and technical accuracy of the qualified entity's application.

(c) Money from the fund and money from a federal program may be used for the following projects:

(1) Public works.

(2) Technical assistance.

(3) Economic adjustment assistance.

(4) Other economic development programs.

(d) If the qualified entity proposes to use its money for a loan program, the application from the qualified entity must contain the conditions under which loans will be made and the interest rate that will be charged.

Sec. 10. (a) A qualified entity may apply to the corporation for a loan from the fund to be used for economic development programs.

(b) An amount loaned to a qualified entity is an obligation of the qualified entity and shall be repaid to the corporation within a time to be fixed by the corporation, not to exceed three (3) years.

(c) The corporation shall determine interest rates for the loans to be made under this section.

(d) Final disbursements of money under this section must be made with the approval of the state board of finance.

(e) If a qualified entity fails to make repayment of money loaned under this section, the amount payable may be:

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(1) withheld by the auditor of state from money payable to the qualified entity and transferred to the fund; or

(2) recovered in an action by the state on relation of the corporation, prosecuted by the attorney general, in the circuit or superior court of the county in which the qualified entity is located.

## 21st Century Research and Technology Fund

The Indiana 21st Century Research and Technology Fund was created to stimulate the process of diversifying the State's economy by developing and commercializing advanced technologies in Indiana. The Board, representing most of the academic and commercial sectors of the State, approves awards.

## Industrial Development Grant Fund (IDGF)

This grant provides money to local governments for off-site infrastructure projects associated with an expansion of an existing Indiana company or the location of a new facility in Indiana. State funding through the IDGF program must be matched by a combination of local government and company financial support.

## Small Business Innovation Research Initiative (SBIR/STTR)

The Small Business Innovation Research (SBIR) — along with its sister program, the Small Business Technology Transfer program (STTR) — are highly competitive and encourage small businesses to explore their technological potential. SBIR/STTR funding is available from 11 participating agencies throughout the United States and focuses on various technological areas.

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*Indiana Economic Development Corporation*
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## Tax-exempt Bonds

Private Activity Bonds are often called Industrial Revenue Bonds (IRBs) or Industrial Development Bonds (IDBs) and are issued by state or local governmental entities for the benefit of a private company, usually manufacturers. Interest on the bonds is generally exempt from federal income taxes for investors, which typically results in lower long-term interest rates to the borrower.

## Loan Guaranty Program

IEDC can provide a loan guaranty to a lender for the benefit of a high-growth/high-skilled company, manufacturer, rural development project, value-added agricultural enterprise or another type of business that creates or retains a significant number of Hoosier jobs.

## Capital Access Program (CAP)

The Capital Access Program (CAP) is a small business credit enhancement program that creates a specific cash reserve fund for the lender to use as additional collateral for loans enrolled in the Program. CAP allows lenders to consider loans that might not meet conventional lending requirements.

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## Economic Development for a Growing Economy (EDGE) Tax Credit

The Economic Development for a Growing Economy (EDGE) is a refundable tax credit program that rewards companies creating jobs and contributing to the growth of Indiana's economy. EDGE credits are calculated as a percentage of payroll tax withholding for net new Indiana jobs. EDGE credits may be awarded for a period of up to 10 years.

## Headquarters Relocation Tax Credit

When a business relocates its corporate headquarters (defined as the location of the principal office of the principal executives) to Indiana, it is entitled to a credit against its state tax liability equal to half of the costs incurred in relocating the headquarters. A company must have a worldwide annual revenue of at least $100 million to qualify.

## Hoosier Business Investment Tax Credit (HBITC)

This program encourages capital investment in Indiana by providing a credit against a company's Indiana tax liability. The credit amount is based on a company's qualified capital investment with the final credit amount determined by the Indiana Economic Development Corporation, based on an analysis of the economic benefits of the proposed investment.

## Industrial Recovery Tax Credit

The Industrial Recovery tax credit provides an incentive for companies to invest in facilities requiring significant rehabilitation or remodeling expense. After a building has been designated as an industrial recovery site, companies may be eligible for a tax credit calculated as a percentage of qualified rehabilitation expense.

## Venture Capital Investment Tax Credit

The Venture Capital Investment Tax Credit was established to improve access to capital to fast growing Indiana companies by providing individual and corporate investors an additional incentive to invest in early stage firms. Investors who provide qualified debt or equity capital to Indiana companies receive a credit against their Indiana income tax liability.

## Media Production Sales Tax Exemption

The Media Production Expenditure Tax Credit (MPETC) was established to further grow the Indiana production industry by providing individuals and companies a refundable tax credit of up to 15 percent of the amount spent in Indiana for qualified production expenditures.

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## Patent Tax Exemption

The Patent Tax Exemption allows certain income derived from qualified patents to be exempt from taxation. The Tax Exemption for Patent-Derived Income defines qualified patents to include only utility patents and plant patents. The total amount of exemptions claimed by a taxpayer in a taxable year may not exceed $5 million.

## Certified Tech Parks

The Certified Technology Parks program supports the attraction and growth of high-technology business in Indiana and promotes technology transfer opportunities. Designation as a Certified Tech Park allows for the local recapture of certain state and local tax revenue which can be invested in the development of the park.

## Regional Economic Development Partnership Programs

In order to spur further regional economic development initiatives, this program was created to encourage communities to think, plan and act regionally, and to provide additional resource support for regional initiatives. The objective is to build on the work already done to define regional economies, develop regional growth strategies, accelerate effective regional economic development.

• click for more information

## Regulatory Ombudsman

The Indiana Economic Development Corporation's regulatory ombudsman assists in the process of obtaining the permits and approvals necessary for a business operation. The ombudsman serves as a liaison between companies, communities, local economic development organizations and regulatory agencies.

## Shovel Ready

The Shovel Ready Program is a new state program created to help communities certify sites as "ready for development." Shovel Ready is designed to ultimately help companies locate and develop a property site quickly. This provides a competitive advantage for Indiana and gets Hoosier jobs here faster.

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# Appendix A: Commerce Legislation Excerpt

This appendix includes relevant language from EHB2242 (Chapter 565, Laws of 2009), the legislation that directs Commerce to develop this report

**Appendix A: Legislation related to the Department of Commerce.**

**EHB 2242 was passed during the 2009 legislative session.**

**The bill was originally sponsored by:**
Representatives Kenney, Probst, Maxwell, Hunt, Liias, Ormsby, Kelley, Sullivan, Hasegawa, Quall, White and Chase; by request of Governor Gregoire.

**Votes on Final Passage:**
House 96-1
Senate 47-0 (Senate amended)
House 93-1 (House concurred)

**Effective:** July 26, 2009

**Partial Veto Summary**: The Governor vetoed the section that de-codified the State Energy Program statute.

**The following information is from the final bill report produced by legislative staff:**

**Background**: The Department of Community, Trade and Economic Development (DCTED) is an executive branch agency that was created in 1994 through the consolidation of the Department of Community Development and the Department of Trade and Economic Development. The DCTED is responsible for promoting community and economic development statewide by (1) assisting communities to increase economic vitality and the quality of citizen's lives, and (2) assisting the state's businesses to maintain and increase economic competitiveness while maintaining a healthy environment.

**Summary**:
A Department of Commerce (Department) is created. By November 1, 2009, its director must develop a report for the Governor and appropriate legislative committees. This report must include analyses and recommendations for statutory changes that ensure the Department will have: a concise core mission; be aligned with the state's comprehensive economic development plan; be accountable and transparent; leverage state private and federal resources; maximize partnerships and use intermediaries; be focused and flexible in response to changing conditions; and increase local capacity building to respond to opportunities and needs. The report must include recommendations for creating or consolidating programs important to meeting the Department's core mission, as well as recommendations for terminating or transferring programs that are inconsistent with the core mission.

The Director of the Department must collaborate with the Governor's Office, the Office of Financial Management, the Economic Development Commission, and

ten legislative committee chairs and ranking minority members, as well as soliciting input from businesses, employees, economic development practitioners, local governments, planning professionals, community and housing organizations, and other key community and economic development stakeholders. A number of statutory references to the "Department of Community, Trade and Economic Development" are changed to the "Department of Commerce."

**Excerpted important sections of the bill codified in Chapter 43.330 RCW:**

**RCW 43.330.007 Management responsibility.** The purpose of this chapter is to establish the broad outline of the structure of the department of commerce, leaving specific details of its internal organization and management to those charged with its administration. This chapter identifies the broad functions and responsibilities of the department and is intended to provide flexibility to the director to reorganize these functions and to make recommendations for changes.

[2009 c 565 § 1; 1993 c 280 § 2.]

**RCW 43.330.010 Definitions.**

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Associate development organization" means a local economic development nonprofit corporation that is broadly representative of community interests.

(2) "Department" means the department of commerce.

(3) "Director" means the director of the department of commerce.

(4) "Financial institution" means a bank, trust company, mutual savings bank, savings and loan association, or credit union authorized to do business in this state under state or federal law.

(5) "Microenterprise development organization" means a community development corporation, a nonprofit development organization, a nonprofit social services organization or other locally operated nonprofit entity that provides services to low-income entrepreneurs.

(6) "Statewide microenterprise association" means a nonprofit entity with microenterprise development organizations as members that serves as an

intermediary between the department of commerce and local microenterprise development organizations.

[2009 c 565 § 2; 2007 c 322 § 2; 1993 c 280 § 3.]

**RCW 43.330.020 Department created.** A department of commerce is created. The department shall be vested with all powers and duties established or transferred to it under this chapter and such other powers and duties as may be authorized by law. Unless otherwise specifically provided, the existing responsibilities and functions of the agency programs will continue to be administered in accordance with their implementing legislation.

[2009 c 565 § 3; 1993 c 280 § 4.]

**Because Section 4 is temporary it will not be codified into the RCW; here it is reproduced in bill format, as it reads in the final version of EHB 2242:**

**Sec. 4.** A new section is added to chapter 43.330 RCW to read as follows:

(1) The director shall, in collaboration with the office of the governor, the office of financial management, the Washington economic development commission, the chairs and ranking minority members of the community and economic development and trade committee of the house of representatives and the economic development, trade and innovation committee of the senate, and the chairs and ranking members, or their designees, of the ways and means committees of the house of representatives and the senate and the house of representatives capital budget committee, develop a report with analysis and recommendations on statutory changes that would ensure that the department's efforts are efficient, effective, and:

(a) Are organized around a concise core mission and aligned with the state's comprehensive plan for economic development;

(b) Are capable of providing focused and flexible responses to changing economic conditions;

(c) Generate greater local capacity to respond to local opportunities and needs;

(d) Face no administrative barriers to leveraging state resources or procuring private and federal resources;

(e) Maximize results through partnerships and the use of intermediaries; and

(f) Provide transparency and increased accountability to the public, the governor, and the legislature.

(2) The report shall include recommendations for creating or consolidating programs deemed important to meeting the department's core mission and recommendations for terminating or transferring specific programs if they are not consistent with the department's core mission.

(3) In developing the recommendations, the director shall solicit the input of businesses, employees, economic development practitioners, local governments, planning professionals, community and housing organizations, and other key economic and community development stakeholders.

(4) The recommendations must be delivered to the governor and the appropriate legislative committees by November 1, 2009.

## Economic Incentive Summaries

In addition to the program responses summarized in the previous section, Washington state has a number of economic programs that provide tax credits, rebates or deferrals. Thirty eight of those incentive programs are summarized below.

Each of these programs is managed by the Washington Department of Revenue. For more information about any of these programs, visit the website at:

http://dor.wa.gov/Content/FindTaxesAndRates/TaxIncentives/IncentivePrograms.aspx

or contact:

Mr. Gary Grossman
Office of Legislation and Policy, Washington State Department of Revenue
Capital Plaza Building, Suite 400
PO Box 47467
Olympia, WA 98504-7467
Telephone: (360) 570-6118
Email: garyg@dor.wa.gov

The programs are outlined in Table 11 below. For easier access, the incentive programs have been categorized according to the major industry or group benefiting.

**Table 11: Economic Incentive Programs**

**Aerospace**

- Reduced B&O Tax Rate for Aerospace Businesses
- Sales & Use Tax Exemption for Aerospace Manufacturers for Computer Hardware/Software/Peripherals
- Aerospace Reduced B&O Rate for FAR Part 145 Repair Stations
- Aerospace B&O Credit for Preproduction Development Expenditures
- B&O Credit for Property/Leasehold Taxes paid on Aerospace Manufacturing Facilities

**Aluminum Smelters**

- Power & Gas Tax Exemption for Aluminum Smelters
- B&O Tax Credit for Property Tax on Aluminum Smelter
- B&O Tax Credit For State Portion of Sales Tax on Materials Used in Aluminum Smelter
- Reduced B&O Tax Rate for Aluminum Smelting

**Anaerobic Digesters**

- Sales/Use Tax Exemption for Anaerobic Digesters

**Table 11: Economic Incentive Programs (continued)**

**Biofuels**

B&O Tax Deduction for Retail Sales of Biofuels/Alcohol Fuels
Property/Leasehold Tax Exemption for Manufacturers of Biodiesel/Alcohol Fuel, etc
Reduced B&O Tax Rate for Manufacturing Biodiesel/Alcohol Fuel, etc.

**Electrolytic Processing**

Public Utility Tax Exemption for Power for Electrolytic Processing

**Energy Systems and Facilities**

Sales/Use Tax Exemption for Energy Generating Facilities
Reduced B&O Tax Rate for Solar Energy System Manufacturers & Wholesalers

**Farm and Livestock Uses**

Sales/Use Tax Exemption for Farm Fuel Users
Sales/Use Tax Exemption for Livestock Nutrient Management Equipment & Facilities

**Food Manufacturing**

Sales Tax Deferral/Waiver on Construction of Cold Storage & Certain Food Manufacturing/Processing Facilities
B&O Tax Exemption for Manufacturers of Dairy and Seafood Products
B&O Tax Exemption for Manufacturers of Fresh Fruit & Vegetables

**Help Desk Operations**

B&O Credit for Third Party Help Desk Services in Rural Counties

**International Business**

B&O Tax Credit for New Employment in International Services

**Machinery and Equipment**

Sales/Use Tax Exemption for Replacement Parts for Farm Machinery & Equipment
Sales/Use Tax Exemption for Machinery/Equipment, Delivery Vehicles & Construction of Facilities for Retail Sales of Biofuels

**Manufacturing**

B&O Credit for New Employees in Manufacturing and Research & Development in Rural County
Rural County Sales & Use Tax Deferral/Waiver for Manufacturing Facilities
Sales and Use Tax Exemption for Manufacturing Machinery & Equipment

**Public Utilities**

Main Street Tax Credit – B&O Tax/Public Utility Tax Credit

**Semiconductors**

Sales/Use Tax Exemption for Purchases of Semiconductor Gasses & Chemicals
Reduced B&O Tax Rate for Manufacturers of Semiconductor Materials

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# The Alaska Forward Challenge

## Introduction to The Alaska Forward Initiative



Alaska Forward

*Toward a Next Generation Economy*

***Get involved!***

December 4, 2009

# Alaska Partnership for Economic Development

An umbrella organization consisting of a variety of economic development entities, committed to the development of an Alaska Comprehensive Economic Development Strategy (ACEDS) and accompanying realistic action plan to identify, prioritize, and implement the state's economic development program.

Ultimately, this plan – branded as the "Alaska Forward" initiative – will provide guidance to the Alaska legislature, government policy-makers, regional economic development groups, and local community entities.

ALASKA PARTNERSHIP
FOR ECONOMIC DEVELOPMENT
GROWING, SUSTAINING AND DIVERSIFYING ALASKA'S ECONOMY

DENALI COMMISSION
ALASKA



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# APED Vision

Alaska's economy thrives in an atmosphere of smart growth balancing economic and environmental priorities while retaining and creating sustainable wage jobs, expanding and diversifying the tax base, and growing economic wealth to ensure resources that provide for the people and businesses of Alaska into the future.

## APED Mission

- Formulate sound economic policies,
- Promote the growth of economic wealth and
- Ensure a high quality of life for all of Alaska's residents,
- While allowing for the preservation of the population's unique character and cultural diversity.

***Alaska Forward: Toward a Next Generation Economy***



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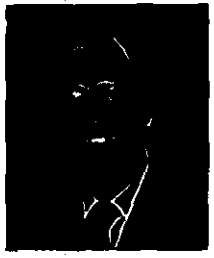
# The Consulting Team – Phase I Situational Analysis

**IHS Global Insight** — the global leader in economic and financial analysis, forecasting and marketing intelligence for 40 years. Now part of IHS and integrated with units such as IHS CERA, IHS Jane's, and IHS Lloyd's Register-Fairplay.

**Economic Competitiveness Group** — exclusive focus for 25 years on analyzing the drivers of regional economic competitiveness and strategy development.

**McDowell Group** — McDowell Group is Alaska's most experienced research-based consulting firm, with 35 years of experience studying business, economic and social conditions throughout Alaska.

# Senior Members of Phase I Consulting Team



**Chris Holling, IHS Global Insight, Project Director**

20 years of economic analysis experience

Puget Sound, South Carolina, Western Canada, Florida New Cornerstone, Vancouver, Louisiana, Toronto, SE Los Angeles, Atlantic Canada, El Paso, Malaysia



**Ted Lyman, Economic Competitiveness Group, Deputy Project Director**

30 years of regional economic development experience

Senior Principal at Economic Competitiveness Group (ECG). Puget Sound, Silicon Valley, Austin, TX., Charlotte, NC, Monterey, CA, Atlantic Canada, Brazil, Tennessee, Los Angeles, Mexico, Malaysia



**Jim Calvin, McDowell Group**

20 years Alaska economic analysis experience

Over 300 consulting assignments related to economic conditions in Alaska communities, businesses and industries, including virtually every region of the state



**Alec Hansen, Economic Competitiveness Group, Senior Advisor**

Economics Ph.D. Boston University

Former President, The Competitiveness Institute (TCI)

President of the Economic Competitiveness Group (ECG) with experience in Puget Sound, Florida New Cornerstone, Louisiana, Westchester, Pennsylvania, Monterey, South Africa, Malaysia, etc.



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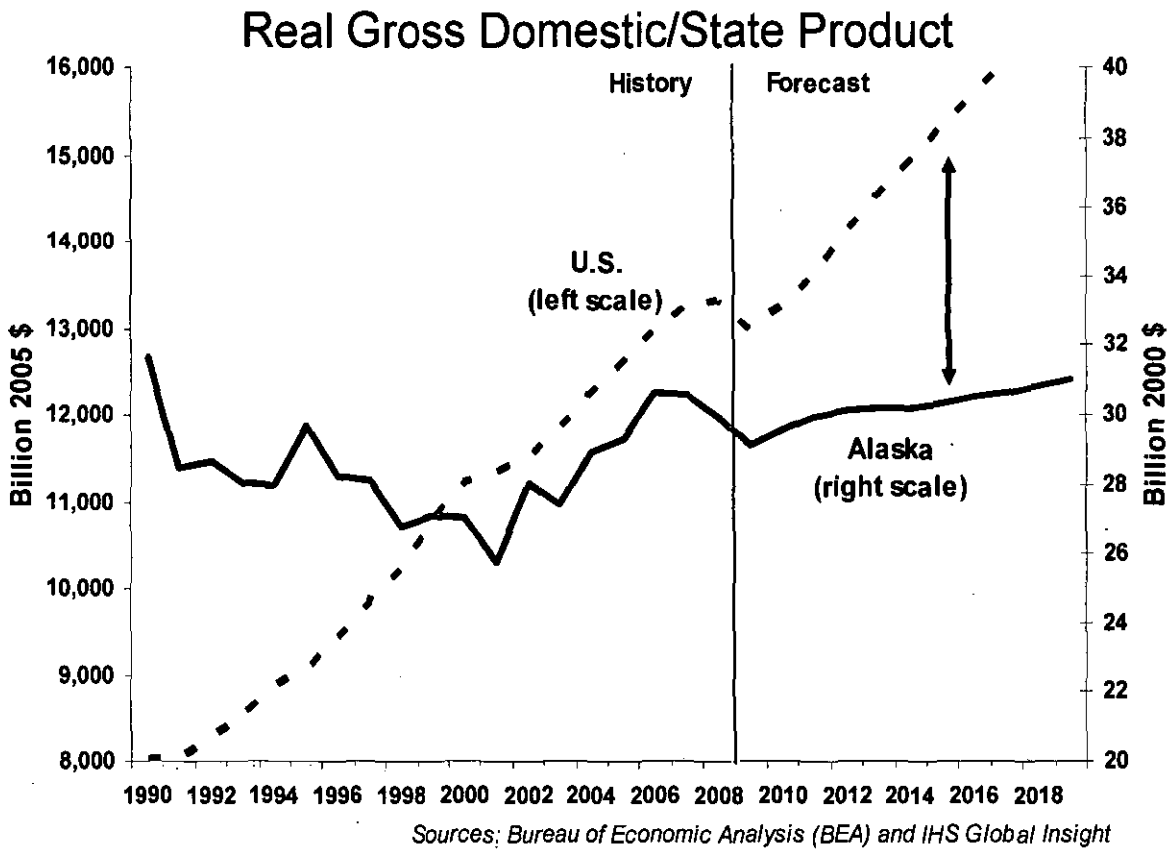
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# Phase I – Situational Analysis

- Take a pause and take a deep breath before blindly going forth as they have for the past couple of decades.
- Committed Alaskans, with a passion for economic development and a bright future for our state and from communities across the state are taking the lead.
- For economic success in the future, take stock of the economic situation today—a reality check—and with that as the baseline, gear up for some new thinking, new approaches to economic development and concrete new efforts to build the foundations of our next economy.
- Alaska Forward is the right initiative at the right time and we look forward to you helping us with the hard work that is to come.

# The Key Alaska Forward Challenge:
## *Alaska's comparative stagnation*

**Alaska's economy has been stagnating when looked at in comparison to the U.S. national economy.**




*Sources: Bureau of Economic Analysis (BEA) and IHS Global Insight*

**The forecast is the status quo path Alaska is on together.**
**The future, however, is Alaska's to change.**



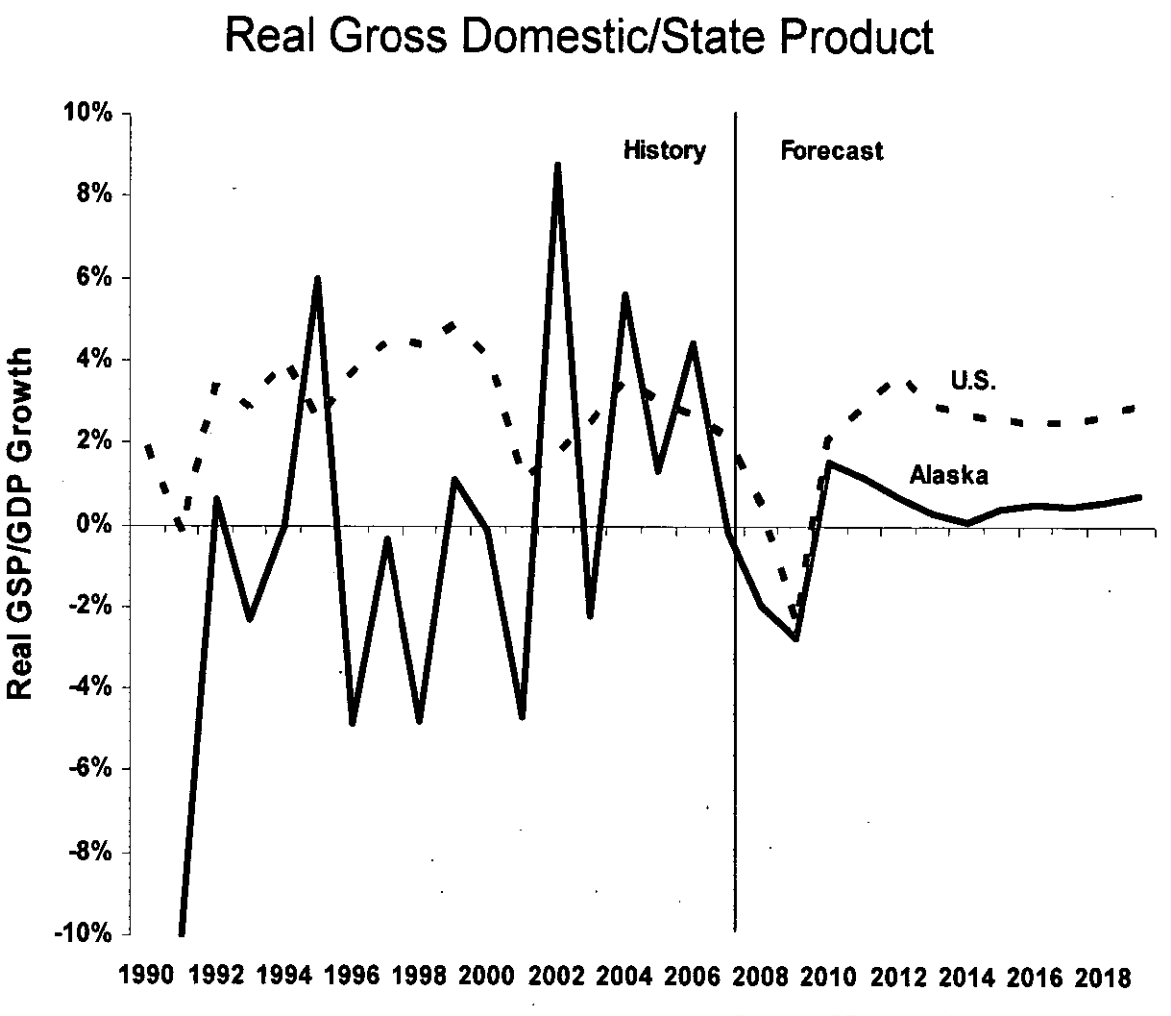
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# Cyclical Output Performance

**Gross State Product contracted in 5 of the last 10 years with the ups and downs of natural resource cycles.**

**No growth in 2007, 2% decline in 2008 and a 3.2% decline this year.**

**Sluggish sub-par "recovery".**

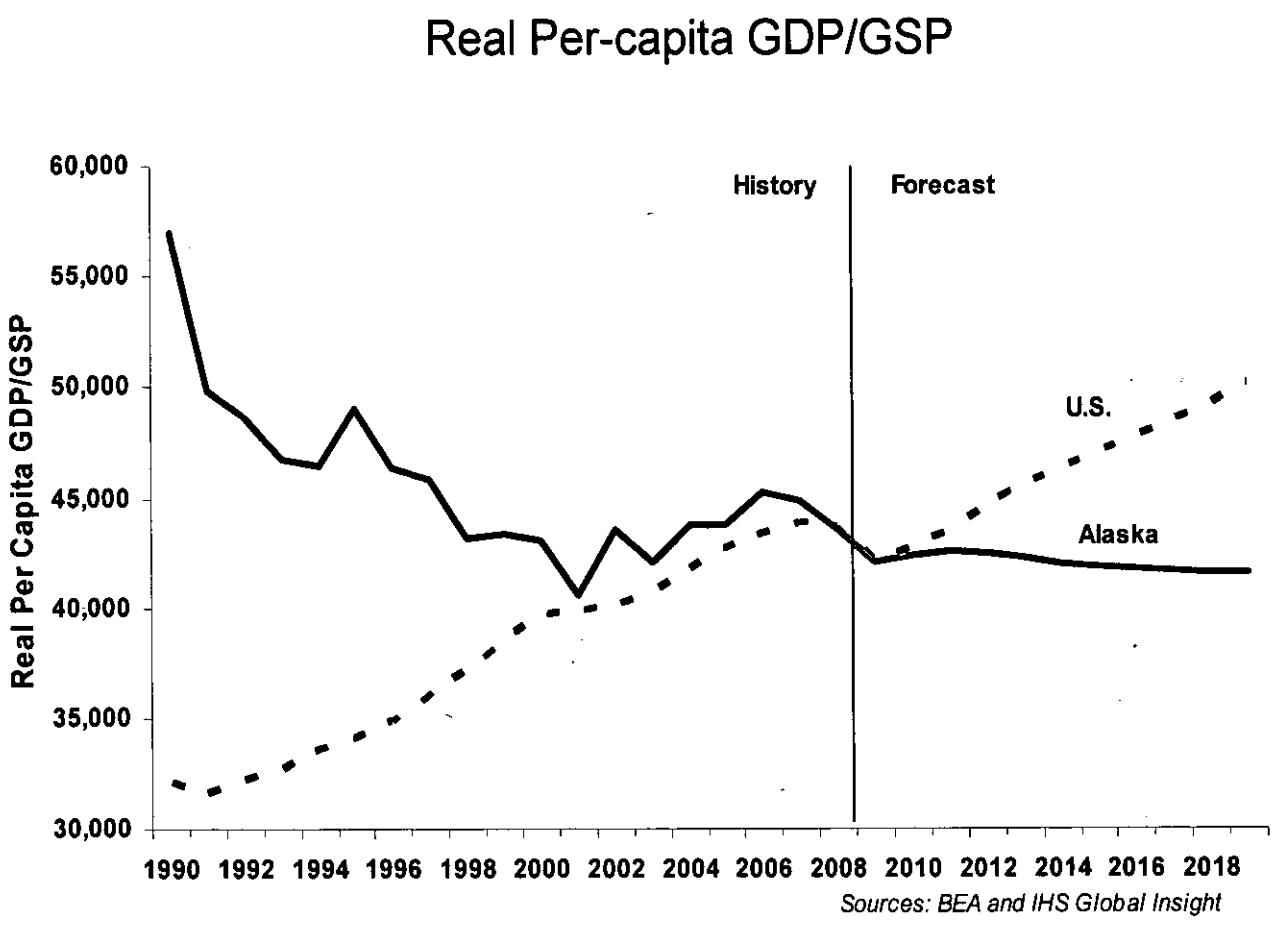



*Sources: BEA and IHS Global Insight*

# Getting Poorer

**Once a high per-capita income state, Alaska is now projected to become a lower than average per-capita income state.**

**Ten years of decline is projected under the status quo outlook.**



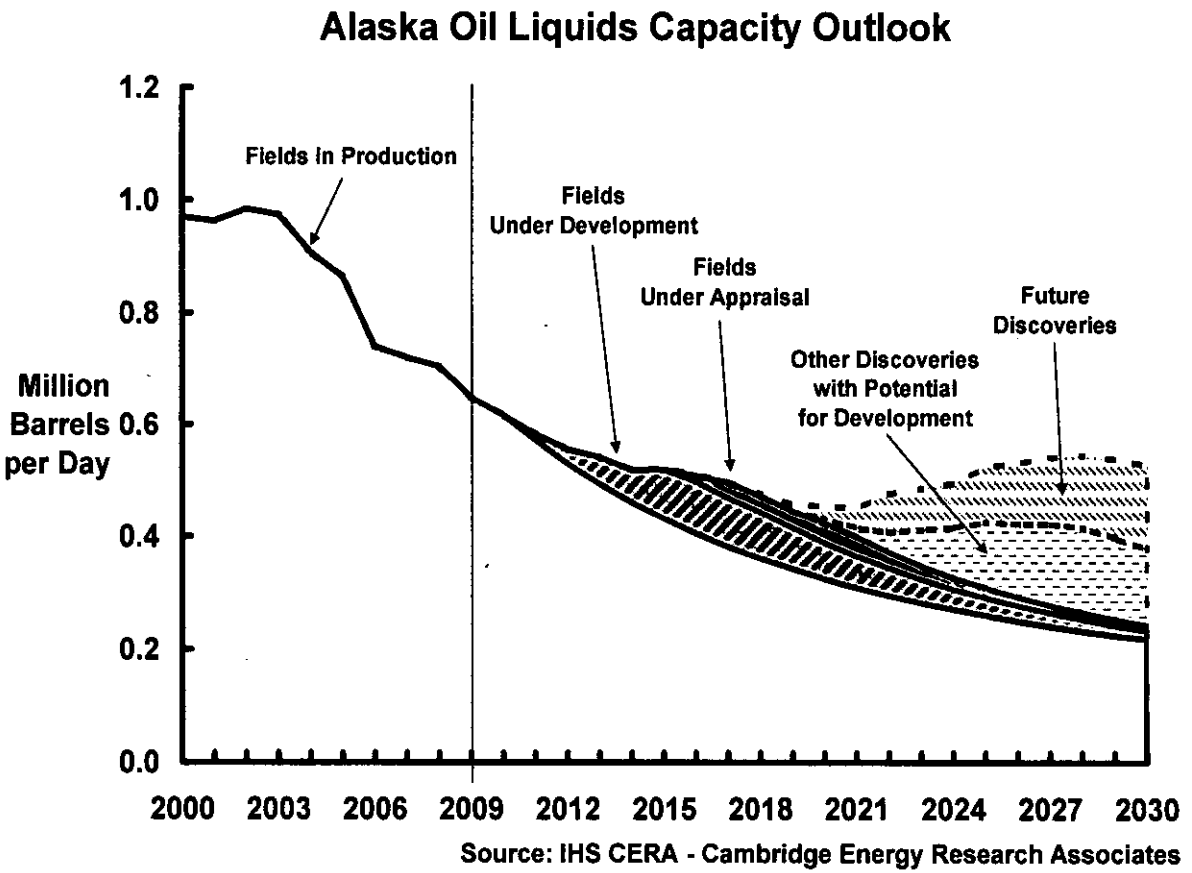



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# Energy sector no longer a source of growth

Alaska's oil and gas sector is massive (15% of the national supply), but in decline.

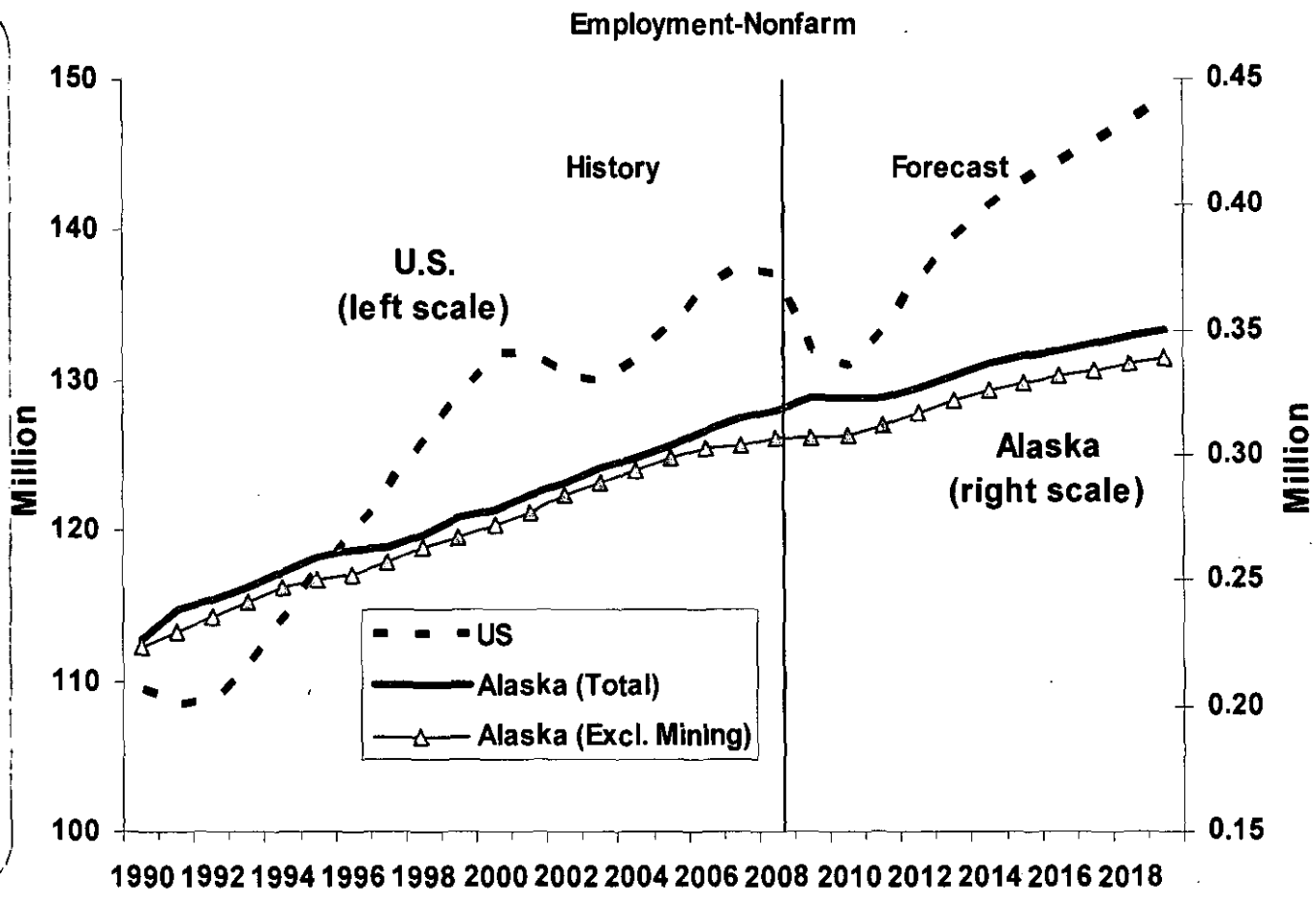
Without any new developments, we expect current fields to be producing only about one-third of their current levels by 2030.



# Employment -- a source of stability

**Stability of employment has been an important source of peace of mind for Alaskans.**

**A key driver of this stability appears to be a natural "labor hoarding" response.**




*Sources: Bureau of Labor Statistics (BLS) and IHS Global Insight*



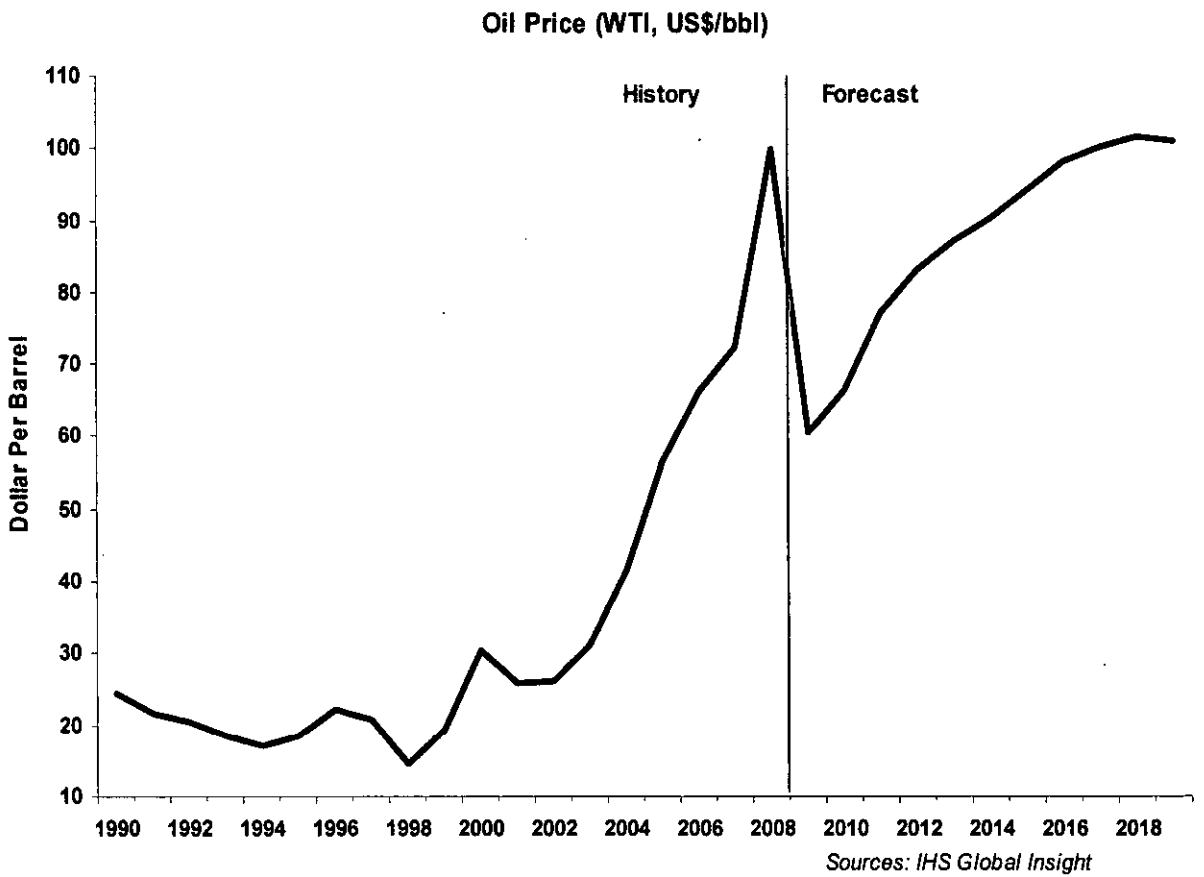
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# Oil Prices – a powerful driver of income

**Rising oil prices have mitigated the impact of declining production levels.**

**Strong driver of state revenue and personal income support.**

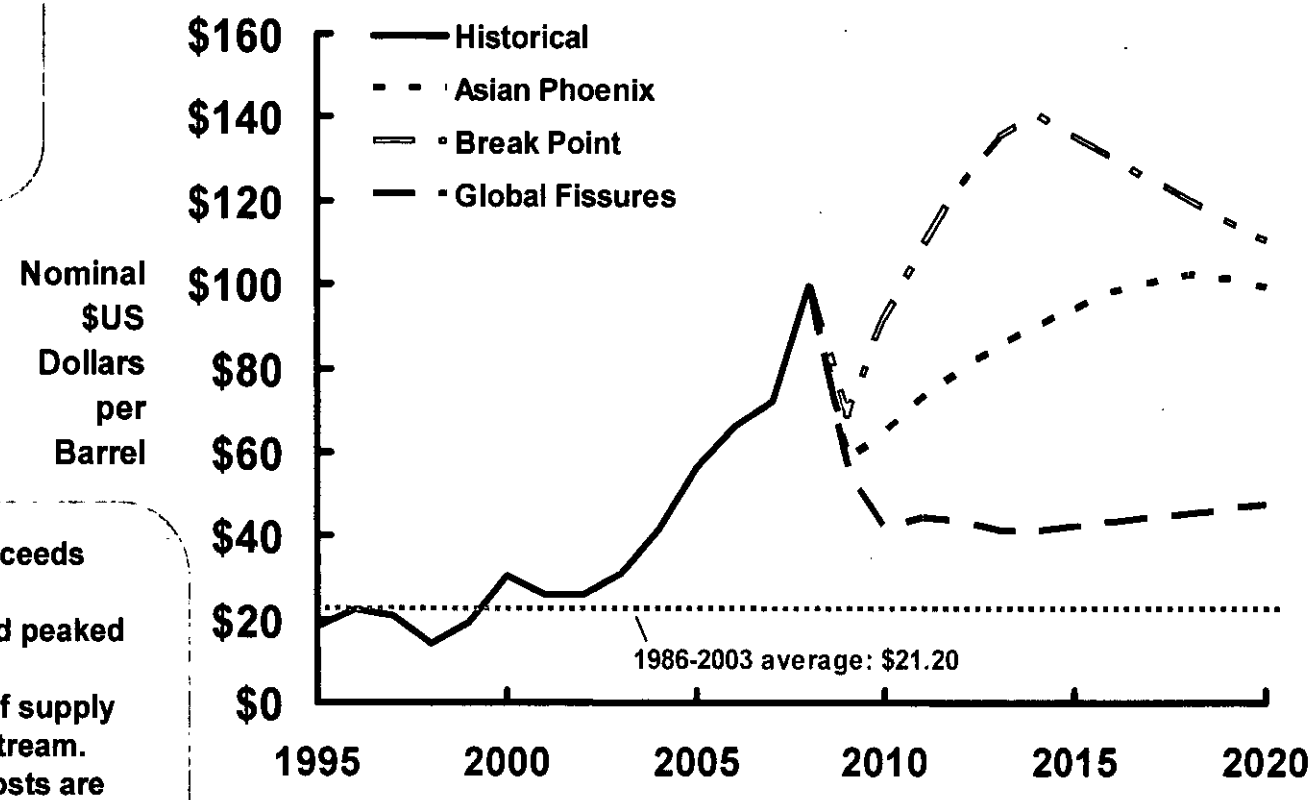



**Annual average prices**

# Oil Prices – hard to predict, so use scenarios

Alaskans should not ignore the downside risks of the price of oil.

## WTI Price Scenarios to 2020




Source: IHS CERA, Global Insight

- Global supply exceeds demand.
- OECD oil demand peaked in 2005.
- Cheap sources of supply still coming on stream.
- Oil production costs are being driven down.
- OPEC members not disciplined.

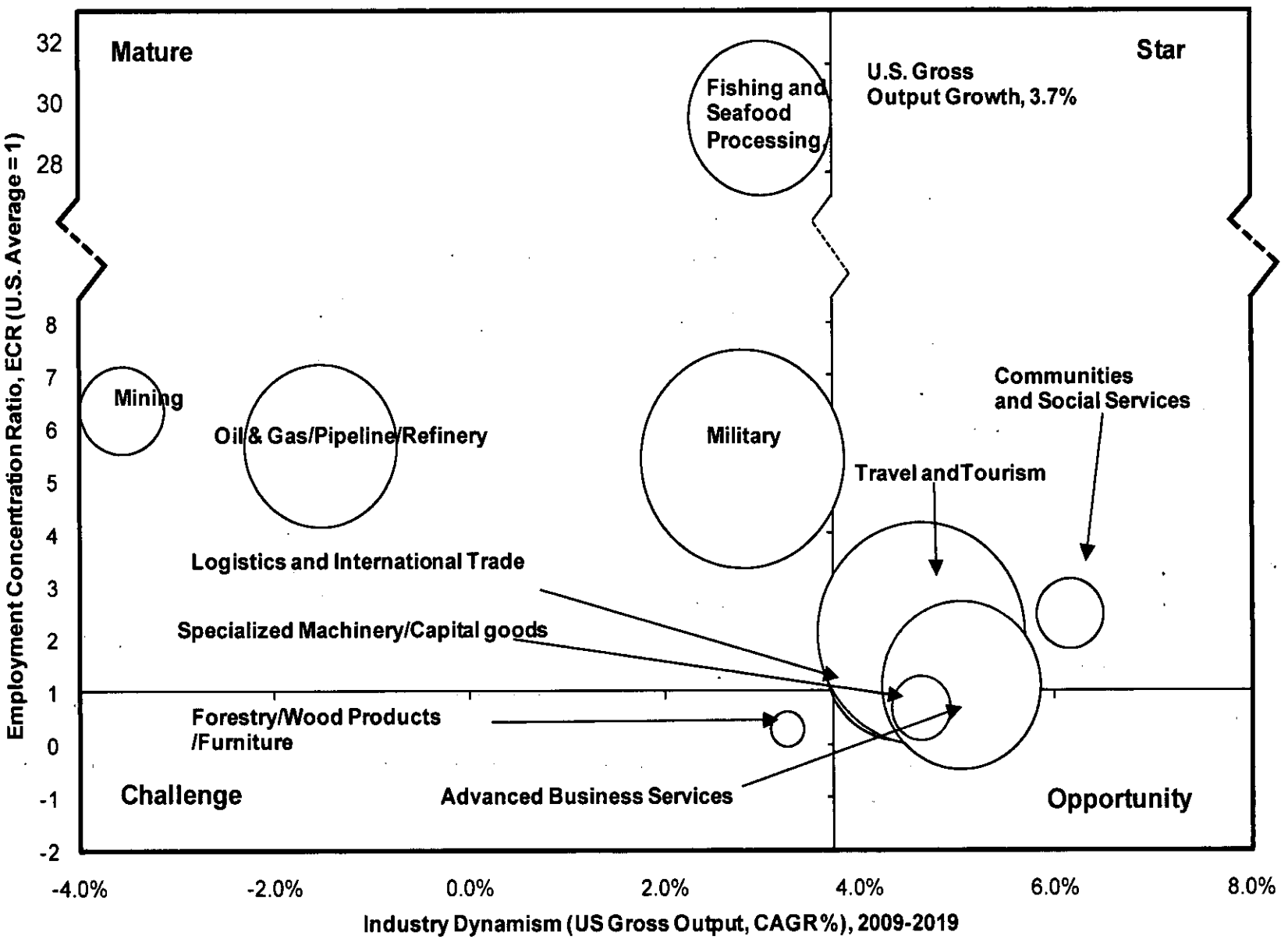


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# Ten Clusters represent 35% of total employment

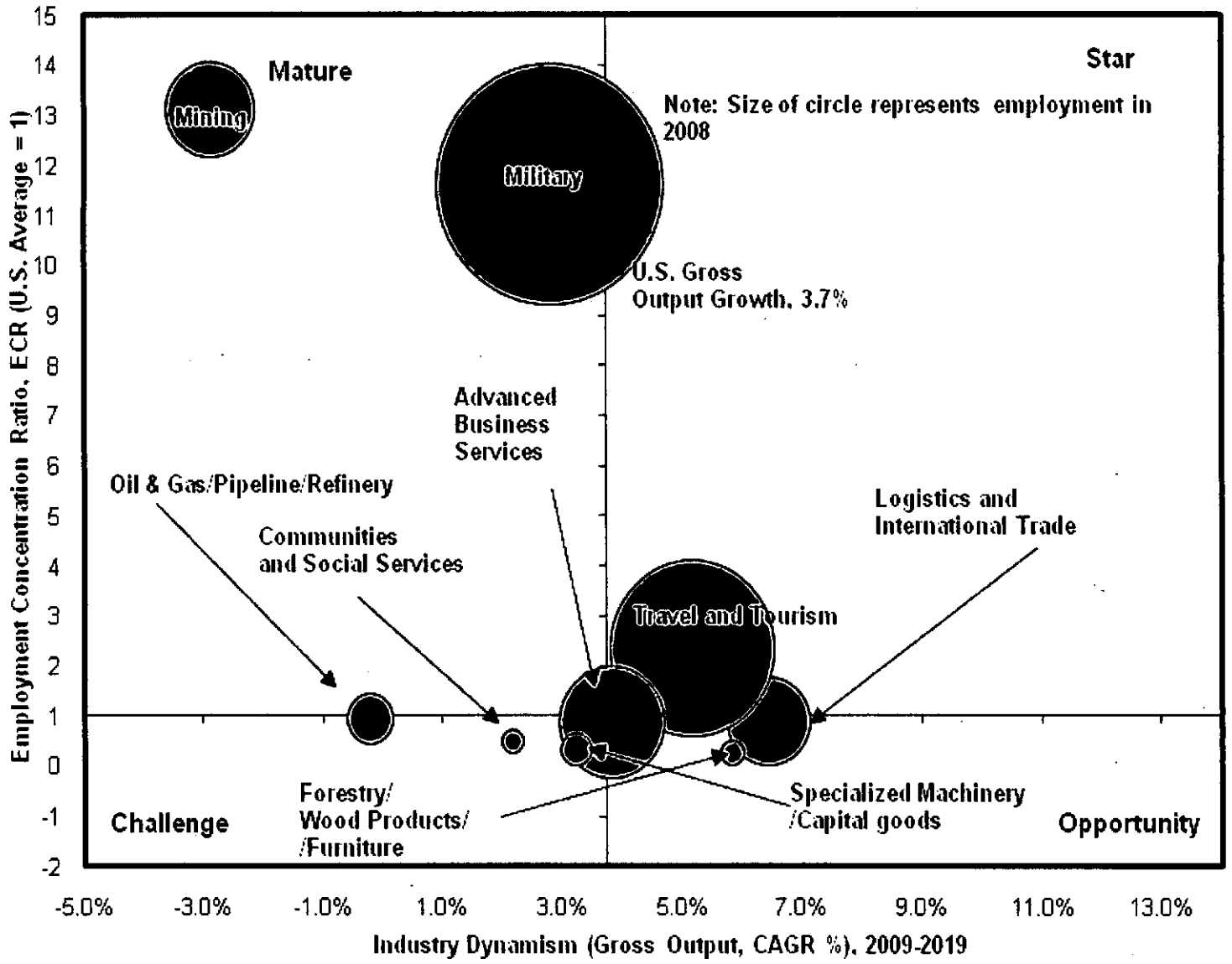
| Cluster | Industry Dynamism, CAGR Gross Output, 2009-2019 | Employment Concentration Ratio | Employment 2008 | Change in Employment, CAGR, 2003-2008 |
|---|---|---|---|---|
| Military | 2.8% | 5.4 | 27,424 | 3.8% |
| Fishing and Seafood Processing | 3.0% | 30.6 | 13,351 | -1.2% |
| Logistics and International Trade | 4.4% | 1.5 | 13,784 | 1.7% |
| Travel and Tourism | 4.6% | 2.1 | 28,093 | 1.2% |
| Forestry and Wood Products | 3.3% | 0.3 | 734 | -5.7% |
| Communities and Social Services | 6.2% | 2.5 | 2,858 | 4.2% |
| Advanced Business Services | 5.0% | 1.1 | 16,354 | 6.3% |
| Specialized Machinery/Capital Goods | 4.6% | 0.7 | 2,301 | 14.9% |
| Oil and Gas/Pipeline/Refinery | -1.5% | 5.7 | 15,067 | 8.2% |
| Mining (excl. Oil and Gas) | -3.6% | 6.4 | 4,452 | 12.1% |
| **Subtotal** | **2.7%** | **2.4** | **124,419** | **3.4%** |
| Non-cluster | 4.4% | 0.8 | 225,268 | 0.8% |
| **Total** | **3.7%** | **1.0** | **349,686** | **1.7%** |

# Segmenting the Clusters




Note 1: Size of bubble represents employment in 2008
Note 2: For Fishing and Seafood Processing, ECR=30.6

# Fairbanks Clusters – each region faces a distinct set of challenges in terms of state-wide clusters



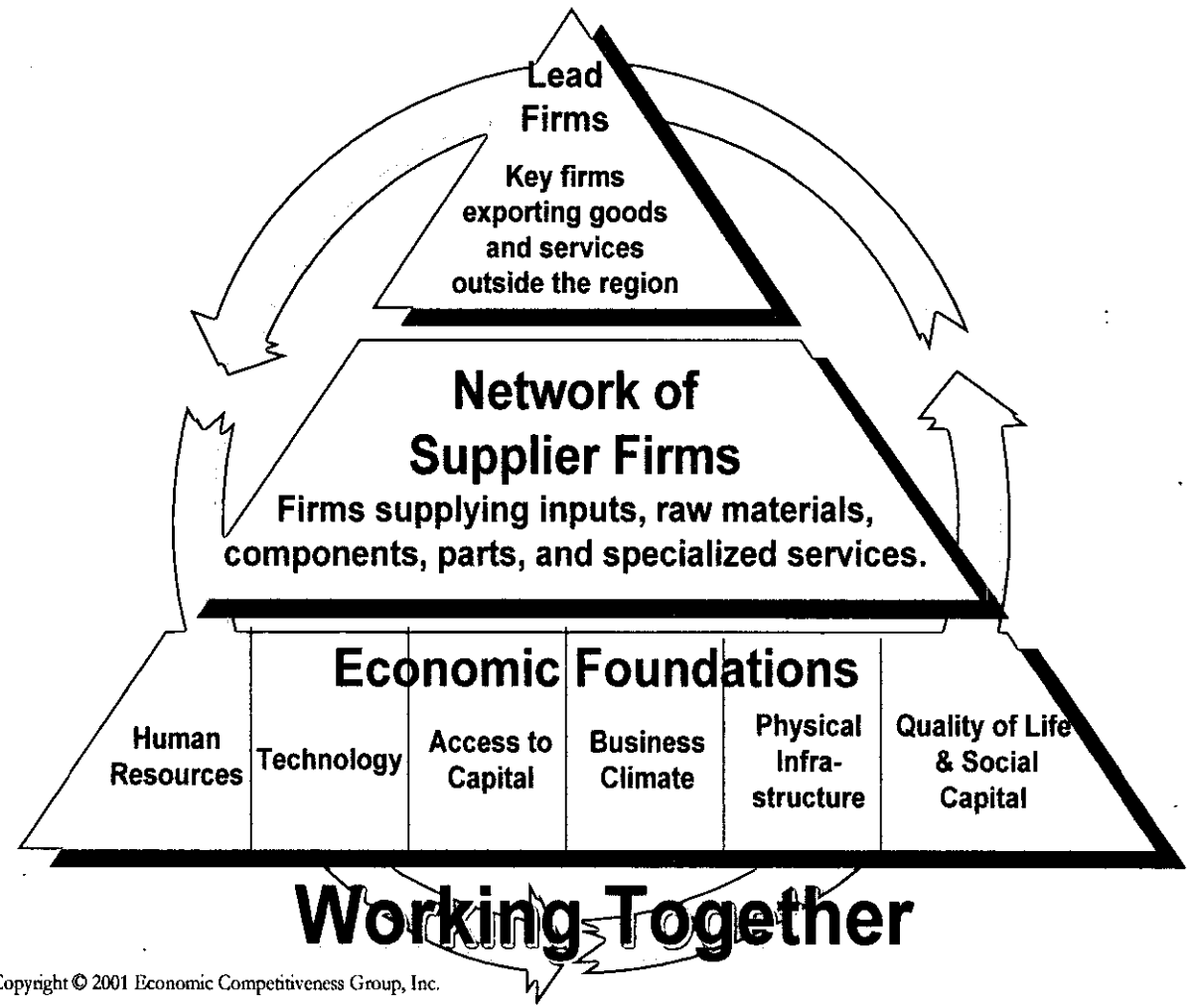
# Seed Clusters

In addition to established clusters, there are several niche sectors that show promise, including:

- Cold climate technology
- Rocket launch technology
- Cold climate housing
- Specialized super computing capabilities
- Distance delivery -- education, medical, and management services
- Alternative energy and clean-energy (bio fuels, clean coal/coal gasification, etc)
- Specialty solvents
- Light aircraft operations and maintenance/navigation
- Marine and arctic biological sciences
- Remote communications technologies/systems
- Aerospace technology/operations
- Naturally grown/grazed food products

***These areas should be nurtured, as many of the jobs of the future will emerge from these seeds***

# Cluster Foundations




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## Peer State Benchmarking

To assess the strength and performance of the state's economic foundations, this report has identified five peer states with which to compare Alaska.

- Louisiana
- Idaho
- North Dakota
- South Dakota
- Washington



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## Human Resources

- *Alaska's clusters are supported by solid population and labor force growth.*
- *The formal education of Alaska's workforce is better than the peer states and Alaska's workforce is well positioned for the growing future needs of the economy.*
- *Nonresident workers are prevalent in commercial fishing and seafood processing as well as the oil and gas sector however seasonal requirements explain part of this phenomenon.*
- *The existing workforce development system appears to be supportive of cluster development.*

## Access to Capital

- *Venture capital is very limited in Alaska.*
- *Angel Investors are also in limited supply.*
- *Loans to small and micro businesses relative to gross state product is lower than in the peer states however this may be skewed by the large company dominated oil and gas sector and the government sector.*
- *There is reason to be concerned that seed cluster development may be hamstrung by limited access to capital.*



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# Technology

- *R&D spending in Alaska is low compared to the peer group and this is particularly the case in private industry.*
- *The majority of R&D in Alaska is performed by the universities.*
- *Increased effort to commercialize university conducted R&D will improve cluster development.*

## Business Climate

- *Alaska's business climate is quite vibrant.*
- *The rate of new business creation is higher than the national average and higher than 4 of the 5 peer states.*
- *Over the last five years the number of business establishments in the large mature clusters increased at a higher rate than in the peer states.*
- *The burden of taxation is low however there is a risk that this may change as the Alaska Department of Revenue is projecting that oil tax revenues will decline in the future.*
- *Environmental protection is an important issue and the regulation of business activities may be an impediment to the development of certain clusters.*



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## Physical Infrastructure

- Alaska's transportation infrastructure has a number of clear strengths and one major weakness.
- The Port of Valdez is unique in that it is the northern-most year-round ice free port in the U.S.
- Dutch Harbor ranks as one of the busiest fishing ports in the country. The Ted Stevens Anchorage International Airport is the fifth busiest airport in the world in terms of cargo traffic.
- Fairbanks International Airport is often used as a refueling stop for trans-polar air shipments.
- The Alaska Marine Highway System connects 31 different ports and cities along the southern coast of the state.
- Large portions of the state however have no highways and inclement winter weather conditions often render the existing highways impassable.

## Quality of Life and Social Capital

- Alaska has advantages in 'quality of life' sometimes called 'social capital'.
- The state's natural beauty and recreational attributes were consistently cited as major strengths by respondents to surveys conducted during the course of this study.
- These quality of life attributes will enhance Alaska's ability to attract high quality resources that are important to the development of the clusters that have been identified.



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## Stakeholder Feedback

Outreach effort aimed at gathering opinions from Alaskans about economic development opportunities and challenges

- *Interviews with 75 economic development professionals and industry representatives from throughout Alaska*
- *Meetings with a variety of stakeholder groups*
- *On-line survey gathering public opinion about economic development in Alaska*

## Surprising degree of consensus from stakeholders

- *Lack of statewide leadership and coordination of economic development resources seen as obstacles, past and present*
- *Alaskans continue to view natural resources as the greatest opportunity for economic development*
- *Greatest barriers include high cost of transportation, cost of energy, and federal regulations*
- *Longer term, technology, education, energy innovation, value-added processing are seen as opportunities*

## What do you do in such a situation?

Proceed with collaborative strategy development

- Public/Private but with private sector leadership
- Inclusive

Focus on economic sustainability

- Driving clusters must remain competitive
- Encourage emerging clusters (diversification)
- Rational approach to needed investments in "economic infrastructure":
  - Human resources
  - Technology
  - Financial mechanisms
  - Improving business climate
  - Physical infrastructure

## What do you do in such a situation? (cont'd)

Build momentum and maintain it

- Minimize gap between analysis and implementation

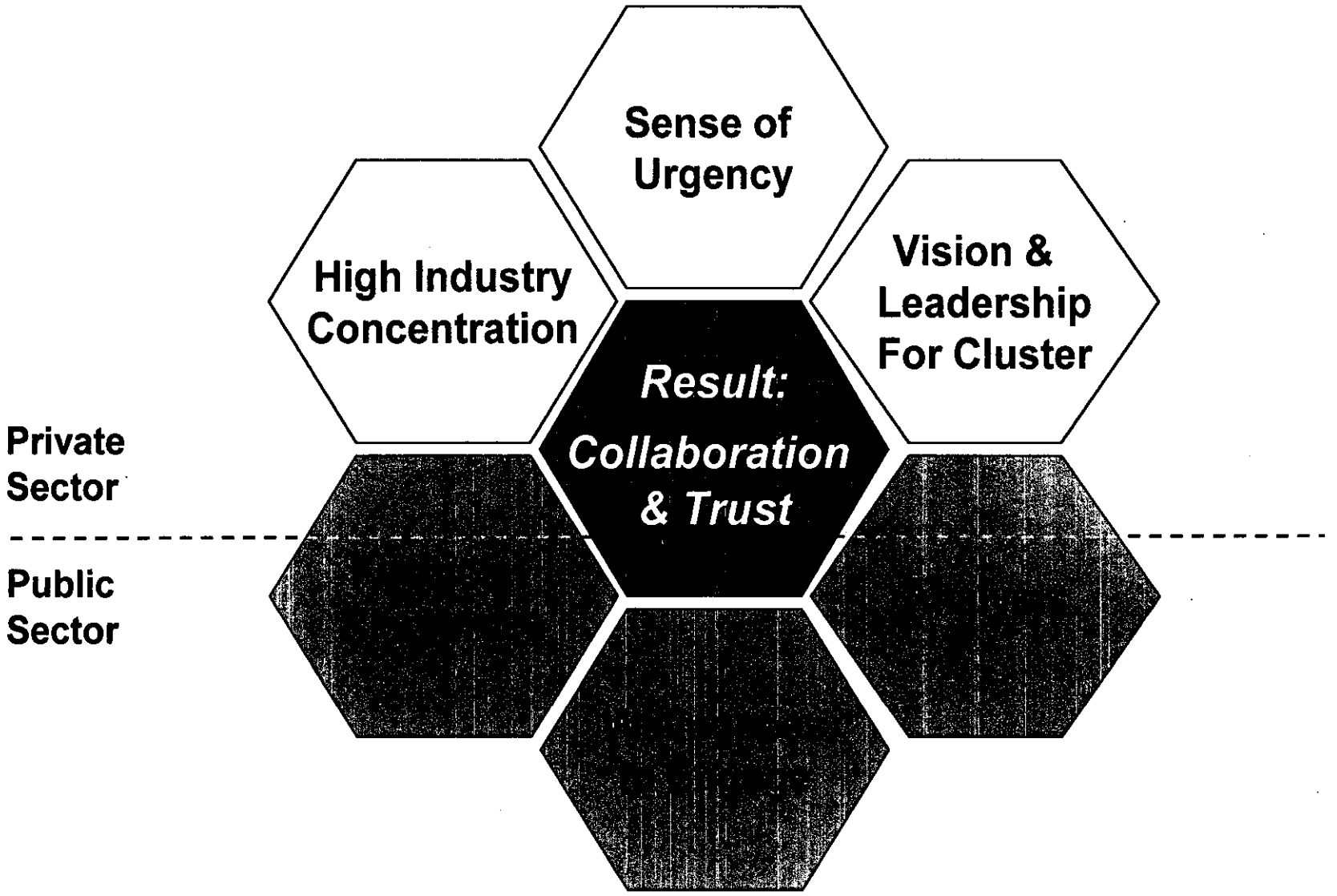
Fast track some high visibility/high probability initiatives

- Early wins with low-hanging fruit builds confidence in the process



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# Success factors for Cluster-based Competitiveness Initiatives

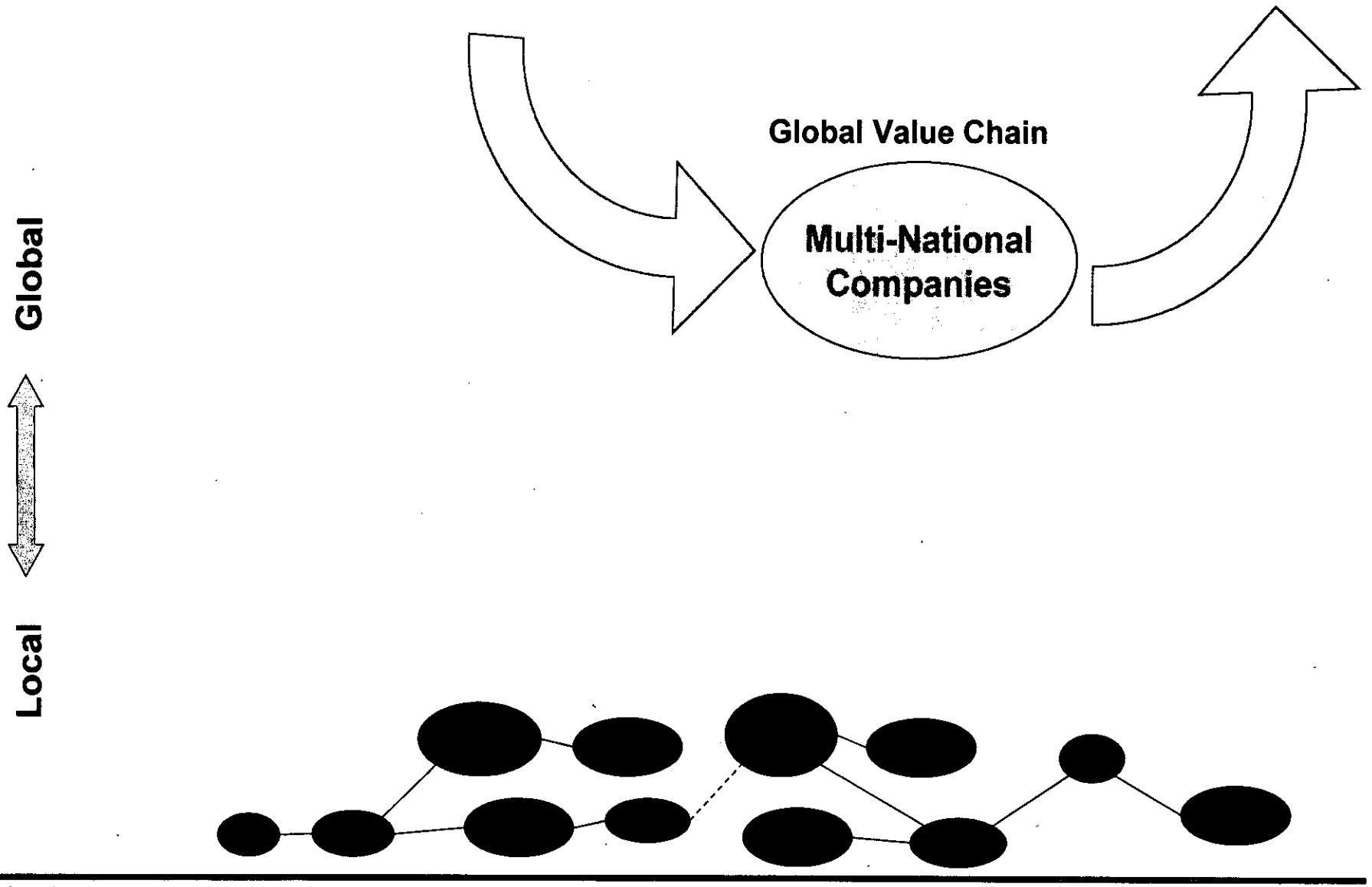


# Alaska Forward Vision – take control of the future

## A future Alaska

- Where people have good jobs that provide good incomes,
- Where globally competitive entrepreneurial businesses thrive,
- Where both cultural and geographical diversity is embraced because it is good for business,
- With vibrant, connected communities and,
- With a high quality of life built upon Alaska's unique gifts.

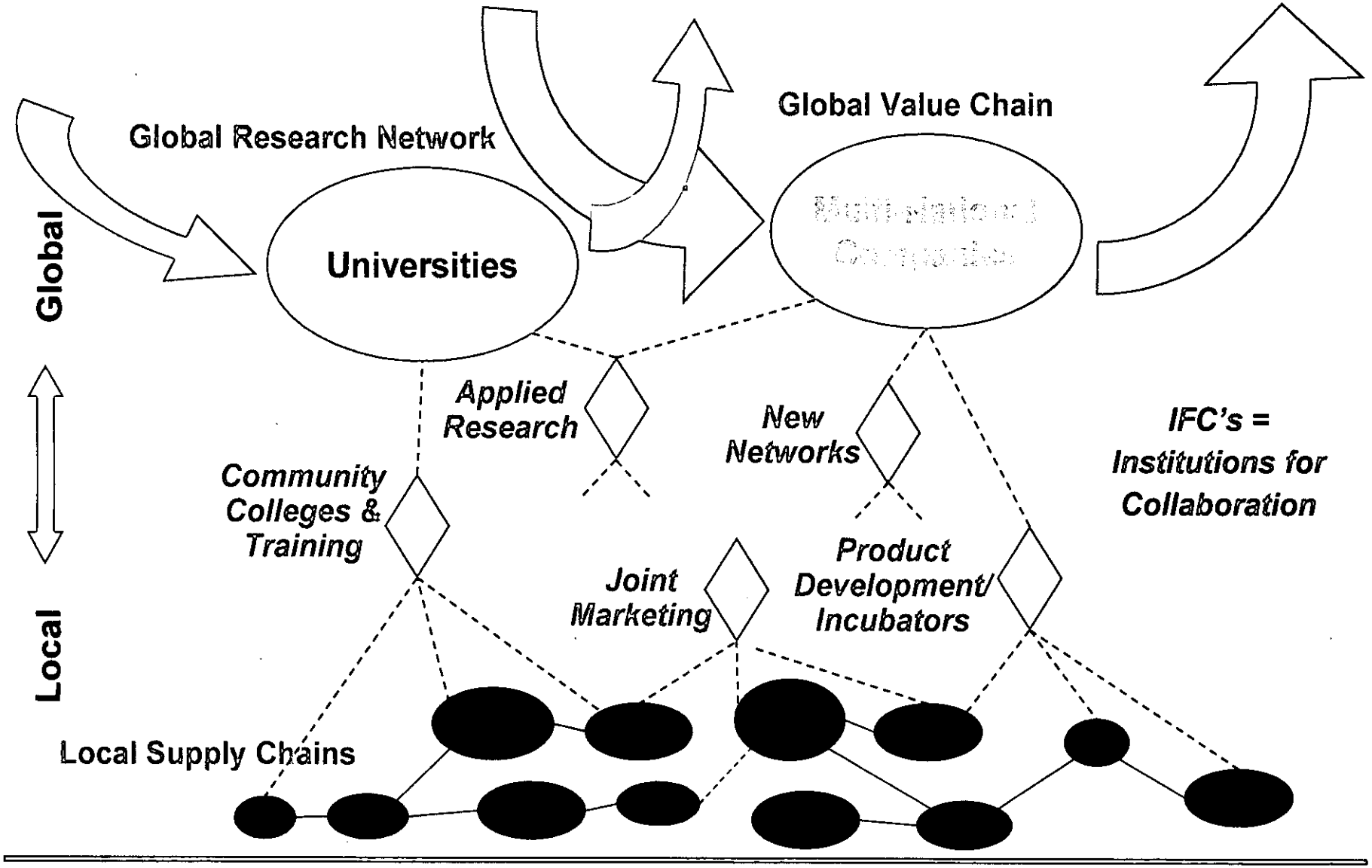
# Many industries in Alaska are characterized by enclaves with no links to local economy




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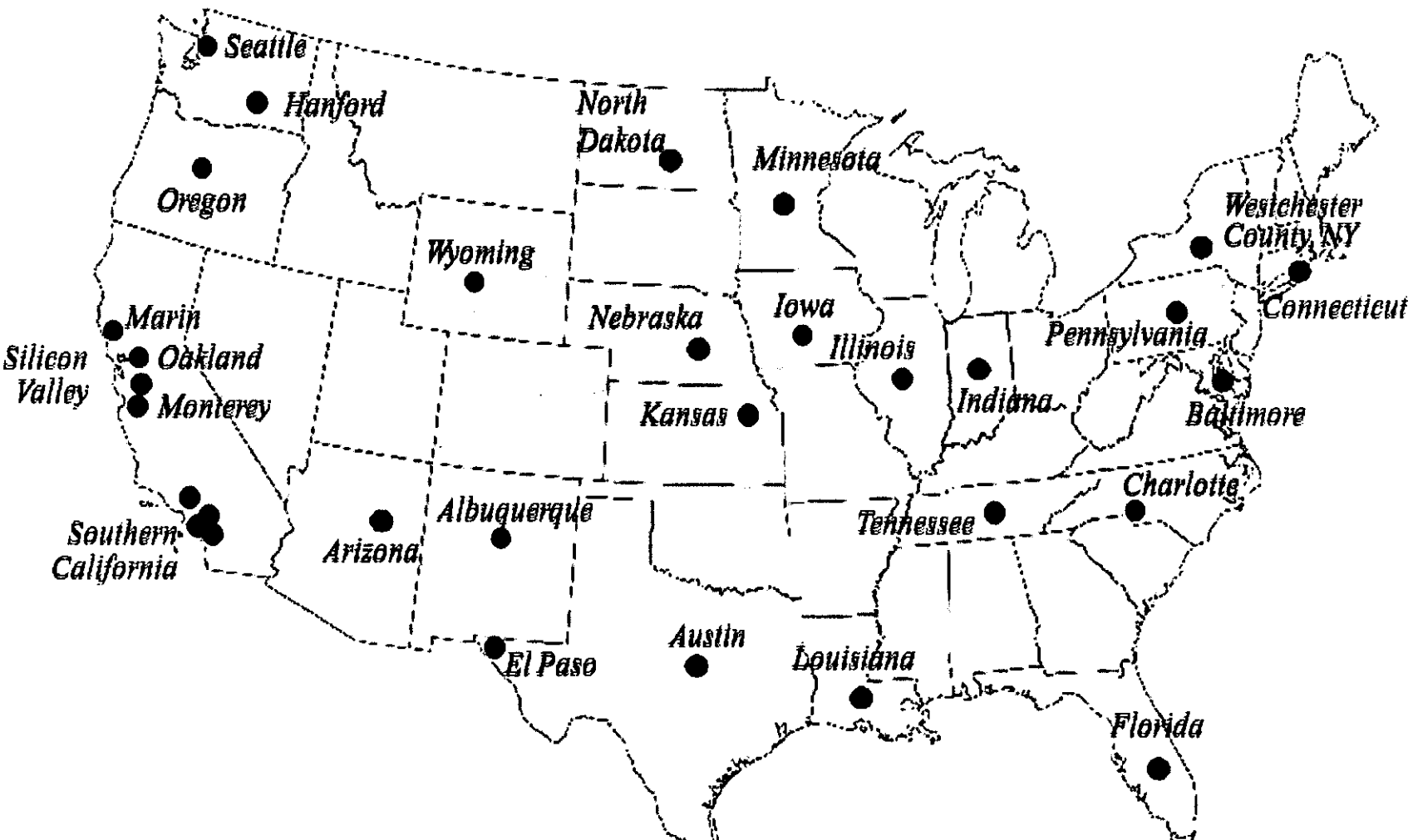
COMPETITIVE REGIONS

# Collaborative strategy development helps create links using "IFC's"




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# Examples of Collaborative Strategy Development in the US



# Collaborative Strategy Development Globally





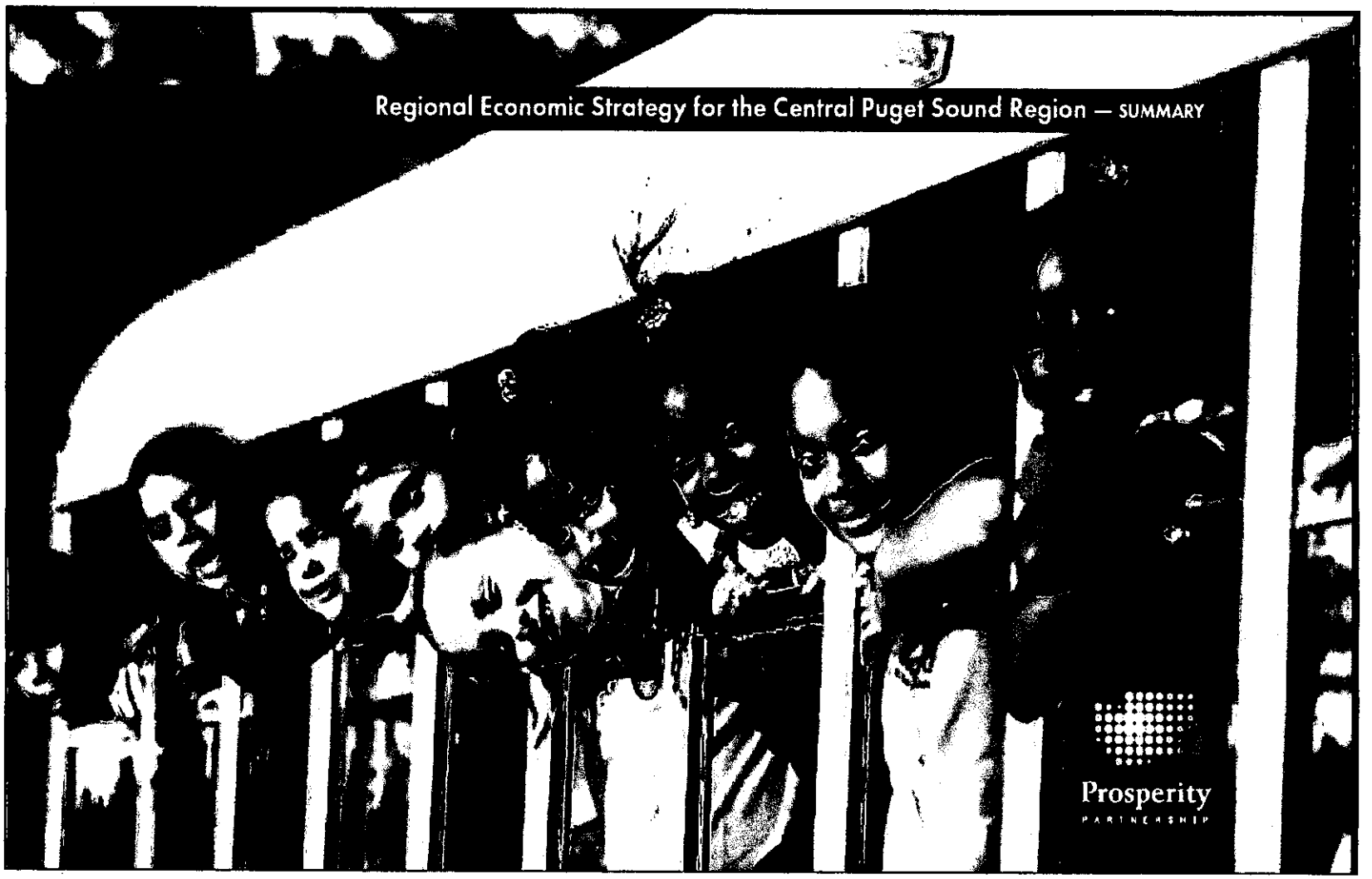

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# Six Best Practices have been identified for Alaska

**Report summarizes how each applied in other locations:**

- **Need for Leadership and Coordination** – *"Prosperity Partnership"* – Puget Sound (Seattle & environs)
- **Need for Explicit Goals and Strategies** - Oregon
- **Need to Integrate Short-term and Long-term Initiatives** – Alberta, Canada
- **Challenges of Geographic Isolation** – Chile
- **Challenges Supporting and Adding Value to Existing Industries** – New Zealand, Finland, Ontario
- **Developing an Institutional Framework to Elevate the Impact of Knowledge-based Industries** – North Carolina

# Seattle's *Prosperity Partnership* was a success in engaging private sector leadership and achieving better coordination of economic development






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# Prosperity Partnership Leaders

*Formed Cluster Working Groups of 25-60 participants from private, public and research sectors – with strong industry-level leadership*

## LEADERSHIP

**CLUSTER CO-CHAIRS**

**AEROSPACE —**

Rosemary Brester, President, Hobart Machined Products
John Quinlivan, VP and General Manager of 747, 767, 777 and 787, Boeing

**CLEAN TECHNOLOGY —**

Denis Hayes, President & CEO, Bullitt Foundation
Kathy Lombardo, NW Regional Manager and Sr. Vice President, CH2M Hill
Garry Struthers, President, Garry Struthers & Associates

**INFORMATION TECHNOLOGY —**

Ed Lazowska, Bill & Melinda Gates Chair in Computer Science & Engineering, UW
Jim Nall, President & CEO, Paladin Data

**LIFE SCIENCES —**

Karen Hedine, President & CEO, Micronics Inc.
Lee Huntsman, President Emeritus, University of Washington

**LOGISTICS AND INTERNATIONAL TRADE —**

M.R. Dinsmore, CEO, Port of Seattle
Tim Farrell, Executive Director, Port of Tacoma
Bill Stafford, President, Trade Development Alliance of Greater Seattle
Andreas Udbye, Executive Director, World Trade Center Tacoma

# Prosperity Partnership Leaders

*Top-level company and community leaders allied with the key economic development organizations*

## LEADERSHIP

**PROSPERITY PARTNERSHIP CO-CHAIRS**

Rick Bender, President, Washington State Labor Council, AFL-CIO
Mark Emmert, President, University of Washington
John Ladenburg, Pierce County Executive
Dr. Charles H. Mitchell, Chancellor, Seattle Community College District
Tomio Moriguchi, Chairman and Chief Executive, Uwajimaya
Alan Mulally, President, Boeing Commercial Airplane Company
Rita Ryder, President, YWCA, Strategic Initiatives
Brad Smith, Senior Vice President, Microsoft Corporation

**PROJECT MANAGEMENT TEAM**

Rin Causey, Snohomish County Workforce Development Council
Lee Cheatham, Washington Technology Center
Bruce Kendall, Economic Development Board for Tacoma-Pierce County
Deborah Knutson, Snohomish County Economic Development Council
Bill McSherry, Puget Sound Regional Council
Betty Nokes, Bellevue Chamber of Commerce
David Porter, Kitsap Economic Development Council
John Powers, enterpriseSeattle
Robbie Rohr, Executive Alliance



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# Strategy for Seattle and Puget Sound Region –

## Cross-cutting and cluster initiatives updated each year

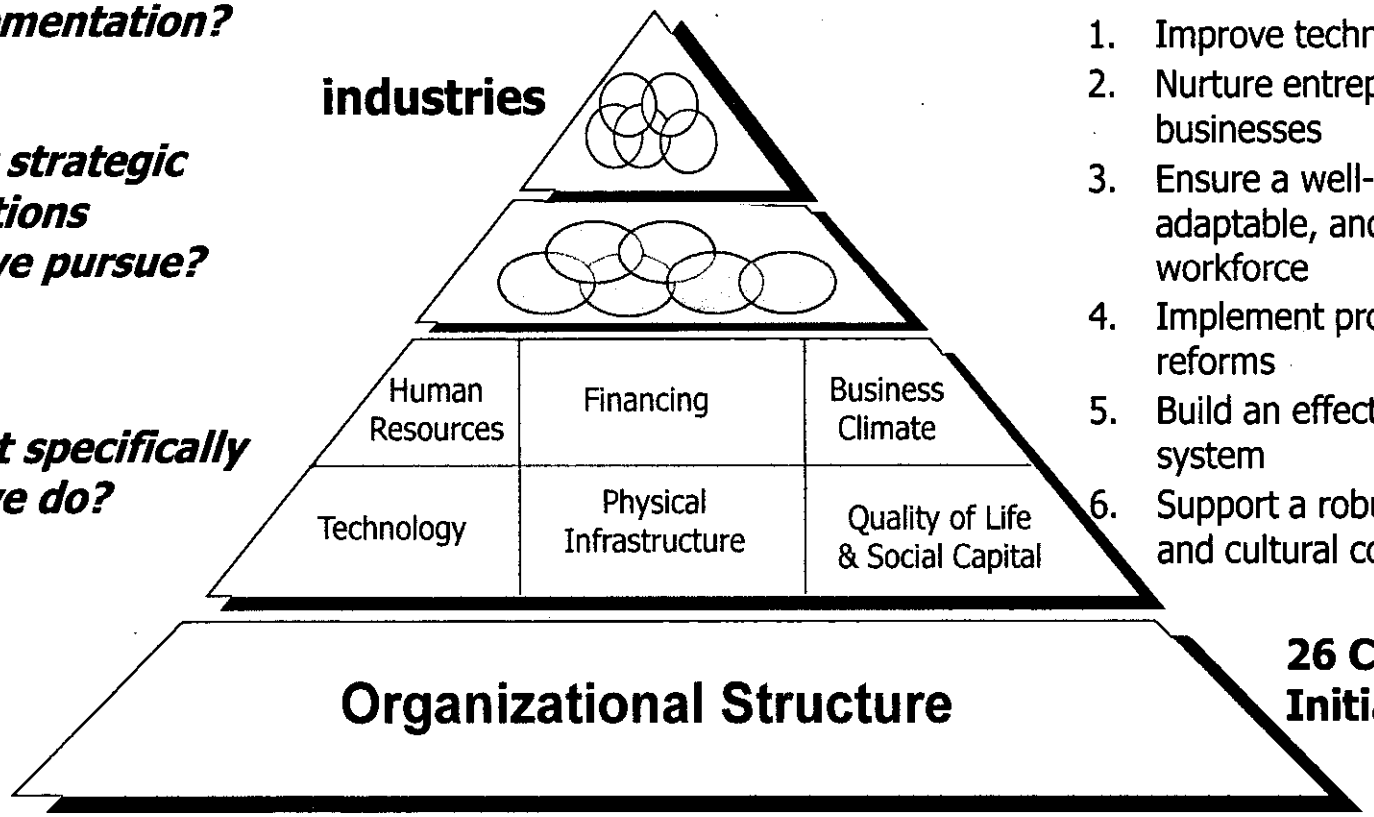
***How do we organize for implementation?***

***What strategic directions will we pursue?***

***What specifically do we do?***

***What do we want?***

**Shared Vision:**
**Prosperity for people, places & industries**




**Foundation Initiatives:**

1. Improve technology transfer
2. Nurture entrepreneurs and small businesses
3. Ensure a well-educated, adaptable, and entrepreneurial workforce
4. Implement pro-competitive tax reforms
5. Build an effective transportation system
6. Support a robust civic, artistic and cultural community

**26 Cluster-Specific Initiatives**

## Phase I – Situational Analysis Report

Completion on January 31, 2010

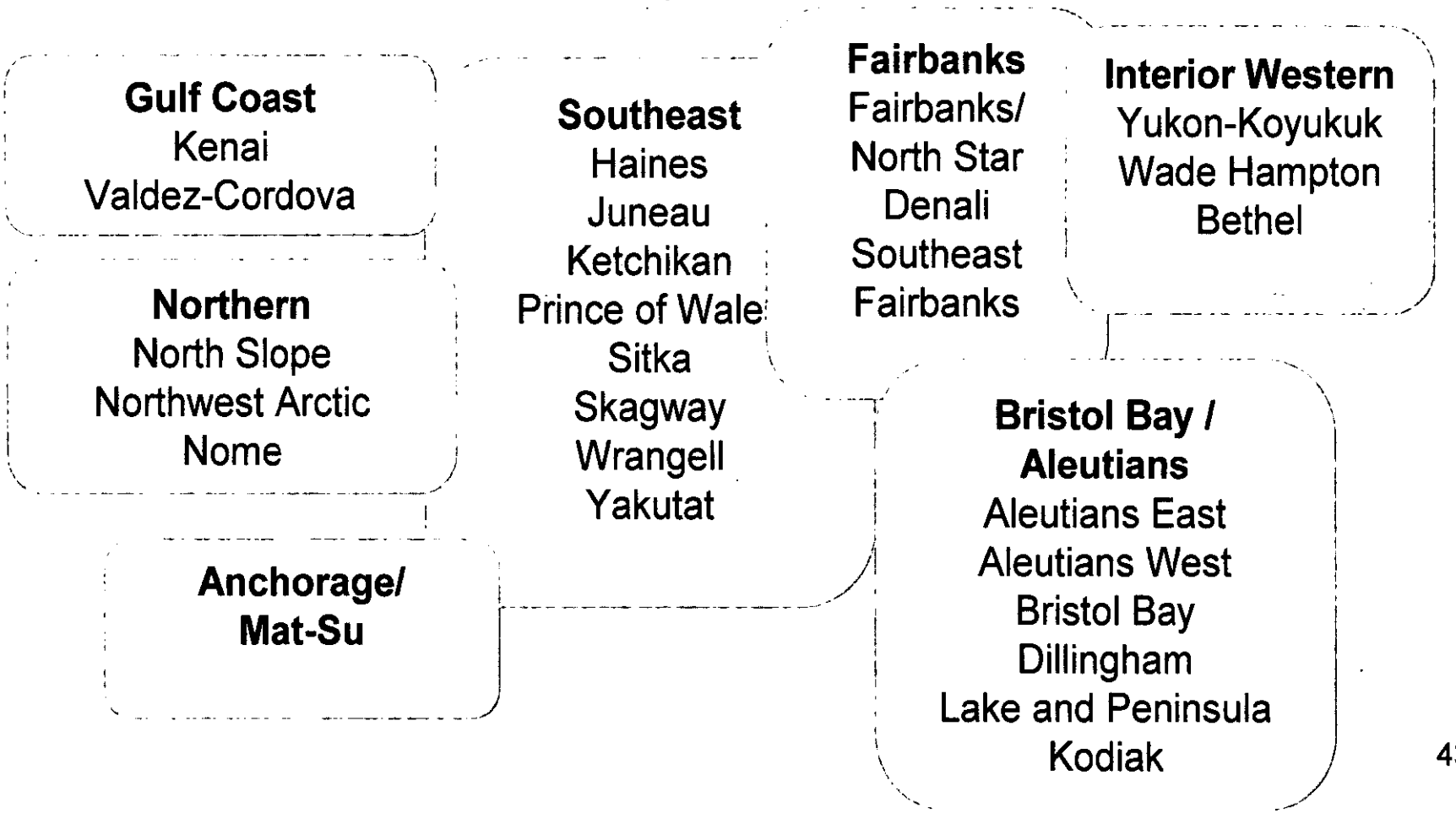
- Data Collection
- Economic Profile and Forecast
- Alaska's Industry Cluster Portfolio
- Competitive Benchmarking
- Global Market Opportunities
- Analysis of existing economic development objectives and strategies
- Assess the strengths and weaknesses of the state's economic development organizations
- Assessment of Entrepreneurship and Business Climate
- Final Report - A Path to the Future



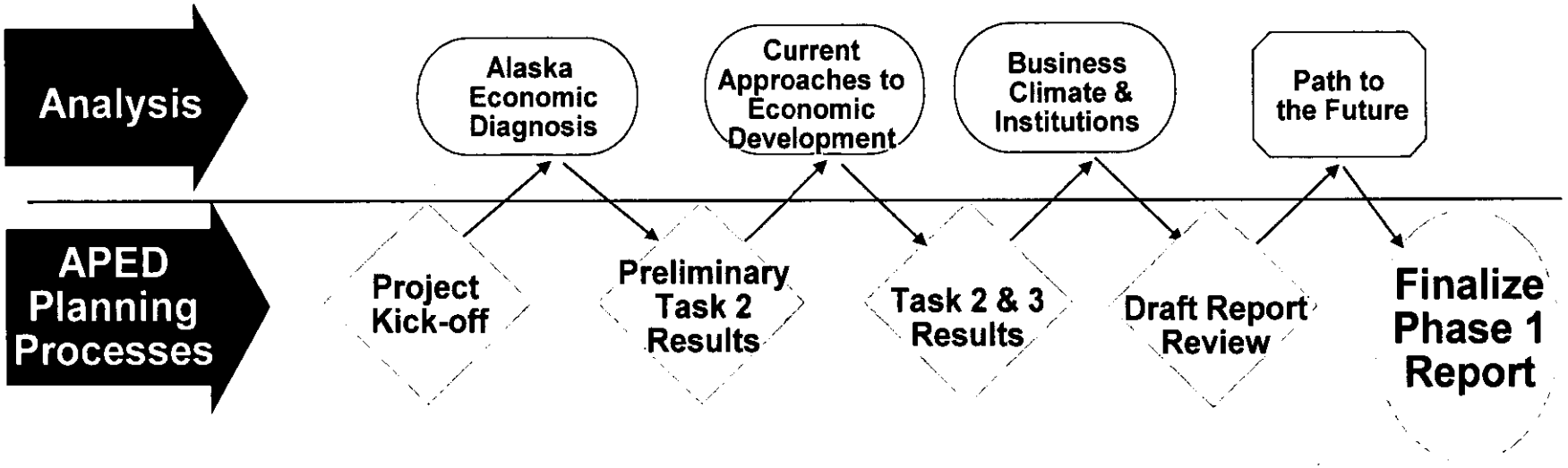
1036

# Reflecting Alaska's Regional Differences

While the core focus of the Alaska Forward Initiative is to help us understand what we as Alaskans have to to do together, the Alaska Forward initiative will reflect and report on the regional variations in economic performance and industry cluster structure.



# Work Plan




**January 31, 2010**



1038

## Join Us

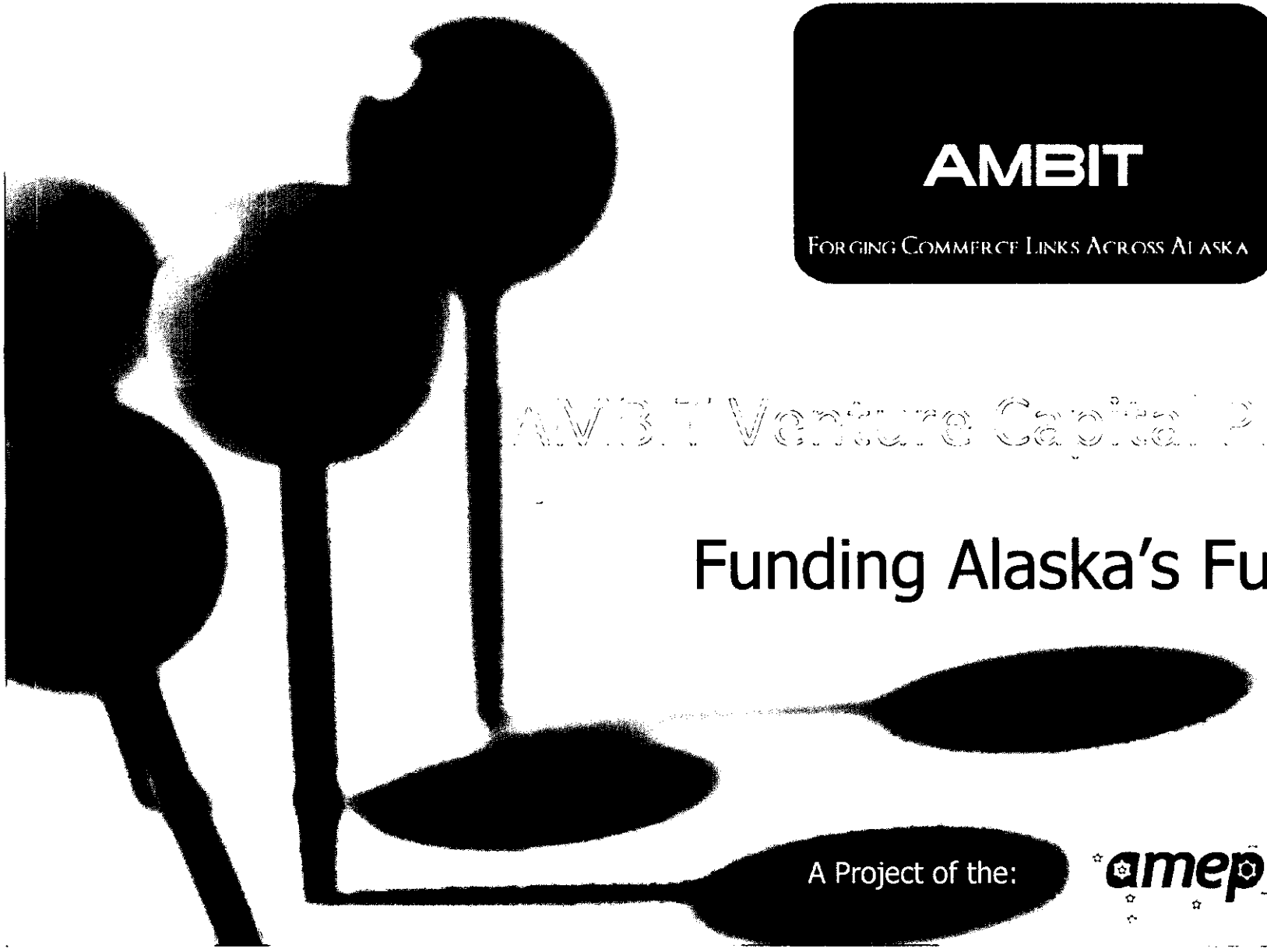
While Alaska's premier economic development organizations are at the forefront of the Alaska Forward initiative……

*We cannot do this alone. Please find a way to participate with us in this important initiative.*

ALASKA PARTNERSHIP
FOR ECONOMIC DEVELOPMENT
GROWING, SUSTAINING AND DIVERSIFYING ALASKA'S ECONOMY

www.alaskapartnership.org

# 2/16/10 OVERVIEW: AK MANUF. EXTENSION PARTNER-SHIP



# AMBIT

FORGING COMMERCE LINKS ACROSS ALASKA

## AMBIT Venture Capital Program

## Funding Alaska's Future

A Project of the:

amep Alaska Manufacturing Extension Partnership, Inc.

# Goal of AVCF

The Goal of the AVCF is to provide a NON-PREDATORY capital opportunity program that:

- Provides several kinds of funding opportunities to a wide range of Alaskan businesses;
- Provides project support, knowledge, and management to strengthen businesses and promote success;
- Provides in depth market analysis and leverage opportunities within and outside of the state;
- Properly manages, previously under-utilized, Alaskan dollars and reinvests in Alaska's entrepreneurs;
- Promotes economic growth in both urban and rural Alaska with "prolonged residency" as a focus.

# Alaska's Problem with Capital

Alaska has a significant difficulty when it comes to capital acquisition because of events that took place in the 1980's.

- There was a wide range of failed investments from internal and external investors due to poor business management;
- There were losses totaling in the hundreds of millions;
- Individual and institutional investors alike were hurt;
- Eventually, in the 1990's, most all investment had left the state and relocated any of the current viable investments to the lower 48;
- It became known in the investor world that Alaska was a "wild west" of business and without direct supervision , ventures would ruin themselves.
- Due to this lack of available funding and management, 9 out of 10 businesses fail within the first 5 year in Alaska, as opposed to the national average of 7 out of 10.
- Lack of personal assets to leverage to acquire funding, especially in rural AK.

# Current Situation

Alaska has the following current funding opportunities:

- Grants that require:
  - Diverse and complex experience writing grants.
- Bank Loans that require a fully articulated business plan in hand and financial backing from a:
  - Community Development Financial Institutions (CDFI) – Guarantor or;
  - Small Business Association (SBA) – Guarantor or;
  - Co-Signer (afraid to lend).
- Individual Investors that require:
  - Nothing, not management, not a business plan, not even a sound idea.

# How the AVCF will Help Alaskan Businesses

The AVCF will combine the following elements to help Alaskan business get ready for, acquire, and properly manage funds:

- Provide access to funds otherwise unavailable and assess potential businesses in an individualized manner.
- Provide access to expert managerial and technical training.
- Guide promising businesses through the process of becoming successful and provide project management skills.
- Develop a real stake in emerging companies through ownership investment.
- Provide comprehensive and measurable support practices when a business is capable of operating successfully on their own.
- Invest in businesses that make sense for Alaska as a whole market.

# The Creation of the AMBIT Venture Capital Program



Loan Guarantors

CDFI $10 M

USDA

SBA

Private Capital $75-50 M

Venture Funds $150-200 M

Permanent Fund $40 B/ Budget Reserve $30 B

Allowed to bring in clients

Vets company and mentors to milestones

AMEP
SBA
USDA
SBDC
AIDEA

Fungible business plan is written and vetted by AMEP/AMBIT staff

Discretionary (Funding up to $250,000, determined by AMBIT staff)

Funding can be pulled from any pool based on AMBIT staff determination

Plan is updated with future funding needs identified

AMBIT Venture Fund owns up to 20%

1st Funding Cycle

Board of Directors (BOD) review achievements and approve advancement to 2nd stage

AMBIT Venture Capital Program requires a Five (5) Year Recommitment at each stage

AMBIT Venture Fund owns up to 35%

Board of Directors (BOD) review achievements and approve advancement to 3rd stage

AMBIT Venture Fund owns up to 49%

Board of Directors (BOD) review and ensure all three stages of milestones and achievement are met. Report results back to original funding source.

Banks/Venture Capital Firms/Angel Investors

If contracted party leaves Alaska, shares must be liquidated.

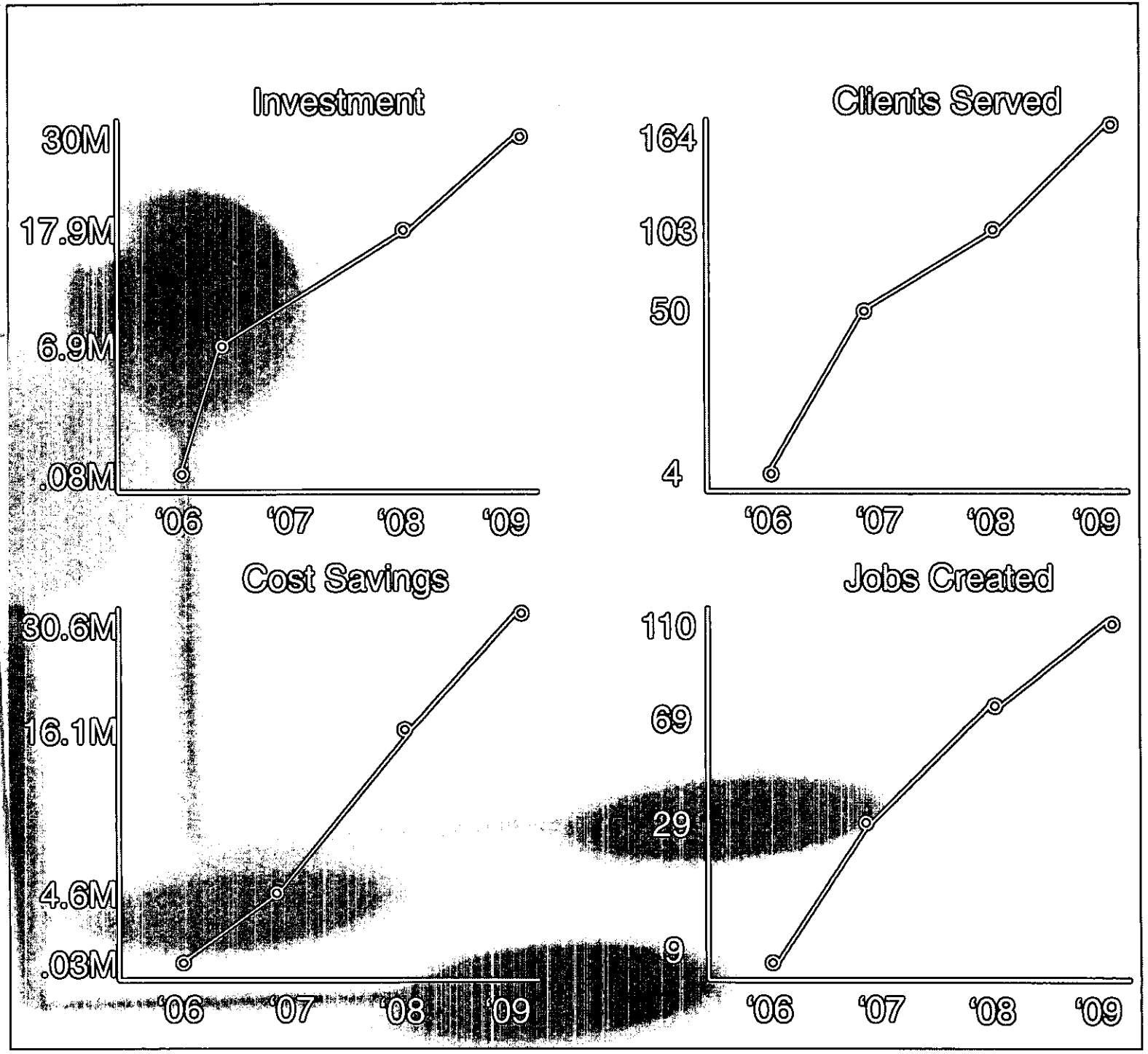
# Why the AVCF will be a Successful Solution

- AVCF is Non-Predatory.
- The AVCF will provide an unparalleled level of expertise and support for participating businesses.
- The AVCF will provide several capital-acquisition outlets for a more individualized financing environment.
- The AVCF is based on mentoring, not financing and then leaving businesses to fend for themselves.
- The AVCF will educate businesses on how to succeed and the processes of business development.
- The AVCF will connect business partners in an active way to form synergistic relationships so that all stakeholders are truly invested in a business.
- The AVCF's network of expertise and scrutiny along with the use of guarantors will increase opportunities for bank loans.

# Languished Projects as a Result of a Lack of Funding in Alaska

| Over a 5 Year Period | Needed Funding (in Millions) | Jobs that would be Created | Financial Impact (in Millions) |
|---|---|---|---|
| Arctic Steel | 15 | 150+ | 750+ |
| Tetrajack | 3 | 25+ | 185+ |
| The Alaska Business Incubator | 10 | 25+ | 250+ |
| Pacific Seaflight | 17 | 100+ | 500+ |
| Clearly Alaskan | 2 | 10+ | 75+ |
| Marvin's Boilers | 4.5 | 20+ | 15+ |
| Tednologies | 5 | 30+ | 50+ |
| Icy Straits Lumber | 2.5 | 10+ | 25+ |
| High Torque Engines | 7 | 20+ | 200+ |
| Hockey Puck – Remote Radar | 5 | 40+ | 350+ |
| The Alaskan | 18 | 100+ | 250+ |
| Air Frames Alaska | 9 | 30+ | 100+ |
| Brotar Biotechnologies | 12 | 30+ | 500+ |
| | Total 110M | | |

# AMEP's Performance Metric



# AK Preference Statute is Still Ineffective

- No accountability for lack of enforcement.
- Solicitations are often written in a format that excludes Alaskan bidders.
  - Insulfoam, Sequestered Solutions, Continuous Printing and etcetera.
- Little to no effort is given to actively identify viable Alaskan bidders.
- There is no method of tracking in place to assure that due diligence has been performed in relation to identifying viable Alaskan bidders.
- There is an overall lack of interest by the Alaska State Procurement Office to actively promote the success of Alaskan businesses.

# AMEP Research Projects

1. E-Commerce – Implantation of businesses that make sense for rural Alaska
2. Alaska Canada Rail-Link – Why connecting the Alaska Railroad to Canadian Rail makes financial and organizational sense.
3. High Latitude Agricultural Project – Does agriculture make sense for high latitude areas such as Alaska and how can it be successful.
4. Enhancing Rural Participation in Alaska Business Environment.
5. AVCF – Creating an investment structure for venture capital in Alaska that is based on best practices.
6. Beyond Oil, Gas, Mining and Fish: Strategic business opportunities that make sense for Alaska.
7. Creating Economic Incentives to Attract Companies to Alaska: Attract new companies to participate in the Alaskan economy and encourage local entrepreneurs to start new businesses.
8. Economic Development Plan for the State of Alaska: The next 5 years + 5 more.

# Summary of Key Points

- The AVCF is essential to change the coarse of economic development in the state of Alaska.
- It is imperative for Alaska's economic success to provide businesses the opportunity to acquire bank loans, venture capital/angel investment, proper management and technical training in order not to languish.
- Alaska has missed out on billions of potential dollars due to poor economic governance and capital flight out of AK.
- The Alaska state legislature must realize the importance of actively pursuing Alaskan businesses and change procurement statute AS 36.30.170.
- Together, with the research accomplished by the Alaska Manufacturing Extension Partnership and the promotion of fiscally conscious projects by the state, Alaska can and will be an economically powerful marketplace.

# AS 36.30.170. Contract Award After Bids.

**(a)** Except as provided in (b) - (h) of this section, the procurement officer shall award a contract based on the solicited bids with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set out in the invitation to bid. This shall include the cost of shipping to destination for out of state bidders. Procurement officer must demonstrate that multiple Alaska bidders were contacted and given ample chance to submit bids before awarding contract to out of state bidders. If the procurement officer is unable to identify any viable Alaska bidders, they must document their search procedure with names of contacted entities. Any single contract over $5000 to be awarded to an out of state bidder must be reviewed and signed by the office of the Commissioner of Commerce, Community, and Economic Development or by the State of Alaska's Chief Procurement Officer.

**(b)** The procurement officer shall award a contract based on solicited bids to the lowest responsive and responsible bidder after an Alaska bidder preference of ten percent and only after procurement officer has ensured that the solicitation was not written in a manner that may exclude Alaska bidders i.e....a contract written for a name-brand, product brand or formulation that can only be procured out of state when there is a suitable Alaskan substitute available, an Alaska products preference as described in AS 36.30.322 - 36.30.338, and a recycled products preference under AS 36.30.337 have been applied. In this subsection, "Alaska bidder" means a person who

**(1)** holds a current Alaska business license;

**(2)** submits a bid for goods, services, or construction under the name as appearing on the person's current Alaska business license;

**(3)** has maintained a place of business within the state staffed by the bidder or an employee of the bidder for a period of six months immediately preceding the date of the bid;

**(4)** is incorporated or qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, is a limited liability company organized under AS 10.50 and all members are residents of the state, or is a partnership under AS 32.05 or AS 32.11 and all partners are residents of the state; and

**(5)** if a joint venture, is composed entirely of ventures that qualify under (1) - (4) of this subsection.

**(c)** Except as otherwise provided under (e) or (f) of this section, if a bidder qualifies under (b) of this section as an Alaska bidder, is offering services through an employment program, and is the lowest responsible and responsive bidder with a bid that is not more than 15 percent higher than the lowest bid, the procurement officer shall award the contract to that bidder. This subsection does not give a bidder who would otherwise qualify for a preference under this subsection a preference over another bidder who would otherwise qualify for a preference under this subsection.

**(d)** The procurement officer shall award an insurance-related contract based on solicited bids to the lowest responsive and responsible bidder after an Alaska bidder preference of five percent. In this subsection, "Alaska bidder" means a person who meets the criteria set out in (b)(1) - (5) of this section and who is an Alaska domestic insurer.

**(e)** If a bidder qualifies under (b) of this section as an Alaska bidder, is a qualifying entity, and is the lowest responsible and responsive bidder with a bid that is not more than 10 percent higher than the lowest bid, the procurement officer shall award the contract to that bidder. This

subsection does not give a bidder who would otherwise qualify for a preference under this subsection a preference over another bidder who would otherwise qualify for a preference under this subsection or (f) of this section. In this subsection, "qualifying entity" means a
**(1)** sole proprietorship owned by a person with a disability;
**(2)** partnership under AS 32.05 or AS 32.11 if each of the partners is a person with a disability;
**(3)** limited liability company organized under AS 10.50 if each of the members is a person with a disability; or
**(4)** corporation that is wholly owned by individuals and each of the individuals is a person with a disability.
**(f)** If a bidder qualifies under (b) of this section as an Alaska bidder, if 50 percent or more of the bidder's employees at the time the bid is submitted are persons with a disability, and if the bidder is the lowest responsible and responsive bidder with a bid that is not more than 10 percent higher than the lowest bid, the procurement officer shall award the contract to that bidder. The contract must contain a promise by the bidder that the percentage of the bidder's employees who are persons with a disability will remain at 50 percent or more during the contract term. This subsection does not give a bidder who would otherwise qualify for a preference under this subsection a preference over another bidder who would otherwise qualify for a preference under this subsection or (e) of this section.
**(g)** The division of vocational rehabilitation in the Department of Labor and Workforce Development shall add to its current list of qualified employment programs a list of individuals who qualify as persons with a disability under (e) of this section and of persons who qualify under (f) of this section as employers with 50 percent or more of their employees being persons with disabilities. A person must be on this list at the time the bid is opened in order to qualify for a preference under (e) or (f) of this section.
**(h)** A preference under (c), (e), or (f) of this section is in addition to any other preference for which the bidder qualifies, including the preference under (b) of this section; however, a bidder may not receive a preference under both (c) and (e), (c) and (f), or (e) and (f) of this section for the same contract.
**(i)** This section applies to all insurance contracts involving state money. In this subsection, "state money" includes state grants and reimbursement to municipalities, school districts, and other entities.
**(j)** In order to qualify for a preference under (c), (e), or (f) of this section, a bidder must add value by actually performing, controlling, managing, and supervising the services provided, or a bidder must have sold supplies of the general nature solicited to other state agencies, governments, or the general public.
**(k)** In this section, "person with a disability" means an individual
**(1)** who has a severe physical or mental disability that seriously limits one or more functional capacities in terms of employability; in this paragraph, "functional capacities" means mobility, communication, self-care, self-direction, interpersonal skills, work tolerance, or work skills;
**(2)** whose physical or mental disability
**(A)** results from amputation, arthritis, autism, blindness, burn injury, cancer, cerebral palsy, cystic fibrosis, deafness, head injury, heart disease, hemiplegia, hemophilia, respiratory or pulmonary dysfunction, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, musculo-skeletal disorders, neurological disorders, paraplegia, quadriplegia, other spinal cord conditions, sickle cell anemia, specific learning disability, or end stage renal disease; in this subparagraph, "neurological disorders" include stroke and epilepsy; or

**(B)** is a disability or combination of disabilities that are not identified in (A) of this paragraph and that are determined on the basis of an evaluation of rehabilitation potential to cause substantial functional limitation comparable to a disability identified in (A) of this paragraph; and

**(3)** whose vocational rehabilitation can be expected to require multiple vocational rehabilitation services over an extended period of time.

**(4)** Failure to comply with this statute by the procurement officer will make said officer liable for the entire cost of contract and may lead to termination.

---

# 3/30/10 COMMUNITY SERVICES BLK GRANT STATE PLAN FY 11

# Community Services Block Grant




# FFY 11
# State Plan

**State of Alaska**
**Sean Parnell, Governor**

**Department of Commerce, Community, and Economic Development**
**Emil Notti, Commissioner**

**Division of Community and Regional Affairs**
**Tara Jollie, Director**

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DRAFT

# State of Alaska
# FFY 2011 Community Services Block Grant State Plan
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To: Dr. Yolanda J. Butler, Acting Director
U.S. Department of Health and Human Services
Office of Community Services

From: Jill Davis, Grants Manager
Alaska Department of Commerce, Community, and Economic Development
Division of Community and Regional Affairs

Re: Alaska Department of Commerce, Community, and Economic Development
CSBG Contacts

The Alaska Department of Commerce, Community, and Economic Development is the designated lead agency for the Community Services Block Grant. Below is a list of staff who can be contacted regarding specific areas of this program.

Please send all CSBG Grant Award documents to Jill Davis in the Department's Fairbanks Office at the address specified below.

| **Contact Information:** | **Specific Program Area:** |
|---|---|
| Mr. Emil Notti, Commissioner, DCCED<br>Address: 550 West 7th Avenue, Suite 1770<br>Anchorage, AK 99501-3510<br><br>Telephone: (907) 269-8100<br>Fax: (907) 269-8125 | State Plan Signatory |
| Ms. Jill Davis, Grants Manager<br>Address: 211 Cushman<br>Fairbanks, AK 99701-4639<br><br>Telephone: (907) 451-2717<br>Fax: (907) 451-2742 | Grants Manager<br>CSBG Program Manager<br>Questions concerning the State Plan |
| Ms. Pauletta Bourne, Grants Administrator II<br>Address: 211 Cushman<br>Fairbanks, AK 99701-4639<br><br>Telephone: (907) 451-2721<br>Fax: (907) 451-2742 | Grants Administrator<br>Daily CSBG Program Operations |



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## I. Federal Fiscal Year or Years Covered by this State Plan and Application

This Plan covers Federal Fiscal Year 2011 funds only. The eligible entity's grant agreement will be effective from April 1, 2011 through March 31, 2012.

## II. Letter of Transmittal

(Please see page 2.)

## III. Executive Summary

**A. CSBG State Legislation**

There is no state statute governing the Community Services Block Grant program in Alaska.

**B. Designation of Lead State Agency to Administer the CSBG Program.**

In the State of Alaska the Community Services Block Grant Program is administered by the Department of Commerce, Community, and Economic Development (hereinafter referred to as "Department") within the Division of Community and Regional Affairs.

Former Governor Sarah Palin, chief executive officer of the State, designated to the Department of Commerce, Community, and Economic Development, the responsibility to administer the Community Services Block Grant Program in accordance with the requirements of Section 676(a). (See attached Designation Letter on page 4.)

**C. Legislative Public Hearing Requirements**

1. **Public Hearing:** Held as a Legislative Hearing on March 30, 2010 at 8:00 AM.
   (a) Statewide advertisements in major newspapers including Anchorage Daily News; Fairbanks Daily News Miner; and the Juneau Empire.
   (b) Notice on the internet in the State's Online Public Notice System.
   (c) The draft State Plan was posted on the Departments website.

2. **Legislative Hearing:** The last Legislative Hearing was held on April 27, 2007. This year's Legislative Hearing was on March 30, 2010. The next legislative hearing will be held in 2013.

3. **Public Inspection of State Plan:** Copies of the draft State Plan were mailed to the only eligible applicant, Rural Alaska Community Action Program, Incorporated (RurAL CAP), prior to the legislative public hearing and posted on the Departments website. Notices/ads indicated copies were available upon request. In addition, copies were made available for public inspection at the legislative public hearing.

SARAH PALIN
GOVERNOR
GOVERNOR@GOV.STATE.AK.US



P.O. BOX 110001
JUNEAU, ALASKA 99811-0001
(907) 465-3500
FAX (907) 465-3532
WWW.GOV.STATE.AK.US

**STATE OF ALASKA**
**OFFICE OF THE GOVERNOR**
**JUNEAU**

May 1, 2009

To Whom It May Concern:

As Governor and Chief Executive Officer of the state of Alaska, I designate the commissioner of the Department of Commerce, Community, and Economic Development (DCCED) as having responsibility to administer the federal Community Services Block Grant program, including the authority to execute grant documents.

I request that you accept the signature of the commissioner of DCCED on all required certifications and assurances related to the above program. The Commissioner has the authority to designate signatory authority to other department staff as he or she deems appropriate. Mr. Emil Notti presently serves as commissioner of DCCED.

Please send documents associated with this grant program to:

Jill Davis, Grant Administrator III
Division of Community and Regional Affairs
Department of Commerce, Community and Economic Development
State of Alaska
211 Cushman Street
Fairbanks, AK 99701

Sincerely,

Sarah Palin
Governor

cc: Emil Notti, Commissioner, Department of Commerce, Community, and Economic Development
Tara Jollie, Director, Division of Community and Regional Affairs, Department of Commerce, Community, and Economic Development
Gail Dabaluz, Grant Manager, Division of Community and Regional Affairs, Department of Commerce, Community, and Economic Development
Jill Davis, Grant Administrator III, Division of Community and Regional Affairs, Department of Commerce, Community, and Economic Development

## IV. STATEMENT OF FEDERAL AND CSBG ASSURANCES:

See Appendix A

Programmatic Assurances
Administrative Assurances
Other Administrative Certifications

## V. THE NARRATIVE STATE PLAN

### A. Administrative Structure

#### (1) State Administrative Agency

(a) Mission and Responsibilities: The mission of the Department is "Promoting a healthy economy and strong communities". The Department and the Division of Community and Regional Affairs in particular, are by their very nature and constitutional and statutory mandates, a community oriented agency. The need for a presence and participation at the local level dictates a decentralized organization which is sensitive to local needs and versatile enough to address the broad spectrum of issues and concerns which affect different types of communities. The Department's mission inherently includes a strong advocacy role in addition to serving as a bridge between the local community interests and the interests of the state and federal governments. Within the scope of the Department's mission, the Division of Community and Regional Affairs promotes strong communities and healthy economies by providing information, technical and financial assistance, and other capacity building resources.

(b) Goals and Objectives: The goal of the Department's Community Services Block Grant Program is to reduce and prevent the spread of poverty through community based educational activities which lead to a greater degree of self-sufficiency on the part of low-income people. The activities identified in the attached work plan (Appendix B) provide a holistic approach to dealing with the problems of Alaska's poor.

The economic and cultural disparities among Alaskan communities are often far greater than between communities in other states. Many smaller communities have barely established cash economies. There are fundamental unmet needs for capacity building in local government skills. The Department serves as a bridge between the past and future local economies. The Department serves as a catalyst for change, working to ensure that state and federal funding for infrastructure projects is maintained so that community and economic development opportunities may be promoted which lead to greater self-sufficiency for low-income people.

The Department, within the Division of Community and Regional Affairs, also administers the Community Development Block Grant Program; the NPR-A Grant Program; the state Designated Legislative Grant Program; and various other state and federal grant programs. The goals for these programs include providing funding for infrastructure development and capital projects which support future economic development activities in rural areas of the state.

One of the Departments goals is to maximize the linkages among departmental programs to address community development needs. In addressing its desire to help individuals, families, and communities help themselves, the Department is focusing on three major long term goals: stronger families; stronger local governments; and stronger local economies. The activities which are supported with Community Services Block Grant funds through RurAL CAP offer an opportunity to provide services which have a measurable and potentially major impact on the causes of poverty in Alaska.

**(2) Eligible Entities**

(a) There is only one Community Action Agency in the State of Alaska that is eligible to receive Community Services Block Grant Funds. The agency is Rural Alaska Community Action Program, Incorporated. RurAL CAP is a statewide, private non-profit with a 501(c)(3) tax-exempt status.

(b) RurAL CAP will serve the entire State of Alaska with the CSBG program. Although RurAL CAP will provide statewide services, the focus of CSBG activities will be on rural areas of the state.

**(3) Distribution and Allocation of Funds**

(a) Planned Distribution of Funds for Current Fiscal Year: Ninety-five percent (95%) of the CSBG funds received will be made available to RurAL CAP for CSBG activities. The remaining five percent (5%) will be used for state administrative costs.

**B. Description of Criteria and Distribution Formula**

**Distribution Formula:** Since RurAL CAP is the only eligible CAA in the state of Alaska, ninety-five percent (95%) of the CSBG funds received will be made available to RurAL CAP for CSBG activities benefiting the low income and providing education, information, and advocacy aimed at supporting the strengths of families and communities. The remaining five percent (5%) will be used by the Department for state administrative costs.

**Funding Limitations:** No CSBG funds will be used for the purchase or improvement of land or the purchase, construction, or permanent improvement (other than low cost residential weatherization or other energy related home repairs), of any building or other facility.

No CSBG funds will be used for partisan or nonpartisan political activity or any political activity associated with a candidate or contending faction or group, in an election for public or party office. No CSBG funds will be used for any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any election. No voter registration activity will be supported with CSBG funds.

**Procedures for Use of Carry-Over Balances:** In the case of carry-over balances at the end of the fiscal year or program year, the Department will make the carry over funds available to RurAL CAP for use the following program year. RurAL CAP will be requested to submit a request for use of the carry over funds if the proposed use significantly differs from that for which it was originally approved.

**C. Description of Distribution and Use of Restricted Funds:** As previously stated, the Department will make ninety-five percent (95%) of the CSBG funds received available to RurAL CAP for CSBG activities benefiting the low income and providing education, information, and advocacy aimed at supporting the strengths of families and communities. The remaining five percent (5%) will be used by the Department for state administrative costs. There have been no funds recaptured or redistributed.

**D. Description of Distribution and Use of Discretionary Funds:** The Department has no discretionary funds to distribute.

**E. Description of use of State Administrative Funds:** The Department shall utilize not more than $55,000 or five percent (5%) of the amount allocated under the CSBG program (whichever is greater) for state administrative costs.

State Administrative funds will be utilized to support the costs associated with administering the CSBG program including but not limited to partial payment of staff salaries and benefits of those who work with the program; a portion of the costs for services for the Block Grant section which covers postage, telephones, data processing costs, printing costs, advertising costs, etc.; a portion of the costs of supplies associated with the program; travel costs associated with the program including CSBG staff participation and training at national conferences (sponsored by NASCSP, CAPLAW, etc.) and other relevant seminars and

meetings; and program monitoring costs. All administrative costs are documented and a separate accounting code established to record expenditures charged to the program.

A State Charity Tax Credit Program will not be implemented at this time.

## F. State Community Services Program Implementation

### (1) Program Overview:

#### (a) The Service Delivery System.

RurAL CAP is the single Community Action Agency in Alaska. Its mission is to protect and improve the quality of life of low-income Alaskans through education, training, direct services, decent and affordable housing, advocacy, and to strengthen the ability of low-income people to advocate for themselves. The goal of the statewide private non-profit is to promote maximum participation by rural and low income Alaskans in overcoming all forms of poverty. The agency encourages the efforts of low-income people attempting to break the cycle of dependency and gain control of the changes affecting their lives.

Because a wide variety of issues disproportionally affect lower income Alaskans, approaches and services equally diverse are offered. Support is provided to individuals and families to make the best use of limited financial resources. These programs include home weatherization, access to affordable housing initiatives, affordable childcare for working parents, and connections to services from other organizations such as medical benefits, food stamps and legal aid. RurAL CAP also helps ensure residents in economically suppressed rural areas have access to educational and capacity building opportunities. To do this, early learning programs are provided in remote rural Alaska along with a variety of safety, health and wellness, workforce, educational, energy cost reductions, and family development training that also help strengthen existing programs and respond to identified community priorities. Opportunities are provided for youth engagement in community activities. Assistance is also provided to individuals battling social and behavioral issues. These programs include sobriety assistance, tobacco cessation, wellness, suicide prevention, environmental awareness, community pride, and life skills.

Direct services are organized into four divisions. Anchorage Services aids chronic homeless alcoholics and runs an affordable housing program for low-income individuals. Community Development provides resources, trainings and service opportunities to low-income Alaskans in order to promote wellness, improve environmental conditions, reduce energy costs and build capacity. Rural Housing and Planning Division assists rural communities and low-income people by increasing affordable housing opportunities, preserving and improving existing housing, and facilitating community–based planning. Child Development Division provides services to prenatal women, children and families through a variety of programs designed to facilitate parent involvement and community collaboration by promoting the parent-child relationship, positive socio-emotional development, healthy practices, cultural richness and school readiness. These include Head Start, Early Head Start, Parents as Teachers and affordable childcare for low-income working families.

During Federal Fiscal Year 2011 RurAL CAP proposes to use Community Services Block Grant funds in the following major component areas listed below. Detailed work plans, narratives, and budgets for each of these component areas are provided in Appendix B.

The ***Administrative Services*** component ultimately increases the agency's capacity to achieve results by broadening the resource base. It does this by providing agency-wide fund development, public information and research services, database management of partners and potential supporters, as well as agency planning, opportunities for staff development, and program evaluation. Funds are used to build the capacity of the agency to better develop, manage and evaluate the direct services which lead to measurable results of program customers moving out of poverty into self-sufficiency.

The ***Anchorage Services Division*** component provides emergency services (outreach, access to detox, transitional housing in a 25-bed facility, intensive case management, employment assistance, and public education) to the chronic, public inebriate, homeless population of Anchorage. In addition, the Anchorage Services Division provides Affordable Housing to low-income people in Anchorage and graduates of transitional housing programs, such as Homeward Bound. It does this by collaborating with the network of

housing and alcohol treatment service providers and building and maintaining strong partnerships and linkages.

Within the ***Child Development Division*** are the rural Head Start and Early Head Start programs, the Child Development Center, and the Parents as Teachers Program. The Child Development Division operates under strict federal and state regulations and guidelines which require a well trained staff and close monitoring of its programs. Their outcomes for improvements in child health, school readiness, and parenting and family functioning are achieved through ongoing higher education requirements for the classroom and childcare staff, through capacity building with parents and families, and participation on local Parent Committees and Councils and Advisory Boards.

Within the ***Community Development Division*** are four national service programs (RAVEN YDA AmeriCorps, BIRCH AmeriCorps, VISTA, and Students-In-Service AmeriCorps), wellness programs, the Rural Providers' Conference (see 2009 RPC Summary at www.ruralcap.com) and environmental action. Cooperative relationships are established with regional and village organizations, rural councils and other community-based organizations to place the locally hired Members who, through their host organizations, identify the community's needs to their projects. Opportunities for youth involvement are increased, and the overall well-being of the communities is improved by the projects identified. Additionally, the sustainability capacity is maintained beyond the program year for these local hires who learn new skills through in-depth training and service.

The ***Rural Housing and Planning Division*** provides a full-range of construction, rehabilitation and planning services. Funds in FY 2011 will be used to expand the range of technical assistance and direct services provided to rural housing entities to increase their capacity to conduct local needs assessment, planning, rehabilitation and new construction for their own low-income housing customers. The division also maintains oversight of RurAL CAP's Weatherization, Fee-For-Service Housing Rehabilitation, Self-Help Housing, and Community Planning programs. It is able to do this by brokering partnerships among various agencies and villages to maximize leveraging of funding and through these collaborations, maintains an ongoing collection of needs assessment information to improve its quality and accuracy.

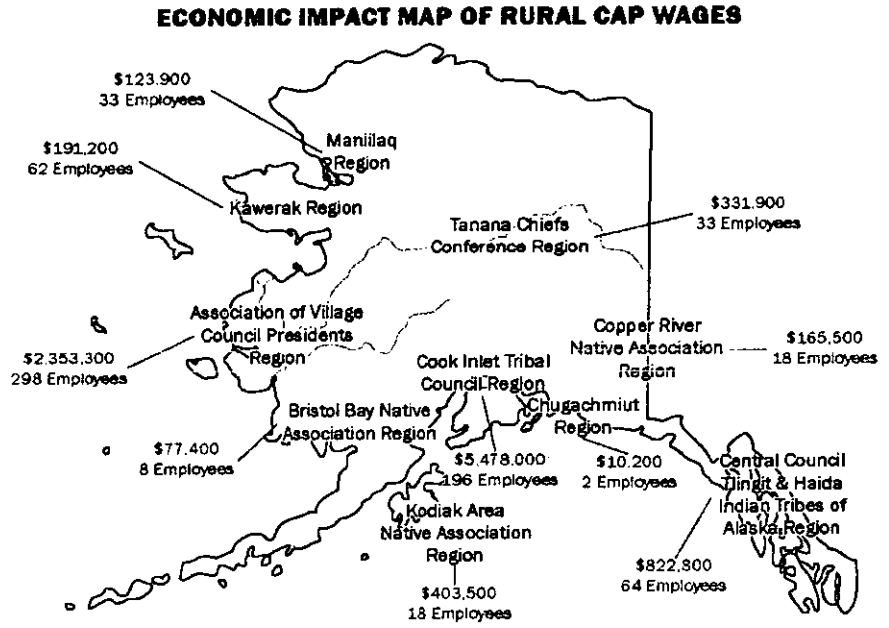
The ***Public Policy and Advocacy*** component's focus is on expanding the number of organizations the agency works with for the purpose of increasing the number and amount of resources and opportunities for individuals, families, and communities. It provides opportunities for target area Board members to share information on the status of their constituents along with opportunities to learn about best practices, provides public information and education on issues which affect low-income people in Alaska directly related to the use of traditional, sustainable natural resources through hunting, fishing and gathering as well as issues affecting tribal government and the ability of remote rural communities to become more self-sufficient. This component provides opportunities for low-income people to advocate on their own behalf. It also includes the production of the *Village Voices* newsletter (See samples of 2009 issues at www.ruralcap.com). It is through these efforts to create an understanding by others of the situations in Alaska's communities that RurAL CAP increases its opportunities for low-income people.

RurAL CAP uses a comprehensive Strategic Planning process involving input from a broad spectrum of stakeholders including agency staff, board members, funders, partners, colleagues, collaborators, clients, service recipients and customers supported by current data to determine its direction and annual work plans and goals. The three year plan is updated and revised regularly to reflect new opportunities and directions.

RurAL CAP believes in the value of empowering low-income Alaskans and in finding lasting solutions for meeting community needs. Therefore a large part of the strategy for delivering services includes local hire in every division. For example, positions are hired from within communities served for teaching jobs, bus drivers, cooks, service positions, program outreach and construction work. In addition VISTA volunteers and AmeriCorps members are recruited from within the communities they will serve. This allows the people served to participate in income, education and training opportunities provided by our programs. As a result of working directly with community members, programs and services are keenly aligned with community needs. In addition, the capacity built through program work stays in the community after projects are complete.

RurAL CAP employed more than 850 people during 2009. Below is a map including how payroll is

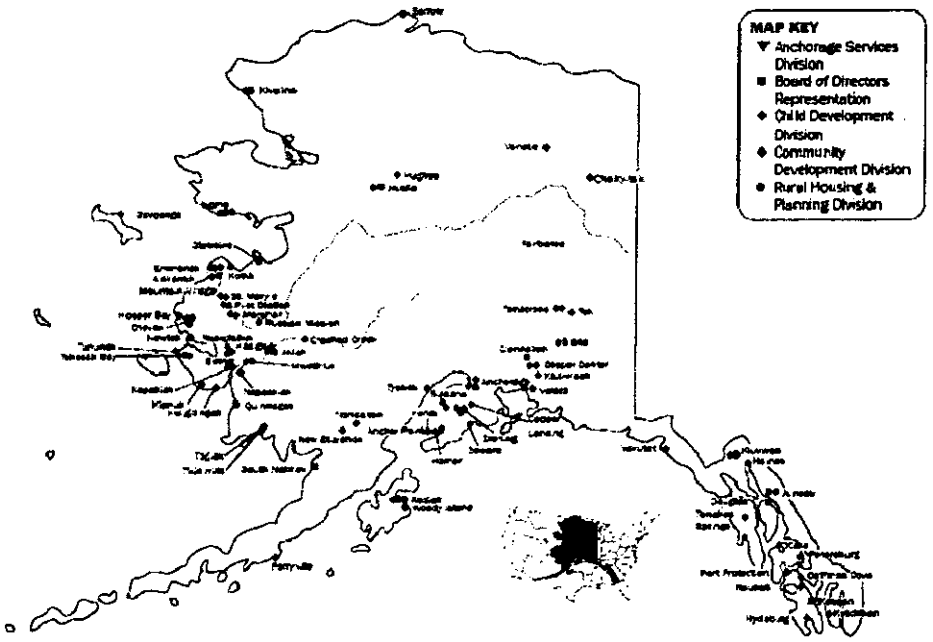
distributed across the non-profit areas within the 12 Alaska Native Claims Settlement Act regional boundaries.




**Service Areas**

RurAL CAP provides services in more than 70 communities across Alaska.

For some services such as those involving AmeriCorps or VISTA programs, the communities involved may change from year to year. For other programs such as those involving Head Start, Early Head Start and Parents As Teachers, continuity is maintained from year to year regarding communities served. The communities served by RurAL CAP during 2009 are shown on the map below. The distribution of communities across Alaska is representative of the communities that will be served in 2011.



**Communities with Board Representation**

| | | |
|---|---|---|
| Akiak | Fairbanks | Kobuk |
| Akutan | Fort Yukon | Kodiak |
| Anchorage | Glennallen | Napaskiak |
| Barrow | Homer | Nome |
| Bethel | Juneau | South Naknek |
| Douglas | Kasaan | Valdez |

**Communities Served by Community Development**

| | | |
|---|---|---|
| Akiak | Kasigluk | Ruby |
| Aleknagik | Ketchikan | Savoonga |
| Anchorage | Koliganek | Selawik |
| Chevak | Manakotak | Shaktoolik |
| Chuathbaluk | Naukati Bay | Sterling |
| Cooper Landing | Nenana | Tanacross |
| Cordova | New Stuyahok | Tazlina |
| Eklutna | Nikiski | Tetlin |
| Elim | Nikolski | Thorne Bay |
| Fairbanks | Nome | Togiak |
| Gambell | Nondalton | Twin Hills |
| Haines | Nunapitchuk | Venetie |
| Hooper Bay | Palmer | Wrangell |
| Huslia | Petersburg | Yakutat |
| Kalskag | Port Alexander | |

**Communities Served by Rural Housing & Planning**

| | | |
|---|---|---|
| Alakanuk | Kenai | Nunam Iqua |
| Anchorage | King Salmon | Oscarville |
| Bethel | Kipnuk | Palmer |
| Chalkyitsik | Kivalina | Pilot Station |
| Chevak | Klukwan | Russian Mission |
| Chugiak | Kotlik | Stebbins |
| Dillingham | Napakiak | Toksook Bay |
| Eagle River | New Stuyahok | Tununak |
| Egegik | Newtok | Wasilla |
| Fairbanks | Noatak | |
| Juneau | Nome | |

**Communities Served by Child Development**

| | | |
|---|---|---|
| Akiak | Kake | Savoonga |
| Alakanuk | Ketchikan | Selawik |
| Anchorage | Kluti-kaah | Seward |
| Chevak | Kodiak | St. Mary's |
| Copper Center | Kwethluk | Stebbins |
| Emmonak | Marshall | Sterling |
| Haines | Mountain Village | Tanacross |
| Homer | Napaskiak | Tok |
| Hooper Bay | Nunapitchuk | Toksook Bay |
| Hydaburg | Pilot Station | |

**(b) Linkages**

*A description of how linkages will be developed by local entities to fill identified gaps in services, through the provision of information, referrals, case management, and follow up consultations.*

Overall services for clients and customers require close coordination with many organizations. This includes early childhood education organizations, universities, veterans' affairs, mental and other health, shelters, police departments, housing and finance corporations, local governments and schools, tribal, energy, other statewide non-profits, and environmental entities.

The Anchorage Services Division (ASD) works with special needs populations who have challenges with housing including chronically homeless individuals battling alcoholism. Comprehensive services require working with a variety of organizations. Case managers work directly with individuals to identify gaps in services they need and to determine programs for which they are eligible. Close working relationships have been developed with housing entities such as Alaska Housing Finance Corporation, mental health and wellness service providers such as Alaska Native Medical Center, Anchorage Community Mental Health Services, the Alaska Psychiatric Institute and the Alaska Mental Health Trust Authority. The ASD is also part of the Continuum of Care organizations working in the municipality and therefore interact with other social service organizations such as Salvation Army, Catholic Social Services, Bean's Café, Brother Francis Shelter, Covenant House and Alaska Women and Children in Crisis.

The Child Development Division works with a variety of partners in promoting and advocating for the needs of professionals in early childhood development as well as advocating for and implementing best practices. Members of RurAL CAP's staff sit on a variety of boards and panels including the Head Start State Association and Best Beginnings. The division also hosts the Parents As Teachers statewide office which supports all programs, not just RurAL CAP's. In each of the early childhood programs, Early Head Start, Head Start and Parents As Teachers, family visitors work directly with each child's family to access much needed services—this can vary from a simple recommendation to the Tobacco Quit Line to a referral for medical services from the state.

The Community Development Division and Rural Housing and Planning Division work on the community level to provide access to a wide array of community assistance. Many times RurAL CAP is the first contact community members utilize to become informed about other funding or assistance for their community. Connections have been made for these communities with a variety of organizations and agencies including the Alaska Native Tribal Health Consortium, the Environmental Protection Agency, Alaska Village Initiatives, local housing authorities, the Denali Commission, U.S. Census Bureau, USDA Rural Development and the Affordable Housing Partnership.

**(c) Coordination with Other Public and Private Resources**

*A description of how funds made available through grants to eligible entities will be coordinated with other public and private resources.*

RurAL CAP values the opportunities for leveraging CSBG funds in order to provide effective and efficient delivery of services across the state in challenging conditions with extremely high costs of doing business. In 2009, it leveraged the CSBG funds with over $26 million in state, local, private, and fees for service funding of which approximately 50% is from federal sources, 45% from state and local sources and 5% from foundations, individuals and earned revenue. Accomplishments in this area include specifically increasing support from foundations and corporations active in the communities served by RurAL CAP.

RurAL CAP coordinates and engages in collaborations with other organizations and institutions to avoid duplication and maximize the delivery of the early childhood development, housing, and community development programs. The success of the organization comes from its ability and willingness to work with other organizations to deliver the specific outcomes reported each year in the Results Oriented Management and Accountability Reporting Document. It does this through a well designed planning process that includes coordination with local governments, state and federal agencies, higher education institutions, training facilities, funding entities, tribal organizations, other non-profits, the legislature, Native for-profits, school districts, private corporations, associations, Congressional delegation, and the Governor's office.

**(d) Innovative Community and Neighborhood-based Initiatives**

*A description of how local entities will use the funds to support innovative community and neighborhood-based initiatives related to the purposes of the CSBG, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting.*

RurAL CAP is recognized for its work in providing sustainable efforts at improving communities through capacity building throughout the state. It includes implementation of:

Homeward Bound, which moves public inebriates off the streets into secure housing arrangements, reuniting families, and ultimately employment.

The *Housing First* model is based on the idea that individuals achieve a greater level of self-sufficiency when they obtain permanent housing **first,** rather than receiving housing as a condition of completing an array of treatment programs.

The Speaker's Bureau was formed to empower residents to educate the community on issues pertaining to homelessness.

Parents as Teachers in 19 communities throughout Alaska that builds long-term capacity for parents and communities.

AmeriCorps programs extend the local capacity and sustainability by training local people in community health and wellness.

The annual Rural Providers' Conference which promotes substance abuse prevention services resulting in healthy families and communities.

**(2) Community Needs Assessments**

The use of CSBG funds was determined by utilizing the following avenues of information regarding the unmet needs of people living in poverty:

- From the Community Needs Assessment that RurAL CAP conducted with the Head Start program;
- Through the State of Alaska Division of Community and Regional Affairs' 2009 Rural Population Report discussing the changing trends in rural populations and the impacts to rural and urban Alaska;
- Through the Yukon Kuskokwim Health Corporation's 2009 Forgotten America: Rural Alaska Problems and Solutions Report;
- From the Alaska Housing Finance Corporation's 2009 Alaska Housing Assessment;
- From the Alaska Economic Trends Employment Forecast for 2010 Report;
- From UAA's Institute of Social and Economic Research 2010 Market Factors and Characteristics Influencing Rural Alaska Fuel Prices Report;
- The McDowell Group's survey of Native Perspectives on Alaska Issues that reports findings from Alaska Native households across the state on a wide variety of topics;
- First Alaskans Institute's Alaska Native Policy Center's 2007 Rural Development Performance Measures (RDPM) Report which recognized that a myriad of questions and controversies surround issues related to economic growth, economic development, and poverty reduction;
- Through the Alaska Progress Report 2005-2006 that contains 49 measures of social, economic and environmental progress for the state of Alaska;
- Through a survey and questionnaire distributed and analyzed by the Community Development Division from villages regarding management and capacity building needs;
- Information gained from attendance at the monthly Homeless Services Forum, facilitated by the Municipality of Anchorage;
- Information from the Mayor's 10 Year Plan to End Homelessness, Municipality of Anchorage;
- Information from a November, 2008 survey of Village Voices recipients;
- From the many boards, councils, committees, forums, invitations to present/participate in and other meetings and conferences that RurAL CAP's staff participates in;
- From the RurAL CAP Board of Directors, especially target area representatives;
- From over 800 RurAL CAP staff who, through direct work with communities and individuals and coordination with other organizations, learn of gaps and needs in rural communities.

Research publications by the University of Alaska reaffirms that the issues RurAL CAP is addressing are the needs as determined by people in rural communities.

RurAL CAP engages in a comprehensive planning process which includes the gathering of current data on rural

Alaska and of the poor in Alaska. Program customers, board members, staff and stakeholders have all had input into the gathering and prioritizing of ideas and information. Because the needs of low-income people in Alaska are so overwhelming, RurAL CAP focuses on those needs that the agency is best able to meet. The strategic planning process includes a three-year vision for the main strategic directions for the agency. Individual programs then develop their own strategies and action steps in order to implement the plan. This plan is updated on a regular basis. RurAL CAP submits a copy of the plan to the State annually.

**(3) Tripartite Boards:**

The grant agreement between the Department and RurAL CAP incorporates the requirement that RurAL CAP shall administer the CSBG program through a tripartite board that fully participates in the development, planning, implementation and evaluation of the program to service low-income communities.

RurAL CAP's 24-member Board of Directors represents every region of Alaska. There are three categories of directors on the board:

1) Target Area Directors make up at least one-third of the board as representatives of organizations which serve low-income Alaskans in specific geographic areas;
2) Private Sector Directors are officials or members of other nonprofit organizations whose mission and interests complement those of RurAL CAP; and
3) Public Directors make up one-third of the total board as representatives of elected or appointed officials.

RurAL CAP provides the Department with notification in changes in Board membership and policy. The Department monitors the composition and activities of the Board of Directors for compliance on an on-going basis. Technical assistance and guidance are also provided on an on-going basis and at RurAL CAP's request.

**(4) State Charity Tax Program:**

Not applicable

**(5) Programmatic Assurances**

Following is a description of how each of the assurances outlined in Section 676(b) of the CSBG Act will be carried out:

**(a) Assurance '676(b)(1) :**

**(1)** To support activities that are designed to assist low-income families and individuals, including families and individuals receiving assistance under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), homeless families and individuals, migrant or seasonal farmworkers, and elderly low-income individuals and families to enable families and individuals to:

*(i) Removing barriers to Self-Sufficiency;*

The obstacles are many for low income people living in communities with few economic opportunities or for those who have been homeless for years. RurAL CAP's guiding principles include working with individuals and community members to find long term solutions to improving the quality of life for low income people. That means providing services that don't always mean making more money when that is not necessarily possible, but rather providing services which lead to economic self sufficiency and healthy families and communities. For example, providing training which results in certification as Head Start workers for long-term employment opportunities; providing community planning training for youth in their villages; reducing the rates of alcohol and other substance abuse and making it possible for those individuals to then have access to housing, training, and employment; preparing young children for readiness in kindergarten and first grade and ensuring their nutritional and basic health care needs are met while in the pre-school programs; providing awareness of ways to spend less monies through energy efficient habits and conservation; developing solid waste management programs that result in healthy local environments; providing fire protection training.

An example of the details of a program that reflects this method of service delivery is Project Homeless Connect which provides a one stop shop of resources for homeless individuals and

families. Community volunteers assist people in obtaining food boxes, hot meals, showers and haircuts, on site child care, substance abuse and mental health screenings, wheelchair repairs, housing applications, employment support, and health screenings.

Residents are offered transitional housing, case management, housing information, employment assistance, mental health counseling, gender specific services for men and women, reintegration activities, volunteer work, individual and group counseling, and life skills classes.

*(ii) Secure and retain meaningful employment;*

RurAL CAP believes in the value of empowering low-income Alaskans and in finding lasting solutions for meeting community needs. Therefore a large part of the strategy for delivering services includes local hire in every division. For example, positions are hired from within communities served for teaching jobs, bus drivers, cooks, service positions, program outreach, community health, and construction work. This allows for income, education and training opportunities to the low-income people served. RurAL CAP works directly with community members, and as a result, programs and services are keenly aligned with community needs. In addition, the capacity built through program work stays in the community after projects are complete.

In Anchorage, Community Bound offers specific case management to individuals needing housing assistance and employment development. Community Bound provides participants with training in tenant rights and responsibilities, employment, money management, community volunteer opportunities, social relations, communication, and advocacy. The approach is a systemic one that provides the tools and training to individuals to understand their role in maintaining self-sufficiency.

*(iii) Attain an adequate education and improve literacy skills;*

The Child Development Division provides services to prenatal women, children and families in 29 communities across Alaska. The programs offered by the division include Head Start, Early Head Start, Parents As Teachers, and child care.

All Child Development Division programs are designed to facilitate parent involvement and community collaboration. Programs promote the basic tenet that parents are the child's first and best teacher. Services to children promote positive socio-emotional development, healthy practices, cultural richness and school readiness. Services to families support self-determination and empowerment.

Head Start and Early Head Start are comprehensive child development programs serving low income children and their families. Head Start serves children ages three to five and Early Head Start serves prenatal women and children ages birth to three. The programs promote school readiness by enhancing the social and cognitive development of children through the provision of educational, health, nutritional, social and other related services. The programs also help parents make progress toward their own education, literacy and employment goals.

Local Parent Committees are formed at each Head Start Center to assist the staff in curriculum development, increase community support and offer advice on programmatic and fiscal decisions. Parents help determine the cultural appropriateness and responsiveness of program services.

Parents As Teachers (PAT) is an early childhood parent education and family support program designed to empower parents to give their children the best possible start in life. Home visits and group socializations are offered to families in 19 communities across the State. The PAT approach is to support all children so that they will learn, grow and develop to realize their full potential.

(iv) *Make better use of available income;*
RurAL CAP's guiding principle of working with individuals and community members to find ways to contribute to economic self sufficiency has directed it towards programs that result in spending fewer dollars or for building capacity so individuals can earn a living. For example, providing training which results in certification as Head Start workers for long-term employment opportunities; providing community planning training for youth in their villages; reducing the rates of alcohol and other substance abuse and making it possible for those individuals to then have access to housing, training, and employment; preparing young children for readiness in kindergarten and first grade and ensuring their nutritional and basic health care needs are met while in the pre-school programs; providing awareness of ways to spend less monies through energy efficient habits and conservation; developing solid waste management programs that result in healthy local environments; providing fire protection training.

(v) *obtain and maintain adequate housing and a suitable living environment;*
RurAL CAP's Anchorage Services Division provides services to chronic homeless alcoholics many of whom have severe mental health and substance abuse problems. Homeward Bound is one of only three programs in the United States with comprehensive services ranging from detox to housing. Homeward Bound also serves individuals and families experiencing income limitations by providing affordable housing.

**Housing First Services**
Serving as the pilot program for Anchorage, Homeward Bound implements Housing First case management services as part of the Mayor's Ten Year Plan to End Homelessness. Housing First is based on a national model that places hard to serve individuals directly into housing without requiring compliance with established social service programs.

**Affordable Housing**
Homeward Bound's Affordable Housing program provides rental units to individuals with little or no income. The Affordable Housing program only requires a person's ability to pay rent, to care for an apartment, and be a good neighbor as prerequisites for tenancy.

The Rural Housing and Planning Division assists rural communities and low-income people by increasing affordable housing opportunities, preserving and improving existing housing, facilitating community-based planning, and building the capacity of rural communities to participate effectively in the development of housing and related infrastructure.

**Self-Help Owner-Built Homes**
Progress on Self-Help Owner-Built housing projects in Sterling and Kenai continues to be made. Families must contribute "sweat equity" in order to qualify for the program. Extensive homebuyer counseling, financial literacy training and assistance with budgeting and resolving outstanding credit issues is provided to potential self-help participants. These services help families to qualify for not only the self-help program, but to prepare for successful homeownership in general.

**Housing Services**
RurAL CAP's housing services program assists rural communities with carrying out housing development, rehabilitation, and weatherization. With special expertise in rural logistics, and in blending and managing funding from multiple sources, RurAL CAP helps communities expand and improve affordable, energy-efficient housing options.

Weatherization is the division's longest-standing program. The focus of weatherization is to increase the safety, energy-efficiency and comfort of the homes served. Unlike similar programs in other areas of Alaska and the Lower 48, the Western/Northwestern Alaska program serves an entire community at one time, rather than individuals scattered among multiple communities. RurAL CAP weatherization projects take 1-3 years to complete,

depending on the size of the community being served.

Homes receiving weatherization services must be occupied by income eligible homeowners. Priority is given to Elders, handicapped individuals, and households with children under six years old. In all weatherization and rehabilitation projects, local hire is an important element which provides employment, and leaves communities with a more skilled labor pool.

*(vi) Obtain emergency assistance;*
RurAL CAP provides emergency assistance to meet immediate and urgent family and individual needs in these ways:

Through the Project Homeless Connect in Anchorage, critical winter gear is distributed and initial contact information is provided about available services. In 2009 Anchorage Services outreach team initiated 2,363 contacts with homeless individuals in Anchorage in the form of referrals, support and advocacy by the outreach team. Over 1,326 people received food boxes, hot meals, showers and haircuts, substance abuse and mental health screenings, wheelchair repairs, housing applications, employment support and health screenings through Project Homeless Connect—a program sponsored by the Anchorage Coalition on Homelessness, of which RurAL CAP is a member.

As homeless individuals enter either the Homeward Bound or Housing First programs, more in-depth assistance is offered by helping residents access special services for which they are eligible but might not be using. Each resident is assigned a case manager who walks them through the steps necessary to access services, including health care, substance abuse treatment, mental health care, representation with regard to legal issues and accessing legal aid, accessing income through mainstream providers, food stamps, housing (rental assistance through a tribal organization, rental deposit through the municipal Safe City program, Section 8 vouchers or public housing through the state public housing office), employment through the Workforce Investment Act and state/local programs, financial planning through Consumer Credit Counseling Services of Alaska, and if applicable, VA Benefits. Case managers offer this level of assistance to roughly 120 people a year. The result is that residents are better able to access services available to them.

Nutritional support and referral assistance is provided to low income families in the Childhood Development programs. All 24 Head Start programs, per national program requirements, provide for at least 1/3 of each child's daily nutritional requirement according to USDA guidelines. Through these programs normally 2/3 of each child's requirements are provided for. In 2009 more than 135,000 meals were served during the school year. In addition, through work with the parents and families of the Head Start, Early Head Start and Parents and Teachers children, information is offered on good nutrition and wellness. Monthly social activities often include a nutritious meal or snack and from time to time a cooking lesson. Programs also link parents and families in need with services from other organizations. In 2009, the PAT program served 578 children and their families and 61 prenatal women.

*(vii) achieve greater participation in the affairs of the community;*
RurAL CAP's Community Development Division provides resources, training and service opportunities to low-income Alaskans in order to promote health and wellness, improve environmental conditions, save energy and build capacity. The division focuses on positive solutions that are culturally appropriate and achieve measurable results.

The Community Development Division includes five national service AmeriCorps and VISTA programs. RurAL CAP supports up to 150 AmeriCorps and VISTA members in approximately 50 communities across Alaska. Members are recruited locally from the communities they will serve in, trained by RurAL CAP and serve for usually one year

**Community Planning**
Through the Rural Housing and Planning Division, RurAL CAP continues to partner with the Denali Commission to develop a community planning tool that is tailored to the special needs and circumstances of Alaska's small rural communities. Built around a rural Alaskan understanding of the social, political, cultural, and physical environment, the community planning tool helps villages tell their unique stories, and plan for the future while embracing their values, culture, and vision.

RurAL CAP provides training and technical assistance to communities who wish to engage in community planning activities. Services include training conferences and events, as well as on-site assistance in developing a community plan.

(2) To address the needs of youth in low-income communities through youth development programs that foster leadership and life skills development leading to future employability. The youth programs are strength-based and focus on health topics, community service, outdoor appreciation and survival skills, fostering of adult-youth relationships, environmental action, tobacco prevention, learning Native culture, and life skills. This is done by supporting the primary role of the family, giving priority to the prevention of youth problems and crime, promoting increased community coordination and collaboration in meeting the needs of youth, and supporting the development and expansion of innovative community-based youth development programs that have demonstrated success in preventing or reducing youth crime, such as programs for the establishment of violence-free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs); and after-school child care programs; and

(3) To make more effective use of, and to coordinate with, other programs (including State welfare reform efforts). (Both (2) and (3) are answered below.)

**Students in Service AmeriCorps Program**
RurAL CAP works with the University of Alaska Anchorage and the University of Alaska Fairbanks to coordinate up to 80 part-time Students in Service AmeriCorps members annually. Services provided by members address a number of social and health issues including domestic violence, suicide, alcohol and drug abuse, employment and training, teen pregnancy, corrections and juvenile delinquency, child development, and child welfare.

**Building Initiatives for Rural Community Health (BIRCH) AmeriCorps Program**
BIRCH AmeriCorps members design and support community-wide events for youth, families and Elders in the areas of health education, substance abuse prevention and wellness. In 2009, BIRCH members served 15 Alaskan communities.

**Rural Alaska Village Environmental Network (RAVEN) AmeriCorps Program**
The RAVEN AmeriCorps members improve environmental conditions through youth education, pollution prevention, community clean-up efforts, energy conservation, recycling and other solid waste management projects across rural Alaska. RAVEN AmeriCorps members worked in 20 communities in 2009.

**VISTA Energy Program**
RurAL CAP launched the VISTA Energy Program in April of 2007. In 2009, 14 VISTAs worked to reduce the burden of energy costs in their rural communities. Projects planning and capacity building for renewable energy options, and home energy efficiency education.

**Recovery AmeriCorps/VISTA Members**
In 2009, RurAL CAP was awarded 13 AmeriCorps and 14 VISTA positions with American Recovery and Reinvestment Act funding. The members were placed in a variety of roles and capacities in organizations in 28 communities in Alaska.

(b) **Assurance '676(b)(4): Eligible entities** in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals.

**Project Homeless Connect**
Project Homeless Connect provides a one stop shop of resources for homeless individuals and families. Community volunteers assisted more than 1,300 people in obtaining food boxes, hot meals, showers and haircuts, on site child care, substance abuse and mental health screenings, wheelchair repairs, housing applications, employment support, and health screenings.

RurAL CAP has met the federal nutrition requirements for its Head Start sites.

(c) **State Assurance '676(b)(5): and the eligible entities in the State** will coordinate, and establish linkages between, governmental and other social services programs to assure the effective delivery of such services to low-income individuals and to avoid duplication of such services, and State and the eligible entities will coordinate the provision of employment and training activities in the State and in communities with entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998.

RurAL CAP works extensively with state related entities that receive funding under the Workforce Investment Act. The Anchorage Services Division works with Nine Star, Division of Vocational Rehabilitation, all GED completion programs, CITC, etc. to assist resident participants in reaching their employment goals. The Dept. of Labor assists with job applications. In addition, residents are provided employment classes and internet access to all private companies that may be hiring. They are also provided transportation to employment related activities and access to "day labor" jobs.

The Housing and Planning Division hires individuals for the weatherization projects who have completed DOL workforce training programs.

Community Development, in partnership with the Denali Commission and State Department of Labor provides 2 days of training for up to 100 AmeriCorps and VISTA Service Members and their Supervisors (primarily tribal and city council administrators) to strengthen leadership development, supervisory skills and managerial capacity to support Denali Commission and other public infrastructure projects in rural Alaska.

(d) **Assurance '676(b)(6):** The State will ensure coordination between antipoverty programs in each community in the State, and ensure, where appropriate, that emergency energy crisis intervention programs under title XXVI (relating to low-income home energy assistance) are conducted in such communities.

RurAL CAP utilizes LIHEAP as part of the funding that Alaska Housing Finance Corporation provides for the Weatherization Program. LIHEAP supplements the Department of Energy and AHFC funds. Since the LIHEAP funds need to be expended by June 30 of each year, RurAL CAP uses them primarily for the initial materials purchase for the rural projects and also for some of the personnel startups costs each year. For 2009, RurAL CAP received $255,000 in LIHEAP funds. Of this, $30,000 was slated for Juneau for the Weatherization Assistance Program and the remaining $225,000 is for Enhanced Weatherization in the rural villages of western and northwestern Alaska. RurAL CAP is one of five agencies that provide Weatherization across the state, and in 2008, the tribal Housing Authorities were added when the state provided additional funds for Weatherization services. The goal of the program is to increase the energy efficiency (save stove oil and electricity costs) in the homes. Eligibility has been extended to 100 percent of median income to allow more people to qualify. However, persons at 60 percent median income will have a higher priority.

(e) **Assurance '676(b)(9):** The State and eligible entities in the State will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low-income residents of the communities and members of the groups served by the State, including religious organizations, charitable groups, and community organizations.

The Anchorage Services Division is an example of successful partnerships throughout Anchorage to maximize services for individuals with low incomes. It currently has partnerships with businesses such as the Red Apple Grocery store and Camp Fire for handling their recycling efforts. It provides day labor to several construction or private businesses in Anchorage. It partners with Catholic Social Services, Cook Inlet Tribal Council, the Municipal Dept. of Neighborhoods, Alaska Housing Finance Corporation, The Alaska Mental Health Trust Authority, the Alaskan Aids Assistance Association, HUD, the Division of Behavioral Health, Cook Inlet Housing Authority, Anchorage Housing Initiatives, individual landlords throughout Anchorage, the Mt. View Community Council, etc. to provide a continuum of care from getting people off the streets to eventually placing them in permanent supportive housing.

The Child Development, Community Development, and Rural Housing and Planning Divisions which provide services in rural Alaska are also well connected with the many statewide, regional and local organizations that allow them to more effectively and efficiently deliver services including school districts, tribal organizations, city, municipal and borough governments, church groups, Boys & Girls Clubs, State Departments of Education and Health and Social Services, natural resource entities, solid waste management, AHFC, federal agencies, local clinics, Elders Councils, University of Alaska, Native corporations and organizations, financial institutions, and the Denali Commission. In 2009, RurAL CAP partnered with over 250 organizations to deliver its programs and services.

The Community Development Division maintains numerous partnerships and coordinates programs with a variety of community-based and statewide organizations involving low-income people also served by the State of Alaska. These include tribal governments and city councils, schools, churches, health clinics and other organizations in over 50 communities across Alaska where the AmeriCorps and VISTA members serve. In addition, the Division partners with Alaska Native non-profit and for-profit corporations, statewide non-profit agencies and foundations.

A sampling of these organizations include Alaska Village Initiatives, First Alaskans Institute, Alaska Native Tribal Health Consortium, Denali Commission, Copper River Native Association, Aleutian Pribilof Islands Association, Association of Village Council Presidents, Alaska Community Foundation, Alaska Injury Prevention Center, American Red Cross of Alaska, Boys and Girls Club, Big Brothers Big Sisters of Alaska, Job Corps of Alaska, Alaska Youth for Environmental Action, Renewable Energy Alaska Project, Alaska Community Action on Toxics, Alaska Tribal Conference on Environmental Management, Alaskans for Litter Prevention and Recycling, Total Reclaim, the Solid Waste Working Group and the Youth Success Working Group.

**G. Fiscal Controls and Monitoring**

**(1) State Program Monitoring:** Department staff monitors RurAL CAP on an on-going basis to ensure compliance with the provisions of the Act. An on-site review took place at the RurAL CAP offices in Anchorage on May 27-28, 2009. The State has met its obligation to monitor the grantee on-site at least once every three years.

When an on-site visit is done, an entrance interview is conducted with the Executive Director of RurAL CAP and anyone he/she elects to have participate. The purpose of the entrance interview is to review the monitoring process and the files, records, etc which will need to be made available.

After the monitoring review is completed, an exit interview is held with the Executive Director of RurAL CAP and any one he/she elects to have participate. During that interview, any problems, concerns, or issues that need to be addressed or resolved, will be outlined.

A written monitoring report also outlining issues (both positive and negative) is sent to RurAL CAP's Executive Director with timelines for resolution identified. There were no findings or issues of a negative nature identified as a result of the May 2009 monitoring visit.

CSBG staff attended Monitoring Principles & Practices training in May 2006. Our monitor process was revised after receiving this training. An updated monitor form and a Pre-Visit Questionnaire were developed and used during the May 2009 review. Additional revisions were made after the monitor to facilitate the monitor

process. This final product will be used during future monitors. We expect to monitor RurAL CAP on site in by May 2012.

RurAL CAP has an annual audit conducted each year by a private independent firm The audit meets both federal single audit and state single audit requirements. KPMG completed an audit for the year ending September 30, 2009 and issued their report in March 2010. No matters involving internal control and its operation were found that were considered a material weakness.

(2) **Corrective Action, Termination and Reduction of Funding:** If the Department should determine that the eligible entity fails to comply with the terms of an agreement, the State Plan, or to provide services under this subtitle, or to meet appropriate standards, goals, and other requirements, the Department will provide RurAL CAP with written notification of the deficiencies and an opportunity to correct the deficiencies within an agreed upon timeframe (60 days). Within 30 days after receiving an improvement plan from RurAL CAP, the Department will review it and make a determination as to its acceptability. If not acceptable, reasons why will be identified. Technical assistance will be offered by the Department in correcting the deficiencies.

If the eligible entity fails to correct the deficiencies, after providing the eligible entity with adequate notice and an opportunity for a hearing, the Department will initiate proceedings to terminate the designation of or reduce the funding under this subtitle of the eligible entity. The Secretary will be copied on all such correspondence.

(3) **Fiscal Controls, Audits, and Withholding:** The Department provides assurance that fiscal and fund accounting procedures in compliance with OMB Circular A-110 and A-122 have been established and shall apply to recipients of funds under this subtitle, to ensure the proper disbursal of and accounting for federal funds paid to the State under this subtitle, including procedures for monitoring the assistance provided under this subtitle and provide at least every year for the preparation of an audit of expenditures of amounts received under this subtitle and amounts transferred to carry out the purposes of this subtitle, in accordance with the Single Audit Act, PL 98-502 (31 USC 75 and OMB Circular A-128). The Department requires that the Grantee be audited annually and a copy submitted to the Office of Management and Budget for review and audit resolution if required.

The Department segregates each federal grant appropriation into two categories: Grant Funds and Administrative Funds. A collocation code for each is established once funds are released by the Budget Analyst. The eligible entities grant agreement is coded to the Grants Line Item. It contains a line item budget against which monthly billings for reimbursement are requested. The Grantee's monthly financial reimbursement requests are approved by Program staff for program compliance and reviewed by Fiscal staff for mathematical accuracy.

Administrative funds are also tracked by collocation code. All expenditures are approved and tracked by Program and Fiscal staff.

(a) **Cooperation with Federal Investigations [676(b)(7) and 678D]:** The Department agrees to cooperate with any Federal investigation undertaken in accordance with Section 678D(b)(3) of the Act. No federal investigations were undertaken in prior years, but should the need arise, the Department will assist in any way possible. Copies of the State Plan, RurAL CAP's grant agreements, and Annual Reports are public information and open and available for review by the public, the Alaska Governor's Office, the Alaska State Legislature, the Alaska State Congressional delegation, or any interested party.

(b) **Termination or reduction in proportional funding [676(b)(8)]:** Any eligible entity in the State that received funding in the previous fiscal year through a community services block grant under the community services block grant program will not have its funding terminated or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in Section 678C(b) of the Act.

During prior Federal Fiscal years (at least the last 12) the Department has not terminated or reduced funding to a Community Action Agency. Procedures for so doing are outlined in this Plan.

(c) **Adequate Representation on the Board [676(b)(10)]:** The By-Laws of the Board of Directors of RurAL CAP identify the procedures for obtaining representation on the Board and the mechanisms to obtain representation by other means. RurAL CAP submits a copy of the by-laws to the State annually.

**H. Accountability and Reporting Requirements**

**(1) Results Oriented Management And Accountability:**

Several times over the years, RurAL CAP has provided in-depth training in results oriented outcome management to its staff. Recently, Elliott Pagliaccio, a national expert and trainer on results oriented management, conducted a two-day intensive training with RurAL CAP staff. This refresher course, along with a leadership team that values measurable outcomes, has enabled RurAL CAP to become proficient in measuring outcomes. The process continues to be refined and expanded to new programs and initiatives. The outcome measures for each program are provided immediately following the program narratives in Appendix B.

Over the past several years, RurAL CAP has established itself as a national leader in the use of outcome measures. Within the national CSBG family of Community Action Agencies, Alaska's progress in implementing outcome management and its comprehensive publication of outcome measures has been hailed as an example for other states to follow.

As RurAL CAP continues the process of transforming itself into a "results and learning" organization (one that measures success in terms of customer outcomes – measurable changes in conditions and behaviors of the people served), it has raised the level of energy and enthusiasm throughout the agency. Over the past few years, RurAL CAP has leveraged CSBG funds to develop new funding sources, new customers, better results and a customer service attitude that has helped lift the spirit of the organization and the many people whose lives are improved by it.

RurAL CAP has now fully integrated all of its programs into its ROMA model of outcome evaluation. Program Directors and Managers sit down with their supervisors on a quarterly basis to review customer progress on milestones and to discuss results and learning. New projects and programs are designed from the perspective of customer results. Over the coming year, RurAL CAP will continue to integrate its outcome management approach with its applied strategic planning process to assure that it continues to be a great human service organization.

**(2) Annual Report [678E(a)(2)]:**

The Department complies with this requirement through the annual submission of the Community Services Block Grant Information System Survey (CSBG/IS) submitted to the National Association for State Community Service Programs (NASCSP). The latest compiled report was included in the 2009 CSBG/IS report due to NASCSP by March 31, 2010. The 2010 CSBG/IS report will be submitted to NASCSP by March 31, 2011.

The Departments CSBG/IS reports include information that is pertinent, comprehensive, and which describes in detail the CSBG activities and services provided as well as addresses outcomes which measure how CSBG funds were used to promote self-sufficiency, family stability, and community revitalization. It includes: Performance Objectives; Program Accomplishments and Activities; a Comparison of Planned vs. Actual Expenditures for the Prior Fiscal Year; a Profile of Participants Served (Number and characteristics of clients served); a Statistical Report on CSBG Program Services; and a State Offered T & TA Report (as an attachment).

## VII. Appendix

**A. Statement of Federal and CSBG Assurances**

**B. Budget Summary by Component/Work Plans/Narratives/Outcome Measures**

**C. Documentation of Public Hearing**

# Appendix A

## Statement of Federal and CSBG Assurances

**IV. Statement of Federal and CSBG Assurances:**

The designee of the chief executive of the State of Alaska hereby agrees to the Assurances in Section 676 of the Act, as amended, (42 U.S.C. 9901 et seq.)(The Act), as follows-

**A. Programmatic Assurances**

Sec. 676(b) State application and plan

Beginning with fiscal year 2000, to be eligible to receive a grant or allotment under section 9905 or 9906 of this title, a State shall prepare and submit to the Secretary an application and State plan covering a period of not less than 1 fiscal year and not more than 2 fiscal years. The plan shall be submitted not later than 30 days prior to the beginning of the first fiscal year covered by the plan, and shall contain such information as the Secretary shall require, including -

(1) an assurance that funds made available through the grant or allotment will be used -

(A) to support activities that are designed to assist low- income families and individuals, including families and individuals receiving assistance under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), homeless families and individuals, migrant or seasonal farmworkers, and elderly low-income individuals and families, and a description of how such activities will enable the families and individuals -

(i) to remove obstacles and solve problems that block the achievement of self-sufficiency (including self-sufficiency for families and individuals who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act);

(ii) to secure and retain meaningful employment;

(iii) to attain an adequate education, with particular attention toward improving literacy skills of the low-income families in the communities involved, which may include carrying out family literacy initiatives;

(iv) to make better use of available income;

(v) to obtain and maintain adequate housing and a suitable living environment;

(vi) to obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs; and

(vii) to achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to -

(I) document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and

(II) strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts;

(B) to address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community- based youth development programs that have demonstrated success in preventing or reducing youth crime, such as –

(i) programs for the establishment of violence-free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs); and

(ii) after-school child care programs; and

(C) to make more effective use of, and to coordinate with, other programs related to the purposes of this chapter (including State welfare reform efforts);

(2) a description of how the State intends to use discretionary funds made available from the remainder of the grant or allotment described in section 9907(b) of this title in accordance with this chapter, including a description of how the State will support innovative community and neighborhood-based initiatives related to the purposes of this chapter;

(3) information provided by eligible entities in the State, containing -

(A) a description of the service delivery system, for services provided or coordinated with funds made available through grants made under section 9907(a) of this title, targeted to low-income individuals and families in communities within the State;

(B) a description of how linkages will be developed to fill identified gaps in the services, through the provision of information, referrals, case management, and followup consultations;

(C) a description of how funds made available through grants made under section 9907(a) of this title will be coordinated with other public and private resources; and

(D) a description of how the local entity will use the funds to support innovative community and neighborhood-based initiatives related to the purposes of this chapter, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting;

(4) an assurance that eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals;

(5) an assurance that the State and the eligible entities in the State will coordinate, and establish linkages between, governmental and other social services programs to assure the effective delivery of such services to low-income individuals and to avoid duplication of such services, and a description of how the State and the eligible entities will coordinate the provision of employment and training activities, as defined in section 101 of such Act [29 U.S.C. 2801], in the State and in communities with entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998;

(6) an assurance that the State will ensure coordination between antipoverty programs in each community in the State, and ensure, where appropriate, that emergency energy crisis intervention programs under title XXVI [42 U.S.C. 8621 et seq.] (relating to low-income home energy assistance) are conducted in such community;

(7) an assurance that the State will permit and cooperate with Federal investigations undertaken in accordance with section 9916 of this title;

(8) an assurance that any eligible entity in the State that received funding in the previous fiscal year through a community services block grant made under this chapter will not have its funding terminated under this chapter, or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in section 9915(b) of this title;

(9) an assurance that the State and eligible entities in the State will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low-income residents of the communities and members of the groups served by the State, including religious organizations, charitable groups, and community organizations;

(10) an assurance that the State will require each eligible entity in the State to establish procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to

be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation;

(11) an assurance that the State will secure from each eligible entity in the State, as a condition to receipt of funding by the entity through a community services block grant made under this chapter for a program, a community action plan (which shall be submitted to the Secretary, at the request of the Secretary, with the State plan) that includes a community-needs assessment for the community served, which may be coordinated with community- needs assessments conducted for other programs;

(12) an assurance that the State and all eligible entities in the State will, not later than fiscal year 2001, participate in the Results Oriented Management and Accountability System, another performance measure system for which the Secretary facilitated development pursuant to section 9917(b) of this title, or an alternative system for measuring performance and results that meets the requirements of that section, and a description of outcome measures to be used to measure eligible entity performance in promoting self-sufficiency, family stability, and community revitalization; and

(13) information describing how the State will carry out the assurances described in this subsection.

**B. Programmatic Assurances**

The State further agrees to the following, as required under the Act:

(1) To submit an application to the Secretary containing information and provisions that describe the programs for which assistance is sought under the community services block grant program prepared in accordance with and containing the information described in, Section 676 of the Act. ['675A(b)]

(2) To use not less than 90 percent of the funds made available to the State by the Secretary under Section 675A or 675B of the Act to make grants to eligible entities for the stated purposes of the community services block grant program and to make such funds available to eligible entities for obligation during the fiscal year and the succeeding fiscal year, subject to the provisions regarding recapture and redistribution of unobligated funds outlined below. ['675C(a)(1) and (2)]

(3) In the event that the State elects to recapture and redistribute funds to an eligible entity through a grant made under Section 675C(a)(1) when unobligated funds exceed 20 percent of the amount so distributed to such eligible entity for such fiscal year, the Sate agrees to redistribute recaptured funds to an eligible entity, or require the original recipient of the fund to redistribute the funds to a private, nonprofit organization, located within the community served by the original recipient of the funds, for activities consistent with the purposes of the community services block grant program. ["675C(a)(3)]

(4) To spend no more than the greater of $55,000 or 5 percent of its grant received under Section 675A or the State allotment received under section 675B for administrative expenses, including monitoring activities. ['675C(b)(2)]

(5) In states with a charity tax credit in effect under state law, the State agrees to comply with the requirements and limitations specified in Section 675(c) regarding use of funds for statewide activities to provide charity tax credits to qualified charities whose predominant activity is the provision of direct services within the United States to individuals and families whose annual incomes generally do not exceed 185 percent of the poverty line in order to prevent or alleviate poverty among such individuals and families. ['675(c)]

(6) That the lead agency will hold at least one hearing in the State with sufficient time and statewide distribution of notice of such hearing, to provide to the public an opportunity to comment on the proposed use and distribution of funds to be provided through the grant or allotment under Section 675A or 675B for the period covered by the State plan. ['676(a)(2)(B)]

(7) That the chief executive officer of the state will designate, an appropriate State agency for purposes of carrying out State community services block grant program activities. ['676(a)(1)]

(8) To hold at least one legislative hearing every three years in conjunction with the development of the State plan. ['676(a)(3)]

(9) To make available for the public inspection each plan or revised State plan in such a manner as will facilitate review of and comment on the plan. ['676(e)(2)]

(10) To conduct the following reviews of eligible entities:
- (a) full onsite review of each such entity at least once during each three-year period;
- (b) an onsite review of each newly designated entity immediately after the completion of the first year in which such entity receives funds through the community services block grant program;
- (c) follow-up reviews including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State;
- (d) other reviews as appropriate, including reviews of entities with programs that have had other Federal, State or local grants (other than assistance provided under the community services block grant program) terminated for cause. ['678 B(a)]

(11) In the event that the State determines that an eligible entity fails to comply with the terms of an agreement or the State plan, to provide services under the community services block grant program or to meet appropriate standards, goals, and other requirements established by the State (including performance objectives), the State will comply with the requirements outlined in Section 678C of the Act, to:
- (a) inform the entity of the deficiency to be corrected;
- (b) require the entity to correct the deficiency;
- (c) offer training and technical assistance as appropriate to help correct the deficiency, and submit to the Secretary a report describing the training and technical assistance offered or stating the reasons for determining that training and technical assistance are not appropriate;
- (d) at the discretion of the State, offer the eligible entity an opportunity to develop and implement, within 60 days after being informed of the deficiency, a quality improvement plan and to either approve the proposed plan or specify reasons why the proposed plan cannot be approved;
- (e) after providing adequate notice and an opportunity for a hearing, initiate proceedings to terminate the designation of or reduce the funding to the eligible entity unless the entity corrects the deficiency. ['678C(a)]

(12) To establish fiscal controls, procedures, audits and inspections, as required under Sections 678D(a)(1) and 678D(a)(2) of the Act.

(13) To repay to the United States amounts found not to have been expended in accordance with the act, or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under the community services block grant program. ['678D(a)(3)]

(14) To participate, by October 1, 2001, and ensure that all-eligible entities in the State participate in the Results-Oriented Management and Accountability (ROMA) System. ['678E(a)(1)]

(15) To prepare and submit to the Secretary an annual report on the measured performance of the State and its eligible entities, as described under '678E(a)(2) of the Act.

(16) To comply with the prohibition against use of community services block grant funds for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility, as described in Section 678F(a) of the Act.

(17) To ensure that programs assisted by community services block grant funds shall not be carried out in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with any partisan or nonpartisan political activity or any political activity associated with a candidate, or contending faction or group, in an election for public or party office; any activity to

provide voters or prospective voters with transportation to the polls or similar assistance with any such election, or any voter registration activity. ['678F(b)]

(18) To ensure that no person shall, on the basis of race, color, national origin or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community services clock grant program funds. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified individual with a disability as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 12131 et seq.) shall also apply to any such program or activity. ['678F(c)]

(19) Section 679. Operational Rule.

(a) Religious Organizations Included as Nongovernmental Providers. - For any program carried out by the Federal Government, or by a State or local government under this subtitle, the government shall consider, on the same basis as other nongovernmental organizations, religious organizations to provide the assistance under the program, so long as the program is implemented in a manner consistent with the Establishment Clause of the first amendment to the Constitution. Neither the Federal Government nor a State or local government receiving funds under this subtitle shall discriminate against an organization that provides assistance under, or applies to provide assistance under, this subtitle, on the basis that the organization has a religious character.

(b) Religious Character and Independence.

(1) In General. – A religious organization that provides assistance under a program described in subsection (a) shall retain its religious character and control over the definition, development, practice, and expression of its religious beliefs.

(2) Additional Safeguards. – Neither the Federal Government nor a State or local government shall require a religious organization—

(A) to alter its form of internal governance, except (for purposes of administration of the community services block grant program) as provided in section 676B; or

(B) to remove religious art, icons, scripture, or other symbols; in order to be eligible to provide assistance under a program described in subsection (a).

(3) Employment Practices. – A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (a).

(c) Limitations on Use of Funds or Certain Purposes. - No funds provided directly to a religious organization to provide assistance under any program described in subsection (a) shall be expended for sectarian worship, instruction, or proselytization.

(d) Fiscal Accountability –

(1) In General.—Except as provided in paragraph (2), any religious organization providing assistance under any program described in subsection (a) shall be subject to the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds provided under such program.

(2) Limited Audit.—Such organization shall segregate government funds provided under such program into a separate account. Only the government funds shall be subject to audit by the government.

(e) Treatment of Eligible Entities and Other Intermediate Organizations. - If an eligible entity or other organization (referred to in this subsection as an 'intermediate organization'), acting under a contract, or grant or other agreement, with the Federal Government or a State or local government, is given the authority under the contract or agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (a), the intermediate organization shall have the same duties under this section as the government.

**C. Other Administrative Certifications**

The State also certifies the following:

(1) To provide assurances that cost and accounting standards of the Office of Management and Budget (OMB Circular A-110 and A-122) shall apply to a recipient of community services block grant program funds.

Emil Notti

**Signature**

**Commissioner**

**Title**

**State of Alaska, Department of Commerce, Community, and Economic Development**

**Organization**

## CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled ``Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

**********

Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its

principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, [[Page 33043]] should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled ``Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction,'' without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

**********

Certification Regarding Debarment, Suspension, Ineligibility an Voluntary Exclusion--Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Signature

Commissioner

Title

State of Alaska, Department of Commerce, Community, and Economic Development

Organization

## CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, ``Disclosure Form to Report Lobbying,'' in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, ``Disclosure Form to Report Lobbying,'' in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Emil Notti

**Signature**

**Commissioner**

**Title**

**State of Alaska, Department of Commerce, Community, and Economic Development**

**Organization**

# CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645(a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATE-WIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For the Department of Health and Human Services, the central pint is: Division of Grants Management and Oversight, Office of Management and Acquisition, Department of Health and Human Services, Room 517-D, 200 Independence Avenue, SW Washington, DC 20201.

Certification Regarding Drug-Free Workplace Requirements (Instructions for Certification)

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.

2. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

3. For grantees other than individuals, Alternate I applies.

4. For grantees who are individuals, Alternate II applies.

5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).

7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

8. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

*Controlled substance* means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

*Conviction* means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

*Criminal drug statute* means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

*Employee* means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to

meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

## Certification Regarding Drug-Free Workplace Requirements

### Alternate I. (Grantees Other Than Individuals)

The grantee certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
(b) Establishing an ongoing drug-free awareness program to inform employees about --
(1)The dangers of drug abuse in the workplace;
(2) The grantee's policy of maintaining a drug-free workplace;
(3) Any available drug counseling, rehabilitation, and employee assistance programs; and
(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will --
(1) Abide by the terms of the statement; and
(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
(e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
(f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted --
(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).
(B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

211 Cushman Street, Fairbanks, Alaska 99701

150 W 3rd Street, Juneau, Alaska 99811

☐ Check if there are workplaces on file that are not identified here.

### Alternate II. (Grantees Who Are Individuals)

(a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;

(b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

[55 FR 21690, 21702, May 25, 1990]

Emil Notti

**Signature**

**Commissioner**

**Title**

**State of Alaska, Department of Commerce, Community, and Economic Development**

**Organization**

## CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103227, Part C Environmental Tobacco Smoke, also known as the Pro Children Act of 1994, requires that smoking not be permitted in any portion of any indoor routinely owned or leased or contracted for by an entity and used routinely or regularly for provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity. By signing and submitting this application the applicant/grantee certifies that it will comply with the requirements of the Act.

The applicant/grantee further agrees that it will require the language of this certification be included in any subawards which contain provisions for the children's services and that all subgrantees shall certify accordingly.

Emil Notti

**Signature**

Commissioner

**Title**

State of Alaska, Department of Commerce, Community, and Economic Development

**Organization**

2/26/10

**Date**

## CERTIFICATION REGARDING MAINTENANCE OF EFFORT

In accordance with the applicable program statute(s) and regulation(s), the undersigned certifies that financial assistance provided by the Administration for Children and Families, for the specified activities to be performed under the Community Service Block Grant Program by State of Alaska (Applicant Organization), will be in addition to, and not in substitution for, comparable activities previously carried on without Federal assistance.

Emil Notti

**Signature**

Commissioner

**Title**

State of Alaska, Department of Commerce, Community, and Economic Development

**Organization**

2/26/10

**Date**

# Appendix B

## Budget Summary by Component/ Work Plans/Narratives/Outcome Measures

*Community Services Block Grant - FY 2011*

Submitted by Rural Alaska Community Action Program, Inc.

# Scope of Work

During the period April 1, 2011 to June 30, 2012, RurAL CAP proposes to use Community Services Block Grant funds in the following components: Administrative Services, Child Development, Community Development, Public Policy and Planning, and Rural Housing and Planning Services.

## Overview of FY 2011 CSBG Proposal

**Administrative Services ..... $ 660,000**

- Public Information, Fund Development and Evaluation
- Research and Information Center
- Planning and Training

**Anchorage Services Division ..... $ 200,000**

- Homeward Bound Reintegration Services
- Affordable Housing

**Child Development Division ..... $ 670,000**

- Program Support for the Child Development Division
- Rural Head Start / Early Head Start
- Parents As Teachers
- Child Development Center

**Community Development Division ..... $ 520,000**

- AmeriCorps Programs
- VISTA Village Council Management Program
- Rural Providers' Conference
- Community Development

**Public Policy and Advocacy ..... $ 230,000**

- Subsistence and Tribal Issues Advocacy
- Education and Information

**Rural Housing and Planning Services Division ..... $ 320,000**

- Housing Services
- Planning Services

**TOTAL FUNDS REQUESTED (100%).....$2,600,000**

*Community Services Block Grant FY 2011*

# Administrative Services

# NARRATIVE

## SUMMARY OF COMPONENTS

### Component 1 – Administrative Services to Programs

**I. Public Information Services.** Funds are used from CSBG to support overall agency public information functions including agency databases for various contact lists, desktop publishing, faxing, mailings, press releases, media coverage, fact sheets and public outreach publications, website and social media outlets (Facebook, My Space, Twitter).

**II. Fund Development and Management.** Funds are used from CSBG to support the Development Department. The Development Department is responsible for securing diversified financial support for all RurAL CAP programs and guides the agency's efforts in grant writing, relationship building and donation management. The department monitors current trends in program funding and opportunities. Development staff prepares competitive grant applications for all program divisions and maintains the organization's relationships with corporations, private foundations and individuals. Non-CSBG funding sources include local, state and federal grants, private foundation grants, corporate support and individual donations. Development staff participates in the design and creation of agency outreach material such as the annual report, fact sheets and the agency website. Development also helps monitor program results data to report back to funders.

**III. Evaluation.** Evaluate the effectiveness and efficiency of agency programs and services to improve outcomes for the people served. Evaluation is tied to the agency strategic plan and employs a variety of methods including the national evaluation model known as ROMA (Results Oriented Management and Accountability) and tools associated with specific programs and projects.

## OUTCOME STATEMENT

The Administrative Services Division provides a range of services and activities that have a significant and measurable impact on the ability of RurAL CAP to leverage interest, funding and support for programs that help improve the quality of life for low-income Alaskans.

> *Our goal is to create or expand resources and opportunities in order to achieve family and community outcomes.*

## NEED FOR SERVICES

### Customers

The customers are ultimately low income Alaskans who receive direct services from the agency program directors, managers, supervisors, coordinators, specialists, and other program staff which the Administrative Services functions support as described above.

### Products

- Positive first impressions of CAP agency
- Communications, including print materials, reports, electronic, or presentations that accurately convey the agency's work and results
- Fund development to increase the financial and partnering capacities that sustain and grow the agency
- Regular maintenance of the partner database and donation management
- Complete and monitor outcomes and refine where needed
- Compliance with grant requirements

## OUTCOME MANAGEMENT MODEL

The outcome measures of the Administrative Services component have been integrated into RurAL CAP's ROMA model which includes performance targets, milestones, verification, projected numbers, product steps, and quarterly tracking of results. The outcome management models for the Administrative Services Department are formatted horizontally on the following pages. These pages complete the narrative section of the Administrative Services Department. The CSBG work plan is for the following component:

### Component 1 – Administrative Services

- **Public Information Services**
- **Fund Development**
- **Evaluation**

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# Outcome Measures – Administrative Services

## Component I - Program Support – Administrative Services

*Submitted by Shannon Johnson, Office Manager* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 4** Partnerships Among Supporters and Providers of Service to Low-Income People are Achieved
**National Performance Indicator #4.1** Expanding Opportunities through Community-wide Partnerships
**RurAL CAP Strategic Plan** Dimension #6 – Capacity Building

**Outcome Statement #1** All RurAL CAP Program Directors, Managers, Supervisors, Coordinators, Specialists and Administrative staff will improve the results of their program services to low-income customers due to an expansion of resources and opportunities through partnerships with other public and private organizations.

**Performance Target #1** Out of 685 organizations that come into contact with RurAL CAP, 120 will become a partner, funder, or other supporter to RurAL CAP that ultimately benefits families and communities. (4.1)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **program and other administrative staff.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of organizations expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.1 Organizations will become aware of RurAL CAP programs through actions of their staff--personal contacts or by reading the Village Voices, viewing the website or receiving RurAL CAP outreach material (fact sheets, annual report, conference proceedings) | Reports from staff regarding new contacts for the organization, unique addresses on RurAL CAP mailing lists, hits to website | **685** | Communications produces and distributes Village Voices, AS maintains contacts with the public, mailings (including holiday cards). Development initiates contacts with potential funders and supporters. | | | | | |
| 1.2 Individuals w/potential partner organizations engage in RurAL CAP activities to become more informed about ways to partner with the organization | Attendance at conferences, requests for program materials, enrollments in initial screenings for RurAL CAP program, meeting with RurAL CAP staff. | **300** | Staff provide opportunities to engage individuals and organizations in RurAL CAP activities. | | | | | |
| 1.3 Organizations contribute resources (including funding or volunteer time) to program work by RurAL CAP or in partnership with RurAL CAP. | MOUs, volunteer time sheets, funding notices, grant agreements. | **120** | RurAL CAP provides partner, funder and volunteer opportunities associated with its programs. | | | | | |

A box with the following symbol signifies:

| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

1100

# Outcome Measures – Administrative Services

## Component I – Development Support – Administrative Services

*Submitted by Rachel Morse, Development Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

| | |
|---|---|
| **CSBG National Goal # 4** | Partnerships Among Supporters and Providers of Service to Low-Income People are Achieved |
| **National Performance Indicator 4.1** | Expanding Opportunities through Community-wide Partnerships |
| **RurAL CAP Strategic Plan** | Dimension #6 – Capacity Building |
| **Outcome Statement #1** | RurAL CAP is awarded funds resulting in the mobilization of CSBG and additional non-CSBG funds to RurAL CAP and the ability to strengthen, improve and expand programs. |
| **Performance Target #1** | Out of $40M in requested funding from a variety of sources, RurAL CAP will secure $36.5 M distributed as follows: $2.5 M in CSBG, $15M in federal non-CSBG funds, $12M in state funding, $3M local funding, $4M in volunteer-time contributions. |

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Division Directors (low-income Alaskans).** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** $ Secured or mobilized | **Product Steps:** What staff member does to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.0 RurAL CAP through Development Department identifies needs for funding and applies for CSBG, other federal funding, state funding, local funding and funding from private sources. | Copies of prepared proposals sent to funding opportunities. | **$40M** | Strategic planning (all), budgeting (all) and proposal writing (Development). | | | | | |
| 1.2 Divisions utilize CSBG funds for program work. | Financial reports related to program work. | **$2.5 M** | Programs are executed by staff and supported by CSBG. | | | | | |
| 1.3 Divisions utilize other federal program funds for work. | Financial reports related to program work. | **$15 M** | Programs are executed by staff and supported by federal funds. | | | | | |
| 1.4 Divisions utilize other state funds for program work. | Financial reports related to program work. | **$12 M** | Programs are executed by staff and supported by state funds. | | | | | |

A box with the following symbol signifies:

| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

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| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Division Directors (low-income Alaskans).** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** $ Secured or mobilized | **Product Steps:** What staff member does to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.5 Divisions utilize local funds for program work. | Financial reports related to program work. | **$3M** | Programs are executed by staff and supported by local funds. | | | | | |
| 1.6 Divisions utilize funds from private sources for program work. | In-kind volunteer time reports from each division. | **$4 M** (400,000 hours at $10/hr) | Staff recruit volunteers for program activities and track donated hours. | | | | | |

A box with the following symbol signifies:

| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

# Outcome Measures – Administrative Services

## Component I – Planning - Applied Strategic Plan

*Submitted by Sarah Scanlan, Deputy Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**National CSBG Goal # 5** Agencies Increase their Capacity to Achieve Results.
**National Perf. Indicator #5.1** Agency Development
**RurAL CAP Strategic Plan** Dimension #6 – Capacity Building
**Outcome Statement #1** All RurAL CAP staff and board members will increase their capacity to achieve results and make decisions for effective program development as a result of the development and implementation of an applied strategic plan.
**Performance Target #1** Out of 9 members of the applied strategic plan working group, 9 members will increase their capacity to achieve results and improve programs as a result of the development and implementation of an applied strategic plan resulting in mobilization of non-CSBG funds to RurAL CAP. (5.1 – B, C, D, E)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Applied Strategic Plan Work Group members.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate | **Product Steps:** Who does what to make milestone happen | (4/1 - 6/30) **Quarter 1** | (7/1 – 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.1 Applied Strategic Plan (ASP) Work Group members develop schedule for annual review and update of agency plan. | Participant list, ASP Work Group meeting minutes. | **9** | Deputy Director facilitates meeting and disseminates minutes. | | | | | |
| 1.2 ASP Work Group members collect and catalog assessments from all RurAL CAP programs and task forces for use in an annual review of the ASP. | Copy of applied strategic plan. | **9** | ASP Work Group members listen to reports from task force chairs and review program assessments; meeting minutes. | | | | | |
| 1.3 ASP Work Group members use the Strategic Plan as a guide for the development of programs to address the needs of low-income Alaskans. | Quarterly board reports; Copies of new proposals. | **9** | ASP Work Group members and their staff design and implement new programs and projects consistent with the agency Strategic Plan. | | | | | |
| 1.4 ASP Work Group members convenes to evaluate key indicators, needs assessments, and environmental scans; determines if plan requires adjustment. | ASP Work Group meeting minutes. | **9** | Individual goals and objectives are compared to current and emerging trends. | | | | | |

A box with the following symbol signifies:
blank ( ) results have not been entered yet
dash (---) no program activity
zero ( 0 ) no customers achieved milestone, even though there was program activity
whole number (5) unduplicated customers that achieve milestone for the 1st time

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Applied Strategic Plan Work Group members.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate | **Product Steps:** Who does what to make milestone happen | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.5 ASP Work Group members engages in the board in strategic planning. | Meeting agendas; draft applied strategic plan. | **9** | ASP Work Group members meet with board members to discuss plan and make revisions. | | | | | |
| 1.6 ASP Work Group members write plan revisions for review and adoption by RurAL CAP Board of Directors. | Revised plan; board minutes. | **9** | ASP recommendations applied to existing plan. Plan revised as appropriate. Board takes action to adopt revisions. | | | | | |
| 1.7 ASP Work Group members report to the board on the implementation of the applied strategic plan. | Board Reports; Board committee agendas. | **9** | ASP Work Group members draft reports and give presentations to the board and board committees. | | | | | |
| 1.8 RurAL CAP staff and board members achieve results and improve programs through the development and implementation of an Applied Strategic Plan which results in the mobilization of additional non-CSBG funds to RurAL CAP. | Quarterly Board Reports; copies of new proposals and grant awards. | **9** | ASP Work Group members and their staff design and implement new programs and projects consistent with the agency Strategic Plan. | | | | | |

A box with the following symbol signifies:

| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

# Outcome Measures – Administrative Services

## Component I - Evaluation –Results Oriented Management and Accountability

*Submitted by Sarah Scanlan, Deputy Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 5** Agencies Increase their Capacity to Achieve Results.
**National Perf. Indicator #5.1** Agency Development
**RurAL CAP Strategic Plan** Dimension #6 – Capacity Building
**Outcome Statement #1** All RurAL CAP Staff will become successful and proficient in implementing outcome-based planning and evaluation.
**Performance Target #1** Out of 16 Program and Division Directors and Managers, at least 8 will become successful and proficient in implementing outcome-based planning and evaluation using the ROMA (Results Oriented Management and Accountability) model resulting in mobilization of non-CSBG funds to RurAL CAP. (5.1 – B, C, D, E).

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **RurAL CAP Program and Division Directors and Managers.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate | **Product Steps:** Who does what to make milestone happen | (4/1 - 6/30) **Quarter 1** | (7/1 – 9/30) **Quarter 2** | (10/1 -12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.1 Directors and Managers participate in training to prepare planning and evaluation documents. | Training schedules and agendas. | **16** | Directors and Managers request further training if needed to review and clarify. | | | | | |
| 1.2 Directors and Managers assist in developing Performance Targets, Milestones, Verification Tools, Projected Numbers, and Products Steps for each of their programs. | Annual CSBG Outcome Measure publication submitted to the Board and to DCCED. | **13** | Deputy Director provides training and reviews outcomes; RurAL CAP Board approves; Proposal goes to DCCED and legislative public hearing. | | | | | |
| 1.3 Directors and Managers generate quarterly and annual reports measuring effectiveness of programs using Outcome Measures. | Written quarterly reports submitted to the Board of Directors; Quarterly CSBG outcome measures reports. | **11** | Board sets date for annual review of programs and goals; Executive Director compiles report for the Board. | | | | | |
| 1.4 Directors and Managers have results and learning meetings with key staff to discuss and analyze outcome data. | Annual progress report to the board, annual performance evaluations. | **11** | Executive Director compiles report for the Board; supervisors note results and learning achievements in annual performance evaluations. | | | | | |

A box with the following symbol signifies:
blank ( ) results have not been entered yet
dash (---) no program activity
zero ( 0 ) no customers achieved milestone, even though there was program activity
whole number (5) unduplicated customers that achieve milestone for the 1st time

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Applied Strategic Plan Work Group members.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate | **Product Steps:** Who does what to make milestone happen | (4/1 - 6/30) **Quarter 1** | (7/1 – 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.5 Directors and Managers revise and update Outcome Measures annually. | Annual CSBG Outcome Measure publication submitted to the Board and to DCCED. | **11** | Deputy Director requests reports from staff and compiles into report for CSBG and the Board. | | | | | |
| 1.6 Directors and Managers become proficient in implementing outcome-based planning and evaluation resulting in the mobilization of non-CSBG funds. | Non-CSBG proposals and grant awards. | **8** | Directors submit non-CSBG proposals and are awarded funds to support programs consistent with the Applied Strategic Plan. | | | | | |

A box with the following symbol signifies:

| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

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| Budget Summary FY 2011<br>Community Services Block Grant | Rural Alaska<br>Community Action Program, Inc. | Component: ADMINISTRATIVE SERVICES |
|---|---|---|

| GRANT NUMBER: | FUNDING PERIOD FOR WHICH FUNDS ARE REQUESTED<br>Beginning Date: April 1, 2011<br>Ending Date: June 30, 2012 | GOAL STATUTORY AUTHORITY (S)<br>Public Law 97-35<br>Section 675 ©, (A), (B)<br>(vi), (vii), (D), (E) | ESTIMATED UNEXPENDED CSBG FUNDS AVAILABLE AT END OF CURRENT FUNDING PERIOD (Attach most recent Monthly and/or Quarterly Financial Report): |
|---|---|---|---|

BUDGET SUMMARY (NEW APPLICATIONS – complete "TOTAL REQUESTED BUDGET" Column ONLY. CONTINUATIONS – Complete "CSBG APPROVED BUDGET FOR THE CURRENT FUNDING PERIOD" and "TOTAL REQUESTED BUDGET" Columns ONLY. AMENDMENTS – "CSBG APPROVED BUDGET FOR THE CURRENT FUNDING PERIOD", "REQUESTED AMENDMENT TO CURRENT CSBG BUDGET and "TOTAL REQUESTED BUDGET" Columns.)

| | COST CATEGORY | (I) CSBG Approved Budget for the Current Funding Period No. months of operation: | | (II) Requested Amendment to Current CSBG Approved Budget (+ or -) | | (III) TOTAL REQUESTED BUDGET No. months of operation: 12 | | (IV) TOTAL DCRA APPROVED BUDGET No. months of operation: | |
|---|---|---|---|---|---|---|---|---|---|
| | | CSBG Federal | Non Federal | CSBG Federal | Non Federal | CSBG Federal | Non Federal | CSBG Federal | Non Federal |
| | | (1) | (2) | (1) | (2) | (1) | (2) | (1) | (2) |
| 10 | PERSONNEL | | | | | $417,392 | | | |
| 20 | CONTRACTUAL | | | | | $20,000 | | | |
| 30 | TRAVEL | | | | | $27,495 | | | |
| 40 | BUILDING SPACE | | | | | $34,544 | | | |
| 50 | GENERAL SUPPLY | | | | | $1,833 | | | |
| 60 | PROGRAM SUPPLY | | | | | $3,000 | | | |
| 70 | EQUIPMENT | | | | | $0 | | | |
| 80 | COMMUNICATION | | | | | $27,100 | | | |
| 90 | OTHER | | | | | $9,620 | | | |
| | TOTAL DIRECT<br>ADMINISTRATIVE COSTS | | | | | $540,984<br>$119,016 | | | |
| | **TOTAL** | | | | | **$660,000** | | | |

# CSBG - FY 2011 - ADMINISTRATIVE SERVICES

**BUDGET SUPPORT SHEET** (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | X NEW __ AMENDMENT<br>___ CONTINUATION OF GRANT # | Mar-10 |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | AMOUNT OR VALUE OF EACH ITEM | | |
|---|---|---|---|---|
| | | | CSBG FEDERAL SHARE | NON FEDERAL SHARE |

## ADMINISTRATIVE SERVICES

| | | | | |
|---|---|---|---|---|
| 510 | **510 PERSONNEL :** (Includes estmates for COLA and merit increases) | | | |
| | 100 - Development Director (100%) | $90,000 | | |
| | Development Coordinator (100%) | $68,846 | | |
| | Communication Coordinator (100%) | $60,250 | | |
| | Development Specialist (100%) | $45,390 | | |
| | Database Specialist (100%) | $42,420 | | |
| | *Subtotal Personnel* | *$306,906* | | |
| | 500 - Fringe ($306,906 x 36%) | $110,486 | | |
| | **TOTAL COST OF PERSONNEL** | **$417,392** | **$417,392** | |
| 520 | **520 CONTRACTUAL:** | | | |
| | 100 - Legal/professional/consulting services | $20,000 | | |
| | **TOTAL COST OF CONTRACTUAL** | **$20,000** | **$20,000** | |
| 530 | **530 TRAVEL COSTS** | | | |
| | 200 - Staff Per Diem | | | |
| | Staff per diem for rural sites (8 trips = 24 days x $180) | $4,320 | | |
| | Staff per diem for hub sites (2 trips = 4 days X $200) | $ 800.00 | | |
| | Staff per diem out of state (7 trips = 33 days x $275) | $ 9,075.00 | | |

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# CSBG - FY 2011 - ADMINISTRATIVE SERVICES

## BUDGET SUPPORT SHEET (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW __ AMENDMENT<br>___ CONTINUATION OF GRANT # | Mar-10 |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | | AMOUNT OR VALUE OF EACH ITEM | |
|---|---|---|---|---|
| | | | CSBG FEDERAL SHARE | NON FEDERAL SHARE |
| | 600 - Staff Travel in State | | | |
| | Staff travel rural site (8 trips x $750) | $6,000 | | |
| | Staff travel hub sites (2 x $500) | $1,000 | | |
| | Staff travel out of state (7 x $900) | $6,300 | | |
| | **TOTAL COST OF TRAVEL** | **$27,495** | **$27,495** | |
| 540 | **540 SPACE COST:** | | | |
| | 100 - Space for five Administrative Service staff | $34,544 | | |
| | **TOTAL SPACE COSTS** | **$34,544** | **$34,544** | |
| 550 | **550 GENERAL SUPPLIES:** | | | |
| | 100 - Office supplies | $1,613 | | |
| | 600 - Copier supplies | $220 | | |
| | **TOTAL COST OF GENERAL SUPPLIES** | **$1,833** | **$1,833** | |
| 560 | **560 PROGRAM SUPPLIES** | | | |
| | 500 - Office equipment | $3,000 | | |
| | **TOTAL COST OF PROGRAM SUPPLIES** | **$3,000** | **$3,000** | |
| 580 | **580 COMMUNICATIONS COSTS** | | | |
| | 100 - Phone & Fax | $4,200 | | |
| | 200 - Advertising (for recruitment) | $500 | | |
| | 300 - Publications (printing) | $5,000 | | |
| | 400 - Postage (bulk mail expenses) | $300 | | |
| | 500 - I.T. costs for five staff | $17,100 | | |
| | **TOTAL COMMUNICATION COSTS** | **$27,100** | **$27,100** | |

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## CSBG - FY 2011 - ADMINISTRATIVE SERVICES

**BUDGET SUPPORT SHEET** (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW __ AMENDMENT<br>___ CONTINUATION OF GRANT # | Mar-10 |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | | AMOUNT OR VALUE OF EACH ITEM | |
|---|---|---|---|---|
| | | | CSBG FEDERAL SHARE | NON FEDERAL SHARE |
| 590 | **590 OTHER COSTS:** | | | |
| | 300 - Subscriptions | $120 | | |
| | 700 - Fees, Tuitions & Memberships | $1,500 | | |
| | 500 -Training | $8,000 | | |
| | **TOTAL OTHERS COSTS** | **$9,620** | **$9,620** | |
| | Direct Cost of Component | | $540,984 | |
| | Administrative Costs of Component @ 22% | | $119,016 | |
| | **Total Cost of Component** | | **$660,000** | |

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**COMMUNITY SERVICES BLOCK GRANT WORK PLAN**
(Please type or print clearly)

| (1) NAME OF APPLICANT AGENCY | (2) NAME/TITLE EXECUTIVE DIRECTOR | (3) PHONE (Area Code) |
|---|---|---|
| *Rural Alaska Community Action Program, Inc.* | *David Hardenbergh* | *(907) 279-2511* |

| (4) ADDRESS | CITY | STATE | ZIP CODE |
|---|---|---|---|
| *P.O. Box 200908* | *Anchorage* | *Alaska* | *99520-0908* |

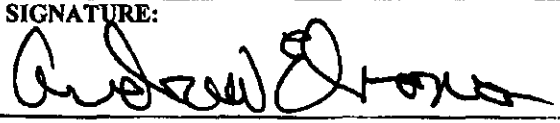
(5) GOAL STATUTORY AUTHORITY(S): The Community Services Block Grant (42 U.S.C. 9901 et seq.) as amended, Sec. 672 – 9904. (1) A) (B) (viii)

Component: ADMINISTRATIVE SERVICES

**Period: April 1, 2011 to June 30, 2012**

| (6) PROJECT TITLE AND STATEMENT OF ONE-YEAR GOALS | (7) ACTIVITIES REQUIRED TO ACHIEVE GOAL | (8) TIME TABLE PROGRAM YEAR QUARTER 1st | 2nd | 3rd | 4th | (9) TRAINING AND TECHNICAL ASSISTANCE REQUIRED | (10) CSBG FUNDS | (11) No. Mos. | (12) Other Funds | (13) Planned Completion |
|---|---|---|---|---|---|---|---|---|---|---|
| National CSBG Goal #4: Partnerships among suppers and providers of services to low-income people are achieved. | ADMINISTRATIVE SUPPORT<br>Public Information Services – Provide overall administrative support to central office employees, develop and maintain databases of partners. | X | X | X | X | • Staff development – database management systems, updates on various skills as needed.<br>• Updates on successful ways to broaden the resource base.<br>• National and regional Community Action affiliated conferences.<br>• Refinement of the national Results Oriented Management and Accountability (ROMA) evaluation model. | $660,000 | 12 | | On-Going |
| | Fund Development - Provide research and proposal writing support to programs. Develop and maintain databases and relationships with funders and other potential partners. | X | X | X | X | | | | | |
| | Evaluation – evaluate the effectiveness and efficiency of agency programs and services. | X | X | X | X | | | | | |
| | Provide other support as needed for the agency to broaden its resource base in order to achieve its mission of improving the lives of low income people by maintaining a high performing and responsive agency. | X | X | X | X | | | | | |
| | | X | X | X | X | | | | | |
| | | TOTALS CARRIED FORWARD FROM PREVIOUS PAGES (IF ANY) | | | | GRAND TOTAL | $ 660,000 | | | |

(14) THIS APPLICATION HAS BEEN (check "a" or "b" as appropriate):
a. (X) Approved by the applicant's governing board. b. ( ) Reviewed by the applicant's administering board and approved by its governing officials.

| (15) NAME AND TITLE OF PRINCIPAL GOVERNING OFFICIAL OR PRINCIPAL OFFICER OF GOVERNING BOARD | SIGNATURE: | DATE: | DATE OF BOARD APPROVAL: |
|---|---|---|---|
| RurAL CAP Board President, Andrew Ebona |  | March 17, 2010 | March 17, 2010 |

*Community Services Block Grant FY 2011 Proposal*

# Anchorage Services Division

# NARRATIVE

## SUMMARY OF COMPONENTS

### Component 1 – Homeward Bound Reintegration Programs

**I. Homeward Bound Reintegration Programs Component** -- CSBG provides matching funding for this nationally recognized, innovative program which addresses the needs of the chronic, public inebriate, homeless population in Anchorage. With core funding from HUD (US Department of Housing and Urban Development), AHFC (Alaska Housing Finance Corporation) and CIHA (Cook Inlet Housing Authority), the Homeward Bound program is a partnership between RurAL CAP, the Municipality of Anchorage, Cook Inlet Tribal Council, and the Salvation Army Clitheroe Center. The program model includes outreach, detox, transitional housing in a 25-bed facility, and intensive case management designed to reintegrate the program residents into independent living. Additional components of Homeward Bound include: Community Bound, a housing and employment program targeting graduates of Homeward Bound; the Adult Homeless Outreach Program, an outreach program providing social service linkages, entry to Homeward Bound and emergency winter supplies to Anchorage's adult homeless population; ReBound, a social enterprise providing employment for chronically unemployed homeless persons; and the Homeward Bound Speaker's Bureau, an educational and advocacy forum for homeless persons to dialogue with the Alaskan community.

### Component 2 – Affordable Housing

**I. Affordable Housing** - A persistent, continuing need exists for housing affordable to low-income persons. In particular, those who come to Anchorage from rural communities and formerly homeless persons and families have few housing options open to them. RurAL CAP will expand its inventory of affordable housing through acquisition and/or rehabilitation of additional rental housing units in Anchorage. In addition, RurAL CAP will develop new special needs housing, expanding the agency's capacity to provide much-needed permanent supportive housing for households "graduating" from transitional programs, such as Homeward Bound. RurAL CAP properties comply with prevailing HUD housing quality standards and, whenever possible, offer affordable rents without the support of additional public subsidies.

## PROGRAM OUTCOME STATEMENT

The components within the Anchorage Services Division provide a range of services and activities which have a significant and measurable impact on the causes and conditions of poverty in Anchorage, particularly with traditionally difficult-to-serve populations. The common thread linking these programs is their shared outcome statement:

> *To create measurable improvements in the conditions and behaviors of low-income Alaskans which enhance their educational, social, physical, mental and spiritual quality of life.*

This outcome represents the culmination of the following CSBG goals:

1) Low income people become more self sufficient.
2) The conditions in which low-income people live are improved, introduction to the new community measures.
3) Low in-come people own a stake in their community.
4) Partnerships and agreements will be made with organizations, both public and private to expand resources and opportunities for vulnerable populations.
6) Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems.

The outcome statements listed in the ROMA (Results Oriented Management and Accountability) model for the two components of the Anchorage Services Division are listed below:

### I. Homeward Bound Component

1. All program participants with chronic alcoholism and homelessness will achieve self empowerment, measurable by improvements in independent living situations.
2. Program participants will achieve an increase in financial assets and financial skills as the result of budgeting assistance and will be measured by several components.
3. All program participants will achieve self empowerment, measurable by improvements behaviors and conditions.
4. Participants for whom barriers or continuous employment are reduced or eliminated as a result of services received at Community Bound as measured by increase in income.
5. Program participants will achieve financial skills as the result of budgeting assistance.
6. All program participants with chronic homelessness and alcoholism shall be linked through expanded partnerships with organizations in order to improve their opportunities for success.
7. Persons engaged by AHOP personnel will receive emergency assistance.
8. All persons participating in a Speaker's Bureau presentation shall be engaged in advocacy through non-governance community activity that support and promote their well being and self image.

## II. Affordable Housing Component

1. All low-income, disadvantaged families will find safe, decent, well-maintained and affordable housing enhancing their opportunity for employment stability.
2. All affordable housing properties will be well maintained or improved to increase the preservation of opportunities and community resources to low income people.

# NEED FOR SERVICES

### Program Customers

The target population for Anchorage Services Division programs is supported by CSBG includes a range of persons on the edge and mired in poverty. From the homeless, chronic alcoholic at Homeward Bound to the low-income people renting the affordable housing units, this Division serves people with the greatest need in Anchorage.

For Homeward Bound, the vast majority, approximately 88%, of residents are Alaska Native. The average Homeward Bound resident has spent 3-27 years homeless, an average of 29 years drinking to the point of disability, and is 45 years old with an annual income of less than $5,000. These individuals have been spent an average of 116 nights in the past twelve months in the local Intoxication Sleep-off Center. Our Affordable Housing tenants have diverse backgrounds; Laoatian, Hmong, Caucasian, Alaska Native, African-American, and Latino. The opportunity afforded them by receiving reliable affordable and safe housing allows them to concentrate on employment, family and integration into the greater Anchorage community.

### Program Products

The products of the Anchorage Services Division programs include **education, employment, job skills, training, independent living skills, improved housing, decreased substance abuse, and healthier families.**

Applying lofty intentions to the daunting task of changing conditions and behaviors of the chronic public inebriate homeless population in Anchorage, the ultimate goal of the Homeward Bound program is to guide its residents along a progressive path leading to independent living, stable housing and self-sufficiency. Homeward Bound applies an innovative approach to a population for whom nothing else has worked. The majority of program residents are Alaska Natives originally from rural communities who are now late-stage alcoholics, many of whom have already been through numerous treatment programs and have been living on the streets for more than a decade.

With a renewed commitment to reporting the measurable results that CSBG-supported programs have in building self-sufficiency and improving the conditions and behaviors of low-income people, the Anchorage Services Division has applied an outcome management model to evaluate its effectiveness. This model incorporates customer performance targets, milestones and

verification indicators to evaluate not just program objectives and activities, but rather to measure the outcomes or results of activities that move low-income people out of poverty and into increased involvement in their communities and self-sufficiency in their lives.

## OUTCOME MANAGEMENT MODEL

The outcome management models for the Anchorage Services Division are formatted horizontally on the following pages. These pages complete the narrative section of this CSBG work plan for the following components:

**Component 1 – Homeward Bound**
**Component 2 – Affordable Housing**

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# Outcome Measures – Anchorage Services Division
# Component I - Homeward Bound Program

*Submitted by Melinda Freemon, Anchorage Services Division Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 6** Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems

**National Performance Indicator #6.1** Independent living

**RurAL CAP Strategic Plan** External Direction #3 – Anchorage Services – Line of Business: Community Reintegration Services

**Outcome Statement #1-2** All program participants with chronic alcoholism and homelessness will achieve self empowerment, measurable by improvements in independent living situations.

**Performance Target #1** Out of 50 new and returning individuals with disabilities, 10 will move into Phase 3. (6.1 - B)

**Performance Target #2** Out of 50 new and returning individuals with disabilities, 10 will maintain an independent living situation as a result of services received at Homeward Bound. (6.1 – B)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Homeward Bound residents.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected # of people expected to participate.** | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.1 Homeward Bound resident completes Intake and Assessment | HUD data, DB Assessment | **50** | Case Management Specialist conducts interview. | | | | | |
| 1.2 Homeward Bound resident makes first conscious decision about alcohol intake | Alcohol Management Plan OR Peer Review | **40** | Case Management Specialist guides and supports | | | | | |
| 1.3 Homeward Bound resident completes 7-day in-house phase at facility | bed check records; progress note | **40** (HUD 66%) | Case Management Specialist guides and supports | | | | | |
| 1.4 Homeward Bound resident develops Independent Living Plan | Signed ILP in file; DP ILP | **30** | Case Management Specialist guides and supports | | | | | |
| 1.5 Homeward Bound resident follows Alcohol Management Plan for 1 month | Bed check records and progress note | **25** | Case Management Specialist guides and supports | | | | | |

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| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Homeward Bound residents.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected # of people expected to participate.** | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.6 Homeward Bound resident follows Alcohol Management Plan for 3 months | Bed check records and progress note | **14** | Case Management Specialist guides and supports | | | | | |
| 1.7 Homeward Bound resident follows Alcohol Management Plan for 6 months | Bed check records and progress note | **6** | Case Management Specialist guides and supports | | | | | |
| 2.1 Homeward Bound resident resolves one major life issue | ILP, progress notes | **30** | Case Management Specialist guides and supports | | | | | |
| 2.2 Homeward Bound resident resolves an issue in at least three of the major life areas as defined in ILP | ILP, progress notes | **13** (HUD 22%) | Case Management Specialist guides and supports | | | | | |
| 2.3 Homeward Bound resident attends 50 life skills classes | Certificate, DB attendance tracking | **25** (HUD 40%) | Case Management Specialist guides and supports | | | | | |
| **Performance Target #1**: Homeward Bound resident moves into Phase 3 | Signed case review in file | **5** (HUD 17%) | Case Management Specialist guides and supports | | | | | |
| **Performance Target #2:** Homeward Bound resident achieves independent living | Signed case review in file | **10** | Case Management Specialist follow-up. | | | | | |

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# Outcome Measures – Anchorage Services Division
## Component I - Homeward Bound Program

*Submitted by Melinda Freemon, Anchorage Services Division Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 1** Low-income people become more self-sufficient
**National Performance Indicator #1.3** Economic asset enhancement and utilization
**RurAL CAP Strategic Plan** External Direction #3 – Anchorage Services – Line of Business: Community Reintegration Services
**Outcome Statement #3-5** All program participants will achieve an increase in financial assets and financial skills as the result of budgeting assistance.
**Performance Target #3** Out of 40 new and returning individuals, 18 will complete repayment of one full debt. (1.3 - B.1)
**Performance Target #4** Out of 40 new and returning individuals, 15 will obtain official documentation of the expected annual aggregate dollar amount of payments owed to Child Support Enforcement Division. (1.3 - A.2)
**Performance Target #5** Out of 40 new & returning individuals, 10 will track deposits, expenditures, & balances of their account with the HB Payee System. (1.3 - B.1)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Homeward Bound residents.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected # of people expected to participate.** | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 3.1 Applies for benefits and services (mainstream resources). | Progress note; notice of award in CB client file. | **40** (HUD 66%) | Case Management Specialist (CMS) oversees. | | | | | |
| 3.2 Opens an account with the HB Payee System. | Account balance rpt & deposit receipt in resident account file. | **20** | CMS tracks with the resident. | | | | | |
| 4.1 Completes a budget plan. | Signed plan in resident file | **25** | CMS tracks with the resident. | | | | | |
| 5.1 Deposits all income, including non-employment income (SSI, PFD, or ANCSA dividends), in HB account. | deposit receipt in resident's account file. | **18** | CMS tracks with the resident. | | | | | |
| **Performance Target 3:** Completes full repayment of one debt. | Receipt in file or progress note. | **18** | CMS oversees. | | | | | |
| **Performance Target 4:** Negotiates CSED payment plan. | Copy of CSED letter or statement in file. | **5** | CMS follow-up. | | | | | |
| **Performance Target 5:** Tracks deposits and expenses in HB account. | Account ledger maintained by resident; verified by CM. | **10** | CMS tracks with the resident. | | | | | |

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# Outcome Measures – Anchorage Services Division
## Component I - Homeward Bound Program

*Submitted by Melinda Freemon, Anchorage Services Division Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 3** Low income people own a stake in their community
**National Performance Indicator #3.2** Community empowerment through maximum feasible participation
**RurAL CAP Strategic Plan** External Direction #3 – Anchorage Services – Line of Business: Community Reintegration Services
**Outcome Statement #6** All program participants will achieve self empowerment.
**Performance Target #6** Out of 35 new and returning individuals, 7 will contribute 10 or more hours as a volunteer in a community organization (other than RurAL CAP). (3.2 - A)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Homeward Bound residents.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected # of people expected to participate.** | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 6.1 Assists with program activities and logistics | I.H.S. report or progress note. | **35** | Reintegration Coordinator plans, implements and reports. | | | | | |
| 6.2 Participates in four or more reintegration activities. | I.H.S. report or progress note. | **30** | Reintegration Coordinator plans, implements and reports. | | | | | |
| 6.3 Contributes 1 or more volunteer hours to another organization | Organization contact reported in progress note. | **18** | Case Management Specialist tracks with the resident. | | | | | |
| **Performance Target #6:** Contributes 10 or more volunteer hours to another organization | Organization contact reported in progress note. | **7** | Case Management Specialist follow-up. | | | | | |

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# Outcome Measures – Anchorage Services Division
## Component I - Homeward Bound Program - Community Bound Program/Employment

*Submitted by Melinda Freemon, Anchorage Services Division Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 1** Low income people become more self sufficient
**National Performance Indicator #1.2** Employment Supports
**RurAL CAP Strategic Plan** External Direction #3 – Anchorage Services – Line of Business: Community Reintegration Services
**Outcome Statement #7** All Community Bound participants that experience chronic unemployment will receive pre-employment support resulting in self sufficiency.
**Performance Target #7** Out of 25 new and returning Community Bound participants, 8 will obtain pre-employment skills/competencies required for employment and receive a training program certificate or diploma. (1.2 – A)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Community Bound participants.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected # of people expected to participate.** | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 7.1 Community Bound participant completes Intake and Assessment process upon referral to Community Bound Employment | AKCIS assessment tools printed in CB client file | **25** | Community Bound Case Manager assists with paper work, AKCIS assessment | | | | | |
| 7.2 Community Bound participant completes an employment plan | Employment form completed and signed by client in CB file | **25** | Document employment plan with Case Manager | | | | | |
| 7.3 Community Bound participant writes a resume | resume in CB client file; progress notes | **20** | Assisted and Documented by Case Manager | | | | | |
| 7.4 Community Bound participant completes Community Bound employment training | DB attendance tracking; certificate in CB client file | **15** | Documented by Case Manager | | | | | |
| 7.5 Community Bound participant enters educational or vocational training program such as GED or DVR | Documented in progress notes; acceptance letter or application in CB client file | **10** | Documented by Case Manager | | | | | |
| **Performance Target #7** Community Bound participant completes training receiving a program certificate or diploma. | Copy of certificate in CB client file; documented in progress notes | **8** | Case Management Specialist supports and documents | | | | | |

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# Outcome Measures – Anchorage Services Division
# Component I - Homeward Bound Program - Community Bound Program/Employment

*Submitted by Melinda Freemon, Anchorage Services Division Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 1** Low income people become more self sufficient
**National Performance Indicator #1.1** Employment
**RurAL CAP Strategic Plan** External Direction #3 – Anchorage Services – Line of Business: Community Reintegration Services
**Outcome Statement #8-10** All program participants will become self-sufficient, measurable by improvements in behaviors and conditions.
**Performance Target #8** Out of 50 new and returning unemployed individuals, 23 will obtain a job that is more than day labor. (#1.1 - A)
**Performance Target #9** Out of 50 new and returning individuals, 10 will become employed and obtain an increase in employment income. (1.1 - B)
**Performance Target #10** Out of 50 new and returning individuals, 5 will achieve "living wage" employment benefits. (1.1 - C)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Community Bound participants.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected # of people expected to participate.** | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 8.1, 9.1, 10.1 New or returning community bound participant enrolls in employment classes. | Attendance sheet. | **50** | Case Management Specialist supports and documents | | | | | |
| 8.2 Community bound participant submits job applications | job search worksheet in CB client file | **17** | Case Management Specialist supports and documents | | | | | |
| 8.3 Community bound participant completes 3 day labor jobs and deposits income into HB account | deposit receipts in client account file; progress note | **25** | Case Management Specialist supports and documents | | | | | |
| 8.4 Community bound participant returns to job after 1st paycheck | Progress note | **16** | Case Manager assists, supports, and documents | | | | | |
| 8.5 Community bound participant maintains work/income for 1 month and deposits income into HB account or approved personal savings account | deposit receipts in client account file; progress note | **18** | Case Manager trains, guides, supports and documents | | | | | |

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| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Community Bound participants.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected # of people expected to participate.** | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 09/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 9.2 Community bound participant maintains work/income for 3 months and deposits income into HB account | deposit receipts in client account file; progress note | **6** | Case Manager trains, guides, supports and documents | | | | | |
| 10.2 Community bound participant maintains work/income for 6 months and deposits income into HB account. | deposit receipts in client account file; progress note | **5** | Case Manager trains, guides, supports and documents | | | | | |
| **Performance Target #8:** Community bound participant obtains work or regular income | Progress note | **25** | Case Management Specialist supports and documents | | | | | |
| **Performance Target #9:** Community bound participant becomes employed and obtains an increase in employment income. | Progress note | **5** | Case Management Specialist supports and documents | | | | | |
| **Performance Target #10:** Community bound participant receives raise or obtains higher paying job achieving "living wage" employment benefits. | Progress note; copy of paycheck stub | **5** | Case Management Specialist supports and documents | | | | | |

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# Outcome Measures – Anchorage Services Division
## Component I - Homeward Bound Program - Community Bound Program/Housing

*Submitted by Melinda Freemon, Anchorage Services Division Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 6** Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems

**National Performance Indicator #6.1** Independent Living

**RurAL CAP Strategic Plan** External Direction #3 – Anchorage Services – Line of Business: Community Reintegration Services

**Outcome Statement #11-12** All program participants will achieve self-empowerment, measurable by improvements in behaviors and conditions.

**Performance Target #11** Out of 50 new and returning community bound program participants, 5 will maintain independent living for 6 months. (6.1 - B)

**Performance Target #12** Out of 50 new and returning community bound program participants, 10 will participate in health social activities while in independent housing. (6.1 - B)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Community Bound participants.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected # of people expected to participate.** | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 11.1 Community bound participant engages with the community bound case manager. | Progress notes | **50** | Community Bound Case Manager meets with participant | | | | | |
| 11.1 Completes Housing Assistance application | Copy of application and notice of award in CB client file; progress notes | **35** | Community Bound Case Manager assists with paper work | | | | | |
| 11.2 Completes intake and assessment upon referral to CB Housing | Section 1 and 4 of Community Bound file | **25** | Community Bound Case Manager assists with paper work | | | | | |
| 11.3 Completes Independent living plan | Section 4 of Community Bound client file | **20** | Community Bound Case Manager assists with and submits paper work | | | | | |
| 11.4 Applies for benefits and services | Progress note; confirmation of benefits in CB client file | **30** (HUD 40%) | Com. Bound Case Manager provides support and guidance | | | | | |

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| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Community Bound residents.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected # of people expected to participate.** | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 11.5 Begins to acquire household furnishings | Progress note | **14** | Com. Bound Case Manager provides support and guidance | | | | | |
| 11.6 Chooses rental property and signs lease | Copy of lease in CB client file | **10** (HUD 20%) | Community Bound Case Manager assists with and submits paper work | | | | | |
| 11.7 Maintains stable living situation for 1 month | contact with client and landlord | **10** | Case Manager contacts and documents | | | | | |
| 12.1 Complies with tenant responsibilities listed in rental agreement in order to retain housing | contact with client and landlord | **9** | Case Manager contacts and documents | | | | | |
| 11.8 Follows alcohol management plan in housing for 1 month | contact with client and landlord | **5** | Case Manager contacts and documents | | | | | |
| 11.9 Maintains stable living situation for 3 months | contact with client and landlord | **7** | Case Manager contacts and documents | | | | | |
| 11.10 Receives services from another service provider's program | confirmation by service provider | **20** | Case Manager contacts and documents | | | | | |
| **Performance Target #11:** Maintains stable living situation for 6 months | contact with client and landlord | **5** | Case Manager contacts and documents | | | | | |
| Maintains stable living situation in housing for 12 months | contact with client and landlord | **10** (HUD 50%) | Case Manager contacts and documents | | | | | |
| Maintains stable living situation for over 1 year | contact with client and landlord | **12** | Case Manager contacts and documents | | | | | |
| **Performance Target #12:** Participates in 4 healthy social activities while in permanent housing | contact with client and landlord | **10** | Case Manager contacts and documents | | | | | |

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# Outcome Measures – Anchorage Services Division
## Component I - Homeward Bound Program - Community Bound Program/Housing

*Submitted by Melinda Freemon, Anchorage Services Division Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 1** Low-income people become more self-sufficient
**National Performance Indicator #1.3** Economic Asset Enhancement and Utilization
**RurAL CAP Strategic Plan** External Direction #3 – Anchorage Services – Line of Business: Community Reintegration Services
**Outcome Statement #13** All program participants will achieve financial skills as the results of housing budgeting assistance.
**Performance Target #13** Out of 18 new and returning individuals, 5 will complete and manage a budget for six months. (1.3 - B)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Community Bound residents**. | **Verification:** Tool or document used to verify that milestone was reached. | **Projected # of people expected to participate.** | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 13.1 Opens a bank account or signs up with and Independent payee | Noted in resident file Progress Notes section 4 | **18** | Case Management Specialist tracks with the resident | | | | | |
| 13.2 Completes a housing budget plan | Budget worksheet in CB client file | **15** (HUD 30%) | Community Bound Case Manager assists with budget | | | | | |
| 13.3 Meets monthly household bills and responsibilities for 3 months | Budget worksheet with payment dates in CB client file | **7** (HUD 14%) | Com. Bound Case Manager provides support and guidance | | | | | |
| **Performance Target #13:** Meets monthly household bills and responsibilities for 6 months | Budget worksheet with payment dates in CB client file | **5** | Com. Bound Case Manager provides support and guidance | | | | | |

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# Outcome Measures - Anchorage Services Division
# Component I - Homeward Bound Program - AHOP

*Submitted by Melinda Freemon, Anchorage Services Division Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal #6** Low income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems

**National Performance Indicator # 6.2** Emergency Assistance

**RurAL CAP Strategic Plan** External Direction #3 – Anchorage Services - Line of Business: Homeless Outreach

**Outcome Statement #14** All persons engaged by AHOP personnel will receive emergency assistance.

**Performance Target #14** Of the 650 persons engaged by AHOP personnel, 100 people will receive emergency assistance in the form of emergency cold weather gear. (6.2 - H)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **AHOP Participants** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does to make milestone happen.. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 14.1 Contact with AHOP personnel. | Outreach day log, referral forms. | **650** | Outreach Coordinator initiates contact. | | | | | |
| **Performance Target #14** Of 650 persons engaged by AHOP personnel 100 will receive assistance in the form of emergency cold weather gear. | Outreach day log, referral forms. | **100** | Outreach Coordinator facilitates distribution and distributes. | | | | | |

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# Outcome Measures - Anchorage Services Division
## Component I – Homeward Bound – Homeward Bound - Speaker's Bureau Program

*Submitted by Melinda Freemon, Anchorage Services Division Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal #3** Low-Income People Own a Stake in Their Community
**National Performance Indicator #3.2** Community Empowered through Maximum Feasible Participation
**RurAL CAP Strategic Plan** External Direction #3 – Anchorage Services - Line of Business: Public Advocacy

**Outcome Statement: #15** All Homeward Bound residents participating in a speaker's bureau presentation shall be engaged in advocacy through non-governance community activity that support and promote their well being and self image.

**Performance Target #15** Out of 25 Homeward Bound residents, 12 residents will be engaged in the Homeward Bound Speakers Bureau as presenters engaging in non-governance community activity. (3.2 - D)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Homeward Bound Residents.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Step :** What staff member does to make milestone happen | (4/1- 6-30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 15.1 Initiate conversation with HB residents regarding communication, education and community | Class attendance sheets/Case files. | **25** | Case Management Staff presents at HB Advocacy class. | | | | | |
| 15.2 Resident attains self-empowerment as a result of Speaker's Bureau presentation. | Speakers Bureau resident survey Resident satisfaction survey. | **12** | Program Manager/Case Management Staff administers and tallies survey results. | | | | | |
| **Performance Target #15** 5 residents participate in 3 community education activities | Speakers Bureau attendance Sheet. | **5** | Program Manager and Case Management staff administers and tallies survey results. | | | | | |

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# Outcome Measures – Anchorage Services Division
# Component II – Affordable Housing

*Submitted by Ken Scollan, Property Manager* *FY 2011 CSBG 4/1/11 to 3/31/12*

| | |
|---|---|
| **CSBG National Goal # 6** | Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems |
| **CSBG National Goal #1** | Low income people become more self-sufficient |
| **CSBG National Performance Indicator 1.2** | Obtained safe and affordable housing in support of employment stability |
| **RurAL CAP Strategic Plan** | External Direction #4 – Anchorage Services – Line of Business: Affordable Housing |
| **Outcome Statement #1** | All low-income, disadvantaged families will find safe, decent, well-maintained and affordable housing. |
| **Performance Target #1** | Of the 56 low-income, disadvantaged heads of households living in RurAL CAP's affordable housing, 37 will remain in safe, decent, well-maintained and affordable housing for at least one year or move to equal or better stable housing. (1.2 - H) |

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **low-income heads of households.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of heads of household expected to participate | **Product Steps:** Who does what to make milestone happen | (4/1 – 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1- 12/31 **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.1 Low-income heads of households in Anchorage fill out rental applications for Affordable Housing units. | Rental records, rental applications. | **85** | Housing Manager processes and reviews applications | | | | | |
| 1.2 Low-income heads of households in Anchorage move into affordable housing units. | Rental records, lease agreements | **40** | Property Manager processes rental paperwork. | | | | | |
| 1.3 Low-income heads of households in Anchorage remain in affordable housing units for 3 months. | Rental records, lease agreements | **25** | Property Manager assures that housing units are clean and well managed | | | | | |
| 1.4 Low-income heads of households in Anchorage remain in affordable housing units for 6 months. | Rental records, lease agreements | **20** | Property Manager assures that housing units are clean and well managed | | | | | |
| 1.5 Low-income heads of households in Anchorage remain in affordable housing units for 9 months. | Rental records, lease agreements | **16** | Property Manager assures that housing units are clean and well managed | | | | | |
| **Performance Target #1:** 32 Low-income heads of households in Anchorage remain in affordable housing units for 12 months or move into housing that is equal or better. | Rental records, lease agreements | **45** | Property Manager assures that housing units are clean and well managed | | | | | |

A box with the following symbol signifies:

| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

# Outcome Measures – Anchorage Services Division
# Component II – Affordable Housing

*Submitted by Ken Scollan, Property Manager* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal #2** The Conditions in Which Low-Income People Live are Improved

**National Performance Indicator 2.1** Community Improvements and revitalization
Safe and affordable housing units in the community are preserved or improved through construction, Weatherization or rehabilitation achieved by community action activity or advocacy

**RurAL CAP Strategic Plan** External Direction #4 – Anchorage Services – Line of Business: Affordable Housing

**Outcome Statement #2:** All affordable housing properties will be well maintained.

**Performance Target #2:** Of the 56 RurAL CAP's affordable housing properties, 30 will be improved this year through grants and partnerships with other profit or non-profit agencies. (2.1 – C)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **RurAL CAP Affordable Housing properties.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of properties | **Product Steps:** Who does what to make milestone happen. | (4/1 – 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter2** | 10/1- 12/31 **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 2.1 Affordable Housing unit qualifies for funding. | Reports and proposals | **20** | Manager completes Grant applications. | | | | | |
| 2.2 Affordable Housing units are improved. | Reports to funders and Affordable Housing Management Team | **30** | Property Manager plans, finds funding for, and completes rehabilitation projects. | | | | | |
| **Performance Target #2:** RurAL CAP Affordable Housing units are improved as a result of rehab projects. | Semi-annual inspection of the RCAH units | **30** | Property Manager collects and compares property assessments. | | | | | |

A box with the following symbol signifies:

| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

| Budget Summary FY 2011<br>Community Services Block Grant | Rural Alaska<br>Community Action Program, Inc. | Component: ANCHORAGE SERVICES DIVISION |
|---|---|---|

| GRANT NUMBER: | FUNDING PERIOD FOR WHICH FUNDS ARE REQUESTED | | GOAL STATUTORY AUTHORITY (S) | ESTIMATED UNEXPENDED CSBG |
|---|---|---|---|---|
| | Beginning Date | Ending Date | Public Law 97-35 | FUNDS AVAILABLE AT END OF CURRENT |
| | April 1, 2011 | June 30, 2012 | Section 675 ©, (A), (B) (vi), (vii), (D), (E) | FUNDING PERIOD (Attach most recent Monthly and/or Quarterly Financial Report): |

BUDGET SUMMARY (NEW APPLICATIONS – complete "TOTAL REQUESTED BUDGET" Column ONLY. CONTINUATIONS – Complete "CSBG APPROVED BUDGET FOR THE CURRENT FUNDING PERIOD" and "TOTAL REQUESTED BUDGET" Columns ONLY. AMENDMENTS – "CSBG APPROVED BUDGET FOR THE CURRENT FUNDING PERIOD", "REQUESTED AMENDMENT TO CURRENT CSBG BUDGET and "TOTAL REQUESTED BUDGET" Columns.)

| | COST CATEGORY | (I) CSBG Approved Budget for the Current Funding Period No. months of operation: | | (II) Requested Amendment to Current CSBG Approved Budget ( + or - ) | | (III) TOTAL REQUESTED BUDGET No. months of operation: 12 | | (IV) TOTAL DCRA APPROVED BUDGET No. months of operation: | |
|---|---|---|---|---|---|---|---|---|---|
| | | CSBG Federal | Non Federal | CSBG Federal | Non Federal | CSBG Federal | Non Federal | CSBG Federal | Non Federal |
| | | (1) | (2) | (1) | (2) | (1) | (2) | (1) | (2) |
| 10 | PERSONNEL | | | | | $45,261 | | | |
| 20 | CONTRACTUAL | | | | | $32,500 | | | |
| 30 | TRAVEL | | | | | $8,875 | | | |
| 40 | BUILDING SPACE | | | | | $13,600 | | | |
| 50 | GENERAL SUPPLY | | | | | $0 | | | |
| 60 | PROGRAM SUPPLY | | | | | $0 | | | |
| 70 | EQUIPMENT | | | | | $0 | | | |
| 80 | COMMUNICATION | | | | | $45,500 | | | |
| 90 | OTHER | | | | | $18,198 | | | |
| | TOTAL DIRECT<br>ADMINISTRATIVE COSTS | | | | | $163,934<br>$36,066 | | | |
| | **TOTAL** | | | | | **$200,000** | | | |

# Anchorage Services Division
# Component Summary

| Cost Cat. No. | Cost Category | Component I Homeward Bound | Component II Affordable Housing | TOTAL |
|---|---|---|---|---|
| 10 | Personnel | | $45,261 | **$45,261** |
| 20 | Contractual | $32,500 | | **$32,500** |
| 30 | Travel | $8,875 | | **$8,875** |
| 40 | Building Space | $13,600 | | **$13,600** |
| 50 | General Supplies | | | **$0** |
| 60 | Program Supplies | | | **$0** |
| 70 | Equipment | | | **$0** |
| 80 | Communications | $45,500 | | **$45,500** |
| 90 | Other | $11,000 | $7,198 | **$18,198** |
| | **Direct Costs** | $111,475 | $52,459 | **$163,934** |
| | **Administrative Costs** | $24,525 | $11,541 | **$36,066** |
| | **TOTAL COSTS** | $136,000 | $64,000 | **$200,000** |

1131

# CSBG - FY 2011 - ANCHORAGE SERVICES DIVISION

**BUDGET SUPPORT SHEET** (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW __ AMENDMENT<br>___ CONTINUATION OF GRANT | Mar-10 |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

## Component 1 - HOMEWARD BOUND

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | | AMOUNT OR VALUE OF EACH ITEM<br>CSBG FEDERAL SHARE | <br>NON FEDERAL SHARE |
|---|---|---|---|---|
| 520 | **CONTRACTUAL EXPENSE** | | | |
| | 100 - Professional Services | $32,500 | | |
| | **TOTAL COST OF CONTRACTUAL** | **$32,500** | **$32,500** | |
| 530 | **530 TRAVEL:** | | | |
| | 100 - Per Diem in State | $1,500 | | |
| | 500 - Travel in State | $2,000 | | |
| | Mileage | $5,375 | | |
| | **TOTAL COST OF TRAVEL** | **$8,875** | **$8,875** | |
| 540 | **SPACE COSTS** | | | |
| | 300 - Utilities | $13,600 | | |
| | **TOTAL SPACE COST** | **$13,600** | **$13,600** | |
| 580 | **COMMUNICATIONS** | | | |
| | 600 - I.T. | $45,500 | | |
| | **TOTAL COMMUNICATIONS COST** | **$45,500** | **$45,500** | |
| 590 | **590 OTHER DIRECT COSTS:** | | | |
| | 700 - Fees/Tuitions/Memberships | $11,000 | | |
| | **TOTAL COST OF OTHER** | **$11,000** | **$11,000** | |
| | Direct Cost of Component | | $111,475 | |
| | Administrative Costs of Component @ 22% | | $24,525 | |
| | **Total Cost of Component** | | **$136,000** | |

# CSBG - FY 2011 - ANCHORAGE SERVICES DIVISION

**BUDGET SUPPORT SHEET** (Budget Support Data)

| **NAME OF APPLICANT AGENCY:** | **TYPE OF GRANT:** | **DATE SUBMITTED:** |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW __ AMENDMENT<br>__ CONTINUATION OF GRANT | **Mar-10** |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| **COST CAT NO.** | **DESCRIPTION OF ITEM AND BASIS FOR VALUATION** | **AMOUNT OR VALUE OF EACH ITEM** | | |
|---|---|---|---|---|
| | | | **CSBG FEDERAL SHARE** | **NON FEDERAL SHARE** |
| **Component 2: AFFORDABLE HOUSING** | | | | |
| 510 | **510 PERSONNEL:** (includes estimates for COLA/merit increase) | | | |
| | Two .50 FTE Maintenance | $33,280 | | |
| | *Subtotal Personnel* | *$33,280* | | |
| | 500 - Employee Fringe ($33,280 x 36%) | $11,981 | | |
| | **TOTAL COST OF PERSONNEL** | **$45,261** | **$45,261** | |
| 590 | **OTHER DIRECT COSTS** | | | |
| | 100 - Vehicle Operating Costs | $7,198 | | |
| | **TOTAL COST OF OTHER** | **$7,198** | **$7,198** | |
| | Direct Cost of Component | | **$52,459** | |
| | Administrative Cost @ 22% | | **$11,541** | |
| | **TOTAL COST OF COMPONENT** | | **$64,000** | |

11133

**COMMUNITY SERVICES BLOCK GRANT WORK PLAN**
(Please type or print clearly)

| (1) NAME OF APPLICANT AGENCY | (2) NAME/TITLE EXECUTIVE DIRECTOR | (3) PHONE (Area Code) |
|---|---|---|
| *Rural Alaska Community Action Program, Inc.* | *David Hardenbergh* | *(907) 279-2511* |

| (4) ADDRESS | CITY | STATE | ZIP CODE |
|---|---|---|---|
| *P.O. Box 200908* | *Anchorage* | *Alaska* | *99520-0908* |

(5) GOAL STATUTORY AUTHORITY(S): Public Law 97-35, Section 675 (c), (A), (B)(vi) & (vii), (D) and (E)

Component I: HOMEWARD BOUND

Period: April 1, 2011 to June 30, 2012

| (6) PROJECT TITLE AND STATEMENT OF ONE-YEAR GOALS | (7) ACTIVITIES REQUIRED TO ACHIEVE GOAL | (8) TIME TABLE PROGRAM YEAR QUARTER 1st | 2nd | 3rd | 4th | (9) TRAINING AND TECHNICAL ASSISTANCE REQUIRED | (10) CSBG FUNDS | (11) No. Mos. | (12) Other Funds | (13) Planned Completion |
|---|---|---|---|---|---|---|---|---|---|---|
| National CSBG Goal #6:<br><br>Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems. | COMPONENT I – HOMEWARD BOUND<br>1. Maintain Partnerships and Linkages:<br>a) Identify and collaborate with housing and alcohol treatment service providers<br>b) Develop and maintain written agreements<br>c) Coordinate regular meetings of partners<br>d) Develop and support Advisory Council<br>2. Program Operations:<br>a) Process and manage grants and contracts<br>b) Recruit, train and supervise program staff<br>c) Maintain Homeward Bound facility<br>3. Client/Resident Services<br>a) Maintain program recruitment and outreach<br>b) Provide detox services<br>c) Provide transitional housing and meals<br>d) Provide case management services<br>e) Develop weekly living plans<br>f) Follow weekly living plans<br>g) Transition to independent living<br>h) Maintain independent living<br>4. Provide operational support for Homeward Bound. | X | X | X | X | • Coordination with Homeward Bound program partners and funding sources:<br>• Municipality of Anchorage – Safe City Program and Community Service Patrol<br>• Cook Inlet Tribal Council<br>• Salvation Army – Clitheroe Center<br>• HUD Supportive Housing Program<br>• Alaska Housing Finance Corporation<br>• Cook Inlet Housing Authority | $ 136,000 | 12 | $ 357,000 US Dept. of Housing and Urban Development<br>$ 149,750 Alaska Housing Finance Corporation | On-Going |
| | | TOTALS CARRIED FORWARD FROM PREVIOUS PAGES (IF ANY) | | | | GRAND TOTAL | $ 136,000 | | $ 506,750 | |

(14) THIS APPLICATION HAS BEEN (check "a" or "b" as appropriate):
a. (X) Approved by the applicant's governing board. b. ( ) Reviewed by the applicant's administering board and approved by its governing officials.

| (15) NAME AND TITLE OF PRINCIPAL GOVERNING OFFICIAL OR PRINCIPAL OFFICER OF GOVERNING BOARD | SIGNATURE: | DATE : | DATE OF BOARD APPROVAL: |
|---|---|---|---|
| RurAL CAP Board President, Andrew Ebona | Andrew Ebona | March 17, 2010 | March 17, 2010 |

**CSBG -- FY 2011 Proposal** **Component: ANCHORAGE SERVICES DIVISION** 

| COMMUNITY SERVICES BLOCK GRANT WORK PLAN (Please type or print clearly) | | | (5) GOAL STATUTORY AUTHORITY(S) Component II: AFFORDABLE HOUSING |
|---|---|---|---|
| (2) NAME OF APPLICANT AGENCY *Rural Alaska Community Action Program, Inc.* | (5) NAME/TITLE EXECUTIVE DIRECTOR *David Hardenbergh* | (6) PHONE (Area Code) *(907) 279-2511* | Public Law 97-35, Section 675 (c), (A), (B)(vi) & (vii), (D) and (E) |
| (7) ADDRESS *P.O. Box 200908* | CITY *Anchorage* / STATE *Alaska* / ZIP CODE *99520-0908* | | Period: April 1, 2011 to June 30, 2012 |

| (6) PROJECT TITLE AND STATEMENT OF ONE-YEAR GOALS | (7) ACTIVITIES REQUIRED TO ACHIEVE GOAL | (8) TIME TABLE PROGRAM YEAR QUARTER 1st | 2nd | 3rd | 4th | (9) TRAINING AND TECHNICAL ASSISTANCE REQUIRED | (10) CSBG FUNDS | (11) No. Mos. | (12) Other Funds | (13) Planned Completion |
|---|---|---|---|---|---|---|---|---|---|---|
| National CSBG Goal #2:<br><br>The conditions in which low-income people live are improved. | COMPONENT II – AFFORDABLE HOUSING<br>1. Housing Manager processes and reviews applications.<br>2. Property Manager processes rental paperwork.<br>3. Property Manager assures that housing units are clean and well managed.<br>4. Property Manager completes maintenance needs survey and collects assessments.<br>5. Property Manager plans, finds funding for, and completes rehabilitation projects.<br>6. Property Manager completes maintenance work identified in survey and emergency repairs.<br>7. Property Manager collects and compares property assessments.<br>8. Provide operational support for Affordable Housing activities and services | X | X | X | X | • Alaska Housing Finance Corporation<br>• International Brotherhood of Electrical Workers<br>• HUD Supportive Housing Program | $ 64,000 | 12 | $ 332,160 Rental Income | On-Going |
| | | TOTALS CARRIED FORWARD FROM PREVIOUS PAGES (IF ANY) | | | | GRAND TOTAL | $ 136,000<br>$ 200,000 | | $ 506,750<br>$ 838,910 | |

(16) THIS APPLICATION HAS BEEN (check "a" or "b" as appropriate):
a. (X) Approved by the applicant's governing board. b. ( ) Reviewed by the applicant's administering board and approved by its governing officials.

| (17) NAME AND TITLE OF PRINCIPAL GOVERNING OFFICIAL OR PRINCIPAL OFFICER OF GOVERNING BOARD | SIGNATURE: | DATE: | DATE OF BOARD APPROVAL: |
|---|---|---|---|
| RurAL CAP Board President, Andrew Ebona | Andrew Ebona | March 17, 2010 | March 17, 2010 |

*Community Services Block Grant FY 2011 Proposal*

# Child Development Division

# NARRATIVE

## SUMMARY OF COMPONENTS

### Component 1 – General Child Development Division

CSBG supports the position of the Child Development Division Director. This position provides administrative oversight of Head Start, Early Head Start, Parents as Teachers, and Child Development Center programs. In total, the Child Development Division supports programs in 29 communities serving over 1,500 children with a staff of more than 300 people. CSBG also provides support for a Project Coordinator. The primary responsibility of this position is to provide administrative support to special projects requiring research and data analysis.

**I.** RurAL CAP **Head Start / Early Head Start** programs are administered in 25 communities across the state. Head Start is a program for low income children and their families. It is designed to help three to five year old children become socially competent and ready for entry to school. Educational activities are provided that support each child's developmental level and cultural background. Through strong partnerships with parents and communities, mental and physical health, dental, nutrition, and disability services are made available. Family partnership agreements are developed to assist families in achieving their goals. Parents are very involved in setting the direction for the program through local Parent Committees, regional Parent Committees, and the Child Development Policy Council. The Early Head Start program provides home-based services to parents with children prenatal to three in six rural communities. Information regarding the importance of prenatal care is provided to expecting parents. Access to health care providers is supported and information is delivered to ensure the growth and development of healthy infants and toddlers. Parents are provided information about developmental milestones for their child and the importance of providing a stimulating environment. The research pointing to the importance of the "early years" in brain development validates the crucial need to reach parents at this time in their child's life and support quality parenting.

**II.** The RurAL CAP **Parents as Teachers** program is an early childhood parent education and family support program designed to empower all parents to give their child the best possible start in life. Services are offered in 19 communities. The program delivers home based services through bi-weekly visits to the families home and monthly group socializations. Important developmental information based on brain research is delivered using the Born to Learn Curriculum. Additional school readiness activities and family empowerment information is shared through parent workshops, groups meetings addressing topics of interest to parents, and joint play sessions with infant learning.

**Component 2 – Child Development Center – Child Care Component:**

**I.** The RurAL CAP **Child Development Center** is a licensed, year round, early care and learning program for 30 children between the ages of 19 months and 5 years. It is a tuition based program, which offers assistance to families in financial need. 100% of the families qualify for some form of child care assistance. The Center maintains collaborative relationships with many local assistance resources and programs to help low-income families achieve self-sufficiency. The Center continues its ongoing collaboration with faculty and students from the University of Alaska Anchorage associates and bachelors degree programs in early childhood education and social work. With this partnership major strides have been made in becoming a model early childhood training program.. The Center continues to dedicate resources for ongoing professional development for staff and is making gains in increasing wages for early childhood professionals.

## PROGRAM OUTCOME STATEMENT

The programs within the Child Development Division provide a range of services and activities which result in significant and measurable contributions towards solving the inequities in rural education. The common thread linking these programs is their shared outcome statement:

Our mission is to provide *quality early childhood services* that involves and serves communities, staff, parents, and children prenatal through age five. These programs respect Alaskan's cultural diversity and innate potential for personal and professional growth by entering into partnerships based on collaboration, advocacy, and self-sufficiency.

This outcome supports the achievement of the following CSBG goals:

#3 Low-Income People Own a Stake in Their Community.
#6 Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems

## NEED FOR SERVICES

### Program Customers

The Child Development Division target populations supported by CSBG are low-income families with young children who live below the poverty guidelines. Over 70% of service recipients are Alaska Native people living in remote rural villages. Most of these villages have no road access and can only be reached by plane, boat, or snow machine. These communities experience some of the most extreme social and economic conditions in the country as measured by rates of income, un-employment, education, alcohol and drug abuse, domestic violence, accidental death, and suicide. Every three years an extensive

Head Start Community Assessment is conducted. During the interim years, community updates are completed to track significant changes in community resources and services.

In Anchorage, families served by the Child Development Center are often those families who might not otherwise reach their full social, economic, or educational potential if quality child care were not available to them at an affordable cost. Studies have shown that children growing up in low-income families are at risk for repeating the cycle if they do not receive intervention in the early years of life. Often low income families are forced to place their children in inadequate child care while they work at low paying jobs or participate in training. This automatically puts their children at a disadvantage and in many cases puts them at risk of abusive or neglectful care. The Child Development Center is able to offer low-income families' access to the same quality of care that middle and upper class families can afford.

**Program Products**

The Child Development Division programs provide early care and learning experiences for children prenatal to five years of age through center-based, home-based, or combination program options. Parents are provided educational resources and information on child development, health, nutrition, mental health, disabilities, and positive behavioral support. The program helps parents accomplish individual goals such as obtaining job skills, employment, and training.

Head Start/Early Head Start classrooms are rich interactive environments full of developmentally appropriate materials and activities. The center-based option provides classroom time for children and two home visits and two parent/teacher conferences with families during the school year. The home visits and parent/teacher conferences focus on sharing information about the child's developmental level, school readiness and goals the parents may have for their child. In the Head Start home-based option, children and parents are visited weekly in their homes by a home visitor. Parents, as the primary educators of their children, become involved in the educational development of their children. The Head Start home based program offers sixteen group socializations and the Early Head Start program offers seventeen group socializations for children and families. Through these group experiences children have an opportunity to interact socially with other children while parents exchanged parenting tips and participate in various parent trainings. In the combination program option, children attend classroom three days a week and receive one home visit a month.

Staff in rural villages receive job training and employment in communities where little other job opportunities are available. With regulations now requiring Head Start teachers to possess bachelor degrees, classroom teachers are enrolled in college courses soon after completing their Child Development Associates. The training department in the Child Development Division connects teachers with distance education through the University of Alaska while still working full time in the classroom. Significant progress has been made in the number of teachers possessing associates and bachelor degrees. School

districts benefit from the high level of competency of local early childhood educators and children enter kindergarten better prepared for school.

The Child Development Center offers a year round, full day, early care and learning program. The Center is licensed by the Municipality of Anchorage. The curriculum and program philosophy parallels that of the RurAL CAP Head Start program. The curriculum is based on a child-centered approach in which the guidelines of The National Association for the Education of Young Children (NAEYC) are followed. The program also conducts age appropriate screenings for children to detect potential developmental delays. Referrals are made, with parent consent, to local early intervention programs, when needed.

## OUTCOME MANAGEMENT MODEL

The outcome management models for the Child Development Division are formatted horizontally on the following pages. These pages complete the narrative section of the Child Development Division. The CSBG work plans are for the following components:

**Component 1 – General Child Development Division**

- **Head Start / Early Head Start Programs**
- **Parents As Teachers Program**

**Component 2 –Child Care**

- **Child Development Center**

# Outcome Measures - Child Development Division

## Component 1 – General Child Development Division - Head Start/Early Head Start

*Submitted by Patrice Griffin, Head Start Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 6** Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems

**National Performance Indicator 6.3** Child and Family Development

**Head Start Goal # 1** Enhance children's growth and development.

**RurAL CAP Strategic Plan** Direction 1 - Child Development – Line of Business: Comprehensive Early Childhood Programs.

**Outcome Statement #1** All prenatal women will be linked to an ongoing system of prenatal health care.

**Performance Target #1** Out of 16 prenatal women enrolled in Early Head Start, 14 will complete a follow-up home visit within two weeks of returning to the community after giving birth to a healthy baby. (6.3 – C.1)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **prenatal women.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | 10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.1 Prenatal women enroll in Early Head Start. | Enrollment data.<br>Prenatal Files. | **16** | Staff conduct ongoing recruitment activities for prenatal women. | | | | | |
| 1.2 Prenatal women receive information on: tobacco cessation, preventing SIDS, benefits of breastfeeding, postpartum depression, and FASD | Prenatal Home Visit Plan.<br>Prenatal Home Visit Topics.<br>Family Interest Survey | **16** | Home Visitor completes at least three prenatal home visits with enrollee prior to admittance to the pre-maternal home.<br>Home Visitor provides prenatal health care information following the Prenatal Home Visit Topics and Family Interest Survey. | | | | | |

A box with the following symbol signifies:

| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **prenatal women.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | 10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.3 Prenatal women complete a prenatal exam at the local health clinic or at the Sub-Regional clinic. | Prenatal Home Visit Plan.<br>Prenatal Health History.<br>YKHC Authorization. | **14** | Home Visitor completes at least three prenatal home visits with enrollee prior to admittance to the pre-maternal home. Home Visitor obtains a Health History and YKHC Authorization during enrollment or during the first initial home visit. Staff conducts a review of medical records. | | | | | |
| 1.4 Prenatal women participate in a dental Screening. | Prenatal Home Visit Plan.<br>Prenatal Health History.<br>YKHC Authorization. | **12** | Home Visitors completes at least three prenatal home visits with enrollee prior to admittance to the pre-maternal home. Home Visitor obtains a Health History and YKHC Authorization during enrollment or during the first initial home visit.<br>Staff conduct review of dental records. | | | | | |
| 1.5 Prenatal women complete a follow-up home visit within two weeks of returning to the community after giving birth to a healthy baby. | Prenatal Home Visit Plan.<br>Weekly Attendance Sheets.<br>Enrollment Paperwork for the newborn.<br>Change of Status | **14** | Home Visitor completes a home visit within two weeks of returning to the community after delivery.<br>Change of Status will be submitted documenting delivery of the newborn. | | | | | |
| 1.6 Postnatal women enroll their newborn in Early Head Start services | Change of Status<br>Enrollment forms | **12** | Home Visitor provides enrollment information to family. Submits enrollment paperwork. | | | | | |

A box with the following symbol signifies:

blank ( ) — results have not been entered yet

dash (---) — no program activity

zero ( 0 ) — no customers achieved milestone, even though there was program activity

whole number (5) — unduplicated customers that achieve milestone for the 1st time

# Outcome Measures - Child Development Division

## Component 1 – General Child Development Division - Rural Head Start/Early Head Start

*Submitted by Patrice Griffin, Head Start Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 6** Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems

**National Performance Indicator 6.3** Child and Family Development

**Head Start Goal # 1** Enhance children's growth and development.

**RurAL CAP Strategic Plan** Direction 1 - Child Development – Line of Business: Comprehensive Early Childhood Programs.

**Outcome Statement #2** All Early Head Start children will reach or exceed age appropriate levels of development.

**Performance Target #2** Out of 150 Early Head Start children, 130 will display age appropriate developmental skills by the end of the program year. (6.3 – A.3)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **EHS children.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | 10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 2.1 Children enroll in Early Head Start and receive home visits | Enrollment data. Weekly Attendance Sheets. Home Visit Plans. | **150** | Staff conducts recruitment activities to enroll Early Head Start children. | | | | | |
| 2.2 Early Head Start children participate in completing a baseline Child Development Assessment. | Ounce Scale- Developmental Profile | **135** | Home Visitors and parents complete an ASQ during the child's first forty-five days of being enrolled. Home Visitors and parents complete and ASQ-SE during the child's first forty-five days of being enrolled. The Ounce Scale is initiated during the first home visit and up-dated at regular intervals. | | | | | |
| 2.2. (a) Complete first assessment | | | | | | | | |
| 2.2. (b) Complete second assessment | | | | | | | | |
| 2.2 (c) Complete third assessment | | | | | | | | |
| 2.3 Early Head Start children participate in completing a year end Child Development Assessment. | Ounce Scale- Developmental Profile | **135** | Home Visitors collect assessment information | | | | | |
| 2.4 Early Head Start children display age appropriate development in all domains. | Ounce Scale-Developmental Profile | **130** | Results of Ounce Scale-Development Profile | | | | | |

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# Outcome Measures - Child Development Division

## Component 1 – General Child Development Division - Rural Head Start/Early Head Start

*Submitted by Patrice Griffin, Head Start Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 6** Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems

**National Performance Indicator 6.3** Child and Family Development

**Head Start Goal # 1** Enhance children's growth and development.

**RurAL CAP Strategic Plan** Direction 1 - Child Development – Line of Business: Comprehensive Early Childhood Programs.

**Outcome Statement #3** All three year old Head Start children will reach or exceed age appropriate levels of development.

**Performance Target #3** Out of 250 three-year-old children in Head Start, 200 will show growth in domains of development by the end of the program year. (6.3 – A.4)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **HS children**. | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | 10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 3.1 Three year old children enroll in Head Start. Center-based or home-based services begin. | Enrollment reports. Attendance reports | **250** | Recruit and enroll children. Use curriculums to provide planned, individualized and intentional learning opportunities in all domains of development. | | | | | |
| 3.2 Head Start child complete a base line child assessment. | Child assessment forms/reports | **250** | Teachers/Home Visitors complete assessment, share with parents. | | | | | |
| 3.3 Head Start child complete a second child assessment. | Child assessment forms/reports | **235** | Teachers/Home Visitors complete assessment, share with parents. | | | | | |
| 3.4 Head Start child complete a third child assessment. | Child assessment forms/reports | **220** | Teachers/Home Visitors complete assessment, share with parents. | | | | | |
| 3.5 Three year old children show growth in: a. Counts objects | Child assessment forms/reports | **200** | Child Assessment reports are produced. | | | | | |
| b. Uses language to communicate | Child assessment forms/reports | **200** | Child Assessment reports are produced. | | | | | |
| c. Shares experiences using words | Child assessment forms/reports | **200** | Child Assessment reports are produced. | | | | | |

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| Milestone: Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **HS children**. | Verification: Tool or document used to verify that milestone was reached. | Projected # of people expected to participate. | Product Steps: What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| d. Follows direction | Child assessment forms/reports | **200** | Child Assessment reports are produced | | | | | |
| e. Associates sounds with written words | Child assessment forms/reports | **200** | Child Assessment reports are produced | | | | | |
| f. Shows interest & enjoyment in books | Child assessment forms/reports | **200** | Child Assessment reports are produced | | | | | |
| g. Recognizes a word as a unit of print | Child assessment forms/reports | **200** | Child Assessment reports are produced | | | | | |
| h. Identifies alphabet letters | Child assessment forms/reports | **200** | Child Assessment reports are produced | | | | | |
| i. Recognizes letter characteristics | Child assessment forms/reports | **200** | Child Assessment reports are produced | | | | | |
| j. Follows directions in English | Child assessment forms/reports | **200** | Child Assessment reports are produced | | | | | |
| k. Uses English to communicate | Child assessment forms/reports | **200** | Child Assessment reports are produced | | | | | |

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# Outcome Measures - Child Development Division

## Component 1 – General Child Development Division - Rural Head Start/Early Head Start

*Submitted by Patrice Griffin, Head Start Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 6** Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems

**National Performance Indicator 6.3** Child and Family Development

**Head Start Goal # 1** Enhance children's growth and development.

**RurAL CAP Strategic Plan** Direction 1 – Child Development - Line of Business: Comprehensive Early Childhood Programs

**Outcome Statement #4** All four year old Head Start children will demonstrate school readiness skills.

**Performance Target #4** Out of 392 four-year-old children enrolled in Head Start, 300 will demonstrate school readiness in all domains of development by the end of the program year.(6.3 – A.4)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **HS children.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | 10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 4.1 Four year old child enroll in Head Start. Center based or home based services begin. | Enrollment reports. Attendance Reports | **392** | Recruit and enroll children. Use curriculums to provide planned, individualized and intentional learning opportunities in all domains of development. | | | | | |
| 4.2 Head Start child complete baseline child assessment. | Child assessment forms/reports | **392** | Teachers/Home Visitors complete assessment, share with parents. | | | | | |
| 4.3 Head Start child complete second child assessment. | Child assessment forms/reports | **360** | Teachers/Home Visitors complete assessment, share with parents. | | | | | |
| 4.4 Head Start child complete third child assessment. | Child assessment form/reports | **340** | Teachers/Home Visitors complete assessment, share with parents. | | | | | |
| 4.5 Four year old child demonstrate school readiness by mastering the following:<br>a. Counts objects | Child assessment form/reports | **300** | Child Assessment reports are produced. | | | | | |
| b. Uses language to communicate | Child assessment form/reports | **300** | Child Assessment reports are produced | | | | | |

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| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **HS/EHS children.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | 10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| c. Shares experiences using words | Child assessment form/reports | **300** | Child Assessment reports are produced | | | | | |
| d. Follows directions | Child assessment form/reports | **300** | Child Assessment reports are produced | | | | | |
| e. Associates sounds with written words | Child assessment form/reports | **300** | Child Assessment reports are produced | | | | | |
| f. Shows interest & enjoyment in books | Child assessment form/reports | **300** | Child Assessment reports are produced | | | | | |
| g. Recognizes a word as a unit of print | Child assessment form/reports | **300** | Child Assessment reports are produced | | | | | |
| h. Identifies alphabet letters | Child assessment forms/reports | **200** | Child Assessment reports are produced | | | | | |
| i. Recognizes letter characteristics | Child assessment forms/reports | **200** | Child Assessment reports are produced | | | | | |
| j. Follows directions in English | Child assessment forms/reports | **200** | Child Assessment reports are produced | | | | | |
| k. Uses English to communicate | Child assessment forms/reports | **200** | Child Assessment reports are produced | | | | | |

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# Outcome Measures - Child Development Division

## Component 1 – General Child Development Division - Rural Head Start/Early Head Start

*Submitted by Patrice Griffin, Head Start Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 6** Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems

**National Performance Indicator 6.3** Child and Family Development

**Head Start Goal # 2** Strengthen families as the primary nurturers of their children.

**RurAL CAP Strategic Plan** Direction 2 – Child Development - Line of Business: Family Development Programs

**Outcome Statement #5** All Head Start/Early Head Start parents will gain experience through parent involvement in Head Start/Early Head Start to become advocates for their families.

**Performance Target #5** Out of 751 Head Start/Early Head Start parents, 600 will participate in opportunities to strengthen their families. (6.3 – C.1, C.2)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **HS/EHS parents.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | 10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 5.1 Parents enroll their children in Head Start/Early Head Start | Enrollment Forms | **751** | Priority points are assessed, acceptance notice sent. | | | | | |
| 5.2 Parents initiate family partnership agreement by identifying family strengths | Family Partnership Agreement Summary | **713** | Staff ensure Contract of Heart, Family Interest Survey and other Partnership forms are completed. | | | | | |
| 5.3 Parents volunteer in the classroom or for other center events. | Volunteer Time Sheet | **600** | Staff ensure Volunteer Time Sheets are completed and sent to Central Office, staff inform parents of volunteer opportunities | | | | | |
| 5.4 Parents attend parent experiences or other training opportunities. | Parent Experience form | **600** | Staff send Parent Experience forms to Central Office, staff provide training for parents | | | | | |
| 5.7 Parents participate in transition activities for the next educational setting. | Transition forms, Parent Experience form, Lesson Plans | **300** | Staff schedule home visits and parent trainings, Teacher/Home Visitor arranges Open House & field trip to elementary school. | | | | | |

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# Outcome Measures - Child Development Division

## Component 1 – General Child Development Division - Rural Head Start/Early Head Start

*Submitted by Patrice Griffin, Head Start Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 6** Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems

**National Performance Indicator 6.3** Child and Family Development

**Head Start Goal # 1** Enhance children's growth and development.

**RurAL CAP Strategic Plan** Direction 1 – Child Development - Line of Business: Comprehensive Early Childhood Programs

**Outcome Statement #6** All Head Start/Early Head Start children will have improved physical health.

**Performance Target #6** Out of 823 Head Start/Early Head Start children, 200 will have improved physical health as demonstrated by receipt of follow-up and treatment for identified health concerns. (6.3 – A.1)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **HS/EHS children.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | 10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 6.1 Head Start/Early Head Start children participate in the required health screenings: | Health records from PHN's. Screening summaries from staff. Misc. medical records. | **823** | Staff sends lists of children to traveling medical/ provider. Parents notified of provider travel. Staff facilitates appointments. Site staff conducts appropriate screenings. | | | | | |
| a. Vision Screening | | **806** | | | | | | |
| b. Hearing Screening | | **806** | | | | | | |
| c. Hemoglobin | | **700** | | | | | | |
| d. T.B. Test | | **700** | | | | | | |
| e. Blood Pressure | | **700** | | | | | | |
| f. Physical Exam | | **700** | | | | | | |
| g.Lead Screenings | | **400** | | | | | | |
| 6.2 Head Start/Early Head Start children are identified with health concerns. | Child files. Health records from medical providers. Child Plus data tracking systems. Parent reports. | **250** | Staff facilitates appointments. Site staffs conduct appropriate screenings. | | | | | |
| 6.3 Head Start/Early Head Start children have improved physical health as demonstrated by receipt of follow up and treatment for identified health concerns. | Child files. Health records from medical providers. Child Plus data tracking systems. Parent reports. | **200** | Staff tracks follow-up and support parents making and keeping appointments and treatment regimes. | | | | | |

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# Outcome Measures - Child Development Division

## Component 1 – General Child Development Division - Rural Head Start/Early Head Start

*Submitted by Patrice Griffin, Head Start Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 6** Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems

**National Performance Indicator 6.3** Child and Family Development

**Head Start Goal # 1** Enhance children's growth and development.

**RurAL CAP Strategic Plan** Direction 1 – Child Development - Line of Business: Comprehensive Early Childhood Programs

**Outcome Statement #7** All Head Start/Early Head Start children will have improved dental health.

**Performance Target #7** Out of 823 Head Start/Early Head Start children, 100 will have improved dental health as demonstrated by receipt of follow up and treatment for identified dental concerns. (6.3 – A.1)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **HS/EHS children.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | 10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 7.1 Head Start/Early Head Start children learn about the importance of dental health. | Classroom lesson plans and home visits plans | **823** | Staff conducts lessons on promoting positive oral health. | | | | | |
| 7.2 Head Start/Early Head Start children participate in required dental exams. | Dental records from providers. Screening summaries from staff. Misc. medical records. | **800** | Staff send lists of children to traveling provider. Parents notified of provider travel. Staff facilitate appointments. Site staff conduct appropriate screenings. | | | | | |
| 7.3 Head Start/Early Head Start children have dental concerns identified. | Dental records from providers Screening summaries from staff. Misc. medical records. Parent interviews. | **250** | Staff conduct review of dental records. | | | | | |
| 7.4 Head Start/Early Head Start children have improved dental health as demonstrated by receipt of follow-up and treatment for identified health concerns. | Child files. Dental records from providers. Child Plus data tracking systems. Parent reports. | **100** | Staff track follow-up and support parents making and keeping appointments and treatment regimes. | | | | | |

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# Outcome Measures - Child Development Division

## Component 1 – General Child Development Division - Rural Head Start/Early Head Start

*Submitted by Patrice Griffin, Head Start Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 6** Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems

**National Performance Indicator 6.3** Child and Family Development

**Head Start Goal # 1** Enhance children's growth and development.

**RurAL CAP Strategic Plan** Direction 1 – Child Development - Line of Business: Comprehensive Early Childhood Programs

**Outcome Statement #8** All Head Start/Early Head Start children will experience improved nutrition.

**Performance Target #8** Out of 823 Head Start/Early Head Start children, 100 will experience improved nutrition as demonstrated by receipt of treatment and follow-up for identified nutritional concerns. (6.3 – A.2)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **HS/EHS children**. | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | 10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 8.1 Head Start/Early Head Start children learn about the importance of nutrition. | Classroom lesson plans and home visit plans. | **823** | Teachers and home visitors promote positive nutrition. | | | | | |
| 8.2 Head Start/Early Head Start children receive an initial growth screening. | HS: Screening summaries-ht & wt charts. EHS: Health records from PHN's. Misc. medical records. Food Frequency forms. Child file. Family Wellness Survey. | **675** | HS: staff conducts growth screenings EHS: Staff facilitate medical appointments & collect medical records. Staff conducts appropriate growth screenings and Food Frequency forms. | | | | | |
| 8.3 Head Start/Early Head Start children participate in a second growth screening. | Same as above | **600** | Same as above | | | | | |
| 8.4 Head Start/Early Head Start children have nutritional concerns identified. | Health records from PHN's. Screening summaries from staff. Misc. medical records. Parent interviews. Food Frequency forms. | **100** | HS: Conduct review of growth assessments. EHS: Conduct review of growth assessments, Food Frequency records, Family Wellness Records, Physicals. Referrals to WIC. | | | | | |
| 8.5 Head Star/Early Head Start children experience improved nutrition as demonstrated by receipt of treatment and follow-up for identified nutritional concerns. | Child files. Health records from medical providers. Child Plus data tracking systems. Parent reports. | **100** | Make appropriate referrals. Track follow-up; support parent appointments and treatment regimes. Provide nutrition info. on follow-up home visits. | | | | | |

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# Outcome Measures - Child Development Division

## Component 1 – General Child Development Division - Rural Head Start/Early Head Start

*Submitted by Patrice Griffin, Head Start Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 5** Agencies increase their capacity to achieve results.

**RurAL CAP Strategic Plan** Direction 1 – Child Development - Line of Business: Comprehensive Early Childhood Programs

**Outcome Statement # 9** All Head Start/Early Head Start staff will attain competency in their position in order to provide high quality early childhood education and family services to Head Start/Early Head Start children and families.

**Performance Target # 9** Out of 220 Head Start/Early Head Start staff, 180 will complete educational and training requirements for their position.

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **HS/EHS staff**. | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | 10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 9.1 New staff learn about educational and training requirements for positions and available courses and trainings. | Staff orientation/information packets. | **220** | Training Coordinator distributes information. | | | | | |
| 9.2 New staff complete educational and training requirements for their position.<br><br>a. New site staff complete Child Abuse and Neglect and Blood Borne Pathogens Training within 45 days of hire / rehire. | Staff Training Form | **180** | Training Coordinator coordinates online training. Component Coordinators deliver training. Site supervisors arrange local training. | | | | | |
| b. New site staff obtain or renew First Aid and CPR certification. | First Aid and CPR card or certificate | **100** | Training Coordinator coordinates online training. Component Coordinators deliver training. Site supervisors arrange local training. | | | | | |
| c. Food Handlers Certification | Food Handlers Certificate | **15** | Training Coordinator coordinates online training. Component Coordinators deliver training. Site supervisors arrange local training. | | | | | |
| d. Head Start Family Advocates complete the Family Development | Family Development Credential | **4** | Training Coordinator organizes attendance for FDC. | | | | | |

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whole number (5) unduplicated customers that achieve milestone for the 1st time

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|---|---|---|---|---|---|---|---|---|
| Credential (FDC) within 2 years of hire. | | | | | | | | |
| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **HS/EHS children**. | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | 10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
| d. Head Start and Early Head Start Home Visitors complete the Family Development Credential (FDC) within 2 years of hire. | Family Development Credential | **8** | Training Coordinator organizes attendance for FDC. | | | | | |
| e. Head Start Home Visitors complete PAT 0-3 Certification Training. | PAT Certificate | **6** | Training Coordinator arranges attendance at PAT Training. | | | | | |
| f. Head Start Home Visitors complete PAT 3-5 Certification Training | PAT Certificate | **6** | Training Coordinator arranges attendance at PAT Training. | | | | | |
| g. Early Head Start Home Visitors complete PAT 0-3 Certification Training | PAT Certificate | **4** | Training Coordinator arranges attendance at PAT Training. | | | | | |
| h. Site Supervisors and Teacher Aides attain a Center Based Child Development Associate (CDA) Certification within 2 years of hire. | Training Plan, CDA Application, CDA Certificate | **4** | Training Coordinator establishes training plan and timeline. Child Development Coordinator / CDA Advisor supports TA's, completes CDA Observation. Training Coordinator submits application. | | | | | |
| i. Teachers without a CDA or AAS or greater degree in ECE will attain a Center Based Child Development Associate (CDA) Certification within 180 days of hire. | Training Plan, CDA Application, CDA Certificate | **4** | Training Coordinator establishes training plan and timeline. Child Development Coordinator / CDA Advisor supports TA's, completes the CDA Observation. Training Coordinator submits CDA application and documentation to council. | | | | | |
| j. Site Supervisors and Teacher without an AAS or greater degree in ECE make satisfactory progress toward completing the AAS within 5 years of hire. | University Advisors' education plan, University Transcripts | **19** | Teacher contact advisor each Fall and Spring Semester to determine which courses she / he will take. Training Coordinator approves courses, arranges payment, and ensure classes are completed. | | | | | |

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| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| k. Site Supervisors and Teachers hold a minimum of an AAS degree in Early Childhood or a related degree with 15 ECE credits. | University Transcripts | **20** | Training Coordinator will obtain degree documentation from each Teacher and Supervisor. | | | | | | |

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# Outcome Measures - Child Development Division

## Component 1 – General Child Development Division - Parents as Teachers Program

*Submitted by Melissa Pickle, Parents As Teachers Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 6** Low-income people, especially those populations which are the most vulnerable, achieve their potential by promoting family and other supportive environments.

**PAT Goal # 2** Strengthen families as the primary nurturers of their children.

**RurAL CAP Strategic Plan** Direction 1 - Child Development – Line of Business: Parents as Teachers

**Outcome Statement #1** PAT Parents will report improved parenting skills.

**Performance Target #1** Out of 450 PAT parents, 280 will report improved parenting skills, including skills related to positive discipline and development. (6.3 – C.1)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **PAT parents.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of families expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.1 PAT parents enroll or re-enroll in the PAT Program. | PAT Enrollment Application | **450** | Conduct recruitment activities to identify and promptly enroll eligible children | | | | | |
| 1.2 New PAT parents participate in initial home visits. | Personal Visit Record Form Individual Service Record | **200** | Initial home visits are completed | | | | | |
| 1.3 New PAT parents complete baseline survey of their parenting knowledge and skills. | Parent Survey I | **100** | Present survey to parents, ask them to complete, and collect | | | | | |
| 1.4 PAT parents complete at least 70% of scheduled home visits. | Personal Visit Record Form Individual Service Record Weekly Attendance | **200** | Family Visitor schedules home visits on a bi-monthly basis | | | | | |
| 1.5 PAT parents complete end-of-the-year evaluation data. | Parent Evaluation | **275** | Family Visitor distributes evaluation forms during final home visits. | | | | | |
| 1.6 PAT parents report improved parenting skills, including skills related to positive discipline and development. | Parent Survey I and II, Parent Evaluation and Interviews | **280** | Family Visitor presents survey/interview parent. | | | | | |

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# Outcome Measures - Child Development Division

## Component 1 – General Child Development Division - Parents as Teachers Program

*Submitted by Melissa Pickle, Parents As Teachers Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 6** Low-income people, especially those populations which are the most vulnerable, achieve their potential by promoting family and other supportive environments.

**PAT Goal # 2** Strengthen families as the primary nurturers of their children.

**RurAL CAP Strategic Plan** Direction 1 - Child Development – Line of Business: Parents as Teachers

**Outcome Statement #2** PAT parents will report increased activities to promote literacy development skills such as reading readiness, observation, critical thinking, etc.

**Performance Target #2** Out of 450 PAT parents, 280 will report an increase in activities which promote literacy and language development skills that are age appropriate. (6.3 – C.1)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **PAT parents.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 2.1 PAT parents enroll their family in the PAT Program. | PAT Enrollment Application | **450** | Conduct recruitment activities to identify and promptly enroll eligible children | | | | | |
| 2.2 New PAT parents participate in initial home visits. | Personal Visit Record Form<br>Individual Service Record | **200** | Initial home visits are completed | | | | | |
| 2.3 New PAT parents complete baseline survey of their parenting knowledge and skills (Parent Survey I). | Parent Survey I | **100** | Present survey to parents, ask them to complete, and collect | | | | | |
| 2.4 PAT parents complete at least 70% of scheduled home visits. | Personal Visit Record Form<br>Individual Service Record | **200** | Family Visitor schedules bi-monthly home visits to deliver child development information. | | | | | |
| 2.5 PAT parents complete end-of-the-year evaluation data (Parent Eval). | Parent Evaluation | **275** | Family Visitor distributes evaluation forms during final home visits. | | | | | |
| 2.6 Exiting PAT parents report an increase in activities which promote literacy and language development. | Parent Survey I and II<br>Parent Evaluation<br>Parent Interviews | **280** | Family Visitor presents survey/interview parent. | | | | | |

A box with the following symbol signifies:

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|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

# Outcome Measures - Child Development Division

## Component 1 – General Child Development Division - Parents as Teachers Program

*Submitted by Melissa Pickle, Parents As Teachers Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 2** The conditions in which low-income people live are improved.
**PAT Goal # 1** Enhance children's growth and development.
**RurAL CAP Strategic Plan** Direction 1 - Child Development – Line of Business: Parents as Teachers

**Outcome Statement #3** PAT parents will report an expanded understanding of their role as educators in the home.
**Performance Target #3** Out of 450 PAT parents, 280 will report an expanded understanding of their role as educators in the home.

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **PAT parents.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 3.1 PAT parents enroll in the PAT Program. | PAT Enrollment Application | **450** | Conduct recruitment activities to identify and promptly enroll eligible children | | | | | |
| 3.2 PAT parents participate in initial home visits. | Personal Visit Record Form Individual Service Record | **200** | Initial home visits are completed | | | | | |
| 3.3 New PAT parents complete baseline survey of their parenting knowledge and skills (Parent Survey I). | Parent Survey I | **100** | Present survey to parents, ask them to complete, and collect | | | | | |
| 3.4 PAT parents complete at least 70% of scheduled home visits. | Personal Visit Record Form Individual Service Record | **200** | Family Visitor schedules home visits on a bi-monthly basis to deliver child development information. | | | | | |
| 3.5 PAT parents complete end-of-the-year evaluation data. | Parent Evaluation | **275** | Family Visitor distributes evaluation forms during final home visits. | | | | | |
| 3.6 PAT parents report an expanded understanding of their role as educators in the home. | Parent Survey I and II end of the year evaluation form | **280** | Family Visitor presents survey/interview parent. | | | | | |

A box with the following symbol signifies:

| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

# Outcome Measures - Child Development Division

## Component 1 – General Child Development Division - Parents as Teachers Program

*Submitted by Melissa Pickle, Parents As Teachers Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 2** The conditions in which low-income people live are improved.
**PAT Goal # 1** Enhance children's growth and development.
**RurAL CAP Strategic Plan** Direction 1 - Child Development – Line of Business: Parents as Teachers

**Outcome Statement #4** PAT children will demonstrate age-appropriate skills that are key indicators of school readiness.
**Performance Target #4** Out of 460 children served, 375 will demonstrate age-appropriate skills and 60 pre-kindergarten children will demonstrate proficiency in key indicators of school readiness. (6.3 – A.3)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **PAT children.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 4.1 PAT children will be enrolled in the PAT program. | PAT Enrollment Application | **460** | Conduct recruitment activities to identify and promptly enroll eligible children | | | | | |
| 4.2 PAT children will participate in at least 70% of scheduled home visits. | Personal Visit Record Form<br>Individual Service Record<br>Weekly attendance | **200** | Family Visitor schedules home visits on a bi-monthly basis to deliver child development information. | | | | | |
| 4.3 PAT children complete developmental screening/assessments. | Ages and Stages Questionnaires | **400** | Family Visitor presents parents with evaluation assessments | | | | | |
| 4.4 PAT children demonstrate age appropriate skills. | Ages and Stages Questionnaires<br>Home visit observations | **375** | PAT staff analyze ASQ's, and home visit observations. | | | | | |
| 4.5 PAT pre-kindergarten children demonstrate proficiency on pre-kindergarten readiness skills | Ages and Stages Questionnaires<br>Home visit observations, kindergarten staff interviews | **60** | PAT staff analyze ASQ's and home visit observations, interview kindergarten teachers | | | | | |

A box with the following symbol signifies:
blank ( ) results have not been entered yet
dash (---) no program activity
zero ( 0 ) no customers achieved milestone, even though there was program activity
whole number (5) unduplicated customers that achieve milestone for the 1st time

# Outcome Measures - Child Development Division

## Component 1 – General Child Development Division - Parents as Teachers Program

*Submitted by Melissa Pickle, Parents As Teachers Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 5** Agencies increase their capacity to achieve results.
**PAT Goal # 3** Provide children with educational, health and nutritional services.
**RurAL CAP Strategic Plan** Direction 1 - Child Development – Line of Business: Parents as Teachers

**Outcome Statement #5** PAT Family Visitors will attain competency as early childhood educators, increasing their knowledge of 0-3 children and their families.

**Performance Target #5** Out of 21 PAT Family Visitors, 10 will complete the educational requirements to obtain a minimum of an Associates Degree in Early Childhood Education, Human Services, or a related degree.

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **PAT Family Visitors.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 5.1 PAT Family Visitors complete an Individual Training Plan annually to identify specific training needs | Individual Training Plan (ITP) | **21** | PAT Supervisor and /Site Supervisor facilitate completion of ITP during annual evaluation | | | | | |
| 5.2. PAT Family Visitors are certified in the Parents as Teachers prenatal-3 Curriculum. | PAT Certification certificate, ITP | **20** | PAT Coordinator organizes attendance at training institute. | | | | | |
| 5.3 PAT Family Visitors are certified in the Parents as Teachers 3 to Kindergarten Curriculum. | PAT Certification certificate, ITP | **10** | PAT Coordinator organizes attendance at training institute | | | | | |
| 5.4 PAT Family Visitors hold a Family Development Credential (FDC). | PAT Training Records, ITP, Family Development Credential | **15** | PAT Coordinator organizes attendance for FDC. | | | | | |
| 5.5 PAT Family Visitors hold a Child Development Associate's certificate. | PAT Training Records, ITP, CDA certificate | **10** | PAT Coordinator supports Family Visitors through CDA certification process | | | | | |
| 5.6 PAT Family Visitors hold an AA degree or higher in ECE, Social Services, or a related field. | PAT Training Records, ITP, University transcripts | **10** | PAT Director and PAT Coordinator plan training and monitor progress | | | | | |

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whole number (5) unduplicated customers that achieve milestone for the 1st time

| Milestone: Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **PAT Family Visitors.** | Verification: Tool or document used to verify that milestone was reached. | Projected # of people expected to participate. | Product Steps: What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| e. PAT Family Visitors seek professional development opportunities beyond the educational requirements of the program | PAT Training Records, ITP, Family Development Credential, CDA certificate, University transcripts | **7** | PAT Director or PAT Coordinator provides support and monitors progress | | | | | |

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# Outcome Measures - Child Development Division

## Component 2 – Child Development Center

*Submitted by Kim Cavanaugh, Program Manager* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 1** Low-Income People Become More Self-Sufficient
**National Performance Indicator 1.1** Employment
**RurAL CAP Strategic Plan** Direction 1 - Child Development – Line of Business: Family Development Programs

**Outcome Statement #1** All of the parents enrolled in the Child Development Center will make progress towards self-sufficiency.

**Performance Target #1** Of the 30 CDC parents enrolled, 10 parents will report increased confidence in maintaining self-sufficiency. (1.1 – A, B, C)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **CDC parents.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | 10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.1 Parents enroll their child in the Center. | Enrollment application | **30** | Center Manager enrolls families | | | | | |
| 1.2 Parents bring their child regularly for optimal attendance. | Attendance reports | **25** | Teachers record attendance | | | | | |
| 1.3 Parents complete a Family Interest Survey. | Family Interest Survey | **25** | Teachers conduct Family Interest Survey | | | | | |
| 1.4 Parents access the Center Resource Library for parenting information and child activity ideas. | Observation, resource center sign in sheet | **15** | Center Manager collates information on use of resource library | | | | | |
| 1.5 Parents access the Parent Computer for research, resume writing, job search opportunities, etc. | Observation, resource center sign in sheet | **10** | Center Manager collates information on use of parent computer | | | | | |
| 1.6 Parents are referred to community resources and services. | Referral log, Family file | **10** | Center staff record referrals. Center Manager tracks referral and follow up | | | | | |
| 1.7 Parents report increased confidence and ability to be self-sufficient. | Informal survey, anecdotal records, meeting records | **10** | Center staff conduct interviews with parents, dialogue occurs during Parent/Teacher conferences. | | | | | |

A box with the following symbol signifies:

| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

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# Outcome Measures - Child Development Division
## Component 2 – Child Development Center

*Submitted by Kim Cavanaugh, Program Manager* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 6** Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems

**National Performance Indicator 6.3** Child and Family Development

**RurAL CAP Strategic Plan** Direction 1 - Child Development – Line of Business: Comprehensive Early Childhood Programs

**Outcome Statement #3** All of the parents will increase their knowledge and understanding of their child's development and learning.

**Performance Target #3** Of the 30 CDC parents enrolled, 20 will become involved in their child's development and learning. (6.3 – C.1)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **CDC parents.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | 10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 2.1 Parents enroll their child in the Center. | Enrollment form. | **30** | Center Manager enroll families | | | | | |
| 2.2 Parents complete a child health history and a child developmental history. | Child health history<br>Child development history | **30** | Staff assist families in completing child's health and developmental history. | | | | | |
| 2.3 Parents complete an age appropriate developmental screening for their child. | Ages & Stages Questionnaire | **27** | Staff review results of developmental screening. | | | | | |
| 2.4 Parents participate in an orientation with center staff. | Orientation completion form | **27** | Staff conduct center orientation. | | | | | |
| 2.5 Parents attend or volunteer in a minimum of 2 Center activities a year. | Volunteer sign in records, Family Files, Committee minutes, Interview committee records | **20** | Staff track sign in sheets for Parent Trainings, Family Fun Nights, Center, Fundraisers, Parent Committees, Classroom time, Interview Committees, etc. | | | | | |
| 2.6 Parents attend Parent/Teacher conferences. | Parent/Teacher Conference attendance sheets. | **20** | Staff invite, schedule and complete Parent/Teacher Conferences fall and spring. | | | | | |

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| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

# Outcome Measures - Child Development Division

## Component 2 – Child Development Center

*Submitted by Kim Cavanaugh, Program Manager* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 6** Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems

**National Performance Indicator 6.3** Child and Family Development

**RurAL CAP Strategic Plan** Direction 1 - Child Development – Line of Business: Comprehensive Early Childhood Programs

**Outcome Statement #4** All the children enrolled will have positive age appropriate experiences that contribute to their individual growth and development.

**Performance Target #4** Of the 12 toddler children enrolled in the Center, 10 will demonstrate progress in Motor, Cognitive, Language, and Social Emotional skill that are based on age appropriate development and individual potential. (6.3 – C.1)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **CDC toddlers.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | 10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 3.1 Enrolled toddlers participate in baseline screening. | Ages & Stages Questionnaire | **12** | Teachers ensure ASQ is completed by parents after enrollment. | | | | | |
| 3.2 Toddlers participate in ongoing assessments. | Child Portfolio, Observation records, Family File | **12** | Teachers conduct observations and collect work sampling as part of ongoing assessment. | | | | | |
| 3.3 Toddlers demonstrate learning gains in the following developmental domains: a. Large motor | Ages & Stages Screening Results | **10** | Ongoing assessment results are used to measure learning gains. | | | | | |
| b. Cognitive | Ages & Stages Screening Results | **10** | Ongoing assessment results are used to measure learning gains. | | | | | |
| c. Language | Ages & Stages Screening Results | **10** | Ongoing assessment results are used to measure learning gains. | | | | | |
| d. Social Emotional | Ages & Stages Screening Results | **10** | Ongoing assessment results are used to measure learning gains. | | | | | |
| e. Fine Motor | Ages & Stages Screening Results | **10** | Ongoing assessment results are used to measure learning gains. | | | | | |

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dash (---) no program activity

zero ( 0 ) no customers achieved milestone, even though there was program activity

whole number (5) unduplicated customers that achieve milestone for the 1st time

1162

# Outcome Measures - Child Development Division

## Component 2 – Child Development Center

*Submitted by Kim Cavanaugh, Program Manager* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 6** Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems

**National Performance Indicator 6.3** Child and Family Development

**RurAL CAP Strategic Plan** Direction 2 - Child Development – Line of Business: Family Development Programs

**Outcome Statement #2** All children enrolled will participate in age appropriate experiences that contribute to their individual growth and development.

**Performance Target #2** Of the 18 preschool children enrolled in the Child Development Center, 6 pre-kindergarten children will demonstrate proficiency on key indicators of school readiness. (6.3 – A.3)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **CDC preschool children.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | 10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 4.1 Preschool children are enrolled in program. | Enrollment records | **18** | Center Manager assists parents in completing enrollment process. | | | | | |
| 4.2 Preschool children participate in ongoing assessments. | Child Portfolio, Observation records, Family File | **18** | Teachers conduct observations and collect work sampling as part of ongoing assessment. | | | | | |
| 4.3 Prekindergarten children demonstrate proficiency in key indicators of school readiness. : a. Large motor | Ages & Stages Screening Results | **6** | Ongoing assessment results are used to measure learning gains. | | | | | |
| b. Cognitive | Ages & Stages Screening Results | **6** | Ongoing assessment results are used to measure learning gains. | | | | | |
| c. Language | Ages & Stages Screening Results | **6** | Ongoing assessment results are used to measure learning gains. | | | | | |
| d. Social Emotional | Ages & Stages Screening Results | **6** | Ongoing assessment results are used to measure learning gains. | | | | | |
| e. Fine Motor | Ages & Stages Screening Results | **6** | Ongoing assessment results are used to measure learning gains. | | | | | |

A box with the following symbol signifies:

| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

| Budget Summary FY 2011<br>Community Services Block Grant | Rural Alaska<br>Community Action Program, Inc. | Component: CHILD DEVELOPMENT DIVISION |
|---|---|---|

| GRANT NUMBER: | FUNDING PERIOD FOR WHICH FUNDS ARE REQUESTED<br>Beginning Date: April 1, 2011<br>Ending Date: June 30, 2012 | GOAL STATUTORY AUTHORITY (S)<br>Public Law 97-35<br>Section 675 | ESTIMATED UNEXPENDED CSBG FUNDS AVAILABLE AT END OF CURRENT FUNDING PERIOD (Attach most recent Monthly and/or Quarterly Financial Report): |
|---|---|---|---|

BUDGET SUMMARY (NEW APPLICATIONS – complete "TOTAL REQUESTED BUDGET" Column ONLY. CONTINUATIONS – Complete "CSBG APPROVED BUDGET FOR THE CURRENT FUNDING PERIOD" and "TOTAL REQUESTED BUDGET" Columns ONLY. AMENDMENTS – "CSBG APPROVED BUDGET FOR THE CURRENT FUNDING PERIOD", "REQUESTED AMENDMENT TO CURRENT CSBG BUDGET and "TOTAL REQUESTED BUDGET" Columns.)

| | COST CATEGORY | (I) CSBG Approved Budget for the Current Funding Period No. months of operation: 12 | | (II) Requested Amendment to Current CSBG Approved Budget (+ or -) | | (III) TOTAL REQUESTED BUDGET No. months of operation: 12 | | (IV) TOTAL DCRA APPROVED BUDGET No. months of operation: 12 | |
|---|---|---|---|---|---|---|---|---|---|
| | | CSBG Federal | Non Federal | CSBG Federal | Non Federal | CSBG Federal | Non Federal | CSBG Federal | Non Federal |
| | | (1) | (2) | (1) | (2) | (1) | (2) | (1) | (2) |
| 10 | PERSONNEL | | | | | $268,382 | | | |
| 20 | CONTRACTUAL | | | | | $0 | | | |
| 30 | TRAVEL | | | | | $3,600 | | | |
| 40 | BUILDING SPACE | | | | | $112,764 | | | |
| 50 | GENERAL SUPPLY | | | | | $0 | | | |
| 60 | PROGRAM SUPPLY | | | | | $0 | | | |
| 70 | EQUIPMENT | | | | | $0 | | | |
| 80 | COMMUNICATION | | | | | $164,434 | | | |
| 90 | OTHER | | | | | $0 | | | |
| | TOTAL DIRECT<br>ADMINISTRATIVE COSTS | | | | | $549,180<br>$120,820 | | | |
| | **TOTAL** | | | | | **$670,000** | | | |

# Child Development Division
## Component Summary

| Cost Cat. No. | Cost Category | General Child Development Division | Child Development Center | TOTAL |
|---|---|---|---|---|
| 10 | Personnel | $170,322 | $98,060 | **$268,382** |
| 20 | Contractual | | | **$0** |
| 30 | Travel | $3,600 | | **$3,600** |
| 40 | Building Space | $9,185 | $103,579 | **$112,764** |
| 50 | General Supplies | | | **$0** |
| 60 | Program Supplies | | | **$0** |
| 70 | Equipment | | | **$0** |
| 80 | Communications | $164,434 | | **$164,434** |
| 90 | Other | $0 | | **$0** |
| | **Direct Costs** | $347,541 | $201,639 | **$549,180** |
| | **Administrative Costs** | $76,459 | $44,361 | **$120,820** |
| | **TOTAL COSTS** | $424,000 | $246,000 | **$670,000** |

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# CSBG - FY 2011 - CHILD DEVLOPMENT DIVISION

**BUDGET SUPPORT SHEET** (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW __ AMENDMENT<br>___ CONTINUATION OF GRANT # | Mar-10 |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | AMOUNT OR VALUE OF EACH ITEM | | |
|---|---|---|---|---|
| | | CSBG FEDERAL SHARE | NON FEDERAL SHARE | |

## Component 1 - GENERAL CHILD DEVELOPMENT DIVISION

| | | | | |
|---|---|---|---|---|
| 510 | **510 PERSONNEL:** (includes estimates for COLA/merit increase) | | | |
| | 100 - Child Development Division Director annual salary (100%) | $109,774 | | |
| | 100 - Project Coordinator annual salary (30%) | $15,463 | | |
| | *Subtotal Personnel* | $125,237 | | |
| | 500 - Fringe ($125,237 x 36%) | $45,085 | | |
| | **TOTAL COST OF PERSONNEL** | **$170,322** | **$170,322** | |
| 530 | **530 TRAVEL COSTS:** | | | |
| | 100 - Staff Per Diem in State | | | |
| | ▪ 3 trips by CD Division Dir. to CDPC meetings and Board meetings Site visits | $1,800 | | |
| | 500 - Staff Travel in State | | | |
| | ▪ 3 trips by CD Division Dir. to CDPC meetings and Board meetings | $1,800 | | |
| | **TOTAL COST OF TRAVEL** | **$3,600** | **$3,600** | |
| 540 | **540 SPACE COST** | | | |
| | 100-Office space cost @ $765.39 per month x 12 | $9,185 | | |
| | **TOTAL SPACE COST** | **$9,185** | **$9,185** | |

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## CSBG - FY 2011 - CHILD DEVLOPMENT DIVISION

**BUDGET SUPPORT SHEET** (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW __ AMENDMENT<br>___ CONTINUATION OF GRANT # | Mar-10 |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | | AMOUNT OR VALUE OF EACH ITEM | |
|---|---|---|---|---|
| | | | CSBG FEDERAL SHARE | NON FEDERAL SHARE |
| 580 | **580 COMMUNICATIONS COSTS:** | | | |
| | 600 - I.T. costs for Head Start / Early Head Start staff | $164,434 | | |
| | **TOTAL COMMUNICATION COSTS** | **$164,434** | **$164,434** | |
| | | | | |
| | Direct Cost of Component | | $347,541 | |
| | Administrative Costs of Component @ 22% | | $76,459 | |
| | **Total Cost of Component** | | **$424,000** | |

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## CSBG - FY 2011 - CHILD DEVLOPMENT DIVISION

**BUDGET SUPPORT SHEET** (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW __ AMENDMENT<br>___ CONTINUATION OF GRANT # | Mar-10 |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

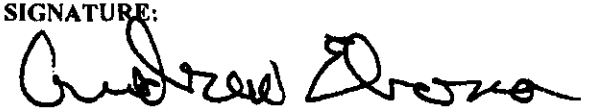
| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | AMOUNT OR VALUE OF EACH ITEM | | |
|---|---|---|---|---|
| | | CSBG FEDERAL SHARE | NON FEDERAL SHARE | |
| **Component 2 - CHILD DEVELOPMENT CENTER** | | | | |
| 510 | **510 PERSONNEL** | | | |
| | 100 - Center Manager annual salary (100%) | $54,704 | | |
| | 100 - Preschool Teacher (60%) | $17,399 | | |
| | *Subtotal Personnel* | *$72,103* | | |
| | 500 - Fringe ($72,103 x 36%) | $25,957 | | |
| | **TOTAL COST OF PERSONNEL** | **$98,060** | **$98,060** | |
| 540 | **540 SPACE COST** | | | |
| | Lease costs @ $8343 per month x 2 | $16,686 | | |
| | Lease costs @ $8593 per month x 10 | $85,930 | | |
| | Utilities @ $80.25 month x 12 | $963 | | |
| | **TOTAL SPACE COST** | **$103,579** | **$103,579** | |
| | Direct Cost of Component | | $201,639 | |
| | Administrative Cost @ 22% | | $44,361 | |
| | **Total cost of Component** | | **$246,000** | |

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| I. COMMUNITY SERVICES BLOCK GRANT WORK PLAN (Please type or print clearly) | | | II. (5) GOAL STATUTORY AUTHORITY(S) | Component I: GENERAL CHILD DEVELOPMENT |
|---|---|---|---|---|
| (1) NAME OF APPLICANT AGENCY<br>*Rural Alaska Community Action Program, Inc.* | (2) NAME/TITLE EXECUTIVE DIRECTOR<br>*David Hardenbergh* | (3) PHONE (Area Code)<br>*(907) 279-2511* | | |
| (4) ADDRESS<br>*P.O. Box 200908* | CITY<br>*Anchorage* | STATE<br>*Alaska* | III. ZIP CODE<br>*99520-0908* | Period : April 1, 2011 – June 30, 2012 |

| (6) PROJECT TITLE AND STATEMENT OF ONE-YEAR GOALS | (7) ACTIVITIES REQUIRED TO ACHIEVE GOAL | (8) TIME TABLE PROGRAM YEAR QUARTER 1st | 2nd | 3rd | 4th | (9) TRAINING AND TECHNICAL ASSISTANCE REQUIRED | (10) CSBG FUNDS | (11) No. Mos. | (12) Other Funds | (13) Planned Completion |
|---|---|---|---|---|---|---|---|---|---|---|
| National CSBG Goal #2:<br>The Conditions in Which Low-Income People Live Are Improved.<br>National CSBG Goal #5:<br>Agencies increase their capacity to achieve results.<br>National CSBG Goal #6:<br>Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Promoting Family and Other Supportive Environments. | COMPONENT I : GENERAL CHILD DEVELOPMENT DIVISION<br>A. Provide salary for the Child Development Division Director and Project Coordinator<br>B. CD Division Director to CDPC Meetings and Board Meetings<br>C. Support PAT Program:<br>1. Recruit/enroll families<br>2. Conduct Home Visits<br>D. Support Child Development Division activities. | X<br>X<br>X<br>X | X<br>X<br>X<br>X | X<br>X<br>X<br>X | X<br>X<br>X<br>X | 1. CAP Conference<br>2. Head Start Conference<br>3. PAT State Office<br>4. PAT National Center | $ 424,000 | 12 | $1,000,000 – Federal Head Start<br>$1,000,000 – State Head Start | Ongoing |
| | | TOTALS CARRIED FORWARD FROM PREVIOUS PAGES (IF ANY) | | | | GRAND TOTAL | $ 424,000 | | $2,000,000 | |

(14) THIS APPLICATION HAS BEEN (check "a" or "b" as appropriate):
a. (X) Approved by the applicant's governing board. b. ( ) Reviewed by the applicant's administering board and approved by its governing officials.

| (15) NAME AND TITLE OF PRINCIPAL GOVERNING OFFICIAL OR PRINCIPAL OFFICER OF GOVERNING BOARD | SIGNATURE: | DATE: | DATE OF BOARD APPROVAL: |
|---|---|---|---|
| RurAL CAP Board President, Andrew Ebona |  | March 17, 2010 | March 17, 2010 |

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IV. COMMUNITY SERVICES BLOCK GRANT WORK PLAN
(Please type or print clearly)

V. (5) GOAL STATUTORY AUTHORITY(S) — Component 2: CHILD DEVELOPMENT CENTER

| (2) NAME OF APPLICANT AGENCY | (5) NAME/TITLE EXECUTIVE DIRECTOR | (6) PHONE (Area Code) |
|---|---|---|
| *Rural Alaska Community Action Program, Inc.* | *David Hardenbergh* | *(907) 279-2511* |

| (7) ADDRESS | CITY | STATE | VI. ZIP CODE |
|---|---|---|---|
| *P.O. Box 200908* | *Anchorage* | *Alaska* | *99520-0908* |

Period : April 1, 2011 – June 30, 2012

| (6) PEOJECT TITLE AND STATEMENT OF ONE-YEAR GOALS | (7) ACTIVITIES REQUIRED TO ACHIEVE GOAL | (8) TIME TABLE PROGRAM YEAR QUARTER 1st | 2nd | 3rd | 4th | (9) TRAINING AND TECHNICAL ASSISTANCE REQUIRED | (10) CSBG FUNDS | (11) No. Mos. | (12) Other Funds | (13) Planned Completion |
|---|---|---|---|---|---|---|---|---|---|---|
| National CSBG Goal #1:<br>Low-income people become more self-sufficient.<br>National CSBG Goal #6:<br>Low-Income People, especially those populations which are the most vulnerable, achieve their potential by promoting family and other supportive environments.<br>RurAL CAP Goal:<br>To enhance the education, social, physical, mental, and spiritual well-being and quality of life or rural Alaskan children and families. | COMPONENT 2: CHILD DEVELOPMENT CENTER<br>A. Renew Municipality of Anchorage Child Care License.<br>B. Maintain enrollment of 30 children annually<br>C. Recruit and train a stable, qualified teaching staff.<br>D. Maintain collaborative relationships with other service agencies in Anchorage and UAA's Early Childhood and Social Work programs.<br>E. Support Child Development Center activities. | X<br>X<br>X<br>X<br>X | X<br>X<br>X<br>X<br>X | X<br>X<br>X<br>X<br>X | X<br>X<br>X<br>X<br>X | 1. Municipality of Anchorage<br>2. Thread- Child Care Resource & Referral<br>3. National Association for the Education of Young Children<br>4. Program for Infant Learning<br>5. Anchorage School District<br>6. UAA's Early Childhood AA & BA programs | $ 246,000 | 12 | | On-going |
| | | TOTALS CARRIED FORWARD FROM PREVIOUS PAGES (IF ANY) | | | | | $ 424,000<br>$ 670,000 | | $2,000,000<br>$2,000,000 | |

(14) THIS APPLICATION HAS BEEN (check "a" or "b" as appropriate):
a. (X) Approved by the applicant's governing board. b. ( ) Reviewed by the applicant's administering board and approved by its governing officials.

| (15) NAME AND TITLE OF PRINCIPAL GOVERNING OFFICIAL OR PRINCIPAL OFFICER OF GOVERNING BOARD | SIGNATURE: | DATE: | DATE OF BOARD APPROVAL: |
|---|---|---|---|
| RurAL CAP Board President, Andrew Ebona | Andrew Ebona | March 17, 2010 | March 17, 2010 |

*Community Services Block Grant FY 2011 Proposal*

# Community Development Division

# NARRATIVE

## SUMMARY OF COMPONENTS

**I. AmeriCorps Programs Component** -- Provides funds to match and support the RAVEN Youth Development (YDA) and BIRCH AmeriCorps Programs administered by RurAL CAP under the authority of the Serve Alaska Commission through State of Alaska, Department of Commerce, Community and Economic Development. These national service programs recruit, train and place thirty five AmeriCorps Members annually into full-time positions focusing on community health and wellness, solid waste management, environmental education, substance abuse prevention, and leadership development through partnerships with rural health clinics, tribal and city councils and Head Start programs statewide.

**II VISTA Program Component** -- Provides funds to support the VISTA Member positions administered by RurAL CAP. Core funding for VISTA Member support comes from the federal Corporation for National and Community Service through the Alaska State VISTA Office. These programs use a community development approach to recruit, train and place VISTA Members into full-time positions focusing on energy conservation, energy efficiency, accessing renewable energy options and other community development priorities. This program supports up to 20 VISTA members and two VISTA Leaders annually who work through tribal and city council offices and other non-profit organizations.

**III. Rural Providers' Conference Component** -- Provides funds to plan, organize and implement the annual Rural Providers' Conference (RPC), a five-day statewide alcohol and drug abuse prevention conference for 400 low-income rural Alaskans. The RPC serves as a cornerstone for Alaska's *Native Sobriety Movement.* The numerous linkages and partnerships created by the RPC among the providers of substance abuse prevention services strengthen support systems for low-income people and result in increased self-sufficiency and improved living conditions in rural communities.

**IV. Community Development Component** – Provides support for the coordination and implementation of the other Community Development Division activities - such as substance abuse prevention, tobacco prevention and control, youth development, solid waste management, energy efficiency or the protection of indoor air quality in rural homes.

## PROGRAM OUTCOME STATEMENT

The programs and components within the Community Development Division provide a range of services and activities which have a significant and measurable impact on the causes and conditions of poverty in Alaska, particularly in rural communities. The common thread linking these programs is their shared outcome statement:

> *To create measurable improvements in the conditions and behaviors and rural Alaskans which enhance their educational, social, physical, mental and spiritual quality of life.*

This outcome represents the culmination of the following **CSBG goals**:

1) Low-income people become more self-sufficient;
2) The conditions of low-income people's lives are improved;
3) Low-income people own a stake in their community;
4) Partnerships among providers of services to low-income people are achieved;
5) Agencies increase their capacity to achieve results; and
6) Low-income people promote family and other supportive environments.

The outcome statements listed in the ROMA (Results Oriented Management and Accountability) model for each of the five program components of the Community Development Division are listed below:

### I. AmeriCorps Programs Component

1. RAVEN YDA and BIRCH AmeriCorps members will recruit community members to volunteer their time to make the community a better place.
2. All RAVEN YDA and BIRCH AmeriCorps members will increase their income, their education, and their employment skills through AmeriCorps service.
3. Students in Service AmeriCorps members will successfully complete their AmeriCorps service and post-secondary education.

### II. VISTA Programs Component

1. All VISTA sponsoring organizations will increase their capacity to design, fund and administer their own programs addressing energy and other local priorities.
2. All VISTA members will increase their income, their education, and their employment skills through VISTA service.

### III. Rural Providers' Conference Component

1. All RPC participants will strengthen their own sobriety as a result of their RPC participation.

### IV. Community Development Component

1. Community members in AmeriCorps communities working to address tobacco will strengthen their commitment to a tobacco-free lifestyle.

2. Youth in AmeriCorps communities will report an increase in life skills and social competencies.
3. Solid waste service providers will increase their capacity to successfully obtain and administer solid waste management grant projects, improving environmental conditions in rural Alaskan communities.
4. Rural Alaskan residents will learn about Indoor Air Quality.

## NEED FOR SERVICES

### Program Customers

The target population for Community Development programs supported by CSBG include a wide range of low-income people living in diverse conditions across Alaska. The vast majority, approximately 90%, of service recipients are Alaska Native people living in remote rural villages with no road access. These communities experience some of the worst social and economic conditions in the country as measured by rates of income, employment, education, alcohol and drug abuse, domestic violence, accidental death and suicide. Economically and socially, the program customers range from low-income energy assistance recipients to an upwardly moving, low-income person such as an AmeriCorps Member who uses the opportunity to gain the skills and education to obtain regular employment and a high degree of self-sufficiency and community involvement.

### Program Products

The products of Community Development programs include **education, employment, job skills, training, youth development, independent living skills, improved housing, lower fuel bills, less substance abuse, improved environmental conditions and healthier families.**

Rural Alaskans suffering directly or indirectly from the effects of substance abuse in their families and communities are blocked from experiencing their full social and economic potential. Effective and culturally relevant alcohol and drug abuse prevention services remove this obstacle to self-sufficiency.

RurAL CAP's AmeriCorps and VISTA programs remove obstacles and solve problems which block the achievement of self-sufficiency for low-income people by providing community-based economic and social development, local employment, training and job skills, and educational opportunities for higher learning.

The Rural Providers' Conference is an annual opportunity for low-income people from rural Alaska to gain new skills, develop personally and professionally to improve the health and social conditions of their communities.

With a commitment to reporting the measurable results that CSBG-supported programs have in building self-sufficiency and improving the conditions and behaviors of low-income people, the

Community Development Division has applied an outcome management model to evaluate its effectiveness. This model incorporates customer performance targets, milestones and verification indicators to evaluate not just program objectives and activities, but rather to measure the outcomes or results of those activities on moving low-income people out of poverty and into increased involvement in their communities and self-sufficiency in their lives.

## OUTCOME MANAGEMENT MODEL

The outcome management models for the Community Development Division are formatted horizontally on the following pages. These pages complete the narrative section of this CSBG work plan for the following components:

I. **AmeriCorps Programs Component**
II. **VISTA Program Component**
III. **Rural Providers' Conference Component**
IV. **Community Development Component**

# Outcome Measures - Community Development Division

## Component I - AmeriCorps Programs

*Submitted by Catherine Clements, Community Development Division Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 3** Low-Income People Own a Stake in Their Community.
**National Performance Indicator 3.1** Civic Investment
**AmeriCorps Goal # 2** Community Strengthening
**RurAL CAP Strategic Plan** Direction #2 – Community Development – Line of Business: Community Service

**Outcome Statement #1** RAVEN YDA and BIRCH AmeriCorps members will recruit community members to volunteer their time to make the community a better place.

**Performance Target #1** Of the 5,000 people that attend events sponsored by RAVEN YDA and BIRCH AmeriCorps members, 2,500 will volunteer to help with AmeriCorps projects, and 250 will provide ongoing support to AmeriCorps sponsored events and projects. (3.1)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target **for community members in AmeriCorps Communities.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.1 Community members participate in at least one healthy activity sponsored by the AmeriCorps member. | Monthly Activity Log | **5,000** | Staff provide training to ACMs on hosting a community event. | | | | | |
| 1.2 Community members volunteer to help AmeriCorps member with an activity. | Monthly Activity Log | **2,500** | Staff provide training to ACMs on volunteer recruitment. | | | | | |
| 1.3 Community members partner with AmeriCorps members to host one event. | Monthly progress reports and activity logs. | **500** | Staff provide training and support to ACMs. | | | | | |
| 1.4 Community members partner with AmeriCorps member to provide ongoing support to AmeriCorps events and projects. | Monthly progress reports and activity logs. | **100** | Staff coach and guide ACMs to build ongoing relationships and support in their community. | | | | | |

A box with the following symbol signifies:
blank ( ) results have not been entered yet
dash (---) no program activity
zero ( 0 ) no customers achieved milestone, even though there was program activity
whole number (5) unduplicated customers that achieve milestone for the 1st time

# Outcome Measures - Community Development Division

## Component I - AmeriCorps Programs

*Submitted by Catherine Clements, Community Development Division Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 1** Low-Income People Become More Self-Sufficient.
**National Performance Indicator 1.1** Employment Supports
**AmeriCorps Goal # 3** AmeriCorps Member Development
**RurAL CAP Strategic Plan** Direction #2 – Community Development – Line of Business: Community Service

**Outcome Statement #2** All RAVEN YDA and BIRCH AmeriCorps members will increase their income, their education, and their employment skills through AmeriCorps service.

**Performance Target #2** Out of 95 RAVEN YDA and BIRCH AmeriCorps applicants, 35 will swear-in to service and 30 will increase their income, education, employment skills, and obtain a job as a result of their AmeriCorps service. (1.1 – B)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target **for BIRCH and RAVEN YDA AmeriCorps Members (ACM).** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 2.1 ACM candidates learn about position opening and submit an completed application. | Completed ACM applications submitted to Central Office. | **95** | Staff distribute applications to all tribal and city councils and health clinics; recipients advertise position locally. | | | | | |
| 2.2 ACM candidates are selected for and complete interviews. | Screening score sheets; interview schedule and score sheets. | **55** | Selection Committee screens applications and interviews candidates. | | | | | |
| 2.3 ACM candidates are offered and accept AC position. | Interview score sheets, ACM acceptance letter. | **35** | Selection Committee selects 15 ACMs and notify of acceptance. | | | | | |
| 2.4 ACMs complete orientation training and swear-in to AmeriCorps service. | Orientation training attendance records; swearing-in ceremony program. | **35** | Staff provide training and swearing-in ceremony. | | | | | |

A box with the following symbol signifies:
blank ( ) results have not been entered yet
dash (---) no program activity
zero ( 0 ) no customers achieved milestone, even though there was program activity
whole number (5) unduplicated customers that achieve milestone for the 1st time

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target **for BIRCH and RAVEN YDA AmeriCorps Members (ACM).** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 2.5 ACMs receive bi-monthly living allowance payments for three months of service year. | Central Office payroll records. | **34** | ACMs completed timesheet with Site and Central Office supervisors signatures; timesheet submitted to payroll. | | | | | |
| 2.6 ACMs receive bi-monthly living allowance payments for six months of service year. | Central Office payroll records. | **32** | ACMs completed timesheet with Site and Central Office supervisors signatures; timesheet submitted to payroll. | | | | | |
| 2.7 ACMs participate actively in in-service training events and gain new skills and ideas. | In-service training attendance records and evaluation. | **32** | Staff provide training. | | | | | |
| 2.8 ACMs identify at least three personal/professional skills achieved through their service. | Completed ACM mid-service evaluations. | **32** | Staff provide training on goal-setting and opportunity for ACMs to identify personal/professional skills to improve. | | | | | |
| 2.9 ACMs receive bi-monthly living allowance payments for twelve month service year. | Central Office payroll records. | **30** | ACMs completed timesheet with Site and Central Office supervisors signatures; timesheet submitted to payroll. | | | | | |
| 2.10 ACMs earn education award. | AmeriCorps Completion of Service form | **30** | ACMs complete term of service | | | | | |
| 2.11 ACMs identify at least six personal/professional skills achieved through their service. | Completed ACM end of service evaluations. | **30** | ACMs identify three personal/professional goals to achieve; staff provide support. | | | | | |
| 2.12 ACMs will apply public health and conservation skills learned during AmeriCorps service in the year following AC service. | Post-service survey | **30** | Former ACMs apply new skills and education to community service activities. | | | | | |
| 2.13 ACMs will obtain a job within one year of completion of AC service. | Post-service survey | **30** | Former ACMs obtain a job | | | | | |

A box with the following symbol signifies:

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|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

# Outcome Measures - Community Development Division

## Component I – AmeriCorps Programs

*Submitted by Joie Brown, Community Development Manager* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 1** Low-Income People Become More Self-Sufficient
**National Performance Indicator 1.2** Employment Supports
**AmeriCorps Goal # 3** AmeriCorps Member Development
**RurAL CAP Strategic Plan** Direction #2 – Community Development – Line of Business: Community Service

**Outcome Statement #3** Students In Service AmeriCorps members will successfully complete their AmeriCorps service and post-secondary education.

**Performance Target #3** Of 150 Nursing and Social Work Students, 65 will enroll in Students In Service and 58 will successfully complete their service and 45 will complete their post-secondary education and receive a diploma within 18 months of completing their service. (1.2 – A, C)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target **for Students In Service AmeriCorps members.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 3.1 Potential AmeriCorps members (ACMs) receive information about the Students In Service (SIS) Program. | Confirmation from University staff | **120** | -Meet with University Staff<br>-Flyers placed throughout the University<br>-Email invite to all eligible students. | | | | | |
| 3.2 ACMs attend orientation for the program. | Sign-up sheets at orientation meetings. | **80** | - Organize orientation times.<br>- Present orientation material. | | | | | |
| 3.3 ACMs sign up for the program and swear into service. | Enrollment paperwork. | **65** | - Organize orientation times.<br>- Present program information. | | | | | |
| 3.4 ACMs work within their host agencies to address social service and public health issues. | Member participation agreement. | **65** | Work with University Staff to ensure members are in appropriate placements. | | | | | |
| 3.5 ACMs turn in timelogs monthly. | Member timelogs | **60** | Reminders to members via email and phone. | | | | | |

A box with the following symbol signifies:

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| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target **for Students In Service AmeriCorps members**.. | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 3.6 ACMs submit semester reports. | Member progress reports. | **60** | Reminders to members via email and phone. | | | | | |
| 3.7 ACMs identify at least three new skills gained though their AmeriCorps/practicum experience. | Self-reporting on semester report. | **58** | Work with University Staff to ensure members are getting hands-on experience. | | | | | |
| 3.8 ACMs participate in National Service Day. | Self-reporting on semester report. | **58** | - Cover this in orientation.<br>- Email and phone members about volunteer opportunities. | | | | | |
| 3.9 ACMs successfully complete their service and earn an education award. | Exit Form | **58** | ACMs complete tern of service. | | | | | |
| 3.10 ACMs complete post-secondary education and obtain diploma within 18 months of completing their service. | University records | **45** | Work with University Staff. | | | | | |

A box with the following symbol signifies:

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| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

# Outcome Measures - Community Development Division

## Component II – VISTA Programs

*Submitted by Catherine Clements, Community Development Division Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 2** The Conditions in Which Low-Income People Live are Improved
**National Performance Indicator 2.2** Employment Supports
**RurAL CAP Strategic Plan** Direction #2 – Community Development - Line of Business: Capacity Building

**Outcome Statement #1** All VISTA sponsoring organizations will significantly increase their capacity to design, fund and administer their own programs addressing energy and other local priorities.

**Performance Target #1** Out of 10 VISTA sites served by the VISTA Energy Program (VEP), 8 will demonstrate increased capacity of the sponsoring council to effectively implement energy plans, energy conservation, efficiency or renewable energy initiatives, or address other initiatives prioritized by the community. (2.2 – C)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target **for VISTA community councils.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.0 VISTAs complete community needs assessments and work plans in collaboration with the sponsoring organization and site supervisor. | Quarterly progress reports. | **9** | Staff and site supervisors provide VISTAs with training and ongoing technical support. | | | | | |
| 1.1 VISTAs work in collaboration with the sponsoring organization and site supervisor and other community members to create or revise a community energy plan or other plan responding to community priorities. | Quarterly progress reports. | **9** | Staff and site supervisors provide VISTAs with training and ongoing technical support. | | | | | |
| 1.3 VISTA sites complete first step of the plan by providing training, identifying new funding sources, designing community projects, submitting funding proposals or other means of building capacity. | Quarterly progress reports. | **9** | Staff and site supervisors provide VISTAs with training and ongoing technical support. | | | | | |

A box with the following symbol signifies:

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|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **VISTA community councils.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.4 VISTA sites leverage funding (cash and in-kind) or other resources (local volunteers) to meet needs identified in community plans to improve energy or other community priorities. | Quarterly progress reports. | **8** | Staff and site supervisors provide VISTAs with training and ongoing technical support. | | | | | |
| 1.5 VISTA sites implement and evaluate planned initiatives. | Quarterly progress reports. | **8** | Staff and site supervisors provide VISTAs with training and ongoing technical support. | | | | | |
| 1.6 VISTA sites will demonstrate increased capacity of the sponsoring council to effectively implement energy plans and energy conservation, efficiency or renewable energy initiatives, or address other initiatives prioritized by the community. | Quarterly progress reports. | **8** | Staff and site supervisors provide VISTAs with training and ongoing technical support. | | | | | |

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| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

# Outcome Measures - Community Development Division

## Component II - VISTA Programs

*Submitted by Ellen Kazary, Community Development Manager* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 1** Low-Income People Become More Self-Sufficient.
**National Performance Indicator 1.1** Employment Supports
**AmeriCorps Goal # 3** AmeriCorps Member Development
**RurAL CAP Strategic Plan** Direction #2 – Community Development – Line of Business: Community Service

**Outcome Statement #2** All VISTA members will increase their income, their education, and their employment skills through VISTA service.

**Performance Target #2** Out of 50 VISTA applicants, 20 will be selected and 15 will increase their income, their education, and their employment skills as a result of their VISTA service. (1.1 – B)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target **for VCMP & Energy VISTA members.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 2.1 VISTA candidates learn about position opening and submit completed application. | Completed VISTA applications submitted to Central Office. | **50** | Staff distribute applications and program information to all city and tribal councils statewide | | | | | |
| 2.2 VISTA candidates are selected for and complete interviews. | Screening score sheets; interview schedule and score sheets. | **30** | Selection Committee screens applications and interviews candidates. | | | | | |
| 2.3 VISTA candidates are offered and accept position. | Interview score sheets; VISTA acceptance letter. | **20** | Selection Committee selects 6 VISTAs and notify of acceptance. | | | | | |
| 2.4 VISTAs complete orientation training and swear-in to VISTA service. | Orientation training attendance records; swearing-in ceremony program. | **20** | Staff coordinate travel and provide training. | | | | | |

A box with the following symbol signifies:
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dash (---) no program activity
zero ( 0 ) no customers achieved milestone, even though there was program activity
whole number (5) unduplicated customers that achieve milestone for the 1st time

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **VCMP & Energy VISTA members**. | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 1/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 2.5 VISTAs maintain monthly contact with Central Office staff. | VISTA contact records (correspondence and phone). | **18** | VISTAs write or phone Central Office staff at least once per month to discuss progress. | | | | | |
| 2.6 VISTAs actively participate in program teleconferences. | Teleconference attendance records. | **18** | Staff organize teleconferences. | | | | | |
| 2.7 VISTAs host Central Office site visitor; coordinate meeting with local site staff and community leaders. | Staff trip reports. | **18** | VISTAs and staff plan for site visit. | | | | | |
| 2.8 VISTAs participate actively in in-service training events and gain new skills and ideas. | In-service training attendance records and evaluations. | **18** | Staff provide training. | | | | | |
| 2.9 VISTAs increase their income, education and employment skills as a result of their VISTA service. | Post-service evaluations. | **15** | Staff tabulate post-service evaluations. | | | | | |

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dash (---) no program activity

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whole number (5) unduplicated customers that achieve milestone for the 1st time

# Outcome Measures - Community Development Division

## Component III - Rural Providers' Conference

*Submitted by Joie Brown, Community Development Manager* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 3** Low-Income People Own a Stake in Their Community
**National Performance Indicator 3.2** Community Empowerment through Maximum Feasible Participation
**RurAL CAP Strategic Plan** Direction #2 – Community Development – Line of Business: Wellness

**Outcome Statement #1** All RPC participants will strengthen their own sobriety as a result of their RPC participation.
**Performance Target #1** Of the 400 RPC participants, 200 will strengthen their own sobriety and 150 will apply the knowledge learned at the RPC and engage in community activities or groups which support their own well-being and that of their community. (3.2 - D)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target **for RPC participants.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.1 Potential participants receive information about the upcoming RPC | File copies of RPC announcement and promotional materials, Address lists for RPC mailings | **4,000** | Set conference site and dates, Arrange host and cosponsor, Coordinate planning process, Produce and distribute RPC materials | | | | | |
| 1.2 Participants submit completed RPC registration form | Copies of completed registration forms in RPC files | **300** | Prepare and distribute registration forms, Process forms and participant list | | | | | |
| 1.3 Participants arrange travel to and accommodations at RPC community | On-site registration | **300** | Compile and distribute travel and housing information, Reserve room blocks | | | | | |
| 1.4 Participants actively participate in RPC workshops, general sessions and cultural events | Staff observation, Photos in conference summary, Evaluation forms | **300** | Arrange conference space, Coordinate on-site logistics, Arrange speakers/presenters | | | | | |
| 1.5 Participants gain new knowledge by completing RPC training | Workshop registration forms, Workshop and conference evaluation forms | **300** | Coordinate conference, Select and make arrangements for relevant presenters/speakers | | | | | |
| 1.6 Participants make or strengthen personal commitment to sobriety. | Attendance and participation at staking ceremony | **250** | Coordinate planning and implementation of staking ceremony | | | | | |

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zero ( 0 ) no customers achieved milestone, even though there was program activity
whole number (5) unduplicated customers that achieve milestone for the 1st time

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| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target **for RPC participants.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.7 Participants apply knowledge learned at RPC in their professional life and work during the three months after the conference. | Self-reporting on follow-up surveys | **50** | Create RPC that educates, inspires and motivates sobriety, Coordinator implements survey | | | | | |
| 1.8 Participants apply knowledge learned at the RPC and engage in community activities or groups which support their own well-being and that of their community. | Self-reporting on follow-up surveys | **30** | Create RPC that educates, inspires and motivates sobriety, Coordinator implements survey | | | | | |

A box with the following symbol signifies:

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|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

# Outcome Measures - Community Development Division

## Component IV – Community Development - Tobacco Prevention and Control

*Submitted by Joie Brown, Community Development Manager* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 2** The Conditions in Which Low-Income People Live are Improved.

**CSBG National Goal # 6** Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems.

**National Performance Indicator 2.2** Community Quality of Life and Assets

**National Performance Indicator 6.3** Child and Family Development

**RurAL CAP Strategic Plan** Direction #2 – Community Development; Line of Business – Wellness

**Outcome Statement #1** Community members in AmeriCorps communities working to address tobacco will strengthen their commitment to a tobacco-free lifestyle.

**Performance Target #1** Of the 2,000 community members that attend a tobacco-free event, 800 will then attend a tobacco education event and of the 100 that are referred to cessation resources, 25 will make a quit attempt. (2.2 – C; 6.3 – B.3)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target **for community members.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.1 Community members will attend a tobacco-free healthy activity. | AmeriCorps member (ACM) reports. | **2,000** | Train ACMs about hosting a community event, train ACMs in tobacco prevention and education. | | | | | |
| 1.2 Community members attend a tobacco education event. | AmeriCorps member (ACM) reports. | **800** | Train ACMs about hosting a community event, train ACMs in tobacco prevention and education. | | | | | |
| 1.3 Community members are linked to cessation resources such as regional programs or the Quit Line. | ACM reports. | **100** | Train ACMs in resources. | | | | | |

A box with the following symbol signifies:

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|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target **for community members.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.4 Community members make a quit attempt. | ACM report, community member survey | **25** | Train ACMs in resources. | | | | | |
| 1.5 Community members who have quit using report being tobacco free for 30 days or more. | ACM report, community member survey | **10** | Train ACMs in resources. | | | | | |

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|---|---|---|---|
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# Outcome Measures - Community Development Division

## Component IV – Community Development – Youth Action Program

*Submitted by Joie Brown, Community Development Manager* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 2** The Conditions in Which Low-Income People Live are Improved.

**CSBG National Goal # 6** Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems.

**National Performance Indicator 2.2** Community Quality of Life and Assets

**National Performance Indicator 6.3** Child and Family Development

**RurAL CAP Strategic Plan** Direction #2 – Community Development; Line of Business – Wellness

**Outcome Statement #1** Youth in AmeriCorps communities will report an increase in life skills and social competencies.

**Performance Target #1** Of the 150 youth that participate in Youth Action Groups, 50 will learn about health topics and educate other youth and 40 will report increasing their life skills. (2.2 – C; 6.3 – B.3)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target **for youth participating in youth action groups.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 2.1 Youth will work with AmeriCorps Members to form a Youth Action Group. | AmeriCorps member (ACM) reports. | **150** | Train ACMs about organizing a youth group, requirements of youth action group and working with youth. | | | | | |
| 2.2 Members and Youth organize and implement healthy recreational and cultural activities. | AmeriCorps member (ACM) reports. | **100** | Train ACMs about events and involving youth in the planning process. | | | | | |
| 2.3 Youth learn about health topics to present in peer-to-peer formats. | ACM reports. | **50** | Train ACMs in resources, ACMs work with youth to increase their knowledge and comfort levels. | | | | | |

A box with the following symbol signifies:

| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target **for youth participating in youth action groups.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 2.4 Youth utilize reflection methods with Youth about their service and Group. | ACM report, youth surveys | **40** | Train ACMs in facilitation of reflection. | | | | | |
| 2.5 Youth report increase in life skills and social competencies. | ACM report, youth surveys | **40** | Train ACMs in resources. | | | | | |

A box with the following symbol signifies:

| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

# Outcome Measures - Community Development Division

## Component IV – Community Development – Solid Waste Grant Program

*Submitted by Catherine Clements, Community Development Division Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 2** The Conditions in Which Low Income People Live are Improved

**National Performance Indicator #2.2** Community Quality of Life and Assets

**RurAL CAP Strategic Plan** Direction #2 – Community Development; Line of Business – Community Improvement

**Outcome Statement #2** Solid waste service providers will increase their capacity to successfully obtain and administer solid waste management grant projects, improving environmental conditions in rural Alaskan communities.

**Performance Target #1** Of the 15 solid waste service providers who apply for an EPA Environmental Demonstration grant through RurAL CAP, 4 will receive funding and successfully implement, manage and close their project grants, improving environmental conditions in rural Alaskan communities. (2.2 – C, E)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target **for solid waste service providers.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 3.1 Solid waste service providers learn about the grant opportunity and submit a completed application. | Completed solid waste program grants submitted to RurAL CAP. | **15** | Staff works with the EPA to produce and distribute/publicize request for proposals to solid waste service providers, including tribal and city councils. | | | | | |
| 3.2 Solid waste service providers are awarded grants designed to improve environmental conditions. | Signed grant agreements. | **4** | Staff works with EPA to screen and select applications and process grant agreements. | | | | | |
| 3.3 Solid waste service provider grantees successfully administer and close-out projects as specified in their grant agreement which improves environmental conditions. | Quarterly and final narrative and financial reports. | **4** | Staff guide and support grantees in the management of their grant projects. | | | | | |

A box with the following symbol signifies:

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|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

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# Outcome Measures - Community Development Division

## Component IV – Community Development – Alaska Village Indoor Air Quality Project

*Submitted by Ellen Kazary, Community Development Manager* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 2** The Conditions in Which Low Income People Live are Improved.

**National Performance Indicator #2.1** Community Improvement and Revitalization

**RurAL CAP Strategic Plan** Direction #2 – Community Development; Line of Business – Wellness

**Outcome Statement #3** Rural Alaskan residents will learn about Indoor Air Quality.

**Performance Target #3** Out of 800 rural Alaskan residents that learn about AVIAQ, 375 will implement techniques to improve indoor air quality in their homes. (2.1 – C)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target **for rural Alaskan residents.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1-12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 4.1 Rural Alaskan residents read or view the program's educational materials. | Mailing and distribution lists; community event reports; home visit worksheets; AmeriCorps member reports. | **800** | Produces, promotes and distributes materials for partners and AC/VISTA members. | | | | | |
| 4.2 Rural Alaskan residents are trained in IAQ and install IAQ equipment in their homes. | Home visit worksheets and surveys. | **500** | Train AC/VISTA members and others. AC/VISTA members conduct home visits | | | | | |
| 4.3 Rural Alaskan residents show evidence of knowledge and understanding of IAQ issues and implement techniques in their homes to improve indoor air quality. | Follow-up surveys, AmeriCorps and VISTA member reports. | **375** | Work with AC/ VISTA members and residents who received home visits to conduct a follow-up survey and answer questions. | | | | | |

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|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

| Budget Summary FY 2011<br>Community Services Block Grant | Rural Alaska<br>Community Action Program, Inc. | Component: COMMUNITY DEVELOPMENT DIVISION |
|---|---|---|

| GRANT NUMBER: | FUNDING PERIOD FOR WHICH FUNDS ARE REQUESTED<br>Beginning Date<br>April 1, 2011 | <br>Ending Date<br>June 30, 2012 | GOAL STATUTORY AUTHORITY (S)<br>Public Law 97-35<br>Section 675 ©, (A), (B)<br>(vi), (vii), (D), (E) | ESTIMATED UNEXPENDED CSBG FUNDS AVAILABLE AT END OF CURRENT FUNDING PERIOD (Attach most recent Monthly and/or Quarterly Financial Report): |
|---|---|---|---|---|

BUDGET SUMMARY (NEW APPLICATIONS – complete "TOTAL REQUESTED BUDGET" Column ONLY. CONTINUATIONS – Complete "CSBG APPROVED BUDGET FOR THE CURRENT FUNDING PERIOD" and "TOTAL REQUESTED BUDGET" Columns ONLY. AMENDMENTS – "CSBG APPROVED BUDGET FOR THE CURRENT FUNDING PERIOD", "REQUESTED AMENDMENT TO CURRENT CSBG BUDGET and "TOTAL REQUESTED BUDGET" Columns.)

| | COST CATEGORY | (I) CSBG Approved Budget for the Current Funding Period No. months of operation: | | (II) Requested Amendment to Current CSBG Approved Budget (+ or -) | | (III) TOTAL REQUESTED BUDGET No. months of operation: 12 | | (IV) TOTAL DCRA APPROVED BUDGET No. months of operation: | |
|---|---|---|---|---|---|---|---|---|---|
| | | CSBG Federal | Non Federal | CSBG Federal | Non Federal | CSBG Federal | Non Federal | CSBG Federal | Non Federal |
| | | (1) | (2) | (1) | (2) | (1) | (2) | (1) | (2) |
| 10 | PERSONNEL | | | | | $359,073 | | | |
| 20 | CONTRACTUAL | | | | | $0 | | | |
| 30 | TRAVEL | | | | | $17,975 | | | |
| 40 | BUILDING SPACE | | | | | $16,848 | | | |
| 50 | GENERAL SUPPLY | | | | | $3,000 | | | |
| 60 | PROGRAM SUPPLY | | | | | $2,970 | | | |
| 70 | EQUIPMENT | | | | | $0 | | | |
| 80 | COMMUNICATION | | | | | $23,821 | | | |
| 90 | OTHER | | | | | $2,543 | | | |
| | TOTAL DIRECT<br>ADMINISTRATIVE COSTS | | | | | $426,230<br>$93,770 | | | |
| | **TOTAL** | | | | | **$520,000** | | | |

# Community Development Division
## Component Summary

| Cost Cat. No. | Cost Category | Component I AmeriCorps Programs | Component II VISTA Programs | Component III RPC | Component IV Community Development | TOTAL |
|---|---|---|---|---|---|---|
| 10 | Personnel | $146,168 | $0 | $0 | $212,905 | **$359,073** |
| 20 | Contractual | $0 | $0 | $0 | $0 | **$0** |
| 30 | Travel | $7,550 | $0 | $6,425 | $4,000 | **$17,975** |
| 40 | Building Space | $0 | $4,680 | $0 | $12,168 | **$16,848** |
| 50 | General Supplies | $1,200 | $600 | $0 | $1,200 | **$3,000** |
| 60 | Program Supplies | $2,295 | $300 | $0 | $375 | **$2,970** |
| 70 | Equipment | $0 | $0 | $0 | $0 | **$0** |
| 80 | Communications | $3,000 | $7,601 | $0 | $13,220 | **$23,821** |
| 90 | Other | $0 | $0 | $0 | $2,543 | **$2,543** |
| | **Direct Costs** | $160,213 | $13,181 | $6,425 | $246,411 | **$426,230** |
| | **Administrative Costs @ 22%** | $35,247 | $2,900 | $1,414 | $54,209 | **$93,770** |
| | **TOTAL COSTS** | $195,460 | $16,081 | $7,839 | $300,620 | **$520,000** |

# CSBG - FY 2011 - COMMUNITY DEVELOPMENT DIVISION

**BUDGET SUPPORT SHEET** (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | X NEW __ AMENDMENT<br>___ CONTINUATION OF GRANT # | Mar-10 |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | AMOUNT OR VALUE OF EACH ITEM | | |
|---|---|---|---|---|
| | | CSBG FEDERAL SHARE | NON FEDERAL SHARE | |

## Component 1: AMERICORPS PROGRAMS

| | | | | |
|---|---|---|---|---|
| 510 | **510 PERSONNEL COSTS :** | | | |
| | 700 - Living Allowance match for 35 AmeriCorps Members ($1,200/mo. x 12 mo. x 35 ACMs x 35% FTE x 75% retention=$132,300) | $132,300 | | |
| | 900 - FICA for 35 ACMs (7.65 % x living allowance) ($132,300 x 7.65% = $10,121) | $10,121 | | |
| | 900 - Workers' Comp. for 35 ACMs (1.82 % x living allowance) ($132,300 x 1.82% = $2,408) | $2,408 | | |
| | 900 - Health Insurance for 6 ACMs (15% of AC Policy Rate) ($1,488 yr x 6 ACMs x 15% = $1,339) | $1,339 | | |
| | **TOTAL COST OF PERSONNEL** | **$146,168** | **$146,168** | |
| 530 | **530 TRAVEL COSTS** | | | |
| | 100 - Staff Per Diem In State | | | |
| | • ACM site visits (5 trips x 2 days per trip at $180 per day) | $1,800 | | |
| | 200 - Staff Per Diem Out of State | | | |
| | • Corp. for National Service meetings (1 staff x 4 days x $275 per day) | $1,100 | | |
| | *Subtotal Per Diem* | *$2,900* | | |
| | 500 - Staff Travel In State | | | |
| | • ACM site visits (1 staff x 5 trips x $750 per trip) | $3,750 | | |
| | 600 - Staff Travel Out of State | | | |
| | • CNS meetings (1 staff x $900 per trip) | $900 | | |
| | *Subtotal Travel* | *$4,650* | | |
| | **TOTAL COST OF TRAVEL** | **$7,550** | **$7,550** | |

# CSBG - FY 2011 - COMMUNITY DEVELOPMENT DIVISION

**BUDGET SUPPORT SHEET** (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW __ AMENDMENT<br>___ CONTINUATION OF GRANT # | **Mar-10** |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | AMOUNT OR VALUE OF EACH ITEM | | |
|---|---|---|---|---|
| | | | CSBG FEDERAL SHARE | NON FEDERAL SHARE |
| 550 | **550 GENERAL SUPPLIES COSTS :** | | | |
| | 100 - Office Supplies: ($100 month x 12 months) | $1,200 | | |
| | **TOTAL COST OF GENERAL SUPPLIES** | **$1,200** | **$1,200** | |
| 560 | **560 PROGRAM SUPPLY COSTS :** | | | |
| | 500 - Training Supplies | $2,295 | | |
| | **TOTAL COST OF PROGRAM SUPPLIES** | **$2,295** | **$2,295** | |
| 580 | **580 COMMUNICATIONS COSTS** | | | |
| | 100 - Telephone / Fax | $1,200 | | |
| | 200 - Advertising for staff and ACM recruitment | $600 | | |
| | 300 - Distribution and printing of publications | $600 | | |
| | 400 - Postage and shipping | $600 | | |
| | **TOTAL COMMUNICATION COSTS** | **$3,000** | **$3,000** | |
| | Direct Cost of Component | | $160,213 | |
| | Administrative Costs of Component @ 22% | | $35,247 | |
| | **Total Cost of Component** | | **$195,460** | |

# CSBG - FY 2011 - COMMUNITY DEVELOPMENT DIVISION

**BUDGET SUPPORT SHEET** (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW __ AMENDMENT<br>___ CONTINUATION OF GRANT # | **Mar-10** |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | AMOUNT OR VALUE OF EACH ITEM | |
|---|---|---|---|
| | | CSBG FEDERAL SHARE | NON FEDERAL SHARE |
| | **Component 2: VISTA PROGRAMS** | | |
| 540 | **540 SPACE COSTS** | | |
| | 100 - Office space for 1 VISTA Member - ($390/mo. x 12 mo.) | $4,680 | |
| | **TOTAL COST OF SPACE** | **$4,680** | **$4,680** |

# CSBG - FY 2011 - COMMUNITY DEVELOPMENT DIVISION

**BUDGET SUPPORT SHEET** (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW __ AMENDMENT<br>___ CONTINUATION OF GRANT # | **Mar-10** |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | | AMOUNT OR VALUE OF EACH ITEM | |
|---|---|---|---|---|
| | | | CSBG FEDERAL SHARE | NON FEDERAL SHARE |
| 560 | **560 PROGRAM SUPPLIES COSTS** | | | |
| | 500 - Training materials and supplies for VISTA members | $300 | | |
| | **TOTAL COST OF PROGRAM SUPPLIES** | **$300** | **$300** | |
| 580 | **COMMUNICATIONS COSTS** | | | |
| | 200 - Advertising for staff and VISTA recruitment | $600 | | |
| | 400 - Postage and shipping | $785 | | |
| | 600 - I.T. Costs for 2 VISTA Members ($259/mo. x 12 mo.) | $6,216 | | |
| | **TOTAL COST OF COMMUNICATIONS** | **$7,601** | **$7,601** | |
| | **Direct Cost of Component** | | $13,181 | |
| | **Administrative Costs of Component @ 22%** | | $2,900 | |
| | **TOTAL COST OF COMPONENT** | | **$16,081** | |

## Component 3 : RURAL PROVIDERS' CONFERENCE

| | | | | |
|---|---|---|---|---|
| 530 | **530 TRAVEL COSTS :** | | | |
| | 100 - Staff Per Diem In State (Dillingham) | | | |
| | • Staff to RPC to provide coordination and logistical support (3 staff x 5 days x $200 per day) | $3,000 | | |
| | 300 - Non - Staff Per Diem In State (Dillingham) | | | |
| | • RPC presenters (2 presenters x 3 days each x $200) | $1,200 | | |
| | *Subtotal Per Diem* | *$4,200* | | |
| | 500 - Staff Travel (Dillingham) | | | |
| | • Staff to RPC to provide coordination and logistical support | $1,335 | | |

## CSBG - FY 2011 - COMMUNITY DEVELOPMENT DIVISION

**BUDGET SUPPORT SHEET** (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW __ AMENDMENT<br>___ CONTINUATION OF GRANT # | Mar-10 |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | AMOUNT OR VALUE OF EACH ITEM | | |
|---|---|---|---|---|
| | | | CSBG FEDERAL SHARE | NON FEDERAL SHARE |
| | (3 staff x $445 per trip) | | | |
| | 700 - Non Staff Travel (Dillingham) | | | |
| | • RPC presenters (2 presenters x $445 per trip) | $890 | | |
| | *Subtotal Travel* | *$2,225* | | |
| | **TOTAL COST OF TRAVEL** | **$6,425** | **$6,425** | |
| | **Direct Cost of Component 3** | | $6,425 | |
| | **Administrative Costs of Component @22%** | | $1,414 | |
| | **TOTAL COST OF COMPONENT III** | | **$7,839** | |

## Component 4: COMMUNITY DEVELOPMENT

| | | | | |
|---|---|---|---|---|
| 510 | **510 PERSONNEL COSTS :** | | | |
| | 100 - Community Development Division Director annual salary (70%) | $82,764 | | |
| | Community Development Specialist annual salary (90%) | $48,019 | | |
| | Community Development Manager annual salary (10%) | $8,525 | | |
| | Community Development Manager annual salary (5%) | $4,005 | | |
| | Solid Waste Management Coordinator annual salary (25%) | $13,235 | | |
| | *Subtotal Personnel* | *$156,548* | | |
| | 500 - Employee Fringe ($159,830 x 36%) | $56,357 | | |
| | **TOTAL COST OF PERSONNEL** | **$212,905** | **$212,905** | |
| 530 | **530 TRAVEL COSTS :** | | | |
| | 100 - Staff Per Diem in State: | | | |
| | • Site visits and board meetings (2 trips x 2.5days x $200 per day) | $1,000 | | |

# CSBG - FY 2011 - COMMUNITY DEVELOPMENT DIVISION

## BUDGET SUPPORT SHEET (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW __ AMENDMENT<br>___ CONTINUATION OF GRANT # | Mar-10 |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | | AMOUNT OR VALUE OF EACH ITEM | |
|---|---|---|---|---|
| | | | CSBG FEDERAL SHARE | NON FEDERAL SHARE |
| | 200 - Staff Per Diem out of State | | | |
| | • Attend national conferences/trainings (1 trip x 4 days x $275 per day) | $1,100 | | |
| | *Subtotal Per Diem* | *$2,100* | | |
| | 500 - Staff Travel in State: | | | |
| | • Site visits and board meetings (2 trips x $500 per trip) | $1,000 | | |
| | 600 - Staff Travel out of State: | | | |
| | • Attend national conferences and trainings (1 trip x $900 per trip) | $900 | | |
| | *Subtotal Travel* | *$1,900* | | |
| | **TOTAL COST OF TRAVEL** | **$4,000** | **$4,000** | |
| 540 | **540 SPACE COSTS :** | | | |
| | 100 - Office space for 2 offices plus storage area ($507. x 12 x 2) | $12,168 | | |
| | **TOTAL COST OF SPACE** | **$12,168** | **$12,168** | |
| 550 | **550 GENERAL SUPPLY COSTS :** | | | |
| | 100 - Office supplies: ($50 month x 12 months) | $600 | | |
| | 600 - Copier supplies: ($50 month x 12 months) | $600 | | |
| | **TOTAL COST OF GENERAL SUPPLIES** | **$1,200** | **$1,200** | |
| 560 | **560 PROGRAM SUPPLY COSTS :** | | | |
| | 500 - Training materials | $375 | | |
| | **TOTAL COST OF PROGRAM SUPPLIES** | **$375** | **$375** | |
| 580 | **580 COMMUNICATION COSTS :** | | | |

# CSBG - FY 2011 - COMMUNITY DEVELOPMENT DIVISION

## BUDGET SUPPORT SHEET (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW __ AMENDMENT<br>___ CONTINUATION OF GRANT # | Mar-10 |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | | AMOUNT OR VALUE OF EACH ITEM | |
|---|---|---|---|---|
| | | | CSBG FEDERAL SHARE | NON FEDERAL SHARE |
| | 100 - Telephone / Teleconference / Fax | $1,600 | | |
| | 200 - Advertising (classified ads for staff recruitment) | $600 | | |
| | 300 - Distribution and printing of publications | $1,200 | | |
| | 400 - Postage and shipping | $1,000 | | |
| | 600 - IT costs for 3 staff ($245/mo. x 12 mo. x 3) | $8,820 | | |
| | **TOTAL COST OF COMMUNICATIONS** | **$13,220** | **$13,220** | |

1200

## CSBG - FY 2011 - COMMUNITY DEVELOPMENT DIVISION

**BUDGET SUPPORT SHEET** (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW __ AMENDMENT<br>___ CONTINUATION OF GRANT # | **Mar-10** |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | | AMOUNT OR VALUE OF EACH ITEM | |
|---|---|---|---|---|
| | | | CSBG FEDERAL SHARE | NON FEDERAL SHARE |
| 590 | **590 OTHER COSTS :** | | | |
| | 300 - Subscriptions | $100 | | |
| | 700 - Fees, Tuitions and Memberships | $2,443 | | |
| | **TOTAL COST OF OTHER** | **$2,543** | **$2,543** | |
| | **Direct Cost of Component** | | $246,411 | |
| | **Adminsitrative Costs of Component @ 22%** | | $54,209 | |
| | **TOTAL COST OF COMPONENT** | | **$300,620** | |

1201

**COMMUNITY SERVICES BLOCK GRANT WORK PLAN**
(Please type or print clearly)

**(5) GOAL STATUTORY AUTHORITY(S)** Component I AMERICORPS PROGRAMS
Public Law 97-35, Section 675 (c), (A), (B)(vi) & (vii), (D) and (E)
**Period: April 1, 2011 to June 30, 2012**

| (1) NAME OF APPLICANT AGENCY | (2) NAME/TITLE EXECUTIVE DIRECTOR | (3) PHONE (Area Code) |
|---|---|---|
| *Rural Alaska Community Action Program, Inc.* | *David Hardenbergh* | *(907) 279-2511* |

| (4) ADDRESS | CITY | STATE | ZIP CODE |
|---|---|---|---|
| *P.O. Box 200908* | *Anchorage* | *Alaska* | *99520-0908* |

| (6) PROJECT TITLE AND STATEMENT OF ONE-YEAR GOALS | (7) ACTIVITIES REQUIRED TO ACHIEVE GOAL | (8) TIME TABLE PROGRAM YEAR QUARTER 1st | 2nd | 3rd | 4th | (9) TRAINING AND TECHNICAL ASSISTANCE REQUIRED | (10) CSBG FUNDS | (11) No. Mos. | (12) Other Funds | (13) Planned Completion |
|---|---|---|---|---|---|---|---|---|---|---|
| National CSBG Goal #1:<br><br>The conditions in which low-income people live are improved.<br><br>National CSBG Goal #3:<br><br>Low-income people become more self-sufficient. | COMPONENT I – AmeriCorps Programs<br><br>1. Establish cooperative relationships with rural councils and other community-based organizations through which AmeriCorps members can be placed.<br>2. Recruit and select thirty five new members.<br>3. Provide training and orientation to new members and site supervisors.<br>4. Provide members with AmeriCorps materials and benefits including health insurance, child care assistance, uniforms and education awards.<br>5. Provide AmeriCorps members with technical support and follow-up training to include:<br>a) Cross cultural communication<br>b) Conflict resolution<br>c) Citizenship.<br>6. Promote and enhance the AmeriCorps program.<br>7. Provide members with opportunities to provide local community service.<br>8. Evaluate program effectiveness.<br>9. Provide operational support for AmeriCorps programs. | X | X | X | X | • Corporation for National and Community Service<br><br>• Serve Alaska Commission<br><br>• State of Alaska, DHSS | $ 195,460 | 12 | $ 575,000 Serve Alaska Commission<br><br>$ 235,180 State of Alaska, Prevention Program<br><br>$ 55,000 DHSS, HIV/STD Program | On-Going |
| | | TOTALS CARRIED FORWARD FROM PREVIOUS PAGES (IF ANY) | | | | GRAND TOTAL | -0-<br>$ 195,460 | | $ 865,180 | |

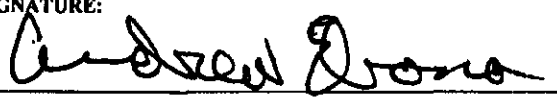
**(14) THIS APPLICATION HAS BEEN (check "a" or "b" as appropriate):**
a. (X) Approved by the applicant's governing board. b. ( ) Reviewed by the applicant's administering board and approved by its governing officials.

| (15) NAME AND TITLE OF PRINCIPAL GOVERNING OFFICIAL OR PRINCIPAL OFFICER OF GOVERNING BOARD | SIGNATURE: | DATE: | DATE OF BOARD APPROVAL: |
|---|---|---|---|
| RurAL CAP Board President, Andrew Ebona | Andrew Ebona | March 17, 2010 | March 17, 2010 |

| COMMUNITY SERVICES BLOCK GRANT WORK PLAN (Please type or print clearly) | | | (5) GOAL STATUTORY AUTHORITY(S) Component II VISTA PROGRAMS |
|---|---|---|---|
| (2) NAME OF APPLICANT AGENCY *Rural Alaska Community Action Program, Inc.* | (5) NAME/TITLE EXECUTIVE DIRECTOR *David Hardenbergh* | (6) PHONE (Area Code) *(907) 279-2511* | Public Law 97-35, Section 675 (c), (A), (B)(vi) & (vii), (D) and (E) |
| (7) ADDRESS *P.O. Box 200908* | CITY *Anchorage* / STATE *Alaska* / ZIP CODE *99520-0908* | | Period: April 1, 2011 to June 30, 2012 |

| (6) PROJECT TITLE AND STATEMENT OF ONE-YEAR GOALS | (7) ACTIVITIES REQUIRED TO ACHIEVE GOAL | (8) TIME TABLE PROGRAM YEAR QUARTER 1st | 2nd | 3rd | 4th | (9) TRAINING AND TECHNICAL ASSISTANCE REQUIRED | (10) CSBG FUNDS | (11) No. Mos. | (12) Other Funds | (13) Planned Completion |
|---|---|---|---|---|---|---|---|---|---|---|
| National CSBG Goal #1:<br><br>Low-income people become more self-sufficient.<br><br>National CSBG Goal #2:<br><br>The conditions in which low-income people live are improved. | COMPONENT II – VISTA Program<br><br>1. Establish cooperative relationships with organizations through which VISTA Members can be placed.<br>2. Recruit and select 10-20 new VISTA Program Members.<br>3. Provide training and orientation to new Members and site supervisors.<br>4. Provide VISTA Members with technical support and follow-up training to include:<br>a) Project planning;<br>b) Conflict resolution;<br>c) Resource development; and/or<br>d) Energy assistance<br>5. Promote and enhance the VISTA program.<br>6. Provide Members with opportunities to provide local community service.<br>7. Evaluate program effectiveness.<br>8. Provide operational support for VISTA program. | X | X | X | X | • Corporation for National Service<br><br>• Village councils and other non-profit organizations serving low-income populations.<br><br>• Energy stakeholders and development organizations, including AEA, AHFC, REAP, ABSN and AFN. | $ 16,081 | 12 | $75,000 Corporation for National and Community Service | On-Going |
| | | TOTALS CARRIED FORWARD FROM PREVIOUS PAGES (IF ANY) | | | | GRAND TOTAL | $ 195,460<br>$ 211,541 | | $ 865,180<br>$ 940,180 | |

(16) THIS APPLICATION HAS BEEN (check "a" or "b" as appropriate):
a. (X) Approved by the applicant's governing board. b. ( ) Reviewed by the applicant's administering board and approved by its governing officials.

| (17) NAME AND TITLE OF PRINCIPAL GOVERNING OFFICIAL OR PRINCIPAL OFFICER OF GOVERNING BOARD | SIGNATURE: | DATE: | DATE OF BOARD APPROVAL: |
|---|---|---|---|
| RurAL CAP Board President, Andrew Ebona |  | March 17, 2010 | March 17, 2010 |

| COMMUNITY SERVICES BLOCK GRANT WORK PLAN (Please type or print clearly) | | | (5) GOAL STATUTORY AUTHORITY(S) Component IV RURAL PROVIDERS' CONFERENCE |
|---|---|---|---|
| (3) NAME OF APPLICANT AGENCY *Rural Alaska Community Action Program, Inc.* | (8) NAME/TITLE EXECUTIVE DIRECTOR *David Hardenbergh* | (9) PHONE (Area Code) *(907) 279-2511* | Public Law 97-35, Section 675 (c), (A), (B)(vi) & (vii), (D) and (E) |
| (10) ADDRESS *P.O. Box 200908* | CITY *Anchorage* / STATE *Alaska* / ZIP CODE *99520-0908* | | Period: April 1, 2011 to June 30, 2012 |

| (6) PROJECT TITLE AND STATEMENT OF ONE-YEAR GOALS | (7) ACTIVITIES REQUIRED TO ACHIEVE GOAL | (8) TIME TABLE PROGRAM YEAR QUARTER 1st | 2nd | 3rd | 4th | (9) TRAINING AND TECHNICAL ASSISTANCE REQUIRED | (10) CSBG FUNDS | (11) No. Mos. | (12) Other Funds | (13) Planned Completion |
|---|---|---|---|---|---|---|---|---|---|---|
| National CSBG Goal #3:<br><br>Low-income people own a stake in their community. | COMPONENT III RURAL PROVIDERS'CONFERENCE<br>1. Plan and organize the annual Rural Providers' Conference:<br>a) Develop statewide planning group<br>b) Organize monthly teleconferences<br>c) Develop conference theme and agenda<br>d) Organize conference promotion/advertising<br>e) Register participants / plan logistics<br>2. Implement and Evaluation RPC:<br>a) Organize RPC site facility, housing, meals<br>b) Coordinate conference transportation<br>c) Recruit trainers and presenters<br>d) Prepare materials, site, registration process<br>e) Coordinate five-day conference for 400<br>f) Conduct conference evaluation<br>g) Produce needs assessment document<br>h) Produce and distribute conference summary<br>i) Provide technical assistance to providers, and<br>j) Maintain and promote prevention network | X | X | X | X | • Coordination with Native nonprofit, regional and other organizations preventing substance abuse and promoting wellness, including ANTHC; ANHB, First Alaskans, Akeela, Inc., Prevention Symposium, and ADA; the Alaska media; the State of Alaska and rural communities statewide<br><br>• Bristol Bay Native Association | $ 7,839 | 12 | $15,000 State of Alaska and Corporate Donors | On-Going |
| | | TOTALS CARRIED FORWARD FROM PREVIOUS PAGES (IF ANY) | | | | | $ 211,541 | | $ 940,180 | |
| | | GRAND TOTAL | | | | | $ 219,380 | | $ 955,180 | |

(18) THIS APPLICATION HAS BEEN (check "a" or "b" as appropriate):
a. (X) Approved by the applicant's governing board. b. ( ) Reviewed by the applicant's administering board and approved by its governing officials.

| (19) NAME AND TITLE OF PRINCIPAL GOVERNING OFFICIAL OR PRINCIPAL OFFICER OF GOVERNING BOARD | SIGNATURE: | DATE: | DATE OF BOARD APPROVAL: |
|---|---|---|---|
| RurAL CAP Board President, Andrew Ebona | Andrew Ebona | March 17, 2010 | March 17, 2010 |

| COMMUNITY SERVICES BLOCK GRANT WORK PLAN (Please type or print clearly) | | | (5) GOAL STATUTORY AUTHORITY(S) Component V: COMMUNITY DEVELOPMENT |
|---|---|---|---|
| (4) NAME OF APPLICANT AGENCY *Rural Alaska Community Action Program, Inc.* | (11) NAME/TITLE EXECUTIVE DIRECTOR *David Hardenbergh* | (12) PHONE (Area Code) *(907) 279-2511* | Public Law 97-35, Section 675 (c), (A), (B)(vi) & (vii), (D) and (E) |
| (13) ADDRESS *P.O. Box 200908* | CITY *Anchorage* | STATE *Alaska* / ZIP CODE *99520-0908* | Period: April 1, 2011 to June 30, 2012 |

| (6) PROJECT TITLE AND STATEMENT OF ONE-YEAR GOALS | (7) ACTIVITIES REQUIRED TO ACHIEVE GOAL | (8) TIME TABLE PROGRAM YEAR QUARTER 1st | 2nd | 3rd | 4th | (9) TRAINING AND TECHNICAL ASSISTANCE REQUIRED | (10) CSBG FUNDS | (11) No. Mos. | (12) Other Funds | (13) Planned Completion |
|---|---|---|---|---|---|---|---|---|---|---|
| National CSBG Goal #1:<br><br>Low-income people become more self-sufficient.<br><br>National CSBG Goal #2:<br><br>The conditions in which low-income people live are improved.<br><br>National CSBG Goal #3:<br><br>Low-income people own a stake in their community.<br><br>National CSBG Goal #6:<br><br>Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems. | COMPONENT IV<br>COMMUNITY DEVELOPMENT<br><br>1. Provide support and supervision to Community Development programs and components:<br>a) Conduct program planning<br>b) Recruit, supervise and train staff<br>c) Monitor grants, contracts and budgets<br>d) Oversee program evaluation | X | X | X | X | • Coordination with Native and other nonprofit organizations serving health, wellness, energy, environmental, and education/training priorities; the Alaska media; and rural communities statewide<br><br>• Serve Alaska Commission<br><br>• State and Federal government agencies, including CNS, EPA, HUD, USDA, AHFC, DCED, DHSS | $ 300,621 | 12 | $ 34,494 EPA<br><br>$ 115,665 State of Alaska, Tobacco Prevention and Control<br><br>$ 500,000 Denali Commission, Solid Waste Program<br><br>$ 244,000 EPA-Multimedia SW Sub-grant Project | On-Going |
| | | TOTALS CARRIED FORWARD FROM PREVIOUS PAGES (IF ANY) | | | | GRAND TOTAL | $ 219,380<br>$ 520,000 | | $ 955,180<br>$1,849,339 | |

(20) THIS APPLICATION HAS BEEN (check "a" or "b" as appropriate):
a. (X) Approved by the applicant's governing board. b. ( ) Reviewed by the applicant's administering board and approved by its governing officials.

| (21) NAME AND TITLE OF PRINCIPAL GOVERNING OFFICIAL OR PRINCIPAL OFFICER OF GOVERNING BOARD | SIGNATURE: | DATE: | DATE OF BOARD APPROVAL: |
|---|---|---|---|
| RurAL CAP Board President, Andrew Ebona | Andrew Ebona | March 17, 2010 | March 17, 2010 |

*Community Services Block Grant FY 2011*

# Public Policy and Advocacy

# NARRATIVE

RurAL CAP's constituents are low-income and working poor who desire to influence public policies in areas that most directly affect their lives. RurAL CAP recognizes the benefit of community members participating in economic, educational, health, cultural, social, housing and environmental efforts which allow them to determine workable solutions. RurAL CAP works strategically to increase the capacity of people to impact public policy and to inform decision makers to result in practical outcomes.

These efforts are best accomplished by developing relationships between agency staff, low-income people and decision makers and by increasing skills and understandings of low-income people which increase their ability to change conditions in their communities and beyond.

RurAL CAP's Public Policy and Advocacy component is designed to achieve these outcomes. Its parameters fit these National Performance Indicator Goals:

Goal 3: Low-income People own a Stake in their Community:

National Performance Indicator 3.2 – Community Empowerment through Maximum Feasible Participation: The number of low-income people mobilized as a direct result of Community Action initiative to engage in activities that support and promote their own well-being and that of their community.

Goal 4: Partnerships among Supporters and Providers of Services to Low-Income People are Achieved:

National Performance Indicator 4.1 – Expanding Opportunities Through Community-Wide Partnerships: The number of organizations, both public and private, that Community Action actively works with to expand resources and opportunities in order to achieve family and community outcomes.

Goal 5: Agencies Increase their Capacity to Achieve Results:

National Performance Indicator 5.1 – Agency Development: The number of human capital resources available to Community Action that increase agency capacity to achieve family and community outcomes.

RurAL CAP's mission is:

> *"To empower low-income Alaskans through advocacy, education, affordable housing and direct services that respect our unique values and cultures." The core values embodied in the mission are: RurAL CAP recognizes the unique values and way of life of rural Alaskans. It plans its activities with input from and respect for the people it serves. It follows*

*the belief that rural Alaskan communities have the right to maintain their cultural heritage and close relationship to the land whle protecting their economic and human potential.*

The Public Policy and Advocacy component will carry out the advocacy work in which the agency has been engaged for the past forty+ years, and will focus more intently on developing a cohesive approach to citizen participation in public policy. This will be accomplished by:

- Increasing the capacity of the agency and ultimately its constituencies by providing opportunities for community members, agency Board members and staff to participate in public hearings, meetings with policy makers, technical assistance and other conferences that enhance the levels of understanding for developing critical relationships and improved decision-making processes.
- Increasing public awareness of issues and challenges facing low income people through publications, website announcements, presentations..

## SUMMARY OF COMPONENTS

### Component 1 – Public Policy and Advocacy

**I. Subsistence Advocacy.** The **Subsistence** component advocates for the maintenance of subsistence rights as outlined in federal and state laws, and specifically Title VIII of ANILCA. Currently, the subsistence advocacy rests in monitoring and where feasible, participating in the decisions that impact subsistence, including critical appointments to Boards and Commissions, regulations, meetings and conferences. After the National Marine Fisheries (NMF) and the North Pacific Fishery Management Council (NPFMC) determined that halibut is a subsistence catch, RurAL CAP was asked to support the Alaska Native Halibut Subsistence Working Group which provides valuable input on subsistence issues to the NMF and NPFMC. This is done through teleconferences, providing travel and per diem for members to meet and discuss recommendations for the federal agencies. The legal, logistical and technical assistance provided to the Working Group is paving the way for eventual cooperative management agreements. These efforts were recently expanded to include assisting federal agencies with compliance of Executive Order 13175 (Tribal Consultations) and facilitating meetings with federal agency research groups and local subsistence users.

**II. Rural Issues Advocacy.** For the Rural Issues component, the RurAL CAP Board of Directors will take a lead role in advocating on behalf of rural Alaska and coordinating the efforts of RurAL CAP with other organizations to strengthen the capacity of local organizations to provide information to decision-makers and services to their communities. RurAL CAP believes that community involvement is about developing

relationships, skills and understanding among people that increases their ability to change conditions and improve the quality of their lives.

**Component 2 – Education and Information**

**Education and Information**. RurAL CAP develops and produces the quarterly *Village Voices* newsletter that provides accurate information to rural constituents while educating decision-makers, the public and funders about issues which impact rural and low-income people. RurAL CAP staff is also often called upon to provide information to various groups, conferences, lawmakers, and others about our successful experiences in working with our rural and other constituents that have barriers to services.

## PROGRAM OUTCOME STATEMENT

The Public Policy and Advocacy component develops the capacity of low-income people and communities to increase local self-determination and self-sufficiency through relationship building, and staff and community capacity building.

This outcome supports the achievement of the above referenced **CSBG goals** related to Community Empowerment, Partnerships, and Agency Capacity to ensure low-income peoples' goals of self-sufficiency are achieved.

## NEED FOR SERVICES

### Customers

The people RurAL CAP serves are low-income Alaskans, many of whom are rural Alaska Natives. Many still speak their Native language and complement their household budgets through hunting, fishing and gathering as their ancestors have for thousands of years. Their cultures and traditions are based on values which have enabled the indigenous peoples of Alaska to thrive as separate and distinct tribal cultures.

It is the agency's philosophy that tribal cultures, governments, traditions, and people need to be able to survive in the 21st century. Tribal members must be provided the opportunities to have a say in decisions that are made about their laws, economies, and customs. While these are the customers of the Public Policy and Advocacy component, the outcomes that RurAL CAP and its partners collectively work on with them cannot be achieved without the many partners and providers who make these results possible.

### Products

The products of Public Policy and Advocacy are: community empowerment; leadership development; increased capacity of communities and leaders to impact public policy; and increased self-sufficiency. This is done through:

- Providing opportunities for representatives of subsistence users and low-income Alaskans to participate in and address public policy issues that enhance the self-determination and self-sufficiency of their communities. A good example of this is the cooperative management arrangements for subsistence halibut uses.

- The production and dissemination of four (4) quarterly newsletters to 7,000 people and/or organizations that share about issues impacting rural and low-income people.

- Increased awareness and willingness of new partners and current ones to work towards mutual goals that help families and communities achieve their goals.

## OUTCOME MANAGEMENT MODEL

CSBG funded programs support self-sufficiency and improving the conditions and behaviors of low-income people; the Public Policy and Advocacy component will apply an outcome management model to evaluate its effectiveness. This model incorporates customer performance targets, milestones and verification indicators to evaluate not just program objectives and activities, but rather to measure the outcomes or results of those activities on moving low-income people out of poverty and into increased involvement in their communities and self-sufficiency in their lives.

The outcome management models for the Public Policy and Advocacy component are formatted horizontally on the following pages. These pages complete the narrative section of this CSBG application for this component.

# Outcome Measures – Public Policy & Advocacy

## Component 1 - Subsistence and Rural Issues

*Submitted by Sarah Scanlan, Deputy Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal #3** Low-income people own a stake in their community

**National Performance Indicator #3.2** Community Empowerment through Maximum Feasible Participation

**RurAL CAP Strategic Plan** Dimensions 1 and 6: Advocacy and Communication and Capacity Building

**Outcome Statement #1** The Subsistence and Tribal Issues Committee members, with staff, will strengthen its working relationship with policy making organizations to result in greater opportunities for subsistence uses of fish and game, a critical component for self sufficiency and family and community well-being,

**Performance Target #1** Of the 20 public and private subsistence-related organizations identified, the S&TI and RurAL CAP staff will actively work with 10 to expand resources and opportunities in order to achieve family and community outcomes by creating awareness and knowledge of issues affecting low-income Alaskans and engage in at least ten advocacy activities.

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Subsistence & Tribal Issues (S&TI) Committee members.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of orgs expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.1 S&TI committee members S&TI committee members meet to discuss strategies and develop a plan for advocacy and identify organizations that impact traditional uses of fish and game resources. | TR/TA forms; Board of Directors packets; S&TI committee agendas; Board of Directors recaps of motions. | **20** | Staff set up meeting site in conjunction with quarterly Board of Directors meetings. | | | | | |
| 1.2 Staff follows up with contacts to the organizations to meet and determine the issues the S&TI can impact. | Phone logs, meeting notes, e-mails | **18** | Staff prepares progress reports for the Committee and Board. | | | | | |
| 1.3 Staff identifies advocacy opportunities. | Monitor regulations processes, respond to requests for advocacy support | **10** | Schedules S&TI presence at public hearings, prepares letters, other support documents | | | | | |
| 1.4 S&TI committee members engage in advocacy and decision making activities to expand opportunities for customers through supportive partnerships. | TR/TA forms; S&TI committee agendas; Board of Directors recaps of motions; provides staff direction. | **10** | Staff prepares and presents draft resolutions, motions, and progress reports on outcomes of S&TI activities. | | | | | |

A box with the following symbol signifies:

blank ( ) results have not been entered yet

dash (---) no program activity

zero ( 0 ) no customers achieved milestone, even though there was program activity

whole number (5) unduplicated customers that achieve milestone for the 1st time

# Outcome Measures – Public Policy & Advocacy

## Component 1 - Subsistence and Rural Issues

*Submitted by Sarah Scanlan, Deputy Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

| | |
|---|---|
| **CSBG National Goal #3** | Low-income people own a stake in their community |
| **National Performance Indicator #5.1** | Community Empowerment through Maximum Feasible Participation |
| **RurAL CAP Strategic Plan** | Dimensions 1 and 6: Advocacy and Communication and Capacity Building |
| **Outcome Statement #2** | All regional representatives of subsistence halibut users in coastal areas will engage in effective advocacy to protect and manage customary and traditional halibut fishing without unduly burdensome regulations. |
| **Performance Target #2** | Of 20 regional representatives of subsistence halibut users in coastal areas, 15 will engage in effective advocacy to protect and manage customary and traditional halibut fishing without unduly burdensome regulations to increase or preserve community quality of life resources. |

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **regional representatives of subsistence halibut users in coastal Alaska.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 2.1 Regional representatives are fully informed on current and proposed changes to regulations governing subsistence halibut use to preserve quality of life resources. | Alaska Native Subsistence Halibut Working Group (ANSHWG) meeting agendas; TA/TR forms; telephone billing records. | **20** | Staff provides technical and logistical support during Alaska Native Subsistence Halibut Working Group meetings. | | | | | |
| 2.2 Regional representatives advocate for subsistence halibut users before regulatory bodies. | ANSHWG meeting note; TA/TR forms; telephone billing records. | **18** | Staff provides strategic information and technical assistance. | | | | | |
| 2.3 Regional representatives present testimony or engage in public education activities with decision-makers to increase or preserve quality of life resources. | ANSHWG meeting notes; passage of proposed regulations that are approved by the ANSHWG. | **15** | Staff provides technical assistance and arranges presentations before public officials or public forums. | | | | | |
| 2.4 Regional representatives ensure proper implementation of regulations to increase or preserve quality of life resources. | ANSHWG meeting notes; staff direction; ANSHWG report to the RurAL CAP board; ANSHWG resolutions. | **15** | Staff provides technical assistance and logistical support. | | | | | |

A box with the following symbol signifies:

| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

# Outcome Measures – Public Policy & Advocacy

## Component 2 - Village Voices

*Submitted by Sarah Scanlan, Deputy Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 3** Low-income people own a stake in their community

**National Performance Indicator #3.2** Community Empowerment through Maximum Feasible Participation

**RurAL CAP Strategic Plan** Dimension #1 – Advocacy and Communication

**Outcome Statement #1** All recipients of the *Village Voices* newspaper in rural Alaska will have their consciences raised, will become better informed and more knowledgeable on issues critical to rural communities, and will act on that knowledge to improve the quality of life for low-income people in their communities.

**Performance Target #1** Out of 2,000 recipients of the *Village Voices* newspaper in rural Alaska, 1,200 will read enough of it to have their consciences raised and become better informed and more knowledgeable on issues critical to rural communities, and 900 will act on their newfound knowledge to improve or preserve community quality of life resources.

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **rural recipients of the Village Voices newspaper.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.1 Rural Alaskans receive a copy of the *Village Voices* newspaper. | Invoices and address/circulation lists for quarterly *Village Voices* newspaper. | **2,000** | Staff produces and distributes quarterly *Village Voices* newspaper. | | | | | |
| 1.2 Rural Alaskans read enough of the *Village Voices* newspaper to have their consciences raised or to become better informed and more knowledgeable on issues critical to their communities. | Annual survey of *Village Voices* newspaper recipients. | **1,200** | Staff conducts annual survey of *Village Voices* newspaper recipients. | | | | | |
| 1.3 Rural Alaskans readers of the *Village Voices* newspaper act on their newfound knowledge to increase or preserve quality of life resources. | Annual survey of *Village Voices* newspaper recipients. | **900** | Staff conducts annual survey of *Village Voices* newspaper recipients. | | | | | |

A box with the following symbol signifies:

blank ( ) results have not been entered yet

dash (---) no program activity

zero ( 0 ) no customers achieved milestone, even though there was program activity

whole number (5) unduplicated customers that achieve milestone for the 1st time

1212

| Budget Summary FY 2011<br>Community Services Block Grant | Rural Alaska<br>Community Action Program, Inc. | Component: PUBLIC POLICY AND ADVOCACY |
|---|---|---|

| GRANT NUMBER: | FUNDING PERIOD FOR WHICH FUNDS ARE REQUESTED<br>Beginning Date: April 1, 2011 | Ending Date: June 30, 2012 | GOAL STATUTORY AUTHORITY (S)<br>Public Law 97-35<br>Section 675 ©, (A), (B)<br>(vi), (vii), (D), (E) | ESTIMATED UNEXPENDED CSBG FUNDS AVAILABLE AT END OF CURRENT FUNDING PERIOD (Attach most recent Monthly and/or Quarterly Financial Report): |
|---|---|---|---|---|

BUDGET SUMMARY (NEW APPLICATIONS – complete "TOTAL REQUESTED BUDGET" Column ONLY. CONTINUATIONS – Complete "CSBG APPROVED BUDGET FOR THE CURRENT FUNDING PERIOD" and "TOTAL REQUESTED BUDGET" Columns ONLY. AMENDMENTS – "CSBG APPROVED BUDGET FOR THE CURRENT FUNDING PERIOD", "REQUESTED AMENDMENT TO CURRENT CSBG BUDGET and "TOTAL REQUESTED BUDGET" Columns.)

| | COST CATEGORY | (I) CSBG Approved Budget for the Current Funding Period No. months of operation: | | (II) Requested Amendment to Current CSBG Approved Budget (+ or -) | | (III) TOTAL REQUESTED BUDGET No. months of operation: 12 | | (IV) TOTAL DCRA APPROVED BUDGET No. months of operation: | |
|---|---|---|---|---|---|---|---|---|---|
| | | CSBG Federal | Non Federal | CSBG Federal | Non Federal | CSBG Federal | Non Federal | CSBG Federal | Non Federal |
| | | (1) | (2) | (1) | (2) | (1) | (2) | (1) | (2) |
| 10 | PERSONNEL | | | | | $0 | | | |
| 20 | CONTRACTUAL | | | | | $30,000 | | | |
| 30 | TRAVEL | | | | | $93,900 | | | |
| 40 | BUILDING SPACE | | | | | $0 | | | |
| 50 | GENERAL SUPPLY | | | | | $0 | | | |
| 60 | PROGRAM SUPPLY | | | | | $10,000 | | | |
| 70 | EQUIPMENT | | | | | $0 | | | |
| 80 | COMMUNICATION | | | | | $32,400 | | | |
| 90 | OTHER | | | | | $22,225 | | | |
| | TOTAL DIRECT<br>ADMINISTRATIVE COSTS | | | | | $188,525<br>$41,475 | | | |
| | **TOTAL** | | | | | **$230,000** | | | |

1213

# CSBG - FY 2011 - PUBLIC POLICY AND ADVOCACY

**BUDGET SUPPORT SHEET** (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW ___ AMENDMENT<br>__ CONTINUATION OF GRANT | Mar-10 |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | AMOUNT OR VALUE OF EACH ITEM | | |
|---|---|---|---|---|
| | | | CSBG FEDERAL SHARE | NON FEDERAL SHARE |
| | **PUBLIC POLICY AND ADVOCACY** | | | |
| 520 | **520 CONTRACTUAL SERVICES** | | | |
| | • Production of agency newsletter "Village Voices" | $5,000 | | |
| | • Other Professional Services | $25,000 | | |
| | **TOTAL COST OF CONTRACTUAL** | **$30,000** | **$30,000** | |
| 530 | **530 TRAVEL COSTS** | | | |
| | 100 - Staff Per Diem in State | | | |
| | • Travel to villages from Anchorage (5 trips x $180/day x 4) | $3,600 | | |
| | • Travel to conferences and trainings (3 trips x 2 staff x $200/day x 4) | $4,800 | | |
| | 200 - Staff Per Diem out of State | | | |
| | Travel to CAP Law, CAP, NCAI, Other TA Conferences | | | |
| | • 8 staff x $275/day x 4 | $8,800 | | |
| | • 7 trips x 2 staff x $275/day x 4 | $15,400 | | |
| | 400 - Board Per Diem | | | |
| | • 4 persons x $275/day x 4 | $4,400 | | |
| | • 7 trips x 2 people x $275/day x 4 | $15,400 | | |
| | **Subtotal Per Diem** | **$52,400** | | |

1214

# CSBG - FY 2011 - PUBLIC POLICY AND ADVOCACY

## BUDGET SUPPORT SHEET (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW ___ AMENDMENT<br>__ CONTINUATION OF GRANT | Mar-10 |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | | AMOUNT OR VALUE OF EACH ITEM | |
|---|---|---|---|---|
| | | | CSBG FEDERAL SHARE | NON FEDERAL SHARE |
| | 500 - Staff Travel in State | | | |
| | • Airfare to/from villages and Anchorage (5 trips x $500) | $2,500 | | |
| | • Airfare to/from conferences and trainings (3 trips x 2 staff x $500) | $3,000 | | |
| | 600 - Staff Travel out of State | | | |
| | Airfare to/from CAP Law, CAP, NCAI, other TA Conferences | | | |
| | • 8 trips x $900 | $7,200 | | |
| | • 7 trips x 2 staff x $900 | $12,600 | | |
| | 800 - Board Travel | | | |
| | Airfare to/from CAP Law, CAP, NCAI, other TA Conferences | | | |
| | • 4 members x $900 | $3,600 | | |
| | • 7 trips x 2 people x $900 | $12,600 | | |
| | **Subtotal Travel** | **$41,500** | | |
| | **TOTAL COST OF TRAVEL** | **$93,900** | **$93,900** | |
| 560 | **560 PROGRAM SUPPLIES** | | | |
| | 500 - Training supplies | $10,000 | | |
| | **TOTAL COST OF PROGRAM SUPPLIES** | **$10,000** | **$10,000** | |
| 580 | **580 COMMUNICATIONS COSTS** | | | |
| | 300 - Printing and Distribution of Publications (Village Voices, Fact Sheets and other publications) | $24,000 | | |
| | 400 - Postage, UPS, Fed Ex | $8,400 | | |
| | **TOTAL COMMUNICATION COSTS** | **$32,400** | **$32,400** | |

# CSBG - FY 2011 - PUBLIC POLICY AND ADVOCACY

**BUDGET SUPPORT SHEET** (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW ___ AMENDMENT<br>__ CONTINUATION OF GRANT | Mar-10 |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | | AMOUNT OR VALUE OF EACH ITEM | |
|---|---|---|---|---|
| | | | CSBG FEDERAL SHARE | NON FEDERAL SHARE |
| 590 | **590 OTHER COSTS:** | | | |
| | Fees, Tuitions, and Registrations | $22,225 | | |
| | **TOTAL OTHERS COSTS** | **$22,225** | **$22,225** | |
| | Direct Cost of Component | | $188,525 | |
| | Administrative Costs of Component @ 22% | | $41,475 | |
| | **Total Cost of Component** | | **$230,000** | |

**CSBG -- FY 2011 Proposal** **Component: PUBLIC POLICY AND ADVOCACY** 

| COMMUNITY SERVICES BLOCK GRANT WORK PLAN (Please type or print clearly) | | | (5) GOAL STATUTORY AUTHORITY(S) Component: Public Policy & Advocacy |
|---|---|---|---|
| (1) NAME OF APPLICANT AGENCY<br>*Rural Alaska Community Action Program, Inc.* | (2) NAME/TITLE EXECUTIVE DIRECTOR<br>*David Hardenbergh* | (3) PHONE (Area Code)<br>*(907) 279-2511* | Sec 676 (A), (i); (v); (vii) |
| (4) ADDRESS<br>*P.O. Box 200908* | CITY<br>*Anchorage* | STATE<br>*Alaska* | ZIP CODE<br>*99520-0908* | Period: April 1, 2011 – June 30, 2012 |

| (6) PROJECT TITLE AND STATEMENT OF ONE-YEAR GOALS | (7) ACTIVITIES REQUIRED TO ACHIEVE GOAL | (8) TIME TABLE PROGRAM YEAR QUARTER 1st \| 2nd \| 3rd \| 4th | (9) TRAINING AND TECHNICAL ASSISTANCE REQUIRED | (10) CSBG FUNDS | (11) No. Mos. | (12) Other Funds | (13) Planned Completion |
|---|---|---|---|---|---|---|---|
| National CSBG Goal 3: Low-income People own a Stake in their Community.<br><br>National CSBG Goal 4: Partnerships among Supporters and Providers of Services to Low-Income People are Achieved.<br><br>National CSBG Goal 5: Agencies Increase their Capacity to Achieve Results. | Component I – Subsistence/Rural Issues<br>A. Monitor judicial, legislative and regulatory activity regarding subsistence and tribal governmental issues. Attend meetings, forums and conferences to gather information and build networks.<br>B. Attend hearings, develop issue papers, and provide testimony on request.<br>C. Coordinate conferences and forums as directed by the Board of Directors.<br>D. Support work on subsistence halibut and other specific issues.<br>E. Develop and distribute the information and communications to keep constituents informed.<br>F. Provide resources to sustain and grow partnerships to improve the lives of low income people. | X \| X \| X \| X | • Updates on Federal and State Regulations<br>• Coordination with Alaska Federation of Natives, National Congress of American Indians, Alaska Inter-Tribal Council, community organizations, other national and statewide entities addressing the issues<br>• Knowledge of agencies affiliated with the Alaska Native Subsistence Halibut Working Group and other subsistence issues. | $ 100,000 | 12 | | On-Going |
| | | TOTALS CARRIED FORWARD FROM PREVIOUS PAGES (IF ANY) GRAND TOTAL | | $ 100,000 | | | |

(14) THIS APPLICATION HAS BEEN (check "a" or "b" as appropriate):
a. (X) Approved by the applicant's governing board. b. ( ) Reviewed by the applicant's administering board and approved by its governing officials.

| (15) NAME AND TITLE OF PRINCIPAL GOVERNING OFFICIAL OR PRINCIPAL OFFICER OF GOVERNING BOARD | SIGNATURE: | DATE: | DATE OF BOARD APPROVAL: |
|---|---|---|---|
| RurAL CAP Board President, Andrew Ebona | Andrew Ebona | March 17, 2010 | March 17, 2010 |

| COMMUNITY SERVICES BLOCK GRANT WORK PLAN (Please type or print clearly) | | | (5) GOAL STATUTORY AUTHORITY(S) Component: Public Policy & Advocacy |
|---|---|---|---|
| (2) NAME OF APPLICANT AGENCY<br>*Rural Alaska Community Action Program, Inc.* | (5) NAME/TITLE EXECUTIVE DIRECTOR<br>*David Hardenbergh* | (6) PHONE (Area Code)<br>*(907) 279-2511* | Sec 676 (A), (l); (v); (vii) |
| (7) ADDRESS<br>*P.O. Box 200908* | CITY<br>*Anchorage* | STATE<br>*Alaska* | ZIP CODE<br>*99520-0908* |
| | | | Period: April 1, 2011 – June 30, 2012 |

| (6) PROJECT TITLE AND STATEMENT OF ONE-YEAR GOALS | (7) ACTIVITIES REQUIRED TO ACHIEVE GOAL | (8) TIME TABLE PROGRAM YEAR QUARTER 1st \| 2nd \| 3rd \| 4th | (9) TRAINING AND TECHNICAL ASSISTANCE REQUIRED | (10) CSBG FUNDS | (11) No. Mos. | (12) Other Funds | (13) Planned Completion |
|---|---|---|---|---|---|---|---|
| National CSBG Goal 3:<br>Low-income People own a Stake in their Community.<br><br>National CSBG Goal 4 :<br>Partnerships among Supporters and Providers of Services to Low-Income People are Achieved.<br><br>National CSBG Goal 5:<br>Agencies Increase their Capacity to Achieve Results. | II. Education & Information<br>A. Develop strategies for relationship building including quality written, electronic, and other communications that convey to rural Alaskans, partners, the general public, and funders our collective interests to achieve family and community outcomes.<br>B. Includes at least four issues of the Village Voices newsletter for dissemination to the above stakeholders.<br>C. Produce other informational products as needed for advocacy issues.<br>D. Provide other support as needed for Public Policy and Advocacy activities to expand services to individuals, families, and communities. | X X X X | • National Community Action Organizations<br>• Federal and State Offices regarding early childhood education, energy, housing, community services, planning<br>• Regional Corporations and non-profits, other Statewide entities, Alaska community organizations<br>• Other funders and partners<br>• RurAL CAP Board of Directors<br>• Publications and effective communications | $130,000 | 12 | | On-Going |
| | | TOTALS CARRIED FORWARD FROM PREVIOUS PAGES (IF ANY) GRAND TOTAL | | $ 100,000<br>$ 230,000 | | | |

(14) THIS APPLICATION HAS BEEN (check "a" or "b" as appropriate):
a. (X) Approved by the applicant's governing board. B. ( ) Reviewed by the applicant's administering board and approved by its governing officials.

| (15) NAME AND TITLE OF PRINCIPAL GOVERNING OFFICIAL OR PRINCIPAL OFFICER OF GOVERNING BOARD | SIGNATURE: | DATE: | DATE OF BOARD APPROVAL: |
|---|---|---|---|
| RurAL CAP Board President, Andrew Ebona | Andrew Ebona | March 17, 2010 | March 17, 2010 |

*Community Services Block Grant FY 2011*

# Rural Housing & Planning Division

# NARRATIVE

## COMPONENTS I – Housing & Planning Services

**I. Housing Rehabilitation and Weatherization Services.** RurAL CAP will continue to selectively partner with local communities and tribal housing entities (TDHEs) to provide skilled home assessment, weatherization, handicapped access modifications, and comprehensive housing rehabilitation services, to be financed principally through a combination of TDHE resources and funding available through the U.S. Department of Agriculture, the U.S. Department of Housing and Urban Development, the Alaska Housing Finance Corporation, and private sources. Ultimate customers of the program will be individual low-income households. In some communities, RurAL CAP may develop grant and loan proposals to assist TDHEs in leveraging additional resources. CSBG funding assists RurAL CAP in forming these strategic partnerships, which result in substantial leveraging of scarce resources for housing preservation and disabled access. RurAL CAP will also identify and engage in activities which allow the agency to leverage its substantial experience and expertise in energy-efficiency retrofits to assist communities with achieving greater cost savings through weatherization of public and community facilities.

**II. Self-Help Housing.** Alaska's rural communities continue to suffer from a shortage of quality housing affordable to low-income homebuyers. When these families have the opportunity to participate in the construction of their homes, their labor significantly reduces the cost. CSBG funds will enable RurAL CAP to expand a mutual self-help housing program that will result in the development of new, affordable homeownership units and leveraging of substantial non-CSBG resources. The program will include a homeownership counseling and preparation component. CSBG will directly support program direction, augmented in part by grants from the Local Initiatives Support Corporation (Rural LISC), the U.S. Department of Housing & Urban Development, and the U.S. Department of Agriculture-Rural Development. Current projects are located in the Central Kenai Peninsula area; expansion will focus on underserved areas of the state, both on and off the road system as may be appropriate.

**III. Capital Project Services.** RurAL CAP's expertise in rural Alaska construction logistics and techniques is an important asset that can be tapped to assist rural communities in expanding quality housing and community facilities. The Rural Housing & Planning Division will continue to support the agency's development and retrofit of rural Child Development facilities, and will selectively assist rural communities and tribes with capital project planning and implementation, emphasizing use of local hire and maximizing limited funding. This activity will likely involve developing proposals on behalf of rural communities for grant and loan financing of capital projects, and acting as fiscal agent for management of these funds.

**IV. Housing Advocacy.** The Rural Housing & Planning Division will advocate on behalf of rural and Alaskan interests in the drafting and design of housing programs, policies, regulations, and

legislation. The Division will also participate in and provide support to the Alaska Affordable Housing Partnership.

**V. Community Planning and Capacity Building.** A general community plan is a prerequisite for rural Alaska villages and cities seeking funding through the Denali Commission, the Rasmuson Foundation, and other sources. RurAL CAP, through its partnership with the Denali Commission, has assumed a leadership role in crafting and refining an approach to community planning that is consistent with and relevant to the rural Alaska milieu, which has received the Commission's endorsement. Within the limitations of other funding, RurAL CAP will continue to assist small rural communities with developing and implementing a community plan. A portion of this work will be supported by a grant from USDA, and the Denali Commission internship program.

RurAL CAP will continue to address capacity building needs of rural communities. In partnership with the Denali Commission, HUD, USDA, and the Alaska Municipal League, RurAL CAP will participate in staging training events and developing materials designed to build skills and confidence which will lead to more effective planning and efficient management of rural utilities, housing, and tribal/civil government, as well as economic development activities.

**VI. Interagency Coordination.** RurAL CAP will maintain a staff presence at the Denali Commission and participate in interagency working groups and forums to enhance collaboration among public/private/non-profit sectors, information sharing, and bringing a more effective rural Alaskan voice into the Commission's and other agencies' programs and policy processes.

## PROGRAM OUTCOME STATEMENT

The components of the Rural Housing & Planning Division segment provide a range of activities and services which achieve the following national CSBG goals:

- #1 low-income people become more self-sufficient;
- #2 the conditions in which low-income people live are improved;
- #4 partnerships among supporters and providers of services to low-income people are achieved; and
- #5 agencies increase their capacity to achieve results.

## NEED FOR SERVICES

### Program Customers

Agency Staff: Among the customers of the Housing & Planning Services Division component are agency staff – people who administer and provide services for the poor, disadvantaged, and low income so that this population becomes more self-sufficient.

Poor & Low Income: Rural communities have an extensive need for new housing, repairs to existing housing, and development of housing options for special needs populations. The state's consolidated

Housing & Community Development Plan estimates that over 115,000 units are in need of repair, expanded living space, or replacement. RurAL CAP will prepare low-income families for homeownership with financial literacy counseling, and assist qualified families with the construction of their own homes through the USDA mutual self-help program. RurAL CAP also provides direct services to villages in implementing housing rehabilitation programs, leveraging funding from a variety of sources to achieve decent, safe, and energy-efficient housing for the state's lowest income residents.

Poor and Low Income persons are also served through programs that develop the capacity of rural communities to engage in meaningful self-determination through community planning, and development of small city and tribal governments to deliver essential community services.

**Program Products**

The products of the Rural Housing & Planning Division component include **developing programs to serve the needs of low-income people in rural communities to be more self-sufficient and which achieve results.**

- An implemented program which will directly provide affordable owner-occupied housing in rural communities by providing training and oversight to self-help homebuyers.
- Training and coaching designed to increase the level of technical competency of villages to engage in community planning and economic development, and to manage rural utilities, housing, and the day-to-day business of tribal and civil governments.
- Enhanced coordination among federal, state, and private organizations that provide funding for rural development programs, and increased responsiveness of programs to the needs and capacity of rural communities.
- General community plans which enable rural communities to chart their future, garner funding support, and relate their values and goals to a broader world.

## OUTCOME MANAGEMENT MODEL

- The outcome management models for the Rural Housing and Planning Division are formatted horizontally on the following pages. These pages complete the narrative section of the Rural Housing and Planning Division.

# Outcome Measures – Rural Housing & Planning Division

## Weatherization & Rehabilitation Program

*Submitted by Ralph Lee, Weatherization & Construction Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 1** Low Income People Become More Self-Sufficient
**National Performance Indicator #1.1** Employment
**Indicator Direct Measure#1.1a** The number and percentage of low-income participants in community action employment initiatives who get a job or become self-employed.
**RurAL CAP Strategic Plan** Direction #4 - Line of Business: Housing Rehabilitation and Weatherization Services
**Outcome Statement #1** All people hired locally as RurAL CAP construction crew staff will increase their knowledge and employable skills.
**Performance Target #1** Of the 35 people hired locally as RurAL CAP construction staff, 15 will increase their knowledge and employable skills. (1.1 – A, B, C)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Wx local hires**. | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 – 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.1 Potential local hires request application. | Field supervisor observation, word of mouth, applications received. | **250** | Advertise job openings through village council and distribute applications. | | | | | |
| 1.2 Potential local hires complete and return application. | Applications received. | **200** | Supervisor collects applications. | | | | | |
| 1.3 Potential local hires are selected for and complete interview. | Applications received. | **150** | Supervisor selects best qualified applicants, interviews for job opening. | | | | | |
| 1.4 Local hires are selected and show up for work on first day, receive orientation, safety training. | PCRs and timesheets. Safety training and orientation checklists. | **140** | Supervisor hires crew members, explains policy and procedures, conducts safety training class, teaches installation measures. | | | | | |
| 1.5 Local hire continues working through duration of the project or accepts another job because of increased work experience. | Payroll records; PCRs. | **100** | Supervisor encourages crewmember reliability, teaches weatherization techniques. | | | | | |

A box with the following symbol signifies:
blank ( ) results have not been entered yet
dash (---) no program activity
zero ( 0 ) no customers achieved milestone, even though there was program activity
whole number (5) unduplicated customers that achieve milestone for the 1st time

1222

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Wx local hires.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 – 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.6 Local hires increase job skills through work experience and on the job training; promoted to more responsible positions as experience increases. | Performance evaluation, PCRs. | **40** | Supervisor continues on-the-job training; recommends promotion because of increased skills acquired, reliability, etc. | | | | | |

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zero ( 0 ) — no customers achieved milestone, even though there was program activity

whole number (5) — unduplicated customers that achieve milestone for the 1st time

# Outcome Measures – Rural Housing & Planning Division

## Weatherization & Rehabilitation Program

*Submitted by Ralph Lee, Weatherization & Construction Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 2** The conditions in which low-income people live are improved.
**National Performance Indicator #2.1** Community Improvement and Revitalization
**CSBG Indicator Direct Measure** 2.1c. Safe and affordable housing units in the community are preserved or improved through construction, weatherization, or rehabilitation achieved by community action activity or advocacy.

**RurAL CAP Strategic Plan** Direction #4 - Line of Business: Housing Rehabilitation and Weatherization Services
**Outcome Statement #2** All homes assisted by the RurAL CAP Weatherization Program will realize improvements in safety, comfort, durability, and energy efficiency.

**Performance Target #2** Of the 100 homes assisted by the RurAL CAP Weatherization Program annually, 50 homes will realize a significant reduction of air infiltration and 25 homes will realize a significant energy efficiency improvement. (2.1 - C)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **homes.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of homes expected to participate. (# people) | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 – 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 2.1 Homes tested and assessed; work plan developed. | Work plan on file; AkWarm recommendations. | **350** | Wx staff conduct home assessment, diagnostic tests, etc. | | | | | |
| 2.2 Materials installed; Wx crews work on home. | Weekly reports; Material flow chart; Time sheets. | **350** | Supervisors recruit, train local crewmembers; deliver materials. | | | | | |
| 2.3 Air infiltration reduced to minimum ventilation level. | Blower Door test results. | **150** | Wx staff conduct after diagnostic tests, compare with before test. | | | | | |
| 2.4 Home energy rating improves minimum of one star. | AkWarm results. | **200** | Wx crews complete home improvements; staff compare energy rating. | | | | | |
| 2.5 Home energy rating improves minimum of two stars. | AkWarm results. | **100** | Wx crews complete home improvements; staff compare energy rating. | | | | | |

A box with the following symbol signifies:

| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

# Outcome Measures – Rural Housing & Planning Division

## Weatherization & Rehabilitation Program

*Submitted by Ralph Lee, Weatherization & Construction Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal # 2** The conditions in which low-income people live are improved.
**National Performance Indicator #2.1** Community Improvement and Revitalization
**CSBG Indicator Direct Measure** 2.1c. Safe and affordable housing units in the community are preserved or improved through construction, weatherization, or rehabilitation achieved by community action activity or advocacy.

**RurAL CAP Strategic Plan** Direction #4 - Line of Business: Housing Rehabilitation and Weatherization Services
**Outcome Statement #3** All homes assisted by the RurAL CAP Weatherization Program will realize improvements in safety, comfort, durability, and energy efficiency.
**Performance Target #3** Of the 100 Heads of Households assisted by the RurAL CAP Weatherization Program annually, 25% will realize significant improvements in energy efficiency. (2.1 - C)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Wx Heads of Households.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of homes expected to participate. (# people) | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 – 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 3.1 Head of Household requests information, application. | Application request log; village request letters. | **500** | Wx staff provides application. | | | | | |
| 3.2 Head of Household completes application; household meets income guidelines/qualifies for assistance; prioritized by household composition and house condition. | Completed application on file. (Wx manager data program) Priority list. | **400** | Head of Household submits application, income information. Wx staff verify income; prioritize households. | | | | | |
| 3.3 Head of Household receives information about maintaining improvements; energy efficiency. | Punch list, client ed signoff. | **350** | Wx supervisor explains use, maintenance of Wx measures; provides information to save energy. | | | | | |
| 3.4 Head of Household note significant (at least 25%) savings on annual heating use. | AHFC questionnaire | **150** | Head of Household completes and returns questionnaire to AHFC | | | | | |

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# Outcome Measures – Rural Housing & Planning Division

## Weatherization & Rehabilitation Program

*Submitted by Ralph Lee, Weatherization & Construction Director* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal #6** Low income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems.

**National Performance Indicator #6.1** Independent Living

**CSBG Indicator Direct Measure #6a/b** The number of vulnerable individuals receiving services from community action that maintain an independent living situation as a result of those services: Senior citizens and individuals with disabilities.

**RurAL CAP Strategic Plan** Direction #4 - Line of Business: Housing Rehabilitation and Weatherization Services

**Outcome Statement #4** All homes with elderly residents assisted by the RurAL CAP Weatherization Program will realize measurable reduction in energy burden or disability improvements to enable them to continue living in their homes.

**Performance Target #4** Of 15 elderly people assisted by the RurAL CAP Weatherization Program annually, six (6) will be disabled and will continue to live independently because of accessibility improvements. (6.1.A. 6.1.B)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target **for Wx Elder Residents.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of homes expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 – 6/30) **Quarter 1** | (7/1 – 9/30) **Quarter 2** | (10/1 – 12/31) **Quarter 3** | (1/1 – 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 4.1 An elder (55 years or more) lives in the house, receives priority service. | Client files, Wx manager. | **60** | Wx staff prioritize families to receive program. | | | | | |
| 4.2 Disabled elderly resident receives improvements to achieve greater mobility and accessibility. | Completion / sign-off by supervisor / occupant. | **8** | Materials installed by crew, project supervisor verifies work complete. | | | | | |

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# Outcome Measures – Rural Housing & Planning Division
## Self-Help Housing Program

*Submitted by Mi'shell Reid, Self-Help Housing Coordinator* *FY 2011 CSBG 4/1/11 to 3/31/12*

**Agency Strategic Direction #4** Line of Business: Construction and Project Management
**CSBG Goal #1** Low Income People Become More Self-Sufficient
**CSBG Goal #2** Conditions in which Low Income People Live are Improved
**Performance Indicator 1.3** Economic Asset Enhancement and Utilization
**Performance Indicator 2.1** Community Improvement and Revitalization

**Outcome Statement #1** At least 12 new safe and affordable housing until will be created.
**Performance Target #1** Out of 50 heads of households who express initial interest in becoming self-help participants, at least 20 will qualify for USDA self-help loans, and 12 will complete their sweat equity commitment and become self-help homeowners which will increase their self-sufficiency and improve the condition in which they live. (1.3 – B; 2.1 – B)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Low-Income Heads of Households.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 – 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.1 Low income heads of households learn about the self-help program. | Newspaper circulation, flyers provided at schools and community institutions. | **250** | Self-help coordinator develops marketing plan and distributes promotional material. | | | | | |
| 1.2 Low income heads of households complete homeownership preparation ready to apply for USDA loan. | Attendance records, evaluation of credit readiness. | **30** | Self-help coordinator and financial literacy specialist conduct classes, administers tests, evaluates readiness. | | | | | |
| 1.3 Low income heads of households participate in homeownership counseling to repair credit issues | Attendance records, progress tracking | **20** | Financial literacy specialist provides counseling | | | | | |
| 1.4 Low income heads of households make application to participate in self-help program and obtain USDA approval. | Applications processed, USDA commitment letters. | **15** | Self-help coordinator takes applications, receives results from USDA. | | | | | |
| | | | | | | | | |

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zero ( 0 ) no customers achieved milestone, even though there was program activity
whole number (5) unduplicated customers that achieve milestone for the 1st time

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **Low-Income Heads of Households.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate. | **Product Steps:** What staff member does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 – 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.5 Low income heads of households sign loan documents. | Signed documents, USDA approvals. | **8** | Self-help coordinator assists households with USDA process. | | | | | |
| 1.6 Low income heads of households complete program orientation and safety training. | Attendance records. | **8** | Self-help coordinator organizes homebuyer group, provides technical assistance to group to elect officers, and establish ground rules.<br>Self-help site supervisor teaches on-the-job safety and construction skills. | | | | | |
| 1.7 Low income heads of households complete construction and sweat equity commitment; 8 new safe and affordable housing units created. | Work records, inspection reports. | **8** | Self-help site supervisor, manages construction project<br>Self-help coordinator monitors attendance and occupancy. | | | | | |

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| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
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# Outcome Measures – Rural Housing & Planning Division

## Community Planning Program

*Submitted by Charlene Stern, Rural Planning Coordinator* *FY 2011 CSBG 4/1/11 to 3/31/12*

**CSBG National Goal #2** The conditions in which low-income people live are improved.

**National Performance Indicator 2.2** The quality of life and assets in low-income neighborhoods are improved by community action initiatives or advocacy.

**RurAL CAP Strategic Plan** External Direction #4 – Rural Housing and Planning - Line of Business: Community Planning

**Outcome Statement #1** All community members will realize an increase in the quality of life and assets in low-income neighborhoods in which they live as a direct result of their participation in and the implementation of a new community plan.

**Performance Target #1** Out of 95 residents in 7 rural communities, 50 will begin to implement their culturally relevant community plan which will result in improved quality of life and access to assets in low-income neighborhoods. (2.2. – B, C, D, E)

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **rural community residents.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate | **Product Steps:** Who does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.1 Rural residents in 7 communities will develop or update a community plan. | Site visits, phone logs, meetings, sign in sheets, meeting agendas, plan, minutes, photographs, monthly and quarterly reports. | **95** | RurAL CAP staff, VISTA members and city/tribal council staff will help coordinate public meetings, include coming members in the planning process, and begin drafts of plans. | | | | | |
| 1.2 Rural residents in 7 communities will complete a culturally relevant community plan, and submit it to the Alaska Division of Community Advocacy (AK DCA) plan database. | Meeting agendas, sign in sheets, resolution adopting plan, final plan document, monthly and quarterly reports. | **95** | RurAL CAP staff, VISTA members, and city/tribal council staff will facilitate plans submitted, and maintain communication with AK DCA. | | | | | |

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whole number (5) unduplicated customers that achieve milestone for the 1st time

| **Milestone:** Small, measurable changes in customer conditions or behaviors to accomplish the performance target for **rural community residents.** | **Verification:** Tool or document used to verify that milestone was reached. | **Projected** # of people expected to participate | **Product Steps:** Who does what to make milestone happen. | (4/1 - 6/30) **Quarter 1** | (7/1 - 9/30) **Quarter 2** | (10/1 - 12/31) **Quarter 3** | (1/1 - 3/31) **Quarter 4** | **Total** |
|---|---|---|---|---|---|---|---|---|
| 1.3 Rural residents in 4 communities will begin to implement their community plan through development of one or more capital projects identified in its plan which will result in improved quality of life and access to assets in low-income neighborhoods. | Meeting records, project-specific plans/specs, funding proposals, funding awards, monthly and quarterly reports. | **50** | RurAL CAP staff, VISTA members, and city/tribal councils staff will monitor the implementation of community plans, and track funding awarded. | | | | | |

A box with the following symbol signifies:

| blank ( ) | dash (---) | zero ( 0 ) | whole number (5) |
|---|---|---|---|
| results have not been entered yet | no program activity | no customers achieved milestone, even though there was program activity | unduplicated customers that achieve milestone for the 1st time |

1230

| Budget Summary FY 2011<br>Community Services Block Grant | Rural Alaska<br>Community Action Program, Inc. | Component: RURAL HOUSING & PLANNING DIVISION |
|---|---|---|

| GRANT NUMBER: | FUNDING PERIOD FOR WHICH FUNDS ARE REQUESTED<br>Beginning Date<br>April 1, 2011 | <br>Ending Date<br>June 30, 2012 | GOAL STATUTORY AUTHORITY (S)<br>Public Law 97-35<br>Section 675 ©, (A), (B)<br>(vi), (vii), (D), (E) | ESTIMATED UNEXPENDED CSBG FUNDS AVAILABLE AT END OF CURRENT FUNDING PERIOD (Attach most recent Monthly and/or Quarterly Financial Report): |
|---|---|---|---|---|

BUDGET SUMMARY (NEW APPLICATIONS – complete "TOTAL REQUESTED BUDGET" Column ONLY. CONTINUATIONS – Complete "CSBG APPROVED BUDGET FOR THE CURRENT FUNDING PERIOD" and "TOTAL REQUESTED BUDGET" Columns ONLY. AMENDMENTS – "CSBG APPROVED BUDGET FOR THE CURRENT FUNDING PERIOD", "REQUESTED AMENDMENT TO CURRENT CSBG BUDGET and "TOTAL REQUESTED BUDGET" Columns.)

| | COST CATEGORY | (I) CSBG Approved Budget for the Current Funding Period No. months of operation: 12 | | (II) Requested Amendment to Current CSBG Approved Budget (+ or -) | | (III) TOTAL REQUESTED BUDGET No. months of operation: 12 | | (IV) TOTAL DCRA APPROVED BUDGET No. months of operation: | |
|---|---|---|---|---|---|---|---|---|---|
| | | CSBG Federal | Non Federal | CSBG Federal | Non Federal | CSBG Federal | Non Federal | CSBG Federal | Non Federal |
| | | (1) | (2) | (1) | (2) | (1) | (2) | (1) | (2) |
| 10 | PERSONNEL | | | | | $188,517 | | | |
| 20 | CONTRACTUAL | | | | | $0 | | | |
| 30 | TRAVEL | | | | | $21,055 | | | |
| 40 | BUILDING SPACE | | | | | $20,000 | | | |
| 50 | GENERAL SUPPLY | | | | | $6,700 | | | |
| 60 | PROGRAM SUPPLY | | | | | $665 | | | |
| 70 | EQUIPMENT | | | | | $0 | | | |
| 80 | COMMUNICATION | | | | | $20,158 | | | |
| 90 | OTHER | | | | | $5,200 | | | |
| | TOTAL DIRECT<br>ADMINISTRATIVE COSTS | | | | | $262,295<br>$57,705 | | | |
| | **TOTAL** | | | | | **$320,000** | | | |

1231

# CSBG - FY 2011 - RURAL HOUSING & PLANNING

**BUDGET SUPPORT SHEET** (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW ___ AMENDMENT<br>__ CONTINUATION OF GRANT | Mar-10 |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | AMOUNT OR VALUE OF EACH ITEM | | |
|---|---|---|---|---|
| | | | CSBG FEDERAL SHARE | NON FEDERAL SHARE |
| | **RURAL HOUSING AND PLANNING** | | | |
| 510 | **510 PERSONNEL COSTS** | | | |
| | 100 - Housing & Planning Division Director (1 FTE - 53% to CSBG) | $64,593 | | |
| | 100 - Interagency Liaison (1 FTE - 100% CSBG) | $74,022 | | |
| | *Subtotal Personnel* | *$138,615* | | |
| | 500 - Fringe (36%) | $49,902 | | |
| | **TOTAL COST OF PERSONNEL** | **$188,517** | **$188,517** | |
| 530 | **530 TRAVEL COSTS** | | | |
| | 100 - Staff Per Diem in State | | | |
| | • Trips to conduct workshops and meetings (7 trips x 3 days x $180) | $3,780 | | |
| | 200 - Staff Per Diem out of State | | | |
| | • Trips to conference and training events - 5 trips/5 days x $275/day | $6,875 | | |
| | * LISC Seminar per diem not paid for by LISC grant | $2,400 | | |
| | *Subtotal Per Diem* | *$13,055* | | |
| | 500 - Staff Travel in State | | | |
| | • Trips to conduct workshops and meetings (7 trips x $500) | $3,500 | | |
| | 700 - Staff Travel out of State | | | |
| | • Trips to attend conference and training events (5 x $900) | $4,500 | | |
| | *Subtotal Travel* | *$8,000* | | |
| | **TOTAL COST OF TRAVEL** | **$21,055** | **$21,055** | |

1232

# CSBG - FY 2011 - RURAL HOUSING & PLANNING

## BUDGET SUPPORT SHEET (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW ___ AMENDMENT<br>__ CONTINUATION OF GRANT | Mar-10 |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | AMOUNT OR VALUE OF EACH ITEM | | |
|---|---|---|---|---|
| | | | CSBG FEDERAL SHARE | NON FEDERAL SHARE |
| 540 | **540 SPACE COSTS** | | | |
| | 100 - Director office, rent for off-site planner in Fairbanks | $20,000 | | |
| | **TOTAL COST OF SPACE** | **$20,000** | **$20,000** | |
| 550 | **550 GENERAL SUPPLIES COSTS** | | | |
| | 100 - Office supplies | $5,500 | | |
| | 600 - Copier supplies | $1,200 | | |
| | **TOTAL COST OF GENERAL SUPPLIES** | **$6,700** | **$6,700** | |
| 560 | **560 PROGRAM SUPPLIES COSTS** | | | |
| | 100 - Training supplies | $665 | | |
| | **TOTAL COST OF PROGRAM SUPPLIES** | **$665** | **$665** | |
| 580 | **580 COMMUNICATIONS COSTS** | | | |
| | 100 - Telephone, teleconference and fax | $4,000 | | |
| | 200 - Advertising, outreach | $1,000 | | |
| | 300 - Printing | $1,000 | | |
| | 400 - Postage and shipping | $500 | | |
| | 500 - Computer communications ($284.54 /unit/mo - 4 units) | $13,658 | | |
| | **TOTAL COMMUNICATION COSTS** | **$20,158** | **$20,158** | |
| 590 | **590 OTHER COSTS:** | | | |
| | 300 - Misc subscriptions | $700 | | |
| | 700 - Fees, tuitions, memberships | $4,500 | | |
| | NRTI tuition, APA dues and conf. fee, HAC fee, | | | |
| | AML dues, Contractors License and Bond, NSSHA dues, | | | |

1233

# CSBG - FY 2011 - RURAL HOUSING & PLANNING

**BUDGET SUPPORT SHEET** (Budget Support Data)

| NAME OF APPLICANT AGENCY: | TYPE OF GRANT: | DATE SUBMITTED: |
|---|---|---|
| RURAL ALASKA COMMUNITY ACTION PROGRAM, INC<br>731 EAST 8TH AVENUE<br>ANCHORAGE, ALASKA 99501 | _X_ NEW ___ AMENDMENT<br>__ CONTINUATION OF GRANT | **Mar-10** |

**BUDGET SUPPORT DATA** (Itemize and show subtotal for each Cost Category)

| COST CAT NO. | DESCRIPTION OF ITEM AND BASIS FOR VALUATION | AMOUNT OR VALUE OF EACH ITEM | | |
|---|---|---|---|---|
| | | | CSBG FEDERAL SHARE | NON FEDERAL SHARE |
| | other training | | | |
| | **TOTAL OTHERS COSTS** | **$5,200** | **$5,200** | |
| | Direct Cost of Component | | $262,295 | |
| | Administrative Costs of Component @ 22% | | $57,705 | |
| | **Total Cost of Component** | | **$320,000** | |

| COMMUNITY SERVICES BLOCK GRANT WORK PLAN (Please type or print clearly) | | | (5) GOAL STATUTORY AUTHORITY(S) | Component: Rural Housing & Planning Division |
|---|---|---|---|---|
| (1) NAME OF APPLICANT AGENCY<br>*Rural Alaska Community Action Program, Inc.* | (2) NAME/TITLE EXECUTIVE DIRECTOR<br>*David Hardenbergh* | (3) PHONE (Area Code)<br>*(907) 279-2511* | Public Law 97-35<br>Section 675 (c), (A), (B), (vi), (vii), (D), & (E). | |
| (4) ADDRESS<br>*P.O. Box 200908* | CITY<br>*Anchorage* | STATE<br>*Alaska* | ZIP CODE<br>*99520-0908* | Period:<br>April 1, 2011 to June 30, 2012 |

| (6) PROJECT TITLE AND STATEMENT OF ONE-YEAR GOALS | (7) ACTIVITIES REQUIRED TO ACHIEVE GOAL | (8) TIME TABLE PROGRAM YEAR QUARTER 1st | 2nd | 3rd | 4th | (9) TRAINING AND TECHNICAL ASSISTANCE REQUIRED | (10) CSBG FUNDS | (11) No. Mos. | (12) Other Funds | (13) Planned Completion |
|---|---|---|---|---|---|---|---|---|---|---|
| National CSBG Goal #1:<br>Low-income people become more self-sufficient.<br><br>National CSBG Goal #2:<br>The conditions in which low-income people live are improved.<br><br>National CSBG Goal #6:<br>Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems. | HOUSING SERVICES<br><br>A. Provide administrative oversight to Weatherization and rehabilitation program; broker partnerships among various agencies and villages to maximize leveraging of funding.<br><br>B. Secure sites for development of mutual self-help housing; secure supplemental funding to underwrite costs of site development.<br><br>C. Implement mutual self-help housing program:<br>Market and deliver homeownership preparation curriculum<br>Recruit and train homebuyers<br>Construct homes | X<br><br>X<br><br>X | X<br><br>X<br><br>X | X<br><br>X<br><br>X | X<br><br>X<br><br>X | • HUD<br>• AHFC<br>• USDA<br>• Denali Commission<br>• Alaska Building Science<br>• RCAC<br>• Tribes<br>• LISC<br>• Federal Home Loan Bank<br>• Lenders | $200,000 | 12 | $2,500,000 (WX funds)<br><br>$4,000,000 (debt & grants)<br><br>$285,000 (AHFC - HOME)<br><br>$610,000 (USDA)<br>$15,000 (LISC) | Ongoing<br><br>2009<br><br>2009<br><br>Spring 2009<br><br>ongoing |
| | | TOTALS CARRIED FORWARD FROM PREVIOUS PAGES<br>GRAND TOTAL | | | | | $200,000 | | $7,410,000 | |

(14) THIS APPLICATION HAS BEEN (check "a" or "b" as appropriate):
a. (X) Approved by the applicant's governing board. b. ( ) Reviewed by the applicant's administering board and approved by its governing officials.

| (15) NAME AND TITLE OF PRINCIPAL GOVERNING OFFICIAL OR PRINCIPAL OFFICER OF GOVERNING BOARD | SIGNATURE: | DATE: | DATE OF BOARD APPROVAL: |
|---|---|---|---|
| RurAL CAP Board President, Andrew Ebona | Andrew Ebona | March 17, 2010 | March 17, 2010 |

| COMMUNITY SERVICES BLOCK GRANT WORK PLAN (Please type or print clearly) | | | (6) GOAL STATUTORY AUTHORITY(S) Public Law 97-35 Section 675 (c), (A), (B), (vi), (vii), (D), & (E). | Component: Rural Housing & Planning Division |
|---|---|---|---|---|
| (1) NAME OF APPLICANT AGENCY *Rural Alaska Community Action Program, Inc.* | (2) NAME/TITLE EXECUTIVE DIRECTOR *David Hardenbergh* | (3) PHONE (Area Code) *(907) 279-2511* | | |
| (4) ADDRESS *P.O. Box 200908* | CITY *Anchorage* | STATE *Alaska* | ZIP CODE *99520-0908* | Period: April 1, 2011 to June 30, 2012 |

| (6) PROJECT TITLE AND STATEMENT OF ONE-YEAR GOALS | (7) ACTIVITIES REQUIRED TO ACHIEVE GOAL | (8) TIME TABLE PROGRAM YEAR QUARTER 1st / 2nd / 3rd / 4th | (9) TRAINING AND TECHNICAL ASSISTANCE REQUIRED | (10) CSBG FUNDS | (11) No. Mos. | (12) Other Funds | (13) Planned Completion |
|---|---|---|---|---|---|---|---|
| National CSBG Goal #2: The conditions in which low-income people live are improved. | PLANNING SERVICES | | • HUD • AHFC • USDA • Denali Commission • USDA • DCRA • First Alaskans Inst • Alaska Dept of Labor – State Data Center • LISC | $ 75,000 | | | Ongoing |
| | D. Maintain RurAL CAP liaison position with the Denali Commission. | X X X X | | | | | |
| | E. Participate in Denali Commission planning working group and other task forces as appropriate. | X X X X | | | | | |
| | F. Assist communities in developing and implementing workable community plans | X X X X | | | | $300,000 | 2010 |
| National CSBG Goal #5: Agencies increase their capacity to achieve results. | G. Provide analysis and input into design and evaluation of rural development programs and policies of the Denali Commission and other partner federal and state agencies. | X X X X | | $45,000 | | | |
| | H. Maintain an ongoing collection of needs assessment information concerning the poor, low-income and disadvantaged. | X X X X | | | | | |
| | I. Support the activities and goals of the Rural Housing and Planning Division | X X X X | | | | | |
| | | TOTALS CARRIED FORWARD FROM PREVIOUS PAGES | | $200,000 | | $7,410,000 | |
| | | GRAND TOTAL | | $320,000 | | $7,710,000 | |

(14) THIS APPLICATION HAS BEEN (check "a" or "b" as appropriate):
a. (X) Approved by the applicant's governing board. b. ( ) Reviewed by the applicant's administering board and approved by its governing officials.

| (15) NAME AND TITLE OF PRINCIPAL GOVERNING OFFICIAL OR PRINCIPAL OFFICER OF GOVERNING BOARD | SIGNATURE: | DATE: | DATE OF BOARD APPROVAL: |
|---|---|---|---|
| RurAL CAP Board President, Andrew Ebona | Andrew Ebona | March 17, 2010 | March 17, 2010 |

# Appendix C

## Documentation of Public Hearing

Documentation will be added after the Public Hearing

# HB

# 10

This CS for HB 10 reflects 1 change from our committee hearing on February, 26, 2009.

In the original bill page 2- Section 3

(a) has been removed.

Section 4 now begins where Sec 5 began in the original bill, all sections after were also renumbered accordingly but otherwise no changes were made

*Member*

*Standing Committees:*
Judiciary
State Affairs
Transportation

*Finance Subcommittees:*
Administration
Courts
Law

# Alaska State Legislature

## House of Representatives




**Representative Max F. Gruenberg, Jr.**
**House District 20**
**Anchorage (Mountain View, Russian Jack, East Anchorage)**
**House Minority Assistant Floor Leader**

*Interim:*
716 W 4th Avenue, Rm 350
Anchorage, Alaska 99501-2133
*Phone:* (907) 269-0123
*Fax:* (907) 269-0124

*Session:*
Alaska State Capitol, Rm 110
Juneau, Alaska 99801-1182
*Phone:* (907) 465-4940
*Toll Free:* (866) 465-4940
*Fax:* (907) 465-3766

*Email:*
Rep.Max.Gruenberg@legis.state.ak.us

Expected Witness List for HB 10 Municipal Taxes: Costs/Exemptions

Representative Gruenberg
Bill sponsor - to introduce bill and answer questions

Representative Kawasaki or staff member
Co-prime sponsor – available to answer questions on Section 3 re: residential property

Christine Marasigan, staff for Senator Meyer
Available to answer questions on Section 4 re: colleges or universities

Konrad Jackson, staff for Representative Olson
Available to answer questions on Section 5 re: fraternal organizations

Steve Van Sant – off-net
State Assessor – available to answer questions, no prepared testimony
907.269.4605

Dr. Douglas North – off-net
Alaska Pacific University – testify to Section 4 re: colleges or universities
907.564.8220

Sergeant Mike Couturier – off-net
Department Recruiter – Anchorage Police Department (Sect. 6)
907.786.2444

Also, a representative of Public Safety Employees Association will be present to testify in support of Section 6, but we don't know who it is that will be available yet.

Mark R. Hamilton, President
Phone: (907) 450-8000
Fax: (907) 450-8012
EMAIL: sypres@alaska.edu

UNIVERSITY of ALASKA
*Many Traditions One Alaska*

202 Butrovich Building
910 Yukon Drive
P.O. Box 755000
Fairbanks, AK 99775-5000

January 12, 2009

Dear Legislators:

I join the Anchorage Assembly and the leadership of Alaska Pacific University in urging that APU enjoy tax exemption on the use of its historic, contiguous acreage in Anchorage. It is in the best interests of the State of Alaska that we maintain the viability of a private University in our state. APU is complimentary to the State University system; and we work together well in providing non-duplicative programs. The "endowment properties" are sufficient to maintain APU in its current and envisioned size and role if they can be assured that those properties will not suffer from property tax.

With the loss of Sheldon Jackson, the importance of APU is magnified. I believe this small consideration will return to the State of Alaska many times over in the careers and contributions of APU's graduates.

Respectfully,

Mark R. Hamilton
President

cc: President Douglas M. North, APU

# Municipality of Anchorage

P.O. Box 196650 • Anchorage, Alaska 99519-6650 • Telephone: (907) 343-4431 • Fax: (907) 343-4499 http://www.muni.org

*Mayor Mark Begich*

Office of the Mayor


December 31, 2008

To the Members of the Alaska State Legislature:

On December 16, 2008 the Anchorage Assembly passed a Resolution that urges the State Legislature to enact legislation that would level the playing field between the University of Alaska Anchorage and Alaska Pacific University's contiguous campus when it comes to property taxation. The phrase "contiguous campus" is an important limitation upon APU's equalization, and one that APU agrees with. It precludes APU from buying additional property and then competing with the private sector for development dollars.

The Anchorage Assembly was impressed by the contribution at APU has made and continues to make to Anchorage—as an economic engine ($200,000,000 spent locally since 1995), as an important part of the city's educational landscape, and as an institution offering manifold public services at little or no cost to the people of Anchorage.

Alaska Pacific University was not assessed any property taxes for its first 47 years until a new ruling by the Municipal Assessor in 2005. APU has contested this ruling for the past three years. In the past, I have not opposed this equalization of property taxation between our two Alaska universities, but the Municipal Attorney has clearly shown me that only the State Legislature, not the Mayor's Office nor the Anchorage Assembly, can effect this change.

As APU enters its 50th year of life—it was founded in 1959, the year of statehood, I too urge you to pass this legislation. As Mark Hamilton, President of the University of Alaska, himself said, "It is simply the right thing to do."

Alaska Pacific University has served Anchorage and its public for decades without Alaska taxpayer support. I urge you also to do the right thing and equalize the property taxation between Alaska Pacific University's contiguous campus here in Anchorage, and the University of Alaska.

Sincerely,

Mark Begich
Mayor

*Community, Security, Prosperity*

**Submitted by:** ASSEMBLY MEMBER COFFEY
**Prepared by:** Assembly Counsel
**For reading:** December 16, 2008

**ANCHORAGE, ALASKA**
**AR NO. 2008–329**

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY RELATING TO THE PROPERTY TAX STATUS OF ALASKA PACIFIC UNIVERSITY CAMPUS PROPERTY USED TO GENERATE INCOME TO SUPPORT ALASKA PACIFIC UNIVERSITY'S EDUCATIONAL PROGRAMS.**

---

WHEREAS, Alaska Pacific University, a private education institution serving an important public purpose, is a non-profit corporation which exists to encourage, promote, and extend instruction, research and education; and

WHEREAS, Alaska Pacific University and the United States Department of the Interior agreed that use of the Alaska Pacific University campus property for "educational and public purposes" allows development of revenue producing facilities on the campus; and

WHEREAS, Alaska Pacific University reports that none of its educational programs are profitable, revenue from tuition and fees covers only a portion of the cost of operating the University, and funds generated by income producing campus property is an essential component of the university's budget; and

WHEREAS, beginning with tax year 2006, the Municipality of Anchorage has assessed property tax on that portion of Alaska Pacific University campus property under lease to for-profit enterprise; and

WHEREAS, Alaska Pacific University provides an early honors program in cooperation with the Anchorage School District allowing Anchorage students to finish their high school education and obtain college level instruction and credit, which program lessens the burden on the government of providing public education for students enrolled in the program; and

WHEREAS, use of campus property (whether for classrooms, research facilities, administrative offices, recreation facilities, faculty, student and administrative housing, public broadcasting or leases to other parties which facilitate creation of educational opportunities or programs or which have a significant relation to an existing education program offered by Alaska Pacific University) provides a significant public benefit, improves public welfare and lessens the burden on the government of providing public education; and

WHEREAS, Alaska Pacific University is a tax-exempt educational institution under the Internal Revenue Code; and

WHEREAS, both Alaska Pacific University and the University of Alaska Anchorage are significant institutions in the Municipality that enhance the educational and cultural fabric of this community; and

WHEREAS, the real property owned by the University of Alaska Anchorage and leased to for-profit entities to generate income for the University of Alaska, is not subject to municipal property tax under state law; and

WHEREAS, Alaska Pacific University, as a private accredited post secondary institution, seeks an exemption in state law from municipal taxation on parity with the University of Alaska Anchorage, for all campus property, including all income-producing property under lease to for-profit enterprise;

NOW, THEREFORE, the Anchorage Assembly recognizes and resolves:

1. Private accredited post secondary institutions make important social and economic contributions to the community.

2. Alaska Pacific University receives no direct funding from the Municipality of Anchorage.

3. Absent a change in state law, certain income-producing property of Alaska Pacific University under lease to for-profit enterprise is not exempt from municipal property tax.

4. The Alaska Legislature is encouraged to enact legislation authorizing a municipal property tax exemption to Alaska Pacific University for all of its contiguous Anchorage Campus, so that Alaska Pacific University campus property would be taxed no more than University of Alaska Anchorage property.

PASSED AND APPROVED by the Anchorage Assembly this _____day of _____, 2008.

_____
Chair

ATTEST:

_____
Municipal Clerk

This section includes all materials from (H)C&RA Committee Hearing for HB10 on February 26, 2009

Lake Otis Medical Plaza
Lake Otis Professional Center, LLC
4100 Lake Otis Parkway, Suite 204 • Anchorage, Alaska 99508
OFFICE: (907)550-6262 • FAX: (907) 278-5338

February 12, 2009

Representative Bob Herron
Room 415, State Capitol
Juneau AK 99801-1182

Re: pending legislation

Dear Representative Herron,

I'm writing to request that you oppose House Resolutions 10, 16, 21, and 38. Each of these bills, while offering nominal property tax reductions to certain homeowners, would result in a 20% increase in taxes on commercial properties, just as the value of commercial property has declined by 4% in today's economy.

Please do what you can to defeat these measures. Thank you.

Sincerely,

**David McGuire, M.D.**
Owner
Lake Otis Professional Ctr.
4100 Lake Otis Pkwy, Suite 204
Anchorage, Alaska 99508

**Allison Laffen**

**From:** Van Sant, Steve (CED) [steve.vansant@alaska.gov]
**Sent:** Monday, February 23, 2009 10:07 AM
**To:** Allison Laffen
**Subject:** RE: HB 10 Municipal Property Tax Exemptions

Allison,

I have discussed this with the AG's office in the past, as well as other municipal attorneys and the conclusion is that once a widow/widower remarries , they are no longer considered a widow/widower and consequently, are no longer eligible for the program. This is consistent with the policy that we currently use in the program for seniors.

I hope this helps, but if you have any more questions, please feel free to contact me.

Steve

Steve Van Sant
State Assessor
(907) 269-4605

---

**From:** Allison Laffen [mailto:Allison_Laffen@legis.state.ak.us]
**Sent:** Sun 2/22/2009 12:02 PM
**To:** Van Sant, Steve (CED)
**Subject:** HB 10 Municipal Property Tax Exemptions

Mr. VanSant:

We have had a question arise on HB 10 and Rep. Gruenberg thought you may be able to assist us in finding the answer. I've attached a copy of the bill for your review. Section 2 of the bill amends AS 29.45.030(e) by eliminating the requirement that a widow or widower of a disabled veteran who had qualified for an exemption for taxes on the residence be at least 60 years old in order to also qualify for the exemption. The question posed to us: Is a widow or widower who has qualified or would qualify under this section who subsequently gets remarried still considered a widow/er for purposes of the exemption?

HB 10 is scheduled to be heard in House Community & Regional Affairs on Thursday, February 26 at 8:00am. Would you or someone from your staff be available via teleconference to answer questions that may arise during that time?

Thank you for your time.

Allison Laffen
Legislative Aide
Rep. Max Gruenberg - D20
(907) 465-2840

NFIB
The Voice of Small Business®

**Alaska**

February 20, 2009

Honorable Max Gruenberg
Alaska House of Representative
State Capitol Building
Juneau, AK 99801-1182

RE: House Bill 10, Section 3

Dear Representative Gruenberg:

On behalf of the National Federation of Independent Business/Alaska, I wish to express our opposition to Section 3 of House Bill 10. Over 60% of the NFIB/AK membership voted to oppose increases in the residential property tax exemption in the 2009 NFIB Alaska State Ballot The National Federation of Independent Business is the largest small-business advocacy group in the Alaska.

The proposed increase to the residential property tax exemption in Section 3 is one more step toward a "split roll" tax that will shift property taxation onto businesses. As small business owners, we believe that all users of municipal services should share property taxes equally. As fewer individuals are directly impacted by property taxes, tax increases are more likely. For small businesses that will increase operating costs and, particularly in the current economic situation, may reduce the ability of small businesses to increase employment and help our economy grow.

While we appreciate your concern about the impact of local property taxes on residential property, we believe that reducing expenditures is a more appropriate means of reducing those costs, rather than shifting them to others.

Sincerely yours,

Dennis L. DeWitt
Alaska Legislative Advocate

National Federation of Independent Business — ALASKA
P.O. Box 34761 • Juneau, AK 99803 • 907-723-6667 • denny.dewitt@nfib.org

**Public Safety Employees Association, Inc.**
*"Representing Alaska's Finest"*

# Public Safety Employees Association – Position Paper in Support
# HB 10 – Optional Exemption from Municipal Property Taxes

PSEA supports Section 6 of HB 10 that gives municipalities by ordinance an option to offer a property tax exemption as one means to attract law enforcement officers to reside in areas of a community where there is a higher occurrence of crime than is found in the municipality as a whole.

The municipality must by ordinance adopt the tax exemption and define law enforcement officer. If the municipality adopts an ordinance, it exempts from taxation an amount not to exceed $150,000 of assessed value of real property for an officer who owns and occupies a primary permanent residence in a designated area.

HB 10 gives communities a tool for use in attracting law enforcement officers to bring their families to live in areas of a community where crime is more prevalent.

The bill offers a property tax incentive for an officer and his or her family to consider living in a designated area where there is a higher incident of crime. Providing an incentive in the form of tax relief may help attract families of peace officers to neighborhoods where crime is an issue. If the quid pro quo is a neighborhood that is safer, the incentive will have been worth the investment.

2/26/09

4300 Boniface Parkway. Suite 116. Anchorage. Alaska 99504
Phone (907) 337-1979 FAX (907) 337-1753 E-Mail psea@psea.net

# Alaska State Legislature

## House of Representatives

*Member*

*Standing Committees:*
Judiciary
State Affairs
Transportation

*Finance Subcommittees:*
Administration
Courts

**Representative Max F. Gruenberg, Jr.**
**House District 20**
**Anchorage (Mountain View, Russian Jack, East Anchorage)**
**House Minority Assistant Floor Leader**

*Interim:*
716 W 4th Avenue, Rm 350
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*Fax:* (907) 269-0124

*Session:*
Alaska State Capitol, Rm 110
Juneau, Alaska 99801-1182
*Phone:* (907) 465-4940
*Toll Free:* (866) 465-4940
*Fax:* (907) 465-3766

*Email:*
Rep.Max.Gruenberg@legis.state.ak.us


TO: Representatives Cathy Muñoz and Bob Herron

FROM: Max F. Gruenberg, Jr.

DATE: February 5, 2009

RE: HB 10: Municipal Taxes: Costs/Exemptions

**********

Please consider this memorandum as a request for the House Community & Regional Affairs Committee to schedule a hearing on HB10. Accompanying this memo are the following documents:

- HB10 (26-LS0063\S) (26th Legislative Session)
- Sponsor Statement
- Sectional Analysis
- Previous bill versions: CSHB 67(FIN)am (25-LS0314\X.A) and SCS CSHB 67(CRA) (25-LS0314\J) (25th Legislative Session)

Thank you for considering my request for a hearing on HB10.

*Member*

*Standing Committees:*
Judiciary
State Affairs
Transportation

*Finance Subcommittees:*
Administration
Courts

# Alaska State Legislature
## House of Representatives

**Representative Max F. Gruenberg, Jr.**
**House District 20**
**Anchorage (Mountain View, Russian Jack, East Anchorage)**
**House Minority Assistant Floor Leader**

*Interim:*
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Juneau, Alaska 99801-1182
*Phone:* (907) 465-4940
*Toll Free:* (866) 465-4940
*Fax:* (907) 465-3766

*Email:*
Rep.Max.Gruenberg@legis.state.ak.us

SPONSOR STATEMENT
HB 10 – MUNICIPAL TAXES: COSTS/EXEMPTIONS

*"An Act authorizing a borough to charge a city for costs of collecting certain taxes; relating to a mandatory exemption from municipal property taxes for residences of certain widows or widowers, and to optional exemptions from municipal property taxes for property of certain fraternal organizations, for certain college property, and for certain residential property; and providing for an effective date."*

This bill makes several changes to the mandatory and optional municipal property tax exemptions allowed under Alaska law. The bill is similar to CSHB 67 (FIN)am that passed the House on 5/2/2007.

- The bill permits a borough to charge a city a fee for the cost of collecting a tax that is not also levied by the majority of cities in the borough or levied by the borough on an areawide basis. This is a new section to the previous versions of the bill.
- The bill encourages law enforcement officers to purchase homes and live in high crime areas by allowing a municipality to pass an ordinance giving an exemption up to $150,000 of assessed valuation for a permanent residence owned and occupied by a law enforcement officer in a high crime area.
- The bill allows widows and widowers of disabled veterans to retain their municipal property tax exemption. Under current law, these widows and widowers are ineligible for the tax exemption until they reach age 60.
- The bill provides for an option exemption at the discretion of a municipality to exempt property owned by a private university from municipal property taxes. If the property is being used for non-exempt purposes, the leasehold interest(s) will be subject to taxation. The Senate Community and Regional Affairs Committee amended CSHB 67 (FIN)am by changing this exemption from mandatory to optional.
- The bill provides for an optional municipal tax exemption for fraternal organizations if the property is used predominately for charitable or fraternal purposes. In order to be eligible for the tax exemption, the municipality by ordinance and the voters in the municipality must approve a tax exemption for fraternal property.
- Finally, the bill increases the optional municipal property tax exemption for residential property from up to $20,000 to up to $40,000. This section was also added in the Senate Community and Regional Affairs Committee in the prior legislature.

Please contact Allison Laffen at 465-2840 with any questions.

# FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB10
() Publish Date:

Identifier (file name): HB10-CED-CRA-2-20-09
Dept. Affected: DCCED
Title: Municipal Taxes Costs/Exemptions
RDU: Commissioners Office
Component: Community & Regional Affairs
Sponsor: Representative Gruenberg and Represenative Chenault
Requester: House Community and Regional Affairs Committee
Component Number: 2879

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CAPITAL EXPENDITURES | | | | | | | |
| CHANGE IN REVENUES ( ) | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

**Estimate of any current year (FY2009) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This bill would make primary changes to exisiting statues dealing with property tax exemptions for law enforcement officers living in high crime area, widow or widowers of disabled veterans, certain non-profit colleges and universities and a raise in the property tax exemption amount. The Department of Commerce, Community and Economic Development does not anticipate a fiscal impact due to passage of this legislation.

Prepared by: Tyson Fick
Phone 907-465-2503
Division: Commerce, Community, and Economic Development
Date/Time 02/20/09 10:00am
Approved by: Emil R. Notti, Commissioner
Date 2/23/2009
Commerce, Community, and Economic Development

(Revised 9/10/2008 OMB)

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329


**MEMORANDUM** February 5, 2009

**SUBJECT:** Municipal property taxes; sectional summary (House Bill 10)
(Work Order No. 26-LS0063\S)

**TO:** Representative Max Gruenberg
Attn: Allison Laffen

**FROM:** Tamara Brandt Cook
Director TBC

**Sec. 1.** Permits a borough to charge a city fee for costs of collecting a tax that is not also levied by a majority of the cities in the borough or levied by the borough on an areawide basis.

**Sec. 2.** Eliminates the requirement that a widow or widower of a disabled veteran who had qualified for an exemption for taxes on the residence be at least 60 years old in order to also qualify for the exemption. Under **Sec. 7**, this bill section, but not the rest of the bill, takes effect January 1, 2010.

**Sec. 3.** Increases the optional tax exemption on all residential property from up to $20,000 of the assessed value to $40,000 of the assessed value.

**Sec. 4.** Permits a municipality to classify and exempt from taxation property of certain nonprofit four-year colleges or universities. A private leasehold, contract or other interest in the property remains taxable to the extent of the interest.

**Sec. 5.** Permits a municipality by ordinance ratified by the voters to exclude or exempt from taxation property of certain fraternal societies if the property is used for a listed purpose.

**Sec. 6.** Allows a municipality to provide for a tax exemption not to exceed $150,000 of the assessed value of a residence of a law enforcement officer that is within an eligible area designated by the municipality. A municipality that provides the exemption may not request state funds to cover any loss of revenue caused by the exemption. Sets out requirements for an eligible area.

TBC:plm
09-072.plm

**CS FOR HOUSE BILL NO. 67(FIN) am**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

**BY THE HOUSE FINANCE COMMITTEE**

**Amended: 5/2/07**
**Offered: 4/13/07**

**Sponsor(s): REPRESENTATIVES GRUENBERG AND CHENAULT, Lynn, Olson, Dahlstrom, Foster, Gara, Crawford, Thomas, Wilson, Roses, Kawasaki**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act relating to a mandatory exemption from municipal property taxes for certain college property, to a mandatory exemption from municipal property taxes for residences of certain widows or widowers, and to optional exemptions from municipal property taxes for property of certain fraternal organizations and for certain residences of law enforcement officers; and providing for an effective date."**

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

*** Section 1.** AS 29.45.030(a) is amended to read:

(a) The following property is exempt from general taxation:

(1) municipal property, including property held by a public corporation of a municipality, state property, property of the University of Alaska**, property of a private, nonprofit four-year college or university that is accredited by a regional or national accrediting agency recognized by the Council for Higher Education Accreditation or the United States Department of Education, or both, and** [OR]

land that is in the trust established by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709, except that

(A) a private leasehold, contract, or other interest in the property is taxable to the extent of the interest; however, an interest created by a nonexclusive use agreement between the Alaska Industrial Development and Export Authority and a user of an integrated transportation and port facility owned by the authority and initially placed in service before January 1, 1999, is taxable only to the extent of, and for the value associated with, those specific improvements used for lodging purposes;

(B) notwithstanding any other provision of law, property acquired by an agency, corporation, or other entity of the state through foreclosure or deed in lieu of foreclosure and retained as an investment of a state entity is taxable; this subparagraph does not apply to federal land granted to the University of Alaska under AS 14.40.380 or 14.40.390, to other land granted to the university by the state to replace land that had been granted under AS 14.40.380 or 14.40.390, or to land conveyed by the state to the university under AS 14.40.365;

(C) an ownership interest of a municipality in real property located outside the municipality acquired after December 31, 1990, is taxable by another municipality; however, a borough may not tax an interest in real property located in the borough and owned by a city in that borough;

(2) household furniture and personal effects of members of a household;

(3) property used exclusively for nonprofit religious, charitable, cemetery, hospital, or educational purposes;

(4) property of a nonbusiness organization composed entirely of persons with 90 days or more of active service in the armed forces of the United States whose conditions of service and separation were other than dishonorable, or the property of an auxiliary of that organization;

(5) money on deposit;

(6) the real property of certain residents of the state to the extent and

subject to the conditions provided in (e) of this section;

(7) real property or an interest in real property that is exempt from taxation under 43 U.S.C. 1620(d), as amended;

(8) property of a political subdivision, agency, corporation, or other entity of the United States to the extent required by federal law; except that a private leasehold, contract, or other interest in the property is taxable to the extent of that interest unless the property is located on a military base or installation and the property interest is created under 10 U.S.C. 2871 - 2885 (Military Housing Privatization Initiative), provided that the leaseholder enters into an agreement to make a payment in lieu of taxes to the political subdivision that has taxing authority;

(9) natural resources in place including coal, ore bodies, mineral deposits, and other proven and unproven deposits of valuable materials laid down by natural processes, unharvested aquatic plants and animals, and timber.

* **Sec. 2.** AS 29.45.030(e) is amended to read:

(e) The real property owned and occupied as the primary residence and permanent place of abode by a [(1)] resident **who is (1)** 65 years of age or older; (2) **a** disabled veteran; [OR] (3) [RESIDENT] at least 60 years **of age and** [OLD WHO IS] the widow or widower of a person who qualified for an exemption under (1) [OR (2)] of this subsection**; or (4) the widow or widower of a person who qualified for an exemption under (2) of this subsection**, is exempt from taxation on the first $150,000 of the assessed value of the real property. A municipality may, in case of hardship, provide for exemption beyond the first $150,000 of assessed value in accordance with regulations of the department. Only one exemption may be granted for the same property and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves who is to receive the benefit of the exemption. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS 44.62.560 - 44.62.570.

* **Sec. 3.** AS 29.45.050 is amended by adding a new subsection to read:

(s) A municipality may by ordinance ratified by the voters exclude or exempt or partially exempt from taxation the property of a fraternal society, order, or association that is exempt from federal taxes under 26 U.S.C. 501(c)(8) or (10) (Internal Revenue Code) if the property is used predominantly for one or more of the following purposes:

(1) religious;

(2) charitable;

(3) scientific;

(4) literary;

(5) educational; or

(6) fraternal.

* **Sec. 4.** AS 29.45 is amended by adding a new section to read:

**Sec. 29.45.053. Exemption for certain residences of law enforcement officers.** (a) A municipality may, by ordinance, provide for the designation of areas within its boundaries that are eligible for tax exemptions on parcels of residential property. The amount of the tax exemption provided in the ordinance may not exceed $150,000 of the assessed value of a parcel. The exemption may be granted for a parcel only if it is

(1) entirely within an eligible area;

(2) primarily used for residential purposes; and

(3) owned and occupied as the primary place of abode by a law enforcement officer.

(b) Only one exemption may be granted for the same parcel under an ordinance adopted under (a) of this section, and, if two or more individuals are eligible for an exemption for the same parcel, the individuals shall decide between or among themselves who is to receive the benefit of the exemption.

(c) The municipality that adopts the ordinance under (a) of this section may not request state funds to cover any loss of revenue to the municipality caused by the ordinance.

(d) The ordinance adopted under (a) of this section must define "law enforcement officer" to include only some or all positions listed in the definition of

"peace officer" in AS 01.10.060 or in the definition of "police officer" in AS 18.65.290. The ordinance may include other eligibility requirements for an area; however, an eligible area must

(1) meet the eligibility requirements under a federal program of special assistance for urban development, neighborhood revitalization, or law enforcement, without regard to whether an application for the federal assistance on behalf of the area has been made or whether the area has received or is receiving the federal assistance;

(2) have a statistically higher occurrence of crime than the municipality as a whole; the crime rate for an eligible area must be established in the ordinance; or

(3) meet the requirements of (1) and (2) of this subsection.

(e) The municipality may establish a specific area as an eligible area for purposes of this section only in the ordinance adopted under (a) of this section or by adopting a separate ordinance. The municipality is not required to establish as an eligible area for purposes of this section every area that meets the requirements of the ordinance that is adopted under (a) of this section.

* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DIRECTION TO REVISOR. The revisor of statutes shall harmonize the amendment to AS 29.45.030(a) made in sec. 1 of this Act with the amendment made in sec. 3, ch. 117, SLA 2000.

* **Sec. 6.** Sections 1, 2, and 5 of this Act take effect January 1, 2008.

**SENATE CS FOR CS FOR HOUSE BILL NO. 67(CRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

**BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**Offered: 5/11/07**
**Referred: Finance**

**Sponsor(s): REPRESENTATIVES GRUENBERG AND CHENAULT, Lynn, Olson, Dahlstrom, Foster, Gara, Crawford, Thomas, Wilson, Roses, Kawasaki**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act relating to a mandatory exemption from municipal property taxes for residences of certain widows or widowers, and to optional exemptions from municipal property taxes for property of certain fraternal organizations, for certain college property, and for certain residential property; and providing for an effective date."**

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

*** Section 1.** AS 29.45.030(e) is amended to read:

(e) The real property owned and occupied as the primary residence and permanent place of abode by a [(1)] resident **who is (1)** 65 years of age or older; (2) **a** disabled veteran; [OR] (3) [RESIDENT] at least 60 years **of age and** [OLD WHO IS] the widow or widower of a person who qualified for an exemption under (1) [OR (2)] of this subsection**; or (4) the widow or widower of a person who qualified for an exemption under (2) of this subsection**, is exempt from taxation on the first $150,000 of the assessed value of the real property. A municipality may, in case of hardship, provide for exemption beyond the first $150,000 of assessed value in

accordance with regulations of the department. Only one exemption may be granted for the same property and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves who is to receive the benefit of the exemption. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS 44.62.560 - 44.62.570.

* **Sec. 2.** AS 29.45.050(a) is amended to read:

(a) A municipality may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at an election. An exclusion or exemption authorized by this subsection may be applied with respect to taxes levied in a service area to fund the special services. An exclusion or exemption authorized by this subsection may not exceed the assessed value of **$40,000** [$20,000] for any one residence.

* **Sec. 3.** AS 29.45.050(b) is amended to read:

(b) A municipality may by ordinance

(1) classify and exempt from taxation

(A) the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes if the income derived from rental of that property does not exceed the actual cost to the owner of the use by the renter;

(B) historic sites, buildings, and monuments;

(C) land of a nonprofit organization used for agricultural purposes if rights to subdivide the land are conveyed to the state and the conveyance includes a covenant restricting use of the land to agricultural purposes only; rights conveyed to the state under this subparagraph may be conveyed by the state only in accordance with AS 38.05.069(c);

(D) all or any portion of private ownership interests in property that, based upon a written agreement with the University of Alaska, is used exclusively for student housing for the University of Alaska; property may be exempted from taxation under this subparagraph for no longer than 30 years

unless the exemption is specifically extended by ordinance adopted within the six months before the expiration of that period;

**(E) property of a private, nonprofit four-year college or university that is accredited by a regional or national accrediting agency recognized by the Council for Higher Education Accreditation or the United States Department of Education, or both, that is not subject to the mandatory exemption described in AS 29.45.030(a)(3); however, notwithstanding this exemption, the provisions of AS 29.45.030(a)(1)(A) apply to this property;**

(2) classify as to type and exempt or partially exempt some or all types of personal property from ad valorem taxes.

*** Sec. 4.** AS 29.45.050 is amended by adding a new subsection to read:

(s) A municipality may by ordinance ratified by the voters exclude or exempt or partially exempt from taxation the property of a fraternal society, order, or association that is exempt from federal taxes under 26 U.S.C. 501(c)(8) or (10) (Internal Revenue Code) if the property is used predominantly for one or more of the following purposes:

(1) religious;

(2) charitable;

(3) scientific;

(4) literary;

(5) educational; or

(6) fraternal.

*** Sec. 5.** AS 29.45 is amended by adding a new section to read:

**Sec. 29.45.053. Exemption for certain residences of law enforcement officers.** (a) A municipality may, by ordinance, provide for the designation of areas within its boundaries that are eligible for tax exemptions on parcels of residential property. The amount of the tax exemption provided in the ordinance may not exceed $150,000 of the assessed value of a parcel. The exemption may be granted for a parcel only if it is

(1) entirely within an eligible area;

(2) primarily used for residential purposes; and

(3) owned and occupied as the primary place of abode by a law enforcement officer.

(b) Only one exemption may be granted for the same parcel under an ordinance adopted under (a) of this section, and, if two or more individuals are eligible for an exemption for the same parcel, the individuals shall decide between or among themselves who is to receive the benefit of the exemption.

(c) The municipality that adopts the ordinance under (a) of this section may not request state funds to cover any loss of revenue to the municipality caused by the ordinance.

(d) The ordinance adopted under (a) of this section must define "law enforcement officer" to include only some or all positions listed in the definition of "peace officer" in AS 01.10.060 or in the definition of "police officer" in AS 18.65.290. The ordinance may include other eligibility requirements for an area; however, an eligible area must

(1) meet the eligibility requirements under a federal program of special assistance for urban development, neighborhood revitalization, or law enforcement, without regard to whether an application for the federal assistance on behalf of the area has been made or whether the area has received or is receiving the federal assistance;

(2) have a statistically higher occurrence of crime than the municipality as a whole; the crime rate for an eligible area must be established in the ordinance; or

(3) meet the requirements of (1) and (2) of this subsection.

(e) The municipality may establish a specific area as an eligible area for purposes of this section only in the ordinance adopted under (a) of this section or by adopting a separate ordinance. The municipality is not required to establish as an eligible area for purposes of this section every area that meets the requirements of the ordinance that is adopted under (a) of this section.

*** Sec. 6.** Section 1 of this Act takes effect January 1, 2008.

# HB

# 19

Alaska State Legislature

**Representative Anna Fairclough – House District 17**

## House Bill 19

"An Act exempting the state and its political subdivisions from daylight saving time."

In direct response to a number of concerns raised by my constituents and various groups, such as K-12 educators, the elderly, northwestern rural communities, and others, we have been researching the possible repeal of Daylight Saving Time (DST) in Alaska.

It is clear, from two statewide polls done in 2004 and '05, that a strong majority of Alaskan's statewide favor the repeal of DST for a variety of reasons. As most of you know, in 1983, with congressional approval, Alaska consolidated its five time zones into two. This was done to better consolidate our communities and to enable better public services.

Alaska Standard Time (AST) now covers most of our state, with only a few Aleutian Islands in the other time zone. AST is one hour earlier then Pacific Standard Time and four hours earlier then Eastern Standard Time.

Daylight Saving Time was actually an idea that originated as an American domestic policy during World War I to save energy.

Some of the questions we have been asking in our research are:

- Does DST really save energy?
- Does DST adversely impact student performance?
- Does DST in Alaska provide more usable sunlight?
- Does DST have anything to do with farming?
- Has technology changed to improve communication within the business community?

I urge your support on this piece of Legislation

*Session:* Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819
*Interim:* 10928 Eagle River Road, Suite 238 • Eagle River, AK 99577 • 907-694-8944 • Fax 907-694-8945
Representative_Anna_Fairclough@legis.state.ak.us

# LEGISLATIVE RESEARCH REPORT

JUNE 4, 2008

REPORT NUMBER 08.269

## HISTORY OF DAYLIGHT SAVINGS TIME IN ALASKA

PREPARED FOR REPRESENTATIVE ANNA FAIRCLOUGH

BY TIM SPENGLER, LEGISLATIVE ANALYST

You asked for information on the history of daylight savings time.[1] Specifically, you requested a review of legislative history regarding attempts to eliminate daylight savings time in Alaska. Additionally, you asked if there is federal money attached to staying on daylight savings time.

Daylight Saving Time (DST) was first proposed in a whimsical essay in 1784 by Ben Franklin, as a suggestion for saving candles and lamp oil on summer evenings. It was first advocated seriously in 1907 by British builder William Willett, in the pamphlet *Waste of Daylight*. Daylight Savings Time was used during both World Wars to conserve energy for the war effort. In the United States, from the end of World War II until 1966, there was no uniform national plan. Instead, states and localities determined their own DST systems. In 1966, President Johnson signed the Uniform Time Act, establishing a consistent schedule for the country.[2]

The Uniform Time Act (UTA) decrees that all states go on DST on the second Sunday in March and off on the first Sunday in November.[3] The UTA provides that all states will be on DST unless their legislatures specifically reject it. Currently Arizona (with the exception of the Navajo reservation, which employs DST consistent with the Utah, Colorado, and New Mexico segments of the reservation) and Hawaii are the only states on standard time year round.[4]

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[1] Daylight savings is a system of setting clocks ahead so that both sunrise and sunset occur at a later hour, producing an additional hour of daylight in the evening. In the North Temperate Zone, clocks are usually set ahead one hour in the spring and set back to standard time in the fall.

[2] We found historical background information on DST on numerous sites including *National Geographic News*, *The History of Daylight Savings*, March 31, 2006 and on the *Wikipedia* and *MSN Encarta* web sites.

[3] From 1987-2006 DST commenced on the first Sunday in April and concluded on the last Sunday in October. The latest amendment to the Uniform Time Act—part of the Energy Policy Act of 2005—extended DST by four weeks in the belief that it would help conserve energy. The extended DST became effective in 2007.

[4] Arizona has not observed DST since 1968. This is largely an energy conservation measure since the temperature in the state is extremely hot during the summer, resulting in more power usage from air conditioning units in homes and businesses. Hawaii, because of its tropical climate, would not likely benefit from daylight savings time.

907-465-3991
907-465-3908 (fax)

**Alaska Legislature**
**Legislative Research Services**
w3.legis.state.ak.us/laa/research/research.php

State Capitol
Juneau, AK 99801

## Attachment A

HB 4 (1999), 21st Alaska Legislature
HB 4 (1999), Bill History/Action

HB 409 (2002), 22nd Alaska Legislature
HB 409 (2002), Bill History/Action

SB 120 (2005), 24th Alaska Legislature
SB 120 (2005), Bill History/Action

CS HB 176(STA) (2005), 24th Alaska Legislature
HB 176 (2005), Bill History/Action

# HOUSE BILL NO. 4

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVES KOHRING, Davis**

**Introduced: 1/19/99**
**Referred:House Special Committee on World Trade and State/Federal Relations, Labor and Commerce**

## A BILL

## FOR AN ACT ENTITLED

**"An Act rejecting the use of daylight saving time."**

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

*** Section 1.** AS 01 is amended by adding a new chapter to read:

**Chapter 15. Standard Time.**

**Sec. 01.15.010. Exemption from daylight saving time.** This state exempts itself from observation of advanced time, also known as daylight saving time, between 2:00 a.m. on the first Sunday in April and 2:00 a.m. on the last Sunday in October in each calendar year.

## Bill History/Action for 21st Legislature

**BILL:** HB 4 **SHORT TITLE:** ELIMINATE DAYLIGHT SAVING TIME

**BILL VERSION:**

**CURRENT STATUS:** (H)L&C **STATUS DATE:** 03/05/99

THEN RLS

**SPONSOR(s):** REPRESENTATIVE(s) KOHRING, Davis

**TITLE:** "An Act rejecting the use of daylight saving time."

**Bill Number:** [ ] Display Bill | Next Bill

Full Text | Fiscal Notes | Minutes

Display Committee Action with Bill History

| Jrn-Date | Jrn-Page | Action |
|---|---|---|
| 01/19/99 | 0018 | (H) PREFILE RELEASED 1/8/99 |
| 01/19/99 | 0018 | (H) READ THE FIRST TIME - REFERRAL(S) |
| 01/19/99 | 0019 | (H) WTR, L&C |
| 02/24/99 | 0307 | (H) COSPONSOR(S): DAVIS |
| 03/05/99 | 0364 | (H) WTR RPT 1DP 2DNP 4NR |
| 03/05/99 | 0364 | (H) DP: BARNES; DNP: BERKOWITZ, COWDERY; |
| 03/05/99 | 0364 | (H) NR: MASEK, PHILLIPS, GREEN, JOULE |
| 03/05/99 | 0364 | (H) ZERO FISCAL NOTE (GOV/ALL DEPTS) |
| 03/05/99 | 0364 | (H) REFERRED TO LABOR & COMMERCE |

Similar Subject Match or Exact Subject Match

TIME ZONES

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Bill Number: [ ] Display Bill

Next Bill

Return to Basis Main Menu (21st Legislature)

# HOUSE BILL NO. 409

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

**BY REPRESENTATIVES LANCASTER BY REQUEST, Dyson, Kohring, Croft, Foster**

**Introduced: 2/13/02**
**Referred: Labor and Commerce**

## A BILL

## FOR AN ACT ENTITLED

**"An Act rejecting the use of daylight saving time."**

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

*** Section 1.** AS 01 is amended by adding a new chapter to read:

**Chapter 15. Standard Time.**

**Sec. 01.15.010. Exemption from daylight saving time.** This state exempts itself from observation of advanced time, also known as daylight saving time, between 2:00 a.m. on the first Sunday in April and 2:00 a.m. on the last Sunday in October in each calendar year.

## Bill History/Action for 22 Legislature

**BILL:** HB 409 **SHORT TITLE:** ELIMINATE DAYLIGHT SAVING TIME

**BILL VERSION:**

**CURRENT STATUS:** (H) RLS **STATUS DATE:** 04/09/02

**SPONSOR(s):** REPRESENTATIVE(s) LANCASTER BY REQUEST , Dyson, Kohring, Croft, Foster

**TITLE:** "An Act rejecting the use of daylight saving time."

**Bill Number:** [ ] Display Bill | Next Bill

Full Text | Fiscal Notes | Minutes

Display Bill History

| Jrn-Date | Jrn-Page | Action |
|---|---|---|
| 02/13/02 | 2233 | (H) READ THE FIRST TIME - REFERRALS |
| 02/13/02 | 2233 | (H) L&C |
| 03/06/02 | 2496 | (H) COSPONSOR(S): KOHRING |
| 03/15/02 | 2563 | (H) COSPONSOR(S): CROFT |
| 03/25/02 | 2674 | (H) COSPONSOR(S): WILSON |
| 03/27/02 | Text | (H) L&C AT 3:15 PM CAPITOL 17 |
| 03/27/02 | Text | (H) -- Meeting Canceled -- |
| 04/03/02 | 2788 | (H) COSPONSOR REMOVED: WILSON |
| 04/04/02 | 2806 | (H) COSPONSOR(S): FOSTER |
| 04/08/02 | Text | (H) L&C AT 3:15 PM CAPITOL 17 |
| 04/08/02 | Text | (H) Moved Out of Committee |
| 04/08/02 | Text | (H) MINUTE(L&C) |
| 04/09/02 | 2847 | (H) L&C RPT 3DP 2NR |
| 04/09/02 | 2847 | (H) DP: MEYER, CRAWFORD, MURKOWSKI; |
| 04/09/02 | 2847 | (H) NR: KOTT, HALCRO |
| 04/09/02 | 2847 | (H) FN1: ZERO(H.L&C) |
| 04/09/02 | 2847 | (H) REFERRED TO RULES |

Similar Subject Match or Exact Subject Match
TIME ZONES

Bill Number: [ ] Display Bill

Next Bill

Return to Basis Main Menu (22 Legislature)

# SENATE BILL NO. 120

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

**BY SENATORS OLSON, Wagoner, Dyson, Stedman**

**Introduced: 2/28/05**
**Referred: Community and Regional Affairs, Labor and Commerce**

## A BILL

## FOR AN ACT ENTITLED

**"An Act exempting the state and its political subdivisions from daylight saving time."**

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

*** Section 1.** AS 44.12 is amended by adding a new section to read:

**Article 5. Standard Time.**

**Sec. 44.12.400. Exemption from daylight saving time.** Under 15 U.S.C. 260a, this state exempts itself and all of its political subdivisions from observation of advanced time, also known as daylight saving time, between 2:00 a.m. on the first Sunday in April and 2:00 a.m. on the last Sunday in October in each calendar year, and the entire state and all of its political subdivisions shall observe the standard time that is otherwise applicable during that time period.

## Bill History/Action for 24 Legislature

**BILL:** SB 120 **SHORT TITLE:** ELIMINATE DAYLIGHT SAVING TIME

**BILL VERSION:**

**CURRENT STATUS:** (S) L&C **STATUS DATE:** 04/14/05

**SPONSOR(s):** SENATOR(S) OLSON, Wagoner, Dyson, Stedman

**TITLE:** "An Act exempting the state and its political subdivisions from daylight saving time."

Bill Number: [ ] Display Bill Next Bill

Full Text Fiscal Notes Minutes

Display Bill History

| Jrn-Date | Jrn-Page | Action |
|---|---|---|
| 02/28/05 | 0414 | (S) READ THE FIRST TIME - REFERRALS |
| 02/28/05 | 0414 | (S) CRA, L&C |
| 03/02/05 | 0447 | (S) COSPONSOR(S): WAGONER, DYSON, STEDMAN |
| 04/13/05 | Text | (S) CRA AT 1:30 PM BELTZ 211 |
| 04/13/05 | Text | (S) Moved SB 120 Out of Committee |
| 04/13/05 | Text | (S) MINUTE(CRA) |
| 04/14/05 | 0959 | (S) CRA RPT 3NR 1DP |
| 04/14/05 | 0959 | (S) NR: STEVENS G, WAGONER, STEDMAN |
| 04/14/05 | 0959 | (S) DP: ELLIS |
| 04/14/05 | 0959 | (S) FN1: ZERO(ADM) |
| 04/14/05 | 0959 | (S) REFERRED TO LABOR & COMMERCE |

Similar Subject Match or Exact Subject Match
TIME ZONES

Bill Number: [ ] Display Bill

Next Bill

Return to Basis Main Menu (24 Legislature)

# CS FOR HOUSE BILL NO. 176(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

**BY THE HOUSE STATE AFFAIRS COMMITTEE**

**Offered: 5/5/05**
**Referred: Rules**

**Sponsor(s): REPRESENTATIVES SALMON, Kohring, Croft, Gruenberg**

## A BILL

## FOR AN ACT ENTITLED

**"An Act authorizing an advisory vote on whether the legislature should exempt the state and its political subdivisions from daylight saving time."**

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

*** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

ADVISORY VOTE. At the next general election, in compliance with the election laws of the state, the lieutenant governor shall place before the qualified voters of the state a question advisory to the legislature. Notwithstanding AS 15.60.005 relating to preparation of the ballot proposition, the question shall appear on the ballot in the following form:

QUESTION

Shall the legislature exempt the state and all of its political subdivisions from daylight saving time, between 2:00 a.m. on the first Sunday in April and 2:00 a.m. on the last Sunday in October in each calendar year, so that the state and all of its political subdivisions observe the standard time that would

otherwise apply during that time period?

Yes [ ] No [ ]

## Bill History/Action for 24 Legislature

**BILL:** HB 176 **SHORT TITLE:** ELIMINATE DAYLIGHT SAVING TIME

**BILL VERSION:**

**CURRENT STATUS:** (H) FIN **STATUS DATE:** 05/05/05

**SPONSOR(s):** REPRESENTATIVE(s) SALMON, Kohring, Croft, Gruenberg

**TITLE:** "An Act exempting the state and its political subdivisions from daylight saving time."

**Bill Number:** [ ] Display Bill Next Bill

Full Text Fiscal Notes Minutes

Display Bill History

| Jrn-Date | Jrn-Page | Action |
|---|---|---|
| 02/25/05 | 0428 | (H) READ THE FIRST TIME - REFERRALS |
| 02/25/05 | 0428 | (H) CRA, STA |
| 04/07/05 | Text | (H) CRA AT 8:00 AM CAPITOL 124 |
| 04/07/05 | Text | (H) Moved Out of Committee |
| 04/07/05 | Text | (H) MINUTE(CRA) |
| 04/08/05 | 0931 | (H) CRA RPT 1DP 1DNP 3NR |
| 04/08/05 | 0931 | (H) DP: SALMON; |
| 04/08/05 | 0931 | (H) DNP: OLSON; |
| 04/08/05 | 0931 | (H) NR: CISSNA, KOTT, LEDOUX |
| 04/08/05 | 0931 | (H) FN1: ZERO(ADM) |
| 04/23/05 | Text | (H) STA AT 9:30 AM CAPITOL 106 |
| 04/23/05 | Text | (H) Heard & Held |
| 04/23/05 | Text | (H) MINUTE(STA) |
| 05/05/05 | 1577 | (H) STA RPT CS(STA) NT 1DP 3NR 1AM |
| 05/05/05 | 1577 | (H) DP: SEATON; |
| 05/05/05 | 1577 | (H) NR: LYNN, GATTO, ELKINS; |
| 05/05/05 | 1577 | (H) AM: GRUENBERG |
| 05/05/05 | 1577 | (H) FN1: ZERO(ADM) |
| 05/05/05 | 1577 | (H) FN2: (GOV) |
| 05/05/05 | 1631 | (H) FIN REFERRAL ADDED AFTER STA |
| 05/05/05 | 1631 | (H) REFERRED TO FINANCE |
| 05/05/05 | Text | (H) STA AT 8:00 AM CAPITOL 106 |
| 05/05/05 | Text | (H) Moved CSHB 176(STA) Out of Committee |
| 05/05/05 | Text | (H) MINUTE(STA) |
| 03/16/06 | Text | (H) FIN AT 1:30 PM HOUSE FINANCE 519 |
| 03/16/06 | Text | (H) Scheduled But Not Heard |
| 03/16/06 | Text | (H) MINUTE(FIN) |

Similar Subject Match or Exact Subject Match
TIME ZONES

Bill Number: [ ] Display Bill

Next Bill

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HB 19

## Sunrise and Sunset for U.S.A. – Alaska – Juneau – March 2009

# Juneau, Alaska, United States

**Juneau is capital of the state Alaska**

### Modify parameters

Show full month: March Year: 2009 Body: Sun Columns: rise/set/noon time Show

Change location

### Rising and setting times for the Sun

| Date | Sunrise | Sunset | Length of day | | Solar noon | | |
|---|---|---|---|---|---|---|---|
| | | | This day | Difference | Time | Altitude | Distance ($10^6$ km) |
| Mar 1, 2009 | 6:52 AM | 5:29 PM | 10h 37m 24s | + 5m 05s | 12:10 PM | 24.5° | 148.254 |
| Mar 2, 2009 | 6:49 AM | 5:32 PM | 10h 42m 29s | + 5m 05s | 12:10 PM | 24.8° | 148.290 |
| Mar 3, 2009 | 6:46 AM | 5:34 PM | 10h 47m 35s | + 5m 05s | 12:09 PM | 25.2° | 148.327 |
| Mar 4, 2009 | 6:44 AM | 5:36 PM | 10h 52m 41s | + 5m 05s | 12:09 PM | 25.6° | 148.363 |
| Mar 5, 2009 | 6:41 AM | 5:39 PM | 10h 57m 47s | + 5m 06s | 12:09 PM | 26.0° | 148.400 |
| Mar 6, 2009 | 6:38 AM | 5:41 PM | 11h 02m 53s | + 5m 06s | 12:09 PM | 26.4° | 148.438 |
| Mar 7, 2009 | 6:35 AM | 5:43 PM | 11h 07m 59s | + 5m 06s | 12:09 PM | 26.8° | 148.476 |
| Mar 8, 2009 | 7:32 AM | 6:45 PM | 11h 13m 06s | + 5m 06s | 1:08 PM | 27.2° | 148.514 |
| Mar 9, 2009 | 7:30 AM | 6:48 PM | 11h 18m 13s | + 5m 06s | 1:08 PM | 27.5° | 148.553 |
| Mar 10, 2009 | 7:27 AM | 6:50 PM | 11h 23m 19s | + 5m 06s | 1:08 PM | 27.9° | 148.592 |
| Mar 11, 2009 | 7:24 AM | 6:52 PM | 11h 28m 26s | + 5m 06s | 1:08 PM | 28.3° | 148.632 |
| Mar 12, 2009 | 7:21 AM | 6:55 PM | 11h 33m 33s | + 5m 06s | 1:07 PM | 28.7° | 148.672 |
| Mar 13, 2009 | 7:18 AM | 6:57 PM | 11h 38m 40s | + 5m 06s | 1:07 PM | 29.1° | 148.713 |
| Mar 14, 2009 | 7:15 AM | 6:59 PM | 11h 43m 47s | + 5m 06s | 1:07 PM | 29.5° | 148.754 |
| Mar 15, 2009 | 7:13 AM | 7:02 PM | 11h 48m 54s | + 5m 07s | 1:06 PM | 29.9° | 148.796 |
| Mar 16, 2009 | 7:10 AM | 7:04 PM | 11h 54m 01s | + 5m 07s | 1:06 PM | 30.3° | 148.838 |
| Mar 17, 2009 | 7:07 AM | 7:06 PM | 11h 59m 08s | + 5m 07s | 1:06 PM | 30.7° | 148.880 |
| Mar 18, 2009 | 7:04 AM | 7:08 PM | 12h 04m 15s | + 5m 07s | 1:06 PM | 31.1° | 148.923 |
| Mar 19, 2009 | 7:01 AM | 7:11 PM | 12h 09m 22s | + 5m 07s | 1:05 PM | 31.5° | 148.965 |
| Mar 20, 2009 | 6:58 AM | 7:13 PM | 12h 14m 29s | + 5m 07s | 1:05 PM | 31.9° | 149.008 |
| Mar 21, 2009 | 6:56 AM | 7:15 PM | 12h 19m 37s | + 5m 07s | 1:05 PM | 32.3° | 149.051 |
| Mar 22, 2009 | 6:53 AM | 7:17 PM | 12h 24m 44s | + 5m 07s | 1:04 PM | 32.7° | 149.094 |
| Mar 23, 2009 | 6:50 AM | 7:20 PM | 12h 29m 51s | + 5m 07s | 1:04 PM | 33.1° | 149.137 |
| Mar 24, 2009 | 6:47 AM | 7:22 PM | 12h 34m 58s | + 5m 06s | 1:04 PM | 33.5° | 149.180 |
| Mar 25, 2009 | 6:44 AM | 7:24 PM | 12h 40m 05s | + 5m 06s | 1:03 PM | 33.8° | 149.222 |
| Mar 26, 2009 | 6:41 AM | 7:26 PM | 12h 45m 11s | + 5m 06s | 1:03 PM | 34.2° | 149.265 |

## Sunrise and Sunset for U.S.A. – Alaska – Nome – March 2009

# Nome, Alaska, United States

### Modify parameters

Show full month: March Year: 2009 Body: Sun Columns: rise/set/noon time Show
Change location

### Rising and setting times for the Sun

| Date | Sunrise | Sunset | Length of day | | Solar noon | | |
|---|---|---|---|---|---|---|---|
| | | | This day | Difference | Time | Altitude | Distance ($10^6$ km) |
| Mar 1, 2009 | 9:08 AM | 7:21 PM | 10h 12m 06s | + 6m 40s | 2:14 PM | 18.3° | 148.258 |
| Mar 2, 2009 | 9:05 AM | 7:24 PM | 10h 18m 47s | + 6m 40s | 2:14 PM | 18.6° | 148.294 |
| Mar 3, 2009 | 9:01 AM | 7:27 PM | 10h 25m 27s | + 6m 40s | 2:13 PM | 19.0° | 148.330 |
| Mar 4, 2009 | 8:58 AM | 7:30 PM | 10h 32m 08s | + 6m 40s | 2:13 PM | 19.4° | 148.367 |
| Mar 5, 2009 | 8:54 AM | 7:33 PM | 10h 38m 47s | + 6m 39s | 2:13 PM | 19.8° | 148.404 |
| Mar 6, 2009 | 8:51 AM | 7:36 PM | 10h 45m 27s | + 6m 39s | 2:13 PM | 20.2° | 148.442 |
| Mar 7, 2009 | 8:47 AM | 7:39 PM | 10h 52m 07s | + 6m 39s | 2:12 PM | 20.6° | 148.479 |
| Mar 8, 2009 | 9:44 AM | 8:42 PM | 10h 58m 46s | + 6m 39s | 3:12 PM | 21.0° | 148.518 |
| Mar 9, 2009 | 9:40 AM | 8:45 PM | 11h 05m 25s | + 6m 39s | 3:12 PM | 21.4° | 148.557 |
| Mar 10, 2009 | 9:36 AM | 8:49 PM | 11h 12m 04s | + 6m 38s | 3:12 PM | 21.7° | 148.596 |
| Mar 11, 2009 | 9:33 AM | 8:52 PM | 11h 18m 42s | + 6m 38s | 3:11 PM | 22.1° | 148.636 |
| Mar 12, 2009 | 9:29 AM | 8:55 PM | 11h 25m 21s | + 6m 38s | 3:11 PM | 22.5° | 148.676 |
| Mar 13, 2009 | 9:26 AM | 8:58 PM | 11h 32m 00s | + 6m 38s | 3:11 PM | 22.9° | 148.717 |
| Mar 14, 2009 | 9:22 AM | 9:01 PM | 11h 38m 38s | + 6m 38s | 3:11 PM | 23.3° | 148.759 |
| Mar 15, 2009 | 9:19 AM | 9:04 PM | 11h 45m 16s | + 6m 38s | 3:10 PM | 23.7° | 148.800 |
| Mar 16, 2009 | 9:15 AM | 9:07 PM | 11h 51m 55s | + 6m 38s | 3:10 PM | 24.1° | 148.842 |
| Mar 17, 2009 | 9:11 AM | 9:10 PM | 11h 58m 33s | + 6m 38s | 3:10 PM | 24.5° | 148.884 |
| Mar 18, 2009 | 9:08 AM | 9:13 PM | 12h 05m 11s | + 6m 38s | 3:09 PM | 24.9° | 148.927 |
| Mar 19, 2009 | 9:04 AM | 9:16 PM | 12h 11m 50s | + 6m 38s | 3:09 PM | 25.3° | 148.970 |
| Mar 20, 2009 | 9:01 AM | 9:19 PM | 12h 18m 28s | + 6m 38s | 3:09 PM | 25.7° | 149.012 |
| Mar 21, 2009 | 8:57 AM | 9:22 PM | 12h 25m 06s | + 6m 38s | 3:09 PM | 26.1° | 149.055 |
| Mar 22, 2009 | 8:53 AM | 9:25 PM | 12h 31m 45s | + 6m 38s | 3:08 PM | 26.5° | 149.098 |
| Mar 23, 2009 | 8:50 AM | 9:28 PM | 12h 38m 24s | + 6m 38s | 3:08 PM | 26.9° | 149.141 |
| Mar 24, 2009 | 8:46 AM | 9:31 PM | 12h 45m 02s | + 6m 38s | 3:08 PM | 27.3° | 149.184 |
| Mar 25, 2009 | 8:42 AM | 9:34 PM | 12h 51m 41s | + 6m 38s | 3:07 PM | 27.7° | 149.227 |
| Mar 26, 2009 | 8:39 AM | 9:37 PM | 12h 58m 20s | + 6m 38s | 3:07 PM | 28.0° | 149.269 |
| Mar 27, 2009 | 8:35 AM | 9:40 PM | 13h 04m 59s | + 6m 39s | 3:07 PM | 28.4° | 149.312 |
| Mar 28, 2009 | 8:32 AM | 9:43 PM | 13h 11m 38s | + 6m 39s | 3:06 PM | 28.8° | 149.354 |

Sunrise and Sunset for U.S.A. – Alaska – Anchorage –March 2009

# Anchorage, Alaska, United States

## Modify parameters

Show full month: March Year: 2009 Body: Sun Columns: rise/set/noon time Show
Change location

## Rising and setting times for the Sun

| Date | Sunrise | Sunset | Length of day | | Solar noon | | |
|---|---|---|---|---|---|---|---|
| | | | This day | Difference | Time | Altitude | Distance ($10^6$ km) |
| Mar 1, 2009 | 7:59 AM | 6:26 PM | 10h 26m 50s | + 5m 44s | 1:12 PM | 21.6° | 148.256 |
| Mar 2, 2009 | 7:56 AM | 6:28 PM | 10h 32m 35s | + 5m 44s | 1:11 PM | 21.9° | 148.292 |
| Mar 3, 2009 | 7:53 AM | 6:31 PM | 10h 38m 20s | + 5m 45s | 1:11 PM | 22.3° | 148.328 |
| Mar 4, 2009 | 7:50 AM | 6:34 PM | 10h 44m 05s | + 5m 45s | 1:11 PM | 22.7° | 148.365 |
| Mar 5, 2009 | 7:47 AM | 6:36 PM | 10h 49m 50s | + 5m 45s | 1:11 PM | 23.1° | 148.402 |
| Mar 6, 2009 | 7:43 AM | 6:39 PM | 10h 55m 35s | + 5m 45s | 1:11 PM | 23.5° | 148.440 |
| Mar 7, 2009 | 7:40 AM | 6:42 PM | 11h 01m 20s | + 5m 45s | 1:10 PM | 23.9° | 148.477 |
| Mar 8, 2009 | 8:37 AM | 7:44 PM | 11h 07m 06s | + 5m 45s | 2:10 PM | 24.3° | 148.516 |
| Mar 9, 2009 | 8:34 AM | 7:47 PM | 11h 12m 51s | + 5m 45s | 2:10 PM | 24.6° | 148.555 |
| Mar 10, 2009 | 8:31 AM | 7:50 PM | 11h 18m 36s | + 5m 45s | 2:10 PM | 25.0° | 148.594 |
| Mar 11, 2009 | 8:28 AM | 7:52 PM | 11h 24m 21s | + 5m 45s | 2:09 PM | 25.4° | 148.634 |
| Mar 12, 2009 | 8:25 AM | 7:55 PM | 11h 30m 07s | + 5m 45s | 2:09 PM | 25.8° | 148.674 |
| Mar 13, 2009 | 8:22 AM | 7:57 PM | 11h 35m 52s | + 5m 44s | 2:09 PM | 26.2° | 148.715 |
| Mar 14, 2009 | 8:18 AM | 8:00 PM | 11h 41m 37s | + 5m 45s | 2:09 PM | 26.6° | 148.756 |
| Mar 15, 2009 | 8:15 AM | 8:03 PM | 11h 47m 22s | + 5m 45s | 2:08 PM | 27.0° | 148.798 |
| Mar 16, 2009 | 8:12 AM | 8:05 PM | 11h 53m 07s | + 5m 45s | 2:08 PM | 27.4° | 148.840 |
| Mar 17, 2009 | 8:09 AM | 8:08 PM | 11h 58m 53s | + 5m 45s | 2:08 PM | 27.8° | 148.882 |
| Mar 18, 2009 | 8:06 AM | 8:10 PM | 12h 04m 38s | + 5m 45s | 2:07 PM | 28.2° | 148.925 |
| Mar 19, 2009 | 8:03 AM | 8:13 PM | 12h 10m 23s | + 5m 45s | 2:07 PM | 28.6° | 148.967 |
| Mar 20, 2009 | 7:59 AM | 8:16 PM | 12h 16m 09s | + 5m 45s | 2:07 PM | 29.0° | 149.010 |
| Mar 21, 2009 | 7:56 AM | 8:18 PM | 12h 21m 54s | + 5m 45s | 2:06 PM | 29.4° | 149.053 |
| Mar 22, 2009 | 7:53 AM | 8:21 PM | 12h 27m 39s | + 5m 45s | 2:06 PM | 29.8° | 149.096 |
| Mar 23, 2009 | 7:50 AM | 8:23 PM | 12h 33m 24s | + 5m 45s | 2:06 PM | 30.2° | 149.139 |
| Mar 24, 2009 | 7:47 AM | 8:26 PM | 12h 39m 10s | + 5m 45s | 2:06 PM | 30.6° | 149.182 |
| Mar 25, 2009 | 7:44 AM | 8:29 PM | 12h 44m 55s | + 5m 45s | 2:05 PM | 30.9° | 149.224 |
| Mar 26, 2009 | 7:40 AM | 8:31 PM | 12h 50m 40s | + 5m 45s | 2:05 PM | 31.3° | 149.267 |
| Mar 27, 2009 | 7:37 AM | 8:34 PM | 12h 56m 26s | + 5m 45s | 2:05 PM | 31.7° | 149.309 |

# Daylight Saving Time Around the World 2009

See The World Clock for list of current times around the world, and which places are observing DST at the moment (marked by * in The World Clock).

Daylight saving time is also called summer time or daylight savings time. When DST is not observed, it is called standard time, normal time or winter time.

This list displays a brief (but not complete) overview over which countries that plan to observe DST during 2009. **Note that the list might not be final - countries and states sometimes make adjustments that are announced just days or weeks ahead of the change.**

Detailed information is available for the first half of 2009 and the second half of 2009.

| Country | Region/states | Example location | DST start date | DST end date |
|---|---|---|---|---|
| Afghanistan | All locations | Kabul | No DST in 2009 | |
| Albania | All locations | Tirane | Sunday, March 29 | Sunday, October 25 |
| Algeria | All locations | Algiers | No DST in 2009 | |
| Andorra | All locations | Andorra La Vella | Sunday, March 29 | Sunday, October 25 |
| Angola | All locations | Luanda | No DST in 2009 | |
| Antarctica | Most locations | Mawson | No DST in 2009 | |
| | Some locations | South Pole | Sunday, September 27 | Sunday, April 5 |
| Antigua and Barbuda | All locations | Saint John's | No DST in 2009 | |
| Argentina | Most locations | Buenos Aires | Sunday, October 18 | Sunday, March 15 |
| | Catamarca, Chubut, Jujuy, Mendoza, Santa Cruz, Salta, Tierra del Fuego, La Pampa, La Rioja, Rio Negro, San Juan, Neuquén | Mendoza | No DST in 2009 | |
| | San Luis | San Luis | Sunday, October 18 | Does not end this year |
| Armenia | All locations | Yerevan | Sunday, March 29 | Sunday, October 25 |
| Australia | Most locations | Brisbane | No DST in 2009 | |
| | South Australia, Australian Capital Territory, Victoria, New South Wales, Tasmania | Melbourne | Sunday, October 4 | Sunday, April 5 |
| | Western Australia | Perth | Does not start this year | Sunday, March 29 |
| | Lord Howe Island | Lord Howe Island | Sunday, October 4 | Sunday, April 5 |
| Austria | All locations | Vienna | Sunday, March 29 | Sunday, October 25 |
| Azerbaijan | All locations | Baku | Sunday, March 29 | Sunday, October 25 |
| Bahamas | All locations | Nassau | Sunday, March 8 | Sunday, November 1 |
| Bahrain | All locations | Manama | No DST in 2009 | |
| Bangladesh | All locations | Dhaka | No DST in 2009 | |
| Barbados | All locations | Bridgetown | No DST in 2009 | |
| Belarus | All locations | Minsk | Sunday, March 29 | Sunday, October 25 |
| Belgium | All locations | Brussels | Sunday, March 29 | Sunday, October 25 |
| Belize | All locations | Belmopan | No DST in 2009 | |
| Benin | All locations | Porto Novo | No DST in 2009 | |
| Bhutan | All locations | Thimphu | No DST in 2009 | |
| Bolivia | All locations | La Paz | No DST in 2009 | |
| Bosnia- | All locations | Sarajevo | Sunday, March 29 | Sunday, October 25 |

| | | | | |
|---|---|---|---|---|
| Herzegovina | | | | |
| Botswana | All locations | Gaborone | No DST in 2009 | |
| Brazil | Most locations | Rio de Janeiro | Sunday, October 18 | Sunday, February 15 |
| | Amazonas, Pernambuco, Bahia, Sergipe, Para, Paraíba, Ceará, Amapá, Alagoas, Rondônia, Rio Grande do Norte, Piauí, Maranhão, Acre, Roraima, Tocantins | Manaus | No DST in 2009 | |
| British Indian Ocean Territory | All locations | Diego Garcia | No DST in 2009 | |
| Brunei Darussalam | All locations | Bandar Seri Begawan | No DST in 2009 | |
| Bulgaria | All locations | Sofia | Sunday, March 29 | Sunday, October 25 |
| Burkina Faso | All locations | Ouagadougou | No DST in 2009 | |
| Burundi | All locations | Bujumbura | No DST in 2009 | |
| Cambodia | All locations | Phnom Penh | No DST in 2009 | |
| Cameroon | All locations | Yaoundé | No DST in 2009 | |
| Canada | Most locations | Montreal | Sunday, March 8 | Sunday, November 1 |
| | much of Saskatchewan, small region of British Columbia, small region of Nunavut Territory, small region of Quebec | Regina | No DST in 2009 | |
| Cape Verde | All locations | Praia | No DST in 2009 | |
| Central African Republic | All locations | Bangui | No DST in 2009 | |
| Chad | All locations | Ndjamena | No DST in 2009 | |
| Chile | Most locations | Santiago | Sunday, October 11 | Sunday, March 15 |
| | | Easter Island | Saturday, October 10 | Saturday, March 14 |
| China | All locations | Beijing | No DST in 2009 | |
| Colombia | All locations | Bogota | No DST in 2009 | |
| Comoros | All locations | Moroni | No DST in 2009 | |
| Congo | All locations | Brazzaville | No DST in 2009 | |
| Cook Islands | All locations | Rarotonga | No DST in 2009 | |
| Costa Rica | All locations | San Jose | No DST in 2009 | |
| Cote d'Ivoire (Ivory Coast) | All locations | Yamoussoukro | No DST in 2009 | |
| Croatia | All locations | Zagreb | Sunday, March 29 | Sunday, October 25 |
| Cuba | All locations | Havana | Sunday, March 8 | Sunday, October 25 |
| Cyprus | All locations | Nicosia | Sunday, March 29 | Sunday, October 25 |
| Czech Republic | All locations | Prague | Sunday, March 29 | Sunday, October 25 |
| Democratic Republic of the Congo | All locations | Kinshasa | No DST in 2009 | |
| Denmark | Most locations | Copenhagen | Sunday, March 29 | Sunday, October 25 |
| | Greenland | Nuuk | Saturday, March 28 | Saturday, October 24 |
| | Greenland | Qaanaaq | Sunday, March 8 | Sunday, November 1 |
| Djibouti | All locations | Djibouti | No DST in 2009 | |
| Dominica | All locations | Roseau | No DST in 2009 | |
| Dominican Republic | All locations | Santo Domingo | No DST in 2009 | |
| Ecuador | All locations | Quito | No DST in 2009 | |
| Egypt | All locations | Cairo | Friday, April 24 | Friday, September 25 |
| El Salvador | All locations | San Salvador | No DST in 2009 | |
| Equatorial Guinea | All locations | Malabo | No DST in 2009 | |

| | | | | |
|---|---|---|---|---|
| Eritrea | All locations | Asmara | No DST in 2009 | |
| Estonia | All locations | Tallinn | Sunday, March 29 | Sunday, October 25 |
| Ethiopia | All locations | Addis Ababa | No DST in 2009 | |
| Fiji | All locations | Suva | No DST in 2009 | |
| Finland | All locations | Helsinki | Sunday, March 29 | Sunday, October 25 |
| France | Most locations | Paris | Sunday, March 29 | Sunday, October 25 |
| | French Guiana, Tahiti, Kerguelen, Guadeloupe, Martinique, Mayotte, New Caledonia, Wallis and Futuna, Marquesas Islands, French Polynesia | Papeete | No DST in 2009 | |
| | Saint Pierre and Miquelon | Saint-Pierre | Sunday, March 8 | Sunday, November 1 |
| Gabon | All locations | Libreville | No DST in 2009 | |
| Gambia | All locations | Banjul | No DST in 2009 | |
| Gaza Strip | All locations | Gaza | Friday, March 27 | Thursday, August 27 |
| Georgia | All locations | Tbilisi | No DST in 2009 | |
| Germany | All locations | Berlin | Sunday, March 29 | Sunday, October 25 |
| Ghana | All locations | Accra | No DST in 2009 | |
| Greece | All locations | Athens | Sunday, March 29 | Sunday, October 25 |
| Grenada | All locations | Saint George's | No DST in 2009 | |
| Guatemala | All locations | Guatemala | No DST in 2009 | |
| Guinea | All locations | Conakry | No DST in 2009 | |
| Guinea Bissau | All locations | Bissau | No DST in 2009 | |
| Guyana | All locations | Georgetown | No DST in 2009 | |
| Haiti | All locations | Port-au-Prince | No DST in 2009 | |
| Honduras | All locations | Tegucigalpa | No DST in 2009 | |
| Hungary | All locations | Budapest | Sunday, March 29 | Sunday, October 25 |
| Iceland | All locations | Reykjavik | No DST in 2009 | |
| India | All locations | New Delhi | No DST in 2009 | |
| Indonesia | All locations | Jakarta | No DST in 2009 | |
| Iran | All locations | Tehran | Sunday, March 22 | Tuesday, September 22 |
| Iraq | All locations | Baghdad | No DST in 2009 | |
| Ireland | All locations | Dublin | Sunday, March 29 | Sunday, October 25 |
| Isle of Man | All locations | Douglas | Sunday, March 29 | Sunday, October 25 |
| Israel | All locations | Jerusalem | Friday, March 27 | Sunday, September 27 |
| Italy | All locations | Rome | Sunday, March 29 | Sunday, October 25 |
| Jamaica | All locations | Kingston | No DST in 2009 | |
| Japan | All locations | Tokyo | No DST in 2009 | |
| Jordan | All locations | Amman | Friday, March 27 | Friday, October 30 |
| Kazakstan | All locations | Almaty | No DST in 2009 | |
| Kenya | All locations | Nairobi | No DST in 2009 | |
| Kiribati | All locations | Kiritimati | No DST in 2009 | |
| Kosovo | All locations | Pristina | Sunday, March 29 | Sunday, October 25 |
| Kuwait | All locations | Kuwait City | No DST in 2009 | |
| Kyrgyzstan | All locations | Bishkek | No DST in 2009 | |
| Laos | All locations | Vientiane | No DST in 2009 | |
| Latvia | All locations | Riga | Sunday, March 29 | Sunday, October 25 |
| Lebanon | All locations | Beirut | Sunday, March 29 | Sunday, October 25 |
| Lesotho | All locations | Maseru | No DST in 2009 | |
| Liberia | All locations | Monrovia | No DST in 2009 | |
| Libya | All locations | Tripoli | No DST in 2009 | |
| Liechtenstein | All locations | Vaduz | Sunday, March 29 | Sunday, October 25 |
| Lithuania | All locations | Vilnius | Sunday, March 29 | Sunday, October 25 |
| Luxembourg | All locations | Luxembourg | Sunday, March 29 | Sunday, October 25 |
| Macedonia | All locations | Skopje | Sunday, March 29 | Sunday, October 25 |
| Madagascar | All locations | Antananarivo | No DST in 2009 | |

| | | | | |
|---|---|---|---|---|
| Malawi | All locations | Lilongwe | No DST in 2009 | |
| Malaysia | All locations | Kuala Lumpur | No DST in 2009 | |
| Maldives | All locations | Male | No DST in 2009 | |
| Mali | All locations | Bamako | No DST in 2009 | |
| Malta | All locations | Valletta | Sunday, March 29 | Sunday, October 25 |
| Marshall Islands | All locations | Majuro | No DST in 2009 | |
| Mauritania | All locations | Nouakchott | No DST in 2009 | |
| Mauritius | All locations | Port Louis | Sunday, October 25 | Sunday, March 29 |
| Mexico | Most locations | Mexico City | Sunday, April 5 | Sunday, October 25 |
| | Sonora | Hermosillo | No DST in 2009 | |
| Micronesia | All locations | Palikir | No DST in 2009 | |
| Moldova | All locations | Chisinau | Sunday, March 29 | Sunday, October 25 |
| Monaco | All locations | Monaco | Sunday, March 29 | Sunday, October 25 |
| Mongolia | All locations | Ulaanbaatar | No DST in 2009 | |
| Montenegro | All locations | Podgorica | Sunday, March 29 | Sunday, October 25 |
| Morocco | All locations | Casablanca | No DST in 2009 | |
| Mozambique | All locations | Maputo | No DST in 2009 | |
| Myanmar | All locations | Yangon | No DST in 2009 | |
| Namibia | All locations | Windhoek | Sunday, September 6 | Sunday, April 5 |
| Nauru | All locations | Yaren | No DST in 2009 | |
| Nepal | All locations | Kathmandu | No DST in 2009 | |
| Netherlands | Most locations | Amsterdam | Sunday, March 29 | Sunday, October 25 |
| | Aruba, Netherlands Antilles, Saint Martin | Oranjestad | No DST in 2009 | |
| New Zealand | Most locations | Auckland | Sunday, September 27 | Sunday, April 5 |
| | Tokelau | Fakaofo | No DST in 2009 | |
| Nicaragua | All locations | Managua | No DST in 2009 | |
| Niger | All locations | Niamey | No DST in 2009 | |
| Nigeria | All locations | Lagos | No DST in 2009 | |
| Niue | All locations | Alofi | No DST in 2009 | |
| North Korea | All locations | Pyongyang | No DST in 2009 | |
| Norway | All locations | Oslo | Sunday, March 29 | Sunday, October 25 |
| Oman | All locations | Muscat | No DST in 2009 | |
| Pakistan | All locations | Islamabad | No DST in 2009 | |
| Palau | All locations | Koror | No DST in 2009 | |
| Panama | All locations | Panama | No DST in 2009 | |
| Papua New Guinea | All locations | Port Moresby | No DST in 2009 | |
| Paraguay | All locations | Asuncion | Sunday, October 18 | Sunday, March 8 |
| Peru | All locations | Lima | No DST in 2009 | |
| Philippines | All locations | Manila | No DST in 2009 | |
| Poland | All locations | Warsaw | Sunday, March 29 | Sunday, October 25 |
| Portugal | All locations | Lisbon | Sunday, March 29 | Sunday, October 25 |
| Puerto Rico | All locations | San Juan | No DST in 2009 | |
| Qatar | All locations | Doha | No DST in 2009 | |
| Reunion (French) | All locations | Saint-Denis | No DST in 2009 | |
| Romania | All locations | Bucharest | Sunday, March 29 | Sunday, October 25 |
| Russian Federation | All locations | Moscow | Sunday, March 29 | Sunday, October 25 |
| Rwanda | All locations | Kigali | No DST in 2009 | |
| Saint Kitts and Nevis | All locations | Basseterre | No DST in 2009 | |
| Saint Lucia | All locations | Castries | No DST in 2009 | |
| Saint Vincent | All locations | Kingstown | No DST in 2009 | |

| | | | | |
|---|---|---|---|---|
| and Grenadines | | | | |
| Samoa | All locations | Apia | Sunday, October 4 | Does not end this year |
| San Marino | All locations | San Marino | Sunday, March 29 | Sunday, October 25 |
| Sao Tome and Principe | All locations | São Tomé | No DST in 2009 | |
| Saudi Arabia | All locations | Riyadh | No DST in 2009 | |
| Senegal | All locations | Dakar | No DST in 2009 | |
| Serbia | All locations | Belgrade | Sunday, March 29 | Sunday, October 25 |
| Seychelles | All locations | Victoria | No DST in 2009 | |
| Sierra Leone | All locations | Freetown | No DST in 2009 | |
| Singapore | All locations | Singapore | No DST in 2009 | |
| Slovak Republic | All locations | Bratislava | Sunday, March 29 | Sunday, October 25 |
| Slovenia | All locations | Ljubljana | Sunday, March 29 | Sunday, October 25 |
| Solomon Islands | All locations | Honiara | No DST in 2009 | |
| Somalia | All locations | Mogadishu | No DST in 2009 | |
| South Africa | All locations | Johannesburg | No DST in 2009 | |
| South Korea | All locations | Seoul | No DST in 2009 | |
| Spain | All locations | Madrid | Sunday, March 29 | Sunday, October 25 |
| Sri Lanka | All locations | Colombo | No DST in 2009 | |
| Sudan | All locations | Khartoum | No DST in 2009 | |
| Suriname | All locations | Paramaribo | No DST in 2009 | |
| Swaziland | All locations | Mbabane | No DST in 2009 | |
| Sweden | All locations | Stockholm | Sunday, March 29 | Sunday, October 25 |
| Switzerland | All locations | Geneva | Sunday, March 29 | Sunday, October 25 |
| Syria | All locations | Damascus | Friday, April 3 | Sunday, November 1 |
| Taiwan | All locations | Taipei | No DST in 2009 | |
| Tajikistan | All locations | Dushanbe | No DST in 2009 | |
| Tanzania | All locations | Dar es Salaam | No DST in 2009 | |
| Thailand | All locations | Bangkok | No DST in 2009 | |
| Timor-Leste | All locations | Dili | No DST in 2009 | |
| Togo | All locations | Lome | No DST in 2009 | |
| Tonga | All locations | Nukualofa | No DST in 2009 | |
| Trinidad and Tobago | All locations | Port of Spain | No DST in 2009 | |
| Tunisia | All locations | Tunis | Sunday, March 29 | Sunday, October 25 |
| Turkey | All locations | Ankara | Sunday, March 29 | Sunday, October 25 |
| Turkmenistan | All locations | Ashgabat | No DST in 2009 | |
| Tuvalu | All locations | Funafuti | No DST in 2009 | |
| Uganda | All locations | Kampala | No DST in 2009 | |
| Ukraine | All locations | Kyiv | Sunday, March 29 | Sunday, October 25 |
| United Arab Emirates | All locations | Dubai | No DST in 2009 | |
| United Kingdom | Most locations | London | Sunday, March 29 | Sunday, October 25 |
| | Grand Cayman, Anguilla, British Virgin Islands, Montserrat, Saint Helena, Pitcairn Islands | Georgetown | No DST in 2009 | |
| | Bermuda, Turks and Caicos Islands | Hamilton | Sunday, March 8 | Sunday, November 1 |
| | Falkland Islands | Stanley | Sunday, September 6 | Sunday, April 19 |
| United States | Most locations | Washington DC | Sunday, March 8 | Sunday, November 1 |
| | Mariana Islands, Hawaii, Arizona, Virgin Islands, Northern Mariana Islands, American Samoa, Midway Islands | Honolulu | No DST in 2009 | |
| Uruguay | All locations | Montevideo | Sunday, October 4 | Sunday, March 8 |
| Uzbekistan | All locations | Tashkent | No DST in 2009 | |

| | | | | |
|---|---|---|---|---|
| Vanuatu | All locations | Port Vila | No DST in 2009 | |
| Vatican City State | All locations | Vatican City | Sunday, March 29 | Sunday, October 25 |
| Venezuela | All locations | Caracas | No DST in 2009 | |
| Vietnam | All locations | Hanoi | No DST in 2009 | |
| West Bank | All locations | Bethlehem | Friday, March 27 | Monday, August 31 |
| Western Sahara | All locations | El Aaiún | No DST in 2009 | |
| Yemen | All locations | Aden | No DST in 2009 | |
| Zambia | All locations | Lusaka | No DST in 2009 | |
| Zimbabwe | All locations | Harare | No DST in 2009 | |

## Daylight Saving Time statistics for 2009

| Daylight Saving Time observance? | Count |
|---|---|
| Countries which do not observe DST at all | 131 |
| Countries where at least one location observe DST | 74 |
| –Countries where all locations observe DST some part of the year | 63 |
| –Countries where many, but not all locations observe DST | 11 |

**Rob Earl**

**From:** Rick G. Braun [rsbraun@gci.net]
**Sent:** Wednesday, March 11, 2009 9:29 AM
**To:** Rob Earl
**Subject:** Daylight Savings Time

There is a bill before the legislature to repeal Daylight Savings Time (HB 19).

I think many of us would agree it would be nice not to have to change our clocks ahead or back twice a year. The broader question is, if we leave our clocks on the same time zone throughout the year, which time zone should that be? This is a big problem for a state as enormous as Alaska which stretches across almost three time zones. That means the sun rises in Hyder in Southeast 2.7 hours before it rises in St. Paul in the Pribilofs.

In 1983, our state leaders decided that all of Alaska except the far western Aleutians would be on one time zone. There were a lot of objections to this from the communities in Southeast Alaska that were then on Pacific Time and did a lot of their business with Seattle and the western states. In the interest of state unity, the communities of southeast reluctantly adapted to the change.

Alaska Time is not ideal for Southeast Alaska. Our natural time zone is Pacific Time. This means that in the summer, we get up too late to take advantage of the most sunlight. Outdoor work, ball games and barbecues end too soon because of early darkness. Daylight Savings Time (DST) corrects that problem for us a little, in the spring, summer and fall.

HB19 will repeal DST and keep us on Alaska Standard Time year round. This means that when the rest of the country is on DST, we will be two hours later than Seattle, and five hours later than the east coast. Most of the Yukon Territory is further west than Juneau and yet, HB 19 will put it two hours ahead of Juneau. HB 19 is politics ignoring geography.

HB 19 might be a good idea for people in Central and Western Alaska but it's a bad idea for Southeast Alaska. Alaska Standard Time and Alaska Daylight Savings Time is a compromise in the interest of state unity. HB 19 ignores that compromise and the needs of Alaskans in Southeast.

Please stop HB 19. Call the Legislative Information Office (772-3741) in Petersburg on how to contact your legislators and the appropriate committee members.

Rick Braun
907 772 3986

**Terry Harvey**

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**From:** Rep. Cathy Munoz
**Sent:** Monday, March 09, 2009 2:10 PM
**To:** Terry Harvey
**Subject:** FW: we are opposed to HB 19

Please add to committee file. Cathy

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**From:** Randy Host [mailto:host_randy@yahoo.com]
**Sent:** Sunday, March 08, 2009 12:57 PM
**To:** Rep. Anna Fairclough; Rep. Beth Kerttula; Rep. Cathy Munoz
**Subject:** we are opposed to HB 19

Dear Representatives,

We are strongly opposed to HB 19 and HJR 20. In SE Alaska we really need more light in the evenings and the sun already comes up at 2 AM in the summertime, which makes it hard to get decent sleep . Please, please don't make the sun come up earlier and take away from the longer summer nights. They aren't that long in SE Alaska, and they are a reward for living here during the dark winters.

Additionally, we are Federal employees and HB 19 would create a 5 hour time difference between us and our headquarter's offices, making work communciation even more difficult.

However, if HB 19 does receive a lot of support, we request that an additional bill be put forth making SE Alaska part of the Pacifc time zone. It does not make sense for Alaska's eastern communities to be deprived of the evening summer sunlight at the benefit of Alaska's communities hundreds of miles to the west.

Thank you for considering our comments.

Randy Host

17415 Christine Ave

Juneau, AK 99801

907 789 5766

## Rob Earl

**From:** Lucy Brown [LBrown@FNBAlaska.com]
**Sent:** Monday, January 26, 2009 8:51 AM
**To:** Sen. Con Bunde; Sen. John Cowdery; Sen. Bettye Davis; Sen. Fred Dyson; Sen. Johnny Ellis; Sen. Kim Elton; Sen. Hollis French; Sen. Lyda Green; Sen. Lyman Hoffman; Sen. Charlie Huggins; Sen. Albert Kookesh; Sen. Lesil McGuire; Sen. Donny Olson; Sen. Bert Stedman; Sen. Gary Stevens; Sen. Gene Therriault; Sen. Joe Thomas; Sen. Tom Wagoner; Sen. Bill Wielechowski; Sen. Gary Wilken; Rep. Bob Buch; Rep. Mike Chenault; Rep. Sharon Cissna; Rep. John Coghill; Rep. Harry Crawford; Rep. Nancy Dahlstrom; Rep. Andrea Doll; Rep. Mike Doogan; Rep. Bryce Edgmon; Rep. Anna Fairclough; Rep. Richard Foster; Rep. Les Gara; Rep. Berta Gardner; Rep. Carl Gatto; Rep. Max Gruenberg; Rep. David Guttenberg; Rep. John Harris; Rep. Mike Hawker; Rep. Lindsey Holmes; Rep. Kyle Johansen; Rep. Craig Johnson; Rep. Reggie Joule; Rep. Scott Kawasaki; Rep. Wes Keller; representative_michael_kelly@legis.state.ak.us; Rep. Beth Kerttula; Rep. Gabrielle LeDoux; Rep. Bob Lynn; Sen. Kevin Meyer; Rep. Mary Nelson; Rep. Mark Neuman; Rep. Kurt Olson; reprersentative_jay_ramras@legis.state.ak.us; Rep. Bob Roses; Rep. Woodie Salmon; Rep. Ralph Samuels; Rep. Paul Seaton; Rep. Bill Stoltze; representative_william_thomas@legis.state.ak.us; Rep. Peggy Wilson

To: The Alaska State Legislature

I strongly recommend the abolishment of Daylight Savings Time. It is totally inappropriate and an absolute waste of time, money and energy. Your effort would be appreciated.

Sincerely,

D. H. Cuddy, Chairman and President
First National Bank Alaska
101 West 36th Avenue, Suite 333
Anchorage, AK 99510-0720

If you are not the intended recipient of this email do not read, retain, copy, distribute, or disclose the content of this email. If you have received this email in error, please advise us by reply email @FNBAlaska.com and destroy the original message and all copies.

Dear Legislators,

I am writing this letter in response to HB19. An extra hour of daylight at 2:00 a.m. is not nearly as useful as an extra hour after work in the evening. Considering the dark winters, summer is too short as it is and the extra daylight on good days allows picnics, fishing, yard work, boating and home maintenance. Southeast Alaska fought the Scheffield time change to no avail. Passage of this bill will harm us twice. This bill will adversely affect summers in Southeast Alaska every day. This is the worst kind of legislation and deserves to fail.

Robert Grant
PO Box 167
Wrangell, Alaska 99929

**Rob Earl**

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**From:** Greg Pepperd [gregpepperd@davisconstructors.com]
**Sent:** Tuesday, March 10, 2009 12:49 PM
**To:** Rep. Bob Herron
**Subject:** HB 19

Honorable Mr. Herron:

Please support HB 19 to eliminate DST in Alaska as co-chairman of the Community & Regional Affairs committee. DST is not needed in Alaska as we already have sufficient light in the evenings. As a Mat Valley commuter to Anchorage, we were just starting to make that commute in daylight only to plunged back into darkness for another month. The same holds true for our school children as they wait for school buses. The bulk of the construction industry uses 7:00 am as a starting time and could use the added daylight in the morning as well. This also affects workers, school children and commuters in the fall with the same negative impact. Thank you for thoughtful consideration of this matter.

Sincerely, Greg Pepperd/Wasilla

**Rob Earl**

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**From:** Henry Cole [steelehc@gmail.com]
**Sent:** Saturday, March 07, 2009 4:45 AM
**To:** Rep. Bob Herron; Rep. Cathy Munoz
**Subject:** AK HB19

Representatives Herron and Munoz,

I am writing to offer my strongest support for Bouse Bill 19, introduced by Rep. Fairclough.

Daylight Savings Time offers absolutely no benefit to the great majority of our State, as since the Alaska was once large enough to contain four time zones, moving the middle of the day an hour one way or another does little or nothing to change people's habits. Furthermore, at least, in Fairbanks and communities farther north, DST largely moves around hours of darkness.

It serves no purpose in Alaska and needs to be repealed!

I would appreciate your actions in favor of this bill.

Sincerely,
Henry Cole
Fairbanks

## Terry Harvey

**From:** Rep. Cathy Munoz
**Sent:** Tuesday, March 10, 2009 9:17 AM
**To:** Terry Harvey
**Subject:** FW: DST-HB19

Terry, please add to file on bill. Cathy

-----Original Message-----
From: Jack Marshall [mailto:Marshall@alaska.net]
Sent: Tuesday, March 10, 2009 7:21 AM
To: Rep. Cathy Munoz
Subject: DST-HB19

Several years ago I argued against placing the state under one time zone. I still feel pretty strongly that that move was a mistake. I'd much rather see us split the western part of the state off into another time zone than to get rid of Daylight savings time. I can understand Anchorage and Fairbanks need to be in the same time zone as Juneau but beyond that I see no positive advantage to keep the rest of the state in the same time zone. If we drop daylight savings time we will hurt towns like Petersburg and Ketchikan that could really use the extra hour. With a state as large as ours trying to place everyone under the same time is just not workable. Personally, I don't like daylight savings time but unless Washington State drops daylight savings time, I think it would be best to leave things the way they are.
Jack Marshall

Date Referred to Committee: January 20, 2009 FURTHER REFERRALS: Labor and Commerc

Date of Committee Action: 3.12.09

The COMMUNITY AND REGIONAL AFFAIRS Committee considered: HOUSE BILL NO. 19

"An Act exempting the state and its political subdivisions from daylight saving time."

HB 19 ELIMINATE DAYLIGHT SAVING TIMI

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____

*For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____* [ ] Same Title [ ] New Ti

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

*List of Abbrev for Depts.:*
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

| *NEW* FISCAL NOTES *Assigned by Chief Clerk's Office | | | | |
|---|---|---|---|---|
| List by Dept(s): | *FN# | -Fiscal | Indet. | Zero |
| GOV-ALL | | | | X |
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| *PREVIOUS* FISCAL NOTES | | | | |
|---|---|---|---|---|
| List by Dept(s): | FN# | Fiscal | Indet. | Zero |
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| Signing with recommendations | Printed Last Name | DP | DNP | NR | AM |
|---|---|---|---|---|---|
| Berta Gardner | Gardner | | | X | |
| Wes Keller | Keller | | | X | |
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| Chair: | HERRON | X | | | |
| Chair: Cathy Muñoz | Muñoz | | | X | |

# FISCAL NOTE

**STATE OF ALASKA**
**2009 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version: HB 19
() Publish Date:

Identifier (file name): HB019-GOV-OMB-3-02-09
Dept. Affected: All
Title: Exempting state from daylight savings time
RDU
Component
Sponsor: Rep. Fairclough
Requester: House Community and Regional Affairs Committee
Component Number

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2009) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This legislation will not have a significant fiscal impact on any State agency.

Prepared by: Jack Kreinheder, Senior Analyst — Phone 465-4676
Division: Office of Management and Budget — Date/Time 3/2/09 11:45 AM
Approved by: Karen Rehfeld, Director — Date 3/2/2009
Office of Management and Budget

(Revised 9/10/2008 OMB)

**Chugach Electric Association, Inc.**
Chugach Retail Substation Load
15 Minute Demand (kW) Data
DST - March 9, 2008 at 2:00 AM
Data for weekends prior to, during, and after DST.

| | Before DST 2/29/2008-3/03/2008 | | During DST 3/07/2008-3/10/2008 | | After DST 3/14/2008-03/17/2008 | |
|---|---|---|---|---|---|---|
| Day of Week | Date and Time | kW | Date and Time | kW | Date and Time | kW |
| Friday | 2/29/2008 0:15 | 132,323 | 3/7/2008 0:15 | 128,550 | 3/14/2008 0:15 | 134,417 |
| Friday | 2/29/2008 0:30 | 130,006 | 3/7/2008 0:30 | 126,076 | 3/14/2008 0:30 | 131,762 |
| Friday | 2/29/2008 0:45 | 128,562 | 3/7/2008 0:45 | 124,387 | 3/14/2008 0:45 | 129,776 |
| Friday | 2/29/2008 1:00 | 127,064 | 3/7/2008 1:00 | 122,913 | 3/14/2008 1:00 | 128,001 |
| Friday | 2/29/2008 1:15 | 125,560 | 3/7/2008 1:15 | 121,543 | 3/14/2008 1:15 | 126,229 |
| Friday | 2/29/2008 1:30 | 124,219 | 3/7/2008 1:30 | 120,206 | 3/14/2008 1:30 | 125,135 |
| Friday | 2/29/2008 1:45 | 123,243 | 3/7/2008 1:45 | 118,609 | 3/14/2008 1:45 | 123,613 |
| Friday | 2/29/2008 2:00 | 122,710 | 3/7/2008 2:00 | 117,673 | 3/14/2008 2:00 | 122,985 |
| Friday | 2/29/2008 2:15 | 122,396 | 3/7/2008 2:15 | 117,121 | 3/14/2008 2:15 | 122,386 |
| Friday | 2/29/2008 2:30 | 122,326 | 3/7/2008 2:30 | 117,014 | 3/14/2008 2:30 | 121,788 |
| Friday | 2/29/2008 2:45 | 121,633 | 3/7/2008 2:45 | 116,385 | 3/14/2008 2:45 | 121,069 |
| Friday | 2/29/2008 3:00 | 121,043 | 3/7/2008 3:00 | 115,927 | 3/14/2008 3:00 | 120,684 |
| Friday | 2/29/2008 3:15 | 120,925 | 3/7/2008 3:15 | 115,467 | 3/14/2008 3:15 | 119,965 |
| Friday | 2/29/2008 3:30 | 120,750 | 3/7/2008 3:30 | 115,364 | 3/14/2008 3:30 | 119,820 |
| Friday | 2/29/2008 3:45 | 120,822 | 3/7/2008 3:45 | 115,033 | 3/14/2008 3:45 | 119,668 |
| Friday | 2/29/2008 4:00 | 120,393 | 3/7/2008 4:00 | 114,809 | 3/14/2008 4:00 | 119,683 |
| Friday | 2/29/2008 4:15 | 121,063 | 3/7/2008 4:15 | 115,688 | 3/14/2008 4:15 | 119,912 |
| Friday | 2/29/2008 4:30 | 122,070 | 3/7/2008 4:30 | 116,431 | 3/14/2008 4:30 | 120,000 |
| Friday | 2/29/2008 4:45 | 122,866 | 3/7/2008 4:45 | 117,403 | 3/14/2008 4:45 | 120,632 |
| Friday | 2/29/2008 5:00 | 124,042 | 3/7/2008 5:00 | 118,622 | 3/14/2008 5:00 | 121,562 |
| Friday | 2/29/2008 5:15 | 126,588 | 3/7/2008 5:15 | 120,537 | 3/14/2008 5:15 | 123,240 |
| Friday | 2/29/2008 5:30 | 128,871 | 3/7/2008 5:30 | 122,040 | 3/14/2008 5:30 | 125,254 |
| Friday | 2/29/2008 5:45 | 131,580 | 3/7/2008 5:45 | 124,115 | 3/14/2008 5:45 | 127,465 |
| Friday | 2/29/2008 6:00 | 134,956 | 3/7/2008 6:00 | 127,190 | 3/14/2008 6:00 | 129,479 |
| Friday | 2/29/2008 6:15 | 142,573 | 3/7/2008 6:15 | 132,721 | 3/14/2008 6:15 | 133,582 |
| Friday | 2/29/2008 6:30 | 148,004 | 3/7/2008 6:30 | 137,702 | 3/14/2008 6:30 | 137,471 |
| Friday | 2/29/2008 6:45 | 153,012 | 3/7/2008 6:45 | 141,346 | 3/14/2008 6:45 | 141,138 |
| Friday | 2/29/2008 7:00 | 158,020 | 3/7/2008 7:00 | 144,772 | 3/14/2008 7:00 | 145,774 |
| Friday | 2/29/2008 7:15 | 163,190 | 3/7/2008 7:15 | 149,861 | 3/14/2008 7:15 | 150,397 |
| Friday | 2/29/2008 7:30 | 166,751 | 3/7/2008 7:30 | 153,685 | 3/14/2008 7:30 | 153,620 |
| Friday | 2/29/2008 7:45 | 170,460 | 3/7/2008 7:45 | 156,656 | 3/14/2008 7:45 | 156,103 |
| Friday | 2/29/2008 8:00 | 169,878 | 3/7/2008 8:00 | 156,628 | 3/14/2008 8:00 | 157,961 |
| Friday | 2/29/2008 8:15 | 168,349 | 3/7/2008 8:15 | 157,521 | 3/14/2008 8:15 | 158,777 |
| Friday | 2/29/2008 8:30 | 167,580 | 3/7/2008 8:30 | 158,335 | 3/14/2008 8:30 | 157,064 |
| Friday | 2/29/2008 8:45 | 165,995 | 3/7/2008 8:45 | 158,896 | 3/14/2008 8:45 | 156,728 |
| Friday | 2/29/2008 9:00 | 164,788 | 3/7/2008 9:00 | 158,951 | 3/14/2008 9:00 | 156,105 |
| Friday | 2/29/2008 9:15 | 164,499 | 3/7/2008 9:15 | 158,635 | 3/14/2008 9:15 | 156,935 |
| Friday | 2/29/2008 9:30 | 164,472 | 3/7/2008 9:30 | 158,563 | 3/14/2008 9:30 | 157,183 |
| Friday | 2/29/2008 9:45 | 164,682 | 3/7/2008 9:45 | 159,639 | 3/14/2008 9:45 | 156,962 |
| Friday | 2/29/2008 10:00 | 164,276 | 3/7/2008 10:00 | 160,159 | 3/14/2008 10:00 | 157,283 |
| Friday | 2/29/2008 10:15 | 164,176 | 3/7/2008 10:15 | 161,605 | 3/14/2008 10:15 | 157,656 |
| Friday | 2/29/2008 10:30 | 164,107 | 3/7/2008 10:30 | 161,920 | 3/14/2008 10:30 | 157,978 |
| Friday | 2/29/2008 10:45 | 163,750 | 3/7/2008 10:45 | 162,771 | 3/14/2008 10:45 | 158,187 |
| Friday | 2/29/2008 11:00 | 164,019 | 3/7/2008 11:00 | 162,844 | 3/14/2008 11:00 | 157,951 |
| Friday | 2/29/2008 11:15 | 163,280 | 3/7/2008 11:15 | 163,286 | 3/14/2008 11:15 | 157,766 |
| Friday | 2/29/2008 11:30 | 162,616 | 3/7/2008 11:30 | 163,456 | 3/14/2008 11:30 | 157,674 |
| Friday | 2/29/2008 11:45 | 162,788 | 3/7/2008 11:45 | 163,897 | 3/14/2008 11:45 | 157,590 |
| Friday | 2/29/2008 12:00 | 162,623 | 3/7/2008 12:00 | 163,754 | 3/14/2008 12:00 | 157,203 |
| Friday | 2/29/2008 12:15 | 162,539 | 3/7/2008 12:15 | 163,758 | 3/14/2008 12:15 | 156,877 |
| Friday | 2/29/2008 12:30 | 162,199 | 3/7/2008 12:30 | 163,431 | 3/14/2008 12:30 | 156,168 |
| Friday | 2/29/2008 12:45 | 161,851 | 3/7/2008 12:45 | 162,963 | 3/14/2008 12:45 | 155,593 |
| Friday | 2/29/2008 13:00 | 161,551 | 3/7/2008 13:00 | 161,603 | 3/14/2008 13:00 | 154,997 |

**Chugach Electric Association, Inc.**
Chugach Retail Substation Load
15 Minute Demand (kW) Data
DST - March 9, 2008 at 2:00 AM
Data for weekends prior to, during, and after DST.

| | Before DST 2/29/2008-3/03/2008 | | During DST 3/07/2008-3/10/2008 | | After DST 3/14/2008-03/17/2008 | |
|---|---|---|---|---|---|---|
| Day of Week | Date and Time | kW | Date and Time | kW | Date and Time | kW |
| Friday | 2/29/2008 13:15 | 161,399 | 3/7/2008 13:15 | 161,091 | 3/14/2008 13:15 | 154,450 |
| Friday | 2/29/2008 13:30 | 160,624 | 3/7/2008 13:30 | 160,699 | 3/14/2008 13:30 | 154,278 |
| Friday | 2/29/2008 13:45 | 160,120 | 3/7/2008 13:45 | 159,809 | 3/14/2008 13:45 | 153,710 |
| Friday | 2/29/2008 14:00 | 160,100 | 3/7/2008 14:00 | 159,150 | 3/14/2008 14:00 | 154,058 |
| Friday | 2/29/2008 14:15 | 160,014 | 3/7/2008 14:15 | 159,653 | 3/14/2008 14:15 | 153,171 |
| Friday | 2/29/2008 14:30 | 160,005 | 3/7/2008 14:30 | 159,647 | 3/14/2008 14:30 | 153,665 |
| Friday | 2/29/2008 14:45 | 160,230 | 3/7/2008 14:45 | 160,280 | 3/14/2008 14:45 | 153,354 |
| Friday | 2/29/2008 15:00 | 160,331 | 3/7/2008 15:00 | 159,907 | 3/14/2008 15:00 | 152,979 |
| Friday | 2/29/2008 15:15 | 159,794 | 3/7/2008 15:15 | 159,560 | 3/14/2008 15:15 | 152,576 |
| Friday | 2/29/2008 15:30 | 158,953 | 3/7/2008 15:30 | 159,999 | 3/14/2008 15:30 | 152,344 |
| Friday | 2/29/2008 15:45 | 158,770 | 3/7/2008 15:45 | 159,909 | 3/14/2008 15:45 | 152,200 |
| Friday | 2/29/2008 16:00 | 158,839 | 3/7/2008 16:00 | 159,660 | 3/14/2008 16:00 | 151,655 |
| Friday | 2/29/2008 16:15 | 159,591 | 3/7/2008 16:15 | 159,840 | 3/14/2008 16:15 | 150,758 |
| Friday | 2/29/2008 16:30 | 159,598 | 3/7/2008 16:30 | 159,674 | 3/14/2008 16:30 | 150,845 |
| Friday | 2/29/2008 16:45 | 159,811 | 3/7/2008 16:45 | 159,996 | 3/14/2008 16:45 | 150,655 |
| Friday | 2/29/2008 17:00 | 159,809 | 3/7/2008 17:00 | 160,342 | 3/14/2008 17:00 | 149,772 |
| Friday | 2/29/2008 17:15 | 159,325 | 3/7/2008 17:15 | 159,499 | 3/14/2008 17:15 | 148,712 |
| Friday | 2/29/2008 17:30 | 159,475 | 3/7/2008 17:30 | 159,421 | 3/14/2008 17:30 | 148,676 |
| Friday | 2/29/2008 17:45 | 161,055 | 3/7/2008 17:45 | 160,395 | 3/14/2008 17:45 | 148,735 |
| Friday | 2/29/2008 18:00 | 162,137 | 3/7/2008 18:00 | 161,233 | 3/14/2008 18:00 | 148,962 |
| Friday | 2/29/2008 18:15 | 163,638 | 3/7/2008 18:15 | 161,031 | 3/14/2008 18:15 | 149,040 |
| Friday | 2/29/2008 18:30 | 166,890 | 3/7/2008 18:30 | 162,433 | 3/14/2008 18:30 | 149,120 |
| Friday | 2/29/2008 18:45 | 171,686 | 3/7/2008 18:45 | 165,310 | 3/14/2008 18:45 | 149,931 |
| Friday | 2/29/2008 19:00 | 177,560 | 3/7/2008 19:00 | 168,482 | 3/14/2008 19:00 | 149,630 |
| Friday | 2/29/2008 19:15 | 178,775 | 3/7/2008 19:15 | 171,086 | 3/14/2008 19:15 | 149,758 |
| Friday | 2/29/2008 19:30 | 179,286 | 3/7/2008 19:30 | 171,545 | 3/14/2008 19:30 | 149,933 |
| Friday | 2/29/2008 19:45 | 179,331 | 3/7/2008 19:45 | 170,889 | 3/14/2008 19:45 | 150,711 |
| Friday | 2/29/2008 20:00 | 178,783 | 3/7/2008 20:00 | 170,165 | 3/14/2008 20:00 | 153,123 |
| Friday | 2/29/2008 20:15 | 178,080 | 3/7/2008 20:15 | 169,142 | 3/14/2008 20:15 | 157,001 |
| Friday | 2/29/2008 20:30 | 177,605 | 3/7/2008 20:30 | 168,190 | 3/14/2008 20:30 | 162,458 |
| Friday | 2/29/2008 20:45 | 176,477 | 3/7/2008 20:45 | 167,313 | 3/14/2008 20:45 | 165,199 |
| Friday | 2/29/2008 21:00 | 175,370 | 3/7/2008 21:00 | 165,842 | 3/14/2008 21:00 | 165,286 |
| Friday | 2/29/2008 21:15 | 173,390 | 3/7/2008 21:15 | 163,620 | 3/14/2008 21:15 | 164,937 |
| Friday | 2/29/2008 21:30 | 171,170 | 3/7/2008 21:30 | 161,842 | 3/14/2008 21:30 | 164,820 |
| Friday | 2/29/2008 21:45 | 169,398 | 3/7/2008 21:45 | 159,824 | 3/14/2008 21:45 | 163,225 |
| Friday | 2/29/2008 22:00 | 167,172 | 3/7/2008 22:00 | 157,926 | 3/14/2008 22:00 | 161,537 |
| Friday | 2/29/2008 22:15 | 164,754 | 3/7/2008 22:15 | 155,579 | 3/14/2008 22:15 | 159,514 |
| Friday | 2/29/2008 22:30 | 162,332 | 3/7/2008 22:30 | 153,684 | 3/14/2008 22:30 | 156,965 |
| Friday | 2/29/2008 22:45 | 159,379 | 3/7/2008 22:45 | 150,327 | 3/14/2008 22:45 | 154,326 |
| Friday | 2/29/2008 23:00 | 156,189 | 3/7/2008 23:00 | 146,832 | 3/14/2008 23:00 | 151,581 |
| Friday | 2/29/2008 23:15 | 151,454 | 3/7/2008 23:15 | 143,764 | 3/14/2008 23:15 | 148,141 |
| Friday | 2/29/2008 23:30 | 148,749 | 3/7/2008 23:30 | 140,479 | 3/14/2008 23:30 | 145,388 |
| Friday | 2/29/2008 23:45 | 146,046 | 3/7/2008 23:45 | 137,853 | 3/14/2008 23:45 | 142,339 |
| Saturday | 3/1/2008 0:00 | 143,436 | 3/8/2008 0:00 | 134,960 | 3/15/2008 0:00 | 139,271 |
| Saturday | 3/1/2008 0:15 | 140,403 | 3/8/2008 0:15 | 131,745 | 3/15/2008 0:15 | 136,464 |
| Saturday | 3/1/2008 0:30 | 138,015 | 3/8/2008 0:30 | 129,542 | 3/15/2008 0:30 | 134,215 |
| Saturday | 3/1/2008 0:45 | 135,965 | 3/8/2008 0:45 | 127,760 | 3/15/2008 0:45 | 132,033 |
| Saturday | 3/1/2008 1:00 | 134,214 | 3/8/2008 1:00 | 126,154 | 3/15/2008 1:00 | 129,958 |
| Saturday | 3/1/2008 1:15 | 131,932 | 3/8/2008 1:15 | 123,871 | 3/15/2008 1:15 | 128,090 |
| Saturday | 3/1/2008 1:30 | 130,390 | 3/8/2008 1:30 | 122,534 | 3/15/2008 1:30 | 126,747 |
| Saturday | 3/1/2008 1:45 | 129,073 | 3/8/2008 1:45 | 121,269 | 3/15/2008 1:45 | 125,372 |
| Saturday | 3/1/2008 2:00 | 128,025 | 3/8/2008 2:00 | 120,398 | 3/15/2008 2:00 | 124,213 |

**Chugach Electric Association, Inc.**
Chugach Retail Substation Load
15 Minute Demand (kW) Data
DST - March 9, 2008 at 2:00 AM
Data for weekends prior to, during, and after DST.

| | Before DST 2/29/2008-3/03/2008 | | During DST 3/07/2008-3/10/2008 | | After DST 3/14/2008-03/17/2008 | |
|---|---|---|---|---|---|---|
| Day of Week | Date and Time | kW | Date and Time | kW | Date and Time | kW |
| Saturday | 3/1/2008 2:15 | 127,368 | 3/8/2008 2:15 | 119,440 | 3/15/2008 2:15 | 122,989 |
| Saturday | 3/1/2008 2:30 | 126,895 | 3/8/2008 2:30 | 118,398 | 3/15/2008 2:30 | 122,205 |
| Saturday | 3/1/2008 2:45 | 126,453 | 3/8/2008 2:45 | 118,069 | 3/15/2008 2:45 | 121,438 |
| Saturday | 3/1/2008 3:00 | 126,208 | 3/8/2008 3:00 | 117,622 | 3/15/2008 3:00 | 120,765 |
| Saturday | 3/1/2008 3:15 | 125,406 | 3/8/2008 3:15 | 117,170 | 3/15/2008 3:15 | 120,174 |
| Saturday | 3/1/2008 3:30 | 125,108 | 3/8/2008 3:30 | 116,728 | 3/15/2008 3:30 | 120,003 |
| Saturday | 3/1/2008 3:45 | 124,628 | 3/8/2008 3:45 | 116,240 | 3/15/2008 3:45 | 119,443 |
| Saturday | 3/1/2008 4:00 | 124,620 | 3/8/2008 4:00 | 115,570 | 3/15/2008 4:00 | 119,343 |
| Saturday | 3/1/2008 4:15 | 125,056 | 3/8/2008 4:15 | 115,791 | 3/15/2008 4:15 | 119,424 |
| Saturday | 3/1/2008 4:30 | 125,204 | 3/8/2008 4:30 | 115,718 | 3/15/2008 4:30 | 119,395 |
| Saturday | 3/1/2008 4:45 | 125,145 | 3/8/2008 4:45 | 116,105 | 3/15/2008 4:45 | 119,642 |
| Saturday | 3/1/2008 5:00 | 125,549 | 3/8/2008 5:00 | 116,421 | 3/15/2008 5:00 | 119,638 |
| Saturday | 3/1/2008 5:15 | 126,687 | 3/8/2008 5:15 | 117,376 | 3/15/2008 5:15 | 120,373 |
| Saturday | 3/1/2008 5:30 | 127,623 | 3/8/2008 5:30 | 117,801 | 3/15/2008 5:30 | 121,238 |
| Saturday | 3/1/2008 5:45 | 128,444 | 3/8/2008 5:45 | 118,470 | 3/15/2008 5:45 | 121,833 |
| Saturday | 3/1/2008 6:00 | 129,351 | 3/8/2008 6:00 | 119,466 | 3/15/2008 6:00 | 122,771 |
| Saturday | 3/1/2008 6:15 | 132,289 | 3/8/2008 6:15 | 122,568 | 3/15/2008 6:15 | 124,715 |
| Saturday | 3/1/2008 6:30 | 134,185 | 3/8/2008 6:30 | 123,584 | 3/15/2008 6:30 | 126,030 |
| Saturday | 3/1/2008 6:45 | 135,342 | 3/8/2008 6:45 | 125,009 | 3/15/2008 6:45 | 128,010 |
| Saturday | 3/1/2008 7:00 | 137,247 | 3/8/2008 7:00 | 127,387 | 3/15/2008 7:00 | 129,208 |
| Saturday | 3/1/2008 7:15 | 140,465 | 3/8/2008 7:15 | 130,388 | 3/15/2008 7:15 | 132,251 |
| Saturday | 3/1/2008 7:30 | 143,399 | 3/8/2008 7:30 | 130,479 | 3/15/2008 7:30 | 134,464 |
| Saturday | 3/1/2008 7:45 | 146,661 | 3/8/2008 7:45 | 129,705 | 3/15/2008 7:45 | 136,948 |
| Saturday | 3/1/2008 8:00 | 149,173 | 3/8/2008 8:00 | 130,637 | 3/15/2008 8:00 | 139,302 |
| Saturday | 3/1/2008 8:15 | 150,509 | 3/8/2008 8:15 | 132,576 | 3/15/2008 8:15 | 141,218 |
| Saturday | 3/1/2008 8:30 | 151,228 | 3/8/2008 8:30 | 134,540 | 3/15/2008 8:30 | 141,441 |
| Saturday | 3/1/2008 8:45 | 152,230 | 3/8/2008 8:45 | 136,745 | 3/15/2008 8:45 | 142,236 |
| Saturday | 3/1/2008 9:00 | 154,123 | 3/8/2008 9:00 | 138,812 | 3/15/2008 9:00 | 144,609 |
| Saturday | 3/1/2008 9:15 | 155,647 | 3/8/2008 9:15 | 141,135 | 3/15/2008 9:15 | 146,614 |
| Saturday | 3/1/2008 9:30 | 156,590 | 3/8/2008 9:30 | 143,715 | 3/15/2008 9:30 | 148,350 |
| Saturday | 3/1/2008 9:45 | 158,671 | 3/8/2008 9:45 | 145,773 | 3/15/2008 9:45 | 149,449 |
| Saturday | 3/1/2008 10:00 | 159,559 | 3/8/2008 10:00 | 147,400 | 3/15/2008 10:00 | 151,166 |
| Saturday | 3/1/2008 10:15 | 159,827 | 3/8/2008 10:15 | 148,473 | 3/15/2008 10:15 | 153,218 |
| Saturday | 3/1/2008 10:30 | 160,062 | 3/8/2008 10:30 | 149,267 | 3/15/2008 10:30 | 154,209 |
| Saturday | 3/1/2008 10:45 | 160,750 | 3/8/2008 10:45 | 149,598 | 3/15/2008 10:45 | 154,763 |
| Saturday | 3/1/2008 11:00 | 160,253 | 3/8/2008 11:00 | 151,028 | 3/15/2008 11:00 | 155,673 |
| Saturday | 3/1/2008 11:15 | 159,924 | 3/8/2008 11:15 | 152,042 | 3/15/2008 11:15 | 156,607 |
| Saturday | 3/1/2008 11:30 | 159,927 | 3/8/2008 11:30 | 152,244 | 3/15/2008 11:30 | 156,705 |
| Saturday | 3/1/2008 11:45 | 159,475 | 3/8/2008 11:45 | 152,063 | 3/15/2008 11:45 | 156,917 |
| Saturday | 3/1/2008 12:00 | 159,472 | 3/8/2008 12:00 | 151,871 | 3/15/2008 12:00 | 156,731 |
| Saturday | 3/1/2008 12:15 | 159,459 | 3/8/2008 12:15 | 151,373 | 3/15/2008 12:15 | 156,265 |
| Saturday | 3/1/2008 12:30 | 158,718 | 3/8/2008 12:30 | 151,603 | 3/15/2008 12:30 | 155,882 |
| Saturday | 3/1/2008 12:45 | 158,074 | 3/8/2008 12:45 | 151,868 | 3/15/2008 12:45 | 155,086 |
| Saturday | 3/1/2008 13:00 | 158,149 | 3/8/2008 13:00 | 151,355 | 3/15/2008 13:00 | 154,418 |
| Saturday | 3/1/2008 13:15 | 157,872 | 3/8/2008 13:15 | 151,023 | 3/15/2008 13:15 | 154,063 |
| Saturday | 3/1/2008 13:30 | 157,169 | 3/8/2008 13:30 | 150,739 | 3/15/2008 13:30 | 154,151 |
| Saturday | 3/1/2008 13:45 | 156,379 | 3/8/2008 13:45 | 150,259 | 3/15/2008 13:45 | 153,838 |
| Saturday | 3/1/2008 14:00 | 155,942 | 3/8/2008 14:00 | 149,615 | 3/15/2008 14:00 | 153,561 |
| Saturday | 3/1/2008 14:15 | 155,733 | 3/8/2008 14:15 | 149,886 | 3/15/2008 14:15 | 153,281 |
| Saturday | 3/1/2008 14:30 | 155,576 | 3/8/2008 14:30 | 150,022 | 3/15/2008 14:30 | 152,151 |
| Saturday | 3/1/2008 14:45 | 154,889 | 3/8/2008 14:45 | 150,058 | 3/15/2008 14:45 | 151,626 |
| Saturday | 3/1/2008 15:00 | 155,379 | 3/8/2008 15:00 | 149,900 | 3/15/2008 15:00 | 151,210 |

**Chugach Electric Association, Inc.**
Chugach Retail Substation Load
15 Minute Demand (kW) Data
DST - March 9, 2008 at 2:00 AM
Data for weekends prior to, during, and after DST.

| | Before DST 2/29/2008-3/03/2008 | | During DST 3/07/2008-3/10/2008 | | After DST 3/14/2008-03/17/2008 | |
|---|---|---|---|---|---|---|
| Day of Week | Date and Time | kW | Date and Time | kW | Date and Time | kW |
| Saturday | 3/1/2008 15:15 | 156,173 | 3/8/2008 15:15 | 149,865 | 3/15/2008 15:15 | 151,923 |
| Saturday | 3/1/2008 15:30 | 157,110 | 3/8/2008 15:30 | 150,101 | 3/15/2008 15:30 | 151,671 |
| Saturday | 3/1/2008 15:45 | 158,406 | 3/8/2008 15:45 | 151,047 | 3/15/2008 15:45 | 151,756 |
| Saturday | 3/1/2008 16:00 | 158,044 | 3/8/2008 16:00 | 151,317 | 3/15/2008 16:00 | 151,776 |
| Saturday | 3/1/2008 16:15 | 159,542 | 3/8/2008 16:15 | 151,889 | 3/15/2008 16:15 | 151,352 |
| Saturday | 3/1/2008 16:30 | 160,296 | 3/8/2008 16:30 | 153,041 | 3/15/2008 16:30 | 151,345 |
| Saturday | 3/1/2008 16:45 | 161,640 | 3/8/2008 16:45 | 154,075 | 3/15/2008 16:45 | 151,555 |
| Saturday | 3/1/2008 17:00 | 162,179 | 3/8/2008 17:00 | 154,482 | 3/15/2008 17:00 | 151,299 |
| Saturday | 3/1/2008 17:15 | 162,897 | 3/8/2008 17:15 | 155,237 | 3/15/2008 17:15 | 151,566 |
| Saturday | 3/1/2008 17:30 | 164,875 | 3/8/2008 17:30 | 156,418 | 3/15/2008 17:30 | 152,347 |
| Saturday | 3/1/2008 17:45 | 165,611 | 3/8/2008 17:45 | 157,403 | 3/15/2008 17:45 | 152,251 |
| Saturday | 3/1/2008 18:00 | 167,419 | 3/8/2008 18:00 | 157,380 | 3/15/2008 18:00 | 151,465 |
| Saturday | 3/1/2008 18:15 | 169,875 | 3/8/2008 18:15 | 159,185 | 3/15/2008 18:15 | 151,138 |
| Saturday | 3/1/2008 18:30 | 172,297 | 3/8/2008 18:30 | 160,992 | 3/15/2008 18:30 | 151,245 |
| Saturday | 3/1/2008 18:45 | 177,459 | 3/8/2008 18:45 | 163,679 | 3/15/2008 18:45 | 150,712 |
| Saturday | 3/1/2008 19:00 | 182,093 | 3/8/2008 19:00 | 167,506 | 3/15/2008 19:00 | 150,354 |
| Saturday | 3/1/2008 19:15 | 183,466 | 3/8/2008 19:15 | 170,582 | 3/15/2008 19:15 | 151,182 |
| Saturday | 3/1/2008 19:30 | 183,318 | 3/8/2008 19:30 | 170,948 | 3/15/2008 19:30 | 152,026 |
| Saturday | 3/1/2008 19:45 | 182,879 | 3/8/2008 19:45 | 170,253 | 3/15/2008 19:45 | 153,513 |
| Saturday | 3/1/2008 20:00 | 181,893 | 3/8/2008 20:00 | 169,273 | 3/15/2008 20:00 | 155,821 |
| Saturday | 3/1/2008 20:15 | 180,612 | 3/8/2008 20:15 | 168,064 | 3/15/2008 20:15 | 158,906 |
| Saturday | 3/1/2008 20:30 | 179,600 | 3/8/2008 20:30 | 167,197 | 3/15/2008 20:30 | 163,376 |
| Saturday | 3/1/2008 20:45 | 178,129 | 3/8/2008 20:45 | 165,895 | 3/15/2008 20:45 | 165,934 |
| Saturday | 3/1/2008 21:00 | 176,684 | 3/8/2008 21:00 | 164,513 | 3/15/2008 21:00 | 165,775 |
| Saturday | 3/1/2008 21:15 | 174,522 | 3/8/2008 21:15 | 162,780 | 3/15/2008 21:15 | 164,880 |
| Saturday | 3/1/2008 21:30 | 173,290 | 3/8/2008 21:30 | 160,651 | 3/15/2008 21:30 | 164,427 |
| Saturday | 3/1/2008 21:45 | 171,218 | 3/8/2008 21:45 | 158,705 | 3/15/2008 21:45 | 162,972 |
| Saturday | 3/1/2008 22:00 | 168,788 | 3/8/2008 22:00 | 156,684 | 3/15/2008 22:00 | 160,737 |
| Saturday | 3/1/2008 22:15 | 165,810 | 3/8/2008 22:15 | 154,151 | 3/15/2008 22:15 | 158,407 |
| Saturday | 3/1/2008 22:30 | 163,340 | 3/8/2008 22:30 | 151,927 | 3/15/2008 22:30 | 156,175 |
| Saturday | 3/1/2008 22:45 | 159,787 | 3/8/2008 22:45 | 149,458 | 3/15/2008 22:45 | 153,601 |
| Saturday | 3/1/2008 23:00 | 155,977 | 3/8/2008 23:00 | 146,096 | 3/15/2008 23:00 | 150,008 |
| Saturday | 3/1/2008 23:15 | 152,739 | 3/8/2008 23:15 | 141,799 | 3/15/2008 23:15 | 146,715 |
| Saturday | 3/1/2008 23:30 | 149,893 | 3/8/2008 23:30 | 138,866 | 3/15/2008 23:30 | 143,556 |
| Saturday | 3/1/2008 23:45 | 146,938 | 3/8/2008 23:45 | 135,658 | 3/15/2008 23:45 | 141,190 |
| Sunday | 3/2/2008 0:00 | 144,261 | 3/9/2008 0:00 | 133,611 | 3/16/2008 0:00 | 138,938 |
| Sunday | 3/2/2008 0:15 | 141,436 | 3/9/2008 0:15 | 130,874 | 3/16/2008 0:15 | 135,822 |
| Sunday | 3/2/2008 0:30 | 138,987 | 3/9/2008 0:30 | 128,515 | 3/16/2008 0:30 | 133,014 |
| Sunday | 3/2/2008 0:45 | 136,590 | 3/9/2008 0:45 | 126,724 | 3/16/2008 0:45 | 131,260 |
| Sunday | 3/2/2008 1:00 | 134,859 | 3/9/2008 1:00 | 124,677 | 3/16/2008 1:00 | 129,152 |
| Sunday | 3/2/2008 1:15 | 132,462 | 3/9/2008 1:15 | 122,903 | 3/16/2008 1:15 | 127,338 |
| Sunday | 3/2/2008 1:30 | 131,446 | 3/9/2008 1:30 | 121,375 | 3/16/2008 1:30 | 125,505 |
| Sunday | 3/2/2008 1:45 | 129,764 | 3/9/2008 1:45 | 119,861 | 3/16/2008 1:45 | 123,750 |
| Sunday | 3/2/2008 2:00 | 128,743 | 3/9/2008 2:00 | DST | 3/16/2008 2:00 | 122,639 |
| Sunday | 3/2/2008 2:15 | 127,685 | 3/9/2008 2:15 | DST | 3/16/2008 2:15 | 121,715 |
| Sunday | 3/2/2008 2:30 | 127,142 | 3/9/2008 2:30 | DST | 3/16/2008 2:30 | 121,134 |
| Sunday | 3/2/2008 2:45 | 126,585 | 3/9/2008 2:45 | DST | 3/16/2008 2:45 | 120,080 |
| Sunday | 3/2/2008 3:00 | 125,748 | 3/9/2008 3:00 | 112,570 | 3/16/2008 3:00 | 118,932 |
| Sunday | 3/2/2008 3:15 | 124,491 | 3/9/2008 3:15 | 111,695 | 3/16/2008 3:15 | 118,480 |
| Sunday | 3/2/2008 3:30 | 123,824 | 3/9/2008 3:30 | 111,339 | 3/16/2008 3:30 | 118,268 |
| Sunday | 3/2/2008 3:45 | 123,783 | 3/9/2008 3:45 | 110,667 | 3/16/2008 3:45 | 118,040 |
| Sunday | 3/2/2008 4:00 | 123,965 | 3/9/2008 4:00 | 116,120 | 3/16/2008 4:00 | 117,461 |

**Chugach Electric Association, Inc.**
Chugach Retail Substation Load
15 Minute Demand (kW) Data
DST - March 9, 2008 at 2:00 AM
Data for weekends prior to, during, and after DST.

| | Before DST 2/29/2008-3/03/2008 | | During DST 3/07/2008-3/10/2008 | | After DST 3/14/2008-03/17/2008 | |
|---|---|---|---|---|---|---|
| Day of Week | Date and Time | kW | Date and Time | kW | Date and Time | kW |
| Sunday | 3/2/2008 4:15 | 123,827 | 3/9/2008 4:15 | 115,992 | 3/16/2008 4:15 | 117,123 |
| Sunday | 3/2/2008 4:30 | 123,451 | 3/9/2008 4:30 | 115,138 | 3/16/2008 4:30 | 117,075 |
| Sunday | 3/2/2008 4:45 | 123,776 | 3/9/2008 4:45 | 114,921 | 3/16/2008 4:45 | 116,934 |
| Sunday | 3/2/2008 5:00 | 123,736 | 3/9/2008 5:00 | 114,597 | 3/16/2008 5:00 | 117,239 |
| Sunday | 3/2/2008 5:15 | 124,709 | 3/9/2008 5:15 | 115,356 | 3/16/2008 5:15 | 117,801 |
| Sunday | 3/2/2008 5:30 | 125,272 | 3/9/2008 5:30 | 115,344 | 3/16/2008 5:30 | 118,178 |
| Sunday | 3/2/2008 5:45 | 126,192 | 3/9/2008 5:45 | 115,265 | 3/16/2008 5:45 | 119,079 |
| Sunday | 3/2/2008 6:00 | 127,253 | 3/9/2008 6:00 | 115,683 | 3/16/2008 6:00 | 118,938 |
| Sunday | 3/2/2008 6:15 | 129,354 | 3/9/2008 6:15 | 117,108 | 3/16/2008 6:15 | 120,183 |
| Sunday | 3/2/2008 6:30 | 131,014 | 3/9/2008 6:30 | 118,172 | 3/16/2008 6:30 | 121,345 |
| Sunday | 3/2/2008 6:45 | 132,519 | 3/9/2008 6:45 | 119,226 | 3/16/2008 6:45 | 122,814 |
| Sunday | 3/2/2008 7:00 | 134,636 | 3/9/2008 7:00 | 119,799 | 3/16/2008 7:00 | 124,384 |
| Sunday | 3/2/2008 7:15 | 137,122 | 3/9/2008 7:15 | 121,611 | 3/16/2008 7:15 | 126,727 |
| Sunday | 3/2/2008 7:30 | 138,826 | 3/9/2008 7:30 | 124,032 | 3/16/2008 7:30 | 129,032 |
| Sunday | 3/2/2008 7:45 | 140,385 | 3/9/2008 7:45 | 125,907 | 3/16/2008 7:45 | 132,125 |
| Sunday | 3/2/2008 8:00 | 139,814 | 3/9/2008 8:00 | 128,005 | 3/16/2008 8:00 | 133,785 |
| Sunday | 3/2/2008 8:15 | 141,375 | 3/9/2008 8:15 | 130,779 | 3/16/2008 8:15 | 133,678 |
| Sunday | 3/2/2008 8:30 | 143,085 | 3/9/2008 8:30 | 132,123 | 3/16/2008 8:30 | 133,945 |
| Sunday | 3/2/2008 8:45 | 144,788 | 3/9/2008 8:45 | 132,854 | 3/16/2008 8:45 | 134,449 |
| Sunday | 3/2/2008 9:00 | 146,191 | 3/9/2008 9:00 | 132,873 | 3/16/2008 9:00 | 135,588 |
| Sunday | 3/2/2008 9:15 | 148,458 | 3/9/2008 9:15 | 133,630 | 3/16/2008 9:15 | 137,339 |
| Sunday | 3/2/2008 9:30 | 149,839 | 3/9/2008 9:30 | 134,552 | 3/16/2008 9:30 | 138,602 |
| Sunday | 3/2/2008 9:45 | 151,602 | 3/9/2008 9:45 | 135,683 | 3/16/2008 9:45 | 139,337 |
| Sunday | 3/2/2008 10:00 | 152,709 | 3/9/2008 10:00 | 137,071 | 3/16/2008 10:00 | 140,843 |
| Sunday | 3/2/2008 10:15 | 153,907 | 3/9/2008 10:15 | 139,017 | 3/16/2008 10:15 | 143,889 |
| Sunday | 3/2/2008 10:30 | 154,797 | 3/9/2008 10:30 | 140,675 | 3/16/2008 10:30 | 144,905 |
| Sunday | 3/2/2008 10:45 | 154,860 | 3/9/2008 10:45 | 143,000 | 3/16/2008 10:45 | 145,518 |
| Sunday | 3/2/2008 11:00 | 154,553 | 3/9/2008 11:00 | 143,928 | 3/16/2008 11:00 | 146,218 |
| Sunday | 3/2/2008 11:15 | 155,398 | 3/9/2008 11:15 | 144,184 | 3/16/2008 11:15 | 146,784 |
| Sunday | 3/2/2008 11:30 | 155,638 | 3/9/2008 11:30 | 145,075 | 3/16/2008 11:30 | 147,626 |
| Sunday | 3/2/2008 11:45 | 155,760 | 3/9/2008 11:45 | 146,334 | 3/16/2008 11:45 | 148,684 |
| Sunday | 3/2/2008 12:00 | 155,825 | 3/9/2008 12:00 | 147,081 | 3/16/2008 12:00 | 148,755 |
| Sunday | 3/2/2008 12:15 | 156,038 | 3/9/2008 12:15 | 147,595 | 3/16/2008 12:15 | 149,283 |
| Sunday | 3/2/2008 12:30 | 155,737 | 3/9/2008 12:30 | 148,480 | 3/16/2008 12:30 | 149,786 |
| Sunday | 3/2/2008 12:45 | 154,762 | 3/9/2008 12:45 | 148,706 | 3/16/2008 12:45 | 149,015 |
| Sunday | 3/2/2008 13:00 | 154,168 | 3/9/2008 13:00 | 148,924 | 3/16/2008 13:00 | 149,323 |
| Sunday | 3/2/2008 13:15 | 153,772 | 3/9/2008 13:15 | 148,518 | 3/16/2008 13:15 | 149,089 |
| Sunday | 3/2/2008 13:30 | 153,671 | 3/9/2008 13:30 | 148,694 | 3/16/2008 13:30 | 148,498 |
| Sunday | 3/2/2008 13:45 | 154,483 | 3/9/2008 13:45 | 148,865 | 3/16/2008 13:45 | 148,998 |
| Sunday | 3/2/2008 14:00 | 153,807 | 3/9/2008 14:00 | 148,490 | 3/16/2008 14:00 | 148,696 |
| Sunday | 3/2/2008 14:15 | 153,479 | 3/9/2008 14:15 | 147,873 | 3/16/2008 14:15 | 148,692 |
| Sunday | 3/2/2008 14:30 | 154,060 | 3/9/2008 14:30 | 147,411 | 3/16/2008 14:30 | 148,369 |
| Sunday | 3/2/2008 14:45 | 154,423 | 3/9/2008 14:45 | 147,194 | 3/16/2008 14:45 | 147,608 |
| Sunday | 3/2/2008 15:00 | 154,057 | 3/9/2008 15:00 | 146,520 | 3/16/2008 15:00 | 147,624 |
| Sunday | 3/2/2008 15:15 | 153,835 | 3/9/2008 15:15 | 146,726 | 3/16/2008 15:15 | 147,238 |
| Sunday | 3/2/2008 15:30 | 152,925 | 3/9/2008 15:30 | 146,364 | 3/16/2008 15:30 | 146,903 |
| Sunday | 3/2/2008 15:45 | 152,869 | 3/9/2008 15:45 | 146,144 | 3/16/2008 15:45 | 146,697 |
| Sunday | 3/2/2008 16:00 | 153,314 | 3/9/2008 16:00 | 144,946 | 3/16/2008 16:00 | 146,943 |
| Sunday | 3/2/2008 16:15 | 154,760 | 3/9/2008 16:15 | 144,696 | 3/16/2008 16:15 | 147,266 |
| Sunday | 3/2/2008 16:30 | 155,827 | 3/9/2008 16:30 | 145,183 | 3/16/2008 16:30 | 146,997 |
| Sunday | 3/2/2008 16:45 | 157,779 | 3/9/2008 16:45 | 145,832 | 3/16/2008 16:45 | 147,169 |
| Sunday | 3/2/2008 17:00 | 158,908 | 3/9/2008 17:00 | 146,565 | 3/16/2008 17:00 | 147,495 |

**Chugach Electric Association, Inc.**
Chugach Retail Substation Load
15 Minute Demand (kW) Data
DST - March 9, 2008 at 2:00 AM
Data for weekends prior to, during, and after DST.

| | Before DST 2/29/2008-3/03/2008 | | During DST 3/07/2008-3/10/2008 | | After DST 3/14/2008-03/17/2008 | |
|---|---|---|---|---|---|---|
| Day of Week | Date and Time | kW | Date and Time | kW | Date and Time | kW |
| Sunday | 3/2/2008 17:15 | 160,211 | 3/9/2008 17:15 | 147,640 | 3/16/2008 17:15 | 148,571 |
| Sunday | 3/2/2008 17:30 | 161,441 | 3/9/2008 17:30 | 148,255 | 3/16/2008 17:30 | 148,833 |
| Sunday | 3/2/2008 17:45 | 163,671 | 3/9/2008 17:45 | 149,445 | 3/16/2008 17:45 | 149,297 |
| Sunday | 3/2/2008 18:00 | 165,859 | 3/9/2008 18:00 | 149,987 | 3/16/2008 18:00 | 149,629 |
| Sunday | 3/2/2008 18:15 | 168,455 | 3/9/2008 18:15 | 150,297 | 3/16/2008 18:15 | 150,200 |
| Sunday | 3/2/2008 18:30 | 170,965 | 3/9/2008 18:30 | 150,446 | 3/16/2008 18:30 | 150,337 |
| Sunday | 3/2/2008 18:45 | 175,896 | 3/9/2008 18:45 | 150,815 | 3/16/2008 18:45 | 150,404 |
| Sunday | 3/2/2008 19:00 | 181,199 | 3/9/2008 19:00 | 151,429 | 3/16/2008 19:00 | 150,546 |
| Sunday | 3/2/2008 19:15 | 184,498 | 3/9/2008 19:15 | 153,148 | 3/16/2008 19:15 | 151,230 |
| Sunday | 3/2/2008 19:30 | 185,634 | 3/9/2008 19:30 | 155,605 | 3/16/2008 19:30 | 152,673 |
| Sunday | 3/2/2008 19:45 | 185,387 | 3/9/2008 19:45 | 157,726 | 3/16/2008 19:45 | 154,702 |
| Sunday | 3/2/2008 20:00 | 184,362 | 3/9/2008 20:00 | 161,784 | 3/16/2008 20:00 | 156,336 |
| Sunday | 3/2/2008 20:15 | 183,363 | 3/9/2008 20:15 | 167,594 | 3/16/2008 20:15 | 159,961 |
| Sunday | 3/2/2008 20:30 | 182,502 | 3/9/2008 20:30 | 170,241 | 3/16/2008 20:30 | 165,966 |
| Sunday | 3/2/2008 20:45 | 180,301 | 3/9/2008 20:45 | 169,865 | 3/16/2008 20:45 | 170,221 |
| Sunday | 3/2/2008 21:00 | 178,012 | 3/9/2008 21:00 | 169,072 | 3/16/2008 21:00 | 170,939 |
| Sunday | 3/2/2008 21:15 | 175,741 | 3/9/2008 21:15 | 168,181 | 3/16/2008 21:15 | 170,252 |
| Sunday | 3/2/2008 21:30 | 172,646 | 3/9/2008 21:30 | 166,865 | 3/16/2008 21:30 | 169,674 |
| Sunday | 3/2/2008 21:45 | 169,774 | 3/9/2008 21:45 | 165,253 | 3/16/2008 21:45 | 167,459 |
| Sunday | 3/2/2008 22:00 | 166,616 | 3/9/2008 22:00 | 162,835 | 3/16/2008 22:00 | 164,782 |
| Sunday | 3/2/2008 22:15 | 162,916 | 3/9/2008 22:15 | 160,349 | 3/16/2008 22:15 | 161,626 |
| Sunday | 3/2/2008 22:30 | 159,139 | 3/9/2008 22:30 | 156,743 | 3/16/2008 22:30 | 157,938 |
| Sunday | 3/2/2008 22:45 | 154,345 | 3/9/2008 22:45 | 152,053 | 3/16/2008 22:45 | 153,148 |
| Sunday | 3/2/2008 23:00 | 150,282 | 3/9/2008 23:00 | 149,163 | 3/16/2008 23:00 | 148,975 |
| Sunday | 3/2/2008 23:15 | 145,014 | 3/9/2008 23:15 | 144,519 | 3/16/2008 23:15 | 143,847 |
| Sunday | 3/2/2008 23:30 | 141,053 | 3/9/2008 23:30 | 140,321 | 3/16/2008 23:30 | 139,470 |
| Sunday | 3/2/2008 23:45 | 137,822 | 3/9/2008 23:45 | 136,933 | 3/16/2008 23:45 | 136,413 |
| Monday | 3/3/2008 0:00 | 135,093 | 3/10/2008 0:00 | 134,565 | 3/17/2008 0:00 | 133,520 |
| Monday | 3/3/2008 0:15 | 132,464 | 3/10/2008 0:15 | 131,243 | 3/17/2008 0:15 | 130,576 |
| Monday | 3/3/2008 0:30 | 129,299 | 3/10/2008 0:30 | 128,396 | 3/17/2008 0:30 | 127,532 |
| Monday | 3/3/2008 0:45 | 127,239 | 3/10/2008 0:45 | 126,333 | 3/17/2008 0:45 | 125,965 |
| Monday | 3/3/2008 1:00 | 126,007 | 3/10/2008 1:00 | 124,290 | 3/17/2008 1:00 | 124,102 |
| Monday | 3/3/2008 1:15 | 124,745 | 3/10/2008 1:15 | 122,792 | 3/17/2008 1:15 | 122,320 |
| Monday | 3/3/2008 1:30 | 123,593 | 3/10/2008 1:30 | 121,331 | 3/17/2008 1:30 | 121,177 |
| Monday | 3/3/2008 1:45 | 122,461 | 3/10/2008 1:45 | 119,773 | 3/17/2008 1:45 | 120,296 |
| Monday | 3/3/2008 2:00 | 121,548 | 3/10/2008 2:00 | 118,667 | 3/17/2008 2:00 | 119,590 |
| Monday | 3/3/2008 2:15 | 121,127 | 3/10/2008 2:15 | 117,871 | 3/17/2008 2:15 | 118,682 |
| Monday | 3/3/2008 2:30 | 121,077 | 3/10/2008 2:30 | 117,101 | 3/17/2008 2:30 | 117,450 |
| Monday | 3/3/2008 2:45 | 120,399 | 3/10/2008 2:45 | 116,303 | 3/17/2008 2:45 | 116,786 |
| Monday | 3/3/2008 3:00 | 120,164 | 3/10/2008 3:00 | 115,389 | 3/17/2008 3:00 | 116,121 |
| Monday | 3/3/2008 3:15 | 120,205 | 3/10/2008 3:15 | 114,761 | 3/17/2008 3:15 | 115,799 |
| Monday | 3/3/2008 3:30 | 119,995 | 3/10/2008 3:30 | 114,348 | 3/17/2008 3:30 | 116,171 |
| Monday | 3/3/2008 3:45 | 120,323 | 3/10/2008 3:45 | 114,428 | 3/17/2008 3:45 | 116,126 |
| Monday | 3/3/2008 4:00 | 120,322 | 3/10/2008 4:00 | 114,279 | 3/17/2008 4:00 | 116,017 |
| Monday | 3/3/2008 4:15 | 121,225 | 3/10/2008 4:15 | 114,457 | 3/17/2008 4:15 | 116,990 |
| Monday | 3/3/2008 4:30 | 122,200 | 3/10/2008 4:30 | 114,644 | 3/17/2008 4:30 | 117,655 |
| Monday | 3/3/2008 4:45 | 123,213 | 3/10/2008 4:45 | 115,345 | 3/17/2008 4:45 | 118,239 |
| Monday | 3/3/2008 5:00 | 124,273 | 3/10/2008 5:00 | 116,219 | 3/17/2008 5:00 | 119,053 |
| Monday | 3/3/2008 5:15 | 126,970 | 3/10/2008 5:15 | 117,935 | 3/17/2008 5:15 | 122,122 |
| Monday | 3/3/2008 5:30 | 130,024 | 3/10/2008 5:30 | 119,720 | 3/17/2008 5:30 | 124,980 |
| Monday | 3/3/2008 5:45 | 133,297 | 3/10/2008 5:45 | 121,073 | 3/17/2008 5:45 | 127,876 |
| Monday | 3/3/2008 6:00 | 136,305 | 3/10/2008 6:00 | 123,914 | 3/17/2008 6:00 | 131,297 |

**Chugach Electric Association, Inc.**
Chugach Retail Substation Load
15 Minute Demand (kW) Data
DST - March 9, 2008 at 2:00 AM
Data for weekends prior to, during, and after DST.

| | Before DST 2/29/2008-3/03/2008 | | During DST 3/07/2008-3/10/2008 | | After DST 3/14/2008-03/17/2008 | |
|---|---|---|---|---|---|---|
| Day of Week | Date and Time | kW | Date and Time | kW | Date and Time | kW |
| Monday | 3/3/2008 6:15 | 142,982 | 3/10/2008 6:15 | 128,402 | 3/17/2008 6:15 | 137,320 |
| Monday | 3/3/2008 6:30 | 149,592 | 3/10/2008 6:30 | 132,816 | 3/17/2008 6:30 | 143,595 |
| Monday | 3/3/2008 6:45 | 153,968 | 3/10/2008 6:45 | 136,672 | 3/17/2008 6:45 | 148,435 |
| Monday | 3/3/2008 7:00 | 158,519 | 3/10/2008 7:00 | 139,979 | 3/17/2008 7:00 | 154,054 |
| Monday | 3/3/2008 7:15 | 163,598 | 3/10/2008 7:15 | 144,388 | 3/17/2008 7:15 | 159,283 |
| Monday | 3/3/2008 7:30 | 166,620 | 3/10/2008 7:30 | 148,544 | 3/17/2008 7:30 | 163,570 |
| Monday | 3/3/2008 7:45 | 166,814 | 3/10/2008 7:45 | 150,807 | 3/17/2008 7:45 | 167,212 |
| Monday | 3/3/2008 8:00 | 164,465 | 3/10/2008 8:00 | 152,109 | 3/17/2008 8:00 | 166,690 |
| Monday | 3/3/2008 8:15 | 164,071 | 3/10/2008 8:15 | 154,873 | 3/17/2008 8:15 | 165,288 |
| Monday | 3/3/2008 8:30 | 163,029 | 3/10/2008 8:30 | 155,893 | 3/17/2008 8:30 | 163,790 |
| Monday | 3/3/2008 8:45 | 161,096 | 3/10/2008 8:45 | 154,395 | 3/17/2008 8:45 | 161,446 |
| Monday | 3/3/2008 9:00 | 159,882 | 3/10/2008 9:00 | 153,059 | 3/17/2008 9:00 | 159,305 |
| Monday | 3/3/2008 9:15 | 159,208 | 3/10/2008 9:15 | 152,441 | 3/17/2008 9:15 | 158,425 |
| Monday | 3/3/2008 9:30 | 159,382 | 3/10/2008 9:30 | 151,808 | 3/17/2008 9:30 | 158,906 |
| Monday | 3/3/2008 9:45 | 159,851 | 3/10/2008 9:45 | 152,041 | 3/17/2008 9:45 | 157,840 |
| Monday | 3/3/2008 10:00 | 159,817 | 3/10/2008 10:00 | 151,008 | 3/17/2008 10:00 | 157,982 |
| Monday | 3/3/2008 10:15 | 160,421 | 3/10/2008 10:15 | 152,018 | 3/17/2008 10:15 | 158,380 |
| Monday | 3/3/2008 10:30 | 160,702 | 3/10/2008 10:30 | 152,202 | 3/17/2008 10:30 | 158,510 |
| Monday | 3/3/2008 10:45 | 161,065 | 3/10/2008 10:45 | 152,499 | 3/17/2008 10:45 | 158,063 |
| Monday | 3/3/2008 11:00 | 161,656 | 3/10/2008 11:00 | 152,582 | 3/17/2008 11:00 | 158,081 |
| Monday | 3/3/2008 11:15 | 161,442 | 3/10/2008 11:15 | 152,629 | 3/17/2008 11:15 | 157,388 |
| Monday | 3/3/2008 11:30 | 161,930 | 3/10/2008 11:30 | 152,457 | 3/17/2008 11:30 | 157,359 |
| Monday | 3/3/2008 11:45 | 162,337 | 3/10/2008 11:45 | 152,832 | 3/17/2008 11:45 | 157,117 |
| Monday | 3/3/2008 12:00 | 161,881 | 3/10/2008 12:00 | 152,647 | 3/17/2008 12:00 | 156,462 |
| Monday | 3/3/2008 12:15 | 162,049 | 3/10/2008 12:15 | 152,511 | 3/17/2008 12:15 | 156,358 |
| Monday | 3/3/2008 12:30 | 161,892 | 3/10/2008 12:30 | 152,425 | 3/17/2008 12:30 | 155,994 |
| Monday | 3/3/2008 12:45 | 162,129 | 3/10/2008 12:45 | 152,755 | 3/17/2008 12:45 | 155,468 |
| Monday | 3/3/2008 13:00 | 161,464 | 3/10/2008 13:00 | 152,063 | 3/17/2008 13:00 | 154,873 |
| Monday | 3/3/2008 13:15 | 161,306 | 3/10/2008 13:15 | 151,493 | 3/17/2008 13:15 | 154,737 |
| Monday | 3/3/2008 13:30 | 161,120 | 3/10/2008 13:30 | 151,317 | 3/17/2008 13:30 | 154,806 |
| Monday | 3/3/2008 13:45 | 161,293 | 3/10/2008 13:45 | 151,579 | 3/17/2008 13:45 | 154,653 |
| Monday | 3/3/2008 14:00 | 160,926 | 3/10/2008 14:00 | 151,039 | 3/17/2008 14:00 | 153,926 |
| Monday | 3/3/2008 14:15 | 160,960 | 3/10/2008 14:15 | 150,384 | 3/17/2008 14:15 | 153,648 |
| Monday | 3/3/2008 14:30 | 161,823 | 3/10/2008 14:30 | 150,623 | 3/17/2008 14:30 | 153,746 |
| Monday | 3/3/2008 14:45 | 163,258 | 3/10/2008 14:45 | 150,338 | 3/17/2008 14:45 | 153,751 |
| Monday | 3/3/2008 15:00 | 163,516 | 3/10/2008 15:00 | 149,950 | 3/17/2008 15:00 | 154,171 |
| Monday | 3/3/2008 15:15 | 163,775 | 3/10/2008 15:15 | 149,420 | 3/17/2008 15:15 | 154,303 |
| Monday | 3/3/2008 15:30 | 163,797 | 3/10/2008 15:30 | 149,713 | 3/17/2008 15:30 | 153,845 |
| Monday | 3/3/2008 15:45 | 163,682 | 3/10/2008 15:45 | 149,678 | 3/17/2008 15:45 | 153,395 |
| Monday | 3/3/2008 16:00 | 164,003 | 3/10/2008 16:00 | 149,636 | 3/17/2008 16:00 | 153,710 |
| Monday | 3/3/2008 16:15 | 164,198 | 3/10/2008 16:15 | 148,753 | 3/17/2008 16:15 | 153,775 |
| Monday | 3/3/2008 16:30 | 164,501 | 3/10/2008 16:30 | 148,642 | 3/17/2008 16:30 | 152,406 |
| Monday | 3/3/2008 16:45 | 164,981 | 3/10/2008 16:45 | 149,199 | 3/17/2008 16:45 | 152,060 |
| Monday | 3/3/2008 17:00 | 165,721 | 3/10/2008 17:00 | 148,612 | 3/17/2008 17:00 | 152,132 |
| Monday | 3/3/2008 17:15 | 166,105 | 3/10/2008 17:15 | 147,497 | 3/17/2008 17:15 | 151,912 |
| Monday | 3/3/2008 17:30 | 167,102 | 3/10/2008 17:30 | 147,900 | 3/17/2008 17:30 | 152,134 |
| Monday | 3/3/2008 17:45 | 169,164 | 3/10/2008 17:45 | 148,746 | 3/17/2008 17:45 | 152,405 |
| Monday | 3/3/2008 18:00 | 172,052 | 3/10/2008 18:00 | 148,425 | 3/17/2008 18:00 | 152,742 |
| Monday | 3/3/2008 18:15 | 173,638 | 3/10/2008 18:15 | 148,398 | 3/17/2008 18:15 | 151,973 |
| Monday | 3/3/2008 18:30 | 175,365 | 3/10/2008 18:30 | 148,474 | 3/17/2008 18:30 | 151,239 |
| Monday | 3/3/2008 18:45 | 178,676 | 3/10/2008 18:45 | 148,724 | 3/17/2008 18:45 | 150,604 |
| Monday | 3/3/2008 19:00 | 184,039 | 3/10/2008 19:00 | 149,330 | 3/17/2008 19:00 | 150,598 |

**Chugach Electric Association, Inc.**
Chugach Retail Substation Load
15 Minute Demand (kW) Data
DST - March 9, 2008 at 2:00 AM
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| | Before DST 2/29/2008-3/03/2008 | | During DST 3/07/2008-3/10/2008 | | After DST 3/14/2008-03/17/2008 | |
|---|---|---|---|---|---|---|
| Day of Week | **Date and Time** | kW | **Date and Time** | kW | **Date and Time** | kW |
| Monday | 3/3/2008 19:15 | 186,274 | 3/10/2008 19:15 | 150,132 | 3/17/2008 19:15 | 151,254 |
| Monday | 3/3/2008 19:30 | 186,082 | 3/10/2008 19:30 | 151,622 | 3/17/2008 19:30 | 151,544 |
| Monday | 3/3/2008 19:45 | 185,859 | 3/10/2008 19:45 | 153,285 | 3/17/2008 19:45 | 151,982 |
| Monday | 3/3/2008 20:00 | 184,700 | 3/10/2008 20:00 | 156,209 | 3/17/2008 20:00 | 153,923 |
| Monday | 3/3/2008 20:15 | 183,856 | 3/10/2008 20:15 | 161,420 | 3/17/2008 20:15 | 156,954 |
| Monday | 3/3/2008 20:30 | 182,339 | 3/10/2008 20:30 | 166,286 | 3/17/2008 20:30 | 161,705 |
| Monday | 3/3/2008 20:45 | 180,418 | 3/10/2008 20:45 | 168,153 | 3/17/2008 20:45 | 167,627 |
| Monday | 3/3/2008 21:00 | 178,765 | 3/10/2008 21:00 | 167,821 | 3/17/2008 21:00 | 169,431 |
| Monday | 3/3/2008 21:15 | 176,081 | 3/10/2008 21:15 | 166,622 | 3/17/2008 21:15 | 168,452 |
| Monday | 3/3/2008 21:30 | 172,566 | 3/10/2008 21:30 | 165,745 | 3/17/2008 21:30 | 167,134 |
| Monday | 3/3/2008 21:45 | 169,300 | 3/10/2008 21:45 | 164,370 | 3/17/2008 21:45 | 164,974 |
| Monday | 3/3/2008 22:00 | 165,639 | 3/10/2008 22:00 | 161,404 | 3/17/2008 22:00 | 161,938 |
| Monday | 3/3/2008 22:15 | 161,404 | 3/10/2008 22:15 | 158,384 | 3/17/2008 22:15 | 158,647 |
| Monday | 3/3/2008 22:30 | 157,101 | 3/10/2008 22:30 | 155,227 | 3/17/2008 22:30 | 155,301 |
| Monday | 3/3/2008 22:45 | 151,388 | 3/10/2008 22:45 | 150,278 | 3/17/2008 22:45 | 150,766 |
| Monday | 3/3/2008 23:00 | 147,456 | 3/10/2008 23:00 | 146,443 | 3/17/2008 23:00 | 146,844 |
| Monday | 3/3/2008 23:15 | 143,161 | 3/10/2008 23:15 | 142,959 | 3/17/2008 23:15 | 142,772 |
| Monday | 3/3/2008 23:30 | 139,632 | 3/10/2008 23:30 | 139,442 | 3/17/2008 23:30 | 138,821 |
| Monday | 3/3/2008 23:45 | 136,663 | 3/10/2008 23:45 | 136,212 | 3/17/2008 23:45 | 135,085 |
| Monday | 3/4/2008 0:00 | 133,652 | 3/11/2008 0:00 | 132,449 | 3/18/2008 0:00 | 132,659 |
| Total Energy (kWh) for Period [1] | | 14,633,216 | | 13,630,115 | | 13,849,703 |
| Estimated Class Contributions | | | | | | |
| Residential | | 7,613,241 | | 7,091,357 | | 7,205,602 |
| Small Commercial | | 1,417,926 | | 1,320,727 | | 1,342,005 |
| Large Commercial | | 5,529,001 | | 5,149,990 | | 5,232,959 |
| Street Lighting | | 73,048 | | 68,041 | | 69,137 |
| Total Energy (kWh) | | 14,633,216 | | 13,630,115 | | 13,849,703 |

Source: Chugach Electronic Meter Readings and SCADA energy accounting.

[1] Conversion from kW to kWh requires dividing kW by 4

**Rob Earl**

**From:** Margaret Herron [Margaret_Herron@lksd.org]
**Sent:** Monday, January 26, 2009 10:02 AM
**To:** Rep. Bob Herron
**Cc:** Rob Earl; Marianna Carpeneti
**Subject:** Problem with Daylight Savings
**Attachments:** DTS vs Attnd.xls

Hi Margaret, I am having trouble sending this email to Bob. I keeps saying no such address. Will you forward it to him for me? Please? It is important state representative information. Frank.

----- Original Message -----

Dear State Representative Herron and Senator Hoffman,

I have attached a one-page quick and easy to read data sheet with a graphic to illustrate my frustration with the spring time change that we do in March.

It is pretty self explanatory.

I have asked other school administrators and know that there are many of us that are frustrated with the pointless tradition of "spring forward" every year. Several have written me saying that they are sure they would have similar results if they kept the data like I have been doing for the past few years.

Please share this attachment with the legislature and governor at an appropriate opportunity to illustrate how DST negatively impacts education in our state -- particularly in the western part of our state.

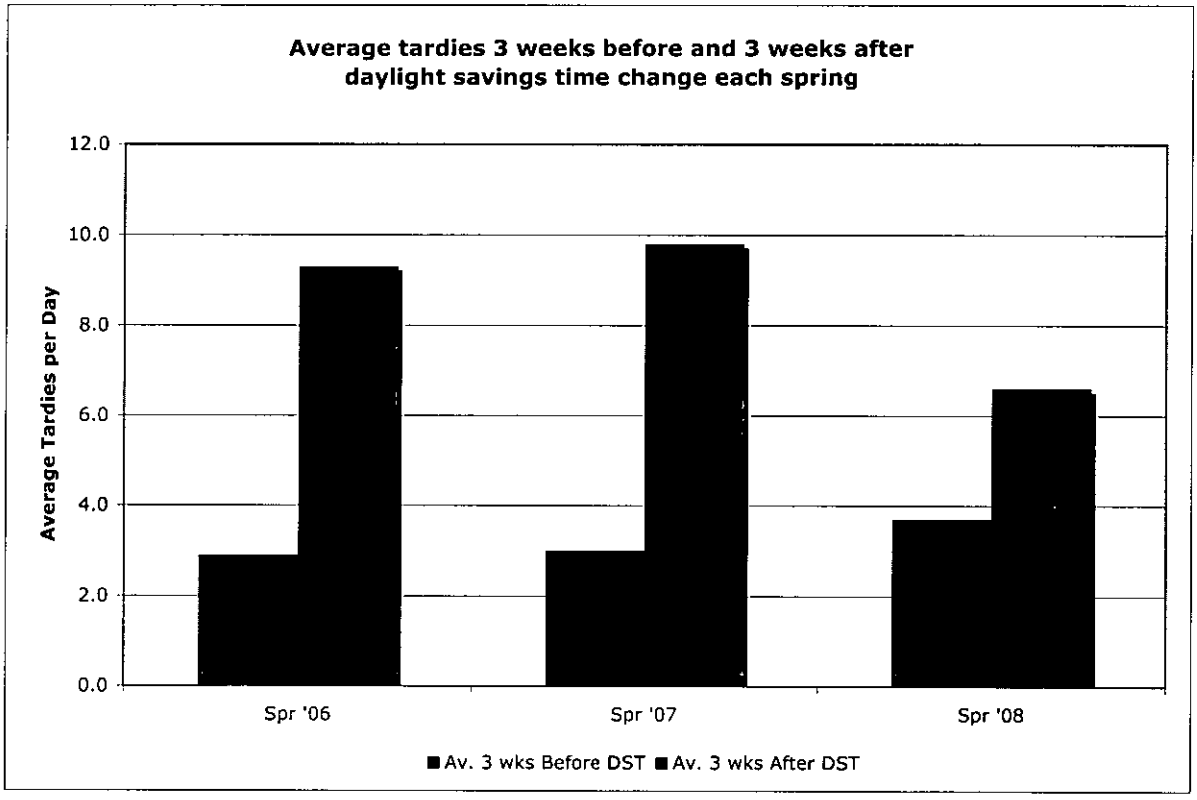
Thank you.

Frank.

Franklin A. Cook
Site Administrator
Lewis Angapak Memorial School
PO Box 8087
Tuntutuliak, AK 99680
(907)256-2415 or 2413
Fax: 907-256-2527
Email: frank_cook@lksd.org

## Lewis Angapak Memorial School Over a Three Year Period

| | Av. 3 wks Before DST | Av. 3 wks After DST |
|---|---|---|
| Spr '06 | 2.9 | 9.3 |
| Spr '07 | 3.0 | 9.8 |
| Spr '08 | 3.7 | 6.6 |




Improving student attendance has been one of my greatest challenges as a school administrator. The change to daylight savings time each spring is not a simple and meaningless inconvenience in western Alaska. It is a detriment to my efforts to improve attendance. As can be seen in the graph above; the number of students coming to school late often triples after the time change. It is frustrating to have the state seemingly working against my efforts by supporting this useless time change every spring.

Franklin A. Cook
Site Administrator
Lewis Angapak Memorial School
Tuntutuliak, Alaska

# HB

# 74

During Session:
Alaska State Capitol
Juneau, Alaska 99801-1182
(907) 465-4833
Fax (907) 465-4586
1-800-782-4833
Representative_Reggie_Joule@legis.state.ak.us



During Interim:
P.O. Box 673
Kotzebue, Alaska 99752
(907) 442-3880
Fax (907) 442-3022

# Alaska State Legislature

**REPRESENTATIVE REGGIE JOULE**

## Sponsor Statement

CS HB 74 Coastal Management Program

"An act relating to the Alaska coastal management program; and establishing the Alaska Coastal Policy Board."

HB 74 is an effort to strengthen the partnership between the State of Alaska and coastal communities under the Coastal Management Program. This legislation will restore inter-agency cooperation in approving coastal districts enforceable policies, and will reinstate a meaningful seat at the table for coastal districts in the review of proposed state and federal resource development actions.

The bill focuses on four areas:

1. Restoring checks and balances by establishing a Coastal Policy Board representing coastal districts and state resource agencies;

2. Streamlining project reviews by reincorporating air and water quality concerns of the Department of Environmental Conservation into the consistency review process;

3. Restoring the ability of coastal districts to establish enforceable policies that do not conflict with state or federal law or address matters preempted by state or federal agencies; and

4. Restoring States' rights by reinstating provisions eliminated by 2003 legislation.

I support responsible development of our coastal resources. I believe this can best and most expeditiously be accomplished through restoring some meaningful involvement of coastal communities in development decisions that directly affect them.

# CS House Bill 74 – Alaska Coastal Management Program (ACMP)
## Sectional Analysis
### 26-LS0322/S

**ction 1:** Establishes the Alaska Coastal Policy Board (Board), composed of 5 public members representing coastal districts and commissioners of natural resources, fish and game, environmental conservation, and commerce, community and economic development.

**Section 2:** Clarifies that the Department of Natural Resources (Department) coordinates project consistency reviews for projects with only Department permits or for projects that involve two or more state resource agency permits.

**Section 3.** Establishes authority for the Department to adopt regulations after approval by the Board.

**Section 4:** Establishes powers for the Board including the ability to accept grants and take reasonable action to carry out provisions of AS 46.39 and AS 46.40.

**Section 5:** Establishes duties of the Board to approve statewide ACMP standards and criteria for district plan approval.

**Section 6:** Defines "board."

**Section 7:** Provides for approval of ACMP program changes by the Board.

**Section 8:** Adds subsistence to the list of resources included in the ACMP objectives.

**ction 9:** Subsection (a) removes requirement for district enforceable policies to meet statewide standards. Clarifies that district enforceable policies apply to all land and water issues subject to the plan. Removes requirement to describe proper and improper uses. Changes the term "areas meriting special attention" to "special management areas." Subsection (b) requires district enforceable policies to be clear and concise, prescriptive or performance-based, and supported by evidence if more specific than state or federal statutes or regulations.

**Section 10:** Makes conforming changes for board approval of ACMP regulations. Deleted language in AS 46.40.040(a)(2) – (5) moved to a new subsection (d).

**Section 11:** Moves language deleted from AS 46.40.040(a) to a new section outlining responsibilities of the Board.

**Section 12:** Makes conforming amendments by clarifying district plans must be approved by the Board.

**Section 13:** Establishes the review and approval process for coastal district plans, including provisions for districts to work with the Department to resolve issues before the Board approves a plan. Allows districts to request mediation of the Board's decision.

**Section 14:** Establishes criteria for board approval of district plans and clarifies that district enforceable policies may not address matters preempted by state or federal laws.

**ction 15:** Makes conforming changes for board approval of ACMP regulations.

**Section 16:** Changes the term "subsequent review" to the commonly used term "elevation" and clarifies that the three state resource agencies make the final decision on a project elevation.

**Section 17:** Clarifies that aspects of an activity covered by a general or nationwide permit are excluded from a consistency review (rather than the entire activity). Eliminates language exempting Department of Environmental Conservation permits from consistency reviews.

**Section 18:** Makes conforming changes for Board approval of district enforceable policies.

**Section 19:** Allows ACMP consistency review of projects inland of the coastal zone if there would be direct and significant effects to coastal uses or resources. Clarifies that seismic survey activities in federal waters are subject to consistency reviews.

**Section 20:** Clarifies that categorically or generally consistent activities are for routine projects.

**Section 21:** Exempts federal activities and federally-permitted projects from the 90-day consistency review time limit. Allows extension of the time limit for adjudication of coastal district permits.

**Section 22:** Clarifies that "affected coastal resource district" includes districts with a publicly-reviewed draft plan or approved plan.

**Section 23:** Requires an individual consistency review for each Outer Continental Shelf lease sale.

**Section 24:** Gives the Board authority to act on a petition regarding non-implementation of a coastal district plan.

**:tion 25 - 28:** Makes conforming amendment regarding Board action for a petition regarding non-implementation of a coastal district plan.

**Section 29:** Clarifies a coastal resource service area (CSRA) may accept new matter submitted by a city or village into its coastal management plan.

**Section 30:** Clarifies that municipalities and CRSAs are not prohibited from joint administration of functions.

**Section 31:** Removes language about boroughs that do not exercise planning and zoning authority.

**Section 32:** Makes conforming amendment clarifying the board's role in coastal boundary changes.

**Section 33 - 34:** Makes conforming amendment regarding the board's role in approving district plans and district enforceable policies.

**Section 35:** Clarifies that the term "project" includes federal activities and federally-permitted activities.

**Section 36:** Adds new definitions for the terms "Board" and "special management areas."

**Section 37:** Repeals exemption of Department of Environmental Conservation permits from consistency reviews ( AS 46.40.040(b)–(c) and AS 46.40.096(i)). Removes requirement for re-submittal of district plans every 10 years (AS 46.40.050(a)). Removes exemption of shallow gas projects from ACMP reviews (AS 46.40.205). Removes definition for "areas meriting special attention" (AS 46.40.210(1)).

# Changes between HB 74 (CRA, 26-LS0322\R) and CS HB 106 (CRA, 26-LS0402\S)

March 10, 2009

Section 9

Page 7 lines 17-22 were amended to elucidate the requirements for coastal district enforceable policies. The first substantive amendment eliminates "contemporary or traditional local knowledge" as forms of evidence to support a coastal district policy, leaving "scientific or local knowledge" as appropriate evidence. The second substantive change is that district policies must be supported by evidence if "more specific" than state or federal law. This replaces the requirement of evidence if the policy is "stricter or more specific" than state or federal law.

Section 14

This section was amended to clarify requirements for board approval of district management plans. The first amendment at page 11 line 13 adds to the criteria for board approval a requirement that enforceable policies cannot be preempted by state law in addition to federal law, which appears in version \R. The second amendment at page 11 lines 22-25 is the addition of an explanation for what constitutes state preemption of a coastal district policy.

Section 30

Version \S retracts the insertion of a new section 46.40.190(a) pertaining to cooperative administration of the ACMP, which in \R occurred on page 16 line 21.

Section 31

Version \S retracts an amendment to the definition of "coastal resource district," which occurred in \R on page 17 lines 8-23.

# STATE OF ALASKA

SARAH PALIN, GOVERNOR

**DEPARTMENT OF NATURAL RESOURCES**
*DIVISION OF COASTAL AND OCEAN MANAGEMENT*
*http://www.alaskacoast.state.ak.us*

SOUTHCENTRAL REGIONAL OFFICE
550 W.7th AVENUE SUITE 705
ANCHORAGE, ALASKA 99501
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JUNEAU, ALASKA 99811-1030
PH: (907) 465-3562 FAX: (907) 465-3075


April 18, 2009

The Honorable Mark Neuman
Alaska House of Representatives
State Capitol, Rom 432
Juneau, AK 99801-1182

RE: Alaska Coastal Management Program

Dear Mr. Neuman:

In our conversation on April 14 and in the House Resources committee hearing on April 15, you requested that I put together a list or otherwise summarize the issues that were identified by Alaska Coastal Management Program (ACMP) participants during the recent re-evaluation effort led by the Department of Natural Resources, Division of Coastal and Ocean Management (DCOM). The following is a list of those issues with a brief description. It is important to recognize that there were comments addressing each of the following that either supported or opposed change to the ACMP subject.

1. Oversight of the ACMP – Comments addressed the development, structure, role, authority, and appropriateness of an oversight body for the ACMP (e.g., Coastal Policy Board or Council). Comments were also received addressing the location of the ACMP and DCOM (e.g., relocated to DFG, DCCED, or the Governor's Office).

2. Department of Environmental Conservation "carve-out" – Comments addressed the carve-out of DEC authorities from the coordinated consistency review, as well as whether coastal districts could address air and water quality issues under DEC authority.

3. Consistency review issues related to project review – Comments addressed the scope of the consistency review, the coastal project questionnaire, the application and management of the ABC List, and elevations and appeals of consistency determinations.

4. Statewide standards – Comments addressed all of the statewide standards of the ACMP at 11 AAC 112, including the purview, substance, form, authority, and structure of the standards, whether the focus of the standards should be tied to the direct interaction with coastal water or more broadly throughout the coastal zone, and whether the burden of proof in demonstrating compliance with the standards is on the applicant, the commentor, or the State.

5. District enforceable policies – Comments addressed the purview, substance, form, authority, and structure of coastal district enforceable policies, designated areas, and the revision process for amending coastal district plans.

6. General, non-categorized comments – Comments addressed the objectives of the ACMP, the subject uses of the ACMP, the basic structure of the ACMP and the available types/options of state coastal programs available under the federal CZMA, whether climate change should be addressed under the ACMP, whether the ACMP should directly address cumulative impacts, and whether ACMP staff should have a field presence.

At your request, I have listed above and summarized the key issues that ACMP participants have raised during the re-evaluation process. As a reminder, DCOM solicited written public comments on potential changes to the ACMP in July and November 2008, and held numerous public meetings to further gather input and share ideas for successful ACMP implementation. The public comments and the DCOM processes and products are available for reviewing and downloading at http://www.alaskacoast.state.ak.us/Enews/Re-eval2008/index.html. Significant effort was put into the development and consideration of these comments by ACMP participants. You may be interested in reviewing these more detailed comments and familiarizing yourself with the various issues surrounding the passionate debate on change to the ACMP laws.

I look forward to continuing to work with you on these important issues, and I thank you for taking an interest in the ACMP and the issues surrounding the implementation of a meaningful and balanced program.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Randy Bates
Director

cc: Representative Johnson, Co-Chair House Resources committee
Senator McGuire, Co-Chair Senate Resources committee
Senator Wielechowski, Co-Chair Senate Resources committee
Senator Olson
Representative Joule
House and Senate Resource Committee members
ACMP coastal districts
Tom Irwin, DNR Commissioner
Jerry Gallagher, Office of the Governor, Legislative Liaison

| Quad Name | Number |
|---|---|
| ADAK | 85 |
| AFOGNAK | 59 |
| AMBLER RIVER | 26 |
| AMUKTA | 82 |
| ANCHORAGE | 96 |
| ANCHORAGE INSET | 96a |
| ARCTIC | 5 |
| ATKA | 84 |
| ATLIN | 105 |
| ATTU | 89 |
| BAIRD INLET | 48 |
| BAIRD MTS | 25 |
| BARROW | 15 |
| BARTER ISLAND | 2 |
| BEECHEY POINT | 8 |
| BENDELEBEN | 34 |
| BERING GLACIER | 102 |
| BETHEL | 48 |
| BLACK | 44 |
| BLYING SOUND | 94 |
| BRADFIELD CANAL | 112 |
| BRISTOL BAY | 64 |
| CANDLE | 35 |
| CAPE MENDENHALL | 52 |
| CHANDLER LAKE | 11 |
| CHIGNIK | 71 |
| COLD BAY | 73 |
| CORDOVA | 99 |
| CRAIG | 115 |
| DE LONG MTS | 22 |
| DEMARCATION PT | 1 |
| DILLINGHAM | 55 |
| DIXON ENTRANCE | 118 |
| FALSE PASS | 77 |
| FLAXMAN ISLAND | 3 |
| GARELOI ISLAND | 86 |
| GOODNEWS BAY | 54 |
| HAGEMEISTER IS | 63 |
| HARRISON BAY | 9 |
| HOLY CROSS | 42 |
| HOOPER BAY | 45 |
| HOWARD PASS | 20 |
| HUGHES | 28 |
| ICY BAY | 101 |
| IKPIKPUK RIVER | 13 |
| ILIAMNA | 58 |
| JUNEAU | 108 |
| KADUYAK | 68 |
| KARLUK | 66 |
| KENAI | 92 |
| KETCHIKAN | 116 |
| KILLIK RIVER | 12 |
| KISKA | 88 |
| KODIAK | 67 |
| KOTZEBUE | 31 |
| KUSKOKWIM BAY | 53 |
| KWIGUK | 43 |
| LAKE CLARK | 57 |
| MARSHALL | 46 |
| MEADE RIVER | 16 |
| MIDDLETON IS | 100 |
| MISHEGUK MTN | 21 |
| MT FAIRWEATHER | 109 |
| MT KATMAI | 60 |
| MT MICHELSON | 4 |
| MT ST ELIAS | 103 |
| NAKNEK | 61 |
| NOATAK | 24 |
| NOME | 38 |
| NORTON BAY | 36 |
| NUNIVAK ISLAND | 50 |
| NUSHAGAK BAY | 62 |
| PETERSBURG | 113 |
| PHILIP SMITH MTS | 6 |
| POINT HOPE | 23 |
| POINT LAY | 19 |
| PORT ALEXANDER | 114 |
| PORT MOLLER | 74 |
| PRIBILOF ISLANDS | 72 |
| PRINCE RUPERT | 117 |
| RAT ISLAND | 87 |
| RUSSIAN MISSION | 47 |
| SAGAVANIRKTOK | 7 |
| SAMALGA ISLAND | 81 |
| SEGUAM | 83 |
| SELAWIK | 30 |
| SELDOVIA | 93 |
| SEWARD | 95 |
| SHISHMAREF | 32 |
| SHUNGNAK | 29 |
| SIMEONOF IS. | 76 |
| SITKA | 110 |
| SKAGWAY | 105 |
| SOLOMON | 37 |
| ST LAWRENCE | 39 |
| ST MATTHEW | 51 |
| ST MICHAEL | 40 |
| STEPOVAK BAY | 75 |
| SUMDUM | 111 |
| SURVEY PASS | 27 |
| SUTWIK ISLAND | 70 |
| TAKU RIVER | 107 |
| TALKEETNA | 90 |
| TALKEETNA MTS | 97 |
| TAYLOR MTS | 56 |
| TELLER | 33 |
| TESHEKPUK | 14 |
| TRINITY ISLANDS | 69 |
| TYONEK | 91 |
| UGASHIK | 65 |
| UMIAT | 10 |
| UMNAK | 80 |
| UNALAKLEET | 41 |
| UNALASKA | 79 |
| UTUKOK RIVER | 18 |
| VALDEZ | 98 |
| WAINWRIGHT | 17 |
| YAKUTAT | 104 |

# Coastal Zone Boundaries of Alaska Index Map

Atlas Quad Name and Number

Inland Coastal Zone

Seaward Coastal Zone

Coastal District Boundary

Aleutians Inset

0 25 50 100 150 200 250 Miles

August 2005

Index Map

# Which Coastal District is Your Community In?

| CITY | DISTRICT |
|---|---|
| Adak | Aleutians West CRSA |
| Akhiok | Kodiak |
| Akiachak | Ceñaliulriit CRSA |
| Akiak | Ceñaliulriit CRSA |
| Akutan | Aleutians East |
| Alakanuk | Ceñaliulriit CRSA |
| Aleknagik | Bristol Bay CRSA |
| Alexander Creek | Mat-Su Borough |
| Ambler | Northwest Arctic |
| Amchitka | Aleutians West CRSA |
| Anaktuvuk Pass | North Slope Borough |
| Anchor Point | Kenai Peninsula |
| Anchorage | Anchorage |
| Angoon | Angoon |
| Aniak | Ceñaliulriit CRSA |
| Atka | Aleutians West CRSA |
| Atmautluak | Ceñaliulriit CRSA |
| Atqasuk | North Slope Borough |
| Attu | Aleutians West CRSA |
| Barrow | North Slope Borough |
| Bethel | Bethel |
| Big Lake | Mat-Su Borough |
| Bird Creek | Anchorage |
| Brevig Mission | Bering Straits CRSA |
| Buckland | Northwest Arctic |
| Candle | Northwest Arctic |
| Cape Chiniak | None* |
| Cape Pole | None* |
| Cape Yakataga | None* |
| Chefornak | Ceñaliulriit CRSA |
| Chenega Bay | None* |
| Chevak | Ceñaliulriit CRSA |
| Chickaloon | Mat-Su Borough |
| Chignik | Lake and Peninsula Borough |
| Chignik Bay | Lake and Peninsula Borough |
| Chignik Lagoon | Lake and Peninsula Borough |
| Chignik Lake | Lake and Peninsula Borough |
| Chugiak | Anchorage |
| Clam Gulch | Kenai Peninsula |
| Clark's Point | Bristol Bay CRSA |
| Coffman Cove | None* |
| Cohoe | Kenai Peninsula |
| Cold Bay | Aleutians East |
| Cooper Landing | Kenai Peninsula |
| Cordova | Cordova |
| Council | Bering Straits CRSA |
| Craig | Craig |
| Cube Cove | None* |
| Deadhorse | North Slope Borough |
| Deering | Northwest Arctic |
| Dillingham | Bristol Bay CRSA |
| Diomede | Bering Straits CRSA |
| Dora Bay | None* |
| Douglas | Juneau |
| Dutch Harbor | Aleutians West CRSA |
| Eagle River | Anchorage |
| Edna Bay | None* |
| Eek | Ceñaliulriit CRSA |
| Egegik | Lake and Peninsula Borough |
| Ekuk | Bristol Bay CRSA |
| Ekwok | Bristol Bay CRSA |
| Elfin Cove | None* |
| Elim | Bering Straits CRSA |
| Elmendorf AFB | Anchorage |
| Emmonak | Ceñaliulriit CRSA |
| English Bay | Kenai Peninsula |
| Excursion Inlet | None* |
| Eyak | Cordova |
| False Pass | Aleutians East |
| Fortuna Ledge | Ceñaliulriit CRSA |

*Note: "None" means a coastal community not within a coastal district.

| CITY | DISTRICT |
|---|---|
| Ft. Richardson | Anchorage |
| Funter Bay | None* |
| Gambell | Bering Straits CRSA |
| Girdwood | Anchorage |
| Golovin | Bering Straits CRSA |
| Goodnews Bay | Ceñaliulriit CRSA |
| Gravina Island | Ketchikan |
| Gustavus | None* |
| Haines | Haines |
| Halibut Cove | Kenai Peninsula |
| Happy Valley | Kenai Peninsula |
| Hawkins Island | None* |
| Hinchinbrook Island | None* |
| Hobart Bay | None* |
| Hollis | None* |
| Homer | Kenai Peninsula |
| Hoonah | Hoonah |
| Hooper Bay | Ceñaliulriit CRSA |
| Hope | Kenai Peninsula |
| Houston | Mat-Su Borough |
| Hydaburg | Hydaburg |
| Igiugig | Lake and Peninsula Borough |
| Iliamna | Lake and Peninsula Borough |
| Indian | Anchorage |
| Ivanof Bay | Lake and Peninsula Borough |
| Juneau | Juneau |
| Kachemak | Kenai Peninsula |
| Kake | Kake |
| Kaktovik | North Slope Borough |
| Kalgin Island | Kenai Peninsula |
| Karluk | Kodiak |
| Kasaan | None* |
| Kasigluk | Ceñaliulriit CRSA |
| Kasilof | Kenai Peninsula |
| Kenai | Kenai Peninsula |
| Ketchikan | Ketchikan |
| Kiana | Northwest Arctic |
| King Cove | Aleutians East |
| King Salmon | Bristol Bay Borough |

| CITY | DISTRICT- |
|---|---|
| Kipnuk | Ceñaliulriit CRSA |
| Kivalina | Northwest Arctic |
| Klawock | Klawock |
| Klukwan | None* |
| Kobuk | Northwest Arctic |
| Kodiak | Kodiak |
| Kokhanok | Lake and Peninsula |
| Kokhanok Bay | Lake and Peninsula |
| Koliganek | Ceñaliulriit CRSA |
| Kongiganak | Ceñaliulriit CRSA |
| Kotlik | Ceñaliulriit CRSA |
| Kotzebue | Northwest Arctic |
| Koyuk | Bering Straits CRSA |
| Kuiu Island | None* |
| Kupreanof | None* |
| Kwethluk | Ceñaliulriit CRSA |
| Kwigillingok | Ceñaliulriit CRSA |
| Labouchere Bay | None* |
| Lake Louise | Mat-Su Borough |
| Larsen Bay | Kodiak |
| Levelock | Lake and Peninsula |
| Long Island | None* |
| Lower Kalskag | Ceñaliulriit CRSA |
| Manokotak | Bristol Bay CRSA |
| Marshall | Ceñaliulriit CRSA |
| Mekoryuk | Ceñaliulriit CRSA |
| Metlakatla | None* |
| Meyers Chuck | None* |
| Moose Pass | Kenai Peninsula |
| Mountain Village | Ceñaliulriit CRSA |
| Mt. Edgecumbe | Sitka |
| Naknek | Bristol Bay Borough |
| Nanwalek | Kenai Peninsula |
| Napakiak | Ceñaliulriit CRSA |
| Napaskiak | Ceñaliulriit CRSA |
| Naukati | None* |
| Nelson Lagoon | Aleutians East |
| New Stuyahok | Bristol Bay CRSA |
| Newhalen | Lake and Peninsula |

*Note: "None" means a coastal community not within a coastal district.

| CITY | DISTRICT |
|---|---|
| Newtok | Ceñaliulriit CRSA |
| Nightmute | Ceñaliulriit CRSA |
| Nikiski | Kenai Peninsula |
| Nikolski | Aleutians West CRSA |
| Ninilchik | Kenai Peninsula |
| Noatak | Northwest Arctic |
| Nome | Nome |
| Nondalton | Lake and Peninsula |
| Noorvik | Northwest Arctic |
| Nuiqsut | North Slope Borough |
| Nunapitchuk | Ceñaliulriit CRSA |
| Old Harbor | Kodiak |
| Oscarville | Ceñaliulriit CRSA |
| Ouzinkie | Kodiak |
| Palmer | Mat-Su Borough |
| Pedro Bay | Lake and Peninsula Borough |
| Pelican | Pelican |
| Pennock Island | Ketchikan |
| Perryville | Lake and Peninsula Borough |
| Petersburg | Petersburg |
| Pilot Point | Lake and Peninsula Borough |
| Pilot Station | Ceñaliulriit CRSA |
| Pitkas Point | Ceñaliulriit CRSA |
| Platinum | Ceñaliulriit CRSA |
| Point Baker | None* |
| Point Hope | North Slope Borough |
| Point Lay | North Slope Borough |
| Polk Inlet | None* |
| Port Alexander | None* |
| Port Alsworth | Lake and Peninsula |
| Port Armstrong | None* |
| Port Clarence | Bering Straits CRSA |
| Port Graham | Kenai Peninsula |
| Port Heiden | Lake and Peninsula Borough |
| Port Lions | Kodiak |
| Port Moller | Aleutians East |
| Port Protection | None* |
| Portage | Anchorage |
| Post Lake | Mat-Au Borough |

| CITY | DISTRICT |
|---|---|
| Prudhoe Bay | North Slope Borough |
| Quinhagak | Ceñaliulriit CRSA |
| Red Mountain | Kenai Peninsula |
| Ridgeway | Kenai Peninsula |
| Rowan Bay | None* |
| Russian Mission | Ceñaliulriit CRSA |
| Sand Point | Aleutians East |
| Savoonga | Bering Straits CRSA |
| Sawmill Bay | None* |
| Saxman | Ketchikan |
| Scammon Bay | Ceñaliulriit CRSA |
| Security Bay | None* |
| Selawik | Northwest Arctic |
| Seldovia | Kenai Peninsula |
| Seward | Kenai Peninsula |
| Shaktoolik | Bering Straits CRSA |
| Sheep Mountain | Mat-Su Borough |
| Sheldon Point | Ceñaliulriit CRSA |
| Shemya AFS | Aleutians West CRSA |
| Shishsmaref | Bering Straits CRSA |
| Shungnak | Northwest Arctic |
| Sitka | Sitka |
| Skagway | Skagway |
| Skwentna | Mat-Su Borough |
| Soldotna | Kenai Peninsula |
| South Naknek | Bristol Bay Borough |
| Squaw Harbor | Aleutians East |
| St. George Island | None* |
| St. Mary's | Ceñaliulriit CRSA |
| St. Michael | Bering Straits CRSA |
| St. Paul | St. Paul |
| Stebbins | Bering Straits CRSA |
| Sterling | Kenai Peninsula |
| Sunrise | None* |
| Sutton | Mat-Su Borough |
| Talkeetna | Mat-Su Borough |
| Tatitlek | None* |
| Tazlina | None* |
| Teller | Bering Straits CRSA |

*Note: "None" means a coastal community not within a coastal district.

| CITY | DISTRICT |
|---|---|
| Tenakee Springs | None* |
| Thorne Bay | Thorne Bay |
| Tin City | Bering Straits CRSA |
| Togiak | Bristol Bay CRSA |
| Toksook Bay | Ceñaliulriit CRSA |
| Tolstoi Bay | None* |
| Trapper Creek | Mat-Su Borough |
| Tuluksak | Ceñaliulriit CRSA |
| Tuntutuliak | Ceñaliulriit CRSA |
| Tununak | Ceñaliulriit CRSA |
| Tutka Bay | Kenai Peninsula |
| Twin Hills | Bristol Bay CRSA |
| Two Moon Bay | None* |
| Tyonek | Kenai Peninsula |
| Ugashik | Lake and Peninsula |
| Umiat | North Slope Borough |
| Unakwik Inlet | None* |
| Unalakleet | Bering Straits CRSA |
| Unalaska | Aleutians West CRSA |
| Ungalik | Bering Straits CRSA |
| Valdez | Valdez |
| Wainwright | North Slope Borough |
| Wales | Bering Straits CRSA |
| Wasilla | Mat-Su Borough |
| Whale Pass | None* |
| White Mountain | Bering Straits CRSA |
| Whittier | Whittier |
| Willow | Mat-Su Borough |
| Wrangell | Wrangell |
| Yakutat | Yakutat |

For more information contact:

The Alaska Coastal Management Program
Juneau — 907- 465-3075
Anchorage — 907-269-7470

*Note: "None" means a coastal community not within a coastal district.

# FISCAL NOTE

**STATE OF ALASKA**
**2010 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version: HB074
() Publish Date:

Identifier (file name): HB074-DNR-DCOM-03-15-10
Dept. Affected: Natural Resources
Title: An Act relating to the Alaska Coastal Management Program.
RDU: Resource Development
Component: Coastal and Ocean Management
Sponsor: Rep. Reggie Joule
Requester: House Community and Regional Affairs Committee
Component Number: 2680

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Travel | 82.0 | 0.0 | 82.0 | 82.0 | 82.0 | 82.0 | 82.0 |
| Contractual | 80.0 | 0.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| Supplies | 3.0 | 0.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Equipment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Land & Structures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Grants & Claims | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **TOTAL OPERATING** | **165.0** | **0.0** | **115.0** | **115.0** | **115.0** | **115.0** | **115.0** |
| **CAPITAL EXPENDITURES** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CHANGE IN REVENUES ( )** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1003 GF Match | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1004 GF | 165.0 | 0.0 | 115.0 | 115.0 | 115.0 | 115.0 | 115.0 |
| 1005 GF/Program Receipts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1037 GF/Mental Health | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Interagency Receipts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL | **165.0** | **0.0** | **115.0** | **115.0** | **115.0** | **115.0** | **115.0** |

**Estimate of any current year (FY2009) cost:** 0.0

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Part-time | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Temporary | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

**ANALYSIS:** *(Attach a separate page if necessary)*

HB 74 will have the following fiscal impact:

1. Travel - It is expected that the Coastal Policy Board (CPB) will need to meet at least four times annually to fulfill the obligations and provide the services outlined in HB 74. Travel (including air, hotel, and per diem) for appointed members, designated members, and state agency staff is included.
2. Contractual - In order to re-write the guiding regulations, DNR must secure contractual services for the promulgation and final Department of Law review of the regulations (FY 2010 only). In addition, contractual services for the CPB meetings must be procured, and will be an annual expense.
3. Supplies - The CPB meetings will require some level of supplies for ensuring the members have proper materials.

Prepared by: Randy Bates, Director — Phone 465-8797
Division: Coastal and Ocean Management — Date/Time March 15, 2010
Approved by: Tom Irwin, Commissioner — Date March 15, 2010
Natural Resources

(Revised 9/10/2008 OMB)

**FISCAL NOTE**

**STATE OF ALASKA** **BILL NO.** HB074
**2010 LEGISLATIVE SESSION**

ANALYSIS CONTINUATION

4. Although not contemplated above as an additional expense, it is expected that coastal districts will choose to revise, amend, and seek approval for their coastal district plans. No funding is included in this fiscal note for Coastal District Plan revisions. DNR does not typically set aside any funding for plan revisions.

# FISCAL NOTE

**STATE OF ALASKA**
**2009 LEGISLATIVE SESSION**

Fiscal Note Number: 1
Bill Version: CSHB 74(CRA)
(H) Publish Date: 3/5/09

Identifier (file name): HB74-DEC-CO-2-6-09
Dept. Affected: Dept. of Environmental Conservation
Title: Coastal Management Program
RDU: Administration
Component: Office of the Commissioner
Sponsor: Representative Joule
Requester: House Community and Regional Affairs Committee
Component Number: 633

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | 86.8 | | 86.8 | 86.8 | 86.8 | 86.8 | 86.8 |
| Travel | 12.5 | | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 |
| Contractual | 10.4 | | 10.4 | 10.4 | 10.4 | 10.4 | 10.4 |
| Supplies | 6.9 | | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **116.6** | **0.0** | **110.2** | **110.2** | **110.2** | **110.2** | **110.2** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | 116.6 | 0.0 | 110.2 | 110.2 | 110.2 | 110.2 | 110.2 |
| **TOTAL** | **116.6** | **0.0** | **110.2** | **110.2** | **110.2** | **110.2** | **110.2** |

**Estimate of any current year (FY2009) cost:** 0.0

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | 0.5 | | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This legislation amends Alaska statutes related to the Alaska Coastal Management Program (ACMP). The bill requires that the Department of Environmental Conservation process its permits in accordance with the ACMP coastal consistency review procedures where permits are currently processed independent from those procedures. The increased work load for existing staff is estimated at one-half of the salary cost of a Range 19 position.

In addition to increasing the effort required to process a permit, the changes require a new half-time position to serve as ACMP lead for DEC with responsibility for internal and external coordination of ACMP matters. The fiscal note reflects the personnel and support costs of a new, part-time (0.5 FTE, Range 20) position to serve as DEC's ACMP Program Coordinator. First-year costs include one-time supply costs that are not reflected in subsequent years.

Prepared by: Marit Carlson-Van Dort
Phone 465-5065
Division: Commissioner's Office
Date/Time 2/6/09 1:30 PM
Approved by: Dan Easton
Deputy Commissioner
Date 2/6/2009

(Revised 9/10/2008 OMB)




Alaska Eskimo Whaling Commission

P.O. Box 570 • Barrow, Alaska 99723


February 10, 2009

Honorable Reggie Joule
Alaska State Legislature
State Capitol, Room 502
Juneau, Alaska 99801

Re: House Bill 74, Alaska Coastal Management Program

Dear Representative Joule:

On behalf of the Alaska Eskimo Whaling Commission (AEWC), I wish to thank you for sponsoring House Bill 74 on the Alaska Coastal Management Program (ACMP). The AEWC supports the committee substitute adopted by the Senate Community and Regional Affairs Committee on February 5, 2009.

House Bill 74 would restore the effectiveness to the ACMP that has been lost as a result of recent changes to the program. The bill would make it clear that coastal districts may establish local enforceable policies, it would bring air and water quality considerations back into ACMP project reviews, and it would establish a coastal policy board composed of state agencies and coastal districts.

The bill would also restore provisions that ensure states' rights are duly considered during reviews involving federal activities or permits, including activities on the federal Outer Continental Shelf (OCS). One of the major reasons the Alaska State Legislature enacted the Alaska Coastal Management Act in 1977 was to take advantage of provisions in the federal Coastal Zone Management Act (CZMA) that give the state and coastal districts their most powerful tools to influence federal decision making. The remainder of our comments addresses these issues.

Section 19 of the bill would require review of seismic survey activities for consistency with the ACMP. Although scientific studies demonstrate that seismic surveys can profoundly affect marine mammals, these activities have been excluded from the scope of some ACMP reviews, including the review of a multi-year offshore drilling program in 2007.


Fax (907) 852-2392 • Toll Free 1-800-478-2392

# CITY OF CORDOVA



February 9, 2009

Re: HB 74

To: House Community and Regional Affairs Committee
Senate Resources Committee
Representative Thomas
Senator Kookesh

HB 74 and the companion bill in the House address issues raised by Coastal Management Zone planners at the ACMP workshop in December, 2008, in Anchorage. The bills establish a coastal policy board, bring DEC back into the consistency review process, and allow coastal districts to have enforceable policies as long as they are not specifically barred by state or federal law.

Please support this bill.

Thank you.

Anne Cervenka
City Planner
City of Cordova

**City of Cordova, P.O. Box 1210, Cordova, AK 99574 Direct (907)424-6233 Fax(907)424-6000**

# *Native Village of Kotzebue*
# *Kotzebue IRA*

February 9, 2009

Honorable Reggie Joule
AK State Capitol
Room # 502
Juneau. AK 99801

**RE: Support of H.B. 74 – An Act relating to the Alaska Coastal Management Program; and establishing the Alaska Coastal Policy Board**

*Knowledge of Language*

*Knowledge of Family Tree*

*Sharing*

*Humility*

*Respect for Others*

*Love for Children*

*Cooperation*

*Hard Work*

*Respect for Elders*

*Respect for Nature*

*Avoid Conflict*

*Family Roles*

*Humor*

*Spirituality*

*Domestic Skills*

*Hunter Success*

*Responsibility to Tribe*

Dear Representative Joule;

The Native Village of Kotzebue writes in strong support of the House Bill 74 relating to strengthening the ACMP and establishing the Alaska Coastal Policy Board.

The Tribe was disappointed with the changes made to the program under previous Governor Frank Murkowski. The ability of the program to provide for real local involvement in development projects affecting the coastal environment of Alaska is very important to assure that projects are compatible with the needs and concerns of local communities. The changes to the program as envisioned under HB 74 would go a long way towards reaffirming the State's commitment to responsible development and local input as a vital component of such projects.

The Tribe supports the Coastal Policy Board as envisioned because it will provide an essential balance to the Alaska Coastal Management Program (ACMP). Currently, the commissioner of DNR makes all ACMP decisions, including approving district plans, which has been shown to be non-compatible with the needs of local communities as the recent wholesale rejection of the proposed Northwest Arctic Borough (NWAB) Enforceable Policies demonstrates. It is our understanding that the new board would be responsible for approving coastal district plans and any changes to the ACMP regulations, which should allow for a more responsive approach to approving local priorities as stated through Enforceable Policies.

Section 9 and Section 14 of the bill are especially useful in this regard, as they would clarify the criteria for Coastal District Enforceable Policies so as to obviate interpretation by DNR, because as the wholesale rejection of the NWAB District Plan relating to Enforceable Policies should show, it is currently not clear what the criteria are. The statutes currently allow districts to establish Enforceable Policies, but as it has been interpreted and implemented by the DNR, only one of the 50 enforceable policies proposed by the NWAB was approvable, which speaks to the disconnect between what local communities need and what the program is believed (by the DNR) to allow for. The bill would also allow coastal districts to address air and water quality issues during ACMP project reviews. Currently, activities permitted by DEC are unfortunately excluded from the coordinated consistency review of a project, which negatively impacts the ability of local communities to be able to take into account and fully mitigate the broadest range of impacts from any specific project falling under ACMP review.

We appreciate your leadership on ACMP revision and look forward to passage of this important Bill.

Sincerely,

Alex Whiting
Environmental Specialist

Linda Joule
Executive Director

**333 Shore Avenue • P.O. Box 296 • Kotzebue, Alaska 99752**
**Phone: (907) 442-3467 • Fax: (907) 442-2162**

| | |
|---|---|
| Introduced by: | Martin |
| Date: | 04/07/09 |
| Action: | Adopted as Amended |
| Vote: | 8 Yes, 0 No, 1 Absent |

**KENAI PENINSULA BOROUGH**
**RESOLUTION 2009-030**

**A RESOLUTION SUPPORTING LEGISLATION TO ENABLE ALASKA'S COASTAL COMMUNITIES TO MORE EFFECTIVELY PARTICIPATE IN THE ALASKA COASTAL MANAGEMENT PROGRAM**

**WHEREAS,** the passage of House Bill 191 by the Alaska Legislature in 2003 at the request of the Murkowski Administration attempted to "streamline the Alaska Coastal Management Program (ACMP) and through its implementation by statutory and regulatory amendments, forced a complete revision of all Alaska Coastal Management Plans in Alaska, including the Kenai Peninsula Borough plan; and

**WHEREAS,** as a result of the passage of HB 191, and new regulations imposed by the Alaska Department of Natural Resources, the Kenai Peninsula Borough lost more than 70 percent of the policies the borough had utilized effectively during the previous 15 years to assist development applicants while exercising appropriate stewardship of our natural resources; and

**WHEREAS,** Alaska Coastal Districts are unanimous in their appeal for revisions in Alaska Statutes and regulations to restore the ability of Alaskan communities to regain "a meaningful seat at the table" when management and development decisions affecting Alaska's coastal zones are being made; and

**WHEREAS,** Legislation with the following key provisions could restore to local governments a more meaningful role in the local development decisions and stewardship of coastal resources:

- Reestablishes an oversight board for the ACMP composed of five public members representing coastal districts and five commissioners of State resource agencies to make ACMP policy decisions.
- Establishes that the duties of the Board are to approve ACMP standards and criteria for district plans.
- Restores the ability of coastal districts, through their political bodies, to write meaningful enforceable policies by enabling policies to be prescriptive or performance-based, stricter or more specific than state or federal laws, but not violative of either.
- Reincorporates the Department of Environmental Conservation in the consistency review process.
- Reestablishes the ability of coastal districts, through their political bodies, to consider cumulative impacts in project reviews.

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That the Kenai Peninsula Borough supports the revision of the Alaska Coastal Management Program to restore and establish these provisions, among others, and permit the Assembly to consider the adoption of policies that are more reflective of the borough's concerns in its coastal zone.

**SECTION 2.** That a copies of this resolution be forwarded to Governor Sarah Palin, Senator Al Kookesh, Representative Woodie Salmon, Senator Con Bunde, Representative Mike Hawker, Senator Thomas Wagoner, Speaker Mike Chenault, Representative Kurt Olson, Senator Gary Stevens, Representative Paul Seaton, Senator Donald Olson, Representative Reggie Joule, Representative Bryce Edgmon, Representative Bob Buch and Department of Natural Resources Commissioner Tom Irwin.

**SECTION 3.** That this resolution takes effect immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 7TH DAY OF APRIL, 2009.**

Milli Märtin, Assembly President

ATTEST:

Johni Blankenship, Borough Clerk

KENAI PENINSULA BOROUGH 1964

| | |
|---|---|
| Yes: | Fischer, Long, Pierce, Smalley, Smith, Sprague, Superman, Martin |
| No: | None |
| Absent: | Knopp |

# Alaska State Legislature

Please enter into the record my testimony to the House Resources
committee name

Committee on HB 74 Coastal Mgmt Program , dated 4-15-09
bill # / subject public hearing date

See attached 2 pages

Signed: Gary Williams
Testifier

Kenai Peninsula Borough
Representing (optional)

144 S Binkley Soldotna, AK 99669
Address

Phone number

# ALASKA MINERS ASSOCIATION, INC.

3305 Arctic Blvd., #105, Anchorage, Alaska 99503 • (907) 563-9229 • FAX: (907) 563-9225 • www.alaskaminers.org


April 15, 2009

Honorable Craig Johnson
Honorable Mark Newman
Alaska State House
Capitol Building
Juneau, AK 99801

Re: House Bill 74, Changes to Alaska Coastal Zone Management

Dear Representatives Johnson and Newman,

The mining industry has been involved in the Alaska Coastal Zone Management Program (ACMP) for many years. Several companies have raised concerns regarding the CSHB-74(CRA). They agree that ACMP is not working well but they cannot support the changes being proposed in CSHB-74(CRA). **The bottom line is that this bill would create an administrative quagmire for the state permitting process and would create tremendous uncertainty for all permittees.**

As proposed by CSHB-74(CRA), the coastal districts would be in charge of the program and control what is done. In this situation, **the coastal districts would be in a position to set the rules and enforce them without accountability to the Legislature or the Administration.** The bill would re-establish the Coastal Policy Council (calling it the Coastal Policy Board) with 5 public members and 4 state agencies (DNR, DF&G, DEC, & DCEED). The governor would choose the public members but must select them from a list supplied by the Coastal Districts. **The effect is that the districts would control the outcome of the selection process. This is not a good situation for ACMP or any other public policy issue.**

Further under CSHB-74(CRA), the Coastal Policy Board (CPB) would approve or disapprove all plans and regulations. If the board feels that an agency is not interpreting the policies the way they want, it would have the authority to order the agencies to change, irrespective of State statue or regulation. **The CPB would thereby effectively have authority over both the Legislature and the Administration.**

CSHB-74(CRA) would also eliminate what has been called the DEC "carve-out". It would allow districts to interpret state statutes and regulations relating to air quality, water quality, solid waste disposal, water injection, land issues, sanitation, food service, public health, etc. Many of these statutes and regulations have been developed over many decades of detailed technical evaluation by the agency and through a tremendous amount of public process and input. Others are nation-wide standards developed over many years by federal government scientists at the cost of millions of dollars. **The coastal districts do not and will not have the technical expertise to fully evaluate these issues.**

regulate something the legislature has not given them, the district could simply write it themselves and DNR, DF&G, DCEED would have to comply.

A second conclusion is that many of the examples mentioned above would raise constitutional questions. Because the CPB has the authority to go beyond state law, the bill has the effect of delegating legislative law-making to a public-dominated board. This delegation is not constitutionally allowed. Similarly, it removes interpretation of state regulations from the administrative branch — where the interpretations constitutionally belong — and gives this authority to the CPB. While some of these constitutional issues existed before passage of HB-191 in 2003 (specifically the homeless stipulations), CSHB-74(CRA) greatly magnifies and expands these legal problems.

A third conclusion is that the bill essentially does away with the concept of state interest. There are some decisions — whether and how a gasline should be constructed, expansion of the railroad, even oil development on the North Slope — that should be decided by the state, without a veto by local authorities. It is critical that local land-use issues and local concerns be taken into account by the permitting agencies, but some issues affect the entire state and must be determined on a state-wide basis. CSHB-74(CRA) essentially does away with this concept.

A final conclusion is that the changes proposed would create tremendous uncertainty for the regulated public. There is no way to escape a great deal of uncertainty as individual coastal districts have the final say in what was previously agency matters.

Thank you for the opportunity to address our concerns to you.

Sincerely,

Steven C. Borell, P.E.
Executive Director

**Testimony of Patricia Phillips**
**Mayor, City of Pelican**

**House Resources Committee**
**House Bill 74 – Alaska Coastal Management Program**
**April 15, 2009**

Co-Chair Johnson, Co-Chair Neuman and House Resources Committee, my name is Patricia Phillips; I am Mayor of the City of Pelican.

The City of Pelican supports House Bill 4 because it reinstates essential components to the Alaska Coastal Management Program (ACMP).
The State of Alaska and local coastal districts were once closely affiliated when the ACMP was first put into effect. However, more recently, the role of coastal districts has been impaired. HB 74 restores the ability of coastal districts to establish meaningful enforceable policies, discuss air and water quality issues during coastal management reviews, and provides a forum for coastal districts and state agencies through a "Coastal Policy Board". The main purpose is to reinstate local determination and due deference on matters of local concern regarding resources in coastal areas.

As a mayor of a small rural coastal community, I understand economic development is the driver to keep our communities vibrant and healthy. I see first-hand the onerous requirements of federal and state environmental reviews and permitting procedures. The ACMP is not just another regulatory program; rather, it coordinates the management authorities of state and federal agencies and local governments. The coordinated consistency review process allows all parties to consult with one another to work out issues early in the process prior to permits being finalized.

The ACMP Re-Evaluation process initiated by the Alaska Department of Natural Resources ended without consensus. I attended the December re-evaluation workshop in Anchorage and thought DNR missed an opportunity for consensus on many of the proposed changes to state statutes and regulations.

An important aspect of the ACMP is the ability of coastal districts to establish enforceable policies to address local conditions and concerns. Unique to Alaska is ANILCA which protects subsistence use on Federal public lands. Coastal districts need enforceable policies for subsistence and important habitat related to subsistence. Governor Palin recognized this when during her campaign for governor she pledged, "I would also revisit the change in regulations on the Alaska Coastal Zone Management program in which the past administration by eliminating the rights of local districts to write specific local enforceable policies on important issues like subsistence" (www.palinforgovernor.com). SB 4 establishes clear criteria for local policies that do not conflict with state or federal laws.

HB 74 establishes a Coastal Policy Board. This board is necessary to ensure the views of coastal districts and state agencies are considered for major coastal policy issues. The Coastal Management Program was designed to encourage the states to exercise their full authority over the lands and waters in the coastal zone by assisting the states, **in cooperation with** Federal and local governments and other vitally affected interests, in developing land and water use programs for the coastal zone [....], and giving of timely and effective notification of, and opportunities for public and local government participation in, coastal management decision-making.

HB 74 eliminates the "DEC carve-out" by bringing Department of Environmental Conservation permits into the project consistency review process. The draft statutes issued by the Alaska Department of Natural Resources last November supported elimination of the carve-out. Air and water quality affects nearly all coastal issues, so it makes sense to include these factors in the ACMP consistency review process.

Thank you for the opportunity to testify on this important bill, and I urge you to pass it out of committee at your earliest convenience.

| | |
|---|---|
| Introduced by: | Martin |
| Date: | 04/07/09 |
| Action: | Adopted as Amended |
| Vote: | 8 Yes, 0 No, 1 Absent |

**KENAI PENINSULA BOROUGH**
**RESOLUTION 2009-030**

**A RESOLUTION SUPPORTING LEGISLATION TO ENABLE ALASKA'S COASTAL COMMUNITIES TO MORE EFFECTIVELY PARTICIPATE IN THE ALASKA COASTAL MANAGEMENT PROGRAM**

**WHEREAS,** the passage of House Bill 191 by the Alaska Legislature in 2003 at the request of the Murkowski Administration attempted to "streamline the Alaska Coastal Management Program (ACMP) and through its implementation by statutory and regulatory amendments, forced a complete revision of all Alaska Coastal Management Plans in Alaska, including the Kenai Peninsula Borough plan; and

**WHEREAS,** as a result of the passage of HB 191, and new regulations imposed by the Alaska Department of Natural Resources, the Kenai Peninsula Borough lost more than 70 percent of the policies the borough had utilized effectively during the previous 15 years to assist development applicants while exercising appropriate stewardship of our natural resources; and

**WHEREAS,** Alaska Coastal Districts are unanimous in their appeal for revisions in Alaska Statutes and regulations to restore the ability of Alaskan communities to regain "a meaningful seat at the table" when management and development decisions affecting Alaska's coastal zones are being made; and

**WHEREAS,** Legislation with the following key provisions could restore to local governments a more meaningful role in the local development decisions and stewardship of coastal resources:

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- Establishes that the duties of the Board are to approve ACMP standards and criteria for district plans.
- Restores the ability of coastal districts, through their political bodies, to write meaningful enforceable policies by enabling policies to be prescriptive or performance-based, stricter or more specific than state or federal laws, but not violative of either.
- Reincorporates the Department of Environmental Conservation in the consistency review process.
- Reestablishes the ability of coastal districts, through their political bodies, to consider cumulative impacts in project reviews.

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**SECTION 1.** That the Kenai Peninsula Borough supports the revision of the Alaska Coastal Management Program to restore and establish these provisions, among others, and permit the Assembly to consider the adoption of policies that are more reflective of the borough's concerns in its coastal zone.

**SECTION 2.** That a copies of this resolution be forwarded to Governor Sarah Palin, Senator Al Kookesh, Representative Woodie Salmon, Senator Con Bunde, Representative Mike Hawker, Senator Thomas Wagoner, Speaker Mike Chenault, Representative Kurt Olson, Senator Gary Stevens, Representative Paul Seaton, Senator Donald Olson, Representative Reggie Joule, Representative Bryce Edgmon, Representative Bob Buch and Department of Natural Resources Commissioner Tom Irwin.

**SECTION 3.** That this resolution takes effect immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 7TH DAY OF APRIL, 2009.**

Milli Martin, Assembly President

ATTEST:

Johni Blankenship, Borough Clerk

| | |
|---|---|
| Yes: | Fischer, Long, Pierce, Smalley, Smith, Sprague, Superman, Martin |
| No: | None |
| Absent: | Knopp |

# KENAI PENINSULA BOROUGH

**Office of the Borough Clerk**

144 North Binkley Street
Soldotna, AK 99669
Phone 907-714-2160
Fax 907-714-2388

Milli Martin, Assembly President
Pete Sprague, Vice President

## MEMORANDUM

**To:** Assembly Members

**From:** Assembly President Milli Martin

**Date:** April 7, 2009

**Re:** Resolution 2009-030, Supporting Legislation Regarding the Alaska Coastal Management Program

---

The attached resolution offers general support for legislation now before both the House and Senate concerning the Alaska Coastal Management Program (ACMP). In my view, the ACMP is very important to the Kenai Peninsula Borough, as this borough has, mile for mile, the longest borough coastline in the state.

The Coastal Policy Council that was originally established in the legislation of 1977 worked well. The key to both pending bills is the reestablishment of the ACMP Coastal Policy Board that existed before the legislature removed it in 2003 with the enactment of HB 191. It is also a mechanism for coastal districts to appeal the decisions of the Department of Natural Resources (DNR) regarding the adoption of enforceable policies. Under the current policy, DNR has the final authority to interpret statutes and administrative code provisions, and deny policies on that basis. During the statutorily required rewrite of the Kenai Peninsula Borough Coastal Management Plan in 2003, a number of policies the borough used successfully for all concerned during 15 years of implementation were denied without appeal. Among policies DNR denied were those related to consideration of the impact of development in uplands adjacent to important river habitat, dredging and filling in water bodies, resource extraction on shorelines, and development in unstable areas.

In addition to the creation of the Board, a number of statutory and administrative code changes are necessary for the ACMP to live up to the purpose for which it was created. This purpose is to help those who want to invest in and develop projects to do so in a way that protects the uses and resources of coastal areas. The only opportunity the borough has "to have a seat at the table" during the project permitting process is through the ACMP.

I believe the Kenai Peninsula Borough has demonstrated over the years that both development and protection of resources can be accomplished. ACMP has been an integral part of the KPB since it was adopted by the borough in 1990.

I also recognize these bills will probably take two years for passage. However, I feel it is imperative to let members of the Legislature know the Assembly supports these efforts. The Alaska Municipal League has a letter of support on file, as did the cities of Cordova, Valdez, and Pelican, and the Aleutians West Coastal Resource Service Area. Resolutions from the Kodiak Island Borough and the City and Borough of Sitka have been sent to the legislature. I anticipate others will follow.

I ask your support of this resolution.

# Testimony of Carol Smith

## Coastal Program Coordinator for the City of Valdez

## Senate Resources Committee

## Senate Bill 4 Alaska Coastal Management Program

Good Afternoon! My name is Carol Smith, I am the Coastal Coordinator for the Valdez Coastal District and member of the ACMP Re-evalution Stakeholder Group. Thank you for this opportunity to provide comments on HB 4 regarding changes to the Alaska Coastal Management Program (ACMP).

Because of the major regulation changes in 2003, the Valdez Coastal Management Plan went from 41 enforceable policies to 14. The updated Valdez Coastal Management Plan was approved even though a number of our meaningful policies were not approved. We felt it was important to be a part of the Alaska Coastal Management Program and it has been our hope that new regulations would be introduced to give the districts back more local input through meaningful policies. We believe the most affective coastal plan is a balance of Federal, State, Applicant and Local cooperation.

PROPOSED Coastal Policy Board: Section 1 of the bill would establish the Coastal Policy Board. We agree that the old Coastal Policy Council of 17 members did not always work well as it was too large and was made up of political representatives who were not always aware of everything that was happening with the ACMP. This proposed board is much smaller and would be made up of representatives of coastal districts and state agencies, and unlike the former council, it would not be responsible for project consistency reviews. The new board would only address ACMP issues. Appeals are now handled by the DNR Commissioner and the CPB would be a much fairer process.

ENFORCEABLE POLICIES: Sections 9 and 14 of the bill would make the criteria for district enforceable policies much clearer. A major problem since the 2003 changes has been varied interpretation of the new regulations by DNR. Districts need to be able to write meaningful enforceable policies that address local concerns. The bill would allow coastal districts to establish policies as long as they do not duplicate an existing law and do not address a matter preempted by a state or federal agency. The Alaska coastline is very vast and different so one shoe does not fit all situations.

DEC CARVE-OUT: The City of Valdez supports Section 37 of the bill which eliminates the "DEC Carve-out." At the November Workshop, the Alaska Department of Natural Resources and other state agencies indicated their support for bringing DEC back into the ACMP review process. Doing reviews on DEC projects has been very confusing and hard to coordinate for the state agencies as well as the coastal districts. It worked much better with the "one-stop shop" approach. We believe this change is very positive.

We realize this bill may not be perfect but it is a very positive step towards fixing problems that have been created by the 2003 regulations changes. The Coastal Districts want to see positive cooperation among all entities involved in the Coastal Management Plan.

Thank you for the opportunity to testify on Senate Bill #4. This concludes my testimony.

Testimony in Support of HB74
Yakutat Coastal District

The National Coastal Zone Management Act of 1972 created a program for balancing human actions within identified coastal districts. Noting the increase in population, decreasing space and diminishing resources the act attempted to create a system for making development decisions based on cooperation.

Local governments are specifically identified as cooperators in the CZMA. Under current regulations I feel we function merely as another public commenter and are not serving as empowered cooperators. We have no board to which we can bring disagreements and no ability to enact policies important locally. There were several projects that have occurred in recent years where the local district provided far more oversight then either the state or federal agencies involved. The problems were identified but there was no regulatory avenue for local districts to declare the actions as inconsistent which would have provided leverage to steer the project to a place within the spirit of the CZMA. Instead we had to stand by and watch or utilize other avenues to make our voices heard.

The ideas of local control, small government and self determination are intrinsic to American philosophy. Sometimes it is necessary to enable large government oversight to deal with problems such as coal emissions drifting from China to Alaskan shores. Other times it is appropriate to have management guided at the state level because some resources such salmon and waterfowl are migratory in nature and can be harvested across district boundaries. However, issues such as water quality, construction, mining, timber harvest, etc. are sedentary in nature and the people within the Coastal District will have to live with the short and long term consequences of the action. Sometimes the impacts can last for generations, long after the profit and jobs have moved on, so overall results should be positive not negative. Geographically bound projects, such as these, must be evaluated with strong local cooperation to ensure this happens.

Empowered local participation brings four benefits to the table;

1.) Site specific knowledge of local areas and ecological processes
2.) Rapid feedback loops by observing changes in local socioeconomic and environmental conditions
3.) One more check and balance emanating from a different perspective then visiting State or Federal regulators
4.) Respect

There must be strong policy at the local level that embodies the vision of those living there. The current situation leaves us as powerless bystanders or forces us to become antagonists; HB 74 reinstates the possibility that we can repair the Alaska Coastal Program, reinvigorate the public process, avoid unnecessary controversy and create a sustainable model for the state's future development.

Thank you for the opportunity to comment

Bill Lucey
Coastal Planner - Yakutat

## LOCAL COOPERATION

### Sec. 304 COASTAL ZONE MANAGEMENT ACT OF 1972

(4) to **encourage the participation and cooperation of** the public, state and **local governments**, and interstate and other regional agencies, as well as the Federal agencies having programs affecting the coastal zone, in carrying out the purposes of this title;
(5) to **encourage coordination and cooperation with** and among the appropriate Federal, State, and **local agencies**, and international organizations where appropriate, in collection, analysis, synthesis, and dissemination of coastal management information, research results, and technical assistance, to support State and Federal regulation of land use practices affecting the coastal and ocean resources of the United States; and
(6) to **respond to changing circumstances** affecting the coastal environment and coastal resource management by encouraging States to consider such issues as ocean uses potentially affecting the coastal zone.
(16 U.S.C. 1452)

### THE SPIRIT OF THE COASTAL PROGRAM

SEC. 302. The Congress finds that—

(a) There is a national interest in the **effective management**, beneficial use, protection, and development of the coastal zone.
(b) The coastal zone is rich in a variety of natural, commercial, recreational, ecological, industrial, and esthetic resources of immediate and potential value to the present and **future well-being** of the Nation.
(c) The **increasing and competing demands** upon the lands and waters of our coastal zone occasioned by population growth and economic development, including requirements for industry, commerce, residential development, recreation, extraction of mineral resources and fossil fuels, transportation and navigation, waste disposal, and harvesting of fish, shellfish, and other living marine resources, **have resulted in** the loss of living marine resources, wildlife, nutrient-rich areas, **permanent and adverse changes to ecological systems,** decreasing open space for public use, and shoreline erosion.

TESTIMONY OF TOM LOHMAN
NORTH SLOPE BOROUGH DEPT. OF WILDLIFE MANAGEMENT
HOUSE RESOURCES COMMITTEE
HB 74
APRIL 15, 2009

Thank you to Co-Chairs Johnson and Neuman, members of the Committee, my name is Tom Lohman. I've been with the North Slope Borough, first with the Law Department and now with the Wildlife Department, for almost 22 years. Our local district plan was approved in 1988, my 2nd year with the Borough...so I've been at this for a long time.

First off, the ACMP is not like other regulatory schemes, it was never been intended to be like, and should not be like other regulatory schemes. It is unique, and was created that way beginning at the federal level with the Coastal Zone Management Act. It is a voluntary partnership, and any party that opts to become involved expects to benefit from their participation. States that opt into the national program agree to meet certain general conditions, and in return get federal dollars and the very unique commitment that federal activities and permits will be consistent with the different terms and conditions of the federally approved state programs. In return for that yielding to the authority and differing dictates of the various states, the federal government gets the protection of coastal resources and uses the Congress wisely recognized as being environmentally, economically, culturally, and otherwise of critical value to the country as a whole.

DNR and should stop trying to make the ACMP a one-size-fits-all statewide program like most other statutory and regulatory programs.

Now, mirroring the wisdom of Congress the Alaska Legislature in crafting our state program adopted an approach unique among participating states. Authority was further transferred down to the local level...to local districts...recognizing the uniqueness of Alaska, the great size and diversity of our coastal areas, and a certain spirit the makes communities bristle when told by remote decision makers what's best for them...in the same way every Alaska state administration has had reasons at various times to tell federal decision makers in DC, Seattle, or San Francisco to back off when they try to implement general nationwide regulations that may work elsewhere but don't make sense here.

## AMENDMENT 1

**OFFERED IN:** The House Community & Regional Affairs Committee

**TO:** HB 74 (HCRA)

**OFFERED BY:** Representative Joule

**Delete** at pg. 7 (b)(2), lines 20-23.

**Add** at pg. 7 line 20 the following:

(b)(2)(a) are necessary given local conditions, and

(b)(2)(b) are supported by evidence, including contemporary or traditional local knowledge, if the policies are more specific than state or federal statutes or regulations.

## AMENDMENT 2

**OFFERED IN:** The House Community & Regional Affairs Committee

**TO:** HB 74 (HCRA)

**OFFERED BY:** Representative Joule

At pg. 11, line 13 **delete** the following from sec. 46.40.070:

(B) are not preempted by federal statutes or regulations; and

**Add** the following at pg. 11, line 13:

(B) are not preempted by federal or state law.

At pg. 11, line 20 **add**:

(c) In (a)(2)(B) of this section, an enforceable policy of the district coastal management plan is preempted by state statutes or regulations if it is prohibited , either by express legislative direction, or direct conflict with a state statute, or where a local law or regulation substantially interferes with the effective functioning of a state statute or regulation or its underlying purpose.

## AMENDMENT 3

**OFFERED IN:** The House Community & Regional Affairs Committee

**TO:** HB 74 (HCRA)

**OFFERED BY:** Representative Joule

**Delete** pg. 16, lines 21-28.

**Add** at pg. 16, line 21 the following:

(a) A city within the coastal area that is not part of a coastal resource service area shall be included for purposes of this chapter within in adjacent coastal resource service area unless its governing body, by resolution adopted by a majority of its membership, chooses to exclude the city from an adjacent coastal resource service area and a copy of the resolution is filed with the commissioner of commerce, community, and economic development.

## AMENDMENT 4

**OFFERED IN:** The House Community & Regional Affairs Committee

**TO:** HB 74 (HCRA)

**OFFERED BY:** Representative Joule

**Delete** at pg. 17, lines 8-23.

**Add** at pg. 17 line 8 the following:

"coastal resource district" means each of the following that contains a portion of the coastal area of the state:

(A) unified municipalities;

(B) organized boroughs of any class that exercise planning and zoning authority;

(C) home rule and first class cities of the unorganized borough or within boroughs that do not exercise planning and zoning authority;

(D) second class cities of the unorganized borough, or within boroughs that do not exercise planning and zoning authority, that have established a planning commission, and that, in the opinion of the commissioner of commerce, community, and economic development, have the capability of preparing and implementing a comprehensive district management plan under AS 46.40.030;

(E) coastal resource service areas established and organized under AS 29.03.020 and AS 46.40.110 – 46.40.180;

## AMENDMENT 1

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**TO:** HB 74 (HCRA)

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**Add** at pg. 7 line 20 the following:

(b)(2)(a) are necessary given local conditions, and

(b)(2)(b) are supported by evidence, including contemporary or traditional local knowledge, if the policies are more specific than state or federal statutes or regulations.

**EXPLANATION:**

This amendment brings clarity to the existing bill section, which is confusing. It omits the word "stricter," which may have instigated fear among opponents of the bill that this bill will allow coastal districts to create enforceable policies that undermine the authority of the state and federal governments.

## AMENDMENT 2

**OFFERED IN:** The House Community & Regional Affairs Committee

**TO:** HB 74 (HCRA)

**OFFERED BY:** Representative Joule

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(c) In (a)(2)(B) of this section, an enforceable policy of the district coastal management plan is preempted by state statutes or regulations if it is prohibited , either by express legislative direction, or direct conflict with a state statute, or where a local law or regulation substantially interferes with the effective functioning of a state statute or regulation or its underlying purpose.

**EXPLANATION:**

This amendment clarifies that district enforceable policies cannot override state law or render state law moot by further articulating when a district policy oversteps its bounds, i.e. when it is preempted by state law. Much of the discontent with the ACMP involves a lack of consensus regarding what district enforceable policies are "approvable." For stakeholders to work together and for DNR to promulgate regulations that implement the ACMP as the legislature intends[1], it needs adequate guidance. This amendment seeks to provide more thorough guidance than does the existing bill.

[1] "The ACMP regulations ended up more stringent than what was intended under HB 191. Coastal districts were limited in their ability to craft enforceable policies that address coastal uses and resources that were important to local residents. This limitation manifested itself into severely strained relationships between OPMP [Office of Project Management and Permitting], DCOM, and many districts." Statement by Randy Bates, minutes from SB 161, 2008 version of bill, first hearing.

## AMENDMENT 3

**OFFERED IN:** The House Community & Regional Affairs Committee

**TO:** HB 74 (HCRA)

**OFFERED BY:** Representative Joule

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**Add** at pg. 16, line 21 the following:

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**EXPLANATION:** This restores the original wording of the law. This bill section flips the meaning of the existing statute by creating the possibility for the elimination of coastal resource service areas, which is not the intent of the sponsor.

## AMENDMENT 4

**OFFERED IN:** The House Community & Regional Affairs Committee

**TO:** HB 74 (HCRA)

**OFFERED BY:** Representative Joule

**Delete** at pg. 17, lines 8-23.

**Add** at pg. 17 line 8 the following:

"coastal resource district" means each of the following that contains a portion of the coastal area of the state:

(A) unified municipalities;

(B) organized boroughs of any class that exercise planning and zoning authority;

(C) home rule and first class cities of the unorganized borough or within boroughs that do not exercise planning and zoning authority;

(D) second class cities of the unorganized borough, or within boroughs that do not exercise planning and zoning authority, that have established a planning commission, and that, in the opinion of the commissioner of commerce, community, and economic development, have the capability of preparing and implementing a comprehensive district management plan under AS 46.40.030;

(E) coastal resource service areas established and organized under AS 29.03.020 and AS 46.40.110 – 46.40.180;

**EXPLANATION:** This bill section might have unintended consequences, such as disallowing a district that is currently in an unorganized borough from continuing its status as a coastal resource district if it formed a borough that does not exercise planning and zoning authority.

| Quad Name | Number |
|---|---|
| ADAK | 85 |
| AFOGNAK | 59 |
| AMBLER RIVER | 26 |
| AMUKTA | 82 |
| ANCHORAGE | 96 |
| ANCHORAGE INSET | 96a |
| ARCTIC | 5 |
| ATKA | 84 |
| ATLIN | 106 |
| ATTU | 89 |
| BAIRD INLET | 49 |
| BAIRD MTS | 25 |
| BARROW | 15 |
| BARTER ISLAND | 2 |
| BEECHEY POINT | 8 |
| BENDELEBEN | 34 |
| BERING GLACIER | 102 |
| BETHEL | 48 |
| BLACK | 44 |
| BLYING SOUND | 94 |
| BRADFIELD CANAL | 112 |
| BRISTOL BAY | 64 |
| CANDLE | 35 |
| CAPE MENDENHALL | 52 |
| CHANDLER LAKE | 11 |
| CHIGNIK | 71 |
| COLD BAY | 73 |
| CORDOVA | 99 |
| CRAIG | 115 |
| DE LONG MTS | 22 |
| DE MARCATION PT. | 1 |
| DILLINGHAM | 55 |
| DIXON ENTRANCE | 118 |
| FALSE PASS | 77 |
| FLAXMAN ISLAND | 3 |
| GARELOI ISLAND | 86 |
| GOODNEWS BAY | 54 |
| HAGEMEISTER IS. | 63 |
| HARRISON BAY | 9 |
| HOLY CROSS | 42 |
| HOOPER BAY | 45 |
| HOWARD PASS | 20 |
| HUGHES | 28 |
| ICY BAY | 101 |
| IKPIKPUK RIVER | 13 |
| ILIAMNA | 58 |
| JUNEAU | 108 |
| KAGUYAK | 68 |
| KARLUK | 66 |
| KENAI | 92 |
| KETCHIKAN | 116 |
| KILLIK RIVER | 12 |
| KISKA | 88 |
| KODIAK | 67 |
| KOTZEBUE | 31 |
| KUSKOKWIM BAY | 53 |
| KWIGUK | 43 |
| LAKE CLARK | 57 |
| MARSHALL | 46 |
| MEADE RIVER | 16 |
| MIDDLETON IS. | 100 |
| MISHEGUK MTN | 21 |
| MT FAIRWEATHER | 109 |
| MT KATMAI | 60 |
| MT MICHELSON | 4 |
| MT ST ELIAS | 103 |
| NAKNEK | 61 |
| NOATAK | 24 |
| NOME | 38 |
| NORTON BAY | 36 |
| NUNIVAK ISLAND | 50 |
| NUSHAGAK BAY | 62 |
| PETERSBURG | 113 |
| PHILIP SMITH MTS | 6 |
| POINT HOPE | 23 |
| POINT LAY | 19 |
| PORT ALEXANDER | 114 |
| PORT MOLLER | 74 |
| PRIBILOF ISLANDS | 72 |
| PRINCE RUPERT | 117 |
| RAT ISLAND | 87 |
| RUSSIAN MISSION | 47 |
| SAGAVANIRKTOK | 7 |
| SAMALGA ISLAND | 81 |
| SEGUAM | 83 |
| SELAWIK | 30 |
| SELDOVIA | 93 |
| SEWARD | 95 |
| SHISHMAREF | 32 |
| SHUNGNAK | 29 |
| SIMEONOF IS. | 76 |
| SITKA | 110 |
| SKAGWAY | 105 |
| SOLOMON | 37 |
| ST LAWRENCE | 39 |
| ST MATTHEW | 51 |
| ST MICHAEL | 40 |
| STEPOVAK BAY | 75 |
| SUMDUM | 111 |
| SUTWIK ISLAND | 70 |
| TAKU RIVER | 107 |
| TALKEETNA | 90 |
| TALKEETNA MTS | 97 |
| TAYLOR MTS | 56 |
| TELLER | 33 |
| TEBHEKPUK | 14 |
| TRINITY ISLANDS | 69 |
| TYONEK | 91 |
| UGASHIK | 65 |
| UMIAT | 10 |
| UMNAK | 80 |
| UNALAKLEET | 41 |
| UNALASKA | 79 |
| UNIMAK | 78 |
| UTUKOK RIVER | 18 |
| VALDEZ | 98 |
| WAINWRIGHT | 17 |
| YAKUTAT | 104 |

# Coastal Zone Boundaries of Alaska Index Map

Quad Name Number — Atlas Quad Name and Number

Inland Coastal Zone

Seaward Coastal Zone

Coastal District Boundary

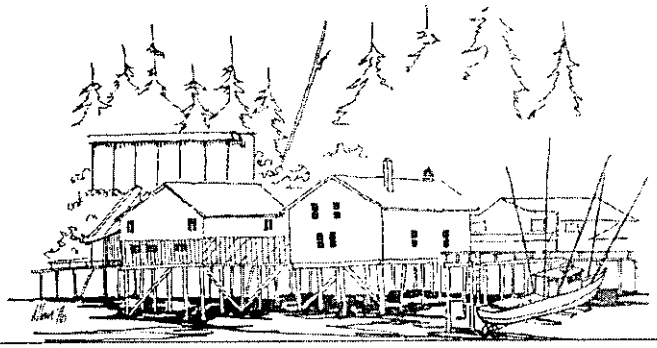
## Aleutians Inset

Aleutians West CRSA

0 25 50 100 150 200 250 Miles

August 2005

Index Map



# City of Pelican

BOX 737 - PELICAN, ALASKA 99832 - PHONE: 735-2202/2203 - FAX: 735-2258 - E-MAIL: cityhall@pelicancity.net - WEBSITE: www.pelicancity.net

February 20, 2009

Honorable Bob Herron and Honorable Cathy Munoz
Co-Chairs House Community and Regional Affairs Committee
Capitol, Room 415
Juneau, Alaska 99801

Dear Co-Chairs Herron and Munoz:

The City of Pelican wishes to support House Bill 74 which would improve the Alaska Coastal Management Program (ACMP). Changes made to the program in 2003 have reduced the effectiveness of the ACMP.

As a mayor of a small rural coastal community, I see first-hand the onerous Federal and State Environmental reviews and permitting processes. These bills would allow coastal districts to establish meaningful enforceable policies, but in my opinion, they would not lead to significant additional burdens for project applicants because coastal districts need economic development.

The City of Pelican supports creation of the Coastal Policy Board. This board would lead to a better balance in decisions because it would represent state agencies and coastal districts. Nothing in the proposed legislation would allow the board to overrule agency decisions.

We also support integration of the Department of Environmental Conservation into the ACMP consistency review process.

Thank you for the opportunity to comment on House Bill 74.

Sincerely,

Patricia Phillips

Patricia Phillips
Mayor

cc: Members of the House Community and Regional Affairs Committee

December 22, 2008

Randy Bates
Director, Division of Coastal and Ocean Management
Department of Natural Resources
P.O. Box 111030
Juneau, Alaska 99811-1030

Re: **Alaska Coastal Management Program Re-Evaluation**

Dear Mr. Bates,

Ukpeagvik Inupiat Corporation (UIC) was created under the Alaska Native Claims Settlement Act (ANCSA) in 1972 to serve the social and economic interests of the Native Village of Barrow, Alaska, the northern most coastal village in the United States. In light of expanding resource exploration and development both onshore and offshore in our region, the UIC Board of Directors has developed the following policy statement:

> *In our interactions with the oil and gas industry, we will leverage our position to benefit the Ukpeaġvik Iñupiat Corporation Family of Companies, its shareholders and the community. We acknowledge the inevitability of exploration and development by the oil and gas industry and we will support exploration activities as long as they are done in a way that ensures:*
>
> - *Protection and preservation of the Iñupiat culture and subsistence lifestyle*
> - *Economic benefit for our community*
> - *Employment for our shareholders and their families, and*
> - *Contract opportunities for our companies*

UIC shares the interests of the North Slope Borough, as our coastal district governing body, to create a robust and growing industrial sector in Alaska's arctic. UIC also shares an interest in protecting our Inupiat customary and traditional way of life through local participation in project planning by implementing sound environmental regulations and policies under a flexible and reasonable Alaska Coastal Management Program. UIC is favorable to empowering local coastal districts to enforce locally driven environmental policies through a predictable and streamlined public process under the expertise of a coastal management plan.

Each coastal district or region in Alaska is so unique and special both geographically and ecologically, it makes sense to empower well thought and reasonable district specific enforceable policies to help guide project development beyond general state and federal regulations. For example, a local policy that fits the needs of Cook Inlet or Southeast communities, such as pipeline setbacks, cannery operations, cruise industry ports of call, general water use and waste discharge, or tank farm requirements, may not apply similarly in the unique arctic environment.

Before 2004, the original statutes and regulations of ACMP worked moderately well, allowing coastal districts to participate and include local expertise in the permitting process. With a few procedural modifications to the older, pre-2003 system, such as a streamlined Coastal Policy Board, as envisioned in

Ukpeaġvik Iñupiat Corporation
P.O. Box 890 • Barrow, AK 99723 • Fax (907) 852-4459 • Voice (907) 852-4480

the North Slope Borough (NSB) recent recommendations, we believe the ACMP can achieve the intent of the Coastal Zone Management Act and the intent of the Alaska Constitution to maximize local control and governance.

UIC believes future statutory language should support an ACMP regime that allows multiple agencies such as DNR, DEC, ADF&G, and DCCED to participate in a meaningful consistency review. This broad challenge requires well defined language that should reflect flexible regulatory structure so as not to create the potential for arbitration and delay. If piecemeal decision-making is framed by restrictive state policy and tedious legislative review, higher probability for arbitration and delay of important commercial activity will result from special interest group interpretations of the environmental regulations governing proposed coastal economic development projects.

UIC believes sound natural resource management and environmental conservation are best served under "performance based policies", innovative solutions driven, flexible, and incorporating predictable regulations that guide industrial development – dispelling notions that local policies should apply only to specific designated areas and resources. This philosophy recognizes potentially large shifts in ecology and subsistence resource migration, which in turn defines public access and uses of resources, especially in light of climate change, global warming, arctic sea ice retreat, and cumulative industrial growth.

UIC is economically dependant, in large part, on a healthy oil and gas industry, but we are also dependant on a healthy arctic marine ecosystem which supports the Inupiat subsistence way of life. As a critical stakeholder in the ACMP regulatory process we thank you for this opportunity to comment on the ACMP reevaluation.

Respectfully submitted,
UKPEAGVIK INUPIAT CORPORATION

Anthony E. Edwardsen
President & CEO

Distribution:

# House Bill 74 – Alaska Coastal Management Program (ACMP)
## Sectional Analysis
### January 27, 2009

**Section 1:** Establishes the Alaska Coastal Policy Board (Board), composed of 5 public members representing coastal districts and commissioners of natural resources, fish and game, environmental conservation, and commerce, community and economic development.

**Section 2:** Clarifies that the Department of Natural Resources (Department) coordinates project consistency reviews for projects with only Department permits or for projects that involve two or more other state resource agency permits.

**Section 3.** Establishes authority for the Department to adopt regulations after approval by the Board.

**Section 4:** Establishes powers for the Board including the ability to accept grants and take reasonable action to carry out provisions of AS 46.39 and AS 46.40.

**Section 5:** Establishes duties of the Board to approve statewide ACMP standards and criteria for district plan approval.

**Section 6:** Defines Board in AS 46.39.900.

**Section 7:** Provides for approval of ACMP program changes by the Board.

**Section 8:** Adds subsistence to the list of resources included in the ACMP objectives.

**Section 9:** Subsection (a) removes requirement for district enforceable policies to meet the statewide standards. Clarifies that district enforceable policies apply to all land and water issues subject to the plan. Removes requirement to describe proper and improper uses. Changes the term "areas meriting special attention" to "special management areas." Subsection (b) requires district enforceable policies to be clear and concise, either prescriptive or performance-based, and stricter or more specific than state or federal laws.

**Section 10:** Makes conforming changes for board approval of ACMP regulations. Deleted language in AS 46.40.040(a)(2) – (5) moved to a new subsection (d).

**Section 11:** Moves language deleted from AS 46.40.040(a) to a new section outlining responsibilities of the Board.

**Section 12:** Makes conforming amendments by clarifying district plans must be approved by the Board.

**Section 13:** Establishes the review and approval process for coastal district plans including provisions for districts to work with the Department to resolve issues before the Board approves a plan. Allows districts to request mediation of the Board's decision.

**Section 14:** Establishes criteria for board approval of district plans and clarifies that district enforceable policies may not address matters preempted by state or federal laws.

**Section 15:** Makes conforming changes for board approval of ACMP regulations.



1350

**Section 16:** Changes the term "subsequent review" to the commonly used term "elevation" and clarifies that the three state resource agencies make the final decision on a project elevation.

**Section 17:** Clarifies that aspects of an activity covered by a general or nationwide permit are excluded from a consistency review (rather than the entire activity). Eliminates language exempting Department of Environmental Conservation permits from consistency reviews.

**Section 18:** Makes conforming changes for Board approval of district enforceable policies.

**Section 19:** Allows ACMP consistency review of projects inland of the coastal zone if there would be direct and significant effects to coastal uses or resources. Clarifies that seismic survey activities in federal waters are subject to consistency reviews.

**Section 20:** Clarifies that categorically or generally consistent activities are for routine projects.

**Section 21:** Exempts federal activities and federally-permitted projects the 90-day consistency review time limit. Allows extension of the time limit for adjudication of coastal district permits.

**Section 22:** Clarifies that the term "affected coastal resource district" includes districts with a publicly-reviewed draft plan or approved plan.

**Section 23:** Requires an individual consistency review for each Outer Continental Shelf lease sale.

**Section 24:** Gives the Board authority to act on a petition regarding non-implementation of a coastal district plan.

**Section 25 - 28:** Makes conforming amendment regarding Board action for a petition regarding non-implementation of a coastal district plan.

**Section 29:** Clarifies a coastal resource service area (CSRA) may accept new matter submitted by a city or village into its coastal management plan.

**Section 30:** Clarifies that municipalities are part of a CRSA unless they choose to be excluded.

**Section 31:** Removes language about boroughs that do not exercise planning and zoning authority.

**Section 32:** Makes conforming amendment clarifying the board's role in coastal boundary changes.

**Section 33 - 34:** Makes conforming amendment regarding the board's role in approving district plans and district enforceable policies.

**Section 35:** Clarifies that the term "project" includes federal activities and federally-permitted activities.

**Section 36:** Adds new definitions for the terms "Board" and "special management areas."

**Section 37:** Repeals exemption of Department of Environmental Conservation permits from consistency reviews ( AS 46.40.040(b)–(c) and AS 46.40.096(i)). Removes requirement for re-submittal district plans every 10 years (AS 46.40.050(a)). Removes exemption of shallow gas projects from ACMP reviews (AS 46.40.205). Removes definition for "areas meriting special attention" (AS 46.40.210(1)).

# North Slope Borough

## OFFICE OF THE MAYOR

P.O. Box 69
Barrow, Alaska 99723
Phone: 907 852-2611 or 0200
Fax: 907 852-0337 or 2595
email: edward.itta@north-slope.org

*Edward S. Itta, Mayor*

February 3, 2009

Senator Donny Olson
Alaska State Legislature
State Capitol, Room 514
Juneau, Alaska 99801

Sent by fax: _____.

RE: **SB 4 Alaska Coastal Management Program**

Dear Senator Olson:

Thank you for pre-filing SB 4 about the Alaska Coastal Management Program (ACMP). I understand the Senate Community and Regional Affairs Committee will be considering adopting a committee substitute similar to the version of this bill in the House. The North Slope Borough (Borough) supports the committee substitute because it will restore meaningful local involvement in the ACMP, implement checks and balances and streamline project reviews.

The Borough appreciates the sections of the proposed committee substitute that clarify the ability of coastal districts to establish enforceable policies, especially the provisions in AS 46.40.030 and 070. While the 2003 legislative changes to the ACMP allowed coastal districts to establish policies for matters not adequately addressed by state or federal law, many of our proposed enforceable policies were denied on the basis that they addressed an agency's authority. We made an extra effort to focus our proposed policies on matters that were not addressed by existing laws, but still they were denied.

The committee substitute for SB 4 would restore checks and balances to the ACMP by establishing the Coastal Policy Board. This body would represent coastal districts and state agencies. It would be responsible for approving changes to ACMP regulations, amendments to coastal district programs and overall grant programs. This body is similar to the former Coastal Policy Council except that it has fewer members and it is not responsible for project consistency reviews. Restoring the responsibility for project elevations to the three state resource agencies will ensure these agencies have a seat at the table.

The Borough also supports the sections of the proposed committee substitute that streamline project reviews. The ACMP used to be an effective program that resolved issues among local, state and federal agencies, but changes to the program statutes and regulations reduced its effectiveness. Bringing the Alaska Department of Environmental Conservation back into the consistency review process will bring air and water quality issues back into ACMP project reviews. Likewise, allowing coastal districts to have meaningful policies will encourage their participation in the coordinated consistency review process. These changes will streamline project reviews because issues can be resolved early in the process by all parties. The changes will also encourage permitting agencies to ensure their permit stipulations are compatible and reasonable.

Again, the North Slope Borough thanks you for introducing SB 4, and I look forward to testifying on this bill as it moves through the committee process.

Sincerely,

Edward S. Itta
Mayor

cc Johnny Aiken, NSB Director Planning & Community Services
Karla Kolash, NSB Mayor's Office
Andy Mack, NSB Mayor's Office

NORTHWEST ARCTIC BOROUGH

P.O. Box 1110

Kotzebue, Alaska 99752

(907) 442.2500 or (800) 478.1110

Fax: (907) 442.3740 or 2930

February 3, 2009

Honorable Senator Donny Olson
Capitol, Room 514
Juneau, Alaska 99811

Honorable Representative Reggie Joule
Capitol, Room 502
Juneau, Alaska 99801

**Re: SB 4 and HB 74 Alaska Coastal Management Program**

Dear Senator Olson and Representative Joule:

The Northwest Arctic Borough (NWAB) would like to thank you for the introduction of SB 4 and HB 74 on the Alaska Coastal Management Program (ACMP). On behalf of the Borough, I would like to address the substance of HB 74 because we understand the Senate Community and Regional Affairs Committee will consider adoption of the provisions of HB 74 into a senate committee substitute.

The NWAB supports the proposed legislation that would restore the ability of coastal districts to effectively participate in the program and establish meaningful policies under the ACMP; therefore providing valuable local input to development that happens in a very large and unique state. Another important provision in the bills would establish a board made of Alaskans to oversee the major aspects of ACMP as a publicly funded program. The proposed board would jointly represent state agencies and local coastal districts thereby restoring effective public engagement in the ACMP.

Currently, only the Alaska Department of Natural Resources (DNR) as a single agency makes all coastal management decisions. This has proved to be very one-sided and frustrating. For example, as you may know, during 2008 the NWAB attempted mediation with DNR to improve the decisions regarding our coastal management plan. Unfortunately, the mediation ended in an impasse with the majority of the proposed plan flat out denied. According to the

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ACMP now, our only re-course for a fair review is again to go back to the DNR commissioner for re-consideration of a decision that has already been made by the commissioner and his staff. As you can see, the ability to obtain a third party review that involves the public is not possible under the current program, and the new provisions in this bill will help prevent such a future problematic situation and provide state staff the clear criteria and direction for approval of coastal district policies with involvement of the coastal policy board.

The NWAB also supports the addition of subsistence to the ACMP objectives in AS 46.40.020. Until changes made by the Murkowski Administration, the ACMP has been an effective tool balancing resource development and protection of our coastal resources that support healthy subsistence. It is very important that Alaskans have the ability to propose local policies that demonstrate the real life connection of people and communities to coastal areas and actually reflect the close relationship Alaskan residents have to this land, the coastal zones and our valuable subsistence way of life. For the NWAB, the ability to cooperatively work with developers and the state to address subsistence impacts is the primary reason for participating in the ACMP so that development honors our long-time and permanent Alaskans lifestyles.

We also support provisions in the bill that would bring activities covered by the Alaska Department of Environmental Conservation back into the ACMP consistency review process. Impacts to air and water quality also affect habitat and subsistence, and it makes sense to address these issues together in a consolidated format during a single consistency.

The NWAB encourages responsible development of our natural resources. We recognize the economic importance of development in providing new revenues to fund local public services and facilities, and to provide steady employment opportunities in rural areas. However, it is important that local coastal districts have a role in voicing valid concerns and potential impacts to subsistence and other coastal uses and resources - all to ensure that we are doing resource development the right way.

In closing, these bills restore a meaningful role for coastal districts to facilitate effective future development opportunities. I appreciate your interest in improving the ACMP, and I look

NORTHWEST ARCTIC BOROUGH

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forward to working with you during this legislative session. Please contact me or Ukallaysaaq Tom Okleasik if you have any questions about our proposed plan at (907) 442-2500.

Sincerely,

Siikauraq Whiting, Mayor

Cc: Ukallaysaaq Tom Okleasik, Planning Director
Alagiaq Grant Hildreth, Deputy Planning Director
Kill'aq John Chase, Community Planner & Coastal Area Specialist

Roger D. (Dale) Summerlin
Vice President
Health, Safety & Environment

P.O. Box 100360
Anchorage, AK 99510-0360
Phone 907.263.4682
Fax 907.263.4438

ConocoPhillips
Alaska, Inc.

February 4, 2009

The Honorable Donald Olson
Chairman, Senate Committee on Community & Regional Affairs
Alaska State Legislature
Alaska State Capitol, Room 514
Juneau, Alaska 99801

**VIA FAX TO (907) 465-4821**
**& Next Day UPS Delivery**

RE: Proposed Senate Bill No. 4
An Act Relating to the Alaska Coastal Management Program (ACMP)
Establishment of the Alaska Coastal Policy Board
State Statutes AS 46.39 and AS 46.40

Dear Senator Olson:

ConocoPhillips Alaska, Inc. (CPAI) has prepared this formal response to proposed Senate Bill No. 4, an act relating to the Alaska Coastal Management Program (ACMP) and establishment of an Alaska Coastal Policy Board, and offers the following comments for your consideration.

**Retention of the Current Program**

CPAI has been, and remains, a supporter of the centralized ACMP process which resulted from the passage of House Bill (HB) 191 in 2003 and was later implemented by regulations and statutory amendments. In 2003, the Alaska Legislature concluded that "the Alaska coastal management program (ACMP) is intended to function with a minimum of delay and avoid regulatory confusion, costly litigation, and uncertainty regarding the feasibility of new investment." In addition, the legislature stated that statewide standards "be clear, and concise and provide the needed predictability as to the application, scope, and timing of the consistency review process of the program."

Proposed changes in Senate Bill (SB) No. 4 would allow districts to restrict selected activities within their coastal district; these activities will undoubtedly involve uses of state concern and/or may involve matters already adequately addressed by existing regulatory programs. Decision-making authority concerning the management and use of state resources vests with the State.

The current program's approach eliminates enforceable policies which may be conflicting between coastal districts, state, and federal agencies, and which could result in a loss of

conformity of district policies that currently exists in the ACMP program. The existing statewide standards provide clear and concise predictability to the ACMP process. Coastal districts are still afforded the ability to propose enforceable policies that conform to the district plan approval criteria and requirements outlined in 46.40.040 and 46.40.070; or those that are not duplicative, restate existing state or federal policies, and do not redefine, replace, or otherwise modify existing standards. From an applicant's perspective, the retention of the centralized ACMP will provide applicants with assurances of an efficient permitting process.

**Elimination of the Alaska Department of Environmental Conservation (ADEC) Carve Out (AS 46.40.040 and 46.40.096)**

CPAI believes the ADEC carve out should be retained in its present form and the carve out should not be eliminated from the ACMP program. CPAI believes there is significant misunderstanding by many stakeholders on this matter. Approvals for air, water, and C-Plan permits require public notice and public comment periods which allow for public input. The public notice and comment periods for these permits were not negatively affected by carving out the ADEC permits. Timelines associated with these approval processes are at least six months in duration, far longer than the existing 50- to 90-day ACMP coordination process. In addition, the timelines for public participation do not align with the intent or the process of the ACMP program which is one of thoughtful timely coordination and decision-making.

Eliminating the ADEC carve out will re-introduce conflicting regulatory mandates between ADEC and the ACMP process, and will delay the start of the consistency review process. Adequate public participation and opportunities for review by coastal districts is provided in the existing program. Adequate environmental protection is being provided by ADEC, regardless of whether or not their approvals are part of a consistency review process.

In closing, as we look at the substantial nature of the changes proposed in SB 4, we ask the question: Why? Since the passage of HB 191, have resource development projects been permitted by the state where a coastal district's input and concerns have not been accommodated? Is this change going to help motivate resource development projects in this state? We suggest that the current program is working as intended and changes are neither necessary nor desirable.

Sincerely,

Dale Summerlin

Roger D. (Dale) Summerlin

cc: All Legislators

## Rob Earl

**From:** Terry Harvey
**Sent:** Tuesday, February 24, 2009 1:56 PM
**To:** Rob Earl
**Subject:** RE: borrell hb 74 suggestions

1) a process for selecting members of the Coastal Board giving the Gov full authority to select the members
2) Make Coastal Policy Board strictly advisory
3) Make it explicit that no policy decisions may be made contrary to State & Fed statutes

---

**From:** Rob Earl
**Sent:** Tuesday, February 24, 2009 12:22 PM
**To:** Terry Harvey
**Subject:** borrell hb 74 suggestions

Herron would still like to know what the borrell suggestions were ... so could you ping him and maybe get those in writing?

Thanks,

Rob E. Earl
Staff to Rep. Bob Herron
907.465.4942; fax 907.465.4589

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

**MEMORANDUM** February 25, 2009

**SUBJECT:** Draft CSHB 74(CRA); minor edits
(Work Order No. 26-LS0322\E)

**TO:** Representative Bob Herron
Chair of the House Community and Regional Affairs Committee
Attn: Rob Earl

**FROM:** Donald M. Bullock Jr.
Legislative Counsel

Enclosed is a draft of CSHB 74(CRA). Please read this draft carefully to ensure that it is consistent with the committee's intent.

Since you requested a work draft of the CS, I made some nonsubstantive edits in Amendment 2 to conform with AS 46.40.070(a)(2)(B) as that subparagraph appears in sec. 14 after being amended by the first part of Amendment 2. Thus, the term "state law" replaced "state statutes or regulations" and "state statute or regulation" replaced "state statute." These changes were made to make the amendment internally consistent.

Also, in Amendment 2, what do you mean by "local law"? Do you mean municipal ordinances or municipal regulations? Is "local law" intended to mean something different than municipal ordinances and regulations?

The effect of Amendment 3 on AS 46.40.190(a) in sec. 30 of the draft bill effectively changes sec. 30 to only amend AS 46.40.190(b). The draft CS reflects that effect.

Amendment 4 withdraws all changes proposed in sec. 31 of the bill. Thus, that section has also been eliminated in this draft version.

If I may be of further assistance, please advise.

DMB:plm
09-119.plm

Enclosure

ALASKA MUNICIPAL LEAGUE
Alaska Conference of Mayors

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

February 9, 2009

Representative Cathy Munoz
Representative Bob Herron
State Capitol
Juneau, Alaska 99801

Dear Representative Munoz and Representative Herron,

The Alaska Municipal League would like to go on record in support of HB 74 and SB 4. These bills would serve to resolve some of the major problems that communities and the State continue to deal with after the changes made to the ACMP statutes back in 2003 and 2004.

These bills would specifically establish and Alaska Coastal Policy Board to represent coastal districts, as well as the commissioners of Natural Resources; Fish & Game; Environmental Conservation; and Commerce and Community Development.

The Alaska Municipal League, first and foremost, supports a strong district role in decisions made about and for specific districts within our state.

It is important that local voices be heard when decisions are made about local areas.

Sincerely,

Kathie Wasserman

Kathie Wasserman
Executive Director

Good Morning

My name is Karol Kolehmainen and I am the Program Coordinator for the Aleutians West Coastal Resource Service Area. I am here today to bring testimony from my elected seven member Board of Directors which is largely in favor of HB74 as I will describe. The AWCRSA Board represents the entire western Aleutian area from Unalaska Island west to Attu Island, an area that is 20 to 60 miles in width and roughly 1000 miles long. This area, bounded by the Pacific Ocean to the south and the Bering Sea to the north, has a wealth of natural resources including some of the richest fishing grounds in the state.

We are here today because HB 191 mandated significant changes to the Alaska Coastal Management Program and our local district program. I would like to provide a brief overview of our current coastal management plan. The AWCRSA coastal management plan became effective February 11, 2007. Of the 44 enforceable policies we had at the beginning of the revision process, 10 remain. We no longer have any habitat policies, mitigation policies, or policies that mention air, land, or water quality. Also, we have designated subsistence use areas but no enforceable subsistence policies. Many of our previous enforceable policies have been moved to an unenforceable appendix and classified as "advisory" policies.

The ACMP prior to the passage of HB 191 was a networked program where local reviewers were on a par with state and federal reviewers. Following passage of HB 191 the program became centralized in DNR. We do not feel that it was the intent of HB 191 to silence the local voice or result in a disconnected program but it has had this effect. Passage of HB 74 will return us to a more meaningful position within a networked program.

The AWCRSA is in support of a Coastal Policy Board that incorporates the positive aspects of the former Coastal Policy Council. HB 74 accomplishes this by creating a policy board that includes representation from the coastal districts, the resource agencies and the DCCED Division of Community and Regional Affairs. We agree that the Board's mission should include the ability to approve local district plans, program related funding, and especially program and regulatory changes. We also agree that the Board would not be responsible for consistency reviews and would not hear elevations but rather they would be heard within a review panel of the resource agencies and not solely by the DNR Commissioner as is now the case. The new Board would serve as a public forum that should result in more public involvement and a more equitable decision making process. Also, it would provide an outreach component that is sorely lacking in the post HB 191 amended program.

The DEC carveout has confused the consistency review process especially where the scope of the project requires permits from more than one agency. The removal of the DEC has been interpreted as the removal of any matter relating to

air, land, or water quality through the program implementing regulations. As I stated earlier, it became impossible to craft any acceptable policies related to air, land or water quality or that even mentioned the words air or land. This negated not only policies that were clearly within regulation of DEC but also policies related to habitat that might touch on water issues. The return of DEC to the coordinated ACMP program is integral to a meaningful program and the AWCRSA Board supports the inclusion of DEC in the networked ACMP.

The AWCRSA does not support the change made in Sec 46.40.190 relating to cooperative administration. The proposed wording has totally reversed the meaning of the paragraph and has the potential to undermine the existence of CRSA's. We request that the original wording be retained.

Time has shown that not all of the changes required by HB191 have worked and we appreciate the sponsor's efforts to address the problems in the current program. Passage of HB 74 will go a long way to restore the role of coastal districts in the ACMP, increase public involvement and oversight, and bring consistency reviews back into a coordinated and networked program.

Thank you for your time.

Program Director
AWCRSA

December 22, 2008

Randy Bates
Director, Division of Coastal and Ocean Management
Department of Natural Resources
P.O. Box 111030
Juneau, Alaska 99811-1030

Re: **Alaska Coastal Management Program Re-Evaluation**

Dear Mr. Bates,

Ukpeagvik Inupiat Corporation (UIC) was created under the Alaska Native Claims Settlement Act (ANCSA) in 1972 to serve the social and economic interests of the Native Village of Barrow, Alaska, the northern most coastal village in the United States. In light of expanding resource exploration and development both onshore and offshore in our region, the UIC Board of Directors has developed the following policy statement:

> *In our interactions with the oil and gas industry, we will leverage our position to benefit the Ukpeaġvik Iñupiat Corporation Family of Companies, its shareholders and the community. We acknowledge the inevitability of exploration and development by the oil and gas industry and we will support exploration activities as long as they are done in a way that ensures:*
>
> - *Protection and preservation of the Iñupiat culture and subsistence lifestyle*
> - *Economic benefit for our community*
> - *Employment for our shareholders and their families, and*
> - *Contract opportunities for our companies*

UIC shares the interests of the North Slope Borough, as our coastal district governing body, to create a robust and growing industrial sector in Alaska's arctic. UIC also shares an interest in protecting our Inupiat customary and traditional way of life through local participation in project planning by implementing sound environmental regulations and policies under a flexible and reasonable Alaska Coastal Management Program. UIC is favorable to empowering local coastal districts to enforce locally driven environmental policies through a predictable and streamlined public process under the expertise of a coastal management plan.

Each coastal district or region in Alaska is so unique and special both geographically and ecologically, it makes sense to empower well thought and reasonable district specific enforceable policies to help guide project development beyond general state and federal regulations. For example, a local policy that fits the needs of Cook Inlet or Southeast communities, such as pipeline setbacks, cannery operations, cruise industry ports of call, general water use and waste discharge, or tank farm requirements, may not apply similarly in the unique arctic environment.

Before 2004, the original statutes and regulations of ACMP worked moderately well, allowing coastal districts to participate and include local expertise in the permitting process. With a few procedural modifications to the older, pre-2003 system, such as a streamlined Coastal Policy Board, as envisioned in

the North Slope Borough (NSB) recent recommendations, we believe the ACMP can achieve the intent of the Coastal Zone Management Act and the intent of the Alaska Constitution to maximize local control and governance.

UIC believes future statutory language should support an ACMP regime that allows multiple agencies such as DNR, DEC, ADF&G, and DCCED to participate in a meaningful consistency review. This broad challenge requires well defined language that should reflect flexible regulatory structure so as not to create the potential for arbitration and delay. If piecemeal decision-making is framed by restrictive state policy and tedious legislative review, higher probability for arbitration and delay of important commercial activity will result from special interest group interpretations of the environmental regulations governing proposed coastal economic development projects.

UIC believes sound natural resource management and environmental conservation are best served under "performance based policies", innovative solutions driven, flexible, and incorporating predictable regulations that guide industrial development – dispelling notions that local policies should apply only to specific designated areas and resources. This philosophy recognizes potentially large shifts in ecology and subsistence resource migration, which in turn defines public access and uses of resources, especially in light of climate change, global warming, arctic sea ice retreat, and cumulative industrial growth.

UIC is economically dependant, in large part, on a healthy oil and gas industry, but we are also dependant on a healthy arctic marine ecosystem which supports the Inupiat subsistence way of life. As a critical stakeholder in the ACMP regulatory process we thank you for this opportunity to comment on the ACMP reevaluation.

Respectfully submitted,
UKPEAGVIK INUPIAT CORPORATION

A. E. Edwardsen

Anthony E. Edwardsen
President & CEO

Distribution:

## Rob Earl

**From:** Rep. Bob Herron
**Sent:** Thursday, February 12, 2009 8:08 AM
**To:** Rob Earl
**Subject:** FW: HB 74 Support

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**From:** John Strasenburgh [mailto:jsandrw@matnet.com]
**Sent:** Wednesday, February 11, 2009 11:39 PM
**To:** Rep. Berta Gardner; Rep. Sharon Cissna; Rep. Charisse Millett; Rep. Wes Keller; Rep. John Harris; Rep. Cathy Munoz; Rep. Bob Herron
**Subject:** HB 74 Support

Dear members of the House Community and Regional Affairs Committee:

I would like to voice my strong support for HB 74, which would subject proposed Coal Bed Methane projects to coastal zone management reviews. Coal Bed Methane should never have been exempted from these reviews (which they were in 2003), and it is high time this gross error was fixed.

I live in the Mat-Su Valley. You are probably aware of the huge public outrage that erupted in the Valley in 2003 and 2004, when Kohring, Green, Ogan, Masek greased the skids and it looked like Evergreen Resources was going to drill in everybody's back yard. The legislation that passed at that time gutted any responsible oversight (e.g., CBM was exempted from a DNR Best Interest Finding requirement), CBM was exempted from local zoning), and public participation in the decisions was virtually eliminated.... I could go on and on.

Suffice it to say, again, it is high time the all the errors of 2003 were corrected. HB 74 helps with that, and I hope you will support the bill.

Thank you,

John Strasenburgh
PO Box 766
Talkeetna, AK 99676
jsandrw@matnet.com

**Rob Earl**

**From:** Terry Harvey
**Sent:** Saturday, February 14, 2009 12:36 PM
**To:** Rob Earl
**Subject:** FW: HB 74 - Coastal Management

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**From:** Rep. Cathy Munoz
**Sent:** Thursday, February 12, 2009 2:53 PM
**To:** Terry Harvey
**Subject:** FW: HB 74 - Coastal Management

Terry, please give Bob's office a copy of these comments, and add a copy to our file on the issue. Cathy

---

**From:** Glenn Gray [mailto:glenn@glenngray.net]
**Sent:** Wednesday, February 11, 2009 8:49 AM
**To:** Rep. Cathy Munoz
**Subject:** RE: HB 74 - Coastal Management

Cathy:
Thank you for the update. I hope any amendments to the bill will have adequate discussion before adoption.

There were a few statements made at the committee meeting that need some clarification.

1. DNR should explain how it believes the coastal board would overrule state agencies. I don't see any language that would give the board authority to approve anything that conflicts with state or federal laws.
2. Neither the former Coastal Policy Council nor the proposed board is meant to be a stakeholders group. Only state agencies and coastal districts manage the program. The public gets involved at the board meetings.
3. The issues raised by AOGA about the DEC carve out can be fixed in regulation (i.e., removing the requirement to have a draft air/water quality permits before starting ACMP review).

Thanks again, and please call me if I can help explain anything. It is a tough program to understand

Glenn

Glenn Gray and Associates
P.O. Box 33646
Juneau, AK 99803
Phone: (907) 789-7822
Fax: (907) 523-1005
Email: glenn@glenngray.net

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**From:** Rep. Cathy Munoz [mailto:Representative_Cathy_Munoz@legis.state.ak.us]
**Sent:** Tuesday, February 10, 2009 1:34 PM

**To:** Glenn Gray
**Subject:** RE: HB 74 - Coastal Management

Thanks Glenn, today we heard the bill in committee and it is expected to move out at our next hearing on Thursday. Sincerely, Cathy

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**From:** Glenn Gray [mailto:glenn@glenngray.net]
**Sent:** Sunday, February 08, 2009 2:18 PM
**To:** Rep. Cathy Munoz
**Subject:** HB 74 - Coastal Management

Dear Representative Munoz:

I am writing to you to express my support for HB 74 on the Alaska Coastal Management Program (ACMP). This bill would fix a lot of the problems that resulted from changes made to the ACMP statutes in 2003 and the regulations adopted by the Murkowski Administration in 2004.

As a land use consultant, I had the privilege to work on the coastal management plans for 8 coastal districts throughout Alaska. Previous to my work as a consultant, I worked as a senior staff person for the ACMP for 10 years.

I would like to request a meeting with you to discuss this bill. I know you are busy, but I believe I could provide considerable insight into how this bill will improve the ACMP.

Sincerely,

Glenn Gray

Glenn Gray and Associates
19296 Randall Road
Juneau, AK 99801
Phone: (907) 789-7822
Fax: (907) 523-1005
Email: glenn@glenngray.net

# ALASKA MINERS ASSOCIATION, INC.

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Ro6

February 9, 2009

Honorable Reggie Joule
Alaska State House
Capitol Building
Juneau, AK 99801

Re: House Bill 74, Changes to Alaska Coastal Zone Management

Dear Representative Joule,

The mining industry has been involved in the Alaska Coastal Zone Management Program (ACMP) for many years. Several companies have raised concerns regarding House Bill 74 and its companion SB-4. They agree that ACMP is not working well but they cannot support the changes being proposed in HB-74. The bottom line is that this bill would create an administrative quagmire for the state permitting process and would create tremendous uncertainty for all permittees.

As proposed by HB-74, the coastal districts would be in charge of the program and control what is done. In this situation, the coastal districts would be in a position to set the rules and enforce them without accountability to the Legislature or the Administration. The bill would re-establish the Coastal Policy Council (calling it the Coastal Policy Board) with 5 public members and 4 state agencies (DNR, DF&G, DEC, & DCEED). The governor would choose the public members but must select them from a list supplied by the Coastal Districts. The effect is that the districts would control the outcome of the selection process. This is not a good situation for ACMP or any other public policy issue.

Further under HB-74, the Coastal Policy Board (CPB) would approve or disapprove all plans and regulations. If the board feels that an agency is not interpreting the policies the way they want, it would have the authority to order the agencies to change, irrespective of State statue or regulation. The CPB would thereby effectively have authority over both the Legislature and the Administration.

HB-74 would also eliminate what has been called the DEC "carve-out". It would allow districts to interpret state statutes and regulations relating to air quality, water quality, solid waste disposal, water injection, land issues, sanitation, food service, public health, etc. Many of these statutes and regulations have been developed over many decades of detailed technical evaluation by the agency and through a tremendous amount of public process and input. Others are nation-wide standards developed over many years by federal government scientists at the cost of millions of dollars. The coastal districts do not and will not have the technical expertise to fully evaluate these issues.

HB-74 would extend the applicability of ACMP to the off-shore continental shelf (OCS) for coastal districts because of DEC decision making on OCS air permits and C plans. This means that coastal districts would have decision making power over these areas, rather than the Legislature and Administration.

Furthermore, the bill would effectively eliminate the ability to "phase" projects. This would result in delays for issuance of consistency determinations for long-lead time approvals such as air quality permits and C plans.

HB-74 would also eliminate the requirement for district plans to meet a set of consistent statewide standards. Each district would be able to interpret state statutes and regulations different from each other, and different from state agencies. Decisions would be at the whim of any district. This would eliminate certainty and be a nightmare for the regulated public, and eventually the Administration and the Legislature due to the havoc it would create.

One of the several problems with ACMP before the passage of HB-191 in 2003 was that districts were allowed to create so-called "homeless stipulations". These were stipulations that were outside existing statue and regulation that could be added to a permit. HB-74 specifically gives authorization for districts to go beyond state or federal law and this would again be allowing "homeless stipulations". In effect, this means that if the legislature will not pass a statute to require some action, the district would be able to do what the legislature would not approve and thereby go beyond state or federal law. In 2003, and for many years before that this was a tremendous problem for permittees. Oftentimes due to project schedules, permittees could not take the time to challenge these homeless stipulations.

HB-74 would also extend the authority of coastal districts far beyond the coastal zone "inland of the coastal zone if the activities would cause direct and significant impacts to a coastal use or resources." This means that if a coastal district decides to oppose some activity along an inland river, it would have a mechanism to do so by changing state regulations or adding stipulations that would make the project impossible.

HB-74 would place local districts in charge of whether the federal government leases the OCS for oil & gas. Districts would, without the limitation of state or federal law, put any stipulation they wish on the OCS. While the local view is important, the decision is state-wide or national and a coastal district should not have a veto. Similar to oil development on state and federal lands on the North Slope, even if a company can meet all state and federal standards, until the coastal district says it's consistent (based on vague policies that can change state air and water and C-plan standards at a whim), the company is stopped. What should be a state-wide decision is delegated to the local coastal district.

<u>One conclusion is that HB-74 would effectively negate "state law"</u>. There would be no need for the Legislature - if a coastal district wanted something different in law, for example regarding water quality, the coastal district could simply write it and DEC would have to follow it. If a coastal district wanted a different reclamation standard, the district could write it and DNR would have to follow it. Also, in whatever the situation, if a coastal district wished to regulate

something the legislature has not given them, the district could simply write it themselves and make DNR, DF&G, DCEED would have to comply.

A second conclusion is that many of the examples mentioned above would raise constitutional questions. Because the CPB has the authority to go beyond state law, the bill has the effect of delegating legislative law-making to a public-dominated board. This delegation is not constitutionally allowed. Similarly, it removes interpretation of state regulations from the administrative branch — where the interpretations constitutionally belong — and gives this authority to the CPB. While some of these constitutional issues existed before passage of HB-191 in 2003 (specifically the homeless stipulations), SB-4 greatly magnifies and expands these legal problems.

A third conclusion is that the bill essentially does away with the concept of state interest. There are some decisions — whether and how a gasline should be constructed, expansion of the railroad, even oil development on the North Slope — that should be decided by the state, without a veto by local authorities. It is critical that local land-use issues and local concerns be taken into account by the permitting agencies, but some issues affect the entire state and must be determined on a state-wide basis. SB-4 essentially does away with this concept.

A final conclusion is that the changes proposed would create tremendous uncertainty for the regulated public. There is no way to escape a great deal of uncertainty as individual coastal districts have the final say in what was previously agency matters.

Thank you for the opportunity to address our concerns to you.

Sincerely,



Steven C. Borell, P.E.
Executive Director

JUNEAUEMPIRE.COM

# Local governments criticize state coastal management program

## Bill supporters say state has too much power over area development

Monday, February 16, 2009
By Kate Golden | **JUNEAU EMPIRE**

State and local districts continue their fight this year over the power to influence local development in coastal areas.

Lawmakers this session are faced with a complex bill - overwhelmingly supported by local governments in coastal areas, and opposed by the oil industry, the governor and the Alaska Department of Natural Resources - that would overhaul the Alaska Coastal Management Program for the second time in six years.

Development projects in coastal zones must go through the program, which does two things: ACMP reviewers coordinate federal, state and local permits; and they decide whether projects are consistent with state standards and local environmental policies.

Coastal planners from the North Slope to Juneau told lawmakers Tuesday they'd like the program to return roughly to how it worked before the Legislature-approved, Murkowski-administration-written overhaul in 2003.

They want more local control.

Murkowski's 2003 rewrite was aimed to promote development, and industry reps tend to support the current program.

But local districts like the North Slope and the Northwest Arctic Borough say they know of no projects that were held up because of the pre-2003 process.

Rep. Reggie Joule, D-Kotzebue, introduced his bill in committee Tuesday with slides showing how drilling sites in Prudhoe Bay have burgeoned over the years, much of the development before 2003.

"The notion that we will stop development is not accurate," Joule said.

DNR doesn't support the bill because it would "override DNR authority," according to Division of Ocean and Coastal Management director Randy Bates, who participated in the 2003 rewrite and runs the ACMP.

He said the bill would favor coastal districts but wouldn't adequately represent other stakeholders, naming the state, industry, and the public.

"That's been one of the biggest challenges we have, trying to find the right balance to the program,"

Bates said.

**Local districts lost control**

A big chunk of the fight is over coastal districts' so-called local enforceable policies.

These policies are tailored to districts' "unique concerns." Juneau, for example, has pro-development policies regarding Special Waterfront Areas, where environmental regulations are looser.

Districts decide whether projects are consistent with those policies. The state has to defer to that interpretation.

The policies are local districts' most powerful hook into projects.

But DNR must approve those policies. And the department and the districts have been fighting for five years over how much overlap district policies can have with areas the state regulates.

"The district role was drastically reduced in 2003," said Teri Camery, planner for the city and borough of Juneau.

DNR says the policies can't be about anything the state already addresses, such as subsistence.

But the districts disagree with DNR over what it means to "adequately address" an issue.

Much of the combat is over local say on subsistence areas.

A statewide standard for subsistence says development must avoid or minimize harm to subsistence areas. The North Slope wanted to get more specific, to protect special subsistence areas. Planners wrote policies that restricted development in those areas during certain seasons, and banning some types of development outright.

DNR told them that because there's a statewide standard, the local policies couldn't address subsistence. Alaska's 27 districts ended up having a lot less say than they wanted. Several went to mediation, and a few districts have declared an impasse with DNR.

Juneau coastal district proposed 99 policies and got 14. The Northwest Arctic Borough proposed 50, most about subsistence, and got one, which addressed wind farms. Anchorage proposed more than 100 and got five.

Juneau planners retained some denied policies by incorporating them into the local land use code.

"That adds time and expense to the developer," said Camery, because they have to go through a separate review.

"Our plan was flat-out denied by the state," said Tom Okleasik, planning director of the Northwest Arctic Borough. "Our only recourse is to go back to the DNR commissioner," he said - who denied the plan in the first place.

Districts see the problem as a lack of check on DNR's power.

Their solution: Create a coastal policy board external to DNR, in the governor's office - five coastal district representatives plus the commissioners of Natural Resources, Fish and Game and Commerce -

to approve coastal districts' plans. A similar council existed before the 2003 rewrite.

DNR acknowledges the districts' frustration about policies, but doesn't agree there should be an outside board. In its own draft revisions of the program, DNR suggested local districts could appeal to the Legislature, an equally controversial idea.

**Mixed views from industry**

The oil and gas industry says the current ACMP isn't broken.

"We cannot find any examples of when a coastal district's concerns were not addressed," said Steve Albuquerque of ConocoPhillips, who called the current process streamlined and efficient.

ConocoPhillips just wants a clear and predictable permit process, he said.

But not all developers are satisfied with the current program.

Redfern Resources Ltd., a Canadian company that is applying to haul a barge year-round on the Taku River south of Juneau, has complained about the process. Redfern first applied for permits in late 2007 and hasn't finished the process yet.

The project's original permit application was canceled by state ACMP reviewers when Redfern changed the tow vehicles for the barge. And it has been delayed several times while state permitters ask the company for more information on the project.

Redfern has not commented on the proposed bill, but has criticized the current permit process.

"If you review the historical notes with the legislation from 2003, it specifically speaks toward the purpose of the ACMP: to provide a predictable procedure or consistency review. And we're finding this process very unpredictable," said Tim Davies, Redfern's regulatory affairs manager, in January.

"We're talking about a very significant project," he said. "Over $300 million to develop the mine, and $24 million a year coming into the Juneau economy. Do we really want to have such an unpredictable process in place for making these type of decisions?"

Local districts promote the new bill as fixing that.

"The predictability industry wants would be in place, once the districts have policies," said Tom Loman, Anchorage city planner.

DNR's promised rewrite missing

DNR has been working on a revision of the program since February last year, when the Legislature was considering a similar coastal-district-friendly ACMP overhaul.

The state opposed that bill, too. Bates told lawmakers the state would re-examine the program with help from districts and industries, find consensus and produce its own bill for the next session.

**So far, no bill.**

This week, Bates said he couldn't rule out the introduction of a DNR-sponsored bill.

But the department doesn't see anything wrong with the current program - other than the "instability" resulting from coastal districts' criticism of it.

"We believe no change is necessary, particularly in the form of the bills offered," Bates said.

The department has been working with the districts since last summer. In November the department released a draft set of statutes. Bates on Tuesday characterized them as "conversational" and said it shouldn't be taken as the department's actual view.

According to local planners, the draft statutes further restricted coastal districts' ability to write policies. Some planners said they were looking forward to the state's final compromise - but without it, they're pinning their hopes on the current bill.

**Palin supports DNR**

Gov. Sarah Palin seemed to criticize the Murkowski ACMP rewrite in a 2005 campaign promise:

"I would ... revisit the change in regulations on the Alaska Coastal Zone Management Program in which the past administration by eliminating (sic) the rights of local districts to write specific local enforceable policies on important issues like subsistence," her campaign Web site said then.

Palin said at a press conference Wednesday that she's aligned with DNR on its ACMP stance: no changes yet deemed necessary.

Click here to return to story:
http://juneauempire.com/stories/021609/loc_388380643.shtml

Testimony of Carol Smith
Coastal Program Coordinator for the City of Valdez

House Community and Regional Affairs Committee
House Bill 74 Alaska Coastal Management Program

Good Morning. M y name is Carol Smith, and I am the coastal coordinator for the City of Valdez. I appreciate this opportunity to provide comments on House Bill 74 on the Alaska Coastal Management Program (ACMP).

Before the regulation changes in 2003, the Valdez Coastal Management Plan had 41 enforceable policies and now has 14. The Valdez Coastal Management Plan was approved because we felt it was important to be a part of the Alaska Coastal Management Program even though we lost most of our policies. It was our hope that new regulations would be introduced to give the districts back more local input through meaningful policies.

My testimony will address four issues, the "DEC Carve-out," the renewal requirement for district plans, the proposed coastal policy board, and district enforceable policies.

DEC CARVE-OUT: The City of Valdez supports Section 37 of the bill which eliminates the "DEC Carve-out." At the November Workshop, the Alaska Department of Natural Resources and other state agencies indicated their support for bringing DEC back into the ACMP review process. Doing reviews on DEC projects has been very confusing and hard to coordinate for the state agencies as well as the coastal districts. It worked much better with the "one-stop shop" approach. We believe this change is very positive.

RENEWAL: Section 37 would also eliminate the requirement for coastal districts to update their plans every 10 years. If a plan is still current, there is no reason to update it. It is very costly and time consuming to update the plans.

PROPOSED CPB: Section 1 of the bill would establish the Coastal Policy Board. We agree that the old Coastal Policy Council of 17 members did not always work well as it was too large and made it very hard to setup meetings. Also, it was made up of political representatives who were not always aware of everything that was happening with the ACMP. This proposed board is much smaller, and unlike the former council, it would not be responsible for project consistency reviews. The new board would be made up of representatives of coastal districts and state agencies. This board would only address ACMP issues, so it would not be able to overrule an agency's authority. The new board would be made up of representatives of coastal districts and state agencies. This would be a fairer representation for the appeals process.

ENFORCEABLE POLICIES: Sections 9 and 14 of the bill would make the criteria for district enforceable policies much clear. Districts need to be able to write meaningful enforceable policies that address local concerns. The bill would allow coastal districts to establish policies as long as they do not duplicate an existing law and do not address a matter preempted by a state or federal agency. The Alaska coastline is very vast and different so one shoe does not fit all situations.

"Example: The Valdez Planning Commission wanted to address a gap in the clean air act between the different regulations. This request was denied as district plans cannot have policies on Air Quality.

Thank you for the opportunity to testify on HB 74. This concludes my testimony.

**Testimony of Steve de Albuquerque**
**Health, Safety & Environmental Director**
**ConocoPhillips Alaska**
**House Community & Regional Affairs Committee**
**HB 74**
**February 10, 2009**

Mr. Chairman, members of the House Community & Regional Affairs Committee, good morning. My name is Steve de Albuquerque and I am the Director of Health, Safety & Environment, for ConocoPhillips Alaska. My group is responsible for all local, state & federal land use and environmental permitting for ConocoPhillips operations in Alaska.

Mr. Chairman, ConocoPhillips respectfully opposes the passage of HB74. Simply put, we do not think ACMP legislative reform is needed at this time and question the need for the significant changes proposed by HB74. During testimony last week on Senate Bill 4, we heard coastal districts say many times that these proposed changes to the ACMP will streamline the permitting process and save applicants time. As the person in charge of permitting for the state's largest oil & gas explorer, developer and producer, let me assure you Mr. Chairmen that this simply would not be the case.

This morning I'd like to focus my comments on three areas:

1. The existing ACMP permitting process;
2. The creation of the Coastal Policy Board; and
3. Retention of the Alaska Department of Environmental Conservation carve out.

The Existing ACMP Process:

Alaska is one of the most complex and rigorously regulated permitting and business environments in the world. We work very closely on a daily basis with local, state, and federal agencies, as well as private landowners, native village and regional corporations, communities and the public to seek input on our permit activities.

While we have heard the frustration expressed by the coastal districts with the way the 2003 statutory changes were implemented, we cannot point to a single example, with respect to our projects, where any district's input or concerns were not adequately addressed in the project decision. We work closely and well with the coastal districts and the Administration. In my four years serving as permitting director for ConocoPhillips under the revised program, I can't think of an instance where we and the coastal districts were not able to satisfactorily resolve an issue.

In 2003, the Alaska Legislature concluded that "the Alaska coastal management program is intended to function with a minimum delay and avoid regulatory confusion, costly litigation, and uncertainty regarding the feasibility of new investment." Furthermore, the legislature said that statewide standards must be "clear, concise, and provide the needed predictability as to the application, scope, and timing of the consistency review process of the program." This is the streamlined process we have today. From the applicant's perspective, the ACMP process as we know it today provides the assurances of an efficient permitting process. Existing statewide standards are clear and concise. We are able to establish relatively firm timelines.

Coastal districts are afforded the ability to propose enforceable policies that conform to the district plan approval criteria and requirements. Districts can also propose enforceable policies that are not duplicative, do not restate existing state or federal policies, and do not redefine, replace, or otherwise modify existing standards. In contrast, this bill would allow districts to restrict selected activities within their coastal district; these activities will undoubtedly involve uses of state concern and would involve matters already adequately addressed by existing regulatory programs. Decision-making authority concerning the management and use of state resources vests with the State. The current approach avoids enforceable policies which may be conflicting between coastal districts, state, and federal agencies, and which could result in a loss of conformity of district policies that currently exists in the ACMP program.

If there is one take-away for the Committee Mr. Chairman, ConocoPhillips simply desires a clear and consistent permitting process. We just want to be clear on the rules and be in a position to accurately estimate time lines. As you know, resource development in Alaska already is burdened with many seasonal constraints and uncertainties. We have short winter drilling and work windows as well as limitations on logistics and restrictions on travel to protect tundra, wildlife and subsistence activities. Our work is extremely time-sensitive. From an applicant's perspective, the existing process provides applicants with a coordinated review and approval process and assurances of an efficient, predictable and timely permitting process.

The Creation of the Coastal Policy Board:

ConocoPhillips thinks the creation of a Coastal Policy Board is unnecessary and would unduly complicate the program add another layer of complexity. The current program provides clear, concise and consistent statewide standards for resource development activities in Alaska. The existing process prevents conflicts in the regulatory process and provides applicants and stakeholders with assurances of an efficient permitting process. The creation of a Policy Board, with approval and decision-making authority, could lead to an inconsistent permitting landscape.

From the public comment and input perspective, interested stakeholders currently have ample opportunity to review and comment on proposed projects during the mandated public comment periods associated with obtaining local, state, and federal permits. Applicants must comply with municipal codes, enforceable policies, statewide standards, and existing state and federal regulations to obtain final approvals for any proposed project.

Retention of the Alaska Department of Environmental Conservation Carve Out:

ConocoPhillips does not support elimination of the ADEC carve out. We believe there is significant misunderstanding by stakeholders on this matter. Approvals for environmental permits, air and water included, and oil spill contingency plans have well-documented and clear public notice and comment requirements which allow for public input. The public notice and comment periods for these permits have not been negatively affected by carving out the ADEC permits. Again, the current process works well.

Eliminating the ADEC carve out will re-introduce conflicting regulatory mandates between ADEC and the ACMP process, and will, as in the past, delay the start of the consistency review process and overall project timelines. Adequate public participation and opportunity for review by coastal districts is provided in the existing streamlined program. It is important to note that adequate environmental review and protection is being provided by ADEC as part of the consistency review process.

In closing, Mr. Chairman, ConocoPhillips simply desires a clear and consistent permitting process. We're not trying to reduce the level of environmental protection of the places we work or the subsistence resources upon which so many of our stakeholders depend. We want to understand the rules and to accurately estimate time lines.
As we look at the substantial nature of the changes proposed in HB74, we ask the question: Why?

- Since 2003, the existing consistency review process has ensured that both the state's and coastal districts' concerns have been met prior to permits being issued for development projects in Alaska's coastal zone.
-

We suggest that the current program is working as intended and changes are neither necessary nor desirable.

Thank you for the opportunity to testify, Mr. Chairman. At this point I'd be happy to answer any questions you might have.

**Alaska Oil and Gas Association**

AOGA

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*Marilyn Crockett, Executive Director*

ALASKA OIL AND GAS ASSOCIATION
TESTIMONY ON
HB 74 – ALASKA COASTAL MANAGEMENT PROGRAM
BEFORE
HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE
FEBRUARY 10, 2009

Mr. Chairman and Members of the Committee: My name is Marilyn Crockett and I am Executive Director of the Alaska Oil and Gas Association (AOGA). AOGA is a private, nonprofit trade association whose 16 member companies account for the majority of oil and gas exploration, development, production, transportation, refining and marketing activities in Alaska.

Because virtually all operations of the members of AOGA take place within, or adjacent to, Alaska's coastal zone, we have been actively engaged in development and implementation of provisions of the Alaska Coastal Management Act (ACMA) and the subsequent Alaska Coastal Management Program (ACMP) since the program's inception in 1977. We provide these comments today as part of our ongoing involvement in deliberations related to this program.

Over the last 30 years there has been a significant evolution in federal and state environmental laws and regulations. In the late 1990s and early 2000s it became clear that the ACMP had become unmanageable in terms of process and scope, leading to confusion, misinterpretations and significant delays in processing permits, largely due to the significant evolution of environmental laws and regulations. The revisions to the program adopted by the Legislature in 2003 resolved these challenges and transformed the program into one that provides certainty for the State, local districts and the regulated community.

Unfortunately, HB74 as currently drafted effectively eliminates the certainty put into place by the Legislature in 2003. I will address a few specific examples.

Elimination of the "DEC Carve Out": One of the most problematic provisions of HB74 is elimination of the DEC Carve-out. This provision in existing law implements the original intent of the ACMP...that the air, land and water standards and permits administered by the State are inherently consistent with the ACMP and therefore the additional step of securing a consistency determination isn't necessary or required. These standards were developed after years of technical evaluation, and are implemented through permits that are

comprehensive and time-consuming, carrying with them statutory and regulatory requirements for extensive public comment, the time periods of which fall outside of the ACMP review schedules. The ADEC carve-out in no way diminishes a coastal district's opportunity to comment and provide input on a specific ADEC permit application.

As experienced in the program prior to the 2003 revision, elimination of the carve-out will result in consistency determinations on projects being held up until permits with long lead times are finalized, resulting in considerable delays in projects moving forward and a tremendous amount of uncertainty as to final approval for applicants to move forward.

Simply put, the ADEC carve-out avoids duplication of process and effort, eliminates the potential for inconsistent and conflicting permitting results, and improves the efficiency of the consistency review process.

Creation of a Coastal Policy Board: We are very concerned about the establishment of the Coastal Policy Board and the extensive responsibilities that will be vested with this Board. HB74 empowers the Board to approve all district programs and enforceable policies, changes to the coastal zone boundaries, statewide standards and changes to the program. The Department of Natural Resources may still adopt regulations, but only after approval of the Board, which will result in endless back-and-forth as DNR attempts to mesh its requirements under the Administrative Procedure Act with Board approval.

Further, experience under the previous Coastal Policy Council demonstrates that insertion of a Board into this process will result in considerable delays in program implementation because of the time required for action, given the infrequency of Board meetings, and the addition of another layer of approvals.

Predictability in timelines is eliminated: One of the most challenging aspects of any permitting program is the ability to rely on timelines for decision-making. This is especially true for operations in Alaska which often are faced with limited operating seasons where a delay in securing permits may result in a one-year delay in a project proceeding forward. Unfortunately, HB74 exempts activities proposed by a federal agency and activities permitted by a federal agency from the required deadlines for decisions. Virtually every project requires at least one federal permit, so the impact of this provision is dramatic. Further, oil and gas and other resource development activities are not the only activities that will be affected. Given the abundance of wetlands in Alaska's coastal zone, almost any activity, from homebuilding to construction of public facilities, will require a permit from the federal Corps of Engineers and therefore will be subjected to this timeline uncertainty.

Performance based enforceable policies are allowed: HB74 allows coastal districts to adopt performance-based enforceable policies. Applicants and districts are better served by clear and concise requirements because it eliminates the potential for misinterpretation and disagreements between parties as to whether a particular action proposed by the applicant will meet the performance based policy. Further, this will be especially challenging for districts with minimal resources to administer the program.

The coastal zone boundary will be expanded: HB74 expands the reach of review of activities from not only the coastal zone but also to "inland of the coastal zone if the activities would cause direct and significant impacts to a coastal use or resource". During testimony at last week's hearing on SB4 we heard a coastal district representative state that it is their desire to weigh in on projects adjacent to their district even if it means "over the mountain". Such an expansion of the coastal zone boundary was never envisioned by the federal Coastal Zone Management Program or the State Program. This is another example of the uncertainty that faces project applicants in trying to determine whether their project is in or out of the ACMP.

To be successful and serve all entities in Alaska, any permitting program, and in particular the Alaska Coastal Management Program, must embody the following principles:

- Provide for development of Alaska's resources for the benefit of all Alaska residents
- Contain clear and concise requirements
- Be unambiguous and avoid opportunities for misinterpretation
- Provide predictable and firm timelines
- Provide predictability regarding applicable requirements and scope
- Avoid duplication of other state and federal permitting programs
- Contain clear limits so that district policies not require agencies to implement authorities that were not granted them by the legislature or that contradict agency regulations.

At the end of the day, the challenge before you is achieving the necessary balance between development of state-owned resources for the benefit of all Alaskans while protecting unique coastal resources. We believe the program in place today strikes that important balance.

Thank you for the opportunity to testify this morning.

# HB 106

During Session:
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(907) 465-4833
Fax (907) 465-4586
1-800-782-4833
Representative_Reggie_Joule@legis.state.ak.us

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# Alaska State Legislature
## REPRESENTATIVE REGGIE JOULE

To: Representative Herron, Co-Chair, Community & Regional Affairs
Representative Munoz, Co-Chair, Community & Regional Affairs

From: Representative Joule

Re: Request for hearing

Date: February 16, 2009

I would like to formally request a hearing on HB 106, "An act relating to village public safety officers and regional public safety officers." I have attached my sponsor statement, sectional analysis, bill, and other pertinent information. We would appreciate a hearing as soon as possible. If you have any questions or comments, please do not hesitate to contact Elizabeth Hensley in our office. I appreciate your consideration of this request.

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# Alaska State Legislature

## REPRESENTATIVE REGGIE JOULE

Sponsor Statement

HB 106

"An act relating to village public safety officers and regional public safety officers."

Village Public Safety Officers (VPSOs) serve as first responders in rural Alaska when disasters such as fires, lost persons, and medical emergencies strike. They also provide the only consistent law enforcement and crime prevention services in the majority of Alaskan villages, which are without police forces and resident State Troopers. Under current State law (AS 18.65.670-680), regional nonprofit corporations receive grants to administer the VPSO Program. HB 106 would amend the law to enable boroughs with fewer than 10,000 residents to receive VPSO funds and administer the Program in place of regional nonprofit corporations.

Not all regional nonprofit corporations wish to or have the capacity to administer the VPSO Program, the consequence being that far too many villages are without a VPSO. For example, in the northwestern part of the State, one VPSO delivers public safety services to 11 villages. When an emergency arises in a village, it can take days or weeks for the VPSO to respond. This results in everyday citizens being compelled to take public safety into their own hands by detaining criminals, for example – or worse – villages in which no reaction to an emergency occurs. When and if State Troopers or the single VPSO in the region makes it to the scene of the crime or accident, evidence is often destroyed and the situation is far more critical than it would have been had a VPSO been immediately available.

HB 106 aims to make emergency response and law enforcement available to more residents of the State, not just those who reside in urban areas and the 43 towns in which State Troopers are based.

# House Bill 106 – VPSO Program

Sectional Analysis

February 16, 2009

**Section 1:** Adds boroughs as entities that may administer the VPSO Program.

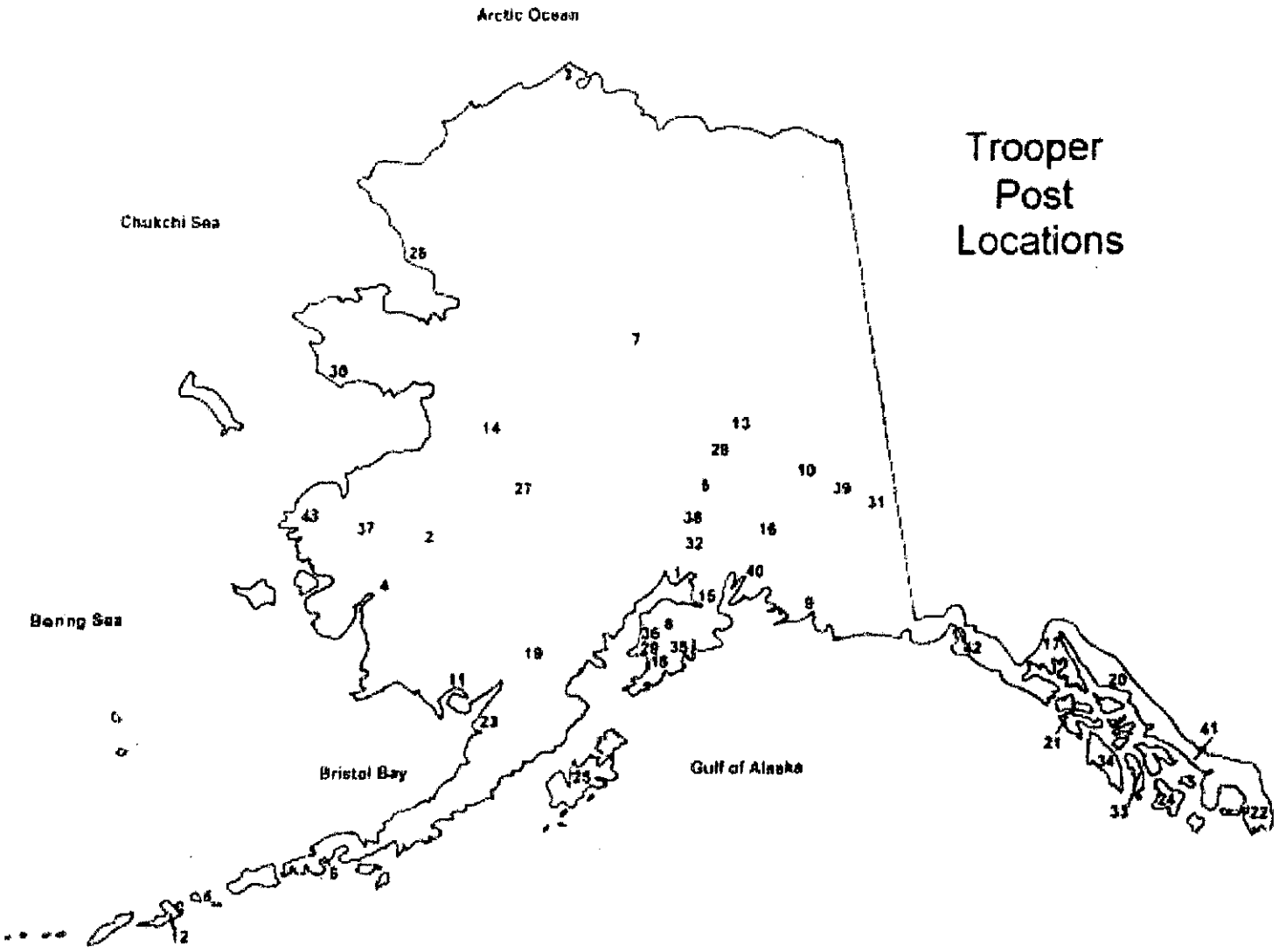
**Section 2:** Adds that boroughs with populations of under 10,000 may receive Department of Public Safety grants and administer the Program. Adds boroughs as entities that the Commissioners of Public Safety and Corrections shall jointly execute an agreement with when providing grants to the borough. Adds that for areas within a borough that exercises areawide law enforcement power, only the borough may receive grants.

**Section 3:** Adds that the Commissioner of Public Safety may adopt regulations pertaining to boroughs' participation in the VPSO Program.

**Section 4:** Adds that in addition to having the option to appoint Regional Public Safety Officers in rural areas of the state, the Commissioner of Public Safety may appoint them to boroughs that do not exercise areawide law enforcement powers and that have populations of under 10,000.

**Request for Teleconferencing**
House Bill 106 – VPSO Program
February 16, 2009

Please consider this a request for teleconferencing for statewide LIOs. We may need to provide some testifiers with an offnet number.




## Headquarters and Posts for the Detachments and Bureaus

| Detachment | Headquarters | Posts |
|---|---|---|
| A | Ketchikan | Haines, Juneau, Klawock, Ketchikan, Petersburg |
| B | Palmer | Glennallen, Palmer/Mat-Su West, Talkeetna |
| C | Anchorage | Anchorage, Aniak, Bethel, Dillingham, Emmonak, Iliamna, King Salmon, Kodiak, Kotzebue, McGrath, Nome, Saint Mary's, Unalakleet |
| D | Fairbanks | Barrow, Cantwell, Delta Junction, Fairbanks, Galena, Healy, Nenana, Northway, Tok |
| E | Soldotna | Anchor Point, Cooper Landing, Girdwood, Ninilchik, Seward, Soldotna |
| ABADE | Anchorage | Anchorage, Bethel, Fairbanks, Juneau, Kodiak, Kotzebue, Nome, Palmer, Soldotna, Wasilla |
| ABI | Anchorage | Anchorage, Fairbanks, Palmer, Soldotna, Mat-Su West |

Source: http://www.dps.state.ak.us/AST/detachments.aspx

U.S. Census Bureau
American FactFinder



## Alaska -- Borough or Census Area
**GCT-T1-R. Population Estimates (geographies ranked by estimate)**
Data Set: **2006 Population Estimates**

Note: For information on errors stemming from model error, sampling error, and nonsampling error, see: http://www.census.gov/popest/topics/methodology.

| Rank | Geographic area | Population Estimates | | | | | | | Estimates Base | Census 2000 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | July 1, 2006 | July 1, 2005 | July 1, 2004 | July 1, 2003 | July 1, 2002 | July 1, 2001 | July 1, 2000 | April 1, 2000 | April 1, 2000 |
| | Alaska | 670,053 | 663,253 | 656,834 | 647,747 | 640,544 | 632,241 | 627,533 | 626,931 | 626,932 |
| | **BOROUGH OR CENSUS AREA** | | | | | | | | | |
| 1 | Anchorage Municipality | 278,700 | 275,474 | 273,756 | 270,818 | 267,561 | 263,621 | 260,509 | 260,283 | 260,283 |
| 2 | Fairbanks North Star Borough | 86,754 | 87,555 | 86,769 | 85,172 | 84,722 | 83,795 | 82,727 | 82,840 | 82,840 |
| 3 | Matanuska-Susitna Borough | 80,480 | 76,112 | 72,187 | 68,292 | 65,079 | 62,204 | 59,907 | 59,322 | 59,322 |
| 4 | Kenai Peninsula Borough | 52,304 | 51,766 | 51,527 | 51,206 | 51,008 | 50,172 | 49,673 | 49,691 | 49,691 |
| 5 | Juneau City and Borough | 30,737 | 30,881 | 31,061 | 30,999 | 30,769 | 30,572 | 30,680 | 30,711 | 30,711 |
| 6 | Bethel Census Area | 17,147 | 17,118 | 16,979 | 16,844 | 16,627 | 16,291 | 16,092 | 16,046 | 16,006 |
| 7 | Ketchikan Gateway Borough | 13,384 | 13,263 | 13,199 | 13,343 | 13,573 | 13,810 | 13,985 | 14,059 | 14,070 |
| 8 | Kodiak Island Borough | 13,072 | 13,073 | 13,222 | 13,363 | 13,880 | 13,751 | 13,977 | 13,913 | 13,913 |
| 9 | Valdez-Cordova Census Area | 9,872 | 9,923 | 9,940 | 9,979 | 10,070 | 10,111 | 10,240 | 10,195 | 10,195 |
| 10 | Nome Census Area | 9,245 | 9,355 | 9,373 | 9,227 | 9,155 | 9,170 | 9,171 | 9,196 | 9,196 |
| 11 | Sitka City and Borough | 8,920 | 8,917 | 8,859 | 8,856 | 8,849 | 8,708 | 8,838 | 8,835 | 8,835 |
| 12 | Wade Hampton Census Area | 7,680 | 7,493 | 7,481 | 7,301 | 7,170 | 7,083 | 7,042 | 7,028 | 7,028 |
| 13 | Northwest Arctic Borough | 7,611 | 7,435 | 7,418 | 7,306 | 7,274 | 7,255 | 7,215 | 7,208 | 7,208 |
| 14 | Southeast Fairbanks Census Area | 6,773 | 6,488 | 6,034 | 5,738 | 5,625 | 5,696 | 6,167 | 6,174 | 6,174 |
| 15 | North Slope Borough | 6,608 | 6,790 | 6,951 | 7,146 | 7,152 | 7,240 | 7,373 | 7,385 | 7,385 |
| 16 | Wrangell-Petersburg Census Area | 6,098 | 6,230 | 6,294 | 6,286 | 6,447 | 6,622 | 6,689 | 6,684 | 6,684 |
| 17 | Yukon-Koyukuk Census Area | 5,844 | 6,104 | 6,293 | 6,306 | 6,325 | 6,326 | 6,489 | 6,510 | 6,551 |
| 18 | Prince of Wales-Outer Ketchikan Census Area | 5,688 | 5,657 | 5,758 | 5,766 | 5,745 | 5,910 | 6,138 | 6,157 | 6,146 |
| 19 | Aleutians West Census Area | 5,239 | 5,368 | 5,457 | 5,452 | 5,157 | 5,374 | 5,441 | 5,465 | 5,465 |
| 20 | Dillingham Census Area | 4,970 | 4,966 | 4,944 | 4,907 | 4,971 | 4,888 | 4,931 | 4,922 | 4,922 |
| 21 | Skagway-Hoonah-Angoon Census Area | 3,100 | 3,137 | 3,137 | 3,149 | 3,278 | 3,387 | 3,433 | 3,436 | 3,436 |
| 22 | Aleutians East Borough | 2,647 | 2,696 | 2,670 | 2,720 | 2,668 | 2,460 | 2,684 | 2,697 | 2,697 |
| 23 | Haines Borough | 2,257 | 2,243 | 2,241 | 2,298 | 2,299 | 2,310 | 2,399 | 2,392 | 2,392 |
| 24 | Denali Borough | 1,846 | 1,813 | 1,896 | 1,863 | 1,851 | 1,837 | 1,894 | 1,893 | 1,893 |
| 25 | Lake and Peninsula Borough | 1,548 | 1,578 | 1,593 | 1,591 | 1,595 | 1,666 | 1,809 | 1,823 | 1,823 |
| 26 | Bristol Bay Borough | 1,042 | 1,103 | 1,090 | 1,107 | 1,146 | 1,182 | 1,232 | 1,258 | 1,258 |
| 27 | Yakutat City and Borough | 689 | 715 | 697 | 713 | 740 | 760 | 798 | 808 | 808 |

Source: US Census Bureau, Population Estimates Program

# State of Alaska
# FY2010 Governor's Operating Budget

## Department of Public Safety
## Village Public Safety Officer Program
## Results Delivery Unit Budget Summary



1393

# Village Public Safety Officer Program Results Delivery Unit

## Contribution to Department's Mission

Preserve public peace and protect life and property in rural villages.

## Core Services

- Contract with non-profit organizations to provide Village Public Safety Officer (VPSO) services throughout rural Alaska.

## Major Activities to Advance Strategies

- VPSO training academy.
- VPSO regional update training.
- Driving Under the Influence (DUI) patrols.
- Domestic violence and DUI training.
- Report writing and investigation in-service.
- Coordination with outside domestic violence-related agencies and support groups.
- Domestic violence supervisory case review with district attorney coordination.
- Provide search and rescue management training.
- Water safety education.
- Increased inspections.
- Crime Stoppers.
- Alcoholic Beverage Control Board (ABC) training.
- Coordination of ABC investigations.
- Provide boater safety public education.
- Provide boater safety training to VPSOs and AST.
- D.A.R.E. programs.
- Alcohol Rewards Program.
- Patrol high crime areas.
- Investigator training.
- Enhanced communications between jurisdictions.
- Community Oriented Policing (COP) training.
- Participation in village council meetings.

## FY2010 Resources Allocated to Achieve Results

**FY2010 Results Delivery Unit Budget: $7,100,700**

| Personnel: | |
|---|---|
| Full time | 2 |
| Part time | 0 |
| **Total** | 2 |

## Key RDU Challenges

VPSO are the first responders to incidents, and/or the only individuals immediately available to provide a broad range of public safety services in their village. These functions range from basic law enforcement, to probationer and parolee supervision, to provision of first aid to the injured, to assisting with search and rescue missions, to fire prevention activities.

VPSO retention continues to be a challenge. Many factors are responsible for high VPSO turnover. In fact, many of the same factors that affect Alaska State Trooper recruitment also influence VPSO recruitment, including the public's general lack of interest in law enforcement jobs. For VPSOs, one unique factor has been a historically low rate of pay. Funding in the form of supervision of parolees and probationers has continued to account for a considerable portion of the monthly VPSO salary. Furthermore, toward this end, an Alaska State Senate VPSO Task Force solicited input by holding a number of public meetings throughout the state in early 2008 and, in part, determined that additional funding was necessary for the program. As a result, effective July 1, 2008, the base rate of pay for VPSOs increased from $17.00 to $21.00 per hour.

The VPSO program has suffered from high turnover since inception. The expectations of a VPSO have changed over time and become more demanding. Consequently, fewer village residents are willing to serve as a VPSO, which then requires hiring entities to seek applicants from elsewhere. It has proven difficult at best to recruit qualified applicants from urban areas to serve in villages.

Grant management and oversight responsibility are requiring significant and increasing staff time. Upper level AST managers further are expending an increased amount of diplomatic effort in order to ensure that the program remains successful.

With the increase in pay, AST anticipates more successful recruitment, which is beginning to bear fruit. There will be a strong presence of Village Public Safety Officers at DPS recruitment booths during both the Alaska State Fair in Palmer and the Alaska Federation of Natives (AFN) conference held in Anchorage. The VPSO website continues to be regularly updated with information regarding VPSO employment opportunities and qualifications so that interested individuals may have easy access in applying for the VPSO program.

## Significant Changes in Results to be Delivered in FY2010

The legislature appropriated $1,529,900 for the VPSO program to improve both the recruitment and retention of VPSOs in FY2009. $929,900 was designated as partial funding for fifteen new VPSO positions and $600,000 was designated for pay raises. Increasing the number of VPSOs will provide improved levels of service and a greater degree of assurance that Alaska's Native population is being served adequately and on par with all other citizens.

## Major RDU Accomplishments in 2008

VPSO probation and parole services continue throughout the VPSO communities. Probation and parole training is being provided to new VPSOs attending the ten week session of basic VPSO training at the DPS Academy in Sitka. VPSOs are developing and maintaining good working relationships with probation and parole oversights, as well as continuing to monitor offenders within their communities on a regular basis.

DPS sponsored 970 hours training per available VPSO in FY2008. This training included Basic Village Police Officer Academy #16 and #17, VPSO Academy #34, regional training for all participating Native non-profit organizations, Street Survival, Reid Interview and Interrogation, and Learn to Return.

All participating Native non-profit organizations coordinated construction and / or renovation of public safety projects within their respective regions.

- AST conducted 2,340 VPSO village visits
- Troopers conducted 5,578 oversight hours
- Ten new VPSOs attended VPSO academy #34 in Sitka
- VPSOs investigated 3,607 cases, to include 57 driving under the influence (DUI), 95 assaults, and 143 domestic violence assaults. Total cases represent a 47.7 percent increase over FY2007, DUI represents a 63 percent increase over FY2007, assault represents a 50.5 percent increase over FY2007, and domestic violence assault represents a 51.7 percent increase over FY2007.

## Contact Information

**Contact:** Dan Spencer, Director, Administrative Services
**Phone:** (907) 465-5488
**Fax:** (907) 465-5500
**E-mail:** danial.spencer@alaska.gov

## Village Public Safety Officer Program
## RDU Financial Summary by Component

*All dollars shown in thousands*

| | FY2008 Actuals | | | | FY2009 Management Plan | | | | FY2010 Governor | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds |
| **Formula Expenditures** | | | | | | | | | | | | |
| None. | | | | | | | | | | | | |
| **Non-Formula Expenditures** | | | | | | | | | | | | |
| VPSO | 5,082.7 | 0.0 | 0.0 | 5,082.7 | 6,666.3 | 0.0 | 0.0 | 6,666.3 | 6,666.3 | 0.0 | 0.0 | 6,666.3 |
| Contracts | | | | | | | | | | | | |
| Support | 246.5 | 0.0 | 106.1 | 352.6 | 267.2 | 0.0 | 162.2 | 429.4 | 269.1 | 0.0 | 165.3 | 434.4 |
| **Totals** | **5,329.2** | **0.0** | **106.1** | **5,435.3** | **6,933.5** | **0.0** | **162.2** | **7,095.7** | **6,935.4** | **0.0** | **165.3** | **7,100.7** |

## Village Public Safety Officer Program
## Summary of RDU Budget Changes by Component
## From FY2009 Management Plan to FY2010 Governor

*All dollars shown in thousands*

| | General Funds | Federal Funds | Other Funds | Total Funds |
|---|---|---|---|---|
| **FY2009 Management Plan** | **6,933.5** | **0.0** | **162.2** | **7,095.7** |
| **Adjustments which will continue current level of service:** | | | | |
| -Support | 1.9 | 0.0 | 3.1 | 5.0 |
| **FY2010 Governor** | **6,935.4** | **0.0** | **165.3** | **7,100.7** |

# STATE OF ALASKA

**Department of Public Safety**

**Active VPSO List by Village**

**November, 2007**

| PermID | Corp | VCode | Village | LstName | FstName | Work | Address | Zip | Oversight |
|---|---|---|---|---|---|---|---|---|---|
| DAC0 | AVCP | RDKB | AKIACHAK | CHARLES | DAVID | 825-4313 | PO BOX 34 | 99551 | TRP DUFFIELD |
| BZB2 | AVCP | RDKF | AKIAK | BEAVER | BENJAMIN | 765-7000 | General Delivery | | TRP DUFFIELD |
| JLL1 | APIA | RBLB | AKUTAN | LEVAN | JAY | 698-2315 | po box 111 | 99553 | DILLINGHAM |
| JSC1 | BBNA | RDAB | ALEKNAGIK | CREASEY | JASON | 842-2189 | PO BOX 62 | 99555 | TRP BUMP |
| CRH1 | KANA | RARD | ANGOON | HARTZELL | CHARLES | 788-3631 | po box 286 | 99820 | TPRP UMBS |
| HZA3 | APIA | RBDA | ATKA | ANELON JR | HENRY | 839-2214 | PO BOX 47015 | 99547 | DILLINGHAM |
| JMT2 | AVCP | RDJC | CHEFORNAK | TOBELUK | JOHN | 867-8733 | GENERAL DELIVERY | 99561 | TRP ROBERTS |
| GWA0 | BBNA | RBWA | CHIGNIK | ASHBY | GUY | 749-2273 | GENERAL DELIVERY | 99564 | TRP SHEPHERD |
| tdb0 | TCC | RJKA | EAGLE | BEAUCAGE | TIMOTHY | 547-2356 | po box 957 | ak | DAVID SHERBAHN |
| jjf0 | AVCP | RDJD | EEK | FRIENDLY | JOHN | 536-5328 | PO BOX 52 | 99578 | TRP DUFFILED |
| mvl0 | BBNA | RCKD | EGEGIK | LEFERVERE | MARK | 233-2217 | PO BOX 10 | 99579 | TRP HENDRICKSON |
| DED0 | BBNA | RDAD | EKWOK | DECKER | DANIEL | 464-3326 | PO BOX 37 | 99580 | TRP BUMP |
| GJB0 | AVCP | RDBA | GOODNEWS BAY | BRIGHT | GEORGE | 967-8050 | PO BOX 145 | 99589 | TRP ALTEPETER |
| TZP0 | TCC | RJTA | HUSLIA | PAVLICK | TIMOTHY | 829-2286 | PO BOX 30 | 99746 | JEANNINE SANTORA |
| JRL9 | BBNA | RCZC | ILIAMNA/NEWHALEN | LAMONT | JAMES | 571-1692 | PO BOX 52 | 99606 | TRP HENDRICKSON |
| CFA0 | AVCP | RDCD | KIPNUK | ALEXIE | CHRISTOPHER | 896-5515 | PO BOX 002 | 99614 | TRP ROBERTS |
| LOR0 | KANA | RKCB | KOBUK | ROLLS | LESLIE | 948-3222 | PO BOX 44 | 99751 | |
| GZT0 | BBNA | RDAE | KOLIGANEK | TUNGUING | GUSTY | 596-3418 | PO BOX 5040 | 99576 | TRP SADLOSKE |
| JEO0 | AVCP | RDCB | KONGIGANAK | OTTO | JONATHAN | 557-5607 | PO BOX 5097 | 99559 | TRP ALTEPETER |
| MDO0 | AVCP | RDKC | KWETHLUK | OLICK | MAX | 757-6629 | PO BOX 56 | 99621 | TRP KEMPER |
| RLJ0 | KANA | RCAJ | LARSEN BAY | JONES JR | ROY | 847-2262 | PO BOX 144 | 99624 | TRP ZITO |
| KWP0 | TCC | REZA | MCGRATH | PARKER | KENNETH | 524-3075 | PO BOX 168 | 99627 | TRP SPENCER |
| AJB0 | AVCP | REWD | MT VILLAGE | BROWN | ALVIN | 591-2921 | PO BOX 32015 | 99632 | TRP ADKINS |
| MDM2 | KANA | RCYI | NANWALEK | MCCOMACK | MICHAEL | 281-2277 | PO Box 5515 | 99603 | TRP BROWNING |
| WDO0 | AVCP | RDKG | NAPAKIAK | OLICK | WILLIAM | 589-2920 | PO BOX 112 | 99634 | TRP ROBERTS |
| GCL0 | AVCP | RDKE | NAPASKIAK | LARSON | GREGORY | 737-7639 | PO BOX 6055 | 99559 | TRP ALTEPETER |
| MEN0 | APIA | RBSB | NELSON LAGOON | NEMETH | MICHAEL | 989-2232 | PO BOX 36 | 99571 | DILLINGHAM |
| EJW0 | BBNA | RDAG | NEW STUYAHOK | WONHOLA | EVAN | 693-3170 | PO BOX 51 | 99636 | TRP BUMP |
| JMT1 | AVCP | RDJA | NUNAPITCHUK | TOBELUK JR | JACOB | 527-5718 | PO BOX 102 | 99641 | TRP BALLESTEROS/DUNFORD |
| BNW0 | BBNA | RCCB | PILOT POINT | WISE | BYRON | 797-2275 | PO BOX 429 | | TRP HENDRICKSON |
| BGA0 | KANA | RCAE | PORT LIONS | AMES | BRADLEY | 454-2330 | PO BOX 110 | 99550 | TRP ZITO |
| wzp0 | AVCP | RDBD | QUINHAGAK | PLEASANT | WASSILLIE | 556-8314 | GENERAL DELIVERY | 99655 | TRP ROBERTS |
| MFH0 | TCC | RHZA | RUBY | HAGLIN | MARK | 468-4603 | PO BOX 81 | 99768 | JEANNINE SANTORA |
| JGP0 | KAWE | RHSB | SAVOONGA | PERATROVICH | JOHN | 984-6011 | PO BOX 206 | 99769 | TRP KOSTO |
| PKY0 | AVCP | RESB | SCAMMON BAY | YUNAK | PAULA | 558-5529 | BOX 86 | 99662 | SGT MERRILL |
| DRW1 | KAWE | RJZA | SHISHMAREF | WEBB | DONALD | 649-3411 | PO BOX 72174 | 99772 | TRP WITROSKY |
| mzl0 | APIA | RCEB | ST GEORGE | LEJARZAR | MICHAEL | 859-2415 | PO BOX 957 | 99591 | DILLINGHAM |
| llr1 | KAWE | RHRB | STEBBINS | RAYMOND | LEONARD | 934-2340 | PO BOX 71084 | 99671 | TRP ERICKSON |
| GWR0 | TCC | RJRA | TANANA | ROBINSON | GEORGE | | PO BOX 189 | 99777 | SGT WASSMANN |
| cmo0 | KANA | RAER | THORNE BAY | OMALLEY | CLINTON | 828-3905 | PO BOX 19310 | 99919 | BOB CLAUS |
| WPG0 | AVCP | RDJB | TUNTUTULIAK | GILILA SR | WASSILLIE | 256-2634 | GENERAL DELIVERY | 99680 | TRP KEMPER |
| jkb1 | KANA | HEKA | TYONEK | BYSTEDT | JAMES | 583-2203 | PO BOX 119 | 99922 | TRP BLIZZARD |
| DZH0 | KAWE | RHWD | WHITE MOUNTAIN | HARRELSON | DAN | 638-3411 | PO BOX 138 | 99784 | |

Alaska State Troopers
# Village Public Safety Officer Program

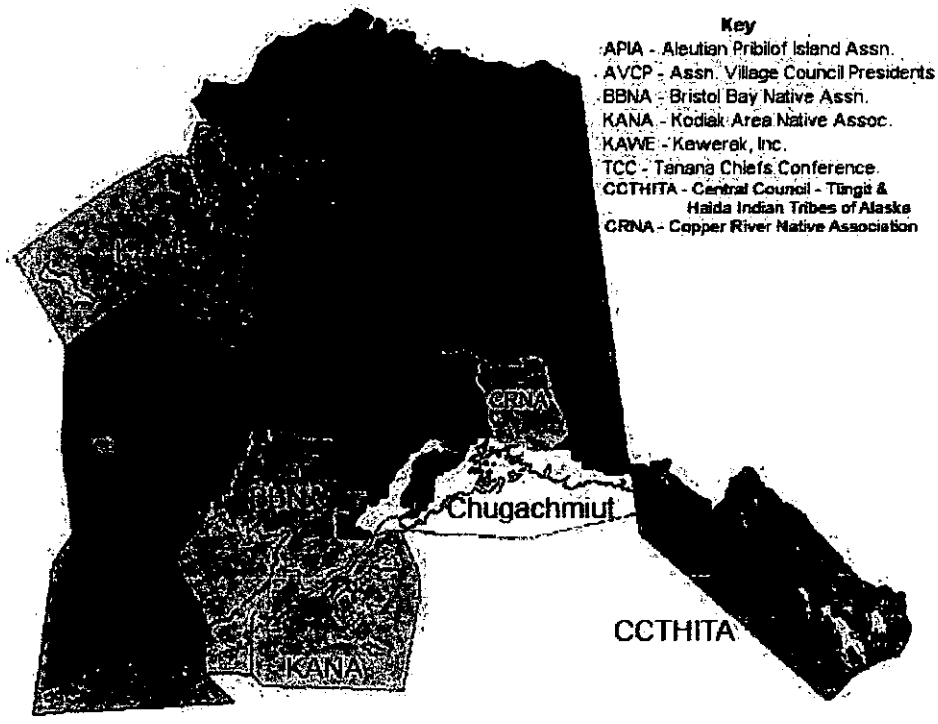


## Employment Opportunities

For employment opportunities, contact the individual Native Nonprofit Corporations. Please refer to the map below for the Corporation location.

HB 106

- Aleutian/Pribilof Island Association (APIA)
- Association of Village Council Presidents (AVCP)
- Bristol Bay Native Association (BBNA)
- Central Council - Tlingit & Haida Indian Tribes of Alaska (CCTHITA)
- Chugachmiut Inc.
- Copper River Native Association (CRNA)
- Kawerak, Inc. (KAWE)
- Kodiak Area Native Association (KANA)
- Maniilaq Inc
- Tanana Chiefs Conference (TCC)




For more detailed contacts on the VPSO Program please visit the "Contact Us" page.

# FISCAL NOTE

**STATE OF ALASKA**
**2009 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version: **HB 106**
() Publish Date:

Identifier (file name): **HB106-DPS-DET-02-23-09**
Title "An act relating to village public safety officers."
Sponsor Representative Joule
Requester House Community and Regional Affairs

Public Safety
RDU Alaska State Troopers
Component AST Detachments
Component Number 2325

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

**Estimate of any current year (FY2009) cost:** 0.0

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This bill amends AS 18.65.670 to include boroughs as an authorized entity allowed to administer the village public safety program.

Passage of this legislation will have no fiscal impact on the department.

Prepared by: Lt. Rodney Dial
Division Alaska State Troopers
Phone 907-247-4480
Date/Time 2/23/09 12:09 PM

Approved by: Joseph Masters, Commissioner
Department of Public Safety
Date

(Revised 11/19/2007 OMB)

26-LS0402\E
Luckhaupt
2/25/09

**CS FOR HOUSE BILL NO. 106( )**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

**BY**

**Offered:**
**Referred:**

**Sponsor(s): REPRESENTATIVE JOULE**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act relating to municipalities and to village public safety officers."**

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

* **Section 1.** AS 18.65.670(a) is amended to read:

(a) There is created in the Department of Public Safety a village public safety officer program to assist local governments and villages through nonprofit regional corporations **and municipalities** to appoint, train, supervise, and retain persons to serve as village public safety officers to administer functions relative to

(1) the protection of life and property in rural areas of the state; and

(2) providing probation and parole supervision to persons under supervision by communicating with and monitoring the activities and progress of these persons at the direction of probation and parole officers.

* **Sec. 2.** AS 18.65.670(b) is amended to read:

(b) With funds appropriated for that purpose, the commissioner of public safety shall provide grants to nonprofit regional corporations **or municipalities** for village public safety officers **in rural areas of the state and municipalities with**

**populations of less than 10,000**. The commissioner of public safety shall coordinate with the commissioner of corrections when providing grants under this section, and the commissioners shall jointly execute an agreement with the nonprofit regional corporations **or municipalities. For areas within a borough that exercises areawide law enforcement powers, the commissioner may provide grants under this section only to the borough**.

*** Sec. 3.** AS 18.65.670(c) is amended to read:

(c) The commissioner of public safety may adopt regulations related to village public safety officers, including minimum standards and training, criteria for community**, municipality,** or corporation participation, and the interaction between the Department of Public Safety and village public safety officers. The commissioner of corrections may adopt regulations related to the functions of village public safety officers providing probation and parole supervision.

*** Sec. 4.** AS 18.65.670 is amended by adding a new subsection to read:

(e) In this section, a borough exercises areawide law enforcement powers even if a city within the borough exercises those powers under AS 29.35.250(b).

*** Sec. 5.** AS 29.35.010 is amended to read:

**Sec. 29.35.010. General powers.** All municipalities have the following general powers, subject to other provisions of law:

(1) to establish and prescribe a salary for an elected or appointed municipal official or employee;

(2) to combine two or more appointive or administrative offices;

(3) to establish and prescribe the functions of a municipal department, office, or agency;

(4) to require periodic and special reports from a municipal department to be submitted through the mayor;

(5) to investigate an affair of the municipality and make inquiries into the conduct of a municipal department;

(6) to levy a tax or special assessment, and impose a lien for its enforcement;

(7) to enforce an ordinance and to prescribe a penalty for violation of

an ordinance;

(8) to acquire, manage, control, use, and dispose of real and personal property, whether the property is situated inside or outside the municipal boundaries; this power includes the power of a borough to expend, for any purpose authorized by law, money received from the disposal of land in a service area established under AS 29.35.450;

(9) to expend money for a community purpose, facility, or service for the good of the municipality to the extent the municipality is otherwise authorized by law to exercise the power necessary to accomplish the purpose or provide the facility or service;

(10) to regulate the operation and use of a municipal right-of-way, facility, or service;

(11) to borrow money and issue evidences of indebtedness;

(12) to acquire membership in an organization that promotes legislation for the good of the municipality;

(13) to enter into an agreement, including an agreement for cooperative or joint administration of any function or power with a municipality, the state, or the United States;

(14) to sue and be sued;

(15) to provide facilities or services for the confinement and care of prisoners and enter into agreements with the state, another municipality, or any person relating to the confinement and care of prisoners;

**(16) to receive grants from and contract with the Department of Public Safety under AS 18.65.670**.

# HB

# 121

# ALASKA STATE LEGISLATURE
# HOUSE RULES COMMITTEE
## REPRESENTATIVE JOHN COGHILL, CHAIRMAN

State Capitol Juneau, AK 99801-1182 (907) 465-3719
3340 Badger Road Suite #290, North Pole, AK 99705 (907) 488-5725


**MEMORANDUM**

Date: February 9, 2009

To: Representative Cathy Munoz, Co-Chair
Representative Bob Herron, Co-Chair
Community & Regional Affairs

From: Representative John Coghill, Chair
House Rules Committee

Re: Request for Committee Hearing HB 121

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Please schedule House Bill 121 "*An Act relating to a municipal property tax credit for an improvement that aids in improving air quality*" for a committee hearing in Community & Regional Affairs.

For your information and distribution to committee members, I have attached House Bill 121, sponsor statement, sectional, and Resolution 2009-02 by the Alaska Municipal League supporting this legislation.

Karen is the contact person for this bill and can be reached at 465-6848.

Thank you.

# ALASKA STATE LEGISLATURE
## HOUSE RULES COMMITTEE
### REPRESENTATIVE JOHN COGHILL, CHAIRMAN
State Capitol Juneau, AK 99801-1182 (907) 465-3719
3340 Badger Road Suite #290, North Pole, AK 99705 (907) 488-5725


## Sponsor Statement

***HB 121***
***"An Act relating to municipal property tax credit for an improvement that aids in improving air quality"***
(26-LS0540\A)

The purpose of House Bill 121 is to provide a municipality with the statutory authority to pass an ordinance to provide for air quality tax credits. These tax credits will help offset a portion of the property taxes and encourage property owners to invest in improvements that help improve air quality.

Each municipality will establish the eligibility, conditions and other criteria for a tax credit by passing ordinances that will are based on local public input and specific community conditions.

# ALASKA STATE LEGISLATURE
## HOUSE RULES COMMITTEE
### REPRESENTATIVE JOHN COGHILL, CHAIRMAN
State Capitol Juneau, AK 99801-1182 (907) 465-3719
3340 Badger Road Suite #290, North Pole, AK 99705 (907) 488-5725


## Sectional

## *HB121*
## *"An Act relating to municipal property tax credit for an improvement that aids in improving air quality"*

(26-LS0540\A)

**Section 1.** AS 29.45 is amended by adding a new section to read:

***Sec. 29.45.048 Air quality improvement tax credit.*** *A municipality may, by ordinance, provide for an air quality improvement tax credit to offset a portion of the property taxes due on property that, during the immediately preceding tax year, has been improved in a way that aids in improving the air quality in the municipality. The amount of the credit shall be based on a percentage of the verifiable costs of the improvement, and the credit may be granted for more than one year. The ordinance may limit the availability of a credit to some, but not all types of improvements for which a credit may be granted under this section and to property located in areas that do not meet air quality standards required by federal or state law or regulation. Eligibility, conditions, and other criteria for the credit shall be established in the ordinance adopted under this section.*

This new section provides municipalities the opportunity to offer property owners a tax credit if they make qualifying air quality improvements on their property.

The amount of the credit is based on a percentage of the verifiable costs of the improvement, and the tax credit may be granted for more than one year.

This new section further states that an ordinance may place some restrictions on availability of the tax credit, the type of improvement, and the property location. The ordinance will establish the eligibility, conditions and other criteria for the tax credit that allows each municipality the leeway to pass an ordinance that is specific to its own unique air quality issues, location, and property.

# 1. FNSB Air Quality (PM 2.5)

Monitoring of particulate levels in urban areas within the Fairbanks North Star Borough continues to show daily exceedances of Federal limits, particularly during periods of temperature inversions. This chapter describes the status of the FNSB's particulate emissions issue.

## 1.1 Particulate Matter (PM) 2.5 Non-Attainment

The Fairbanks area is surrounded by hills on three sides and is susceptible to severe surface-based temperature inversions during the winter that stratify cold air near the ground. Coupled with low wind speeds, pollutants in the air get trapped up to weeks at a time and concentrate resulting in periods of poor air quality. Particulate matter is one of those pollutants. Fine particles that are 2.5 micrometers in diameter and smaller (PM 2.5) are unhealthy to breathe and have been associated with serious lung and heart problems. These particles are a mixture of microscopic solids and liquid droplets suspended in air. Sources of fine particles include all types of combustion activities (motor vehicles, power plants, wood burning, etc.) and certain industrial processes. Cold weather (near 0 degrees F and below) seems to increase the PM 2.5 levels in the Fairbanks area during temperature inversions.

In 1997, the EPA issued standards for PM 2.5 based on health studies and extensive peer review. The annual standard of 15 micrograms per cubic meter and 24-hour standard of 65 micrograms per cubic meter (µg/m3) is based on a three-year average of annual mean PM 2.5 concentrations. In September 2006, the EPA issued revised national air quality standards for PM 2.5. The daily PM 2.5 particle standard has been reduced from 65 to 35 µg/m3 of air.

In March 2007, EPA issued a rule defining requirements for states to clean the air in areas with levels of fine particle pollution that do not meet national air quality standards. EPA designates an area as "non-attainment" if it violates the fine particle standards over a three-year period. Once an area is designated as non-attainment, the Clean Air Act requires a state to submit an implementation plan to EPA within three years. This plan must include enforceable measures to reduce air pollutant emissions that form the fine particles in the atmosphere. The plan must also provide enforceable steps to attain the PM 2.5 standards and show how it will make reasonable progress toward meeting them.

States must meet the new PM 2.5 standard by 2010. In their 2008 implementation plans, states may propose an attainment date extension for up to five years. Those areas for which EPA approves an extension must achieve clean air as soon as possible, but no later than 2015.

In August 2007, the Alaska Dept. of Environmental Conservation (ADEC) published "Alaska's 2008 Air Monitoring Network Program." This document included the following statements concerning Fairbanks:

- "Fairbanks had consistently experienced the highest PM 2.5 values measured in the State."
- "Based on winter PM 2.5 levels, Fairbanks had been flirting with exceeding the annual fine particulate standard (set at 15 µg/sm3) for the past seven years. If [they are] exceeded, Fairbanks will need to control year-round PM pollution."

- "To address the needs of an Alaska PM 2.5 State Implementation Plan (SIP), the Fairbanks North Star Borough is expanding its monitoring network to better identify the magnitude, extent, and source of its winter PM 2.5 problems. This effort will see the addition of between three and five new monitoring sites operated during the winter months."

- "The 2007 PM 2.5 network so far only monitored the fine particles at the State Office Building."

### *1.1.1 FNSB Non-Attainment Boundary (PM 2.5)*

In December 2007, ADEC sent a letter to EPA recommending that, based on the past three years of ambient air monitoring data, EPA designate all areas of the State in attainment with the annual PM 2.5 standard of 15 µg/m3. The letter also stated that Fairbanks was the only Alaska community that had exceeded EPA's new 35 µg/m3 (24-hour) standard. Enclosed with the letter was supporting information that included a recommended boundary for a Fairbanks PM 2.5 (24-hour) non-attainment area. Following are excerpts from that document concerning the proposed PM 2.5 non-attainment boundary:

- "Ambient air monitoring has been conducted at one site in downtown Fairbanks since the PM 2.5 network was established in 1999. While this site does represent the level of fine particulates in the downtown area, there is nothing to confirm that PM 2.5 concentrations exceed State and Federal fine particulate standards outside of the urban center."

- "EPA recommends that states consider nine factors in making non-attainment boundary recommendations. These nine factors include: emission data, air quality data, population density and degree of urbanization (including commercial development), traffic and commuting patterns, growth rates and patterns, meteorology (weather/transport patterns), geography/topography (mountain ranges or other air basin boundaries), jurisdictional boundaries (e.g. counties, air districts, reservations, metropolitan planning organizations [MPOs]), and level of control of emission sources."

- "Based on a number of these factors, the department (ADEC), in consultation with the Fairbanks North Star Borough, has developed a recommended boundary for a PM 2.5 non-attainment area in Fairbanks. The proposed boundary captures the air shed most likely contributing to the exceedances in Fairbanks resulting in non-attainment of the health standard based on existing monitoring data and other factors listed above."

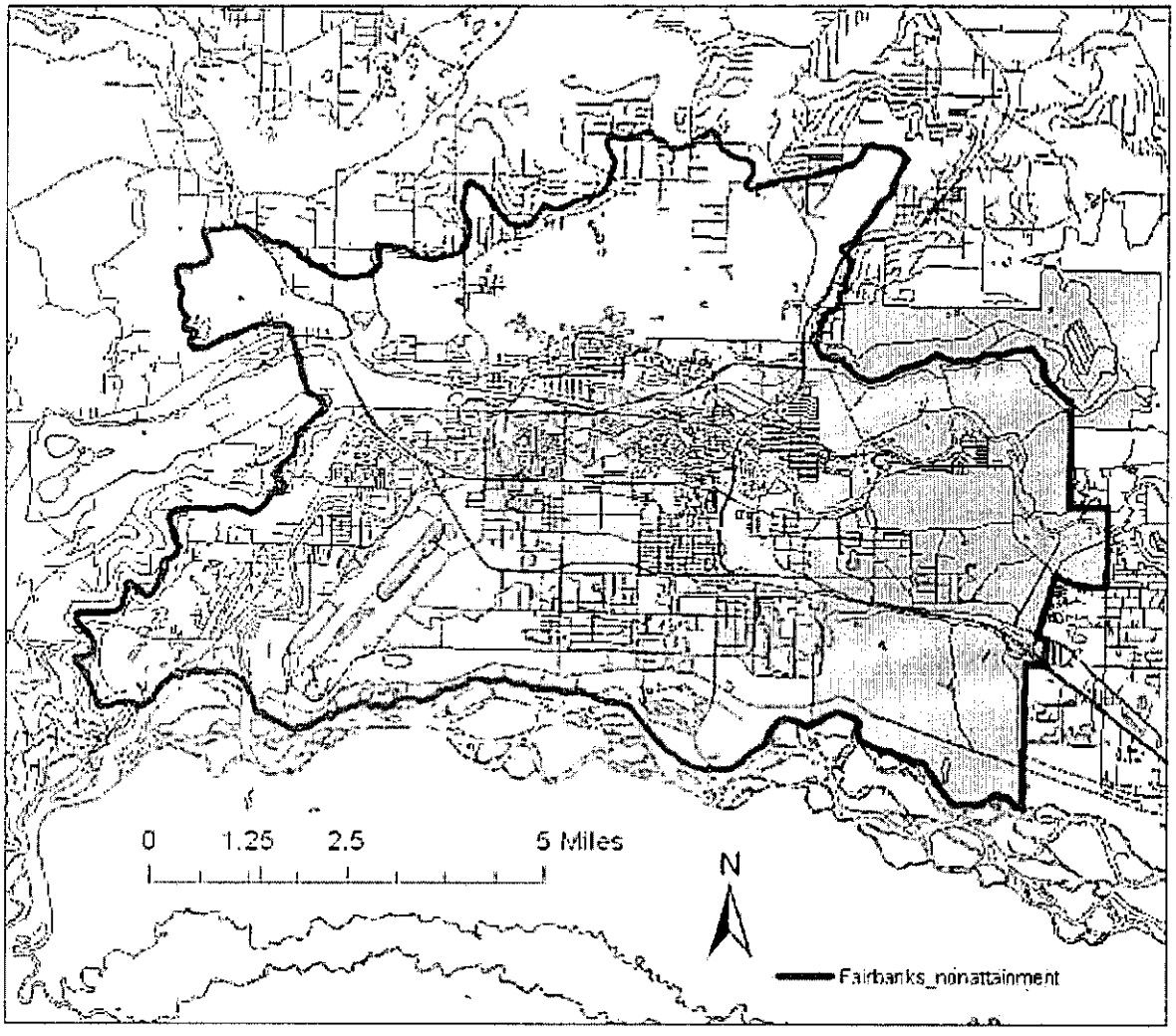
- "Because there is only one monitoring site in Fairbanks, the monitoring data and source characterization work derived from that site is most likely not representative of the source contributions throughout the entire area."

- "At this time, no monitoring data exist for the city of North Pole or other residential areas in the outlying valleys to the north of Fairbanks. At this time, there is insufficient information to suggest that North Pole or these other outlying populated areas have an air quality problem or are significantly contributing to the air quality violations occurring in downtown Fairbanks. Furthermore, some of the outlying populated areas are located at higher levels that are frequently above the inversion layer. Therefore, PM 2.5 concentrations are most likely lower than in downtown Fairbanks because areas above the inversion experience good exchange with air masses aloft. For these reasons, they have been excluded from the proposed boundary."

- "As supplemental information and data are collected over the next several years, this boundary could be further refined. "

Figure 4-1 shows a map of the PM 2.5 non-attainment boundary originally proposed by ADEC and FNSB.

**Figure 4-1: FNSB's Proposed PM 2.5 Non-Attainment Boundary**




In 2007, FNSB installed a particle monitor at Nordale School and uses a mobile sniffer, known as the RAMS trailer, to gather air samples throughout the FNSB.

In April 2008, ADEC issued an updated "State Air Quality Control Plan." This document included the following statements concerning PM 2.5 emissions:

- "In a recent rulemaking with an effective date of December 18, 2006, EPA revised the level of the 24-hour PM 2.5 standard from 65 to 35 µg/m3. A review of monitoring data collected

in Fairbanks in recent years shows summer values are generally low, approximately 7 µg/m3 (24-hour average), except when smoke from wildfires is transported into the downtown area (i.e., the location of the borough's PM 2.5 monitor). When this occurs, concentrations can become quite high (many multiples of the recently adopted 35 µg/m3 standard). Concentrations resulting from these conditions, however, can qualify as exceptional events. Winter values average approximately 23 µg/m3 (24-hour average), but episodically can exceed 50–60 µg/m3."

- "The entire State of Alaska is currently classified as in attainment of the PM 2.5 standard; however, barring a substantial change in wintertime concentrations, it is likely the State will recommend to EPA that Fairbanks be designated non-attainment of the revised 24-hour PM 2.5 standard in 2008/2009."

During the past three years, the Fairbanks area has exceeded the 2006 revised EPA PM 2.5 (24-hour) standard of 35 µg/m3 numerous days during the winter. Figure 4-2 shows the number of days the PM 2.5 (24-hour) standard was exceeded during the past five calendar years. The graph in Figure 4-3 shows the daily PM 2.5 (24-hour) levels in Fairbanks during the four winter months of November 2005 through February 2006.

**Figure 4-2: PM 2.5 Exceedances (2003-2008)**

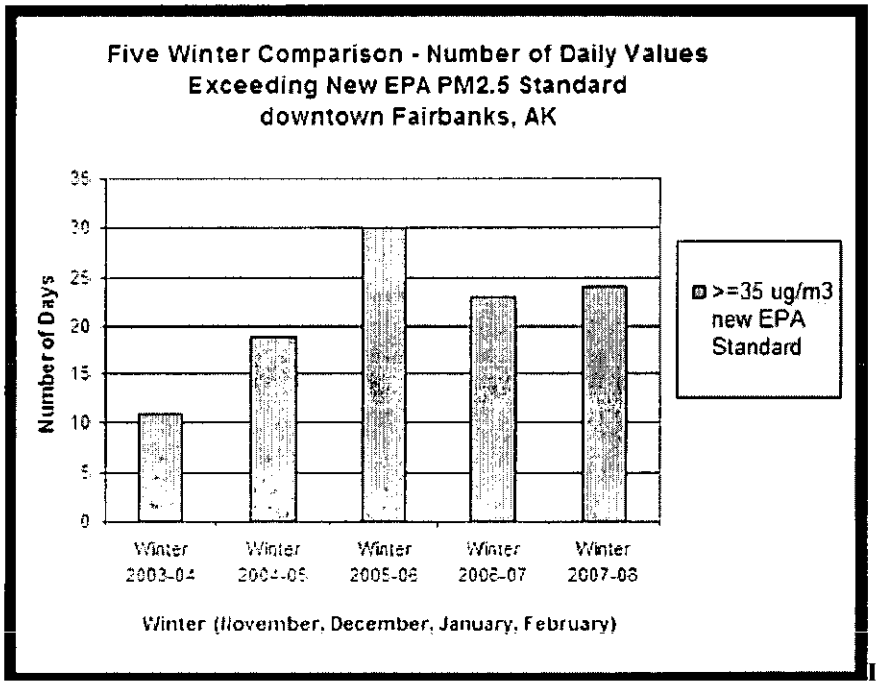
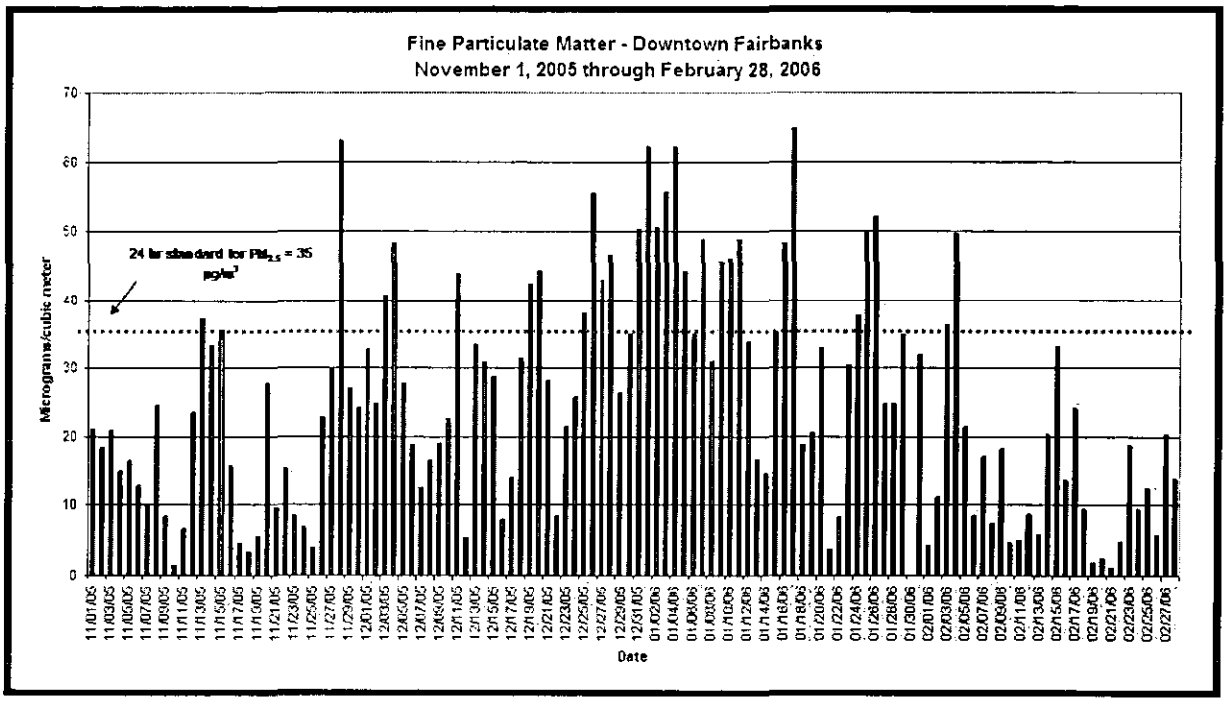
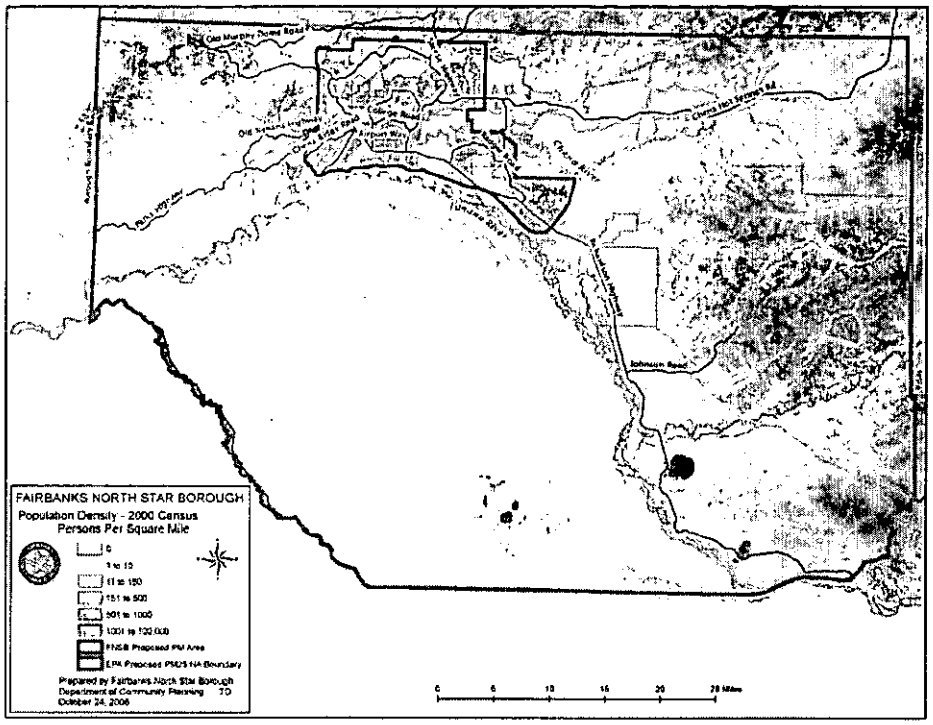



**Figure 4-3: Fairbanks Daily PM 2.5 Levels (Winter 2005-2006)**



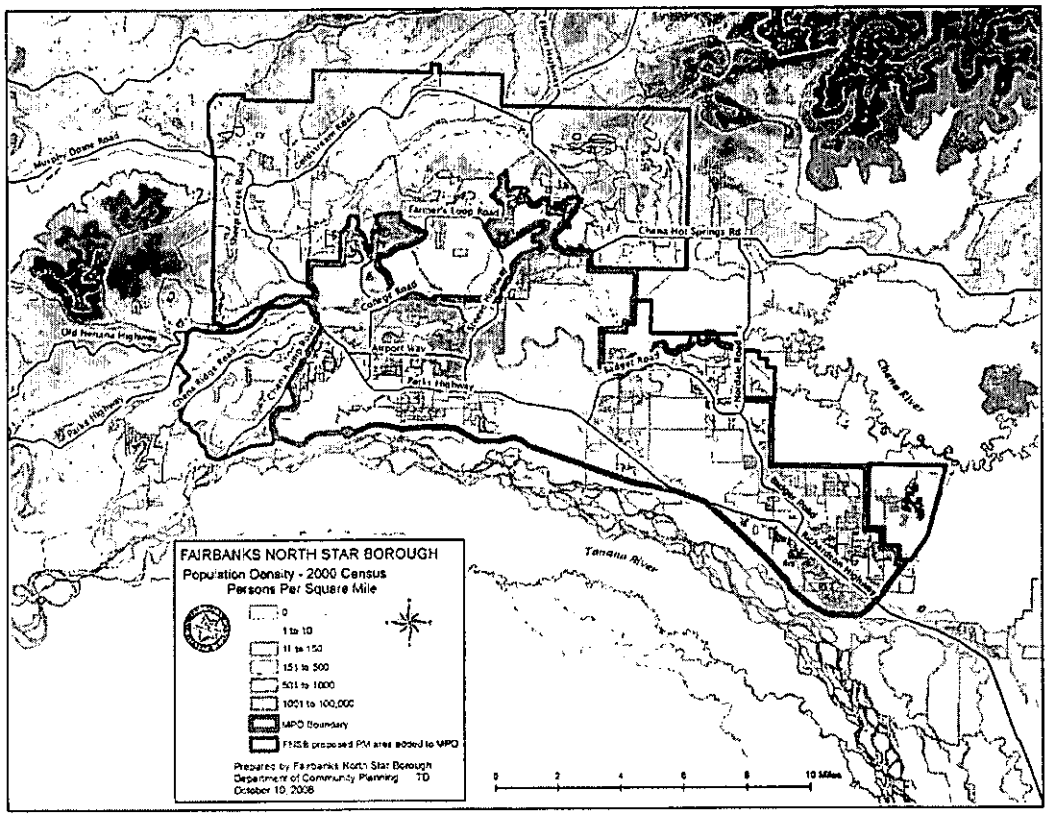

In August 2008, EPA sent a letter notifying the State of its intent to designate a portion of the Fairbanks North Star Borough (FNSB) as non-attainment and to modify Alaska's recommended FNSB non-attainment boundary. EPA encouraged the State to submit any additional information that EPA should consider concerning the FNSB PM 2.5 non-attainment boundary before October 20, 2008. Figure 4-4 shows EPA's proposed boundary. It encompasses a large area of the borough that has few or no people, such as the Tanana Flats. EPA plans to publish a notice in the Federal Register to solicit public comments on its decision and make final designation decisions for the 2006 PM 2.5 (24-hour) standard by December 18, 2008.

**Figure 4-4: EPA's Proposed PM 2.5 Non-Attainment Boundary**




In October 2008, the FNSB proposed a smaller PM 2.5 (24-hour) non-attainment boundary to EPA that is shown in Figure 4-5. An EPA decision on the non-attainment boundary is pending.

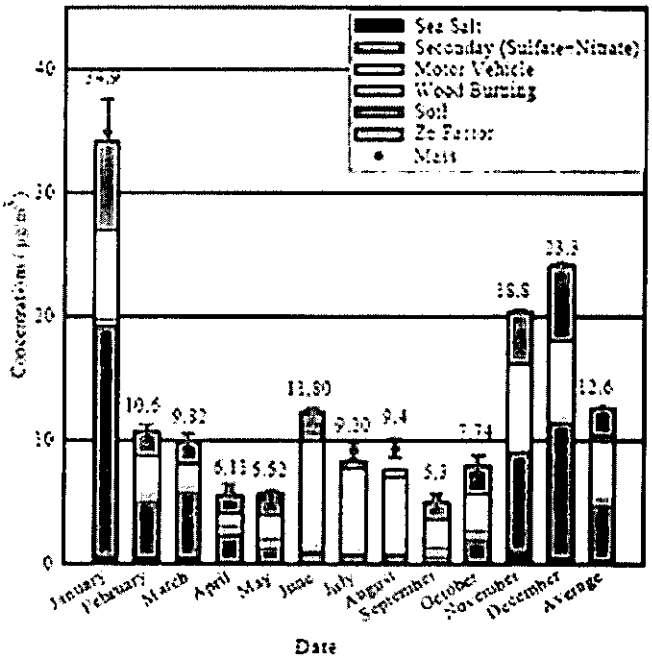
Figure 4-5: FNSB's Adjusted PM 2.5 Non-Attainment Boundary




## 1.2 PM 2.5 Particle Analysis

ADEC and FNSB have analyzed the samples collected in the ambient air monitors and identified possible sources of the PM 2.5 particles. They found that the winter samples contained about 40 to 55 percent of the fine PM 2.5 particles made of secondary sulfate and nitrate aerosols. Most of the remaining aerosol was contributed equally from wood burning emissions and an unknown zinc-related factor. Trace amounts were also identified as sea salt, motor vehicle emissions, and soil. Figure 4-6 summarizes these results.

**Figure 4-6: PM 2.5 Particle Analysis Results**




**Sulfite and Nitrate Aerosols**: The source of the sulfur and nitrate aerosols is most likely burning fuels that contain sulfur. Fairbanks vehicles burn significant amounts of gasoline and diesel fuel; however, the sulfur content of both fuels has been reduced dramatically in recent years. Low-sulfur diesel fuel contains 0.007 percent sulfur by weight. The sulfur content of fuel oil used for building heating contains about 0.22 percent sulfur. Although there are numerous sources in Fairbanks that burn fuel containing sulfur, the distillate fuel oils used in space heating could be a dominant source of the atmospheric sulfite and nitrate aerosols in Fairbanks during the winter.

**Wood Burning Emissions:** Heating fuel oil prices in Alaska have increased significantly during the past four years, and data from ADEC-sponsored building heating surveys show that more households and businesses have installed supplemental wood-burning heaters. The EPA estimates that wood stoves emit more pollutants than oil-fired furnaces—generally 30 to 250 times more particulates on a heat-equivalent basis.

**Zinc-based Emissions:** The source of the zinc found in the Fairbanks PM 2.5 particles is unknown at this time. Possible sources include burning of waste lubricating oils, motor vehicles burning lube oil, or distant sources of zinc mining and ore handling. Zinc is widely used as an additive in lubricating oils for diesel engines and, in lower concentrations, for gasoline-powered engines.

### *1.2.1 Expanded PM 2.5 Sampling Program*

Starting in 2007, the FNSB expanded monitoring to determine the extent of the elevated PM 2.5 emissions. This effort continued last winter (2007-08) with three new fixed monitoring sites, a re-locatable trailer, and a mobile monitor. One of the fixed sites was placed in the Hamilton Acres area to characterize the PM 2.5 in a neighborhood setting. The FNSB placed another fixed site downtown near the State Office Building, to support those monitors with new types of monitors

that will help differentiate the sources of the PM downtown such as mobile sources. The third fixed site is on south Peger Road and monitors the roadway contributions and the effect of mobile sources such as cars and commercial vehicles.

The trailer was placed in eleven different locations in and around the Fairbanks and North Pole areas, including varying altitudes to better assess the spatial extent and inversion/particulate layer height for PM 2.5 particles.

The mobile monitor drove extensively through neighborhoods and industrial areas throughout the Fairbanks and North Pole area as well as Goldstream Valley. FNSB is using these data to assess the spatial extent as well as the local effects of hot spots (outdoor wood boilers [OWBs], poorly running woodstoves, and high-emitting vehicles).

During 2008, the FNSB Air Quality Department refined and expanded its studies further with a new fixed site in North Pole and the addition of new "speciation" monitors that provide data on the chemical types within the collected PM particles. These new instruments will help apportion the source mixture of the PM and indicate the best way to reduce and maintain PM emissions in the future. The FNSB has also expanded its meteorological monitoring to help assess any transport of PM from outside the downtown area. New meteorological measuring equipment has been set up at the South Peger and Hamilton Acres sites, and will soon operate at the North Pole site.

These new "speciation" monitors will provide data to be input into the EPA's UNMIX model as well as a Chemical Mass Balance model to help differentiate between mobile source contributions and space heating. In addition to those analyses, the information from those monitors will be analyzed for key tracers of wood burning. This should allow us to separate the wood burning sources from the rest of the sources.

A better understanding of the Fairbanks basin microclimate and the meteorological patterns that cause severe inversions is necessary so we can prevent exceedances of the PM 2.5 by applying cost-effective emission reduction practices.

## 1.3 PM 2.5 Standard Non-Compliance Consequences

Areas that EPA classifies as non-attainment are subject to a Federal measure known as "transportation conformity." It requires local transportation and air quality officials to coordinate planning to ensure transportation projects (road construction, etc.) do not hinder an area's ability to achieve and maintain clean air standards. Non-attainment areas also become subject to "new source review" requirements, which is a Federal permitting program designed to ensure that pollution from new and modified industrial facilities does not impede progress toward clean air.

Some of the potential negative consequences for the Fairbanks North Star Borough of not meeting and maintaining EPA's PM 2.5 (24-hour) standard could include the following:

- Unhealthy air quality during winter inversion periods leading to increased health care costs for residents, also deterring future population growth in the Fairbanks area and discouraging new businesses from locating in the Interior
- Loss of Federal highway funds along with other Federal funding streams

- Denials on projects submitted for Federal review due to continuation of non-attainment days after program implementation

- Reduced military staffing at Fort Wainwright and Eielson Air Force Base

### *1.3.1 Fairbanks PM 2.5 Implementation Plan*

The FNSB, City of Fairbanks, City of North Pole, ADEC, and Alaska Department of Transportation and Public Facilities (DOT&PF) are working together to develop an implementation plan that will achieve and maintain the current EPA standards by reducing PM 2.5 air pollutant emissions by 2014. Population growth and increased fuel combustion in the Fairbanks area are most likely responsible for the area's PM 2.5 violations during winter months.

Following are some possible methods of reducing PM 2.5 (24-hour) levels during peak winter inversion periods:

**Reduce Open Burn Periods:** The FNSB currently bans open burning from November 1 through the last day of February in areas designated as Urban, Urban Preferred Commercial, Light or Heavy Industrial, or Perimeter area, with campfires as an exception. The length of the winter ban could increase and the affected area could be expanded to encompass the PM 2.5 boundary.

**Reduce Distillate Fuel Emissions:** The following could reduce particulate emissions from existing fuel oil-fired heating systems:

- Switch to a lower-sulfur fuel for all oil-fired building heating systems in the Fairbanks urban areas.

- Introduce annually-required inspections and tune-ups on oil-fired furnaces similar to the I/M program to ensure optimum burning efficiency and low particulate emissions.

- Collaborate with other non-attainment northern tier communities across the U.S. to pursue subsidies, exceptions, waivers, retrofits, new regulatory requirements for manufacturers, etc., from Federal agencies. For example, as part of the process of reaching attainment for carbon monoxide (CO) standards in Alaska, Alaskan research conducted in the early 1980s documented that motor vehicle emissions reductions for CO were not achieved at cold temperatures because EPA tested vehicle emissions at room temperature ranges only. Efforts by Alaska and other local and state governments were successful in getting Congress to require EPA to test vehicular emissions at 20 degrees F to make sure auto manufacturers were improving combustion efficiency and the performance of pollution control devices to reduce CO emissions during cold starts. A similar effort could determine if the full benefits of the motor vehicle pollution control program are accrued at low temperatures for PM 2.5. Control of poorly-tuned or broken vehicles may be necessary to address the hydrocarbon emissions that increase dramatically with low temperatures.

**Reduce Wood Stove Emissions:** Investigate methods of improving or restricting wood stove operation during winter inversion periods. EPA has published information on the efficiency and PM 2.5 emission rates of various wood stoves, summarized in the following two tables:

**Table 4-1: Efficiencies by Stove Type**

| Appliance Type | Efficiency |
|---|---|
| Conventional Cordwood Stove | 54% |
| Non-catalytic Cordwood Stove | 63% |
| Catalytic Cordwood Stove | 63% |
| Pellet Stove | 78% |

**Table 4-2: Cordwood and Pellet Stove PM 2.5 Emission Factors**

| | Conventional Woodstove (lb/ton) | Catalytic Certified Woodstove (lb/ton) | Non-catalytic Certified Woodstove (lb/ton) | Pellet Stove | |
|---|---|---|---|---|---|
| | | | | Exempt (lb/ton) | Certified (lb/ton) |
| AP-42 Emission Factors | 30.6 | 16.2 | 14.6 | 8.8 | 4.2 |

According to EPA, certified pellet stoves had the highest fuel efficiency and the lowest PM 2.5 emission rates. Conventional wood stoves were much less efficient with the highest PM 2.5 emission rates.

Following are potential wood stove strategies that could help reduce their PM 2.5 emissions:

**Restrict Wood Stoves:** Restrict the installation and use of wood-burning or waste-oil heating appliances during winter inversions. This would require more information to quantify their contribution to PM 2.5 emissions in the Fairbanks and surrounding area during winter.

**Wood Stove Buy-Out:** Rapidly develop a trade-out of older wood stoves through a locally bonded, State, or Federally funded program that provides affordable upgrading for residents who own older or unapproved new simple wood heaters or the non-EPA approved wood boilers. Through local education, it would create an incentive to trade out rather than not comply. A successful trade-out program in Libby, Montana, could be used as a model.

**Retrofit Wood Stoves:** Investigate possible improvements in modes of operation or equipment modifications that could retrofit existing wood stoves to produce fewer PM 2.5 emissions.

**Encourage Dry Wood Use:** Discourage late season harvesting of green standing trees. Wet wood burns inefficiently and could increase particulate emissions. The FNSB could work with the State to provide residents access to supplies of dry seasoned firewood.

**Reduce Waste Oil Heater Emissions:** Consider restricting the use of waste oil burners during winter inversions. More information will be needed to verify that burning waste oil is the actual source of zinc-based PM 2.5 emissions in the area during the winter. Investigate whether using micron filtration can remove zinc compounds and unwanted impurities from waste oils before they are burned in the heaters.

**Expand District Heating:** Aurora Energy provides district heat to downtown Fairbanks through buried steam and hot water heating systems from its power plant. Expanding the existing district steam and hot water heating systems could replace individual oil-fired furnaces throughout the downtown area and surrounding subdivisions and lower PM 2.5 emission levels.

**Expand Natural Gas Use:** Switch existing residential and commercial oil-fired building heaters in the urban area to natural gas to reduce PM 2.5 emission levels. Fairbanks Natural Gas (FNG) has been expanding its buried distribution system and is providing heat to many Fairbanks-area buildings.

In the short term (2008-2010), we expect that implementing a combination of the methods listed above will help the Fairbanks region move toward achieving the new EPA PM 2.5 (24-hour) emission standard. We also believe that switching existing building heaters to natural gas and expanding district heat would provide the FNSB a long term solution for achieving and maintaining its air quality in compliance with EPA's PM 2.5 standards.

# FISCAL NOTE

**STATE OF ALASKA**
**2009 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version: **HB121**
() Publish Date:

Identifier (file name):HB121-CED-CRA-2-13-09
Dept. Affected: DCCED
Title: Municipal Air Quality Property Tax Credit
RDU: Community and Regional Affairs
Component: Community and Regional Affairs
Sponsor: Representative Coghill
Requester: House Community and Regional Affairs Committee
Component Number: 2879

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2009) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This bill would allow municipalities to provide a property tax exemption based on a percentage of verifiable air quality improvement costs on a property.

The Department of Commerce, Community and Economic Development does not foresee a fiscal impact as a result of this bill.

Prepared by: Tyson Fick, Legislative Liaison — Phone 465-2503
Division: DCCED — Date/Time 02/13/09 1:00pm
Approved by: Emil Notti, Commissioner — Date 2/13/2009
Department of Commerce, Community and Economic Development

(Revised 9/10/2008 OMB)

ALASKA MUNICIPAL LEAGUE
Alaska Conference of Mayors

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**ALASKA MUNICIPAL LEAGUE**
**BOARD OF DIRECTORS**

**RESOLUTION #BOD2009-02**

**A RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE BOARD OF DIRECTORS ADVOCATING FOR AMENDING TITLE 29 TO ALLOW LOCAL GOVERNEMNT OPTION TO CONSIDER PROPERTY TAX CREDITS FOR IMPROVEMENTS TO AIR QUALITY CONDITIONS AND FUEL CONSUMPTION**

**WHEREAS,** Alaska Municipal League Board of Directors supports the issue of local governments being able to develop local responses to Alaska's energy solutions; and

**WHEREAS,** municipalities should have the ability to adopt local incentives to encourage individuals to make their homes and businesses more energy efficient thereby improving local air quality; and

**WHEREAS,** local taxation policy determined by Title 29 currently allows a property tax credit only for river bank habitat protection; and

**WHEREAS,** by providing for an optional tax credit, local municipalities will be able to consider providing property tax credits for actions, such as reducing fuel consumption, that councils or assemblies determine will improve air quality; and

**WHEREAS,** the Alaska Municipal League Board of Directors believes it is in the best interest of Alaska to allow local government to encourage its citizens to make improvements to their home and businesses that positively impact the community's air quality and to heat their homes and businesses in the most environmentally responsible way possible.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League Board of Directors supports an amendment to Title 29 that provides local municipalities with the ability to provide tax incentives for residences or commercial businesses to improve the energy efficiency of their property, convert from carbon based energy consumption to alternative energy generation or to take other steps that positively impact their community's air quality; and

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League Board of Directors supports legislation authorizing an air quality improvement tax credit that allows specific eligibility, conditions, and other criteria for the tax credits to be established by local ordinance so that governments will have flexibility in crafting appropriate tax incentives that meet their individual community's needs.

**PASSED AND APPROVED** by the Alaska Municipal League Board of Directors on this 30th day of January, 2009.

Signed: _____

Denise Michels, President, Alaska Municipal League

Attest: Kathie Wasserman

Kathie Wasserman, Executive Director, Alaska Municipal League

Fairbanks North Star Borough
Office of the Mayor
809 Pioneer Road P.O. Box 71267 Fairbanks, Alaska 99707-1267 907/459-1300
Fax 907/459-1102
Email mayor@co.fairbanks.ak.us

February 9, 2009

The Honorable Bob Herron, Co-Chair
House Community & Regional Affairs Committee
State Capitol
Juneau, Alaska 99811

Dear Representative Herron:

The Fairbanks North Star Borough appreciates Representative Coghill and Representative Kawasaki's efforts to address a very serious issue facing our community by introducing HB 121. This letter is being offered in support of the change to Alaska Statutes, Title 29 proposed by HB 121, "An Act relating to a municipal property tax credit for an improvement that aids in improving air quality." This bill, if enacted by the legislature, will provide tools to local municipalities that can be used to create incentives for individuals to take actions that will improve local air quality and reduce fuel consumption. Local taxation policy and discretion is governed by Title 29 of the Alaska Statutes. Tax exemptions and tax credits are only permitted within the authority of this section of state law.

The proposed legislation expands the discretion of local municipalities in a manner that allows, by ordinance, creation of programs that will offer tax credits for actions that the local governing body determines will improve air quality. The language proposed requires that eligibility, conditions, and other criteria for the tax credits be established by ordinance.

Example of how this proposed legislation might be used by a municipality include:

- Incentives to residents to exchange old-style wood stoves for EPA certified wood stoves. Data show that EPA certified wood stoves reduce fine particulate emissions by approximately 67% over non-EPA stoves. It is clearly in the interest of any community with air quality nonattainment issues to have citizens who choose to heat with wood do so in the most environmentally friendly way possible.

- Incentives to residences or commercial businesses to improve the energy efficiency of their property. Reduced fuel consumption would lead to reduced emissions from area heating or electric generation. Incentives could be based on calculated BTU savings, MW reductions, etc.

- Incentives to convert from carbon based energy consumption to alternative energy generation. This could involve tax credits for

construction and use of a solar array or wind turbine to power/heat residential or commercial facilities.

As the Fairbanks North Star Borough and the State of Alaska look to find solutions that will help the borough and the state come into compliance with the clean air act, there exists a clear lack of ability to provide incentives at the local level. Compliance efforts will ask individuals to take and pay for actions to benefit the air quality of the entire community. Enactment of this bill will allow local municipalities the ability to lessen the individual cost of action through creation of a tax credit program not presently allowed by state law.

The Fairbanks North Star Borough Assembly passed a resolution including this item as an FNSB legislative priority for 2009 on December 11, 2008. We support this bill and urge its passage as drafted and introduced on February 4, 2009.

Thank you.

Jim Whitaker, Mayor

Nadine Winters, Presiding Officer

JW:csm

# ALASKA STATE LEGISLATURE
# HOUSE RULES COMMITTEE
## REPRESENTATIVE JOHN COGHILL, CHAIRMAN
State Capitol Juneau, AK 99801-1182 (907) 465-3719
3340 Badger Road Suite #290, North Pole, AK 99705 (907) 488-5725


**MEMORANDUM**

Date: February 9, 2009

To: Representative Cathy Munoz, Co-Chair
Representative Bob Herron, Co-Chair
Community & Regional Affairs

From: Representative John Coghill, Chair
House Rules Committee

Re: Request for Committee Hearing HB 121

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Please schedule House Bill 121 "*An Act relating to a municipal property tax credit for an improvement that aids in improving air quality*" for a committee hearing in Community & Regional Affairs.

For your information and distribution to committee members, I have attached House Bill 121, sponsor statement, sectional, and Resolution 2009-02 by the Alaska Municipal League supporting this legislation.

Karen is the contact person for this bill and can be reached at 465-6848.

Thank you.

C&RA Committee Referral File

HB 121 was heard and passed with individual recommendations on 2-18-09

No changes were made to this bill in Committee

# HB

# 134

26-LS0570\E
Bullard
2/16/09

**CS FOR HOUSE BILL NO. 134(CRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

**BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**Offered:**
**Referred:**

**Sponsor(s): REPRESENTATIVES HARRIS, Kelly, Millett, Johansen, Foster, Keller, Chenault, Coghill, Johnson, Wilson, Muñoz**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act relating to the terms and conditions of commercial passenger vessel permits for the discharge of graywater, treated sewage, and other waste water; and providing for an effective date."**

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

* **Section 1.** AS 46.03.462(b) is amended to read:

(b) The minimum standard terms and conditions for all discharge permits authorized under this section require that the owner or operator

(1) may not discharge untreated sewage, treated sewage, graywater, or other wastewaters in a manner that violates any applicable effluent limits or standards under state or federal law, including Alaska Water Quality Standards governing pollution [AT THE POINT OF DISCHARGE];

(2) shall maintain records and provide the reports required under AS 46.03.465(a);

(3) shall collect and test samples as required under AS 46.03.465(b)

and (d) and provide the reports with respect those samples required by AS 46.03.475(c);

(4) shall report discharges in accordance with AS 46.03.475(a);

(5) shall allow the department access to the vessel at the time samples are taken under AS 46.03.465 for purposes of taking the samples or for purposes of verifying the integrity of the sampling process; and

(6) shall submit records, notices, and reports to the department in accordance with AS 46.03.475(b), (d), and (e).

* **Sec. 2.** This Act takes effect immediately under AS 01.10.070(c).

# FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 134
() Publish Date:

Identifier (file name): HB134-DEC-WQ-02-13-09
Dept. Affected: Environ. Conservation
Title: Cruise Ship Wastewater Discharge Permits
RDU: Division of Water
Component: Water Quality
Sponsor: Representative Harris
Requester: House Community and Regional Affairs Committee
Component Number: 2062

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |
| **FUND SOURCE** | | (Thousands of Dollars) | | | | | |
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2009) cost:** 0.0

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

HB 134 has no fiscal impact on the Department of Environmental Conservation.

Prepared by: Lynn J. Tomich Kent
Phone (907) 269-7599
Division: Water
Date/Time 2/13/09 3:00 PM
Approved by: Dan Easton
Date 2/13/2009
Deputy Commissioner

(Revised 9/10/2008 OMB)

ALASKA CRUISE ASSOCIATION

Thank you for taking the time to meet with us.

In 2006, the Alaska voters passed a cruise ship initiative. The area of concern for the cruise ships is the new permit standards that were created.

Since 2002, Alaska has had among the highest standards in the world for waste water discharge from large cruise ships. We acknowledge being held to a higher standard and have invested over $200 million in the technology to achieve those levels. In May of 2008, ADEC adopted new standards for the final large cruise ship general permit. Not only are these standards far higher than any community in Alaska; the technology to implement them is not commercially available or is impractical for ships. This is despite the promise from initiative sponsors that the initiative would simply "level the playing field."

The initiative language tied the hands of ADEC and does not allow them to set the permit limits based on science. We are asking the legislature to follow the will of the people and "level the playing field," to untie the hands of ADEC and let them do their job.

Attached you will find several documents that we feel make a compelling case to use similar methods of measurement in order to "level the playing field."

Sincerely,

John Binkley
President
ACA

*360 K Street · Anchorage, Alaska · 99501 · (907) 743-4529 · (907) 743-4553 fax*

**Quote from Gershon Cohen and the Campaign to Safeguard America's Waters issued press release (Alaska Cruise Ship Initiative Certified for 2006 Ballot).**

"If passed, the new initiative will level the economic and environmental playing fields between the cruise ship industry and other major dischargers of polluted wastes into Alaska waters."

**Quote from Joe Geldhof, Juneau Attorney, co-author of Alaska Cruise Ship Initiative, Skagway News story (Ballot Measure Two, the cruise initiative, raises voices in ship-happy Skagway).**

"There's nothing radical on here," said Geldhof, adding that the measure would make the cruise industry adhere to the same pollution standards as fisheries, municipalities, and gas and oil companies. Drafting techniques to adopt the similar basic body of law makes it long. "It's not meant to be long, onerous and punitive."

**Quote from an Alaska Department of Environmental Conservation issued press release (State Issues First Discharge Permit for Cruise Ships in Alaska).**

"The majority of large cruise ships operating in Alaska have advanced wastewater treatment systems that produce a very high quality discharge – much higher, for example, than shore-based municipal sewage treatment systems."

"The department has determined that as long as ships comply with the interim effluent limits there will be no impacts on water resources or aquatic life."

**Comparable EPA NPDES Discharge Permits in Alaska and Associated Effluent Limits**

The following table compares the effluent guidelines in the ADEC General Cruise Ship Permit with effluent limitations within existing wastewater discharge permit limits in Alaska. Analytical data from the EPA cruise ship sampling project is compared with minimum permitted levels for land-based plants within typical large cruise ship itineraries and various other communities in Alaska. For cases where land-based permits indicated analysis for total recoverable metals, these limits were compared to cruise ship dissolved metals concentrations. For land-based permits that include variable effluent limitations based on monthly averages, weekly averages, or daily maximums, the most stringent level was chosen. The synopsis indicates that the final 2010 effluent limitations of the ADEC General Cruise Ship permit are stricter than the limits in the permits of any land-based municipal treatment plants in Alaska.

| | 2002 | | | 2006 | | | |
|---|---|---|---|---|---|---|---|
| | Fecal Coliform (fc/100 ml) | BOD (mg/L) | TSS (mg/L) | Diss Copper (ug/L) | Diss Nickel (ug/L) | Diss Zinc (ug/L) | Total Ammonia (ug/L) |
| Cruise Ship Permit (interim) | 14 | 30 | 30 | 66 | 180 | 230 | 80.4 |
| Cruise Ship Permit (2010 final) | 14 | 30 | 30 | 3.1 | 8.2 | 81 | 2.9 |
| Anchorage | 850 | 240 | 170 | | | | |
| Eagle River | 100 | 30 | 30 | 175 | | | 36 |
| Fairbanks | 200 | 30 | 30 | | | | |
| Girdwood | 100 | 30 | 30 | 57 | | | |
| Haines | 1,000,000 | 140 | 140 | 156 | | | |
| Juneau Douglas | 400 | 30 | 30 | | | | |
| Juneau Mendenhall | 161 | 30 | 30 | 95.8 | | | 48.0 |
| Kenai | 200 | 30 | 30 | | | | |
| Kennecott Greens Creek mine | 7,000 | 30 | 20 | 300 | | 1000 | |
| Ketchikan | 1,000,000 | 146 | 129 | 290 | | 9384 | 43 |
| Palmer | 20 | 30 | 30 | | | | 18.5 |
| Seward | 50,000 | 30 | 30 | | | | |
| Sitka | 1,000,000 | 140 | 140 | 354 | | | |
| Skagway | 1,000,000 | 80 | 70 | 210 | | | |
| Soldotna | 100 | 30 | 30 | | | | |

Interim Levels

2010 Initiative Limits

**Comparison of Effluent Volumes between Land-based Municipal Treatment Plants and Cruise Ships**

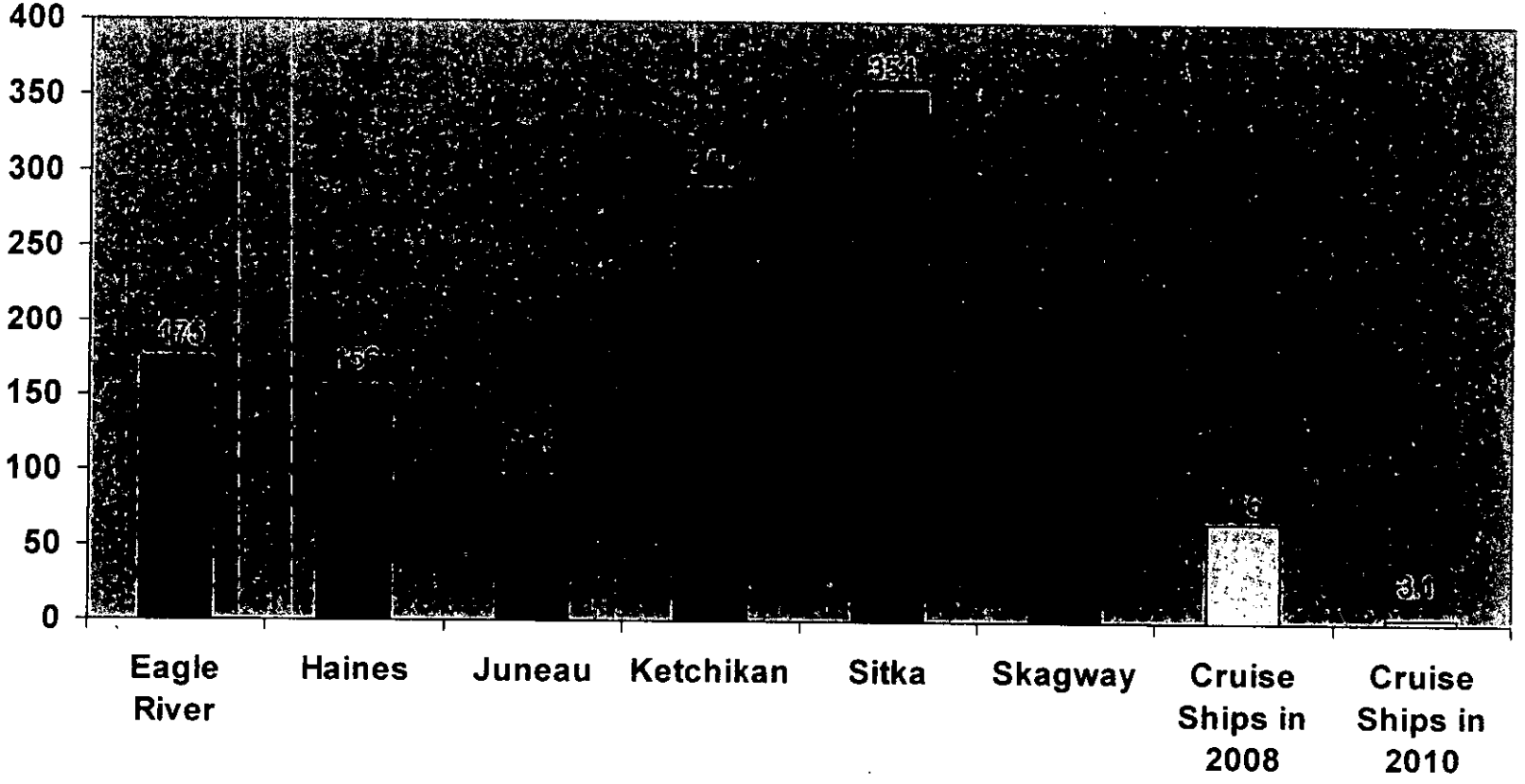
The average volume of discharge from a cruise ship was also compared to the average discharge volume of each land-based plant in order to evaluate the cumulative effects of cruise ship discharges within Alaska waters. Advanced wastewater systems on cruise ships operate efficiently and generally produce a small volume of treated effluent compared to land based plants. The following chart lists the permitted effluent for Alaska land-based treatment plants, and the equivalent number of cruise ships required to match the volume of daily effluent in each community.

| | Permitted daily discharge in gallons | Equivalent number of large cruise ships to equal one day of each city's permitted waste water discharge |
|---|---|---|
| Average Cruise Ship Daily Discharge | 143,600 | 1 |
| Anchorage | 36,000,000 | 251 |
| Eagle River | 2,500,000 | 17 |
| Girdwood | 600,000 | 4 |
| Haines | 1,900,000 | 13 |
| Juneau Douglas/Mendenhall | 7,660,000 | 53 |
| Kenai | 1,330,000 | 9 |
| Kennecott Greens Creek mine | 2,390,000 | 17 |
| Ketchikan | 4,000,000 | 28 |
| Palmer | 950,000 | 7 |
| Seward | 900,000 | 6 |
| Sitka | 1,800,000 | 13 |
| Skagway | 630,000 | 4 |
| Soldotna | 1,080,000 | 8 |

For average cruise ship effluents, 2004 EPA cruise ship study data, available at http://www.epa.gov/owow/oceans/cruise_ships/results.html

For effluent values for communities, individual EPA permits, located at http://yosemite.epa.gov/R10/water.nsf/NPDES+Permits/Permits+Homepage

# Copper Limits for Community Discharge Permits vs. Cruise Ship Permit Limits




Max Daily Permit Limits in Parts Per Billion (ppb)

# LAWS OF ALASKA

# 2006

**Source**
Ballot Measure No. 2

**AN INITIATIVE**

Providing for taxation of certain commercial ship vessels, pertaining to certain vessel activities, and related to ship vessel operations taking place in the marine waters of the State of Alaska; and providing for an effective date.

---

**BE IT ENACTED BY THE PEOPLE OF THE STATE OF ALASKA:**

THE INITIATIVE FOLLOWS ON PAGE 1

**Date Election Results Certified:** September 18, 2006
**Actual Effective Date:** December 17, 2006

water is liable for the tax imposed by AS 43.52.010 - 43.52.095. The tax shall be collected and is due and payable to the department

(1) by the person who provides travel aboard a commercial vessel for which the tax is payable; and

(2) in the manner and at the times required by the department by regulation.

**Sec. 43.52.040. Disposition of receipts.** (a) The proceeds from the tax on travel on commercial passenger vessels providing overnight accommodations in the state's marine water shall be deposited in a special "commercial vessel passenger tax account" in the general fund. The legislature may appropriate money from this account for the purposes described in (b) and (c) of this section, for state-owned port and harbor facilities, other services to properly provide for vessel or watercraft visits, to enhance the safety and efficiency of interstate and foreign commerce, and such other lawful purposes as determined by the legislature.

(b) For each voyage of a commercial passenger vessel providing overnight accommodations, the commissioner shall identify the first five ports of call in the state and the number of passengers on board the vessel at each port of call. Subject to appropriation by the legislature, the commissioner shall distribute to each port of call $5 per passenger of the tax revenue collected from the tax levied under this chapter. If the port of call is a city located within a borough not otherwise unified with the borough, the commissioner shall, subject to appropriation by the legislature, distribute $2.50 per passenger to the city and $2.50 to the borough. Each port of call receiving funds under this section shall use the funds in a manner calculated to improve port and harbor facilities and other services to properly provide for vessel or watercraft visits and to enhance the safety and efficiency of interstate and foreign commerce.

(c) A "regional cruise ship impact fund" consisting of 25 percent of the proceeds from the tax on travel aboard commercial passenger vessels providing overnight accommodations in the state's marine water shall be established as sub-account of the funds established in (a) of this section and deposited in the general fund. Subject to appropriation by the legislature and regulations adopted by the Department of Revenue, the commissioner shall distribute funds to municipalities or

meaning given to "waters" in AS 46.03.900, except that they include only marine waters;

(3) "passenger" means a person whom a common carrier has contracted to carry from one place to another;

(4) "voyage" means any trip or itinerary lasting more than 72 hours.

* **Sec. 2.** AS 05 is amended by adding a new chapter to read:

**Chapter 16. Games of Chance and Contests of Skill on Ships Operating on Waters within the Jurisdiction of Alaska.**

**Sec. 05.16.010. Gambling activities aboard commercial vessels purportedly authorized by federal law.** This chapter applies to the use of playing cards, dice, roulette wheels, coin-operated instruments or machines, or other objects or instruments used, designed, or intended for gaming or gambling used in the waters under the jurisdiction of the State of Alaska on a voyage described in 15 U.S.C. 1175(c)(2), and to any other gambling activities taking place aboard large passenger vessels in the state.

**Sec. 05.16.020. Tax on gambling activities authorized by AS 05.16.010.** There is imposed on the operator of a gaming or gambling activities aboard large passenger vessels in the state a tax of 33 percent of the adjusted gross income from those activities. "Adjusted gross income" means gross income less prizes awarded and federal and municipal taxes paid or owed on the income. The tax shall be collected and is due and payable to the Department of Revenue in the manner and at the times required by the Department of Revenue.

**Sec. 05.16.030. Disposition of receipts.** The proceeds from the tax on gambling operations aboard commercial passenger vessels in the state's marine water shall be deposited in a special "commercial vessel passenger tax account" in the general fund.

* **Sec. 3.** AS 43.20.021 is repealed and reenacted to read:

**Sec. 43.20.021(a). Internal Revenue Code adopted by reference.** (a) Sections 26 U.S.C. - 1399 and 6001 - 7872 (Internal Revenue Code), as amended, are adopted by reference as a part of this chapter. These portions of the Internal Revenue Code have full force and effect under this chapter unless excepted to or modified by

not discharge any treated sewage, graywater, or other wastewater from a large commercial passenger vessel into the marine waters of the state unless the owner or operator obtains a permit under AS 46.03.100 and 46.03.462, and provided that the vessel is not in an area where the discharge of treated sewage, graywater, or other wastewaters is otherwise prohibited.

**Sec. 46.03.463(g)** is repealed.

* **Sec. 6.** AS 46.03.465 is repealed and reenacted to read:

**Sec. 46.03.465. Information-gathering requirements.** (a) The owner or operator of a commercial passenger vessel shall maintain daily records related to the period of operation while in the state, detailing the dates, times, and locations, and the volumes and flow rates of any discharges of sewage, graywater, or other waster into the marine waters of the state, provide electronic copies of such records on a monthly basis to the department no later than five days after each calendar month of operation in state waters.

(b) While a commercial passenger vessel is present in the marine waters of the state, the owner or operator of the vessel shall provide an hourly report of the vessel's location based on Global Positioning System technology and collect routine samples of the vessel's treated sewage, graywater, and other wastewaters being discharged into marine waters of the state with a sampling technique approved by the department.

(c) While a commercial passenger vessel is present in the marine waters of the state, the department, or an independent contractor retained by the department, may collect additional samples of the vessel's treated sewage, graywater, and other wastewaters being discharged into the marine waters of the state.

(d) The owner or operator of a vessel required to collect samples under (b) of this section shall ensure that all sampling techniques and frequency of sampling events are approved by the department in a manner sufficient to ensure demonstration of compliance with all discharge requirements under AS 46.03.462.

(e) The owner or operator of a commercial passenger vessel shall pay for all reporting, sampling, and testing of samples under this section.

(f) If the owner or operator of a commercial passenger vessel has, when complying with another state of federal law that requires substantially equivalent

under this provision.

* Sec. 8. AS 46.03.480 is amended as follows:

**Sec. 46.03.480** is amended by adding a new subsection to read:

(d) An additional fee in the amount of $4 per berth, is imposed on all large commercial passenger vessels, other than vessels operated by the state, for the purpose of operating the Ocean Ranger program established in AS 46.03.476; said program shall be subject to legislative appropriation.

**Sec. 46.03.480(d)** shall be repealed and reenacted as AS 46.03.480(e).

* Sec. 9. AS 46.03.760 is amended as follows:

**Sec. 46.03.760** is amended by adding a new subsection to read:

(f) An owner, agent, employee, or operator of a commercial passenger vessel, as defined in AS 43.52.095, who falsifies a registration or report required by AS 46.03.460 or 46.03.475 or who violates or causes or permits to be violated a provision of AS 46.03.250 - 46.03.314, 46.03.460 - 46.03.490, AS 46.14, or a regulation, a lawful order of the department, or a permit, approval, or acceptance, or term or condition of a permit, approval, or acceptance issued under AS 46.03.250 - 46.03.314, 46.03.460 - 46.03.490, or AS 46.14 is liable, in a civil action, to the state for a sum to be assessed by the court of not less than $5,000 nor more than $100,000 for the initial violation, nor more than $10,000 for each day after that on which the violation continues, and that shall reflect, when applicable,

(1) reasonable compensation in the nature of liquidated damages for any adverse environmental effects caused by the violation, that shall be determined by the court according to the toxicity, degradability, and dispersal characteristics of the substance discharged, the sensitivity of the receiving environment, and the degree to which the discharge degrades existing environmental quality; for a violation relating to AS 46.14, the court, in making its determination under this paragraph, shall also consider the degree to which the discharge causes harm to persons or property; this paragraph may not be construed to limit the right of parties other than the state to recover for personal injuries or damage to their property;

(2) reasonable costs incurred by the state in detection, investigation, and attempted correction of the violation;

* **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to read:

SEVERABILITY. It is the intention of the people of Alaska that any portion of this legislation that is declared unlawful shall be stricken in a manner that preserves the remaining portion of the remaining legislation to the maximum extent possible.

* **Sec. 12.** EFFECTIVE DATE. This Act takes effect 90 days after enactment.

1. All discharges into water are required to meet standards that are scientifically based in order to protect the water quality.

2. Starting in 2010, all water quality standards applicable to cruise ships have to be met at the end of the pipe.

3. But Alaska Water Quality Standards are not always applied at the end of the pipe for others holding discharge permits.

4. In fact, many Alaskan operators (e.g. mines, seafood processors, and most if not all municipal wastewater treatment facilities) are allowed to meet the standards over larger areas of water called mixing zones ("zones of dilution" for cruise ships).

5. The regulatory decision is based on science and conservative judgment that takes into account dilution and other factors.

6. This is a universal policy recognized throughout the US.

7. The Initiative changed that rule for cruise ships - and cruise ships alone.

8. The requirements are far more stringent as compared to other regulated entities and those requirements have not been proven to be reasonably obtainable in a marine environment onboard a cruise ship

9. This is an unprecedented and fundamental shift in environmental policy. It applies to an industry that since 2002 has had the highest standards in the world for wastewater discharges for large ships, uses efficient advanced wastewaters systems and generally produces a small volume of treated effluent compared to land based plants.

10. Yet, not one word of this significant environmental law has been reviewed or approved by the Legislature or the Department of Environmental Conservation.

11. We respect the Initiative process. But the two year grace period has passed and the time has come for the Legislature to review a law that has significant economic implications.

12. We believe the better and fairer policy is to level the playing field and treat cruise ships just like everybody else.

13. Let the experts at DEC and EPA decide what is best for Alaska. We will comply with their final decision.

# 38 Waste Water Permit Resolutions Passed To Date

**As of February 5, 2009**

Alaska Municipal League

Alaska State Chamber of Commerce

Southeast Conference

Alaska Travel Industry Association

Alaska Bed & Breakfast Association

Alaska Hotel & Lodging Association

Juneau City & Borough Assembly

Ketchikan Gateway Borough

City of Ketchikan

Seward City Council

Whittier City Council

Anchorage Soil & Water Conservation District

Anchorage Chamber of Commerce

Fairbanks Chamber of Commerce

Juneau Chamber of Commerce

Wasilla Chamber of Commerce

Kenai Chamber of Commerce

Homer Chamber of Commerce

Sitka Chamber of Commerce

Ketchikan Chamber of Commerce

Palmer Chamber of Commerce

Haines Chamber of Commerce

Soldotna Chamber of Commerce

Whittier Chamber of Commerce

Skagway Chamber of Commerce

Seward Chamber of Commerce

Anchorage Convention & Visitors Bureau

Girdwood 2020

Fairbanks Convention & Visitor Bureau

Ketchikan Visitors Bureau

Wasilla Convention & Visitors Bureau

Alaska Travel Industry Association - Anchorage Chapter

Alaska Travel Industry Association Ketchikan Chapter

Alaska Travel Industry Association – Juneau Chapter

Alaska Travel Industry Association - Golden Circle Chapter

Alaska Campground Owners Association

Anchorage Downtown Partnership

Juneau Convention & Visitors Bureau (Passed 2/4/09; to be printed and signed 2/26/09)

ALASKA TRAVEL INDUSTRY ASSOCIATION

**ALASKA TRAVEL INDUSTRY ASSOCIATION**
**BOARD OF DIRECTORS**
**RESOLUTION 0901**

**A RESOLUTION** URGING THE GOVERNOR AND THE 2009 ALASKA STATE LEGISLATURE TO MODIFY THE "POINT OF DISCHARGE" PERMIT STANDARD.

**WHEREAS**, the travel industry is a vital part of Alaska's economy; and

**WHEREAS**, Alaska has over 1,000,000 cruise passenger visitors annually spending almost $1 billion in the state; and

**WHEREAS**, travel businesses throughout Alaska, the majority of which are small and Alaskan-owned, are major economic benefactors of cruise visitor expenditures; and

**WHEREAS**, the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS**, the standards now imposed on cruise ships, and the 2010 standard are far in excess of those imposed on shore-based municipal wastewater facilities; and

**WHEREAS**, the "point of discharge" standard, applicable only to cruise ships, are currently technologically unfeasible; and

**WHEREAS**, such standards should be set by Alaska Department of Environmental Conservation; and

**WHEREAS**, the unrealistic standard would mean that by 2010, cruise ships will depart Alaska waters to discharge, which would result in reduced time in Alaska ports; and

**WHEREAS**, such changes will impact local governments ability to collect dock usage fees and sales taxes, increasing the need for revenue sharing from the state, and

WHEREAS small businesses, which rely on cruise ship visitors, and crew expenditures to support local jobs and the local economy will have a reduced sales opportunity; and

**WHEREAS**, the ballot initiative sponsors stated that the permit portion of the head tax initiative would only "level the economic and environmental playing field between the cruise ship industry and other major dischargers; and

**NOW THEREFORE, BE IT RESOLVED BY THE ALASKA TRAVEL INDUSTRY ASSOCATION (ATIA) BOARD OF DIRECTORS, that:**

ATIA urges the Governor and the Alaska State Legislature in 2009 to modify the "point of discharge" permit standard based on scientific criteria to be determined by Alaska Department of Environmental Conservation.

**PASSED AND APPROVED BY THE ALASKA TRAVEL INDUSTRY ASSOCATION BOARD OF DIRECTORS THIS 11th DAY OF November, 2008**

(Signature of Authorized Officer)

Bed & Breakfast Association of Alaska
551 Eberhardt Rd., Fairbanks AK 99701
907-451-6649 907-474-8448fax
president@alaskabba.com www.alaskabba.com

**Board Of Directors**
**RESOLUTION 0901**

**A RESOLUTION** URGING THE GOVERNOR AND THE 2009 ALASKA STATE LEGISLATURE TO MODIFY THE "POINT OF DISCHARGE" PERMIT STANDARD.

**WHEREAS**, the travel industry is a vital part of Alaska's economy; and

**WHEREAS**, Alaska has over 1,000,000 cruise passenger visitors annually spending almost $1 billion in the state; and

**WHEREAS**, B&B businesses throughout Alaska, the majority of which are small and Alaskan-owned, are major economic benefactors of cruise visitor expenditures; and

**WHEREAS**, the Alaska cruise ship industry has installed some of the most advanced wastewater treatment systems in the world; and

**WHEREAS**, the standards now imposed on cruise ships, and the 2010 standard are far in excess of those imposed on shore-based municipal wastewater facilities; and

**WHEREAS**, the "point of discharge" standard, applicable only to cruise ships, may be technologically unfeasible; and

**WHEREAS**, the unrealistic standard would mean that by 2010, cruise ships will depart Alaska waters to discharge, which would result in reduced time in Alaska ports; and

**WHEREAS**, such changes will impact local governments ability to collect dock usage fees and sales taxes, increasing the need for revenue sharing from the state, and

**WHEREAS** B&B's, which rely on cruise ship visitors to support local jobs and the local economy, will have a reduced sales opportunity; and

**NOW THEREFORE, BE IT RESOLVED BY THE BED AND BREAKFAST ASSOCIATION OF ALASKA (BBAA) BOARD OF DIRECTORS, that:**

BBAA urges the Governor and the Alaska State Legislature in 2009 to modify the "point of discharge" permit standard based on scientific criteria to be determined by Alaska Department of Environmental Conservation.

**PASSED AND APPROVED BY THE BED AND BREAKFAST ASSOCIATION OF ALASKA BOARD OF DIRECTORS THIS 19th DAY OF JANUARY, 2009**

Mary N. Richards
President

January 8, 2009

**ALASKA HOTEL & LODGING ASSOCIATION**
**BOARD OF DIRECTORS**
**RESOLUTION 09-100**

**A RESOLUTION** URGING THE GOVERNOR AND THE 2009 ALASKA STATE LEGISLATURE TO MODIFY THE "POINT OF DISCHARGE" PERMIT STANDARD BASED ON SCIENTIFIC CRITERIA TO BE DETERMINED BY ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION.

**WHEREAS**, Alaska has a strong tourism business base and wants a positive business atmosphere to grow tourism: and

**WHEREAS,** the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS**, the standards now imposed on cruise ships, and the 2010 standard are far in excess of those imposed on shore-based municipal wastewater facilities; and

**WHEREAS,** this "point of discharge" standard applicable only to cruise ships, are currently technologically unfeasible and such standards should be set by Alaska Department of Environmental Conservation; and

**WHEREAS,** the unrealistic standards could mean that by 2010, cruise ships will have to depart Alaska waters to discharge, which could result in reduced length of time in port, and such changes will impact local government and small businesses, which rely on cruise ship visitors, crew, and service requirements to support local jobs and the local economy; and

**WHEREAS**, the ballot initiative sponsors stated that the permit portion of the head tax initiative would only "level the economic and environmental playing field between the cruise ship industry and other major dischargers"; and

**NOW THEREFORE, BE IT RESOLVED BY THE ALASKA HOTEL & LODGING ASSOCIATION BOARD OF DIRECTORS, that:**

The Board urges the Governor and the Alaska State Legislature in 2009 to modify the "point of discharge" permit standard based on scientific criteria to be determined by Alaska Department of Environmental Conservation.

**PASSED AND APPROVED BY THE ALASKA HOTEL & LODGING ASSOCIATION BOARD OF DIRECTORS THIS 8th DAY OF JANUARY, 2009.**

Tammy Griffin
Tammy, Griffin, AkH&LA Chair

ATTEST:

Amey Armachain
Amey Armachain, Executive Director

Presented by: The Manager
Introduced: 01/12/2009
Drafted by: J.W. Hartle

# RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

## Serial No. 2458

**A Resolution Urging the Alaska State Legislature to Modify the Standards Governing the Discharge of Wastewater from Cruise Ships.**

WHEREAS, during the 1990s, the size and number of cruise ships visiting Alaska coastal communities grew dramatically and became an increasingly important component of the local and regional economies; and

WHEREAS, in 1999, the Alaska Department of Environmental Conservation, U.S. Coast Guard, U.S. Environmental Protection Agency, members of the Southeast Conference, representatives of the cruise ship industry, and local concerned citizens formed a group to explore ways to improve environmental standards for the cruise ship industry in Alaska; and

WHEREAS, the Alaska Cruise Ship Initiative (ACSI) group was created in 2000 to (1) Identify waste streams from cruise ships; (2) Develop pollution prevention and waste management solutions; (3) Assess and verify compliance with volunteer wastewater sampling; and (4) Keep the Alaska public informed; and

WHEREAS, in late 2000, the ACSI commissioned a Science Advisory Panel with expertise in oceanography, bacteriology, chemistry, aquatic and human toxicology, marine biology, ecology and vessel engineering to address issues concerning treatment discharge, dispersion rate, and effects of wastewater produced by commercial cruise ships; and

WHEREAS, the work of the groups noted above led to enactment of laws (AS 46.03.460 - AS 46.06.490) by the Alaska Legislature in 2001 establishing wastewater discharge standards for cruise ships and creating the Commercial Passenger Vessel Environmental Compliance Program; and

WHEREAS, in 2002, the Alaska Department of Environmental Conservation adopted regulations (18 AAC 69) to implement and interpret the laws enacted by the Legislature in 2001; and

WHEREAS, in 2004, the Alaska Legislature refined the laws enacted in 2001 (AS 46.03.460 - AS 46.06.490); and

WHEREAS, in 2006, following a two-year rule-making effort, the Alaska Department of Environmental Conservation adopted regulations to interpret and implement the 2004 statutory changes; and

WHEREAS, the Alaska cruise ship industry has reportedly invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

WHEREAS, in 2006, following adoption of regulations by the Alaska Department of Environmental Conservation, Alaska voters approved an initiative further governing the operation and regulation of large cruise ships; and

WHEREAS, in March 2008, as a major step toward fulfilling the terms of the 2006 initiative, the Alaska Department of Environmental Conservation issued the first ever general permit for wastewater discharge from large cruise ships operating in Alaska waters; and

WHEREAS, according to the Alaska Department of Environmental Conservation, the standards imposed on cruise ships are far in excess of those imposed on shore-based municipal wastewater facilities, as was recognized in the Department of Environmental Conservation press release announcing the March 2008 permit, which stated:

> The majority of large cruise ships operating in Alaska have advanced wastewater treatment systems that produce a very high quality discharge - much higher, for example, than shore-based municipal sewage treatment systems. Even so, cruise ship discharges are expected to have trouble meeting water quality standards for four parameters - ammonia, copper, nickel and zinc; and

WHEREAS, recognizing that it is currently unfeasible or impractical to meet discharge standards for the ammonia, copper, nickel and zinc parameters, the Alaska Department of Environmental Conservation applied more lenient standards during the 2008 and 2009 seasons and postponed implementation of the stricter standards until the 2010 season; and

WHEREAS, water quality standards in Alaska contemplate the use of dilution factors, such as mixing zones or short-term variances, and are not applied at the point-of-release except in the case of the Alaska cruise ship wastewater standards; and

WHEREAS, the point-of-release standards could mean that beginning in 2010, cruise ships will have to defer all discharges until they are out of Alaska waters; and

WHEREAS, compelling cruise ships to postpone discharge of wastewater until outside Alaska waters will likely shorten the time cruise ships are in port and result in fewer ports of call, which will negatively impact Juneau businesses.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1.** That the City and Borough of Juneau urges the Alaska Legislature in 2009, to examine, based on science, the standards governing the discharge of cruise ship wastewater such that those standards will continue to protect aquatic life and the environment, but will not be technologically and financially unreasonable or impractical, and establish an effective date.

**Section 2. Effective Date.** This resolution shall be effective immediately upon adoption.

Adopted this 12th day of January, 2009.

Bruce Botelho, Mayor

Attest:

Laurie J. Sica, Clerk

## KETCHIKAN GATEWAY BOROUGH

## RESOLUTION NO. 2111

**A RESOLUTION OF THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH URGING THE ALASKA STATE LEGISLATURE IN 2009 TO MODIFY, BASED ON SCIENCE, THE STANDARDS GOVERNING THE DISCHARGE OF CRUISE SHIP WASTEWATER SUCH THAT THOSE STANDARDS WILL CONTINUE TO PROTECT AQUATIC LIFE AND THE ENVIRONMENT BUT WILL NOT BE TECHNOLOGICALLY AND FINANCIALLY UNREASONABLE OR IMPRACTICAL**

### RECITALS

**WHEREAS**, during the 1990s, the size and number of cruise ships visiting Ketchikan and other Alaska coastal communities grew dramatically and became an increasingly important component of the local and regional economies; and

**WHEREAS**, in 1999, the Alaska Department of Environmental Conservation, U.S. Coast Guard, U.S. Environmental Protection Agency, members of the Southeast Conference, representatives of the cruise ship industry, and local concerned citizens formed a group to explore ways to improve environmental standards for the cruise ship industry in Alaska; and

**WHEREAS**, the Alaska Cruise Ship Initiative (ACSI) group was created in 2000 to (1) identify waste streams from cruise ships; (2) develop pollution prevention and waste management solutions; (3) assess and verify compliance with volunteer wastewater sampling and; (4) keep the Alaska public informed; and

**WHEREAS**, in late 2000, the ACSI commissioned a Science Advisory Panel with expertise in oceanography, bacteriology, chemistry, aquatic and human toxicology, marine biology, ecology and vessel engineering to address issues concerning treatment, discharge, dispersion, fate, and effects of wastewaters produced by commercial cruise ships; and

**WHEREAS**, the work of the groups noted above led to the enactment of laws (AS 46.03.460 - AS 46.03.490) by the Alaska Legislature in 2001 establishing wastewater discharge standards for cruise ships and creating the Commercial Passenger Vessel Environmental Compliance Program; and

**WHEREAS**, in 2002, the Alaska Department of Environmental Conservation adopted regulations (18 AAC 69) to implement and interpret the laws enacted by the Legislature in 2001; and

**WHEREAS**, in 2004, the Alaska Legislature refined laws enacted in 2001 (AS 46.03.460-46.06.490); and

**WHEREAS**, in 2006, following a two-year rule-making effort, the Alaska Department of Environmental Conservation adopted regulations to interpret and implement the 2004 statutory changes; and

**WHEREAS**, the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS**, in 2006, following the adoption of regulations by the Alaska Department of Environmental Conservation, Alaska voters approved an initiative further governing the operation and regulation of large cruise ships; and

**WHEREAS**, in March 2008, as a major step toward fulfilling the terms of the 2006 initiative, the Alaska Department of Environmental Conservation issued the first ever general permit for wastewater discharges from large cruise ships operating in Alaska waters; and

**WHEREAS**, the standards imposed on cruise ships are far in excess of those imposed on shore-based municipal wastewater facilities, as was recognized in the Department of Environmental Conservation press release announcing the March 2008 permit, which stated:

> The majority of large cruise ships operating in Alaska have advanced wastewater treatment systems that produce a very high quality discharge – much higher, for example, than shore-based municipal sewage treatment systems. Even so, cruise ship discharges are expected to have trouble meeting water quality standards for four parameters – ammonia, copper, nickel and zinc;

and

**WHEREAS**, recognizing that it is currently unfeasible or impractical to meet discharge standards for the ammonia, copper, nickel, and zinc parameters, the Alaska Department of Environmental Conservation applied more lenient standards during the 2008 and 2009 seasons and postponed implementation of the stricter standards until the 2010 season; and

**WHEREAS**, water quality standards in Alaska contemplate the use of dilution factors, such as mixing zones or short-term variances, and are not applied at the point-of-release except in the case of the Alaska cruise ship wastewater standards; and

**WHEREAS**, the point-of-release standards could mean that beginning in 2010, cruise ships will have to defer all discharges until they are out of Alaska waters; and

**WHEREAS**, compelling cruise ships to postpone discharge of wastewater until outside Alaska waters will likely shorten the time cruise ships are in port and result in fewer ports of call, which will negatively impact Alaska businesses; and

**WHEREAS**, the Constitution of the State of Alaska represents the will of the people because the voters of Alaska: (1) elected the 55 delegates who crafted the Constitution in 1955 – 1956, (2) ratified the Constitution on April 24, 1956 in a record turnout by a margin greater than two to one; (3) ratified amendments to the Constitution on separate 28 occasions during the nearly 50 years of Statehood; and (4) rejected proposed amendments to the Constitution on 12 occasions during the nearly 50 years of Statehood; and

**WHEREAS**, provisions in Article XI, Section 6 of the Constitution of the State of Alaska concerning the repeal and amendment of initiated laws – specifically the provisions that state "[a]n initiated law . . . may not be repealed by the legislature within two years of its effective date [and] may be amended at any time" has stood the test of nearly 50 years of Statehood in terms of the will of the people.

**NOW THEREFORE, IN CONSIDERATION OF THE ABOVE FACTS, IT IS RESOLVED BY THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH** as follows:

**Section 1**. The Ketchikan Gateway Borough Assembly hereby urges the Alaska State Legislature in 2009 to modify, based on science, the standards governing the discharge of cruise ship wastewater such that those standards will continue to protect aquatic life and the environment, but will not be technologically and financially unreasonable or impractical.

**Section 2**. This resolution shall take effect immediately.

ADOPTED this 15th day of September 2008.

Joe Williams, Borough Mayor

ATTEST:

Harriett Edwards, Borough Clerk

Approved as to form

Scott A. Brandt-Erichsen, Borough Attorney

| EFFECTIVE DATE: September 15, 2008 | | | |
|---|---|---|---|
| ROLL CALL | YES | NO | ABSENT |
| THOMPSON | | | ✓ |
| KIFFER | | | ✓ |
| SALAZAR | ✓ | | |
| LANDIS | ✓ | | |
| PAINTER | ✓ | | |
| HARRINGTON | ✓ | | |
| SHOEMAKER | ✓ | | |
| MAYOR (Tie Votes Only) | | | |
| 4 AFFIRMATIVE VOTES REQUIRED FOR PASSAGE | | | |

CITY OF KETCHIKAN, ALASKA

RESOLUTION NO. 08-2246

**A RESOLUTION OF THE CITY OF KETCHIKAN, ALASKA URGING THE ALASKA STATE LEGISLATURE IN 2009 TO MODIFY, BASED ON SCIENCE, THE STANDARDS GOVERNING THE DISCHARGE OF CRUISE SHIP WASTEWATER SUCH THAT THOSE STANDARDS WILL CONTINUE TO PROTECT AQUATIC LIFE AND THE ENVIRONMENT BUT WILL NOT BE TECHNOLOGICALLY AND FINANCIALLY UNREASONABLE OR IMPRACTICAL; AND ESTABLISHING AN EFFECTIVE DATE**

**WHEREAS**, during the 1990s, the size and number of cruise ships visiting Ketchikan and other Alaska coastal communities grew dramatically and became an increasingly important component of the local and regional economies; and

**WHEREAS**, in 1999, the Alaska Department of Environmental Conservation, U.S. Coast Guard, U.S. Environmental Protection Agency, members of the Southeast Conference, representatives of the cruise ship industry, and local concerned citizens formed a group to explore ways to improve environmental standards for the cruise ship industry in Alaska; and

**WHEREAS**, the Alaska Cruise Ship Initiative (ACSI) group was created in 2000 to (1) identify waste streams from cruise ships; (2) develop pollution prevention and waste management solutions; (3) assess and verify compliance with volunteer wastewater sampling and; (4) keep the Alaska public informed; and

**WHEREAS**, in late 2000, the ACSI commissioned a Science Advisory Panel with expertise in oceanography, bacteriology, chemistry, aquatic and human toxicology, marine biology, ecology and vessel engineering to address issues concerning treatment, discharge, dispersion, fate, and effects of wastewaters produced by commercial cruise ships; and

**WHEREAS**, the work of the groups noted above led to the enactment of laws (AS 46.03.460 - AS 46.03.490) by the Alaska Legislature in 2001 establishing wastewater discharge standards for cruise ships and creating the Commercial Passenger Vessel Environmental Compliance Program; and

**WHEREAS**, in 2002, the Alaska Department of Environmental Conservation adopted regulations (18 AAC 69) to implement and interpret the laws enacted by the Legislature in 2001; and

**WHEREAS**, in 2004, the Alaska Legislature refined laws enacted in 2001 (AS 46.03.460-46.06.490); and

**WHEREAS**, in 2006, following a two-year rule-making effort, the Alaska Department of Environmental Conservation adopted regulations to interpret and implement the 2004 statutory changes; and

**WHEREAS**, the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS**, in 2006, following the adoption of regulations by the Alaska Department of Environmental Conservation, Alaska voters approved an initiative further governing the operation and regulation of large cruise ships; and

**WHEREAS**, in March 2008, as a major step toward fulfilling the terms of the 2006 initiative, the Alaska Department of Environmental Conservation issued the first ever general permit for wastewater discharge from large cruise ships operating in Alaska waters; and

**WHEREAS**, the standards imposed on cruise ships are far in excess of those imposed on shore-based municipal wastewater facilities, as was recognized in the Department of Environmental Conservation press release announcing the March 2008 permit, which stated:

> The majority of large cruise ships operating in Alaska have advanced wastewater treatment systems that produce a very high quality discharge – much higher, for example, than shore-based municipal sewage treatment systems. Even so, cruise ship discharges are expected to have trouble meeting water quality standards for four parameters – ammonia, copper, nickel and zinc; and

**WHEREAS**, recognizing that it is currently unfeasible or impractical to meet discharge standards for the ammonia, copper, nickel, and zinc parameters, the Alaska Department of Environmental Conservation applied more lenient standards during the 2008 and 2009 seasons and postponed implementation of the stricter standards until the 2010 season; and

**WHEREAS**, the point-of-release standards could mean that beginning in 2010, cruise ships will have to defer all discharges until they are out of Alaska waters; and

**WHEREAS**, compelling cruise ships to postpone discharge of wastewater until outside Alaska waters will likely shorten the time cruise ships are in port and result in fewer ports of call, which will negatively impact Alaskan businesses.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Ketchikan, Alaska as follows:

**Section 1**: The Council of the City of Ketchikan, Alaska hereby urges the Alaska State Legislature in 2009 to modify, based on science, the standards governing the discharge of cruise ship wastewater such that those standards will continue to protect aquatic life and the environment, but will not be technologically and financially unreasonable or impractical.

**Section 2**: This resolution shall become effective immediately upon adoption.

**PASSED AND APPROVED** this 2nd day of October 2008.

Bob Weinstein, Mayor

ATTEST:

Katherine M. Suiter, City Clerk

Sponsored by: Oates

CITY OF SEWARD, ALASKA
RESOLUTION 2009-003

**A RESOLUTION OF THE CITY COUNCIL, OF THE CITY OF SEWARD, ALASKA, URGING THE ALASKA STATE LEGISLATURE TO MODIFY, BASED ON SCIENCE, THE STANDARDS GOVERNING THE DISCHARGE OF CRUISE-SHIP WASTEWATER BY USING THE CRITERIA THAT APPLY TO MUNICIPAL SHORE-BASED WASTEWATER FACILITIES AND ALL OTHER VESSELS TRANSITTING ALASKA WATERS**

**WHEREAS,** the Seward community has a strong marine-based economy with transportation routes historically used by the U.S. Navy, Coast Guard, and state law enforcement vessels; large and small passenger vessels; a commercial fishing fleet; and other passenger-bearing vessels; and

**WHEREAS,** Seward's marine-based economic activity occurs in proximity to the Kenai Fjords National Park, the Chugach National Forest, Caines Head State Park, and other protected lands; and

**WHEREAS,** between 2001 and 2006, agencies of the State of Alaska, through the legislative process, have enacted statutes and regulations establishing wastewater discharge standards and created the Commercial Passenger Vessel Environmental Compliance Program as means of supporting cruise ship activity in Alaska in an environmentally-sound manner; and

**WHEREAS,** the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS,** in 2006, Alaska voters approved an initiative further governing the operation and regulation of large cruise ships, leading to the first ever general permit for wastewater discharges from large cruise ships operating in Alaska; and

**WHEREAS,** the standards now imposed on cruise ships are far in excess of those imposed on shore-based municipal wastewater facilities, including Seward's facility and those in effect for all other fishing, freight, and passenger vessels; and

**WHEREAS,** the cruise ship point-of-release standards are unfeasible and will require prohibitive financial investment in research to establish methods of meeting the standards; and

**WHEREAS,** these standards could mean that cruise ships would defer all discharges until they are out of Alaska waters, which would result in reduced length of time in port, and elimination of ports situated far from International waters; and

**CITY OF SEWARD, ALASKA**
**RESOLUTION 2009-003**

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**WHEREAS,** such changes would impact Seward's small business, which rely on cruise ship visitors, crew, and service requirements to support local jobs and the local economy; and

**WHEREAS,** implementing policy based on inconsistent standards for a specific sector of the maritime economy establishes a dangerous precedent.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA,** that:

**Section 1.** Seward City Council urges the Alaska State Legislature in 2009 to modify the standards governing the discharge of cruise ship wastewater.

**Section 2.** Seward City Council suggests the modifications be scientifically based and similar to the criteria that apply to municipal shore-based wastewater facilities and all other vessels transiting Alaska waters.

**Section 3.** This resolution shall take effect immediately upon its adoption.

**PASSED AND APPROVED** by City Council of the City of Seward this 12th day of January 2009.

**THE CITY OF SEWARD, ALASKA**

**Willard Dunham, Vice Mayor**

AYES: Valdatta, Bardarson, Smith, Kellar, Keil, Dunham
NOES: None
ABSENT: Corbridge
ABSTAIN: None

**ATTEST:**

Jean Lewis, CMC
City Clerk

(City Seal)

**CITY OF WHITTIER, ALASKA**
**RESOLUTION #926-09**

**A RESOLUTION OF THE CITY OF WHITTIER, ALASKA URGING THE ALASKA STATE LEGISLATURE IN 2009 TO MODIFY, BASED ON SCIENCE, THE STANDARDS GOVERNING THE DISCHARGE OF CRUISE SHIP WASTEWATER SUCH THAT THOSE STANDARDS WILL CONTINUE TO PROTECT AQUATIC LIFE AND THE ENVIRONMENT BUT WILL NOT BE TECHNOLOGICALLY AND FINANCIALLY UNREASONABLE OR IMPRACTICAL; AND ESTABLISHING AN EFFECTIVE DATE**

**WHEREAS,** during the 1990s, the size and number of cruise ships visiting Whittier and other Alaska coastal communities grew dramatically and became an increasingly important component of the local and regional economies; and

**WHEREAS,** in 1999, the Alaska Department of Environmental Conservation, U.S. Coast Guard, U.S. Environmental Protection Agency, representatives of the cruise ship industry, and local concerned citizens formed a group to explore ways to improve environmental standards for the cruise ship industry in Alaska; and

**WHEREAS,** the Alaska Cruise Ship Initiative (ACSI) group was created in 2000 to (1) identify waste streams from cruise ships; (2) develop pollution prevention and waste management solutions; (3) assess and verify compliance with volunteer wastewater sampling and; (4) keep the Alaska public informed; and

**WHEREAS,** in late 2000, the ACSI commissioned a Science Advisory Panel with expertise in oceanography, bacteriology, chemistry, aquatic and human toxicology, marine biology, ecology and vessel engineering to address issues concerning treatment, discharge, dispersion, fate, and effects of wastewaters produced by commercial cruise ships; and

**WHEREAS,** the work of the groups noted above led to the enactment of laws (AS 46.03.460 – AS 46.03.490) by the Alaska Legislature in 2001 establishing wastewater discharge standards for cruise ships and creating the Commercial Passenger Vessel Environmental Compliance Program; and

**WHEREAS,** in 2002, the Alaska Department of Environmental Conservation adopted regulations (18 AAC 69) to implement and interpret the laws enacted by the Legislature in 2001; and

**WHEREAS,** in 2004, the Alaska Legislature refined laws enacted in 2001 (AS 46.03.460-46.06.490); and

**WHEREAS,** in 2006, following a two-year rule-making effort, the Alaska Department of Environmental Conservation adopted regulations to interpret and implement the 2004 statutory changes; and

**WHEREAS,** the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS,** in 2006, following the adoption of regulations by the Alaska Department of Environmental Conservation, Alaska voters approved an initiative further governing the operation and regulation of large cruise ships; and

**WHEREAS,** in March 2008, as a major step toward fulfilling the terms of the 2006 initiative, the Alaska Department of Environmental Conservation issued the first ever general permit for wastewater discharge from large cruise ships operating in Alaska waters; and

**WHEREAS,** the standards imposed on cruise ships are far in excess of those imposed on shore-based municipal wastewater facilities, as was recognized in the Department of Environmental Conservation press release announcing the March 2008 permit, which stated:

> The majority of large cruise ships operating in Alaska have advanced wastewater treatment systems that produce a very high quality discharge – much higher, for example, than shore-based municipal sewage treatment systems. Even so, cruise ship discharges are expected to have trouble meeting water quality standards for four parameters – ammonia, copper, nickel and zinc; and

**WHEREAS,** recognizing that it is currently unfeasible or impractical to meet discharge standards for the ammonia, copper, nickel, and zinc parameters, the Alaska Department of Environmental Conservation applied more lenient standards during the 2008 and 2009 seasons and postponed implementation of the stricter standards until the 2010 season; and

**WHEREAS,** the point-of-release standards could mean that beginning in 2010, cruise ships will have to defer all discharges until they are out of Alaska waters; and

**WHEREAS,** compelling cruise ships to postpone discharge of wastewater until outside Alaska waters will likely shorten the time cruise ships are in port and result in fewer ports of call, which will negatively impact Alaskan businesses.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Whittier, Alaska as follows:

**Section 1:** The Council of the City of Whittier, Alaska hereby urges the Alaska State Legislature in 2009 to modify, based on science, the standards governing the discharge of cruise ship wastewater such that those standards will continue to protect aquatic life and the environment, but will not be technologically and financially unreasonable or impractical.

**Section 2:** This resolution shall become effective immediately upon adoption.

**PASSED AND APPROVED by a duly constituted quorum of the City Council for the City of Whittier, Alaska on this 20th day of January 2009.**

Introduced by: Mark Earnest
Introduction date: 20 January 2009

ATTEST:

Brenda Krol
City Clerk

Lester Lunceford
Mayor

Ayes: 6
Nays: 0
Absent: 1
Abstain: 0

ANCHORAGE SOIL & WATER CONSERVATION DISTRICT

P.O. Box 110309 – Anchorage, AK 99511-0309
www.ASWCD.org E-Mail: aswcd@aswcd.org
Phone: 907.677.SOIL (7645)

**Anchorage Soil and Water Conservation District**
**Board of Supervisors**
**Resolution 2009-01**

**WHEREAS**, the mission of the Anchorage Soil & Water Conservation District (ASWCD) is to conserve Alaska's natural resources by providing technical, financial and education resources to property owners and participating in community endeavors,

**WHEREAS**, an important component of the ASWCD's mission is to educate the public on best environmental practices, particularly those that support a healthy economy,

**WHEREAS**, the Alaska cruise ship industry has developed model wastewater treatment systems and implemented other best practices to improve the environmental performance of vessels and have voluntarily adopted higher standards than those required by law,

**WHEREAS**, the cruise industry also brings significant financial benefits to the Municipality of Anchorage and to the State of Alaska,

**WHEREAS**, current cruise ship standards are far in excess of shore-based municipal wastewater facilities standards; and

**WHEREAS**, attaining the "point of discharge" standard is only applicable to cruise ships and compliance is currently technologically unfeasible; and

**WHEREAS**, standards for cruise ship wastewater discharge permits should be based on best available data and science, set by Alaska Department of Environmental Conservation; and

**WHEREAS**, the result of the "point of discharge" standard could mean that by 2010 cruise ships will have to depart Alaska waters to discharge, resulting in reduced length of time in port, further impacting local governments and small businesses that rely on cruise ship visitors, crew, and service requirements to support local jobs and the local economy.

**NOW THEREFORE BE IT RESOLVED**, the Board of Supervisors of the Anchorage Soil and Water Conservation District urges Governor Sarah Palin and the Alaska State Legislature in 2009 to modify the "point of discharge" permit standard based on scientific criteria to be determined by Alaska Department of Environmental Conservation.

Passed and approved the 16th day of January, 2009

Greg Bell, Chair

ANCHORAGE CHAMBER OF COMMERCE

**Anchorage Chamber of Commerce**
**Board of Directors**
**Resolution 2008/09-01**
**In Support of Modifying Cruise Ship Point of Discharge Permit Standards**

**WHEREAS**, one aspect of the mission of the Anchorage Chamber of Commerce is to protect and promote a healthy business community, to include a strong and growing tourism business base; and

**WHEREAS**, more than 370,000 cruise passenger visitors annually spend $26 million in the Anchorage area,

**WHEREAS,** cruise lines directly spend $76 million in Anchorage, have paid more than $5 million in local bed tax revenue and made purchases from 849 Anchorage businesses in 2007 alone; and

**WHEREAS,** the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS**, current cruise ship standards are far in excess of shore-based municipal wastewater facilities standards; and

**WHEREAS,** attaining the "point of discharge" standard is only applicable to cruise ships and compliance is currently technologically unfeasible; and

**WHEREAS,** standards for cruise ship wastewater discharge permits should be based on best available data and science, set by Alaska Department of Environmental Conservation; and

**WHEREAS,** the result of the "point of discharge" standard could mean that by 2010 cruise ships will have to depart Alaska waters to discharge, resulting in reduced length of time in port, further impacting local governments and small businesses that rely on cruise ship visitors, crew, and service requirements to support local jobs and the local economy.

**NOW THEREFORE BE IT RESOLVED**, the Anchorage Chamber of Commerce urges Governor Sarah Palin and the Alaska State Legislature in 2009 to modify the "point of discharge" permit standard based on scientific criteria to be determined by Alaska Department of Environmental Conservation.

**AND BE IT FURTHER RESOLVED,** that copies of this resolution be sent to Anchorage Chamber members, Governor Sarah Palin, the Alaska Legislature, statewide chambers of commerce and statewide media.

Approved the 5th day of December, 2008

Phil Okeson, 2008-09 chair
Anchorage Chamber of Commerce

Stacy Schubert, IOM, president
Anchorage Chamber of Commerce

GREATER ★ FAIRBANKS
CHAMBER
OF COMMERCE

100 Cushman St., Suite 102, Fairbanks, AK 99701
phone: (907) 452-1105, fax: (907) 456-6968
e-mail: info@fairbankschamber.org
website: www.fairbankschamber.org

INVESTORS
DIAMOND
PLATINUM
GOLD
SILVER

**RESOLUTION 09-01-05**

**A RESOLUTION OF THE GREATER FAIRBANKS CHAMBER OF COMMERCE URGING THE ALASKA STATE LEGISLATURE IN 2009 TO MODIFY, BASED ON SCIENCE, THE STANDARDS GOVERNING THE DISCHARGE OF CRUISE SHIP WASTEWATER SUCH THAT THOSE STANDARDS WILL CONTINUE TO PROTECT AQUATIC LIFE AND THE ENVIRONMENT BUT WILL NOT BE TECHNOLOGICALLY AND FINANCIALLY UNREASONABLE OR IMPRACTICAL; AND ESTABLISHING AN EFFECTIVE DATE**

**WHEREAS,** the Greater Fairbanks Chamber of Commerce recognizes the economic importance of the cruise ship industry throughout the state of Alaska, and tourism is the second-largest industry in the State, providing jobs and a large positive economic multiplier; and

**WHEREAS,** in 2002, the Alaska Department of Environmental Conservation adopted regulations (18 AAC 69) to implement and interpret the laws enacted by the Legislature in 2001; and

**WHEREAS,** in 2004, the Alaska Legislature refined laws enacted in 2001 (AS 46.03.460-46.06.490); and

**WHEREAS,** in 2006, following a two-year rule-making effort, the Alaska Department of Environmental Conservation adopted regulations to interpret and implement the 2004 statutory changes; and

**WHEREAS,** the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS,** in 2006, following the adoption of regulations by the Alaska Department of Environmental Conservation, Alaska voters approved an initiative further governing the operation and regulation of large cruise ships; and

**WHEREAS,** in March 2008, as a major step toward fulfilling the terms of the 2006 initiative, the Alaska Department of Environmental Conservation issued the first ever general permit for wastewater discharge from large cruise ships operating in Alaska waters; and

**WHEREAS,** the standards imposed on cruise ships are far in excess of those imposed on shore-based municipal wastewater facilities, as was recognized in the Department of Environmental Conservation press release announcing the March 2008 permit, which stated:

The majority of large cruise ships operating in Alaska have advanced wastewater treatment systems that produce a very high quality discharge – much higher, for example, than shore-based municipal sewage treatment systems. Even so, cruise ship discharges are

GREATER ★ FAIRBANKS
CHAMBER
OF COMMERCE

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website: www.fairbankschamber.org

expected to have trouble meeting water quality standards for four parameters – ammonia, copper, nickel and zinc; and

**WHEREAS,** recognizing that it is currently unfeasible or impractical to meet discharge standards for the ammonia, copper, nickel, and zinc parameters, the Alaska Department of Environmental Conservation applied more lenient standards during the 2008 and 2009 seasons and postponed implementation of the stricter standards until the 2010 season; and

**WHEREAS,** the point-of-release standards could mean that beginning in 2010, cruise ships will have to defer all discharges until they are out of Alaska waters; and

**WHEREAS,** compelling cruise ships to postpone discharge of wastewater until outside Alaska waters will likely shorten the time cruise ships are in port and result in fewer ports of call, which will negatively impact Alaskan Businesses.

**NOW, THEREFORE, BE IT RESOLVED** by the Greater Fairbanks Chamber of Commerce as follows:

**Section 1:** The Greater Fairbanks Chamber of Commerce hereby urges the Alaska State Legislature in 2009 to modify, based on science, the standards governing the discharge of cruise ship wastewater such that those standards will continue to protect aquatic life and the environment, but will not be technologically and financially unreasonable or impractical.

**Section 2:** This resolution shall become effective immediately upon adoption.

**PASSED AND APPROVED** this 5th day of January, 2009.

Jack Wilbur
Board Chair
GFCC

Garry Hutchison
Chair
Governmental Relations Committee

INVESTORS
DIAMOND
BP Exploration
ConocoPhillips
ExxonMobil
Fairbanks Daily News-Miner
FMH & Denali Center
Flint Hills Resources Alaska
GCI
Wells Fargo Bank Alaska
PLATINUM
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Alaska USA Credit
Bartlett Regional Hospital
Denali State Bank
Doyon, Limited
Doyon Utilities
First National Bank Alaska
Fort Knox Gold Mine
Laborers Union Local 942
MAC Federal Credit Union
Northrim Bank
The Boeing Co.
Usibelli Coal Mine
SILVER

*"Succeeding Together, Achieving Results"*

JUNEAU
CHAMBER OF COMMERCE

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E-mail: iuneauchamber@gci.net • icc@alaska.com • Web site: http://www.iuneauchamber.com

**Board Members**

Chuck Collins, Pres. Elect
*Copy Express/Sign Pro*
Ted Quinn, Past President
*Capital Office Supplies*
Bob Martin
*Goldbelt, Inc.*
*Alaska Knifeworks*
Bob Hale
*Juneau Empire*
Romer Derr
*Harri Plumbing & Heating*
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Sheldon Winters
*Lessmeier & Winters*
Tim McLeod
*AEL&P*
Nathan McCowan
*Seedaska*

**Benefactor Members**
ACS
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First National Bank of Alaska
Huna Totem
Juneau Empire
GCI Communications
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**Platinum Members**
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BP Alaska
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Capital Office Supply
Coeur Alaska, Inc.
Coogan Construction
Copy Express
Elgee Rehfeld & Mertz
Exxon Mobil
Greens Creek Mining
Goldbelt, Inc.
Sign Pro
Taku Oil
True North FCU
UAS
Wells Fargo Bank of Alaska
Western Auto Marine

**RESOLUTION**
**11-08**

**A RESOLUTION OF THE JUNEAU CHAMBER OF COMMERCE URGING THE ALASKA STATE LEGISLATURE IN 2009, TO MODIFY THE STANDARDS GOVERNING THE DISCHARGE OF CRUISE SHIP WASTEWATER**

**WHEREAS,** during the 1990s, the size and number of cruise ships visiting Alaska coastal communities grew dramatically and became an increasingly important component of the local and regional economies; and

**WHEREAS,** in 1999, the Alaska Department of Environmental Conservation, U.S. Coast Guard, U.S. Environmental Protection Agency, members of the Southeast Conference, representatives of the cruise ship industry, and local concerned citizens formed a group to explore ways to improve environmental standards for the cruise ship industry in Alaska; and

**WHEREAS,** the Alaska Cruise Ship Initiative (ACSI) group was created in 2000 to 1). Identify waste streams from cruise ships; 2). Develop pollution prevention and waste management solutions; 3). Assess and verify compliance with volunteer wastewater sampling; and 4). Keep the Alaska public informed; and

**WHEREAS,** in late 2000, the ACSI commissioned a Science Advisory Panel with expertise in oceanography, bacteriology, chemistry, aquatic and human toxicology, marine biology, ecology and vessel engineering to address issues concerning treatment, discharge, dispersion rate, and effects of wastewaters produced by commercial cruise ships; and

**WHEREAS,** the work of the groups noted above led to the enactment of laws (AS 46.03.460 – AS 46.06.490) by the Alaska Legislature in 2001 establishing wastewater discharge standards for cruise ships and creating the Commercial Passenger Vessel Environmental Compliance Program; and

**WHEREAS,** in 2002, the Alaska Department of Environmental Conservation adopted regulations (18 AAC 69) to implement and interpret the laws enacted by the Legislature in 2001; and

**WHEREAS,** in 2004, the Alaska Legislature refined laws enacted in 2001 (AS 46.03.460 – AS 46.06.490); and

**WHEREAS,** in 2006, following a two-year rule-making effort, the Alaska Department of

Environmental Conservation adopted regulations to interpret and implement the 2004 statutory changes; and

**WHEREAS,** the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS,** in 2006, following the adoption of regulations by the Alaska Department of Environmental Conservation, Alaska voters approved an initiative further governing the operation and regulation of large cruise ships; and

**WHEREAS,** in March 2008, as a major step toward fulfilling the terms of the 2006 initiative, the Alaska Department of Environmental Conservation issued the first ever general permit for wastewater discharge from large cruise ships operating in Alaska waters; and

**WHEREAS,** the standards imposed on cruise ships are far in excess of those imposed on shore-based municipal wastewater facilities, as was recognized in the Department of Environmental Conservation press release announcing the March 2008 permit, which stated:

> The majority of large cruise ships operating in Alaska have advanced wastewater treatment systems that produce a very high quality discharge – much higher, for example, than shore-based municipal sewage treatment systems. Even so, cruise ship discharges are expected to have trouble meeting water quality standards for four parameters – ammonia, copper, nickel and zinc; and

**WHEREAS,** recognizing that it is currently unfeasible or impractical to meet discharge standards for the ammonia, copper, nickel and zinc parameters, the Alaska Department of Environmental Conservation applied more lenient standards during the 2008 and 2009 seasons and postponed implementation of the stricter standards until the 2010 season; and

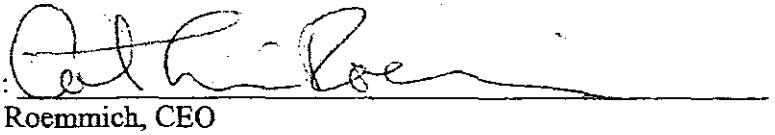
**WHEREAS,** the point-of-release standards could mean that beginning in 2010, cruise ships will have to defer all discharges until they are out of Alaska waters; and

**WHEREAS,** compelling cruise ships to postpone discharge of wastewater until outside Alaska waters will likely shorten the time cruise ships are in port and result in fewer ports of call, which will negatively impact Juneau businesses.

**NOW, THEREFORE BE IT RESOLVED** that the Juneau Chamber of Commerce urges the City and Borough of Juneau Assembly to adopt this or a similar resolution, and urges the Alaska State Legislature in 2009, to modify, based on science, the standards governing the discharge of cruise ship wastewater such that those standards will continue to protect aquatic life and the environment, but will not be technologically and financially unreasonable or impractical and establish an effective date.

**FURTHER BE IT RESOLVED** that the Juneau Chamber of Commerce requests that this resolution becomes effective immediately upon adoption by the State Legislature.

**PASSED AND APPROVED** by the Juneau Chamber of Commerce on this 10th day of November, 2008.

Signed: 

Cathie Roemmich, CEO

On behalf of the Juneau Chamber of Commerce Board of Directors and nearly 400 business members

**GREATER WASILLA CHAMBER OF COMMERCE & CONVENTION/VISITOR BUREAU**
**BOARD OF DIRECTORS**
**RESOLUTION #1208**

A RESOLUTION URGING THE GOVERNOR AND THE 2009 ALASKA STATE LEGISLATURE TO MODIFY THE "POINT OF DISCHARGE" PERMIT STANDARD BASED ON SCIENTIFIC CRITERIA TO BE DETERMINED BY ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION.

**WHEREAS**, the Wasilla community has a strong tourism business base and wants a positive business atmosphere to grow tourism: and

**WHEREAS**, the Mat-Su Valley has over 124,000 cruise passenger visitors and cruise lines spend annually $16.4 million, with over $860,000 paid in bed tax revenue; and

**WHEREAS**, in 2007 cruise lines made purchases from 90 area businesses; and

**WHEREAS**, the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS**, the standards now imposed on cruise ships, and the 2010 standard are far in excess of those imposed on shore-based municipal wastewater facilities; and

**WHEREAS**, this "point of discharge" standard applicable only to cruise ships, are currently technologically unfeasible and such standards should be set by Alaska Department of Environmental Conservation; and

**WHEREAS**, the unrealistic standards could mean that by 2010, cruise ships will have to depart Alaska waters to discharge, which could result in reduced length of time in port, and such changes will impact local governments, small businesses, which rely on cruise ship visitors, crew, and service requirements to support local jobs and the local economy; and

**WHEREAS**, the ballot initiative sponsors stated that the permit portion of the head tax initiative would only "level the economic and environmental playing field between the cruise ship industry and other major dischargers"; and

**NOW THEREFORE, BE IT RESOLVED BY THE WASILLA CHAMBER OF COMMERCE BOARD OF DIRECTORS, that:**

The Board urges the Governor and the Alaska State Legislature in 2009 to modify the "point of discharge" permit standard based on scientific criteria to be determined by Alaska Department of Environmental Conservation.

**PASSED AND APPROVED BY THE WASILLA CHAMBER OF COMMERCE BOARD OF DIRECTORS THIS 9TH DAY OF DECEMBER, 2008.**

Erika Bills, President

Cheryl Metiva, Executive Director/CEO

**KENAI CHAMBER OF COMMERCE**

**Resolution 02-08**

**A RESOLUTION OF THE KENAI CHAMBER OF COMMERCE BOARD OF DIRECTORS TO URGE THE GOVERNOR AND ALASKA LEGISLATURE TO DELETE THE 'POINT OF DISCHARGE' STANDARD GOVERNING THE CRUISE SHIP WASTE WATER PERMITS.**

WHEREAS, Alaska's cruise ship industry is an important element to our economic well-being statewide and regionally; and

WHEREAS, cruise ships should be under the same guidelines on discharge as any other industry or land based operations in Alaska; and

WHEREAS, in 2002, Alaska set the highest standards in the world for large cruise ship waste water discharge to protect state water ways. In 2006, a head tax ballot initiative changed these standards in such a way that some of the new standards are technologically unfeasible by the cruise lines. During the ballot initiative process no public hearings or state agency input was given on these newly imposed standards; and

WHEREAS, the standards currently imposed on cruise ships are far in excess of those imposed on shore-based municipal wastewater facilities, as was recognized in the Department of Environmental Conservation press release announcing the March 2008 permit, which stated:

> The majority of large cruise ships operating in Alaska have advanced wastewater treatment systems that produce a very high quality discharge – much higher, for example, than short0based municipal sewage treatment systems. Even so, cruise ship discharges are expected to have trouble meeting water quality standards for four parameters – ammonia, copper, nickel and zinc; and

WHEREAS, recognizing that it is currently unfeasible or impractical to meet discharge standards for the ammonia, copper, nickel, and zinc parameters, the Alaska Department of Environmental Conservation applied more lenient standards during the 2008 and 2009 seasons and postponed implementation of the stricter standards until the 2010 season; and

WHEREAS, the point-of-release standards could mean that beginning in 2010, cruise ships will have to defer all discharges until they are out of Alaska waters; and

WHEREAS, cruise ships will be compelled to shorten their stays in Alaska waters; and

WHEREAS, this will have a negative impact on our regional and statewide economic health.

**NOW, THEREFORE, BE IT RESOLVED** that the Kenai Chamber of Commerce Board of Directors hereby urges the Governor and the Alaska State Legislature to modify the standards governing the discharge of cruise ship wastewater such that those standards will continue to protect aquatic life and the environment, but will be technologically and financially reasonable or practical.

DIRECTORS

THIS 10 DAY OF December, 2008

Stephen W. Hansen, President
Kenai Chamber of Commerce

ATTEST: Tina Baldridge
Tina Baldridge
Executive Director

Kenai Chamber of Commerce

Homer Chamber of Commerce
Visitor Information Center
201 Sterling Highway
Homer, AK 99603

## Homer Chamber of Commerce

***Resolution Passed 1/15/2009**

*The Homer Chamber of Commerce urges the Alaska State Legislature to vest the Alaska Department of Environmental Conservation with the authority to issue discharge permits to cruise ships, as they determine will meet all Alaska water quality standards.*

*Note: Full body of resolution will be forwarded when received.

**GREATER SITKA CHAMBER OF COMMERCE**
**RESOLUTION 08-01**

**A RESOLUTION OF THE GREATER SITKA CHAMBER OF COMMERCE URGING THE ALASKA STATE LEGISLATURE TO MODIFY THE STANDARDS GOVERNING THE DISCHARGE OF CRUISE-SHIP WASTEWATER SUCH THAT THOSE STANDARDS ARE NO MORE RESTRICTIVE THAN MUNICIPAL SHORE BASED WASTEWATER FACILITIES.**

**WHEREAS,** the Greater Sitka Chamber of Commerce is a nonprofit trade association made up of members of the business community invested in the economic health of Sitka; and

**WHEREAS,** the economic health of Sitka is, in large part, based on a healthy cruise industry visitors and commercial fishing industry, which are both ocean-based industries; and

**WHEREAS,** the cruise ship industry is an integral part of the health of Sitka's economy whose visits provide jobs to Sitkans; and

**WHEREAS,** the cruise ship industry, through its visits to Sitka, provides a critical piece of sales tax revenue that helps pay for local government jobs and functions such as schools and roads; and

**WHEREAS,** Sitka will be experiencing a significant economic impact already with the loss of one major cruise line for the 2009 summer which will negatively impact an already downward turn in sales tax revenue; and

**WHEREAS,** the cruise industry, through the Alaska Cruise Ship Initiative, along with the State of Alaska Department of Environmental Conservation (DEC) and the Environmental Protection Agency, formed a Science Advisory Panel to address waste streams from cruise ships, develop pollution prevention and waste management solutions, assess and verify compliance with volunteer wastewater sampling, and methods to keep the public informed; and

**WHEREAS,** the Alaska State Legislature enacted laws in 2001 establishing wastewater discharge standards that were refined in 2004 and implemented in 2006 by the state DEC; and

**WHEREAS,** the cruise industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS,** a voter approved initiative further imposed standards on cruise ships that are far in excess of those imposed on municipal shore-based wastewater facilities, as was recognized by the state DEC public statement announcing a March 2008 permit issuance, which stated:

> *"The majority of large cruise ships operating in Alaska have advanced wastewater treatment systems that produce a very high quality discharge – much higher, for example, than shore-based municipal sewage treatment systems. Even so, cruise ship discharges are expected to have trouble meeting water quality standards for four parameters – ammonia, copper, nickel, and zinc."*

And

**WHEREAS,** the City and Borough of Sitka wastewater discharge system cannot meet these voter initiative standards if they were to be imposed on municipalities. The key is due to the city being allowed a mixing zone where quality of discharge is measured at the edge of the mixing zone.

The voter initiative standards require cruise ships to measure quality of discharge at the point of release (at the pipe) before it drops into a mixing zone; and

**WHEREAS,** the state DEC elected to postpone implementation of parts of the voter initiative standards because it is currently unfeasible or impractical to meet discharge standards for the ammonia, copper, nickel, and zinc parameters; and

**WHEREAS,** the Greater Sitka Chamber of Commerce believes that water and wastewater quality standards are important to the health of the community and to the industries that rely on a healthy ocean; and

**WHEREAS,** the Greater Sitka Chamber of Commerce believes that the State of Alaska, Department of Conservation has the professional and technical resources to provide for clear regulatory guidance such that the ocean and marine life are protected while providing for practical, technological, and financially achievable regulations for cruise ships visiting Alaskan port that are similar in nature to the regulations that Alaskans live with every day.

**NOW THEREFORE BE IT RESOLVED** that the Greater Sitka Chamber of Commerce urges the 2009 Alaska State Legislature to, based on science, modify the standards governing the discharge of cruise ship wastewater such that those standards will reflect Alaska municipal standards, will continue to protect aquatic life and the environment, yet will not be technologically and/or financially unreasonable or impractical.

Adopted this 30th day of October, 2008.

Cory Baggen, President

Sheila Finkenbinder, Executive Director

**KETCHIKAN CHAMBER OF COMMERCE**
**BOARD OF DIRECTORS**
**RESOLUTION 1008**

**A RESOLUTION** URGING THE 2009 ALASKA STATE LEGISLATURE TO MODIFY THE "POINT OF DISCHARGE" STANDARD GOVERNING THE DISCHARGE OF CRUISE-SHIP WASTEWATER.

**WHEREAS**, the Ketchikan community has a strong tourism business base and wants a positive business atmosphere to grow tourism: and

**WHEREAS**, the community of Ketchikan has over 897,000 cruise passenger & crew spending $115 million, cruise lines purchases of $32 million, with sales tax revenues of $4 million, dock moorage revenues of $7.6 million

**WHEREAS**, between 2001 and 2006, agencies of the State of Alaska, through the legislative process, have enacted statutes and regulations establishing wastewater discharge standards and creating the Commercial Passenger Vessel Environmental Compliance Program as means of supporting cruise ship activity in Alaska in an environmentally-sound manner; and

**WHEREAS**, the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS**, in 2006, Alaska voters approved an initiative further governing the operation and regulation of large cruise ships, leading to the first ever general permit for wastewater discharges from large cruise ships operating in Alaska; and

**WHEREAS**, the standards now imposed on cruise ships, and the 2010 standard are far in excess of those imposed on shore-based municipal wastewater facilities; and

**WHEREAS**, this "point of discharge" standard applicable only to cruise ships, are technologically unfeasible; and

**WHEREAS**, the unrealistic standards could mean that by 2010, cruise ships will have to depart Alaska waters to discharge, which will result in reduced length of time in port, and elimination of ports situated far from International waters;

**WHEREAS**, the ballot initiative sponsors stated that the permit portion of the head tax initiative would only "level the economic and environmental playing field between the cruise ship industry and other major dischargers; and

**WHEREAS**, such changes will impact local governments, small businesses, which rely on cruise ship visitors, crew, and service requirements to support local jobs and the local economy; and

**WHEREAS**, maintaining unrealistic standards for a specific sector of the marine-based economy establishes dangerous precedent for managing the balance between economy and environment; and

**NOW THEREFORE, BE IT RESOLVED BY THE KETCHIKAN CHAMBER OF COMMERCE BOARD OF DIRECTORS, that:**

The Board urges the Alaska State Legislature in 2009 to modify the "point of discharge" permit standard of cruise ship wastewater such that those standards are based on scientific data and continue to protect Alaska water ways.

Signed:

Blaine Ashcraft

Blaine Ashcraft
Executive Director
Greater Ketchikan Chamber of Commerce

# GREATER PALMER CHAMBER OF COMMERCE
# BOARD OF DIRECTORS
## RESOLUTION 09-01

A RESOLUTION URGING THE GOVERNOR AND THE 2009 ALASKA STATE LEGISLATURE TO MODIFY THE "POINT OF DISCHARGE" PERMIT STANDARD BASED ON SCIENTIFIC CRITERIA TO BE DETERMINED BY ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION.

**WHEREAS,** the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS,** the standards now imposed on cruise ships, and the 2010 standard are far in excess of those imposed on shore-based municipal wastewater facilities; and

**WHEREAS,** this "point of discharge" standard applicable only to cruise ships, are currently technologically unfeasible and such standards should be set by Alaska Department of Environmental Conservation; and

**WHEREAS,** the unrealistic standards could mean that by 2010, cruise ships will have to depart Alaska waters to discharge, which could result in reduced length of time in port, and such changes will impact local governments, small businesses, which rely on cruise ship visitors, crew, and service requirements to support local jobs and the local economy; and

**WHEREAS,** the ballot initiative sponsors stated that the permit portion of the head tax initiative would only "level the economic and environmental playing field between the cruise ship industry and other major dischargers"; and

**NOW THEREFORE, BE IT RESOLVED BY THE PALMER CHAMBER OF COMMERCE BOARD OF DIRECTORS, that:**

The Board urges the Governor and the Alaska State Legislature in 2009 to modify the "point of discharge" permit standard based on scientific criteria to be determined by Alaska Department of Environmental Conservation.

**PASSED AND APPROVED BY THE PALMER CHAMBER OF COMMERCE BOARD OF DIRECTORS THIS 30th DAY OF JANUARY 2009.**

President
(Signature of Authorized Officer)

ATTEST:

(Signature)

Haines Chamber of Commerce
"Your Business is Our Business"
219 Main Street, #14
P.O. Box 1449
Haines, AK 99827
Phone: 907.766.2202
Fax: 907.766.2271
Email: chamber@haineschamber.org
Website: www.haineschamber.org

# Haines Chamber of Commerce
# Resolution On

## Large Commercial Passenger Vessel Wastewater Discharge General Permit

### Position Statement

This permit issued in March 2008 by the Alaska Department of Environmental Conservation (ADEC) holds cruise ships to a different standard than it holds every other discharger in Alaska. This new permit measures effluent at the point of discharge instead of allowing a dilution zone, which every state in the United States allows, and the State of Alaska statutes contemplate. This is a different standard from what is required for coastal communities or the fishing industry or the oil platforms in Cook Inlet.

**Action:** To urge the Alaska State Legislature to investigate modifying the standards governing the discharge of cruise ship wastewater for a lower level based on science that will continue to protect aquatic life and the environment, but will not be technologically and financially unreasonable or impractical.

We also believe that ports of call which have cruise ships taking on water from the community should be allowed to use head tax revenues from the cruise ship initiative to improve the water quality for the community as a way to assist the cruise industry in complying with the waste water standards.

### Support for the Position

Small businesses that offer services to tour related businesses will stay in business.

Should the cruise ship industry need to comply with the statutes of this permit, ships will have to hold their wastewater discharges until they are out of Alaska waters. Not only will this shorten the time in port, which may negatively impact Alaska businesses but may result in fewer ports of call, which will financially harm port communities.

The negative impacts from utilizing community water in the cruise ship discharge should be corrected at the point of origination.

The permit requirement is part of the cruise ship initiative that voters approved in 2006. That initiative imposed a number of environmental provisions, including one that requires ships to have a "discharge permit and meet all Alaska water quality standards".

Voters were told that the ships would be held to the same standards that "every other industrial and municipal discharger" must meet and that "no new permitting program is necessary." However, the permit ADEC issued holds the ships to a much different standard, one that may cost Alaska communities, Alaska ferries and businesses.

Alaska's water quality standards contemplate the use of dilution factors, such as mixing zones or short-term variances. As ADEC explains that mixing zones "are provided for by the Clean Water Act and used by every state in the Nation. Without mixing zones, wastewater would have to be treated to the point where it could serve as a source of drinking water before being discharged and that just isn't feasible here or anywhere else. Sewage treatment plants and seafood processors in Alaska could not operate without a mixing zone." Neither can the cruise ships.

Alaska should hold cruise ships to the same stringent standards as its coastal communities. It is not in the state's best interest to potentially shorten the time the cruise visitors have ashore or to eliminate some ports of call.

Therefore, the Haines Chamber of Commerce urges the Alaska Legislature to amend the ADEC general permit and to base its permit on sound science and common sense.

Greg Stuckey, President
Haines Chamber of Commerce

ALASKA MUNICIPAL LEAGUE
Alaska Conference of Mayors

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

**ALASKA MUNICIPAL LEAGUE**
**RESOLUTION #2009-08**

**A RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE URGING THE ALASKA STATE LEGISLATURE IN 2009, TO MODIFY, BASED ON SCIENCE, THE STANDARDS GOVERNING THE DISCHARGE OF CRUISE SHIP WASTEWATER SUCH THAT THOSE STANDARDS WILL CONTINUE TO PROTECT AQUATIC LIFE AND THE ENVIRONMENT; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS,** during the 1990s, the size and number of cruise ships visiting Alaska coastal communities grew dramatically and became an increasingly important component of the local and regional economies; and

**WHEREAS,** in 1999, the Alaska Department of Environmental Conservation, U.S. Coast Guard, U.S. Environmental Protection Agency, members of the Southeast Conference, representatives of the cruise ship industry, and local concerned citizens formed a group to explore ways to improve environmental standards for the cruise ship industry in Alaska; and

**WHEREAS,** the Alaska Cruise Ship Initiative (ACSI) group was created in 2000 to 1). Identify waste streams from cruise ships; 2). Develop pollution prevention and waste management solutions; 3). Assess and verify compliance with volunteer wastewater sampling; and 4). Keep the Alaska public informed; and

**WHEREAS,** in late 2000, the ACSI commissioned a Science Advisory Panel with expertise in oceanography, bacteriology, chemistry, aquatic and human toxicology, marine biology, ecology and vessel engineering to address issues concerning treatment, discharge, dispersion, fate, and effects of wastewaters produced by commercial cruise ships; and

**WHEREAS,** the work of the groups noted above led to the enactment of laws (AS 46.03.460 – AS 46.06.490) by the Alaska Legislature in 2001 establishing wastewater discharge standards for cruise ships and creating the Commercial Passenger Vessel Environmental Compliance Program; and

**WHEREAS,** in 2002, the Alaska Department of Environmental Conservation adopted regulations (18 AAC 69) to implement and interpret the laws enacted by the Legislature in 2001; and

**WHEREAS,** in 2004, the Alaska Legislature refined laws enacted in 2001 (AS 46.03.460 – AS 46.06.490); and

**WHEREAS,** in 2006, following a two-year rule-making effort, the Alaska Department of Environmental Conservation adopted regulations to interpret and implement the 2004 statutory changes; and

**WHEREAS,** the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS,** in 2006, following the adoption of regulations by the Alaska Department of Environmental Conservation, Alaska voters approved an initiative further governing the operation and regulation of large cruise ships; and

**WHEREAS,** in March 2008, as a major step toward fulfilling the terms of the 2006 initiative, the Alaska Department of Environmental Conservation issued the first ever general permit for wastewater discharge from large cruise ships operating in Alaska waters; and

**WHEREAS,** the standards imposed on cruise ships are far in excess of those imposed on shore-based municipal wastewater facilities, as was recognized in the Department of Environmental Conservation press release announcing the March 2008 permit, which stated:

> The majority of large cruise ships operating in Alaska have advanced wastewater treatment systems that produce a very high quality discharge – much higher, for example, than shore-based municipal sewage treatment systems. Even so, cruise ship discharges are expected to have trouble meeting water quality standards for four parameters – ammonia, copper, nickel and zinc; and

**WHEREAS,** recognizing that it is currently unfeasible or impractical to meet discharge standards for the ammonia, copper, nickel and zinc parameters, the Alaska Department of Environmental Conservation applied more lenient standards during the 2008 and 2009 seasons and postponed implementation of the stricter standards until the 2010 season; and

**WHEREAS,** the point-of-release standards could mean that beginning in 2010, cruise ships will have to defer all discharges until they are out of Alaska waters; and

**WHEREAS,** compelling cruise ships to postpone discharge of wastewater until outside Alaska waters will likely shorten the time cruise ships are in port and result in fewer ports of call, which will negatively impact Alaskan businesses.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League urges the Alaska State Legislature in 2009, to modify, based on science, the standards governing the discharge of cruise ship wastewater such that those standards governing the discharge of cruise ship wastewater such that those standards will continue to protect aquatic life and the environment.

**FURTHER BE IT RESOLVED** that the Alaska Municipal League requests that this resolution becomes effective immediately upon adoption by the State Legislature.

**PASSED AND APPROVED** by the Alaska Municipal League on this 14th day of November, 2008.

Signed: _____
Denise Michels, President, Alaska Municipal League

Attest: Kathie Wasserman
Kathie Wasserman, Executive Director, Alaska Municipal League

The Honorable Sarah Palin
Governor
State of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

January 21, 2009

Dear Governor Palin,

The Alaska State Chamber of Commerce supports and endorses efforts to have the Alaska State Legislature amend the "point of discharge" standard governing the cruise ship wastewater permits. The State Chamber membership has adopted as one of our top five Legislative Priorities, support for changes to the "point of discharge" standard governing cruise ship wastewater permitting. The Alaska State Chamber of Commerce urges you and the Alaska State Legislature to delete the "point of discharge" standard governing the cruise ship wastewater permits. The State Chamber Commerce asks the State to apply the best available data and technology when setting standards for cruise ship wastewater discharge permits.

The State Department of Environmental Conservation (ADEC) holds not only cruise ships but also ships such as our ferries to a different standard than it holds every other discharger in Alaska. This new permit measures effluent at the point of discharge instead of allowing a dilution zone, which every state in the United States allows, and State of Alaska statutes contemplate. This is a different standard from what is required for coastal communities, the fishing industry or the oil platforms in Cook Inlet.

The State Chamber supports State efforts to investigate the standards governing the discharge of cruise ship wastewater. We strongly urge the Alaska State Legislature to give due consideration to modifying the standards governing the discharge of cruise ship wastewater for a lower level based on science that will continue to protect aquatic life and the environment, but will not be technologically and financially unreasonable or impractical.

Should the cruise ship industry need to comply with the statutes of this permit, ships will have to hold their wastewater discharges until they are out of Alaska waters. Not only will this shorten time in port, and may result in fewer ports of call, but both results may negatively affect Alaska businesses and financially harm port communities. Small businesses that offer services to tour related businesses may well go out of business without these suggested changes.

The permit requirement is part of the cruise ship initiative that voters approved in 2006. That initiative imposed a number of environmental provisions, including one that requires ships to have a "discharge permit and meet all Alaska water quality standards".

ALASKA STATE CHAMBER OF COMMERCE

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Voters were told that the ships would be held to the same standards that "every other industrial and municipal discharger" must meet and that "no new permitting program is necessary." However, the permit ADEC issued holds the ships to a much different standard, one that may cost Alaska communities, Alaska ferries and businesses unnecessarily.

Alaska's water quality standards contemplate the use of dilution factors, such as mixing zones or short-term variances. According to ADEC, "mixing zones are provided for by the Clean Water Act and used by every state in the Nation." Without mixing zones, wastewater would have to be treated to the point where it could serve as a source of drinking water before being discharged and that just is not feasible here or anywhere else. Sewage treatment plants and seafood processors in Alaska could not operate without a mixing zone. This is also true for the cruise ships.

Alaska should hold cruise ships to the same stringent standards as its coastal communities. It is not in the state's best interest to shorten the time cruise visitors have ashore or to force the elimination of some ports of call.

I genuinely appreciate your thoughtful consideration and careful attention to this matter.

Yours in economic prosperity,

Wayne A. Stevens
President/CEO

cc: Members of the Alaska State Legislature

# Alaska State Chamber of Commerce
# 2009 Priority

**Title:** A Resolution to urge the Governor and the Alaska State Legislature to delete the "point of discharge" standard governing the cruise ship waste water permits.

**Position Statement:**

1.) The State Chamber Commerce resolve to ask the 2009 legislature to apply the best available data and technology when setting standards for cruise ship wastewater discharge permits.

**Position:**

This resolution is consistent with the Alaska State Chamber Mission of having a positive impact on Alaska businesses by not limiting or interfering with ports of call. This is of high interest to all communities throughout Alaska to maintain a good business climate of welcoming ship visitors into their shops and on shore excursions. This action will allow the Alaska Department of Environmental Conservation to determine, by applying science, the wastewater permit standards.

**Support for Position:**

1.) In 2002 Alaska set the highest standards in the world for large cruise ship waste water discharge to protect state water ways. These standards were change in 2006 by a head tax ballot initiative in such a way that some of the new standards are technologically unfeasible by the cruise lines. During the ballot initiative process no public hearings or state agency input given on these newly imposed standards.
2.) Initiative sponsors misled voters by stating that the permit portion of the initiative would only "level the economic and environmental playing fields between the cruise ship industry and other major dischargers".
3.) If the permit guidelines are not amended ships could be required to go out into federal waters to discharge; thus less time in port cities which will allow less time in port for the visitors. This will have a negative impact on local government, retail business and shore based business operations.
4.) Cruise ships should be under the same guidelines on discharge as any other industry or land based operations in Alaska.
5.) Other constituencies who support this are local chambers, governments and business owners.
6.) Persons who may not support his position are the authors of the ballot initiative and uninformed members of the public.

**Statewide Impact Position:** High

**Supporting documents attached:**

1.) Support Information Packet

**Action Required:**

1.) Through legislative action amend "point of discharge" permit requirements.

**Fiscal Impact:**

1.) This action will not require money from the state; however it will have a continued positive impact on local governments and businesses in Alaska.

## Southeast Conference

**A RESOLUTION** URGING THE GOVERNOR AND THE 2009 ALASKA STATE LEGISLATURE TO MODIFY THE "POINT OF DISCHARGE" PERMIT STANDARD BASED ON SCIENTIFIC CRITERIA TO BE DETERMINED BY ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION.

**Resolution 09-07**

**WHEREAS**, Southeast Alaska has a strong tourism business base and wants a positive business atmosphere to grow tourism: and

**WHEREAS,** the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS,** the standards now imposed on cruise ships, and the 2010 standard are far in excess of those imposed on shore-based municipal wastewater facilities; and

**WHEREAS,** this "point of discharge" standard applicable only to cruise ships, are currently technologically not feasible and such standards should be set by Alaska Department of Environmental Conservation; and

**WHEREAS,** the unrealistic standards could mean that by 2010, cruise ships will have to depart Alaska waters to discharge, which could result in reduced length of time in port, and such changes will impact local governments, small businesses, which rely on cruise ship visitors, crew, and service requirements to support local jobs and the local economy; and

**WHEREAS**, the ballot initiative sponsors stated that the permit portion of the head tax initiative would only "level the economic and environmental playing field between the cruise ship industry and other major dischargers"; and

**NOW THEREFORE, BE IT RESOLVED:** The Board urges the Governor and the Alaska State Legislature in 2009 to modify the "point of discharge" permit standard based on scientific criteria to be determined by Alaska Department of Environmental Conservation.

**THIS RESOLUTION WAS ADOPTED BY THE SOUTHEAST CONFERENCE BOARD OF DIRECTORS THIS 14TH DAY OF JANUARY, 2009.**

Witnessed By:

Mike Korsmo
President

Attested by:

Shelly Wright
Executive Director

**PO Box 21989 Juneau, AK 99802 (907) 523-2327**

**Department of Environmental Conservation**
**Testimony of the Division of Water before the**
**House Community and Regional Affairs Committee on HB 134**
**February 17, 2009**

The Department of Environmental Conservation (DEC) has been implementing the Cruise Ship Initiative that was passed by Alaskan voters in 2006. The initiative included three main environmental provisions:

- A requirement to have an Ocean Ranger on board
- A requirement for vessels to report their location hourly to DEC
- A requirement for vessels that intend to discharge wastewater to obtain a permit from DEC.

I would like to provide an update on the environmental requirements of the initiative including the new Ocean Ranger program, the permit requirements, and the impact of HB 134.

**Citizen's Initiative - Ocean Rangers**

The initiative required an Ocean Ranger (a U.S. Coast Guard-licensed marine engineer) to be on board all large cruise ships entering Alaska waters to observe vessel compliance with state and federal environmental, sanitation, health and safety requirements. The program is funded by a $4/berth fee that nets approximately $4.0 million/year.

DEC implemented a pilot program during the 2007 cruise ship season, using marine engineers and environmental professionals on board some vessels to evaluate training needs for the Ocean Rangers; to develop an Ocean Ranger checklist for observations; and to learn about the issues surrounding reservation of berths, scheduling of Ocean Rangers, and communications between Ocean Rangers and DEC.

Full implementation of the Ocean Ranger program started with the 2008 season:

- An Ocean Ranger was on-board 88% of the voyages for the full time they were in Alaska waters.
- Other vessels were visited by an Ocean Ranger via in-port inspections.
- DEC received over 2,000 daily Ocean Ranger reports with 126 incidents that required follow-up. Most of the issues were immediately resolved by the vessels.

## Citizen's Initiative - Vessel Tracking

The citizen's initiative requires the ships to provide hourly location information to DEC. All vessels complied with this requirement and DEC has been able to use the information to verify vessel compliance.

## Citizen's Initiative - Wastewater Discharge Permit

The initiative required large cruise ships to obtain a wastewater discharge permit from DEC and to comply with Alaska's water quality standards "at the point of discharge."

Alaska's water quality standards describe how clean Alaska's fresh and marine waters have to be to protect the various uses – drinking water, contact recreation, and protection of aquatic life. The standards apply to the waterbody and not directly to a wastewater discharge, except in the case of discharges from large cruise ships where the discharge must meet the water quality standards at the point of discharge.

DEC issued a general permit on March 25, 2008. The permit contains "long term" effluent limits for ammonia, copper, nickel, and zinc based on the water quality standards. These strict effluent limits must be met by the 2010 cruise ship season.

The permit also contains a compliance schedule and "interim limits" that are less stringent for the 2008 and 2009 cruise ship seasons.

## HB 134

The effect of HB 134 would be to allow DEC, under certain circumstances, to authorize mixing zones for treated wastewater discharged from cruise ships. A mixing zone is an area where water quality standards can be exceeded while the wastewater has a chance to mix with receiving waters.

We have been looking at the science around cruise ship wastewater for years. For the last few years we have been engaged in a series of studies, some in conjunction with the U.S. Environmental Protection Agency, about how cruise ship discharges mix with receiving waters. We are currently investigating potential wastewater treatment technologies. In fact, we have a draft report out on cruise ship wastewater treatment technologies and are sponsoring a public work shop on that topic tomorrow.

Based on our work to date, the following are some of the facts as we know them.

## 1. Quality of treated wastewater

All large cruise vessels discharging in Alaska waters have installed Advanced Wastewater Treatment systems that produce a high quality effluent.

During the 2008 cruise ship season, 20 of the 31 large cruise ships discharged in State waters. Cumulatively, these vessels took a total of 206 effluent samples to satisfy the terms of the wastewater discharge permit. Each sample was analyzed to determine the concentration of nine parameters.

Focusing just on the parameters of concern (ammonia, copper, nickel and zinc)--out of 824 data points (206 samples with 4 parameters), there were 36 exceedances of interim permit limits noted on 11 vessels. That means approximately 4% (36/824 * 100 = 4.4%) of the data points exceeded the interim limits for ammonia, copper, or zinc. The most frequent exceedance was for ammonia (21 of the 36 exceedances).

If we look at exceedances of the stricter long term limits, we see a different picture. Based on 2008 effluent monitoring, there would be 563 exceedances of the long term permit limits for those same parameters. That means approximately 68% (563/824*100 = 68.3%) of the data points would exceed the long term limits.

## 2. Dilution Studies

It is important to understand the effects of cruise ship discharges on Alaska waters. In order to do that, DEC must evaluate both the quality of the wastewater discharge in conjunction with the dilution that it is subject to. This information can then be used to estimate whether the wastewater would cause exceedances of Water Quality Standards in the receiving waters.

DEC convened a Science Advisory Panel[1] to evaluate the results of a field study that EPA conducted in 2001 to determine the effect of discharges on Alaska waters when the vessel is underway. The Science Panel determined that when a typical large cruise ship is moving at a minimum speed of 6 knots, the wastewater discharged is subject to tremendous dilution. For wastewater discharged at 200 cubic meters/hour, the dilution factor is 50,000. When the sample results of the cruise ship wastewater are divided by the 50,000 dilution factor, the Science Panel concluded that the wastewater would almost instantaneously meet Alaska Water Quality Standards in the receiving water.

During the 2008 legislative session, the legislature directed DEC to evaluate how treated cruise ship effluent mixes with and dilutes into receiving waters. We conducted the study in Skagway this past season in conjunction with research the

[1] See the following website for more information: http://www.dec.state.ak.us/water/cruise_ships/scienceadvisory.htm

U.S. Environmental Protection Agency was performing with its Ocean Research Vessel "Bold." We provided an interim report of the study to the legislature on January 12, 2009.

The study last summer was designed to collect field data in order to calculate the dilution that occurs to wastewater when it is discharged under worst case conditions -- from a stationary cruise ship into a confined receiving environment with limited flushing. A ship moored in Skagway Harbor represents a worst case situation for dilution.

The results of the study were mixed. Under certain assumptions, Water Quality Standards would be met in the receiving water within 15 meters of the vessel. Using other assumptions, it will take a greater distance from the vessel to meet Water Quality Standards.

While the dilution study work is not complete, there is some suggestion that in certain worst cases, mixing zones may not be appropriate for moored vessels.

### 3. Technology Review

DEC is not currently aware of treatment systems that are readily available to be installed on all vessels by 2010 and that would produce effluent meeting water quality standards without mixing zones.

We are in the process of evaluating the cruise line's efforts to reduce ammonia, copper, nickel, and zinc in their wastewater effluent by evaluating potential source reduction and, as necessary new treatment technologies.

We have retained a consultant to evaluate new and emerging technologies that could potentially be installed on cruise ships to meet the water quality standards at the point of discharge. A draft report is available for review and a technology workshop is scheduled for Wednesday, February 18. Information from the workshop will be incorporated into a final report expected April 13.

### 4. Existing Regulations

DEC has existing regulations that allow a wastewater discharge permittee to apply for a mixing zone with their permit. The regulations include a 19 part test that must be met before DEC can authorize a mixing zone, including:

- That the effluent is first treated to remove, reduce and disperse the pollutants using the most effective, technologically and economically feasible methods.

The anti-degradation policy also requires the use of "methods of pollution

prevention, control, and treatment found by the department to be the most effective and reasonable" and that wastes and other substances to be discharged "be treated and controlled to achieve . . . the highest statutory and regulatory requirements."

If mixing zones were allowed, DEC would modify the cruise ship wastewater discharge general permit to include mixing zones where appropriate. Any proposed permit modifications would require a public review. Mixing zones may be prohibited in some areas and would only be allowed in other areas and under conditions that would fully protect aquatic life and other uses of Alaska's waters.

The modified permit would still require use of best available treatment technologies. Existing water quality regulations prohibit backsliding in treatment technology or decreases in effluent quality.

Every five years when the general permit is renewed, DEC must reevaluate what comprises best available treatment technologies. Renewed permits are modified to reflect any new, commercially available treatment technologies.

**Fiscal Impact** - HB 134 has no fiscal impact for the Department.

CSAW
Campaign to Safeguard America's Waters



Earth Island Institute

2/17/09

Re: HB 134 Testimony of Gershon Cohen Ph.D.

Dear Chairmen and Members of the Alaska House of Representatives Committee on Community and Regional Affairs,

Thank you for accepting this testimony in opposition to HB134, which seeks to remove the ban on mixing zone authorizations for cruise ship discharges established by majority vote of the people of Alaska in 2006.

The State of Alaska has traditionally been generous in allowing dischargers to circumvent the State's Water Quality Standards (WQS) through the application of mixing zones, which permit polluters to dilute contaminated wastewater within public waters. Nevertheless, the frequency of mixing zone use in the past should not be presumed to indicate that (1) the practice is consistent with the fundamental goals of the Clean Water Act to make all waters fishable and swimmable and eliminate the discharge of pollutants, or (2) such regulatory negligence adequately protects Alaska's aquatic resources.

I agree with the intent of the sponsors of HB134 that discharge permits be based on the best scientific evidence available. By definition, the State's WQS represent the best scientific information regarding the protection of aquatic life. Assigning mixing zones to mobile dischargers such as cruise ships does not represent the best science available, it will create multiple regions in our marine waters which cannot be tested for toxicity, where wastes may or may not disperse well depending upon the location of the discharge due to local currents, tides, salinity, temperature, and/or topography, and will likely contain the waste from multiple ships using the same water for dilution. Worst of all, it will risk contaminating any fish or other marine life unfortunate enough to be within the mixing zone at the time of discharge.

Mixing zones are not based on biological science or toxicology; they are engineering-based risk analyses that assume, or at least hope, that organisms will either not be present when the discharge occurs, not be harvested and consumed, or represent a small enough percentage of the population as to not result in long term harm to the overall ecosystem.

The cruise industry believes it should be given mixing zones because some other dischargers have mixing zones. Poor performance by other dischargers does not

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justify allowing the cruise lines to seek the lowest common denominator of waste treatment. It is important to note that many of their "peers" are using equipment designed in the 1950's, built in the 1970's, and perhaps in a few cases marginally improved in more recent years. Many of these communities and private dischargers have not had the financial resources to even begin trying to improve their performance. The cruise industry has recorded billion dollar profits year after year – they can afford to do the job right, and in doing so they will show others how they can improve their performance.

Alaska's WQS not only contain provisions for authorizing mixing zones, they also include an Antidegradation Policy (18AAC70.015) requiring the State to prohibit lowering the quality of a receiving water unless the best possible treatment methods are applied. The cruise industry claims to be using the best treatment methods available, but in fact, the industry has not tested or installed any new equipment on their ships since 2006 to address pollutants such as heavy metals or ammonia even though they have known since the initiative election that State law would eventually require them to either improve their performance, discharge on-shore, or discharge outside of Alaska waters. Rather than invest the time and money necessary to improve their performance they have chosen to spend their resources on lobbyists and lawyers to try and get the law changed. Many of those lobbyists and lawyers are probably sitting in your chambers today.

Regardless of your feelings about the authorization of mixing zones, it cannot be honestly argued that this bill is anything but premature. Tomorrow morning DEC will host a meeting at which scientists and high-tech companies will present their ideas on how cruise ships can meet the WQS without mixing zones. These technologies may not be ready to be installed in the fleet immediately for the simple reason that waste treatment firms have never been asked to build such devices for ships. That does not mean the fundamental science and technology does not exist, or cannot be adapted for ships within a reasonable period of time.

I'm sure you recall that in 2001 we heard the same cry from this industry when Alaska demanded they do a better job of removing fecal bacteria from their wastestreams. They said such performance was impossible. They said no applicable technologies existed. They threatened that imposing the requirement would mean the death of their industry in Alaska and along with it the demise of the Alaska tourism economy. But what was the result of our demand for better treatment? Several companies immediately launched efforts to build better machines for removing solids and bacteria on ships. Today, two thirds of the fleet that comes to Alaska has these improved technologies on board.

There is little doubt that if the cruise lines made the effort to comply with our rules they would succeed. Furthermore, not only has DEC recently initiated a process to identify technologies that have been improved in recent years, DEC has given the industry a pass on meeting the no-mixing zone discharge rules until at least 2010. No fines or penalties have been assessed to this point, and the bill before you today seeks to remove an achievable performance requirement that will not come due for another year at minimum. There is simply no harm whatsoever to this industry in

keeping the present law in place while new and better treatment methods are adapted for ship board use. For these reasons, it is clear that HB134 is premature, and should not move forward at this time.

The authorization of mixing zones is fundamentally illogical. Our oceans are finite and putting more pollutants into our waters must at some point result in deleterious impacts on our fisheries. One would hope we'd have learned this lesson by now, given the result that similar applications of the "dilution-solution" have had on our atmosphere.

I apologize I cannot be here in person to testify today, but I am traveling to Juneau this afternoon to participate in DEC's cruise ship technology conference that begins on Wednesday morning.

Sincerely,

Gershon Cohen PhD.

Gershon Cohen PhD, Project Director, CSAW
Co-sponsor, Alaska Cruise Ship Ballot Initiative

gershon@aptalaska.net Box 956 Haines, AK, 99827 Ph: 907-766-3005 Fax: 766-2921 www.earthisland.org/c-saw




**Responsible Cruising in Alaska**

**TO: House C&RA Committee**
**FR: T. Chip Thoma, RCA** TCT
**RE: HB 134**
**DATE: Feb. 17, 2009**

Chairman Herron, members of the committee, I am Chip Thoma, Responsible Cruising in Alaska, Box 21884, Juneau, 99802. The RCA is an advocacy group that helped win the 2006 initiative measure on cruise ship pollution, fair taxes, and consumer protection. This initiative passed 52-48%. 82,000 Alaskans voted yes. (This same primary election gave Frank Murkowski 12% and lobbyist John Binkley 19% of the popular vote for Governor).

The Alaska cruise law has been a great success for state taxes, revenue sharing, capital projects in cruise ports, pollution controls, monitoring by Ocean Rangers, and passenger consumer protection.

To address HB 134, my helpful comment is that the legislation is premature and likely unnecessary. Many ships in the Alaska cruise fleet are already meeting our Water Quality Standards on both ammonia & copper, those discharged substances that most harm anadromous salmon and marine life.

I recently reviewed the Notices of Violations (NOV's) issued by DEC for 2008 cruise ship discharges, and was amazed to find that ¾ of the fleet were not cited for any metals violations, but that 5 of the 7 metals violators are Princess ships. I believe the copper problem has now been identified: those high discharges are centered in OLDER ships, like the Princess fleet, whose copper plumbing is leaching into treated discharge water. Dissolved copper is a big problem: it never goes away, it builds up in the water, and dis-orients returning salmon. But most other ships have solved the on-board copper problem, by using flex-hose plastic plumbing, a 21st century fix for a 20th century problem.

Rather than get into details of ship plumbing and on-board water-making machinery, suffice it to say that copper pipes leach, and miles and tons of copper pipe leach a lot. Copper leaching from cruise ship plumbing will be discussed thoroughly tomorrow at DEC's 2009 conference on new technologies. I hope you can attend.

The gold sheet in your packet lists the different copper and ammonia-removing processes that will be discussed by industry and DEC, for both effectiveness and cost. This removal technology is improving at a very rapid pace, pioneered by the need for absolutely clean water in US computer manufacture. I'm confident that copper can soon be removed from all cruise ship discharges. That's why HB 134 is premature, because solutions are close at hand. DEC and the cruise industry will start solving them, tomorrow, here in Juneau.

Regarding ammonia on board ships, the sole source is urine. Ammonia removal has been achieved, and this technology is readily available. Ironically, the relatively high ammonia counts are likely due to low-flow toilet systems on some ships, where little water is used to flush. Since water dissolves urine and ammonia to manageable levels, I am also confident that all ammonia problems will be solved on-board, as most ships in the Alaska fleet are doing right now.

In conclusion, HB 134 is premature, because copper & ammonia discharge problems will be solved soon, with science, funding, and plastic plumbing. The cruise passengers want clean ships. Alaska subsistence, commercial & sport users want clean ships that take no chances to harm Alaska fish & marine resources. We should all agree to fully protect clean, marine waters, by statute.

The cruise laws passed in 2006 accomplish that. However, HB 134, the Princess Pollution bill, rolls back those protections and allows potentially harmful discharges. Also, 134 would primarily exempt one cruise line from the water quality standards being met by most of the 28 ships in Alaska fleet. HB 134 thus financially penalizes those who make discharge improvements, and now comply with Alaska cruise law. Finally, Alaskans want these discharge problems solved on board the cruise ships, not mixing in our pristine waters. Thank you.

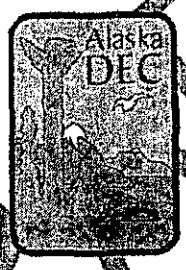
# FEASIBILITY STUDY:

# REDUCING CONCENTRATIONS OF DISSOLVED METALS AND AMMONIA IN LARGE PASSENGER VESSEL WASTEWATER DISCHARGES

DRAFT
February 16, 2009

DRAFT

Prepared for:




**Alaska Department of Environmental Conservation**
**Cruise Ship Program**

Prepared by:




825 W. 8th Ave.
Anchorage, AK 99501

AND SUB-CONTRACTOR TEAM

# EXECUTIVE SUMMARY

ADEC issued the Large Commercial Passenger Vessel Wastewater Discharge General Permit in March 2008 to meet the requirement of Alaska Statute 46.03.462. ADEC analysis indicated that cruise ships could not immediately comply with the statute's strict "point of discharge" effluent limits in the General Permit for ammonia, copper, nickel, and zinc. Therefore, the permit contains interim effluent limits that are less stringent for the 2008 and 2009 cruise ship seasons. The permit contains long term effluent limits for these parameters based upon the water quality standards that must be met by the 2010 cruise ship season.

An analysis of this 2008 data reveals that under current operational practices, the existing wastewater treatment systems installed on large cruise ships cannot consistently treat wastewater to the long term effluent limits.

Although it is the cruise ships' responsibility to comply with the terms of the General Permit, it is important for ADEC to be knowledgeable about the types of technology that may exist to enable cruise ships to meet the long term effluent limits. Therefore, ADEC hired the OASIS team to evaluate successful shore-based technologies as well as new and emerging technologies that could potentially be adapted for use on cruise ships. In this first public draft of the study, the OASIS team evaluates nine current technologies that may be able to reduce concentrations of the four pollutants of concern: ammonia, dissolved copper, dissolved nickel and dissolved zinc. It also includes five experimental technologies. Of the nine current technologies, three treat all four pollutants, three treat only ammonia and three treat only dissolved metals.

The information on these technologies comes from a variety of research sources and also from manufacturers, vendors, and researchers. A solicitation to these groups was accomplished by direct e-mailing and through e-mail blasts to the wastewater industry and the maritime industry. Approximately 60 interested parties were in contact. A total of 10 contacts submitted white papers describing potential solutions for meeting the new limits.

In order to make conclusive determinations about whether achieving the proposed limits by 2010 is possible, more information is needed such as detailed waste stream characterization and analysis, treatability studies, potential pilot plants, and conceptual designs for ship adaptation. However, this draft study finds that technologies exist in land-based applications that appear to be able to treat the pollutants (ammonia, nickel, copper or zinc) to the necessary levels for discharge. These technologies include ion exchange, reverse osmosis, electrodialysis, chemical precipitation, air/steam stripping, aerobic biological oxidation / nitrification and breakpoint chlorination.

Although land-based technologies exist that can reduce the pollutants to the long term permit limits, further investigation by the cruise lines will be required to determine whether the technologies evaluated in this draft study will be able to be adapted for use on board cruise ships. Ship space, inclination, and other constraints must be considered,

DRAFT

as well as investigating what technological processes will provide the most efficient system by evaluating the system balance, operational costs, and other parameters.

This draft study found that technologies currently used in some manner on ships such as reverse osmosis (RO) and aerobic biological oxidation/nitrification (MBR) would likely provide the most adaptable systems to achieve the limits. RO would be able to treat both ammonia and metals while MBR would only treat ammonia. It is possible that ion exchange, combinations of ion exchange and RO, and electrodialysis could meet the limits for both ammonia and metals and have good potential for being adapted for on-board use. The vendor-submitted white papers suggest that chemical precipitation, ion exchange, reverse osmosis, electrodialysis and breakpoint chlorination may also be able to treat cruise ship wastewater to the permit levels for discharge.

Each of these technologies would be used in conjunction with current systems and would require a significant amount of design and retrofitting for sizing along with marine regulatory approval. It is likely that a full system approach would be needed to coordinate multiple technologies at multiple stages of the water and wastewater flow.

DRAFT



1491

# DEC Cruise Ship Technology Conference

## Wed., Feb 18 8am-5pm Centennial Hall Juneau

The Department will host a conference on new technologies that are available to treat harmful discharges: ammonia and dissolved metals.

AMMONIA Technologies:

- Air & Steam Stripping (mechanical removal)
- Aerobic Biological Oxidation / Nitrification
- Reverse Osmosis
- Ion Exchange (Electrochemical)
- Breakthrough Chlorination (chemical removal)
- Chemical Precipitation

METAL REMOVAL Technologies:

- Sulfide Precipitation
- Scavenging Ion Exchange (SIX) Technology
- Surface Clay Filtration System
- Reverse Osmosis

These technologies could be add-on controls and/or process controls integrated into the existing waste water treatment installations.

There will be participation by the cruise ship industry, manufacturers, engineers, and suppliers of waste water treatment installations that can remove and/or reduce the levels of pollutants of concern. DEC has identified the above technologies as having potential for installation on large cruise ships. Please plan to attend this important, 1-day conference, a first for Alaska and the nation.

Centennial Hall, Wed 2/18/09 8am-5pm / 6-8pm public wrap-up

# Key Disciplines





*Chelsea Technologies Group is a scientifically orientated product development company with expertise in the following areas:*



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Graphical User Interface



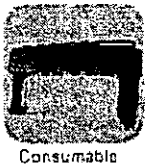
3D CAD Design



Prototype Instrumentation



Mechanical Design



Consumable Design

**Mechanical & Industrial Design**
- Automated System Design, Robotics
- Computer Aided Design & 3D Modeling
- Rapid Prototyping
- Injection Moulding

**Software**
- Windows Applications
- Graphical User Interface
- Embedded Control
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- Firmware

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- Photometry and spectrophotometry
- Optical sensors/biosensors

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- Incubation
- Thermal stability
- Low temperature coefficient designs

**Concept Development & Validation**
- Market Awareness
- Innovation
- Value Engineering
- Problem Solving
- Project Management

**Electronics**
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- Embedded microprocessor control
- PCB design, layout and manufacture
- Data acquisition

**Sensors**
- Electrochemical
- Electromagnetic
- Optical
- Physical
- Biochemical

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- Pressure dispense
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- MRP computerised manufacturing control
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- Scientific Feasibility
- Regulatory Submission

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CSAW
Campaign to Safeguard America's Waters

Earth Island Institute

*Responsible Cruising in Alaska*

February 2, 2009

Dear Alaska Legislators,

The session has started and cruise industry lobbyists are once again filling the capitol. As non-profit, public organizations, CSAW and RCA cannot match the hours the cruise industry and their allies will spend to change important provisions of the cruise ship initiative passed by voters in 2006. The cruise industry wants you to (1) repeal the ban on "mixing zones" for large vessels (current law requires these floating cities to meet Alaska's Water Quality Standards (WQS) at the point of discharge), and (2) reduce the tax levies on the passengers and the cruise lines.

Here are the facts: the cruise lines have not installed any new wastewater treatment equipment on their ships since 2006. Instead, the industry has directed their lobbyists to try and repeal state law rather than comply with our pollution requirements. The industry claims the new law cannot be met, yet many ships are already meeting most of the discharge standards without mixing zones. In fact, most pollution problems appear to be related to older ships in the cruise fleet. Significantly, the Alaska Department of Environmental Conservation (ADEC) has given the cruise industry until 2010 to comply with the WQS without penalty.

As part of this thoughtful approach to implementing the law, ADEC is hosting a technology conference on cruise ship discharges on February 18 in Juneau, where vendors and scientists will present treatment technologies that can resolve the few remaining discharge issues without changing the mixing zone rule. ADEC has a worthy goal — working with the cruise industry, science, the public, and interested organizations to identify ways to improve discharge performance and ensure the health of our marine resources. Repealing the rule related to diluting discharges before these technologies are evaluated and perhaps included in pilot programs in 2009 is clearly premature. If the cruise industry wants decisions to be based on science (as they claim) they should cooperate with DEC's technology evaluation process and be open to trying to meet the standards, rather than working to repeal them before the department's scientific evaluation has been completed.

Segments of the cruise industry have criticized the passenger fee or "head tax" sanctioned by Alaska's voters in 2006. An independent economic review of the 2007 cruise season by the McDowell Group demonstrated that the taxes and fees passed in 2006 did not cause any decrease in cruise ship passenger visitation to Alaska or passenger spending in ports of call. The $50 head tax paid by cruise passengers is a tiny fraction of the total costs incurred by a passenger when they visit Alaska. The visitor head tax and the other cruise-related revenue (the corporate income tax on marine operations and the cruise gambling tax) have been successfully collected and disbursed by the Alaska Department of Revenue in a competent and efficient manner since 2007. The allocation of a portion of these revenues is restricted by federal law, and the Alaska Legislature has properly appropriated the revenue to comply with both state and federal laws. This revenue has greatly benefited Alaskan communities impacted most by cruise operations.

Revenue from these new taxes has been extremely helpful in financing new docks, harbors and port facilities – the very infrastructure that allows cruise visitors to enjoy their trip to Alaska while ensuring the cruise industry remains successful. Without these cruise passenger revenues, funds for construction of safe & efficient tourism infrastructure would need to be cobbled from local property and sales taxes, bonding and other erratic sources. At a time when many Alaska families are struggling to make ends meet, asking the one million summer tourists and Miami-based cruise companies to pay their fair share for needed tourism infrastructure makes sense.

The comprehensive initiative passed by Alaska voters in 2006 addressed critical shortcomings related to taxation and wastewater treatment oversight for the cruise industry. The Alaska Department of Revenue has done an exemplary job collecting the new taxes without unnecessary fees and costs. Enacting reasonable taxes on the cruise companies and passengers to build necessary tourism infrastructure makes far more sense than having coastal communities fund the construction of cruise wharfs, docks and tourist roadways themselves.

DEC now issues discharge permits for cruise ships, as they do for all other dischargers, and the Ocean Ranger program has given Alaskans needed assurance that the State's pollution rules are being followed. The approach adopted by DEC has been measured and appropriate, and affords the cruise industry ample time to comply with regulations that protect Alaska's incomparable marine resources. Given the state's reliance on commercial and sport fishing, subsistence, and the many uses of marine waters for local recreation and tourism, Alaska must protect its coastal waters by preventing the discharge of heavy metals like copper and other substances known to negatively impact salmon and other aquatic resources.

We urge members of the Alaska Legislature not to heed the cries of the Miami-based cruise industry. This luxury industry registers all their ships in foreign ports to avoid U.S. income taxes and labor laws. They should not now ask Alaska for local tax-relief and weaker pollution rules because they fear for the US economy and its potential, future impact on their bottom line.

Let's keep Alaska waters clean and continue to appropriate cruise tax revenues for worthy projects that benefit the cruise passengers, the companies and impacted Alaska communities.

Please contact us to discuss any of these issues in more detail. Thank you,

Gershon Cohen Ph.D.

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The New York Times

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**February 15, 2009**

CRUISE ISSUE | THE GREEN TRAVELER

# Cruise Lines Urged to Shrink Their Footprints

**By JENNIFER CONLIN**

MOVING gently through pristine blue waters, floating past whales and glaciers, fjords and islands, it is easy to see why travelers might think a vacation on a cruise ship is more eco-friendly than jetting through the earth's atmosphere on a plane.

Not so, according to Climate Care, a United Kingdom-based carbon-offsetting company, whose statistics show that cruise ships emit nearly twice as much carbon dioxide as airplanes. "We now know they are far more polluting per passenger kilometer than planes," said Justin Francis, co-founder of Responsibletravel.com, a directory of environmentally friendly vacations that partners with Climate Care. "Add to that the fact that many passengers fly to the port of departure before boarding," he said, "and you have a double carbon whammy."

According to environmentalists, carbon dioxide emissions are just a drop in the ocean when it comes to eco problems on luxury liners. Most ships run on so-called bunker fuel, the cheapest and dirtiest fuel oil, which not only powers the vessel, but also all the amenities on board: restaurants, swimming pools and nightclubs among them. Royal Caribbean will launch its largest ship yet this year, the Oasis of the Seas with a capacity of 5,400 passengers, and its amenities will include a microclimate-controlled Central Park, with irrigation and drainage systems, as well as trees that will tower more than two and a half decks high.

Then there is the issue of waste. A one-week voyage on a large ship is estimated to produce 210,000 gallons of sewage, a million gallons of gray water (runoff from sinks, baths, showers, laundry and galleys), 25,000 gallons of oily bilge water, 11,550 gallons of sewage sludge and more than 130 gallons of hazardous wastes, according to figures supplied by the environmental group Friends of the Earth.

Marcie Keever, director of the Clean Vessels Campaign of Friends of the Earth, said, "These are floating cities that go back and forth through our waters, dumping toxins from their enormous amount of waste." She added that cruise ships also pollute the coast lines (affecting marine life, beaches and coral reefs), as well as the air (sulfur dioxide and nitrogen oxide emissions from their massive engines). Or as Mr. Francis bluntly put it, "The cruise line industry's record on environmental pollution is generally very poor."

Still, some positive environmental news is beginning to emerge from these murky waters. Thanks to increased pressure from the Environmental Protection Agency, as well as various environmental campaign groups, stricter state and federal regulations are being passed. As of this year, all ships have to burn low-sulfur diesel fuel instead of the cheaper bunker fuel within 24 nautical miles of California's coast, and there is proposed legislation to prohibit the discharge of raw sewage, gray water and oily bilge water within 12 miles of United States shores. What's more, a recent E.P.A. report assessing cruise ship discharges in Alaska (where standards are the most stringent), revealed that 60 percent of the ships tested were discharging concentrations of bacteria, chlorine, nutrients, metals and other pollutants — a finding that may move the industry to invest even more heavily in the latest advanced waste-water treatment systems, particularly as the ships that passed the test all had that technology.

"It is definitely possible for them to clean up their act," said Ms. Keever of Friends of the Earth. "And now that they know about it from the E.P.A. report, they should do something about it. They certainly have the ability to pay for it."

Cruising continues to be one of the fastest-growing areas of tourism, according to the Cruise Line International Association, an industry group that represents 95 percent of the worldwide market, and includes 23 cruise lines that total 200 ships. Terry Dale, chief executive officer of the association, said, "Even in these tough economic times, we are forecasting that in 2009 a record 13.5 million people will take a cruise," adding that last year the industry was worth $38 billion, employing roughly 350,000 United States workers. "As a leader in travel we feel we have to be industry stewards of the environment," he said. "We are not sitting back, but rather trying hard to be proactive and meet the challenges."

To that end, the cruise industry is now pioneering various new green technologies. Princess Cruises uses "cold ironing" — plugging ships into electrical power at ports — in San Francisco; Juneau, Alaska; and Seattle. Norwegian Cruise Line introduced a recycling program in 2007, in which some 15,000 gallons of used cooking oil were offloaded and then converted into useable biodiesel for farming equipment in Florida. Disney Cruise Lines sponsors volunteer coastal cleanups to remove garbage and debris from shorelines. Holland America has started a Ship to Shore program in which reusable goods (linens, individually sized toiletries, dishes, mattresses) are donated to charities, as well as an Avoiding Whale Strikes program in which crews learn to assist in the recovery and ensure the safety of all whale species.

"ALL our members have to have environmental policies and practices in place," Mr. Dale said, citing the on-board recycling programs of the association's ships, and investment in LED lighting, solar panels and high efficiency appliances. In addition, many cruise companies, including Carnival Corporation, have an environmental officer aboard all ships to monitor compliance.

"We even have eco hangers on one line," he added, mentioning a program introduced last year on Crystal Cruises in which guests are encouraged to take home the recyclable hangers provided on board, to, as a press statement says, "remind them both of the importance of conservationism and Crystal Cruises' stewardship of the environment."

Also on the rise are new technologies for smaller vessels. Ecoventura, a family-owned company in Ecuador that offers cruises in the Galapagos, recently unveiled one of the first hybrid-energy motor yachts. Sponsored by Toyota, a supporter of the World Wildlife Fund, the yacht, which sleeps 20, has 40 solar panels and two wind turbines on the upper deck, which should provide enough power to support roughly 17 percent of the energy formerly produced by two carbon fuel-based generators.

"We know when it comes to vacations, cruising is the best deal financially for many people," said Ms. Keever, of Friends of the Earth. "We just think travelers should try to choose one that is trying hard to do better environmentally."

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August 2006 Cruise Tax..
YES % by District & Legislators

| Dist. | Member | Senator | Y % |
|---|---|---|---|
| 1 | Johansen | Stedman | 42 |
| 2 | Wilson | | 62 |
| 3 | Kerttula | Elton | 61 |
| 4 | Doll | | 54 |
| 5 | Thomas | Kookesh | 57 |
| 6 | Salmon | | 43 |
| 7 | Kelly | Thomas | 56 |
| 8 | Guttenberg | | 58 |
| 9 | Kowasaki | Wilken | 46 |
| 10 | Ramras | | 45 |
| 11 | Coghill | Therriault | 42 |
| 12 | Harris | | 44 |
| 13 | Gatto | Green | 51 |
| 14 | Kohring | | 51 |
| 15 | Neuman | Huggins | 47 |
| 16 | Stoltze | | 51 |
| 17 | Fairclough | Dyson | 51 |
| 18 | Dahlstrom | | 50 |
| 19 | Roses | Wielech. | 48 |
| 20 | Gruenberg | | 48 |
| 21 | Crawford | Davis | 53 |
| 22 | Cissna | | 54 |
| 23 | Gara | Ellis | 59 |
| 24 | Gardner | | 53 |
| 25 | Doogan | French | 56 |
| 26 | Holmes | | 59 |
| 27 | Buch | McGuire | 53 |
| 28 | Johnson | | 52 |

| Dist. | Member | Senator | Y% |
|---|---|---|---|
| 29 | Samuels | Cowdery | 49 |
| 30 | Meyer | | 53 |
| 31 | Lynn | Bunde | 54 |
| 32 | Hawker | | 61 |
| 33 | Olson | Wagoner | 56 |
| 34 | Chenault | | 56 |
| 35 | Seaton | Stevens | 60 |
| 36 | LeDoux | | 49 |
| 37 | Edgmon | Hoffman | 50 |
| 38 | Nelson | | 43 |
| 39 | Foster | Olson | 33 |
| 40 | Joule | | 38 |

moves from the House Community & Regional Affairs Committee, as amended (if amended), with attached fiscal notes and Committee recommendations.

If an objection is maintained by a Committee Member (not a good sign) a vote will need to be taken. Ask the secretary to call the roll.

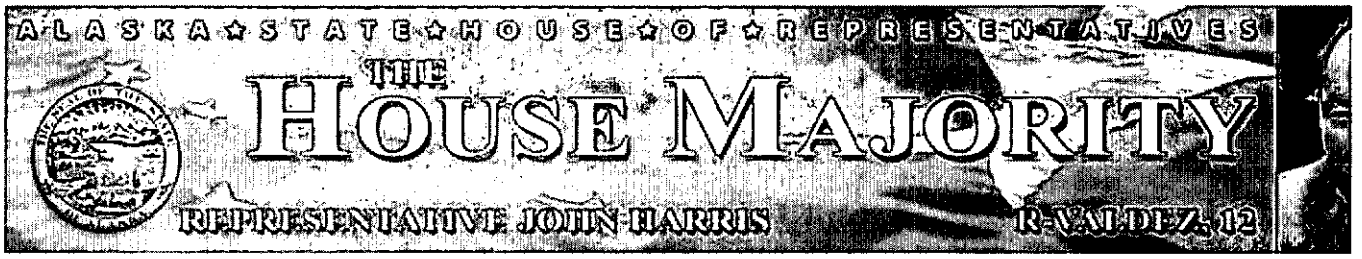
And with that HB__ moves from Committee or dies in Committee.

CHAIR: We will now hear HB___ and do it again.

Remember to have Committee Members sign off on the Report before they escape.

**Rob Earl**

**From:** Will Vandergriff
**Sent:** Friday, February 13, 2009 1:47 PM
**Subject:** Press release - Harris Intro's AK Water Quality Standards Bill (HB 134)
**Attachments:** PR - Harris Intro's AK Water Quality Standards Bill (HB 134).doc




**FOR IMMEDIATE RELEASE** **PRESS RELEASE**

# HARRIS INTRO'S AK WATER QUALITY STANDARDS BILL

## *HB 134 allows DEC discretion in regulating discharge law*

**Friday, February 13, 2009, Juneau, Alaska –** Representative John Harris today introduced House Bill (HB) 134, legislation crafted to allow the Alaska Dept. of Environmental Conservation some discretion in monitoring Alaska Water Quality Standards governing pollution discharge permits. The bill amends AS 46.03 to give the DEC leeway when enforcing discharge laws relating to cruise ships, while still keeping the spirit and intent of the statute in tact.

"I introduced HB 134 to give DEC the ability to regulate cruise ship discharges with standards that scientifically based," Harris said. "We don't want ships avoid nonsensical laws by going out to the three-mile line to dump their waste without regulation. We want them to stay in Alaska waters, use Alaska ports of call, and help us maintain a clean marine environment."

To quote the Anchorage Daily News editorial (12/21/08), "DEC should have a little discretion to make sure cruise ship discharge rules aren't unreasonably tight."

HB 134 was referred to the House Community & Regional Affairs and the House Resources Committees.

# # #

To contact Rep. Harris, please call 1-907-465-4859.

Will Vandergriff
House Majority Press Secretary
Office of the Speaker – Alaska State Legislature
907.465.5284 direct
907.317.9755 cell
will_vandergriff@legis.state.ak.us

# SOLDOTNA CHAMBER OF COMMERCE

**RESOLUTION 03-08**

**A RESOLUTION OF THE SOLDOTNA CHAMBER OF COMMERCE BOARD OF DIRECTORS IN SUPPORT OF THE MODIFICATION OF THE 'POINT OF DISCHARGE' PERMIT STANDARD TO CRITERIA TO BE DETERMINED BY ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION.**

**WHEREAS,** Alaska has a strong tourism business base and wants a positive business atmosphere to grow tourism; and

**WHEREAS,** the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS,** the standards now imposed on cruise ships, and the 2010 standard are far in excess of those imposed on shore-based municipal wastewater facilities; and

**NOW THEREFORE, BE IT RESOLVED BY THE SOLDOTNA CHAMBER OF COMMERCE BOARD OF DIRECTORS, that:**

The Board urges the Governor and the Alaska State Legislature in 2009 to modify the "point of discharge" permit standard to be based on scientific criteria which is determined by Alaska Department of Environmental Conservation.

BE IT FURTHER RESOLVED that this resolution be distributed to:

Office of the Governor, State of Alaska
Alaska State Legislature

PASSED BY THE SOLDOTNA CHAMBER OF COMMERCE BOARD OF DIRECTORS THIS 11e DAY OF December 2008

Ryan Kepp

Ryan Kepp, President
Soldotna Chamber of Commerce

ATTEST: Michelle Glaves
Michelle Glaves
Executive Director

# SOLDOTNA CHAMBER OF COMMERCE
## 2008 BOARD OF DIRECTORS

Ryan Kapp, President
Edward Jones Investments

Evy Gebhardt
Peninsula Clarion

Lisa Roberts, Past President
Key Bank

Norm Blakely
Blakeley's Auction

Becky Hutchinson
Alaska USA FC

Alice Paulson
Soldotna Inn/Mykel's

Ken Hiler
Southcentral Title Agency

Bill Gifford
Commodore's Guide Service

Janet Pope
Natron Air

Ryan Smith
Central Peninsula Hospital

Esther Chambers
Freedom Realty

Nicole Nelson
Wells Fargo

Jim Stogsdill
Soldotna City Council

Michelle Glaves, Executive Director
Soldotna Chamber of Commerce

Date: January 16, 2009
Action: Passed
Vote: Majority

**GREATER WHITTIER CHAMBER OF COMMERCE**
**RESOLUTION 2009-01**

A **RESOLUTION** URGING THE GOVERNOR AND THE 2009 ALASKA STATE LEGISLATURE TO MODIFY THE PERMIT STANDARD GOVERNING THE DISCHARGE OF CRUISE SHIP WASTEWATER BASED ON SCIENTIFIC CRITERIA AND CONTINUE TO PROTECT AQUATIC LIFE AND THE ENVIRONMENT.

**WHEREAS**, Alaska has a strong tourism business base and wants a positive business atmosphere to grow tourism: and

**WHERE AS**, the Whittier community has a strong marine-based economy with transportation routes historically used by cargo fleets; large and small passenger vessels; a commercial fishing fleet; and other passenger-bearing service vessels; and

**WHEREAS**, the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS**, the standards now imposed on cruise ships far exceeds those imposed on shore-based municipal wastewater facilities as recognized in the Department of Environmental Conservation press release announcing the march 2008 permit which stated:

> The majority of large cruise ships operating in Alaska have advanced wastewater treatment systems that produce a very high quality discharge – much higher, for example, than shore-based municipal sewage treatment systems. Even so, cruise ship discharges are expected to have trouble meeting water quality standards for four parameters – ammonia, copper, nickel, and zinc; and

**WHEREAS**, this "point of discharge" standard applicable only to cruise ships, are currently technologically unfeasible and such standards should be set by Alaska Department of Environmental Conservation: and

**WHEREAS**, these standards could mean that by 2010, cruise ships will have to depart Alaska waters to discharge, which could result in reduced length of time in port, and elimination of ports situated far from International waters; and

**WHEREAS**, such changes will impact Whittier's small businesses, which rely on cruise ship visitors, crew and service requirements to support local jobs and the local economy:

**WHEREAS**, maintaining unrealistic standards for a specific sector of the marine –based economy establishes dangerous precedent for managing the balance between economy and environment; and

**NOW THEREFORE, BE IT RESOLVED BY THE GREATER WHITTIER CHAMBER OF COMMERCE, that:**

We urge the Governor and the Alaska State Legislature in 2009 to modify the permit standards governing the discharge of cruise ship wastewater such that those standards be scientifically-based and continue to protect aquatic life and the environment.

**PASSED AND APPROVED BY THE GREATER WHITTIER CHAMBER OF COMMERCE THIS 19TH DAY OF JANUARY, 2009**

President (Signature of Authorized Officer)

ATTEST:
Marilyn Heddell
(Signature)
Secretary

**Skagway Chamber of Commerce**
**701 State Street, Corner of 7th & State**
**P.O. Box 194, Skagway, AK 99840**
**907.983.1898 907.983.2031(fax)**
chamber@aptalaska.net
www.skagwaychamber.org

**Chamber of Commerce**
**Resolution 2009-01**

A RESOLUTION OF THE CHAMBER OF COMMERCE BOARD OF DIRECTORS OF THE MUNCIPALITY OF SKAGWAY, ALASKA REGARDING THE POINT OF DISCHARGE STANDARD TO BE MODIFIED BASED ON SCIENTIFIC CRITERIA TO BE DETERMINED BY ALASKA DEPARTMENT OF ENIVRNMENTAL CONSERVATION.

**WHEREAS**, One aspect of the mission of the Skagway Chamber of Commerce is to protect and promote a healthy business community, to include a strong and growing tourism business base; and

**WHEREAS**, The Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS**, Current cruise ship standards are far in excess of shore-based municipal wastewater facilities standards; and

**WHEREAS**, Attaining the "point of discharge" standard is only applicable to cruise ships and compliance is currently technologically unfeasible; and

**WHEREAS**, Standards for cruise ship wastewater discharge permits should be based on best available data and science, set by Alaska Department of Environmental Conservation; and

**WHEREAS**, The result of the "point of discharge" standard could mean that by 2010 cruise ships will have to depart Alaska waters to discharge, resulting in reduced length of time in port, further impacting local governments and small businesses that rely on cruise ship visitors, crew, and service requirements to support local jobs and the local economy.

**NOW THEREFORE BE IT RESOLVED** by the Skagway Chamber of Commerce Board of Directors of the Municipality of Skagway, Alaska that the Alaska State Legislature in 2009 should modify the "point of discharge" permit standard based on scientific criteria to be determined by Alaska Department of Environmental Conservation.

**AND BE IT FURTHER RESOLVED**, that this resolution shall become effective immediately upon adoption.

PASSED AND APPROVED on the 13th day of January, 2009

ATTEST:

Jaime Bricker, Secretary

Emily Rauscher, Vice President

**Vote: 4 Aye 0 Nay 2 Absent 1 Chair Empty**

Date: December 15, 2008
Action: Passed
Vote: Unanimous

**SEWARD CHAMBER OF COMMERCE, CVB**
**BOARD OF DIRECTORS**
**RESOLUTION 2008-03**

**A RESOLUTION** URGING THE ALASKA STATE LEGISLATURE TO MODIFY, BASED ON SCIENCE, THE STANDARDS GOVERNING THE DISCHARGE OF CRUISE-SHIP WASTEWATER SUCH THAT THOSE STANDARDS USE THE SAME CRITERIA AS THE ONES THAT APPLY TO MUNICIPAL SHORE-BASED WASTEWATER FACILITIES AND ALL OTHER VESSELS TRANSITTING ALASKA WATERS.

**WHEREAS**, the Seward community has a strong marine-based economy with transportation routes historically used by the U.S. Navy, Coast Guard, and state law enforcement vessels; large and small passenger vessels; a commercial fishing fleet; and other passenger-bearing service vessels; and

**WHEREAS**, Seward's marine-based economic activity occurs in proximity to the Kenai Fjords National Park, the Chugach National Forest, Caines Head State Park, and other protected public lands; and

**WHEREAS**, between 2001 and 2006, agencies of the State of Alaska, through the legislative process, have enacted statutes and regulations establishing wastewater discharge standards and creating the Commercial Passenger Vessel Environmental Compliance Program as means of supporting cruise ship activity in Alaska in an environmentally-sound manner; and

**WHEREAS**, the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS**, in 2006, Alaska voters approved an initiative further governing the operation and regulation of large cruise ships, leading to the first ever general permit for wastewater discharges from large cruise ships operating in Alaska; and

**WHEREAS**, the standards now imposed on cruise ships are far in excess of those imposed on shore-based municipal wastewater facilities, to include Seward's and those in effect for all other fishing, freight, and passenger vessels; and

**WHEREAS**, these point-of-release standards, applicable only to cruise ships, are unfeasible, and will require prohibitive financial investment in research to establish methods of meeting the standards; and

**WHEREAS**, the unrealistic standards could mean that cruise ships will have to depart Alaska waters to discharge, which will result in reduced length of time in port, and elimination of ports situated far from International waters; and

**WHEREAS**, such changes will impact Seward's small businesses, which rely on cruise ship visitors, crew, and service requirements to support local jobs and the local economy; and

**WHEREAS,** maintaining unrealistic standards for a specific sector of the marine-based economy establishes dangerous precedent for managing the balance between economy and environment; and

**NOW THEREFORE, BE IT RESOLVED BY THE SEWARD CHAMBER OF COMMERCE/CVB BOARD OF DIRECTORS, that:**

The Board urges the Alaska State Legislature in 2009 to modify the standards governing the discharge of cruise ship wastewater such that those standards be scientifically-based and continue to protect aquatic life and the environment.

**PASSED AND APPROVED BY THE SEWARD CHAMBER OF COMMERCE/CVB BOARD OF DIRECTORS THIS 15th DAY OF DECEMBER, 2008.**

(Signature of Authorized Officer)

ATTEST: Laura L Howard
(Signature)

**ANCHORAGE CONVENTION & VISITORS BUREAU BOARD OF DIRECTORS**
**RESOLUTION 2009-01**
**A Resolution In Support of and Approval of**

**A RESOLUTION** URGING THE GOVERNOR AND THE 2009 ALASKA STATE LEGISLATURE TO MODIFY THE "POINT OF DISCHARGE" PERMIT STANDARD.

**WHEREAS**, the travel industry is a vital part of Alaska's economy; and

**WHEREAS**, Alaska has over 1,000,000 cruise passenger visitors annually spending almost $1 billion in the state; and

**WHEREAS,** travel businesses throughout Alaska, the majority of which are small and Alaskan-owned, are major economic benefactors of cruise visitor expenditures; and

**WHEREAS,** the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS**, the standards now imposed on cruise ships, and the 2010 standard are far in excess of those imposed on shore-based municipal wastewater facilities; and

**WHEREAS,** the "point of discharge" standard, applicable only to cruise ships, are currently technologically unfeasible; and

**WHEREAS,** such standards should be set by Alaska Department of Environmental Conservation; and

**WHEREAS,** the unrealistic standards could mean that by 2010, cruise ships will have to depart Alaska waters to discharge, which could result in reduced length of time in port; and

**WHEREAS,** such changes will impact both local governments and small businesses, which rely on cruise ship visitors, crew, and service requirements to support local jobs and the local economy; and

**WHEREAS**, the ballot initiative sponsors stated that the permit portion of the head tax initiative would only "level the economic and environmental playing field between the cruise ship industry and other major dischargers; and

**NOW THEREFORE, BE IT RESOLVED BY THE ANCHORAGE CONVENTION & VISITORS BUREAU (ACVB) BOARD OF DIRECTORS, that:** ACVB urges the Governor and the Alaska State Legislature in 2009 to modify the "point of discharge" permit standard based on scientific criteria to be determined by Alaska Department of Environmental Conservation. ACVB approves and supports the modification of the "point of discharge" permit standard.

Approved on this date, the twenty-eighth day of January 2009.

ATTESTED BY:

Joshua Howes, Chairman
ACVB Board of Directors

Julie Saupe
President & CEO

**Girdwood 2020 Board of Directors**
**Resolution In Support of Modifying**
**Cruise Ship Point of Discharge Permit Standards**

**WHEREAS**, Girdwood 2020 comprises a group of citizens who want Girdwood to grow and prosper as a unique, internationally recognized mountain resort community through environmentally responsible economic development,

**WHEREAS**, Girdwood is one of the top destinations for cruise ship passengers in Southcentral Alaska,

**WHEREAS**, cruise ship passengers are important to the economic viability of Alyeska Resort, along with dozens of other area businesses, including Alaska Heritage Tours and the Alaska Wildlife Conservation Center,

**WHEREAS**, current cruise ship standards are far in excess of shore-based municipal wastewater facilities standards; and

**WHEREAS,** attaining the "point of discharge" standard is only applicable to cruise ships and compliance is currently technologically unfeasible; and

**WHEREAS,** standards for cruise ship wastewater discharge permits should be based on best available data and science, set by Alaska Department of Environmental Conservation; and

**WHEREAS**, the result of the "point of discharge" standard could mean that by 2010 cruise ships will have to depart Alaska waters to discharge, resulting in reduced length of time in port, further impacting local governments and small businesses that rely on cruise ship visitors, crew, and service requirements to support local jobs and the local economy.

**NOW THEREFORE BE IT RESOLVED**, the Girdwood 2020 Board of Directors urges Governor Sarah Palin and the Alaska State Legislature in 2009 to modify the "point of discharge" permit standard based on scientific criteria to be determined by Alaska Department of Environmental Conservation.

Approved this 10th day of January, 2009

John Rense, CoChair

Diana Stone Livingston, CoChair

FAIRBANKS
CONVENTION & VISITORS BUREAU

RESOLUTION NO. 01-2009

URGING THE GOVERNOR AND THE 2009 ALASKA STATE LEGISLATURE TO MODIFY THE "POINT OF DISCHARGE" PERMIT STANDARD BASED ON SCIENTIFIC CRITERIA TO BE DETERMINED BY ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION

**WHEREAS**, Alaska has a strong tourism business base and wants a positive business atmosphere to grow tourism: and

**WHEREAS,** the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS**, the standards now imposed on cruise ships, and the 2010 standard are far in excess of those imposed on shore-based municipal wastewater facilities; and

**WHEREAS,** this "point of discharge" standard applicable only to cruise ships, is currently technologically unfeasible and such standards should be set by Alaska Department of Environmental Conservation; and

**WHEREAS,** the unrealistic standards could mean that by 2010, cruise ships will have to depart Alaska waters to discharge, which could result in reduced length of time in port, and such changes will impact local governments, small businesses, which rely on cruise ship visitors, crew, and service requirements to support local jobs and the local economy; and

**WHEREAS**, the ballot initiative sponsors stated that the permit portion of the head tax initiative would only "level the economic and environmental playing field between the cruise ship industry and other major dischargers"; and

NOW THEREFORE BE IT RESOLVED THAT the Fairbanks Convention and Visitors Bureau urges the Governor and the Alaska State Legislature in 2009 to modify the "point of discharge" permit standard based on scientific criteria to be determined by Alaska Department of Environmental Conservation.

PASSED AND APPROVED by the Fairbanks Convention and Visitors Bureau on January 12, 2009.

Kristin Wells, Chair, Board of Directors
Signature

Deb Hickok, President and CEO
Signature

1509

KETCHIKAN

Our lifestyle, your reward

**A RESOLUTION OF THE KETCHIKAN VISITORS BUREAU TO SUPPORT MODIFICATION OF THE TERMS AND CONDITIONS OF STANDARDS FOR PASSENGER VESSEL DISCHARGE PERMITS.**
**RESOLUTION NUMBER 08-04**

**WHEREAS,** THE KETCHIKAN VISITORS BUREAU'S MISSION IS "TO PROMOTE THE GREATER KETCHIKAN AREA AS A VISITOR DESTINATION AND MEETING SITE; TO ENHANCE THE ECONOMY OF THE COMMUNITY, AND ASSIST IN PROMOTION OF THE AREA'S ATTRACTIONS AND EVENTS"; AND

**WHEREAS,** THE VISITOR INDUSTRY PLAYS A VITAL ROLE IN THE ECONOMIC WELL BEING OF THE COMMUNITY, WITH AN ESTIMATED 138.2 MILLION DOLLARS IN REVENUES ATTRIBUTED TO CRUISE INDUSTRY EXPENDITURES TO LOCAL BUSINESSES AND LOCAL GOVERNMENT; AND

**WHEREAS,** IN 2001 THE STATE OF ALASKA ADOPTED THE ALASKA CRUISE SHIP INITIATIVE'S RECOMMENDATIONS FOR THE COMMERCIAL PASSENGER VESSEL ENVIRONMENTAL COMPLIANCE PROGRAM, ENACTING THE MOST STRINGENT STANDARDS FOR DISCHARGE PERMITS WITHIN THE STATE, FAR SURPASSING ANY MUNICIPALITY'S REQUIREMENTS FOR SHOREBASED WASTEWATER FACILITIES, AT A COST OF OVER $200 MILLION BY THE CRUISE INDUSTRY TO INSTALL STATE-OF-THE ART WASTEWATER TREATMENT SYSTEMS ONBOARD THEIR VESSELS TO VOLUNTARILY COMPLY WITH THE STATE'S REGULATIONS; AND

**WHEREAS,** THE COMMERCIAL SHIP VESSEL TAXATION ACT PASSED BY VOTERS IN 2006 INCLUDED LANGUAGE THAT REQUIRED EVEN MORE STRINGENT REGULATIONS FOR CRUISE SHIPS IN ORDER TO SECURE DISCHARGE PERMITS, BUT DID NOT INCREASE THE REQUIREMENTS OF ANY OTHER PERMIT HOLDER IN THE STATE; AND

**WHEREAS,** STANDARDS FOR CRUISE SHIP WASTEWATER DISCHARGE PERMITS SHOULD BE BASED ON THE BEST AVAILABLE SCIENCE AND REGULATED BY THE ALASKA DEPARTMENT OF CONSERVATION, AS WITH ALL OTHER WASTEWATER PERMIT HOLDERS; AND

**WHEREAS,** UNLESS THE REGULATIONS ARE CHANGED BY EITHER ADMINISTRATIVE OR LEGISLATIVE ORDER, CRUISE LINES WILL LIKELY NOT BE ABLE TO COMPLY WITH THE NEW STANDARDS AND WILL BE FORCED TO LEAVE ALASKAN WATERS IN ORDER TO LEGALLY DISCHARGE WASTEWATER, IMPACTING THEIR LENGTH OF STAY IN PORT AND SUBSTANTIALLY DECREASING THE ECONOMIC BENEFITS ENJOYED BY COMMUNITIES WHERE SHIPS CALL.

**NOW, THEREFORE, BE IT RESOLVED THAT:**
THE KETCHIKAN VISITORS BUREAU CONSIDERS THE WASTEWATER DISCHARGE PERMIT REGULATIONS ENACTED UPON THE CRUISE LINES BY THE PASSAGE OF THE COMMERCIAL SHIP VESSELS TAXATION ACT TO BE ONEROUS, AND A DIRECT THREAT TO THE ECONOMIC WELL BEING OF OUR COMMUNITY AND URGE IMMEDIATE ACTION TO MODIFY THE REGULATIONS SET FORTH IN THE COMMERCIAL SHIP VESSEL TAXATION ACT.

**PASSED AND APPROVED** BY THE KETCHIKAN VISITORS BUREAU BOARD OF DIRECTORS, ON OCTOBER 23, 2008.

LAURIE BOOYSE, CHAIR
KVB BOARD OF DIRECTORS

PATTI MACKEY
EXECUTIVE DIRECTOR

Ketchikan Visitors Bureau
...nt Street • Ketchikan, AK 99901 • Phone 907.225.6166 • Fax 907.225.4250 • Email: info@visit-ketchikan.com • www.visit-ketchikan.com

**GREATER WASILLA CHAMBER OF COMMERCE & CONVENTION/VISITOR BUREAU**
**BOARD OF DIRECTORS**
**RESOLUTION #1208**

**A RESOLUTION URGING THE GOVERNOR AND THE 2009 ALASKA STATE LEGISLATURE TO MODIFY THE "POINT OF DISCHARGE" PERMIT STANDARD BASED ON SCIENTIFIC CRITERIA TO BE DETERMINED BY ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION.**

**WHEREAS,** the Wasilla community has a strong tourism business base and wants a positive business atmosphere to grow tourism: and

**WHEREAS,** the Mat-Su Valley has over 124,000 cruise passenger visitors and cruise lines spend annually $16.4 million, with over $860,000 paid in bed tax revenue; and

**WHEREAS,** in 2007 cruise lines made purchases from 90 area businesses; and

**WHEREAS,** the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS,** the standards now imposed on cruise ships, and the 2010 standard are far in excess of those imposed on shore-based municipal wastewater facilities; and

**WHEREAS,** this "point of discharge" standard applicable only to cruise ships, are currently technologically unfeasible and such standards should be set by Alaska Department of Environmental Conservation; and

**WHEREAS,** the unrealistic standards could mean that by 2010, cruise ships will have to depart Alaska waters to discharge, which could result in reduced length of time in port, and such changes will impact local governments, small businesses, which rely on cruise ship visitors, crew, and service requirements to support local jobs and the local economy; and

**WHEREAS,** the ballot initiative sponsors stated that the permit portion of the head tax initiative would only "level the economic and environmental playing field between the cruise ship industry and other major dischargers"; and

**NOW THEREFORE, BE IT RESOLVED BY THE WASILLA CHAMBER OF COMMERCE BOARD OF DIRECTORS, that:**

The Board urges the Governor and the Alaska State Legislature in 2009 to modify the "point of discharge" permit standard based on scientific criteria to be determined by Alaska Department of Environmental Conservation.

**PASSED AND APPROVED BY THE WASILLA CHAMBER OF COMMERCE BOARD OF DIRECTORS THIS 9TH DAY OF DECEMBER, 2008.**

Erika Bills, President

Cheryl Metiva, Executive Director/CEO

ANCHORAGE CHAPTER
ALASKA TRAVEL INDUSTRY ASSOCIATION

**ALASKA TRAVEL INDUSTRY ASSOCIATION**
**ANCHORAGE CHAPTER**
**RESOLUTION 0901**

**A RESOLUTION** URGING THE GOVERNOR AND THE 2009 ALASKA STATE LEGISLATURE TO MODIFY THE "POINT OF DISCHARGE" PERMIT STANDARD.

**WHEREAS,** the travel industry is a vital part of Alaska's economy; and

**WHEREAS,** Alaska has over 1,000,000 cruise passenger visitors annually spending almost $1 billion in the state; and

**WHEREAS,** travel businesses throughout Alaska, the majority of which are small and Alaskan-owned, are major economic benefactors of cruise visitor expenditures; and

**WHEREAS,** the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS,** the standards now imposed on cruise ships, and the 2010 standard are far in excess of those imposed on shore-based municipal wastewater facilities; and

**WHEREAS,** the "point of discharge" standard, applicable only to cruise ships, are currently technologically unfeasible; and

**WHEREAS,** such standards should be set by Alaska Department of Environmental Conservation; and

**WHEREAS,** the unrealistic standard would mean that by 2010, cruise ships will depart Alaska waters to discharge, which would result in reduced time in Alaska ports; and

**WHEREAS,** such changes will impact local governments ability to collect dock usage fees and sales taxes, increasing the need for revenue sharing from the state, and

WHEREAS small businesses, which rely on cruise ship visitors, and crew expenditures to support local jobs and the local economy will have a reduced sales opportunity; and

**WHEREAS,** the ballot initiative sponsors stated that the permit portion of the head tax initiative would only "level the economic and environmental playing field between the cruise ship industry and other major dischargers; and

**NOW THEREFORE, BE IT RESOLVED BY THE ALASKA TRAVEL INDUSTRY ASSOCATION ANCHORAGE CHAPTER, THAT:**

ATIA Anchorage Chapter urges the Governor and the Alaska State Legislature in 2009 to modify the "point of discharge" permit standard based on scientific criteria to be determined by Alaska Department of Environmental Conservation.

**PASSED AND APPROVED BY THE ALASKA TRAVEL INDUSTRY ASSOCATION ANCHORAGE CHAPTER THIS 9th DAY OF JANUARY, 2009.**

Kari Hart
(Signature of Chapter Secretary)

KETCHIKAN
CHAPTER
ALASKA TRAVEL INDUSTRY
ASSOCIATION

A RESOLUTION OF THE ALASKA TRAVEL INDUSTRY ASSOCIATION - KETCHIKAN CHAPTER TO SUPPORT MODIFICATION OF THE TERMS AND CONDITIONS OF STANDARDS FOR PASSENGER VESSEL DISCHARGE PERMITS

**RESOLUTION NUMBER 2008-01**

WHEREAS, the Alaska Travel Industry Association – Ketchikan Chapter operates under the corporate veil of the Alaska Travel Industry Association, Inc., which is a non-profit membership based organization. The Ketchikan Chapter's goal is to regain Alaska's competitive position as a visitor destination through advocacy, improving community awareness and relations, acting as an education link statewide as well as local networking; and

WHEREAS, the visitor industry plays a vital role in the economic well being of the community, with an estimated 138.2 million dollars in revenues attributed to cruise industry expenditures to local businesses and local government; and

WHEREAS, in 2001 the State of Alaska adopted the Alaska Cruise Ship Initiative's recommendations for the Commercial Passenger Vessel Environmental Compliance Program, enacting the most stringent standards for discharge permits within the state, far surpassing any municipality's requirements for shore based wastewater facilities, at a cost of over $200 million by the cruise industry to install state of the art wastewater treatment systems onboard their vessels to voluntarily comply with the state's regulations; and

WHEREAS, the commercial ship vessel taxation act passed by voters in 2006 included language that required even more stringent regulations for cruise ships in order to secure discharge permits, but did not increase the requirements of any other permit holder in the state; and

WHEREAS, standards for cruise ship wastewater discharge permits should be based on the best available science and regulated by the Alaska Department of Conservation, as with all other wastewater permit holders; and

WHEREAS, unless the regulations are changed by either administrative or legislative order, cruise lines will likely not be able to comply with the new standards and will be forced to leave Alaskan waters in order to legally discharge wastewater, impacting their length of stay in port and substantially decreasing the economic benefits enjoyed by communities where ships call.

NOW, THEREFORE, BE IT RESOLVED THAT:

The Alaska Travel Industry Association – Ketchikan Chapter considers the wastewater discharge permit regulations enacted upon the cruise lines by the passage of the commercial ship vessels taxation act to

be onerous, and a direct threat to the economic well being of our community and urge immediate action to modify the regulations set forth in the commercial ship vessel taxation act.

Approved at the Alaska Travel Industry Association - Ketchikan Chapter Meeting on December 11, 2008.

Dragon London, Secretary

ATIA – Ketchikan Chapter

Kari Erickson, President

ATIA – Ketchikan Chapter

ALASKA
TRAVEL INDUSTRY
ASSOCIATION
JUNEAU CHAPTER

A RESOLUTION URGING THE GOVERNOR AND THE 2009 ALASKA STATE LEGISLATURE TO MODIFY, BASED ON SCIENTIFIC EVIDENCE, THE STANDARDS GOVERNING THE DISCHARGE OF CRUISE SHIP WASTEWATER TO BE DETERMINED BY THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION

WHEREAS, the travel industry is a vital part of Juneau's economy; and

WHEREAS, Juneau has nearly 1,000,000 cruise passenger visitors annually spending approximately $186 per person (figures from a 2005 survey by the McDowell Group) while in port; and

WHEREAS, Juneau's travel business, the majority which are small and Alaskan owned, are the major economic benefactors of cruise visitor expenditures; and

WHEREAS, the Alaska cruise ship industry has invested more than $200,000,000 to install some of the most advanced wastewater treatment systems in the world; and

WHEREAS, the standards now imposed by cruise ships, and the 2010 standard are far in excess of those imposed on shore based municipal wastewater facilities, as was recognized in the Department of Environmental Conservation (DEC) press release announcing the March 2008 permit, which stated:

> The majority of large cruise ships operating in Alaska have advanced wastewater treatment systems that produce a very high quality discharge – much higher, for example, than shore-based municipal sewage treatment systems. Even so, cruise ship discharges are expected to have trouble meeting water quality standards for four parameters – ammonia, copper, nickel and zinc; and

WHEREAS, such standards should be set by the Alaska DEC; and

WHEREAS, recognizing that it is currently unfeasible or impractical to meet discharge standards for the above four parameters, the Alaska DEC applied more lenient standards during the 2008 and 2009 seasons and postponed implementation of the stricter standards until the 2010 season; and

WHEREAS, the unrealistic standard would mean that by 2010, cruise ships will depart Alaska's waters to discharge, which would result in reduced time in Alaska's ports and the possible reduction in the number of port calls; and

WHEREAS, such changes will impact local government ability to collect dock usage fees and sales taxes, increasing the need for revenue sharing from the state; and

WHEREAS, Juneau's small businesses, which rely on cruise ship visitors, and crew expenditures to support local jobs and the local economy will have a reduced sales opportunity; and

WHEREAS, the ballot initiative sponsor's intent implicitly stated that the permit portion of the head tax initiative would only "level the economic and environmental playing field between the cruise ship industry and other major discharges";

NOW THEREFORE, BE IT RESOLVED BY THE JUNEAU CHAPTER OF THE ALASKA TRAVEL INDUSTRY ASSOCIATION;

HEREBY URGE THE GOVERNOR AND THE ALASKA STATE LEGISLATURE IN 2009 TO MODIFY, BASED ON SCIENTIFIC EVIDENCE, THE PERMIT STANDARDS GOVERNING THE DISCHARGE OF CRUISE SHIP WASTEWATER TO BE DETERMINED BY THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION

PASSED AND APPROVED BY THE JUNEAU CHAPTER OF THE ALASKA TRAVEL INDUSTRY ASSOCATION THIS 7th DAY OF January 2009.

Jeremy Gieser

Jeremy Gieser, Juneau ATIA Chapter President

ALASKA
TRAVEL INDUSTRY
ASSOCIATION
Golden Circle Chapter

# A RESOLUTION TO THE ALASKA STATE LEGISLATURE TO MODIFY, BASED ON SCIENTIFIC EVIDENCE, THE STANDARDS GOVERNING THE DISCHARGE OF CRUISE SHIP WASTEWATER

## Resolution 08-03
## 12-11-2008

WHEREAS, during the 1990s, the size and number of cruise ships visiting Skagway, Haines and other Alaska coastal communities grew dramatically and became an increasingly important component of the local and regional economies; and

WHEREAS, in 1999, the Alaska Department of Environmental Conservation, U.S. Coast Guard, U.S. Environmental Protection Agency, members of the Southeast Conference, representatives of the cruise ship industry, and local concerned citizens formed a group to explore the way to improve environmental standards for the cruise ship industry in Alaska; and

WHEREAS, the Alaska Cruise Ship Initiative (ACSI) group was created in 2000 to (1) identify waste streams from cruise ships; (2) develop pollution prevention and waste management solutions; (3) assess and verify compliance with volunteer wastewater sampling and; (4) keep the Alaska public informed; and

WHEREAS, in late 2000, the ACSI commissioned a Science Advisory Panel with expertise in oceanography, bacteriology, chemistry, aquatic and human toxicology, marine biology, ecology and vessel engineering to address issues concerning treatment, discharge, dispersion, fate and effects of wastewaters produced by commercial cruise ships; and

WHEREAS, the work of the groups noted above led to the enactment of laws (AS 46.03.460 – AS 46.03.490) by the Alaska Legislature in 2001 establishing wastewater discharge standards for cruise ships and creating the Commercial Passenger Vessel Environmental Compliance Program; and

WHEREAS, in 2002, the Alaska Department of Environmental Conservation adopted regulations (18 AAC 69) to implement and interpret the laws enacted by the Legislature in 2001; and

WHEREAS, in 2004, the Alaska Legislature refined laws enacted in 2001 (AS 46.03.460-46.03.490); and

WHEREAS, in 2006, following a two-year rule-making effort, the Alaska Department of Environmental Conservation adopted regulations to interpret and implement the 2004 statutory changes; and

WHEREAS, the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

WHEREAS, in 2006, following the adoption of regulations by the Alaska Department of Environmental Conservation, Alaska voters approved an initiative further governing the operation and regulation of large cruise ships; and

WHEREAS, in March 2008, as a major step toward fulfilling the terms of the 2006 initiative, the Alaska Department of Environmental Conservation issued the first ever general permit for wastewater discharge from large cruise ships operating in Alaska waters; and

WHEREAS, the standards imposed on cruise ships are far in excess of those imposed on shore-based municipal wastewater facilities, as was recognized in the Department of Environmental Conservation press release announcing the March 2008 permit, which stated:

> The Majority of large cruise ships operating in Alaska have advanced wastewater treatment systems that produce a very high quality discharge – much higher, for example, than shore-based municipal sewage treatment systems. Even so, cruise ship discharges are expected to have trouble meeting water quality standards for four parameters – ammonia, copper, nickel and zinc; and

WHEREAS, recognizing that it is currently unfeasible or impractical to meet discharge standards for the ammonia, copper, nickel and zinc parameters, the Alaska Department of Environmental Conservation applied more lenient standards during the 2008 and 2009 seasons and postponed implementation of the stricter standards until the 2010 season; and

WHEREAS, the point-of-release standards could mean that beginning in 2010, cruise ships will have to defer all discharges until they are out of Alaska waters; and

WHEREAS, compelling cruise ships to postpone discharge of wastewater until outside Alaska waters will likely shorten the time cruise ships are in port and result in fewer ports of call, which will negatively impact Alaska businesses.

NOW, THEREFORE BE IT RESOLVED by the members of the Alaska Travel Industry Association Golden Circle Chapter, including Haines, Skagway and Whitehorse members, hereby urges the Alaska State Legislature in 2009 to modify, based on science, the standards governing the discharge of cruise ship wastewater such that those standards will continue to protect aquatic life and the environment, but will not be technologically and financially unreasonable or impractical.

Adopted by the Alaska Travel Industry Association Golden Circle Chapter
Approved,

J. Schlatter

Jennifer Schlatter, Golden Circle Chapter President

Alaska Campground Owners Association
P.O. Box 111006 Anchorage, Alaska 99511
Toll Free (866) 339-9082 / Fax (907) 334-9082
info@alaskacampgrounds.net

RESOLUTION NO. 2009-01
CRUISE SHIP DISCHARGE STANDARDS

A RESOLUTION URGING THE GOVERNOR AND THE 2009 ALASKA STATE LEGISLATURE TO MODIFY DISCHARGE STANDARDS BASED ON SCIENTIFIC CRITERIA TO BE DETERMINED BY ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION

**WHEREAS**, the Alaska Campground Owners' Association (ACOA) represents an association of over 45 small family operated camper park businesses statewide in addition to over 50 associate members; and

**WHEREAS**, the independent long haul RV traveler to Alaska has been in decline for the past six years; and

**WHEREAS**, State of Alaska Department of Commerce, Community and Economic Development research has shown that 24% of all Alaska cruise passengers return to Alaska on an independent itinerary, often traveling through-out Alaska in an RV; and

**WHEREAS**, numerous Alaska cruise passengers debark from their cruise ship and rent an RV for their ground tour portion of their Alaska vacation; and

**WHEREAS**, the Alaska cruise ship industry has invested more than $200 million to install some of the most advanced wastewater treatment systems in the world; and

**WHEREAS**, the standards now imposed on cruise ships, and the 2010 standard are far in excess of those imposed on shore-based municipal wastewater facilities; and

**WHEREAS**, this "point of discharge" standard applicable only to cruise ships, are currently technologically unfeasible and such standards should be set by Alaska Department of Environmental Conservation; and

**WHEREAS**, the unrealistic standards could mean that by 2010, cruise ships will have to depart Alaska waters to discharge, which could result in reduced length of time in port, and such changes will impact local governments, small businesses, which rely on cruise ship visitors, crew, and service requirements to support local jobs and the local economy; and

**WHEREAS**, the ballot initiative sponsors stated that the permit portion of the head tax initiative would only "level the economic and environmental playing field between the cruise ship industry and other major dischargers"; and

**NOW, THEREFORE, BE IT RESOLVED** that the Alaska Campground Owners' Association recognizes the economic benefit of a strong viable cruise ship program in Alaska ; and

**NOW, THEREFORE BE IT FURTHER RESOLVED** that the Alaska Campground Owners' Association urges the Governor and the Alaska State Legislature in 2009 to modify the "point of discharge" permit standard based on scientific criteria to be determined by Alaska Department of Environmental Conservation.

PASSED and APPROVED by the ALASKA CAMPGROUND OWNERS' ASSOCIATION this 9th day of February 2009.

Chairman of the Board- Laura Saxe

ATTEST: ACOA Government Affairs- Scott Reisland

ADP RESOLUTION 2009-01

ANCHORAGE DOWNTOWN PARTNERSHIP

# ANCHORAGE DOWNTOWN PARTNERSHIP, LTD. Resolution In Support of Modifying Cruise Ship Point of Discharge Permit Standards

**WHEREAS**, one component of the Anchorage Downtown Partnership, Ltd. mission is to generally stimulate economic development in downtown Anchorage; and

**WHEREAS**, the visitor industry is a vital part of the downtown Anchorage economy; and

**WHEREAS**, more than 370,000 cruise passenger visitors spend $26 million in Anchorage annually; and

**WHEREAS**, cruise lines directly spend $76 million in Anchorage, have paid more than $5 million in local bed tax revenue and made purchases from 849 Anchorage businesses in 2007 alone; and

**WHEREAS**, the State of Alaska already has the highest standards in the world for discharge of wastewater from large cruise ships; and

**WHEREAS**, the Alaska cruise ship industry has invested more than $200 million on advanced water treatment systems on new ships and retrofitted older ones wastewater purification systems that treat water to standards higher than most land-based operations; and

**WHEREAS**, attaining the 2010 "point of discharge" standard is unfeasible with current technology and could force cruise ships to depart Alaska waters to discharge; and

**WHEREAS**, forcing ships out of Alaska waters will result in reduced port time, further impacting local governments and small businesses that rely on cruise ship visitors, crew, and service requirements to support local jobs and the local economy; and

**WHEREAS**, standards for cruise ship wastewater discharge permits should be based on best available data and science, set by Alaska Department of Environmental Conservation; and

**NOW THEREFORE, BE IT RESOLVED,** Anchorage Downtown Partnership, Ltd. urges Governor Palin and the Alaska Legislature in 2009 to modify the "point of discharge" permit standard to ensure that discharge standards are based on scientific criteria to be determined by Alaska Department of Environmental Conservation.

Approved this 5th day of February, 2009

Garret Wong, BOARD PRESIDENT
Anchorage Downtown Partnership, Ltd.

Christopher M. Schutte, EXECUTIVE DIRECTOR
Anchorage Downtown Partnership, Ltd.

1. All discharges into water are required to meet standards that are scientifically based in order to protect the water quality.

2. Starting in 2010, all water quality standards applicable to cruise ships have to be met at the end of the pipe.

3. But Alaska Water Quality Standards are not always applied at the end of the pipe for others holding discharge permits.

4. In fact, many Alaskan operators (e.g. mines, seafood processors, and most if not all municipal wastewater treatment facilities) are allowed to meet the standards over larger areas of water called mixing zones ("zones of dilution" for cruise ships).

5. The regulatory decision is based on science and conservative judgment that takes into account dilution and other factors.

6. This is a universal policy recognized throughout the US.

7. The Initiative changed that rule for cruise ships - and cruise ships alone.

8. The requirements are far more stringent as compared to other regulated entities and those requirements have not been proven to be reasonably obtainable in a marine environment onboard a cruise ship

9. This is an unprecedented and fundamental shift in environmental policy. It applies to an industry that since 2002 has had the highest standards in the world for wastewater discharges for large ships, uses efficient advanced wastewaters systems and generally produces a small volume of treated effluent compared to land based plants.

10. Yet, not one word of this significant environmental law has been reviewed or approved by the Legislature or the Department of Environmental Conservation.

11. We respect the Initiative process. But the two year grace period has passed and the time has come for the Legislature to review a law that has significant economic implications.

12. We believe the better and fairer policy is to level the playing field and treat cruise ships just like everybody else.

13. Let the experts at DEC and EPA decide what is best for Alaska. We will comply with their final decision.

# HB 150

(7)

**Date Referred to Committee: February 25, 2009** **FURTHER REFERRALS: Financ**

**Date of Committee Action:** 3.17.09

**The COMMUNITY AND REGIONAL AFFAIRS Committee considered:** **HOUSE BILL NO. 15**

"An Act repealing certain provisions relating to modifying the factors that apply to calculate the amount of power cost equalization; providing for an effective date by repealing the effective date of sec. 3, ch. 2, 4SSLA 2008; and providing for an effective date."

**HB 150 POWER COST EQUALIZATIO**

**Recommends it be replaced with [ ] HCS** *or* **[ ] CS** *for* _____ (_____

*For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR*_____ **[ ] Same Title [ ] New Ti**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

*List of Abbrev for Depts.:*
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

| List by Dept(s): | *FN# | Fiscal | Indet. | Zero |
|---|---|---|---|---|
| CED | | X | | |
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***PREVIOUS* FISCAL NOTES**

| List by Dept(s): | FN# | Fiscal | Indet. | Zero |
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| Signing with recommendations | Printed Last Name | DP | DNP | NR | AM |
|---|---|---|---|---|---|
| Berta Gardner | Gardner | | | X | |
| Keller Wer | Keller | | | X | |
| Thomas Millett | Millett | | | X | |
| [illegible] | Cissna | ✓ | | | |
| | | | | | |
| | | | | | |
| Chair: Cathy Muñoz | MUÑOZ | X | | | |
| Chair: [illegible] | HERRON | Y | | | |

# Representative Alan Austerman

## *Alaska State Legislature*

### Sponsor Statement for HB 150

Power Cost Equalization (PCE) is the program designed to (1) extend power assistance to rural Alaska as a response to the development of other power around the state and (2) make power more affordable to rural Alaskans. HB 150 proposes to make permanent the changes to the program adopted by the last legislature, which made higher cost power eligible for PCE. This helps Alaskan families continue to afford to buy the electricity that provides the basic services that we all take for granted.

Residents of Alaska whose electricity is generated by oil have seen their power costs increase significantly during the past few years. Last year for example, oil was purchased during the summer when delivery by barge was possible. At that time, they paid the highest price ever recorded. In consequence, though the price of a barrel of oil has plummeted, the cost in the villages continues to reflect the price at which it was purchased - currently over $7.00 per gallon in many communities.

During the previous legislative session, this high cost of electricity was acknowledged by a change in the Power Cost Equalization statute. It recognized the high cost of fuel and the subsequent increase in Power Cost Equalization by increasing the upper limit, the ceiling, of the PCE calculation from 52.5 cents per kilowatt hour to $1.00 per kilowatt hour. This change was for this heating season only, and sunsets on June 30, 2009.

The floor is a weighted average of the cost of power in Anchorage, Fairbanks and Juneau; currently a little over 12 cents per kilowatt. Power Cost Equalization is paid only on the first 500 kilowatts of power used each month. Any use above that does not qualify for PCE. The amount of PCE for each eligible family depends on a calculation which determines a floor and an amount per kilowatt which establishes the ceiling. As noted, the ceiling is now $1.00 but will revert to 52.5 cents if this bill were not to pass. PCE payments are made on any cost for power falling within this band. For many utilities, the cost of producing power now exceeds 52.5 cents per kilowatt. Consequently, for many electric users, reverting to a PCE ceiling of 52.5 cents would mean considerably higher power bills.

Because power costs in many rural communities are approaching the $1.00 per kilowatt range, it is crucial that PCE helps households by making power more affordable, particularly for basic services. To not pass this legislation would mean that many rural families would simply not be able to afford to buy the electricity needed for even the basic services that we take for granted.



**~ Representing Alaska State House District 36 ~**
Akhiok | Igiugig | Iliamna | Karluk | Kodiak | Kokhanok | Larsen Bay | Levelock
Newhalen | Nondalton | Old Harbor | Ouzinkie | Pedro Bay | Port Alsworth | Port Lions

# Representative Alan Austerman

## *Alaska State Legislature*

### SECTIONAL ANALYSIS
### House Bill 150

**"An Act repealing certain provisions relating to modifying the factors that apply to calculate the amount of power cost equalization; providing for ."**

**Bill Section 1.** Repeals the substantive law provision, sec. 3, ch. 2, 4SSSLA 2008, that, if left unamended, would restore the former factors that apply to calculate the amount of power cost equalization payable under the Power Cost Equalization Program.

**Bill Section 2.** Is a contingency provision so that, if House Bill 150 is passed late in the session and is substantially delayed in transmittal to the governor, or the governor otherwise fails to act to approve the bill until at or beyond the June 30, 2009, transitional date, the new provisions are made retroactive so that the legislature's intent (to eliminate the scheduled formula calculation change) is fully and seamlessly carried out.

**Bill Section 3.** Repeals the related delayed effective date provision, sec. 11, ch. 2, 4SSLA 2008, that, on June 30, 2009, would provide for restoration of the former factors under that Power Cost Equalization formula. This bill section is, in effect, the repeal of an effective date provision that, under the *Manual of Legislative Drafting*, requires that it be separately set out and noticed in the bill title ("providing for an effective date by repealing the effective date of sec. 3, ch. 2, 4SSLA 2008"). *of Legislative Drafting* at pp. 12-13. This change affects an effective date in the earlier bill and requires a two-thirds vote in each house for adoption.

**Bill Section 4**. Gives the measure an immediate effective date and requires a two-thirds vote in each house for adoption.

This sectional analysis is drawn from a memorandum prepared by Legal Services, Legislative Affairs Agency, at the request of staff of Senator Lyman Hoffman. The full detail of that memorandum, dated January 28, 2009, is available as part of the bill packet for House Bill 150.



**~ Representing Alaska State House District 36 ~**
Akhiok | Igiugig | Iliamna | Karluk | Kodiak | Kokhanok | Larsen Bay | Levelock
Newhalen | Nondalton | Old Harbor | Ouzinkie | Pedro Bay | Port Alsworth | Port Lions

# FISCAL NOTE

**STATE OF ALASKA**
**2009 LEGISLATIVE SESSION**

Fiscal Note Number: 1
Bill Version: HB 150
(H) Publish Date: 3/18/09

Identifier (file name): HB150-CED-AEA-03-06-09
Dept. Affected: DCCED
Title: Power Cost Equalization
RDU: Alaska Energy Authority
Component: AEA Power Cost Equalization
Sponsor: Representative Austerman
Requester: House Community and Regional Affairs
Component Number: 2602

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | 5,500.0 | | 5,500.0 | 5,500.0 | 5,500.0 | 5,500.0 | 5,500.0 |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **5,500.0** | **0.0** | **5,500.0** | **5,500.0** | **5,500.0** | **5,500.0** | **5,500.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| Other PCE Endowment (1169) | | | | | | | |
| Other PCE Fund (1089) | 5,500.0 | | 5,500.0 | 5,500.0 | 5,500.0 | 5,500.0 | 5,500.0 |
| **TOTAL** | **5,500.0** | **0.0** | **5,500.0** | **5,500.0** | **5,500.0** | **5,500.0** | **5,500.0** |

**Estimate of any current year (FY2009) cost:** _____

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This bill continues a maximum $1.00 per kilowatt-hour cap for power costs paid by the PCE program. This fiscal note represents the additional funding needed for the PCE program if the bill passes. The Governor's budget currently contains $32.16 million. The total funding needed if this bill passes is anticipated to be $37.66 million.

Prepared by: Linda MacMillan, AIDEA & AEA Finance-Project Accountant
Phone 907-771-3029
Division: Alaska Energy Authority
Date/Time 1-30-09/5:00pm
Approved by: Amanda Ryder, Director
Date 02-06-09/11:45am
Administrative Services, Dept. of Commerce, Comm & Econ Development

(Revised 9/10/2008 OMB)

# FISCAL NOTE

**STATE OF ALASKA**
**2009 LEGISLATIVE SESSION**

Fiscal Note Number: 2
Bill Version: HB 150
(H) Publish Date: 3/18/09

Identifier (file name): HB150-CED-AEA(Fund Cap)03-06-09
Dept. Affected: Commerce / Fund Capitalization
Title: Power Cost Equalization
RDU: PCE Fund
Component: PCE Fund
Sponsor: Representative Austerman
Requester: House Community and Regional Affairs
Component Number: 2500

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | 5,500.0 | | 5,500.0 | 5,500.0 | 5,500.0 | 5,500.0 | 5,500.0 |
| **TOTAL OPERATING** | **5,500.0** | **0.0** | **5,500.0** | **5,500.0** | **5,500.0** | **5,500.0** | **5,500.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | 5,500.0 | | 5,500.0 | 5,500.0 | 5,500.0 | 5,500.0 | 5,500.0 |
| 1005 GF/Program Receipts | | | | | | | |
| Other PCE Fund (1089) | | | | | | | |
| Other PCE Endowment (1169) | | | | | | | |
| **TOTAL** | **5,500.0** | **0.0** | **5,500.0** | **5,500.0** | **5,500.0** | **5,500.0** | **5,500.0** |

**Estimate of any current year (FY2009) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This bill continues the maximum $1.00 per kilowatt-hour cap for power costs paid by the PCE program. This fiscal note is the additional funding needed to capitalize the PCE fund if the bill passes. Expenditures from the fund are included in another fiscal note.

The total General Funds to fully fund the program will be $15,879,000 (up from $10,572,500). .

Prepared by: Linda MacMillan, AIDEA & AEA Finance-Project Accountant
Phone 907-771-3029
Division: Alaska Energy Authority
Date/Time 1/30/09 10:00am
Approved by: Amanda Ryder, Director
Date 3/6/2009
Admin. Services, Dept. Commerce, Community and Econ. Development

(Revised 9/10/2008 OMB)

# FISCAL NOTE

**STATE OF ALASKA**
**2009 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version: **HB150**
() Publish Date:

Identifier (file name): HB150-CED-AEA-03-06-09
Dept. Affected: DCCED
Title: Power Cost Equalization
RDU: Alaska Energy Authority
Component: AEA Power Cost Equalization
Sponsor: Representative Austerman
Requester: House Community and Regional Affairs
Component Number: 2602

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | 5,500.0 | | 5,500.0 | 5,500.0 | 5,500.0 | 5,500.0 | 5,500.0 |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **5,500.0** | **0.0** | **5,500.0** | **5,500.0** | **5,500.0** | **5,500.0** | **5,500.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| Other PCE Endowment (1169) | | | | | | | |
| Other PCE Fund (1089) | 5,500.0 | | 5,500.0 | 5,500.0 | 5,500.0 | 5,500.0 | 5,500.0 |
| **TOTAL** | **5,500.0** | **0.0** | **5,500.0** | **5,500.0** | **5,500.0** | **5,500.0** | **5,500.0** |

**Estimate of any current year (FY2009) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This bill continues a maximum $1.00 per kilowatt-hour cap for power costs paid by the PCE program. This fiscal note represents the additional funding needed for the PCE program if the bill passes. The Governor's budget currently contains $32.16 million. The total funding needed if this bill passes is anticipated to be $37.66 million.

Prepared by: Linda MacMillan, AIDEA & AEA Finance-Project Accountant — Phone 907-771-3029
Division: Alaska Energy Authority — Date/Time 1-30-09/5:00pm
Approved by: Amanda Ryder, Director — Date 02-06-09/11:45am
Administrative Services, Dept. of Commerce, Comm & Econ Development

(Revised 9/16 2008 OMB)

# FISCAL NOTE

**STATE OF ALASKA**
**2009 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version: HB150
() Publish Date:

Identifier (file name):HB150-CED-AEA(Fund Cap)03-06-09
Dept. Affected: Commerce / Fund Capitalization
Title: Power Cost Equalization
RDU: PCE Fund
Component: PCE Fund
Sponsor: Representative Austerman
Requester: House Community and Regional Affairs
Component Number: 2500

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | 5,500.0 | | 5,500.0 | 5,500.0 | 5,500.0 | 5,500.0 | 5,500.0 |
| **TOTAL OPERATING** | **5,500.0** | **0.0** | **5,500.0** | **5,500.0** | **5,500.0** | **5,500.0** | **5,500.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | 5,500.0 | | 5,500.0 | 5,500.0 | 5,500.0 | 5,500.0 | 5,500.0 |
| 1005 GF/Program Receipts | | | | | | | |
| Other PCE Fund (1089) | | | | | | | |
| Other PCE Endowment (1169) | | | | | | | |
| **TOTAL** | **5,500.0** | **0.0** | **5,500.0** | **5,500.0** | **5,500.0** | **5,500.0** | **5,500.0** |

**Estimate of any current year (FY2009) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This bill continues the maximum $1.00 per kilowatt-hour cap for power costs paid by the PCE program. This fiscal note is the additional funding needed to capitalize the PCE fund if the bill passes. Expenditures from the fund are included in another fiscal note.

The total General Funds to fully fund the program will be $15,879,000 (up from $10,572,500).

Prepared by: Linda MacMillan, AIDEA & AEA Finance-Project Accountant — Phone 907-771-3029
Division: Alaska Energy Authority — Date/Time 1/30/09 10:00am
Approved by: Amanda Ryder, Director — Date 3/6/2009
Admin. Services, Dept. Commerce, Community and Econ. Development

(Revised 9/10/2008 OMB)

# Representative Alan Austerman

## *Alaska State Legislature*

# Power Cost Equalization

Alaska Statutes 42.45.100-170

## History:

PCE grew out of other energy assistance programs as far back as 1980 PCE was established in 1984 as part of a statewide energy plan to assist rural communities not on the road system that are dependent on diesel fuel which do not benefit from the large subsidized energy projects such as the Four Dam Pool, Bradley Lake and the Alaska Intertie.

- **Utilities using diesel to generate at least 75% of power in October 1984 were eligible**
- **Cost of power was to be equalized to the average of Anchorage, Fairbanks and Juneau – 8.5 cents per kWh**
- **Costs above 52.5 cents were not covered**
- **All users were eligible for the first 700 kWh used**
- **Community Facilities receive PCE on 100% of their usage**

**Changes to the program since 1984**

PCE Endowment Fund was created and capitalized in FY 2001 with funds from the CBR and the Four Dam Pool Project Sale Proceeds. Further capitalized in FY07 with General Funds, now totals around $400 million, invested to earn 7% annually

- **The floor has been raised 51% to 12.83 cents**
- **The ceiling is unchanged since 1984 at 52.5 cents**
- **Eligible electricity has been reduced 30% to 500 kwh**
- **Only one meter per resident**
- **6,000 commercial customers are ineligible for PCE**
- **Fuel use the same, but costs up 150% between FY00 and FY07**
- **Non fuel costs are up 62%**
- **Current funding ($28 million) is at 100% level**
- **More utilities crossing through the 52.5 cent ceiling**
- **Next year for the same program estimated cost $48 million**

**How does PCE work?**

The Regulatory Commission of Alaska determines the PCE level for each utility based on fuel and non-fuel expenses such as salaries, insurance, taxes, interest and other reasonable costs. AEA administers the PCE fund based on appropriation by the legislature, monthly reports submitted by participating utilities and eligibility determination.

**~ Representing Alaska State House District 36 ~**

Akhiok | Igiugig | Iliamna | Karluk | Kodiak | Kokhanok | Larsen Bay | Levelock
Newhalen | Nondalton | Old Harbor | Ouzinkie | Pedro Bay | Port Alsworth | Port Lions

**How is PCE level determined?**
A formula is used to determine PCE levels: 95% of a utility's costs between the floor (12.87cents per kWh) and the ceiling (52.5cents) If the eligible costs are more than 52.5cents/ kWh then PCE level is 37.65

52.5 – 12.87 = 39.63 cents / kWh x 95% = 37.65 cents
*base may vary on annual basis per AS 42.45.110(c) (2)

**What does PCE cost to the state?**
FY 09 projection to be $42 million ($28mil. endowment plus $14mil general fund if program remains unchanged)

**Doesn't Most of PCE go to "Overheads?"**

| FY07 Program Statistics | |
|---|---|
| Fuel Costs | $75,261,627 |
| Non-Fuel Costs | $67,411,410 |
| Total Electricity Cost | $142,673,037 |
| Total PCE Disbursed | $25,437,093 |
| Percent of Fuel Costs | 34% |
| Percent of Total Costs | 18% |

**Does Wind Power affect PCE rates?**
According to AEA, rates are affected only if wind generation makes the rate go down. While there are no implicit incentives in PCE legislation for renewable energy there is the economic incentive to keep a downward pressure on costs and subsequent cost to consumer.

Wind power will not completely displace diesel but can reduce fuel consumption by as much as 30%. Last year Kotzebue reduced diesel consumption by 100,000 gallons for instance, saving the community an estimated $450,000. Kotzebue now gets 10% of its energy from wind and hopes to reach 20% in the next several years.

**Does PCE reduce rural power cost to a level equal to urban levels?**

| | Residential cents/kWh | PCE Rate (cents/kWh) | Effective Residential Rate 2008 (cents/kWh) | 400 kWh/Month | 700 kWh/Month |
|---|---|---|---|---|---|
| **Wattage** | | | | | |
| **Hours per Month** | | | | | |
| **kWh per Month** | | | | | |
| Akiachak | 0.5300 | 0.3460 | 0.1840 | $73.60 | $128.80 |
| **District 38 Average** | 0.5009 | 0.3057 | 0.1952 | $78.08 | $136.64 |
| Juneau | AEL&P | | 0.1031 | $41.24 | $72.17 |
| Anchorage | Chugach | | 0.1386 | $55.44 | $97.02 |
| Anchorage | ML&P | | 0.0972 | $38.88 | $68.04 |
| Fairbanks | GVEA | | 0.1908 | $76.32 | $133.56 |
| Mat-Su | MEA | | 0.1341 | $53.64 | $93.87 |
| All PCE comm. av. | 0.4312 | 0.2545 | 0.1767 | $70.68 | $123.69 |
| **Weighted Average ANC/FBX/JNU** | | | 0.1283 | $51.32 | $89.81 |
| **D-38 High:** | | | | | |
| **Newtok** | 0.7200 | 0.3765 | 0.3435 | $137.40 | $240.45 |
| Kotzebue | 0.3605 | 0.1915 | 0.1690 | $67.60 | $118.30 |
| Lime Village | 1.1700 | 0.3765 | 0.7935 | $317.40 | $555.45 |
| Ambler | 0.8098 | 0.3765 | 0.4333 | $173.32 | $303.31 |
| Ruby | 0.6500 | 0.2233 | 0.4267 | $170.68 | $298.69 |

Note: Even with PCE, D-38 has an average of 52% higher electric rates than the A/F/J weighted average. (the average of all PCE communities, it's 38% higher)

## Factoids:

PCE only pays a portion of approximately 30% of all kWh's sold by the participating utilities.

Average kWh Usage per household

| | |
|---|---|
| PCE communities: | 412 |
| Anchorage: | 725 |
| National Average: | 750 |

Currently 183 PCE eligible communities in Alaska

**Sources:**


http://www.iser.uaa.alaska.edu/Publications/akelectricpowerfinal.pdf
http://www.akenergyauthority.org/programspce.html
http://www.akenergyauthority.org/PDF%20files/PCE%20Program%20Guide%202007.pdf
Meera Kohler, AVEC President and CEO PCE overview power point

**Power Cost Equalization Briefing Paper 3/12/09**

House Bill 150, sponsored by Rep. Austerman proposes to make permanent the changes made to the Power Cost Equalization Program in SB 4002 which are set to sunset at the end of the current fiscal year.

**How is PCE level determined?**
A formula is used to determine PCE levels based on 95% of a utility's costs between the floor* (12.87cents per kWh) and the ceiling (formerly 52.5 cents, now $1.00). Before the ceiling was raised, if the eligible costs were more than 52.5 cents/ kWh then the PCE level was 37.65:
52.5 – 12.87 = 39.63 cents / kWh x 95% = 37.65 cents
*floor may vary on an annual basis per AS 42.45.110(c) (2)

Non-road system communities which produced at lease 75% of power from diesel generation in 1984 are currently eligible for PCE.

**Changes to the program since 1984**
PCE Endowment Fund was created and capitalized in FY 2001 with funds from the CBR and the Four Dam Pool Project sale proceeds. The Fund was further capitalized in FY07 with General Funds, to about $400 million at the end of FY07, invested to earn 7% annually. On Dec. 31, 2008 the Fund had $289 million.

- **The floor has been raised 51% to 12.83 cents**
- **The ceiling was unchanged since 1984 at 52.5 cents; now raised to $1, set to sunset at the end of FY09**
- **Eligible electricity has been reduced from 700kWh to 500 kWh**
- **Only one meter per resident**
- **6,000 commercial customers became ineligible for PCE**
- **Fuel use the same, but costs up 150% between FY00 and FY07**
- **Non fuel costs are up 62%**
- **More utilities have crossed through the 52.5 cent ceiling**

**During the special session last summer the ceiling kWh rate on the Power Cost Equalization subsidy was raised from 52.5 cents to $1.00.** This was the first time the rate ceiling has been raised since the program inception in 1984. Funding went from $28.1 million to $51.1 million although it is likely we will spend approximately $38 million.

Power generation in rural Alaska is largely a function of diesel fuel cost – a relative rise or drop in the price of oil has a drastic affect on the price of electrical generation for diesel-dependant communities.

By removing the sunset on the $1 rate ceiling, the program would be allowed to reflect real generation costs without revisiting the issue through legislation every few years. If the price of oil is low, generation costs are relatively low and the cap is irrelevant. Conversely, if the price of oil is high the cost of generation will be high and the higher ceiling again becomes relevant.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
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Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

**MEMORANDUM** January 28, 2009

**SUBJECT:** Senate Bill 88, repealing delayed amendments to the power cost equalization program in order to make permanent certain formula amendments that were treated as temporary when enacted -- sectional analysis (Work Order No. 26-LS0414\R)

**TO:** Senator Lyman Hoffman, Co-Chair
Senate Finance Committee

**FROM:** Jack Chenoweth
Assistant Revisor

Among other additions and amendments, § 2, ch. 2, 4SSLA 2008, temporarily amended the parameters for a community to be eligible to receive power cost equalization payments under the power cost equalization program.[1] For one year, now scheduled to

---

[1] Substantively, § 2, ch. 2, 4SSLA 2008, made changes to AS 42.45.110(c) that increased the maximum allowable kilowatt-hour cost for which power cost equalization payments could be calculated from 52.5 cents to $1.00 per kilowatt hour:

> (c) The amount of power cost equalization provided **for each** [PER] kilowatt-hour under [SUBSECTION] (b) of this section may not exceed 95 percent of the power costs, or the average rate **for each** [PER] eligible kilowatt-hour sold, whichever is less, as determined by the commission. However,
>
> (1) [DURING THE STATE FISCAL YEAR THAT BEGAN JULY 1, 1999,] the power costs for which power cost equalization **are** [WERE] paid to an electric utility **are** [WERE] limited to minimum power costs of more than 12 cents **a** [PER] kilowatt-hour and less than **$1 a** [52.5 CENTS PER] kilowatt-hour;
>
> (2) **each year** [DURING EACH FOLLOWING STATE FISCAL YEAR], the commission shall adjust the power costs for which power cost equalization may be paid to an electric utility based on the weighted average retail residential rate in Anchorage, Fairbanks, and Juneau; however, the commission may not adjust the power costs under this paragraph to reduce the amount below the lower limit set out in (1) of this subsection; and

end June 30, 2009, the standards were relaxed -- made less restrictive. Another provision of that Act, § 3, ch. 2, 4SSLA 2008, effective June 30, 2009, restores the standards to what they were before the temporary adjustment.

The provisions of Senate Bill 88 set aside the provisions of the 2008 Act that would restore the former standards.

**Bill section 1** repeals the substantive law provision, sec. 3, ch. 2, 4SSSLA 2008, that, if left unamended, would restore the former factors that apply to calculate the amount of power cost equalization payable under that program.

**Bill section 3** repeals the related delayed effective date provision, sec. 11, ch. 2, 4SSLA 2008, that, on June 30, 2009, would provide for restoration of the former factors under that power cost equalization formula. This bill section is, in effect, the repeal of an effective date provision that, under the *Manual of Legislative Drafting*, requires that it be separately set out and noticed in the bill title ("providing for an effective date by repealing the effective date of sec. 3, ch. 2, 4SSLA 2008"). *Manual of Legislative Drafting* at pp. 12 - 13. This change affects an effective date in the earlier bill and requires a two-thirds vote in each house for adoption.

**Bill section 2** is a contingency provision so that, if Senate Bill 88 is passed late in the session and is substantially delayed in transmittal to the governor, or the governor otherwise fails to act to approve the bill until at or beyond the June 30, 2009, transitional date, the new provisions are made retroactive so that the legislature's intent (to eliminate the scheduled formula calculation change) is fully and seamlessly carried out.

**Bill section 4** gives the measure an immediate effective date and requires a two-thirds vote in each house for adoption.

This sectional analysis was prepared in response to a request from Jay Livey.

JBC:lmb
09-007.lmb

---

(3) the power cost equalization **for each** [PER] kilowatt-hour may be determined for a utility without historical kilowatt-hour sales data by using kilowatt-hours generated.

A related amendment proposed by § 3, ch. 2, 4SSLA 2008, would readjust the maximum allowable, as amended in the last line of AS 42.45.110(c)(1), as shown in the text, from $1 back to the former rate of 52.5 cents.

# *AVCP Calista Region's Energy Costs*

## Fuel Price and Electricity

Prices for residential heating oil, regular gasoline increased well over 100% since 2007 in many of the regions villages (prices without taxes). The AVCP Calista region's prices have followed national trends and will continue to be linked to world oil prices. Delivered prices in spring 2008 rose to $8.00 gallon for home heating fuel throughout the region.

Electric utility rates are higher as 2009 begins, between 53¢ and 65¢ per kWh, and electric bills have been averaging around $342 to $360 per month in villages of the region. Usage has been anywhere around 530kWh to 750kWh per household. Increases in the electric rates have been reflective of higher delivered fuel costs in recent years and the PCE program has been significant in every community in helping to make electricity affordable to families in the region.

Fuel costs have been going up between $6.00 and $8.00 per gallon. Recently in the village of Emmonak fuel had to be flown in at a cost near $10.00 per gallon when local storage runs out. Energy costs take up a significant portion of family disposable income, which in recent months is estimated 60% to 70% due to price hikes.

Any further increases in fuel costs and electric rates will have the effect of making fuel and electricity unaffordable. Recent studies that were conducted in the region (Nuvista Light and Power 2002 and 2004 Energy Studies) have shown that lower income residents devote higher amounts of their disposable income to energy and use less.

Unemployment rates are currently between 16.6 and 22.8 for the Bethel and Wade Hampton Census districts respectively. However, the jobless rate is even more significant and relevant indicator of the economic condition in the region. The rate is 38.5% and 43.3% for the Bethel and Wade Hampton census districts. Total income in 2007 for the Bethel census district was $431.4 million and $124.8 million which provided a median income of $45,200 and average monthly income about $2,700 for the Bethel census district; and $36,600 median income and $1,750 average monthly for the Wade Hampton census district.

## 2008 Kuskokwim Salmon Fishery

A total of 494,108 salmon was harvested in 2008 in the Kuskokwim area by 462 permit holders for an estimated ex-vessel value of $1,487,111. This provides an exvessel value of $3,219 per permit holder. (2008 ADF&G Kuskokwim River Salmon Fishery Report)

## 2008 Yukon Commercial Fishery Summary

A total 312,513 salmon were commercially harvested in the Lower Yukon in 2008. A total of 444 permit holders fished in the Lower Yukon area for a total of $1,363,746 in ex-vessel earnings from the 2008 commercial fishery. This provides an exvessel value of $3,071 per permit holder. (ADF&G 2008 Annual Yukon Salmon Fishery Report)

Both higher fuel costs and increases to electric rates also have the effect of making other local goods and services unaffordable. This has been demonstrated since the fall of 2008 with the onset of winter and freezing temperatures. Because of low income and higher energy costs, there were numerous families in the region that were unable to afford fuel, electricity and food items from the local store. This humanitarian crisis surfaced in numerous news media and generated food drives and donations to villages in the Yukon delta.

This is an indicator that populations throughout the region are vulnerable, local economies are fragile and susceptible to further fuel and price and electric rate increases.

BOB CHARLES, AVCP

# Fuel costs by village (Tundra Drums Newspaper 1/3/08)

*The price of gasoline and heating oil in the Yukon-Kuskokwim Delta is sometimes twice that of prices in Anchorage and Fairbanks. Villages are ranked by the cost of heating oil, from highest to lowest.*

| Village | Vendor | Gasoline | Heating oil |
|---|---|---|---|
| Akiachak | Akiachak Fuel Sales Inc. | $5.55 | $5.44 |
| Akiak | Stephan Ivan and Sons Store | $5.00 | $4.60 |
| Alakanuk | Alakanuk Native Store | $5.83 | $5.04 |
| Aniak | Crowley Maritime Corp. | $4.62 | $4.28 |
| Atmautluak | Atmautluak Ltd. Store | $4.93 | $4.81 |
| Bethel | Northstar Gas | $4.84 | $4.55 |
| Chefornak | Chefarnmute Inc. Yupiak Store | $5.46 | $4.44 |
| Chevak | Chevak Co. Store | $5.35 | $5.15 |
| Chuathbaluk | City of Chuathbaluk | $5.10 | $5.15 |
| Crooked Creek | Thomas Trading Post | $5.95 | $5.85 |
| Eek | Iqfijouaq Co. Inc. | $5.11 | $5.15 |
| Emmonak | Emmonak Corp. | $5.91 | $4.85 |
| Gambell | Gambell Native Store | $6.02 | $4.89 |
| Goodnews Bay | Mumtram Pikkai Inc. | $5.25 | $4.12 |
| Grayling | HYL Fuel | $5.50 | $4.50 |
| Holy Cross | Holy Cross Oil Co. | $5.30 | $4.55 |
| Hooper Bay | Crowley Maritime Corp. | $5.32 | $5.05 |
| Kasigluk | Kasigluk Inc. | $5.45 | $5.40 |
| Kipnuk | Kugkaktlik Ltd. | $5.51 | $4.60 |
| Kongiganak | Qemirtalek Store | $4.48 | $4.45 |
| Kotlik | Kotlik Yup'ik Enterprises | $5.95 | $5.11 |
| Kwethluk | Kwethluk Sports Store | $5.16 | $4.96 |
| Kwigillingok | Kwik Inc. | $5.35 | $4.85 |
| Marshall | Marshall Enterprises | $4.83 | $4.88 |
| McGrath | Crowley Maritime Corp. | $5.73 | $4.92 |
| Mekoryuk | NIMA Store | $5.42 | $4.82 |
| Mountain Village | Azachorok Fuel Co. | $5.01 | $4.81 |
| Napaskiak | Napaskiak Tribal Council | $5.08 | $5.15 |
| Newtok | Newtok Traditional Council | $4.99 | $4.90 |
| Nunapitchuk | Nunapitchuk Ltd. general store | $5.40 | $5.35 |
| Pilot Station | Pilot Station Inc. Native Store | $6.08 | $5.98 |
| Quinhagak | Qanirtuuq Inc. | $5.40 | $4.87 |
| Russian Mission | Russian Mission Native Corp. | $5.52 | $4.75 |
| Savoonga | Savoonga Native Store | $5.76 | $4.83 |
| St. Marys | Crowley Maritime Corp. | $4.85 | $4.86 |
| Togiak | Togiak Fuel Distributors LLC | $4.21 | $3.68 |
| Toksook Bay | Nunakaviak Yup'ik Corp. | $5.89 | $5.24 |
| Tuluksak | Tuluksak Native Store | $4.93 | $4.32 |
| Tuntutuliak | Qinarmiut Corp. Store | $5.00 | $5.15 |
| Tununak | Tununrmiut Rinit Corp. | $4.75 | $4.56 |
| Upper Kalskag | City of Upper Kalskag | $5.15 | $5.00 |

*For comparison:*
Anchorage Various $3.06 $3.20
Fairbanks Various $3.07 $3.18

SOURCE: Telephone survey by The Tundra Drums

## Fuel Prices as of February 25, 2009

| Villages | | Stove oil per gallon | with tax | Gas | with tax |
|---|---|---|---|---|---|
| Akiachak | | 7.06 | 7.41 | 6.59 | 6.91 |
| Akiak | | 6.45 | no tax | 6.25 | no tax |
| Alakanuk | | 7.25 | 7.54 | 6.74 | 7.03 |
| Atmautluak | | 5.69 | 5.86 | 5.75 | 5.92 |
| Chefornak | | 7.90. | 8.06 | 7.55 | 7.70. |
| Chevak | | 5.95 | no tax | 6.00. | no tax |
| Eek | | 6.62 | 6.75 | 6.29 | 6.42 |
| Emmonak | | 7.60 | 7.83 | 7.04 | 7.25 |
| Goodnews Bay | | 6.14 | 6.32 | 6.71 | 6.91 |
| Kasigluk | | 5.69 | 5.92 | 5.74 | 5.97 |
| Kipnuk | | 7.71 | 7.94 | 7.13 | 7.34 |
| Kongiganak | | 6.50. | no tax | 5.90. | no tax |
| Kotlik | Cash | 7.85 | 8.85 | 7.55 | 8.55 |
| Kotlik | Charge | 7.79 | 8.85 | 7.61 | 8.55 |
| Kwethluk | | 8.10. | no tax | 5.86 | no tax |
| Kwigillingok | | 6.70. | | | |
| Marshall | | 7.25 | 7.54 | 6.98 | 7.26 |
| Mekoryuk | | 6.08 | 6.32 | 5.49 | 5.71 |
| Mtn. Village | | 6.82 | 7.02 | 6.31 | 6.50. |
| Napakiak | | 6.40. | 6.59 | 5.75 | 5.92 |
| Napaskiak | | | 7.17 | | |
| Newtok | | 6.47 | no tax | 6.30. | 6.42 |
| Nightmute | | 7.93 | no tax | 7.74 | no tax |
| Nunam Iqua | | 7.35 | no tax | 7.20. | no tax |
| Nunapitchuk | | 5.69 | 5.86 | 5.74 | 5.91 |
| Oscarville | | | 6.00 | | |
| Pilot Station | | 7.13 | 7.42 | 6.55 | 6.81 |
| Platinum | | 5.45 | no tax | 5.75 | no tax |
| Quinhagak | | 7.02 | 7.23 | 6.22 | 6.41 |
| Scammon Bay | | 6.90. | 7.07 | 6.79 | 6.93 |
| Toksook Bay | | 7.86 | no tax | 7.98 | 8.13 |
| Tuluksak | | 6.79 | 6.99 | 6.39 | 6.58 |
| Tuntutuliak | | 6.86 | no tax | 6.60. | no tax |
| Tununak | | 6.14 | no tax | 5.43 | no tax |
| Hooper Bay | | 7.37 | no tax | 7.16 | no tax |
| St. Mary's | | 6.67 | no tax | 6.41 | no tax |

(Source: AVCP Administration)

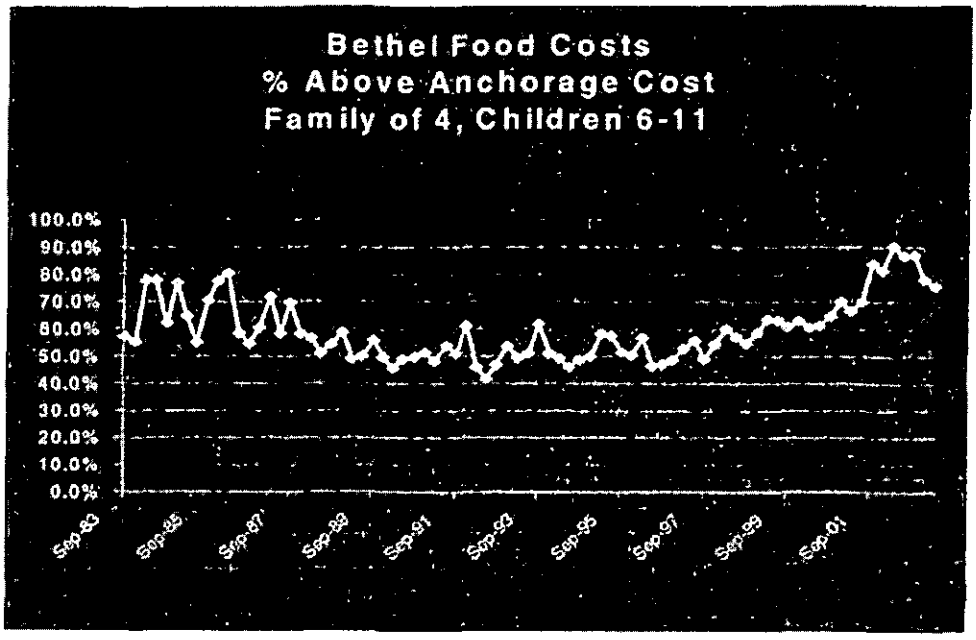
# Electricity

| Utility | Community | Pop 06/30/07 | Total Fuel Used (gallons) | Total Cost of Fuel/Gallon | Avg Price of Fuel/Gallon | Total Diesel Generated kWhs |
|---|---|---|---|---|---|---|
| Akiachak Native Community Electric Co. | Akiachak | 644 | 181,453 | $ 596,325.38 | $ 3.29 | 1,800,172 |
| Akiak, City of | Akiak | 378 | 90,305 | $ 272,651.20 | $ 3.02 | |
| AVEC | Alakanuk | 678 | 132,087 | $ 248,342.41 | $ 1.88 | 1,757,214 |
| AVEC | Chevak | 916 | 180,785 | $ 345,846.13 | $ 1.91 | 2,287,638 |
| AVEC | Eek | 291 | 56,570 | $ 108,336.85 | $ 1.92 | 775,087 |
| AVEC | Emmonak | 740 | 202,893 | $ 385,988.38 | $ 1.90 | 2,884,529 |
| AVEC | Goodnews Bay | 238 | 54,725 | $ 105,155.68 | $ 1.92 | 686,347 |
| AVEC | Hooper Bay | 1,133 | 207,586 | $ 389,582.77 | $ 1.88 | 922,360 |
| AVEC | Kasigluk | 534 | 162,151 | $ 310,947.73 | $ 1.92 | 2,235,444 |
| AVEC | Lower Kalskag | 252 | - | $ - | *** | |
| AVEC | Marshall | 370 | 86,539 | $ 164,360.37 | $ 1.90 | 1,203,402 |
| AVEC | Mekoryuk | 192 | 68,559 | $ 128,585.15 | $ 1.88 | 962,073 |
| AVEC | Mountain Village | 786 | 176,569 | $ 330,378.50 | $ 1.87 | 2,615,914 |
| AVEC | Nightmute | 234 | 45,085 | $ 84,482.52 | $ 1.87 | 588,666 |
| AVEC | Nunapitchuk | 516 | - | $ - | *** | |
| AVEC | Pilot Station | 565 | 128,455 | $ 241,443.70 | $ 1.88 | 1,701,354 |
| AVEC | Pitkas Point | 103 | - | $ - | *** | |
| AVEC | Quinhagak | 642 | 134,072 | $ 259,790.18 | $ 1.94 | 1,802,038 |
| AVEC | Russian Mission | 329 | 59,709 | $ 111,665.65 | $ 1.87 | 815,679 |

| | | | | | | |
|---|---|---|---|---|---|---|
| AVEC | Scammon Bay | 509 | 121,579 | $ 296,144.96 | $ 2.44 | 1,635,960 |
| AVEC | St. Mary's, Andreafsky | 715 | 215,077 | $ 408,856.64 | $ 1.90 | 3,196,819 |
| AVEC | Toksook Bay | 596 | 139,588 | $ 267,737.43 | $ 1.92 | 2,552,597 |
| AVEC | Tunanak | 328 | - | $ - | *** | |
| AVEC | Upper Kalsag | 276 | 91,301 | $ 172,331.09 | $ 1.89 | 1,255,023 |
| Aniak Light & Power Company | Aniak | 528 | 195,889 | $ 540,199.25 | $ 2.76 | 2,569,600 |
| Atmautluak Joint Utilities | Atmautluak | 304 | 53,931 | $ 173,703.84 | $ 3.22 | 33,269 |
| Bethel Utilities Corp. | Bethel/Oscarville | 6,019 | 3,084,531 | $ 11,632,705.15 | $ 3.77 | 42,140,800 |
| Kipnuk Light Plant | Kipnuk | 688 | 142,565 | $ 451,036.54 | $ 3.16 | 1,427,939 |
| Kotlik Electric Services | Kotlik | 609 | 151,270 | $ 486,744.88 | $ 3.22 | 1,763,129 |
| Kwethluk, Inc. | Kwethluk | 695 | 100,363 | $ 285,573.91 | $ 2.85 | 1,438,119 |
| Kwig Power Company | Kwigilligok | 361 | 70,347 | $ 189,187.38 | $ 2.69 | 1,065,250 |
| Lime Village Electric Utility | Lime Village | 28 | 9,721 | $ 51,666.35 | $ 5.31 | 101,016 |
| MKEC | Chuathbaluk | 93 | 25,565 | $ 81,655.43 | $ 3.19 | 258,721 |
| MKEC | Crooked Creek | 145 | 23,876 | $ 76,182.40 | $ 3.19 | 274,824 |
| MKEC | Red Devil | 36 | 15,424 | $ 49,270.05 | $ 3.19 | 151,124 |
| MKEC | Sleetmute | 92 | 27,655 | $ 87,272.92 | $ 3.16 | 286,831 |
| MKEC | Stony River (11) | 42 | 15,078 | $ 47,499.46 | $ 3.15 | 143,427 |
| Napakiak Ircinraq Power Company | | 373 | - | $ - | *** | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Napaskiak Electric Utility | | 428 | 74,098 | $ 235,252.27 | $ 3.17 | 934,527 |
| Naterkaq Light Plant | Chefornak | 457 | 73,122 | $ 264,217.17 | $ 3.61 | 904,180 |
| Nunam Iqua Electric Company | | 158 | 51,717 | $ 154,223.89 | $ 2.98 | 699,396 |
| Platinum, City of | | 38 | 20,570 | $ 76,508.11 | $ 3.72 | 199,072 |
| Puvurnaq Power Company | Kongiganak | 427 | 77,820 | $ 229,133.10 | $ 2.94 | 951,274 |
| Tuluksak Traditional Power Utility | | 466 | 75,738 | $ 228,234.80 | $ 3.01 | 869,717 |
| Tuntutuliak Community Service Assoc. | Tuntutuliak (7) | 399 | 43,963 | $ 100,930.75 | $ 2.30 | 542,072 |
| Unqusrag Power Company | Newtok | 315 | 39,791 | $ 60,148.68 | $ 1.51 | 274,248 |

(2007 PCE Statistical Report, State of Alaska)


Bethel Food Costs
% Above Anchorage Cost
Family of 4, Children 6-11
100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
Sep-83
Sep-85
Sep-87
Sep-89
Sep-91
Sep-93
Sep-95
Sep-97
Sep-99
Sep-01

## Average Prices of Fuel and Food Items in the Region

These are some current prices as of 02/25/09

Stove Oil:
$7.00 per gallon (Bulk)
Regular Unleaded Gasoline:
$6.69 per gallon
Propane:
$264.00/100# -25 gal. bottle
Telephone Service (Basic): $34.43/mo
Housing Payment/Rent: $290.00 to $683.00

Average Ticket from Village to Bethel Round Trip:
$410.86
Average Ticket from Village to Anchorage Round Trip:
$556.36
Basic Cellular Service:
1200/min $55.00/avg. Monthly
Snow-machine 550-800cc $8,200.00
Outboard Motor 100-115hp $10,713.00

SELECTED FOOD ITEMS (ON SALE IN LOCAL STORE)

10lb of Potatoes:
$10.99

Apples:
$2.86/lb

Bath Tissue:
$34.56/24 pkl

1 Doz. Grade A Eggs:
$4.36

1 Lb. Coffee:
$10.28

1 lb. Butter
$5.00

10 lb. Flour:
$15.43

Beef Steak:
$13.44/lb

Ground Beef:
$5.11/lb

Gallon of Milk:
$9.26

White Bread:
$4.12

Sales Tax: 2%

# Representative Alan Austerman

## *Alaska State Legislature*

# MEMORANDUM

To: Representative Mike Hawker, Co-Chair
Representative Bill Stoltze, Co-Chair
House Finance Committee

From: Representative Alan Austerman

Date: April 1, 2009

RE: Public support for HB 150—Power Cost Equalization

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There has been a significant volume of support correspondence submitted in reference to House Bill 150. I have attached a small sample of the correspondence for the consideration of the committee members. In addition to support received from individuals, nearly 40 Tribal Councils, Native Corporations, and other organizations such as the Alaska Village Council Presidents and the Alaska Municipal League, submitted their support. I am providing a list of submissions below. Much of the support documentation is available through BASIS.

Please see the attached support packet. Thank you for your consideration of HB 150.

Akiak Native Community
Alaska Municipal League
Alaska Village Electric Cooperative
Anvik Tribal Council
Association of Alaska Housing Authorities
Association of Village Council Presidents
Atmautluak Tribal Council
Chefarnrmute, Inc.
Chefornak Traditional Council
City of Akiak
City of Chuathbaluk
City of Kwethluk
City of Platinum
Emmonak Corporation
Emmonak Tribal Council
Georgetown Tribal Council
Kipnuk Light Plant
Kokarmiut Corporation
Kongiganak Traditional Council
Kotlik Yupik Corporation
Napaimute
Native Village of Atmautluak
Native Village of Eek
Native Village of Kipnuk
Native Village of Kwigillingok
Native Village of Napakiak
Native Village of Toksook Bay
Native Village of Tununak
Native Vllage of Nunapitchuk
Newtok Native Corporation
Northstar Gas
Nunapitchuk Limited
Ohagamiut Traditional Council
Sleetmute Traditional Council
Tuluksak Native Community
Village of Kotlik
Village of Nightmute

# *Akiak Native Community*

*Akiak IRA Council*
*P.O. Box 52127*
*Akiak, Alaska 99552*
*Phone: (907) 765-7112 Fax: (907) 765-7512*


March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

First of all on behalf of the tribal members of the Akiak Native Community I would like to thank the Alaska Legislation addressing the energy needs and challenges ALL Alaskan's face, especially those in our area. The PCE program that was increased last year has helped our community a great deal and the program is critically needed.

This letter is to request that you continue to fund the PCE at a cost ceiling of $1.00 per kWh. We also request that the PCE eligibility to businesses, health care facilities, and utilities be included in the program .

Again we appreciate your recognition of our communities energy needs throughout Alaska.

Sincerely,

IVAN M IVAN, CHIEF
Akiak IRA Council

Sheila Williams
Tribal Administrator

ALASKA MUNICIPAL LEAGUE
Alaska Conference of Mayors

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

**ALASKA MUNICIPAL LEAGUE**
**RESOLUTION #2009-14**

**A RESOLUTION URGING THE GOVERNOR AND THE ALASKA LEGISLATURE TO EXPAND THE POWER COST EQUALIZATION PROGRAM TO INCLUDE MUNICIPAL FACILITIES, SCHOOLS, HEALTH CLINICS, AND COMMERCIAL ENTERPRISES NOT ELIGIBLE UNDER EXISTING LAW.**

**WHEREAS,** energy costs throughout Alaska are creating significant financial burdens for many residents; and

**WHEREAS,** communities purchase fuel at a contract price that remains fixed even when prices fall; and

**WHEREAS,** rural municipalities, schools, health clinics and commercial enterprises are facing increasing difficulty meeting energy expenses; and

**WHEREAS,** the high cost of fuel for space heating and electricity generation threatens the stability of rural communities; and

**WHEREAS,** communities that pay in excess of the average kilowatt-hour cost of Juneau, Anchorage, and Fairbanks should be eligible for funding; and

**WHEREAS**, the Alaska Legislature amended the Power Cost Equalization Program during the 2008 Special Session by raising the eligibility ceiling to $1.00 per kilowatt-hour for one year; and

**WHEREAS,** the State of Alaska administers the Power Cost Equalization Program to provide residents relief from burdensome fuel costs, thereby providing for community stability and economic relief.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League urges the Governor and the Alaska Legislature to expand the Power Cost Equalization Program to include municipal facilities, schools, health clinics, and commercial enterprises with an appropriate increase in the 70 KwH per capita credit used to calculate the subsidy, and provide comprehensive assistance to eligible communities.

**AND, BE IT FINALLY RESOLVED** that the Alaska Municipal League believes that the expanded PCE program should provide short-term relief from burdensome energy costs and be phased out as the cost of energy is reduced.

**PASSED AND APPROVED** by the Alaska Municipal League on this 14th day of November, 2008.

Signed: _____
Denise Michels, President, Alaska Municipal League

Attest: Kathie Wasserman
Kathie Wasserman, Executive Director, Alaska Municipal League




March 4, 2009

House Finance Committee

Re: Testimony on HB 81, FY 2010 Operating Budget

Honorable Co-Chairs and Members of the Committee:

Alaska Village Electric Cooperative is a non-profit, consumer owned utility serving 53 villages – 44% of Alaska's village population. Our average village has some 400 residents and the cost of energy in these communities has been crippling families and businesses for several years, especially in recent years as the world cost of oil has skyrocketed.

During last year's legislative and special sessions, the ceiling on Power Cost Equalization (PCE) costs was raised to $1.00 per kWh for nine months and will automatically revert back to 52.5 cents per kWh unless the legislature acts to perpetuate this rate. If the rate drops, AVEC's residential and community users will see an average rate increase of more than twelve cents a kWh immediately, since we will be collecting on last year's fuel costs through September, 2008.

As you consider the Operating Budget for FY 2010, I respectfully request that funding be included to continue PCE calculated on costs of up to $1.00 per kilowatt-hour (kWh.) There is no doubt that the floor for PCE calculations will be rising substantially since Juneau saw a few months of diesel powered electricity, Fairbanks saw dramatic fuel cost increases and Anchorage consumers also saw rate increases last year. Each penny that the floor increases reduces the PCE program cost by $1,160,000.

It is entirely likely that this year's floor increase will result in the Governor's recommendation of $32,160,000 being sufficient to fully fund PCE even with the higher ceiling of $1.00 per kWh being left in place. However, I urge you to add an additional sum of $5,500,000 to the PCE program to continue funding the program up to costs of $1.00 per kWh, especially since there is no assurance that the cost of oil won't return to the stratospheric heights it reached last year. The $5.5 million figure was computed by the Alaska Energy Authority as being the maximum amount necessary to cover the balance of last year's fuel cost as well as an allowance for higher non-fuel costs and the inclusion of additional communities.

Thank you for the opportunity to comment.

Sincerely,

Meera Kohler
President and CEO

4831 EAGLE STREET * ANCHORAGE, ALASKA * PHONE (907) 561-1818 * FAX (907) 562-4086



**ANVIK TRIBAL COUNCIL**
P.O. Box 10
ANVIK, AK 99558
(907) 663-6322
FAX (907) 663-6357
e-mail – anvik_tribal@yahoo.com

March 12, 2009

Representative Cathy Munoz
Alaska State Capital, Room 409
Juneau, Alaska 99801

Re: Testimony on HB 150

Dear Honorable Co-Chairs and Members of the Committee:

On behalf of the Native Village of Anvik, we want to thank the Alaska Legislatures efforts in addressing the energy need of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible cost ceiling at $1.00.

The AEA estimates FY2010 cost for retaining the $1.00 ceiling at $3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realized that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy cost are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour(kWh.) We are also asking you to consider increasing the household limit from 500kWh per moth to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics, and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

Christine Elswick

Christine Elswick, Secretary/Treasure
Anvik Traditional Council

**Association of Alaska Housing Authorities**

## Written Testimony to the House Community & Regional Affairs Committee

Tlingit-Haida Regional Housing Authority
PO Box 32237
Juneau, Ak 99803-2234
907-780-6868

Interior Regional Housing Authority
828 27th Avenue
Fairbanks, Ak 99701-6918
907-452-8315

North Pacific Rim Housing Authority
8300 King Street
Anchorage, Ak 99518
907-562-1444

Cook Inlet Housing Authority
3510 Spenard Rd, Suite 201
Anchorage, Ak 99503-2745
907-276-8822

Aleutian Housing Authority
4000 Old Seward Hwy, Suite 202
Anchorage, Ak 99503
907-563-2146

Tagiugmiullu Nunamiullu Housing Authority
PO Box 409
Barrow, Ak 99723
907-852-7150

Bristol Bay Housing Authority
PO Box 50
Dillingham, Ak 99576-0050
907-842-5956

Copper River Basin Regional Housing Authority
PO Box 89
Glennallen, Ak 99588
907-822-3633

AVCP Regional Housing Authority
PO Box 767
Bethel, Ak 99559-0767
907-543-3121

Baranof Island Housing Authority
PO Box 517
Sitka, Ak 99835-0517
907-747-5088

Bering Straits Regional Housing Authority
PO Box 995
Nome, Ak 99762-0995
907-443-5256

Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, Ak 99504
907-338-6100

Kodiak Island Housing Authority
3137 Mill Bay Rd
Kodiak, AK 99615-7032
907-486-8111

Northwest Inupiat Housing Authority
PO Box 331
Kotzebue, Ak 99752-0331
907-442-3450

Ketchikan Indian Community
2960 Tongass Avenue
Ketchikan, Alaska 99901

**Supporting HB 150**

***For Committee Meeting on March 12, 2009 at 8:00 a.m.***

The Association of Alaska Housing Authorities' (AAHA) membership includes 14 Regional Housing Authorities created pursuant to AK Statute, 18.55, and the Alaska Housing Finance Corporation (AHFC).

*AAHA is in strong support of HB 150.*

In partnership with AHFC and an ever-growing list of other state and federal partners, AAHA members serve residents in every part of Alaska. The regional housing authorities have built well over 7,000 housing units since their inception in 1971 and collectively administer well over 100 million in federal and state funds on an annual basis. The vast majority of housing in rural Alaska has been built by AAHA members and AAHA's urban members are a strong presence in Alaska's larger communities. In addition to new construction, AAHA members provide a wide range of other housing and housing related services, including providing weatherization and other housing rehab services throughout the state, developing community infrastructure, and working with our partners like AHFC, are also one of the largest employers in rural Alaska, playing a critical role in helping to sustain many of our local bush economies.

Given the role that AAHA members play in meeting these critical human needs across our state, and given the role and impact of energy costs throughout Alaska, it is obvious that we would have an extremely strong interest in the legislation under consideration today, and the broader issues of both short and long-term state energy policies.

It is our understanding that HB150 continues changes to the Power Cost Equalization Program (PCE), which were approved by the Alaska State Legislature in last July's special session. The changes increase the state subsidy for the PCE Program from up to .52 per kilowatt hour to up to $1.00 per kilowatt hour.

This legislation responsibly addresses the rising cost of energy in the state and the disparity in energy costs in certain parts of the state. Again, on behalf of our many member organizations, serving residents throughout Alaska, we strongly support HB 150.

Heather Arnett, Administrator, Assoc. of AK Housing Authorities
(907) 338-3970, 4300 Boniface Pkwy., Anchorage, AK 99504,
aaha@alaska.net.

The Association of
Village Council Presidents
Regional Housing Authority
(907) 543-3121 (800) 478-4687

Box 767
Bethel, AK 99559
(907) 543-3933 (FAX)

BOARD OF COMMISSIONERS
ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS
REGIONAL HOUSING AUTHORITY

RESOLUTION # 09-02

A RESOLUTION FOR AVCP RHA
TO SUPPORT SENATE BILL 88

**WHEREAS,** The Association of Village Council Presidents Regional Housing Authority (AVCP RHA) provides housing services for the villages in the Yukon-Kuskokwim region; and

**WHEREAS,** This Senate bill is an act entitled; an Act repealing certain provisions relating to modifying the factors that apply to calculating the amount of power cost equalization, and

**WHEREAS,** The high cost of electricity is impacting the residents in our region as well as the residents of Alaska; and,

**NOW THEREFORE BE IT RESOLVED** that the Association of Village Council Presidents Regional Housing Authority hereby supports Senate Bill 88.

***CERTIFICATION***

The foregoing resolution was passed by the Board of Commissioners of the Association of Village Council Presidents Regional Housing Authority in a duly called meeting where a quorum was present, this 19th day of February 2009 by a vote of 5 ayes, 0 nays and 0 abstaining.

**SEAL**



Robert Nick
Robert Nick, Chairperson

**ATTEST:**

George Peter, Secretary/Treasurer

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

The Association of Village Council Presidents is a non-profit tribal social service organization serving the 56 tribal villages of the Yukon Kuskokwim Delta region of Alaska. Village residents' electric bills and fuel costs have taken up almost all of their disposable income in recent years and in many cases the costs have been overwhelming. As has been reported in news media, many families have had to choose between food and the cost of energy. Because of the energy crisis in our region the PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1,00 ceiling at $3.4 million.

Our residents are already paying upwards of 70% of their available disposable income on energy costs, and if the PCE rate drops, their electric costs will go up immediately. Local utilities will have to collect on those fuel costs in order to recover the 2008 outlay, and this cost is transferred to the households, the families in our villages.

We are asking respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh.) Increased funding to PCE is definitely part of the solution. PCE does help to equalize energy costs between rural and urban areas on the first 500 kWh used, since a qualifying rural utility receives 95% of eligible costs between the average of ANC/FBX/JNU rates (12.83 cents/kWh) and 1.00 /kWh (the ceiling). It should be noted that only 29% of electricity sold by PCE utilities is eligible for PCE, with the other 71% being paid for by homeowners and businesses at rates almost five times that in urban Alaska.

In addition to increasing the funding to PCE by raising the "ceiling," we also ask that the household limit be increased from 500kWh per month to the national average of 750kWh per month. After last year's fuel prices, virtually all PCE communities are now over the 52.5 cent cost or, as in the larger hub communities, within a few cents. We also ask the legislature to restore PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS, INC.

Myron P. Naneng, Sr.
President

April 10, 2009

House Finance Committee

Re: Testimony on HB 150 / SB 88

Honorable Co-Chairs and Members of the Committee:

The Association of Village Council Presidents is a non-profit tribal social service organization serving the 56 tribal villages of the Yukon Kuskokwim Delta region of Alaska. On behalf of AVCP and our villages we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for the increase in the ceiling of the PCE program last year which has been helping our communities. It helps our villages to maintain the critical circulation of the little income and revenue that we have in our villages. Because of the energy crisis in our region the PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

We support funding the FY2010 cost of retaining the $1.00 eligible cost ceiling.

Our residents are already paying upwards of 70% of their available disposable income on energy costs, and if the PCE eligible cost rate drops, their electric costs will go up immediately. We could expect that electric rates jump immediately at least 25% or anywhere between 12¢ to15¢ per kWh. Local utilities will have to collect on those fuel costs in order to recover the 2008 outlay for fuel, and this cost is transferred to the households, the families in our villages.

This is particularly important for those villages dependent on delivered diesel where limited capacity, supply, and competition often results in high cost fuel in their villages. We have seen that year after year. The annual PCE reports demonstrate this problem. Villages with independent local utilities often are not part of a cooperative have higher fuel prices, particularly when a competitor runs out of capacity as we saw in the spring of 2008 in Bethel. Current electric rates in villages with local independent utilities are as follows:

| | |
|---|---|
| Newtok | 80¢ |
| Atmauthluak | 77¢ |
| Napakiak | 66¢ |
| Chefornak | 65¢ |
| Tuntutuliak | 65¢ |
| Akiak | 63¢ |
| Akiachak | 60¢ |
| Napaskiak | 60¢ |
| Tuluksak | 60¢ |
| Kongiganak | 55¢ |
| Kipnuk | 54¢ |
| Nunam Iqua | 53¢ |
| Kwethluk | 52¢ |
| Kwigillingok | 50¢ |

PCE does help to equalize energy costs between rural and urban areas on the first 500 kWh used, since a qualifying rural utility receives 95% of eligible costs between the average of ANC/FBX/JNU rates (12.83 cents/kWh) and 1.00 /kWh (the ceiling). It should be noted that only 29% of electricity sold by PCE utilities is eligible for PCE, with the other 71% being paid for by homeowners and businesses at rates almost five times that in urban Alaska.

Thank you for the opportunity to comment.

Sincerely,
ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS, INC.

Bob Charles
Community Development Coordinator

# AVCP

ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS
P.O. BOX 219 • BETHEL, ALASKA 99559 • PHONE 543-3521

## RESOLUTION 09-02-01

TITLE: **RESOLUTION SUPPORTING A STATE FUEL CAP AND OTHER MEASURES TO LOWER THE COST OF ENERGY FOR REMOTE RURAL COMMUNITIES THROUGHOUT THE STATE OF ALASKA**

WHEREAS The Association of Village Council Presidents, (AVCP) is the non-profit Alaska Native regional corporation for its fifty-six federally recognized indigenous Native tribes within Southwest Alaska; and

WHEREAS AVCP's member tribes reside in small isolated villages scattered throughout the Yukon-Kuskokwim Delta in an area that is approximately 59,000 square miles and roughly the size of the State of Oregon. The villages are not connected by road to one another, nor to the rest of Alaska. English is a second language for many tribal members who continue to practice a centuries old hunting, fishing and gathering way of life, congregating at home village sites in the winter and moving to fish camps in the summer; and

WHEREAS AVCP serves its member tribes by providing a variety of social service, human development and culturally relevant programs that promote tribal self-determination and self-governance and work to protect and enhance tribal culture and traditions; and

WHEREAS In an effort to meet this objective, AVCP has repeatedly requested Federal and State assistance to address our region's current energy crisis which has resulted from the high costs of fuel, the catastrophic Lower Yukon commercial fishery, the early and enduring cold snap, and failed fuel deliveries; and

WHEREAS During the last legislative session AVCP supported Senate Bill 4002, Senator Lyman Hoffman's carefully crafted energy subsidy legislation, which attempted to distribute relief to Alaska's rural households facing the daunting challenge of heating and lighting their homes during the grueling winter months; and

WHEREAS Senator Hoffman and Representative Mary Nelson argued that the subsidies provided through Senate Bill 4002 were justified by the fact that the State of Alaska furnishes its own employees living in Southwest Alaska with additional monies to defray the higher cost of living; and

WHEREAS While mid-range income Anchorage families were projected to spend about three percent (3%) of their income on energy costs (based on May's prices) and families residing in other cities or towns connected to Alaska's road system were projected to spend about five percent (5%) of a family's income on energy costs, mid-income households in Alaska's remote rural villages were expected to spend about eleven percent (11%) of their income for energy costs; and

WHEREAS It is estimated that the median annual cost of power and heating costs for an Anchorage family is about $2,400, while it is approximately $4,100 for midsize Alaska towns and cities, and $6,600 for Alaska's remote rural villages; and

WHEREAS Now, more than ever, our communities are confronted with dire economic circumstances preventing them from being able to meet these costs. In fact, recent *Anchorage Daily News* and *Los Angeles Times* newspaper articles focused on our member villages of Emmonak and Tuluksak and described the immediate struggle facing many of our tribal members—a struggle forcing them to choose between using the little money they have to either feed their families or buy fuel to heat their homes; and

WHEREAS With the reality and hardship of half a winter still ahead of us, it is imperative that more appropriate energy relief be brought to the remote rural fifty- six (56) villages of the Yukon-Kuskokwim Delta.

NOW THEREFORE BE IT RESOLVED THAT the Association of Village Council Presidents fully supports Senator Hoffman's call for the State of Alaska to subsidize the difference when an Alaskan has to pay more than $3 a gallon for residential heating fuel (for up to 600 gallons purchased per residence from the months of September through March).

BE IT FURTHER RESOLVED THAT the Association of Village Council Presidents wholly supports an extension of the Power Cost Equalization Program (PCE) though Senate Bill 88 and supports continued and full funding of the Renewable Energy Fund. by the Alaska State Legislature.

ADOPTED by the Association of Village Council Presidents' Executive Board during a meeting at Bethel, Alaska, this 24th day of February, 2009.

Raymond J. Watson, Chairman

Myron P. Naneng, Sr., President

Letter from Atmautluak

From: David Nicholai [atmautluaktc@hughes.net]
Sent: Friday, February 27, 2009 12:34 PM
To: Allen Joseph
Subject: High Energy Cost and Representative Bob Herron on Rural Energy issues

Dear Mr. Joseph,

The Atmautluak Traditional Council requests that the information regarding the stories about Atmautluak be presented in Robert Nick's testimony before the special committee of the State House of Representatives who will be holding a hearing on rural energy issues in Bethel on Saturday, February 28.

The homes in Atmautluak are mainly heated with Toyo or Laser Stoves, furnaces and other burning stoves. A couple of homes use wood stoves but most of the houses are starting to use the wood stoves because of the high prices of fuel oil.

A lot of homes are poorly constructed which are throughly insulated enough to block out the cold winds, snow and rain. Most are forced to buy more stove oil than others. Most of the residents paid over $1,200 in a month to heat their home during the month of December 2009 alone.

Many rural residents in Alaska are facing hardships due to the rising cost of energy, Atmautluak is also in the hardship situation as follows:

1. The price of fuel has forced families to make the choice between paying for bills, food, and fuel oil. Some families chose to buy stove oil over food so their family can stay warm during nights when they sleep.

2. The high cost of fuel in Atmautluak has caused some residents to steal from nearby households/homes. This has happened many times in the past, people stealing stove-oil from others.

3 Estimated percentage of individuals that recieved Emercency Fuel Assistance for the residents of Atmautluak is 90% from AVCP, but the funding already has been exhausted for the Village of Atmautluak due to most of the residents applying for the assistance. There are more that applied this year (2009) than last year (2008), also most of the residents are applying for Energy Assistance from AVCP.

4. About 30% of the population for the Village of Atmautluak work for a living and despite the policies that they have, most of the employees are being granted advanced pay just to heat their homes.

5. The Native Village of Atmautluak is also in a hardship for keeping up with their electricity. The residents are charged .69 cent a KWH and the whole village is generated thru a 180 KW and a 150 KW generators. Right know the village is using the 150 because the other one needs some parts to be fixed.

6. The Atmautluak Traditional Council had to make/borrow loans for fuel and maintance just to keep the generators running. And is trying to cover the costs by fundraising thru gaming activities. The residents pay about $500.00 a month just to have the fuel burning furnaces running.

With high energy costs, and no Chinook salmon commercial fishing last summer, the Atmautluak Tribe and local organizations have been trying to come up with ideas to help the people Atmautluak.

Sincerely,

Moses A. Pavilla Sr.
Atmautluak Traditional Council

Bryce Edgemad
Charrise Millett

150 - sunset go away

HB 153
open meetings

**Chefarnrmute, Inc.**

Groceries, Fuel & Hardware
P.O. Box 70
Chefornak, Alaska 99561
Phone: (907) 867-8115
Fax: (907) 867-8895

March 10, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Chefornak we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program, which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1,00 ceiling at $3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh). And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to business, clinics, and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

NATIVE VILLAGE OF CHEFORNAK

Robert Panruk
Chefarnrmute, Inc.

**Chefornak Traditional Council**
**P.O. Box 110**
**Chefornak, Alaska 99561**
**Phone # (907) 867-8850 or 8502**
**Fax # (907) 867-8711**

**Testimony on HB 150**

On behalf of the Native village of **Chefornak**, we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1.00 ceiling at $3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

NATIVE VILLAGE OF **Chefornak**

Tribal President

3-10-09
Date

City Of Akiak
P.O. Box 52028
Akiak, Alaska 99552
Ph. 765-7411-Fax 765-7414

Representative Bob Harron
Alaska State Capitol, Room 415
Juneau, Alaska 99801

Representative Cathy Munoz
Alaska State Capitol, Room 409
Juneau, Alaska 99801

House Community And Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee

On behalf of the City of Akiak we want to extend our thank you to the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of us in our region who are facing challenging humanitarian issues stemming from the ever increasing fuel and electricity costs. We are very grateful for last year's increase in the ceiling of the PCE program which has been helping our village.

As mentioned in our Fall 2008 request for assistance, some of our head of household customers in our village have to make a choice of having heat in the house or food on the table and as you understand a home without heat and light is no place to live in. The PCE program helps our customers who pay for heating and electrical costs maintain the circulation of the little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for: CONTINUATION OF THE PCE PROGRAM AND PERPETUATION OF THE ELIGIBLE COSTS CEILING AT $1.00.

The bulk of our village income is dedicated to paying for the upkeep of heating and electrical needs, and if PCE rate drops, our electric and heating costs will go up, at present our community members with no other choice have to pay for $.63 cents a kilowatt hour rate and $6.45 for heating fuel, and even the cost of oil is dropping the fuel our vendors paid for does not change and we pay at the same rate to make sure our vendors will be able to purchase more fuel for the up coming year.

We ask respectfully that the legislature provide funding to continue the PCE program at a cost ceiling of $1.00 per kilowatt-hour (KWh.). and we also ask you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. We also ask for a restoration of the PCE eligibility to businesses, clinics, and other critical public facilities that were included in the program when it was originally enacted.

This is critical to keep down the inflation and increase the viability of our local economies in rural Alaska that are struggling or even on the verge of failing.

Thank you for the opportunity to comment.

Sincerely,

For the City of Akiak

Debra Jackson
Mayor

City of Chuathbaluk
P.O. Box CHU
Chuathbaluk, AK 99557
Phone (907) 467-4115
Fax (907) 467-4180

Senator Lyman Hoffman
Alaska State Capitol, Room 518
Juneau, AK 99801
Phone (907) 465-4453
Fax (907) 465-4523

February 10, 2009

Re: Letter of Support – SB#88 and #91

Dear Senator Lyman Hoffman,

Our community supports the Senate Bill # 88 and #91; it will help all the families that are in low income energy crisis and outstanding electricity bill.

City Manager/Mayor
Jerry L. Peterson

Cc:
Senators:
Donald Olson
Alaska State Capitol, Room 514
Juneau, AK 99801
Phone: (907) 465 3707 Fax: (907) 465 4821

Albert Kookesh
Alaska State Capitol, Room 11
Juneau, AK 99801
Phone: (907) 465 3473 Fax: (907) 465 2827

Representatives:
Bob Harron
Alaska State Capitol, Room 415
Juneau, AK 99801
Phone: (907) 465 4942 Fax: (907) 4589

Reggie Joule
Alaska State Capitol, Room 502
Juneau, AK 99801
Phone: (907) 465 4833 Fax: (907) 465 4586

Richard Foster
Alaska State Capitol, Room 410
Juneau, Alaska 99801
Phone: (907) 465 3789 Fax: (907) 465 3242

Woodie Salmon
Alaska State Capitol, Room 114
Juneau, AK 99801
Phone: (907) 465 4527 Fax: (907) 465 2197

MAR 12 2009

**City of Kwethluk**
**P.O. Box 50**
**Kwethluk, Alaska -99621-**

**Phone: (907) 757 – 6022** **Fax: (907) 757 -6497**

March 11, 2009

House Community & Regional Affairs Committee
Juneau, Alaska

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the City of Kwethluk, we want to thank the Alaska Legislature's hard work in addressing the energy needs of all Alaskans, particularly those in our region which face humanitarian issues stemming from the continuous increase of our electrical and fuel costs. Many of us are grateful for last years increase in the ceiling of the Power Cost Equalization Program which has been assisting our community as a whole. The PCE program assists all of us to maintain the critical circulation of what little income and revenue we are able to have in our community. The PCE program is a priority and we respectfully ask for:

**Continuation of the Power Cost Equalization Program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY- 2010 cost of retaining the $1.00 ceiling at $3.4 million. The bulk of our community income is dedicated to paying for the upkeep of energy, and if the Power Cost Equalization Program rate drops, our electric costs will go up immediately. Our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families cannot afford to pay for this when their energy costs are already taking up to 70% of their income.

City of Kwethluk asks respectfully that the State of Alaska legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour, and we ask that you consider increasing the household limit from 500kWh per month to the national average of 700kWh per month. Our local economy needs the PCE program to make ends meet. We are asking for restoration of PCE eligibility to businesses, clinics, schools, and other public facilities when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economy in rural Alaska. Thank you for giving us the opportunity to comment.

Quyana cakneq,

David Epchook, Mayor

Alexie B. Morris, Sr., City Manager

**Jay Livey**

**From:** Sen. Lyman Hoffman
**Sent:** Friday, January 30, 2009 4:01 PM
**To:** Jay Livey
**Subject:** FW: Expensive living in the Bush

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**From:** Edna Nicolai [mailto:kwetcc@yahoo.com]
**Sent:** Monday, January 26, 2009 11:54 AM
**To:** Sen. Lyman Hoffman
**Subject:** Expensive living in the Bush

Dear Senator Lyman,
Greetings from Kwethluk, Ak.
My question and wonder about fuel prices going down in Anchorage and the lower 48 states, and us in the bush, rural villages with high fuel prices, ranging from 6.23 a gallon for stove oil and 7.15 for gas, still rising in three months, why are gas prices going up
in the bush and they're going down in the cities? Doesn't Alaska have it's own gas pipeline, it's own business in gas? It's really expensive to live in the bush. Not only in
Emmonak are the crisis, it's all over the bush villages! Even in the Kuskokwim, because
the fisheries in the commercial fishing season sell their fish for only .10cents for kings '
and .05 a pound for chums and so forth! We suffer with enormous charge accounts in
the local stores, in debt with credit cards, just to get buy to live like the white man,
to try to afford high prices in fuel and gas. Sometimes I myself, have to decide what to
buy, food or gas or stove oil. Especially to have 7 people to support. I knew that supplement and the dividend had a catch to it too, it's like the state is bribing us constantly, to dry us up. How am I going to come up with 1,800 dollars when taxes
are time, I work my ass off, trying to catch up with my light bill every month, which
mounts up to 287 dollars a month, every month! The other thing I worry about is
running out of stove oil, which 10 gallons of stove oil will last only a week, buy gas
every day because we need woods to keep our house warm, to save up on stove oil,
just so we wouldn't freeze during the night, once a month to go down to bethel to buy groceries, just to save money, and man, oh man, can't even afford to buy a bag of potatoes now a days, which costs almost 30 dollars! Fresh fruits, have to wait some other time, wait until their a little bruised, just to wait until they mark them down, because
their very, very expensive! Once a month to buy food, my fridge is empty by the time
the middle of the month arrives.
The Committee, the Senate, the higher Archy, they've never been here, never lived in the bush before, so they don't know what the heck is going on, it's not only in Emmonak that suffering is happening, it's all over the bush. Just the other day, the troopers were in the village, they confiscated a families caribou meat because they hunted without a license.
I can't afford to buy a license right now and my freezer is empty, my fridge is empty, because we just can't go out and kill edible food at this time, because we can't afford to buy gas either.
I know you've lived in Bethel, but it's worse now. We need help out here.
I appreciate your patience and time.

Thank you.
Sincerely,
Edna Nicolai
Kwethluk, Ak
in our banks, intentionally letting us suffer.

City of Platinum
P.O. Box 47
Platinum, AK 99651

MAR 19 2009

House Community & Regional Affairs Committee

RE: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native Village of Platinum, AK; we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $ 1.00.**

The AEA estimates the FY 2010 cost of retaining the $ 1.00 ceiling at $ 3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70 % of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $ 1.00 per. kilowatt-hour (kwh). And we are also asking you to consider increasing the household limit from 500 kwh per. month to the national average of 750 kwh per. month. Our local economy is fragile and vulnerable and needs consideration in the PCE promgram. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

Native Village of Platinum, AK

Gilbert Kilbuck

Gilbert Kilbuck ( Mayor )

For CRA
File

# Emmonak Corporation

P.O. Box 49 Emmonak, Alaska 99581
Phone (907) 949-1129 Fax (907) 949-1412
~~emmonak@unicom-alaska.com~~
emocorp@hughes.net


March 10, 2009

House Community & Regional Affairs

Re: Testimony on HB 150

Dear Honorable Co-Chairs and Members of the Committee:

On behalf of the Emmonak Corporation we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for: **Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1.00 ceiling at $3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh.) and we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

Billy Charles, Acting General Manager
Emmonak Corporation

Emmonak Tribal Council
P.O. BOX 126
EMMONAK, ALASKA 99581
(907) 949-1720
FAX (907) 949-1384

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Emmonak we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible cost ceiling at $1.00.**

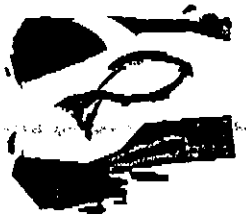
The AEA estimates the FY2010 cost of retaining the $1.00 ceiling at $3.4 million.
The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh.) and we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

Native Village of Emmonak



GEORGETOWN
tribal council

March 13, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native Village of Georgetown I want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1.00 ceiling at $3.4 million.
The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

Amber Matthews
Tribal Administrator

4300 B Street, Suite 207 • Anchorage, AK 99503 • (907) 274-2195 • FAX (907) 274-2196 • gtc@gci.net • Toll free 1 888 274-2195

**KTC**

**Kasigluk Traditional Council**
Post Office Box 19
Kasigluk, Alaska 99609
Ph: (907) 477-6405 / 6406 Fax: (907) 477-6212
E-mail: kasigluk.admin@gmail.com

March 13, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native Village of Kasigluk we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00**

The AEA estimates the FY2010 cost of retaining the $1.00 ceiling at $3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh). And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,
KASIGLUK TRADITIONAL COUNCIL

Esai Twitchell Jr.
KTC President

# Kipnuk Light Plant

P.O. Box 071 • Kipnuk, AK 99614
907-896-5427

To: Senators and Representatives

We support the SB 88 and 91. SB 88 would make electricity more affordable by increasing the amount of power paid through PCE. SB 91 would provide a $300.00 fuel cap subsidy between September 1 and March 31 makes it more affordable for homes lowering the cost of heating homes. Attacked is a resolution from Kipnuk Traditional Council which was passed on 17th of February 2009

Kipnuk Light Plant Manager

Samuel Carl

# KOKARMIUT CORPORATION
**PO BOX 52147**
**AKIAK, ALASKA 99552**
**PH: (907) 765-7228 FAX: (907) 765-7619**


March 11, 2009

Senator Bob Harron
Alaska State Capitol, Room 415
Juneau, Alaska 99801

Re: HB 150

Honorable Chairs and Members of the Committee:

On behalf of the Community of Akiak we want to thank the Alaska Legislature's Efforts in addressing the energy needs of all Alaskans, particularly those of our Region which has been faced with challenging humanitarian issues stemming from The ever increasing electric and fuel costs. We are sincerely grateful for last years Increase in the ceiling of the PCE program which has been helping our community The PCE program helps us to maintain the critical circulation of little income and Revenue we are able to have in our village. The PCE program is a priority and we Respectfully ask for, "continuation of the PCE program and perpetuation of the Eligible costs ceiling at $1.00".

The AEA estimates the FY2010 cost of retaining the $1.00 ceiling at $3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and If the PCE rate drops, our electric costs will go up immediately. We realize that Our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs Are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a Cost ceiling of $1.00 per kilowatt-hour (kWh). We are also asking you to Consider increasing the household limit form 500kWh per month to the National average of 750kWh per month. Our local economy is fragile and Vulnerable and needs consideration in the PCE program. We are asking for A restoration of PCE eligibility to businesses, clinics and other public Facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local Economies in rural Alaska that are struggling or on the brink of failure.

# KOKARMIUT CORPORATION

**PO BOX 52147**

**AKIAK, ALASKA 99552**

**PH: (907) 765-7228 FAX: (907) 765-7619**


Thank you for the opportunity to comment.

Sincerely,

David Gilila Sr
Gen. Manager

KONGIGANAK TRADITIONAL COUNCIL
P.O. BOX 5069
KONGIGANAK, ALASKA 99545
Phone (907) 557-5226
Fax (907) 557-5224

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Kongiganak we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1,00 ceiling at $3.4 million.
The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

NATIVE VILLAGE OF Kongiganak

KTC President

Kotlik Yupik Corporation
P.O. Box 20207
Kotlik, Alaska 99620
(907) 899-4014 / 4634 Fax (907) 899-4528

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee

On behalf of the Native village of Kotlik we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1.00 ceiling at $3.4 million.
The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rates drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

Agnes M. Aitchen, Chairperson
NATIVE VILLAGE OF KOTLIK

**Letter from**
**Mark Leary, Tribal Administrator**
**Napaimute**

**2/27/09**

**I wrote this 4 years ago when fuel prices were closer to half of what they are this winter.**

**Imagine her situation today at our current energy prices:**

3/5/05

Yesterday my family and I went to Tuluksak to watch the regional basketball tournament in their nice new school. During a break in the games we went around town visiting.

We stopped to see one of the elders (age 79). She was sitting there in her dimly-lit HUD house, but it quickly brightened up as she smiled and hugged us – so glad to have visitors.

As we sat there visiting, she mentioned that she was worried that her power was going to turn off and pointed to a little box on the wall. She said that it had been beeping earlier. I asked her what was that little box?

She began to explain:

Her monthly power bill used to be $300 - $400 every month – just for a regular house, nothing fancy in it. 2 bedrooms I think. There was no way she could afford to pay that high of electricity bills. This was the case with most of the village and people fell farther and farther behind in paying their power bills. So the power company came in and installed these little boxes in the houses. A person goes over to the IRA/TC office and puts money down to buy power. They get a card, something like a phone card, debit card, etc. which they slide through the little box on the wall in their house to get the amount of power they are able to pay for. When the amount of power they purchased, begins running low, the little box on the wall begins beeping and they have to go buy some more – if they can.

She said she put down $40 on February 14 – 22 days ago and now was running low on power.

$40 spent on power over 22 days doesn't sound too bad but it seems to come at a price. She talked about how under this system she is worried about her power all the time and tries to be very conservative – this includes living in a dimly lit house much of the time.

She is alone in there a lot and gets depressed and grouchy. Living in dim light must contribute to that – those older HUD houses are dark to begin with – dark paneled walls, bum windows, and even oriented the wrong way to the sun in some villages.

But she brightened up talking about getting out once in awhile and being able to still get a few pikes and ptarmigans to dry.

She offered to make coffee, but I was thinking those coffee makers use something like 900 watts, so told her no – we already had coffee at another house before. I didn't want her to run out of power.

I guess it's good to be conservative in our power consumption, but does this mean our elders have to live in the dark so that they can afford to have a little bit of power?

I woke up this morning wondering if her power was still on.

Back at the school, the maintenance person gave me a tour of the building's mechanical facilities (heating, ventilation, back up power, fire protection, etc.) – the latest high tech computer controlled systems. He can control it all from the computer in his office and even check the systems on the Internet when he is out of town. It was impressive. He said in cold weather the new school uses up to 4,000 gallons of fuel a month – quite bit more than the old school.

These are two examples of why we have to keep an open mind when considering new options for energy, transportation, and economic development for our region.

Respectfully Submitted by:

Mark Leary
Director of Development & Operations

The Native Village of Napaimute
P.O. Box 1301
Bethel, AK. 99559

Ph: (907)543-2887
Fx: (907)543-2892
Email: napaimute@starband.net
Website: www.napaimute.org

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Atmautluak, we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1,00 ceiling at $3.4 million.
The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

NATIVE VILLAGE OF ATMAUTLUAK

# Native Village of Eek

March 11, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native Village of Eek, we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those or our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1.00 ceiling at $3.4 million.
The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electricity costs will rise immediately. We realize that our local utilities will have to collect on those fuel costs to recover from 2008. Our families simply cannot afford to pay for this when such energy costs already take up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh). And we are also asking you to consider increasing the household limit from 500 kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

I thank you for allowing us to take much of your valuable time.

Sincerely,

Nick Carter, Tribal Administrator
Native Village of Eek

P.O. Box 089 • Eek, Alaska 99578-0089
Phone: (907) 536-5128 Facsimile: (907) 536-5711

# NATIVE VILLAGE OF KIPNUK
## KIPNUK TRADITIONAL COUNCIL
P.O. BOX 57 • KIPNUK, ALASKA 99614
(907) 896-5515 • FAX (907) 896-5240


10 March 2009

House Community & Regional Affairs Committee

RE: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native Village of Kipnuk, Kipnuk Traditional Council as the governing body want to thank the Alaska's Legislature's effort in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The Alaska Energy Authority (AEA) estimates the FY 2010 cost of retaining the $1.00 ceiling at $3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost of $1.00 per kilowatt-hour (kWh). And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for your time and attention on this important issue and opportunity to comment.

SINCERELY YOURS,
For the Kipnuk Traditional Council:
Paul Joshua Paul, President

Jimmy Paul
Tribal Administrator

Cc: files


Page:2/3 To:19074654589 MAR-10-2009 11:51 From:KIPNUK

# NATIVE VILLAGE OF KIPNUK
## KIPNUK TRADITIONAL COUNCIL
P.O. BOX 57 • KIPNUK, ALASKA 99614
(907) 896-5515 • FAX (907) 896-5240


## RESOLUTION # 09-05

**RESOLUTION SUPPORTING A STATE FUEL CAP AND OTHER MEASURES TO LOWER THE COST OF ENERGY FOR REMOTE RURAL COMMUNITIES THROUGHOUT THE STATE OF ALASKA**

**WHEREAS,** the Kipnuk Traditional Council (hereinafter "TRIBE") is a federally recognized Tribal Governing Body for the Native of Kipnuk; and

**WHEREAS,** the TRIBE represents to promote and protect the health, education and general welfare of the tribal members of the Native Village of Kipnuk; and

**WHEREAS,** The TRIBE is continuing to conduct business using its 06-19-2008 fuel delivery from Delta Western, Inc. which was purchased at the bulk fuel cost of $366,095.00 for 71,197 gallons and which was expected to last the TRIBE throughout the winter until next fuel delivery was made in June of 2009; and

**WHEREAS,** the $1,200 energy rebate provided to Alaska residents in October 2008 by the State in an attempt to assist individuals with high anticipated energy costs this winter did not adequately address the dire economic crisis in Southwest Alaska which were caused by high costs of fuel, a poor commercial fishing season, an early and enduring cold snap, and failed fuel deliveries; and

**WHEREAS,** the TRIBE has been affected this winter in the same way that the communities of Emmonak and Tuluksak have been affected as reported in this month's recent *Anchorage Daily News and Los Angeles Times* newspaper articles. These articles describe the immediate struggle facing many of our tribal members—a struggle forcing them to choose between using the little money they have to either feed their families or buy fuel to heat their homes; and

**WHEREAS,** with the reality and hardship of half a winter still ahead of us, it is imperative that more appropriate energy relief be brought to our remote rural community of Kipnuk Traditional Council.

**THEREFORE BE IT RESOLVED THAT** the Kipnuk Traditional Council fully supports Senator Hoffman's call for the State of Alaska to subsidize the difference when an Alaskan has to pay more than $3 a gallon for residential heating fuel )for up to 600 gallons purchased per residence from the months of September through March).

**BE IT FURTHER RESOLVED THAT** the Kipnuk Traditional Council wholly supports an extension of the Power Equalization program (PCE) through Senate Bill 88 and supports continued and full funding of the Renewable Energy Fund by the Alaska State Legislature.

**CERTIFICATION:**

We, the undersigned, hereby certify that the Kipnuk Traditional Council adopted the foregoing Resolution at a duly called, noticed and convened meeting on February 17th, 2009, by the affirmative vote of 4 members, with 0 members opposed, and 0 abstaining, and that a quorum was present.

**Paul Joshua Paul, President**

**ATTESTED:** **Daniel M. Mute, Secretary**

**NATIVE VILLAGE OF KWIGILLINGOK**
KWIGILLINGOK I.R.A. COUNCIL
P.O. BOX 49
KWIGILLINGOK, ALASKA 99622-0049
PH: (907)588-8114/8212
FAX: (907)588-8429
kwkadmin@starband.net

## RESOLUTION 02-04-09

**RESOLUTION SUPPORTING A STATE FUEL CAP AND OTHER MEASURES TO LOWER THE COST OF ENERGY FOR REMOTE RURAL COMMUNITIES THROUGHOUT THE STATE OF ALASKA.**

**WHEREAS,** The Native Village of Kwigillingok (Hereinafter "TRIBE") is a federally recognized Tribe; and

**WHEREAS,** The TRIBE is continuing to conduct business using its September 20th, 2008 fuel delivery from North Star Gas & Crowley Marine which was purchased at the bulk fuel cost of $246,521.50 for 55,013 gallons, and which was expected to last the TRIBE throughout the winter until the next fuel delivery September of 2009; and

**WHEREAS,** The $1,200 energy rebate provided to Alaska residents in October 2008 by the State in an attempt to assist individuals with high anticipated energy costs this winter did not adequately address the dire economic crisis in Southwest Alaska which were caused by high costs of fuel, a poor commercial fishing season, and early and enduring cold snap, and failed fuel deliveries; and

**WHEREAS,** The TRIBE has been affected this winter in the same way that the communities in Emmonak and Tuluksak have been affected as reported in this month's recent Anchorage Daily News and Los Angeles Times newspaper articles. These articles describe the immediate struggle facing many of our tribal members-a struggle forcing them to choose between using the little money they have to either feed their families or buy fuel to heat their homes; and

**WHEREAS,** With the reality and hardship of half a winter still ahead of us, it is imperative that more appropriate energy relief be brought to our remote rural community of Native Village of Kwigillingok.

**NOW THEREFORE BE IT RESOLVED THAT** the Native Village of Kwigillingok fully supports Senator Hoffman's call for the State of Alaska to subsidize the difference when an Alaskan has to pay more than $3 a gallon for residential heating fuel (for up to 600 gallons purchased per residence from the months of September through March).

**BE IT FURTHER RESOLVED THAT** the Native Village of Kwigillingok wholly supports an extension of the Power Cost Equalization Program (PCE) through Senate Bill 88 and supports continued and full funding of the Renewable Energy Fund by the Alaska State Legislature.

## CERTIFICATION

We the undersigned, hereby certify that the Tribal Council of the Native Village of Kwigillingok adopted the foregoing Resolution at a duly called, noticed and convened meeting on March 10, 2009, by the affirmative vote of 5 council members, with 0 council members opposed, and 0 abstaining, and that a quorum was present.

Johnny Friend, President

3/10/09
Date

Lillian Kiunya, Secretary

3-10-09
Date

**Native Village of Napakiak**
**IRA Council**
**P.O. Box 34069**
**Napakiak, AK 99634**
**P (907) 589-2135 F (907) 589-2136**

March 12, 2009

Senator Bob Herron
Alaska State Capitol, Rm 415
Juneau, AK 99801
T (907) 465-4942
F (907) 465-4589

Re: Testimony on HB 0

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Napakiak we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1,00 ceiling at $3.4 million.
The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,
NATIVE VILLAGE OF NAPAKIAK

for IRA Council

Linda Motgin

**Rob Earl**

**From:** Rep. Bob Herron
**Sent:** Tuesday, March 10, 2009 5:48 PM
**To:** Rob Earl
**Subject:** FW:

---

**From:** Florence Therchik [mailto:fptherchik@yahoo.com]
**Sent:** Tuesday, March 10, 2009 3:57 PM
**To:** Rep. Bob Herron
**Cc:** Simeon_John@ykhc.org
**Subject:**

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Toksook Bay, we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1,00 ceiling at $3.4 million.
The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

NATIVE VILLAGE OF TOKSOOK BAY

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Tununak, we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1,00 ceiling at $3.4 million.
The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

NATIVE VILLAGE OF TUNUNAK

James G. James
Tribal Administrator

Cc. file
IRA Councils

**Testimony to:**

**Alaska State House of Representatives**
**Community & Regional Affairs Committee**
**on H.B. 150**

**By Robert Nick**
**Nunapitchuk, AK**

**Introduction**

Good morning, my name is Robert Nick, from Nunapitchuk.

Please allow me to express my thanks to co-chairs Rep. Bob Herron of Bethel and Rep. Cathy Munoz of Auke Bay for this opportunity to come before this committee and talk about rural Alaska energy issues, an area which today is dramatically affecting us and our State in many ways.

**Energy Costs in Rural Alaska**

As you might have heard, gas prices in bush Alaska are between $6 to $8 a gallon, while heating oil equals or costs a little more than gas. In Anchorage, the average electric bill is about $80 to $100 for electricity (around 7 to 8 cents per kWh, plus a few fees) for a 2,000 sq. ft. home in winter, using around 1,000 kilowatt hours (a month). In Bethel, residents with a 1,000 sq. ft. home pay around $150 to $200 for electricity (about 600 kilowatt hours a month) with the help of PCE, with other high fees (surcharges); without it, this cost would have been $300 to $400 month.

This year, we have faced some of the coldest weather, especially in December. People living in bush Alaska villages in some homes, we are told, were trying to keep warm using electric stoves, radiant heaters, or other electric burners. And this has had a dramatic effect on the rise of electricity in relation to the cold weather. And the very cold temperatures this winter have increased heating fuel use also, especially in poorly built homes. And almost all families have fuel-burning furnaces requiring electricity to run. In Kotlik, some families paid $1,000 for electricity in one month. December heating bills were high, with some families in Kotlik and Atmautluak paying $1,200 a month for heating. Some paid less – around $700. Those who only paid $500 or less were "lucky."

You've now heard it said that bush village residents are now choosing fuel over food so their children could sleep in a warm house. As for food, children are told by their parents to eat breakfast and/or lunch at school. And the parents, they say "they make do" with whatever they can. Many homes have empty cupboards and refrigerators, getting by on 100 percent subsistence foods, which in late winter gets harder to get.

**Few Jobs in Rural Alaska**

Many Alaska village residents that really need help during this energy crisis don't have much money due to little or few jobs or have low-paying jobs because of the depressed local economies of rural communities. To make things worse, grocery or store items are now very, very expensive - first of all, because of high freight costs due to the recent high energy prices and then the high cost of running stores due to high energy costs which is passed down to consumers. And this high cost of consumable foods will be further increased by the proposed By-Pass Mail rate increases in two months (May 11, 2009) by 30 to 40 percent.

Many village residents have limited income and where I come from, the Bethel Census and Wade-Hampton Districts, have high unemployment and poverty rates. The Bethel Census unemployment rate is 16.6%, while the Wade-Hampton unemployment rate is 22.8% (State of Alaska, Jan. 2009). The Bethel Census poverty rate is 20.7% or a fifth of the people out of the 17,147 population, while in Wade Hampton, the poverty rate is 26% or a *quarter* of the population of 7,580 (U.S. Census). (In comparison, the Anchorage poverty rate is around 8 to 10% and unemployment is around 6.8%.)

**Conclusion**

I am very thankful for last year's increase in the ceiling of the PCE program which has been very helpful to our rural community households this winter. We are asking the Alaska State Legislature to continue fully funding PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh), as per SB 4002, and making this permanent, since that would provide continuing assistance to rural Alaskans in paying for the very expensive electricity found in Bush Alaska.

I am also respectfully asking the Legislature to consider increasing the household limit from 500 kWh per month to the national average of 750kWh per month. Our regional economy is fragile and vulnerable and needs further consideration in the PCE program. Finally, I am asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. Without PCE, schools are struggling with high energy and electrical costs, and the cost of maintaining their utilities is taking away from teachers and classroom budgets, compromising the quality of education in those schools.

Thank you very much for listening to me and hearing me out. I don't speak only for myself, but for many of the residents in the Y-K Delta who are facing many hardships this winter because of high energy costs. As part of my testimony, I add some letters that other villages sent (sent by email) and wanted me to include with my other testimony for another energy related bill. Please make time to read them.

Again, thank you for the opportunity to comment.

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Nunapitchuk we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1,00 ceiling at $3.4 million.
The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

NATIVE VILLAGE OF NUNAPITCHUK

Zechariah C. Chuli Sr.

**Newtok Native Corporation**
P.O. Box 5528 • Newtok, AK 99559
Ph (907) 237-2200 • Fax (907) 237-2227

March 10, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native Village of Newtok we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1.00 ceiling $3.4 million. The bulk of our village income is dedicated to paying for upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on the fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure>

Thank you for the opportunity to comment.

Sincerely, Chairman John Andy

**NEWTOK NATIVE CORPORATION FOR THE VILLAGE OF NEWTOK**

For CRA files

Ungusraq Power Company
P.O. Box 5564
Newtok, AK 99559
(907)237-2177 FAX 237-2130

MAR 18 2009

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of NEWTOK, we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we have respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible cost ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1.00 ceiling at $3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

Native village of NEWTOK, ALASKA

Rosi Charles

NORTHSTAR GAS
Native Owned Petroleum Retailer

March 10, 2009

House Community and Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the owners of Northstar Gas, LLC we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly in the YK Delta region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our customers in the YK Delta region. The PCE program helps our region to maintain the critical circulation of little income and revenue they are able to have.

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1.00 ceiling at $3.4 million. The Bulk of our village's income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, the electric costs will go up immediately. Northstar Gas realizes that our villages in their local utilities will have to collect on those fuel costs in order to recover from 2008. Our people simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh.) and we are also asking this committee to consider increasing the household limit from 500Wh per month to the national average of 750Kwh per month. The YK region economy is fragile and vulnerable and needs consideration in the PCE program. We are also asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

Elaine Brown
NORTHSTAR GAS, LLC
General Manager

cc: file

CRA File

# Nunapitchuk Limited

P.O. Box 129 Nunapitchuk Alaska 99641 Phone No 907 527-5717 Fax 527-5229

March 13, 2009.

MAR 16 2009

House Community & Regional Affairs Committee.

Re: Testimony on HB 150.

Honorable Co-Chairs and Members of the Committee:

On behalf of the Nunapitchuk Limited Corporation, we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is priority and we respectfully as for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $ 1.00.**

The AEA estimates the FY 2010 cost of retaining the $ 1.00 ceiling at $ 3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70 % of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $ 1.00 per kilowatt-hour (kWh). And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a resoration of PCE eligibility to business, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

Nunapitchuk Limited Corporation.
Vice-Chairman- Jerry Sam Wassillie Sr.



**To: Representative**
**Cathy Munoz**
**Alaska State Capital, Room 409**
**Juneau, Alaska 99801**
**Telephone 907 465-3744**
**Fax 465-2273**

**Fax- (907) 465-2273**

# A facsimile from

## Nunapitchuk Limited General Store

**907 527-5717**
**527-5719**
**Fax 527-5229**

Walter B. Riley Sr.
Manager's Office
E-Mail-nunap_limited@yahoo.com
527-5479

**Date:** 3/13/2009

Page- 1 of 2 pages

**Re: Nunapitchuk Limited PCE Program request.**

**Thank You,**
**Nunapitchuk Limited**

**OHOGAMIUT TRADITIONAL COUNCIL (OTC)**
**P.O. Box 49, Marshall, AK 99585**
**Ph: (907) 679-6517/6598 Fax (907) 679-6516**
***"Let us put our Minds Together and see what kind of Life we can build for our Children" –Sitting Bull***

February 27, 2009

Allen Joseph, Grants Coordinator
AVCP RHA
P.O. Box 767
Bethel, AK 99559

RE: Representative Bob Herron on Rural Energy Issues

Dear Mr. Joseph:

The Ohogamiut Traditional Council (OTC) as a federally recognized tribe with jurisdiction in Marshall, Alaska, is advocating for long-term solutions to address the unrealistically high cost of living in Marshall spurred by high energy and transportation costs. Thus, the OTC requests that Mr. Robert Nick convey our plight to Representative Bob Herron and other dignitaries on the hearing on Rural Energy at Bethel Saturday February 28, 2009.

Marshall resident's pay $7.11 with local taxes for heating fuel. $6.21 with local taxes, and $293.47 for one bottle of 100 pounds of propane. Other petroleum products like motor oil have also dramatically increased as well. Majority of the homes in Marshall are old and inadequately insulated/weatherized that contributes to the high consumption of heating fuel on a given cold spell. People are worried when the temperature drops because it means buying more stove oil with very little or no cash left on hand for groceries. Simply, we are forced to choose between food and heating fuel, which creates dilemma.

Though we in the Marshall area have more firewood available, record snowfall has covered logs along the river and other areas making it harder to look for wood to burn. Majority of the homes are equipped with Toyo, Laser stoves, and the newer AVCP homes utilize central boilers. On the average, families spend over $1,000.00 per month on heating fuel alone with very little cash left to pay for utilities, groceries, and other lines of credit at the local stores. Many families are in debt with utility providers and it is certain that the AVEC will serve many disconnect notices this spring.

The unique challenges in Marshall reflect inflation spurred by the 2008 energy crisis is as follows:

- Colder than usual summer, fall, and winter of 2008-2009.
- Failed summer 2008 king salmon fishery, which is vital to the village economy.
- High grocery and store merchandise prices.
- Lines of local store credit maxed out for groceries and fuel.

- Area air travel to Bethel hub is unaffordable.
- Projected 2009 king salmon commercial fishery closure with subsistence harvest limitations.
- Local wild fire fighters crews did not go out summer 2008; income from this seasonal employment source is another important source of cash flow.
- High unemployment rates in the village as high as 85%.
- 85-90% of the village residents on public assistance.
- Stove oil and firewood theft on the rise.
- CITCO has not distributed free 100 gallons of heating fuel to eligible families to date.
- No local foodbanks for families with low food security.

We are requesting that the State of Alaska, federal government, and other agencies find long-term solutions to address the "third world-like" conditions here in the Wade Hampton District, by far; we are the poorest region in the country. Per capita income for our region was a mere $8,717.00 during the 2000 Census with little changes to date.

Sincerely,

Jason S. Isaac, President

Nick P. Andrew, Jr., Executive Director

Cc: file:

# SLEETMUTE TRADITIONAL COUNCIL

P.O. Box: 109, Sleetmute, AK-99668; Ph: 907-449-4205; Fax: 907-449-4203
**Email: sleetmutetraditionalcouncil@yahoo.com**

**House Community & Regional Affairs Committee** March 17, 2009

**RE: Testimony on HB 150**

Honorable Co-Choirs and Members of the Committee:

On behalf of the Native village of Sleetmute we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.

The AEA estimates the FY2010 cost of retaining the $1.00 ceiling at $3.4 million.
The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per Kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely, Native Village of Sleetmute

**Tribal Council President**

For CEA file

*TULUKSAK NATIVE COMMUNITY*
P.O. BOX 95
TULUKSAK, ALASKA 99679
Telephone: (907) 695-6420
Fax Number: (907) 695-6932

March 16, 2009

House Community & Regional Affairs Committee

RE: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native Village of Tuluksak, Alaska, we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1.00 ceiling at $3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost of $1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation in increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank-You for the opportunity to comment.

Sincerely,
Tuluksak Native Community

Joseph Alexie

Joseph Alexie, TNC Council President

**VILLAGE OF KOTLIK**
**P.O BOX 20210**
**KOTLIK, ALASKA 99620**
**(907)899-4326 / 4836 FAX (907)899-4790**

27 February, 2009

Allen Joseph
Grants Coordinator
AVCP Regional Housing Authority
P.O Box 767
Bethel, Alaska 99559

RE: Representative Bob Herron Hearing on Rural Energy issues

Dear Mr. Joseph,

The Kotlik Tribal Council requests that the information regarding the stories about Kotlik be presented in Robert Nick's testimony before the special committee of the State House of Representatives who will be holding a hearing on rural energy issues in Bethel on Saturday, February 28.

The homes in Kotlik are mainly heated with Toyo or Laser stoves, furnaces and other oil burning stoves. Very few homes have wood-stoves.
A lot of homes are poorly constructed which are not insulated enough to block out the cold winds. Therefore, they are "forced" to buy more stove oil than others. There are some who paid over $1,200.00 in one month to heat their home during the month of December 2008 alone.

As many rural villages in Alaska, Kotlik residents and organizations are facing hardship due to the rising cost of energy.

- Freeze up came early the fall of 2008. Beginning October 2008, we have heard of people "missing" stove-oil from their 55 gallon tanks that are connected to their heating system. The high cost of fuel in Kotlik has caused people to "steal" fuel from others, just because they have no other means of purchasing fuel to heat their homes. This has happened many times (in the past) prior to Oct 08, people "stealing" stove-oil from others.
- Some people trade wood and/or borrow money from others for stove oil.
- The Kotlik Yupik Corporation has allowed some people to charge stove oil although they have exceeded their credit limit.
- The price of fuel has forced families to make the choice between paying for bills, food or fuel. Some families chose to buy stove oil over food so the family can sleep in a warm house. The school children were told they can eat breakfast and lunch at the school.
- Between November 20, 2008 and January 26, 2009, thirty eight (38) Kotlik residents were granted the Emergency Fuel Assistance through the Association of Village Council Presidents (AVCP). The emergency funding for Kotlik was used up on January 26, 2009.

- In February 2009, the Kotlik Tribal Council donated a total of 77 gallons of stove oil to families who had no other means of purchasing it themselves. Some people have been ashamed to ask for help whether from AVCP or the tribe, because they never had to in the past.
- More people have applied for the AVCP Energy Assistance than the previous years – hoping to get approved to lower their over-charged credit with the Kotlik Yupik Corporation and/or receive help with fuel.
- For heat, some people are using their electric cook range, portable hot plates and heaters. This has created their electric bills to be $1,000.00 in one month.
- Despite employer's policy, some employees have been granted early pay advance to purchase fuel.

With high energy costs, and no Chinook salmon commercial fishing this summer, the Kotlik Tribe and local organizations have been trying to come up with ideas to help the people of Kotlik. There is a plan for bingo organizations to have special bingo nights and donate those net proceeds to those who are in need.

Sincerely,

Joseph P. Mike
Tribal President

**VILLAGE OF KOTLIK**
**P.O BOX 20210**
**KOTLIK, ALASKA 99620**
**(907)899-4326 / 4836 FAX (907)899-4790**

9 March, 2009

House Community & Regional Affairs Committee

RE: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native Village of Kotlik we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for.

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY 2010 cost of retaining the $1.00 ceiling at $3.4 million. The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PC E rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kwh). We are also asking you to consider increasing the household limit from 500 kwh per month to the national average of 750kwh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

Joseph P. Mike
Native Village of Kotlik

March 12, 2009

House Community & Regional Affairs Committee

Re: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Nightmute we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

**Continuation of the PCE program and perpetuation of the eligible costs ceiling at $1.00.**

The AEA estimates the FY2010 cost of retaining the $1,00 ceiling at $3.4 million.
The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of $1.00 per kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely,

NATIVE VILLAGE OF Nightmute

Cornelius Tuluk

# HB 153

# FISCAL NOTE

**STATE OF ALASKA**
**2009 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version: **HB153**
() Publish Date:

Identifier (file name):HB153-CED-CRA-03-02-09
Dept. Affected: DCCED
Title: Open Meeting Exemptions & Definition
RDU: Community & Regional Affairs
Component: Community & Regional Affairs
Sponsor: Community & Regional Affairs
Requester: Community & Regional Affairs
Component Number: 2879

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| 1036 Com Fish | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2009) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This bill proposes to grant advisory boards and commissions the legal authority to respond to managerial and administrative functions, which otherwise may be delayed because of the Open Meeting Act.

The Department of Commerce, Community & Economic Development foresees zero fiscal impact with this legislation.

Prepared by: Tyson Fick, Legislative Liason DCCED — Phone 465-2503
Division: DCCED - Community & Regional Affairs — Date/Time 03/02/09 9:00am
Approved by: Emil Notti, Commissioner — Date 3/2/2009
Department of Commerce, Community and Economic Development

(Revised 9/10/2008 OMB)

**Fairbanks Daily News-Miner**
*The voice of Interior Alaska since 1903*

# Open and effective

*Published September 3, 2008*

A request by some local road service area commissioners for greater leeway under the state open meetings law seems worthy of consideration. Newspapers usually opine in favor of greater openness in government and tighter rules to make it happen. Strict application of the current law, though, causes nearly impossible problems for the small, volunteer commissions that keep many of our borough roads passable.

Wet summers, such as the one just concluding, can make a mess of the roads, especially those with gravel surfaces. Potholes are unavoidable. Washouts and soft spots are common.

Some of these problems must be fixed rapidly to avoid accidents and damage to vehicles.

Legally, commissioners must discuss and make decisions at quarterly meetings that are open to the public and announced in advance. That's reasonable and advisable.

However, Mother Nature doesn't play by the same rules. Rain clouds don't advertise in the newspaper.

Those clouds can cause damage that requires immediate work. That work may be too expensive to fit within the agreed-upon plan. Commissioners cannot legally talk with each other to reach a consensus about what to do in such situations, though, without holding a public meeting.

The Fairbanks North Star Borough's guidelines for service area commissioners explain the rules: If you need to speak to each other, you have enough business for a public meeting. To discuss work and make decisions about what will be done in the service area outside of a public meeting is a violation of the Open Meetings Act.

Perhaps the problem could be solved by giving the commissions authority to delegate some actions. If not, the law may need some tweaking, because the current situation obviously doesn't provide the kind of flexibility that road service commissions need to do their jobs.

The revisions should be limited in scope, though. Not all road service areas are informal little neighborhood operations. Some spend large amounts of money. For those reasons, their actions should be not only effective but open to public scrutiny.

**PROPOSED CHANGES TO THE OPEN MEETINGS ACT TO MAKE IT WORKABLE FOR ADVISORY BOARDS AND COMMISSIONS WHILE PRESERVING THE INTENT AND PURPOSE OF THE ACT**

The proposed legislation attempts to solve two typical problems encountered by volunteer advisory boards and commissions when attempting to comply with the Open Meetings Act. The proposed changes make the law more workable while maintaining the intent and purposes of the Act.

1. The first issue arises because some municipal volunteer boards and commissions perform managerial and administrative functions. Examples include both fire and road service area commissioners who are responsible, once the assembly approves the service area budget, to supervise and manage the affairs of the service area. These include decisions concerning when to plow the streets, whether a pothole needs to be fixed, etc. In implementing these duties commissioners are really fulfilling the role of municipal employees.

Current state law exempts most administrative and managerial activities by exempting staff meetings and gatherings. This exemption recognizes that it would be impossible to apply the Act to the everyday transactions of governmental employees confronting day-to-day issues and problems. This exemption, however, does not currently extend to members of governmental bodies that also have administrative and managerial responsibilities. Thus, volunteer boards and commissions that try to supervise and manage the affairs of a governmental entity, like a service area, often find that they must choose between complying with the Act or providing delayed and unresponsive services.

Exempting these boards and commissions only when they meet only to fulfill their administrative and managerial functions allows them to effectively conduct business without harming any of the purposes or intent of the Open Meetings Act. These advisory bodies are still required to comply with the Act whenever they meet to make or discuss legislative or policy decisions, including recommending their annual budget and tax levy, adopting strategic plans, or discussing any other legislative policies.

2. The second issue arises due to an anomaly in state law. Although state law prescribes a minimum number of members necessary to constitute a meeting for policy-making bodies, this exception does not exist for advisory-only bodies. All that is required for a meeting of an advisory body is that the meeting be prearranged. Accordingly, a meeting exists under the Act if only two of a 12 member advisory body decide to meet to discuss to consider the business of the body. In this circumstance the rule for advisory bodies is **more** stringent than the rule governing actual policy-making bodies. The proposed change removes this anomaly by allowing two members of an advisory board to have a prearranged meeting as long as it does not result in a violation of the "three or a majority" rule applicable to policy-making bodies.

**HB 153, OPEN MEETINGS: EXCEPTION AND DEFINITION**
House Community & Regional Affairs, By Request

The Fairbanks North Star Borough has brought forward proposed changes to the *Open Meetings Act* to make it workable for advisory boards and commissions, while preserving the intent of the *Act*. Generally, the *Open Meetings Act* requires that all meetings of public bodies are open to the public and that the public body must provide reasonable advance notice of its meetings. The basic intent of the *Act* is to protect the public's right to know.

Currently, there are several exemptions that exclude from the open meetings law meetings of juries, parole boards, staff meetings of public employees, etc. There is no exemption, however, for members of government bodies that also have administrative and managerial responsibilities. This is causing hardship to volunteer advisory board members – such as road service area commissioners – who often find that they must choose between complying with the Act or providing delayed or unresponsive services.

First, HB 153 would allow a further exemption to the open meetings law for "meetings by municipal boards, committees, commissions, or other similar bodies when meeting solely to act on matters that are administrative or managerial in nature." This will allow members of volunteer boards and commissions to perform managerial and administrative functions such as calling out snow plows or fixing potholes as the need arises. These advisory bodies would still be required to comply with the *Open Meetings Act* whenever they meet to discuss policy or budgetary decisions.

Second, HB 153 addresses an anomaly in state law by amending the definition of "meeting" for advisory boards. Currently, the law governing advisory bodies is *more* stringent than the law governing actual policy-making bodies such as a Borough. HB 153 will allow members of an advisory board to have a prearranged meeting as long as it does not result in a violation of the "three or a majority" rule applicable to policy-making bodies.

A Fairbanks North Star Borough representative is on-line to address the bill and answer any questions.

HB 153 OPEN MEETINGS: EXCEPTION AND DEFINITION

(H)C&RA Committee heard and held HB153 version R on 03-03-09

(H)C&RA Committee adopted CSHB153 Version E and moved the bill out of committee with individual recommendations on 03-12-09

Date Referred to Committee: February 25, 2009 FURTHER REFERRALS: Judiciary

Date of Committee Action: 3.12.09

The COMMUNITY AND REGIONAL AFFAIRS Committee considered: HOUSE BILL NO. 153

"An Act exempting municipal boards, committees, commissions, or other similar bodies from the requirements of conducting meetings open to the public when a meeting is administrative or managerial in nature; and amending the definition of 'meeting' as it relates to public governmental meetings."

HB 153 OPEN MEETINGS: EXCEPTION AND DEFINITION

Recommends it be replaced with [ ] HCS *or* [X] CS *for* HB 153 (CRA)
*For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____* [ ] Same Title [X] New Titl

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

*List of Abbrev for Depts.:*
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

| *NEW* FISCAL NOTES *Assigned by Chief Clerk's Office | | | | |
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| List by Dept(s): | *FN# | Fiscal | Indet. | Zero |
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| | | | | | |
| | CISSNA | | | ✓ | |
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| | MILLETT | | | — | |
| | HARRIS | | | ✓ | |
| | Keller | | | X | |
| | Gardner | | | X | |
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| | | | | | |
| Chair: | HERRON | X | | | |
| Chair: | MUÑOZ | X | | | |

1609

# CS FOR HOUSE BILL NO. 153(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

**BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**Offered: 3/13/09**
**Referred: Judiciary**

**Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE BY REQUEST**

## A BILL

## FOR AN ACT ENTITLED

**"An Act exempting municipal service area boards from the requirements of conducting meetings open to the public when a meeting is administrative or managerial in nature."**

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

*** Section 1.** AS 44.62.310(d) is amended to read:

(d) This section does not apply to

(1) a governmental body performing a judicial or quasi-judicial function when holding a meeting solely to make a decision in an adjudicatory proceeding;

(2) juries;

(3) parole or pardon boards;

(4) meetings of a hospital medical staff;

(5) meetings of the governmental body or any committee of a hospital when holding a meeting solely to act upon matters of professional qualifications, privileges, or discipline;

**AMENDMENT**

**HB 153 – Open Meetings: Exception and Definition**

Page 2, Line 12:

(8) meetings by municipal **service area** boards, ~~committees,~~ commissions, or other similar **non-policy making** bodies when meeting solely to act on matters that are administrative or managerial in nature.

1611

HB 153

By: Assembly Road Service Area Committee
Introduced: July 21, 2008
Approved: July 21, 2008

Fairbanks North Star Borough
Assembly Road Service Area Committee

RESOLUTION NO. 2008-C

A RESOLUTON OF THE ASSEMBLY ROAD SERVICE AREA COMMITTEE ASKING THE ASSEMBLY TO REQUEST A STATE LAW CHANGE TO THE OPEN MEETINGS ACT

WHEREAS, there are a variety of rules, regulations, and procedures in Alaska State Law governing the conduct of public meetings, which are intended to ensure that decisions made and actions taken are public knowledge and represent the will of the public that the governing body serves. One of these is the state's Open Meetings Act; and

WHEREAS, the Open Meetings Act requires that all meetings of public bodies are open to the public and that the public body must provide reasonable notice of its meetings. In essence, the Open Meetings Act protects the public's right to know. To accomplish this, the act requires that:

- All deliberations and action taken by a public entity must be done in public view, with limited exceptions;
- The public must be provided prior knowledge of all steps occurring in the decision making process, with limited exceptions; and
- Individual actions of an official are made known.

WHEREAS, in order for these requirements to have full effect, meetings must occur as provided in the notice; and, with few exceptions, the public must be allowed to involve itself in the meeting; the public must also have access to materials being considered during the meeting; and

WHEREAS, with regard to advisory only bodies such as the Fairbanks North Star Borough Road Service Area Commissions, current law dictates that a meeting is:

- a gathering
- of any number of members of the body
- prearranged
- for the purpose of considering any matter upon which the body is empowered to act; and

WHEREAS, Service Area Commissions have management and maintenance duties to perform, requiring some discussion between commissioners thus making compliance with current state law difficult to comply with; and

WHEREAS, exemption from and/or amendments to the following areas of the Act are requested:

- Specify the number of members of an advisory body required for action to constitute a meeting as defined in AS 44.62.310(h)(2)(B);
- Include an exemption in AS 44.62.310(d) when governmental bodies such as Service Area Commissions meet to act on behalf of the borough to supervise and manage the affairs of the service area, to implement policies and programs to protect the safety of the public and preserve the service area's capital assets in a fiscally prudent manner, and other duties considered managerial in nature;

NOW, THEREFORE, BE IT RESOLVED by the Fairbanks North Star Borough Assembly Road Service Area Committee requests that a recommendation be made to the Alaska State Legislature by the Fairbanks North Star Borough Assembly to amend state law to change the Open Meetings Act to allow Road Service Area Commissions to effectively conduct business within their areas.

BE IT FURTHER RESOLVED that a copy of this resolution shall be forwarded to the Fairbanks North Star Borough Assembly.

PASSED AND APPROVED THIS 21st DAY OF JULY, 2008.

Randy Frank
Chair

Fairbanks North Star Borough
809 Pioneer Road P.O. Box 1267 Fairbanks, Alaska 99707
Office of the Mayor

March 3, 2009

Representative Cathy Munoz, Co-Chair
Representative Bob Herron, Co-Chair
House Community & Regional Affairs Committee
State Capitol
Juneau, Alaska 99801

Re: Support for HB 153

Dear Representatives Munoz & Herron:

The Fairbanks North Star Borough (FNSB) appreciates the House Community & Regional Affairs Committee for introducing House Bill 153, which will help make the Open Meetings Act more workable for volunteer advisory boards and commissions while preserving the intent and purpose of the Act.

The Open Meetings Act requires that all meetings of public bodies are open to the public and that the public body must provide reasonable notice of its meetings. The FNSB strongly supports maintaining the essence of the Act which is to protect the public's right to know.

Currently, there are provisions in the open meetings law that exempt meetings of juries, parole boards, staff meetings of public employees, etc. There is no exemption, however, for members of advisory bodies that also have administrative and managerial responsibilities. This is causing hardship to volunteer advisory board members – such as the FNSB's service area commissioners - who often find that they must choose between complying with the Act or providing delayed or unresponsive services. The FNSB supports the provision in HB 153 that would allow a further exemption for volunteer advisory bodies when meeting solely to act on matters that are administrative or managerial in nature, such as calling out snow plows, clearing brush or fixing potholes as needs arise.

With regard to the definition of "meeting" for advisory-only bodies such as the FNSB's service area commissions, the law is currently *more* stringent than the law governing policy-making bodies. Our service area commissions perform duties that are administrative and managerial in nature, requiring some discussion between commissioners, thus making compliance with current state law difficult to comply with. The FNSB supports the provision in HB 153 that will allow members of an advisory board to meet as long as it does not result in a violation of the "three or a majority" rule applicable to policy-making bodies.

The Fairbanks North Star Borough strongly supports HB 153 in its purpose to amend state law to allow volunteer advisory boards and commissions to effectively conduct business within their areas, while maintaining the basic intent of the Open Meetings Act.

Sincerely,

Jim Whitaker, Mayor

Nadine Winters, Presiding Officer

26-LS0653\E
Kane
3/5/09

**CS FOR HOUSE BILL NO. 153(CRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

**BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**Offered:**
**Referred:**

**Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE BY REQUEST**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act exempting municipal service area boards from the requirements of conducting meetings open to the public when a meeting is administrative or managerial in nature."**

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

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(d) This section does not apply to

(1) a governmental body performing a judicial or quasi-judicial function when holding a meeting solely to make a decision in an adjudicatory proceeding;

(2) juries;

(3) parole or pardon boards;

(4) meetings of a hospital medical staff;

(5) meetings of the governmental body or any committee of a hospital when holding a meeting solely to act upon matters of professional qualifications, privileges, or discipline;

(6) staff meetings or other gatherings of the employees of a public entity, including meetings of an employee group established by policy of the Board of Regents of the University of Alaska or held while acting in an advisory capacity to the Board of Regents; [OR]

(7) meetings held for the purpose of participating in or attending a gathering of a national, state, or regional organization of which the public entity, governmental body, or member of the governmental body is a member, but only if no action is taken and no business of the governmental body is conducted at the meetings**; or**

**(8) meetings of municipal service area boards established under AS 29.35.450 - 29.35.490 when meeting solely to act on matters that are administrative or managerial in nature**.

## Rob Earl

**From:** yuri@gci.net on behalf of yuri morgan [yuri@gci.net]
**Sent:** Thursday, March 05, 2009 4:26 PM
**To:** Rob Earl
**Cc:** 'Linda Anderson'
**Subject:** Re: Draft CSHB 153 (CRA)
**Attachments:** Draft CS for HB 153.pdf; HB0153A.pdf; FNSB Support for HB153.pdf

Thanks, Rob, for getting this CS drafted to help address the Committee's issues with HB 153. A couple of comments for your consideration:

**Regarding Section 1 (AS 44.62.310(d)):** The FNSB supports the committee in "tightening" the language to only include service area boards. Fyi, the intent in offering the original language was to help address issues with other municipalities in the state that may have similar advisory-only bodies acting in administrative/managerial capacities.

**Regarding Section 2 (AS 44.62.310(h)(2)):** It is not clear as to why this section has been removed in the draft CS. I recall no opposition from committee members at Tuesday's hearing on the definition of "meeting." In fact, there appeared to be broad support for correcting this statutory anomaly by holding volunteer advisory bodies to the same "three or a majority" rule that governs actual policy-making bodies. We would request that the Committee reinstate Section 2 in the CS.

Also, attached for your review is a letter of support from Mayor Whitaker, and the FNSB Assembly presiding officer, Nadine Winters.

Thanks again, and see you Monday afternoon with Rep. Herron!

yuri

Anderson Group, LLC
319 Seward St., Ste. 11
Juneau, AK 99801
907.388.8611
907.586.1061 fax
www.andersongroupllc.com

## AMENDMENT

### HB 153 – Open Meetings: Exception and Definition

Page 2, Line 12:

(8) meetings by municipal **service area** boards, ~~committees,~~ ~~commissions, or other similar non-policy making bodies~~ when meeting solely to act on matters that are administrative or managerial in nature.

# HB

# 156

# Alaska State Legislature


**Chairman**
State Affairs Committee

**Member**
Judiciary Committee
Labor & Commerce Committee
Health & Social Services Committee
Military & Veterans Affairs Committee

**Finance Subcommittees**
Labor and Workforce Development
Military and Veterans' Affairs
Public Safety

*A Communication From*
**REPRESENTATIVE BOB LYNN**
**District 31 Anchorage**

**E-Mail:** Representative_Bob_Lynn@legis.state.ak.us
**"Bob Lynn's Alaska Blog"** www.RepLynnBlog.com

**Session:**
Alaska State Capitol, #104
Juneau, AK 99801-1182

Phone: (907) 465-4931
Fax: (907) 465-4316
Toll Free: (800) 870-4391

**Interim:**
716 W. 4th Ave., #650
Anchorage, AK 99501-2133

Phone: (907) 269-0205
Fax: (907) 269-0207


## HOUSE BILL 156
## SPONSOR STATEMENT

HB-156 grants municipalities the authority to waive disposal fees or "tipping fees" in municipal landfills for waste material resulting from renovations that take place on "deteriorated properties" as defined in Alaska Statute 29.45.050(o).

When run-down properties are allowed to go unattended and unrepaired, the negative impact on communities and their surrounding areas can be severe. Vacant deteriorated properties can become a haven for crime. The blighted conditions lower property values and the standard of living in the communities where they are located.

Currently Alaska statute does not provide for municipalities to waive or reduce tipping fees. HB-156 amends Alaska Statute 29.35.050 to allow municipalities the option, if they choose, to grant disposal fee waivers for properties classified as deteriorated.

This measure will create an avenue, at no cost to the State, to allow cities to provide incentives to property owners to renovate and improve "deteriorated properties," and by doing so, encourage economic redevelopment in municipalities across the State of Alaska.

**Contact**: Dirk Moffatt, (907) 465-4931

**Revised**: March 11, 2009

# FISCAL NOTE

**STATE OF ALASKA**
**2009 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version: **HB 156**
() Publish Date:

Identifier (file name):HB156-CED-RCA-03-16-09
Dept. Affected: DCCED
Title: Allowing Certain Landfill Fee Waivers
RDU: Regulatory Commission of Alaska
Component: Regulatory Commission of Alaska
Sponsor: Representative Lynn
Requester: House Community and Regional Affairs
Component Number: 2417

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2009) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This legislation proposes to allow municipalities to partially or totally exempt from landfill fees the cost of disposing of waste materials from work done to rehabilitate deteriorated properties. A municipal refuse utility that provides landfill service must receive a certificate of public convenience and necessity from the Regulatory Commission of Alaska (RCA), but is (subject to specifed exceptions) exempt from economic regulation by the RCA (AS 42.05.711(b)). This bill would not pose to a fiscal impact to the department.

Prepared by: Tyson Fick, Legislative Liaison — Phone 465-2503
Division: Department of Commerce, Community and Economic Development — Date/Time 3/16/09 - 2:00pm
Approved by: Emil Notti, Commissioner — Date 3/16/2009
Department of Commerce, Community and Economic Development

(Revised 9/10/2008 OMB)

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

**MEMORANDUM** March 5, 2009

**SUBJECT:** Municipal fees for waste disposal; sectional summary (HB 156, Work Order No. 26-LS0470\R)

**TO:** Representative Bob Lynn
Attn: Dirk Moffatt

**FROM:** Tamara Brandt Cook
Director TBC

**Sec. 1.** Technical change to limit home rule limitation list to the subsections of AS 29.35.050 that are currently home rule limitations. The subsection added in bill sec. 3 is optional rather than mandatory and, therefore, not appropriate to treat as a limitation.

**Sec. 2.** Technical change that conforms to bill sec. 1.

**Sec. 3.** Permits a municipality to exempt from a fee for the use of a landfill or dumping area the disposal of waste material from the substantial rehabilitation, renovation, demolition, removal, or replacement of a structure on deteriorated property. The exemption must be provided for in an ordinance and the ordinance may apply the exemption to some or all types of deteriorated property. Provides a definition of "deteriorated property."

TBC:plm
09-144.plm

# Relevant Alaska Statute

**Title 29 Municipal Government, Chapter 35. Municipal Power and Duties**

Sec. 29.35.050. **Garbage and solid waste services.**

(a) Notwithstanding AS 29.35.200 - 29.35.220, a municipality may by ordinance

(1) provide for the establishment, maintenance, and operation of a system of garbage and solid waste collection and disposal for the entire municipality, or for districts or portions of it;

(2) require all persons in the municipality or district to use the system and to dispose of their garbage and solid waste as provided in the ordinance;

(3) award contracts for collection and disposal, or provide for the collection and disposal of garbage and solid waste by municipal officials and employees;

(4) pay for garbage and solid waste collection and disposal from available money;

(5) require property owners or occupants of premises to use the garbage and solid waste collection and disposal system provided by the municipality;

(6) fix charges against the property owners or occupants of premises for the collection and disposal; and

(7) provide penalties for violations of the ordinances.

(b) The governing body of a municipality may not prohibit a person holding a valid certificate from the former Alaska Public Utilities Commission or from the Regulatory Commission of Alaska from continuing to collect and dispose of garbage, refuse, trash, or other waste material, or provide other related services in an area in the municipality if the certificate authorizes the collection and disposal of garbage, refuse, trash, or other waste material and providing of other services in the area, and the certificate was originally issued before the municipality provided similar services. Except as provided in (c) of this section, a municipality may not provide for a garbage, refuse, trash, or other waste material collection and disposal service in an area to the extent it lies in an area granted to a garbage, refuse, trash, or other waste material carrier by a

certificate issued by the former Alaska Public Utilities Commission or by the Regulatory Commission of Alaska to the carrier until it has purchased the certificate, equipment, and facilities of the carrier, or that portion of the certificate that would be affected, at fair market value. A municipality may exercise the right of eminent domain to acquire the certificate, equipment, and facilities of the carrier, or that portion of the certificate that would be affected.

(c) A municipality may establish an intermediate transfer site for the collection and disposal of garbage, refuse, trash, or other waste material without purchasing the certificate, equipment, or facilities of a waste material carrier certificated by the former Alaska Public Utilities Commission or by the Regulatory Commission of Alaska. The municipality may, without compensating a certificated waste carrier operating in the area, provide for or contract with a certificated or noncertificated entity to provide for the collection and disposal of waste material left at the intermediate transfer site.

(d) This section applies to home rule and general law municipalities.

# Relevant Alaska Statute

**"Deteriorated Property"** as defined in Statute Sec. 29.45.050. (o)

**Title 29 Municipal Government, Chapter 45. Municipal Taxation**

Sec. 29.45.050. **Optional exemptions and exclusions.**

(o) A municipality may by ordinance partially or totally exempt all or some types of deteriorated property from taxation for up to 10 years beginning on or any time after the day substantial rehabilitation, renovation, demolition, removal, or replacement of any structure on the property begins. A municipality may by ordinance permit deferral of payment of taxes on all or some types of deteriorated property for up to five years beginning on or any time after the day substantial rehabilitation, renovation, demolition, removal, or replacement of any structure on the property begins. However, if the entire ownership of property for which a deferral has been granted is transferred, all tax payments deferred under this subsection are immediately due, and the deferral ends. Otherwise, deferred tax payments become due as specified by the municipality at the time the deferral is granted. The amount deferred each year is a lien on that property for that year. Only one exemption and only one deferral may be granted to the same property under this subsection, and, if an exemption and a deferral are granted to the same property, both may not be in effect on the same portion of the

property during the same time. An ordinance adopted under this subsection must include specific eligibility requirements and require a written application for each exemption or deferral. An application for a deferral must specify when payment of taxes for each year of deferral will become due, together with an explanation of the reasons for each proposed date for consideration by the municipality. In this subsection, "deteriorated property" means real property that is commercial property not used for residential purposes or that is multi-unit residential property with at least eight residential units, and that meets one of the following requirements:

(1) within the last five years, has been the subject of an order by a government agency requiring environmental remediation of the property or requiring the property to be vacated, condemned, or demolished by reason of noncompliance with laws, ordinances, or regulations;

(2) has a structure on it not less than 15 years of age that has undergone substantial rehabilitation, renovation, demolition, removal, or replacement, subject to any conditions prescribed in the ordinance; or

(3) is located in a deteriorating or deteriorated area with boundaries that have been determined by the municipality.

(p) A municipality may by ordinance partially or totally exempt from taxation a private leasehold, contract, or other interest held by or through an applicant or proposed applicant in any property, assets, project, or development project owned by the Alaska Industrial Development and Export Authority under AS 44.88. Nothing in this subsection prohibits a municipality from entering into an agreement and receiving payments in lieu of taxes authorized under AS 44.88.140 (b).

(q) A municipality may by ordinance partially or totally exempt from taxation land from which timber is harvested that is infested by insects or at risk of being infested by insects due to an infestation in the area in which the land is located. A municipality may provide that an exemption for land under this subsection applies only to increases in assessed value that result from the timber harvest. A municipality may by ordinance partially or totally exempt from taxation improvements to real property, including personal property affixed to the improvements, if the improvements are

(1) located on land from which timber is harvested that is infested by insects or at risk of being infested by insects due to an infestation in the area in which the land is located; and

(2) used for or necessary to the harvest of the timber that is infested by insects or in danger of insect infestation.

(r) A municipality may by ordinance exempt from taxation an amount not to exceed $10,000 of the assessed value of real property owned and occupied as a permanent place of abode by a resident who provides in the municipality volunteer (1) fire fighting services and is certified as a fire fighter by the Department of Public Safety, or (2) emergency medical services and is certified under AS 18.08.082 . If two or more individuals are eligible for an exemption for the same property, not more than two exemptions may be granted.

(s) A municipality may by ordinance partially or wholly exempt from taxation the real property owned and occupied as a permanent place of abode by a resident who is the widow or widower of a member of the armed forces of the United States injured serving on active duty while eligible for hostile fire or imminent danger pay who dies because of the injury or complications related to the injury or its treatment. The ordinance must include requirements for determining eligibility for the exemption and a procedure for applying for the exemption.

# House Bill 156
# Testimony List

| Names | | Company | Phone # They Will Be Testifying From |
|---|---|---|---|
| Marc Marlow | Owner | Marlow Development Corporation | 229-8176 |
| Kathryn Dodge | Ph.D. Economic Development Specialist | Mayors Office Fairbanks North Star Borough | 459-1309 |
| Rebecca Norris | Executive Assistant | Alaska Commercial Properties, Inc. | 456-6008 |
| Shawn Evans | Commercial Realtor | Alaska Commercial Properties, Inc. | 456-6008 |
| Morgan Evans | Owner | Alaska Commercial Construction | 456-6008 |
| David Schroeder | Superintendent | Alaska Commercial Construction | 456-6008 |
| Mary Gantman | | Alaska Commercial Construction | 456-6008 |

**Fairbanks North Star Borough**
*Office of the Mayor*
809 Pioneer Road • PO Box 71267 • Fairbanks, Alaska 99707-1267 •
907/459-1300
Fax 907/459-1102
Email mayor@co.fairbanks.ak.us

March 5, 2009

Statement of Support of HB 156

Fairbanks North Star Borough Mayor's Office

Good morning, my name is Kathryn Dodge. I work as Mayor Whitaker's Economic Development Specialist and I am also the Fairbanks North Star Borough's Alaska Regional Development Organization (ARDOR) director. I am here to speak on HB 156, a bill that would allow municipalities to waive tipping fees for substantial rehabilitation, renovation, demolition, removal or replacement of a deteriorated property.

I am certain that all of you can think of a deteriorated property in your community that you would love to see redeveloped. I am equally certain that as you think of that property, and you envision it being renovated or rehabilitated and returned to productive use, you intuitively recognize the value that action would have to your community's well-being and surrounding property values.

For these reasons, I have no objection to HB 156. In may be helpful in rehabilitating deteriorated properties in our municipalities. Further, given that adoption of this change requires Assembly approval and therefore, public comment on the public value of granting waivers to deteriorated properties, and presumably for each actual waiver considered, I encourage you to support this bill.

**IF ADOPTED, THIS ORDINANCE MAY BE REPEALED BY THE VOTERS THROUGH REFERENDUM.**

| | |
|---|---|
| By: | Bonnie Williams |
| Referred to the Economic Development Commission: | 03/10/05 |
| Introduced: | 06/02/05 |
| Postponed to the Call Of the Chair: | 06/23/05 |
| Substituted: | 07/14/05 |
| Amended: | 07/14/05 |
| Adopted: | 07/14/05 |

FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2005-26

AN ORDINANCE AMENDING THE FAIRBANKS NORTH STAR BOROUGH CODE OF ORDINANCES RELATING TO THE CRITERIA FOR TAX EXEMPTION AND/OR DEFERRALS FOR PURPOSES OF ECONOMIC DEVELOPMENT OR DETERIORATED PROPERTY AND PROVIDING FOR WAIVER OF TIPPING FEES FOR MATERIALS REMOVED FROM DETERIORATED PROPERTY

WHEREAS, at various times in the past the borough has granted tax exemptions in order to assist and encourage economic growth; and

WHEREAS, the assembly has established no eligibility requirements to guide it in granting tax exemptions and deferrals; and

WHEREAS, state law requires that municipalities establish specific eligibility requirements to grant economic development and deteriorated property tax exemptions or deferrals; and

WHEREAS, established eligibility requirements would allow for greater flexibility in accomplishing the borough's economic development goals; and

WHEREAS, tax exemptions and deferrals may encourage the improvement of certain deteriorated properties.

NOW THEREFORE BE IT ORDAINED by the Assembly of the Fairbanks North Star Borough.

Section 1. Classification. This ordinance is of a general and permanent nature and shall be codified.

Section 2. Section 3.08.020 of the Fairbanks North Star Borough Code of Ordinances is amended by adding the following:

O. As permitted by 29.45.050(m), AS 29.45.050(o), and Chapters 3.10 and 3.11, economic development and deteriorated property.

Section 3. Title 3 of the Fairbanks North Star Borough Code of Ordinances is hereby amended by adding the following:

CRITERIA FOR REAL PROPERTY TAX EXEMPTIONS AND DEFERRALS

3.11.010 General criteria

In order for property to be considered for an economic development or deteriorated property tax exemption or deferral, an applicant must complete the application process described in Chapter 3.10.

3.11.020 Categories

The two categories of tax exemptions provided under this chapter are "economic development property" and "deteriorated property."

3.11.030 Economic Development Property – Specific Criteria

The assembly may grant a partial or total exemption and/or deferral for economic development property only if there is a clear and convincing demonstration that such exemption and/or deferral will provide direct economic benefit to the borough, and:

A. the property will be used by a trade, industry, or business that is not already developed within the borough and such use will:

1.a. directly generate sales outside of the borough of goods and/or services produced in the borough; or b. materially reduce the importation of goods and/or services from outside of the borough; and

2. directly create significant new employment in the borough;

B. the exemption and/or deferral is necessary to:

1.a. the long-term viability of the trade, industry, or business operation; or b. the economic feasibility of initiating a trade, industry, or business with the reasonable likelihood of long-term economic viability; and

2. promote or improve the economic development of the borough;

C. the exemption and/or deferral will provide measurable public benefits commensurate with the level of incentive granted;

D. the property owner is in compliance with all Alaskan municipal and state of Alaska tax obligations; and

E. the location of the trade, industry, or business is compatible with land use and development plans of the borough.

3.11.040 Limitations on economic development property tax exemptions and deferrals

Real property that has previously been taxed by the borough shall not qualify for an economic development property tax exemption or deferral under this chapter.

3.11.050 Deteriorated Property – Specific Criteria

The assembly may grant a partial or total exemption and/or deferral for deteriorated property only if there is a clear and convincing demonstration that such exemption and/or deferral will provide direct economic benefit to the borough, and:

A. the exemption and/or deferral is necessary to

1. the economic feasibility of completing improvements on the property; and

2. promote or improve the economic development of the borough;

B. the property is commercial property not used for residential purposes, or is multi-unit residential property with at least eight residential units;

C. the property

1. within the last five years, has been the subject of an order by a government agency requiring environmental remediation of the property or requiring the property to be vacated, condemned or demolished by reason of noncompliance with laws, ordinances, or regulations; or

a. is located in a deteriorating or deteriorated area with boundaries that have been determined by the assembly after a public hearing;

b. the exemption and/or deferral will provide measurable public benefits commensurate with the level of incentive granted;

D. the property owner is in compliance with all Alaskan municipal and state of Alaska tax obligations; and

E. the improvements planned for the property are compatible with land use and development plans of the borough.

3.11.060 Limitations on deteriorated property tax exemptions and deferrals

Any tax exemption or deferral for deteriorated property shall not take effect until January 1 of the year after:

A. the exemption or deferral has been approved by the Assembly; and

B. the planned improvements on the property have been substantially completed or the property is beneficially occupied.

3.11.070 Definitions

"Deteriorating or deteriorated area" as used in this chapter means an area that is characterized by:

1. unsafe, unsanitary, vacant, or overcrowded building(s);
2. overgrown or unsightly vacant lots;
3. a significant percentage of tax delinquent properties; and/or
4. economically or socially undesirable land uses.

Section 4. Subsection 8.12.055.C. of the Fairbanks North Star Borough Code of Ordinances is amended as follows:

The borough mayor may waive tipping fees for materials to the landfill for borough recycling or hazardous waste disposal programs and for community cleanup activities. The mayor may waive tipping fees for debris from private residences in the borough damaged by fire if there is no reimbursement for such waived fees from any other source. The mayor, when there is a direct and primary benefit to the public, may waive tipping fees for materials removed from deteriorated property, as defined in Section 3.11.070(D), during the course of rehabilitation, repair, construction, reconstruction, renovation, demolition, removal or replacement of any structure on such property.

Section 5. Effective Date. This ordinance is effective at 5:00 p.m. on the first Borough business day following its adoption.

PASSED AND APPROVED THIS 14TH DAY OF JULY 2005.

Garry Hutchison
Presiding Officer

ATTEST:

Mona Lisa Drexler, CMC
Municipal Borough Clerk

Ayes: Romans, Sattley, Rex, Hopkins, Aldridge, Frank, Hutchison
Noes: None
Excused: Williams, Bartos

House Community and Regional Affairs Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801

ANCHORAGE DOWNTOWN PARTNERSHIP
317 West 4th Avenue, Suite 317
Anchorage, AK 99507
Tel. 907-279-5650
Fax 907-279-5651

March 10, 2009

**Re: Support for HB 156**

To the House Community & Regional Affairs Committee:

On behalf of Anchorage Downtown Partnership, Ltd., I would like to ask for passage of House Bill 156 introduced by Representatives Bob Lynn, Jay Ramras and Harry Crawford.

We believe HB 156 ("An Act relating to municipal fees charged for disposal of waste material from the substantial rehabilitation, renovation, demolition, removal, or replacement of a structure on deteriorated property") will give municipalities the flexibility they need to assist developers who tackle difficult development or redevelopment projects in deteriorated zones throughout our state.

We respectfully ask that you approve this bill.

Warm regards,

Christopher M. Schutte
*Executive Director*

**Alaska Commercial Properties, Inc.**
1901 Airport Way, Suite 102
Fairbanks, AK 99701
Phone: (907) 456-6008
Fax: (907) 456-6474
realty@realtyalaska.com

March 3, 2009

Regarding: House Bill No. 156

Dear Senate Bunde,

I would like to express my opinion that I support House Bill No. 156, "An Act relating to municipal fees charged for disposal of waste material from the substantial rehabilitation, renovation, demolition, removal, or replacement of a structure on deteriorated property."

We have many properties in several major cities here in Alaska that have been neglected and abandoned due to their age or construction methods that hinder our communities. Many of the reasons are the safety, health risks, and fire hazards. These properties also put blight on the neighborhoods and a heavy burden on our cities.

With the economy being in such disarray and municipalities facing short falls in their budgets, it makes sense to give developers a helping hand in trying to either restore such properties or simply remove them if it enhances the property and nearby properties. These actions can make our cities a safer place to live without taxing our cities financial resources, as when the fire or police departments are called out to spend countless hours looking for vandals.

I believe that this bill will help better the communities throughout the State of Alaska.

Sincerely,

Shawn Evans
REALTOR, GFBR, NAR

March 3, 2009

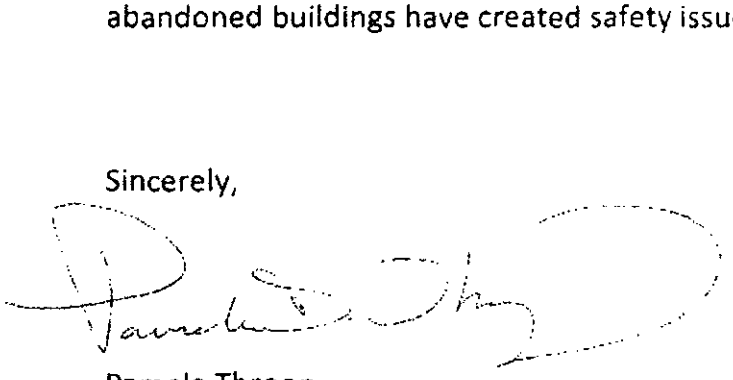
Regarding: House Bill No. 156

Dear Representative Ramras,

I am in support of House Bill No. 156 regarding "An Act relating to municipal fees charged for disposal of waste material from the substantial rehabilitation, renovation, demolition, removal, or replacement of a structure on deteriorated property."

This bill will give investors incentive to purchase run down properties that hinder our communities and renovate or remodel them to bring up the property value. This bill will create renovation projects to the high number of buildings abandoned due to their poor construction and age in the State of Alaska. These abandoned buildings have created safety issues, health risk, and fire hazards.

Sincerely,



Pamela Throop
Owner, Broker
Alaska Commercial Properties, Inc.

March 3, 2009

Regarding: House Bill No. 156

Dear Representative Ramras,

I, Greg Eckert, am in support of House Bill No. 156 regarding "An Act relating to municipal fees charged for disposal of waste material from the substantial rehabilitation, renovation, demolition, removal, or replacement of a structure on deteriorated property."

This bill will give investors incentive to purchase run down properties that hinder our communities and renovate or remodel them to bring up the property value. This bill will create renovation projects to the high number of building abandoned due to their poor construction and age in the State of Alaska. These abandoned buildings have created safety issues, health risk, and fire hazards.

Sincerely,

Greg Eckert

Greg Eckert
Equipment Operator
American Mechanical Inc.

March 3, 2009

Regarding: House Bill No. 156

Dear Representative Ramras,

I, Rebecca Norris, am in support of House Bill No. 156 regarding "An Act relating to municipal fees charged for disposal of waste material from the substantial rehabilitation, renovation, demolition, removal, or replacement of a structure on deteriorated property."

This bill will give investors incentive to purchase run down properties that hinder our communities and renovate or remodel them to bring up the property value. This bill will create renovation projects to the high number of building abandoned due to their poor construction and age in the State of Alaska. These abandoned buildings have created safety issues, health risk, and fire hazards.

Sincerely,

Rebecca Norris

Rebecca Norris
Executive Assistant
Alaska Commercial Properties, Inc.

March 3, 2009

Regarding: House Bill No. 156

Dear Representative Ramras,

I, Andrea Barker, am in support of House Bill No. 156 regarding "An Act relating to municipal fees charged for disposal of waste material from the substantial rehabilitation, renovation, demolition, removal, or replacement of a structure on deteriorated property."

This bill will give investors incentive to purchase run down properties that hinder our communities and renovate or remodel them to bring up the property value. This bill will create renovation projects to the high number of building abandoned due to their poor construction and age in the State of Alaska. These abandoned buildings have created safety issues, health risk, and fire hazards.

Sincerely,

Andrea Barker

Andrea Barker
REALTOR, GFBR, NAR
Alaska Land & Residential Properties

March 3, 2009

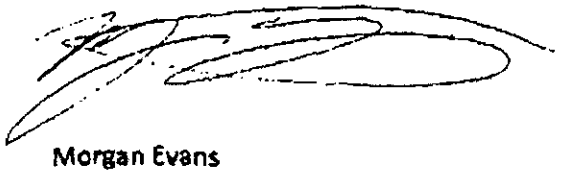
Regarding: House Bill No. 156

Dear Representative Ramras,

I, Morgan Evans, am in support of House Bill No. 156 regarding "An Act relating to municipal fees charged for disposal of waste material from the substantial rehabilitation, renovation, demolition, removal, or replacement of a structure on deteriorated property."

This bill will give investors incentive to purchase run down properties that hinder our communities and renovate or remodel them to bring up the property value. This bill will create renovation projects to the high number of building abandoned due to their poor construction and age in the State of Alaska. These abandoned buildings have created safety issues, health risk, and fire hazards.

Sincerely,



Morgan Evans
Vice President
Alaska Commercial Construction

March 3, 2009

Regarding: House Bill No. 156

Dear Representative Ramras,

I, Dave Schroeder, am in support of House Bill No. 156 regarding "An Act relating to municipal fees charged for disposal of waste material from the substantial rehabilitation, renovation, demolition, removal, or replacement of a structure on deteriorated property."

This bill will give investors incentive to purchase run down properties that hinder our communities and renovate or remodel them to bring up the property value. This bill will create renovation projects to the high number of building abandoned due to their poor construction and age in the State of Alaska. These abandoned buildings have created safety issues, health risk, and fire hazards.

Sincerely,

Dave Schroeder
Superintendent
Alaska Commercial Construction

March 3, 2009

Regarding: House Bill No. 156

Dear Representative Ramras,

I am in support of House Bill No. 156 regarding "An Act relating to municipal fees charged for disposal of waste material from the substantial rehabilitation, renovation, demolition, removal, or replacement of a structure on deteriorated property."

This bill will give investors incentive to purchase run down properties that hinder our communities and renovate or remodel them to bring up the property value. This bill will create renovation projects to the high number of buildings abandoned due to their poor construction and age in the State of Alaska. These abandoned buildings have created safety issues, health risk, and fire hazards.

Sincerely,

Mary Gantman

Mary Gantman
Bookkeeper
Alaska Commercial Construction

(H)CRA Committee Referral File-**HB 156**

March 12, 2009-Scheduled but not heard

March 17, 2009- Heard and passed out of committee with no changes HB 156 \R

Date Referred to Committee: February 25, 2009

Date of Committee Action: 3.17.09

The COMMUNITY AND REGIONAL AFFAIRS Committee considered: HOUSE BILL NO. 15

"An Act relating to municipal fees charged for disposal of waste material from the substantial rehabilitation, renovation, demolition, removal, or replacement of a structure on deteriorated property."

HB 156 ALLOWING CERTAIN LANDFILL FEE WAIVERS

Recommends it be replaced with [ ] HCS *or* [ ] CS for _____ ( _____

*For Senate Bills with new title:* [ ] *Technical Title* [ ] *New Title: HCR*_____ [ ] Same Title [ ] New Tit

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

*List of Abbrev for Depts.:*
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

| *NEW* FISCAL NOTES *Assigned by Chief Clerk's Office | | | | |
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| *PREVIOUS* FISCAL NOTES | | | | |
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| Signing with recommendations | Printed Last Name | DP | DNP | NR | AM |
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| | Keller | X | | | |
| | CISSNA | | | ✓ | |
| | Millett | | | ✓ | |
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| Chair: | MUÑOZ | | | ✓ | |
| Chair: | HERRON | | | X | |

# HB

# 161

REPRESENTATIVE CATHY MUÑOZ

# SPONSOR STATEMENT

## HB 161

**HB 161** will enable the Alaska Mental Health Trust to move forward with construction and ownership of a new office facility on land the Trust owns in downtown Juneau.

The core mission of the Mental Health Trust is to develop and manage Trust assets for the benefit of mental health beneficiaries in the areas of health, safety, quality of life and economic security. Trust beneficiaries live in communities across Alaska. They are friends, neighbors, and family members facing mental illness, developmental disabilities, chronic alcoholism, Alzheimer's disease, and dementia.

The Trust has identified land in Juneau as a top priority for development. HB 161 enables the Trust to develop, through the issuance of certificates of participation, much needed office and retail space. Four State agencies are currently housed in aging facilities, all in need of major renovation. The proposed building, using modern construction standards, and new energy saving technologies, will reduce both operating and maintenance costs. From a centralized location the offices will function with improved efficiencies and better public access.

Most importantly, over time, a new facility will save the State of Alaska money, and will provide a steady revenue stream to Trust beneficiaries. Development of Trust assets will provide a return on investment for beneficiaries, in turn enriching the lives of those served.

House Resolution 6 passed unanimously on February 25, 2009 by the Alaska House of Representatives. It encourages the Trust to pursue this type of project on behalf of its beneficiaries. It states in part:

"**BE IT RESOLVED** that the House of Representatives encourages the Alaska Mental Health Trust Authority to develop its land and resources to the fullest extent possible, consistent with its legal and moral responsibility to advance mental health services and employment opportunities that protect and enhance the lives of those who benefit from the mental health trust."

Contact: Terry Harvey

STATE CAPITOL • JUNEAU, ALASKA 99801-1182 • (907) 465-3744 • FAX (907) 465-2213
REPRESENTATIVE_CATHY_MUNOZ@LEGIS.STATE.AK.US

REPRESENTATIVE CATHY MUÑOZ

Explanation of Changes to HB161
CSHB161 26-LSO605\W

Title: The Certificates of Participation amount of $25,000,000 was adjusted to $22,700,000.
The Alaska Permanent Fund Corporation (APFC) is identified by name as the Alaska Mental Health Fund Trust (AMHT) managing entity that will transfer AMHT funds for the project.

Sec.1- Funding amount from the AMHT for half of the project is adjusted from $25,000,000 to $22,700,000.
The total cost of the project is adjusted from $50,000,000 to $45,400,000.
The amount of the Certificates of Participation is adjusted from $25,000,000 to $22,700,000.

Sec.2-Technical amendment to conform to bill sec. 3. Clarifies assets of the AMHT to be managed by requirements of the AK Mental Health Enabling Act. Identifies Dept. of Natural Resources (DNR) as managing entity of the land assets of the AMHT. Aspects of managing conformity for DNR are listed in new subsections (A) thru (E).

Sec. 3-New section to clarify that APFC is the managing entity for AMHT funds. Offers clarifying language specifying APFC will manage AMHT's $22,700,000, which represents the non-financed amount, put forth by the AMHT. Specific language details requirements of the AMHT to exercise the powers of a state fiduciary involving investment of assets of the account, and to contract with the Trust Land Office in DNR to serve as external real estate investment manager.

Sec. 4, 5, 6- technical amendments to conform to bill sec. 3.

Sec. 7-Financing & Lease Agreements.
Certificates of Participation are adjusted from $25,000,000 to 22,700,000.
AMHT amount of investment is adjusted from $25,000,000 to $22,700,000.
Estimated total cost of project is adjusted from $50,000,000 to $45,400,000.
The estimated annual amount of rental obligation under the 20 year lease agreement is adjusted from $2,075,000 to $1,759,802.
The estimated annual amount of lease payments for the full term of the lease agreement is adjusted from $41,500,000 to $35,196,035.
The second lease for 30 years is adjusted from an annual amount of $3,665,029 to $3,665,000.
The estimated total amount for the 30 year lease payments for the full term is adjusted from $136,875,042 to $125,243,047.

STATE CAPITOL • JUNEAU, ALASKA 99801-1182 • (907) 465-3744 • FAX (907) 465-2213
REPRESENTATIVE_CATHY_MUNOZ@LEGIS.STATE.AK.US

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

**MEMORANDUM** March 11, 2009

**SUBJECT:** Alaska Mental Health Trust Authority Subport Office Building (CSHB 161( ); Work Order No. 26-LS0605\T)

**TO:** Representative Cathy Muñoz
Attn: Terry Harvey

**FROM:** Tamara Brandt Cook
Director TBC

**Sec. 1.** The legislature finds that the Alaska Mental Health Trust Authority intends to use up to $22,700,000 for the Alaska Mental Health Trust Authority Subport Office Building and that the total cost of the facility will be $45,400,000. The legislature intends that the state provide up to $22,700,000 for the facility.

**Sec. 2.** Technical amendment to conform to bill sec. 3.

**Sec. 3.** Requires $22,700,000 of the principal of the mental health trust fund to be deposited into a separate trust land development account and directs the Alaska Mental Health Trust Authority to use money in the account to finance the development of facilities on mental health trust land. The authority is required to exercise the powers of a state fiduciary with respect to the investment of assets of the account and to contract with the Trust Land Office in the Department of Natural Resources to serve as an external real estate investment manager.

**Sec. 4.** Technical amendment to conform to bill sec. 3.

**Sec. 5.** Technical amendment to conform to bill sec. 3.

**Sec. 6.** Technical amendment to conform to bill sec. 3.

**Sec. 7.** (a) Authorizes the state bond committee to provide for the issuance of certificates of participation in an amount of up to $22,700,000 for the construction of the Alaska Mental Health Trust Authority Subport Office Building if the balance of the construction costs in an amount of up to $22,700,000 is made available by the Alaska Mental Health Trust Authority. The estimated total cost of construction, acquisition, certain financing expenses, and equipping the facility is $45,400,000.

(b) The state bond committee may contract for services necessary in the financing of the facility.

(c) The Department of Administration is authorized to enter into a lease with a term of 20 years for the use of the facility by state agencies. As much of the lease payments as necessary shall be used to pay the principal of and interest on the certificates of participation. The estimated annual amount of rental obligation under the lease is $1,759,802. The estimated total amount of lease payments is $35,196,035. At the end of the lease term, the authority will own the facility.

(d) The Department of Administration is authorized to enter into a second lease with a term of 30 years for the use of the facility by agencies. The estimated annual amount of rental obligation is $3,665,000. The estimated total amount of lease payments for the full term is $125,243,047.

(e) The lease payments under both leases are subject to annual appropriation.

(f) The authority shall manage and operate the facility.

**Sec. 8.** The Act has an immediate effective date.

TBC:plm
09-159.plm

## AMHTA Sub Port Office Building

**The Issue:** The State leases the Labor Building and owns the Douglas Island and Public Safety buildings in Juneau. These facilities house 525 state employees and require significant upgrades.

**The Opportunity:** The Alaska Mental Health Trust Authority (AMHTA) has offered to construct a new building on its land at the former sub port area that would house these 525 State employees.

**Costs to the State (over 30 years):**

Option 1: **$160,439,083** (per AMHTA analysis). The State enters into an agreement with AMHTA to construct a new office building with surface parking at the site of the old sub port warehouse. The following action would be required:

- Legislation that allows use of $22.7 million Mental Health Trust funds, currently invested by the Permanent Fund Corporation, and $22.7 million in state bond proceeds to construct the building.

Option 2: **$165,981,393** (per DGS analysis). The State would perform significant upgrades to its two aging, state-owned buildings and solicit a new lease for the Department of Labor. The two state-owned buildings would continue to require ongoing repair and maintenance because of their age. Not included in this number is the likely replacement of these two buildings at some point during the thirty years.

**Justification:**

The state has leased a 68,278 square feet building for DOL since 1982. The lease expires 6/30/12 and houses 304 state employees. There have been significant maintenance problems with the building, including water intrusion, flooding, mold growth, roof leaks, ponding in the parking lot, windows falling out, and carpenter ants. Numerous employees have become ill, there have been grievances filed by unions, and a number of employees have been moved to alternate space outside the facility. An alternate facility, either built by AMHTA or procured through a request for proposals (RFP), is necessary.

The state owns the 31,816 square feet Douglas Island Building, which was constructed in 1961 and houses 187 state employees from the Departments of Fish & Game and Corrections. The building requires major capital improvements including complete replacement of the building envelope to eliminate/prevent rain, wind and snow from entering the building. The total estimated cost for these known improvements is $3.6 million.

The State also owns the 16,103 square feet Public Safety Building, which was constructed in 1970 as a temporary structure and currently houses 34 state employees from the Department of Public Safety and the Office of Administrative Hearings. The facility currently requires major electrical upgrades and code improvements, a new roof, and other repairs. The total estimated cost for these known improvements is $1.9 million.

Option 1 provides the most cost effective resolution for housing the 525 state employees currently residing in these three buildings ($160 million over 30 years for Option 1 vs. $165 million for Option 2). Option 1 also offers the least risk since the building will be new, with an expected life well beyond the 30-year proposed occupancy period. It is unlikely that the two state-owned buildings could remain tenantable for 30 more years. It is uncertain what level of additional capital expenditures to upgrade or replace them will be required.

# HB 161 -- Alaska Mental Health Trust Authority Subport Office Building

Why must the Legislature be involved to enable The Trust to move forward on the Subport Office Building project?

1) Legislation is needed for issuing Certificates of Participation for 50% of the construction and term financing.
2) These bonds are issued at an estimated rate of 5.5% for a 20-year term.
3) Legislation is also required for the Alaska Mental Health Trust Authority to withdraw monies from the Trust principal managed by the Permanent Fund Corporation (the remaining 50% balance of the construction and term financing).
4) The combination of these two financing mechanisms reduces the overall cost to the State of Alaska to meet the State's projected budget expenditures.

Why is this a good project for Juneau?

1) The Subport Office Building will be the first significant state facility constructed in Juneau in over 25 years supporting new jobs and the local construction industry.
2) The state receives much needed office space that will greatly improve the working environment of state workers from the existing inadequate and dilapidated state offices.
3) The project is consistent with and brings to fruition the goals and objectives of the City and Borough of Juneau's Long Range Waterfront Plan adopted November 22, 2004.

Why is this project good for The Trust?

1) The lease payments paid by the State to The Trust will be reinvested in programs and services for Trust beneficiaries, benefitting both The Trust and the State over a 30-year lease period, at a minimum.
2) This project may also act as a template for future developments by The Trust throughout the state.
3) Partnering with the state allows The Trust to perform its fiduciary duties while reducing risk and capturing long-term, recurring income.

How does the project fit within the mission of The Trust?

1) Income from the building will help The Trust fulfill its responsibility to ensure there is adequate funding for the state's Comprehensive Integrated Mental Health Program, which provides services to Trust beneficiaries.
2) The project meets The Trust's guiding principles by diversifying The Trust land's revenue resources.
3) The project utilizes Trust land in its most productive use both prudently and effectively.
4) The building's construction plan is consistent with minimizing energy usage and maximizing the value of The Trust's assets over time.

# FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CS HB161 (CRA)
() Publish Date:

Identifier (file name): HB161CS(CRA)-DNR-TLO-03-16-09
Title: Subport Office Building COPs
Sponsor: Representative Munoz
Requester: House Community and Regional Affairs Committee

Dept. Affected: Natural Resources
RDU: Resource Development
Component: Mental Health Lands Administration
Component Number: 1635

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| OPERATING EXPENDITURES | FY 2010 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | 1,534.0 | 1,534.0 | 1,534.0 |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Debt Service | | | | | | | |
| **TOTAL OPERATING** | | **0.0** | **0.0** | **0.0** | **1,534.0** | **1,534.0** | **1,534.0** |
| **CAPITAL EXPENDITURES** | **45,400.0** | | | | | | |
| **CHANGE IN REVENUES (1092)** | | | | | **5,700.0** | **5,700.0** | **5,700.0** |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1007 IA Receipts | | | | | | | |
| 1092 MHTAAR | 22,700.0 | | | | 1,534.0 | 1,534.0 | 1,534.0 |
| Bond Proceeds | 22,700.0 | | | | | | |
| **TOTAL** | **45,400.0** | **0.0** | **0.0** | **0.0** | **1,534.0** | **1,534.0** | **1,534.0** |

**Estimate of any current year (FY2009) cost:** 0.0

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This bill authorizes the State to finance, construct, and occupy the proposed Alaska Mental Health Trust (MHTLO) Subport Office Building. Cost of construction and equipping the new facility is estimated to be $45.4 million, of which $22.7 million is to be provided through issuance of certificates of participation outlined in the Department of Revenue fiscal note. The bill also authorizes real estate investment from the Mental Health Trust Fund for the remainder of the capital expenditure for acquisition, construction, and equipping the facility. The MHTLO will directly pay for all utilities and maintenance costs for the new building, which will be offset by the lease revenues annualized at approximately $5.7 million from commercial space leasing and the Department of Administration beginning June 30, 2012 (FY2013). The TLO will also provide a contracted onsite Manager who will handle all aspects of the building and property management, including lease and rental agreements, contracting for janitorial services, utilities, snow removal and landscape services, parking lot management, and building systems including heat and plumbing.

Prepared by: Harry Noah, Executive Director — Phone 269-8656
Division: Alaska Mental Health Trust Land Office — Date/Time 3/16/2009
Approved by: Tom Irwin, Commissioner — Date 3/16/2009
Department of Natural Resources

(Revised 9/10/2008 OMB)

# FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CS HB161**
() Publish Date:

Identifier (file name): **CS(HCRA)HB161-DOA-DGS-03-16-09**
Dept. Affected: Administration
Title "An Act relating to the Alaska Menta Health Trust Authority Subport office building...
RDU Leases
Component Leases
Sponsor Reps. MUNOZ, Thomas, Kerttula, etc.
Requester (H)CRA
Component Number 81

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | 1,304.1 | 1,261.8 | 1,217.4 |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **1,304.1** | **1,261.8** | **1,217.4** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | 1,304.1 | 1,261.8 | 1,217.4 |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **1,304.1** | **1,261.8** | **1,217.4** |

**Estimate of any current year (FY2009) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

In FY 2013, state tenants leasing space in the Department of Labor Building (DOL), and occupying the Douglas Island Building (DIB) and Public Safety Building (PSB) would relocate to the newly constructed AMHTA Office Building authorized in this bill. The amounts reflected above represent the difference between what projected annual lease costs will be for tenants at the new AMHTA Office Building ($5.4 million) versus costs should the building not be constructed ($4.1 million). Included in the $4.1 million is projected cost of a new lease for tenants in the DOL building as the lease expires and it is anticipated DOL tenants will occupy newly procured leased space irrespective of HB 161. In FY 2013, the projected annual cost for 68,278 sq. ft. of DOL space is $3.3 Mil ($4.00 sq.ft) versus the current cost of $1.9 million. ($2.33 sq.ft). Current annual costs for the DOL,DIB and PSB total $2.6 million compared to $4.1 million projected for FY 2013 without HB 161. However, over a 30 year period a $5.5 Mil. savings occurs with construction.

Prepared by: Remond Henderson — Phone 465-5687
Division General Services — Date/Time 3/16/09 5:28 PM
Approved by: Kevin Brooks — Date 3/16/2009
Deputy Commissioner

(Revised 9/10/2008 OMB)

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

BILL NO. HB 161

ANALYSIS CONTINUATION

| Projected costs with and without HB 161 | 2009 Current Annual Payments | 2013 Projected Annual Payments | 2014 Projected Annual Payments | 2015 Projected Annual Payments |
|---|---|---|---|---|
| Labor Building Lease (new lease in 2013) | 1,909,052 | 3,277,440 | 3,302,906 | 3,328,937 |
| Public Safety Building (PSB) operating expenses | 254,271 | 295,277 | 310,041 | 325,543 |
| Douglas Island Building (DIB) operating expenses | 455,665 | 525,947 | 552,244 | 579,856 |
| DIB Parking Leases | 19,051 | 22,053 | 23,157 | 24,314 |
| **Costs without the passage of HB161** | **2,638,039** | **4,120,717** | **4,188,348** | **4,258,650** |
| **Costs with the passage of HB 161** | **N/A** | **5,424,830** | **5,450,166** | **5,476,060** |
| **Increase (Decrease) in costs** | **N/A** | **1,304,113** | **1,261,818** | **1,217,410** |

Although the calculations above indicate an increase in lease payments for the period shown, over a 30 year period the projected total lease payments with the construction of the new AMHTA Office Building are $5.5 million less than costs would be if the building were not constructed. The projected annual lease payments over a 30 period assuming a newly constructed office building total $160,439,082. If the new office building is not constructed, projected lease, operating and capital expenditures for the current buildings (DOL, PSB and DIB) are projected to be $165,981,393. Included in this amount is anticipated deferred maintenance in FY 2013 of $1.9 million for the PSB and $3.6 million for the DIB should the state tenants remain in these buildings. This amount does not include the likely replacement of the DIB or PSB or additional deferred maintenance for these buildings over a 30 year period.

# FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CS HB161 (CRA)
() Publish Date:

Identifier (file name): HB161CS(CRA)-DNR-TLO-03-16-09
Dept. Affected: Natural Resources
Title: Subport Office Building COPs
RDU: Resource Development
Component: Mental Health Lands Administration
Sponsor: Representative Munoz
Requester: House Community and Regional Affairs Committee
Component Number: 1635

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | 1,534.0 | 1,534.0 | 1,534.0 |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Debt Service | | | | | | | |
| **TOTAL OPERATING** | | **0.0** | **0.0** | **0.0** | **1,534.0** | **1,534.0** | **1,534.0** |
| **CAPITAL EXPENDITURES** | **45,400.0** | | | | | | |
| **CHANGE IN REVENUES (1092)** | | | | | **5,700.0** | **5,700.0** | **5,700.0** |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1007 IA Receipts | | | | | | | |
| 1092 MHTAAR | 22,700.0 | | | | 1,534.0 | 1,534.0 | 1,534.0 |
| Bond Proceeds | 22,700.0 | | | | | | |
| **TOTAL** | **45,400.0** | **0.0** | **0.0** | **0.0** | **1,534.0** | **1,534.0** | **1,534.0** |

**Estimate of any current year (FY2009) cost:** 0.0

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This bill authorizes the State to finance, construct, and occupy the proposed Alaska Mental Health Trust (MHTLO) Subport Office Building. Cost of construction and equipping the new facility is estimated to be $45.4 million, of which $22.7 million is to be provided through issuance of certificates of participation outlined in the Department of Revenue fiscal note. The bill also authorizes real estate investment from the Mental Health Trust Fund for the remainder of the capital expenditure for acquisition, construction, and equipping the facility. The MHTLO will directly pay for all utilities and maintenance costs for the new building, which will be offset by the lease revenues annualized at approximately $5.7 million from commercial space leasing and the Department of Administration beginning June 30, 2012 (FY2013). The TLO will also provide a contracted onsite Manager who will handle all aspects of the building and property management, including lease and rental agreements, contracting for janitorial services, utilities, snow removal and landscape services, parking lot management, and building systems including heat and plumbing.

Prepared by: Harry Noah, Executive Director — Phone 269-8656
Division: Alaska Mental Health Trust Land Office — Date/Time 3/16/2009
Approved by: Tom Irwin, Commissioner — Date 3/16/2009
Department of Natural Resources

(Revised 9/10/2008 OMB)

26-LS0605\T
Cook
3/11/09

**CS FOR HOUSE BILL NO. 161( )**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

**BY**

**Offered:**
**Referred:**

**Sponsor(s): REPRESENTATIVES MUÑOZ, Thomas, Kerttula**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act directing the Alaska Permanent Fund Corporation to transfer $22,700,000 from the principal of the mental health trust fund to the Alaska Mental Health Trust Authority; relating to the development of revenue-producing facilities on mental health trust land and to the Alaska Mental Health Trust Authority Subport Office Building; authorizing the issuance of certificates of participation for construction of the building; approving leases of all or part of the building by the Department of Administration; and providing for an effective date."**

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

*** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE FINDINGS AND INTENT. (a) The legislature finds that the

(1) Alaska Mental Health Trust Authority intends to use up to $22,700,000 from the mental health trust fund (AS 37.14.031) in the construction of a new facility to be

known as the Alaska Mental Health Trust Authority Subport Office Building, to be located on land held in trust by the authority in Juneau; and

(2) cost of constructing and equipping the new facility will be $45,400,000.

(b) The legislature intends that the state provide up to $22,700,000 from the issuance of certificates of participation for the construction of the new facility and that the Department of Administration lease all or part of the facility on its completion for use as office space for state agencies under two separate leases, with the lease payments from one of them used to pay the principal of and interest on the certificates of participation to the extent needed to meet the debt obligation.

*** Sec. 2.** AS 37.14.009(a) is amended to read:

(a) The Alaska Mental Health Trust Authority

(1) has a fiduciary obligation to ensure that the assets of the trust are managed consistent with the requirements of the Alaska Mental Health Enabling Act, P.L. 84-830, 70 Stat. 709 (1956);

(2) shall contract with the Department of Natural Resources to manage the land assets of the trust; the contract must provide for the recording of at least one conveyance to the authority by quitclaim deed of mental health trust land in each recording district in the state in which mental health trust land is located; a conveyance to the authority is exempt from the platting and surveying requirements of AS 38.04.045(b) and municipal ordinances adopted under AS 29.40; when the Department of Natural Resources manages land assets of the trust under a contract entered into under this paragraph, the department shall

(A) manage in conformity with AS 38.05.801;

(B) consult with the authority before adopting regulations under AS 38.05.801(c);

(C) provide notice to, and consult with, the authority regarding all proposed actions subject to public notice under AS 38.05.945 before giving that public notice;

(D) annually provide the authority with a report including

(i) a description of all land management activities undertaken under this section during the prior year;

(ii) an accounting of all income and proceeds generated from mental health trust land;

(iii) an explanation of the manner in which the income and proceeds were allocated between the mental health trust fund and the mental health trust settlement income account; and

(E) obtain the approval of the authority before exchanging mental health trust land under AS 38.05.801(b)(2); and

(3) **except as provided in (c) of this section,** shall contract with Alaska Permanent Fund Corporation for management of the mental health trust fund.

*** Sec. 3.** AS 37.14.009 is amended by adding a new subsection to read:

(c) Notwithstanding AS 37.13.300(a), at the direction of the authority, the Alaska Permanent Fund Corporation shall transfer money from the principal of the mental health trust fund to a separate trust land development account. The total amount transferred to the trust land development account may not exceed $22,700,000. The authority shall use money in the trust land development account to finance the development of revenue-producing office and retail buildings and associated facilities on mental health trust land. The authority may use money in the trust land development account for the development of facilities without regard to maintaining reasonable diversification in investments. However, money may be used for a proposed development project only if the authority determines that the proposed development project has a risk level and expected return comparable to or greater than alternative real estate investment opportunities. The authority shall

(1) exercise the powers of a fiduciary of a state fund granted in AS 37.10.071 with respect to the management and investment of assets of the trust land development account; and

(2) contract with the office established in the Department of Natural Resources to manage the land assets of the Alaska mental health trust, as set out in (a)(2) of this section, to serve as an external real estate investment manager to develop real estate assets of the mental health trust fund.

*** Sec. 4.** AS 37.14.033 is amended to read:

**Sec. 37.14.033. Management of trust fund. Except as provided in**

**AS 37.14.009(c), the** [THE] mental health trust fund shall be managed by the Alaska Permanent Fund Corporation under AS 37.13.300.

*** Sec. 5.** AS 37.14.035(a) is amended to read:

(a) **Except as provided in AS 37.14.009(c), the** [THE] cash principal of the mental health trust fund shall be retained perpetually in the fund for investment by the Alaska Permanent Fund Corporation, as specified in AS 37.13.300.

*** Sec. 6.** AS 37.14.035(b) is amended to read:

(b) The net income of the fund**, including the net income of the separate trust land development account,** shall be transferred [BY THE CORPORATION] to the mental health trust settlement income account at the end of each fiscal year.

*** Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to read:

FINANCING AND LEASE AGREEMENTS. (a) The state bond committee is authorized to provide for the issuance of certificates of participation in one or more series in the aggregate principal amount of up to $22,700,000 for the construction of a facility to be known as the Alaska Mental Health Trust Authority Subport Office Building in Juneau if the balance of the construction costs in the amount of up to $22,700,000 is made available by the Alaska Mental Health Trust Authority from the trust land development account of the mental health trust fund (AS 37.14.031). Interest income on the certificate of participation proceeds may be used to pay arbitrage rebates, with the balance to be used for debt service during construction or additional costs of construction and equipping the facility. The estimated total cost of construction, acquisition, and equipping the facility is $45,400,000, including costs of credit enhancement, underwriting, rating agency fees, bond counsel fees, financial advisor fees, printing, and advertising.

(b) The state bond committee may contract for credit enhancement, underwriting, credit ratings, bond counsel, financial advisors, printing, advertising, and trustee services that the committee considers necessary in financing the acquisition and construction of the Alaska Mental Health Trust Authority Subport Office Building.

(c) The Department of Administration is authorized to enter into a lease agreement with the Alaska Mental Health Trust Authority with a term of 20 years for the use of all or part of the Alaska Mental Health Trust Authority Subport Office Building by state agencies.

In addition to other funds that may be available for the purpose, as much of the lease payments for the facility as are necessary to pay the principal of and interest on the certificates of participation when due shall be used for that purpose. The estimated annual amount of rental obligation under a lease agreement executed under this subsection is $1,759,802. The estimated total amount of lease payments for the full term of the lease agreement is $35,196,035. At the end of the term of the lease, ownership shall be vested in the Alaska Mental Health Trust Authority. This subsection constitutes the approval required by AS 36.30.080.

(d) The Department of Administration is authorized to enter into a lease agreement with the Alaska Mental Health Trust Authority with a term of 30 years for the use of all or part of the Alaska Mental Health Trust Authority Subport Office Building by state agencies. The estimated annual amount of rental obligation under a lease agreement executed under this subsection is $3,665,000. The estimated total amount of lease payments for the full term of the lease agreement is $125,243,047. This subsection constitutes the approval required by AS 36.30.080.

(e) The lease payments owed under a lease agreement executed under (c) of this section and the lease payments owed under a lease agreement executed under (d) of this section are subject to annual appropriation by the legislature.

(f) The Alaska Mental Health Trust Authority shall manage and operate the Alaska Mental Health Trust Authority Subport Office Building.

*** Sec. 8.** This Act takes effect immediately under AS 01.10.070(c).

(1st) adopt the CS for HB 161

HB 161 will enable the Alaska Mental Health Trust to move forward with construction & ownership of a new office facility in Juneau on landholdings the Trust owns in downtown Juneau. Before I speak on the facility I would like to take this opportunity to share a very brief history of the Trust.

Before statehood in 1959, there were few mental health services available in Alaska for individuals with mental illness or developmental disabilities. Many of these individuals were sent by the federal government to live out of state, sometimes for the remainder of their lives.

As Alaska transitioned to statehood, Congress passed the Alaska Mental Health Enabling Act of 1956 to bring these individuals home. This act created the Alaska Mental Health Trust Authority. To fund the Trust, the state selected one million acres of land that would be managed to generate income to help pay for a Comprehensive Integrated Mental Health Program in Alaska.

The Trust's cash assets are managed under a contract with the Alaska Permanent Fund Corporation, and the land and non-cash assets are managed under a contract with the Trust Land Office within the Department of Natural Resources.

The core mission of the Mental Health Trust is to develop and manage Trust assets for the benefit of mental health beneficiaries in the areas of health, safety, quality of life and economic security. Trust beneficiaries live in communities across Alaska. They are friends, neighbors, and family members facing mental illness, developmental disabilities, chronic alcoholism, Alzheimer's disease, and dementia.

The Trust has identified land in Juneau as a top priority for development. HB 161 enables the Trust to develop, through the

issuance of certificates of participation, much needed office and retail space. Four State agencies are currently housed in aging facilities, all in need of major renovation. The proposed building, using modern construction standards, and new energy saving technologies, will reduce both operating and maintenance costs. From a centralized location the offices will function with improved efficiencies and better public access.

Most importantly, over time, a new facility will save the State of Alaska money, and will provide a steady revenue stream to Trust beneficiaries. Development of Trust assets will provide a return on investment for beneficiaries, in turn enriching the lives of those served.

House Resolution 6 passed unanimously on February 25, 2009 by the Alaska House of Representatives. It encourages the Trust to pursue this type of project on behalf of its beneficiaries. It states in part:

"**BE IT RESOLVED** that the House of Representatives encourages the Alaska Mental Health Trust Authority to develop its land and resources to the fullest extent possible, consistent with its legal and moral responsibility to advance mental health services and employment opportunities that protect and enhance the lives of those who benefit from the mental health trust."

We have invited testimony for comments & questions from The Mental Health Trust, the Department of Revenue, the Department of Administration, The Land Trust from DNR, City & Borough of Juneau, and others.

Mr. Chairman, before we get to that testimony we have a brief overview of the project from Architect Wayne Jensen and would like to begin there.

Juneau

CSHB161

(H)CRA Committee Referral March 18, 2009

To: (H)Finance

March 12, 2009-Heard & Held- CS (version T) for HB 161was adopted. Testimony was taken. The bill was held in order to get more information to Rep. Millet

March 17, 2009-Heard and passed with individual recommendations & accompanying fiscal notes.

Invited Testimony CSHB161

Jeff Jessee- CEO Alaska Mental Health Trust Authority. (also here and available for questions) Tim Spernak- Trust Resource Manager-DNR. Harry Noah (via teleconference) Executive Director AK Mental Health Lands Trust.

(For questions)Deven Mitchell-State Investment Officer, Dept of Revenue (he wrote the lease portion of bill)

Kevin Brooks-Deputy Commissioner Dept of Administration

Mayor Bruce Botlelho-Juneau

Chuck Collins-Juneau Chamber President

STATE OF ALASKA
DEPARTMENT OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200
FAX: (907) 465-2135

March 16, 2009

Representative Charisse Millett
State Capitol, Suite 412
Juneau, Alaska 99801

Dear Representative Millet:

I am responding to your letter of today regarding HB 161 and the Subport Building proposal. Attached are a list of 12 questions you posed, the answers to those questions, a briefing paper on the project and a number of supporting documents.

Sincerely,

Kevin Brooks
Deputy Commissioner

Attachments:
#1) Information request
#2) Information request responses
#3) Briefing Paper
#4) Juneau office space lease report, March 16, 2009
#5) Memorandum of Agreement, February 24, 2009
#6) State of Alaska Standard Lease Form
#7) AMHT Land Office Letter, March 16, 2009
#8) Juneau Subport projected cost and revenue

cc: Representative Cathy Munoz

ATTACHMENT # 1

Information Request

1) What are the lease rates per square foot for each of the buildings currently being occupied by Dept. of Labor, Dept. of Corrections, Dept. of Fish and Game and Dept. of Public Safety?

2) Can you make available a datasheet showing all current leases for state office space in Juneau? We currently have that data for Anchorage and assume it would be easy to produce. (see example)

| Lease | Tenants | Common Name | Lessor Name | Sq' | Cost/Sq' (month) | Type |
|---|---|---|---|---|---|---|
| 1201 | H&SS | Blomfield Building | Fourth & Gambell, LLC | 29472 | 1.485743078 | Office |

3) What are the lease rates for the new AMHT building?

4) Please provide the draft lease agreement.

5) Please provide the backup data used to create the cost estimate for the AMHT building.

6) What would the maintenance/security costs be for the unoccupied buildings after the departments move to the proposed AMHT Building?

7) If we are intent on entering into a lease-purchase agreement, why not demo the two State owned buildings and replace them with a building with capacity for all affected departments through a lease-purchase agreement so the state retains ownership after completion?

8) On the justification sheet for HB 161 an AMHTA analysis for Option 1 and DGS analysis for Option 2 are mentioned. Please provide the analysis.

9) On the justification sheet there was information on problems with the Labor building – please provide all information you have.

10) Does the Governor support HB 161?

11) How is the AMHT going to pay for a 20 million dollar parking garage, should they decide to sell or develop the property adjacent to the AMHT building (proposed ground parking)? Parking garages currently operate at a loss nationwide, what revenue stream will pay for it?

12) Would the bill sponsor or Administration have any problems with adding the Anchorage Block 39 project to this bill?

ATTACHMENT #2

March 16, 2009

Response to information request, Rep. Millett

1. See Attachment #3, Subport Briefing Paper
2. Juneau leasing data (Attachment #4).
3. AMHTA building lease rates are estimated at $3.80-4.00/sf (Attachment #3).
4. Attached is the Memorandum of Understanding between the Department of Administration and AMHTA (Attachment #5). Also attached is DOA's standard lease template (Attachment #6). As of now, there is no draft lease agreement for this building.
5. Response from Tim Spernak at AMHTA (Attachments #7 and 8).
6. Alternative use of the Public Safety and Douglas Island buildings have not been established, no cost estimates are currently available. AMHTA is interested in the parcels under its Replacement Lands program.
7. The Department of Administration has an extensive portfolio of both state-owned facilities and leases. Aside from the logistical challenges of relocating employees who would be displaced during the demolition/construction process, the department does not have a parcel of land suitable for building located in the downtown core area. The AMHTA is an attractive partner because they bring both land and $22.7 million to the project. The state offers stability as a tenant with a revenue stream to the Trust for decades into the future.
8. Attached are briefing papers from DOA (Attachment #3) and AMHTA (Attachments #7 & 8) that address this question.
9. The Labor Building leasing file is available upon request.
10. The Governor has not taken a position on this bill. We have provided briefing documents to staff in the Governor's Office.
11. The MOU between DOA and AMHTA includes approximately 392 parking spaces. These will be provided from spaces around the building lot and the vacant sub port lot. At a future date, it is anticipated that AMHTA will build a garage on the lot where the Public Safety building now sits. Future development of the sub port lot would have to support the construction of a parking garage. The state's lease with the Trust would require the specified number of parking spaces as part of the deal, and construction of a parking garage would not alter the terms of that lease.
12. The Department of Administration has no role in the development of Block 39 in Anchorage. Inclusion of the project in HB161 would be a question more appropriately asked of the bill sponsor.

ATTACHMENT #3

# Briefing Paper
## AMHTA Subport Office Building

**The Issue:** The State is leasing or owns three buildings in Juneau which house State employees. These facilities are very old and in need of significant upgrades. All three buildings provide approximately 116,000 square feet of office space for 525 employees.

**The Opportunity:** The Alaska Mental Health Trust Authority (AMHTA) has offered to construct a new office building on its land at the former Subport area. The new office building would accommodate all of the employees currently occupying the three buildings in question.

**Cost to the State:**

Option 1: Enter into an agreement with AMHTA to construct a new office building with surface parking on the site of the old Subport warehouse.

Estimated Cost: $160,439,082 (Lease payments to AMHTA over 30 years)

Action Required: Legislation that allows use of $22.7 million Mental Health Trust funds, currently invested by the Permanent Fund Corporation, and $22.7 million in state bond proceeds to construct the building.

Option 2: Remain in the two state-owned facilities and procure a replacement lease for the Department of Labor.

Estimated Cost: $165,981,393 (Cost calculated for a 30-year period for comparison)

Action Required:

a. Repair and bring into code compliance the two existing state-owned buildings. (These will remain functionally obsolete buildings that will continue to need ongoing repair and maintenance or replacement during the lease period.)
b. Issue a request for proposals (RFP) for a new Lease for the Department of Labor.

**Justification:**

Department of Labor (DOL):
This existing 68,278 square feet lease for DOL expires 6/30/12 and currently accommodates 304 state employees. Since 1982, the DOL occupants have experienced water intrusion, flooding, mold growth, roof leaks, ponding in the parking lot, windows falling out, carpenter ants, etc. Numerous employees have become ill, grievances have been filed by unions and a number of employees have been moved to alternate space outside the facility due to these conditions. An alternate facility, either built by AMHTA or procured through a RFP is necessary.
DOA and DOL prefer to vacate the existing facility and relocate all DOL employees to the new AMHTA facility by 7/1/12.

Department of Fish & Game (DFG) & Department of Corrections (DOC):
Both agencies are located in a state-owned facility: the Douglas Island Building constructed in 1961. It contains 31,816 square feet and accomodates187 employees. The building is in dire need of major capital improvements including complete replacement of the building envelope to eliminate and prevent rain, wind and snow from entering the building. The total current estimated deferred maintenance cost is $3.6 million.
DOA and tenant agencies prefer to vacate this facility and reuse it for a new defined purpose, or demolish the facility at an estimated cost of $375,000. All DFG and DOC employees would relocate to the new facility AMHTA building by 7/1/12.

Department of Public Safety (DPS) & Office of Administrative Hearings (OAH):
Both agencies are located in a state-owned facility: the Public Safety Building constructed in 1970 as a temporary structure. It contains 16,103 square feet and accommodates 34 state employees. The facility currently requires major electrical upgrades and code compliance improvements, a new roof, and other repairs. The total current estimated deferred maintenance cost is $1.9 million. DOA and tenant agencies prefer to vacate the facility and relocate to the new AMHTA building 7/1/12.

**Future Plans:**
The State could demolish the Public Safety Building (at an estimated cost of $180,000) and AMHTA could construct a new parking garage at that location. The garage would accommodate approximately 360 vehicles. It would be used by state employees during the day and be open to the public during non-business hours. This would allow future development of the Subport site by AMHTA.

**Detailed Cost Information:**

Current Lease/Building Operating Costs:

| | | | | | |
|---|---|---|---|---|---|
| Lease #1607 & 1632 | 68,278 sf | exp 6/30/12 | $2.33 sf | $1,909,052 annually | DOL Offices (parking included) |
| Lease #1951 | NA | exp 2/28/10 | NA | $ 6,451 annually | DIB Surface Parking |
| Lease #2529 | NA | exp 8/31/09 | NA | $ 12,600 annually | DIB Surface Parking |
| Public Safety Bldg | 16,103 sf | exp n/a | $1.32 sf | $ 254,271 annually | DPS, DOA Offices |
| Douglas Island Bldg | 31,816 sf | exp n/a | $1.19 sf | $ 455,665 annually | DOC, F&G Offices |
| **Totals:** | **116,197 sf** | | | **$2,638,039 annually** | |

Projected Private New Labor Lease Cost:
New Private Lease 68,280 s.f. at $4.00 s.f. **$3,277,440 annually**

Total Projected Public Safety Building Costs thru 6/42: **$18,846,658**

Total Projected Douglas Island Building Costs thru 6/42: **$33,785,326**

Total Projected Costs 2013 – 2042:
Scenario A: AMHTA building not constructed.

| | | |
|---|---|---|
| 1. | DOL replacement lease (w/ 2.22% cpi increases annually) | $112,083,682 |
| 2. | DIB parking leases | 1,265,726 |
| 3. | Douglas Island Bldg Operating and Capital | 33,785,326 |
| 4. | Public Safety Bldg Operating and Capital | 18,846,658 |
| | Total Scenario A: | **$165,981,393*** |

*Cost estimate does not include likely replacement of the DIB and DPS buildings at some point during the 30-year period.

Total Projected Costs 2013 – 2042:
Scenario B: AMHTA building constructed.

1. AMHTA lease
   Total cost will depend upon state bond financing rates. **$160,439,082****

**Estimate includes repayment of bond proceeds with interest over 20 years and rent payments over 30 years.

**Building Purpose:**
Office occupancy for State Agency's: DOL, DF&G, OAH, DPS, DOC (approximately 525 employees).

**AMHTA Lease Information:**
20 year base term with (2) 10-year options
Parking, maintenance and standard services (janitorial, etc.)
Rate: to be determined (estimated range of $3.80 - $4.20 usf)
111,128 usf – State offices
10,000 usf – Private retail on first floor
Four-story facility

**Energy Conservation Considerations**:

- A heat pump system using either water from Gastineau Channel or the heat from the earth below the building from tubing in the piling or in boreholes. The NOAA Building at Lena Point is incorporating a system using water from the ocean and both the Juneau Airport expansion and the Dimond Park Swimming Pool which will be under construction this spring will use a ground source for the heat pump system.
- A Life Cycle Cost Analysis will be performed to select the optimum insulating values for the exterior envelope of the building including the roof, walls, windows, doors and the concrete floor slab. This analysis will also evaluate the heating, ventilation and lighting systems to achieve efficiencies and lower operating costs in all the building systems.
- The Coast Guard is exploring the use of both wind generated energy at the site and constructing a biomass generation plant to serve their facilities. MHLT will explore opportunities for partnering.
- MHLT will also explore the opportunity to capture waste heat from lighting and/or computer server room cooling systems to offset the heating requirements for the building.

ATTACHMENT #7
#4

Does not include additional parking costs associated with a specific lease.

Juneau Office Space
Web Lease Report as of 3/16/2009

| Lease | Location | Tenants | Common Name | Property Name & Address | Lessor Name | Sq Feet or Other Units | Cost per SqFt or Unit (Monthly) | Space Type | Expiration Date | Options Remaining | Option Duration | Contracting Officer |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1444 | Juneau | F&G | Capital Office Park | Capital Office Park; End of West Eighth Street; Juneau, AK 99801 | Capital Office Park, J.V. | 38759.6 | 1.789784982 | Office | 6/30/2012 | 0 | 0 | Tom Hubble |
| 1607 | Juneau | Admin; Labor | Labor Building | Labor Building; West 8th Street; Juneau, AK 99801 | Juneau I, LLC | 59463 | 2.330918723 | Office | 6/30/2012 | 0 | 0 | Tom Hubble |
| 1627 | Juneau | Admin; Education; Labor | Goldbelt Place | Goldbelt Place Building; 801 West Tenth Street; Juneau, AK 99801 | 801 West 10th, INC. | 41001 | 2.165340114 | Office | 6/30/2010 | 0 | 0 | Tom Hubble |
| 1627 | Juneau | Education | Goldbelt Place | Goldbelt Place Building; 801 West Tenth Street; Juneau, AK 99801 | 801 West 10th, INC. | 2450 | 2.316910204 | Office | 6/30/2010 | 0 | 0 | Tom Hubble |
| 1632 | Juneau | Labor | Labor Building | Labor Building; West 8th Street; Juneau, AK 99801 | Juneau I, LLC | 8815 | 2.330918888 | Office | 6/30/2012 | 0 | | Tom Hubble |
| 1668 | Juneau | Admin; Transp &PF | DOT 3-Mile Salmon Creek | Salmon Creek Facility; Chris Park Subdivision; 3 Mile; Juneau, AK 99801 | Juneau I, LLC | 51429 | 1.893173307 | Office | 5/31/2014 | 0 | | Tom Hubble |
| 1915 | Juneau | F&G | Post Office Building | Post Office Building; Lot 2, Block 4; Douglas, AK | Mt. Bradley Enterprises, Inc. | 2124 | 0.702711864 | Office | 8/31/2009 | 4 | One year | Tom Hubble |
| 2131 | Juneau | H&SS | 410 Willoughby Building | 410 Willoughby Building; 410 Willoughby Avenue; Juneau, AK 99801 | Juneau Business Center, LLC | 2474 | 2.050153597 | Office | 11/30/2010 | 2 | Five years | Tom Hubble |
| 2131 | Juneau | Admin | 410 Willoughby Building | 410 Willoughby Building; 410 Willoughby Avenue; Juneau, AK 99801 | Juneau Business Center, LLC | 2151 | 2.050158068 | Office | 11/30/2010 | 2 | Five years | Tom Hubble |
| 2131 | Juneau | Admin; Enviro Con; H&SS | 410 Willoughby Building | 410 Willoughby Building; 410 Willoughby Avenue; Juneau, AK 99801 | Juneau Business Center, LLC | 6398 | 2.050157862 | Office | 11/30/2010 | 2 | Five years | Tom Hubble |
| 2153 | Juneau | F&G | Jordan Creek Center | Jordan Creek Center; 8800 Glacier Highway; Juneau, AK 99801 | JCCP, Inc. | 8175 | 2.24719633 | Office | 8/31/2012 | 0 | | Tom Hubble |
| 2180 | Juneau | H&SS | Fifth & Franklin Building | Fifth & Franklin Building; 431 North Franklin Street; Juneau, AK 99801 | Fifth & Franklin Building | 1100 | 1.666972727 | Office | 5/31/2010 | 1 | One year | Tom Hubble |
| 2180 | Juneau | H&SS | Fifth & Franklin Building | Fifth & Franklin Building; 431 North Franklin Street; Juneau, AK 99801 | Fifth & Franklin Building | 846 | 1.900520095 | Office | 5/31/2010 | 1 | One year | Tom Hubble |

Does not include additional parking costs associated with a specific lease.

Juneau Office Space
Web Lease Report as of 3/16/2009

| Lease | Location | Tenants | Common Name | Property Name & Address | Lessor Name | Sq Feet or Other Units | Cost per SqFt or Unit (Monthly) | Space Type | Expiration Date | Options Remaining | Option Duration | Contracting Officer |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2203 | Juneau | H&SS | 410 Willoughby Building | 410 Willoughby Building; 410 Willoughby Avenue; Juneau, AK 99801 | Mad-Tiff Development | 1179 | 1.779983036 | Office | 10/31/2010 | 1 | One year | Tom Hubble |
| 2208 | Juneau | CC&ED | Vintage Business Park | Vintage Business Park; Vintage II Subdivision; 3032 Vintage Boulevard; Juneau, AK 99801 | Vintage Business Park II, LLC | 7782 | 2.37732331 | Office | 6/30/2012 | 0 | 0 | Tom Hubble |
| 2217 | Juneau | H&SS; Labor | Wildmeadow Village | Wildmeadow Village; 10002 Glacier Highway; Juneau, AK 99801 | Will-O, LLC | 14756 | 2.07 | Office | 6/30/2014 | 3 | One year | Tom Hubble |
| 2223 | Juneau | Revenue | Goldbelt Place | Goldbelt Place; 801 West Tenth Street; Juneau, AK 99801 | 801 West 10th, INC. | 11764 | 2.342142129 | Office | 12/31/2014 | 0 | 0 | Tom Hubble |
| 2223 | Juneau | Revenue | Goldbelt Place | Goldbelt Place; 801 West Tenth Street; Juneau, AK 99801 | 801 West 10th, INC. | 1200 | 2.384725 | Office | 12/31/2014 | 0 | 0 | Tom Hubble |
| 2227 | Juneau | Education | Vintage II Subdivision | Vintage II Subdivision; 3000 Vintage Boulevard; Juneau, AK 99801 | Vintage Business Park II, LLC | 11174 | 1.76418382 | Office | 10/31/2013 | 0 | 0 | Tom Hubble |
| 2227 | Juneau | Education | Vintage II Subdivision | Vintage II Subdivision; 3000 Vintage Boulevard; Juneau, AK 99801 | Vintage Business Park II, LLC | 556 | 2.3225 | Office | 10/31/2013 | 0 | 0 | Tom Hubble |
| 2227 | Juneau | Education | Vintage II Subdivision | Vintage II Subdivision; 3000 Vintage Boulevard; Juneau, AK 99801 | Vintage Business Park II, LLC | 160 | 1.914625 | Office | 10/31/2013 | 0 | 0 | Tom Hubble |
| 2254 | Juneau | H&SS | Vintage Business Park | Vintage Business Park; Vintage II Subdivision; 3025 Clinton Drive; Juneau, AK 99801 | Vintage Business Park I, LLC | 6925 | 2.626395668 | Office | 9/30/2011 | 0 | 0 | Tom Hubble |
| 2254 | Juneau | H&SS | Vintage Business Park | Vintage Business Park; Vintage II Subdivision; 3025 Clinton Drive; Juneau, AK 99801 | Vintage Business Park I, LLC | 1400 | 2.629785714 | Office | 9/30/2011 | 0 | 0 | Tom Hubble |
| 2277 | Juneau | H&SS | Goldstein Building | Goldstein Building; 130 Seward Street; Juneau, AK 99801 | Goldstein Improvement Company | 13371 | 1.569871363 | Office | 1/31/2011 | 1 | Two year | Tom Hubble |

Does not include additional parking costs associated with a specific lease.

Juneau Office Space
Web Lease Report as of 3/16/2009

| Lease | Location | Tenants | Common Name | Property Name & Address | Lessor Name | Sq Feet or Other Units | Cost per SqFt or Unit (Monthly) | Space Type | Expiration Date | Options Remaining | Option Duration | Contracting Officer |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2280 | Juneau | Pub Safety | Sherwood Estates | Sherwood Estates Subdivision; 2760 Sherwood Lane; Juneau, AK 99801 | Sherwood, LLC | 5933 | 2.051973706 | Office | 10/31/2010 | 5 | Two year | Tom Hubble |
| 2280 | Juneau | Admin | Sherwood Estates | Sherwood Estates Subdivision; 2760 Sherwood Lane; Juneau, AK 99801 | Sherwood, LLC | 4386 | 2.051976744 | Office | 10/31/2010 | 5 | Two year | Tom Hubble |
| 2445 | Juneau | M&VA | Fifth & Franklin Building | Fifth & Franklin Building; 431 North Franklin Street; Juneau, AK 99801 | Fifth & Franklin Building | 500 | 2.24448 | Office | 7/31/2010 | 2 | Two year | Tom Hubble |
| 2457 | Juneau | Admin | 400 Willoughby Building | Willoughby Annex; 400 Willoughby Avenue; Juneau, AK 99801 | Juneau Business Center, LLC | 6862 | 1.738879335 | Office | 3/31/2010 | 5 | Two year | Tom Hubble |
| 2475 | Juneau | Law | Assembly Building | The Assembly Building; 211 4th Street; Juneau, AK 99801 | Assembly Associates, The | 452 | 1.78 | Office | 6/30/2011 | 5 | Two year | Tom Hubble |
| 2475 | Juneau | Admin; Law | Assembly Building | The Assembly Building; 211 4th Street; Juneau, AK 99801 | Assembly Associates, The | 9125 | 1.684838356 | Office | 6/30/2011 | 5 | Two year | Tom Hubble |
| 2493 | Juneau | Governor | Mendenhall Mall | Mendenhall Mall; Suite 3; 9109 Mendenhall Mall Road; Juneau, AK 99801 | Salmon Creek, LLC | 1550 | 2.182296774 | Office | 4/30/2010 | 2 | One year | Tom Hubble |
| 2493 | Juneau | Governor | Mendenhall Mall | Mendenhall Mall; Suite 3; 9109 Mendenhall Mall Road; Juneau, AK 99801 | Salmon Creek, LLC | 300 | 2.009933333 | Office | 4/30/2010 | 2 | One year | Tom Hubble |
| 2500 | Juneau | Correction | 123 Seward Street | Unknown; 123 Seward Street; Townsite Lot 7 & 8, Block 3; Juneau, AK 99801 | B C Leasing | 3753 | 1.286541434 | Office | 5/31/2010 | 2 | Three years | Tom Hubble |
| 2512 | Juneau | Nat Res | 302 Gold Street | Unknown; 302 Gold Street; Juneau, AK 99801 | Gold Street Properties | 5389 | 2.087596957 | Office | 6/30/2010 | 0 | 0 | Tom Hubble |
| 2533 | Juneau | Admin; H&SS; Nat Res | 400 Willoughby Building | 400 Willoughby Building; 400 Willoughby Avenue; Juneau, AK 99801 | Juneau Business Center, LLC | 22496 | 2.049371888 | Office | 8/31/2014 | 1 | Five years | Tom Hubble |
| 2534 | Juneau | F&G | Mendenhall Valley Industrial Park No. 2, Lot 1 | Mendenhall Valley Industrial Park No. 2; Brentwood and Jensine; Juneau, AK 99801 | University of Alaska | 6699 | 2.417208539 | Office | 7/31/2013 | 0 | 0 | Tom Hubble |
| 2572 | Juneau | Pub Safety | Sherwood Estates Subdivision | Sherwood Estates Subdivision; 2770 Sherwood Lane; Juneau , AK 99801 | JCM Rentals, Inc. | 2160 | 1.082671296 | Office | 10/31/2010 | 5 | Two year | Tom Hubble |

Does not include additional parking costs associated with a specific lease.

Juneau Office Space
Web Lease Report as of 3/16/2009

| Lease | Location | Tenants | Common Name | Property Name & Address | Lessor Name | Sq Feet or Other Units | Cost per SqFt or Unit (Monthly) | Space Type | Expiration Date | Options Remaining | Option Duration | Contracting Officer |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1570 | Juneau | Transp &PF | Mendenhall Valley Industrial Park | Mendenhall Valley Industrial Park; Lot 3A2, subdivision of Lot 3A; Juneau, AK 99801 | Rainbow Development Company | 1900 | 1.17 | Office and other types of space | 12/31/2009 | 9 | One year | Tom Hubble |
| 2131 | Juneau | Admin; Enviro Con; H&SS | 410 Willoughby Building | 410 Willoughby Building; 410 Willoughby Avenue; Juneau, AK 99801 | Juneau Business Center, LLC | 40286 | 2.050158368 | Office and other types of space | 11/30/2010 | 2 | Five years | Tom Hubble |
| 2214 | Juneau | H&SS | Goldstein Building | Goldstein Building; 130 Seward Street; Juneau, AK 99801 | Goldstein Improvement Company | 5631.3 | 1.754999734 | Office and other types of space | 1/31/2013 | 5 | One year | Tom Hubble |
| 2517 | Juneau | H&SS | Glacier Industrial Subdivision | Glacier Industrial Subdivision; 5441 Commercial Boulevard; Juneau, AK 99801 | Granite Mountain Properties, LLC | 9553 | 2.728115775 | Office and other types of space | 10/31/2022 | 2 | Five years | Tom Hubble |
| 2570 | Juneau | Admin | 3141 Channel Drive | 3141 Channel Drive; Juneau, AK | Yukon Koyukuk School District | 4425 | 1.25 | Office and other types of space | 6/30/2009 | 0 | 0 | Tom Hubble |

ATTACHMENT #5

**Memorandum of Agreement #8084**
February 24, 2009

2009 FEB 26 PM 4 28
DIVISION OF GENERAL
SERVICES & SUPPLY

## PARTICIPANTS

State of Alaska, Department of Administration, Division of General Services, ("DOA/DGS").

State of Alaska, Department of Natural Resources, Mental Health Trust Land Office, ("MHTLO"), on behalf of the Alaska Mental Health Trust Authority (AMHTA).

## PURPOSE

To memorialize the desire and commitment by DOA/DGS and MHTLO to conduct good faith negotiations for entry into long term office and surface parking leases.

## AUTHORITY

- Pursuant to Alaska Statute 37.14.009(a)(2), 38.05.801 and 11AAC99, MHTLO is legally authorized to negotiate and execute a Lease Agreement.

- Pursuant to Alaska Statute 36.30.080 and 36.30.850(c), DOA/DGS is legally authorized to negotiate and execute a Lease Agreement with MHTLO.

## AGREEMENTS

- DOA/DGS desires to lease office and surface parking from MHTLO for the purpose of replacing existing lease space in Juneau, Alaska for the Department of Labor, Department of Public Safety, Department of Fish and Game, Alaska Department of Corrections and Department of Administration.

- MHTLO has proposed the construction of a new office building and limited on-site parking to be constructed on the existing Subport surface parking lot that is owned by AMHTA.

- DOA/DGS desires to enter into long term office and parking leases with MHTLO. As a matter of sound public policy and in keeping with MHTLO's trust duties, it is understood by the parties that the rental agreement, including rental rates, must be in the best interest of the Trust and its beneficiaries.

In order to facilitate commencement of a preliminary design of the new office building and parking area, DOA/DGS and MHTLO set forth basic terms and conditions each party anticipates would be included in the lease if the contingencies noted below are met:

I. Purpose of Office Building Lease

a) Replace expiring State lease #1607, Alaska Department of Labor Building Headquarters, Juneau, AK, approximately 70,000 s.f.

b) Replace portion of expiring State lease #1627, Alaska Department of Labor Building, Vocational Rehabilitation located in the Goldbelt Building, Juneau, AK, approximately 3,000 s.f.

c) Replace existing State Lease #4009, Alaska Department of Administration, Division of Office of Administrative Hearings, approximately 2,400 s.f.

d) Replace existing State Lease #1011, Alaska Department of Public Safety approximately 8,700 s.f. e) Replace existing State Lease #4023, Alaska Department of Fish and Game, approximately 22,615 s.f.

e) Replace existing State Lease #4022, Alaska Department of Corrections, approximately 9,201 s.f.

f) (Referencing a, b, c, d and e above) – Provide commercially reasonable building visitor, executive State and ADA-compliant accessible on-site parking at new office building. Quantity TBD and agreed upon by all parties.

II. Purpose of Surface Parking Lease

a) Provide approximately 392 parking spaces on the existing Subport area to be used by the State employees working in the new AMHTA Building located on the Subport parcel. MHTLO reserves the unilateral right to relocate parking by State employees from the existing Subport area to a "new parking garage" at a location of MHTLO's choosing, consistent with any required regulations for State employee parking.

III. Term

20 year fixed term full service lease with two 10-year options to renew. This applies to the office building and the surface parking as per AS 36.30.83. Rights of renewal shall be exercised at the sole option of DOA/DGS upon appropriate notice.

IV. Lease Conditions

As mutually agreed upon by all parties.

V. Critical Dates

a) Approximate date office building construction starts, June 30, 2010.

b) Approximate date office building construction is completed, May 15, 2012.

c) Approximate date tenants occupy, June 1, 2012.

VI. The execution of a lease between DOA/DGS and MHTLO is subject to:

a) CBJ approval of a Rezone from Marine commercial to Multi-Use MU-2 and an Allowable Use Permit approval for building height variance and parking ration calculation variance;

b) Approval of a Traffic Impact Analysis by CBJ with conditions acceptable to MHTLO;

c) Approval of all necessary platting actions by CBJ with conditions acceptable to MHTLO;
d) State legislative approval for Certificates of Participation bond financing and third party financing with acceptable conditions to AMHTA, if necessary;
e) Any legislative or administrative approval necessary to carry out this transaction; and
f) AMHTA Board of Trustee approval and a written decision of best interest and consistency finding that the granting of a lease to DOA/DGS is in the best interest of the Trust, as per 11 AAC 99.040, and all other applicable statutes and regulations.

The undersigned agree to the expressed terms and conditions set out in this Memorandum of Agreement. No other changes may be made unless agreed by all parties in writing and execution of an Amendment to this Agreement.

Harry Noah
Executive Director
Department of Natural Resources
Mental Health Land Trust Office

2.24.09
Date

Vern Jones
Chief Procurement Officer
Department of Administration
Division of General Services

2/27/09
Date

ATTACHMENT #6

# STATE OF ALASKA
## STANDARD LEASE FORM
## LEASE xxx

IN THE EVENT THERE IS A CONFLICT BETWEEN THE TERMS AND CONDITIONS OF THIS LEASE AND THE TERMS AND CONDITIONS OF THE CHOOSE SOL. TYPE, THE TERMS AND CONDITIONS OF THE CHOOSE SOL. TYPE WILL PREVAIL.

THIS LEASE, entered into this _____ day of _____ 2000,

and to be recorded in the **Recording District**, by and between:

hereinafter called the Lessor, and

**STATE OF ALASKA**
***DEPARTMENT OF ADMINISTRATION –***
***550 WEST 7TH AVENUE, SUITE 601***
**ANCHORAGE, ALASKA 99501-3558**

hereinafter called the Lessee.

The Lessor hereby leases to the State of Alaska the following described premises:

to have and to hold the same, with all appurtenances unto the Lessee for the term of five (5) year **beginning on the day of 2003 and ending on the day of , 200** at and for the **rental of $ per month** payable on the first day of each and every month of said term at the office of the Lessor or in advance at the option of the Lessee. Payment for any partial months occupancy shall be prorated based on a thirty (30) day month. Beginning on the monthly rental rate shall be reduced to , plus applicable adjustments specified in this lease.

## COVENANTS OF THE LESSEE

1. The Lessee does hereby covenant and agree with the Lessor that it will:

   a) pay said rent at the times and place and in the manner aforesaid;

   b) use and occupy said premises in a careful and proper manner;

   c) not use or occupy said premises for any unlawful purpose;

   d) not assign this lease, not underlet said premises, nor any part thereof, without the written consent of the Lessor, provided however such consent shall not be unreasonably withheld;

   e) not use or occupy said premises or permit the same to be used or occupied, for any purpose or business deemed extra-hazardous on account of fire or otherwise;

f) make no alterations or additions in or to said premises without the written consent of the Lessor, such consent shall not unreasonably be withheld;

g) leave the premises at the expiration or prior termination of this lease or any renewal or extension thereof, in as good condition as received or in which they might be put by the Lessor, excepting reasonable wear and tear and/or, loss or damage caused by fire, explosions, earthquakes, acts of God, other casualty or as provided for in section 2.b below;

h) permit the Lessor to enter upon said premises at all reasonable times to examine the conditions of the same;

**COVENANTS OF THE LESSOR**

2. And the Lessor on its part covenants and agrees with the Lessee that it will:

a) maintain the demised premises in good repair and tenantable condition during the continuance of this lease or any renewal or extension thereof;

b) indemnity: the Lessor shall hold and save the State, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses for or on account of any and all suits or damages of any character whatsoever resulting from injuries or damages sustained by any person or persons or property by virtue of any act performed by the Lessor or the Lessor's agents and employees pursuant to this lease; the Lessor shall also assume all

insurable risks and bear any loss of injury to property or persons occasioned by neglect or accident during the tenure of this lease, excepting only sole negligence of the Lessee.

c) furnish heat and cooling, electricity, water, trash removal, and sewage disposal without additional cost to the Lessee;

d) furnish heating and cooling to all the office space and similar type space uniformly within a 68 degrees Fahrenheit to 72 degrees Fahrenheit temperature range. Heating and cooling in the computer room shall be maintained at a uniform temperature between 60 degrees and 65 degrees Fahrenheit;

e) furnish men and women's restrooms that have hot and cold running water at all lavatories and similar fixtures and which shall be equipped with mirrors, disposals for feminine hygiene products and dispensers for soap, toilet tissue, sanitary seat covers and paper towels. Women's restrooms shall also be equipped with sanitary napkin dispensers.

f) maintain and keep the stairway and common or public hallway used for access to the leased premises in a clean and safe condition;

g) maintain the premises in keeping with good fire prevention practices. The State reserves the right, at reasonable times, to enter and make fire prevention and fire protection inspections of the building and space occupied. Recommended improvements will be given every consideration by the Lessor;

h) the Lessor agrees that facilities provided in this lease are tenantable and that they comply with all laws pertaining to tenantability and performance of this provision is insured by the Lessor agreeing to pay the cost of any building alterations which may be needed during the period of the Lessee's occupancy for purposes of correcting any violation of the law cited by a regulatory agency of government not directly a result of the State's occupancy.

If during the term of this lease, or any renewal or extension thereof, the premises or any part thereof should be rendered untenantable by public authority, or by fire or the elements, or other casualty, a proportionate part of the rent according to the extent of such untenantability shall be abated and suspended until the premises are again made tenantable and restored to their former condition by the Lessor; and if the premises or a substantial part thereof are thereby rendered untenantable and so remain for a period of thirty (30) days, the state may, at its option, terminate the lease by written notice to the Lessor.

The State's decision shall be controlling as to whether or not the premises are fit or unfit for occupancy. This thirty-(30) day period shall not be so restrictively construed that the Lessee is bound to remain in the leased facility if the State's business cannot be safely executed. If warranted due to unsafe condition, Lessee is free to move elsewhere. If the premises are made tenantable again within this thirty-(30) day period, Lessee will return to the facility for occupancy. Lessee may also choose to recover any excess costs, over the abated lease payments, occasioned by relocation due to unsafe condition.

In the event the Lessor fails to correct any violation or remedy any untenantable condition in the time interval prescribed by law, the Lessee shall be free to terminate the lease, or shall have the option by hiring competent workmen, with the Lessor bearing the cost of all materials and labor. Lessor further agrees that alterations performed by the Lessee to correct OSHA violations will not be construed by the Lessor to constitute a breach of the terms of this lease.

In the event that, in the reasonable judgment of the Lessee the lawful enjoyment of the demised premises is threatened by the interruption or severance of utilities and severance provided hereunder by the Lessor, and when such interruption or severance is due to deliberate, or negligent, or tacitly negligent act of the Lessor, the Lessee shall have the right to bind such utilities and services as are threatened, in the name of the Lessee. The Lessee shall be free to deduct from the lease payments the cost of such utilities and services, together with all necessary deposits and the Lessee's actual administrative costs necessary to procure the utilities and services.

i) maintain the building free of any mechanical, structural or electrical hazards and in a good state of general repair and maintenance. Lessor agrees that after reasonable notice in writing by the Lessee that these obligations have not been satisfactorily fulfilled, the Lessee can then obtain competent workmen to correct the deficiencies, all of which will be paid for by the Lessor. Bills for such work will be sent directly to the Lessor for payment. Should there be any delay in payment by the Lessor, the Lessee shall pay the bills and deduct the cost from

the next month(s) rent payments(s), whichever is determined appropriate by the Lessee.

j) Lessor shall renovate the space by refinishing, or replacing all damaged or worn wall, ceiling, floor covering, window covering or built-in building fixtures at least every CHOOSE # YEARS years of occupancy or at the reasonable request of the occupying State agency. All cost associated with the renovations, including moving expenses, will be the responsibility of the Lessor. If Lessor does not respond to such reasonable renovation requests by the occupying State agency, the State reserves the right to hire competent workmen to accomplish such renovation(s) at the lessor's expense.

k) provide janitorial services per CHOOSE TYPE No.

l) If the leased property is sold during the term of the lease, or an extension thereof, the sale will be made subject to the lease. This also applies to any sale as a result of an encumbrance on the property that existed prior to the execution of this lease.

**MUTUAL COVENANTS**

3. It is mutually agreed by and between the Lessor and Lessee that:

a) all terms and conditions of the preceding covenants of both Lessee and Lessor are agreeable and accepted in their entirety, except as herein noted;

b) all fixtures and/or equipment of whatsoever nature as shall have been installed in the demised premises by the Lessee, whether permanently affixed thereto or otherwise, shall continue to be the property of the Lessee, and may be removed by it at the expiration or termination of this lease or renewal and at its own expense repair any injury to the premises resulting from such removal;

c) if the Lessee shall at any time be default in the payment of rent herein reserved, or in the performance of any of the covenants, terms and conditions, or provision of this lease, and the Lessee shall fail to remedy such default within sixty (60) days after written notice thereof from the Lessor, it shall be lawful for the Lessor to enter upon said premises and again have, repossess, and enjoy the same as if the lease had not been made, and thereupon this lease and everything herein contained on the part of the Lessor to be done and performed shall cease and determine without prejudice however, it shall be the right of the Lessor to recover from the Lessee all rent due up to the time of such entry. In case of any such default and entry by the Lessor, said Lessor may relet said premises for the remainder of said term for the highest rent obtainable, and may recover from the Lessee any deficiency between the amount so obtained and the rent herein reserved;

d) if the Lessee shall pay the rent as herein provided, and shall keep, observe, and perform all of the covenants of this lease by it to be kept, performed, and observed, the Lessee shall and may, peaceably and quietly, have, hold, and enjoy the said premises for the term aforesaid;

e) this lease and all the covenants, provisions and conditions herein contained shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto;

f) the State shall have the option to renew this lease for ( ) additional CHOOSE NUMBER year periods to be exercised by giving the Lessor written notice prior to the expiration of each term.

ADJUSTMENTS: Adjustments in the lease rate may be made if requested in writing by the lessor at least thirty-(30) days prior to the effective date of the adjustment.

Such adjustments may be made annually to reflect changes in the lessor's variable costs, and defined as all operational cost other than debt service and profit and is expressed as: thirty-five percent (35%) of the base monthly lease rate.

The monthly lease rate may be adjusted effective 200 and each thereafter, and will be made in accordance with the percentage change in the U.S. Department of Labor Consumer Price Index, for the Urban Wage Earners and Clerical Workers (CPI-W), All Items, Anchorage Area, issued for each CHOOSE PERIOD six (6) month average of each lease term.

The percentage difference between the six month average CPI-W in effect for the **base year, CHOOSE PERIOD 200 ( )** and the CHOOSE PERIOD six month average thereafter will determine the maximum allowable adjustment of the variable costs over the base monthly lease rate.

Base monthly lease rate is **$** .

Adjustment to the monthly lease rate will be computed as follows:

[(Variable Cost Percentage X Base Monthly Lease Rate) X Percentage of Change In CPI)] + Base Monthly Lease Rate will equal (=) the adjusted monthly lease rate.

The formula is expressed as:

[(35% x Base Monthly Lease Rate) x % change in CPI] +Base Monthly Lease Rate = Adjusted Monthly Lease Rate.

RETROACTIVE adjustments will not be allowed.

g) this lease is subject to all applicable laws of the State of Alaska or local government;

h) FISCAL NECESSITY – NON-APPROPRIATION OF FUNDS: The fiscal year for the Sate of Alaska is a twelve-month period beginning July 1 and ending June 30 of the following calendar year. Lease payments from the State are subject to annual appropriation of funds by the Alaska State Legislature. After the initial fiscal year of the lease, the State has the right to terminate this lease in whole, or in part, if (1) the Alaska State Legislature fails to appropriate funds budgeted for continuation of this lease, and/or (2) the Alaska State Legislature fails to appropriate funds to the occupying agency(s) that results in a material alteration or discontinuance, in whole or in part, of the occupying agency(s)' programs. The termination of the lease for fiscal necessity and non-appropriation of funds

under this section shall not cause any penalty or liability to be charged to the State, and shall not constitute a breach or an event of default by the State.

i) all conditions and covenants of the lease shall remain in full force and effect during any extension hereof. Any holding over after the expiration date of this lease or any extension or renewal thereof, shall be construed to be a tenancy from month to month, at the same monthly rental and on the terms and conditions herein specified so far as applicable;

j) this lease is written as a result of State of Alaska CHOOSE SOL TYPE XXXX opened , 200 , copy attached, which is hereby made a part of this lease and all terms and conditions of said CHOOSE TYPE are binding upon the Lessee and Lessor, their agents or assigns;

k) time is of the essence of this lease.

**Other Provisions**

4. The following additional provisions, modifications, exceptions, riders, layouts and or forms were, are, agreed upon prior to execution and made a part hereof:

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

**Lessor:**

**By:** _____

**Title:** _____

**Date:** _____

**Lessee: STATE OF ALASKA**

**By:** _____
CHOOSE CO NAME
Contracting Officer

**Date:** _____

**ACKNOWLEDGMENT OF LESSOR:**
**STATE OF ALASKA**
**CITY OF**

This is to certify that on this **day of** , **2004** before me a Notary Public in and for the State of Alaska duly commissioned and sworn personally appeared _____ to me known and known by me to be the person(s) described in and who executed the instruments set forth above and severally stated to me under oath that (he, she) is _____ and that (he. She) has been authorized by _____ to execute the foregoing lease amendment for and on behalf of the said company, corporation, individual, or other entity and they executed same freely and voluntarily as a free act and deed of **Same.**

**WITNESS** my hand and official seal the day and year this certificate first above written.

_____
Notary Public for Alaska
My Commission Expires: _____

Residing at: _____

**ACKNOWLEDGMENT BY LESSEE:** ***STATE OF ALASKA***
**STATE OF ALASKA**
**CITY OF ANCHORAGE**

This is to certify that on this **day of** , **2004** before me a Notary Public in and for the State of Alaska duly commissioned and sworn, personally appeared **CHOOSE NAME** to me known and known by me to be the person described in the executed instruments set forth above as an agent of the Division of General Services of the State of Alaska and that this person has been authorized by the State of Alaska to execute the foregoing lease amendment on behalf of said State of Alaska and that this person executed the same freely and voluntarily as the free act and deed of the State of Alaska.

**WITNESS** my hand and official seal the day and year this certificate first above written.

Wendy M. Gillespie
Notary Public for Alaska
My Commission Expires: December 17, 2007
Residing at: Anchorage, Alaska

ATTACHMENT #7

The TRUST LAND OFFICE

March 16, 2009

Kevin Brooks
Deputy Commissioner
Department of Administration

Dear Kevin:

Please find attached the Trust Land Office response to the information requested by Representative Millett, March 16, 2009, related to House Bill 161 sponsored by Representative Munoz, et al.

**Question 5**
Per our discussion I am responding to number 5 with the attached two page financial spreadsheet. These cost estimates were developed by our architect (Jensen, Yorba, Lott) through an extensive programmatic design and survey of state employee office space requirements and a conceptual building design to accommodate their needs.

The building concept design cost estimate was performed by HMS, a construction cost estimating firm used widely throughout the state of Alaska. HMS developed the hard building costs of the Subport Office Building. Added to that hard cost is the state required One Percent for the Arts.

Presently, the TLO continues its due diligence undertaking with a budgeted item of $230,000. The indirect (soft) costs includes architectural, permitting, design and management and equipping of the building totaling $42,898,000.

Construction financing during the course of construction (18 months) is estimated to be $2,400,000. The summation of hard costs, arts, soft costs and construction financing totals $45,311,000 at our current estimate.

The second spreadsheet details the division of financing costs between COPs and The Trust contribution over a period of twenty years; then through the first 10-year renewal period of the state's occupancy. Please note the black line boxes indicating 0.941% reflecting the state's proportional occupancy of the gross building area.

If you have any questions about the numerical presentation please call me at 907/269-8688.

**Question 6**
Under an agreement with the Department of Natural Resources, and as a result of the 1994 Settlement Agreement, the Trust can nominate "in-lieu" lands for lands already

conveyed to the Trust that may be contaminated or in other respects inconsistent with Trust management principals of Trust assets. Under this program, the TLO has nominated the parcel of land where the current Department of Public Safety building sits on Whittier Street. This parcel will be conveyed to the Trust as a replacement land after DPS employees migrate to the new Subport Office Building. All of this occurs without cost to the State or the Trust through the Replacement Lands program.

The Trust would be eager to evaluate using this same technique to acquire the Douglas Island state office building. Contact Marcie Menefee if you have questions at 907/269-8753.

**Question 8**
The answer to number 8 is adequately addressed in question #5 along with the two attached spreadsheets.

Thank you and if you have any questions or comments please feel free to contact me at anytime.

Sincerely,

Timothy J. Spernak
Senior Resource Manager
TLO

Attachments

ATTACHMENT #8

1693

# Juneau Subport Office Project
## Projected Cost and Revenue ( 20 and 30 years )
## First SOA Lease Renewal (Ten Years at 55% of Debt Expenses)

| SOA Lease Cost | | 20 Years | TLO Amort Balance 1st Renewal | 30 Years |
|---|---|---|---|---|
| **Scenario (1)** | **50%/50% LTV - 20 Yr COP's & 30 Yr TLO** | $70,971,575 | $19,517,183 | $90,488,758 |
| Operating Expenses | | $28,546,340 | $19,666,094 | $48,212,434 |
| Ground Lease | | $14,491,926 | $7,245,963 | $21,737,889 |
| **Total Scenario (1)** | | **$114,009,841** | **$46,429,241** | **$160,439,082** |

| | COP Bonds | Total | TLO Contribution |
|---|---|---|---|
| **PV** | **$22,655,702** | $45,311,404 | $22,655,702 |
| **i** | 5.50% | | 7.50% |
| **n=months** | 240 | | 360 |
| **PMT** | $155,845 | | $158,411 |
| **SOA** | ***0.941*** | | ***0.941*** |
| **Mo. PMT** | $146,650.15 | | $149,064.75 |

| | | | | | Ground Lease | Operating $$ Comp @ 2.2% | Totals |
|---|---|---|---|---|---|---|---|
| **YR PMT** | $1,759,801.74 | | $1,788,777.01 | $3,548,578.75 | YR | $724,596 | $1,151,656 | **$5,424,830.75** |
| **20 Yr** | **$35,196,034.80** | | **$35,775,540.24** | **$70,971,575.04** | 20 Yr | $14,491,926 | $28,546,340 | $114,009,841.04 |
| | ***Rate Change*** | | | | 10Yr | $7,245,963 | $19,666,094 | |
| **30 Yr Sum** | $35,196,034.80 | $19,517,183.31 | $35,775,540.24 | | 30 Yr | $21,737,890 | $48,212,434 | $160,439,082.35 |

| | COP | | TLO |
|---|---|---|---|
| **Yr PMT** | $1,759,801.74 | | $1,788,777.01 |

| | | |
|---|---|---|
| | | $3,548,578.75 |
| | COP & TLO @ 5.5% | 0.55 |
| | Per Year | $1,951,718.31 |
| | Times 10 Years | $19,517,183.13 |
| | Revenue 1st Renewal | $1,951,718.31 |
| | TLO Debt Service | $1,788,777.01 |
| **Yearly** | Net After Debt Service | $162,941.30 |

| | |
|---|---|
| 20 Yr Cops | $35,196,034.80 |
| 20 yr TLO | $35,775,540.24 |
| 10 @ 55% TLO & COP | $19,517,183.13 |
| 30 Yr Ground | $21,737,890.44 |
| 30 Yr Opr | $48,212,435 |
| **Total 30 Years** | $160,439,083.34 |

| | | | |
|---|---|---|---|
| **Per JYL 1-28-2009** | | | |
| **Office Building area Occupied by:** | | **SOA/DOA** | ***0.941*** |
| **Per Wayne Jensen 1/28/2009** | | **Retail** | **0.059** |
| Per HMS Office Building Hard Costs | | | $36,940,752.00 |
| 1% Arts | | | $369,407.52 |
| Total Hard Costs Plus SOA Art requirement | | | $37,310,159.52 |
| Due Diligence: | | | $231,310.00 |
| Indirect: JYL, Permits, Design, Management & Equipment | | | $5,366,902.00 |
| | | | $42,898,371.00 |
| Construction Financing: | 7.5% @ 18 mo. | 0.1125 | $2,413,033.00 |
| | at 50% of 18 mo. | 0.5 | $45,311,404.00 |
| Total Project: Costs to Deliver. | | | $45,311,404.00 |
| **Capitol Costs:** | | | |

# The Trust Land Office

## Juneau Subport Development



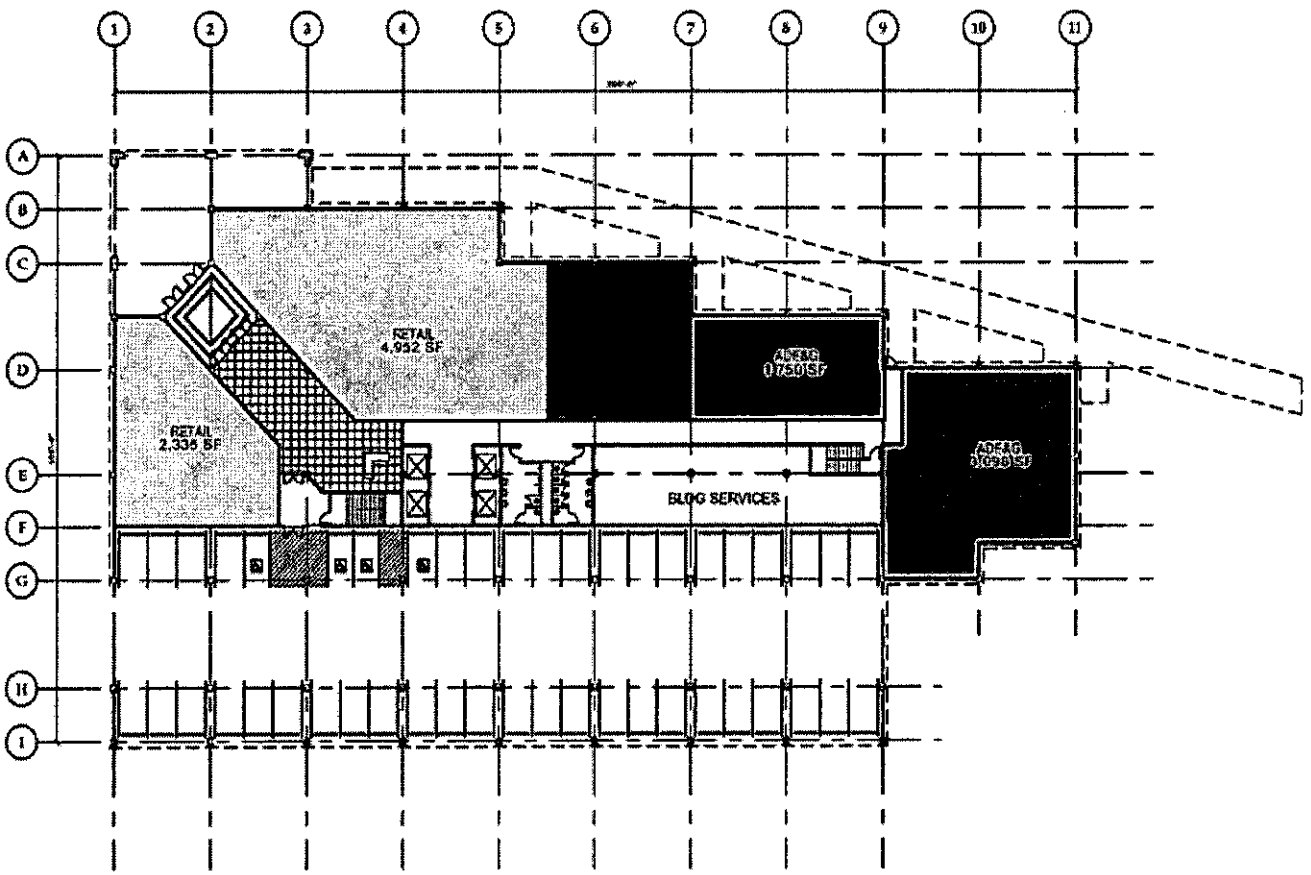







Zach Gordon Family Center
#3
Dept. Public Safety
Centennial Hall
Goldbelt Hotel
SeaAlaska Building
Foodland
The Wharf
#1
#2
Coast Guard-NOAA
Google

Jensen Yorba Lott Inc.
SUBPORT OFFICE BUILDING
Alaska Mental Health Trust Authority
Trust Land Office
Juneau, Alaska
A101
WILLOUGHBY AVENUE
WHITTIER STREET
EGAN DRIVE
LOCG PARKING
SUBPORT OFFICE PARKING
SITE PLAN
1
49




1 FIRST FLOOR PLAN
21,100sf GROSS AREA

Jensen Yorba Lott Inc.

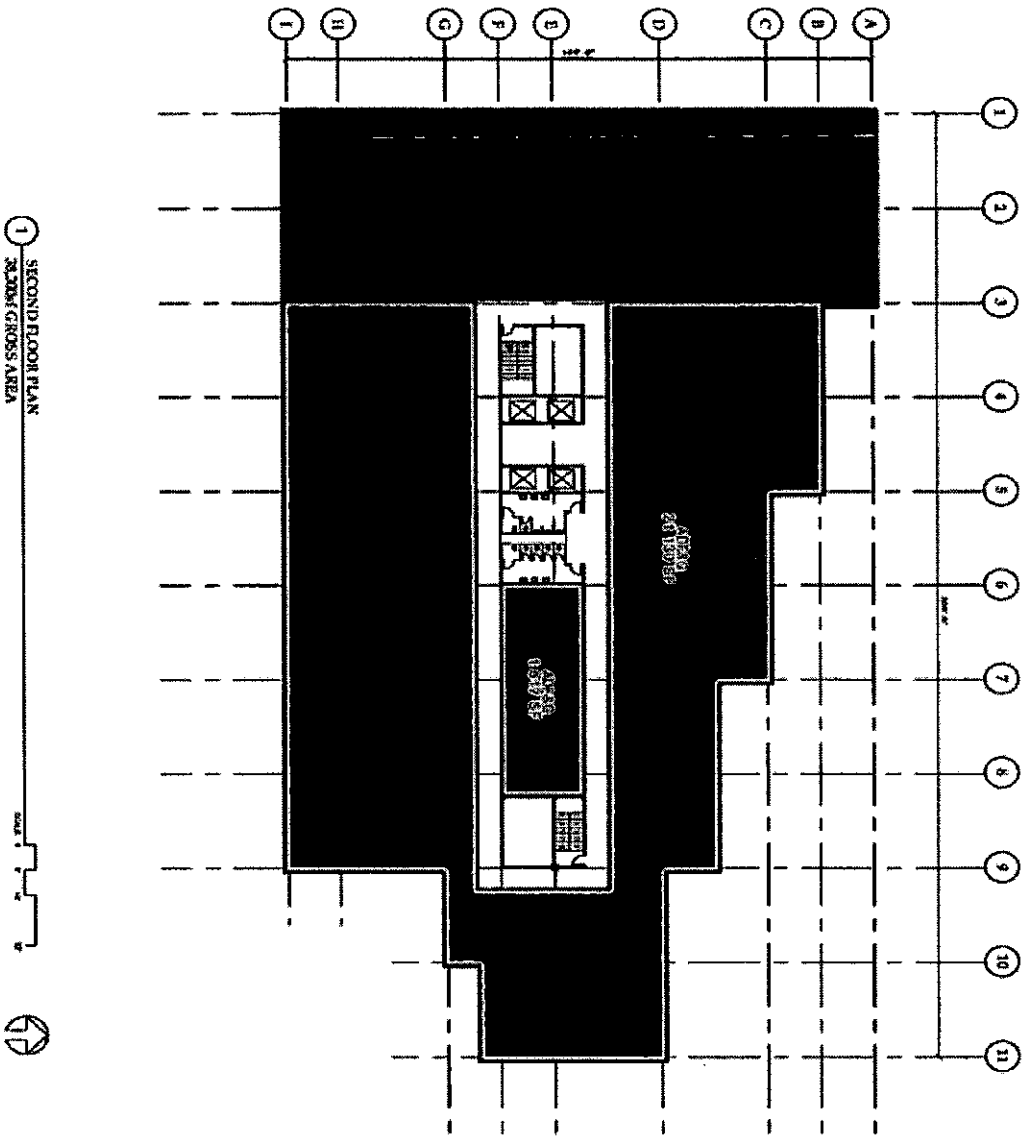
Alaska Mental Health Trust Authority
Trust Land Office
Juneau, Alaska

# SUBPORT OFFICE BUILDING

Juneau, Alaska

FIRST FLOOR PLAN

A201



1 SECOND FLOOR PLAN
20,300± GROSS AREA

A202

Alaska Mental Health Trust Authority
Trust Land Office

# SUBPORT OFFICE BUILDING

Juneau, Alaska

Jensen Yorba Lott Inc.

Jensen Yorba Lott Inc.

Alaska Mental Health Trust Authority
Trust Land Office
**SUBPORT OFFICE BUILDING**
Juneau, Alaska

A203




1 THIRD FLOOR PLAN
36,300± GROSS AREA

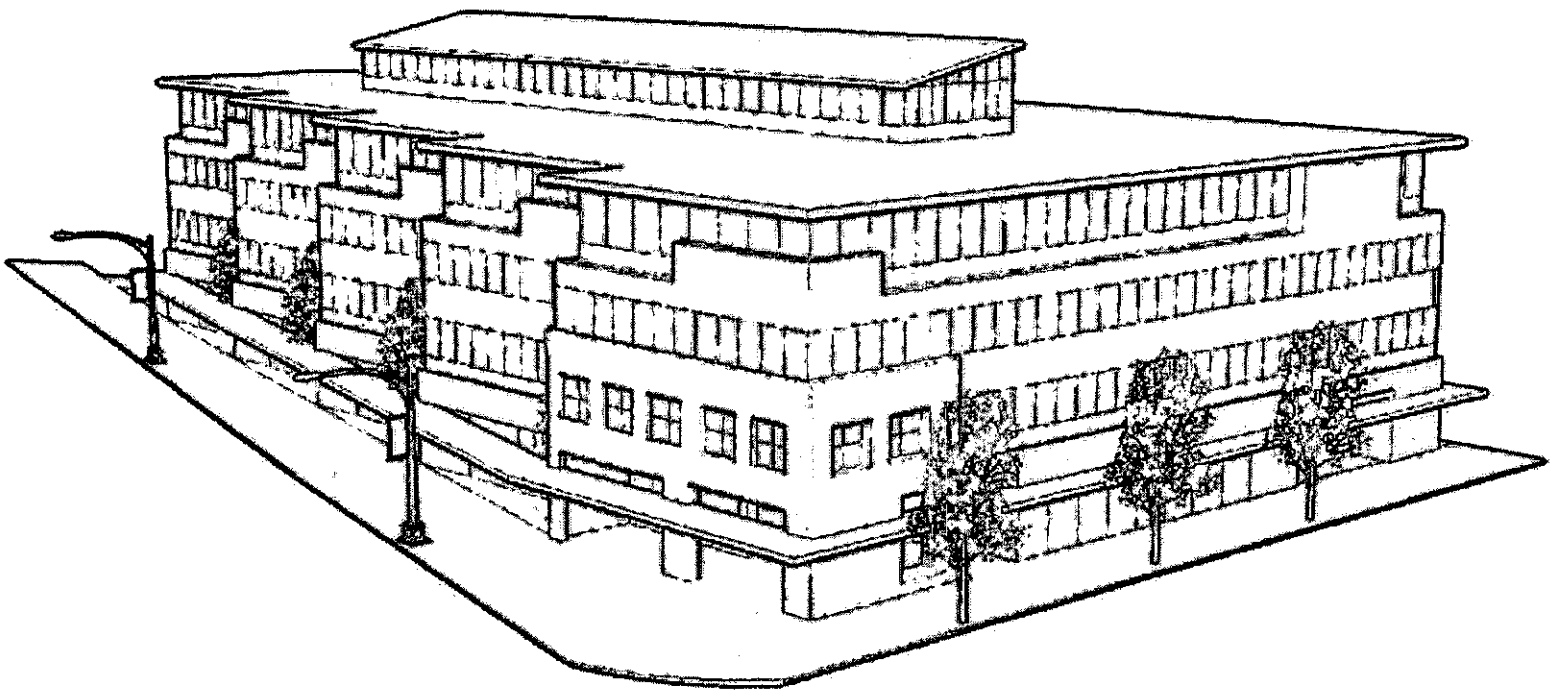
Jensen Yorba Lott Inc.

Alaska Mental Health Trust Authority
Trust Land Office
SUPPORT OFFICE BUILDING
Juneau, Alaska

A204




1 FOURTH FLOOR PLAN
38,300sf GROSS AREA



1 EXTERIOR MODEL VIEW

Jensen Yorba Lott Inc.

Alaska Mental Health Trust Authority
Trust Land Office
Juneau, Alaska

# SUBPORT OFFICE BUILDING

SU-A

Jensen Yorba Lott Inc.

# SUBPORT OFFICE BUILDING

Alaska Mental Health Trust Authority
Trust Land Office
Juneau, Alaska

SU-B



1 EXTERIOR PERSPECTIVE VIEW



Jensen Yorba Lott Inc

Alaska Mental Health Trust Authority SUPPORT OFFICE BUILDING

CONCEPT PHOTO

JANUARY 2009

# HB

# 171

(7)

**Date Referred to Committee: March 9, 2009** **FURTHER REFERRALS: Transportation**

**Date of Committee Action:** 4.2.09

**The COMMUNITY AND REGIONAL AFFAIRS Committee considered:** **HOUSE BILL NO. 171**

**"An Act authorizing the transfer of two parcels of land from the Alaska Railroad Corporation to the Municipality of Anchorage; and providing for an effective date."**

**HB 171 AUTHORIZING TRANSFER OF RAILROAD LAND**

**Recommends it be replaced with [ ] HCS *or* [ ] CS for** _____ ( )

***For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR*** _____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____ Committee
[ ] Letter of Intent _____ Committee

***List of Abbrev for Depts.:***
**ADM**
**CED**
**COR**
**CRT**
**EED**
**DEC**
**DFG**
**GOV**
**DHS**
**LWF**
**LAW**
**LEG**
**MVA**
**DNR**
**DPS**
**REV**
**DOT**
**UA**

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

| List by Dept(s): | *FN# | Fiscal | Indet. | Zero |
|---|---|---|---|---|
| CED | | | | X |
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***PREVIOUS* FISCAL NOTES**

| List by Dept(s): | FN# | Fiscal | Indet. | Zero |
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| Signing with recommendations | Printed Last Name | DP | DNP | NR | AM |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | WARREN | | | ✓ | |
| | Keller | | | ✓ | |
| | Gardner | X | | | |
| | | | | | |
| Chair: | HERRON | | | ✓ | |
| Chair: | | | | | |

# ALASKA STATE LEGISLATURE

*Co-Chair:*
Joint Armed Services Committee

*Vice-Chair:*
Judiciary
Legislative Budget and Audit

*Member:*
Economic Development, Trade & Tourism
Energy

*Session:*
Alaska State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-3783
Fax: (907) 465-2293
Toll Free (877) 460-3783

*Interim:*
10928 Eagle River Road
Eagle River, Alaska 99577
Phone: (907) 622-3783
Fax: (907) 622-3784

## REPRESENTATIVE NANCY DAHLSTROM

ELMENDORF AFB • FORT RICHARDSON • BIRCHWOOD • FIRE LAKE • GOVERNMENT HILL • MULDOON
Representative_Nancy_Dahlstrom@legis.state.ak.us

### Sponsor Statement
### House Bill 171: An Act authorizing the transfer of two parcels of land from the Alaska Railroad Corporation to the Municipality of Anchorage; and providing for an effective date.

House Bill 171 would authorize the Alaska Railroad Corporation (ARRC) to exchange two parcels of land on Government Hill in Anchorage for land owned by the Municipality of Anchorage (MOA). The MOA parcel is of similar value and is located on 3rd Avenue between the A and C Street couplet in Anchorage.

The first ARRC parcel (ARRC Parcel 1 on map) is not contiguous with other ARRC property and does not currently generate lease revenue. It is located near the entrance of Government Hill and was formerly occupied by an auto detailing shop. The building was removed to facilitate transfer of gravel from the old Hollywood Vista site to the Port of Anchorage and the parcel has remained vacant since then. Once the parcel transfers, the Anchorage School District will use it to redesign a safer, more efficient entrance to Government Hill Elementary School. The parcel is 8,188 sq. ft. with an appraised value of $122,800.

The second ARRC parcel (ARRC Parcel 2 on map) is covered under a long-term lease. It was leased approximately six years ago by Jaguar Development Group, LLC for a term of 55 years. The parcel is surrounded by MOA owned or controlled property (Hollywood Drive and the old Hollywood Vista housing complex, demolished in the late 1980's). The site is being redeveloped into a residential subdivision after years of planning by the Government Hill community and the MOA. The MOA will own the parcel after the trade. Fee simple title can then be offered to individual purchasers instead of a lease, through the MOA or its developer. The property is 76,905 sq. ft. with an appraised market value of the leased fee interest of $480,000.

In exchange for the two ARRC parcels, MOA will transfer its parcel (MOA Parcel 1 on map) to ARRC. The MOA parcel is surrounded by ARRC land. It is currently used for parking and is managed by the Downtown Parking Authority. Consolidating this MOA parcel with the larger ARRC parcel would increase the value of the whole parcel and increase its development potential in the central business district. The MOA property is approximately 20,150 sq. ft. with an appraised market value of $645,000.



1707

The ARRC and MOA properties proposed for exchange have been independently appraised and valued at $602,800 and $645,000, respectively. MOA indicates it expects no additional consideration for its slightly higher valued property.

The Alaska Railroad Corporation Act, Alaska Statute 42.40.285, requires Legislative approval for the ARRC to "exchange, donate, sell or otherwise convey its entire interest in land".

I respectfully request favorable support of House Bill 171.

# FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 171
() Publish Date:

identifier: HB171-CED-ARR-03-30-09
Title: Land Exchange ARRC and MOA
Sponsor: Representative Nancy Dahlstrom
Requester: House Communtity and Regional Affairs Committee

Dept. Affected: DCCED
RDU
Component: Alaska Railroad Corporation
Component Number

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CHANGE IN REVENUES ( )** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2009) cost:** **0.0**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This legislation would authorize the Alaska Railroad Corporation (ARRC) to exchange two separate parcels of rail land on Government Hill in Anchorage with a parcel of land owned by the Municipality of Anchorage (MOA). The two parcels of rail land have been appraised for $602,800. The MOA parcel located on 3rd Avenue between the A and C Street couplet in Anchorage has been appraised for $645,000. The Municipality has indicated it expects no additional consideration for its slightly higher valued property.

Prepared by: Wendy Lindskoog — Phone 265-2498
Division: Assistant Vice President Alaska Railroad Corporation — Date/Time 3/30/2009 12:30 p.m.
Approved by: Emil Notti, Commissioner — Date 3/30/2009
Department of Commerce, Community and Economic Development

(Revised 9/10/2008 OMB)

Adopted: February 17, 2009

Resolution No. 2009-006

Approving Transfer of Real Property to the Municipality of Anchorage

WHEREAS, the Alaska Railroad Corporation (ARRC) is the owner of two separate parcels of land on Government Hill that are proposed for a land swap with the Municipality of Anchorage; and

WHEREAS, one of the parcels, shown on the attached Exhibit A as ARRC Parcel 1, is not contiguous with other ARRC property and does not currently produce lease revenue; all improvements were previously removed from the parcel to expedite the Municipality's movement of gravel from a nearby site to the Port of Anchorage; the parcel presents a physical and legal obstruction to safe and efficient access to the Municipality's Government Hill Elementary School; and

WHEREAS, the second parcel, covered under a long-term lease and shown on the attached Exhibit A as ARRC Parcel 2, is surrounded by municipally owned or controlled property known as the Hollywood Vista site; the site is currently being redeveloped into a residential subdivision after years of planning by the Government Hill community and the Municipality of Anchorage, and ARRC's parcel will be incorporated into the redevelopment; and

WHEREAS, the Municipality would like to acquire the ARRC Parcel 2 in order to more efficiently develop the entire site, allowing the ARRC parcel to be subdivided as part of the overall development which would otherwise be restricted in its use; and

WHEREAS, the Municipality has offered to transfer the land shown on Exhibit A as MOA Parcel 1, which is more desirably located for ARRC use or development, in exchange for both ARRC parcels; and

WHEREAS, the ARRC and municipal properties proposed for exchange have been independently appraised and valued at $602,800 and $645,000, respectively; the Municipality has indicated it expects no additional consideration for its slightly higher valued property; and

WHEREAS, ARRC management recommends approval of this land exchange because the corporation will acquire property of equivalent or greater value that will increase the development potential of a central business district site or could potentially be incorporated in the development ARRC's existing Ship Creek land

327 W. Ship Creek Avenue
Anchorage, Alaska 99501

MAILING ADDRESS
P.O. Box 107500 Anchorage, Alaska, 99510-7500

TEL 907.265.2520 FAX 907.265.2416
AlaskaRailroad.com

holdings, which would increase the value of ARRC's property that surrounds MOA Parcel 1; and

WHEREAS, both ARRC Board approval and legislative approval are required for conveyance of the corporation's entire interest in land under AS 42.40.120(c)(14) and AS 42.40.285(1), respectively.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors has reviewed the proposed transaction and approves the conveyance of Parcels A and B as shown on Exhibit A to the Municipality of Anchorage in exchange for conveyance of MOA Parcel 1 as shown on Exhibit A; and

FURTHER RESOLVED, the President and CEO or his designee is authorized to negotiate such other conditions of transfer and take such other steps as he deems are appropriate and in the best interests of the corporation, including but not limited to seeking legislative approval of the conveyance of the corporation's entire interest in land as required by law.

This is to certify that I am the Secretary of the Board of Directors of the Alaska Railroad Corporation, and the above Resolution No. 2009-006 is a true and correct copy of the resolution adopted by the Alaska Railroad Corporation's Board of Directors at its regular meeting on February 17, 2009.

Date _____

James B. Blasingame
Board Secretary

Corporate Seal

February 23, 2009

Representative Nancy Dahlstrom
State of Alaska
House of Representatives

Dear Representative Dahlstrom:

At our February 19th Government Hill Community Council meeting, Ron Pollock, Executive Director and Sue Lukens, Development Director of Anchorage Community Development Authority, asked us to support the bill authorizing the exchange of Alaska Railroad land in Government Hill for Municipality of Anchorage land. Following their presentation and discussion, our council voted to support this legislation.

Two railroad parcels within Government Hill are under consideration for trade. One is a small triangle of land near the entrance to Government Hill Elementary School. Last year, the Municipality of Anchorage purchased a business on this site and razed the derelict building. Mr. Pollock and Ms. Lukens report that this parcel, if owned by the Municipality, will be modified to improve the entrance to the school, which could enhance appearance, traffic flow and student safety.

The second railroad parcel is approximately 1.77 acres located on the south side of Hollywood Drive. Currently, it is leased from the railroad but is included in the Northpointe Bluff Subdivision. If traded to the Municipality, this parcel could be sold to the developer/owner of the subdivision, who, in turn, could sell lots to individual buyers for single family, owner/occupied homes.

Given the future uses of the above two parcels, as stated by the Municipality, Government Hill Community Council supports this land trade. We ask for your support as well.

Sincerely,

Thomas Pease

Thomas Pease
Acting President
Government Hill Community Council

**Anchorage School District**

5530 E. Northern Lights Blvd.
Anchorage, Alaska 99504-3135
(907) 742-4000

March 10, 2009

The Honorable Nancy Dahlstrom
State of Alaska
House of Representatives

Re: Alaska Railroad/Municipality of Anchorage Land Trade; HB 171

Dear Representative Dahlstrom:

It is my understanding that the above-mentioned bill is being considered at this legislative session.

The land trade proposed between the Alaska Railroad and the Municipality of Anchorage will result in a small parcel of land, directly in front of the entrance to the Government Hill Elementary School, being transferred to the Municipality of Anchorage. Last year the Municipality purchased the business located there, and razed the derelict building. If the parcel is owned by the Municipality it can be used to improve the entrance to the school and enhance student safety there.

The Anchorage School District is in support of this legislation and we urge the legislature to pass the bill in this session.

Thank you for your consideration.

Sincerely yours,

Carol Comeau

[redacted]

Sec. 42.40.285. Legislative approval required.

Unless the legislature approves the action by law, the corporation may not

(1) exchange, donate, sell, or otherwise convey its entire interest in land;

(2) issue bonds;

(3) extend railroad lines; this paragraph does not apply to a spur, industrial, team, switching, or side track;

(4) lease land for a period in excess of 55 years unless the corporation reserves the right to terminate the lease if the land is needed for railroad purposes;

(5) apply for or accept a grant of federal land within a municipality; before approving an action under this paragraph, the legislature must determine that the federal land is required for essential railroad purposes; this paragraph does not apply to the application for or acceptance of a grant of federal land associated with

(A) the Anchorage-Wasilla line change project on Elmendorf Air Force Base and Fort Richardson;

(B) the Fairbanks intermodal rail yard expansion project;

(C) a conveyance of rail properties of the Alaska Railroad under the original Alaska Railroad Transfer Act of 1982 as set out in Title VI, P.L. 97-468; in this subparagraph, "rail properties of the Alaska Railroad" has the meaning given in 45 U.S.C. 1202(10).

# HB

# 173

(7)

**Date Referred to Committee: March 9, 2009** FURTHER REFERRALS: [illegible]

**Date of Committee Action:** 4.2.09

**The COMMUNITY AND REGIONAL AFFAIRS Committee considered:** **HOUSE BILL NO. 173**

**"An Act authorizing the conveyance of certain land of the Alaska Railroad Corporation to the Department of Transportation and Public Facilities; and providing for an effective date."**

**HB 173 TRANSFER RAILROAD LAND TO DOTPF:FAIRBANKS**

**Recommends it be replaced with [ ] HCS** *or* **[ ] CS** *for* _____ (_____)
*For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____* **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

*List of Abbrev for Depts.:*
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

| ***NEW*** **FISCAL NOTES** *Assigned by Chief Clerk's Office | | | | |
|---|---|---|---|---|
| List by Dept(s): | *FN# | Fiscal | Indet. | Zero |
| DoT | | | | X |
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| ***PREVIOUS*** **FISCAL NOTES** | | | | |
|---|---|---|---|---|
| List by Dept(s): | FN# | Fiscal | Indet. | Zero |
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| **Signing with recommendations** | **Printed Last Name** | **DP** | **DNP** | **NR** | **AM** |
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| | | | | | |
| [signature] | Norris | | | ✓ | |
| [signature] | Keller | | | ✓ | |
| Berta Gardner | GARDNER | X | | | |
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| Chair: [signature] | HERRON | | | ✓ | |
| Chair: | | | | | |

1716

Representative Scott Jiu Wo Kawasaki
Alaska State Legislature District 9 Fairbanks

**MEMORANDUM**

Date: March 10, 2009

To: Representative Cathy Muñoz, Co-Chair
Representative Bob Herron, Co-Chair
House Committee on Community and Regional Affairs

From: Representative Scott Kawasaki
House District 9

RE: House Bill 173

---

I respectfully request a hearing for HB 173. The bill provides for the transfer of 5 acres of Alaska Railroad property to the Department of Transportation and Public Facilities. The land is necessary for the reconstruction of Illinois Street in Fairbanks.

A copy of the resolution, sponsor statement, and additional material are attached, including letters of supporting testimony.

There will be various testimonies given from multiple locations from around the state at many LIO locations. At this point in time, we have not confirmed the list of witnesses who will present when the bill receives a hearing.

If you have any questions or need additional information, please call Mercedes Theuer at 465-6890.

Representative Scott Jiu Wo Kawasaki
Alaska State Legislature District 9 Fairbanks

# House Bill 173
# Sponsor Statement

**"An Act authorizing the conveyance of certain land of the Alaska Railroad Corporation to the Department of Transportation and Public Facilities; and providing for an effective date."**

The Department of Transportation and Public Facilities (DOT&PF) is preparing to reconstruct Illinois Street. This street is a commonly used thoroughfare that is in dire need of reconstruction and expansion. It connects downtown Fairbanks to College Road and the Johansen Expressway, two major arterials, and is a road that is commonly jammed during rush hours. Pedestrian and bicycle facilities are inadequate or entirely absent along this road.

This project is designed to support efforts to address riverfront enhancements in the area where the corridor crosses the Chena River. Fairbanks residents and commuters would greatly benefit from this road's reconstruction, which would result in a straighter and wider street, providing for a faster and safer commute.

The Alaska Railroad Act requires legislative approval for this action to proceed. HB 173 provides that authority and specifies the DOT&PF to provide a combination of cash, land of equal value, or a combination of both to the Alaska Railroad Corporation.

There is no outside fiscal impact of this act because DOT&PF costs are part of the construction cost of this project. Both DOT&PF and ARRC support the legislation.

For the sake of safety, city beautification, efficiency and economic development, I urge you to support this bill.

# FISCAL NOTE

**STATE OF ALASKA**
**2009 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version: **HB 173**
() Publish Date:

Identifier (file name): HB173-DOT-NR-03-30-09
Dept. Affected: DOT&PF
Title: Transfer Railroad Land to DOT&PF: Fairbanks
RDU: Design and Construction
Component: No. Reg. Design and Engineering
Sponsor: Rep. Kawasaki
Requester: H CRA
Component Number: 2299

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2009) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

There will be no fiscal impact to the Department. Should DOT&PF need to purchase land from the Alaska Railroad as opposed to a land exchange - those right of way purchases are already a part of the project costs.

Prepared by: Mary Siroky, Legislative Liaison
Phone 465-4772
Division: Department of Transportation and Public Facilities
Date/Time 3/30/09 11:00 AM
Approved by: Nancy Slagle, Admin Director
Date 3/30/2009
Department of Transportation and Public Facilities

(Revised 9/10/2008 OMB)

Adopted: February 17, 2009

Resolution No. 2009-008

Approving Transfer of Real Property to the State Department of Transportation and Public Facilities

WHEREAS, the Alaska Railroad Corporation (ARRC) is the owner of certain land in the vicinity of Illinois Street in Fairbanks, Alaska, that has been requested by the Alaska Department of Transportation and Public Facilities (DOTPF) in connection with DOTPF's Illinois Street Reconstruction Project, STP-F-M-0663(4)/63102; and

WHEREAS, ARRC and DOTPF have negotiated various aspects of the proposed project and its impacts on ARRC and ARRC tenants for over four years, and ARRC is satisfied with the changes in design that have been made by DOTPF; and

WHEREAS, the properties proposed for transfer are generally shown on Exhibit A attached and will be independently appraised to establish value before any conveyance would occur; and

WHEREAS, ARRC and DOTPF are exploring whether DOTPF has lands eligible to transfer to ARRC in exchange for ARRC's Illinois Street properties instead of outright payment of the appraised value; and

WHEREAS, ARRC management recommends approval of this land conveyance based on the public interest served by DOTPF's project and contingent on ARRC receiving equivalent value in return through cash payment, conveyance of other lands, or a combination of both; and

WHEREAS, both ARRC Board approval and legislative approval are required for conveyance of the corporation's entire interest in land under AS 42.40.120(c)(14) and AS 42.40.285(1), respectively.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors has reviewed the proposed transaction and approves the conveyance of approximately three (3) acres of land as shown on Exhibit A to the Alaska Department of Transportation and Public Facilities in exchange for equivalent value in land or cash or both being transferred to the corporation; and

FURTHER RESOLVED, the President and CEO or his designee is authorized to negotiate such other conditions of transfer and take such other steps as he deems are appropriate and in the best interests of the corporation, including but not limited to seeking legislative approval of the conveyance of the corporation's entire interest in land as required by law.

---

This is to certify that I am the Secretary of the Board of Directors of the Alaska Railroad Corporation, and the above Resolution No. 2009-008 is a true and correct copy of the resolution adopted by the Alaska Railroad Corporation's Board of Directors at its regular meeting on February 17, 2009.

Date Feb. 17, 2009 James B. Blasingame

James B. Blasingame
Board Secretary

Corporate Seal

327 W. Ship Creek Avenue
Anchorage, Alaska 99501

MAILING ADDRESS
P.O. Box 107500 Anchorage, Alaska, 99510-7500

TEL 907.265.2300 FAX 907.265.2416
AlaskaRailroad.com

*FAIRBANKS METROPOLITAN AREA TRANSPORTATION SYSTEM*

# FMATS


*POLICY COMMITTEE MEMBERS*

**Steve Titus, P.E.**
Chair
Dept. of Transportation & Public Facilities
Regional Director, Northern Region
2301 Peger Road
Fairbanks, Alaska 99709
(907) 451-2210

**Mayor Jim Whitaker**
Fairbanks North Star Borough
P.O. Box 71267
Fairbanks, Alaska 99707
(907) 459-1300

**Mayor Terry Strle**
City of Fairbanks
800 Cushman Street
Fairbanks, Alaska 99701
(907) 459-6793

**Mayor Doug Isaacson**
City of North Pole
125 Snowman Lane
North Pole, Alaska 99705
(907) 488-2281

**Luke Hopkins**
Fairbanks North Star Borough
Borough Assembly Representative
P.O. Box 71267
Fairbanks, Alaska 99707
(907) 455-6805

**Chad Roberts**
City of Fairbanks
Fairbanks City Council Representative
P.O. Box 71819
Fairbanks, Alaska 99707
(907) 452-2435

**Alice Edwards**
Dept. of Environmental Conservation
Acting Director, Air Quality Division
410 Willoughby Ave., Suite 303
Juneau, Alaska 99811-1800
(907)465-5109


March 12, 2009

Alaska State Legislature
Representative Scott Jiu Wo Kawasaki
State Capitol
Juneau, AK 99801

Dear Representative Kawasaki:

The Fairbanks Metropolitan Area Transportation System (FMATS) would like to express our support for HB 173 authorizing the conveyance of certain land of the Alaska Railroad Corporation to the Department of Transportation and Public Facilities (DOT & PF). This land is critical to the upcoming reconstruction, realignment and widening of Illinois Street in Fairbanks, Alaska. Without this land, the reconstruction of Illinois Street could not occur.

This project began development in 1985 and is in the final stages of right-of-way acquisition. The plan is to construct this project in 2011. The public interest would be best served to convey this land to the DOT & PF so that this critical FMATS project may be built.

We thank you for sponsoring this bill and urge the Alaska State Legislature to pass HB 173 expeditiously.

Sincerely,

Donna J. Gardino
MPO Coordinator

CC: FMATS Policy Committee
FMATS Technical Committee
Deputy Commissioner Frank Richards, P.E., DOT & PF
Mary Siroky, Special Assistant to the Commissioner, DOT & PF

Date: March 18, 2009

**FAIRBANKS METROPOLITAN AREA TRANSPORTATION SYSTEM (FMATS)**
**RESOLUTION NO. 2009-03**

**AN FMATS RESOLUTION IN SUPPORT OF HB 173 AND SB 142 AUTHORIZING THE CONVEYANCE OF CERTAIN LAND OF THE ALASKA RAILROAD CORPORATION (CORPORATION) TO THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES (DOT & PF) FOR THE PURPOSE OF RECONSTRUCTION, REALIGNMENT AND WIDENING OF ILLINOIS STREET IN FAIRBANKS, AK.**

**WHEREAS,** the DOT & PF has been developing the Illinois Street Reconstruction project since 1985; and

**WHEREAS,** the project is being funded out of the FMATS Transportation Improvement Program; and

**WHEREAS,** the reconstruction of Illinois Street is a top priority of the FMATS Policy Committee, the decision-making body of FMATS; and

**WHEREAS,** Illinois Street is a commonly used thoroughfare that connects downtown to the western and northern districts of the city, and is in dire need of reconstruction; and

**WHEREAS,** it is necessary for the Alaska State Legislature to approve the conveyance of the corporation's land interest as stipulated in AS 42.40.285(1); and

**WHEREAS,** the Corporation has approved of this land transfer to the DOT & PF, an approval that is required under AS 42.40.120(c)(14).

**NOW, THEREFORE BE IT RESOLVED,** FMATS supports HB 173 and SB 142 authorizing the conveyance of certain land of the Alaska Railroad Corporation to the



1722

Department of Transportation and Public Facilities for the purpose of reconstruction, realignment and widening of Illinois Street in Fairbanks, AK.

**PASSED AND APPROVED THIS 18th *DAY OF MARCH, 2009.***

**Steve Titus, P.E.**
**FMATS Policy Committee, Chair**

*Executive Office*
*Telephone: 907-265-2403*
*Facsimile: 907-265-2312*

March 10, 2009

The Honorable Joe Paskvan
Senator
State Capitol, Room 7
Juneau, AK 99801

The Honorable Scott Kawasaki
Representative
State Capitol, Room 428
Juneau, AK 99801

Dear Senator Paskvan and Representative Kawasaki:

Thank you for your willingness to sponsor legislation authorizing the conveyance of approximately five acres of rail land from the Alaska Railroad Corporation (ARRC) to the Department of Transportation and Public Facilities (DOT&PF).

Over the years, ARRC has had the opportunity to work with DOT&PF to facilitate projects that benefit Alaska's public infrastructure needs. The Illinois Street Reconstruction Project proposed by DOT&PF is another such effort and we are pleased to provide our support.

ARRC Board of Directors and legislative approval are both required for conveyance of the corporation's entire interest in land as mandated by AS 42.40.120 (c) (14) and AS 42.40.285 (1), respectively. ARRC's Board of Directors authorized this particular exchange for the conveyance of rail land with the understanding that ARRC would receive equivalent value in return through cash payment, conveyance of other lands, or a combination of both.

ARRC representatives will be present at hearings for this legislation to help convey our support and answer questions. If you need additional information from us, please contact Wendy Lindskoog, Assistant Vice President Corporate Affairs, at 265-2498.

Sincerely,

James K. Gamble

for Patrick K. Gamble
President and CEO

327 W. Ship Creek Avenue
Anchorage, Alaska 99501

MAILING ADDRESS
P.O. Box 107500 Anchorage, Alaska, 99510-7500

TEL 907.265.2300 FAX 907.265.2416
AlaskaRailroad.com

# STATE OF ALASKA

**SARAH PALIN, GOVERNOR**

**DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES**
*OFFICE OF THE COMMISSIONER*

*3132 CHANNEL DRIVE*
*PO Box 112500*
*JUNEAU, ALASKA 99811-2500*
*FAX: (907) 586-8365*
*PHONE: (907) 465-3900*

March 17, 2009

The Honorable Scott Kawasaki
Alaska State Legislature
State Capitol, Room 428
Juneau, AK 99801-1182

Dear ~~Senator~~ Rep. Kawasaki:

The Department of Transportation and Public Facilities supports SB 142 and HB 173. Either of these bills allows the Department to obtain land required for the much needed Illinois Street Reconstruction project in the City of Fairbanks.

Illinois Street has been a vital part of the transportation infrastructure in Fairbanks for over 90 years. A portion of this vital urban arterial route is on land that was transferred to the Alaska Railroad Corporation when the State acquired the railroad from the federal government. This fact was discovered when researching the right of way status for these long planned major improvements.

This project is being designed and constructed largely with Federal Highway funds. Under federal regulations, the Department must certify that it has sufficient legal interest in the underlying right-of-way before we can proceed with construction.

The proposed legislation allows the Department of Transportation and Public Facilities to acquire the needed legal interest in this right of way from Alaska Railroad Corporation.

We fully support this legislation. Passage this session will allow construction on this important project to begin in 2010.

Sincerely,

Leo von Scheben, P.E., L.S., M.B.A.
Commissioner

cc: Mary Siroky, Legislative Liaison, DOT&PF

*"Provide for the safe movement of people and goods and delivery of state services."*




101 Dunkel Street, Suite 111 • Fairbanks, AK 99701-4806
(907) 457-3282 • (907) 459-3787 Fax
www.explorefairbanks.com

March 16, 2009

Dear Representative Kawasaki:

Thank you for supporting HB 173 which allows for the transfer of five (5) acres of land owned by the Alaska Railroad Corporation to the DOT&PF in order to proceed with the Illinois Street reconstruction project in Fairbanks. The Alaska Railroad Corporation has approved this land transfer to the DOT& PF, as is required under AS 42.40.120(c)(14).

Decades in the making, Fairbanks residents, commuters and visitors will greatly benefit from this road's reconstruction. Illinois Street is a commonly-used thoroughfare that connects downtown Fairbanks to the western and northern districts of Fairbanks. This reconstruction and expansion is direly needed to lessen traffic jams during rush hours and decrease traffic accidents in the area

Furthermore, this project is designed to support efforts to address riverfront enhancements in the area where the corridor crosses the Chena River and to address inadequate or entirely-absent pedestrian and bicycle facilities along this road.

We advocate that the Alaska State Legislature to approve the conveyance of the corporation's land interest as stipulated in AS 42.40.285(1). I'll be in Juneau on April 1 and 2 and look forward to seeing you then. Meanwhile, if you have any questions, please feel free to contact me at (907) 459-3770 or dhickok@explorefairbanks.com.

Warm Regards,

Deb Hickok
President and CEO




March 13, 2009

Representative Scott Kawasaki
Room 428, State Capitol
Juneau, AK 99801

Dear Representative Kawasaki:

I write to express the Downtown Association of Fairbanks' support for HB 173. Enabling the Alaska Railroad Corporation and Alaska DOTPF to proceed with this real estate transaction is the right thing to do.

Illinois Street re-construction is a long-overdue corrective to a host of shortcomings with circulation in downtown Fairbanks and environs. Long on the books, the Illinois Street improvements are a first step in revitalizing downtown Fairbanks. As you know the Vision Fairbanks revitalization plan awaits the Illinois Street projects for its own catalyst roadway improvements to proceed.

HB 173 ties-up a loose end of this long-overdue project. We commend you for it, and trust your colleagues will follow your lead for the good of Fairbanks.

Sincerely,

David van den Berg
Executive Director

**Downtown Association of Fairbanks**
**410 Cushman St, Fairbanks AK 99701 P: 907.452.8671 F: 907.457.8859 info@downtownfairbanks.com**

# HB

# 202

26-LS0776\E
Cook
3/18/10

**CS FOR HOUSE BILL NO. 202(CRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**Offered:**
**Referred:**

**Sponsor(s): REPRESENTATIVES HERRON, Millett, Tuck, Stoltze, Johansen, Keller, Crawford, Muñoz, Johnson, Richard Foster, Ramras, Peggy Wilson, Kelly, Dahlstrom, Harris, Gatto**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act relating to municipal building code requirements for fire sprinkler systems in certain residential buildings."**

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

*** Section 1.** AS 29.10.200 is amended by adding a new paragraph to read:

(62) AS 29.35.144 (sprinkler fire protection systems).

*** Sec. 2.** AS 29.35 is amended by adding a new section to read:

**Sec. 29.35.144. Sprinkler systems in certain residential buildings.** (a) Except as provided by (b) of this section, a municipality may not require a sprinkler fire protection system to be included in the construction of all new single-family residential buildings or in the construction of all new residential buildings with not more than two dwelling units.

(b) A municipality may, by ordinance, require a sprinkler fire protection system to be included in the construction of all new single-family residential buildings, in the construction of all new residential buildings with not more than two

dwelling units, or in both types of buildings. Before adopting an ordinance to implement this subsection, or before amending an ordinance to extend its coverage to residential buildings described in this subsection, in addition to complying with the other requirements relating to the adoption of an ordinance, the governing body shall

(1) notwithstanding the publication requirement in AS 29.25.020(b)(3) or a comparable notice publication requirement of a home rule municipality, at least 30 days before the first scheduled public hearing for the ordinance, publish

(A) a summary of the ordinance or ordinance amendment; and

(B) a notice of the time and place of each scheduled public hearing on the proposed ordinance or amendment; and

(2) notwithstanding the public hearing schedule requirement of AS 29.25.020(b)(6) or comparable public hearing scheduling requirement of a home rule municipality, schedule at least three public hearings on the proposed ordinance or ordinance amendment to be held within a 60-day period; the governing body may not consider the proposed ordinance or amendment for adoption, with or without amendment, sooner than 60 days after the conclusion of the first public hearing on the proposed ordinance or amendment.

(c) This section applies to home rule and general law municipalities.

26-LS0776\E.1
Cook
3/22/10

# AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 202(CRA), Draft Version "E"

Page 2, lines 14 - 17:

Delete all material.

Insert "ordinance amendment to be held within a period of not less than 60 days and not more than 180 days."



1731

26-LS0776\R
Cook
3/9/10

**CS FOR HOUSE BILL NO. 202( )**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY**

**Offered:**
**Referred:**

**Sponsor(s): REPRESENTATIVES HERRON, Millett, Tuck, Stoltze, Johansen, Keller, Crawford, Muñoz, Johnson, Richard Foster, Ramras, Peggy Wilson, Kelly, Dahlstrom, Harris, Gatto**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act relating to municipal building code requirements for fire sprinkler systems in certain residential buildings."**

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

*** Section 1.** AS 29.10.200 is amended by adding a new paragraph to read:

(62) AS 29.35.144 (sprinkler fire protection systems).

*** Sec. 2.** AS 29.35 is amended by adding a new section to read:

**Sec. 29.35.144. Sprinkler systems in certain residential buildings.** (a) Except as provided by (b) of this section, a municipality may not require a sprinkler fire protection system to be included in the construction of all new single-family residential buildings or in the construction of all new residential buildings with not more than two dwelling units.

(b) A municipality may, by ordinance, require a sprinkler fire protection system to be included in the construction of all new single-family residential buildings, in the construction of all new residential buildings with not more than two

www.sitnews.com
Holy Name School

✓ attached zero fiscal note



New Text Underlined [DELETED TEXT BRACKETED]

Paul Michaelson

1732

dwelling units, or in both types of buildings. Before adopting an ordinance to implement this subsection, or before amending an ordinance to extend its coverage to residential buildings described in this subsection, in addition to complying with the requirements relating to the adoption of an ordinance under AS 29.25, the governing body of the municipality shall

(1) prepare a cost-benefit analysis of the proposed ordinance as it may apply to the residential buildings to which the proposed ordinance or ordinance amendment will apply;

(2) notwithstanding the publication requirement in AS 29.25.020(b)(3) or a comparable notice publication requirement of a home rule municipality, at least 30 days before the first scheduled public hearing for the ordinance, publish

(A) a summary of the ordinance or ordinance amendment and the cost-~~benefit~~ analysis; and

(B) a notice of the time and place of each scheduled public hearing on the proposed ordinance or amendment; and

(3) notwithstanding the public hearing schedule requirement of AS 29.25.020(b)(6) or comparable public hearing scheduling requirement of a home rule municipality, schedule at least three public hearings on the proposed ordinance or ordinance amendment to be held within a 60-day period; the governing body may not consider the proposed ordinance or amendment for adoption, with or without amendment, sooner than 60 days after the conclusion of the first public hearing on the proposed ordinance or amendment.

(c) This section applies to home rule and general law municipalities.

# Representative Bob Herron

Rep.Bob.Herron@legis.state.ak.us

State Capitol • Juneau, Alaska 99801-1182
Phone: (907) 465-4942 • Fax: (907) 465-4589

House District 38
Kuskokwim & Johnson Rivers
Kuskokwim Bay & Nelson Island

Akiachak
Akiak
Atmautluak
Bethel
Chefornak
Eek
Goodnews Bay
Kasigluk
Kipnuk
Kongiganak
Kwethluk
Kwigillingok
Lower Kalskag
Mekoryuk
Mertarvik
Napakiak
Napaskiak
Newtok
Nightmute
Nunapitchuk
Oscarville
Platinum
Quinhagak
Toksook Bay
Tuluksak
Tununak
Tuntutuliak
Upper Kalskag


## Sponsor Statement

## CSHB 202 (Version R), Residential Sprinkler Systems

House Bill 202 is in response to a national movement to require fire sprinkler systems in one and two-family dwellings. This legislation does not take away local control from municipalities and cities, but does require a more robust public process be followed before sprinklers can be mandated in certain areas.

What HB 202 seeks to avoid is broad mandates without public involvement for home sprinkler systems that will drive up costs for consumers in areas where sprinklers may not necessarily be needed.

The CS for HB 202 (version R) requires that before a municipality can mandate sprinkler systems in new construction of residential buildings with one or two dwelling units they must first:

- Do a cost-benefit analysis
- At least 30 days prior to the first public hearing, publish a summary of the ordinance and the cost-benefit analysis and notice the time and place of each scheduled public hearing
- Hold three public hearings within a 60-day period.

Fire sprinkler systems are not cheap. Conservative estimates indicate that Alaskans could expect to pay between 3 to 5 dollars per square foot to have a system included in the construction of their new home. The NAHB estimates the entire cost of an average home sprinkler system at $3,000.

This bill realizes there may be cases in Alaska where requiring sprinklers in one and two-family dwellings is necessary. Often, the geography at the location of new builds is such that firefighters cannot make it swiftly to a burning home. In those cases, HB 202 **would not** prohibit sprinkler mandates.

House Bill 202 will continue to allow elected officials in municipalities and cities to explore a mandate on sprinklers.

# FISCAL NOTE

**STATE OF ALASKA**
**2008 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version:
() Publish Date:

Identifier (file name): HB 202-DPS-FLS-03-08-10
Dept. Affected: Public Safety
Title "An Act relating to muncipal building code requirements for
RDU Fire and Life Safety
Component Fire and Life Safety Operations
Sponsor Represenative Herron
Requester Community and Regional Affairs
Component Number 494

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2009** | **FY 2009** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

**Estimate of any current year (FY2008) cost:** 0.0

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This bill will have no fiscal impact on the department.

Prepared by: David Tyler
Phone (907) 269-5491
Division State Fire Marshal
Date/Time 3/8/10 1:00 PM
Approved by: Joe Masters
Date 3/8/2010
Commissioner

(Revised 11/19/2007 OMB)

CS HB 202, Version R – Municipal requirements for fire sprinklers

Summary:
A home rule or general law municipality may not adopt an ordinance to require a sprinkler system in residential building with one or two dwelling units, unless the muni:

1. Comply with requirements already in statute under AS 29.25;
2. Prepare a cost-benefit analysis of the proposed ordinance;
3. At least 30 days before the first public hearing for the ordinance, publish a summary of the ordinance and the cost-benefit analysis, and a notice of the time and place of each public hearing;
4. Schedule at least 3 public hearings (to be held within a 60-day period) on the proposed ordinance and not consider the ordinance for adoption until 60 days after the first public hearing date.

AS 29.25

- Ordinance introduced in writing
- Public hearing may be required (majority vote)
- At least 5 days before public hearing a summary of the ordinance shall be published with the time and place of the hearing

INSURANCE SERVICES OFFICE, INC.

www.isomitigation.com 800-444-4554

# RESIDENTIAL SPRINKLERS ISO FACT SHEET

ISO is an independent statistical, rating, and advisory organization that serves the property/casualty insurance industry. ISO is the leading supplier of underwriting information, advisory loss costs, supplementary rating information and standardized policy language to insurers in all 50 states and the District of Columbia. ISO offers the following regarding how residential sprinklers are reflected in ISO's advisory residential property programs:

## PREMIUM DISCOUNTS

The standard ISO Dwelling Fire and Homeowners Programs contain available premium Credits for installation of fire sprinkler protection up to a maximum of:

- 13% for full sprinkler protection that includes all areas of a home, including attics, bathrooms, closets, and attached structures;
- 8% for fire sprinkler protection of all areas of a home excluding the attic, bathrooms, closets, and attached structures as long as fire detection equipment is installed in those areas where sprinklers are omitted;

Individual insurer programs may provide different credits.

## SPRINKLER "LEAKAGE" COVERAGE

The presence of a residential sprinkler system may raise concern about the risk of accidental water leakage from the system. ISO's standard Homeowners policy forms provide coverage for "...accidental discharge or overflow of water...from within a...fire protective sprinkler system...". This coverage is included in the basic policy. There is no extra charge for this coverage.

Also, coverage is provided for water damage related to the suppression or extinguishment of a covered fire.

Individual insurer programs may provide variations to this coverage.

## BUILDING CODE EFFECTIVENESS GRADING SCHEDULE

The ISO Building Code Effectiveness Grading Schedule (BCEGS®) is used to review public building code enforcement agencies and to develop a classification that is provided as advisory information to insurers who may use it for insurance underwriting and rating. If the requirement of the International Residential Code (2009) for automatic fire sprinkler protection of residential dwellings was removed by legislation or local ordinance, BCEGS would not provide full recognition for adoption of code without amendments. A building code enforcement agency which adopted a code with amendments that weaken hazard mitigation issues as defined in the model codes and referenced standards would not receive maximum recognition for code adoption.

- Prop 4 supported
- Previously voted against Kensington Reso

David Owens
Building Inspector

# House Fire Deaths

Elliot F. Eisenberg

Over the past two decades the number of individuals dying in fires has fallen dramatically. In 1979 the total number of such deaths was 5,998. By 1999, the latest year for which data are available, the number of such deaths had fallen to 3,354—a decline of 44 percent. This reduction understates the true improvement in fire safety, as the U.S. population grew by almost 50 million persons during this 20-year period. As a result, the fire death rate per million people, a better measure of fire safety, fell from 26.66 in 1991 to 12.30 in 1999—almost 54 percent.

The most common type of fire death is a result of a house fire. Figure 1 shows the total number of fire deaths, and fire deaths that originated in the home, between 1979 and 1999. This excludes arson deaths (which are often categorized as homicides or suicides), fire deaths following car crashes, railway deaths involving fire, and deaths caused by explosive materials. It also excludes forest fires, camp fires, and all other fires that originate outside the home, yet result in the death of an individual in the home. The number of these fire deaths has declined by 45.6 percent, from 4,863 in 1979 to 2,644 in 1999. Taking into account the growth in population, the 45.6 percent decline in house fire deaths translates into a decline in the fire death rate per million persons from 21.6 to 9.7 or 55 percent.

These findings are based on the annual Multiple-Cause-of-Death file collected and compiled by the National Center for Health Services (NCHS), a part of the Centers for Disease Control and Prevention (CDC). Death certificates are coded by local medical authorities and compiled by the states and finally by NCHS. The result is an annual data file that contains a record of all deaths in the United States.

## State-by-State

Table 1 looks at fire deaths, and fire deaths per million persons (DPMP) on a state-by-state basis from 1983 and 1999. While the total number of fire deaths is important, it is strongly influenced by the size and population growth of the state. By avoiding these distorting influences fire deaths per million persons (DPMP) is a more useful measure.

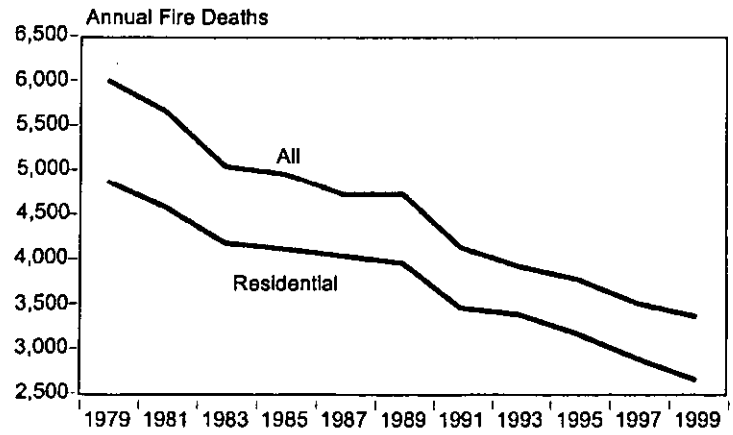
All states did not show a decline in fire deaths between 1983 and 1999 because in some states the number of fire deaths was already so low, or so unusually low in 1983, that a further reduction in the number of fire deaths was not possible.

Fire deaths rates are much higher in the South than in any other region of the nation. Nine of the 10 states with the highest fire DPMP rates are from the South. Fortunately, the DPMP rate in the South, and in other states with relatively high fire death rates, has declined rapidly during the past two decades. Mississippi has seen its rate plummet by 43 percent, while Georgia's rate has fallen by an even larger 57 percent. Other Southern states that have had very large declines in their fire DRMP rate include Louisiana, which enjoyed a reduction of 42.3 percent, and South Carolina who's rate fell by 65.8 percent.

One possible reason for the sharp decline is that due to rapid population growth many southern states have, on average, very new housing stock. Despite that, possible reasons for the continued high fire death rates in these states include lower overall levels of education, a high percentage of the population who live in rural areas, and high percentages of people who smoke and or who are below the poverty line.

A major reason for the large national fall in fire death rates has been due to the many fire safety features in new homes. A combination

**Figure 1. Fire Deaths and House Fire Deaths 1979-1999**




*Source: National Center for Health Statistics, Multiple Cause-of-Death Files 1979-1999.*



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of improved smoke detector placement and technology, improved fire blocking and stopping—which results in better fire containment which in turn provides more time to escape and or extinguish the fire—better heating and electrical design, resulting in the use of fewer extension cords and space heaters, and improved fire ratings on interior furnishings and building materials have lead the way in reducing U.S. fire deaths.

## International

While other countries' fire death rates have fallen over the past 25 years, U.S. rates have fallen significantly faster. Information to help compare the performance of the recent U.S. fire safety record to other countries comes from the National Fire Protection Association (NFPA).

Figure 2 shows that between 1979 and 1999 the decline in the U.S. fire death rate has been the largest in both absolute and percentage terms. In absolute terms the U.S. rate has fallen by over 20 DPMP, which translates to a decline of 57 percent, only France the U.K. and Spain even come close, and in all three cases the decline has been at most 50 percent. Nonetheless, fire death rates are still about 33 percent lower in France and about half as high in Spain and in the Netherlands as they are in the United States.

Closer to home, fire death rates in the U.S. and Canada have been similar for the past 25 years. From 1977 through 1984 the rates were nearly identical in both countries. Since then, however, Canada has consistently had a slightly lower rate than the U.S. with the gap between the two rates fluctuating from a high of 6 DPMP to a low of about 2 in 1999.

While fire death rates in the U.S. have fallen dramatically and are now comparable to rates in some European nations, a recent report by the World Fire Statistics Centre (WFSC) shows that more needs to be done before our rates are in line with most European countries. While the WFSC, and the NFPA get their data from different sources, and thus have results that differ slightly, their conclusions are mutually reinforcing.

The U.S. has traditionally placed greater emphasis on fire suppression than other nations.

It is, however, in fire prevention and safety behavior where the U.S. falls short of the Europeans. In Europe 4 percent to 10 percent of fire department budgets are spent on fire prevention, in the U.S. the rate rarely approaches 3 percent. Also, there is generally much greater cultural awareness of the destructive force of fires in many European and Asian countries due to hundreds of years of experience living in densely populated cities, where fires have periodically threatened large parts of the population and housing stock. Additionally, in the U.S., house fires are considered an inevitable, albeit an unfortunate, part of life, and thus carry no social stigma. By contrast in Europe, and elsewhere, house fires are viewed as preventable. Thus, when they do occur they are a cause of deep personal shame and embarrassment.[1]

## Causes of Fires

Figure 3 graphs the most common causes of house fire deaths as reported by the United States Fire Administration[2] (USFA). Smoking is the leading cause with more than 25 percent of all residential fire deaths attributable to it. The next most common cause is suspicious activities or arson that accounts for about to 20 percent of residential fire deaths. Cooking fires are next, followed closely by heating, with both cur-

**Table 1. State-By-State House Fire Deaths**

| | Deaths | Per Million | | |
|---|---|---|---|---|
| | 1999 Deaths | 1983 | 1999 | 1999 Rank |
| United States | 2,644 | 17.8 | 9.7 | NA |
| Alabama | 93 | 30.8 | 21.3 | 50 |
| Alaska | 7 | 35.2 | 11.3 | 35 |
| Arizona | 105 | 27.7 | 21.3 | 50 |
| Arkansas | 33 | 34.0 | 12.9 | 38 |
| California | 154 | 9.4 | 4.6 | 6 |
| Colorado | 18 | 8.6 | 4.4 | 4 |
| Connecticut | 25 | 7.3 | 7.6 | 18 |
| DC | 5 | 33.0 | 9.6 | 30 |
| Delaware | 10 | 15.3 | 13.3 | 39 |
| Florida | 191 | 13.6 | 6.0 | 10 |
| Georgia | 110 | 32.6 | 14.1 | 41 |
| Hawaii | 2 | 6.9 | 1.7 | 3 |
| Idaho | 11 | 9.1 | 8.8 | 26 |
| Illinois | 130 | 17.1 | 10.7 | 32 |
| Indiana | 59 | 19.5 | 9.9 | 31 |
| Iowa | 35 | 18.6 | 12.2 | 37 |
| Kansas | 24 | 12.6 | 9.0 | 28 |
| Kentucky | 57 | 23 | 14.4 | 42 |
| Louisiana | 71 | 28.1 | 16.2 | 45 |
| Maine | 23 | 21.8 | 18.4 | 48 |
| Maryland | 56 | 22.8 | 10.8 | 33 |
| Massachusetts | 31 | 21.2 | 5.0 | 7 |
| Michigan | 137 | 17.9 | 13.9 | 40 |
| Minnesota | 38 | 14.7 | 8.0 | 19 |
| Mississippi | 66 | 41.8 | 23.8 | 51 |
| Missouri | 149 | 17.5 | 9.0 | 27 |
| Montana | 4 | 19.6 | 4.5 | 5 |
| Nebraska | 14 | 12.5 | 8.4 | 23 |
| Nevada | 12 | 7.8 | 6.6 | 13 |
| New Hampshire | 2 | 18.8 | 1.7 | 2 |
| New Jersey | 60 | 15.5 | 7.4 | 16 |
| New Mexico | 9 | 7.8 | 5.2 | 9 |
| New York | 151 | 12.5 | 8.3 | 22 |
| North Carolina | 125 | 24.2 | 16.3 | 46 |
| North Dakota | 4 | 11.7 | 6.3 | 12 |
| Ohio | 126 | 17.9 | 11.2 | 34 |
| Oklahoma | 53 | 26.6 | 15.8 | 44 |
| Oregon | 29 | 15.0 | 8.7 | 25 |
| Pennsylvania | 141 | 20.5 | 11.8 | 36 |
| Rhode Island | 5 | 15.7 | 5.0 | 8 |
| South Carolina | 56 | 42.1 | 14.4 | 43 |
| South Dakota | 6 | 10.0 | 8.2 | 21 |
| Tennessee | 111 | 24.3 | 20.2 | 49 |
| Texas | 182 | 19.1 | 9.1 | 29 |
| Utah | 3 | 6.9 | 1.4 | 1 |
| Vermont | 4 | 53.2 | 6.7 | 14 |
| Virginia | 59 | 19.2 | 8.6 | 24 |
| Washington | 43 | 10.7 | 7.5 | 17 |
| West Virginia | 30 | 26.0 | 16.6 | 47 |
| Wisconsin | 42 | 13.5 | 8.0 | 20 |
| Wyoming | 3 | 7.8 | 6.3 | 11 |

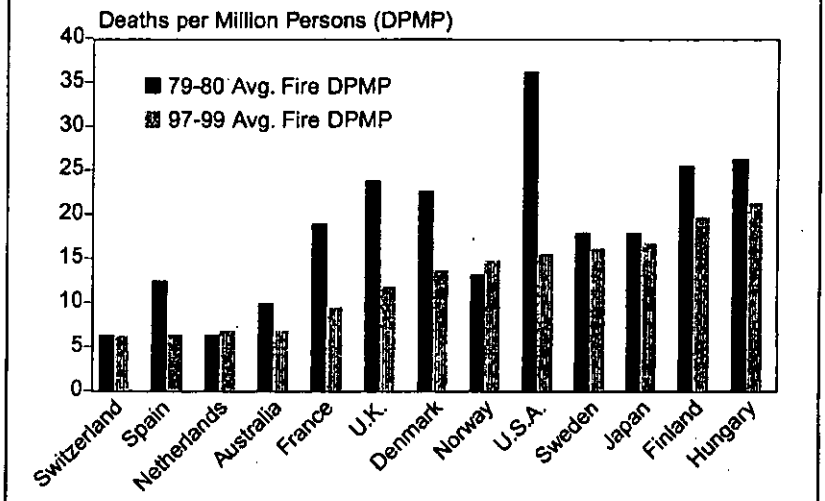
*Source: National Center for Health Statistics, Multiple Cause-of-Death Files 1983-1999.*



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$8000 retail

**Figure 2. International Fire Death Comparisons, 1979-1999**




*Source: World Fire Statistics Centre.*

rently accounting for between 10 percent and 15 percent of house fire deaths. The three other most common causes are electrical, open flame and children, each responsible for between 5 percent and 10 percent of all house fire deaths. While there are other causes, none account for more than 4 percent of house fire deaths.

An overarching cause of residential fire deaths is the age of the dwelling. Both known studies that have looked at this question, have found that older structures burn much more frequently than newer ones. A study[3] that examined all residential fire deaths in California between 1986 and 1991 found that the average fatality rate in units that were less than 15 years old was one-eighth as high as the annual average for California's housing stock, and one-tenth as high as the rate for houses more than 15 years old.

Nearly identical results were obtained in a national study conducted by the NAHB in 1987. That study found that the fatality rate for units that were five years old or less was one-fifth as high as the average fatality rate for all housing units and one-sixth as high as the fatality rate for units more than 15 years old.[4]

## Conclusion

House fire deaths in the US have fallen dramatically over the past 25 years. During that time the U.S. has gone from being a county where the chances of dying in a house fire were several times higher than in Europe, to being at worst twice as high and in many cases no higher. While any death is a tragedy, the U.S. has made great progress in reducing fire deaths and they no longer represent a large percentage of total deaths.

It was also shown that fire death rates have been decreasing across all states and decreasing most in states with high death rates. Smoking continues to be the number one cause of fatal residential fires, and bedrooms and living rooms are where nearly half of all fire deaths occur. Lastly, older residential structures were shown to have much higher fire death rates than newer ones.

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[1] Fire Death Rate Trends: An International Perspective, United States Fire Administration. May 1997.

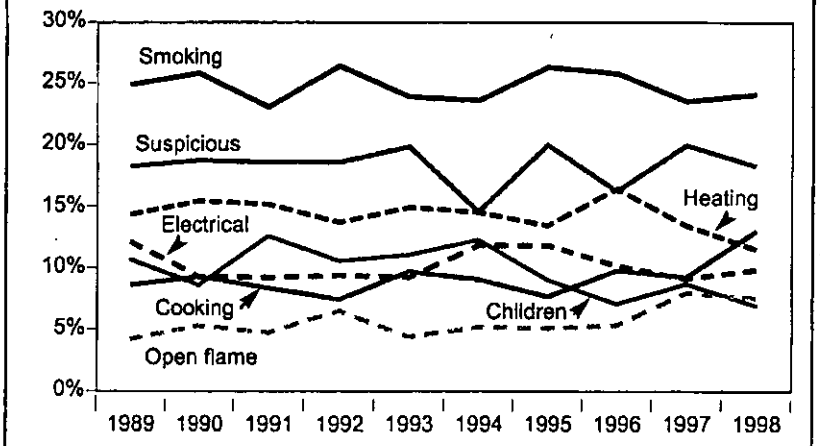
[2] The data are compiled by the USFA but recorded by 13,000 US fire departments that participate in the National Fire Incident Reporting System (NFIRS). Data is available in *Fire in the United States 1989-1998* 12th Ed.

[3] Commissioned by the California Building and Industry Association.

[4] NAHB: Residential Fire Survey, 1987.

*Elliot Eisenberg is an economist with the NAHB Housing Policy Group. For more information he can be reached at eeisenberg@nahb.com.*

**Figure 3. Leading Causes of Residential Fires, 1989-1998**




*Source: United States Fire Administration.*



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# MUNICIPALITY OF ANCHORAGE

Office of the Mayor

Phone: 907-343-7100
FAX: 907-343-7180

*Mayor Dan Sullivan*

February 3, 2010

The Honorable Linda Menard
Alaska State Legislature
State Capitol, Room 9
Juneau, AK 99801

Re: Proposed work draft of SB129

Dear Senator Menard:

I have reviewed the proposed work draft of SB129 (dated 1/4/10) and I appreciate your efforts to protect local decision-making requiring sprinklers in certain limited or special situation residential occupancies. You may be aware that when this legislation was first introduced, the Municipality of Anchorage had concerns about the implementation of the bill. I am pleased to see that a reasonable outcome has been achieved and based on the preservation of the conditions below; I favor the legislation currently in front of me:

1. The right to require "sprinkler fire protection systems" in new construction on a case-by-case basis For example, a new home adjacent to a wooden historical structure, new home built in a high woodland fire danger zone, or other reasonable situation; and

2. The right for a local government to choose, after an extended open and transparent public process, to implement a mandatory "sprinkler fire protection system" requirement in the construction of all new one and two family residences.

The extra public process required is appropriate for the issue of fire sprinklers in one and two-family dwellings. The issue is complicated and would require significant technical review in Alaska's cold climate. Likewise, the potential economic impacts on the homeowner would require significant scrutiny. As such, the requirement for the extra public hearings and advance public notice seems reasonable.

Thank you for your work and for providing the opportunity for me to comment. Please contact my intergovernmental affairs director, Stacy Schubert, if you have questions. She can be reached at 343-7112 or by email: Schuberts@muni.org.

Sincerely,

Dan Sullivan
Mayor

ahba
Affiliated with NAHB

February 10, 2010

The Honorable Bob Herron
Alaska House of Representatives
State Capitol Building
Juneau, Alaska 99801

Dear Representative Herron:

House Bill 202 has the full support of the Anchorage Homebuilders Association. As President, I speak for over 300 members who wholeheartedly agree that making fire sprinklers mandatory belongs at the local government level.

There are several reasons our association strongly supports this legislation: increased safety features in new homes in recent years have dramatically decreased fire injury and death; fire sprinklers are a burdensome cost to the homeowner and have significant maintenance issues; there are many concerns pertaining to cold climate installation.

Local government provisions in HB 202 leave it to communities to decide for themselves, after a public process, if requiring fire suppression systems is right for their area. Cost benefit analyses and public hearings would be required before a city adopted the fire sprinkler code. Given our concerns with making fire sprinklers mandatory, we feel HB 202 is a very fair compromise and maintains local control over the issue.

Please contact me if you would like to discuss this further.

Sincerely,

Andre Spinelli
President
Anchorage Home Builders Association

February 10, 2010

The Honorable Bob Herron
Alaska House of Representatives
State Capitol Building
Juneau, Alaska 99801

RE: HB202 "An Act relating to state and municipal building code requirements for fire sprinkler systems in certain residential buildings."

Dear Representative Herron:

On behalf of the membership of the Kenai Peninsula Builders Association, I would like to express our support of House Bill 202. We strongly believe that mandating fire sprinklers in one and two family adds a significant cost to a home owner and does not target the homes where fire deaths are occurring.

The current version of HB 202 ensures that the decision to mandate fire sprinklers is maintained at the local level. Built into the legislation are good public process parameters and special situations for fire sprinklers to be placed in homes near historical buildings, for example.

As President of the Kenai Peninsula Builders Association, we strongly urge the passage of HB 202 along with the Alaska State Home Building Association to ensure mandating fire sprinklers is left to local communities.

Please contact me with any questions you may have or to further discuss the issue.

Sincerely,

Bob Hammer

Bob Hammer
President
Kenai Peninsula Builders Association

P.O. Box 1753 • Kenai, Alaska 99611
ph. no. (907) 283-8121 • fax (907) 283-8072 • e-mail kenaibuilders@ak.net




6177 E. Mountain Heather Rd., Suite 6
Palmer, Alaska 99645

February 15th, 2010

The Honorable Bob Herron
Alaska House of Representatives
State Capitol Building
Juneau, Alaska 99801

Dear Representative Herron:

As President, I speak for over 120 members who wholeheartedly agree that making fire sprinklers mandatory belongs at the local government level. House Bill 202 has the full support of the Mat-Su Homebuilders Association.

Increased safety features in new homes in recent years have dramatically decreased fire injury and death; fire sprinklers are a burdensome cost to the homeowner and have significant maintenance issues; there are many concerns pertaining to cold climate installation. For these reasons, our association strongly supports this legislation.

HB 202 leaves it to communities to decide for themselves, after a public process, if requiring fire suppression systems is right for their area. Public hearings and cost benefit analyses would be required before a city adopted the fire sprinkler code. HB 202 is a very fair compromise and maintains local control over the issue.

Please contact me if you would like to discuss this further.

Sincerely,

Jeremy Doolaard
President
Mat-Su Home Builders Association

# Southeast Alaska Building Industry Association

P.O. Box 6291 • Ketchikan AK 99901• (907) 247-4903 • Fax (907) 247-6903
**E-mail: ketchikanhba@hotmail.com • Web site: http://www.sealaskabuilders.com**



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Pam Roth
Executive Officer
*SE Alaska BIA*


February 10, 2010

The Honorable Bob Herron
Alaska House of Representatives
State Capitol Building
Juneau, Alaska 99801

Dear Representative Herron:

As President of the Southern Southeast Alaska Building Industry Association, I am writing in support of HB 202 **"An Act relating to state and municipal building code requirements for fire sprinkler systems in certain residential buildings."** Based on current information, injury and death due to fires has significantly been reduced over the past two decades due to increased safety features in the construction of newer one and two-family homes. Requiring fire sprinklers unnecessarily burdens the homeowner with added costs and maintenance.

Passage of HB 202 maintains local government control over the requirement of fire sprinklers in new homes. The current version of the bill allows municipalities to decide, after a public process and cost benefit analysis, whether to implement fire sprinkler regulations in new one and two-family homes.

We fully support this legislation, along with the Alaska State Homebuilding Association. Please don't hesitate to contact me if you wish to discuss our Association's position.

Sincerely,

James P. Byron II

James Byron II, President
Southern Southeast Alaska Building Industry Association

ALASKA ASSOCIATION OF REALTORS, INC.
4205 Minnesota Drive Anchorage, Alaska 99503
Telephone (907) 563-7133 Fax (907) 561-1779
www.alaskarealtors.com

3/2/2010

Senator Joe Paskvan
Chairman, Senate Labor and Commerce Committee
State Capital Room 7
Juneau, Alaska 99801

Dear Senator Paskvan,

The Alaska Association of Realtors® has reviewed the substitute bill for SB 129. While our Association was in support of the original bill, we are also able to give our support to the substitute bill and appreciate the compromise that it brings to the table.

We are grateful to those Alaskans that are truly concerned for the safety of our citizens, but their opposition to this bill is more damaging than they can possibly realize. The mandate of sprinkler systems will cause a dramatic increase to not just the construction cost of homes, but also to the maintenance, resale and insurance costs. This substitute bill asks that the people that this affects are advised of this incredible burden before the governing body adopts the new rule.

The cost to install these systems in a single family residence has been quoted from those in the building industry at $20,000-30,000.00.

The cost of performing regular maintenance on the systems will be added to the homeowner's budget.

As is typical for many private residences, the systems will not be properly maintained and will be subject to leaking and system failure.

At the time of sale, a home inspector will not take responsibility for this type of system and will call for another inspector to check its' integrity. The cost of this inspection and the cost of periodic upgrades required will easily add thousands of dollars to the homeowner's costs at time of sale.

In this extreme climate these systems will experience freeze damage and/or damage from people attempting to winterize the systems with chemicals that may do damage to the system itself. While on the surface one would assume that the addition of sprinkler systems would lower insurance rates, the exact opposite would occur. Because of the high risk of water damage from having these systems in private residences, the costs will actually increase. A house that has suffered major or repeated water damage may not be able to be insured, drastically reducing the value of the average citizen's most important asset, their home.

Mold is married to this issue due to the moisture issue. This will add additional health risks, higher insurance rates or inability to obtain insurance coverage, the same increase in resale costs and loss of home value problems.



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ALASKA ASSOCIATION OF REALTORS, INC.
4205 Minnesota Drive Anchorage, Alaska 99503
Telephone (907) 563-7133 Fax (907) 561-1779
www.alaskarealtors.com

If a landowner wishes to build a home and has the ability to use a private well, another level of costs and problems are placed on the back of the homeowner. A sprinkler system is required to work separately of the houses power system. When power is cut to a house, there will need to be a self starting generator to run a pump that will need to be connected to a water source that can supply the minimum amount of water required by the new law. That may be a separate well or a holding tank that will need to be installed. These systems will also need to be maintained on a regular basis and are also subject to failure in our extreme environment.

The state should not allow the citizens of our state to be subjected to this incredible burden without proper notification and input. It is the right thing to do and we urge you to move this important and vital legislation.

Respectfully Submitted,

David B. Somers
Industry Issues Chairman
Alaska Association of Realtors®



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**Rob Earl**

| | |
|---|---|
| **From:** | Jeff Tucker [jtucker@northstarfire.org] |
| **Sent:** | Tuesday, March 09, 2010 11:09 AM |
| **To:** | Jeff Tucker; Sen. Joe Paskvan; Sen. Joe Thomas; Sen. Con Bunde; Sen. Kevin Meyer; Sen. Bettye Davis; Sen. Linda Menard; Sen. Gary Stevens; Rep. Bob Herron |
| **Cc:** | Jeff Stepp; Doug Letch; Rob Earl |
| **Subject:** | CS SB129 |
| **Attachments:** | AFCA Comments on Side by Side Comparison.pdf; Municipal Code Adoption Processes.pdf; Summary of Adoption Process.pdf |

Dear Senator Paskvan,

In a meeting that you had yesterday with Juneau Fire Marshal Dan Jager a request was made for further information on the local Building Code Adoption Process. I have compiled a listing of those procedures in the attached document. I have also attached a memo from the City and Borough of Juneau with regards to adoption of building codes.

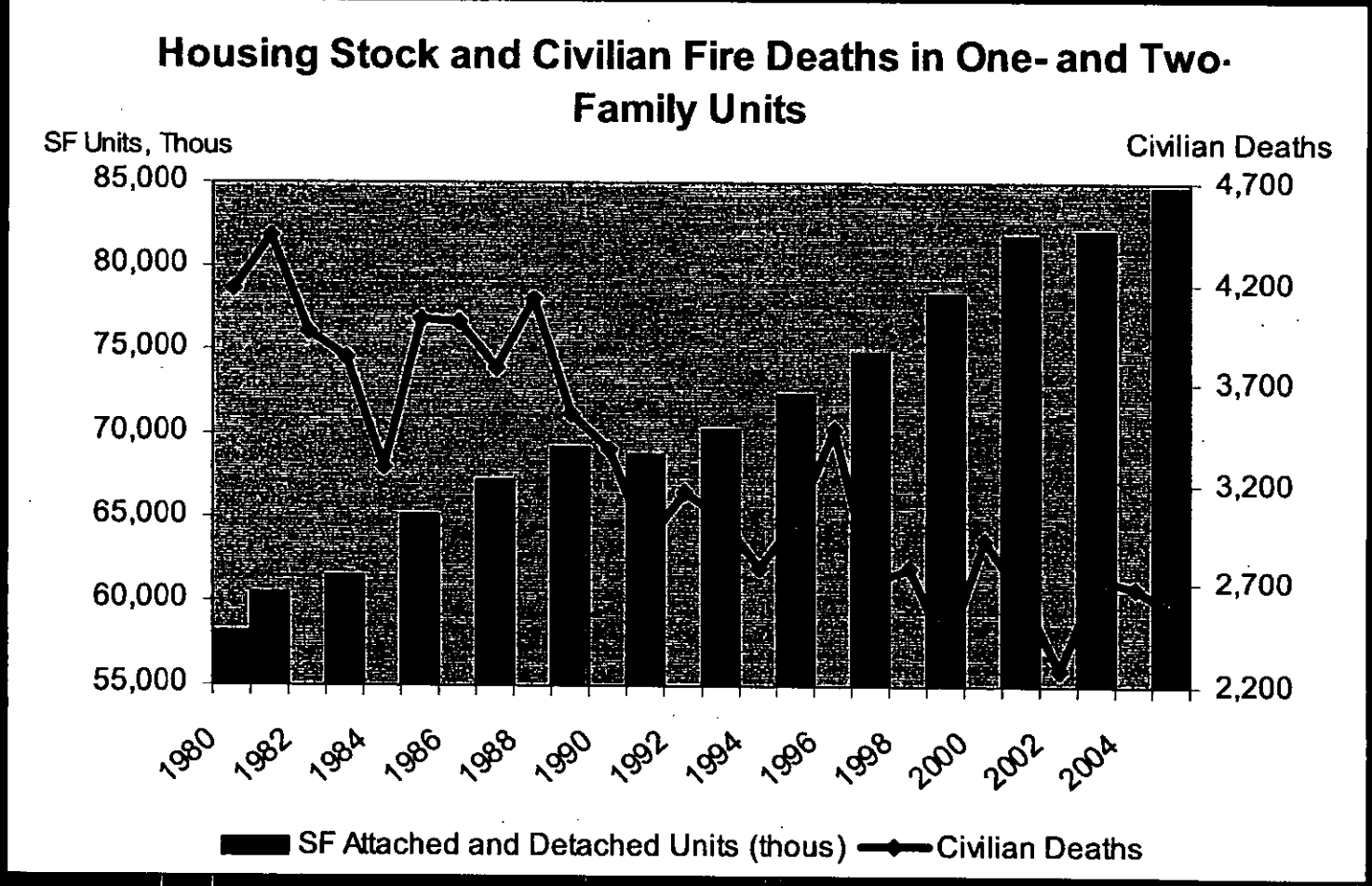
I would be happy to obtain all of the jurisdictions Building Code Adoption procedures and provide that to your committee for review if requested.

Thank you,

Jeff Tucker, Fire Chief
North Star Volunteer Fire Department
President Alaska Fire Chief Association
2358 Bradway Road
North Pole, Alaska 99705
(907) 488-3400 - Office
www.northstarfire.org
www.alaskafirechiefs.org

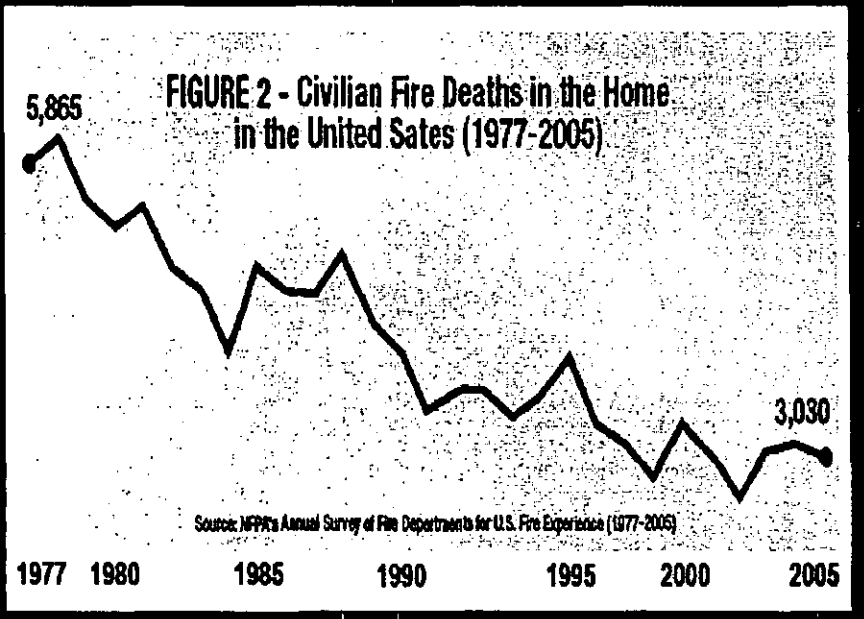
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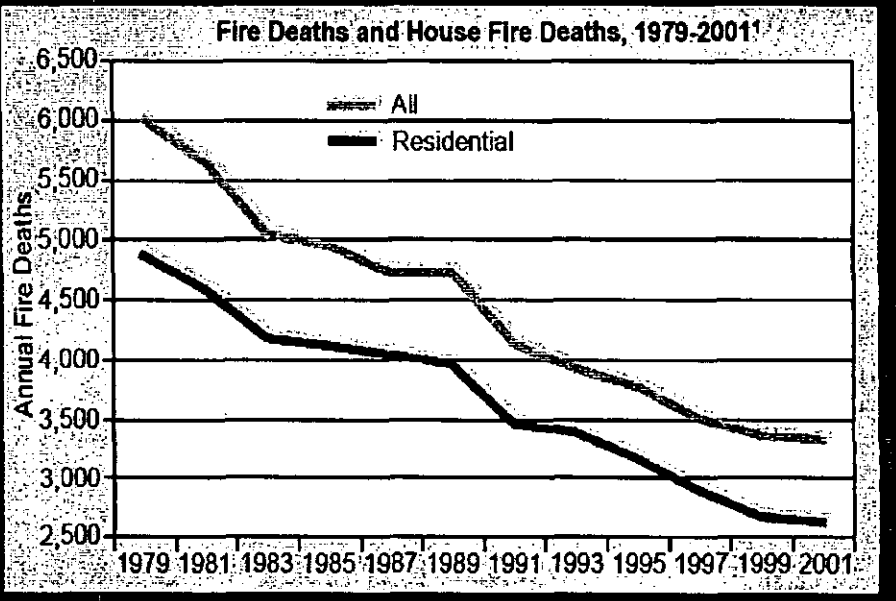
# Decline in Home Fire Fatalities



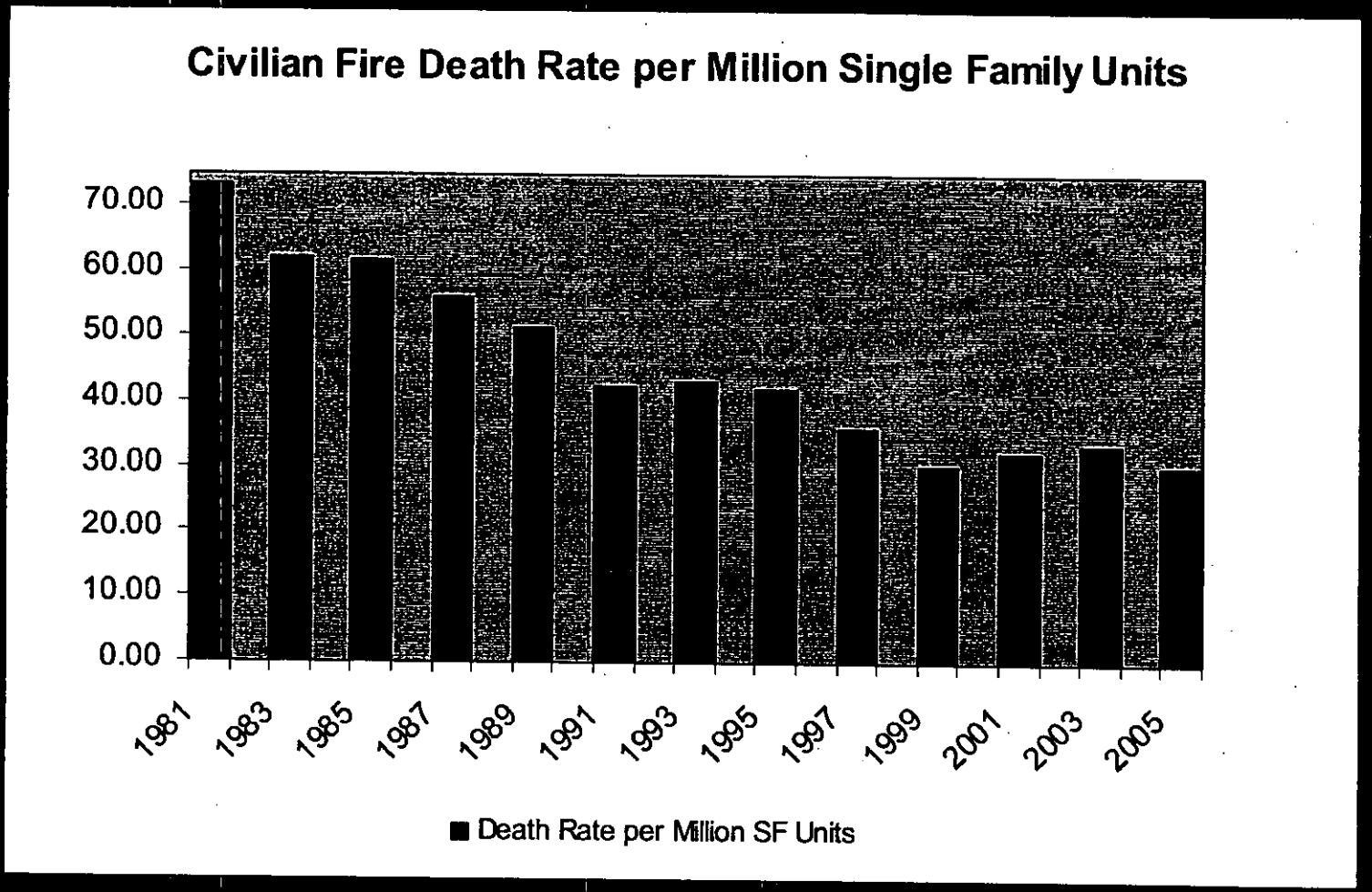
# Decline in Home Fire Fatalities (cont.)

- Advances in construction practices and materials, the effectiveness of smoke alarms, and fire prevention and education efforts are working.
- Fire deaths continue to decline year after year.
- 58% drop in the actual fire death rate per million persons from house fires – from 1979 – 2003 according to the Center for Disease Control.



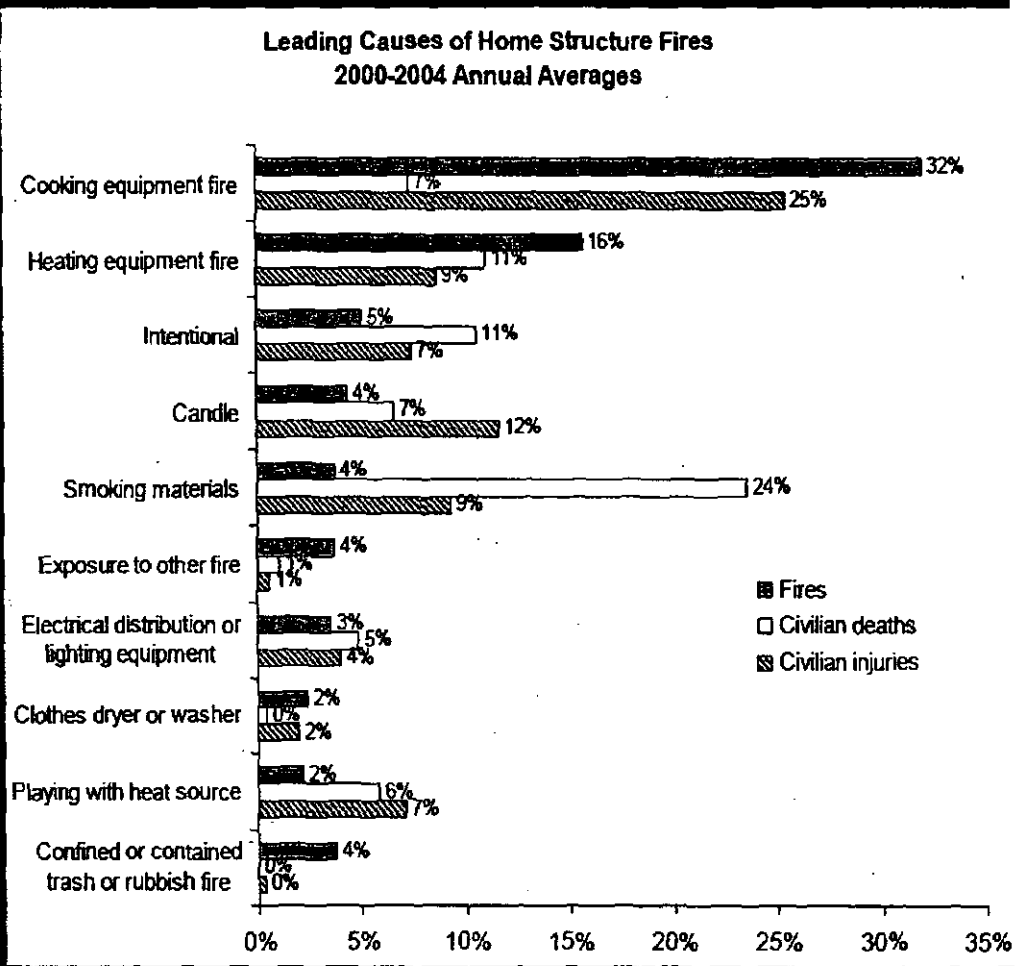



# Decline in Fire Death Rate



# Leading Causes of Fire

- Smoking materials remain the leading cause of home fire deaths & property damage.
- Only 4% of reported home structure fires were started by smoking materials, but these fires caused 700 or 24% of the home fire deaths.
- Intentionally set fires accounted for 19,000 reported home structure fires and 310 civilian fire deaths.




Source: *Home Structure Fires*, 2007 NFPA

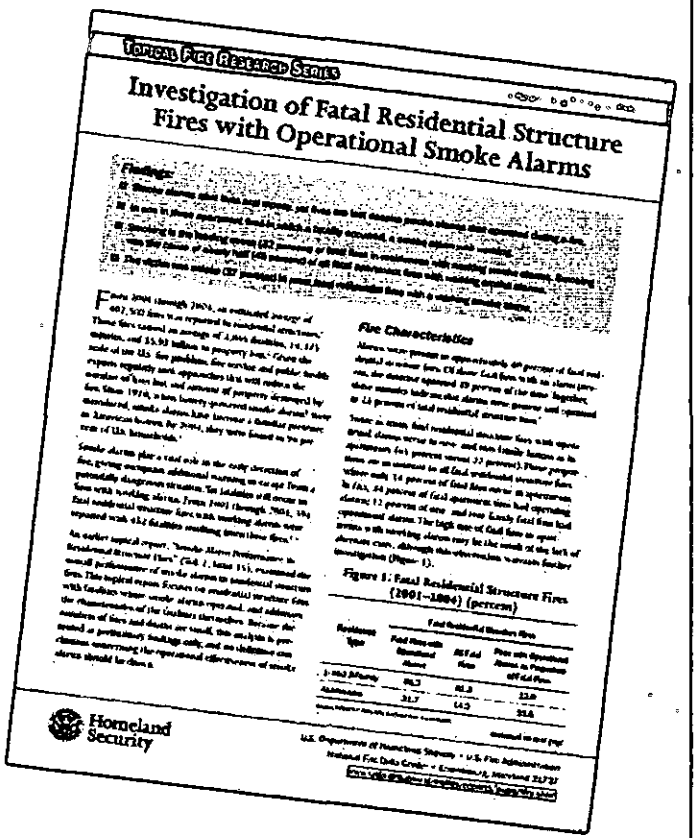
# New Homes are Safer

- Mandating fire sprinklers does not target homes where fire deaths are occurring.
- New technology and modern building codes make today's new homes safer
- Code provisions and technological innovations provide safety
  - fire blocking
  - draft stopping
  - emergency escape and rescue openings
  - electrical circuit breakers
  - outlet spacing and capacity
  - fire walls and fire separation
  - Adequate heating systems and energy efficient homes
  - interconnected hardwired smoke detection systems
- Versus older homes with antiquated or nonfunctioning smoke detectors.
  - Must be reached through education and public outreach
  - Very few fire deaths occur in homes with working smoke alarms
  - Smoke alarm technology continues to improve

# Smoke Alarms Work

- US Fire Administration and National Fire Protection Association data continue to affirm that the majority of home fire fatalities occur when there are no operational smoke alarms.

- Installing and maintaining smoke alarms is the most practical, cost effective and proven way to reduce home fire fatalities in the U.S.



Topical Fire Research Series

Investigation of Fatal Residential Structure Fires with Operational Smoke Alarms

Findings

Fire Characteristics

Figure 1: Fatal Residential Structure Fires (2001–2004) (percent)

Homeland Security

# Every home should have working smoke alarms.

***That's the best way to help prevent injury and death from house fires.***

In the last 20 years, the number of people who have died as a result of a fire in their homes has plummeted. Why? Experts in the fire protection and building industries agree: The increasing use of smoke alarms, now required in all building codes, is the biggest reason. Technological advances in home construction and better fire safety education are two others.

That's the good news. But we can do more. Even though new homes are significantly safer, there is still plenty of older housing stock in our country that was constructed back in the days when building codes weren't enforced as they are today – or that didn't include today's stringent requirements for electrical safety, heating systems, building materials, construction techniques and emergency escape. Most importantly, everyone would be a lot safer if every house had **working** smoke alarms.

*smokealarmswork.com*

## Think Safety – Today.

The important of operational smoke alarms in preventing residential fire deaths is indisputable. The National Association of Home Builders encourages all home owners to check their own alarms regularly and to support community initiatives to install and maintain smoke alarms in all homes.

## Today's Home is Safer.

New homes are built to be more fire-safe than ever before. Technological advancements in construction, more knowledge about how fires start and spread and significant improvements in building science protect today's homes without the need for fire sprinklers. The most significant life-saving advance is the requirement for the installation of sensitive smoke and fire detection systems that are hardwired, interconnected, and have battery back-up. When smoke is detected in any room, every alarm in the home is set off. These systems are in all new homes.



NAHB

SMOKE ALARMS WORK.

## Learn the truth about new homes and fire sprinklers.



Some public safety officials and the sprinkler industry have stepped up their campaign to require fire sprinklers in all new single-family homes and townhouses. They say installing sprinklers is cost effective, affordable, and a proven way of making homes safer. They say that the experts are on their side.

### *They aren't telling you the whole story.*

The goal for all public safety officials is to protect against injury and loss of life. In fact, that's a goal we all have in common: fire fighters, sprinkler installers, and home builders, too. But installing fire sprinklers is expensive, and there exists no legitimate study showing that overall, they do a better job of saving lives in home fires.

Most importantly, installing fire sprinkler systems in new homes does not prevent death and injury from fires in older homes. Fire sprinklers may be a solution for those who want them, but they are not a solution for reducing fire deaths where they commonly occur.

### Price Does Matter

For each additional $1,000 added to the price of a home, 250,000 potential home buyers are priced out of the market. Using a very conservative estimate of $3,000 for a fire sprinkler system in the average home, 750,000 homebuyers must remain on the sidelines – and not enjoy the safety benefits of a new home.

We also know what it costs to keep fire departments staffed and ready to respond to emergencies. As new homes are built and more families move into a community, it's natural for those costs to rise.

But mandating sprinklers doesn't halt the cost increase. A fire department does lots more than fight fires. Fire fighters field emergency medical requests, respond to traffic accidents, and constantly train and prepare for emergencies. Actual time spent fighting fires? About 3 percent, nationally. Installing sprinklers isn't likely to bring down these fire prevention costs.

## Alarms work. Here's why.

Studies show that the risk of fire death is greatest in cases of "delayed discovery", typically when the home's occupants are asleep or when there's a smoldering fire, like one started by an unattended cigarette. Smoke alarms work because they alert occupants in time to react.

Alarms also work because they are cheaper and easier to install – $200-$400 will fully protect a 2,000-square-foot home, while a sprinkler system likely will cost $3,000 and even $4,000 or more for a home of that size. And that's before you take into account the special tanks and pumps the sprinkler system will need if the house is on well water. These estimates are for new construction: Retrofitting an existing home with sprinklers costs significantly more.

Thanks to widespread installation of residential smoke alarm systems in recent years, Americans are safer than they've ever been. In fact, according to an August 2006 U.S. Fire Administration study, only 3.7% of all residential fire deaths from 2001-2004 were reported as occurring in homes with working smoke alarms.

# MEMORANDUM

CITY/BOROUGH OF JUNEAU
155 South Seward Street, Juneau, Alaska 99801

**DATE:** March 2, 2010

**TO:** Eric Mohrmann, Fire Chief Eric Mohrmann
City and Borough of Juneau

**FROM:** Debbie Purves, Building Codes Official Debbie Purves
Community Development Department

**SUBJECT:** Summary of Adoption Process for Model Building Codes

The City and Borough of Juneau (CBJ) established a Building Code Advisory Committee (BCAC) with the adoption of Resolution Serial No. 1116, approved July 1985, and further modified by Resolution Serial No. 1130, adopted September 9, 1985. The purpose of the committee is to review and propose amendments to the technical codes adopted by reference in CBJ Title 19 Building Codes to the CBJ Assembly for adoption. The technical codes currently include the International Building Code (IBC), International Residential Code (IRC), International Existing Building Code (IEBC), International Mechanical Code (IMC), International Fuel Gas Code (IFGC), International Fire Code (IFC), International Property Maintenance Code (IPMC), as well as the Uniform Plumbing Code (UPC) and the National Electrical Code (NEC).

The BCAC consists of five members appointed by the CBJ Assembly for staggered three year terms consisting of an Architect, Electrical Engineer, Civil Engineer, Mechanical Engineer and a Contactor. The Building Official and coordinating Fire Chief are ad hoc members of the committee. The Building Code Advisory Committee meetings are advertised per public meeting requirements and are open to the public. Minutes are taken and transferred to the City Clerk for permanent archiving.

Updated model building codes are published on a 3-year cycle. These published codes are not applicable or enforceable until they are adopted by CBJ City Assembly through the ordinance adoption process. Juneau's BCAC thoroughly reviews currently adopted model codes with the changes in the next set of model codes, as well as existing local modifications of those codes for continuance with the next set of model codes. In addition, the BCAC reviews State Fire Marshal's modifications to the model codes for incorporation into CBJ's local modifications.

Typically the BCAC takes two 2 to 2 ½ years to review the new model codes and present the proposed changes first at a public hearing of a CBJ Assembly subcommittee, Public Works and Facilities Committee (PWFC). The PWFC then, if agreeable to the proposed changes, directs the CBJ Law Department to prepare an ordinance to be presented to the CBJ Assembly. The Building Official prepares a summary document to explain the significant changes to be presented along with the ordinance to the CBJ Assembly to be adopted at a Public Hearing. The CBJ's process for adoption of ordinances is to introduce the ordinance at the first hearing where no testimony is taken and then schedule the ordinance for public comment, discussion and adoption at a subsequent hearing.

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

**CITY OF SEWARD**
P.O. BOX 167
SEWARD, ALASKA 99664-0167



- Main Office (907) 224-4050
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- City Clerk (907) 224-4046
- Community Development (907) 224-4049
- Utilities (907) 224-4050
- Fax (907) 224-4038

March 3, 2010

Representative Bob Herron
Co-Chairman, House Community & Regional Affairs Committee
State Capitol Room 411
Juneau, Alaska 99801

Representative Cathy Munoz
Co-Chairman, House Community & Regional Affairs Committee
State Capitol Room 409
Juneau, Alaska 99801

Dear Co- Chairs & Committee Members,

The City of Seward wishes to voice its opposition to the passage of HB 202. This bill as written infringes on our rights as a home rule city and limits opportunities to reduce the cost of government. The bill does not allow us to require a single homeowner to install a sprinkler system for any reason without passing an ordinance and completing a cost and benefit analysis. Additional specific reasons for our opposition are listed below.

- This bill limits the ability of the municipality to consider different fire protection options.
- This bill increases the number of public hearings and increases administrative requirements.
- The bill does not consider the processes the deferred jurisdictions have in place for the adoption of building, fire and mechanical codes.
- This bill would severely impact the community of Seward. We have used the sprinkler requirement as a way to reduce costs to a developer because of the local ordinances.
- This bill if passed will drive up costs for fire protection in our community. This is because of a need to acquire a vehicle that would have the capability to transport water supplies. We would also face additional costs for a building to house that vehicle (all current space is being utilized).
- The bill as written does not establish any process that would be used when adopting building or fire codes prepared by a national code group that may incorporate the inclusion of residential sprinklers. When we adopt National Codes the City does not need a counter approach from the State. Such an approach is counterproductive and often entails additional cost and administration.

We would be happy to answer any questions on our position that you or the committee members may have for us. You can contact us through the City Manager's email poates@cityofseward.net or at 907-224-4047.

Sincerely,

Phillip Oates, City Manager

Willard Dunham, Mayor

**Plumbers & Pipefitters U.A. Local Union 262**
1751 Anka Street
Juneau, Alaska 99801
Phone (907) 586-2874 FAX (907) 463-5116
E-mail: lu262bm@uanet.org

March 4, 2010

The Honorable Cathy Munoz
House of Representatives
Alaska State Capitol
Juneau, AK 99801-1182

Dear Representative Munoz:

My name is Max Mielke. I am the Business Manager of the United Association of Plumbers and Steamfitters Local 262 and I oppose HB 202.

I represent 100 journeyman and apprentices throughout SE Alaska. I'm also a 56 year resident of Alaska. From 1983-2003, I was a volunteer firefighter in Juneau. The last 5 years as a volunteer firefighter I was a District Chief.

Because of my first hand experience as a fire fighter I have seen the devastating and long lasting effects to life and property due to fire. I have friends who have lost everything in a fire. Automatic sprinkler systems not only save thousands of lives but billions of dollars in property each year. National Association of Home Builders (NAHB) believes fire sprinkler systems are expensive. I tend to disagree. We have contractors, who are signatory with Plumbers & Pipefitters UA Local 262, who say installation of a residential sprinkler system costs on average one percent of the total cost of the house and could be done much cheaper if the home owner installs it themselves.

NAHB says residential construction technology over the last 20 years has dramatically dropped the number of fatal fires in Alaska and the US. I would like to point out that residential construction is only part of the equation. It's also a combination of education, smoke detectors and sprinkler systems.

I believe it should be left up to local municipalities to make their own decisions on residential fire sprinkler systems. These processes are already in place and are dealt with on a case by case basis at the local level.

Sincerely,

Max R. Mielke
Business Manager
UA Local 262

Cc: Representatives Herron, Harris, Tuck, Stoltze, Dahlstrom, Keller, Johansen, Millett, Foster, Ramras, P. Wilson, Keller, Kelly, Johnson, Crawford, Gatto

ALASKA MUNICIPAL LEAGUE
Voice of Conference of Mayors

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

March 19, 2010

Representative Bob Herron
House C&RA Committee
State Capitol
Juneau, Alaska 99811

RE: SB 129 and HB 202

Dear Representative Herron,

As you and I spoke about last Tuesday, this bill has gone on waaaaaaaaaaaaaaaay too long. I don't think AGIA took this long. To that end, the Alaska Municipal League has discussed their position with many people and would like to see this issue be put to rest.

The two remaining issues giving us heartburn are:

1. The requirement for a municipality to prepare a cost-benefit analysis of the proposed ordinance as it may apply to the residential buildings to which the proposed ordinance or ordinance amendment will apply; and
2. The requirement for a public notice at least ninety days before the first scheduled public hearings for the ordinance, to include at least three public hearings.

Our main concern is that this bill sets a terrible precedent. We will not change our minds of that view. This is the first bill we have found, going back through archives, that sees the state attempting to dictate local building codes.

However, if the cost-benefit analysis is removed from the bill before it passes out of committee, the Alaska Municipal League will not fight the bill, contingent upon the Alaska Home Builders Association and the Alaska Realtors Association agreeing to the same language. If all parties agree, we will not actively support it, but we will not fight it. We will remain neutral.

I hope this letter can allow all of us involved to come to some sort of win/win resolution.

Sincerely,

Kathie Wasserman

Kathie Wasserman
Executive Director

written testimony from Errol Champion

Co-Chairs Rep. Herron and Munoz
Members of the Community & Regional Affairs Committee

Several years ago, I had the honor of serving three terms on the Juneau Assembly. Over that nine year period our body voted to adopted the most recent updated Uniform Building Code and incorporate it into the CBJ Building Codes. Frankly, those revisions were adopted in one motion and with minimum review by the members. And that procedure has been and will be followed by every local governing body in Alaska as it considers the latest revision to the UBC. But this latest revision has a major code change that affects every home owner in Alaska. That revision will be the requirement for all new construction of or remodeled single family homes and duplexes to have automatic sprinkler systems installed.

The costs for complying with this new code will be born entirely by the home owner – no one else. Initial costs are estimated to cost between $10 and $20,000 depending on the home's location in Alaska. The sprinkler system must be maintained and inspected annually by a certified technician. Currently, there are certified system testers only available in our major Alaskan cities. Remote residents will face an even larger challenge and greater costs to get the re-inspection. If a home owner fails to get an annual inspection, his home owner's insurance will be voided. With no insurance coverage, the lender will take steps to obtain insurance adding those costs to the home owner.

Every local government is challenged to provide affordable housing opportunities for its residents. How does adding $20 thousand dollars to home construction costs improve the affordability of homes? And if this bill is not adopted, there will be other issues. At what point in a home remodeling project will there be a requirement to auto sprinkle the entire home? Many homes in Alaska are on wells which do not have the flow capacity to meet minimum standards for a residential sprinkler system. This likely means there will be a requirement to install an all-weather outside storage tank complete with circulating pumps to prevent freezing. And what about the home that is not on a public electric service grid? And the system will also require an automated notification system adding more expense
I could go on with many other illustrations of the onerous burdens this mandated automated fire sprinkler system will bring to Alaska's homeowners. Earlier this week, several members of the Association of Alaska Realtors were in town asking for your support to adopt H.B. 202.

I am here this morning to continue urging your support for the adoption of this legislation and do what's best for all home owners in Alaska.

Thank you for the opportunity to testify.

NFPA
NW Regional Office, 86 SW Century Dr, #360, Bend, OR 97702

March 13, 2010

House Community & Regional Affairs Committee

Testimony in opposition to CS HB202 R

My name is Crosby Grindle and I am with the National Fire Protection Association (NFPA). We are a private, Not-for-Profit Association that has worked for over 100 years to advance fire and life safety initiatives through research, education and the development of consensus codes and standards. I urge you to vote NO on Committee Substitute HB 202.

It is important for local jurisdictions to have the ability to equally scrutinize the safety needs in their community, especially home fire sprinklers. There are many reasons why a local jurisdiction would consider home fire sprinklers:

- Access problems
- Water supply problems
- FD deployment issues
- Desire to improve their community insurance rating.

The reason this is important is that every year, fires in one- and two-family dwellings cause significantly more fire deaths, fire injuries, fire property damage and fireground firefighter deaths than in any other occupancy (83% of all fire deaths and 89% of all fire injuries).

Residential fire sprinklers are significantly different than what you find in commercial applications or often portrayed in the movies. To clarify some of your questions and address the concerns raised by opponents of these life safety systems I offer these facts.

- The standard for residential sprinklers is a life safety standard. It is written and designed expressly with this in mind and as such the requirements are significantly different than those found in the commercial standard. There are no monitored alarm requirements. There is no provision for retrofitting existing homes with residential sprinklers.
- Some have said smoke alarms are enough. Smoke alarms are vital, and NFPA is a leading smoke alarm advocate, but smoke alarms are detection devices only, and they may not provide adequate protection for the highest risk occupants – young children, older adults and the disabled. In fact smoke alarms are operating in 37% of home fire fatalities.
- You may have heard some people using a statistic of 99.5% to illustrate the effectiveness of smoke alarms in reducing home fire deaths. This NFPA statistic estimates the likelihood of surviving a home fire when a working smoke alarm is present. It is based on the total number of fires, the vast majority of which are not fatal. Does that mean 3,000 deaths every year are acceptable? Most people would say no. It is similar to saying that because the survivability of motor vehicle accidents is also around 99.4%, that we should not look for ways to improve highway safety.
- You may have heard that the fire sprinkler piping will freeze, break and cause water damage. These systems are no different than plumbing systems in a home. There are ways to prevent plumbing and sprinkler systems from freezing. If a sprinkler system is going to freeze, then the home plumbing system is going to freeze. While Alaska represents some climatic extremes, it is reasonable to point out that there are many successful residential sprinkler code adoptions in Minnesota and the Chicago area.
- You may have heard that fire sprinklers are expensive. A recent national study shows that the average cost for sprinklers is $1.61 per sprinklered square foot. That is about the cost of a carpet upgrade in a new house. That is not expensive. In fact, in the sponsor statement for CS HB202 it states that the National Association of Home Builders estimates the entire cost of an average home sprinkler system at $3,000.
- You have heard that testing these systems is a major issue. It is not. Homeowners are capable of doing most of the testing and maintenance themselves. It simply requires the homeowner ensuring that the area around

the sprinkler head is not blocked and that the main control valve remains on. There are no requirements for expensive "certified" third party inspections.

- You have heard some people say the fire problem is not in "new homes" but in "old homes" and that "new homes" are "safer." Statistically, the only fire safety issue that is relevant to the age of the home is outdated knob-and-tube wiring. Beyond that, age of the home has little to nothing to do with fire safety. Instead, it has vastly more to do with the occupants' actions in the home and the contents of the home. A fire in a living room at two o'clock in the morning that goes to the flashover stage will expose the occupants to the same life-threatening levels of smoke, toxic gases and heat in both a new and old home that was built 100 years ago and a home that was built two weeks ago.
- Newer construction is also "lightweight construction" and newer home designs are typically more "open." This means fires spread faster and cause structural failure significantly faster than homes built years ago. Additionally, newer furnishings and floor coverings burn faster and hotter. A recent UL study demonstrated a frighteningly significant increase in fire spread in a newer style home compared to a "legacy" style home.

The NFPA is opposed to any legislation that places restrictions or burdensome steps on the local fire service for implementation of the residential sprinkler standard now found in all national codes. I am always available and pleased to answer any questions you may have.

Respectfully submitted

Crosby Grindle, NW Regional Manager

## A Side-By-Side Comparison of the Public Process:

## Current Statute vs. Committee Substitute for Senate Bill 129

The Committee Substitute for Senate Bill 129 seeks to put in statute a more robust public process if a local government plans to adopt a code requiring fire sprinklers in all one or two family dwellings.

Below is a side-by-side comparison of current law and the CS for SB 129.

| AS 29.25.020 | CS for Senate Bill 129 |
|---|---|
| 1. Under subsection three (3) of AS 29.25.020, a municipality must post notice at least **five days** before a public hearing a summary of the ordinance and a notice of the time and place of the hearing. | 1. Notwithstanding AS 29.25, a governing body must post notice at least **30 days** before the first scheduled hearing. |
| 2. The governing body may adopt the ordinance after **one (1)** public hearing. | 2. The governing body shall schedule three public hearings in a **60 days** period<br>3. The governing body may not consider the proposed ordinance sooner than **60 days** after the first public hearing. |

Prepared and distributed by Senator Linda Menard

Side-By-Side Comparison of the Public Process to [illegible]de what some Municipalitis are already doing.

| AS 29.25.020 | CS for Senate Bill 129 | Fairbanks Code Adoption Process | City & Bor. of Juneau Code Adoption Process | Ketchikan code Adoption Process | Municipality of Anchorage Code Adoption Process |
|---|---|---|---|---|---|
| | | **All these meetings are public and notices of these meetings are posted on line, in news paper, at City Hall. Plus word of mouth.** | | | |
| 1 Post 5 days prior to first hearing | 1 Cost-Benefit Analysis Prior to First Hearing | 1 Code Officials work together and review propose changes and formulate final draft. | 1 Professional architects, engineers and contractors applications are reviewed by the Assembly Human Resources Committee and they form a recommendation to the Assembly in open public session for appointment to the Code Review Advisory Board. | 1 Ketchikan Fire Department follows along with the State of Alaska during their changes and amendments to the code. We will provide suggestions and comments during this process in the hopes of providing a cohesive set of codes. As in the latest change from the 2003 IFC to 2006 IFC. | 1 The code review portion starts with the formation of committees which are chaired by a member of the building board. Currently there are seven committees reviewing the various codes up for adoption. The Building Official sends out a mass email with over 600 contacts requesting interested parties to respond. The committees are made up of anyone who responds to the call for committee, within reason and consist typically of 10-15 members. The committees have representatives of the private sector and the public sector. Once the committees are formed they meet to determine their schedule. |
| 2 May adopt an ordinance after one public hearing. | 2 Post 30 days prior to first hearing. | 2 Proposed changes are presented to the Code Commission. Code Commission is made up of two Structural Engineers, two architects, one electrical engineer, one mechanical engineer, three general construction contractors and two alternates with experience in construction and design. | 2 The appointments to the Code Advisory Review Board (CARB) are confirmed by vote of the Assembly | 2 Determines which State of Alaska adopted codes, changes or amendments are to be accepted, deleted, or amended. We then incorporate those changes into a draft of the Codes that would be submitted to the Council after public comments are taken. | 2 The review process consist of an comparison of the current code to the proposed code, further examination of the proposed code, a review of the past local amendments as well as the State of Alaska's amendments, and a call for proposed local amendments. The building official's guiding principle for the formation of local amendments has typically been for geographical and climatic reasons. |
| | 3 Shall schedule 3 public hearings in a 60 day period. | 3 Code Commission holds several meetings to discuss and review proposed changes and amendments. Commission seeks input from concern citizens. | 3 The CARB meets periodically over a 2 1/2 year period to review, line by line, all the latest editions of the model codes (International Building, Mechanical, Fire, Residential, etc. codes), the modifications to the model codes affected by the State Fire Marshal Office and local code modifications. These meetings are open to the public and each is advertised before the meeting takes place. Testimony from the public is welcomed and the minutes of the meetings are available to the public. | 3 We have several meetings with the effected city department heads to discuss potential changes to the codes and their effects on the city of Ketchikan, and accept input from these areas of expertise.(Engineering, Water, Sewer, Power, Roads, etc., etc., Departments) | 3 All proposed local amendments are submitted to the committee for recording and subsequent voting before they are compiled and submitted to the building official for proper formatting. This step may take 3-4 months to complete. |
| | 4 May not consider ordinance sooner than 60 days after first public hearing. | 4 Final draft of the code changes are put together and put into an proposed ordinance Ordinance is given to the council members and brought up for first reading | 4 The CARB presents its recommendations to the Assembly Public Works Committee. The Assembly Public Works Committee consists of Assembly Members elected by the citizens of the community to represent them. These meetings are advertised and are open to the public. Public testimony is welcomed and minutes of the meetings are available to the public. The Public Works Committee may modify or delete any of the recommendations. | 4 We offer a Public hearing to discuss changes and this meeting is advertised for as per requirements. We also offer to provide a meeting with the local builders, architects, and engineers for further discussions. This is in addition to the previously mentioned public hearing. We meld relevant considerations into the draft for further discussions. | 4 The municipal attorney's office receives the formatted title 23 proposal for review in the second step. This step may take 2-3 months to complete. |

Side-By-Side Comparison of the Public Process to ...de what some Municipalitis are already doing.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 5 | At Second reading...concern citizens can again comment to the council on the proposed changes | 5 | The Assembly Public Works Committee presents its recommendations for code adoption and modifications to the full Assembly. A minimum of two meetings, one month apart are held. The first is for introduction of the Ordinance. The second is open to public input and debate as well as modification of the recommendations. Both meetings are advertised. | 5 | A 30 day comment period is given for suggested changes and further discussions on matters of interest from the input gathered from these meetings. | 5 | After this review the proposed title 23 is submitted to the Assembly as an ordinance. |
| | 6 | Council then takes action (votes up or down). | 6 | The Assembly votes on the recommendations of the Public Works Committee in open session. | 6 | Initial presentation to the Ketchikan City council of staff recommendations, which is followed by an additional 30 day public comment period. | 6 | Before the ordinance can be approved it shall be subjected to public comment. The ordinance has a public comment period and when it is put on the assembly agenda it can received public testimony before it is voted on by the assembly. |
| | | | 7 | The adopted code provisions become effective 30 days following the vote. | 7 | Second presentation to the Ketchikan City council for a final decision on the codes and or amendments. | 7 | This final step will take a minimum of 30 days to complete. We estimate the 2009 codes will be in place and ready to be enforced starting January, 2011. |
| | | | | | 8 | A 30 day window is then in effect prior to the adopted codes begin taking effect. | | |
| | | | | | | The City of Ketchikan Building Officials Office follows a procedure that is generally in line with the above mentioned layout for code adoptions. | | |

# MEMORANDUM

CITY/BOROUGH OF JUNEAU
155 South Seward Street, Juneau, Alaska 99801

**DATE:** March 2, 2010

**TO:** Eric Mohrmann, Fire Chief Eric Mohrmann
City and Borough of Juneau

**FROM:** Debbie Purves, Building Codes Official Debbie Purves
Community Development Department

**SUBJECT:** Summary of Adoption Process for Model Building Codes

The City and Borough of Juneau (CBJ) established a Building Code Advisory Committee (BCAC) with the adoption of Resolution Serial No. 1116, approved July 1985, and further modified by Resolution Serial No. 1130, adopted September 9, 1985. The purpose of the committee is to review and propose amendments to the technical codes adopted by reference in CBJ Title 19 Building Codes to the CBJ Assembly for adoption. The technical codes currently include the International Building Code (IBC), International Residential Code (IRC), International Existing Building Code (IEBC), International Mechanical Code (IMC), International Fuel Gas Code (IFGC), International Fire Code (IFC), International Property Maintenance Code (IPMC), as well as the Uniform Plumbing Code (UPC) and the National Electrical Code (NEC).

The BCAC consists of five members appointed by the CBJ Assembly for staggered three year terms consisting of an Architect, Electrical Engineer, Civil Engineer, Mechanical Engineer and a Contactor. The Building Official and coordinating Fire Chief are ad hoc members of the committee. The Building Code Advisory Committee meetings are advertised per public meeting requirements and are open to the public. Minutes are taken and transferred to the City Clerk for permanent archiving.

Updated model building codes are published on a 3-year cycle. These published codes are not applicable or enforceable until they are adopted by CBJ City Assembly through the ordinance adoption process. Juneau's BCAC thoroughly reviews currently adopted model codes with the changes in the next set of model codes, as well as existing local modifications of those codes for continuance with the next set of model codes. In addition, the BCAC reviews State Fire Marshal's modifications to the model codes for incorporation into CBJ's local modifications.

Typically the BCAC takes two 2 to 2 ½ years to review the new model codes and present the proposed changes first at a public hearing of a CBJ Assembly subcommittee, Public Works and Facilities Committee (PWFC). The PWFC then, if agreeable to the proposed changes, directs the CBJ Law Department to prepare an ordinance to be presented to the CBJ Assembly. The Building Official prepares a summary document to explain the significant changes to be presented along with the ordinance to the CBJ Assembly to be adopted at a Public Hearing. The CBJ's process for adoption of ordinances is to introduce the ordinance at the first hearing where no testimony is taken and then schedule the ordinance for public comment, discussion and adoption at a subsequent hearing.

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

<<GAVEL>>

Let's call the meeting to order.

Let the record reflect that it is 8:00 a.m. on Tuesday, March 23, 2010.

Present are:
Representative Keller
Representative Harris
Representative Millett
Representative Cissna
Representative Gardner
Co-Chair Munoz
And myself, Chair Herron

[At this time I would like to remind everyone to turn off their cell phones.]

This morning we have one item on our agenda:

1. **HB 202 Residential Sprinkler Systems**

**HB 202 Residential Sprinkler Systems**

Being rescheduled to a later date will be:
HB 318, UNREGULATED POTABLE WATER SYSTEMS
HB 281, BOARD OF GAME/FISH & GAME COMMISSIONER

We have an amendment that firefighters and homebuilders are OK with. This will make it so that the 3 public hearings on Fire Sprinklers will held during not less than a 60-day period and during not more than 180-day period

**From last couple times:**
Note Chief Mohrmann letter dated 3.17.10. Paul Michaelson (AK State Homebuilding Assn.) can rebut these points if you like.

Representing Homebuilders Assn: Paul Michelsohn (who we met with Matt Gill)

Jeff Tucker, Alaska Fire Chief's Assn. He has two letters in the committee packet, and an email stapled to docs related to the building code adoption process.

# ALASKA FIRE CHIEF'S ASSOCIATION

2358 Bradway Road, North Pole, Alaska 99705
Phone: (907) 488-3400 FAX: (907) 488-6118


March 10, 2010

Representatives Bob Herron and Cathy Munoz
Co-Chairs, House Community & Regional Affairs Committee
State Capitol Room 411
Juneau AK, 99801

Reference: CS HB202

Dear Rep. Herron and Rep. Munoz,

The Alaska Fire Chief's Association has had the opportunity to review CS HB202 and while the bill differs from HB202 the Alaska Fire Chief's Association continues to stand opposed to this bill.

CS SB129, wish mirrors CS HB202, has already heard testimony in opposition from the Cities of Kenai, Juneau, Ketchikan, Kodiak, Seward, Sitka, the Fairbanks North Star and the Matanuska-Susitna Boroughs, as well as resolutions passed by the Alaska Municipal League and the Kodiak Island Borough supporting the ability of Alaskan communities to adopt codes and ordinances at the local level.

The State does not place this extraordinary burden on local communities for other ordinance adoption processes. Why is it that the State feels it necessary to do so when a community is trying to determine how best to provide life safety services to its residents? When a municipality adopts building codes there are already in place robust processes that involve community members, building officials, contractors, fire officials, architects, engineers, and others who are best able to determine the needs of the local community. Testimony will be given that outlines the extraordinary steps that a municipality goes through to adopt codes above and beyond a typical ordinance adoption.

There is no State need met by requiring local communities to add additional requirements and expense to their current process. No other ordinance adoption process has the requirement to do a cost benefit analysis. There are actions that a local government takes that have a far greater financial impact to their residents and the community as a whole that the State of Alaska does not require a municipality to undertake the unfunded expense of conducting a cost benefit analysis.

The Alaska Fire Chief's Association again, stands opposed to the adoption of CS HB202

Sincerely,

Jeff Tucker, President
Alaska Fire Chief's Association

# ALASKA FIRE CHIEF'S ASSOCIATION

2358 Bradway Road, North Pole, Alaska 99705
Phone: (907) 488-3400 FAX: (907) 488-6118


March 11, 2010

Representatives Bob Herron and Cathy Munoz
Co-Chairs, House Community & Regional Affairs Committee
Juneau AK, 99801

Reference: CS HB202 – "Municipal Code Adoption Processes" Document

Dear Rep. Herron and Rep. Munoz,

I want to thank you for allowing me to testify today and I do plan on calling in during the next hearing if there are any additional questions.

As I stated in my testimony today the Alaska Fire Chief's Association, per the request of Senator Paskvan, has taken a comparison sheet developed by Senator Menard that compares CS SB129 (CS HB202) to AS 29.25.020 and added the Municipal Code Adoption Processes for the following communities: City of Fairbanks, City and Borough of Juneau, City of Ketchikan, Municipality of Anchorage, Kodiak Island Borough & City of Kodiak (joint process), City of Seward, Mat-Su Borough and the City of Sitka.

I hope that this information is useful in your review of the testimony we have provided.

The question was asked today "Why are we opposed to additional hearings?" My testimony and that of the municipalities represented today and those who will testify next week is not that we are opposed to additional hearings. Our testimony has been that municipalities far exceed the minimum standards of AS 29.25.020 and those of CS HB202 and the bill is not needed. An examination of attached document "Municipal Code Adoption Processes" will demonstrate that.

There are plenty of opportunities afforded to all members of a community who are so inclined to participate in the code adoption process and we encourage that. If a community were to undertake the discussion of residential sprinkler requirements, I believe that those individuals who are interested would find ample opportunities to participate in the processes already in place in these communities. If the code adoption process for a municipality is flawed, as the testimony today from Paul Michelsohn from Anchorage clearly stated theirs is, then the communities are the best ones to make those changes.

Sincerely,

Jeff Tucker, President
Alaska Fire Chief's Association

# Municipal Code Adoption Processes

| AS 29.25.020 | | CS for Senate Bill 129 | | Fairbanks Code Adoption Process | | City & Bor. of Juneau Code Adoption Process | | Ketchikan code Adoption Process | | Municipality of Anchorage Code Adoption Process |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | **All these meetings are public and notices of these meetings are posted on line, in news paper, at City Hall. Plus word of mouth.** | | | | | | |
| 1 | Post 5 days prior to first hearing | 1 | Cost-Benefit Analysis Prior to First Hearing | 1 Code Officials work together and review propose changes and formulate final draft. | 1 | Professional architects, engineers and contractors applications are reviewed by the Assembly Human Resources Committee and they form a recommendation to the Assembly in open public session for appointment to the Code Review Advisory Board. | 1 | Ketchikan Fire Department follows along with the State of Alaska during their changes and amendments to the code. We will provide suggestions and comments during this process in the hopes of providing a cohesive set of codes. As in the latest change from the 2003 IFC to 2006 IFC. | 1 | The code review portion starts with the formation of committees which are chaired by a member of the building board. Currently there are seven committees reviewing the various codes up for adoption. The Building Official sends out a mass email with over 600 contacts requesting interested parties to respond. The committees are made up of anyone who responds to the call for committee, within reason and consist typically of 10-15 members. The committees have representatives of the private sector and the public sector. Once the committees are formed they meet to determine their schedule. |
| 2 | May adopt an ordinance after one public hearing. | 2 | Post 30 days prior to first hearing. | 2 Proposed changes are presented to the Code Commission. Code Commission is made up of two Structural Engineers, two architects, one electrical engineer, one mechanical engineer, three general construction contractors and two alternates with experience in construction and design. | 2 | The appointments to the Code Advisory Review Board (CARB) are confirmed by vote of the Assembly | 2 | Determines which State of Alaska adopted codes, changes or amendments are to be accepted, deleted, or amended. We then incorporate those changes into a draft of the Codes that would be submitted to the Council after public comments are taken. | 2 | The review process consist of an comparison of the current code to the proposed code, further examination of the proposed code, a review of the past local amendments as well as the State of Alaska's amendments, and a call for proposed local amendments. The building official's guiding principle for the formation of local amendments has typically been for geographical and climatic reasons. |
| | | 3 | Shall schedule 3 public hearings in a 60 day period. | 3 Code Commission holds several meetings to discuss and review proposed changes and amendments. Commission seeks input from concern citizens. | 3 | The CARB meets periodically over a 2 1/2 year period to review, line by line, all the latest editions of the model codes (International Building, Mechanical, Fire, Residential, etc. codes), the modifications to the model codes affected by the State Fire Marshal Office and local code modifications. These meetings are open to the public and each is advertised before the meeting takes place. Testimony from the public is welcomed and the minutes of the meetings are available to the public. | 3 | We have several meetings with the effected city department heads to discuss potential changes to the codes and their effects on the city of Ketchikan, and accept input from these areas of expertise.(Engineering, Water, Sewer, Power, Roads, etc., etc., Departments) | 3 | All proposed local amendments are submitted to the committee for recording and subsequent voting before they are compiled and submitted to the building official for proper formatting. This step may take 3-4 months to complete. |
| | | 4 | May not consider ordinance sooner than 60 days after first public hearing. | 4 Final draft of the code changes are put together and put into an proposed ordinance Ordinance is given to the council members and brought up for first reading | 4 | The CARB presents its recommendations to the Assembly Public Works Committee. The Assembly Public Works Committee consists of Assembly Members elected by the citizens of the community to represent them. These meetings are advertised and are open to the public. Public testimony is welcomed and minutes of the meetings are available to the public. The Public Works Committee may modify or delete any of the recommendations. | 4 | We offer a Public hearing to discuss changes and this meeting is advertised for as per requirements. We also offer to provide a meeting with the local builders, architects, and engineers for further discussions. This is in addition to the previously mentioned public hearing. We mold relevant considerations into the draft for further discussions. | 4 | The municipal attorney's office receives the formatted title 23 proposal for review in the second step. This step may take 2-3 months to complete. |

# Municipal Code Adoption Processes

| | Kodiak Code Adoption Process | | Seward Code Adoption Process | | Mat-Su Code Adoption Process | | Sitka Code Adoption Process |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| 1 | The Joint Building Code Review Committee, made up of a licensed plumber, electrician, engineer, and contractor/builder, together with the Fiire Department reviews all codes to be adopted and or amended. | 1 | Code officials follow the State of Alaska's proposed changes and amendments process. These items along with local amendments are incorporated into a draft document. | 1 | Codes are introduced by Borough staff or by Assembly member(s). If Borough staff introduce Code or Non-Code legislation, it has been prepared with a great deal of due diligence. "Open-houses" have been conducted to elicit public input, affected citizens have been notified by mail, the issue has been posted on the Borough website, etc. Contemporary examples include our building of two new fire stations in the core area (Stations 6-3 and 6-6), our proposed Fire Training Complex, the Hatcher Pass Ski Area, the Port McKenzie Rail Extension, to name a few. Many of our Codes have Advisory Boards that review the Code and allow for public scrutiny prior to the introduction of the Code to the Assembly (such as our). | 1 | The CBS Building Department tracks and participates in the State of Alaska adoption process and determines which State adopted codes are to be accepted, amended or deleted. The code official then reviews and compares the proposed codes with current codes, reviews local and State amendments, considers proposed local amendments and prepares a draft ordinance. |
| 2 | All meetings are scheduled in advance and advertised. They are open to the public. We review the State FM's revisions as well as any changes to the code since the last code cycle. | 2 | Several meetings are held with elected officials, Department heads, local contractors and builders to discuss and review the proposed changes. | 2 | For residential fire sprinkler systems, any proposed Code would first be presented to the Planning Commission and the Fire Service Area Board of Supervisors for each fire service area. Each of these Commissions and Boards would hold Public Hearings, and then make a recommendation to the Assembly. | 2 | Advertised public meetings are held, including at the Builder's Seminar, organized by the CBS Building Department, where public input is actively solicited. |
| 3 | We do not have a set number of meetings but instead have enough meetings so the committee is comfortable with their recommendation. In 1999 we had 7 meetings, 2005 we had 2meeting, 2006, 4 and 2008 we had 4. | 3 | Final draft of the code changes are put together into a proposed ordinance to be introduced to the City Council for the first reading and public comment. Notice of this meeting is provided consistent with the requirements of AS 29.25.020 and the Seward City Code. | 3 | At the beginning of each advertised Assembly meeting Public Hearing, Borough staff provides a comprehensive overview for the legislation being proposed. Once completed, the general public then has 3-minutes for each person wanting to make their opinions known to the Assembly prior to final vote on the Code. | 3 | A final draft, incorporating the concerns of builders, designers and the general public is prepared and submitted to the municipal legal department for review and formatting. |
| 4 | It is a recommendation from the committee to the City of Kodiak Council and the Kodiak Island Borough's Assembly that starts the adoption process. | 4 | If approved as introduced the proposed ordinance is published as public reading for the next council meeting, typically a 2 week time frame. | 4 | Introduction. An ordinance may be introduced by any member or committee of the assembly, or by the mayor or manager, at any regular or special meeting of the assembly. Each ordinance shall be assigned a serial number, and shall be introduced in writing in the form required by ordinance. The clerk shall be provided with the original ordinance and shall make and distribute copies to the assembly, mayor, and manager for introduction. | 4 | The Building Official then meets with the City and Borough assembly in an open work session to discuss the proposed adoption. The draft ordinance is then presented to the City and Borough Assembly at their regularly scheduled and advertised meeting for first reading. It is brought back at a subsequent meeting for second and final hearing. The discussion at both Assembly meetings is open for full participation from the public. |

# Municipal Code Adoption Processes

| AS 29.25.020 | CS for Senate Bill 129 | | Fairbanks Code Adoption Process | | City & Bor. of Juneau Code Adoption Process | | Ketchikan code Adoption Process | | Municipality of Anchorage Code Adoption Process |
|---|---|---|---|---|---|---|---|---|---|
| | | 5 | At Second reading...concern citizens can again comment to the council on the proposed changes | 5 | The Assembly Public Works Committee presents its recommendations for code adoption and modifications to the full Assembly. A minimum of two meetings, one month apart are held. The first is for introduction of the Ordinance. The second is open to public input and debate as well as modification of the recommendations. Both meetings are advertised. | 5 | A 30 day comment period is given for suggested changes and further discussions on matters of interest from the input gathered from these meetings. | 5 | After this review the proposed title 23 is submitted to the Assembly as an ordinance. |
| | | 6 | Council then takes action (votes up or down). | 6 | The Assembly votes on the recommendations of the Public Works Committee in open session. | 6 | Initial presentation to the Ketchikan City council of staff recommendations, which is followed by an additional 30 day public comment period. | 6 | Before the ordinance can be approved it shall be subjected to public comment. The ordinance has a public comment period and when it is put on the assembly agenda it can received public testimony before it is voted on by the assembly. |
| | | | | 7 | The adopted code provisions become effective 30 days following the vote. | 7 | Second presentation to the Ketchikan City council for a final decision on the codes and or amendments. | 7 | This final step will take a minimum of 30 days to complete. We estimate the 2009 codes will be in place and ready to be enforced starting January, 2011. |
| | | | | | | | A 30 day window is then in effect prior to the adopted codes begin taking effect. | | |
| | | | | | | 8 | The City of Ketchikan Building Officials Office follows a procedure that is generally in line with the above mentioned layout for code adoptions. | | |

# Municipal Code Adoption Processes

| | Kodiak Code Adoption Process | | Seward Code Adoption Process | | Mat-Su Code Adoption Process | | Sitka Code Adoption Process |
|---|---|---|---|---|---|---|---|
| 5 | There are two Council/ Assembly meetings for adoption. Once approved the Borough ordinance goes into effect immediately and the City has a 30 day grace period before it becomes law. | 5 | The proposed ordinance is read a second time and open again for public comment. This is followed by Council action (vote). | 5 | Action.After introduction, an ordinance shall be set for public hearing by the affirmative vote of a majority of the assembly | 5 | The Assembly votes on the proposed adoption and it becomes final 30 days after the vote. |
| | | | If approved the ordinance becomes enacted 10 days following the vote. | 6 | Publication. The proposed ordinance shall be published by its title, summarizing the proposed action and with a notice setting out the time and place for public hearing on the ordinance, and the time and place for its consideration by the assembly. A copy of the proposed ordinance shall be available at the clerk's office. | | |
| | | | | 7 | Hearing. The public hearing shall follow the publication by at least five calendar days. At the hearing, copies of the ordinance shall be distributed to any persons present who request them, or the ordinance shall be read aloud in full. All interested persons present shall have an opportunity to be heard. The hearing shall be only for the purpose of receiving testimony and comments concerning the ordinance. The hearing may be held separately or in connection with a regular or special meeting and may be adjourned as necessary. | | |
| | | | | 8 | Adoption. After the hearing, the assembly shall consider the ordinance and may adopt it with or without amendment, or reject it. The borough clerk shall print and make available copies of the adopted ordinance. | | |
| | | | | 9 | Effective date. Ordinances take effect upon adoption or at a date specified in the ordinance. | | |

Capital City Fire / Rescue
820 Glacier Avenue
Juneau, AK. 99801
Eric Mohrmann , Fire Chief

March 17, 2010

The Honorable Representatives Herron and Munoz
House Labor and Commerce Committee Co-Chairs
State of Alaska

RE CS HB 202:

Dear Representatives Herron and Munoz:

Thank you for the opportunity to testify before your committee today on Committee Substitute HB 202. Representative Herron asked that I provide a summary of the questions I asked during my testimony and my comments on previous testimony by other parties.

In summary, the questions and concerns are:

1. The cost-benefit analysis provision of the committee substitute appears to be vague in scope. This could be either a very extensive or very perfunctory analysis. What are the parameters envisioned for the analysis by the authors of the bill?

2. Representative Herron, you indicate in your Sponsor Statement, and your staffer indicated in his testimony that the bill would only affect ordinances adopted that affect "All" buildings; not individual buildings where special circumstances such as difficult access for firefighting would not prohibit sprinkler mandates. I am confused in that I thought that if an ordinance is passed, it has to be equally applied to all persons within the jurisdiction. Is selective enforcement legal?

3. The International Fire Code which has provisions that do apply to one and two family dwellings has exceptions and allowances for the installation of NFPA 13D (one and two family) residential sprinkler systems; specifically concerning fire apparatus access roads and fire hydrants. Under the provisions of this bill, would the cost-benefit analysis and public hearings outlined be required to allow these exceptions to be used?

4. What criteria would be used for a determination that the residence in question would fall under the designation of special circumstances? Might that be an inability of the fire department to effectively fight a fire in a building of a certain size, or distance from a fire station, or lack of a fire hydrant system, or light weight construction, etc.?

Mr. Michaelsohn, testified before I did that "the Anchorage code adoption system was flawed". As he is the Chair (or past Chair) of the code adoption committee in Anchorage, I do not dispute his allegation. However, the code adoption program in Juneau is open, transparent, well advertised and offers public comment and input at numerous times during the lengthy code adoption process. If there is a problem in Anchorage, he should be discussing his concerns with the Anchorage

Assembly. The code adoption process is and should remain a local issue as long as it meets or exceeds the regulations in AS 29.25.010. Our process certainly does.

Sincerely,

Eric Mohrmann
Fire Chief

Capital City Fire / Rescue
820 Glacier Avenue
Juneau, AK. 99801
Eric Mohrmann, Fire Chief

March 19, 2010

The Honorable Co-Chairs Herron and Munoz
Community and Regional Affairs
House of Representatives
State of Alaska
Juneau, Alaska

RE: HB 202

Dear Representatives,

During the public hearing on CS HB 202 on March 18, 2010, some of the testimony provided was very inaccurate. Although the effectiveness of residential sprinkler systems is not the issue at hand, I would like to provide some information that may assist you in deliberations on the bill.

Testimony was provided that residential sprinkler systems would cost $20,000 to $30,000 per installation. It was further alleged that there would be a requirement for alarm systems, huge water bladder reservoirs, annual inspection fees, piping in the attic will freeze, that sprinklers were not a life saving system just property conservation and that smoke detection systems were 97% effective in saving lives from fire.

1. Cost: a 2008 study by the Fire Protection Research Foundation of ten communities across the United States and Canada showed the average cost to be $1.61 per square foot. This report examined both rural residences on wells and homes served by a water utility. It also examined homes located in both warm and cold climates. The highest cost was for a system on a well, with copper pipes and with antifreeze that cost $3.66 per square foot.

2. NFPA 13 D is the standard for the installation of sprinkler systems in one and two family dwellings.
   - Provided that control valves are locked in the open position, an alarm system is optional (section 7.1.1)

   - A ten-minute water supply is required for two sprinkler heads if the residence exceeds 2,000 square feet in area. If it is one story high and 2,000 square feet or less, a seven-minute water supply is required by the standard. The minimum flow from a head is 13 gallons per minute. Many residential sprinkler heads have flow requirements of 16 to 20 gallons per minute. Thus, the water requirements at even the upper end would be 400 gallons.

     If a tank and pump were required, the water would be contained fit in a rectangular tank measuring four feet by four feet by three and one-half feet. (4X4X3.5) This is smaller than most coffee tables.

   - Neither NFPA 13D nor the International Residential Code nor the International Fire Code require any annual inspections on residential sprinkler systems. NFPA 13 D recommends a

monthly visual inspection of the pressure gauge and control valve by the owner. (Section A 4.1.1)

- NFPA 13D exempts required installation of sprinklers in closets less than 24 square feet in area if they are sheet rocked, garages, porches, carports, **attics,** crawl spaces and similar concealed spaces. (Sections 8.6.3, 8.6.4, 8.6.5). Numerous water-filled residential sprinkler systems have been in use for years in residences in freezing climates including Fairbanks, Alaska.

- A residential sprinkler system is designed for life safety. The scoping statement in NFPA 13D (Section 1.2.1) reads: "The purpose of this standard shall be to provide a sprinkler system that aids in the detection and control of residential fires and thus provides improved protection against injury and life loss."

The National Fire Protection Association reports on their web site (NFPA.org) that

- A recent study showed that 96% or US Households have at least one smoke detector.
- From 2003 to 2006, no smoke detectors were present or none operated in 41% of reported home fires.
- In almost 2/3 of reported home fire deaths from 2003 to 2006, there were no smoke detectors present or they were not working.

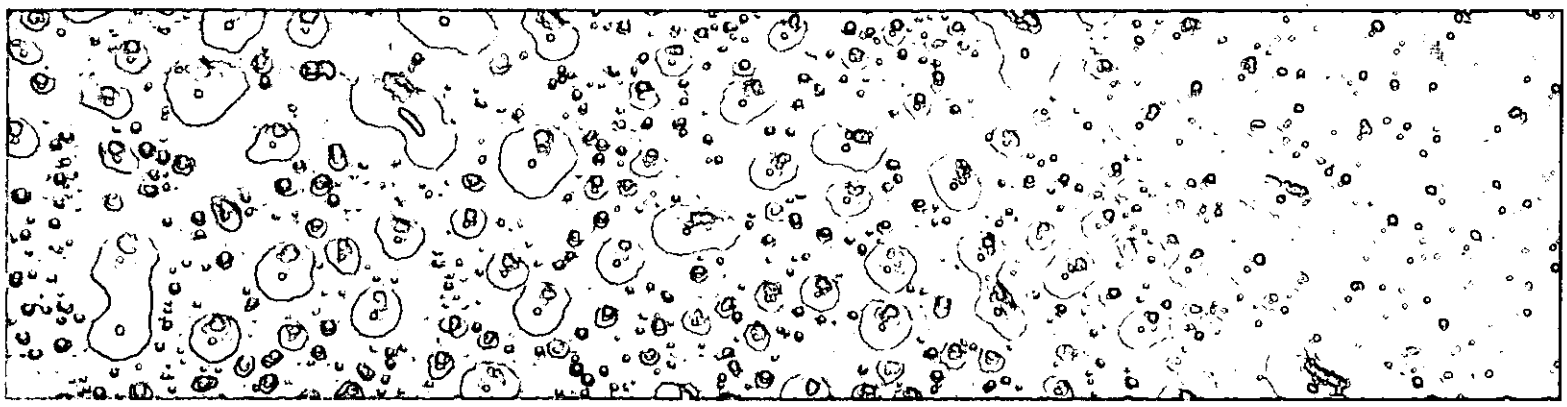
Thank you for allowing me to provide these clarifications to you.

Sincerely,

Eric Mohrmann
Fire Chief

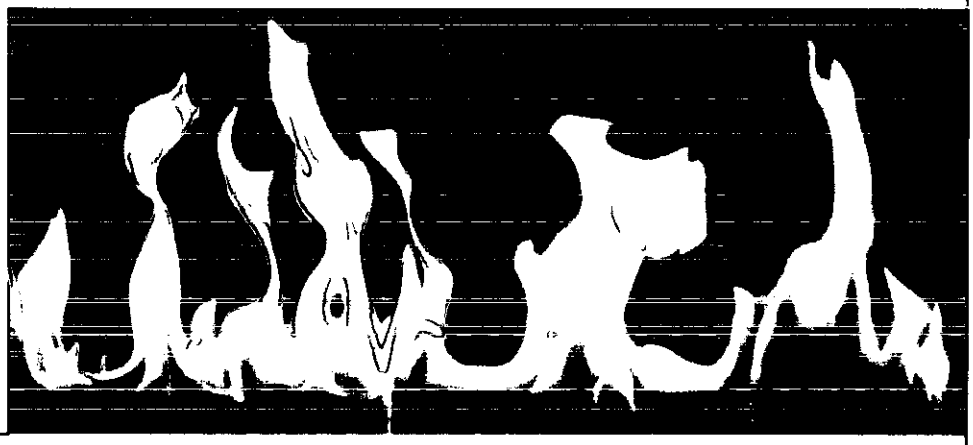
Attachment

Cc:
Representative Harris
Representative Keller
Representative Millett
Representative Cissna
Representative Gardner



THE
FIRE PROTECTION
RESEARCH FOUNDATION
*Research in support of the NFPA mission*

# Home Fire Sprinkler Cost Assessment



**Prepared by:**
**Newport Partners**
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***Home Fire Sprinkler Cost Assessment***

***Final Report***

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## Executive Summary

Residential fire sprinkler ordinances have been adopted by several hundred United States communities for use in single-family dwellings. Such systems have been shown to provide significant life safety benefits, however the installed cost of these systems remains as a point of uncertainty and a potential barrier to broader adoption. Informal estimates of typical installation costs can vary widely and influence decision makers' views on the viability of sprinkler systems in new homes. Accordingly, the purpose of this study is to provide a national perspective on the cost of home fire sprinklers by developing data on installation costs and cost savings for ten communities distributed throughout the United States. The study also explores the range of insurance premium discounts which are available to homeowners with sprinkler systems in their houses.

To obtain information on the cost of installing residential sprinkler systems, ten case study communities were selected: nine in the United States, and one in Canada. The ten communities offer diversity in terms of sprinkler ordinance status, geographic location, housing style, and sprinkler system variables such as the type of piping material and the water supply source (municipal or on-site). For each of these communities, three building plans were collected from builders and sprinkler installers, along with sprinkler system cost data and other related cost and system information.

The term "sprinklered square feet" (sprinklered SF) reflects the total area of sprinklered spaces, including basements, garages, and attics when applicable. This term is used to better characterize the cost of sprinklers per unit of space which is covered by the system, especially since many of the homes have sprinklers in spaces beyond the normal living space, such as a garage. In terms of absolute costs, the total sprinkler system costs to the homebuilder ranged from $2,386 to $16,061 for the 30 houses.

The cost of sprinkler systems to the homebuilder, in dollars per sprinklered SF, ranged from $0.38 to $3.66. This range represents the 30 different house plans, with the average cost being $1.61 per sprinklered SF. The low end of this range

($0.38/sprinklered SF) represents a California house in a community with a long-standing ordinance, sprinklers in the attic and the garage (in addition to the living space), and some potential pricing benefits from a volume relationship with the sprinkler contractor. The high end of this cost range ($3.66/sprinklered SF) represents a Colorado house on well water and a system constructed with copper piping which utilized anti-freeze for freeze protection during the winter. These costs include all costs to the builder associated with the sprinkler system including design, installation, and other costs such as permits, additional equipment, and increased tap and water meter fees – to the extent that they apply. When accounting for any available credits given for the use of residential sprinklers (as was the case in Wilsonville, OR), the total sprinkler system costs to the builder averaged $1.49 per sprinklered SF.

Variables associated with higher cost systems included extensive use of copper piping (instead of CPVC or PEX), an on-site water supply (instead of municipal water), local requirements to sprinkler additional areas like garages or attics, and higher local sprinkler permit fees. The cost data also support the concept that communities with sprinkler ordinances in effect for more than five years tend to experience market acceptance and increased competition leading to lower system costs.

Credits or "trade-offs," which could include incentives like greater fire hydrant spacing in a community with sprinklers, were also investigated in each of the ten communities. While trade-offs may be used in communities as part of the zoning approval process for specific developments, just one of the ten communities had a credit or trade-off that applied to the houses which were analyzed. Wilsonville, OR, offers a credit of $1.21 per square foot of living space in an effort to partially offset the costs of sprinklers.

As complementary data to the cost analysis, a survey of available insurance premium discounts for homeowners with sprinkler systems was conducted. For each of the ten communities where sprinkler cost data was analyzed, the average insurance premium discount (as a percentage) was obtained from five insurers with significant market share

in the state. Discount savings percentages ranged from 0 to 10% among all companies and agencies surveyed, with an average premium discount of 7%. Related issues such as limits on the overall discount allowed for protective devices, sprinkler system requirements, and any potential insurance penalties for sprinklers were also explored. There were no instances discovered of insurance penalties or extra fees associated with the use of residential sprinkler systems due to concerns such as system leakage.

Insurance quotes for a theoretical prototype house were also obtained for the nine United States communities and one Canadian community. Quotes were obtained with and without a sprinkler system in an effort to estimate the discount that may result from having a sprinkler system. Annual discount savings averaged $22, or 3.42% of the annual premium. The difference in this discount compared to the average percentage discount found in the survey is likely due to the disconnect between generally quoted ranges and the real discounts allowed on real policies. As sprinkler systems become more common in given areas and this discount becomes a more common topic in the consumer-insurance agent dialogue, it is anticipated that actual discounts would more closely track with general ranges.



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# I. Introduction

In 1975 the National Fire Protection Association (NFPA) introduced Standard 13D: Standard for the Installation of Sprinkler Systems in One- and Two-Family Dwellings and Mobile Homes.[1] Since that time there have been approximately ten updates to the standard to reflect practical experience and to accommodate such things as nonmetallic piping and multipurpose systems. NFPA Standard 13D and related standard NFPA 13R[2] have evolved and been balanced to optimize system costs and fire safety for specific types of residential occupancy buildings.

Although residential sprinklers have been adopted by many communities, only 2% of all existing one- and two-family homes included a sprinkler system as of 2003.[3] Although the life safety benefit of home fire sprinklers is well validated, installed cost remains a major barrier to their acceptance by homebuilders and local regulators. In 1986, the City of Scottsdale commissioned an independent study of the cost to install an NFPA 13D compliant system in an average single-family residence in that city. The study reviewed installation and related costs associated with sprinklers, as well as where sprinklers would result in cost savings.

In September 2007, the National Institute of Standards and Technology (NIST) released a cost benefit analysis that concluded the multipurpose residential sprinkler systems are economical across three housing types: townhouse, colonial style two-story, and a ranch design. Multipurpose systems (a system integrated with the home plumbing system) are allowed in some locations but were not used as the basis of the Scottsdale study, as it was completed prior to the updates in the 13D standard which permitted multipurpose systems.

Since 1986, the number of communities in the United States with sprinkler ordinances has increased, resulting in increased efficiencies in design, manufacturing and installation, as well as greater regulatory, insurance and builder acceptance. Further, the more widespread installation of these

[1] "Mobile Homes" was replaced with "Manufactured Homes" in the 1994 edition.
[2] Standard for the Installation of Sprinkler Systems in Residential Occupancies up to and Including Four Stories in Height, NFPA 13R.
[3] www.usfa.fema.gov/downloads/pdf/nrfsi-03report.pdf



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systems provides the opportunity to take a broader look at the costs and cost savings associated with home fire sprinklers in today's housing industry. A broader range of cost data will be of value to local communities considering sprinkler ordinances, homebuilders and homeowners considering the installation of sprinklers, and other industry stakeholders.

The purpose of this study is to provide a national perspective on the cost of home fire sprinklers by developing data on installation costs and cost savings for ten communities, distributed throughout the United States.

## II. Cost Analysis of Residential Sprinkler Systems

### *A. Criteria for Community Selection*

To obtain information on the cost of installing residential sprinkler systems, ten case study communities were selected. The selection of the communities was based on the status of a local sprinkler ordinance, geography, availability of data, and other factors. In an effort to obtain a cross-section of jurisdictions with varied experiences, the communities selected include five that have had an ordinance in effect for more than five years, two that have had an ordinance in effect for five years or less, two that have never had an ordinance, and one that had an ordinance which has subsequently been repealed. The basis for these criteria was to capture potential cost differences that exist between regions with high rates of sprinkler regulation and those with lower rates of regulation (and presumably lower frequency of installations).

The broad geographic spread of the case study communities, as seen in the following section, provides variation which reflects different local circumstances. Such differences may include the type of installer, materials used, and specific system requirements – which all contribute to the cost of the system. The geographic spread also allowed for a variety of housing types to be analyzed. For example, while basement foundations are typical in the Northeast, slab foundations are more typical in places like California.

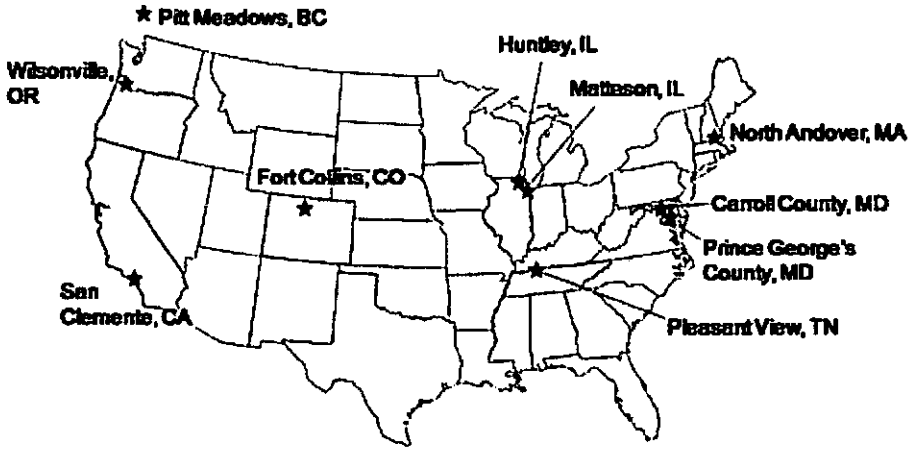
While the status of the local sprinkler ordinance and the geographic location of communities were the primary selection criteria, several other factors were evaluated with the intent of gaining a diverse set of data. For instance, communities which allow the use of multipurpose systems were sought to be included in the sample. And in fact, two communities that commonly install multipurpose systems were included in the cost analysis. Likewise, the selected communities cover a range of sprinkler piping materials, with CPVC (most common), copper, and PEX.

An effort was also made to select communities which would provide a mix of housing types in terms of the number of stories and foundation system. These housing features can significantly impact the extent and cost of a sprinkler system. The selection process also took into consideration the typical sprinkler installer in a community (sprinkler contractor or plumber), in an effort to include communities with both models.

As a result of the varied technical requirements between sprinkler systems installed in areas with and without a municipal water supply, building plans connected to non-municipal (on-site) water supplies were also captured in the selection. The study includes two communities where the building plans analyzed were on well water systems, allowing the characterization of the associated costs.

## *B. Community Overview*

The ten communities selected for the cost analysis are shown below:



The selection of communities satisfies the various criteria and overall provides a diverse mix of sprinkler systems in terms of type of system, house, piping material, installer, water supply, etc. A Canadian community with a well established ordinance was also included to add more diversity to the community mix.

### *C. Selection of House Plans and Obtaining Cost Data*

Within each case study community, the selection of house plans for obtaining cost data was typically based on builder or sprinkler contractor recommendations from local fire departments or local homebuilder associations. Nearly all builder and contractor participants were generally quite willing to share house plans and cost data documentation on sprinkler systems, as well as responding to a wide range of related questions.

All of the house plans and associated cost data obtained for this study were for homes that have been built since 2005, allowing for the analysis of recent cost figures. Three house plans were requested from each builder in an effort to obtain a broader sample. Actual house plans were obtained from the builder or sprinkler contractor with sprinkler system information, installation costs to the builder, and any additional costs to the builder not included in the installation cost. In cases where the builder could not provide additional cost information, local government offices were consulted on items such as permit fees or increased tap fee charges.

Overall, the thirty house plans reflect a cross-section of housing types nationwide, including one- and two-story homes; basement, slab, and crawl space foundations; and custom, semi-custom, and production homes. House sizes, measured in terms of "sprinklered square feet", averaged 4,118 sprinklered SF, ranging from 1,913 to 6,542 sprinklered SF. Throughout this report, the term "sprinklered SF" is frequently used, and reflects the total area of sprinklered spaces, including basements, garages, and attics when applicable. This term is used to better characterize the cost of sprinklers per unit of space, especially since many of the homes have sprinklers in spaces beyond the normal living space, such as a garage. For the sake of comparison, the thirty houses averaged 3,660 square feet living space, ranging from 1,723 to 6,360 sf. For the houses with basement

foundations, the area of the basement (unfinished or finished) was included in calculating the house's living space square footage.

**House Size for 30-Home Sample**

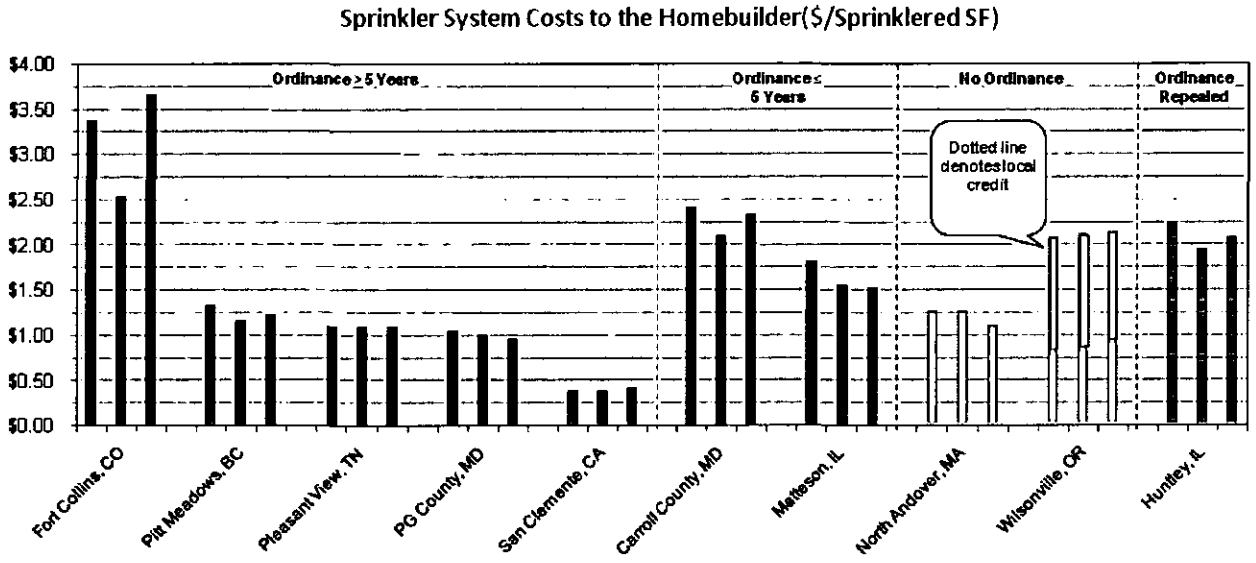
(Square feet)

| | Sprinklered Area* | Living Area** |
|---|---|---|
| Mean | 4,118 | 3,660 |
| Median | 4,124 | 3,441 |
| Minimum | 1,913 | 1,723 |
| Maximum | 6,542 | 6,360 |

* Sprinklered SF includes all spaces with sprinkler coverage
**Living area SF includes all livings spaces including basements (unfinished or finished)

## *D. Sprinkler System Costs*

The cost of sprinkler systems to the homebuilder, in dollars per sprinklered SF, ranged from $0.38 to $3.66. This range represents the thirty different house plans, with the average cost being $1.61 per sprinklered SF. This figure includes all costs associated with the sprinkler system including design, installation, and other costs such as permits, additional equipment, increased tap and water meter fees – to the extent they apply. When accounting for any additional costs and any available credits (Wilsonville, OR), the total sprinkler system costs to the builder averaged $1.49 per sprinklered SF. Sprinkler system costs to the homebuilder are shown in the graph and table below, with more detailed cost data included in Appendix A.



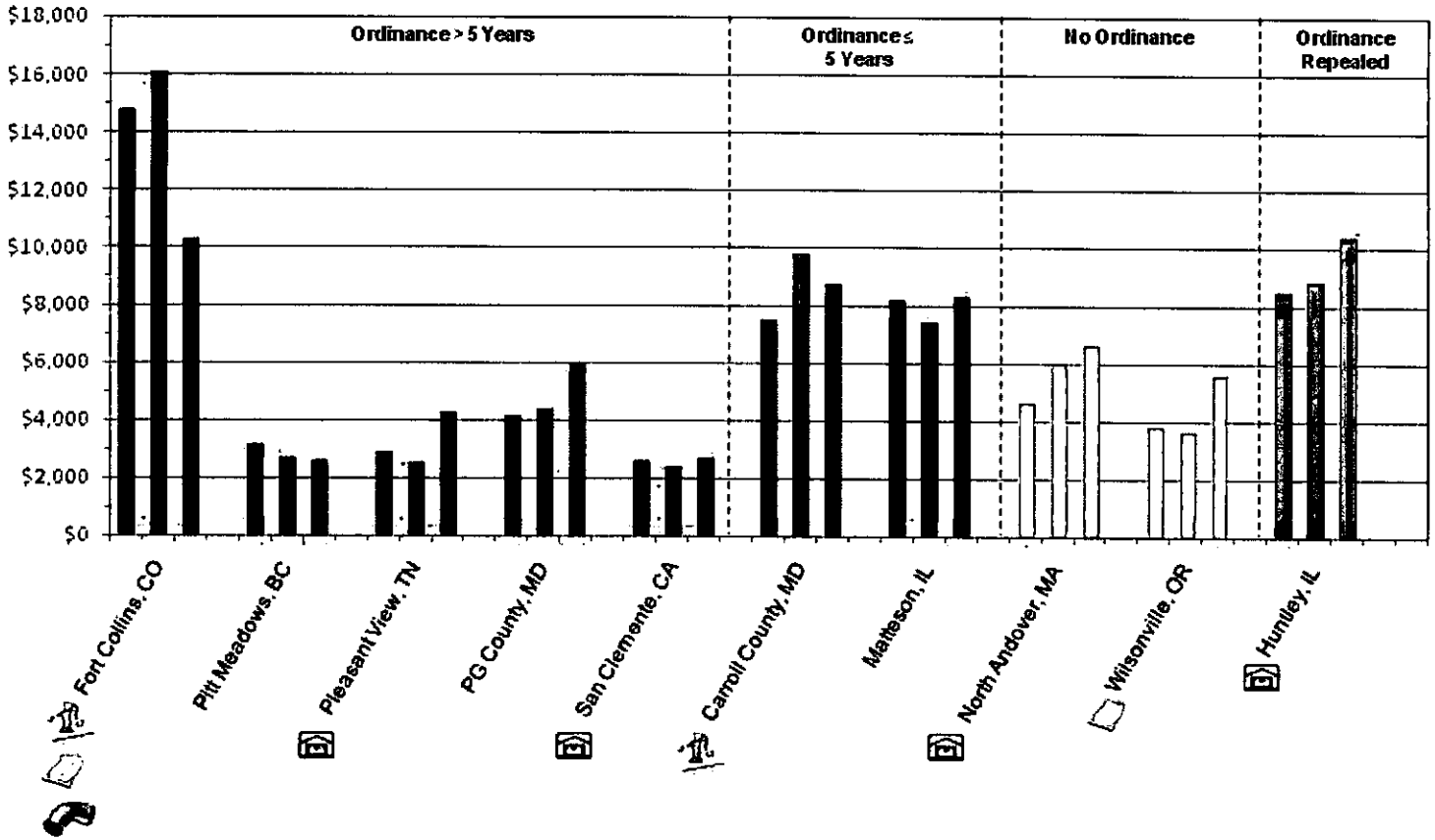

**Sprinkler System Costs to the Homebuilder**

| | Cost ($/sprinklered SF) | Cost ($/living space SF) | Cost With Available Credits ($/sprinklered SF) | Cost with Available Credits ($/living space SF) |
|---|---|---|---|---|
| Mean | $1.61 | $1.72 | $1.49 | $1.60 |
| Median | $1.42 | $1.49 | $1.23 | $1.38 |
| Minimum | $0.38 | $0.74 | $0.38 | $0.74 |
| Maximum | $3.66 | $3.66 | $3.66 | $3.66 |

The data above reflects the sprinkler system bid price plus all associated costs for the system which were not included in the bid (e.g. permit fee, increase in water service line, increase in tap fee). In several of the case study communities, these additional costs were already included in the contractor's bid price (like a permit fee) or these cost impacts did not apply (like an increased tap fee). One case study community, Wilsonville, OR, offers a $1.21 per square foot credit in an effort to partially offset the costs of sprinklers. When accounting for this credit across the entire 30-home sample, the total sprinkler system costs to the builder averaged $1.49 per sprinklered SF.

In addition to the cost of sprinklers per unit of space, the total cost per house is also an important metric. The following graph relates the total cost of the sprinkler system to the builder for all thirty house plans, with price-influencing variables noted for each community.

## Total Installation Cost




Well water community

"High" Permit/Inspection Fees

Sprinklers in Garage and/or Attic

Copper System

It should be noted that the variables identified in the graph above, such as the use of copper piping, were identified as significant factors in the overall price of the sprinkler system through discussions with the builder or contractor, and more detailed cost data in some cases. However, given the small size of the data set and other limitations, this research did not attempt to specifically quantify the pricing influence of variables like copper piping or well water systems for use on a broader basis. Several system variables, including those identified on the graph, are discussed and summarized below. Many of these factors are discussed further in the Individual Community Analysis section of this report.

## *E. Sprinkler System Variables*

### Sprinkler System Requirements and Extent of Coverage

Sprinkler systems provisions which go beyond NFPA 13D minimum requirements are sometimes found in local ordinances. Such modifications may require additional types of spaces to be sprinklered, such as garages. In the ten communities analyzed, local modifications include requiring all bathrooms (regardless of size) to have fire sprinklers (Matteson, IL); requiring fire sprinklers in garages (Huntley, IL, North Andover, MA, Pleasant View, TN, and San Clemente, CA); and requiring fire sprinklers in attics (San Clemente, CA).

Since adding sprinkler coverage to spaces like garages necessitates additional piping, sprinkler heads, and in some cases systems which can be used in areas reaching freezing temperatures, this factor is significant to note when assessing system costs.

### Type of Pipe Used

Systems in the study used a mix of metallic (copper) and nonmetallic (CPVC or PEX) pipe. In communities using solely nonmetallic pipe, installation costs averaged $1.18 per sprinklered square foot. Several communities used CPVC piping in unexposed areas and copper in exposed areas like unfinished basements. In such cases, installation costs averaged $1.56 per sprinklered square foot. The houses analyzed in Fort Collins, CO, used exclusively copper piping, with an average installation cost of $3.19 per sprinklered square foot. This suggests that the type of piping used in systems can substantially impact the overall job cost.

**Sprinkler System Costs by Type of Pipe**

| | CPVC | CPVC/ Copper | Copper | CPVC | CPVC/ Copper | Copper |
|---|---|---|---|---|---|---|
| | $/Sprinklered SF | | | $/Living Space SF | | |
| Mean | $1.18 | $1.56 | $3.19 | $1.30 | $1.65 | $3.19 |
| Median | $1.10 | $1.56 | $3.37 | $1.24 | $1.56 | $3.37 |
| Minimum | $0.38 | $0.95 | $2.53 | $0.74 | $0.95 | $2.53 |
| Maximum | $2.40 | $2.21 | $3.66 | $2.40 | $2.49 | $3.66 |

**Water Source**

While most of the houses assessed rely on municipal water sources, two of the communities (Carroll County, MD, and Fort Collins, CO) included homes reliant on well water. Sprinkler systems of this type require a booster pump, which according to estimates from sprinkler contractors, can add roughly $2,000 to $3,600 to the overall system cost. Installation costs in dollars per sprinklered square foot for these two communities ranged from $2.09 to $3.66. This results in an average of $2.73 per sprinklered square foot, compared to the $1.18 average for houses in those communities with a municipal water supply. Consequently, it is evident that a home's water supply source can be a significant factor in increasing price.

**Sprinkler System Costs by Water Source**

| | Municipal | Non-Municipal | Municipal | Non-Municipal |
|---|---|---|---|---|
| | $/Sprinklered SF | | $/Living Space SF | |
| Mean | $1.18 | $2.73 | $1.31 | $2.73 |
| Median | $1.10 | $2.47 | $1.24 | $2.47 |
| Minimum | $0.38 | $2.09 | $0.74 | $2.09 |
| Maximum | $2.21 | $3.66 | $2.49 | $3.66 |

**Permit and Inspection Fees**

Communities often have a combined permit and inspection fee for the installation of sprinkler systems. While two of the case study communities do not have any fee for sprinkler permit and

inspection (Pleasant View, TN, and San Clemente, CA), the other eight communities do have such fees. In these communities, those permit and inspection fees which were identified ranged from $50 to just under $800, although in some of the case studies the permit fees were layered into the overall system bid and were not identifiable as single line item costs. While some of the ten communities have a flat fee, others calculate permit and inspection fees based on the size of the house or valuation of the construction. In determining which communities should be classified as having "high" permit and inspection fees, a threshold amount of $350 was set as a "high" based on the limited data available on the range of fees.

**System Design Type**

Multipurpose systems combine plumbing and sprinklers into one system and piping network, resulting in continuous flow of water circulating in the system. Conversely, a standalone sprinkler system uses dedicated sprinkler piping supply, with water flowing only when a sprinkler is activated. In analyzing the system type used, data was obtained for multipurpose systems (six homes) and standalone sprinkler systems (twenty-four homes). In communities where multipurpose systems are used, installation costs in dollars per sprinklered square foot averaged $1.04. In communities where standalone systems were used, installation costs averaged $1.61 per sprinklered SF.

**Sprinkler System Costs by Design Type**

| | Multipurpose (6 Homes) | Standalone (24 Homes) | Multipurpose (6 Homes) | Standalone (24 Homes) |
|---|---|---|---|---|
| | $/Sprinklered SF | | $/Living Space SF | |
| Mean | $1.04 | $1.61 | $1.04 | $1.73 |
| Median | $1.02 | $1.39 | $1.02 | $1.49 |
| Minimum | $0.81 | $0.38 | $0.81 | $0.74 |
| Maximum | $1.32 | $3.66 | $1.32 | $3.66 |

**Type of Foundation**

House foundation types in the study varied depending on geographic location. While basement foundations were the prevalent foundation type in the eastern communities, slab or crawl space



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foundations were more common in the western communities of the study. The following table depicts house foundation types by region, based on U.S. Census Bureau data:

**2007 Foundation Type Market Shares**

| | Nationwide (U.S.) | Northeast | Midwest | South | West |
|---|---|---|---|---|---|
| Full/Partial Basement | 27.7% | 73.6% | 73.7% | 10.6% | 18.6% |
| Crawl Space | 18.4% | 10.5% | 6.2% | 19.2% | 27.3% |
| Slab | 52.7% | 14.0% | 19.7% | 68.7% | 53.5% |
| Other | 0.6% | 0.7% | 0.1% | 0.9% | 0.4% |
| Not Reported | 0.5% | 1.2% | 0.3% | 0.6% | 0.2% |

For houses in the study with basement foundations, sprinkler system costs averaged $1.81 per sprinklered square foot. System costs for houses with slab foundations averaged $0.81 per sprinklered square foot, while houses with crawl spaces had an average cost of $0.92 per sprinklered square foot.

**Sprinkler System Costs by Foundation Type**

| | Basement (20 homes) | Slab (6 homes) | Crawl Space (4 homes) | Basement (20 homes) | Slab (6 homes) | Crawl Space (4 homes) |
|---|---|---|---|---|---|---|
| | $/Sprinklered SF | | | $/Living Space SF | | |
| Mean | $1.81 | $0.81 | $0.92 | $1.90 | $0.99 | $1.00 |
| Median | $1.68 | $0.78 | $0.88 | $1.68 | $0.97 | $0.88 |
| Minimum | $0.95 | $0.38 | $0.81 | $0.95 | $0.74 | $0.81 |
| Maximum | $3.66 | $1.12 | $1.10 | $3.66 | $1.32 | $1.44 |

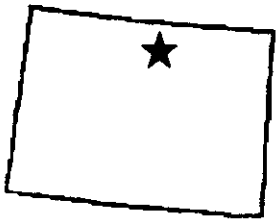
It should be noted that these costs, when presented in terms of dollars per sprinklered square foot, reflect the cost impacts of the foundation system but simultaneously incorporate the impacts of installing sprinklers in garages and attics in some cases. In other words, the limited data set and number of variables involved with each particular data point do not allow a more thorough analysis of this issue within this research.

## *F. Individual Community Analysis*

The following table summarizes the communities, research houses, and sprinkler systems analyzed within each of the ten communities, followed by more detailed summaries of each jurisdiction. Note that for information such as pipe type, system type, and several other categories, the data in the table refers specifically to the 30 homes analyzed in the study, not community requirements.

| Community | Sprinkler Ordinance Information | Year of Ordinance Adopted | Local Modifications to 13D | System Type | Pipe Type | Sprinkler Head Type | Water Supply | Foundation Type |
|---|---|---|---|---|---|---|---|---|
| **Fort Collins, CO** | 13D > 5 years | 1986 | None | standalone | Copper | concealed; semi-recessed in exposed areas | Well water | Basement |
| **Pitt Meadows, BC** | 13D > 5 years | 1998 | None | multipurpose | CPVC | semi-recessed | Municipal | Slab |
| **Pleasant View, TN** | 13D > 5 years | 2002 | Sprinklers or a 1-hour rated assembly required in garage | standalone | CPVC | concealed | Municipal | 2 Basement 1 Crawl Space |
| **Prince George's County, MD** | 13D > 5 years | 1992 | None | standalone | CPVC; copper in basements | concealed; semi-recessed in exposed areas | Municipal | Basement |
| **San Clemente, CA** | 13D > 5 years | 1980 | Sprinklers required in garages and attics | standalone | CPVC | concealed | Municipal | Slab |
| **Carroll County, MD** | 13D < 5 years | 2006 | None | standalone | CPVC | concealed; semi-recessed in exposed areas | Well water | Basement |
| **Matteson, IL** | 13D < 5 years | 2004 | All bathrooms must have sprinklers, regardless of size | standalone | CPVC; copper in basements | concealed; semi-recessed in exposed areas | Municipal | Basement |
| **North Andover, MA** | no ordinance | N/A | Sprinklers in garages | standalone | CPVC | concealed | Municipal | Basement |
| **Wilsonville, OR** | no ordinance | N/A | None | multipurpose | PEX | semi-recessed | Municipal | Crawl Space |
| **Huntley, IL** | 13D repealed | 2005 | 2 Sprinkler heads required in garages | standalone | CPVC; copper in basements | concealed; semi-recessed in exposed areas | Municipal | Basement |

**Fort Collins, Colorado**



Fort Collins, Colorado has mandated NFPA 13D since 1986. The community is served by the Poudre Fire Authority. Residential sprinkler systems are typically installed by sprinkler contractors, but the installation may also be done by a plumber. Both standalone and multipurpose systems have been installed in homes in Fort Collins, and pipe type is typically plastic (CPVC or PEX), but may also be metallic (copper). The housing styles in Fort Collins range from manufactured housing to custom homes larger than 5,000 square feet, typically with basement foundations.

In the case study of Fort Collins, three house floor plans were obtained from a local sprinkler contractor. All three homes were built on a basement foundation, thus requiring sprinkler heads in the basement in addition to the main living areas per NFPA 13D. Including the basement area, the three homes had living space ranging from 2,797 to 6,360 square feet. In sprinklered square footage, the three homes ranged from 2,797 to 6,360 square feet (sprinklered area = living space area). The cost of the systems to the builder ranged from $10,250 to $16,061. The cost of the systems ranged from $2.53 to $3.66 per sprinklered SF.

**Fort Collins – Sprinkler System Costs**

| | System Cost | *Sprinklered Space* | | *Living Space* | |
|---|---|---|---|---|---|
| | | *Size* | *$/SF* | *Size* | *$/SF* |
| House 1 | $14,745 | 4,373 | $3.37 | 4,373 | $3.37 |
| House 2 | $16,061 | 6,360 | $2.53 | 6,360 | $2.53 |
| House 3 | $10,250 | 2,797 | $3.66 | 2,797 | $3.66 |

In each home, the sprinkler contractor installed a standalone system using copper piping.[4] Concealed sprinkler heads were used in the main living area, while semi-recessed sprinkler heads

[4] The sprinkler contractor has traditionally used only copper for sprinkler systems, believing it to be superior to plastic both in performance and longevity. The contractor is considering switching to plastic on their larger projects to remain competitive in the local market.

were used in areas where piping is exposed. Design fee, inspection fee, and permit fee were included in the sprinkler contractor's installation price. It is important to note, however, that the permit fee varies depending on the valuation of the individual home. Thus, permit fees for the three case study homes ranged from $510.46 to $799.83. The contractor's installation price also included an anti-freeze system, a system flow switch and alarm, and a backflow preventer. Because all three homes rely on well water, a booster pump and tank was required for the sprinkler system, which was also included in the contractor's installation price.

A supplemental bid for the sprinkler system installations in Fort Collins may help to characterize the relatively high system costs which were obtained for the homes. A second residential sprinkler contractor in the Fort Collins area quoted the system installations on the same three homes with a range of $8,000 to $12,500. This difference from the actual contractor bid range ($10,250 to $16,061) may be heavily influenced by the type of pipe used for the systems. PEX was used in the supplemental system bid design, while copper was used in the actual plans. PEX pipe is flexible tubing that is significantly less expensive than copper.

**Pitt Meadows, British Columbia**



Pitt Meadows, British Columbia has mandated NFPA 13D since 1998. The community is served by the Pitt Meadows Fire Department. There are no specific requirements for residential sprinkler systems beyond those of NFPA 13D. Residential sprinkler systems are typically installed by sprinkler contractors. Both standalone and multipurpose systems have been installed in homes in Pitt Meadows, and pipe is typically CPVC. Typical housing type in Pitt Meadows is two-story, 2,500 square feet in living space, with a crawl space or slab foundation.

In the case study of Pitt Meadows, three house floor plans were obtained from a semi-custom builder. All three homes were built on a slab foundation. The three homes had living space (and sprinkler square footage space) ranging from 2,109 to 2,342 square feet. The cost of the systems to the

builder ranged from $2,560 to $3,090.[5] When considered in terms of dollars per unit of space, the cost of the systems ranged from $1.15 to $1.32 per sprinklered SF (U.S. dollars).

**Pitt Meadows – System Costs**

| | System Cost | *Sprinklered Space* | | *Living Space* | |
|---|---|---|---|---|---|
| | | *Size* | *$/SF* | *Size* | *$/SF* |
| House 1 | $3,090 | 2,342 | $1.32 | 2,342 | $1.32 |
| House 2 | $2,690 | 2,336 | $1.15 | 2,336 | $1.15 |
| House 3 | $2,560 | 2,109 | $1.21 | 2,109 | $1.21 |

The sprinkler contractor installed a standalone system using CPVC piping and standard white semi-recessed sprinkler heads were used. Design fee, inspection fee, and permit fee were included in the sprinkler contractor's installation price. It is important to note, however, that the permit fee is calculated as 0.95% of the sprinkler system construction value. Thus, permit fees for the three case study homes ranged from $24.32 to $29.35. The contractor's installation price also included a system flow switch and alarm, and a backflow preventer.

**Pleasant View, Tennessee**



Pleasant View, Tennessee has mandated NFPA 13D since 2002. The community is served by the Pleasant View Volunteer Fire Department. In addition to the requirements of NFPA 13D, Pleasant View requires sprinkler coverage in the garage of homes. Standalone systems are the more common system used in Pleasant View, with CPVC pipe typically used. Typical housing type in Pleasant View ranges from 1,200 to 4,000 square feet of living space, both one- and two-story homes, with differing foundation types.

[5] The original prices were in Canadian dollars (CAN). Amounts were converted to USD (U.S. dollars) based on currency exchange rates of $1.00 CAN to $1.0099 USD as of March 2008 (when the costs were incurred).

In the case study of Pleasant View, three house floor plans were obtained from a semi-custom builder. Two of the homes were built with a basement foundation; the other home had a crawl space. The three homes had living space ranging from 1,723 to 3,326 square feet. In addition to sprinkler coverage in the living space, sprinklers were also installed in the garages. Thus, total sprinklered space in the three homes ranged from 2,612 to 3,826 sprinklered SF. The total cost of the sprinkler systems to the builder ranged from $2,489 to $4,208. When considered in terms of dollars per unit space, the cost of the system for each of the three homes was $1.10 per sprinklered SF.

**Pleasant View – System Costs**

| | System Cost | *Sprinklered Space* | | *Living Space* | |
|---|---|---|---|---|---|
| | | *Size* | *$/SF* | *Size* | *$/SF* |
| House 1 | $2,872 | 2,612 | $1.10 | 2,112 | $1.36 |
| House 2 | $2,489 | 2,273 | $1.10 | 1,723 | $1.44 |
| House 3 | $4,208 | 3,826 | $1.10 | 3,326 | $1.27 |

The sprinkler contractor installed a standalone system using CPVC piping and concealed sprinkler heads. The design fee for the sprinkler system was included in the sprinkler contractor's installation price. Pleasant View does not charge an inspection fee or permit fee for residential sprinkler systems. The contractor's installation price also included a system flow switch and alarm, and a backflow preventer.

All three homes use a municipal water source. An increased water service line size is needed in Pleasant View to allow for the potential increase in water flow associated with the sprinkler system. This increase from ¾" to 1" does not result in an increase in price for the sprinkler system installation, as all building lots now come with this increased line size. Increases in water meter size or water tap fee were not required or incurred.

**Prince George's County, Maryland**



Prince George's County, Maryland phased in the requirement of NFPA 13D beginning in 1987, when county council approved the mandate of residential sprinklers. On January 1, 1992, the final stage of the law went into effect stating that from that point on all residential structures, including single-family homes, must be fully protected by a NFPA Approved 13-D residential sprinkler.[6] The county is served by the Prince George's County Fire Department. There are no specific requirements for residential sprinkler systems beyond those of NFPA 13D. Residential sprinkler systems are typically installed by sprinkler contractors. Standalone systems are the common system used in Prince George's County, and pipe type is typically CPVC. Typical housing type in Prince George's County is two-story, roughly 3,000 square feet in living space, with a basement foundation.

In the case study of Prince George's County, three house floor plans were obtained from a regional production builder. All three homes were built on basement foundations. Including the basement area, the three homes had living space ranging from 3,903 to 6,170 square feet. The amount of sprinklered square footage ranged from 3,903 to 6,170 square feet. The cost of the systems to the builder ranged from $4,100 to $5,886. When considered as dollars per square foot of sprinkler coverage, the cost of the system ranged from $0.95 to $1.05 per square foot.

[6] Ronald Jon Siarnicki, "*Residential Sprinklers: One Community's Experience Twelve Years after Mandatory Implementation*," January 2001.

**Prince George's County – System Costs**

| | System Cost | *Sprinklered Space* | | *Living Space* | |
|---|---|---|---|---|---|
| | | *Size* | *$/SF* | *Size* | *$/SF* |
| House 1 | $4,100 | 3,903 | $1.05 | 3,903 | $1.05 |
| House 2 | $4,332 | 4,345 | $1.00 | 4,345 | $1.00 |
| House 3 | $5,886 | 6,170 | $0.95 | 6,170 | $0.95 |

The sprinkler contractor installed a standalone system using CPVC piping, using both concealed and standard white semi-recessed sprinkler heads. Design fee, inspection fee, and permit fee were included in the sprinkler contractor's installation price. The contractor's installation price also included a system flow switch and alarm, and a backflow preventer.

**San Clemente, California**



San Clemente, California has mandated NFPA 13D since 1980. The community is served by the Orange County Fire Authority. In addition to the requirements for residential sprinkler systems stated by NFPA 13D, the community also requires sprinkler coverage in the garage and attic space of homes. Standalone systems are the common system used in San Clemente, with CPVC pipe typically used. Typical housing type in San Clemente ranges from 2,500 to 5,000 square feet with slab foundations.

In the case study of San Clemente, three house floor plans were obtained from a production builder. All of the homes were built on slab foundations with living space ranging from 3,214 to 3,482 square feet. With garage and attic space considered, sprinklered space ranged from 6,329 to 6,542 square feet. The cost of the systems to the builder ranged from $2,386 to $2,655. When considered in terms of dollars per square foot of sprinkler coverage, the cost of the systems ranged from $0.38 to $0.41 per square foot. These low costs for the sprinkler system are likely the result of volume pricing

(the builder indicated that the contractor does a large volume of work with them) and the competitive market as a result of the length of the ordinance's existence.

**San Clemente – System Costs**

| | System Cost | *Sprinklered Space* | | *Living Space* | |
|---|---|---|---|---|---|
| | | *Size* | *$/SF* | *Size* | *$/SF* |
| House 1 | $2,565 | 6,542 | $0.39 | 3,482 | $0.74 |
| House 2 | $2,386 | 6,329 | $0.38 | 3,214 | $0.74 |
| House 3 | $2,655 | 6,448 | $0.41 | 3,358 | $0.79 |

The sprinkler contractor installed a standalone system using CPVC piping and concealed sprinkler heads. The design fee and inspection fee for the sprinkler system was included in the sprinkler contractor's installation price. San Clemente does not charge a permit fee for residential sprinkler systems—the city promotes the use of residential sprinkler systems by eliminating such a fee. The contractor's installation price also included a system flow switch and alarm, and a backflow preventer.

All three homes use a municipal water source. There is no need for an increased water service line size, water meter size, or tap fee as a result of the sprinkler system installation.

**Carroll County, Maryland**



Carroll County, Maryland has mandated NFPA 13D since 2006. The county is served by local paid and volunteer fire departments. There are no specific requirements for residential sprinkler systems above and beyond those of NFPA 13D. Standalone systems are the common system used in Carroll County, although multipurpose systems may also be used. CPVC pipe is typically used in finished areas of homes, with copper used in unfinished areas. Typical housing in Carroll County is about 1,800 square feet for one-story ranches, and 3,500 square feet for two-story homes, with basement foundations.

In the case study of Carroll County, three house floor plans were obtained from a semi-custom builder. All three homes were built with a basement foundation, with living space (including basement) ranging from 3,131 to 4,686 square feet. The cost of the systems to the builder ranged from $7,499 to $9,800. When considered in terms of dollars per square foot of sprinkler coverage, the cost of the systems ranged from $2.09 to $2.40 per sprinklered square foot.

**Carroll County – System Costs**

| | System Cost | *Sprinklered Space* | | *Living Space* | |
|---|---|---|---|---|---|
| | | *Size* | *$/SF* | *Size* | *$/SF* |
| House 1 | $7,499 | 3,131 | $2.40 | 3,131 | $2.40 |
| House 2 | $9,800 | 4,686 | $2.09 | 4,686 | $2.09 |
| House 3 | $8,750 | 3,772 | $2.32 | 3,772 | $2.32 |

Because all three homes rely on well water, a booster pump and tank was required for the sprinkler system, which was included in the contractor's installation price. The sprinkler contractor installed a standalone system using CPVC piping. Concealed sprinkler heads were used in unexposed areas and semi-recessed sprinkler heads were used in exposed areas. The design fee, inspection fee, and permit fee for the systems were included in the sprinkler contractor's installation price. The contractor's installation price also included a system flow switch and alarm, and a backflow preventer.

**Matteson, Illinois**



Matteson, Illinois has mandated NFPA 13D since 2004. The community is served by the Matteson Fire Department. There are no specific requirements for residential sprinkler systems beyond those of NFPA 13D. Standalone systems are the more common system used in Matteson, with CPVC pipe typically used. Typical housing type in Matteson is about 3,000 square feet, both one- and two-story homes, usually with basement foundations.

In the case study of Matteson, three house floor plans were obtained from a semi-custom builder. All three homes were built with a basement foundation, with living space (including the basement area) and sprinklered space ranging from 4,562 to 5,478 square feet. The cost of the systems to the builder ranged from $7,407 to $8,329, or $1.52 to $1.80 per sprinklered square foot.

**Matteson – System Costs**

| | System Cost | *Sprinklered Space* | | *Living Space* | |
|---|---|---|---|---|---|
| | | *Size* | *$/SF* | *Size* | *$/SF* |
| House 1 | $8,198 | 4,562 | $1.80 | 4,562 | $1.80 |
| House 2 | $7,407 | 4,740 | $1.56 | 4,740 | $1.56 |
| House 3 | $8,329 | 5,478 | $1.52 | 5,478 | $1.52 |

The sprinkler contractor installed a standalone system using CPVC piping. Concealed sprinkler heads were used in unexposed areas and semi-recessed sprinkler heads were used in exposed areas. The design fee for the sprinkler system was $50, and the inspection fee and permit fee were a combined $150. The contractor's installation price also included a system flow switch and alarm, and a backflow preventer.

All three homes use a municipal water source. An increase in water service line size is needed in Matteson to accommodate the potential increase in water flow associated with the sprinkler system. This increased service line cost the builder an additional $700. Increase costs for a larger water meter or water tap fee were not incurred.

**North Andover, Massachusetts**



North Andover, Massachusetts does not require residential sprinklers by law, but instead has implemented NFPA 13D through local zoning. Sprinklers are a part of the zoning approval process, as discussed in a later section of the report. The community is served by the North Andover Fire Department. In addition to the requirements for residential

sprinkler systems stated by NFPA 13D, the North Andover Fire Department requires sprinkler coverage in the garage. Standalone systems are the common system used in North Andover, with CPVC pipe typically used. Typical housing type in North Andover is about 2,000 to 3,500 square feet, both one- and two-story homes, usually with basement foundations.

In the case study of North Andover, three house floor plans were obtained from a local developer in the community. All three homes were built with a basement foundation, with living space (including the basement area) ranging from 3,084 to 5,422 square feet. With garage square footage considered, the three homes ranged from 3,568 to 5,906 sprinklered square feet. The cost of the sprinkler systems to the builder ranged from $4,500 to $6,500, or $1.10 to $1.26 per sprinklered square foot.

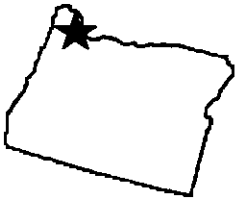
**North Andover – System Costs**

| | System Cost | *Sprinklered Space* | | *Living Space* | |
|---|---|---|---|---|---|
| | | *Size* | *$/SF* | *Size* | *$/SF* |
| House 1 | $4,500 | 3,568 | $1.26 | 3,084 | $1.46 |
| House 2 | $5,800 | 4,632 | $1.25 | 4,148 | $1.40 |
| House 3 | $6,500 | 5,906 | $1.10 | 5,422 | $1.20 |

The sprinkler contractor installed a standalone system using CPVC piping. Concealed sprinkler heads were used in unexposed areas and semi-recessed sprinkler heads were used in exposed areas of the home. The design fee and inspection fee were included in the cost to the builder, while the permit fee was a separate cost at $50 per home. The contractor's installation price also included a system flow switch and alarm, and a backflow preventer.

All three homes use a municipal water source. An increase in water service line size was needed to accommodate the potential increased water flow associated with the sprinkler system. This increase cost the builder an additional $450. An increase in tap fee at a cost of $500 was also incurred. There was no additional cost incurred related to the water meter size.

**Wilsonville, Oregon**



Wilsonville, Oregon does not require residential sprinklers by law, but has required NFPA 13D in the planned community of Villebois. The community is served by Tualatin Valley Fire and Rescue. There are no specific requirements for residential sprinkler systems beyond those of NFPA 13D. System installations are typically done by a plumber; thus a multipurpose system is the most common system used in the area. Typical housing type in Wilsonville is between 2,000 to 3,000 square feet, often with a crawl space foundation.

In the case study of Wilsonville, three house floor plans were obtained from a developer in the region. All three homes were on a crawl space, with living space (and sprinklered square footage) ranging from 1,913 to 2,917 square feet. The total cost of the systems to the builder (before any credit is applied) ranged from $4,014 to $5,892, or $2.02 to $2.10 per sprinklered square foot

The City of Wilsonville offers a $1.21 per square foot of living space credit to the builder to offset the costs associated with sprinklers. This is a one-time credit, offered at the time of system installation. The credit cannot be any greater than the water meter system development charge for a 3/4" meter, which is currently $4,436 – regardless of the size of the home. In rare situations, a large home requiring a 1" water meter may receive a greater credit, but only if proof is shown that this increased water meter size is directly a result of water flow requirements for the sprinkler system.

When accounting for the impact of this credit, the sprinkler system costs for the three Wilsonville homes range from $0.81 to $0.89 per sprinklered square foot, as shown in the table below.

**Wilsonville – System Costs**

| | System Cost | *Sprinklered Space* | | | *Living Space* | | |
|---|---|---|---|---|---|---|---|
| | | *Size* | *Credit ($/SF)* | *$/SF* | *Size* | *Credit ($/SF)* | *$/SF* |
| House 1 | $4,178 | 2,005 | $1.21 | $0.87 | 2,005 | $1.21 | $0.87 |
| House 2 | $4,014 | 1,913 | $1.21 | $0.89 | 1,913 | $1.21 | $0.89 |
| House 3 | $5,892 | 2,917 | $1.21 | $0.81 | 2,917 | $1.21 | $0.81 |

The plumber installed a multipurpose system using PEX piping and standard white semi-recessed sprinkler heads. The design fee was included in the cost to the builder, while the inspection and permit fee was a separate cost to the builder, at $360 per home. The system did not feature a flow switch and alarm, but a required backflow preventer was included in the installation cost. All three homes use a municipal water source. An increase in water service meter size from 5/8" to 3/4" was needed to accommodate the increased water flow associated with the sprinkler system.

**Huntley, Illinois**



Huntley, Illinois mandated NFPA 13D in 2005, and the mandate was repealed by the Village of Huntley in 2007. Residential sprinkler systems are currently a "mandatory option" in the Village of Huntley—builders must offer homeowners the option to install a residential sprinkler system. While 13D is not required in the village itself, sprinkler systems are still required in the county portion of the fire district. When NFPA 13D was required, sprinkler coverage was also required in the garages of homes. System installations are typically done by a sprinkler contractor, using CPVC pipe. Typical housing in Huntley ranges from 2,000 to 4,500 square feet, usually with basement foundations.

In the case study of Huntley, three house floor plans were obtained from a local sprinkler contractor. All three homes were built with a basement foundation, with living space (including the basement area) ranging from 3,400 to 4,560 square feet. With garage areas considered, the three homes ranged from 3,835 to 5,045 sprinklered square feet. The cost of the sprinkler systems to the builder ranged from $8,476 to $10,406, or $1.93 to $2.21 per sprinklered square foot.

**Huntley – System Costs**

| | System Cost | *Sprinklered Space* | | *Living Space* | |
|---|---|---|---|---|---|
| | | *Size* | *$/SF* | *Size* | *$/SF* |
| House 1 | $8,476 | 3,835 | $2.21 | 3,400 | $2.49 |
| House 2 | $8,851 | 4,575 | $1.93 | 4,030 | $2.20 |
| House 3 | $10,406 | 5,045 | $2.06 | 4,560 | $2.28 |

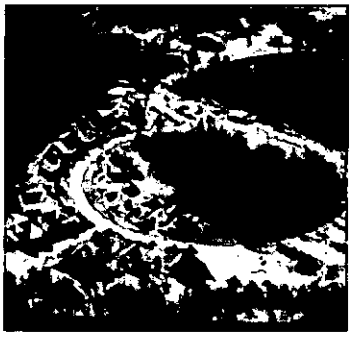
The sprinkler contractor installed a standalone system using CPVC pipe in all areas except the basement, where copper was used. Concealed sprinkler heads were used in unexposed areas and semi-recessed sprinkler heads were used in exposed areas. The design fee for the system was included in the sprinkler contractor's installation price, while the inspection fee and permit fee were a combined $300, an additional cost outside of the sprinkler contractor's installation price. The contractor's installation price also included a system flow switch and alarm, and a backflow preventer.

All three homes use a municipal water source. An increase in water service line size from 1" to 1 ½" was required to accommodate the increased water flow associated with the sprinkler system. This increase in water line size cost the builder an additional $821.

## *G. Credits and Trade-Offs*

Trade-offs is a general term for allowances that can be made in the building construction or the development planning when sprinkler systems will be used in the houses. At the house level, a trade-

off could be a waiver of using fire-rated drywall in attached garages when the garage will be sprinklered. At the development level, trade-offs can include greater spacing of fire hydrants, narrower road widths, reduced water main sizes, relaxed requirements for the number of neighborhood exits, and others.



Arial View of North Andover Subdivision Illustrating Cluster Zoning

Potential trade-offs at the development level and the house level were investigated for all ten communities. Possible trade-offs were particularly scrutinized in North Andover, Massachusetts and Wilsonville, Oregon. Neither community has a mandated residential sprinkler ordinance, so incentives of some type could be reasonable tools to encourage the use of sprinklers.

North Andover has experienced tremendous growth in the past thirty-five years and has implemented cluster zoning as a way to preserve open space in the community. In subdivisions such as Hickory Hills, several additional building lots have been made available through cluster zoning, while still allowing for a large amount of open space in the development. Cluster zoning involves smaller lots and tighter setbacks, with larger parcels of dedicated open space nearby. The former North Andover Fire Chief viewed cluster zoning as a potentially greater fire risk (as homes are built closer together), resulting in a requirement for residential sprinklers for such developments as an additional safety measure. Additionally, because North Andover lacks the manpower for a new fire station, residential sprinkler systems can buy the fire department time in the event of an emergency. As a result, the town planning board created cluster-zoned subdivisions in North Andover as specially permitted lots, where developers and builders are required to install residential sprinkler systems in homes. Although the planning board does sometimes offer a decrease in the width of streets, increased spacing between fire hydrants, and the elimination of a turnaround for cluster developments, none of these trade-offs were offered in Hickory Hills.

Wilsonville, OR provides a per-house credit intended to help cover the cost to install a residential sprinkler system. The credit is limited to the current water meter system development charge. Thus, the one-time credit changes as the system development charge changes. Beyond this credit offered

by the City of Wilsonville, there were no documented development-level or house-level trade-offs in the ten communities.

For communities where garages are sprinklered, there were no trade-offs identified related to drywall specifications. For each of the four communities in the study with sprinklered garages, the additional coverage is treated as an added safety measure, to be implemented in addition to the traditional fire-rated drywall required by building codes. In many cases, local jurisdictions will require sprinkler coverage in the garage when there are bedrooms and/or other living areas above the garage.

Although evidence of trade-offs was not found in the case study communities, there is a general knowledge in the industry that trade-offs may be implemented on more of a case-by-case basis integrated with the zoning approval process for developments, rather than as a standard community policy. Negotiations are often made between a developer and the Authority Having Jurisdiction (AHJ). Such agreements may be made in order for a developer to avoid penalty for not installing sprinklers.

## III. Insurance Discounts for Residential Sprinkler Systems

### *A. Methodology for Estimating Insurance Premium Reductions*

A 2007 study conducted by the National Association of Home Builders (NAHB) economics department showed that insurers do offer meaningful discounts for residential sprinkler systems, but that the discounts varied from state to state. For this study, an insurance survey was created to examine insurance companies and local agencies in the nine states where case study communities were located. This survey was both quantitative and qualitative, gathering not only average insurance premium discounts, but also information on insurance company categorization and/or requirements for discounts, and the familiarity of consumers with such discounts. This information is intended to help round out the case studies and provide meaningful data on actual insurance incentives and policies.

For each community, the average insurance premium discount (as a percentage) was obtained from five insurance companies. The National Association of Insurance Commissioners (NAIC) 2007 Market Share Reports for Property/Casualty Insurance Groups and Companies were used to identify the top five insurance companies in each state. In cases where insurance discounts could not be obtained from a top-five company, discounts were obtained from subsequent companies from the NAIC report list. In cases where information could not be obtained directly from an insurance company, local insurance agencies were contacted.

### *B. Insurance Premium Discounts for Residential Sprinkler Systems*

Discount savings percentages are derived from the whole annual homeowner's insurance premium (rather than just a portion of the premium). Discount savings percentages ranged from 0 to 10% among all companies and agencies surveyed, with an average discount savings percentage premium of 7%.

In California, annual homeowner's insurance premium discount percentages were obtained from Allstate, State Farm, Farmers, Auto Club Enterprises, and Nationwide. Discounts ranged from 0 to 10%.

In Colorado, annual homeowner's insurance premium discount percentages were obtained from State Farm, Farmers, American Family, Allstate, and Travelers. Discounts ranged from 3 to 10%.

In Illinois, annual homeowner's insurance premium discount percentages were obtained from Allstate, State Farm, Country Financial, Farmers, and American Family. Discounts ranged from 5 to 10%.

In Maryland, annual homeowner's insurance premium discount percentages were obtained from Allstate, State Farm, Travelers, Nationwide, and Erie. Discounts ranged from 4 to 10%.

In Massachusetts, annual homeowner's insurance premium discount percentages were obtained from Commerce, Andover, Chubb & Son, Travelers, and Liberty Mutual. Discounts ranged from 5 to 10%.

In Oregon, annual homeowner's insurance premium discount percentages were obtained from State Farm, Farmers, Allstate, Country Financial, and American Family. Discounts ranged from 5 to 10%.

In Tennessee, annual homeowner's insurance premium discount percentages were obtained from State Farm, Tennessee Farmers, Allstate, Travelers, and Nationwide. Discounts ranged from 0 to 10%.

In British Columbia, annual homeowner's insurance premium discount percentages were obtained from Aviva, Canadian Northern Shield, Economical Insurance, Dominion of Canada, and Gore Mutual. Discounts ranged from 0 to 12%.

These findings are summarized in the table below.

| State | Insurance Company | Market Share in State/Province | Percentage Discount for Residential Sprinklers |
|---|---|---|---|
| Maryland | Allstate | 21.02% | 4% |
| | State Farm | 16.61% | 10% |
| | Travelers | 13.01% | 10% |
| | Nationwide | 11.12% | 5% |
| | Erie | 6.38% | 5% |
| Tennessee | State Farm | 28.54% | 10% |
| | Tennessee Farmers | 16.30% | 5% |
| | Allstate | 11.43% | 10% |
| | Travelers | 5.53% | 10% |
| | Nationwide | 5.24% | 0% |
| Illinois | State Farm | 32.68% | 10% |
| | Allstate | 16.22% | 10% |
| | Country Insurance | 6.02% | 5% |
| | Farmers | 6.60% | 6% |
| | American Family | 5.28% | 10% |
| Massachusetts | Commerce | 10.02% | 5% |
| | Andover Companies | 8.45% | 5% |
| | Chubb & Son Inc. | 7.93% | 10% |
| | Travelers | 7.65% | 7% |
| | Liberty Mutual | 7.03% | 6% |
| Colorado | State Farm | 23.62% | 10% |
| | Farmers | 15.45% | 5% |
| | American Family | 12.42% | 10% |
| | Allstate | 10.28% | 5% |
| | Travelers | 3.98% | 3% |
| California | State Farm | 20.23% | 10% |
| | Farmers | 17.03% | 10% |
| | Allstate | 13.33% | 10% |
| | Auto Club Enterprises | 4.33% | 0% |
| | Nationwide | 3.53% | 6% |
| Oregon | State Farm | 25.28% | 10% |
| | Farmers | 19.02% | 5% |
| | Allstate | 10.68% | 10% |
| | American Family | 4.17% | 10% |
| | Country Insurance | 4.07% | 5% |
| British Columbia | Aviva | 8.05% | 5% |
| | Canadian Northern Shield | 6.23% | 13% |
| | Economical Insurance | 6.10% | 0% |
| | Dominion of Canada | 3.11% | 0% |
| | Gore Mutual | 1.96% | 0% |

**Categorization of Sprinkler Systems**

Many insurance companies classify the discount offered for residential sprinkler systems by the extent of sprinkler coverage in the home. While these exact categories and their specific requirements differ between companies, most insurers typically classify system types into "partial" or "full" systems. A partial system generally means sprinkler coverage in the main living area only. In a few instances, partial may be defined as sprinkler coverage in the utility room only. A full system often means sprinkler coverage in all areas of the home, including the basement or crawl space, all bathrooms, closets, and hallways. In some instances, a full system classification may also require sprinkler coverage in garages. Furthermore, several companies required the sprinkler system to be monitored with an alarm. For the purposes of this insurance survey, the discount percentage offered by an insurer that most closely aligned with the fire sprinkler ordinance requirements for the particular case study community being assessed was used.

Most insurance companies consider a residential sprinkler system to be a protective device. Other protective devices warranting homeowner's insurance discounts include a monitored fire alarm connected to the sprinkler system (which may range from a 3 to 5% discount based on limited feedback from insurance agents), smoke detector, fire extinguisher, security system, deadbolt locks, and home location in a gated community. The majority of insurance companies place a cap on the maximum discount percentage offered for all protective devices. This cap ranged from 10 to 20% in the survey, with an average protective device discount cap of 14%.

**Penalties/Fees as a result of System Leakage**

The presence of a residential sprinkler system can raise concern about the risk of accidental water leakage from the system. According to the Insurance Services Office, Inc. (ISO) standard "Homeowners 3—Special Form" policy provides for coverage due to damages from residential fire sprinkler system leakage provided that reasonable care has been taken to maintain heat in the building to prevent freezing of the residential fire sprinkler system. Essentially residential fire sprinkler piping is treated the same as regular household plumbing as far as coverage and pricing for ISO's

standard Homeowners program. Thus, there is no extra charge for the coverage of the peril of fire sprinkler leakage.[7]

This issue was probed in the insurance survey to see if the homeowner's insurance policy typically covers sprinkler system leakage. Insurers interviewed in the study echoed the preceding ISO recommendations. Insurance companies routinely treat sprinkler system piping the same as a plumbing system. Sprinkler system leakage is reported as a loss. Accidental sprinkler system leakage is most likely covered under the homeowner's insurance policy, whereas sprinkler system leakage as a result of a maintenance issue may not be covered by the policy. Claims adjusters determine whether or not sprinkler system leakage is covered under the homeowner's policy, often on a case by case basis.

**Document Requirements for Discounts**

For those insurance companies offering premium discounts for residential sprinkler systems, many require proof of the system's installation or existence. Methods of providing proof to insurance company underwriters vary among companies. However, the most common include an interior inspection of the home, a copy of the installation certificate and/or receipt, submitting pictures of the actual system, and providing the name of the sprinkler contractor. In some instances, one or more of these may be required by an insurer. In other cases, an insurer may not require any proof at all—the homeowner would simply be required to notify the insurer of the system installation upon application. It is important to note that misrepresentation in the application could put the homeowner in breach and possibly void parts or all of the policy.

**Homeowner Awareness of Discounts**

Homeowners are often informed of possible insurance savings for sprinklers by their insurance agent. An insurance agent typically gathers fact-finding information about the homeowner and the property in an initial or renewal appointment with the homeowner purchasing insurance. It is common for an insurance agent to ask the homeowner at this time if the property being insured has certain protective devices, including a residential sprinkler system.

[7] Fire Sprinkler System Leakage in ISO Homeowners Policy, Insurance Services Office, 2008.

## *C. Related Issues Affecting the Magnitude and Availability of Discounts*

The level of insurance discount knowledge varied greatly, which was particularly evident in comparing a region where residential sprinkler systems are very common to a region where residential sprinkler systems are not common. This often resulted in varying levels of an agent's familiarity with residential sprinkler systems and the insurance premium discount offered by their insurance company. Insurance agents with modest familiarity with residential sprinkler systems typically referred to the insurance company manual to obtain insurance premium discount information.

In obtaining information on possible penalties as a result of sprinkler system leakage, many agents were unsure of or unfamiliar with such penalties. Agents explained that insurance company underwriters deal with the claims process that would result if a sprinkler system were to accidentally leak.

## *D. Home Insurance Quotes for a Sample Home*

As a separate part of the insurance study to complement the information obtained from the insurance survey, insurance policy quotes were obtained for the nine United States communities and one Canadian community using a theoretical prototype house. For the United States communities, the prototype house was a two-story 2,500 square foot colonial with an unfinished basement and one-car attached garage. Quotes were obtained with and without a sprinkler system in an effort to estimate the discount that may result from having a sprinkler system. Discount savings in dollars ranged from $5 in Huntley, IL to $53 in North Andover, MA, with an average savings of $22. As a percentage from the quoted price without a sprinkler system, savings ranged from 1.14% to 6.68%, with an average of 3.42%.

For the Canadian community, the prototype house was a two-story 2,300 square foot home with crawl space, located in Pitt Meadows, British Columbia. Similar to the United States communities, quotes were obtained with and without a sprinkler system. Discount savings in dollars was $55, and the percentage discount from the quoted price without a sprinkler system was 4.83%.

| Community | Actual Residence Value | Quoted Residence Value | Premium without Sprinklers | Premium with Sprinklers (all areas) | Discount Savings($) | Discount Savings (%) |
|---|---|---|---|---|---|---|
| PG County (Bowie), MD | $244,836 | $245,000 | $970 | $919 | $51 | 5.26% |
| Pleasant View, TN | $223,612 | $224,000 | $600 | $588 | $12 | 2.00% |
| Matteson, IL | $294,414 | $294,000 | $455 | $443 | $12 | 2.64% |
| Huntley, IL | $282,051 | $282,000 | $438 | $433 | $5 | 1.14% |
| San Clemente, CA | $316,172 | $316,000 | $674 | $661 | $13 | 1.93% |
| Fort Collins, CO | $228,639 | $229,000 | $411 | $404 | $7 | 1.70% |
| Carroll County (Finksburg), MD | $243,361 | $243,000 | $519 | $485 | $34 | 6.55% |
| Wilsonville, OR | $274,138 | $274,000 | $342 | $332 | $10 | 2.92% |
| North Andover, MA | $285,162 | $285,000 | $794 | $741 | $53 | 6.68% |
| Pitt Meadows, BC | -- | $305,000 | $1,139 | $1,084 | $55 | 4.83% |

As noted in the above table, the average discount in all the communities when using a prototype home to get actual bids was less than the percentage range found in the insurance survey. This shows that there is variance in the discount percentage offered which can be best attributed to competitive market pricing.

# Appendix A – Sprinkler System Costs by Community

| Community and House Plan | Area of Sprinklered Spaces (SF) | Living Space (SF) | TOTAL COST | Local Sprinkler Credit | Net Cost (contractor + additional + credits) in $/SF of Sprinklered SF | Net Cost (contractor + additional + credit) in $/SF of Living Space |
|---|---|---|---|---|---|---|
| Fort Collins, CO - House 1 | 4,373 | 4,373 | $14,745 | 0 | $3.37 | $3.37 |
| Fort Collins, CO - House 2 | 6,360 | 6,360 | $16,060 | 0 | $2.53 | $2.53 |
| Fort Collins, CO - House 3 | 2,797 | 2,797 | $10,250 | 0 | $3.66 | $3.66 |
| Pitt Meadows, BC - House 1 | 2,342 | 2,342 | $3,090 | 0 | $1.32 | $1.32 |
| Pitt Meadows, BC - House 2 | 2,336 | 2,336 | $2,690 | 0 | $1.15 | $1.15 |
| Pitt Meadows, BC - House 3 | 2,109 | 2,109 | $2,5600 | 0 | $1.21 | $1.21 |
| Pleasant View, TN - House 1 | 2,612 | 2,112 | $2,872 | 0 | $1.10 | $1.36 |
| Pleasant View, TN - House 2 | 2,273 | 1,723 | $2,489 | 0 | $1.10 | $1.44 |
| Pleasant View, TN - House 3 | 3,826 | 3,326 | $4,208 | 0 | $1.10 | $1.27 |
| Prince George's County, MD - House 1 | 3,903 | 3,903 | $4,100 | 0 | $1.05 | $1.05 |
| Prince George's County, MD - House 2 | 4,345 | 4,345 | $4,332 | 0 | $1.00 | $1.00 |
| Prince George's County, MD - House 3 | 6,170 | 6,170 | $5,886 | 0 | $0.95 | $0.95 |
| San Clemente, CA - House 1 | 6,542 | 3,482 | $2,565 | 0 | $0.39 | $0.74 |
| San Clemente, CA - House 2 | 6,329 | 3,214 | $2,386 | 0 | $0.38 | $0.74 |
| San Clemente, CA - House 3 | 6448 | 3,358 | $2,655 | 0 | $0.41 | $0.79 |
| Carroll County, MD - House 1 | 3,131 | 3,131 | $7,499 | 0 | $2.40 | $2.40 |
| Carroll County, MD - House 2 | 4,686 | 4,686 | $9,800 | 0 | $2.09 | $2.09 |
| Carroll County, MD - House 3 | 3,772 | 3,772 | $8,750 | 0 | $2.32 | $2.32 |
| Matteson, IL - House 1 | 4,562 | 4,562 | $8,198 | 0 | $1.80 | $1.80 |
| Matteson, IL - House 2 | 4,740 | 4,740 | $7,407 | 0 | $1.56 | $1.56 |
| Matteson, IL - House 3 | 5,478 | 5,478 | $8,329 | 0 | $1.52 | $1.52 |
| North Andover, MA - House 1 | 3,568 | 3,084 | $4,500 | 0 | $1.26 | $1.46 |
| North Andover, MA - House 2 | 4,632 | 4,148 | $5,800 | 0 | $1.25 | $1.40 |
| North Andover, MA - House 3 | 5,906 | 5,422 | $6,500 | 0 | $1.10 | $1.20 |
| Wilsonville, OR - House 1 | 2,005 | 2,005 | $4,178 | ($1.21) | $0.87 | $0.87 |
| Wilsonville, OR - House 2 | 1,913 | 1,913 | $4,014 | ($1.21) | $0.89 | $0.89 |
| Wilsonville, OR - House 3 | 2,917 | 2,917 | $5,892 | ($1.21) | $0.81 | $0.81 |
| Huntley, IL - House 1 | 3,835 | 3,400 | $8,476 | 0 | $2.21 | $2.49 |
| Huntley, IL - House 2 | 4,575 | 4,030 | $8,851 | 0 | $1.93 | $2.20 |
| Huntley, IL - House 3 | 5,045 | 4,560 | $10,406 | 0 | $2.06 | $2.28 |

# HB

# 208

Alaska State Legislature
House of Representatives

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**Representative Harry T. Crawford, Jr.**
East Anchorage District 21
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# MEMORANDUM

To: Rep Bob Herron, Co-hair
House Community and Regional Affairs Committee

From: Representative Harry Crawford

Re: Scheduling Request, House Bill 208

Date: April 1, 2009

Please schedule a hearing for HB 208 at your earliest convenience. This is the bill entitled "An act relating to taxes for certain activities on large passenger ships; and providing for an effective date."

The bill will repeal the portion of the 2006 Cruise Ship initiative that taxes onboard gambling.

Please contact me if you have any questions or require any additional information.

# Chapter 35. Gaming and Gambling on Passenger Vessels.

**Section**
200. Gambling activities aboard commercial vessels purportedly authorized by federal law
210. Tax on gambling activities authorized by AS 43.35.200
220. Disposition of receipts

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**Editor's notes.** — Section 11, 2006 Primary Election Ballot Measure No. 2, part of the initiative that enacted AS 43.35.200 — 43.35.220 (formerly AS 05.16), provides that "[I]t is the intention of the people of Alaska that any portion of this legislation that is declared unlawful shall be stricken in a manner that preserves the remaining portion of the remaining legislation to the maximum extent possible."

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*Secs. 43.35.010 — 43.35.070. Amount of tax; administration; distributor fees; operation by a minor; distribution of tax; orders and regulations; gambling not legalized. [Repealed, § 2 ch 39 SLA 1998.]*

*Sec. 43.35.080. Penalties. [Repealed, § 46 ch 113 SLA 1980. For current law, see AS 43.05.220 and 43.05.290.]*

*Sec. 43.35.090. Definitions. [Repealed, § 2 ch 39 SLA 1998.]*

*Secs. 43.35.100 — 43.35.150. License tax; regulations and orders; manner of paying tax; refund to local governments; gambling not legalized; violations and penalties. [Repealed, § 2 ch 39 SLA 1998.]*

**Sec. 43.35.200. Gambling activities aboard commercial vessels purportedly authorized by federal law.** AS 43.35.200 — 43.35.220 apply to the use of playing cards, dice, roulette wheels, coin-operated instruments or machines, or other objects or instruments used, designed, or intended for gaming or gambling used in the waters under the jurisdiction of the State of Alaska on a voyage described in 15 U.S.C. 1175(c)(2), and to any other gambling activities taking place aboard large passenger vessels in the state. (§ 2, 2006 Primary Election Ballot Measure No. 2)

**Revisor's notes.** — Formerly AS 05.16.010. Renumbered in 2008, at which time "AS 43.35.200 — 43.35.220 apply" was substituted for "This chapter applies".

**Sec. 43.35.210. Tax on gambling activities authorized by AS 43.35.200.** There is imposed on the operator of gaming or gambling activities aboard large passenger vessels in the state a tax of 33 percent of the adjusted gross income from those activities. "Adjusted gross income" means gross income less prizes awarded and federal and municipal taxes paid or owed on the income. The tax shall be collected and is due and payable to the Department of Revenue in the manner and at the times required by the Department of Revenue. (§ 2, 2006 Primary Election Ballot Measure No. 2)

**Revisor's notes.** — In 2006, "a" was deleted following "operator of" in the first sentence to correct a grammatical error in 2006 Ballot Measure No. 2. Formerly AS 05.16.020. Renumbered in 2008.

**Sec. 43.35.220. Disposition of receipts.** The proceeds from the tax on gaming operations aboard commercial passenger vessels in the state's marine waters shall be deposited in a special "commercial vessel passenger tax account" in the general (§ 2, 2006 Primary Election Ballot Measure No. 2)

Representative Harry Crawford
House District 21

# HB 208

## An Act relating to taxes for certain activities on large passenger ships; and providing for an effective date

## Sponsor Statement

Alaskan law does not allow for-profit gambling. The intent of HB 208 is for the state to honor that choice by not deriving any benefit from gambling. There is significant concern that taxation of cruise ship onboard gambling could be used as a loophole to allow other gambling ventures including full-scale casinos to open in Alaska.

In other states, tribal and other private organizations have been able to build casinos based upon loopholes in their state statutes which allowing limited gaming such as Monte Carlo Nights. Alaska banned Monte Carlo Nights to prevent this from happening here.

Cruise ships spend much of their time within state waters. When Gov. Hickel moved to limit onboard gambling in the 1990's he was usurped by a federal law passed by Senator Stevens. Through 2006, gambling occurred onboard as long as vessels were out of port, but the state had no regulatory or financial role.

With the passage of the cruise ship initiative in 2006, Alaska began collecting a 33% tax on cruise gambling profits. Last year this amounted to about $6 million, or 9% of total revenue from the initiative.

Alaska's taxation of for-profit gambling could be interpreted by the courts as implicit acceptance of the activity. It could potentially be used by the gaming industry to try and force Alaska to permit tremendous expansion in onshore gambling.

HB208 will repeal those portions of the initiative that contain the gambling tax. This amount of revenue allowed is not worth the potential risk to our state. Please support me in helping pass this important legislation.




Representative Harry Crawford
House District 21

# Current Statutes That Will Be Repealed by HB 208

Sec. 43.35.200. Gambling activities aboard commercial vessels purportedly authorized by federal law.

AS 43.35.200 - 43.35.220 apply to the use of playing cards, dice, roulette wheels, coin-operated instruments or machines, or other objects or instruments used, designed, or intended for gaming or gambling used in the waters under the jurisdiction of the State of Alaska on a voyage described in 15 U.S.C. 1175(c)(2), and to any other gambling activities taking place aboard large passenger vessels in the state.

Sec. 43.35.210. Tax on gambling activities authorized by AS 43.35.200.

There is imposed on the operator of gaming or gambling activities aboard large passenger vessels in the state a tax of 33 percent of the adjusted gross income from those activities. "Adjusted gross income" means gross income less prizes awarded and federal and municipal taxes paid or owed on the income. The tax shall be collected and is due and payable to the Department of Revenue in the manner and at the times required by the Department of Revenue.

Sec. 43.35.220. Disposition of receipts.

The proceeds from the tax on gambling operations aboard commercial passenger vessels in the state's marine water shall be deposited in a special "commercial vessel passenger tax account" in the general fund.

# INITIATIVE PETITION BILL LANGUAGE
## by Petition Sponsors

## Petition ID: 03CTAX

# FOR AN ACT PROVIDING FOR TAXATION OF CERTAIN COMMERCIAL SHIP VESSELS, PERTAINING TO CERTAIN VESSEL ACTIVITIES and RELATED TO SHIP VESSEL OPERATIONS TAKING PLACE IN THE MARINE WATERS OF THE STATE OF ALASKA

## Posted 7/13/06

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**Proposed Bill:**

**FOR AN ACT PROVIDING FOR TAXATION OF CERTAIN COMMERCIAL SHIP VESSELS, PERTAINING TO CERTAIN VESSEL ACTIVITIES and RELATED TO SHIP VESSEL OPERATIONS TAKING PLACE IN THE MARINE WATERS OF THE STATE OF ALASKA**

**Be it enacted by the People of the State of Alaska:**

***Section 1.** AS 43 is amended by adding a new chapter to read:
**Chapter 52. Excise Tax on Travel Aboard Commercial Passenger Vessels.**
**Sec. 42.52.010. Levy of excise tax on overnight accommodations on commercial passenger vessels.** There is imposed an excise tax on travel on commercial passenger vessels providing overnight accommodations in the state's marine waters.
**Sec. 43.52.020. Rate of tax.** The tax imposed by AS 43.52.010 - 43.52.095 is levied at a rate of $46 a passenger per voyage.
**Sec. 43.52.030. Liability for payment of tax.** A passenger traveling on a commercial passenger vessel providing overnight accommodations in state marine water is liable for the tax imposed by AS 43.52.010 -- 43.52.095. The tax shall be collected and is due and payable to the department
(1) ) by the person who provides travel aboard a commercial vessel for which the tax is payable; and
(2) in the manner and at the times required by the department by regulation.

**Sec. 43.52.040. Disposition of receipts.** (a) (a) The proceeds from the tax on travel on commercial passenger vessels providing overnight accommodations in the state's marine water shall be deposited in a special "Commercial Vessel Passenger Tax Account" in the general fund. The legislature may appropriate money from this account for the purposes described in (b) and (c) of this section, for state-owned port and harbor facilities, other services to properly provide for vessel or watercraft visits, to enhance the safety and efficiency of interstate and foreign commerce and such other lawful purposes as determined by the legislature.

(b) For each voyage of a commercial passenger vessel providing overnight accommodations, the commissioner shall identify the first five ports of call in the state and the number of passengers on board the vessel at each port of call. Subject to appropriation by the legislature, the commissioner shall distribute to each port of call $5 per passenger of the tax revenue collected from the tax levied under this chapter. If the port of call is a city located within a borough not otherwise unified with the borough, the commissioner shall, subject to appropriation by the legislature, distribute $2.50 per passenger to the city and $2.50 to the borough. Each port of call receiving funds under this section shall use the funds in a manner calculated to improve port and harbor facilities and other services to properly provide for vessel or water craft visits and to enhance the safety and efficiency of interstate and foreign commerce.

(c) "Regional Cruise Ship Impact Fund" consisting of 25% of the proceeds from the tax on travel aboard commercial passenger vessels providing overnight accommodations in the state's marine water shall be established as sub-account of the funds established in (a), above, and deposited in the general fund. Subject to appropriation by the legislature and regulations adopted by the Department of Revenue, the commissioner shall distribute funds to municipalities or other governmental entities within the Prince William Sound Region, Southeast Alaska or any other distinctive region impacted by cruise ship related tourism activities but not entitled to receive funds based on port of call visitation as allowed by (b), above, provided that any funds used from this account shall be used to provide services and infrastructure directly related to passenger vessel or water craft visits or to enhance the safety and efficiency of interstate and foreign commerce related to vessel or water craft activities.

**Sec. 43.52.050. Administration.** (a) The department shall

(1) administer this chapter; and

(2) collect, supervise, and enforce the collection of taxes due under this chapter and penalties as provided in AS 43.05.

(b) The department may adopt regulations necessary for the administration of this chapter.

**Sec. 43.52.060. Local levies.**Any municipality, whether home rule or general law, that receives passenger ship fee funds under this chapter may not impose an additional form of tax on travel on commercial passenger vessels engaged in activities involving overnight accommodations for passengers in state marine waters. Any form of tax on travel on commercial passenger vessels engaged in activities involving overnight accommodations for passengers in state marine waters enacted by a municipality, whether home rule or general law, prior to the effective date of this legislation shall expire one year after enactment of this law if that municipality elects to receive funds under this chapter.

**Sec. 43.52.095. Definitions.**In this chapter, (1) "commercial passenger vessel" means a boat or vessel that is used in the common carriage of passengers in commerce; "commercial passenger vessel" does not include

(A) vessels with fewer than 250 berths or other overnight accommodations for passengers;

(B) noncommercial vessels, warships, and vessels operated by the state, the United States,

or a foreign government;
(2) "marine water of the state" and "state marine water" have the meaning given to "waters" in AS 46.03.900, except that they include only marine waters.
(3) "passenger" means a person whom a common carrier has contracted to carry from one place to another.
(4) "voyage" means any trip or itinerary lasting more than 72 hours.

* **Sec. 2.** AS 05, is amended by adding a new chapter to read:
**Chapter 16. Games of Chance and Contests of Skill on Ships Operating on Waters Within the Jurisdiction of Alaska.**
**Sec. AS 05.16.010. Gambling activities aboard commercial vessels purportedly authorized by federal law.** This chapter applies to the use of playing cards, dice, roulette wheels, coin-operated instruments or machines, or other objects or instruments used, designed, or intended for gaming or gambling used in the waters under the jurisdiction of the State of Alaska on a voyage described in 15 U.S.C. Section 1175(c)(2), and to any other gambling activities taking place aboard large passenger vessels in the state.
**Sec. 05.16.020. Tax on gambling activities authorized by AS 05.16.010.** There is imposed on the operator of a gaming or gambling activities aboard large passenger vessels in the state a tax of 33% of the adjusted gross income from those activities. "Adjusted gross income" means gross income less prizes awarded and federal and municipal taxes paid or owed on the income. The tax shall be collected and is due and payable to the department of revenue in the manner and at the times required by the department of revenue.
**Sec. 05.16.030. Disposition of receipts.** (a) The proceeds from the tax on gambling operations aboard commercial passenger vessels in the state's marine water shall be deposited in a special "Commercial Vessel Passenger Tax Account" in the general fund.

***Sec. 3.**AS 43.20.021 is repealed and reenacted as follows:
**Sec. 43.20.021(a). Internal Revenue Code adopted by reference.** (a) Sections 26 U.S.C. - 1399 and 6001 - 7872 (Internal Revenue Code), as amended, are adopted by reference as a part of this chapter. These portions of the Internal Revenue Code have full force and effect under this chapter unless excepted to or modified by other provisions of this chapter.
(b) Nothing in this chapter or in AS 43.19 (Multistate Tax Compact) may be construed as an exception to or modification of 26 U.S.C. 883.
(c) The provision in (b), above, does not apply to commercial passenger vessels as defined in AS 43.52.095.

***Sec 4.**AS 46.03.462 is repealed and re-enacted as follows:
**Sec. 46.03.462. Terms and conditions of discharge permits.**(a) An owner or operator may not discharge any treated sewage, graywater, or other wastewater from a large commercial passenger vessel into the marine waters of the state unless the owner or operator obtains a permit under AS 46.03.100, which shall comply with the terms and conditions of vessel discharge requirements specified in (b) of this section.
(b) The minimum standard terms and conditions for all discharge permits authorized under this provision require that the owner or operator:
(1) may not discharge untreated sewage, treated sewage, graywater, or other wastewaters in a manner that violates any applicable effluent limits or standards under state or federal law,

including Alaska Water Quality Standards governing pollution at the point of discharge;
(2) shall maintain records and provide the reports required under AS 46.03.465(a);
(3) shall collect and test samples as required under AS 46.03.465(b) and (d) and provide the reports with respect those samples required by AS 46.03.475(c);
(4) shall report discharges in accordance with AS 46.03.475(a);
(5) shall allow the department access to the vessel at the time samples are taken under AS 46.03.465 for purposes of taking the samples or for purposes of verifying the integrity of the sampling process; and
(6) shall submit records, notices, and reports to the department in accordance with AS 46.03.475(b), (d), and (e).

***Sec. 5.** AS 46.03.463 is amended to read as follows:
**Sec. 46.03.463(d)** is repealed.
**Sec. 46.03.463(e)** is repealed and reenacted to read: An owner or operator may not discharge any treated sewage, graywater, or other wastewater from a large commercial passenger vessel into the marine waters of the state unless the owner or operator obtains a permit under AS 46.03.100 and AS 46.03.462, and provided that the vessel is not in an area where the discharge of treated sewage, graywater or other wastewaters is otherwise prohibited.
**Sec. 46.03.463(g)** is repealed.

***Sec 6. AS 46.03.465** repealed and reenacted to read as follows:
**Sec. 46.03.465. Information-gathering requirements.** (a) The owner or operator of a commercial passenger vessel shall maintain daily records related to the period of operation while in the State, detailing the dates, times, and locations, and the volumes and flow rates of any discharges of sewage, graywater, or other waster into the marine waters of the State, provide electronic copies of such records on a monthly basis to the department no later than 5 days after each calendar month of operation in State waters.
(b) while a commercial passenger vessel is present in the marine waters of the State, the owner or operator of the vessel shall provide an hourly report of the vessel's location based on Global Positioning System technology and collect routine samples of the vessel's treated sewage, graywater, and other wastewaters being discharged into marine waters of the State with a sampling technique approved by the department.
(c) while a commercial passenger vessel is present in the marine waters of the State, the Department, or an independent contractor retained by the Department, may collect additional samples of the vessel's treated sewage, graywater, and other wastewaters being discharged into the marine waters of the State.
(d) the owner or operator of a vessel required to collect samples under (b) of this section shall ensure that all sampling techniques and frequency of sampling events are approved by the department in a manner sufficient to ensure demonstration of compliance with all discharge requirements under AS 46.03.462.
(e) the owner or operator of a commercial passenger vessel shall pay for all reporting, sampling and testing of samples under this section.
(f) if the owner or operator of a commercial passenger vessel has, when complying with another state of federal law that requires substantially equivalent information required under (a), (b), or (d) of this section, the owner or operator shall be considered to be in compliance with that subsection so long as the information is also provided to the department.

*Sec. 7. AS 46.03 is amended to include new provisions as follows:
**Sec. 46.03.476. Ocean Rangers.** (a) An owner or operator of a large commercial passenger vessel entering the marine waters of the state is required to have a marine engineer licensed by the United States Coast Guard hired or retained by the department on board the vessel to act as an independent observer for the purpose of monitoring state and federal requirements pertaining to marine discharge and pollution requirements and to insure that passengers, crew and residents at ports are protected from improper sanitation, health and safety practices.
(b) The licensed marine engineer shall monitor, observe and record data and information related to the engineering, sanitation and health related operations of the vessel, including but not limited to registration, reporting, record keeping and discharge functions required by state and federal law.
(c) Any information recorded or gathered by the licensed marine engineer shall be promptly conveyed to the Alaska Department of Environmental Conservation and the United State Coast Guard on a form or in a manner approved by the Commissioner of Environmental Conservation. The Commissioner may share information gathered with other state and federal agencies.
**46.03.481. Citizens suits.** (a) Any citizen of the State of Alaska may commence a civil action (1) against an owner or operator of a large passenger vessel alleged to have violated any provision of this chapter, or (2) against the department where there is an alleged failure to perform any act or duty under this chapter which is not discretionary. No civil action may be commenced under this section, however, prior to 45 days after the plaintiff has provided written notice of the intent to sue to the Attorney General of Alaska.
(b) Subject to appropriation, as necessary, up to 50% and not less than 25% of any fines, penalties or other funds recovered as a result of enforcement of this chapter shall be paid to the person or entity, other than the defendant, providing information sufficient to commence an investigation and enforcement of this chapter under this provision.

*Sec. 8. AS 46.03.480 is amended as follows:
**Sec. 46.03.480** is amended by adding a new section to read:
(d) An additional fee in the amount of $4.00 per berth, is imposed on all large commercial passenger vessels, other than vessels operated by the state, for the purpose of operating the Ocean Ranger program established in AS 46.03.476; said program shall be subject to legislative appropriation.
**Sec. 46.03.480(d)** shall be repealed and reenacted as 46.03.480(e).

*Sec. 9. As 46.03.760 is amended as follows:
**Sec. AS 46.03.760** is amended by adding a new section to read:
(f) An owner, agent, employee or operator of a commercial passenger vessels as defined in AS 43.52.095 who falsifies a registration or report required by AS 46.03.460 or 46.03.475 or who violates or causes or permits to be violated a provision of AS 46.03.250 - 46.03.314, 46.03.460 - 46.03.490, AS 46.14, or a regulation, a lawful order of the department, or a permit, approval, or acceptance, or term or condition of a permit, approval, or acceptance issued under AS 46.03.250 - 46.03.314, 46.03.460 - 46.03.490, or AS 46.14 is liable, in a civil action, to the state for a sum to be assessed by the court of not less than $5000 nor more than $100,000 for the initial violation, nor more than $10,000 for each day after that on which the violation continues,

and that shall reflect, when applicable,
(1) reasonable compensation in the nature of liquidated damages for any adverse environmental effects caused by the violation, that shall be determined by the court according to the toxicity, degradability and dispersal characteristics of the substance discharged, the sensitivity of the receiving environment, and the degree to which the discharge degrades existing environmental quality; for a violation relating to AS 46.14, the court, in making its determination under this paragraph, shall also consider the degree to which the discharge causes harm to persons or property; this paragraph may not be construed to limit the right of parties other than the state to recover for personal injuries or damage to their property;
(2) reasonable costs incurred by the state in detection, investigation, and attempted correction of the violation;
(3) the economic savings realized by the person in not complying with the requirement for which a violation is charged; and
(4) the need for an enhanced civil penalty to deter future noncompliance.
**Sec. 46.03.760(f)** shall be repealed and reenacted as 46.03.760(g).

***Sec. 10.** AS 45.50.474 is repealed and reenacted to read as follows:
**Sec. 45.50.474. Required disclosures in promotions and shore side sales on board cruise ships.**(a) A person may not conduct a promotion on board a cruise ship that mentions or features a business in a state port that has paid something of value for the purpose of having the business mentioned, featured or otherwise promoted, unless the person conducting the promotion clearly and fully discloses orally and in all written materials used in the promotion that the featured businesses have paid to be included in the promotion. All such written notice of disclosure shall be in a type not less than 14-point typeface and in a contrasting color calculated to draw attention to the disclosure.
(b) A person or other entity aboard a cruise ship conducting or making a sale of tours, flightseeing operations or other shore-side activities to be delivered by a vendor or other entity at a future port of call shall disclose, both orally and in writing, the amount of commission or percentage of the total sale retained or returned to the person making the sale. The person or entity aboard a cruise ship making or attempting to make a sale of services or goods provided by a shore-side vendor shall disclose the address and telephone number of the shore side vendor if asked by a consumer. All such written notice of disclosure shall be in a type not less than 14-point typeface and in a contrasting color calculated to draw attention to the disclosure.
(c) Each violation of this section constitutes an unfair trade practice under AS 45.50.471, and shall result in a penalty of not more than $100 for each violation. In this section, "cruise ship" means a ship that operates at least 48 hours in length for ticketed passengers, provides overnight accommodations and meals for at least 250 passengers, is operated by an authorized cruise ship operator, and is certified under the International Convention for the Safety of Life at Sea or otherwise certified by the United States Coast Guard.

**Section 11. Severability.** It is the intention of the people of Alaska that any portion of this legislation that is declared unlawful shall be stricken in a manner that preserves the remaining portion of the remaining legislation to the maximum extent possible.

**Section 12. Effective Date.** This Act takes effect 90 days after enactment.




Representative Harry Crawford
House District 21

# There are Five major parts of the 2006 Cruise Ship Initiative

## Two of them have already been modified by enacted bills:

- HB 134 passed in 2009, modified the environmental discharge rules in Sections 4-9
- HB 217, passed in 2007, modified the rules for disclosing commissions paid to cruise lines by on-shore excursions and tours (Section 10)

## Two others have pending bills:

- HB 208 would eliminate Section 2, the gambling tax
- HB 167 would give a tax credit against the state corporate income tax (imposed on cruise lines by Section 3) for voluntary contributions to the state tourism marketing entity

## Only one does not have an attempted change:

- Section 1, the $50 Head Tax. A bill that would have modified this, HB 222, was withdrawn by the sponsor in 2008




# Representative Harry Crawford
# House District 21

## Why We Need HB 208; A Brief Legal History

The "big picture" legal issue here originally had to do with the limits of state power to regulate certain tribal activity. Specifically, what are the limits on tribally-managed gambling on cooperatively owned native land held in trust by the federal government? In the lower 48, this primarily means Indian reservations. Legally and administratively these areas function in many ways like small sovereign nations within a state, and there is a long legal history of establishing the limits on what a state government can require or restrict on that land.

In **Bryan v Itasca County** (MN), 1976 (US Supreme Court), a property tax case, Justice Brennan's opinion highlighted tribal independence from state regulatory authority. It is widely sited as the foundation decision of modern Indian gaming. Beginning in the 1970s, tribes in several states started operating high stakes bingo halls in open non-compliance with state law.

The other key historical decision was **California v Cabazon Band of Mission Indians,** 1987 (US Supreme Court). This established the inherent right of tribes to conduct Indian gaming as an essential element of self government.

In response to the Cabazon case, Congress passed the **Indian Gaming Regulatory Act of 1988 (IGRA)**. This established the three "classes" of gaming that we use today. It also explicitly recognized the role of tribal gaming for local economic development and self sufficiency. The Act created a National Indian Gaming Commission, which directly regulated Class 2 gaming (bingo), and required state-tribal compacts to regulate Class 3 gaming (slots, casinos, etc). Since this act, tribal gambling revenue increased from $100 million in 1988 to $16.7 billion in 2006.

In the section of the IGRA dealing with Class 3 gaming, it specifies that a state-tribal compact must allow a particular sort of gambling if the state **"permits such gaming for any purpose by any person, organization, or entity."** This language was used by the Mashantucket Pequot Tribe of Connecticut, who in 1992 expanded their small bingo hall into the Foxwoods Casino. Connecticut, at the time, allowed non-profit "Monte Carlo Nights." Foxwoods is now the third largest casino in the world.

In 1995, the Alaska Legislature banned non-profit "Monte Carlo Nights," largely in fear of the same sort of development here. Fur Rendezvous had previously run a large Monte Carlo night as a fundraiser. There was also a casino proposal in Klawock at the time.

With the exception of cruise ships operating offshore under federal law, there is no legal authority for any casino-style gambling in Alaska, whether for-profit or non-profit. The state's taxation of cruise ship gambling creates a potentially dangerous loophole.

ANCHORAGE DAILY NEWS June 30, 1997

# Tribal gambling in Alaska? Not yet, but it's one step closer

**By Tom Kizzia Daily News reporter**

The Venetie decision does not open the door to Native casinos in Alaska. But recognition of Indian country in Alaska would be one step toward the kind of tribal-run gambling that has become a phenomenon across the Lower 48. Indian country also would allow statewide tribal lotteries and let tribes operate lesser games, mainly pull-tabs and bingo, without state permits.

As in other areas, Congress sets the rules for gambling in Indiancountry. Under the Indian Gaming Regulatory Act of 1988, Native Americans can operate casino-type gambling only in states where such activity is legal.

In 1994, the Southeast Alaska village of Klawock proposed a casino on a fragment of village land held in trust by the federal government. In response, the Legislature passed a law revoking the authority for nonprofit groups to hold Monte Carlo nights with roulette, cards and other casino games. That closed the door to Klawock.

The Venetie ruling makes it possible for any tribe that can establish Indian country to qualify for a casino operation, but only if the Legislature votes to make such gambling legal in Alaska. The Legislature did not eliminate lotteries when it banned the other games, however. The state and Klawock are still negotiating over a tribal lottery, said assistant attorney general Vince Usera.

Among the unsettled issues: could a lottery ticket be purchased by credit card or mail, or would the buyer have to travel to Indian country? The issue is an important one in Alaska, where few Native communities are near the state's urban populations.

One such group, the Kenaitze tribe, has applied to the federal government for permission to set up gaming on a Native allotment off Beaver Loop Road in Kenai.

Tribes with Indian country will be free to operate "Class 2" gaming --pull-tabs and bingo -- without restrictions by the state, Usera said.

The effects of such a change would be relatively minor, Usera said. The games would not be subject to the state's limits on prizes – for instance, a $1,000-a-card maximum prize for bingo -- and the state would lose some of the nearly $2 million it now collects each year statewide in tax revenues from charitable gaming.

Meanwhile, several Native villages have started running bingo games without state permits. This creates enforcement headaches of the type the state may eventually face in Indian country on other matters. A few months ago, in Akiachak, for example, a widely advertised bingo weekend with prizes up to $3,500 a card drew players from

neighboring villages -- and complaints to the state from state-permitted bingo operations in those villages that lost their customers.

In Tununak, two rival Native governments had bingo games. The one with a state permit wanted the state to close down the other one, Usera said. In that case, he said, a threat of legal action was sufficient.

State law allows Alaska State Troopers to close down a building used for a "nuisance" such as illegal gambling, Usera said. But whether the state can enforce such a law in Indian country is unclear, he said.

*Copyright 1997 Anchorage Daily News.

# FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 208
() Publish Date:

Identifier (File Name): HB208-DOR-TAX-04-04-09
Dept. Affected: Revenue 04
Title: Cruise Ship Gambling Taxes
RDU: Taxation and Treasury
Component: Taxation and Treasury
Sponsor: Representative Crawford
Requester: (H) Community & Regional Affairs
Component No.: 2476

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | **0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CHANGE IN REVENUES ( )** | **(3,400.0)** | **0.0** | **(6,200.0)** | **(6,200.0)** | **(6,200.0)** | **(6,200.0)** | **(6,200.0)** |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2009) cost:** 0

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

See attached.

Prepared by: **Dan Stickel, Economist** Phone (907) 465-3279
Division: Tax Division Date/Time 4/3/09 2:05 PM
Approved by: **Ginger Blaisdell, Director** Date 4/4/2009
Agency: Adminsitrative Services Division

(Revised 9/2008 OMB)

STATE OF ALASKA
2009 LEGISLATIVE SESSION

BILL NO. HB 208

ANALYSIS CONTINUATION

**Bill Language**
This bill would repeal the Large Passenger Vessel Gambling tax. The tax is currently levied at the rate of 33% of adjusted gross income from gaming activities conducted in state waters, with revenue going to the General Fund. This bill has an immediate effective date, but returns are currently filed on a calendar year basis. For purposes of this analysis we assume that half of the voyages in calendar year 2009 (representing FY 2010 tax revenue) will be subject to the tax.

**Revenue**
For calendar year 2007, the latest year for which information is available, the Large Passenger Vessel Gambling tax generated $6.8 million. With about 980,000 passengers in 2007 this was about $6.90 per passenger. Calendar year 2008 set a record with over 1 million passengers, but the cruise industry has recently reported weak bookings for 2009 and capacity reductions for 2010. Therefore our revenue estimates assumes 993,000 passengers in 2009 and 893,000 passengers in 2010 and beyond. Estimates assume that tax per passenger will remain at about $6.90 per passenger.

**Expenditures**
Because this bill repeals only one component of the Department's commercial passenger vessel program, it will not result in cost savings to the Department.

# HB

# 264

**Chair, Judiciary**
**Chair, Economic Development, Trade & Tourism**
**Energy**
**Military & Veteran Affairs**
**Joint Armed Services**
1292 Sadler Way, Suite 324
Fairbanks, Alaska 99701
Phone: (907) 452-1088
Fax: (907) 452-1146

# Alaska State Legislature
# House of Representatives

While in Session
**State Capitol, Room 118**
**Juneau, Alaska 99801-1182**
(907) 465- 3004
Fax: (907) 465-2070
Toll Free: (877) 465-3004

## Representative Jay Ramras
District 10

## Sponsor Statement

### House Bill 264 - Pipeline From Outer Continental Shelf

HB 264 addresses recent public concern over the future of oil production in the state and the consequential reduction in Alaska State revenues. Currently the Trans Alaska Pipeline System (TAPS) moves about 680,000 barrels a day, but Alyeska officials expect that volume to drop to 500,000 barrels a day by 2014. Development on Alaska's outer continental shelf could be a potential source of new through-put for TAPS if the off-shore crude is delivered to shore, rather than shipped on oil tankers to global markets. Representative Ramras introduced HB 264 to incentivize oil production on the outer continental shelf and to encourage potential developers to transport the unrefined oil in the safest way possible to North Slope shores.

House Bill 264 accomplishes these goals by giving the Commissioner of the Department of Natural Resources the power to expedite review of right-of-way applications for the construction and operation of a submerged pipeline that would deliver oil from the outer continental shelf to a state pipeline system. It also provides a tax incentive to prospective pipeline developers to construct such a pipeline by providing a twenty-year exemption from state taxes on certain property that would be used to transport unrefined oil from the outer continental shelf to an oil pipeline system in the state.

HB 264 also may help address concerns raised by North Slope communities who are potentially affected by outer continental shelf development of oil and gas resources in the Chukchi Sea, Beaufort Sea and Hope Basin. Reducing the numbers of large tankers plying the icy waters of the Arctic will reduce environmental risks and ensure unimpeded migration of the bowhead whales – a significant cultural and subsistence resource to communities along the North Slope. At this time, leaseholders on the outer continental shelf have the option of shipping oil in tankers; HB 264 provides them an incentive for shipping via submerged pipelines instead.

Representative_Jay_Ramras@legis.state.ak.us

**Representative Jay Ramras**
**Chair, Judiciary**
**Chair, Economic Development, Trade & Tourism**
**Energy**
**Military & Veteran Affairs**
**Joint Armed Services**
State Capitol, Room 118
Juneau, Alaska 99801-1182
Phone: (907) 465-3004
Fax: (907) 465-2070
Toll Free: (877) 465-3004

# Alaska State Legislature

House of Representatives

**Interim:**
1292 Sadler Way, Suite 324
Fairbanks, Alaska 99701
Phone: (907) 452-1088
Fax: (907) 452-1146
Toll Free: (877) 465-3004

**House District 10**

# Memo

To: Representatives Herron and Munoz
Co-Chairs, Community & Regional Affairs

CC: Terry Harvey, Committee Aide to Munoz, Rm 409
Rob Earl, Committee Aide to Herron, Rm 415

From: Representative Ramras

Date: February 2, 2010

Re: HB 264 – Pipeline From Outer Continental Shelf

Please schedule HB 264 – Pipeline From Outer Continental Shelf, for a House Community & Regional Affairs hearing at your earliest convenience.

Attached to this memo please find the following documents

- HB 264 Pipeline From Outer Continental Shelf
- Sponsor Statement
- Office contact: Margaret Dowling, 465-6841 Margaret_Dowling@legis.state.ak.us

Thank you.

Representative_Jay_Ramras@legis.state.ak.us

# FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB264
() Publish Date:

Identifier (file name): HB264-DOR-TAX-2-2-10
Dept. Affected: Revenue
Title: Property tax exemption for oil pipelines
RDU: Treasury and Taxation
Component: Tax Division
Sponsor: Representative Jay Ramras
Requester: (H) Community and Regional Affairs
Component Number: 2476

(Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| TOTAL OPERATING | *** | *** | *** | *** | *** | *** | *** |
| **CAPITAL EXPENDITURES** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CHANGE IN REVENUES ( )** | *** | *** | *** | *** | *** | *** | *** |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| TOTAL | *** | *** | *** | *** | *** | *** | *** |

**Estimate of any current year (FY2010) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

House Bill 264 would modify the powers of the Commissioner of the Department of Natural Resources to include taking action on a right-of-way application for construction of a qualifying oil pipeline from the outer continental shelf (OCS), as well as exempt a qualifying oil pipeline from state property taxes, and provide a credit against state property tax for payments of property tax to a municipality.

HB 264 is likely to materially reduce state revenue. Costs to the state as a result of HB 264 would be incurred after such an OCS pipeline is constructed, which puts the timing of the likely costs outside the scope of the 2016 limit of this fiscal note. Another implication of the distant timing is that the fiscal impact of this legislation cannot be exactly determined at this time. Costs to the State can be estimated and reported in nominal dollars, as well as discounted to present value to indicate what the costs are today, of the future impacts of HB 264 to the state. The Department of Revenue is also unsure how broadly to interpret the proposed addition to AS 43.56.020(d). Both analysis (dollars of the day and present value) were conducted under two scenarios that reflect two potential interpretations of the bill and are reported in the narrative section below.

Prepared by: Cody Rice, Petroleum Economist; Jim Greeley, Property Assessor — Phone 269-1024
Division: Tax Division — Date/Time 2-2-10; 4:37pm
Approved by: Ginger Blaisdell, Director — Date 2-3-10; 8:22pm
Administrative Services Division

**ANALYSIS CONTINUATION**

To provide a range of revenue impacts we provide two scenarios. Both scenarios assume only one qualifying pipeline from the outer continental shelf (OCS) is constructed.

**Scenario 1:**
The first scenario assumes that because the taxpayer would be exempt from paying state property taxes on the OCS pipeline property the taxpayer would not be allowed to use the tax payment to the municipality as a credit for any other 43.56 property tax obligation. This scenario could potentially have a nominal (dollars of the day) cost to the state in the range of $8 million to $16 million over the potential life of the pipeline, and a real (2009 dollars) cost to the state in the range of $4 million to $8 million.

**Scenario 2:**
The second scenario assumes that the taxpayer would be exempt from paying state property tax on a qualifying pipeline from the OCS while simultaneously being allowed to reduce other (non-exempt) AS 43.56 property tax obligations in the amount of property tax payments made to a municipality on the state tax-exempt OCS pipeline under AS 29.45.080. If the owner and operator of an OCS pipeline owns and operates other AS 43.56 property in the state, it could apply the credit against other existing property tax obligations not related to the OCS pipeline. Over the potential life of the pipeline, the cost to the state in terms of foregone property tax revenue, in nominal dollars, could range from $118 million to $214 million, and in real dollars, could range from $58 million to $104 million.

The responsibility of administering the assessment would continue to fall upon the state. The increased labor burden would likely translate into increased staffing costs in the range of $20,000-$30,000 annually. This cost is in addition to scenario 1 & 2 costs noted above.

Currently, more than $400 million is collected annually for AS 43.56 property taxes. Approximately $300 million of that goes to municipalities, mostly to the North Slope Borough, with the remainder of approximately $100 million flowing to the state. This bill would further increase property tax collections to the North Slope Borough while decreasing property tax collections to the state.

# FISCAL NOTE

**STATE OF ALASKA**
**2010 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version: **HB 264**
() Publish Date:

Identifier (file name): HB 264 DNR-CO-2-24-2010
Title: Pipeline from Outer Continental Shelf
Sponsor: Representative Ramras
Requester: House Community and Regional Affairs Committee

Dept. Affected: Natural Resources
RDU: Resource Development
Component: Commissioner's Office
Component Number: 423

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | **Indeterminate** | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2010) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This bill will require that DNR "expedite the review...on a right-of-way application" for oil pipelines that will serve federal outer continental shelf oil developments and deliver oil to the existing North Slope pipeline infrastructure. The State's costs associated with the adjudication of a right-of-way application are the responsibility of the applicant/lessee pursuant to AS 38.35.140 (b) and AS 38.35.145 (a).

It would also exempt these pipelines from property taxes for 20 years of the "commencement of commercial operations."

Prepared by: Kevin Banks, Director — Phone 269-8800
Division: Oil and Gas — Date/Time 2/24/10 12:00 PM
Approved by: Marty Rutherford, Deputy Commissioner — Date 2/24/2010
Department of Natural Resources

(Revised 11/6/2009 OMB)

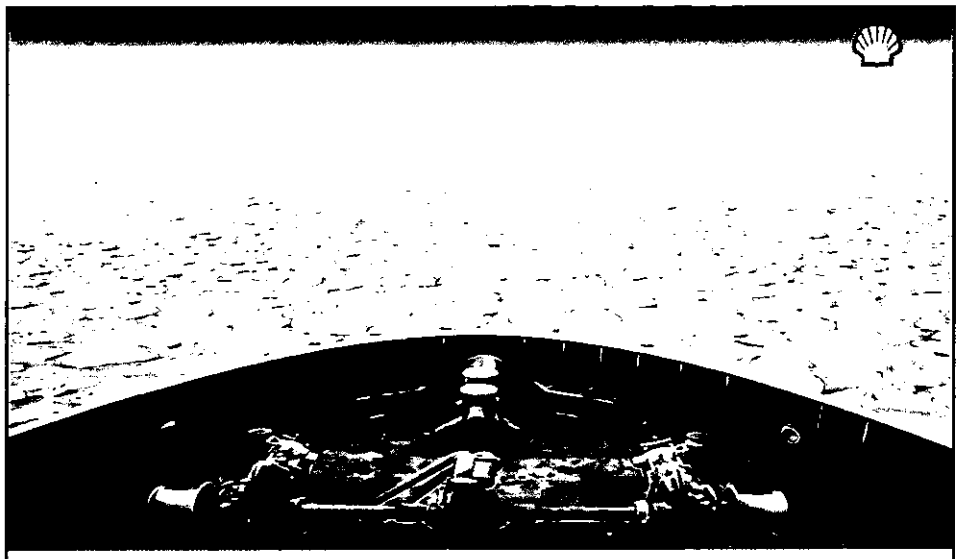
STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. HB 264

ANALYSIS CONTINUATION

There could be an impact of such legislation on future state revenues generated from the state's share of OCS federal royalties and possible indirect effects on royalty revenue from state land. Under the Outer Continental Shelf Lands Act, Section 8(g), Alaska receives 27 percent of the royalties, rents, and bonus bids from OCS lands in the area between three and six miles from shore.

Oil production from OCS development will also add to the throughput on North Slope pipelines and TAPS which will have an effect of reducing tariffs from what they might have been without OCS production. Lower tariffs means higher "netback" royalty values. If this bill provides some stimulus to OCS development that would not occur in the absence of the expedited ROW process and property tax exemptions, then there could be a positive impact of future state royalty revenues from the OCS and higher royalties.



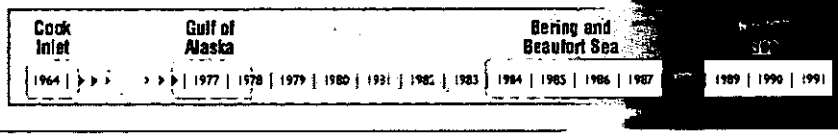
# Oil and Gas In The Arctic OCS

## Shell In Alaska

- Shell operated in Alaska for 50 years until 1998
- 1st royalty Payer to State of Alaska
- Extensive experience and operations in Cook Inlet

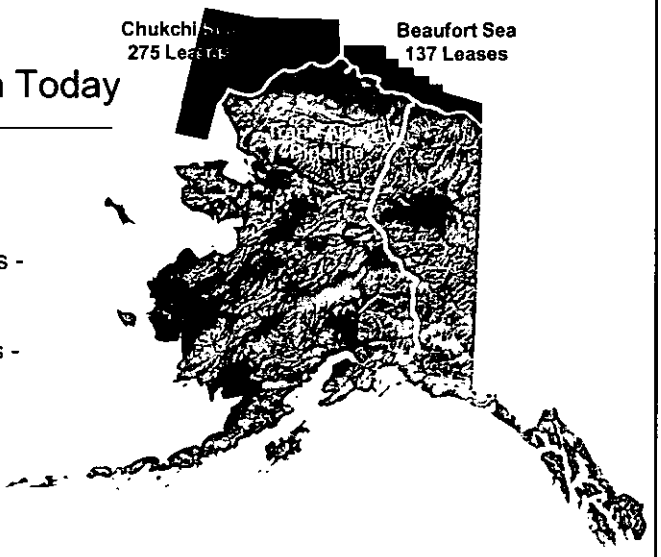



Historical Drilling Activities



## Shell In Alaska Today

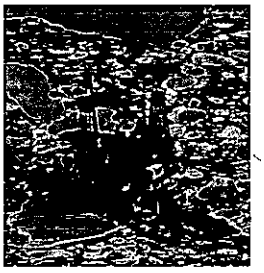
- Government lease sales since 2005
- 137 Beaufort Leases - $84M
- 275 Chukchi Leases - $2.1 Billion
- 3+ Billion Invested Since 2005

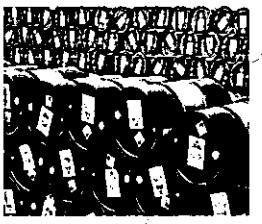



## Alaska Offshore: World Class Potential

- 25 Billion barrels of Oil – 120 TCF Natural Gas*
- Successor to North Slope Production
- US Imports 60% of oil and 20% Natural Gas

*Numbers for Chukchi and Beaufort are based on MMS mean estimates.







## Alaska OCS - Benefits To Alaska and the Nation





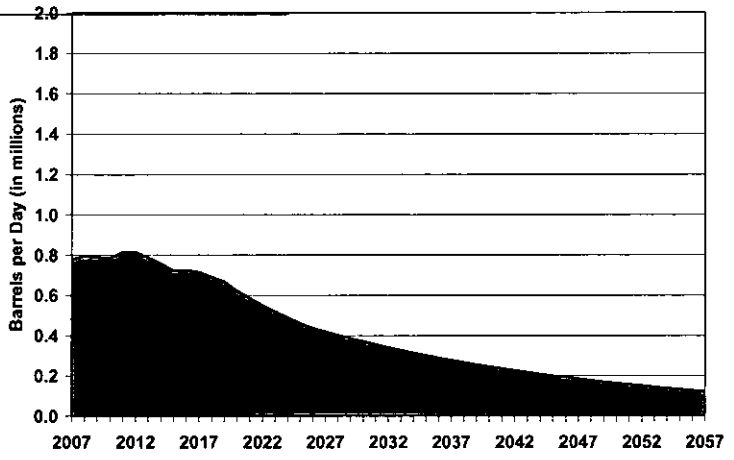
**ISER & Northern Economics 2009 Findings:**

- 35,000 jobs over project life
- Extend the life for Trans-Alaska Pipeline
- Gas reserves for Gasline to Lower 48 States
- Domestic energy security

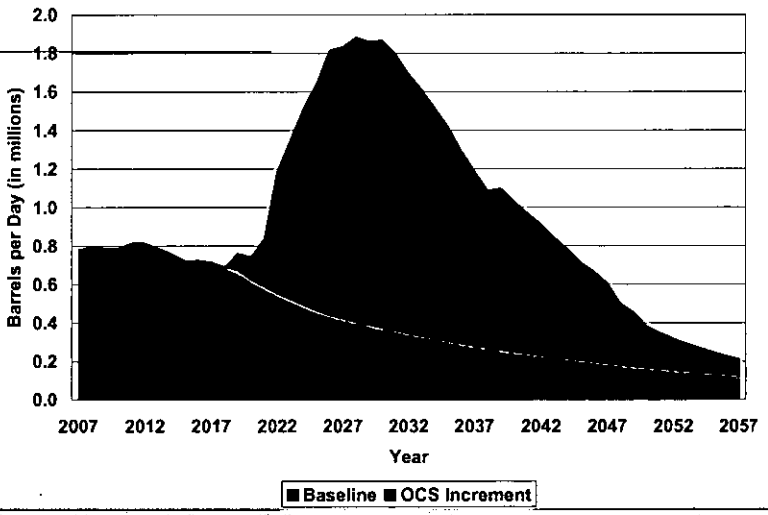
## Alaska's Future with OCS: Major Findings

- Jobs represent a total payroll of $72 billion (2007$) over the 50-year period.
- Provides $5.8 billion direct to State and local government
- Reduces pipeline tariffs for onshore production and enables development of marginal oil and gas fields
- Underpin success of the natural gas pipeline project

## North Slope Oil Production without OCS

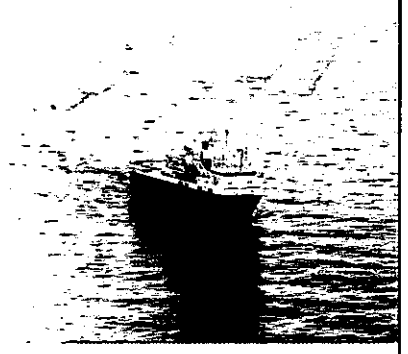



## Oil Production with OCS



## Shell is "Shovel Ready"

- Seismic program highly successful
- Prepared to do exploration drilling since 2007
- Infrastructure to support the program in place
- Drilling blocked by regulatory and litigation challenges

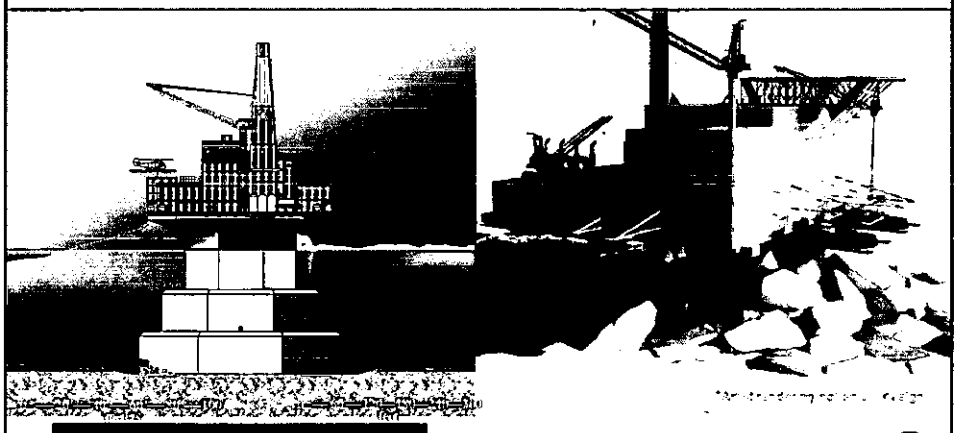


## Technical Solutions

- Ice – Cold - Remote

## Arctic Class Platforms

- Pack Ice Pressure



## Stakeholder Solutions

- Finding common ground with the people of Alaska
- Hundreds of meetings with stakeholders
- Incorporating feedback
- Revised program







## Legal Challenges

- D.C. Circuit Court Remands 5-year Leasing Plan (Chukchi leases)
- Beaufort and Chukchi Exploration Approvals Challenged in the 9th Circuit Court
- A Total of 9 Active Legal Challenges Potentially Impacting Shell's OCS Exploration Activities



## Regulatory Challenges - Permits

- Regulation has several layers

Federal

State

Local

- 25 Permits/10 Major
- Regulatory Capacity
- Invites Court action

National Marine Fisheries Service

Minerals Management Service

Environmental Protection Agency

Fish and Wildlife Service

Alaska Dept. of Environmental Conservation

North Slope Borough

Northwest Arctic Borough

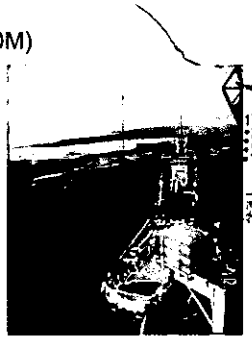
Alaska Eskimo Whaling Commission

## Challenges Met – Why Should Shell Be Allowed to Drill?

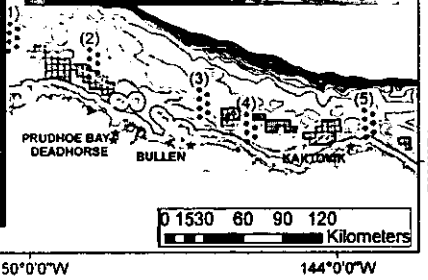
**Baseline Science**
- $500 Million and growing (Shell $50M)

**Oil Spill Response**
- World-Class Contingency Plan

**Experience**
- Shell Pioneered Alaska Offshore



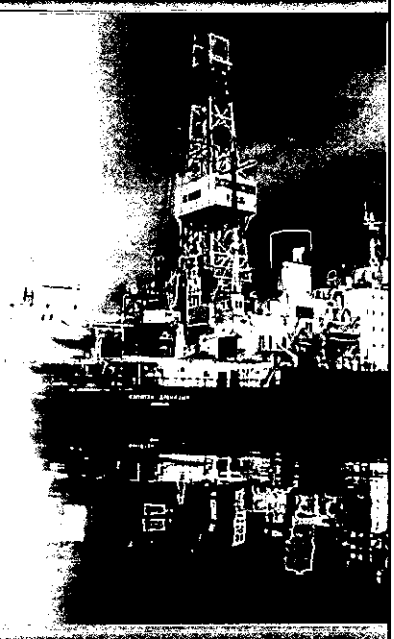




## Challenges Met – Why Should Shell Be Allowed to Drill?

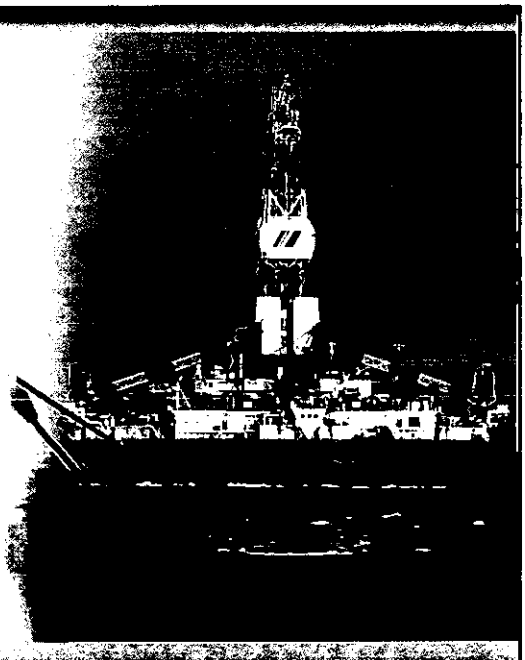
**Stakeholder Concerns:**

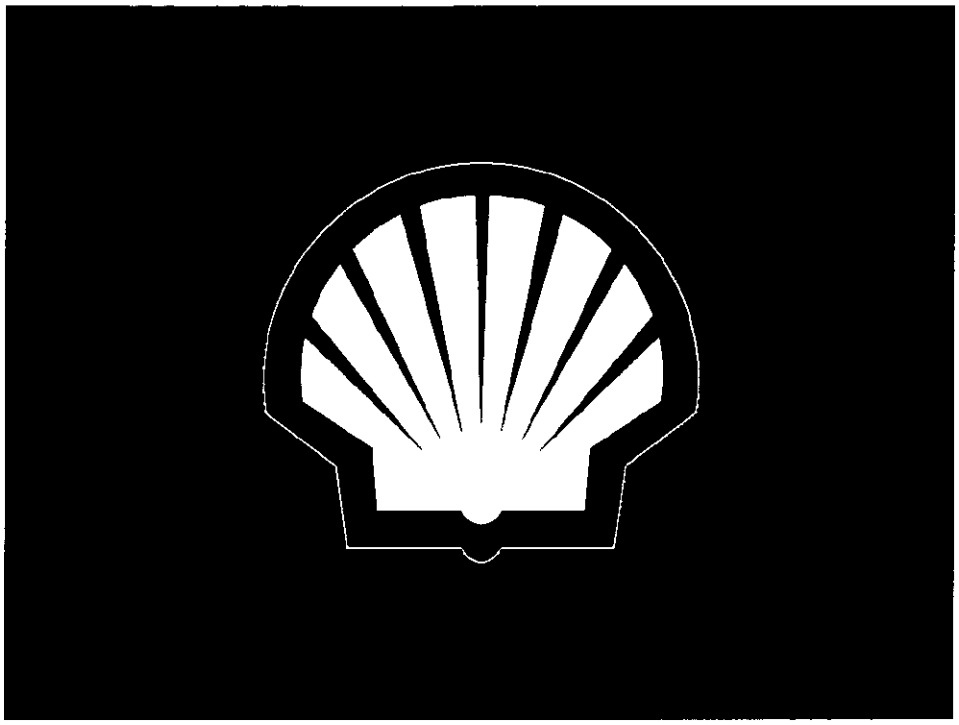
- Too Much, Too Soon,Too Fast
- 2010 Beaufort Plan of Exploration Filed
- 1 Rig/No 3-D
- Half the Wells Previously Planned
- 1 Year Duration



## Summary

- Alaska offshore resources are significant
- Federal lease sales have been held – $ billions collected
- Shell "shovel ready" since 2007 but de facto moratoria blocks drilling





# Summary Sheet

In 2008 Shell Exploration and Production retained Northern Economics, Inc. and the Institute of Social and Economic Research at the University of Alaska Anchorage to conduct a study that describes and quantifies the potential economic benefits to the State of Alaska and local governments from developing oil and gas resources in Alaska's Outer Continental Shelf (OCS) areas: Beaufort Sea, Chukchi Sea, and North Aleutian. This document summarizes the findings from that report. The findings of this study are not predictions of the future for Alaska, but rather they describe a potential future that one might expect for OCS development.

The economic benefits described here are based on assumptions about OCS development, and other economic development in the state, during the next 50 years. There is a great deal of uncertainty as to whether oil and gas production in the OCS will occur, and if production does occur, it is even more difficult to predict the timing and magnitude of exploration, development, and production activities. The magnitude of the economic effects of OCS development are contingent on assumptions about petroleum prices, volumes of OCS resources that might be economically recoverable, the levels of investment that the petroleum industry would be willing to make to develop in the OCS areas, and the fiscal regime or tax structure that would be in effect as OCS oil and gas development occurs. This study assumes that development would occur given certain price and cost assumptions and that there will be no major regulatory impediments or delays to OCS development.

# Major Findings

The economic impacts of OCS development are described as incremental effects in relation to a baseline economic projection of the Alaska economy without OCS development. In the absence of OCS development, the Alaska economy and population are anticipated to continue to grow in the next 50 years given the development of the natural gas pipeline, new development in the mining sector, and modest growth in tourism, fisheries, and military and civilian federal operations. Declining oil production from existing onshore fields is expected to pose long-term challenges to Alaska's economic and fiscal well-being. OCS development, if it were to occur, could be a significant driver of the next generation of economic activity by extending the duration of the petroleum industry.

## Jobs

**Table 1. Potential Future Employment Effects of OCS Development in Alaska, 2008-2057**

| Sector | Average Annual Employment |
|---|---|
| **Oil and Gas (extraction and oilfield services)** | **6,000** |
| **Infrastructure** | **3,000** |
| **Support** | **22,000** |
| **State/Local Government** | **4,000** |
| Total: | 35,000 |

Note: Employment is rounded and expressed in annual average, 2008 to 2057.

- The 35,000 jobs would represent a six percent increase compared to total statewide employment without OCS development.
- These jobs represent a total payroll of $72 billion (2007$) over the 50-year period.



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- OCS-related employment growth could more than offset losses from the decline of petroleum production on state lands and could help sustain the Alaska economy for several decades.
- Of the 6,000 oil and gas sector jobs, about 3,900 could be long-term, year-round jobs.
- The growth in jobs resulting from OCS development could lead to a five percent increase in statewide population. Most of the growth would be concentrated in Alaska's population centers, but directly impacted regions could experience a much greater percent increase.

## Revenues and Fiscal Effects

The potential cumulative *direct* petroleum revenues to state and local governments is estimated to be $5.8 billion (2007$) with about $4.5 billion going to directly impacted local governments from property taxes on onshore petroleum facilities. The state's revenues of about $1.4 billion are primarily comprised of property taxes ($0.4 billion) and corporate income taxes ($1.0 billion). These numbers are rounded. Table 2 shows the direct, population-related, and indirect revenues to the state.

**Table 2. Potential State Fiscal Effects of OCS Development: Cumulative Revenues and Expenditures, 2008 to 2057**

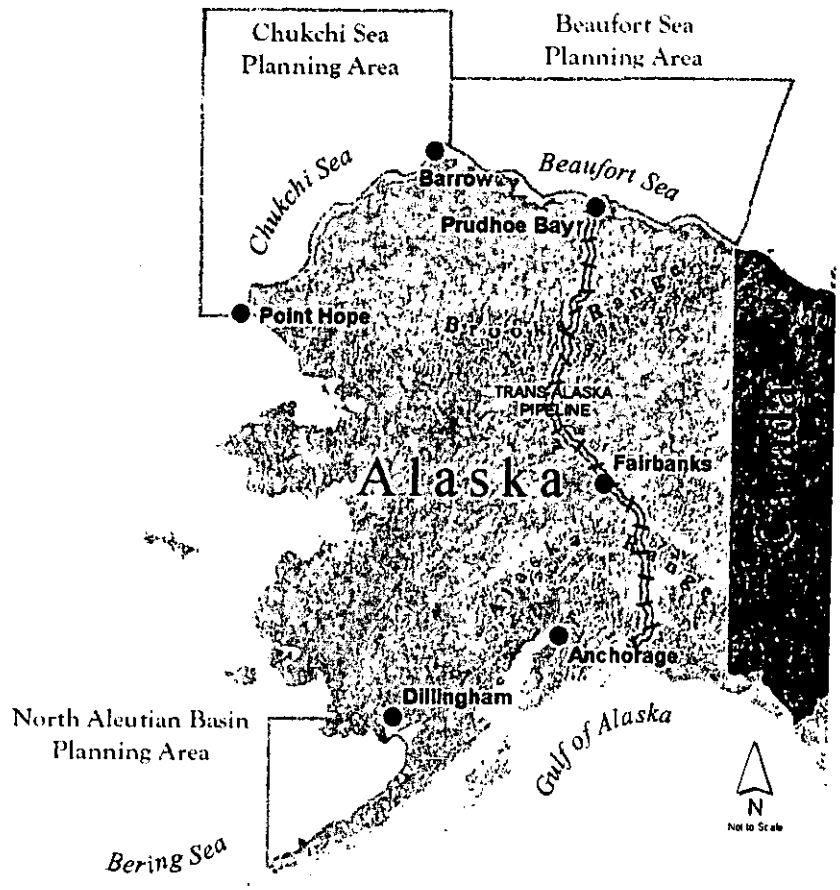
| Revenue/Expenditure Category | Billions of $ |
|---|---|
| **Projected State Revenues** | **15.3** |
| Direct OCS Petroleum Revenues | 1.4 |
| Population Related Revenues | 3.9 |
| Indirect Petroleum Revenues due to OCS development | |
| TAPS-Fuller Pipeline Enhanced Value of North Slope Production | 5.7 |
| TAPS-Fuller Pipeline Additional North Slope Production | 2.0 |
| Gas Pipeline Tariff Reduction Effect | 1.2 |
| Incremental Production due to OCS Infrastructure | 1.2 |
| **Projected Incremental State Expenditures** | **(8.8)** |
| **Projected State of Alaska Net Fiscal Balance:** | **6.6** |

Notes: (1) The sum of the amounts may not equal the total due to rounding. (2) Base case estimates are based on the Energy Information Administration's petroleum price projection with a long-term average price of $65.50 per barrel of oil and $6.40 per million Btu's of gas (in 2006$).

- The estimated population-related revenues would come primarily from a state personal income tax that is assumed in the baseline (without OCS) projection to partially offset falling petroleum revenues from declining onshore production.
- OCS production reduces the tariffs and other costs of onshore production, which results in an increase in state revenues from this production. These lower costs also lead to a modest increase in production onshore. Indirect petroleum revenues are estimated to be $10.1 billion.
- Incremental state government expenditures for providing public services to support OCS development and the associated population increase are projected to be about $8.8 billion.
- The projected net revenues to the State of Alaska could be about $6.6 billion, reflecting a positive fiscal effect of OCS development.
- OCS development could be an important factor in reducing risks for the proposed natural gas pipeline from the North Slope to Lower 48 markets.



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# Economic Analysis of Future Offshore Oil and Gas Development: Beaufort Sea, Chukchi Sea, and North Aleutian Basin

## Executive Summary

*Prepared for*

Shell Exploration and Production

March 2009

Northern

Institute of Social and Economic Research, University of Alaska Anchorage

# Economic Analysis of Future Offshore Oil and Gas Development: Beaufort Sea, Chukchi Sea, and North Aleutian Basin

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**March 2009**


*Prepared by*

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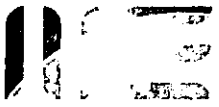
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# Executive Summary

This study describes and quantifies the potential economic benefits to the State of Alaska and local communities from developing oil and gas resources in Alaska's Outer Continental Shelf (OCS) areas. The findings of this study are not predictions of the future for Alaska, but rather they describe a reasonable approach that one might expect for OCS development. The findings also provide a basis for thinking about potential actions that state and local governments, industry, and other stakeholders might undertake to deal most effectively with the effects that do occur.

While there have been other studies in the past that looked at the potential effects of OCS development, this study is based on more recent information and represents the current state of knowledge in OCS resource estimates, exploration, development, and production activities; recent technology improvements; and state and local government fiscal systems. The economic benefits described here are based on assumptions about when and how OCS development, as well as other economic development in the state, might occur during the next 50 years.

The magnitude of the economic effects of OCS development are contingent on assumptions about petroleum prices, volumes of OCS resources that might be economically recoverable, the levels of investment that the petroleum industry would be willing to spend to develop in the OCS areas, and the fiscal regime or tax structure that would be in effect as OCS oil and gas development occurs. There is a great deal of uncertainty as to whether oil and gas production in the OCS would occur, and if production does occur, it is even more difficult to predict the timing and magnitude of exploration, development, and production activities. This study assumes that development would occur given certain price and cost assumptions and that there will be no major regulatory impediments or delays to OCS development. As with any other large industrial development, there could also be social and environmental considerations associated with offshore oil and gas development. This study is only focused on the economic effects of OCS development.

## Major Findings

The economic impacts of OCS development are described as incremental effects in relation to a baseline economic projection of the Alaska economy without OCS development. The Alaska economy and population are anticipated to continue to grow in the next 50 years given the development of the natural gas pipeline, new development in the mining sector, and modest growth in tourism, fisheries, and military and civilian federal operations. However, declining oil production from existing onshore fields is expected to pose long-term challenges to Alaska's economic and fiscal well-being. OCS development, if it were to occur, could be a significant driver of the next generation of economic activity by extending the duration of the petroleum industry in the state.

The following major findings are based on a reasonable set of exploration, development, and production scenarios for three OCS areas: (1) Beaufort Sea; (2) Chukchi Sea; and (3) North Aleutian Basin.

### Job and Population Growth

- OCS development could generate an annual average of 35,000 jobs over the next 50 years—a six percent increase compared to total statewide employment without OCS development.
- These jobs represent a total payroll of $72 billion (2007$) over the 50-year period.



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- OCS-related employment growth could more than offset losses from the decline of petroleum production on state lands and could help sustain the economy for several decades.
- Opportunities would be created throughout the state in both high paying, long-term, year-round jobs and in seasonal and short-term jobs. Of the 6,000 oil and gas sector jobs, about 3,900 could be long-term, year-round jobs.
- The growth in jobs resulting from OCS development could lead to a five percent increase in statewide population. Most of the growth would be concentrated in Alaska's population centers, but directly impacted regions could experience a much greater percent increase.

**Table ES-1. Potential Future Employment Effects of OCS Development in Alaska**

| Sector | Average Annual Employment |
|---|---|
| Oil and Gas (extraction and oilfield services) | 6,000 |
| Infrastructure | 3,000 |
| Support | 22,000 |
| State/Local Government | 4,000 |
| **Total:** | **35,000** |

Note: Employment is rounded and expressed in annual average, 2008 to 2057. It should be noted that it could take several years before OCS employment might reach the annual average of 6,000 direct jobs in the oil and gas sector, and for the other sectors to reach the levels noted above (see Figure ES-1 for the projected direct employment per year and Figure ES-2 for the projected employment by sector per year).

## Projected Direct Revenues

The potential cumulative direct petroleum revenues to state and local governments is estimated to be $5.8 billion (2007$) with most revenues going to directly impacted local governments from property taxes on onshore petroleum facilities.

**Table ES-2. Potential Cumulative Direct Revenue Effects of OCS Development to State and Local Governments, 2008 to 2057 (in Billions of 2007$)**

| Entity/Source of Revenue | Amount |
|---|---|
| **State of Alaska** | **1.4** |
| Property Tax | 0.4 |
| Corporate Income Tax | 1.0 |
| Shared Lease Payments | -- |
| **Directly Impacted Local Governments** | **4.5** |
| Property Tax | 4.5 |
| **Total Alaska:** | **5.8** |

Notes: (1) The sum of the amounts do not equal total due to rounding. (2) For this table, *Directly Impacted Local Governments* include the North Slope Borough and the Aleutians East Borough. (3) Federal lease payments shared with the state (from 8(g) leases) are estimated to be about $20 million (2007$).



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## Fiscal Effects

- Potential total state government revenues (under the current tax system) from OCS-related activities including direct OCS petroleum revenues, population-related revenues, and indirect petroleum revenues, are projected to be $15.3 billion (2007$) given the base case price level of approximately $65 per barrel of crude oil. As expected, given the results of the sensitivity analysis, state government stands to benefit from higher petroleum prices.
- The estimated population-related revenues would come primarily from a state personal income tax that is assumed in the baseline projection to partially offset falling petroleum revenues from declining onshore production. This is an assumption in the baseline analysis, regardless of OCS development. In the OCS case, the $72 billion (2007$) of wages and salaries augments the personal income tax.
- OCS production reduces the tariffs and other costs of onshore production, which results in an increase in state revenues from this production. These lower costs also lead to a modest increase in production onshore. Together these indirect petroleum revenues are estimated to be $10.1 billion (2007$)
- Incremental state government expenditures for providing public services to support OCS development and the associated population increase are projected to be about $8.8 billion (2007$).
- The projected net revenues to the State of Alaska could be about $6.6 billion (2007$), reflecting a positive fiscal effect of OCS development.
- At the local/regional government level, the projected growth in revenues of directly impacted communities from property taxes on onshore OCS petroleum facilities, estimated at $4.5 billion, would increase the capacity of local governments to respond to public needs generated by OCS developments.
- OCS development will be an important factor in reducing risks for the proposed natural gas pipeline from the North Slope to Lower 48 markets. The Alaska OCS has some of the largest natural gas resources in Alaska and knowledge of the potential development of these resources reduces the financial risk to the shippers that may commit to the natural gas pipeline project.



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**Table ES-3. Potential State Fiscal Effects of OCS Development: Cumulative Revenues and Expenditures Under Varying Price Assumptions, 2008 to 2057 (in Billions of 2007$)**

| Revenue/Expenditure Category | Base Case | Sensitivity Analysis | | |
|---|---|---|---|---|
| | | Case 1 | Case 2 | Case 3 |
| **Projected State Revenues** | **15.3** | **16.0** | **17.1** | **18.2** |
| Direct OCS Petroleum Revenues | 1.4 | 1.4 | 1.4 | 1.4 |
| Population Related Revenues | 3.9 | 3.9 | 3.9 | 3.9 |
| Indirect Petroleum Revenues due to OCS development | | | | |
| TAPS-Fuller Pipeline Enhanced Value of North Slope Production | 5.7 | 5.7 | 5.7 | 5.7 |
| TAPS-Fuller Pipeline Additional North Slope Production | 2.0 | 2.4 | 3.1 | 3.8 |
| Gas Pipeline Tariff Reduction Effect | 1.2 | 1.2 | 1.2 | 1.2 |
| Incremental Production due to OCS Infrastructure | 1.2 | 1.5 | 1.9 | 2.3 |
| **Projected Incremental State Expenditures** | **(8.8)** | **(8.8)** | **(8.8)** | **(8.8)** |
| **Projected State of Alaska Net Fiscal Balance:** | **6.6** | **7.2** | **8.3** | **9.4** |

Notes: (1) The sum of the amounts may not equal the total due to rounding. (2) Base case estimates are based on the Energy Information Administration's petroleum price projection with a long-term average price of $65.50 per barrel of oil and $6.40 per million Btu's of gas (in 2006$). The sensitivity analysis considers the following oil and gas price levels through 2030; prices thereafter are assumed to increase at a rate of 0.5 percent per year (same assumption as the base case):

- Case 1: Oil: $80 per barrel and Natural gas: $7.8 per mmBtu
- Case 2: Oil: $100 per barrel and Natural Gas: $9.8 per mmBtu
- Case 3: Oil: $120 per barrel and Natural Gas: $11.8 per mmBtu

The sensitivity analysis cases estimate the effects of higher petroleum prices, holding all other factors constant.

## Background

Increasing petroleum prices in the past five years have renewed interest in exploring for oil and gas in Alaska's OCS areas. This is evidenced by the recent OCS lease sales in Alaska—Beaufort Lease Sale 195 was the most successful sale in the Beaufort OCS (tracts and high bids) since 1988 and Chukchi Lease Sale 193 held in February 2008, collected $2.66 billion in high bids for 488 tracts (this is the biggest lease sale onshore or offshore in Alaska's history). More lease sales are planned in the Beaufort Sea, Chukchi Sea, and the North Aleutian Basin as part of MMS's *5-Year Lease Program* for 2007-2012. Exploration drilling is already planned for leases in the Beaufort Sea, covering five prospects in the eastern Beaufort (including Sivulliq, formerly the Hammerhead discovery), and another prospect located about 20 miles north of the Colville River Delta (MMS 2007).

MMS estimates that the OCS areas of the Beaufort Sea, Chukchi Sea, and the North Aleutian Basin have undiscovered technically recoverable resources (UTRR) ranging from 2.8 to 65.8 billion barrels of oil (BBO) and 11.4 to 305 trillion cubic feet (TCF) of natural gas, depending on the likelihood of occurrence. MMS also estimates that the three OCS areas have undiscovered economically recoverable resources (UERR) ranging from 1 to 46 billion barrels of oil and 3.8 to 175.1 TCF of gas. Economically recoverable resources represent the portion of the undiscovered technically recoverable resources that can be explored, developed and commercially produced at given costs and price considerations. MMS assumed market prices of $60 per barrel of oil and $9.07 per thousand cubic feet of gas (in 2006$) for the UERR estimates of the three Alaska OCS areas.



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## Scenarios Considered

In order to quantify the potential effects of oil and gas development in the OCS, a set of scenarios that reflect possible industry-wide exploration, development, and production activities for each OCS area was developed.[1] Of course, this set of scenarios represents only one possible picture of the future. It is likely that different activities and timing will occur in the future, as each company operating in these basins could have unique plans for identifying and recovering the hydrocarbon resources. Furthermore, there is a high level of uncertainty regarding the volumes of oil and gas that could be commercialized in the future, as the estimated resource potential shown in the table above is not yet proven commercial reserves. It is impossible to anticipate what the actual development pattern would be, but the scenarios provide a reasonable basis to begin thinking about potential effects, particularly since they provide employment estimates consistent with historical patterns of petroleum development in the state.

The scenarios used for this study are based in part on the scenarios discussed by MMS in published Environmental Impact Statements (EIS) and other materials.[2] The scenarios include assessments of oil and gas resources,[3] expected levels of exploration activities, development of oil and gas fields and required infrastructure, and operations and maintenance activities at the assumed production levels.

These scenarios are the basis for determining the level of manpower requirements, as well as the amount of revenues that could potentially accrue to the state and local governments. Summaries of the scenarios are presented below.

### Beaufort Scenario

- Exploration drilling occurs over 15 years with 1 to 3 drilling rigs per season.
- Development includes construction of seven offshore production platforms, offshore pipelines, on-shore pipelines that connect to the Trans-Alaska Pipeline System (TAPS) and a future gas pipeline, as well as new on-shore facilities.
- Production assumes first oil in 2019 and first gas in 2029, with seven fields producing a total cumulative volume of about five billion barrels of oil and seven trillion cubic feet of gas through 2057.

[1] The Minerals Management Service, the federal agency that manages OCS areas, develops exploration, development, and production scenarios for use in their environmental assessments and environmental impact studies. The scenarios developed by MMS for these OCS areas were used as a starting point for this analysis. Major departures from the MMS assumptions/scenarios include: 1) gas production in the Beaufort and Chukchi; 2) new on-shore facilities in the Beaufort; 3) updated resource estimates using the *2006 MMS Resource Assessment*; and 4) adjustments in timing and level of exploration and development activities to reflect changes in technology and resource potential, and to incorporate insights from industry and MMS staff regarding recent experience operating in arctic conditions and in areas of greater water depths.

[2] The recent Draft Environmental Impact Statement for the *Beaufort and Chukchi Sea Planning Areas, Oil and Gas Lease Sales 209, 212, 217, and 221* was issued after the analysis for this report was completed. The scenarios used in this report are based on earlier scenarios and other material that are broader in scope and duration than the November 2008 draft EIS.

[3] The resource assessments are based on analyses of geology, development costs, and timing, as well as oil and gas prices.



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## Chukchi Scenario

- Exploration drilling occurs over 24 years with 1 to 2 drilling rigs per season.
- Development includes construction of four offshore production platforms, offshore pipelines, on-shore pipelines across the National Petroleum Reserve – Alaska (NPR-A) to connect to the TAPS and a future gas pipeline from the North Slope. A new shore base[4] on the Chukchi coast is assumed to be constructed to support offshore exploration and development; other on-shore facilities are also assumed to be required to support production activities.
- Production assumes first oil in 2022 and first gas in 2036, with four fields producing a total cumulative volume of 4.8 billion barrels of oil and 7.8 trillion cubic feet of gas through 2057.

## North Aleutian Scenario

- Exploration drilling occurs over 5 years with 1 to 2 drilling rigs per season.
- Development includes construction of two offshore production platforms, offshore and overland pipelines, a new shore base on the north side of the Alaska Peninsula, and on the south side a marine terminal for oil, as well as a liquefied natural gas (LNG) facility and an export terminal for gas.
- Production assumes first oil in 2021 and first gas in 2022, with two fields producing a total cumulative volume of about 0.394 billion barrels of oil and 5 trillion cubic feet of gas through 2044 when production ceases.

## Activity Schedule

Figure ES-1 shows a potential schedule for exploration, development, production and abandonment activities from 2008 through 2057. The figure shows the expected years for first oil and gas production under the scenarios for each basin. The first gas production in the Beaufort Sea is assumed to occur with the first expansion of the proposed natural gas pipeline in 2029, nine years after initial throughput of the gas pipeline. First gas production from the Chukchi Sea is assumed to occur in 2036 with the second expansion of the natural gas pipeline. Both of these expansions are anticipated to reduce the gas pipeline tariff.

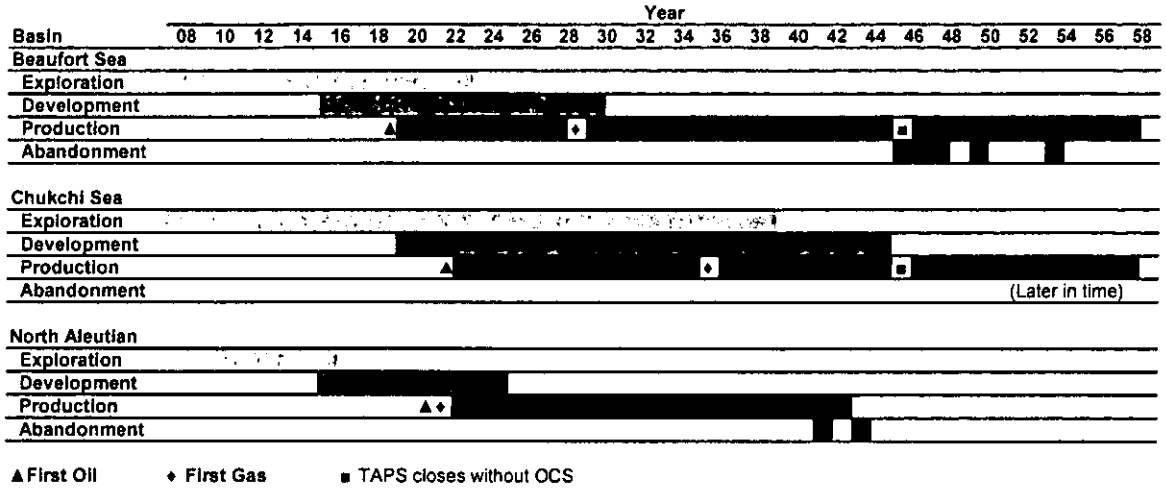
The Beaufort scenario assumes that production would still be ongoing in 2057 when the study period ceases. The relatively late discovery and production from expected large resources in the Chukchi Sea result in no platforms being abandoned during the study period. The smaller field sizes expected in the North Aleutian Basin result in the fields ceasing production and the platforms being abandoned by 2044.

[4] A shore base is an on-shore facility that will be used for staging people and equipment during exploration, and later on to support construction and production activities. The base will likely serve as living quarters for industry workers as well as the transportation, storage, and communication hubs for all of the offshore activities.



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**Figure ES-1. Schedule of Activities for Beaufort, Chukchi, and North Aleutian Basins, 2008-2057**




Source: Northern Economics, Inc. assumptions

## Potential OCS Oil and Gas Production

Based on the MMS resource assessments and the production scenarios described above for all three OCS areas, the total OCS oil and gas that might be produced through 2057 could amount to about 10.2 billion barrels of oil and 19.8 trillion cubic feet of gas. This translates to a peak daily production from all three OCS areas equal to 1.8 million barrels of oil and 2.9 billion cubic feet (BCF) of gas. In comparison, in 2007 the total statewide daily production of oil and gas was 796,289 barrels and 8.831 BCF, respectively, although most of the gas was re-injected to maintain reservoir pressure (Division of Oil and Gas, 2007 Annual Report).

In terms of the value of this assumed level of production, 10.2 billion barrels of oil alone at $100 a barrel, would translate to over $1 trillion; at $60 per barrel, the value would be over $600 billion.

Without OCS development, the projected statewide production volumes of oil and gas (on-shore) through 2057 are 7.7 billion barrels and 54 TCF, respectively.

## Potential Employment Effects

### Direct Employment

Given the scenarios described above, OCS development in the Beaufort, Chukchi, and the North Aleutian could directly generate an estimated annual average employment of about 6,000 jobs over the course of 50 years (2008 to 2057). These are direct jobs[5] (both on-site and in headquarters assumed to be located in Anchorage) that are involved in exploration activities, construction of off-shore and on-shore production and transportation facilities, spill prevention, logistics, and operations and maintenance activities. The estimated 6,000 direct jobs for OCS activity represent roughly 48 percent of 2007 average annual oil and gas employment of 12,600 (ADOLWD, 2008).

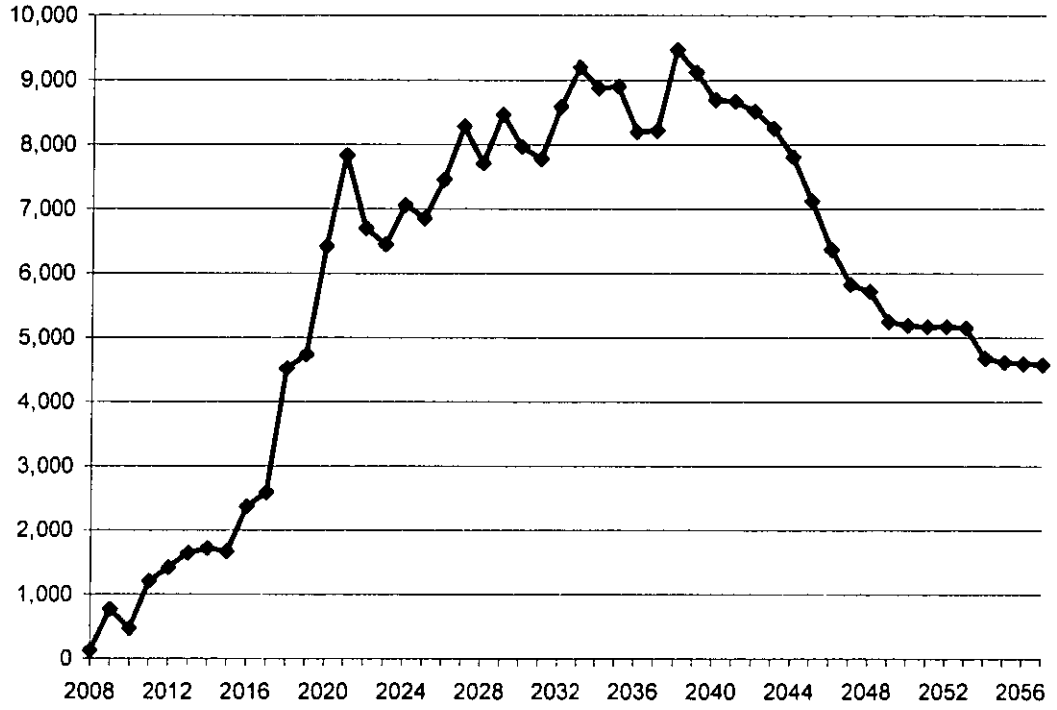
[5] These direct employment estimates do not include jobs involved in building modules outside of Alaska, but do include non-resident jobs involved in installing pre-fabricated modules at the site.



1870

Figure ES-2 shows the potential direct annual average employment in the oil and gas industry that could result from OCS development in all three areas across time. The growth in employment in the next decade associated with OCS development could offset the decline in petroleum employment associated with the decline in oil production from state lands and maintain employment levels after the construction of the gas pipeline. Subsequently, for about 2 decades, employment could be relatively stable as fields are developed and produced over that period. Eventually, direct employment will decline as production declines and fields are abandoned. As noted earlier, this is just one possible pattern; OCS development could occur in different locations and different times and the development of multiple fields could tend to smooth out any boom and bust phenomenon.

**Figure ES-2. Potential Total Direct Annual Average Employment from OCS Development in Alaska, 2008 to 2057**




Source: Northern Economics Inc. estimates.

Peak employment across all OCS areas based on these development scenarios could occur in 2038 with an estimated annual average employment of 9,500; the peaking occurs when major discoveries are being developed and facility construction is underway. Table ES-4 shows the potential direct employment effects that could result from oil and gas development in each of the OCS areas. The peak employment for each OCS area occurs at different times, and the production phases are of different durations so the rows cannot be summed across to arrive at the estimates shown for all areas.



1871

**Table ES-4. Potential Direct Employment Estimates (Annual Average Employment) by OCS Area**

| | Beaufort | Chukchi | North Aleutian | All Areas |
|---|---|---|---|---|
| Annualized Average | | | | |
| Entire time frame | 2,800 | 2,500 | 900 | 6,000 |
| Production phase | 3,300 | 3,000 | 1,100 | 7,100 |
| Peak Employment | 4,800 | 4,200 | 2,200 | 9,500 |
| Year of Peak Employment | *2027* | *2038* | *2018* | *2038* |

Source: Northern Economics Inc. estimates.

The job estimates are expressed in annual average employment, but there would be opportunities for both year-round and seasonal or short-term jobs. As noted earlier, of the 6,000 direct oil and gas industry jobs, about 3,900 could be high paying year-round jobs. The current average annual wage in the oil and gas sector is $108,538—which is more than double the statewide annual average of $43,524.

Seasonal and short-term job opportunities include those associated with oil spill response operations, equipment operations, construction of support facilities, marine mammal observer program, camp support, seismic survey, etc. The number of persons that might be employed for short-term or seasonal jobs could be greater than the number of year-round jobs.

## Indirect and Induced Employment

Besides the direct jobs in the oil and gas sector, jobs would be created in other sectors of the economy; these jobs are referred to as indirect and induced jobs. These jobs are generated as a result of the multiplier effects of in-state spending—industry purchases from other Alaska businesses, government spending of OCS-related revenues, and household spending of wages and salaries. The potential employment effects of OCS development by sector are shown in Figure ES-3.

The large number of indirect and induced employment[6] associated with OCS development is attributable to the following:

- Potential large in-state purchases of goods and services by the businesses directly engaged in exploration, development, and production
- High wages of the oil and gas industry
- Significant revenues paid by the industry to state and local governments

Although direct oil and gas employment would taper off as OCS production declines, total employment could remain high due to the effects on the rest of the economy from the economic expansion associated with OCS development. These effects include increased public and private wealth, the expansion of in-state businesses offering goods and services to other Alaska businesses and households, expansion of local markets creating more competition and lower costs, and enhanced economic stability from reduced seasonality.

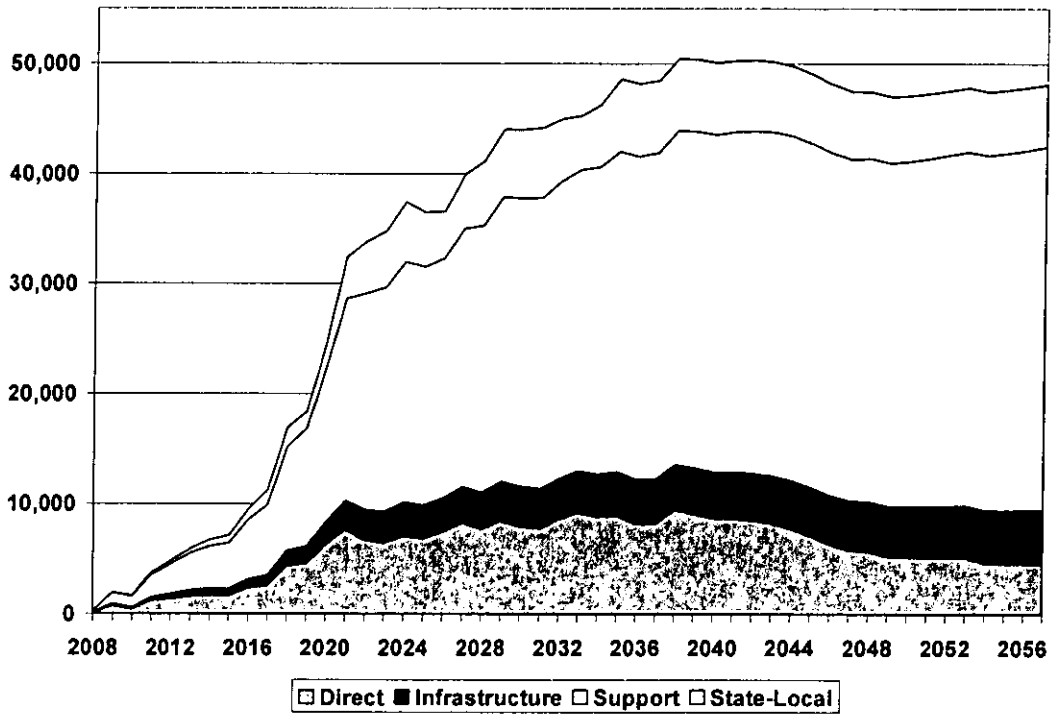
[6] The ratio of total to direct OCS employment, commonly referred to as the employment multiplier, is approximately 5.9 over the entire period, a level consistent with historical oil and gas activities in the state. If the ratio is calculated as total divided by direct plus government employment, since Alaska government employment is driven by oil revenues, the multiplier is 3.4.



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It is estimated that total annual average employment from OCS development—including all the direct, indirect, and induced employment—could be about 35,000 per year on average through 2057, with a peak employment of over 50,000 in 2038. Total wages and salaries associated with OCS development over the 50-year period are estimated to be about $72 billion (2007$).

**Figure ES-3. Potential Total Employment Effects from OCS Development by Category**




Source: Northern Economics, Inc. and ISER estimates.

As shown earlier in Table ES-1, 35,000 direct, indirect, and induced jobs could be created in different sectors of the economy. The majority of the total employment, about 22,000, would be in the support sector, which includes trade, services, and other related businesses. These businesses provide goods and services to other Alaska businesses as well as Alaska households. Projected infrastructure employment consists of about 3,000 workers in the transportation, communications, public utilities, and business services sectors that work closely with the petroleum industry. State/local government employment includes all the public sector jobs; OCS development is estimated to generate 4,000 public sector jobs.

## Employment by Place of Work and by Place of Residence

Based on history, workers will come from throughout the state and elsewhere to take the on-site jobs. Given the current distribution of North Slope oil and gas industry workers around the state, it is anticipated that residents of Anchorage, Kenai, and the Matanuska-Susitna (Mat-Su) Borough could capture a large share of the potential employment. The opportunity exists for rural residents of the state, particularly residents of the North Slope Borough and other areas in proximity to the three OCS



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areas, to capture a larger share of these jobs than shown in Table ES-5, which is based on past employment data. Table ES-5 shows the incremental increase in annual average employment by place of work and by place of residence resulting from the development scenarios in all three OCS areas.

**Table ES-5. Estimated Annual Average Employment Generated from Potential OCS Development by Place of Work and by Place of Residence**

| | Direct | | Total Employment Direct + Indirect + Induced | |
|---|---|---|---|---|
| Place | Place of Work | Place of Residence | Place of Work | Place of Residence |
| Anchorage | 800 | 2,500 | 15,000 | 16,000 |
| Mat-Su Borough | -- | 500 | 3,000 | 3,000 |
| Kenai Peninsula Borough | -- | 500 | 2,000 | 3,000 |
| Fairbanks North Star Borough | <100 | 250 | 3,000 | 3,000 |
| Aleutians East and West | 600 | 100 | 1,000 | 1,000 |
| North Slope Borough | 4,500 | <100 | 6,000 | 2,000 |
| Balance of State | -- | <100 | 5,000 | 5,000 |
| Outside Alaska | -- | 2,000 | -- | 2,000 |
| Total | 6,000 | 6,000 | 35,000 | 35,000 |

Source: Northern Economics and ISER estimates. Distribution of workers by place of residence is based on Alaska Department of Labor and Workforce Development data.

## Direct Petroleum Revenues

Federal, state, and local governments could directly benefit from offshore oil and gas development with three potential streams of revenues—property tax revenues, corporate income tax revenues, and revenues from OCS leases. The estimated incremental revenues from OCS development accruing to the state and local governments are shown in Table ES-6.



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**Table ES-6. Summary of Potential Cumulative Direct Revenues to the State and Local Governments, 2008 to 2057 (in Billions of 2007$)**

| Entity | Amount |
|---|---|
| **State of Alaska** | **1.4** |
| Property Tax | 0.4 |
| Corporate Income Tax | 1.0 |
| Shared Lease Payments | -- |
| **Impacted Local Governments** | **4.5** |
| North Slope Borough | |
| Property Tax | 3.5 |
| Aleutians East Borough | |
| Property Tax[7] | 1.0 |
| **Total Alaska:** | **5.8** |

Source: Northern Economics Inc. and ISER MAP model estimates.

Notes:
(1) The sum of the amounts may not equal the total due to rounding.

(2) The potential revenue effects shown above reflect the base case analysis that is based on the Energy Information Administration's price projection; a relatively conservative long-term average price of about $65.50 per barrel of oil and $6.40 per million Btu's of gas (in 2006 dollars).

Property taxes would primarily be generated from the new onshore facilities that could be built to support the offshore operations of the industry. The state collects a property tax on oil and gas related facilities within its boundaries, which it shares with local political jurisdictions where those facilities are located, if the local government chooses to impose a property tax.

The state also imposes a corporate income tax on petroleum activity within the state.[8] The federal government collects revenues from bonus bids, rental payments, and royalty payments from the offshore activity. A portion of these federal revenues is shared with the state, which in turn may distribute a portion to some local governments.

Given the current OCS revenue sharing system in Alaska, all lease revenues from OCS areas directly accrue to the federal government except for a portion of revenues from leases in the 8(g) zone[9] and funds allocated through the Coastal Impact Assistance Program (CIAP) that are shared with the state and coastal political subdivisions. Under the current system, Alaska would receive a 27 percent share of OCS lease revenues from the 8(g) zone and a share of the CIAP Funds that are allocated among different producing states based on a formula. The CIAP funds however are temporary and may not

[7] For this analysis, the potential revenue benefits accrue to the North Slope Borough (NSB) and the Aleutians East Borough (AEB), assuming that all support base, production, and transportation facilities would be built within the geographic jurisdiction of these two Boroughs. It is of course possible that industry would choose to locate some facilities in other areas such as the Northwest Arctic Borough or the Lake and Peninsula Borough, or the City of Unalaska. Also, it is assumed that the Aleutians East Borough would ultimately levy a property tax similar to the North Slope Borough. Again, the findings presented here are contingent on the assumptions about likely development and production activities as described in the scenarios for each OCS area.

[8] A share of world income is attributed to Alaska based upon the share of property, sales, and extraction within the state.

[9] This three-mile wide band extends from the 3-nautical mile state-federal demarcation line seaward to 6-nautical miles offshore.



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be available after federal fiscal year 2010. It should be noted that lease sales in 2007 and 2008 are expected to generate a significant increase in CIAP funds to Alaska, especially given the successful Chukchi lease sale held in 2008.[10] In the OCS development scenarios developed for this study, the Beaufort Sea would be the only OCS area with 8(g) producing leases.

Without a change in the current revenue sharing arrangement, the state and local governments are expected to receive direct revenues from OCS development of about $5.8 billion (2007$)—mostly from leases located between three nautical miles to six nautical miles offshore (referred to as the 8(g) zone), a share of the Coastal Impact Assistance Program (CIAP) funds, which is due to sunset in 2010, and taxes on corporate income and on-shore properties.

## Potential State Population and State Fiscal Effects

The new jobs generated by OCS development could lead to an increase in statewide population that averages 49,000 over the projection period—about five percent higher than projected population without OCS activity. The population increase would consist mostly of families, including infants, children, and seniors, although the majority of new Alaskans would be working age adults.

The population increase would place new demands on state government, which funds the majority of public services in Alaska either directly or through transfers to local governments. The most important state-provided public services sensitive to population are education, health and social services, corrections, the University of Alaska, transportation, and public safety.

The cost of OCS development to state government would consist of the cost of providing services to the new population as noted above (estimated at $8.6 billion) as well as the cost of administering OCS programs (estimated at $0.2 billion). In total, the incremental cost to the state of Alaska from OCS development is estimated to be $8.8 billion (2007$).

Total direct and indirect revenues generated by the OCS development scenarios presented here could amount to $15.3 billion (2007$), which could pay for the new public services as well as produce a revenue surplus that could be used by the state for any purpose. Total revenues would include the direct OCS petroleum revenues, plus general tax revenues of $3.9 billion and spinoff or indirect revenues from other petroleum activity of $10.1 billion.

The general tax revenues would come primarily from income taxes paid by the new workers. In the baseline projection (without OCS development), there is a fiscal assumption of a state personal income tax based on the fact that revenues from existing sources are projected to decline in future years, thus requiring new sources of revenues to fund the state budget. To be consistent with that no-OCS assumption, it is assumed that the state government utilizes the potential of the $72 billion (2007$) of wages and salaries generated by OCS activity to help to pay for the new public services.

Indirect or spinoff revenues from other petroleum activity are difficult to quantify, but the history of development at Prudhoe Bay demonstrates their importance. Four sources of indirect revenues are identified that arise from the lower cost of petroleum production and transportation generated by OCS development (Table ES-3 summarizes the estimated indirect revenues from each source):

- It is estimated that $5.7 billion (2007$) in additional revenues to the state could be collected on non-OCS oil production due to the increase in TAPS throughput with OCS oil from the Beaufort and Chukchi Seas. If OCS oil is transported through TAPS, the higher volume of throughput

[10] Due to an increase in OCS revenues generated by the recent Chukchi Lease Sale 193, MMS has estimated that the state of Alaska's annual CIAP allocation will increase from approximately $2.5 million in 2007 and 2008 to be between $29 million and $41.2 million for 2009 and 2010.



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would reduce the TAPS tariff and would extend the life of TAPS. The associated reduction in tariff would in turn raise the wellhead price of North Slope oil. An increase in the wellhead price would increase the tax base and revenues from the state production tax and corporate income tax and also increase state royalties. And, in the absence of OCS oil throughput, TAPS is anticipated to shut down when it reaches the minimum technically viable level of daily throughput—estimated at 200,000 barrels per day—which could be reached in 2046. Because this shut down would leave oil worth billions stranded on the North Slope, some alternative to move the oil to market could be deployed. It is assumed that a marine transport system would be used to move the remaining oil to market at an estimated cost of $15 per barrel ($2007).

- A higher wellhead value resulting from higher TAPS pipeline throughput because of OCS oil is also anticipated to have a stimulating effect on exploration and development of North Slope reserves. The average increase in wellhead value due to higher TAPS throughput is estimated to be six percent. The effect would be similar to an increase in industry activity due to higher oil prices or a reduction in taxes. Based on studies of the sensitivity of North Slope production to the price of oil, as well as observations that higher prices stimulate the development of satellite fields (smaller accumulations of oil that are adjacent to larger fields), it is estimated that this stimulating effect could result in an increase in oil production equal to 141 million barrels over the projection period. This could translate to an increase in state revenues of about $2 billion.
- The addition of OCS natural gas to throughput of the pipeline moving North Slope gas to market is estimated to increase state revenues by $1.2 billion. Although the pipeline capacity would need to be expanded to accommodate this additional throughput, expansion could be done at a cost that would reduce the tariff on all the gas moving through the line. Like the reduced oil pipeline tariff, this would raise the wellhead value of the gas and increase state revenues from the production and income taxes as well as royalties.
- Finally, the presence of additional petroleum infrastructure and its geographic distribution suggests that there could be opportunities for the development of fields that are in close geographic proximity to OCS infrastructure or that could share OCS facilities that would not be developed without those advantages. An expanded support industry due to OCS developments could also be the source of cost savings that could make some marginal fields economically attractive. The potential production and revenues from these latter effects could be very large indeed, but they are virtually impossible to quantify. However, to demonstrate the potential magnitude of these effects on state revenues, it was assumed that cumulative North Slope production is increased by two percent—87 million barrels—as a result of these effects. This could generate $1.2 billion (2007$) in additional state revenues from production and corporate income taxes and royalty payments to the state.

In addition to the benefits noted above, the potential for OCS development will be an important factor in reducing risks for the proposed natural gas pipeline from the North Slope to Lower 48 markets. At this time, there are not sufficient gas reserves to operate the gas pipeline for the 20 to 25 years that will be necessary to finance the pipeline; the natural gas shippers who must commit to moving gas in the pipeline for that period of time will need confidence that other natural gas resources can be found, and studies by the Minerals Management Service and others indicate that the OCS has some of the largest natural gas resources in Alaska. Knowledge of this potential resource reduces the financial risk to the shippers that commit to the natural gas pipeline project.



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## Local/Regional Population and Fiscal Effects

Local economic impacts will be most significant in the regions adjacent to the basins where OCS activity occurs. As noted earlier, onsite employment in the North Slope Borough could average 45 percent higher with OCS development, while employment in the Aleutians region could be 11 percent higher. Although the percent increases in resident employment and population could be less than the increase in onsite employment, the increases in population as well as other local requirements to deal with the costs associated with development could require considerable new local revenues.

The OCS revenues that flow to the directly impacted regions would come primarily from a share of the state property tax based on the value of petroleum facilities onshore in their region. Under the fiscal regime,. where no federal lease revenues are shared with the state and local governments, directly impacted local governments would rely on the property tax to pay for government services. The estimated cumulative OCS-related property tax revenues to the North Slope Borough could be $3.5 billion. This could be in addition to an estimated $7 billion over that same period without OCS development. The OCS revenues could serve to offset the decline in revenues associated with falling onshore oil production. The estimated cumulative OCS-related property tax revenues available to the Aleutians region could be $1 billion. Currently, the tax base of that region is quite modest and so the OCS development would represent a large increase in potential revenue generating capacity.

Given these estimates, directly impacted local governments could have sufficient revenues from property taxes to cover any costs associated with OCS development. However, their ability to adequately fund public services ultimately depends on the specific public costs associated with OCS. Greater sharing of federal lease revenues with the state and local governments, higher prices, and higher production all make it more likely that local costs can be fully offset by OCS revenues.

Much of the population impact from OCS development would be outside the directly impacted regions, and local governments throughout the state would be faced with additional costs associated with that additional population. Most of the population impact would be in urban Alaska where the existing tax base, primarily a combination of local sales and property taxes, is responsive to population growth. Based on the assumptions outlined in this study, the expanded state fiscal capacity (under the OCS development scenarios presented here) should be sufficient to cover these costs.

Finally, as with any other large industrial development, there could be social and environmental effects associated with offshore oil and gas development, and industry as well as state and local governments should continue efforts in developing and implementing programs or regulations designed to mitigate the potential effects of oil and gas development on the environment and social institutions.



1878

# [redacted] HOUSE COMMITTEE REPO[redacted]

(7)
**Date Referred to Committee: January 19, 2010**

**FURTHER REFERRALS: Resources**
**Finance**

**Date of Committee Action:** 2.25.10

**The COMMUNITY AND REGIONAL AFFAIRS Committee considered:** **HB 264**

**HOUSE BILL NO. 264**
**"An Act relating to the right-of-way for, and a state property tax exemption concerning, a pipeline transporting oil produced on the outer continental shelf to an established pipeline in the state."**
**HB 264-PIPELINE FROM OUTER CONTINENTAL SHELF**

**Recommends it be replaced with [ ] HCS** *or* **[ ] CS** *for* _____ ( _____ )
*For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____* **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____ Committee
[ ] Letter of Intent_____ Committee

*List of Abbrev for Depts.:*
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

| ***NEW*** **FISCAL NOTES** *Assigned by Chief Clerk's Office | | | | |
|---|---|---|---|---|
| List by Dept(s): | *FN# | Fiscal | Indet. | Zero |
| DNR | | | X | |
| REV | | | X | |

| ***PREVIOUS*** **FISCAL NOTES** | | | | |
|---|---|---|---|---|
| List by Dept(s): | FN# | Fiscal | Indet. | Zero |
| | | | | |

| **Signing with recommendations** | Printed Last Name | DP | DNP | NR | AM |
|---|---|---|---|---|---|
| | Harris | ✓ | | | |
| | Millett | ✓ | | | |
| | Keller | ✓ | | | |
| | Gardner | | ✓ | | |
| | | | | | |
| | | | | | |
| Chair: | Muñoz | ✓ | | | |
| Chair: | Herron | | | X | |

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# Industry bids on 48,000 acres in Beaufort Sea lease sale

By DAN JOLING
Associated Press Writer
*(02/24/10 23:18:39)*

The state of Alaska has received oil and gas lease bids for 48,000 acres in near shore waters of the Beaufort Sea. Alaska oil and gas leasing and permitting manager Jonne Slemons says the results are preliminary. All 18 tracts are within state-regulated waters up to three miles from shore.

Bids totaled $823,468.80.

The lease sale Thursday for marine waters off the state's north coast drew criticism from Native Alaska and environmental groups, which said tracts were offered in sensitive areas. Development would threaten whales, seals, birds, polar bears and people who rely on a subsistence lifestyle, according to the groups.

Several North Slope oil fields already have been developed in state waters of the Beaufort -- the Endicott, Northstar, Oooguruk fields. And Italian oil giant Eni is developing the Nikaitchuq field just off the coast in the Beaufort.

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The Anchorage Daily News/adn.com contributed to this article.

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# HB 273

# ALASKA STATE LEGISLATURE

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Wrangell, AK 99929
*Phone*: (907) 874-3088
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*Session*:
State Capitol, Room 406
Juneau, AK 99801-1182
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**REPRESENTATIVE PEGGY WILSON**
**HOUSE DISTRICT 2**

## SPONSOR STATEMENT
## House Bill 273
**"An Act relating to general grant land entitlements for the city and Borough of Wrangell; and providing for an effective date."**

HB 273 is introduced to complete the formation of the Wrangell borough and the land entitlements that the state grants to support local government.

The City and Borough of Wrangell(CBW) was formed in May 2008. Upon formation each borough receives a general land grant entitlement from the state under AS.29.65.010.

CBW's land grant will be 1,952.5 acres according to Department of Natural Resources. Other boroughs received an average of 1.13% of the total land in the borough and Wrangell received 0.12% of the total land available, the smallest of any borough. Were Wrangell to receive 1.13% of the total land area, the amount would be 18,673 acres.

The newly formed City and Borough of Wrangell is comprised of 97.28% of federal lands, 2.48% of State lands (including Alaska Mental Health Trust and University of Alaska lands), but not tidelands or submerged lands); .17% privately owned lands, and .08% of CBW lands.

There are approximately 44,000 acres of State land in the borough, so the increased entitlement would not only provide land for the borough and its residents to accomplish economic development, settlement and open space and other borough needs, but also leave significant state land remaining within the borough.

The additional acreage is critically important to provide for the needs of the Borough and its citizens to accomplish the economic, cultural, habitat, settlement and resource development goals. Our residents have identified, in our Borough comprehensive planning process, areas for future energy and port development to enhance the economic opportunities of the area. In addition, Wrangell residents have identified resource development and settlement expansion goals that cannot be accomplished with 1,952 acres. The Wrangell Borough requires a similar land entitlement as other boroughs in order to provide for the needs of the community and develop its growth potential.

HB 273 - Final Land Selection

| | State ID | State Designation | Total VUU (selectable acres) in Parcel | Wrangell 2/12/2010 selected acreage | Wrangell 2/19/2010 selected acreage | Description | Future Growth Map Designation(s) | BOROUGH COMMENTS |
|---|---|---|---|---|---|---|---|---|
| 1 | W01 | Gu | 3,410 | 1,290 | 420 | **Crittenden Creek Watershed** | | |
| | | | | | | This parcel is located east of Wrangell, across the eastern passage on the mainland. The area is popular for hunting, fishing and recreation and there are two prehistoric sites located on the coast. There is potential for commercial timber harvest. Municipal selection is from bay that is east of Babblers Point, north. Selection includes area outside of the proposed State Forest parcel as well as along the shoreline within the proposed State Forest parcel. Uses include southwest facing area for residential, important cultural sites to protect, area for potential commercial recreational use, small area for commercial or personal use timber, buffer between any State harvests and shoreline uses. This area is important to residents for fisheries, recreation, subsistence and local salmon derby also. Borough's desired acreage is western portion of parcel, west of Crittenden Creek. | Remote Residential; Important Habitat/Special Areas; Resource Development with Scenic Protection; Recreation | We are proposing to reduce our selection by a third, reducing the value of potential timber for the borough, because DNR has objected to losing state timberlands that affects their calculation of the sustained yield. This area is very important to Borough residents, however, for uses/issues described. Infrastructure and proposed roads should be considered for access to shoreline development potential. Any LTF deveoloped should remain usable for use by the public. |

| | State ID | State Designation | Total VUU (selectable acres) in Parcel | Wrangell 2/12/2010 selected acreage | Wrangell 2/19/2010 selected acreage | Description | Future Growth Map Designation(s) | BOROUGH COMMENTS |
|---|---|---|---|---|---|---|---|---|
| 2 | W08 | Gu | 1,679 | 1,679 | 745 | **Areas in Wrangell East** | | |
| | | | | | | Parcel is located on the eastern side of Wrangell Island, south of the airport. Roads gave access to municipal and state timber sale in late 1990s and now provides some access to residential properties with more being sought. The northwestern section of this parcel is on the road network, is close to Downtown Wrangell and city services could easily be extended and would be a good location for industrial development. Commercial timber in isolated pockets along entire parcel. Buffer residential parcels.. Borough owns tidelands. | Industrial; Recreation, Parks or Open Space | We are proposing to reduce our proposed selection by 44%, reducing the value of potential timber for the borough, because DNR has objected to losing state timberlands that affects their calculation of the sustained yield. This area is vital to the borough. Being on the road system it is a critical area for community expansion -- residential, commercial and industrial. Timber could be made available to operators through a borough sale. Community access for recreation, to existing and future settlement development. We are looking at small areas of timber that can be provided to timber operators, shoreline uses creating a buffer between state timber sales and the use, scenic uses. Infrastructure and proposed roads should be considered for access to shoreline development potential. Most important would be to connect the road coming down from the north Spur Road and connecting to the road coming up from the South from Pats Lake Road. |

| | State ID | State Designation | Total VUU (selectable acres) in Parcel | Wrangell 2/12/2010 selected acreage | Wrangell 2/19/2010 selected acreage | Description | Future Growth Map Designation(s) | BOROUGH COMMENTS |
|---|---|---|---|---|---|---|---|---|
| 3 | W10 | Gu | 3,061 | 700 | 535 | **Eastern end of Pat's Lake Road adjacent to W-08** | Industrial | |
| | | | | | | Part of a larger parcel that stretches east to west across Wrangell Island, on either side of Pat's Creek Road. Recommended selection is at the eastern end of Pat's Creek Road. This area has water access and is on the island road network, on the colder side of the island, and close to a power source (Tyee Intertie). It is a potential site for a regional solid waste or other industrial uses that need water and road access, power and are remote a more densely populated area. Also isolated pockets of commercial grade timber here. Borough owns tidelands. | | |
| 4 | W27 | Gu | 659 | 659 | 659 | **Uplands at end of Zimovia Hwy, South of Pats Lake on Wrangell Island** | Rural Residential | |
| | | | | | | Located on the eastern side of Wrangell Island, south of the Pat's Lake and north of McCormacks Creek. This area is on the Wrangell Road System and would is one of the only areas along Zimovia Highway that is suitable for rural residential development. | | |
| 5 | W14 | Gu, S, Ha | 3,555 | 1,130 | 1,130 | **Coastal Area and Uplands Northwest of Thoms Place** | Remote Residential and Resource Development with Scenic Viewshed | |
| | | | | | | This area is north of Thoms Place on Wrangell Island. This area has a range of potential uses. The coastline, northwest of the existing residential lots would be appropriate for remote residential development. The area to the northeast of this has high timber values and could be selected by the Borough for commercial timber harvest. The parcel the Borough is selecting will transfer to the University if not selected by the Borough. | | |

| | State ID | State Designation | Total VUU (selectable acres) in Parcel | Wrangell 2/12/2010 selected acreage | Wrangell 2/19/2010 selected acreage | Description | Future Growth Map Designation(s) | BOROUGH COMMENTS |
|---|---|---|---|---|---|---|---|---|
| 6 | W15 | Gu, Ru | 450 | 450 | 450 | **Snake Creek at Olive Cove** | | |
| | | | | | | This parcel is located on the east side of Etolin Island south of Anita Bay and is located on a flat coastal plain vegetated, in part by hemlock and spruce forest. An existing residential subdivision is to the north. The Snake River and its watershed is especially important to Olive Cove property owners as well as to those who utilize the cove's commercial salmon and crab fisheries. It is a healthy anadromous stream and the surrounding watershed is important habitat for salmon, steelhead and migratory birds, supplies nutrients that sustain the cove's commercial, sport and subsistence fish and crab harvests, and is used by local residents for recreation and subsistence hunting and fishing. The parcel will be transferred to the University if it is not selected by the Borough. | Parks, Recreation or Open Space; Resource Development with Scenic Protection | |
| 7 | W21 | Gu | 2,778 | 2,778 | 667 | **Bradfield River Floodplain and Adjacent Uplands** | | |
| | | | | | | This parcel occupies the broad floodplain of the Bradfield River. Large portions are covered by wetlands especially in the western part of the parcel. Portions for the parcel are occupied by structures related to the Tyee Hydroelectric facility, including an airstrip and seaplane float/dock. There is the possibility of an inter-island road through parts of the parcel, design to link the central southeast with Canada. This parcel has the potential for the development of facilities to support the existing hyrdoelectrical facility, the proposed intertie or the transportation corridor. The Borough's selection focuses on the road and electrical intertie corridor. | Industrial; Important Habitat/Special Areas | We are proposing to reduce our selection by 25%, reducing the potential road/electrical port development opportunities for the borough should Bradfield Road be constructed. The reduction is because DNR has objected to losing state timberlands that affects their calculation of the sustained yield and for the proposed State Forest. This area is one of the key future economic development opportunities for the borough and the area has been important to Borough residents for more than 60 years. |
| 8 | W20 | Gu | 574 | 574 | 330 | **South Shore of Upper Bradfield Canal** | | |
| | | | | | | This area covers the steeply sloping land rising out of the southeastern side of the head of Bradfield Canal. Most of the area has very steep slopes covered in hemlock and spruce forests. Much of the forested area is considered commercial quality. The area is located near the Tyee Lake Electrical facility and has potential to be developed for industrial uses related to the proposed electrical intertie and road corridor. The Borough's selection focuses on a port that would be tied to other area development (road etc). | Industrial | This area is very important for Port Development for the Bradfield Road |

| | State ID | State Designation | Total VUU (selectable acres) in Parcel | Wrangell 2/12/2010 selected acreage | Wrangell 2/19/2010 selected acreage | Description | Future Growth Map Designation(s) | BOROUGH COMMENTS |
|---|---|---|---|---|---|---|---|---|
| 9 | W12 | Gu | 3,564 | 3,564 | 845 | **Earl West Cove** | | |
| | | | | | | Earl Cove West is located along the eastern shore of Wrangell Island. The parcel has road access and contains a river floodplain and steep valley walls on both sides. Some previous timber sales have taken place and a log transfer facility provides water access. There is a campsite and the area is a popular recreation site for locals. The parcel will be transferred to the University if it is not selected by the Borough. Borough selection is for further development of the recreational facilities, possible small port facility, areas along shore for remote residential properties, possible rock source, and some commercial timber harvest. | Remote Residential; Waterfront Development; Parks, Recreation or Open Space; Resource Development with Scenic Protection; Impt Habitat | The acreage has been reduced further based on DNR's objection to reducing the amount of acreage that UA will receive from this parcel after our selection. However this area is heavily used by the community, has road access with potential for recreation, settlement, commercial uses. |
| 10 | W-02 | Gu, S | 1,679 | 839 | 520 | **St Johns Harbor, Zarembo Island** | | |
| | | | | | | State timber sales; residential subdivision opportunities. Wrangell is selecting 1/3 the total acreage, and is interested in partnering with the State to develop a remote residential subdivision and sell land. | Remote Residential | We reduced the acreage amount further because DNR has objected to losing state timberlands that affects their calculation of the sustained yield. There is interest in providing remote settlement opportunities, potential commercial services, support areas for area mining activities and small timber areas. |
| | W-23 | Ru | 752 | | 75 | **McHenry Anchorage:** For remote recreational use, or potential remote commercial recreational opportunities and commercial mariculture support activities in the area. | | For remote recreational use, or potential remote commercial recreational opportunities and commercial mariculture support activities in the area. |
| | W-07 | Gu, Ru, Pr | 976 | | 130 | **Mill Creek south GU:** For recreational uses and potential commercial recreational uses. | | For recreational uses and potential commercial recreational uses. |
| | | | | 13,663 | 6,506 | | | |

# FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB273
() Publish Date:

Identifier (file name): HB273-DNR-TAD-02-08-2010
Dept. Affected: Natural Resources
Title: Municipal General Grant Land
RDU: Resourse Development
Component: Title Acquisition and Defense
Sponsor: Rep. P. Wilson
Requester: Community and Regional Affairs
Component Number: 2459

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2010) cost:** 0.0

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

DNR anticipates no need for additional funding under this proposed legislation. Processing is done as part of existing program funding.

Prepared by: Dick Mylius, Director — Phone 269-8600
Division: Mining, Land and Water — Date/Time February 8, 2010
Approved by: Tom Irwin, Commissioner — Date February 8, 2010
Natural Resources

# HOUSE BILL NO. 273

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY REPRESENTATIVE PEGGY WILSON**

**Introduced: 1/19/10**
**Referred: Community and Regional Affairs, Finance**

## A BILL

## FOR AN ACT ENTITLED

**"An Act relating to general grant land entitlements for the City and Borough of Wrangell; and providing for an effective date."**

57%

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

*** Section 1.** AS 29.65.010(a) is amended to read:

(a) The general grant land entitlement of each of the municipalities in this subsection is the amount set out opposite each:

(1) Municipality of Anchorage - 44,893 acres;

(2) City and Borough of Juneau - 19,584 acres;

(3) City and Borough of Sitka - 10,500 acres;

(4) Bristol Bay Borough - 2,898 acres;

(5) Fairbanks North Star Borough - 112,000 acres;

(6) Haines Borough - 2,800 acres;

(7) Kenai Peninsula Borough - 155,780 acres;

(8) Ketchikan Gateway Borough - 11,593 acres;

10% of value for Borough

Bills previously heard

Mayor McConachie
- History of developing timber sales
- Waste disposal site

(9) Kodiak Island Borough - 56,500 acres;

(10) Lake and Peninsula Borough - 125,000 acres;

(11) Matanuska-Susitna Borough - 355,210 acres;

(12) North Slope Borough - 89,850 acres;

(13) City and Borough of Yakutat - 21,500 acres;

**(14) City and Borough of Wrangell - 18,675 acres.**

*** Sec. 2.** AS 29.65.040(c) is amended to read:

(c) Land may be selected or nominated for selection by a municipality to satisfy a general grant land entitlement under former AS 29.18.201 and 29.18.202 at any time before October 1, 1980. Land may be selected or nominated for selection by a municipality to satisfy a general grant land entitlement under AS 29.65.010(a)(1) - (9), (11), or (12) at any time before October 1, 1990. Land may be selected or nominated for selection by a municipality to satisfy a general grant land entitlement under AS 29.65.010(a)(10) at any time before October 1, 1996. Land may be selected or nominated for selection by a municipality to satisfy a general grant land entitlement under AS 29.65.010(a)(13) at any time before October 1, 1999. **Land may be selected or nominated for selection by a municipality to satisfy a general grant land entitlement under AS 29.65.010(a)(14) at any time before October 1, 2011.** However, if a municipal selection or nomination or a part of a municipal selection or nomination is rejected by the director, the municipality may, not later than 90 days after receipt of the rejection or final decision on an appeal filed under AS 29.65.050(d), select additional state land as necessary to satisfy its entitlement.

*** Sec. 3.** AS 29.65.050(c) is amended to read:

(c) The director shall approve or disapprove each selection for patent within nine months of its selection by a municipality. Before a decision is issued, the Department of Commerce, Community, and Economic Development shall review the selection and recommend approval or disapproval of it. The director may disapprove a selection only upon a finding that the public interest in retaining state ownership of the land outweighs the municipality's interest in obtaining the land. If the director determines that the public interest in land selected in satisfaction of an entitlement under AS 29.65.010(a)(13) **or (14)** can be adequately protected by issuing a patent that

is subject to stipulations, conditions, or covenants, and if the municipality agrees to accept the land subject to those stipulations, conditions, or covenants, the director may approve a selection that would otherwise be disapproved and may issue the patent with the stipulations, conditions, or covenants agreed to by the municipality. A patent shall be issued to the municipality for land selected in satisfaction of a general grant land entitlement vested under AS 29.65.010 - 29.65.030 within three months after approval by the director of a plat of survey.

* **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).

# STATE OF ALASKA

**DEPARTMENT OF NATURAL RESOURCES**

***DIVISION OF MINING, LAND AND WATER***

*RESOURCE ASSESSMENT & DEVELOPMENT SECTION*

***SEAN PARNELL, GOVERNOR***

550 WEST 7TH AVENUE, SUITE 1050
ANCHORAGE, ALASKA 99501-3579
PHONE: (907) 269-8534
FAX: (907) 269-8915

December 10, 2009

The Honorable Donald McConachie
Mayor of City and Borough of Wrangell
P.O. Box 531
Wrangell, AK 99929

Re: Certificate of Entitlement

Dear Mayor McConachie,

In response to your letter dated October 19, 2009 requesting an expedited entitlement certification for the City and Borough of Wrangell pursuant to AS 29.65.030, please find enclosed the Department decision, included with a map and table. The municipal entitlement to the newly certified City and Borough of Wrangell has been reduced by the previous land conveyed to the City of Wrangell.

The city may appeal this decision in accordance with 11 AAC 02. Any appeal must be received by December 29, 2009, and may be mailed or delivered to Tom Irwin, Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr_appeals@alaska.gov. If no appeal is filed by that date, this decision then goes into effect on January 11, 2010. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

If you have any questions concerning this action, you may contact Sandra Swanger-Jensen, Municipal Entitlement Manager at (907) 269-8526.

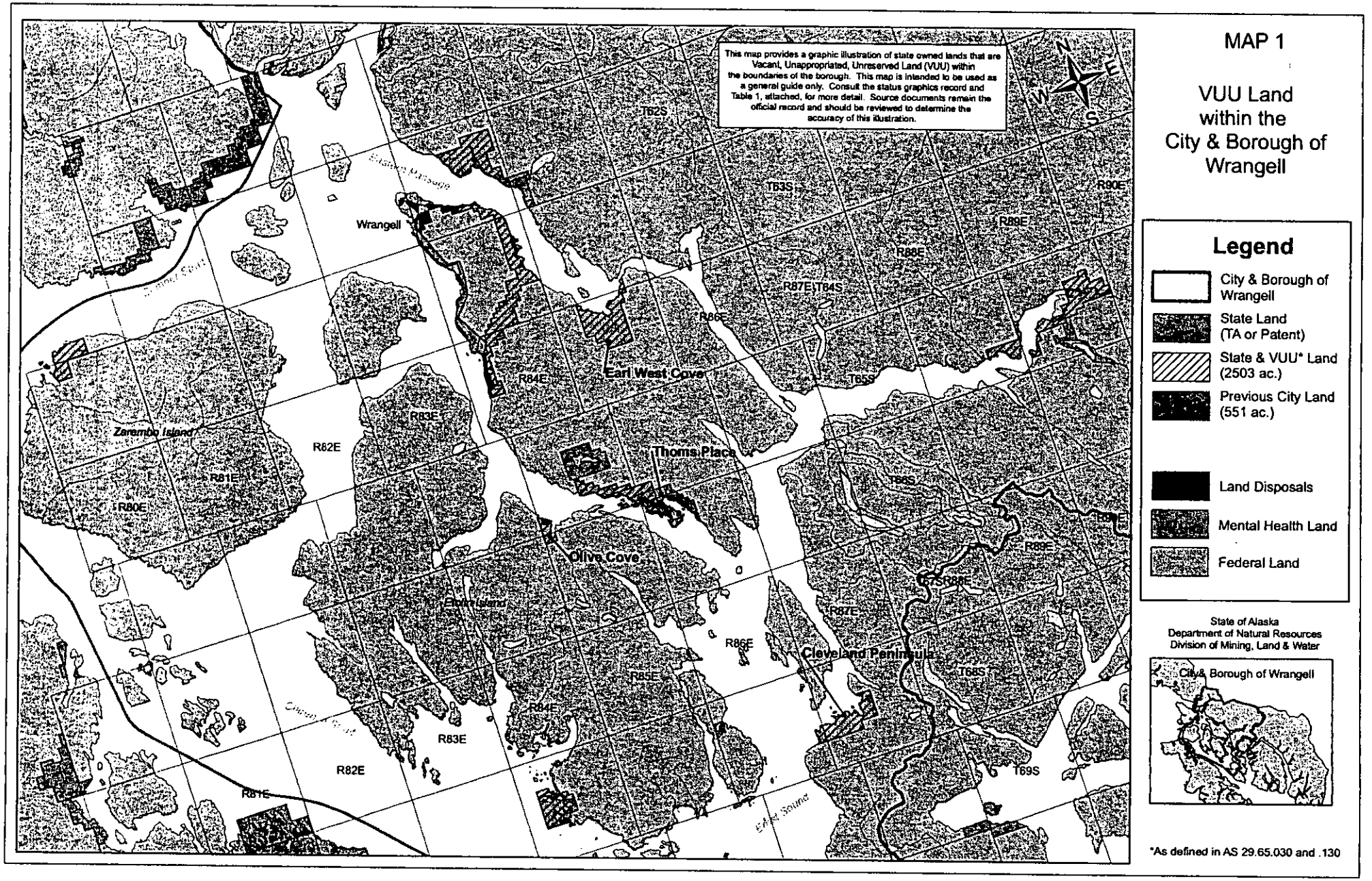
Sincerely,

Bruce Phelps, Section Chief
Resource, Assessment & Development Section

Enclosure: Dept. decision, map & table

Cc: Tim Rooney, Borough Manager
Carol Rushmore, Zoning Administrator/Planning
David Kelley, Southeast Region Office/Juneau
Mike Curran, Regional Office/Ketchikan
John "Chris" Maisch, Div. of Forestry/Fairbanks

*"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans."*


This map provides a graphic illustration of state owned lands that are Vacant, Unappropriated, Unreserved Land (VUU) within the boundaries of the borough. This map is intended to be used as a general guide only. Consult the status graphics record and Table 1, attached, for more detail. Source documents remain the official record and should be reviewed to determine the accuracy of this illustration.
MAP 1
VUU Land within the City & Borough of Wrangell
Legend
City & Borough of Wrangell
State Land (TA or Patent)
State & VUU* Land (2503 ac.)
Previous City Land (551 ac.)
Land Disposals
Mental Health Land
Federal Land
State of Alaska
Department of Natural Resources
Division of Mining, Land & Water
City & Borough of Wrangell
*As defined in AS 29.65.030 and .130
Wrangell
Zarembo Island
Earl West Cove
Thoms Place
Olive Cove
Cleveland Peninsula
T62S
T63S
T64S
T65S
T66S
T67S
T68S
T69S
R80E
R81E
R82E
R83E
R84E
R85E
R86E
R87E
R88E
R89E
R90E

# TABLE 1

*State Land Determined to be VUU: City & Borough of Wrangell*

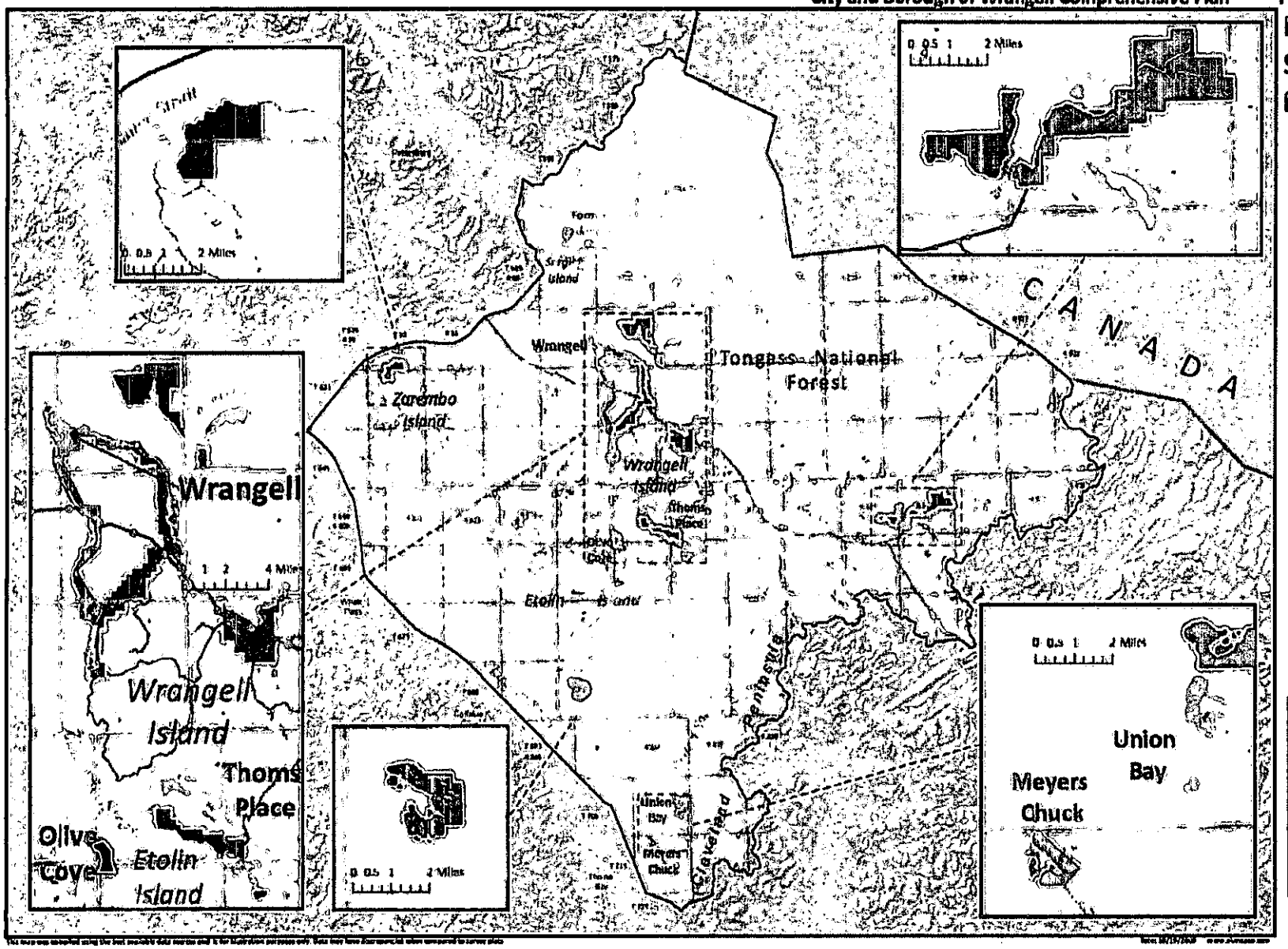
| MTRS | Legal | Section Acreage |
|---|---|---|
| **C062S080E** | | |
| | Sec. 31 | 11.220 |
| | Sec. 32: lots 1, 2, 3 | 142.280 |
| | Sec. 33 | 502.420 |
| | Sec. 34: lot 1 | 444.340 |
| **C063S080E** | | |
| | Sec. 4: lot 1 | 320.000 |
| | Sec. 5: lots 1, 2, 3 | 258.960 |
| **C068S084E** | | |
| | Sec. 8: SW4SE4, S2SW4 | 1.000 |
| | Sec. 16: SW4NE4, S2NW4, S2 | 260.000 |
| | Sec. 17 | 120.000 |
| | Sec. 20 | 105.000 |
| | Sec. 21: N2, N2SW4, SW4SW4 | 266.000 |
| **C065S089E** | | |
| | Tract A | 830.830 |
| **C065S090E** | | |
| | Tract K | 136.930 |
| | Tract L | 2.480 |
| | Tracts A, B, C, D, E, F, G, I, J | 1211.800 |
| | Tract H (portion) | 1320.713 |
| | Tract H (portion) | 587.210 |
| **C068S086E** | | |
| | Tracts A, B, C | 253.650 |
| **C068S087E** | | |
| | Tracts A, B, C, D, E, F, G, H | 2271.460 |
| **C063S085E** | | |
| | Sec. 35: lots 1, 2, 3, 4 | 78.780 |
| **C064S085E** | | |
| | Sec. 2: lots 1, 2, NE4NW4, NW4SW4 | 148.840 |
| | Sec. 3: lots 1, 2, 3, 4, 5, 6, 7, SE4 | 288.170 |
| | Sec. 4: lots 1, 2, 3, 4, 5, 6, SW4SW4 | 145.750 |
| | Sec. 5: lots 1, 2, 3, SE4 | 227.430 |
| | Sec. 8: E2 | 320.000 |
| | Sec. 9: lot 1, NW4NE4, S2NE4, W2, SE4 | 634.390 |
| | Sec. 10: lots 1, 2, 3, 4, NE4, SE4NW4, S2 | 601.180 |
| | Sec. 15 | 640.000 |
| | Sec. 16: N2, SE4 | 480.000 |
| **C062S085E** | | |
| | Sec. 31: lots 3, 4, E2SE4 | 148.570 |

| MTRS | Legal | Section Acreage |
|---|---|---|
| C062S084E | | |
| | Sec. 9: lots 1, 2, E2SE4 | 150.150 |
| | Sec. 10: S2 | 320.000 |
| | Sec. 11: lots 1, 2, 3, 4, N2, W2SW4, E2SE4 | 627.760 |
| | Sec. 12: W2E2, W2 | 480.000 |
| | Sec. 13: NW4NE4, NE4NW4, W2W2 | 240.000 |
| | Sec. 14: lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, E2E2, W2NW4 | 520.610 |
| | Sec. 15: lots 1, 2, N2, E2SW4, SE4 | 615.150 |
| | Sec. 16: lots 1, 2 | 69.510 |
| | Sec. 22: lots 1, 2, 3 | 40.980 |
| | Sec. 23: lots 1, 2, 3, NE4NE4 | 85.560 |
| | Sec. 24: lots 1, 2, SW4NE4, W2NW4, SE4NW4, NE4SW4, W2SE4 | 329.350 |
| | Sec. 25: lots 1, 2, NE4NE4 | 90.710 |
| | Sec. 25: lot 3 (diff pat than above) | 45.870 |
| | Sec. 27: lots 1 (portion), 2 (portion), 3 (portion), 4 (portion), SW4SW4 | 107.981 |
| | Sec. 27: Tract C of lot 2 | 0.443 |
| | Sec. 28: tract B of SE4 | 54.780 |
| | Sec. 28: tract A of lot 3 | 0.396 |
| | Sec.34: lots 1, 2 (portion), NW4NE4, SE4NE4, NE4SE4 | 148.860 |
| | Sec. 35: lots 1 (portion), 2, 3, 4, N2SW4, SW4SE4 | 255.200 |
| C063S084E | | |
| | Sec. 1: lots 1, 2, 3, 4 | 53.130 |
| | Sec. 2: lot 1, NW4NE4, S2NE4, SE4 | 319.850 |
| | Sec. 11: E2 | 320.000 |
| | Sec. 12: lots 1 (portion), 2 (portion), 5 (portion), SW4SW4 | 59.996 |
| | Sec. 12: tract E of lot 3 and 4, tract F of lot 6 | 55.910 |
| | Sec. 13: lots 1 (portion), 2 (portion), 3 (portion), 4 (portion), W2SW4 (portion) | 127.567 |
| | Sec. 14: NE4 (portion), SE4 | 316.370 |
| | Sec.23: E2NE4, S2 | 400.000 |
| | Sec.24: lots 1 (portion), 2, 3, 4, 5, W2NW4 (portion), SW4, SW4SE4 | 378.530 |
| | Sec. 26: NW4NE4, NW4, N2SW4, SW4SW4 | 320.000 |
| | Sec. 27: SE4NE4, NE4SW4, S2SW4, SE4 | 320.000 |
| | Sec. 33: NE4NE4, S2NE4, NE4SW4, S2SW4, SE4 | 400.000 |
| | Sec. 34 | 640.000 |
| C064S084E | | |
| | Sec. 4: NE4, NW4, N2SW4 | 400.000 |
| | Sec. 5: lots 1, 2, 3, NE4NE4, SE4SE4 | 166.940 |
| | Sec. 5: lots 4, 5 | 33.600 |
| | Sec. 8: lots 1 (portion), 2 (portion), 3, 5 (portion), 6 (portion), NE4NE4, SW4NE4 (portions), W2SE4 | 208.870 |
| | Sec. 17: W2NE4, E2NW4 (portion), E2SW4 (portion), W2SE4 (portion), SE4SE4 | 229.630 |
| | Sec. 20: lots 1 (portion), 2 (portion), E2NW4 (portion), NE4 | 255.730 |

| MTRS | Legal | Section Acreage |
|---|---|---|
| C065S085E | | |
| | Sec. 21: E2SE4 | 80.000 |
| | Sec. 22: SW4 | 160.000 |
| | Sec. 25: S2SW4, SW4SE4 | 120.000 |
| | Sec. 26: lot 1, N2SW4, SE4SW4, SE4 | 319.930 |
| | Sec. 27: lots 1, 2, 3, 4, 5, W2NE4, SE4NE4, NW4 | 369.180 |
| | Sec. 28: lot 1, NE4NE4 | 74.200 |
| | tract 37 | 1.710 |
| | Sec. 35: lots 1, 2, 3, 4, 5 | 26.670 |
| | Sec. 35: lots 6, 7, 8, 9 | 79.860 |
| | Sec. 36: lots 1, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19 | 60.900 |
| | Sec. 36: lots 3, 17, NE4SE4 (pat'd) | 120.140 |
| | Sec. 36: lots 2, 20, 21, NE4, NE4NW4 (TA'd) | 262.620 |
| | Sec. 31: lots 2, 3, 4 (portion), 5 (portion), 6, 7, 8, SE4NW4 (portion), NE4SW4 | 259.974 |
| C066S085E | | |
| | Sec. 1: lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 | 11.660 |
| | Sec. 6: lots 1, 2, 3, 4, 5 | 181.770 |
| C065S086E | | |
| | Sec. 31: lots 4, 5, NE4, E2NW4 | 306.570 |
| | Sec. 31: lots 1 (portion), 2 (portion), 3 (portion), NE4SW4 (portion), SE4 (portion) | 236.360 |
| | Sec. 31: Tracts A, B, D of lots 1, 2, 3 | 9.591 |
| C066S086E | | |
| | Sec. 5: portions of lots 7 (tract A), 19 (tract A), 20 (tract A) | 10.564 |
| | Sec. 6: lots 3, 4, 7, 8, 9, 10, 11, 12 (portion), 13, 14, 15, 16, 18, NW4SE4 (tract A), 27 (tract A), 30 (tract A), 31 (tract A) | 11.853 |
| | Sec. 6: lots 1, 2 (portion), 17 (portion), 19 (portion), 20, 21, 22, 23, 24, 25, 26, 27 (portion), 28 (portion), 29, 31 (portion) | 198.610 |
| | Sec. 7: lots 1 (portion), 2, 3 | 3.830 |
| | Sec. 8: lots 3 (portion), 4, 5, 6, 7 (portion), 8, 9, 10, 11, 12, 13, NW4SE4 | 171.980 |
| | Sec. 9: lot 6 (portion) | 8.510 |
| | | 25035.318 |

City and Borough of Wrangell Comprehensive Plan

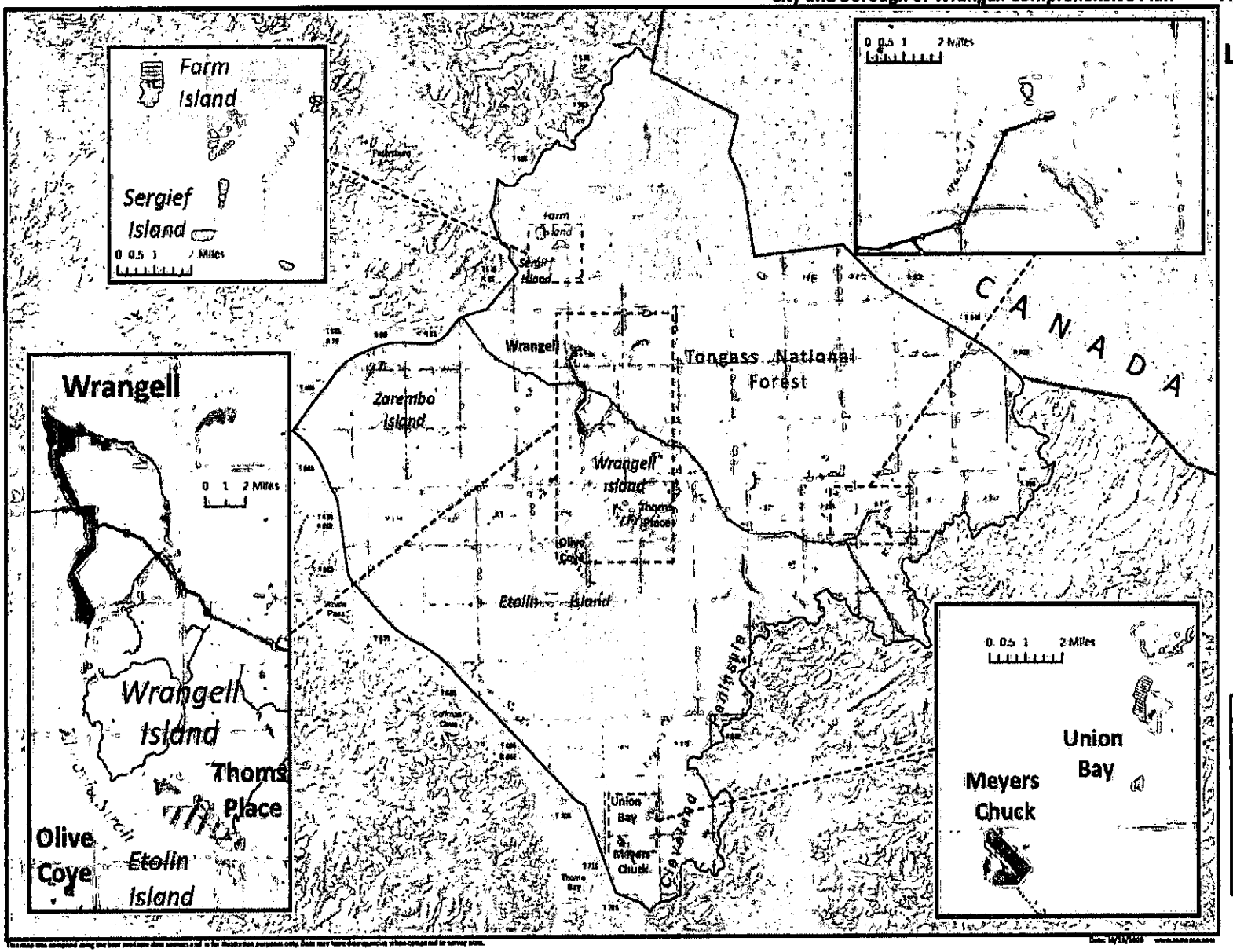
Figure:




## Municipal Selection Map

- Lands Eligible for Municipal Selection
- Federal - Tongass Nat'l Forest
- Federal - Tongass Wilderness Area
- State of Alaska
- Alaska Mental Health Trust
- City and Borough of Wrangell
- Private
- Existing Powerline

Figure


Farm Island
Sergief Island
0 0.5 1 2 Miles
Wrangell
0 1 2 Miles
Wrangell Island
Thoms Place
Olive Cove
Etolin Island
Zarembo Island
Tongass National Forest
CANADA
0 0.5 1 2 Miles
Union Bay
Meyers Chuck
Land Status
Federal - Tongass Nat'l Forest
Federal - Tongass Wilderness Area
State of Alaska
State Selected
Alaska Mental Health Trust
City and Borough of Wrangell
Private
Existing Powerline
0 Miles 15
Alaska
CANADA
Gulf of Alaska
City and Borough of Wrangell

# Yakutat Borough Gains 1,000's of Acres

# under Mackie's Legislation

For Immediate Release: April 22, 1998 Contact: Senator Jerry Mackie at (907) 465-4925 .

**Juneau** – In keeping with the state's established policy to assist the formation and operation of local governments with generous grants of state land, the Senate Wednesday unanimously voted to increase the Yakutat Borough's land grant entitlement to 8,500 acres.

"Adding 8,500 acres of state land to the Yakutat borough will empower the borough to provide the kinds of services that municipalities are expected to provide," said Senator Jerry Mackie (D-Craig), sponsor of Senate Bill 281. "This additional acreage will go a long way in helping this community."

When the Yakutat borough was formed in 1992, it was granted only 138 acres. This was based on a formula that calculates the land entitlement by taking 10% of vacant, unappropriated, and unreserved (VUU) state lands calculated as a part of the borough's boundary.

Last year, the Local Boundary Commission approved an annexation to the new borough which contains a substantial amount of state "VUU" lands. Had the annexed area been included in the original borough formation, the municipal land entitlement would amount to 33,000 acres.

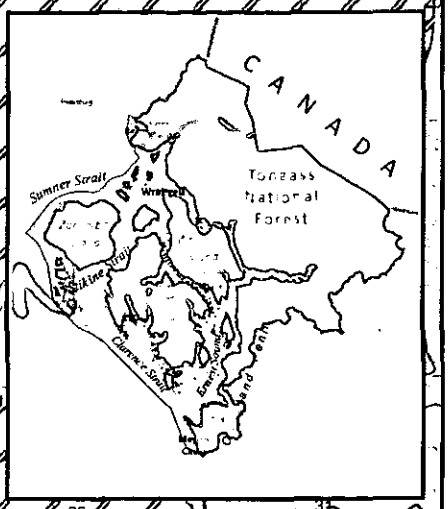
"This bill corrects an obvious inequity in the land entitlement to the Yakutat borough," said Mackie.

# Borough Entitlement Statistics

| Borough | Sq. Miles of Land in Borough (does not include water) | Acres Land in Borough | Acres of Entitlement | Percent of Total Land in Borough Received as Entitlement |
|---|---|---|---|---|
| 1. Municipality of Anchorage | 1,697 | 1,086,080 | 44,893 | 4.13% |
| 2. Fairbanks North Star Borough | 7,361 | 4,711,040 | 112,000 | 2.38% |
| 3. Matanuska Susitna Borough | 24,682 | 15,796,480 | 355,210 | 2.25% |
| 4. Kenai Peninsula Borough | 16,013 | 10,248,320 | 155,780 | 1.52% |
| 5. Kodiak Island Borough | 6,560 | 4,198,400 | 56,500 | 1.35% |
| 6. City and Borough of Juneau | 2,717 | 1,738,880 | 19,584 | 1.13% |
| 7. Bristol Bay Borough | 505 | 323,200 | 2,898 | 0.90% |
| 8. Lake and Peninsula Borough | 23,782 | 15,220,480 | 125,000 | 0.82% |
| 9. Denali Borough | 12,750 | 8,160,000 | 49,000 | 0.60% |
| 10. City and Borough of Sitka | 2,874 | 1,839,360 | 10,500 | 0.57% |
| 11. City and Borough of Yakutat | 7,650 | 4,896,000 | 21,500 | 0.44% 50281 |
| 12. Ketchikan Gateway Borough | 4,899 | 3,135,360 | 11,593 | 0.37% |
| 13. Haines Borough | 2,344 | 1,500,160 | 2,800 | 0.19% |
| 14. Aleutians East Borough | 6,988 | 4,472,320 | 7,633 | 0.17% |
| 15. North Slope Borough | 88,817 | 56,842,880 | 89,850 | 0.16% |
| | | | AVERAGE 1.13% | |
| City and Borough of Wrangell | 2,582 | 1,652,480 | 2503.5 | 0.15% |
| | | | | |

44,000 acres total (state land)

Information supplied to City and Borough of Wrangell by Sheinberg Assoc. 204 N. Franklin St., Juneau, AK 99801




Residential

Figure

## Earl West Cove Future Growth Map

- Residential
- Remote Residential
- Commercial
- Public and Community Facilities
- Industrial/Light Industrial
- Waterfront Development
- Resource Development with Scenic Protection
- Important Habitat/ Special Areas
- Recreation, Parks or Open Space
- Wilderness
- Gravel, High Clearance Vehicles Only

0 1,250 2,500 5,000 Feet

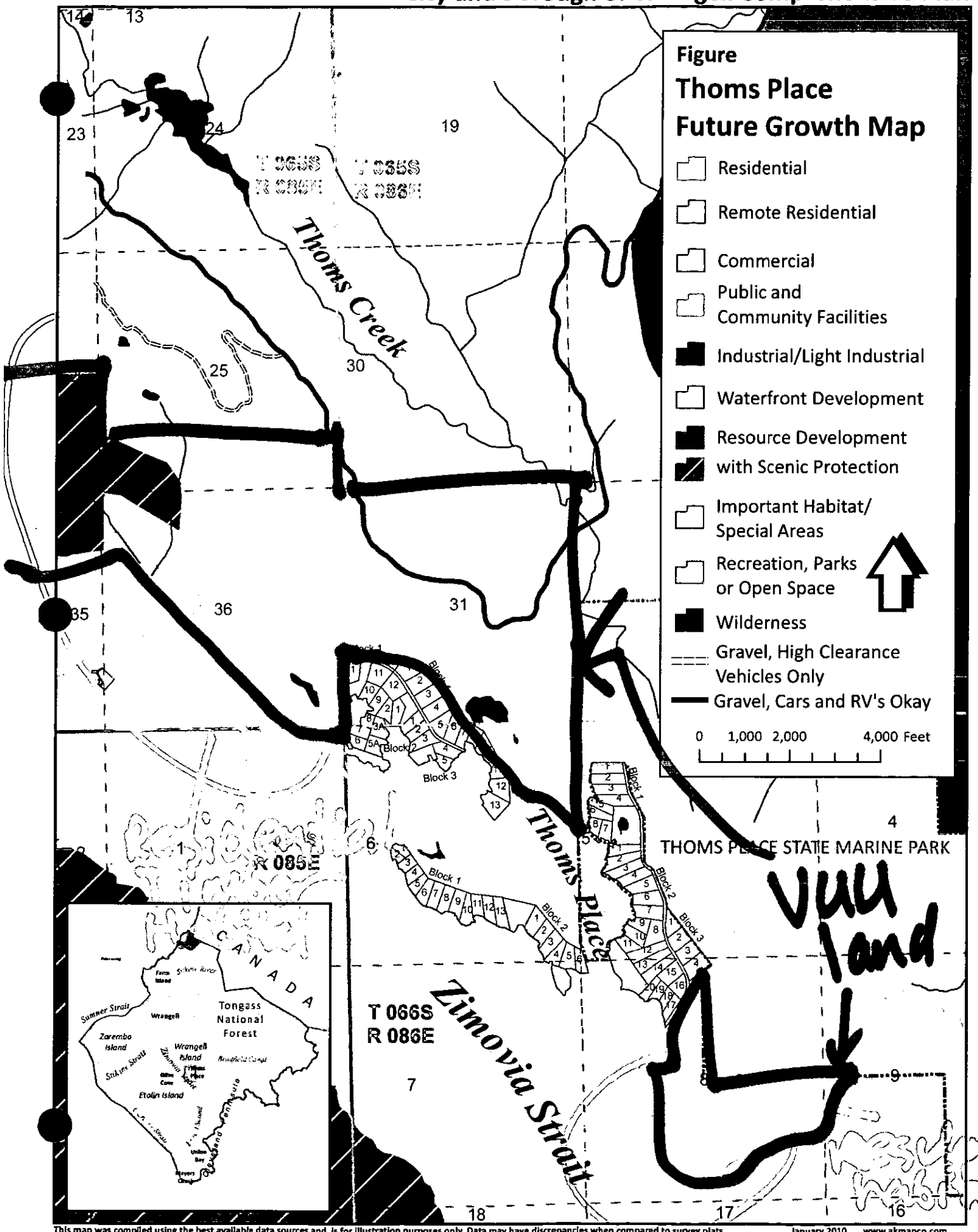
g

This map was compiled using the best available data sources and is for illustration purposes only. Data may have discrepancies when compared to survey plats. January 2010 www.akmapco.com



Timber harvest

DRAFT


Figure
Thoms Place
Future Growth Map
Residential
Remote Residential
Commercial
Public and Community Facilities
Industrial/Light Industrial
Waterfront Development
Resource Development with Scenic Protection
Important Habitat/ Special Areas
Recreation, Parks or Open Space
Wilderness
Gravel, High Clearance Vehicles Only
Gravel, Cars and RV's Okay
0 1,000 2,000 4,000 Feet
Thoms Creek
Thoms Place
Zimovia Strait
THOMS PLACE STATE MARINE PARK
T 066S R 085E
T 066S R 086E
CANADA
Tongass National Forest
Wrangell
Wrangell Island
Zarembo Island
Etolin Island
Sumner Strait
Stikine River
Block 1
Block 2
Block 3
Block 4
Block 5
Block 6
Block 7
Block 8
Block 9
Block 10
Block 11
Block 12
Block 13
Block 14
Block 15
Block 16
Block 17
Block 18
Block 19
Block 20
Block

26-LS1292\A.1
Cook
2/24/10

# AMENDMENT

OFFERED IN THE HOUSE

TO: HB 273

Page 2, line 6:

Delete "**18,675**"

Insert "**6,506**"

1,952
10% land grant
VUU lands



1904

# ALASKA DEPARTMENT OF NATURAL RESOURCES
# DIVISION OF MINING, LAND, AND WATER

## DIRECTOR'S DECISION
## LAND ENTITLEMENT CERTIFICATION UNDER AS 29.65.030
## CITY AND BOROUGH OF WRANGELL

**Action:** On May 30, 2008, the Alaska Department of Commerce, Community, and Economic Development (DCCED) certified the incorporation of the City and Borough of Wrangell, as a unified home rule borough, concurrently dissolving the City of Wrangell. All rights, powers, duties, assets, and liabilities of the former city were immediately succeeded to the City and Borough of Wrangell under the provisions of AS 29.06.450(c) and 29.06.520.

In accordance with AS 29.65.030 the borough is entitled to 10 percent of the maximum total acreage of vacant, unappropriated, unreserved (VUU) state general grant land within the boundaries between the date of incorporation and two years thereafter unless requested on an expedited basis by resolution.

On October 22, 2009, a certified copy of a resolution was received from the City and Borough of Wrangell requesting an expedited certification of their land entitlement. The Director of Mining, Land and Water is required to certify the borough's entitlement within six months of this action. This decision is in response to the request and constitutes the Determination of Municipal Entitlement Acreage for the City and Borough of Wrangell.

**Authority:** This certification is authorized pursuant to AS 29.65.030. Authority to execute this certification has been delegated to the Chief of Resource Assessment and Development Section within the Division of Mining, Land, and Water.

**Area of Application:** The area of application is coterminous with the Certificate of Incorporation certified on May 30, 2008.

**Administrative Record:** Department of Natural Resources certification case file ADL 104904 for the City and Borough of Wrangell comprises the administrative record used for the basis of this certification.

**Requirements of AS 29.65.030:** AS 29.65.030 provides that municipalities incorporated after July 1, 1978, are entitled to a "general grant land" entitlement that is no less than 10 percent of the maximum total acreage of VUU lands within the municipal boundaries that existed between the date of its incorporation and two years thereafter. The definition of "general grant land" and "VUU land" is defined under AS 29.65.130 as follows:

> *"General Grant Land"* is land that has been patented or tentatively approved to the state from the United States under Section 6(a) or (b) of the Alaska Statehood Act.
>
> *"Vacant, Unappropriated, Unreserved Land"* is general grant land as defined above excluding minerals as required by Section 6(i) of the Alaska Statehood Act that has not been set aside by statute for one or more particular uses or purposes such as legislatively designated areas for refuges. In addition, the land must be unclassified or, if classified under AS 38.05.300, is classified for agricultural, grazing, material, public recreation, settlement or was classified no earlier that September 1, 1983 as resource management that is still classified as resource management under AS 38.05.300.

State land within the following townships or portions of townships have been identified as meeting the criteria established above and have been used in determining the borough's entitlement as illustrated on MAP 1 (VUU Land within the City & Borough of Wrangell) and TABLE 1 (State Land Determined to be VUU-City & Borough of Wrangell). Land use classifications have been derived from the Central-Southern Southeast Area Plan.

| MTR | Acres |
|---|---|
| T062, S080E, CRM | 1,100.26 |
| T063, S080E, CRM | 578.96 |
| T068, S084E, CRM | 752.00 |
| T065, S089E, CRM | 830.83 |
| T065, S090E, CRM | 3,259.13 |
| T068, S086E, CRM | 253.65 |
| T068, S087E, CRM | 2,271.46 |
| T063, S085E, CRM | 78.78 |
| T064, S085E, CRM | 3,485.76 |
| T062, S085E, CRM | 148.57 |
| T062, S084E, CRM | 4,183.31 |
| T063, S084E, CRM | 3,711.35 |
| T064, S084E, CRM | 1,294.77 |
| T065, S085E, CRM | 1,935.18 |
| T066, S085E, CRM | 193.43 |
| T065, S086E, CRM | 552.52 |
| T066, S086E, CRM | 405.35 |

Total VUU Area = 25,035 acres, more or less.
10% of the Total VUU Area = 2,503.5 acres.

**Inclusion of Former City of Wrangell Acreage.** Under AS 29.06.459(c)," a municipality succeeding to a dissolved municipality succeeds to all rights, powers, duties, assets, and liabilities." Acreage provided to the former municipality is counted against the acreage provided to the new municipality. DNR certified the City's entitlement as 551 acres (DNR appeal response dated December 15, 1988).

**Determination of Entitlement Acreage.** The amount of acreage that the borough is entitled to under AS 29.65.030 is determined to be 1,952.5 (2,503.5 - 551).

**Finding and Decision:** Pursuant to 29.65.030 and AS 29.65.130, there are 25,035 acres of state land that exist within the corporate limits of the municipality of which 10% may be conveyed to a municipality, equivalent to 2503.5 acres, which must be reduced by the amount of land conveyed (551 acres) previously conveyed to the City of Wrangell. The City and Borough of Wrangell's municipal entitlement is, therefore, 1,952.5 acres.

The finding presented above has been reviewed and been found to be complete and accurate. The casefile has been found to be complete and the requirements of all applicable statutes have been satisfied. It is my finding that the municipal entitlement of the City and Borough of Wrangell is 1,952.5 acres.

Bruce Phelps, Chief
Resource Assessment and Development Section

12/10/09
Date

**Appeal Provision:** A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received by December 29, 2009 and may be mailed or delivered to Tom Irwin, Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr.appeals@alaska.gov . If no appeal is filed by that date, this decision then goes into effect on January 11, 2010. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

26-LS1185\M.11
Bullock
3/23/10

**AMENDMENT** #2 Gara Hawker

OFFERED IN THE HOUSE

TO: CSHB 280(FIN)

Page 9, line 31:

Delete "$15,000,000"

Insert "the lesser of $15,000,000 or 25 percent of the costs incurred to establish the gas storage facility"



1908

# [redacted] HOUSE COMMITTEE REP[redacted]

(7)
**Date Referred to Committee: January 19, 2010** **FURTHER REFERRALS: Finance**

**Date of Committee Action:** 2.25.10

**The COMMUNITY AND REGIONAL AFFAIRS Committee considered:** **HB 273**

**HOUSE BILL NO. 273**
**"An Act relating to general grant land entitlements for the City and Borough of Wrangell; and providing for an effective date."**

**HB 273-MUNICIPAL GENERAL GRANT LAND**

**Recommends it be replaced with [ ] HCS *or* [X] CS *for*** HB 273 (CRA)
***For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR*** _____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____ Committee
[ ] Letter of Intent _____ Committee

*List of Abbrev for Depts.:*
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

| List by Dept(s): | *FN# | Fiscal | Indet. | Zero |
|---|---|---|---|---|
| DNR | | | | X |
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***PREVIOUS* FISCAL NOTES**

| List by Dept(s): | FN# | Fiscal | Indet. | Zero |
|---|---|---|---|---|
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| Signing with recommendations | Printed Last Name | DP | DNP | NR | AM |
|---|---|---|---|---|---|
| Berta Gardner | Gardner | X | | | |
| Wes Keller | Keller | X | | | |
| | Harris | X | | | |
| | Cissna | X | | | |
| | | | | | |
| | | | | | |
| Chair: Cathy Munoz | Muñoz | X | | | |
| Chair: Peter A. Herron | Herron | | | X | |

1909

# Borough Entitlement Statistics

| Borough | Sq. Miles of Land in Borough (does not include water) | Acres Land in Borough | Acres of Entitlement | Percent of Total Land in Borough Received as Entitlement |
|---|---|---|---|---|
| 1. Municipality of Anchorage | 1,697 | 1,086,080 | 44,893 | 4.13% |
| 2. Fairbanks North Star Borough | 7,361 | 4,711,040 | 112,000 | 2.38% |
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| 6. City and Borough of Juneau | 2,717 | 1,738,880 | 19,584 | 1.13% |
| 7. Bristol Bay Borough | 505 | 323,200 | 2,898 | 0.90% |
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| 9. Denali Borough | 12,750 | 8,160,000 | 49,000 | 0.60% |
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| 13. Haines Borough | 2,344 | 1,500,160 | 2,800 | 0.19% |
| 14. Aleutians East Borough | 6,988 | 4,472,320 | 7,633 | 0.17% |
| 15. North Slope Borough | 88,817 | 56,842,880 | 89,850 | 0.16% |
| | | | AVERAGE 1.13% | |
| City and Borough of Wrangell | 2,582 | 1,652,480 | 2503.5 | 0.15% |
| | | | | |

Information supplied to City and Borough of Wrangell by Sheinberg Assoc. 204 N. Franklin St., Juneau, AK 99801

# HB 276

# ALASKA STATE LEGISLATURE

*Interim:*
P.O. Box 109
Wrangell, AK 99929
*Phone:* (907) 874-3088
*Fax:* (907) 874-3055

*Session:*
State Capitol, Room 406
Juneau, AK 99801-1182
*Phone:* (907) 465-3824
1-800-686-3824
*Fax:* (907) 465-3175

REPRESENTATIVE PEGGY WILSON
HOUSE DISTRICT 2

## SPONSOR STATEMENT
## House Bill 276
**"An Act amending the description of parcels within the Fort Rousseau Causeway State Historical Park; and providing for an effective date."**

The description of the Fort Rousseau Park boundary in the legislation forming the park inadvertently included uplands, tidelands, and water immediately adjacent to the Sitka Rocky Gutierrez Airport. The parcel in question must remain part of the airport to allow the state to meet airport safety and security responsibilities.

This bill will correct the boundary by excluding all property within 1,100 feet of the runway centerline from the park. The uplands that will be retained within the airport are an area next to the runway, where a number of critical navigational aids and communications equipment are located, and a short adjacent section of the causeway.

If the property boundary is not corrected, the state could be precluded from management actions that are essential to airport operations such as restricting access to the property, precluding activities that are unsafe, or constructing additional facilities that become necessary. This would place the state in an untenable position as the airport owner and operator.

Finally, the Federal Aviation Administration requires that the state demonstrate adequate property interest in any airport for which it accepts Airport Improvement Program (AIP) grant funds. This program provides 95% of the funding for capital improvements that are made at our airports—Sitka has received over $32 million dollars in AIP grants since 1982. Failure to comply with the AIP grant assurances regarding control over airport property can result in the FAA's withholding additional grants.

26-LS0826\E
Bullock
2/1/10

**CS FOR HOUSE BILL NO. 276( )**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY**

**Offered:**
**Referred:**

**Sponsor(s): REPRESENTATIVE PEGGY WILSON**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act amending the description of parcels within the Fort Rousseau Causeway State Historical Park; and providing for an effective date."**

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

*** Section 1.** AS 41.21.191 is amended to read:

**Sec. 41.21.191. Fort Rousseau Causeway State Historical Park established.** **Except for upland, shoreland, tideland, and water overlying the land lying northeasterly of a line running parallel to and 1100 feet offset southwesterly from the runway centerline of the Sitka Airport, the** [THE] upland, shoreland, tideland, and water overlying the land owned or acquired by the state within the following described parcels are established as the Fort Rousseau Causeway State Historical Park:

Township 56 South, Range 63 East, Copper River Meridian, described as:

The following lots located within United States Survey 3926:

Section 2: That portion of Lot 86 within Section 2

That portion of Lot 86A within Section 2

That portion of Lot 90 within Section 2
Lot 91
Lot 92
Section 3: E1/2SE1/4NW1/4NE1/4NW1/4
E1/2NE1/4SW1/4NE1/4NW1/4
NW1/4SE1/4NE1/4NW1/4
SW1/4NE1/4NE1/4NW1/4
Lot 74
Lot 75
Lot 75A
Lot 76
That portion of Lot 77 within Section 3
Lot 78
Lot 78A
Lot 79
Lot 80
Lot 80A
Lot 81
Lot 81A
Lot 82
Lot 82A
That portion of Lot 83 within Section 3
Lot 84
Lot 84A
Lot 85
Lot 85A
That portion of Lot 86 within Section 3
That portion of Lot 86A within Section 3
Lot 87
Lot 88
Lot 89

That portion of Lot 90 within Section 3

Section 4: That portion of Lot 77 within Section 4

That portion of Lot 83 within Section 4.

*** Sec. 2.** This Act takes effect immediately under AS 01.10.070(c).

# FISCAL NOTE

**STATE OF ALASKA**
**2010 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version:
() Publish Date:

Identifier (file name): HB276-DOT&PF-CO-1-28-10
Dept. Affected: DOT&P
Title: Fort Rousseau Causeway Park
RDU: Admin and Support Services
Component: Commissioner's Office
Sponsor: Rep. Wilson
Requester: H. CRA
Component Number: 530

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |
| **FUND SOURCE** | | (Thousands of Dollars) | | | | | |
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2010) cost:**

| **POSITIONS** | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

There is no fiscal impact to the Department by the passage of this bill

Prepared by: Mary Siroky, Legislative Liaison
Phone 465-4772
Division: DOT&PF, Commissioner's Office
Date/Time 1/28/10 4:30pm
Approved by: Frank Richards
Date 1/28/2010
Deputy Commissioner, DOT&PF

(Revised 11/6/2009 OMB)

# ALASKA STATE LEGISLATURE

*Interim*:
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*Fax*: (907) 465-3175

REPRESENTATIVE PEGGY WILSON
HOUSE DISTRICT 2

## Fact Sheet
## House Bill 276
**"An Act amending the description of parcels within the Fort Rousseau Causeway State Historical Park; and providing for an effective date."**

---

**Why is this bill necessary?**

The description of the Fort Rousseau Park boundary in the legislation forming the park inadvertently included uplands, tidelands, and water immediately adjacent to the Sitka Rocky Gutierrez Airport. The parcel in question must remain part of the airport to allow the state to meet airport safety and security responsibilities.

**What will the effect be on the Fort Rousseau Park if the bill becomes law?**

The exclusion of the property that needs to remain part of the airport will not have a significant effect on the Park. The parcel includes uplands that are immediately adjacent to the runway and a small section of causeway that is already separated from the remaining causeway and islands by a security fence. Access to the area is restricted for safety and security purposes so it does not contribute to the park in any practical way.

**Will the public's access to Fort Rousseau Park be impaired because of the boundary change?**

No. The Park is not accessed through or across the airport, so the exclusion of this property has no effect on public access to the Park.

**If access to the property is already restricted, why does the Park boundary have to be corrected?**

Although access to the area is restricted, its inclusion within the Park boundary creates ambiguity concerning the management of the area. The FAA's insistence on airport sponsors having adequate property interest is intended, in part, to eliminate any ambiguity that might result in actions or activities that are detrimental to aviation safety.

**How might the inclusion of this property within the Park boundary be detrimental to aviation safety?**

The property in question is immediately adjacent to the runway and an area where electronic navigation aids and other essential equipment are located. This equipment has to be protected from intentional or inadvertent disruption that may result from seemingly innocuous activities. Additional equipment may become necessary in the future as aviation

technology changes, and its installation could be hampered by the inclusion of the property in the Park.
Additionally, the airport's unconditional control of the property is necessary to protect the close-in airspace against potentially hazardous activities or structures.

**What would the effect be to the airport if this bill is not enacted?**

If the property is not excluded from the Park, the FAA may determine that the state is violating its Sponsor Grant Assurances relating to Right of Way requirements. This could endanger future funding for airport projects. In the event that a non-standard or hazardous situation developed that could not be corrected because of the Park designation, it is also possible that the airport would be subject to corrective action under the requirements of its Federal Aviation Regulations Part 139 operating certificate which is a prerequisite for Alaska Airlines and other air carrier operations.

U.S. Department
of Transportation

**Federal Aviation
Administration**

Alaskan Region Airports Division
222 W. 7th Avenue, Box 14
Anchorage, Alaska 99513-7587

JAN 29 2010

Gary L. Davis
Regional Director, Southeast Region
Department of Transportation and Public Facilities
6860 Glacier Hwy
Juneau, AK 99811

Sitka Rocky Guiterrez Airport Property Boundary

Dear Mr. Davis,

Thank you for your recent inquiry regarding the Sitka Airport and the Fort Rousseau Park boundary. As owner and operator of the Sitka Rocky Gutierrez Airport, the State of Alaska Department of Transportation and Public Facilities (DOTPF) must retain adequate land interest sufficient to protect lands needed for aviation and airport uses to be in compliance with airport operational requirements and DOTPF's obligations as a recipient of FAA Airport Improvement Program grant funds.

The existing Airport Layout Plan approved by the Federal Aviation Administration (FAA) depicts lands needed for Airport purposes. During the Environmental Impact Statement for the Sitka Rocky Gutierrez Airport completed September 28, 2009, the FAA reaffirmed that the boundary depicted on the Sitka Airport Layout Plan is needed to ensure control of lands necessary for airport and aviation uses and public safety.

The Airport property boundary depicted on the Sitka Airport Layout Plan is 1100' from runway centerline. Some of the lands immediately adjacent to the Airport, within the Airport property boundary were included in the description of the Fort Rousseau Park boundary in the legislation forming the park. A number of critical navigational aids and communications equipment are located are located on the lands.



1919

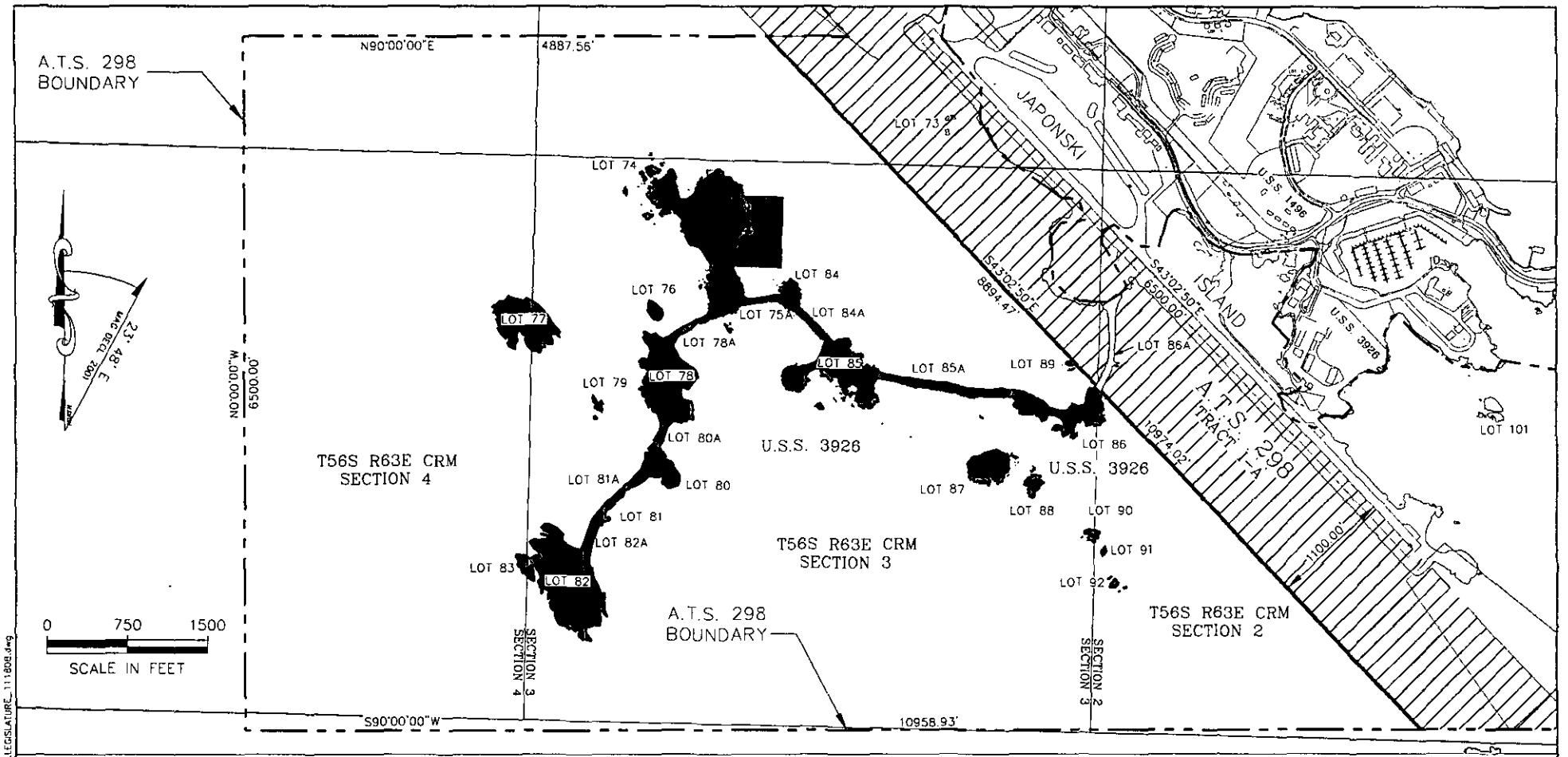
The FAA believes that the lands depicted on the attached Figure prepared by DOTPF showing the overlap between the Airport property boundary and the Fort Rousseau Park boundary are needed to satisfy DOTPF's obligations to maintain control of lands needed for airport and aviation purposes.

Sincerely,

James W. Lomen, P.E.
Deputy Division Manager

Attachment:
Sitka Airport – Fort Rousseau Boundary Overlap

Cc:
Verne Skagerberg
Transportation Planner, SE region DOTPF




SITKA – FORT ROUSSEAU CAUSEWAY STATE HISTORICAL PARK &

SITKA AIRPORT BOUNDARY OVERLAP

LEGEND

AIRPORT/STATE PARK OVERLAP – 6.5± Ac.

SITKA AIRPORT

FORT ROUSSEAU CAUSEWAY STATE HISTORICAL PARK

JANUARY 26, 2010

O:\Re\AIRPORTS\Sitka Airport\Property Plan\EXHIBIT_LEGISLATURE_111808.dwg

(1)
**Date Referred to Committee: January 19, 2010** **FURTHER REFERRALS:**

**Date of Committee Action:** 2.2.10

**The COMMUNITY AND REGIONAL AFFAIRS Committee considered:** **HB 276**

**HOUSE BILL NO. 276**
**"An Act amending the description of parcels within the Fort Rousseau Causeway State Historical Park; and providing for an effective date."**

**HB 276 FORT ROUSSEAU CAUSEWAY HIST PARK**

**Recommends it be replaced with [ ] HCS *or* [X] CS *for* HB 276 (CRA)**
***For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____*** **[X] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] of Intent_____Committee

| ***NEW*** **FISCAL NOTES** *Assigned by Chief Clerk's Office | | | | |
|---|---|---|---|---|
| List by Dept(s): | *FN# | Fiscal | Indet. | Zero |
| DOT | | | | X |
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| ***PREVIOUS*** **FISCAL NOTES** | | | | |
|---|---|---|---|---|
| List by Dept(s): | FN# | Fiscal | Indet. | Zero |
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| **Signing with recommendations** | **Printed Last Name** | **DP** | **DNP** | **NR** | **AM** |
|---|---|---|---|---|---|
| | Wes Keller | X | | | |
| | Gardner | | | X | |
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| | | | | | |
| Chair: | HERRON | | | X | |
| Chair: | Muñoz | X | | | |

# HB

# 281

# Representative Charisse Millett

Session
State Capitol Building, Room 412
Juneau, AK 99801
Phone (907) 465-3879
Fax (907) 465-2069

Interim
Anchorage LIO
716 W 4th Ave., Room 630
Anchorage, AK 99501
Phone (907) 269-0222
Fax (907) 269-0223

## Sponsor Statement: House Bill 281

With Alaska's highly populated urban areas, and the increase in wildlife - bears in particular - coming into the area, there is an opportunity and a responsibility in front of applicable agencies to focus on the problem. It has become an even more disturbing problem with the recent mauling incidents documented from Anchorage to Kenai during the summers of 2008 and 2009.

The habits of the bears have changed since Anchorage has urbanized. The increase of people and therefore trash has changed how and what the bears eat. From going through trash cans to walking through garages, bears are no longer scared of people and will use whatever force necessary to get to food.

The bill has been created to make a change in ADF&G's policy for managing the abundance of wildlife in urban areas for public safety. House Bill 281 amends Alaska Department of Fish and Game's mission statement to make public safety the number one priority in a municipality with a population of more than 100,000. It also allows the Anchorage Police Department the authority to take an animal when it poses as a threat to people.

Contact: Genevieve Wojtusik
465-3879

# FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 281
() Publish Date:

Identifier (file name): HB281-DFG-BDS-02-01-10
Dept. Affected: Fish & Game
Title: An Act relating to the duties of the commissioner of Fish and Game...
RDU: Administration and Support
Component: F&G Boards & Advisory Committees
Sponsor: Rep.Millett, et al.
Requester: House Community & Regional Affairs Committee
Component Number: 2825

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | 2.2 | | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 |
| Travel | 2.9 | | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 |
| Contractual | 2.0 | | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **7.1** | **0.0** | **7.1** | **7.1** | **7.1** | **7.1** | **7.1** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | 7.1 | | 7.1 | 7.1 | 7.1 | 7.1 | 7.1 |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **7.1** | **0.0** | **7.1** | **7.1** | **7.1** | **7.1** | **7.1** |

**Estimate of any current year (FY2010) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This legislation would cause the Board of Game to meet one extra day at the Spring Board of Game Meeting. Personal services includes Board Member honorium and employees over time costs. Travel includes lodging and per diem for board members and staff. Contractual includes meeting space rental.

Prepared by: Kristy Tibbles, Executive Director — Phone 465-6098
Division: Boards Support Section — Date/Time 1/29/10 10:30 AM
Approved by: Tom Lawson, Director — Date 2/1/2010
Division of Administrative Services, Department of Fish & Game

(Revised 11/6/2009 OMB)

# FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 281
() Publish Date:

Identifier (file name): HB281-DFG-WLF-02-01-10
Dept. Affected: Fish & Game
Title: An Act relating to the duties of the commissioner of Fish and Game...
RDU: Wildlife Conservation
Component: Wildlife Conservation
Sponsor: Rep. Millett, et al.
Requester: House Community & Regional Affairs Committee
Component Number: 473

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | 37.0 | | 37.0 | 37.0 | 37.0 | 37.0 | 37.0 |
| Travel | | | | | | | |
| Contractual | 60.0 | | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **97.0** | **0.0** | **47.0** | **47.0** | **47.0** | **47.0** | **47.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |
| **FUND SOURCE** | | (Thousands of Dollars) | | | | | |
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | 97.0 | | 47.0 | 47.0 | 47.0 | 47.0 | 47.0 |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **97.0** | **0.0** | **47.0** | **47.0** | **47.0** | **47.0** | **47.0** |

**Estimate of any current year (FY2010) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | 2 | | 2 | 2 | 2 | 2 | 2 |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This legislation will have a fiscal impact on the Wildlife Conservation division as currently the division's interaction with game carcasses is minimal and the legislation will mandate that the department pick up carcasses within the municipality of Anchorage. Two new seasonal Fish and Wildlife Technician III positions will canvas the municipality to collect carcasses of game taken by police departments. A dedicated vehicle and trailer capable of loading moose (maybe more than one) would need to be purchased, but a one time cost of 50.0 goes away in FY12.

Prepared by: Doug Larsen, Director — Phone 465-4190
Division: Wildlife Conservation — Date/Time 2/1/10 10:00 AM
Approved by: Tom Lawson, Director — Date 2/1/2010
Division of Administrative Services, Department of Fish and Game

(Revised 11/6/2009 OMB)

# FISCAL NOTE

**STATE OF ALASKA**
**2010 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version: HB 281
() Publish Date:

Identifier (file name): HB 281-DPS-AWT-02-01-10
Dept. Affected: DPS
Title: BOARD OF GAME/FISH & GAME
RDU: AST (160)
Component: AWT
Sponsor: Rep. Millett
Requester: Commuinity & Regional Affairs Committee
Component Number: 2746

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CAPITAL EXPENDITURES | | | | | | | |
| CHANGE IN REVENUES ( ) | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

**Estimate of any current year (FY2010) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This bill amends AS 16.05.050 adding new section that allows for the taking of game resources to ensure public safety has priority over other management purposes in a municipality with a population over 100,000.

If this legislation becomes law it will have no fiscal impact on the Department of Public Safety.

Prepared by: Colonel Gary Folger
Phone 907-269-5509
Division: Alaska Wildlife Troopers
Date/Time 02/01/10 @ 1230 hours
Approved by: Joe Masters
Date 2/1/2010
Commissioner

(Revised 11/6/2009 OMB)

2000-2008
-3 bears in my yard

26-LS1194\R

**HOUSE BILL NO. 281**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY REPRESENTATIVES MILLETT, Hawker, Thomas, Faircloughs, Olson, Harris, Johnson**

**Introduced: 1/19/10**
**Referred: Community and Regional Affairs, Resources**

Attractants to Bears
->Moose calves
->Stocked streams

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act relating to the duties of the commissioner of fish and game and to the interest of the Board of Game in public safety as it relates to game."**

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

*** Section 1.** AS 16.05.050 is amended by adding a new paragraph to read:

(20) to remove a game carcass when notified that game has been taken by the police department of a municipality under AS 16.05.255(d)(2).

*** Sec. 2.** AS 16.05.255(d) is amended to read:

(d) Regulations adopted under (a) of this section must provide that, consistent with the provisions of

(1) AS 16.05.258, the taking of moose, deer, elk, and caribou by residents for personal or family consumption has preference over taking by nonresidents; **and**

**(2) (a)(11) of this section, the taking of game resources to ensure public safety has priority over other management purposes in a municipality of**

predators

Now ADFG manages for abundance

800-1000 animal issues



the state with a population of more than 100,000; to carry out the provisions of this paragraph, the board shall authorize the police department of the municipality to take game when the taking serves to protect human life from immediate harm from the game.

Unconstitutionality

- raises Constitutional ?s

clarity/authority

other shu

Anchorage Municipality

Bears are not managed for abundance in urban areas —

↑ litigation

Municipality
- MOA
- Urban Bear Staff
Dep. of

ADFG Tangible ideas for solutions

affects Fbks. and Mat-Su

# Representative Charisse Millett

Session
State Capitol Building, Room 412
Juneau, AK 99801
Phone (907) 465-3879
Fax (907) 465-2069

Interim
Anchorage LIO
716 W 4th Ave., Room 630
Anchorage, AK 99501
Phone (907) 269-0222
Fax (907) 269-0223

## Sponsor Statement: House Bill 281

With Alaska's highly populated urban areas, and the increase in wildlife - bears in particular - coming into the area, there is an opportunity and a responsibility in front of applicable agencies to focus on the problem. It has become an even more disturbing problem with the recent mauling incidents documented from Anchorage to Kenai during the summers of 2008 and 2009.

The habits of the bears have changed since Anchorage has urbanized. The increase of people and therefore trash has changed how and what the bears eat. From going through trash cans to walking through garages, bears are no longer scared of people and will use whatever force necessary to get to food.

The bill has been created to make a change in ADF&G's policy for managing the abundance of wildlife in urban areas for public safety. House Bill 281 amends Alaska Department of Fish and Game's mission statement to make public safety the number one priority in a municipality with a population of more than 100,000. It also allows the Anchorage Police Department the authority to take an animal when it poses as a threat to people.

Contact: Genevieve Wojtusik
465-3879

2 F/G officers

Anchorage only

Public Safety 1st

Emergency only
= Municipal responsibility

Waste Mgt.

Anchorage Assembly

1930

26-LS1194\R.1
Kane
3/26/10

# AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVE MILLETT

TO: HB 281

Page 1, line 2:

Delete "**game**"

Insert "**predators**"

Page 1, line 5:

Delete "remove a game carcass when notified that game"

Insert "provide for the removal of a predator carcass when notified that a predator"

Page 1, line 13:

Delete "**game resources**"

Insert "**predators**"

Page 2, line 3:

Delete "**game**"

Insert "**a predator**"

Page 2, line 4:

Delete "**game**"

Insert "**predator**"

**Anchorage Police Department employees Association**

Phone (907) 561-7500
500 W International Airport RD Anchorage
P.O. Box 230330
Alaska 99523

February 1, 2010

Representative Millett,

My name is Sergeant Derek Hsieh and I am the President of the Anchorage Police Department Employees Association (APDEA). I have been a police officer for fifteen years and represent over 500 employees at the Anchorage Police Department. Collectively, we are dedicated to public safety and determined to make Alaska a better place. I would like to express my support for House Bill 281 on behalf of the APDEA membership.

Having been a resident of the Hillside area in Anchorage since the 1970's, I have first-hand experience with bears being a recurring problem in urban areas. As a law enforcement official, I share numerous experiences with fellow officers where we have been called to neighborhoods and trails to deal with animal problems and the threat they pose to our citizens.

While serving as a police canine handler, I had the unique experience of dealing with a "serial cereal burglar" who was breaking into homes, sometimes occupied, in the Anchorage area to eat breakfast cereal. Managing a bear inside an occupied home is always a challenging experience, and whatever anxiety I had was exceeded by the anxiety of my K9, "R.C." On another occasion, I recall responding with other patrol officers to a report of a bear chasing kids in Halloween costumes. These anecdotes are examples of the scores of animal problems that the APD responds to annually. These problems include moose, bears and other wildlife.

In all cases where there is an immediate threat to public safety, officers are trained to manage the situation decisively. The APD has been effective in using air-horns, sirens, strobe lights, pepper spray, bean bags in addition to deadly force in dealing with problem animals. Police officers are specifically trained in using specialized force tools in urban settings.

HB281 helps clarify that ADF&G's first priority is public safety and gives the APD the authority to take a bear if it is a known human threat. There is no reason not to pass this legislation.

Thank you,

Derek Hsieh
President
Anchorage Police Department Employee's Association

## Yuhas, Jennifer S (DFG)

**From:** Gladziszewski, Maria (DFG)
**Sent:** Monday, February 01, 2010 4:26 PM
**To:** Yuhas, Jennifer S (DFG)
**Cc:** Sinnott, Rick J (DFG); Larsen, Douglas N (DFG)
**Subject:** RE: mauling #s request
**Attachments:** image001.gif

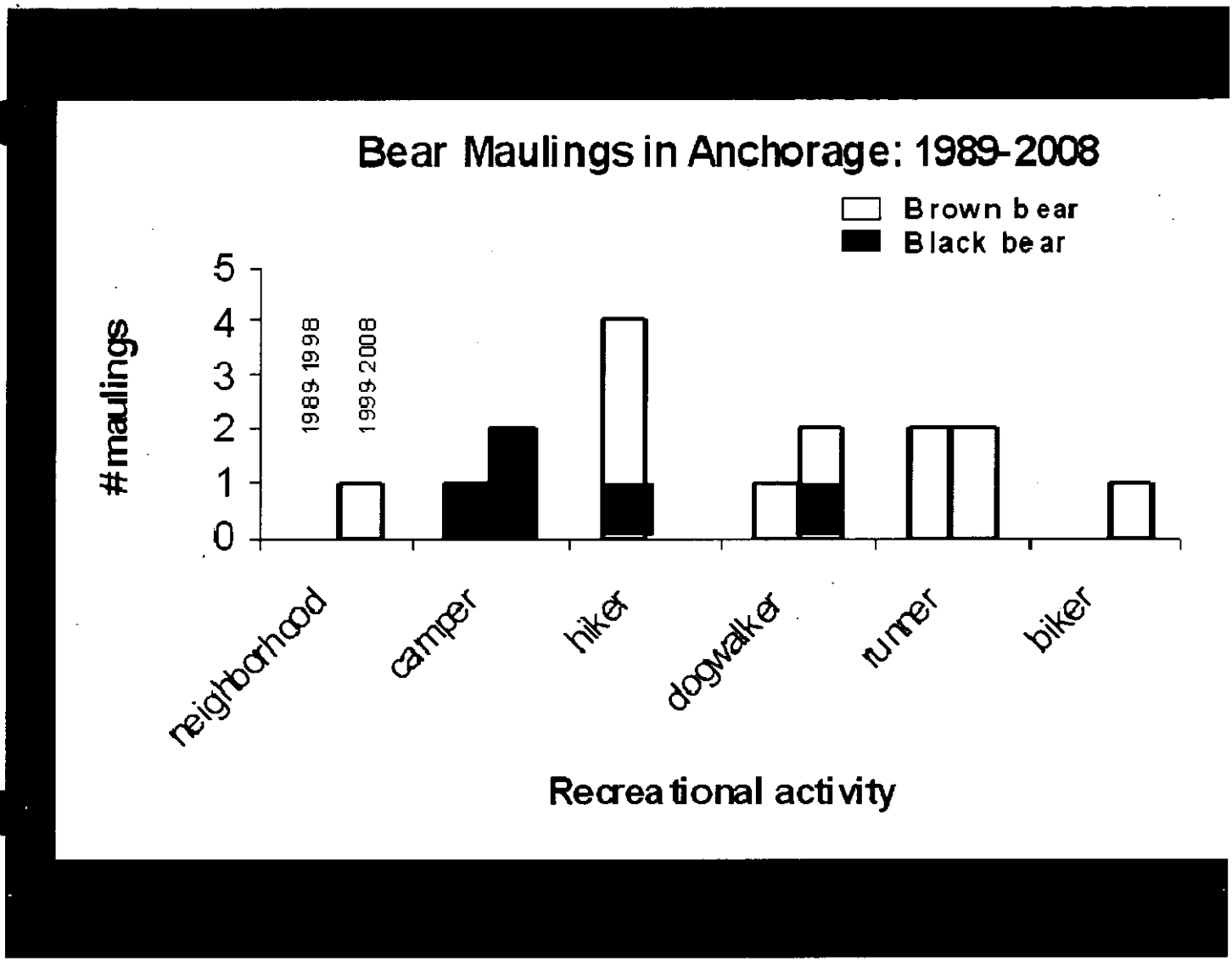
Jennifer:

Of the 16 maulings in the last 20 years, most resulted in minor scratches/bruises/punctures. The serious injuries include 2 runners killed by a brown bear in 1995 in a wilderness area of Chugach State Park (several miles from the McHugh Creek trailhead); and a runner and a biker seriously injured by a brown bear in the summer of 2008.

| Bear Maulings in Anchorage: 1989-2008 | | | | |
|---|---|---|---|---|
| Activity/ Location | 1989-1998 | | 1999-2008 | |
| | Brown Bear | Black Bear | Brown Bear | Black Bear |
| Neighborhood | | | 1 | |
| Camper | | 1 | | 2 |
| Biker | 3 | 1 | | |
| Dog Walker | 1 | | 1 | 1 |
| Runner | 2 | | 2 | |
| Biker | | | 1 | |
| TOTAL | 6 | 2 | 5 | 3 |



1933




---

**From:** Yuhas, Jennifer S (DFG)
**Sent:** Monday, February 01, 2010 1:16 PM
**To:** Wojtusik, Genevieve (LAA)
**Cc:** Gladziszewski, Maria (DFG)
**Subject:** mauling #s request

Hi there Gen,

Maria G. just routed the request to me that your office initiated with our Douglas office today regarding urban maulings. We're asking for those numbers, but are running into the issue that all our staff who work on this are at the Board of Game (BOG) meeting in Anchorage today. Those meetings are scheduled pretty far in advance, but staff do their best to check in to the office in between their testimony etc. We're not sure though if we'll be able to get the answer on this short of notice with the BOG meeting.

I'm always here to save you time by routing legislative requests to the most knowledgeable person in our department for you so you don't have to hen-peck through the staff list and take a wrong turn – just part of what I do here to try to make your life easier!

Take care,

*Jennifer Yuhas*

*Legislative & Communications Director,*
*Alaska Department of Fish & Game*
**(907) 465-6137 Juneau**
**(907) 388-7951 Mobile**

http://www.adfg.state.ak.us

# HB281: BOARD OF GAME/FISH & GAME COMMISSIONER

2 February 2010

House Committee on Community & Regional Affairs

Jennifer Yuhas, Legislative Liaison – ADF&G
jennifer.yuhas@alaska.gov

**We can all agree that public safety is a forefront concern. The language proposed in HB281 however poses many more questions than it answers.**

## Section 1

**Mandates ADF&G removal of any animal carcass "taken" by a police department of a municipality.**

1.) **ADF&G removal of animal carcasses is currently allowable.**
   - The commissioner is authorized under AS 16.05.050(a)(5) "to take, capture, propagate, transport, buy, sell, or exchange fish or game or eggs for propagating, scientific, **public safety**, or stocking purposes".
   - Further, under 5 AAC 92.410(b), game taken in defense of life or property is the property of the state. A person taking game in defense of life or property must immediately notify the department and salvage and surrender the animal.
   - The department of public safety maintains a list of people or organizations eligible to salvage edible meat, and the department of fish and game ensures that bears and other wildlife are removed and salvaged, if possible. The Anchorage Police Department (APD) calls state trooper dispatch or the local area biologist for assistance in removing large game carcasses.

2.) **Mandating the removal of carcasses by ADF&G excludes existing partners and incurs unnecessary expenses to the state.**

## Section 2

**Elevates public safety above all other management purposes for municipalities with populations greater than 100,000, and mandates Board of Game authorization of municipal police departments to "take" game to protect human life.**

1.) **Management purpose priority:**
   - Game is currently managed distinctly to the specific needs of each of the 26 identified Game Management Units through the Board of Game process following several opportunities for public input.
   - Public safety is currently taken into consideration when managing game in highly populated areas. *(public safety is always a priority regardless of the size of the human population of the community. For example, ADFG annually issues dozens of Public Safety Permits for the harassment or lethal removal of birds and mammals near airports in small communities throughout the State.)*
   - This language is in direct conflict with The Alaska State Constitution's mandate to manage wildlife on a sustained yield principal. (Article 8 Section 4)

- Some public confusion exists regarding the department's Constitutional mandate to manage on a "sustained yield principal" versus "managing for abundance."
- The proposed language fails to recognize that department does not manage for abundance of predators or dangerous game in urban areas.

- Subsistence is currently recognized as the highest management priority statewide.
- Subsistence is defined as "customary and traditional" uses
- This language would require a drastic reduction in Anchorage's moose population in order to reduce auto collisions and other human conflicts.
  - This, in turn, would directly conflict with the intensive management law (AS 16.05.255(e)-(g)) and with one of the statutory purposes for Chugach State Park ("public display of wildlife" –AS 41.21.121).
  - Also most of the regulations for, at least, potentially harmful game species in GMU 14C would have to be substantially changed, and many of the most popular hunts would be eliminated as ADF&G would arguably be required to manage for minimally viable populations to meet both its sustained yield obligations and comply with the public safety mandate.
  - Many Anchorage and Mat-Su residents have vocalized a desire for higher moose populations.
-

**2.) Population reference:**

- Currently only Anchorage and Fairbanks are listed as having populations of 100,000 or more. Mat-Su is close behind however.
- Again, game is currently managed distinctly to the specific needs of each of the 26 identified Game Management Units through the Board of Game process following several opportunities for public input.
- Public safety is currently taken into consideration when managing game in highly populated areas.
- Opens a much larger argument regarding urban and rural populations:
  - Should Anchorage and Fairbanks be afforded a higher degree of public safety than residents in other jurisdictions where human life is threatened?
    - black bears in Juneau and Ketchikan;
    - brown bears in Sitka, Kenai, Soldotna, Kodiak, and Dillingham;
    - polar bears in Barrow;
    - and moose in Wasilla, Palmer, and Homer
  - Is traffic safety more important in Anchorage and Fairbanks than near Healy or Delta?
- Residents in Fairbanks have vocalized an expectation to harvest moose or caribou near their municipality. However, increased populations of these species contribute to traffic safety considerations as do beavers and notably in Anchorage some waterfowl populations.

- Some public confusion exists regarding the department's Constitutional mandate to manage on a "sustained yield principal" versus "managing for abundance."

**3.) Mandating Board of Game authorization:**

- This reference is unnecessary as the authorization currently exists under

**4.) AS 16.05.940. Definitions. In AS 16.05 - AS 16.40,**

**(19)** "game" means any species of bird, reptile, and mammal, including a feral domestic animal, found or introduced in the state, except domestic birds and mammals; and game may be classified by regulation as big game, small game, fur bearers or other categories considered essential for carrying out the intention and purposes of AS 16.05 - AS 16.40;

**(34)** "take" means taking, pursuing, hunting, fishing, trapping, or in any manner disturbing, capturing, or killing or attempting to take, pursue, hunt, fish, trap, or in any manner capture or kill fish or game;

**Other Considerations:**

**The proposed language is generally redundant to authorization. Language expressing mandates for carcass removal render indeterminate fiscal considerations.**

**Sponsor Statement:** Although the Sponsor Statement addresses trash in urban areas, there is no reference to trash in the proposed legislation.

**Intensive management Laws:** designating public safety as the highest priority will conflict directly with AS 16.05.255(e) and (f), the state's intensive management laws. Under section (e) the board adopts regulations to provide for intensive management programs to restore the abundance or productivity of identified big game prey populations as necessary to achieve human consumptive use goals. Under section (f) the board may not significantly reduce the taking of an identified big game prey population by adopting regulations relating to the restrictions on harvest or access to the population, or to the management of the population by customary adjustments in seasons, bag limits, open and closed areas, methods and means unless the board has adopted regulations that provide for intensive management to increase the take of the population for human harvest. Moose are an identified big game prey species managed for human consumption in the Anchorage area. In fact, GMU 14C is one of the few subunits in the state where the moose population and harvest goals are routinely met. Thousands of moose hunters vie for a limited number of permits to hunt on Fort Richardson, Elmendorf AFB, Chugiak, upper Ship Creek, upper Campbell Creek and McHugh Creek. Reducing the moose population because public safety is the highest priority is not consistent with managing moose under intensive management.

**In the event the intent of the legislation is to address large predators only:** Ironically, enacting this bill could have a reverse effect on public safety. Decreasing the number of predators like wolves and bears would increase the number of moose in the city, especially cows with calves, and urban moose are more dangerous than bears and wolves. No Anchorage resident has been killed or injured by a wolf, however some were harassed by wolves on the military base. Three or four residents have been swatted or bitten by a black bear. Four residents have been killed by a moose and two by a brown bear, but many more people are hurt in Anchorage every year by moose than by brown bears, and the moose attacks occur most often in city parks and neighborhoods, or on roads.

# ALASKA CENTER *for the* ENVIRONMENT

807 G Street, Suite 100 Anchorage, Alaska 99501
907-274-3632 valerie@akcenter.org www.akcenter.org


February 1, 2010

Dear Co-Chairs Herron and Munoz and Members of the Community and Regional Affairs Committee,

On behalf of The Alaska Center for the Environment (ACE) I would like to comment on HB 281. ACE is a non-profit environmental education and advocacy organization, whose mission is to enhance Alaskans' quality of life by protecting wild places, fostering sustainable communities and promoting recreational opportunities. ACE advocates for sustainable policy on behalf of nearly 7,000 Alaskan members.

House Bill 281proposes to amend the Alaska Department of Fish and Game's mission statement to make public safety the number one priority in a municipality with a population of more than 100,000. It also allows the Anchorage Police Department the authority to take an animal when it poses as a threat to people.

In my capacity of Conservation Director, I have been working collaboratively with agencies, non-profits, the Municipality and volunteers on a very successful pilot project here in Anchorage to educate and incentivize responsible waste management in neighborhoods where bears are known to frequent. We have acquired grant money to retrofit dumpsters to make them bear-resistant and subsidized bear-resistant tipper carts. The result of this effort has been a remarkable decline in calls about nuisance bears. We have also been a part of a citywide effort to reach out to recreationalists and inform them about ways to reduce their risks of having a negative encounter with a bear.

The single reason that bears are attracted to neighborhoods is due to easy food sources. Once the food is managed responsibly, the problem goes away. While we here at the Center are also concerned about public safety, we believe there are other more productive and common sense ways to approach the problems of urban wildlife becoming food conditioned. We believe we should begin at the source of the problem, which are garbage and other attractants.

Let us first look to Juneau's successful campaign to clean up their garbage problems and therefore reduce costs to the city and make their neighborhoods safer.

Not unlike Anchorage, people who live in Juneau treasure the natural surroundings in which they live. We all live in bear country and feel lucky to do so. In fact, because Juneau residents understand our responsibility to the wildlife whose home we share, they were among the first in the nation to enact local laws aimed at keeping bears out of garbage. Juneau is becoming a model for other communities committed to living with wildlife. Anchorage can and should follow Juneau's example.

In Juneau, It's the law:

- Garbage cans may be put out to the curb for collection no sooner than 4 a.m. on pickup day.
- Other than after 4 a.m. on pickup day, garbage must be kept in a bear resistant container or enclosure.
    - in a strong fully enclosed structure such as a garage

- in another "bear resistant enclosure," defined as an enclosure that you can't get into unless you use hands or tools. If it can be opened by stomping on it, kicking it, running into it with your body, or other similar action, it is not bear resistant.
- Garbage cans must be labeled with your address.
- Garbage cans must be fitted with lids so as to remain secure if cans are tipped over.
- If your garbage has attracted bears and you fail to take steps to legally store your garbage, *you could be cited for maintaining a bear attraction nuisance, a $50 fine for the first offense.*

I would encourage the members of this committee to invite the City of Juneau and wildlife experts to come and address the success of Juneau's program before taking any action on HB 281.

We encourage the State of Alaska to put more money into enforcing existing laws which prohibit the feeding of wildlife, educational efforts and engineering solutions. We as a community can effectively make our neighborhoods safe by addressing the root of the problem. As you seek solutions please consider that many Anchorage residents value wildlife. It is one of the main reasons people move here and it is our responsibility as stewards to be responsible citizens first.

**It is against the law to feed bears.** State law states, "A person may not intentionally feed a moose, deer, elk, bear, wolf, coyote, fox, or wolverine, or negligently leave human food, animal food, or garbage in a manner that attracts these animals." It is also against the law to kill a bear you have attracted by improperly storing human food, animal food, or garbage.

**Preventing bear problems is everyone's responsibility.**

Thank you for your consideration.

Sincerely,

*Valerie Connor*
*Conservation Director*
*Alaska Center for the Environment*
*807 G Street, Suite 100*
*Anchorage, Alaska 99501*
*(907)274-3632*
*valerie@akcenter.org*

For more information:

swww.juneau.org/bears
http://wildlife.alaska.gov/index.cfm?adfg=bears.harmony

DATE: 12/19/08
TO: Alaska State Senators
RE: Bear Problems
FROM: Sandra Kranich, 9780 Carlson Road, Anchorage (1 block past Elmore off Abbott Road; wooded area). Phone: 346-1901

We, and many of my immediate neighbors, are concerned about the steady increase in bear wandering thru our residential areas – with a possible serious threat to humans, pets and property. We have lived at the same address for 40 years – and last summer we had a dramatic increase with bear encounters. A black bear sow and 3 cubs **during the afternoon** were next to our home entrance where grandkids, family and employees are constantly coming in and out. It was a wonder someone didn't get between the sow and cubs. Then they went to our neighbors that have 7 kids playing outside on a regular basis. They stayed in the neighborhood off and on for about 5 weeks. (We and our neighbors keep our garbage in special bear-proof dumpsters and take out smelly garbage the day of pickup – trying our best not to attract bear in any way!) Later in the summer, a male black bear was constantly in our backyard **during the day and evening,** in our driveway and at neighbor's places off and on for about 4 weeks. It is my opinion that bears continuing to multiply in this part of town poses a potential threat that should be dealt with **now**! However, Fish and Game tell us we are attracting the bear and won't do anything about the threat. In talking to many others, I find the following points are significant:

- The bear population is causing people to have to keep their kids inside more because of bear in their personal yards; people are using the trails for running, biking and hiking **LESS** because of bear; people are not letting their kids walk to school as much because of bear, people are not out walking on their own streets because of bear, etc. Quality of life is **LESS** for many people!
- If someone in your family was attacked by a bear in your own yard, how fast would you be able to get a gun, load it and shoot before the person was dead or possibly disfigured for life? Does this mean people are going to need to carry a loaded gun when they and their children/grandchildren go outside in their own yard or walk on their own street?
- Fish and Game are attracting bear to our city with stocking salmon in city streams. If there is a **LOW** salmon and berry year – then we will have extra hungry bears in our neighborhoods! When people have vent fans on while cooking dinner, surely bear will smell that – with break-in's if really hungry. It's bad enough to have a 300 lb black bear break in – but what about a 1,200 lb. grizzly (like those multiplying at Campbell Creek)?
- I believe the City and State are open to major lawsuits if someone is injured on their own property and Fish and Game refuses to remove the bear after having been called. Someone could be hospitalized for many months with lifetime disfigurement from a bear attack, if they live through it! Many people don't have insurance – and a lawsuit would be needed to cover the possible huge medical expenses. We have laws to keep dogs leashed so they don't hurt other animals and people – **why can't we control the bear?**
- Bears are being born in neighborhoods and are multiplying fast. (That sow and 3 cubs for example). People that say "we must learn to live with the bears or move – that they were here first" are unrealistic. People should be able to clear out a safe area for Anchorage citizens. Most of Alaska is uninhabited and there is plenty of room for Alaskan citizens AND bears – just in the proper places for each.

Thank you very much for your time and consideration regarding **House Bill 281**. I would very much appreciate it if you could send my comments to the co-chairs of this committee (Cathy Munoz and Bob Herron, and to other members, Sharon Cissna, and Berta Gardner).

It is my opinion that this bill should not be approved/should not be passed. The senseless shooting of bears due to human error regarding inappropriate use or handling of garbage is OUR responsibility.
We must learn how to appreciate the natural world and live in balance with it, and that often requires finding a better solution to problems that WE have created.
I believe that people should be fined for inappropriate use/handling of garbage which attracts bears into our neighborhoods. It is not the bears fault. It is human error or oversight which, time and time again, shifts the burden of our mistakes onto the natural world (in this case the bears).
We need to care for nature and keep in mind the consequences of our actions in regard to the well being of all living things.
If this bill is approved, it will demonstrate, once again, that we as a species ignore our responsibilities in regard to respecting the natural world.
Many people leave their garbage outside unattended overnight, or put their garbage into plastic bags or containers that attracts the bears. It is our inherent responsibility to ensure that the bears are protected from us and from coming into the neighborhoods that are senselessly attracting them.
I believe that most people, when educated about the hazards of inappropriate use of garbage, would change their habits in order to prevent the senseless and needless killing of the bears.
Please help people to find a reasonable solution to the problem. If we continue to "point and shoot" every time we create a problem, we demonstrate our ignorance and our arrogance. I believe that we can find a successful solution to this problem~ a win win situation where humans can successfully rid themselves of garbage without unintentionally inviting the bears to dine.....and then shooting them.....

Thank you,
Leola Adams, M.A.

# HB

# 295

## SB 225 and HB 295: Grant of State Land to the University of Alaska

Prepared by Department of Natural Resources, January 2010

**Summary of Bills:** Transfer 199,838 acres of state land to the University of Alaska and address the March 2009 Alaska Supreme Court ruling that struck down previous university land grant legislation (2005 HB 130 and 2000 SB 7), which dedicated land revenue to the University Endowment Trust. These bills convey the entire HB 130 land list as amended by the legislature, ratifies conveyances already in place, and directs land revenue to the General Fund instead of the university's endowment trust.

The land to be conveyed includes:

- 29 parcels located throughout SE Alaska
- 5 parcels in Southcentral, including tract at McCarthy in Wrangell St Elias National Park
- 18 parcels in Interior – including tracts along the Dalton Highway, the 90,000 acre Nenena oil/gas tract, and numerous educational properties.

The bills also:

- Exclude from transfer 9 parcels in SE that were withdrawn by the legislature in 2005 due to public opposition;
- Identify 9 parcels in SE that would go to UA only if not selected by new Boroughs as part of municipal entitlements;
- Include specific language addressing the March 2009 Supreme Court ruling and a one-year statute of limitations period.

**The March 13, 2009 Supreme Court Decision**

- The Alaska Supreme Court in *S.E. Alaska Conserv'n Council v. State*, 202 P.3d 1162 (Alaska 2009) held that 2000 SB 7 and 2005 HB 130 violated the dedicated funds clause of the Alaska Constitution by dedicating land revenue to the University's endowment trust
- The Court held that the trust provisions of the legislation reflected the key intent of the legislature to enhance the University's permanent endowment and therefore were not severable from the land conveyance provisions.
- The Court upheld provisions of the legislation that conveys a research forest (near Tanana) to the University because the research forest is not income property and was addressed independently in the legislation. The Court declined to address the other non-income properties on the conveyance list (which included miscellaneous educational and infrastructure properties).

**Related Legislation**

- House Bill 234 would convey 12 of the approximately 50 parcels on the HB 130 land list. including the noncontroversial educational properties and the Nenana oil and gas tract.

**For more information contact:**

Dick Mylius, DNR, Director of Division of Mining, Land and Water - 269-8600; dick.mylius@alaska.gov
Heather Brakes, DNR Legislative Liaison, 465-4730, heather.brakes@alaska.gov

# Explanation of Changes to CRA CS for HB295

1. Technical fix from EDU Committee amendment to remove Mite Cove and add back portion of the Pelican parcel. Page 8, line 22, Mite Cove is added to list of parcels removed. **Page 9, lines 29-31**, portion of Pelican parcel is added in place of Mite Cove. **Dick Mylius of DNR is here to speak to this change.**

2. **Page 9& 10,** - Covenants added to Sumdum parcel. After consideration of comments from DNR, including Judith Bittner who is the Chief History and Archaeology State Historic Preservation officer, and comments from the general public, and from adjacent land owner Sealaska, it was decided by the co-chairs to allow the Sumdum parcel to be allowed to transfer to the University with specific covenants to maintain cultural & historical characteristics of the area. **Dick Mylius of DNR is here to describe the covenants and answer any questions.**

   **(excuse Mr Mylius if he has come forward)**

3. **Page 8, lines-**23, 24,25- 3 parcels in upper Southeast are added here, Excursion Inlet, Lynn Canal, and William Henry Bay. These parcels were pulled from the land bill on behalf of Representative Thomas. With us is **Planning Commissioner Robert Venables from the Haines Borough, on behalf of Borough Mayor, who can speak to these particular parcels.**

4. Page 8, line 26, 27-Adds the Tenakee Springs parcel surrounding the Boat Harbor area to the list of parcels to be removed from transfer. **Rep. Munoz can explain this removal.**

26-GH2829\P
Bullock
3/8/10

**CS FOR HOUSE BILL NO. 295(CRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**Offered:**
**Referred:**

**Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act relating to the grant of certain state land to the University of Alaska; relating to the duties of the Board of Regents; relating to deposits made to the Alaska permanent fund received from certain lands conveyed to the University of Alaska; ratifying and reauthorizing certain prior conveyances of land to the University of Alaska; making conforming amendments; and providing for an effective date."**

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

*** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

FINDINGS AND PURPOSE. The legislature finds that

(1) an academically strong state university system is a cornerstone to the long-term development of a stable population and to a healthy, diverse economy in the state;

(2) article VII, sec. 2 of the Constitution of the State of Alaska provides that the University of Alaska shall have title to all real property conveyed to it and that the

legislature shall prescribe how university property shall be administered according to law;

(3) article VIII, sec. 9 of the Constitution of the State of Alaska authorizes the legislature to provide for the grant of state lands and interests in those lands;

(4) it is in the best interests of the state and the University of Alaska that the university take ownership of a significant and substantial portfolio of land in order to further the interests of public higher education and economic development in the state;

(5) renewable resources should be managed on a sustained yield basis, taking into account the total land grant;

(6) transferring to the University of Alaska a significant and substantial portfolio of land furthers the interests of public higher education by allowing campus development and expansion, by facilitating academic research, and by fostering economic development for the well-being of the University of Alaska and the state;

(7) the Alaska Supreme Court's ruling in Southeast Alaska Conservation Council v. State, 202 P.3d 1162 (Alaska 2009) invalidated ch. 136, SLA 2000 and ch. 8, FSSLA 2005 because depositing revenues from land conveyed to the University of Alaska in the university endowment trust fund violated the dedicated funds section, art. XI, sec. 7, of the Constitution of the State of Alaska; the Alaska Supreme Court also held that, with the exception of the provision conveying the university research forest, the land conveyance provisions of the legislation could not be severed from the provisions that dedicated the revenue from the land to the university's endowment trust, and ordered that any land conveyed to the University of Alaska under the legislation be reconveyed to the state;

(8) it is in the best interests of the state and the University of Alaska to

(A) address directly the Alaska Supreme Court's ruling and enact curative legislation that conveys land to the University of Alaska without the unconstitutional dedication of revenue from the conveyed land to the University of Alaska's endowment trust; and

(B) authorize conveyance to the University of Alaska of the same land identified in ch. 8, FSSLA 2005;

(9) the state and the University of Alaska have expended substantial effort and money in connection with conveying lands to the university under ch. 136, SLA 2000 and ch. 8, FSSLA 2005 before the Alaska Supreme Court's ruling in Southeast Alaska Conservation

Council v. State, 202 P.3d 1162 (Alaska 2009), and it is in the best interests of the state and the University of Alaska to preserve that effort and money by ratifying the conveyances that had occurred before the Alaska Supreme Court ruling;

(10) through the amendment of AS 14.40.491 to explicitly define as university receipts the revenue received by the University of Alaska from lands conveyed to the university under AS 14.40.365, the legislature retains unfettered discretion to appropriate university receipts as it sees fit, without restrictions, on an annual basis; and that preserving the legislature's discretion to appropriate the receipts on an annual basis is in the best interests of the University of Alaska and the state.

*** Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE INTENT. It is the intent of the legislature

(1) to respond to the Alaska Supreme Court's ruling in Southeast Alaska Conservation Council v. State, 202 P.3d 1162 (Alaska 2009), by passing legislation that conveys land to the University of Alaska and provides for management of revenue from that land as university receipts over which the legislature retains unrestricted authority to appropriate as it sees fit;

(2) to ratify the conveyances that were executed under ch. 136, SLA 2000 and ch. 8, FSSLA 2005 before the Alaska Supreme Court's ruling so that the university retains clear title to that land;

(3) if any provision of this Act or the conveyance of any parcel of land or class of lands under this Act is found to be an unlawful dedication of funds in violation of art. IX, sec. 7 of the Constitution of the State of Alaska or otherwise unlawful, that the land conveyances to the University of Alaska under this Act continue to the fullest extent possible;

(4) that the University of Alaska receive clear title to the land identified in AS 14.40.365, even though proceeds from those lands are not deposited into the University of Alaska's endowment trust fund and are instead subject to appropriation by the legislature each year in its discretion, without prior limitation upon the legislature's use and appropriation of the funds; and

(5) to have a stable University of Alaska system that provides a wide range of land-related curricula and extracurricular activities, including those activities that enhance

civic partnerships through community-based land management; expansion of campuses and training sites; and land management for economic development and benefit to the University of Alaska and the state.

*** Sec. 3.** AS 14.40.170(a) is amended to read:

(a) The Board of Regents shall

(1) appoint the president of the university by a majority vote of the whole board, and the president may attend meetings of the board;

(2) fix the compensation of the president of the university, all heads of departments, professors, teachers, instructors, and other officers;

(3) confer such appropriate degrees as it may determine and prescribe;

(4) have the care, control, and management of

(A) all the real and personal property of the university; and

(B) land

(i) conveyed to the Board of Regents by the commissioner of natural resources in the settlement of the claim of the University of Alaska to land granted to the state in accordance with the Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance with the Act of January 21, 1929 (45 Stat. 1091), as amended; and

(ii) conveyed to [THE BOARD OF REGENTS IN TRUST FOR] the University of Alaska by the commissioner of natural resources under AS 14.40.365;

(5) keep a correct and easily understood record of the minutes of every meeting and all acts done by it in pursuance of its duties;

(6) under procedures to be established by the commissioner of administration, and in accordance with existing procedures for other state agencies, have the care, control, and management of all money of the university and keep a complete record of all money received and disbursed;

(7) adopt reasonable rules for the prudent trust management and the long-term financial benefit to the university of the land of the university;

(8) provide public notice of sales, leases, exchanges, and transfers of the land of the university or of interests in land of the university;

(9) administer, manage, market, and promote a postsecondary education savings program, including the Alaska Higher Education Savings Trust under AS 14.40.802 and the Alaska advance college tuition savings fund under AS 14.40.803 - 14.40.817.

* **Sec. 4.** AS 14.40.291(a) is amended to read:

(a) Notwithstanding any other provision of law, university-grant land, state replacement land that becomes university-grant land on conveyance to the university, land conveyed to [THE BOARD OF REGENTS IN TRUST FOR] the University of Alaska under AS 14.40.365, and any other land owned by the university is not and may not be treated as state public domain land. Land conveyed to [THE BOARD OF REGENTS IN TRUST FOR] the University of Alaska under AS 14.40.365 shall be managed **in accordance with** [AS NONTAXABLE TRUST LAND UNDER] AS 14.40.365 - 14.40.367 and policies of the Board of Regents.

* **Sec. 5.** AS 14.40.365 is repealed and reenacted to read:

**Sec. 14.40.365. University land grant.** (a) Except as provided in (b) of this section, no more than two years after the effective date of this Act, the commissioner of natural resources shall convey to the University of Alaska, by quitclaim deed, the state land identified for conveyance to the university and described in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005.

(b) As soon as practicable after June 30, 2055, the commissioner of natural resources shall convey to the University of Alaska, by quitclaim deed, the state land described as the "University Research Forest" and identified for conveyance to the university in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005.

(c) As soon as practicable after the receipt of patent from the United States, but not before the land is otherwise required to be conveyed under this section, the commissioner of natural resources shall convey to the University of Alaska, by quitclaim deed, federal land that has been selected for conveyance to the state under the Alaska Statehood Act but is subject to a federal mining claim, and that is identified in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005, for conveyance to the university upon the state's acquisition of patent.

(d) Notwithstanding AS 38.05.125(a), and except as otherwise provided in this section, the transfer of ownership of land from the commissioner of natural resources to the University of Alaska under this section includes the interest of the state in the coal, ores, minerals, fissionable materials, geothermal resources, and fossils, oil, and gas that may be in or on the land.

(e) Land conveyed under this section to the University of Alaska is subject to any valid possessory interest or other valid existing right, including any lease, license, contract, prospecting site, claim, sale, permit, right-of-way, Native allotment, or easement held by another person, including a federal, state, or municipal agency, on the effective date of this section.

(f) Before conveying land under this section, the commissioner of natural resources shall reserve access under AS 38.05.127, but other provisions of AS 38.04 and AS 38.05 do not apply to the commissioner's preparation for conveyance of land to the University of Alaska under this section. In addition to access under AS 38.05.127, the commissioner may reserve in the conveyance document existing offshore uses such as aquatic fish farm sites, anchorages for vessels, fish buying stations, trails, roads, and other access routes that provide public access to adjacent land and public waterways; however, an easement along tidewater reserved by the commissioner under AS 38.05.127 may not exceed 25 feet.

(g) In addition to rights or an interest held by a person under (e) of this section, land conveyed to the University of Alaska under this section

(1) is subject to

(A) sec. 6(i) of the Alaska Statehood Act (P.L. 85-508, 72 Stat. 339);

(B) AS 19.10.010;

(C) any easement, right-of-way, or other access under former 43 U.S.C. 932 (sec. 8, Act of July 26, 1866, 14 Stat. 253);

(D) the provisions of any memorandum of agreement entered into between the University of Alaska and the commissioner of natural resources governing shared benefits or costs associated with land to be conveyed to the University of Alaska;

(E) any interest transferred to the state by quitclaim deed dated June 30, 1959, under authority of the Alaska Omnibus Act (P.L. 86-70, 73 Stat. 141); and

(2) excludes the mineral estate on land that is subject to a valid state mining claim.

(h) As soon as practicable after the extinguishment, release, or expiration of a valid state mining claim located on land to be conveyed under this section, but not before the land is otherwise required to be conveyed under this section, the commissioner of natural resources shall convey the mineral estate excluded from conveyance under (g)(2) of this section.

(i) The responsibility for the management of land conveyed to the University of Alaska under this section vests with the Board of Regents for the University of Alaska on the date of recording that conveyance.

(j) Any income derived from land conveyed to the University of Alaska under this section accruing after the date of conveyance, including any income accruing from an existing lease, license, contract, prospecting site sale, permit, right-of-way, easement, or trespass claim shall be received by the University of Alaska and accounted for as university receipts.

(k) Notwithstanding any other provision of this section, within 10 years after final conveyance of land under this section, the Board of Regents may reconvey to the Department of Natural Resources land

(1) containing hazardous waste that was present on the land before conveyance under this section;

(2) on which is located a historic or archeological site that is subject to management under AS 41.35; or

(3) that the Board of Regents and the commissioner of natural resources jointly agree is in the best interests of the state and the university to reconvey.

(*l*) After the effective date of this section and before the conveyance of a parcel of land to the University of Alaska under this section, the commissioner of natural resources may not convey, without consent of the university, any irrevocable

interest in a parcel that is required to be conveyed to the University of Alaska under this section.

(m) The commissioner of natural resources may make minor adjustments to the maps or legal descriptions of the state land identified for conveyance to the university and described in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005, to correct omissions or errors.

(n) Notwithstanding (a) of this section, the following state land described in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005, may not be conveyed to the University of Alaska under this section:

(1) Parcel Number CS.DI.1001, Duke Island;

(2) Parcel Number MF.1002, Idaho Inlet;

(3) Parcel Number CS.KI.1001, Kelp Island;

(4) Parcel Number HA.CH.1001, Haines-Chilkoot;

(5) Parcel Number KT.1004, Neets Creek;

(6) Parcel Number MA.KR.1001, Kodiak Rocket Range;

(7) Parcel Number ST.1002, Pelican, except that the portion of Parcel Number ST.1002, Pelican that is described as unit C-18 in the Northern Southeast Area Plan adopted by the commissioner of natural resources on October 15, 2002, may be conveyed to the University of Alaska subject to (q) of this section;

(8) Parcel Number PA.1001, Port Alexander;

(9) Parcel Number ST.1002, Warm Springs Bay;

(10) Parcel Number MF.1001, Mite Cove;

(11) Parcel Number NS.EX. 1002, Excursion Inlet;

(12) Parcel Number JU.1002, Lynn Canal;

(13) Parcel Number JU.1001, William Henry Bay; and

(14) the portions of United States Survey 2459 and United States Survey 6855 that are within Parcel Number ST.1003, Tenakee Springs.

(o) Notwithstanding (a) of this section, the state land identified in this subsection and described in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005, may not be conveyed to the University of Alaska under this section if the land is included in a borough formed before July 1, 2012, that

includes Petersburg. If a borough is not formed before July 1, 2012, land described in this subsection shall be conveyed to the University of Alaska on July 1, 2012. If a borough is formed before July 1, 2012, and the borough does not select land described in this subsection before January 1, 2016, the land not selected by the borough shall be conveyed to the University of Alaska on June 30, 2016. The following land is subject to this subsection:

(1) Parcel Number SD.1001, Beecher Pass;

(2) Parcel Number SD.1001, Favor Peak;

(3) Parcel Number CS.TL.1001, Three Lake Road;

(4) Parcel Number SD.1001, Read Island;

(5) Parcel Number SD.1001, Whitney Island.

(p) Notwithstanding (a) of this section, the state land identified in this subsection and described in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005, may not be conveyed to the University of Alaska under this section if the land is selected by the City and Borough of Wrangell. If the borough does not select land described in this subsection before January 1, 2013, the land not selected by the borough shall be conveyed to the University of Alaska on June 30, 2013. The following land is subject to this subsection:

(1) Parcel Number CS.EW.1001, Earl West Cove;

(2) Parcel Number CS.OV.1001, Olive Cove; and

(3) Parcel Number SD.1001, Thoms Place.

(q) Notwithstanding (a) of this section, the state land identified in this subsection and described in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005, may not be conveyed to the University of Alaska under this section if the land is included in a borough formed before July 1, 2012. If a borough is not formed before July 1, 2012, the land described in this subsection shall be conveyed to the University of Alaska on July 1, 2012. If a borough is formed before July 1, 2012, and the borough does not select land described in this subsection before January 1, 2016, the land not selected by the borough shall be conveyed to the University of Alaska on June 30, 2016. The following land is subject to the provisions of this subsection: that portion of Parcel Number ST.1002, Pelican that is described as

260 acres

Essential Public Services

1955

unit C-18 in the Northern Southeast Area Plan adopted by the commissioner of natural resources on October 15, 2002.

(r) The state land identified as Parcel Number SD.1001, Sumdum in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005, that is transferred to the University of Alaska in (a) of this section,

(1) may not be open to commercial timber harvest or mineral development; development including but not ltd. to ✓

(2) must be preserved for the purpose of historical, cultural, and scientific research and education and must be accessible for public interpretive study and education;

(3) may not be used for a purpose inconsistent with the significance of the parcel and adjoining land for the preservation of Alaska Native cultural knowledge and history. (4) It is intended that these covenants run with the land —

*** Sec. 6.** AS 14.40.366 is repealed and reenacted to read:

**Sec. 14.40.366. Management requirements for university land.** (a) Before the conveyance or the disposal of an interest in the land to a third party, land conveyed to the University of Alaska under AS 14.40.365 shall be managed in a manner that, to the extent practicable, permits reasonable activities of the public, including historic recent public uses, that do not interfere with the use or management of the land by the university.

(b) For land conveyed to the University of Alaska under AS 14.40.365, the Board of Regents shall

(1) seek public comment on proposals for land development, exchange, or sale; and

(2) adopt policies that require the preparation of land development plans and land disposal plans.

(c) Before the Board of Regents of the University of Alaska offers a parcel of land for sale under this section, the board shall offer first refusal to the closest municipality.

(d) The Board of Regents shall adopt policies requiring public notice before approval of land development plans and land disposal plans. The policies must require

that the notice be provided not less than 30 days before the proposed action and that the notice be

(1) sent to local legislators, municipalities, and legislative information offices in the vicinity of the action and at other locations as the university may designate;

(2) published in newspapers of general circulation in the vicinity of the proposed action at least once each week for two consecutive weeks; and

(3) published on state and university public notice Internet websites.

(e) In this section, "development, exchange, or sale" does not include the grant of an easement or right-of-way or the development of a campus facility.

*** Sec. 7.** AS 14.40.367 is repealed and reenacted to read:

**Sec. 14.40.367. Confidential records.** Notwithstanding AS 40.25.100 - 40.25.295 (Alaska Public Records Act), on a determination that it is in the best interest of the University of Alaska or on the request of the person who has provided the information, the president of the university may keep the following confidential:

(1) the name of a person applying for the sale, lease, or other disposal of university land or an interest in university land;

(2) before the issuance of a notice of intent to award a contract relating to a sale, lease or disposal of university land or an interest in university land, the names of the participants and the terms of their offers;

(3) all geological, well, geophysical, engineering, architectural, sales, market, cost, appraisal, timber cruise, gross receipts, net receipts, or other financial information relating to university land or an interest in university land and considered for, offered for, or currently subject to disposal or a contract;

(4) cost data and financial information submitted by an applicant in support of applications for bonds, leases, or other information in offerings and ongoing operations relating to management of university land;

(5) applications for rights-of-way or easements across university land; and

(6) requests for information about or applications by public agencies for university land that is being considered for use for a public purpose.

* **Sec. 8.** AS 14.40 is amended by adding a new section to read:

**Sec. 14.40.369. Statute of limitations.** A person may not bring any judicial action challenging AS 14.40.365 - 14.40.367 or any conveyance authorized under AS 14.40.365 unless the action is commenced no later than one year after the effective date of this Act.

* **Sec. 9.** AS 14.40.400(a) is amended to read:

(a) The Board of Regents shall establish a separate endowment trust fund in which shall be held in trust in perpetuity all

(1) net income derived from the sale or lease of the land granted under the Act of Congress approved January 21, 1929, as amended; **and**

(2) [NET INCOME DERIVED FROM THE SALE, LEASE, OR MANAGEMENT OF THE LAND CONVEYED TO THE BOARD OF REGENTS IN TRUST FOR THE UNIVERSITY OF ALASKA UNDER AS 14.40.365; HOWEVER, THE AMOUNT DEPOSITED IN THE ENDOWMENT TRUST FUND UNDER THIS PARAGRAPH RESULTING FROM MINERAL LEASE ROYALTIES AND ROYALTY SALES PROCEEDS MAY NOT BE LESS THAN 25 PERCENT OF ALL SUCH MINERAL LEASE ROYALTIES AND ROYALTY SALES PROCEEDS RECEIVED BY THE UNIVERSITY; AND

(3)] monetary gifts, bequests, or endowments made to the University of Alaska for the purpose of the fund.

* **Sec. 10.** AS 14.40.491 is amended to read:

**Sec. 14.40.491. Definition of university receipts.** In AS 14.40.120 - 14.40.491, "university receipts" includes

(1) student fees, including tuition;

(2) receipts from university auxiliary services;

(3) recovery of indirect costs of university activities;

(4) receipts from sales and rentals of university property;

(5) federal receipts;

(6) gifts, grants, and contracts;

(7) receipts from sales, rentals, and the provision of services of educational activities; [AND]

(8) receipts attributable to amounts distributed from university endowments established and managed under AS 14.40.280 and from the endowment trust fund established and managed under AS 14.40.400**; and**

**(9) receipts from lands conveyed to the University of Alaska by the commissioner of natural resources under AS 14.40.365**.

*** Sec. 11.** AS 29.45.030(a) is amended to read:

(a) The following property is exempt from general taxation:

(1) municipal property, including property held by a public corporation of a municipality, [OR] state property, **property of the University of Alaska,** or land that is in the trust established by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709, except that

(A) a private leasehold, contract, or other interest in the property is taxable to the extent of the interest;

(B) notwithstanding any other provision of law, property acquired by an agency, corporation, or other entity of the state through foreclosure or deed in lieu of foreclosure and retained as an investment of a state entity is taxable; this subparagraph does not apply to federal land granted to the University of Alaska under AS 14.40.380 or 14.40.390, [OR] to other land granted to the university by the state to replace land that had been granted under AS 14.40.380 or 14.40.390**, or to land conveyed by the state to the university under AS 14.40.365**;

(C) an ownership interest of a municipality in real property located outside the municipality acquired after December 31, 1990, is taxable by another municipality; however, a borough may not tax an interest in real property located in the borough and owned by a city in that borough;

(2) household furniture and personal effects of members of a household;

(3) property used exclusively for nonprofit religious, charitable, cemetery, hospital, or educational purposes;

(4) property of a nonbusiness organization composed entirely of persons with 90 days or more of active service in the armed forces of the United States

whose conditions of service and separation were other than dishonorable, or the property of an auxiliary of that organization;

(5) money on deposit;

(6) the real property of certain residents of the state to the extent and subject to the conditions provided in (e) of this section;

(7) real property or an interest in real property that is exempt from taxation under 43 U.S.C. 1620(d), as amended;

(8) property of a political subdivision, agency, corporation, or other entity of the United States to the extent required by federal law; except that a private leasehold, contract, or other interest in the property is taxable to the extent of that interest unless the property is located on a military base or installation and the property interest is created under 10 U.S.C. 2871 - 2885 (Military Housing Privatization Initiative), provided that the leaseholder enters into an agreement to make a payment in lieu of taxes to the political subdivision that has taxing authority;

(9) natural resources in place including coal, ore bodies, mineral deposits, and other proven and unproven deposits of valuable materials laid down by natural processes, unharvested aquatic plants and animals, and timber.

* **Sec. 12.** AS 29.65.030(d) is repealed and reenacted to read:

(d) For the purpose of determining the general land grant entitlement under (a) of this section, the maximum total acreage of vacant, unappropriated, unreserved land within the boundaries of the municipality between the date of its incorporation and two years after that date shall be increased by the amount of land located within the boundaries of the municipality that is transferred to the University of Alaska under AS 14.40.365.

* **Sec. 13.** AS 37.13.010(a) is amended to read:

(a) Under art. IX, sec. 15, of the state constitution, there is established as a separate fund the Alaska permanent fund. The Alaska permanent fund consists of

(1) 25 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180(f) and (g), **25 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares derived from lands conveyed to the University of Alaska under AS 14.40.365 and 25 percent of all**

**bonuses derived by the University of Alaska from mineral leases on these lands, and 25 percent of** [AND] federal mineral revenue sharing payments received by the state from mineral leases issued on or before December 1, 1979, and 25 percent of all bonuses received by the state from mineral leases issued on or before February 15, 1980;

(2) 50 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180(f) and (g), and federal mineral revenue sharing payments received by the state from mineral leases issued after December 1, 1979, and 50 percent of all bonuses received by the state from mineral leases issued after February 15, 1980; and

(3) any other money appropriated to or otherwise allocated by law or former law to the Alaska permanent fund.

* **Sec. 14.** AS 14.40.368 is repealed.

* **Sec. 15.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RATIFICATION OF PRIOR CONVEYANCES. All of those interests in lands that were conveyed to the university under ch. 136, SLA 2000 and ch. 8, FSSLA 2005, before the Alaska Supreme Court's ruling in Southeast Alaska Conservation Council v. State, 202 P.3d 1162 (Alaska 2009) are ratified and are deemed to have been conveyed under the authority of this Act.

* **Sec. 16.** The uncodified law of the State of Alaska is amended by adding a new section to read:

SEVERABILITY. Under AS 01.10.030, if any provision of this Act, or the application of this Act to any person or circumstance is held invalid, the remainder of this Act and the application to other persons or circumstances are not affected.

* **Sec. 17.** This Act takes effect immediately under AS 01.10.070(c).

**CS FOR HOUSE BILL NO. 295(EDC)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE EDUCATION COMMITTEE**

**Offered: 2/8/10**
**Referred: Community and Regional Affairs, Resources, Finance**

**Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act relating to the grant of certain state land to the University of Alaska; relating to the duties of the Board of Regents; relating to deposits made to the Alaska permanent fund received from certain lands conveyed to the University of Alaska; ratifying and reauthorizing certain prior conveyances of land to the University of Alaska; making conforming amendments; and providing for an effective date."**

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

*** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

FINDINGS AND PURPOSE. The legislature finds that

(1) an academically strong state university system is a cornerstone to the long-term development of a stable population and to a healthy, diverse economy in the state;

(2) article VII, sec. 2 of the Constitution of the State of Alaska provides that the University of Alaska shall have title to all real property conveyed to it and that the

legislature shall prescribe how university property shall be administered according to law;

(3) article VIII, sec. 9 of the Constitution of the State of Alaska authorizes the legislature to provide for the grant of state lands and interests in those lands;

(4) it is in the best interests of the state and the University of Alaska that the university take ownership of a significant and substantial portfolio of land in order to further the interests of public higher education and economic development in the state;

(5) renewable resources should be managed on a sustained yield basis, taking into account the total land grant;

(6) transferring to the University of Alaska a significant and substantial portfolio of land furthers the interests of public higher education by allowing campus development and expansion, by facilitating academic research, and by fostering economic development for the well-being of the University of Alaska and the state;

(7) the Alaska Supreme Court's ruling in Southeast Alaska Conservation Council v. State, 202 P.3d 1162 (Alaska 2009) invalidated ch. 136, SLA 2000 and ch. 8, FSSLA 2005 because depositing revenues from land conveyed to the University of Alaska in the university endowment trust fund violated the dedicated funds section, art. XI, sec. 7, of the Constitution of the State of Alaska; the Alaska Supreme Court also held that, with the exception of the provision conveying the university research forest, the land conveyance provisions of the legislation could not be severed from the provisions that dedicated the revenue from the land to the university's endowment trust, and ordered that any land conveyed to the University of Alaska under the legislation be reconveyed to the state;

(8) it is in the best interests of the state and the University of Alaska to

(A) address directly the Alaska Supreme Court's ruling and enact curative legislation that conveys land to the University of Alaska without the unconstitutional dedication of revenue from the conveyed land to the University of Alaska's endowment trust; and

(B) authorize conveyance to the University of Alaska of the same land identified in ch. 8, FSSLA 2005;

(9) the state and the University of Alaska have expended substantial effort and money in connection with conveying lands to the university under ch. 136, SLA 2000 and ch. 8, FSSLA 2005 before the Alaska Supreme Court's ruling in Southeast Alaska Conservation

Council v. State, 202 P.3d 1162 (Alaska 2009), and it is in the best interests of the state and the University of Alaska to preserve that effort and money by ratifying the conveyances that had occurred before the Alaska Supreme Court ruling;

(10) through the amendment of AS 14.40.491 to explicitly define as university receipts the revenue received by the University of Alaska from lands conveyed to the university under AS 14.40.365, the legislature retains unfettered discretion to appropriate university receipts as it sees fit, without restrictions, on an annual basis; and that preserving the legislature's discretion to appropriate the receipts on an annual basis is in the best interests of the University of Alaska and the state.

*** Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE INTENT. It is the intent of the legislature

(1) to respond to the Alaska Supreme Court's ruling in Southeast Alaska Conservation Council v. State, 202 P.3d 1162 (Alaska 2009), by passing legislation that conveys land to the University of Alaska and provides for management of revenue from that land as university receipts over which the legislature retains unrestricted authority to appropriate as it sees fit;

(2) to ratify the conveyances that were executed under ch. 136, SLA 2000 and ch. 8, FSSLA 2005 before the Alaska Supreme Court's ruling so that the university retains clear title to that land;

(3) if any provision of this Act or the conveyance of any parcel of land or class of lands under this Act is found to be an unlawful dedication of funds in violation of art. IX, sec. 7 of the Constitution of the State of Alaska or otherwise unlawful, that the land conveyances to the University of Alaska under this Act continue to the fullest extent possible;

(4) that the University of Alaska receive clear title to the land identified in AS 14.40.365, even though proceeds from those lands are not deposited into the University of Alaska's endowment trust fund and are instead subject to appropriation by the legislature each year in its discretion, without prior limitation upon the legislature's use and appropriation of the funds; and

(5) to have a stable University of Alaska system that provides a wide range of land-related curricula and extracurricular activities, including those activities that enhance

civic partnerships through community-based land management; expansion of campuses and training sites; and land management for economic development and benefit to the University of Alaska and the state.

* **Sec. 3.** AS 14.40.170(a) is amended to read:

(a) The Board of Regents shall

(1) appoint the president of the university by a majority vote of the whole board, and the president may attend meetings of the board;

(2) fix the compensation of the president of the university, all heads of departments, professors, teachers, instructors, and other officers;

(3) confer such appropriate degrees as it may determine and prescribe;

(4) have the care, control, and management of

(A) all the real and personal property of the university; and

(B) land

(i) conveyed to the Board of Regents by the commissioner of natural resources in the settlement of the claim of the University of Alaska to land granted to the state in accordance with the Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance with the Act of January 21, 1929 (45 Stat. 1091), as amended; and

(ii) conveyed to [THE BOARD OF REGENTS IN TRUST FOR] the University of Alaska by the commissioner of natural resources under AS 14.40.365;

(5) keep a correct and easily understood record of the minutes of every meeting and all acts done by it in pursuance of its duties;

(6) under procedures to be established by the commissioner of administration, and in accordance with existing procedures for other state agencies, have the care, control, and management of all money of the university and keep a complete record of all money received and disbursed;

(7) adopt reasonable rules for the prudent trust management and the long-term financial benefit to the university of the land of the university;

(8) provide public notice of sales, leases, exchanges, and transfers of the land of the university or of interests in land of the university;

(9) administer, manage, market, and promote a postsecondary education savings program, including the Alaska Higher Education Savings Trust under AS 14.40.802 and the Alaska advance college tuition savings fund under AS 14.40.803 - 14.40.817.

* **Sec. 4.** AS 14.40.291(a) is amended to read:

(a) Notwithstanding any other provision of law, university-grant land, state replacement land that becomes university-grant land on conveyance to the university, land conveyed to [THE BOARD OF REGENTS IN TRUST FOR] the University of Alaska under AS 14.40.365, and any other land owned by the university is not and may not be treated as state public domain land. Land conveyed to [THE BOARD OF REGENTS IN TRUST FOR] the University of Alaska under AS 14.40.365 shall be managed **in accordance with** [AS NONTAXABLE TRUST LAND UNDER] AS 14.40.365 - 14.40.367 and policies of the Board of Regents.

* **Sec. 4.** AS 14.40.365 is repealed and reenacted to read:

**Sec. 14.40.365. University land grant.** (a) Except as provided in (b) of this section, no more than two years after the effective date of this Act, the commissioner of natural resources shall convey to the University of Alaska, by quitclaim deed, the state land identified for conveyance to the university and described in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005.

(b) As soon as practicable after June 30, 2055, the commissioner of natural resources shall convey to the University of Alaska, by quitclaim deed, the state land described as the "University Research Forest" and identified for conveyance to the university in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005.

(c) As soon as practicable after the receipt of patent from the United States, but not before the land is otherwise required to be conveyed under this section, the commissioner of natural resources shall convey to the University of Alaska, by quitclaim deed, federal land that has been selected for conveyance to the state under the Alaska Statehood Act but is subject to a federal mining claim, and that is identified in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005, for conveyance to the university upon the state's acquisition of patent.

(d) Notwithstanding AS 38.05.125(a), and except as otherwise provided in this section, the transfer of ownership of land from the commissioner of natural resources to the University of Alaska under this section includes the interest of the state in the coal, ores, minerals, fissionable materials, geothermal resources, and fossils, oil, and gas that may be in or on the land.

(e) Land conveyed under this section to the University of Alaska is subject to any valid possessory interest or other valid existing right, including any lease, license, contract, prospecting site, claim, sale, permit, right-of-way, Native allotment, or easement held by another person, including a federal, state, or municipal agency, on the effective date of this section.

(f) Before conveying land under this section, the commissioner of natural resources shall reserve access under AS 38.05.127, but other provisions of AS 38.04 and AS 38.05 do not apply to the commissioner's preparation for conveyance of land to the University of Alaska under this section. In addition to access under AS 38.05.127, the commissioner may reserve in the conveyance document existing offshore uses such as aquatic fish farm sites, anchorages for vessels, fish buying stations, trails, roads, and other access routes that provide public access to adjacent land and public waterways; however, an easement along tidewater reserved by the commissioner under AS 38.05.127 may not exceed 25 feet.

(g) In addition to rights or an interest held by a person under (e) of this section, land conveyed to the University of Alaska under this section

(1) is subject to

(A) sec. 6(i) of the Alaska Statehood Act (P.L. 85-508, 72 Stat. 339);

(B) AS 19.10.010;

(C) any easement, right-of-way, or other access under former 43 U.S.C. 932 (sec. 8, Act of July 26, 1866, 14 Stat. 253);

(D) the provisions of any memorandum of agreement entered into between the University of Alaska and the commissioner of natural resources governing shared benefits or costs associated with land to be conveyed to the University of Alaska;

(E) any interest transferred to the state by quitclaim deed dated June 30, 1959, under authority of the Alaska Omnibus Act (P.L. 86-70, 73 Stat. 141); and

(2) excludes the mineral estate on land that is subject to a valid state mining claim.

(h) As soon as practicable after the extinguishment, release, or expiration of a valid state mining claim located on land to be conveyed under this section, but not before the land is otherwise required to be conveyed under this section, the commissioner of natural resources shall convey the mineral estate excluded from conveyance under (g)(2) of this section.

(i) The responsibility for the management of land conveyed to the University of Alaska under this section vests with the Board of Regents for the University of Alaska on the date of recording that conveyance.

(j) Any income derived from land conveyed to the University of Alaska under this section accruing after the date of conveyance, including any income accruing from an existing lease, license, contract, prospecting site sale, permit, right-of-way, easement, or trespass claim shall be received by the University of Alaska and accounted for as university receipts.

(k) Notwithstanding any other provision of this section, within 10 years after final conveyance of land under this section, the Board of Regents may reconvey to the Department of Natural Resources land

(1) containing hazardous waste that was present on the land before conveyance under this section;

(2) on which is located a historic or archeological site that is subject to management under AS 41.35; or

(3) that the Board of Regents and the commissioner of natural resources jointly agree is in the best interests of the state and the university to reconvey.

*(l)* After the effective date of this section and before the conveyance of a parcel of land to the University of Alaska under this section, the commissioner of natural resources may not convey, without consent of the university, any irrevocable

interest in a parcel that is required to be conveyed to the University of Alaska under this section.

(m) The commissioner of natural resources may make minor ·justments to the maps or legal descriptions of the state land identified f· ce to the university and described in the document titled "Univers· nt List 2005," dated January 12, 2005, to correct omissio·

(n) Notwithstanding (a) of this s· in the document titled "University o· 2005, may not be conveyed to the U.

(1) Parcel Number CS..

(2) Parcel Number MF.1(

(3) Parcel Number CS.KI.1(

(4) Parcel Number HA.CH.10(

(5) Parcel Number KT.1004, Ne(

(6) Parcel Number MA.KR.1001, K

(7) Parcel Number ST.1002, Pelican;

(8) Parcel Number PA.1001, Port Alexa· ·and

(9) Parcel Number ST.1002, Warm Springs Bay.

(o) Notwithstanding (a) of this section, the state land identified in this subsection and described in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005, may not be conveyed to the University of Alaska under this section if the land is included in a borough formed before July 1, 2012, that includes Petersburg. If a borough is not formed before July 1, 2012, land described in this subsection shall be conveyed to the University of Alaska on July 1, 2012. If a borough is formed before July 1, 2012, and the borough does not select land described in this subsection before January 1, 2016, the land not selected by the borough shall be conveyed to the University of Alaska on June 30, 2016. The following land is subject to this subsection:

(1) Parcel Number SD.1001, Beecher Pass;

(2) Parcel Number SD.1001, Favor Peak;

(3) Parcel Number CS.TL.1001, Three Lake Road;

interest in a parcel that is required to be conveyed to the University of Alaska under this section.

(m) The commissioner of natural resources may make minor adjustments to the maps or legal descriptions of the state land identified for conveyance to the university and described in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005, to correct omissions or errors.

(n) Notwithstanding (a) of this section, the following state land described in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005, may not be conveyed to the University of Alaska under this section:

(1) Parcel Number CS.DI.1001, Duke Island;

(2) Parcel Number MF.1002, Idaho Inlet;

(3) Parcel Number CS.KI.1001, Kelp Island;

(4) Parcel Number HA.CH.1001, Haines-Chilkoot;

(5) Parcel Number KT.1004, Neets Creek;

(6) Parcel Number MA.KR.1001, Kodiak Rocket Range;

(7) Parcel Number ST.1002, Pelican;

(8) Parcel Number PA.1001, Port Alexander; and

(9) Parcel Number ST.1002, Warm Springs Bay.

(o) Notwithstanding (a) of this section, the state land identified in this subsection and described in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005, may not be conveyed to the University of Alaska under this section if the land is included in a borough formed before July 1, 2012, that includes Petersburg. If a borough is not formed before July 1, 2012, land described in this subsection shall be conveyed to the University of Alaska on July 1, 2012. If a borough is formed before July 1, 2012, and the borough does not select land described in this subsection before January 1, 2016, the land not selected by the borough shall be conveyed to the University of Alaska on June 30, 2016. The following land is subject to this subsection:

(1) Parcel Number SD.1001, Beecher Pass;

(2) Parcel Number SD.1001, Favor Peak;

(3) Parcel Number CS.TL.1001, Three Lake Road;

(4) Parcel Number SD.1001, Read Island;

(5) Parcel Number SD.1001, Whitney Island.

(p) Notwithstanding (a) of this section, the state land identified in this subsection and described in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005, may not be conveyed to the University of Alaska under this section if the land is selected by the City and Borough of Wrangell. If the borough does not select land described in this subsection before January 1, 2013, the land not selected by the borough shall be conveyed to the University of Alaska on June 30, 2013. The following land is subject to this subsection:

(1) Parcel Number CS.EW.1001, Earl West Cove;

(2) Parcel Number CS.OV.1001, Olive Cove; and

(3) Parcel Number SD.1001, Thoms Place.

(q) Notwithstanding (a) of this section, the state land identified in this subsection and described in the document titled "University of Alaska Land Grant List 2005," dated January 12, 2005, may not be conveyed to the University of Alaska under this section if the land is included in a borough formed before July 1, 2012. If a borough is not formed before July 1, 2012, the land described in this subsection shall be conveyed to the University of Alaska on July 1, 2012. If a borough is formed before July 1, 2012, and the borough does not select land described in this subsection before January 1, 2016, the land not selected by the borough shall be conveyed to the University of Alaska on June 30, 2016. The following land is subject to the provisions of this subsection: Parcel C18.

*** Sec. 5.** AS 14.40.366 is repealed and reenacted to read:

**Sec. 14.40.366. Management requirements for university land.** (a) Before the conveyance or the disposal of an interest in the land to a third party, land conveyed to the University of Alaska under AS 14.40.365 shall be managed in a manner that, to the extent practicable, permits reasonable activities of the public, including historic recent public uses, that do not interfere with the use or management of the land by the university.

(b) For land conveyed to the University of Alaska under AS 14.40.365, the Board of Regents shall

(1) seek public comment on proposals for land development, exchange, or sale; and

(2) adopt policies that require the preparation of land development plans and land disposal plans.

(c) Before the Board of Regents of the University of Alaska offers a parcel of land for sale under this section, the board shall offer first refusal to the closest municipality.

(d) The Board of Regents shall adopt policies requiring public notice before approval of land development plans and land disposal plans. The policies must require that the notice be provided not less than 30 days before the proposed action and that the notice be

(1) sent to local legislators, municipalities, and legislative information offices in the vicinity of the action and at other locations as the university may designate;

(2) published in newspapers of general circulation in the vicinity of the proposed action at least once each week for two consecutive weeks; and

(3) published on state and university public notice Internet websites.

(e) In this section, "development, exchange, or sale" does not include the grant of an easement or right-of-way or the development of a campus facility.

* **Sec. 6.** AS 14.40.367 is repealed and reenacted to read:

**Sec. 14.40.367. Confidential records.** Notwithstanding AS 40.25.100 - 40.25.295 (Alaska Public Records Act), on a determination that it is in the best interest of the University of Alaska or on the request of the person who has provided the information, the president of the university may keep the following confidential:

(1) the name of a person applying for the sale, lease, or other disposal of university land or an interest in university land;

(2) before the issuance of a notice of intent to award a contract relating to a sale, lease or disposal of university land or an interest in university land, the names of the participants and the terms of their offers;

(3) all geological, well, geophysical, engineering, architectural, sales, market, cost, appraisal, timber cruise, gross receipts, net receipts, or other financial

information relating to university land or an interest in university land and considered for, offered for, or currently subject to disposal or a contract;

(4) cost data and financial information submitted by an applicant in support of applications for bonds, leases, or other information in offerings and ongoing operations relating to management of university land;

(5) applications for rights-of-way or easements across university land; and

(6) requests for information about or applications by public agencies for university land that is being considered for use for a public purpose.

* **Sec. 7.** AS 14.40 is amended by adding a new section to read:

**Sec. 14.40.369. Statute of limitations.** A person may not bring any judicial action challenging AS 14.40.365 - 14.40.367 or any conveyance authorized under AS 14.40.365 unless the action is commenced no later than one year after the effective date of this Act.

* **Sec. 8.** AS 14.40.400(a) is amended to read:

(a) The Board of Regents shall establish a separate endowment trust fund in which shall be held in trust in perpetuity all

(1) net income derived from the sale or lease of the land granted under the Act of Congress approved January 21, 1929, as amended; **and**

(2) [NET INCOME DERIVED FROM THE SALE, LEASE, OR MANAGEMENT OF THE LAND CONVEYED TO THE BOARD OF REGENTS IN TRUST FOR THE UNIVERSITY OF ALASKA UNDER AS 14.40.365; HOWEVER, THE AMOUNT DEPOSITED IN THE ENDOWMENT TRUST FUND UNDER THIS PARAGRAPH RESULTING FROM MINERAL LEASE ROYALTIES AND ROYALTY SALES PROCEEDS MAY NOT BE LESS THAN 25 PERCENT OF ALL SUCH MINERAL LEASE ROYALTIES AND ROYALTY SALES PROCEEDS RECEIVED BY THE UNIVERSITY; AND

(3)] monetary gifts, bequests, or endowments made to the University of Alaska for the purpose of the fund.

* **Sec. 9.** AS 14.40.491 is amended to read:

**Sec. 14.40.491. Definition of university receipts.** In AS 14.40.120 -

14.40.491, "university receipts" includes

(1) student fees, including tuition;

(2) receipts from university auxiliary services;

(3) recovery of indirect costs of university activities;

(4) receipts from sales and rentals of university property;

(5) federal receipts;

(6) gifts, grants, and contracts;

(7) receipts from sales, rentals, and the provision of services of educational activities; [AND]

(8) receipts attributable to amounts distributed from university endowments established and managed under AS 14.40.280 and from the endowment trust fund established and managed under AS 14.40.400**; and**

**(9) receipts from lands conveyed to the University of Alaska by the commissioner of natural resources under AS 14.40.365**.

* **Sec. 10.** AS 29.45.030(a) is amended to read:

(a) The following property is exempt from general taxation:

(1) municipal property, including property held by a public corporation of a municipality, [OR] state property, **property of the University of Alaska,** or land that is in the trust established by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709, except that

(A) a private leasehold, contract, or other interest in the property is taxable to the extent of the interest;

(B) notwithstanding any other provision of law, property acquired by an agency, corporation, or other entity of the state through foreclosure or deed in lieu of foreclosure and retained as an investment of a state entity is taxable; this subparagraph does not apply to federal land granted to the University of Alaska under AS 14.40.380 or 14.40.390, [OR] to other land granted to the university by the state to replace land that had been granted under AS 14.40.380 or 14.40.390**, or to land conveyed by the state to the university under AS 14.40.365**;

(C) an ownership interest of a municipality in real property

located outside the municipality acquired after December 31, 1990, is taxable by another municipality; however, a borough may not tax an interest in real property located in the borough and owned by a city in that borough;

(2) household furniture and personal effects of members of a household;

(3) property used exclusively for nonprofit religious, charitable, cemetery, hospital, or educational purposes;

(4) property of a nonbusiness organization composed entirely of persons with 90 days or more of active service in the armed forces of the United States whose conditions of service and separation were other than dishonorable, or the property of an auxiliary of that organization;

(5) money on deposit;

(6) the real property of certain residents of the state to the extent and subject to the conditions provided in (e) of this section;

(7) real property or an interest in real property that is exempt from taxation under 43 U.S.C. 1620(d), as amended;

(8) property of a political subdivision, agency, corporation, or other entity of the United States to the extent required by federal law; except that a private leasehold, contract, or other interest in the property is taxable to the extent of that interest unless the property is located on a military base or installation and the property interest is created under 10 U.S.C. 2871 - 2885 (Military Housing Privatization Initiative), provided that the leaseholder enters into an agreement to make a payment in lieu of taxes to the political subdivision that has taxing authority;

(9) natural resources in place including coal, ore bodies, mineral deposits, and other proven and unproven deposits of valuable materials laid down by natural processes, unharvested aquatic plants and animals, and timber.

* **Sec. 11.** AS 29.65.030(d) is repealed and reenacted to read:

(d) For the purpose of determining the general land grant entitlement under (a) of this section, the maximum total acreage of vacant, unappropriated, unreserved land within the boundaries of the municipality between the date of its incorporation and two years after that date shall be increased by the amount of land located within the

boundaries of the municipality that is transferred to the University of Alaska under AS 14.40.365.

* **Sec. 12.** AS 37.13.010(a) is amended to read:

(a) Under art. IX, sec. 15, of the state constitution, there is established as a separate fund the Alaska permanent fund. The Alaska permanent fund consists of

(1) 25 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180(f) and (g), **25 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares derived from lands conveyed to the University of Alaska under AS 14.40.365 and 25 percent of all bonuses derived by the University of Alaska from mineral leases on these lands, and 25 percent of** [AND] federal mineral revenue sharing payments received by the state from mineral leases issued on or before December 1, 1979, and 25 percent of all bonuses received by the state from mineral leases issued on or before February 15, 1980;

(2) 50 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180(f) and (g), and federal mineral revenue sharing payments received by the state from mineral leases issued after December 1, 1979, and 50 percent of all bonuses received by the state from mineral leases issued after February 15, 1980; and

(3) any other money appropriated to or otherwise allocated by law or former law to the Alaska permanent fund.

* **Sec. 13.** AS 14.40.368 is repealed.

* **Sec. 14.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RATIFICATION OF PRIOR CONVEYANCES. All of those interests in lands that were conveyed to the university under ch. 136, SLA 2000 and ch. 8, FSSLA 2005, before the Alaska Supreme Court's ruling in Southeast Alaska Conservation Council v. State, 202 P.3d 1162 (Alaska 2009) are ratified and are deemed to have been conveyed under the authority of this Act.

* **Sec. 15.** The uncodified law of the State of Alaska is amended by adding a new section to read:

SEVERABILITY. Under AS 01.10.030, if any provision of this Act, or the application of this Act to any person or circumstance is held invalid, the remainder of this Act and the application to other persons or circumstances are not affected.

* **Sec. 16.** This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA

SEAN PARNELL, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

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February 8, 2010

**Sectional Analysis**

**House Bill 295 – "An Act relating to the grant of certain state land to the University of Alaska; relating to the duties of the Board of Regents; relating to deposits made to the Alaska permanent fund received from certain lands conveyed to the University of Alaska; ratifying and reauthorizing certain prior conveyances of land to the University of Alaska; making conforming amendments; and providing for an effective date."**

**CSHB 295 - This analysis has been updated to include CSHB 295, passed out of the House Education Committee.**

**Section 5 (p) was amended to reflect a deferred conveyance date to January 1, 2013 rather than December 1, 2011.**

**Section 5 (q) was amended to delete parcel PA 1002, Mite Cove and substitute "parcel C-18", within the Pelican area. Please see the note below within this section for further explanation of the Committee's intent.**

Section 1 – Findings and Purpose – Explains why legislation is necessary. Paragraphs (7) – (10) specifically address issues raised by Alaska Supreme Court regarding previous legislation.

Section 2 – Legislative Intent – Clarifies the intent of the Legislature to:

- respond to the Alaska Supreme Court decision in *S.E. Alaska Conserv'n Council v. State*, 202 P.3d 1162 (2009).
- convey state land to the University even though revenue from the land will be deposited in the general fund and be subject to annual appropriation by the Legislature.
- ratify conveyances that occurred under authority of SB 7 and HB 130.
- that the land should proceed even if any other provision in the bill is found to violate the dedicated funds clause of the Alaska Constitution.

Section 3 – Amends AS 14.40.170(a) by deleting the phrase "THE BOARD OF REGENTS IN TRUST FOR" before "the University" specifying the land conveyed under this legislation cannot be considered trust land managed by the Board of Regents.

Section 4 – Amends AS 14.40.291(a) similar to Section 3.

Section 5 – Creates a new AS 14.40.365 to replace the statute the Supreme Court found to be unconstitutional in its ruling in Southeast Alaska Conservation Council v. State, 202 P.3d 1162 (Alaska 2009). Subsectional analysis of new AS 14.40.365 follows:

(a) Provides that DNR will convey land to University of Alaska by quitclaim deed

survey requirements. The two-year period should not be difficult for DNR to meet because most of the work to issue the deeds was already completed after the 2005 legislation.

(b) Defers conveyance of the University Research Forest in Tanana Valley State Forest until 2055 (50 years from passage of 2005 legislation). This deferral was requested by the University as it allows the continued use of this area as Research Forest by University while at the same time allowing continued small timber sales and forestry management activities by DNR Division of Forestry.

(c) Allows that when federal mining claims that currently exist as inholdings to parcels conveyed by the state to the University are terminated and the land subsequently conveyed to the state (DNR), that DNR will in turn convey this land to the University.

(d) Ensures that the mineral estate is also conveyed to the University. This is an exception to AS 38.05.125 which requires, for most conveyances, DNR retain the mineral rights in state ownership due to provisions in Section 6(i) in the Alaska Statehood Act. Since the University is a state entity, transfer of mineral estate to the University does not violate the 6(i) provision.

(e) Requires that conveyances to the University recognize and protect all valid existing rights.

(f) Requires that DNR reserve access to and along navigable and public waters as required in AS 38.05.127, but limits the width of these easements on parcels along tidewater to a maximum of 25 feet (a provision specifically inserted by the legislature in the 2005 bill). These easements by regulation would otherwise have a 50-foot minimum width. This subsection also specifies that other provisions of AS 38.04 and AS 38.05 do not apply to these conveyances to the University.

(g) Sets out additional limitations or requirements regarding the land conveyed to the University, including Section 6(i) of the statehood act that prohibits the state's alienation of mineral estate; makes conveyance subject to RS 2477 and Omnibus Act rights of way; and excludes from the conveyance to the University any valid existing state mining claims.

(h) Requires that upon the termination of a state mining claim located within a parcel conveyed to the University under this bill, DNR will transfer that land to the University

(i) Establishes the date of the recording of a parcel as the time when the University takes over management responsibility for land transferred under this act.

(j) Establishes that upon conveyance to the University, all revenue and receipts accrue to the University as University receipts;

(k) Allows the University to return land to DNR up to ten years after conveyance if it contains hazardous waste; is located on a historic or archeological site; or the University and DNR agree to the re-conveyance.

(l) Requires University concurrence with any DNR conveyance of an irrevocable interest in a parcel to be conveyed to the University.

(m) Allows the Commissioner of DNR to make minor boundary adjustments to correct omissions and errors.

(n) Removes nine (9) parcels from the land list originally agreed to by DNR and the University. These 9 parcels were included in the original land list submitted to the legislature in 2005. They were removed by the legislature during committee review of the bill based upon public and community concerns.

(o) Defers conveyance of five parcels located within the potential boundaries of a Petersburg Borough so that if a Borough forms before July 1, 2012 (two years), these parcels could be selected by a future Borough as part of its municipal entitlement under AS 29.65. If a borough does not form or the land is not

provision was inserted in the 2005 legislation to specifically address this concern raised by the Cities of Wrangell and Petersburg during the 2005 legislative hearings.

(p) Defers conveyance of three parcels located within the City and Borough of Wrangell pending possible selection by the new borough under its municipal entitlement (AS 29.65). Provides the Borough until January 1, 2013 to select the land. A provision to defer these selections was inserted in the 2005 legislation to specifically address potential borough formation, a concern raised by the cities of Wrangell and Petersburg during the 2005 legislative hearings. Wrangell formed a borough after the 2005 legislation, but has not yet filed its land selections with DNR.

(q) Defers conveyance of one parcel located within the potential boundary of a Northern Chichagof Island Borough so that if a Borough forms before July 1, 2012 (two years), this parcel could be selected by a future Borough as part of its municipal entitlement under AS 29.65. If a borough does not form or the land is not selected by a future Borough, the land will be conveyed to the University. This provision was inserted in the 2005 legislation to specifically address this concern raised during the 2005 legislative hearings. **NOTE**: this provision was amended in House Education to delete the reference to parcel PA 1002, Mite Cove and substitute "Parcel C-18". The intent of the amendment was to delete parcel MF 1001, Mite Cove from the land list and insert that portion of a parcel previously deleted, parcel ST 1002, Pelican, back into the list. The parcel to be added back is that portion of Parcel 1002 identified in the DNR Northern southeast area Plan as Unit C-18. DNR is working with the sponsor of the amendment to draft a revised amendment to correctly capture the intent of the House Education Committee.

Section 6 – Repeals and reenacts AS 14.40.366 as passed in 2005. Sets forth management requirements for university land, including preservation of historic recent public uses, public notice and comment opportunities for land development or disposal plans, and right of first refusal to closest municipality.

Section 7 – Repeals and reenacts AS 14.40.367 as passed in 2005. Exempts certain proprietary and business sensitive information related to university land disposals from the Alaska Public Records Act.

Section 8 – Establishes a one-year statute of limitations for parties wishing to bring a lawsuit regarding this legislation.

Section 9 – Requires that revenue generated from the conveyed land be handled as University receipts subject to annual appropriation by the Legislature. This section deletes the provision in HB 130 that required revenue from the conveyed land be deposited in the University Endowment Trust, thereby correcting the dedicated funds violation found by the Alaska Supreme Court in *S.E. Alaska Conserv'n Council v. State*, 202 P.3d 1162 (2009).

Section 10 – Defines University receipts to include land transferred under this new legislation.

Section 11 – Specifies that University land conveyed under this bill is exempt from general taxation.

Section 12 – Ensures that a municipal entitlement of a future city or borough is not reduced by the conveyance of land to the University under this legislation.

Section 13 – Requires that 25% of mineral revenue from University lands granted under this legislation be deposited into the Permanent Fund.

Section 14 – Restores the repeal of AS 14.40.368 regarding encumbrances and trespasses on land to be conveyed. This statute was enacted by SB 7 and repealed by HB 130. This section confirms that AS 14.40.368 is to remain repealed.

Section 15 – Ratifies conveyances made to the University under the 2005 legislation, so that DNR does not have to re-issue deeds.

Section 16 – Adds a severability clause.

Section 17 – Establishes an immediate effective date.

# FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 295
(H) Publish Date: 1/19/10

Identifier (file name): 0829-REV-APFC-1-6-10
Dept. Affected: Revenue
Title: University of Alaska Land Transfer
RDU: Alaska Permanent Fund Corporation
Component: APFC Operations
Sponsor: Rules
Requester: Request of Governor
Component Number: 109

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2010) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

The APFC anticipates no impact on revenues or expenditures as a result of this legislation.

Prepared by: Ginger Blaisdell for Laura Achee
Phone 465-2312
Division: Alaska Permanent Fund Corporation
Date/Time 12/18/09; 2:00pm
Approved by: Ginger Blaisdell, Director
Date 1/6/10; 1:33pm
Administrative Services Division

(Revised 10/13/2009 OMB)

# FISCAL NOTE

**STATE OF ALASKA**
**2010 LEGISLATIVE SESSION**

Fiscal Note Number: 2
Bill Version: HB 295
(H) Publish Date: 1/19/10

Identifier (file name): 0829-DNR-MLW-12-21-2009
Dept. Affected: Natural Resources
Title: Grant of State Land to the University of Alaska
RDU: Resource Development
Component: Title Acquisition and Defense
Sponsor: Rules Committee
Requester: Governor
Component Number: 2459

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Travel | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Contractual | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Supplies | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Equipment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | *** | *** | *** Indeterminate (see analysis) *** | | | *** | *** |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2010) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Part-time | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Temporary | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

**ANALYSIS:** *(Attach a separate page if necessary)*

This bill requires DNR to convey title to 194,379 acres of specifically identified parcels of state land to the University of Alaska within two years of the effective date of the legislation. To satisfy the land conveyance proposed under this legislation, DNR will need to complete the conveyance process for these parcels, including a land title search, identify and reserve easements, identify and reserve navigable waters, and resolve any title conflicts. This will require some DMLW staff time to complete this research, finish the preparation of legal descriptions, prepare conveyance documents, and update the state's computerized records system. Because this effort was substantially completed by the department under the provisions of chapter 8, FSSLA 2005 prior to the State Supreme Court's invalidation of that statute, only a small amount of work remains to finalize the conveyances required under this bill.

Prepared by: Dick Mylius
Phone 907-269-8625
Division: Director, Mining Land and Water
Date/Time December 21, 2009
Approved by: Tom Irwin, Commissioner
Natural Resources
Date December 21, 2009

(Revised 11/6/2009 OMB)

# FISCAL NOTE #2

**STATE OF ALASKA** **BILL NO.** HB 295
**2010 LEGISLATIVE SESSION**

**ANALYSIS CONTINUATION**

(Analysis cont.)

Accordingly, DNR does not anticipate any additional funds or positions will be required, and the department can implement the intent of this proposed legislation using existing staff and resources.

This bill is intended to expedite the conveyance of state lands, including the mineral estate, to the University of Alaska by conveying to the Board of Regents by quitclaim deed to those state lands identified for conveyance to the University in a document entitled "University of Alaska Land Grant List 2005" dated January 12, 2005. This "Land Grant List" includes lands that make up part of the Nenana oil and gas basin.

***Based on the subsurface information currently available, the Nenana basin is thought to be gas-prone. DNR believes that the gas potential of this basin ranges from moderate to good. The basin is also in close proximity to markets in Fairbanks. Andex Resources currently has an oil and gas exploration license for part of the Nenana Basin. It is impossible without further exploration to predict the exact fiscal impacts. However, the conveyance of part of the Nenana oil and gas basin to the University of Alaska could result in a significant new source of revenue and /or energy for the University with a corresponding decrease in general and permanent fund revenues.

There is a similar but lesser impact from transferring the surface and subsurface from other lands that DNR would otherwise sell or lease. That is, the Department anticipates an unspecified decrease in future revenues from the loss of these lands.

# FISCAL NOTE

**STATE OF ALASKA**
**2010 LEGISLATIVE SESSION**

Fiscal Note Number: 3
Bill Version: HB 295
(H) Publish Date: 1/19/10

Identifier (file name): 082-UA-SWS-12-18-09
Dept. Affected: University of Alaska
Title: An Act relating to the grant of certain land to the University of Alaska
RDU: University of Alaska
Component: Sysbra
Sponsor: Governor
Requester:
Component Number: 730

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | 500.0 | 250.0 | 250.0 | 250.0 | 250.0 | 250.0 | 250.0 |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **500.0** | **250.0** | **250.0** | **250.0** | **250.0** | **250.0** | **250.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| 1048 University Receipts | 500.0 | 250.0 | 250.0 | 250.0 | 250.0 | 250.0 | 250.0 |
| **TOTAL** | **500.0** | **250.0** | **250.0** | **250.0** | **250.0** | **250.0** | **250.0** |

**Estimate of any current year (FY2010) cost:** 0.0

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

In the short term (6 years) this bill would provide very little operating revenue, due to the fact that the funding resulting from this bill is deposited into UA's Land Grant Trust Fund (LGTF, an endowment that has a payout policy similar to the POMV principles i.e., 5% of the prior five year endowment average), however, in the long term, after substantial additions to the LGTF endowment UA can see modest operating revenue i.e., in approximately 20 years UA anticipates annual investment earnings on new land sales to reach 1% of state general fund support or $2.6M.

UA Land Management will add minimal staff to accomplish management of the new lands as this land transfer would roughly replace land inventory available for sale. Land Management operating costs are already considered in the net revenue projections.

Prepared by: Michelle Rizk, Associate Vice President
Phone 450-8187
Division: University of Alaska
Date/Time 12/18/09 4:40 PM
Approved by: Michelle Rizk, Associate Vice President
Date
Statewide Budget

(Revised 11/5/2009 OMB)

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# Governor Sean Parnell
## STATE OF ALASKA

January 15, 2010

The Honorable Mike Chenault
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear President Stevens,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill relating to: the grant of certain State lands to the University of Alaska; the duties of the Board of Regents; the deposits made to the Alaska Permanent Fund received from lands conveyed to the University of Alaska; ratifying and reauthorizing certain prior conveyances of land to the University of Alaska; and making conforming amendments.

This bill will fulfill a promise made at the turn of the 20th century, when Congress promised 350,000 acres of land to the former Alaska Territorial College and School of Mines. However, since Statehood in 1959, most of this promised land has never materialized. Today, at 140,000 acres, the University of Alaska has one of the smallest land grants in the United States. Even Rhode Island's university land grant is larger. The intent of the land grants is to provide the university with a portfolio of land that will enhance its financial position and further its educational mission. Land grant colleges and universities are common throughout the United States.

Final resolution to this much overdue commitment is something I have and continue to strongly support. During my tenure in the Legislature I advocated for, and the Legislature passed, several pieces of University Land Grant legislation. By introducing this legislation I've committed to the purpose of the legislation passed in 2005 and removed constitutional issues created by that legislation.

The bill will convey approximately 199,838 acres of State land to the University of Alaska. The Legislature will specify revenue generated by the University of Alaska's management of the land be managed as university receipts, subject to appropriation each year by the Legislature. This bill ratifies and reauthorizes the land conveyances in legislation enacted in 2000 (ch. 136, SLA 2000) and 2005 (ch. 8, FSSLA 2005). These statutes were found by the Alaska Supreme Court, in *Southeast Alaska Conservation Council v. State, 202 P.3d 1162 (Alaska 2009)* to violate Art. IX, Sec. 7 (the dedicated funds section) of the Constitution of the State of Alaska, because the statutes specified that revenue generated from the University of Alaska's management of the land was to be deposited in the University of Alaska's endowment trust fund.

The Alaska Supreme Court found that the dedication provisions of the statutes could not be severed from the land conveyance provisions, rendering the entirety of the legislation unconstitutional, except for the provisions pertaining to the university research forest. The bill explicitly states the intent to convey the land to the University of Alaska, notwithstanding that revenue generated from the land may not be dedicated to

the University of Alaska's endowment trust. The bill addresses the constitutional infirmity by specifying that revenue generated from the University of Alaska's management of the land is to be managed as university receipts, subject to appropriation each year by the Legislature.

The land to be conveyed in this bill to the University of Alaska will be the land originally designated in the final 2005 legislation (ch. 8, FSSLA 2005), with the exception of two parcels that were conveyed under separate statutory authority and the university research forest. The bill refers to the land identified in the document titled, "University of Alaska Land Grant List 2005," dated January 12, 2005. This land list was arrived at after more than a year of intense work by the Department of Natural Resources (department) and the University of Alaska to identify land that may be conveyed to the University of Alaska without unreasonably conflicting with programs associated with, and uses of, State land managed by the department.

The land list in the bill reflects changes made by the Legislature during the 2005 session, including the Legislature's decision to drop certain parcels that were on the original list provided in January 2005. The bill will also include language added by the Legislature to protect land for possible municipal entitlement selections by the City and Borough of Wrangell and possible borough in the Petersburg area. Before the Alaska Supreme Court declared the prior land conveyance statutes unconstitutional (ch. 136, SLA 2000 and ch. 8, FSSLA 2005), the department had completed conveyance of 31 of the 52 available parcels identified in the land list. The bill ratifies and reauthorizes these conveyances, as well as provides authority for conveyance of the remaining 21 parcels.

The bill also includes requirements for management of university land, such as public notice and comment opportunities on proposals for land development, exchange, or sale. Additionally, the bill exempts certain sensitive business and economic information regarding sale, lease, or development of university land from the public records production requirements of AS 40.25.100 - 40.25.295 (Alaska Public Records Act). These provisions reflect the 2005 legislation.

The prior land conveyance statutes included a provision for establishment of a university research forest. This provision is not included in this bill since the Alaska Supreme Court found that the provision in the prior legislation could be severed from the unconstitutional dedication provisions, and it was therefore upheld as constitutional.

The bill also contains a provision authorizing the deposit to the Alaska Permanent Fund of 25 percent of receipts from certain lands conveyed to the University of Alaska. A copy of the "University of Alaska Land Grant List 2005" has been provided to the Legislature and is available upon request from the Department of Natural Resources.

I urge your prompt and favorable action on this measure, which will complete the State's efforts to provide a beneficial educational and income-producing land base to the University of Alaska, while complying with the dedicated funds section of the Constitution of the State of Alaska.

Sincerely,

Sean Parnell
Governor

Enclosure

# STATE OF ALASKA

**DEPARTMENT OF NATURAL RESOURCES**

***OFFICE OF THE COMMISSIONER***

***SEAN PARNELL, GOVERNOR***

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February 8, 2010

Representative Bob Herron, Co-Chair
House Community & Regional Affairs
State Capitol, Rm 411
Juneau, Alaska 99801

Representative Cathy Munoz, Co-Chair
House Community & Regional Affairs
State Capitol, Rm 409
Juneau, Alaska 99801

Re: House Bill 295 – University Land Grant

Dear Representatives Herron and Munoz:

Please accept this request for your consideration to schedule HB 295 before the House Community & Regional Affairs at your earliest convenience.

This bill would convey approximately 199,838 acres of state land to the University of Alaska, and specify that revenue generated by the University of Alaska's management of the land be subject to appropriation each year by the legislature.

Legislation passed in 2000 and 2005 made certain land grants to the University of Alaska and specified that the revenue generated from those lands would be deposited into the University endowment trust fund. In March 2009 the Alaska Supreme Court found these statutes to violate the dedicated funds section of the Alaska Constitution, art. IX, sec. 7.

This bill seeks to remedy those issues identified by the Court by specifying that the revenue generated from the land is to be accounted for as university receipts and therefore subject to appropriation each year by the legislature. It also ratifies and reauthorizes the land conveyances authorized in the previously enacted legislation. The land to be conveyed under this bill is the same as what was to be conveyed to the University of Alaska in the final 2005 legislation (ch. 8, FSSLA 2005), with the exception of two parcels that were conveyed under separate statutory authority and the university research forest.

The bill was amended in House Education Committee by removing one parcel at Mite Cove on Lisianski Inlet and by adding a portion of a parcel previously deleted, parcel ST 1002, Pelican, back into the list. The parcel to be added back is that portion of Parcel

1002 identified in the DNR Northern Southeast Area Plan as Unit C-18. The amendment that was adopted by House Education Committee failed to do what they intended so DNR is working with the Sponsor of the amendment to draft a revised amendment for consideration by House CRA to correctly capture the intent of the House Education Committee.

If you have any questions regarding the bill, feel free to contact Samantha Carroll, Department of Natural Resources Special Assistant at 269-8434, or Dick Mylius, Director of Division of Mining, Land, and Water at 269-8625.

Sincerely,

Thomas E. Irwin
Commissioner

| Parcel Name | Parcel Number -- 2010 Land Use List | DNR Land Use Plan | Land Designation in Plan | Notes |
|---|---|---|---|---|
| **Earl West Cove**[1] | PT.1004 | CSEAP | General Use | Management intent indicates parcel to be used for multiple uses, including settlement and future timber sales. |
| **Mite Cove**[2] | MF.1001 | NSEAP | Dispersed Recreation | Management intent indicates that the parcel is to be used for public purposes; not appropriate for settlement. |
| **Moser Bay** | CS.MB.1001 | CSEAP | Settlement, General Use | Management intent indicates western part of parcel to be managed for settlement; remainder is General use. Note: anadromous stream is Habitat. |
| **Olive Cove**[3] | CS.OV.1001 | CSEAP | General Use, Dispersed Rec. | Adjoins state subdivision. Management intent indicates that portions of parcel may be appropriate for settlement. |
| **Sumdum** | SD.1001 | NSEAP | Dispersed Recreation | Management intent indicates that only development related to recreation uses would be appropriate. |
| **Tenakee Springs** | ST.1003 | NSEAP | Public Facilities, Settlement/ Commercial | Management intent indicates that development appropriate near harbor and, in some inland locations, for commercial, industrial, and road right-of-way purposes. Areas not used for this purpose should remain undeveloped. |
| **Thoms Place**[4] | SD.1001 | NSEAP | Settlement, General Use | Management intent indicates that settlement should occur along coast. Timber harvest in General Use areas not appropriate except as related to land development. Adjoins state subdivision to south. |

CSEAP – Central Southeast Area Plan

NSEAP – Northern Southeast Area Plan

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[1] Affected by legislative provision allowing land to be conveyed to a borough under certain conditions.
[2] See footnote 1.
[3] See footnote 1.
[4] See footnote 1.

**Identification of Parcels – 2005 Land List**

Parcels were identified according to the needs of the University and the restrictions of state area plans. DNR also established some sideboards of properties that would not be considered, such as producing oil and gas properties (including the entire North Slope), areas where DNR had already started work on land sales, timber parcels critical to the DNR Forestry sales program and sustained yield calculations, parcels selected by municipalities, etc. (this is not a complete list). Three types of properties were identified as needed by the University.[5]

Investment Properties (73,865 acres). DNR and the University initially reviewed all available land throughout the state and all applicable area plans. Generally, both parties agreed that it would be preferable, except in cases related to educational development and research and oil and gas utilization, to exclude parcels that were designated in area plans as generally inappropriate for development or could not be conveyed to individuals or municipalities based on plan or statutory restrictions. Designations that included Water Resources, Habitat, and Forestry were avoided; these designations cannot, for example, be conveyed to municipalities under the Municipal Entitlement Act. Designations that provided for development of some type or are acceptable for municipal conveyance were used as the basis for initial selection. Our review therefore focused on state land designated Agriculture, Settlement, General Use (a multiple use designation) and, to a lesser extent, Public Recreation where some type of recreation development was envisaged. The management intent associated with these parcels (which sometimes constrains use and development) as well as specific parcel knowledge were then used to reduce the inventory of parcels to that contained in the 2005 Land List. In all cases DNR required that the entirety of state land in an area of selection be included; this avoided the selection of just the best areas (high-grading), leaving the state with areas of limited worth.

Educational Properties (35,973 acres). Parcels that augmented the holdings of current educational facilities (Sitka, Juneau, and Fairbanks) were included. Also included were parcels important to water and water quality research and forest research and management. The former included large areas near Fairbanks as well as portions of the Tanana Valley State Forest. The latter was conveyed as a University Research Forest under the previous legislation.

Oil and Gas Properties (90,000 acres). A large area near Nenana was included on the basis that this area has oil and gas potential and may be able to generate revenue.

[5] The acreage estimates given reflect the proposals of the 2005 Land List. Some parcels have been conveyed to the University. Especially significant is the University Research Forest (51,820 acres).

FROM LEG LEGAL
Don Bullock

**Issues with CSHB 295(EDC)**

1. (STYLE) Generally needs edits to conform with the drafting manual and the style of the Alaska Statutes. (Also, some sections were repealed and reenacted when there were only limited changes).

2. (LEGAL, SUBSTANTIVE) University land is state land. The bill does not provide the law for the administration and disposition of the land conveyed to the university. Administration and disposition may not be done under policies of the Board of Regents, only under laws passed by the legislature. See, e.g. AS 38.05, the Alaska Land Act.

3. (LEGAL SUBSTANTIVE; POLICY AS TO PERCENTAGE) The bill incorrectly describes proceeds from the land conveyed to the University that must be deposited into the Permanent Fund (Amendment to AS 37.13.010(a) in sec. 12, CSHB 295(EDC)).

4. (POLICY) Bottom line University can have title, but cannot manage the land except under laws passed by the legislature; University cannot have any money generated by the land without appropriation by the legislature. Begs the question, except for land that may be used for purposes related to the function of the university, why transfer the land? The same thing could be accomplished by keeping the land under the administration of DNR, identify the parcels, and provide that the income from the identified parcels may be appropriated to the Unviersity.

***Southeast AK Conservation Council v. State*, 202 P.3d 1162, 1171 (Alaska 2009).**

***Thus, even when the University has title to land, "only the legislature can make laws effecting the disposal of land, not the Board of Regents."***

Our case law establishes that University lands are state lands. *Article VII, section 2* establishes the University, declares it a "body corporate," provides that the University "shall have title to all real and personal property now or hereafter set aside for or conveyed to it," and states that "[i]ts property shall be administered and disposed of according to law." We considered the meaning of *article VII, section 2* in *State v. University of Alaska.* [624 P.2d 807, 814] There, we held that the state could take land that Congress had granted to the University to be held in trust for it under the federal 1929 act, but that the state had to compensate the University with monetary damages or equivalently valuable land. Our opinion emphasized *article VII, section 2*'s command that "property shall be administered and disposed of according to law," and noted that "'according to law' refer[s] to the legislature's power to make laws." Thus, even when the University has title to land, "only the legislature can make laws effecting the disposal of land, not the Board of Regents." We further observed that "[t]he natural resources article of the Alaska Constitution grants extensive powers to the legislature to control lands," which makes "clear that [the University lands received under the 1929 act] 'belong' to the state." The conclusion we reached in *State v. University of Alaska,* that University land is state land, applies even more readily to the present case because the University land involved here is not shielded by a federal trust obligation. Statutory language treating University lands differently from other state land does not overcome this constitutionally based conclusion.

Constitutional provisions referred to in ***Southeast AK Conservation Council v. State,* 202 P.3d 1162, 1171 (Alaska 2009):**

Article VII. HEALTH, EDUCATION AND WELFARE

SECTION 2. State University. The University of Alaska is hereby established as the state university and constituted a body corporate. It shall have title to all real and personal property now or hereafter set aside for or conveyed to it. ***Its property shall be administered and disposed of according to law.*** [Emphasis added.]

Article VIII. NATURAL RESOURCES

SECTION 2. General Authority. The legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the State, including land and waters, for the maximum benefit of its people.

What law applies to the administration and disposal of land conveyed to the university?

Excerpts from Southeast AK Conservation Council v. State, 202 P.3d 1162, 1171 (Alaska 2009), quoted above:

Our opinion emphasized *article VII, section 2*'s command that "property shall be administered and disposed of according to law," and noted that "'according to law' refer[s] to the legislature's power to make laws." ***Thus, even when the University has title to land, "only the legislature can make laws effecting the disposal of land, not the Board of Regents."***

***Statutory language treating University lands differently from other state land does not overcome this constitutionally based conclusion.***

*"Statutory language treating University lands differently from other state land does not overcome this constitutionally based conclusion."*

## Chapter 38.04. POLICY FOR USE AND CLASSIFICATION OF STATE LAND SURFACE

**Sec. 38.04.005. Policy.**

. . .

(f) Land owned by the Board of Regents of the University of Alaska is not subject to the provisions of this chapter.

## Chapter 38.05. ALASKA LAND ACT

**Sec. 38.05.030. Exceptions.**

. . .

(f) Land owned by the Board of Regents of the University of Alaska is not subject to this chapter.

. . . .

Additional problem with the above two excerpts: the Board of Regents does not own land. The board has "care, control, and management of land." CSHB 295(ED

**Sec. 14.40.170. Duties and powers of Board of Regents.** (a) The Board of Regents shall

. . .

(4) have the care, control, and management of

(A) all the real and personal property of the university; and

(B) land

(i) conveyed to the Board of Regents by the commissioner of natural resources in the settlement of the claim of the University of Alaska to land granted to the state in accordance with the Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance with the Act of January 21, 1929 (45 Stat. 1091), as amended; and

(ii) conveyed to the Board of Regents in trust for the University of Alaska by the commissioner of natural resources under AS 14.40.365;

. . . .

What law would apply for the oil and gas leasing on land conveyed to the university under the bill? See AS 43.05.180 for oil and gas leasing on state land.

Permanent Fund Issue:

Sec. 12 of CSHB 295(EDC) only applies to leases entered into before dates in the past:

* **Sec. 12.** AS 37.13.010(a) is amended to read:

(a) Under art. IX, sec. 15, of the state constitution, there is established as a separate fund the Alaska permanent fund. The Alaska permanent fund consists of

(1) 25 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180(f) and (g), **25 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares derived from lands conveyed to the University of Alaska under AS 14.40.365 and 25 percent of all bonuses derived by the University of Alaska from mineral leases on these lands, and 25 percent of** [AND] federal mineral revenue sharing payments received by the state from mineral leases issued on or before December 1, 1979, and 25 percent of all bonuses received by the state from mineral leases issued on or before February 15, 1980;

(2) 50 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180(f) and (g), and federal mineral revenue sharing payments received by the state from mineral leases issued after December 1, 1979, and 50 percent of all bonuses received by the state from mineral leases issued after February 15, 1980; and

(3) any other money appropriated to or otherwise allocated by law or former law to the Alaska permanent fund.

The difference between AS 37.13.010(a)(1) and (2) is the time period when the applicable leases were issued. In AS 37.13.010(a)(1), the leases were issued on or before December 1, 1979 and February 15, 1980; in AS 37.13.010(a)(2), the relevant leases were issued after December 1, 1979 and February 15, 1980.

**FIX:** Either

(1) Treat university land as state land and make AS 37.13.010(a)(2) apply (50%)

or

(2) Add a new paragraph to AS 37.13.010(a) providing for payments and receipts from university leases with an appropriate percentage equal to or above the 25 percent required under Art. IX, sec. 15, Constitution of the State of Alaska.

SEAN PARNELL, GOVERNOR

**DEPARTMENT OF LAW**

*OFFICE OF THE ATTORNEY GENERAL*

*1031 WEST 4TH AVENUE, SUITE 200*
*ANCHORAGE, ALASKA 99501-5903*
*PHONE: (907)269-5100*
*FAX: (907)276-3697*

February 25, 2010

The Honorable Cathy Munoz
House of Representatives
Co-Chair of House Community and Regional Affairs Committee
State Capitol, Room 409
Juneau, AK 99801-1182

The Honorable Bob Herron
House of Representatives
Co-Chair of House Community and Regional Affairs Committee
State Capitol, Room 415
Juneau, AK 99801-1182

*Re: Committee Substitute for House Bill 295(EDC)*

Dear Representative Munoz and Representative Herron:

At the close of the February 18, 2010 Community and Regional Affairs Committee hearing on House Bill 295, you requested a written response from the Department of Law to testimony by Legislative Counsel Donald Bullock. Mr. Bullock testified that CSHB 295 (EDC) failed to address the Alaska Supreme Court's decision in *Southeast Alaska Conservation Council v. State*[1] that prior University land grant legislation was unconstitutional. Mr. Bullock testified that under the Alaska Supreme Court's holding in *SEACC v. State*, the Board of Regents lack the authority to set policy regarding the administration and disposal of University land. We have reviewed Mr. Bullock's materials from the February 18, 2010 hearing, as well as his March 30, 2009 memorandum to Representative Ramras regarding "Alaska Supreme Court decision on the conveyance of lands to the University of Alaska (Work Order No. 26-LS0818)."

[1] 202 P.3d 1162 (2009).

We disagree with Mr. Bullock's testimony. Article VII, section 2 of the Alaska Constitution states that the University "shall have title to all real and personal property now or hereafter set aside for or conveyed to it. Its property shall be administered and disposed of according to law." Article VII, section 3 of the Alaska Constitution empowers the Board of Regents as the governing body of the University, and states that "[t]he board shall, in accordance with law, formulate policy." In accordance with these constitutional mandates, the Legislature has established a statutory framework for administration and disposal of University land and University interests in land. Alaska Statute 14.40.170(a)(4) specifies that the Board of Regents "have the care, control, and management of all the real and personal property of the university" as well as land that would be conveyed under CSHB 295(EDC). This statute also requires that the Board of Regents "provide public notice of sales, leases, exchanges, and transfers of the land of the university or of interests in land of the university." AS 14.40.170(a)(8). Furthermore, the Legislature has established specific requirements for administration of University land in various sections of AS 14.40 (*see, e.g.*, AS 14.40.291 (specifying that University land is not public domain land); AS 14.40.350 and .360 (authorizing the Board of Regents to administer federal University land grant land); AS 14.40.366 (requiring land development and disposal plans as well as public notice and comment for development, exchange, or sale of University land)). Additionally, the Legislature has specifically exempted University land from the Alaska Land Act (*see* AS 38.05.030(f)) and the requirements of AS 30.04 (*see* AS 38.04.005(f)). The validity of these statutes has not been challenged.

In *SEACC v. State*, the Alaska Supreme Court held that University land is state land and therefore generates revenue subject to Article IX, section 7 of the Alaska Constitution.[2] In reaching this conclusion, the Court relied in part on its 1981 decision that the Legislature has ultimate authority to dispose of University trust land,[3] but it must reconstitute the trust.[4] In deciding that University land is state land subject to the dedicated funds clause, the Court stated that:

> [E]ven when the University has title to land, only the legislature can make laws effecting the disposal of land, not the Board of Regents. We further observed that the Alaska Constitution grants extensive powers to the legislature to control lands, which makes clear that the University lands received under the 1929 act 'belong' to the state. The

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2 202 P.3d at 1172.

3 The University received two federal land grants in 1915 and 1929. This land was conveyed from the federal government to the state in trust for the University. This trust land was at issue in the Alaska Supreme Court's 1981 decision.

4 *See State v. University of Alaska*, 624 P.2d 807 (Alaska 1981).

> conclusion we reached in *State v. University of Alaska*, that University land is state land, applies even more readily to the present case because the University land involved here is not shielded by a federal trust obligation. Statutory language treating University lands differently from other state land does not overcome this constitutionally based conclusion.[5]

In other words, the Court held that conveyance of state land to the University did not remove the land from the ultimate control of the Legislature, nor did it exempt University land revenue from the dedicated funds clause. The Court did *not* hold that University land must be managed under the same statutory framework as other state land, nor did the Court hold that the Legislature could not delegate to the Board of Regents the authority to develop policy for the day-to-day implementation of the University land program, including decisions regarding development and disposal of individual parcels. Because University land is state land, University land management practices must comply with the requirements of Article VIII, Natural Resources, of the Alaska Constitution. However, there is no basis for the conclusion that the Legislature may not enact separate laws governing the administration of University land, including delegation of day-to-day land administration responsibilities to the Board of Regents.

Sincerely,

DANIEL S. SULLIVAN
ATTORNEY GENERAL

By: J. Anne Nelson
J. Anne Nelson
Assistant Attorney General
Attorney for the State of Alaska

Cc:
Gerald Gallagher, Legislative Director, Office of the Governor
Tom Irwin, Commissioner, Department of Natural Resources
Richard Lefebvre, Deputy Commissioner, Department of Natural Resources
Richard Mylius, Director, Mining Land and Water
Deborah Behr, Chief Assistant Attorney General
Michael Ford, Assistant Attorney General
Wendy Redman, Vice President, University Relations
Larry Zervos, University General Counsel

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[5] *SEACC v. State*, 202 P.3d 1162, 1171 (Alaska 2009) (internal citations and quotations omitted).

10946

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OFFICE OF THE CO... MAILROO...

JUN 19 2009

AK
JG

202 Butrovich Building
910 Yukon Drive
P.O. Box 755300
Fairbanks, AK 99775-5300

June 15, 2009

Dear Governor Palin and State of Alaska Legislators,

The united leadership of the University of Alaska system seeks your assistance to remedy the financial injury caused to the State of Alaska's University system by the recent Alaska Supreme Court March 13, 2009, decision, Southeast Alaska Conservation Council v State of Alaska and University of Alaska. In this decision, the Alaska Supreme Court voided the Alaska Legislature's action in passing the 2005 University Land Grant Bill. The court held unconstitutional the restriction that any proceeds of the land must be placed into the University Endowment Trust Fund, and surmised that the legislature would not have intended to grant the land without that restriction. The court, therefore, invalidated the whole act except for the part establishing a research forest.

A great state needs a great university system. A great university system must have adequate resources sufficient to meet its responsibilities. A more woeful history of a land-grant college could hardly be found. The University of Alaska is a land-grant college without the land.

The State of Alaska's University system has been waiting almost 100 years with no appreciable land. For an interesting and concise account of this baneful history we would direct you to "A Land Grant College Without the Land: A History of the University of Alaska's Federal Land Grant"; a brief 20 page report by Terrence M. Cole, which we can provide to you upon request.

The united leadership of the University of Alaska system is requesting that in your capacity as the governing leadership of the State of Alaska, as Governor and Legislators, that you correct the court's conjecture that the legislature would not want the University to have the land that the legislature granted to it. We respectfully request your support for advancing higher education in the State of Alaska by reconveying these lands to the University of Alaska at the earliest possible opportunity without the dedicated funds clause that the Alaska Supreme Court found to be offensive to our State Constitution.

We the undersigned, the leadership of the University of Alaska system, thank you for your support of higher education in the State of Alaska.

Cynthia Henry, Chair
Board of Regents

Mark Hamilton, President
University of Alaska

## Terry Harvey

**From:** Rep. Cathy Munoz
**Sent:** Wednesday, February 03, 2010 3:10 PM
**To:** Terry Harvey
**Subject:** FW: HB 295 - Hello from Pelican!
**Attachments:** Comments on HB 295 to HEDU cmt.doc

Terry, please add to our file on the univ. lands bill. Cathy

---

**From:** Deb Spencer [mailto:dspencerak@yahoo.com]
**Sent:** Tuesday, February 02, 2010 11:04 PM
**To:** Rep. Bryce Edgmon; Rep. Cathy Munoz; Rep. Bob Buch
**Subject:** HB 295 - Hello from Pelican!

Hello All,
Attached please find some follow-up comments to my testimony at Friday's House Education Committee Hearing. I was the first (nervous) person to testify via teleconference.

I'm concerned that this bill will displace our fish-buying business, Shoreline, Inc. We've anchored in front of the Mite Cove parcel for 25 years and provide vital support for the troll fleet. Private ownership of the uplands would threaten our use of shorelines from the beach and a waterline from the uplands.

I'm also concerned that DNR's Northern Southeast Area Plan (NSEAP) is being disregarded by this bill. Please take a moment to read the attached letter. Louie Flora, staff to Rep. Wilson, has information and maps about a potential land substitution for the Mite Cove parcel.

Thank you for your consideration. Please contact me for any further information.

Regards,

Deb Spencer
Owner, Shoreline, Inc.
735-2495

**Terry Harvey**

**From:** Rep. Cathy Munoz
**Sent:** Thursday, February 18, 2010 4:26 PM
**To:** Terry Harvey
**Subject:** FW: sumdum parcelt in hb295 (sanford cove)

Terry, please keep his written testimony in the file on the bill. Cathy

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**From:** Tim Lydon [mailto:t_lydon@yahoo.com]
**Sent:** Thursday, February 18, 2010 10:15 AM
**To:** Rep. Cathy Munoz; Rep. Bob Herron; Rep. John Harris; Rep. Wes Keller; Rep. Charisse Millett; Rep. Sharon Cissna; Rep. Berta Gardner
**Cc:** barbara lydon; hans baertle; bill bailey; shannon bailey; jeff behrens; dan blanchard; bryce brockaway; gary carlson; ken gerkin; joel hanson; sean janes; mike jones; jim kyle; dan liden; christine jeffrey smith; john swanson; ben swanson; spirit walker; geoff wilson; christine@northwestnavigation.com; info@sikumi.com; randy@bluewateradventures.ca; trips@dolphincharters.com; info@beyondak.com; dennis@yachtalaska.com; Jon Horn; kevin hood; aleriaj@hotmail.com; daven@seacc.org; mary.irvine@acsalaska.net
**Subject:** sumdum parcelt in hb295 (sanford cove)

Greetings Committee members. Thank you again for the opportunity to testify this morning about the Sumdum parcel included in the University Lands Bill, HB 295. As I tried to express in my testimony, the Sumdum parcel sits squarely in the middle of a federally designated wilderness that is important to many residents, business people and visitors to Southeast Alaska. It's also of great importance to salmon, bears, birds and other wildlife. Privatizing and developing the Sumdum parcel would have a deleterious effect on a wide array of users and resources.

Please include in today's testimony the statement below from the following 17 Southeast Alaska commercial tour businesses. These operators have taken the time and energy to put together this statement. They feel strongly about leaving the Sumdum parcel undeveloped. I hoped to present their statement in the course of my testimony today, but time did not allow for it.

I hope the committee recognizes the importance of this parcel to this wide array of people and businesses. Please delete the parcel from HB295. Thank you.

STATEMENT:

The undersigned seventeen commercial tour companies bring thousands of visitors to Southeast Alaska every year. Our businesses provide guided hunting and fishing, kayak expeditions, and week-long excursions aboard small and mid-size vessels. Our segment of Alaska's tourism industry provides vital and unique economic benefits to southeast Alaska, and many of us are local business people. We stand out among other segments of the tourism industry because many of us provision our excursions locally, and a high number of our clients dine and seek local accommodations before and after their trips. University of Alaska research shows businesses like ours pump millions of dollars into the Southeast economy annually.

Bringing clients to wild Alaskan landscapes is the backbone of our businesses, and it's the reason for our concern over the Sumdum parcel. The Sumdum parcel is in Sanford Cove, in the heart of the Tracy Arm-Fords

Terror and Chuck River Wilderness Areas. For each of us, the area is a highlight of the services we provide. Many of us use Sanford Cove as a safe and scenic anchorage. With bears, wolves, salmon and cultural ruins, it is a common location for walks ashore, fishing, hunting and camping. Not only for our commercial clients, but for many independent and local travelers, too.

Tracy Arm-Fords Terror Wilderness is especially unique because it currently contains no lodges, private cabins, or other developments. Some of us have operated in southeast Alaska for several decades, long enough to know that such undeveloped anchorages are increasingly rare.

Privatization of the Sumdum parcel would displace many of us from long-standing business activities. It would also displace many independent and local recreationists and mar an undeveloped landscape. But removing the Sanford Cove parcel from House Bill 130 would have only a minor impact on university funding, one that could be compensated by other means.

Thank you for your consideration, and please help us maintain current use of this important part of southeast Alaska.

Sincerely,

John Swanson, President, Southeast Alaska Wilderness Tours Association (SAWTA)

SAWTA represents the following ten southeast Alaska commercial tour companies:

| | |
|---|---|
| Geoff Wilson | Alaska Yacht Charters |
| Richard Friedman | Alaskan Song |
| Christine Smith | Northwest Navigation |
| John Swanson | All Aboard Yacht Charters |
| Bill and Shannon Bailey | Pacific Catalyst |
| Meg Swimlear | Sikumi |
| Randy Burke | Bluewater Adventures |
| Butch Laughlin | Alaska Fly n' Fish Charters |

| | |
|---|---|
| Gary Carlson | Spirit Walker Expeditions |
| Dennis Rogers | Alaska Sea Adventures |

The letter is also signed by the following companies:

| | |
|---|---|
| Dan Blanchard | American Safari Cruises |
| Ronn Patterson | Dolphin Charters |
| Jeff Behrens | Fantasy Cruises |
| Ken Gerkin | The Boat Company |
| Dan Liden | Snow Goose |
| Jim Kyle | Alaska on the Home Shore |
| Rick Fleischman | Sound Sailing |

## Terry Harvey

**From:** Rep. Cathy Munoz
**Sent:** Wednesday, February 03, 2010 3:10 PM
**To:** Terry Harvey
**Subject:** FW: HB 295 - Hello from Pelican!
**Attachments:** Comments on HB 295 to HEDU cmt.doc

Terry, please add to our file on the univ. lands bill. Cathy

**From:** Deb Spencer [mailto:dspencerak@yahoo.com]
**Sent:** Tuesday, February 02, 2010 11:04 PM
**To:** Rep. Bryce Edgmon; Rep. Cathy Munoz; Rep. Bob Buch
**Subject:** HB 295 - Hello from Pelican!

Hello All,
Attached please find some follow-up comments to my testimony at Friday's House Education Committee Hearing. I was the first (nervous) person to testify via teleconference.

I'm concerned that this bill will displace our fish-buying business, Shoreline, Inc. We've anchored in front of the Mite Cove parcel for 25 years and provide vital support for the troll fleet. Private ownership of the uplands would threaten our use of shorelines from the beach and a waterline from the uplands.

I'm also concerned that DNR's Northern Southeast Area Plan (NSEAP) is being disregarded by this bill. Please take a moment to read the attached letter. Louie Flora, staff to Rep. Wilson, has information and maps about a potential land substitution for the Mite Cove parcel.

Thank you for your consideration. Please contact me for any further information.

Regards,

Deb Spencer
Owner, Shoreline, Inc.
735-2495



2007

**Terry Harvey**

**From:** Rep. Cathy Munoz
**Sent:** Friday, February 19, 2010 10:20 AM
**To:** Terry Harvey
**Subject:** FW: HB 295 University Lands
**Attachments:** Letter of Objection.doc; Executive Order.TIF

Terry, please include in our committee file on HB 295. Cathy

**From:** Carolyn [mailto:sharkey@acsalaska.net]
**Sent:** Friday, February 19, 2010 9:57 AM
**To:** Rep. Cathy Munoz
**Cc:** Kendra Kloster; Bill Martin; JB Martin
**Subject:** HB 295 University Lands

Please find attached a document requesting that all Tenakee lands be withdrawn from HB 295. The document is self-explanatory and has been unanimously approved by the Tenakee Traditional Council. We are also attaching a copy of the Executive Order 7179.

We ask this for a second time. Our traditional lands are very sacred to us. We met with the Governor and his concern was enough to give us hope that our request could be honored.

If you have any questions, please do not hesitate to contact myself or any of our Council members. If you feel it necessary for me to testify at the hearing, please, let me know and I will make the time.

Gu nul' cheesh!

John Martin, Sr.
Chairman
Tenakee Traditional Council
780-6195 or
209-0029

## Terry Harvey

**From:** Rep. Cathy Munoz
**Sent:** Sunday, March 07, 2010 10:05 AM
**To:** Terry Harvey
**Subject:** FW: HB 295

-----Original Message-----
From: Joan McBeen [mailto:joanmcbeen@yahoo.com]
Sent: Friday, March 05, 2010 4:04 PM
To: Rep. Cathy Munoz
Subject: HB 295

Dear Representative Cathy Munoz,

Please amend HB 295 and remove all Tenakee parcels from the selection of the University. I agree with Resolution 2010-16 passed unanimously by the City Council to remove these parcels.

The development of these parcels would create a burder to our infrastructure and the financial resonsibilities would be passed on to our citizens.

Thank you for this opportunity to testify.
Joan McBeen

## Terry Harvey

**From:** Rep. Cathy Munoz
**Sent:** Friday, March 05, 2010 9:43 AM
**To:** Terry Harvey
**Subject:** FW: re HB 295

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**From:** Charles E. King [mailto:kingc@science.oregonstate.edu]
**Sent:** Friday, March 05, 2010 8:34 AM
**To:** Rep. Cathy Munoz; Rep. John Harris; Rep. Wes Keller; Rep. Charisse Millett; Rep. Sharon Cissna; Rep. Berta Gardner; Rep. Bob Herron
**Subject:** re HB 295

Honorable Friends on the House Community and Regional Affairs Committee,

I write once again as a homeowner and registered voter in Tenakee Springs. My previous arguments are still valid, but will not be repeated herein. Instead I will add my voice to that of our unanimous city council and urge you to consider that the University and State have little to gain, and much to lose by passage of HB 295. In our view what is at stake is the very character of our daily lives. While there are issues that might well justify such a mandate, this is not one of them and to make it so cheapens both our citizenry and the legislative process.

Respectfully yours,

Charles E. King
302 Tenakee Trail/PO Box 54
Tenakee Springs, AK 99841



2010

**Terry Harvey**

**From:** Rep. Cathy Munoz
**Sent:** Sunday, March 07, 2010 10:04 AM
**To:** Terry Harvey
**Subject:** FW: [SPAM] UNIVERSITY LAND BILL

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**From:** Stan Moberly [mailto:stan.moberly@bigpond.com]
**Sent:** Saturday, March 06, 2010 3:18 PM
**To:** Rep. Cathy Munoz; Rep. Bob Herron
**Cc:** Rep. John Harris; Rep. Wes Keller; Rep. Charisse Millett; Rep. Sharon Cissna; Rep. Berta Gardner
**Subject:** [SPAM] UNIVERSITY LAND BILL

Dear Rep. Munoz & Herron, co-chairs of the House Community & Regional Affairs Committee:

I am writing to request you honor the Tenakee Springs City Council's request to have all proposed land transfers within the city limits of Tenakee Springs be eliminated from HB 295.

Removing this very small amount of land from the bill would not be burdensome to the University of Alaska; i.e. removing the parcel would be insignificant to the University's overall funding.

However, transfer of those lands for University fund-raising would be VERY significant to our city. Removing the lands within the city limits of Tenakee Springs is a chance to do something positive for one of the small villages in the State. We have struggled to keep the city viable and our long range plan includes utilization of the lands in question which are in the city limits. Please help us by honoring our City Council's request. If the State is ever to achieve the goal of having remote villages being more capable of "standing on their own feet" you have to help us!

Thank you for your consideration.

Sincerely,

Stan Moberly

606 E. Tenakee Avenue
Tenakee Springs, AK 99841 USA
907-736-2251
stan.moberly@attglobal.net
No Habitat: No <")}}}><



2012

# CITY OF TENAKEE SPRINGS

**Don Pegues**
**MAYOR**

**P.O. Box 52**
**Tenakee Springs, Alaska 99841**

February 10, 2010

Alaska State House of Representatives

Representative Bill Thomas

Dear Rep. Thomas,

I want to thank you for your hard work representing us on HB 295. Last Thursday the Tenakee Springs City Council adopted Resolution 2010-16, relating to the community's desire to have ST 1003 excluded from the list of lands to be granted to the University of Alaska. The Resolution is enclosed. Also enclosed, are three pieces of correspondence between the City of Tenakee Springs and DNR, the Stipulation for Settlement Tenakee Springs vs. State of Alaska 1JU 80-1666, March 9, 1981, and three pages from the Northern Southeast Area Plan (NSEAP). Tenakee Springs strongly desires to be excluded altogether from the University Bill and if that is not possible to have an amendment inserted binding the University to the terms of the Stipulation for Settlement. We intend to convey this material to Senator Kookesh, and if you have the opportunity, hope you would urge him to help with the exclusion.

Much of the concern expressed at the public hearing on resolution 2010-16 and by the Council members centered around whether the Stipulation with the land-use restrictions cited in the March 9, 1981 Court Order would remain in effect if the land were transferred to the University. In 1977, when the US Forest Service wanted to build a road and log dump and cut three timber units within the corporate boundaries of Tenakee Springs, the City's objections resulted in a Memorandum of Understanding between the city of Tenakee Springs the State of Alaska and Alaska Pulp Corporation. The US Forest Service declined to participate. A part of the MOU promised that DNR would convey to Tenakee Springs the lands selected under statehood with the understanding some would be retained by the State. When the conveyance was not forthcoming the City sued the State and the end result was an court order approving the Stipulation for Settlement, 1JU 801666, March 9, 1981. In the Stipulation for Settlement paragraph 1.2 describes a tract of land to be retained by the state for "commercial, industrial, row right away and borrow pits purposes... containing 261 acres, more or less." This track is designated C34 in the NSEAP. Paragraph 1.4, describes a "public facilities reserve, 40 acres more or less" and is designated C30 in NSEAP. C30 encompasses C31 and C32. The University list erroneously adds the acreages of C30, C31 and C32 together totaling 80 acres when the actual acreages 40 as a result the total acreage in ST 1003 is 301 acres. In the correspondence from 2005 enclosed DNR stated that they do not believe this day to be bound by the terms of the stipulation for settlement as to land-use.

The community is very concerned about the potential increased burden for new services that may be placed upon us. Extending power lines, improved access, and snow removal are all

things that would overwhelm our limited budget. If the University is not bound by the Stipulation for Settlement and is able to privatize these lands that burden could be considerably

greater. A fiscal note to the bill from the University of Alaska indicates that the 20-year projected income from these lands might produce 1% of the annual income required by the University. The 301 acres in Tenakee comprises only .11% of the total land grant in HB 295. Consequently the income derived from this land would be less than .0013 percent of the University's annual requirement. The potential burden to the city, in our minds, far outweighs the potential gain to the University.

The City of Tenakee Spring would be grateful for any help that you could provide in excluding the Tenakee Lands from the University Bill. One of our Council members, in contact with your office, has indicated you might be willing to forward amendment language to the House Committee on Community and Regional Affairs for an exclusion amendment. The Community and Regional Affairs Committee is meeting this week. I know that you work closely with Senator Kookesh and hope that together you can get exclusion amendments in both HB 295 and SB 225.

Respectfully,

Don Pegues, Mayor

City of Tenakee Springs

CC: Alaska House of Representatives
Committee for Community and Regional Affairs

# City of Tenakee Springs

## RESOLUTION 2010-16

In the Council
February 11, 2010

Introduced by
Council President

**A RESOLUTION FOR THE CITY OF TENAKEE SPRINGS, ALASKA, SUPPORTING AN AMENDMENT TO HB 295 AND SB 225, " UNIVERSITY LAND GRANT", EXCLLUDING PARCEL ST 1003 FROM CONVEYANCE TO THE UNIVERSITY OF ALASKA**

WHEREAS, the Alaska Department of Natural Resources, (DNR) adopted the Northern Southeast Area Plan (NSEAP) on October 15, 2002; and

WHEREAS, the City of Tenakee Springs, the public, various stakeholders and other government agencies had input into the land-use designations for local state lands in the NSEAP; and

WHEREAS, the NSEAP acknowledges that the State of Alaska shall retain certain lands in state ownership and manage them for the purposes designated in the Stipulation of Settlement pursuant to the order of the Alaska Superior issued on March 9, 1981 in case number IJU-80-1666; and

WHEREAS, if these lands in ST 1003 are conveyed to the University of Alaska, the University remains bound by the management uses designated for these lands in the IJU-80-1666, March 9, 1981 court order; and

WHEREAS, the Parcel Number ST 1003 includes parcels identified in the NSEAP as C30 which includes C31 and C32, 40 acres more or less, is designated to be managed "as a public facilities reserve" by court order; and

WHEREAS, the NSEAP states, "Other than development that may be related to marine support at the boat harbor, further development of this parcel is not considered appropriate."; and

WHEREAS, Parcel Number ST 1003 also includes the parcel identified in the NSEAP further as C24, 261 acres more or less, and the NSEAP and March 9, 1981 Court Order declares that "Lands within this parcel are to be retained by the state"; and

WHEREAS, the Stipulation for Settlement, (para 1.4), Tenakee Springs vs. State of Alaska, IJU-80-1666, March 9, 1981 stipulates these retained lands to be managed for "Commercial, industrial, right of way, and borrow pits" uses; and

WHEREAS, DNR did not solicit public comment from residents of Tenakee Springs for the 2010 legislation (HB 295) when designating Parcel ST 1003 for conveyance to the University; and

WHEREAS, all of the parcels in ST 1003 are within the city limits of Tenakee Springs; and

WHEREAS, fiscal Note 3 of House Bill 295 indicates, "after substantial additions to the LGTF endowment UA can see modest operating revenue i.e., in approximately 20 years UA anticipates annual investment earnings on new land sales to reach 1% of state general fund support or $2.6M."; and

WHEREAS, the total acreage of land recommended for conveyance from the State of Alaska to the University of Alaska in HB 295 and SB 225 is 260,000 acres; and

WHEREAS, parcel number ST 1003 is approximately 301 acres in size, which equates to .0013 percent of the total acreage of land to be conveyed to the University; and

WHEREAS, the City of Tenakee Springs would be unduly burdened by conveyance of these lands compared to the relatively insignificant additional revenue this parcel would contribute to the University's budget;

THEREFORE BE IT RESOLVED by the Common Council of the City of Tenakee Springs, Alaska that we support an amendment to HB 295 and SB 225 either removing the transfer of ST 1003 to the University of Alaska or binding the University to the terms of the Stipulation for Settlement in IJU-80-1666, City of Tenakee Springs vs. State of Alaska, March 9, 1981

**ADOPTED 7 Yes, 0 No THIS 11th DAY OF February 2010.**

Don Pegues
City Council President
Ex officio MAYOR

ATTEST:

Mary M. Almy
Acting City Clerk

# CITY OF TENAKEE SPRINGS

**Don Pegues**
**MAYOR**

**P.O. Box 52**
**Tenakee Springs, Alaska 99841**

March 3, 2010

House Community & Regional Affairs Committee

The Honorable Cathy Munoz, Co-Chair
State Capitol Room 409
Juneau AK, 99801

The Honorable Bob Herron, Co-Chair
State Capitol Room 411
Juneau AK, 99801

Dear Representatives Munoz and Herron:

I am writing in regard to HB 295, which is scheduled to be heard before the House Community & Regional Affairs Committee next week. That bill provides for the transfer of designated lands to the University of Alaska, as listed in the "University of Alaska Land Grant List 2005." Among the lands recommended for transfer are those contained in ST 1003, which fall within our city boundaries. The City was opposed to this proposed transfer in 2005, and still opposes it today. The Tenakee Springs City Council recently adopted Resolution 2010-16, expressing the community's desire to have ST 1003 removed from the list of lands to be granted to the University of Alaska.

This is not the first time these parcels have been the center of controversy. In 1977, when the U.S. Forest Service proposed a road, log dump and harvest of three timber units within the corporate boundaries of Tenakee Springs, the City's objections led to a Memorandum of Understanding between the City of Tenakee Springs, the State of Alaska and Alaska Pulp Corporation. That MOU, in part, provide that the Alaska Department of Natural Resources would convey to the City lands selected by the State while some lands would be retained by the State. When the conveyances did not occur, the City sued the State. That litigation was resolved in a Judgment[1] against the State in 1981, adopting a Stipulation for Settlement entered into by the parties. That Judgment was subsequently reaffirmed and amended by the court in 1984 and 1986, again by stipulation of the parties.

The Stipulation for Settlement provides that the State "convey to the City . . . fee simple title to all selected lands within the City's boundaries conveyed to the state by the Bureau of Land Management, except for the sites and acreages set out below." The Settlement goes on to

1 The Judgment from the Superior Court orders that "the failure or refusal of either party to comply with the terms of the Stipulation for Settlement, the other party shall be entitled to specific performance, special damages sustained by reason of the other party's non-performance, and costs and attorney's fees incurred in enforcing this judgment."

designate specific parcels that would remain with the State but with restrictions on their use or be transferred to the City for specified uses.

Two of those lands specifically excepted from the transfer to the City were lands designated as tracts C30 and C34 in the Northern Southeast Area Plan, adopted October 15, 2002. In 2005, DNR took the position HB 130 that tract C30 was not among the parcels in the 2005 list. The City is relying on DNR's position that C30 is, similarly, not included now in HB 295. However, if for some reason C30 is considered included in the 2010 legislation, the City objects. In reference to C30, DNR has noted:

> The classification of parcels within the Tenakee community is greatly affected by a court order dated March 9, 1981 that identifies state lands for conveyance to the community and assigns uses to the lands retained by the state. This parcel is affected by paragraph 1.4 of that order, which designates it as a "public facilities reserve".

With the restriction on C30 that it be used only as a "public facilities reserve," it is unlikely that the University would desire to possess it with such restrictions.

As to C34, DNR observed:

> This parcel includes all of those areas within Tenakee affected by paragraph 1.2 of the court order. It consists of two parts: an interior part within sections 15 and 22 situated eastward and upslope of the community, and a part within section 23 that stretches along the coast. The classification of parcels within the Tenakee community is affected by a court order dated March 9, 1981 that identifies state lands for conveyance to the community and assigns uses to the lands retained by the state. Paragraph 1.2 designates this parcel for "commercial, industrial, road right-of-way, and borrow pits".

Lastly, there are two smaller parcels, designated as tracts C31 and C32 in the Northern Southeast Area Plan, that comprise part of the ST 1003 lands. These parcels did not transfer from BLM to the State until 1986 and 2003, respectively. These delays were because of the existence of un-adjudicated claims to the land at the time the remaining selected lands were transferred to the City in 1982. Those two parcels, selected by and transferred to the State under the Statehood Act, are subject to the same obligation to transfer them to the City under the terms of the Settlement. To that end, the City is considering a quiet title action to resolve that oversight.

It appears that transfer of these parcels would not promote the intent of the legislation: to provide clear title to the lands and provide for management of revenue from that land as university receipts. Ownership of C31 and C32 is in dispute, and the remaining parcels are subject to the restrictions set forth in the Settlement. Consequently, the purposes of the proposed land transfer would be frustrated, if not unobtainable. Further, this community is very concerned about the potential increased burden for new services that may be placed upon us. Extending

power lines, improved access and snow removal are just a few of the possible things that would overwhelm our limited budget.

A fiscal note to the bill from the University of Alaska indicates that the 20-year out annual projected income from the total new land grant might produce 1% of the annual income required by the University. The acreage in Tenakee comprises only .11% of the total land grant in HB 295, meaning the income derived from this land would be less than .0013 percent of the University's annual requirement. When considering the restrictions the University would take this land subject to, the potential burden to the City far outweighs the gain to the University.

We ask that ST 1003 be removed from HB 295, and appreciate your attention to this matter.

Respectfully,

Don Pegues, Mayor
City of Tenakee Springs

Cc: Representative Harris, Representative Keller, Representative Millett, Representative Cissna, Representative Gardner

Enclosure: Resolution 2010-16

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

FIRST JUDICIAL DISTRICT AT JUNEAU

CITY OF TENAKEE SPRINGS,
a Second Class City,

Plaintiff,

v.

STATE OF ALASKA,

Defendant.

No. 1JU-80-1666

STIPULATION FOR SETTLEMENT

It is hereby stipulated by and between the parties that all claims of the plaintiff set forth in its complaint dated December 4, 1980 are hereby compromised and settled in full according to the following terms:

1. The state agrees to convey to the City on or before July 1, 1981 fee simple title to all selected lands within the City's boundaries conveyed to the state by the Bureau of Land Management, except for the sites and acreages set out below. The land to be conveyed to the City, and the sites and acreages to be retained by the state, are set out in Exhibit 1 to this stipulation, which is expressly made a part of this agreement. As reflected in Exhibit 1, the state shall convey to the City fee simple title to 2958 acres, more or less; provided, however, that it is understood that it is the intent of the parties that the City receive under this stipulation fee simple title to all selected lands within the City's boundaries conveyed to the state by the Bureau of Land Management, except for the sites and acreages set out below, regardless of whether the acreage received by the City under this stipulation is more or less than 2958 acres. The state shall retain 1027 acres, more or less. All sites and acreages retained by the state will be subject to existing



Suite 200
Juneau, Alaska 99801
907 586-3636

rights-of-way and easements. As reflected in Exhibit 1, the state shall retain the following sites and acreages for the purposes designated:

1.1. Public recreation area at Indian River, 201 acres more or less, described as follows:

All state owned uplands lying within:

T.47S., R.63E., C.R.M.

Sec. 15 SE 1/4 SW 1/4, SW 1/4 SW 1/4 SE 1/4

Sec. 22 E 1/2 NW 1/4, N 1/2 NE 1/4 SW 1/4, W 1/2 W 1/2 NE 1/4, S 1/2 NE 1/4 SW 1/4 NE 1/4, SE 1/4 SW 1/4 NE 1/4, N 1/2 SE 1/4, S 1/2 SE 1/4 NE 1/4, S 1/2 N 1/2 SE 1/4 NE 1/4;

And excluding:

All state owned uplands lying within:

T.47S., R.63E., C.R.M.

Sec. 22 S 1/2 SW 1/4 NE 1/4, NW 1/4 SW 1/4 NE 1/4, N 1/2 NE 1/4 NW 1/4 SE 1/4, N 1/2 NW 1/4 NW 1/4 SE 1/4,

Containing 40 acres, more or less.

The net acreage to be retained by the state is 201 acres, more or less. The 40 acres, more or less, to which the City shall receive title encompasses the campground presently maintained by the City. The City will have a continuing responsibility to maintain the campground and to provide for its use for public recreation purposes only. Any other use will result in reverter to the state. Further, the City may not manage the campground in a way so as to interfere with the state's tourism and recreation objectives as determined by the Commissioner of Natural Resources for the 201 acres, more or less, which the state will retain pursuant to this agreement. It is understood that, should the campground eventually receive



CARELLI & COUNCIL
ATTORNEYS AT LAW
Suite 200
Fairbanks, Alaska 99701
(907) 456-1066

substantial use by tourists, title to the campground, and responsibility for its maintenance, may, subject to the state's concurrence, be transferred to the state.

1.2. Commercial, industrial, road right-of-way and borrow pits; 261 acres, more or less. It is understood that the state will allow the removal of reasonable amounts of material under reasonable conditions from all borrow pits, for the purpose of personal use in residential improvement or construction, driveway construction, and landscaping. The land to be retained by the state for commercial, industrial, road right-of-way and borrow pit purposes is described as follows:

All state owned uplands lying within:

T.47S., R.63E., C.R.M.

Sec. 15 SE 1/4 SE 1/4, E 1/2 SW 1/4 SE 1/4,
NW 1/4 SW 1/4 SE 1/4

Sec. 22 NE 1/4 NE 1/4 NE 1/4

Sec. 23 W 1/2 NW 1/4, SE 1/4 NW 1/4,
W 1/2 NE 1/4 NW 1/4, SE 1/4 NE 1/4 NW 1/4,
S 1/2 NW 1/4 NE 1/4, SW 1/4 NE 1/4,
W 1/2 SE 1/4 NE 1/4, NW 1/4 NE 1/4 SE 1/4,

Containing 261 acres, more or less.

1.3. State land disposal; 245 acres, more or less, described as follows:

All state owned uplands lying within:

T.47S., R.63E., C.R.M.

Sec. 24 N 1/2 N 1/2, N 1/2 S 1/2 NW 1/4,
N 1/2 SW 1/4 NE 1/4, SE 1/4 NE 1/4,

Containing 245 acres, more or less.

1.4. Public facilities reserve; 40 acres, more or less, described as follows:

CARPENETI & COUNCIL
ATTORNEYS AT LAW
310 SEWARD STREET, SUITE 203
JUNEAU, ALASKA 99801
(907) 586-1788

All state owned uplands lying within:

T.47S., R.63E., C.R.M.

Sec. 21 S 1/2 SE 1/4 NE 1/4

Sec. 22 S 1/2 SW 1/4 NW 1/4, NW 1/4 SW 1/4,

Containing 40 acres, more or less.

1.5. Airport and personal use timber; 280 acres, more or less. It is understood that the state will allow removal of reasonable amounts of timber under reasonable conditions, for the purpose of personal use in residential improvement or construction. The land to be retained by the state for these purposes is described as follows:

All state owned uplands lying within:

T.47S., R.63E., C.R.M.

Sec. 15 SW 1/4 SW 1/4

Sec. 16 SE 1/4, E 1/2 SW 1/4,

Containing 280 acres, more or less.

1.6. The lands described in ADL No. 101700, consisting of 1 acre, more or less.

2. As provided in the September 26, 1977 Memorandum of Understanding, attached as Exhibit A to the complaint, fee simple title to the tidelands and submerged lands described in ADL No. 101019 will be transferred to the City. The lands shall be used for public purposes only. Any other use will result in reverter to the state.

3. As provided in the September 26, 1977 Memorandum of Understanding, the state will expeditiously consider the City's application for conveyance of tidelands and submerged lands adjacent to any selected lands conveyed to the state by the Bureau of Land Management. This paragraph applies to tidelands and submerged lands other than those described in ADL No. 101019, the conveyance of which is provided for in paragraph 2 above.

CARPENETI & COUNCIL
ATTORNEYS AT LAW
319 SEWARD STREET, SUITE 203
JUNEAU, ALASKA 99801
(907) 586-1760

4. It is understood that conveyance of lands to the City under this stipulation will be accomplished without either party having to bear survey costs.

5. The state will grant pipeline rights-of-way to the City according to normal procedures. The state recognizes that the City is considering a hydroelectric and domestic water supply project near Indian River; the state acknowledges that the purpose of its retention of land in the public recreation area at Indian River does not preclude a pipeline right-of-way.

6. All state land sales will be subject to local zoning ordinances to the extent authorized by law.

7. This stipulation is to be construed subject to the September 26, 1977 Memorandum of Understanding, attached to the complaint as Exhibit A. The parties hereby reaffirm the provisions of that Memorandum of Understanding.

8. The parties will bear their own costs and attorney's fees.

9. The state agrees that judgment may be immediately entered in favor of the City on the terms set out in this stipulation, and the parties agree that upon failure or refusal of either party to comply with the terms of this stipulation, the other party shall be entitled to specific performance, special damages sustained by reason of the other party's non-performance, and costs and attorney's fees incurred in enforcing the terms of this stipulation.

DATED this 26th day of February, 1981.

WILSON L. CONDON
ATTORNEY GENERAL

By: Ann E. Swegan
Assistant Attorney General
Attorneys for defendant

CARPENETI & COUNCIL

By: William T. Council
William T. Council
Attorneys for plaintiff

CARPENETI & COUNCIL
Attorneys at Law
810 Second Street Suite 203
Juneau, Alaska 99801
(907) 586-1700

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

FIRST JUDICIAL DISTRICT AT JUNEAU

CITY OF TENAKEE SPRINGS, a Second Class City,

Plaintiff,

v.

STATE OF ALASKA,

Defendant.

No. 1JU-80-1666

JUDGMENT

The parties to this action have entered into a Stipulation for Settlement dated ~~December 2, 1980~~ February 26, 1981, agreeing that judgment may be entered against the defendant State of Alaska as set out in that Stipulation for Settlement.

IT IS ORDERED that the parties shall comply with the terms set out in the Stipulation for Settlement.

IT IS FURTHER ORDERED that upon the failure or refusal of either party to comply with the terms of the Stipulation for Settlement, the other party shall be entitled to specific performance, special damages sustained by reason of the other party's non-performance, and costs and attorney's fees incurred in enforcing this judgment.

DATED this 9th day of March, 1981.

Thomas B. Stewart
Superior Court Judge

Submitted by:

CARPENETI & COUNCIL

By
William T. Council
Attorney for City
of Tenakee Springs

Approved as to form and content by:

WILSON L. CONDON
ATTORNEY GENERAL

By Ann E. Brown

310 Seward Street, Suite 203
Juneau, Alaska 99801
(907) 586-1366

0 0 2 1 6 8

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

FIRST JUDICIAL DISTRICT AT JUNEAU

CITY OF TENAKEE SPRINGS, a Second Class City,

Plaintiff,

v.

STATE OF ALASKA,

Defendant.

[illegible] COURTS
State of [illegible] District

[illegible] 1981

Barbara A. Howe, Clerk
By [illegible] Deputy

No. IJU-80-1666

JUDGMENT

The parties to this action have entered into a Stipulation for Settlement dated ~~December ----, 1980~~ February 26, 1981, agreeing that judgment may be entered against the defendant State of Alaska as set out in that Stipulation for Settlement.

IT IS ORDERED that the parties shall comply with the terms set out in the Stipulation for Settlement.

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DATED this 9th day of March, 1981.

Thomas B. Stewart
Superior Court Judge

Submitted by:

CARPENETI & COUNCIL

By _____
William T. Council
Attorney for City
of Tenakee Springs

Approved as to form and content by:

WILSON L. CONDON
ATTORNEY GENERAL

CERTIFICATION

The undersigned certifies that on the 9th day of March, 1981, a true copy of this document was served on the following attorneys

William T. Council
and Pregunta
By Sharon D. Walker

CARPENETI & COUNCIL
Attorneys at Law
310 K Street, Suite 203
Anchorage, Alaska 99501
(907) 276-1726

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SEP 2 1977
CITY OF TENAKEE SPRINGS
By BP

# MEMORANDUM OF UNDERSTANDING

## SUBJECT

The subject of this Memorandum is a proposal by Alaska Lumber and Pulp Company for timber harvesting and associated activities and developments pursuant to a long term contract with the United States Forest Service. Alaska Lumber and Pulp Company proposes to operate in the vicinity of the City of Tenakee Springs. The State of Alaska, Alaska Lumber and Pulp Company, and the City of Tenakee Springs recognize that multiple stipulations are necessary in order to permit the proposed operations to proceed in a climate of consensus and cooperation. This Memorandum sets forth said stipulations and constitutes an agreement by the parties to observe them in good faith.

## PARTIES

The parties to this Memorandum are the State of Alaska [State], the City of Tenakee Springs [City], and the Alaska Lumber and Pulp Company [AL&P] (including its agents, employees, subsidiaries, and subcontractors).

## JURISDICTION

Each party pledges to comply with and carry out the stipulations to the fullest extent possible regardless of whether it has complete jurisdiction or authority over the subject matter of each stipulation.



EXHIBIT A

## DEFINITIONS

(1) The "operating area" means that portion of Chichagof Island southeast of a line from the mouth of Ten Mile Creek on Tenakee Inlet to the mouth of Freshwater Creek on Freshwater Bay, together with adjacent tidelands and submerged lands.

(2) The "five year plan" means the timber harvesting plan set forth in the Final Environmental Impact Statement for the Alaska Lumber and Pulp Company 1976-1981 Operating Period for the operating area, together with those additional elements, plans, and details represented to the City and the public.

(3) The "Indian River Road" means the road to be constructed for harvesting and removing timber from the Indian River drainage to Sunny Cove on Tenakee Inlet.

(4) The "dump site" means the log storage/transfer site to be located at Sunny Cove on Tenakee Inlet.

(5) The "Pavlov River Road" means the road to be constructed from the Pavlov River drainage to Kennel Creek on Freshwater Bay.

## STIPULATIONS

(1) Timber Harvesting/Associated Developments

(a) Timber harvesting and associated developments will be permitted in the Indian River drainage in the amount and at the locations previously specified. Harvested timber will be removed via the Indian River Road to the dump site at Sunny Cove. Except for those individuals who are or who become permanent residents of



EXHIBIT A

the City, loggers and other AL&P personnel involved in the Indian River operation will reside at the logging camp at Corner Bay. However, one caretaker will be permitted to reside at a single wood frame dwelling to be constructed by AL&P on the worksite adjacent to the Indian River Road.

(b) Present and future timber harvesting and associated developments in the Pavlov River drainage and the Kennel Creek area shall be carried out consistent with understandings reached by the Alaska Department of Fish and Game and United States Forest Service.

(2) Duration of Operations

Timber harvesting and associated developments in the operating area shall be completed by December 31, 1981. Additional timber harvesting using the Indian River Road or the dump site at Sunny Cove shall not be permitted until January 1, 1996, unless the consent of the City and the State is previously obtained after a public hearing, and in no event until January 1, 1986. This does not apply to timber harvesting required by the existing contract between AL&P and the Forest Service in the event of disease or blowdown to the extent necessary to remove it. Future plans for logging operations in the Tenakee Area shall be coordinated with the City, the Alaska Department of Fish and Game and other concerned agencies and organizations to the extent their interest may be affected.

(3) Consistency with Plans

(a) Timber harvesting and associated activities in the Indian

river drainage shall be confined to those described in the five year plan and other materials presented to the public describing proposed operations in the area. Substantial modifications affecting the interests of the City shall be cleared with the City and the State prior to implementation; this does not apply to modifications resulting from the Interdisciplinary Team process unless said interests are affected.

(b) Modifications of plans for timber harvesting and associated developments in Pavlov River drainage and Kennel Creek area, to the extent they affect understandings reached with the Alaska Department of Fish and Game, shall be coordinated with said Department.

(4) Road Connections

Except for the Indian River Road, no roads shall be constructed to terminate at the Sunny Cove dump site or elsewhere within the limits of the City or immediately adjacent thereto until January 1, 1996, unless consented to by the City and the State. No road shall be constructed which connects the City of Hoonah or any other community or settlement to the operating area in a manner which would cause an influx of persons into the City until January 1, 1996, unless prior consent of the City and the State is obtained. The Indian River Road will be retired following the five year plan (December 31, 1981) and made impassable to motor vehicles (including ORV's and ATV's) except as may be required for access to potential domestic water supply developments or other facilities and uses as formally requested by the City. The directive of the preceding sentence may be modified by a subsequent cooperative agreement between the City, the State, and the US Forest Service governing access to and use of the Indian River Road and general management objectives for the area.

Roadbeds and roadsides will be seeded or similarly treated where the likelihood of erosion or instability problems exists.

(5) Water Quality

The Indian River will not be subjected to any impacts which result in a violation of applicable State and Federal water quality standards, or which would otherwise impair its capability to serve as a source of domestic water supply. AL&P will, at its own expense, purchase and install water quality monitoring equipment [turbidometer] satisfactory to the City at a location specified by the City; monitoring will be conducted by the City, which may request the assistance of the Department of Environmental Conservation. In the event of deterioration in the quality of the water in contravention of this stipulation appearing to result from the operations of AL&P, AL&P shall restore said water to a condition sufficient to meet the first sentence of this stipulation as soon as possible and at its own expense.

(6) Blasting

Blasting activities in conjunction with the construction and maintenance of the Indian River Road and adjacent sites shall be carried out with the use of a sequential timer, and only between the hours of 8AM and 5PM. Prior notice of blasting activities shall be posted at a conspicuous place in the City. AL&P will employ guards or take other necessary measures to insure the safety of residents in the area of blasting activities.

(7) Tidelands and Corps of Engineers Permits

The State will issue tidelands permits for the dump site at Sunny Cove and for the camp/dump site at Kennel Creek; said permits may recite or otherwise refer to the stipulations in this memorandum as well as understandings previously reached with the Alaska Department of Fish and Game. The State will recommend to the U.S. Army Corps of Engineers that permits issue to AL&P for the dump site at Sunny Cove and for the camp/dump site at Kennel Creek.

(8) Conveyances

The State will convey to the City title to any selected lands conveyed to the State by the Bureau of Land Management, except that the State may retain title to those sites necessary for present or anticipated essential public purposes. The State will convey to the City all tidelands and submerged lands within or subjacent to the Sunny Cove dump, and will expeditiously consider the City's application for conveyance of other tidelands and submerged lands adjacent to any selected lands conveyed to the State by the Bureau of Land Management.

(9) Trail Maintenance

The trail east of Tenakee Springs will be properly maintained and protected by AL&P against impacts which would render it impassable or difficult to use. The trail may be reconstructed and relocated as may be required to the satisfaction of the City. AL&P will construct a log protection structure or other suitable installations in the worksite area and at the intersection of the trail with the Indian River Road (to be in place annually only during the winter

months) sufficient to prevent snowdrifts.

(10) Worksite

The worksite shall be restored by AL&P to a natural condition to the fullest extent possible following completion of timber harvesting operations. The area will be bladed and seeded and debris will be burned.

(11) Regulation of Motor Vehicles

The City may establish speed limits and other traffic regulations consistent with Title 29, Alaska Statutes, for the segment of the Indian River Road lying within City limits, which regulations shall be complied with by all vehicles (including those operated by AL&P).

(12) Noise Control

Vehicles and other machinery operated by AL&P will be muffled so as to comply with State, Federal and local standards for noise control and otherwise to the fullest extent possible in view of the residential nature of the area.

(13) Monitoring

The State and City will periodically monitor and inspect operations in the vicinity of the City to insure compliance with this Memorandum

(14) Future Operations

In the event a road is constructed connecting the Indian River drainage with the mouth of Ten Mile Creek on Tenakee Inlet, said road shall be used in any future operations to remove timber from the Indian River and adjacent drainages in lieu of the Indian River

Road/Sunny Cove log storage site.

MODIFICATION

The parties recognize that the essence of their mutual endeavor is to prevent (or where unpreventable, to minimize) adverse social and environmental impacts unacceptable to the residents of the City. It is, therefore, the intent of the parties that any subsequent modification of this Memorandum shall be consistent with this objective and shall require the agreement of all parties.

DATED this 26th day of September, 1977, at Juneau, Alaska.

Vice President
Alaska Lumber and Pulp Company

Mayor
City of Tenakee Springs

Commissioner
Alaska Department of Natural Resour

## Terry Harvey

**From:** Rep. Cathy Munoz
**Sent:** Monday, February 15, 2010 2:01 PM
**To:** Mfay
**Cc:** Terry Harvey
**Subject:** RE: Re : Removal of MOSER BAY PARCEL from HOUSE BILL NO. 295

Dear Michael, thank you for contacting me. HB 295 is scheduled for a hearing in the Community and Regional Affairs committee on Thursday at 8:00 a.m. I would recommend that you contact Rep. Johansen to see if he is interested in offering an amendment on this parcel. I will be sure to include your comments in the committee file that will be presented to the CRA members on Thursday. If you have questions about the bill or the process, please contact Terry Harvey in my office at 465-5392. Thanks again, Cathy Munoz

-----Original Message-----
From: Mfay [mailto:mfay@uuplus.net]
Sent: Friday, February 12, 2010 10:47 PM
To: Rep. Cathy Munoz
Subject: Re : Removal of MOSER BAY PARCEL from HOUSE BILL NO. 295

Re : Removal of MOSER BAY PARCEL from HOUSE BILL NO. 295, University of Alaska Lands Bill

Dear Representative Munoz,

My name is Mike Fay. My only home is on Long Arm, Moser Bay, north of Ketchikan. To see the parcel of land deep in Moser Bay handed over to the University of Alaska scares the heck out of me and my neighbors. We live in Moser Bay, and many thousands more visit it every year, because it is one of the most beautiful, tranquil, and ecologically intact places in all of North America. Yet is a stone's throw from an international airport and about 20 minutes by boat from Ketchikan. It is of enormous scenic value that our local economy depends on.
The bottom line is this place is already one of the most popular spots in all SE Alaska for recreation. People come from all over the globe to this exact spot by the thousands every year to witness the beauty, and to fish, crab, shrimp, hike, and sight see from boats and planes and on foot. That represents millions of dollars a year for the local and Alaskan economy and lots of jobs for charter boats, fishing guides, airplanes. As places like this become more rare on Earth the value of keeping this parcel untouched is going to increase exponentially.

To log or to subdivide this particular parcel would completely undermine the highest and best use of this land which is to retain its natural beauty. The proceeds from logging are one off, and pale in comparison with one year's tourist revenue. You can cut this forest once in 100 years, killing the recreational value of the land that will produce more and more every year for 100 years. Look at what happened to the now clear cut Slide Ridge near Whipple Creek as well as another former University parcel in the Mountain Point area south of town. They have become permanent eye sores for the tens of millions of tourists that will visit Ketchikan over the next decade. Not to mention the ecological nightmare of slides and silatation that have come with these cuts. In January I was amazed to see huge rivers of water coming right down the side of these very steep cuts. Come to

Ketchikan and look at these slides. Look at how long it is going to take for timber to come back. We will never, ever get the cedar back, only weedy Hemlock forest. No restoration, no management just clear cut and send out the wood in the round and benefit a very few. I just do not see this as the vision for the future of my home town.

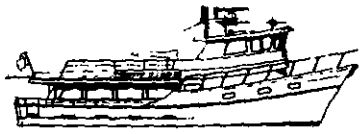
You might be thinking "that is what everyone says", but this is not just one more parcel. The depths of Moser Bay are the heart of the recreational tourist industry in Ketchikan. There are at least 30 boats that visit the bay on every day of the summer for months. To mar this landscape would be a blunder of huge proportion.

I implore you to remove the Moser Bay Parcel from the University of Alaska lands bill and to permanently preserve it as a DNR managed property for its landscape values.

If this land is handed over to the University I will protest with vigor any effort to log it. It is mostly hemlock located on very steep slopes. And in any case the majority of wood that leaves Ketchikan is still exported in the round, creating few jobs locally, but good revenues for a very few who have political connections. If we lose this battle I will move, selling my land and my home at a loss because its value will certainly evaporate with any logging plan that goes into this area. Why not let the people who live here decide the fate of this land? Clear cut is not an option here. Using my connections with National Geographic I would be willing to work with the State to increase tourist revenue, and to publicize this incredible place.. I am sure that most students at U of A would agree with our opinion.

Resident Moser Bay,

J. Michael Fay
Box 8561 Ketchikan, AK 99901
907-254-1902
mfay@ngs.org



# ALASKA COASTAL QUEST

2-11-10

Representative Paul Seaton
Alaska State Legislature
Juneau, Alaska

Dear Representative Seaton:

I understand that you recently held hearings on the University Lands bill, HB 295. I would like to encourage you to delete Hook Arm on Dall Island from this legislation. Almost all of the outer coast of Dall Island is wilderness. The U.S. Forest Service recognizes this by placing in a scenic recreation category. Allowing Hook Arm to be sold for development destroys the wilderness integrity of the outer coast of this magnificent island. As a charter boat operator specializing in ecotourism, I see this area as having tremendous economic potential for water oriented outdoor wilderness recreation.

Yours truly,

Dale Pihlman

P.O. Box 7814 ✦ Ketchikan, AK 99901 ✦ Ph (907) 225-3498 ✦ Fax (907) 247-3498 ✦ Cell (907) 617-2440

2037

# T'INAA GEI TLINGIT NATION

## *A Sovereign Tribe*

February 17, 2010

The Tenakee Traditional Council is, once again, serving notice to all entities claiming a present or future interest in uplands, submerged lands, and waters in the vicinity of Tenakee, Alaska, that it protests and gives notice of objection to any proposed conveyance of an interest in such lands, including proposed conveyances of ADL 107311 and ADL 107312 to the City of Tenakee Springs and/or to the University of Alaska.

These traditional lands, waters and resources have been occupied by, used by, and claimed by the Tenakee Tribe as original Tlingit inhabitants. These lands, waters and resources were not conveyed to any other entity by the Tenakee Tribe at any time, nor has it been abandoned. The Tenakee Tribe has consistently and strongly objected to any such conveyance. The Tenakee Tribe never agreed to any provisions of the Alaska Native Claims Settlement Act or any other statute purporting to divest it of its interest in those lands. Moreover, the Tlingit village of Tenakee Springs was not granted land selection rights under ANCSA or any compensation for any taking of its lands. We maintain our inherent and aboriginal rights to those lands, waters and resources and because the Tenakee Tribe has been a sovereign Tribe since before the arrival of the non-natives on our lands, we intend to exercise our right as a sovereign tribe to maintain our land so as to confirm the existing title of the Tenakee Tribe. Any conveyance of rights to these lands, waters and resources is done subject to the superior and prior claim of the Tenakee Tribe to such lands, waters or resources. Any trespass upon those lands, waters or resources is objected to and is without the permission, explicit or implicit, of the T'inaa Gei Tlingit Nation.

President Hoover, in 1930, signed the Tongass National Forest document that listed Tenakee as a village. This is documented proof of the village's existence. The area proclaimed for Tenakee was much larger than the 17 acres set aside by President Roosevelt in 1935.

President Roosevelt recognized the existence of the Tenakee Tribe in 1935 by issuing an Executive Order 7179 to ensure that the Tribe was not disturbed in perpetuity! The Tenakee land has never been owned by the federal government. BLM surveyed it for the

P.O. Box 20403
Juneau, Alaska 99802

Telephone: (907) 780-6195
Fax: (907) 780-6195

E-Mail: *sharkey@acsalaska.net*

President of the United States so that our village people would not be bothered and to avoid controversies about ownership of the land. This land belongs to the Tenakee Tribe in perpetuity. The President referred to this Executive Order as a Skookum Paper. Now the state of Alaska has taken it upon themselves to change the content and the intent of the Executive Order. Our elders and Clan Leaders used to state that "everyone knows who this land belongs to." In a visit to Washington, D.C. Senator Ted Stevens stated that this claim has never been disputed.

There was a report done by the University of Alaska Fairbanks for the Southeast Alaska Landless Coalition referred to as the ISER Report. Tenakee is included in that report and gives a very clear description of the Tenakee Tribe's land and resource holdings.

The U.S. Solicitor's office expressed an opinion that went against the President's proclamation that the Tenakee land would belong to the blood descendants of the Tenakee land. The Solicitor stated "you can say anything you want to say to me, Congress can undo your opinion and make you like it."...which meant that Congress can take our land if it so wishes.

We have made several attempts to obtain relevant documents regarding the Tenakee Tribal lands to no avail. We have been informed by BIA that under the Freedom of Information Act, we have the right to file suit if our request is ignored. There is no stipulation as to how extensive the search has to be. We are aware that there is a deed. It was shown to us by a former BIA employee. Yet, we've been told that there are no documents. The same answer we received regarding the Executive Order, a copy of which is attached.

Tenakee is not listed under the Tlingit-Haida Court of Claims (Judgment Funds) nor is it a listed village under ANCSA.

As stated earlier, there are only three ways that trust land can be taken from the Indian Nation:

An act of abandonment
An act of conquest (war); or
A specific act of Congress WITH the consent of the owner Clan.

ANCSA also went against the Presidential proclamation of 1935 claiming that the ANCSA settlement included all Executive Orders in the bargaining with their treaties.

No one, aside from Tribal descendants, can just arbitrarily negotiate the Tenakee trust land. The Solicitor's opinion was that all Executive Order land was lost when ANCSA was initiated including the 7179 land. It was gone without any of the blood descendants knowing about that transaction. The Department of the Interior is mandated to include

the Realty Division on land transactions of this nature. Were they actually involved? If they were involved, did they look out for the best interests of the Tenakee Tribe?
Page Three

Executive Order 7179 land was never in the hands of the federal government. How can the State take the land from the federal government and arbitrarily give it up for sale when it never belonged to them in the first place. If our Congressional Delegation move from their homes in Alaska, does that give title to the State, thereby, allowing the land to be put up for sale? I think not! There is no difference except that this is Indian Trust Land.

**We request that Tenakee land be withdrawn from the Governor's Lands Bill, HB 295 and SB 225. We are available to answer any questions that you may have.**

John Martin, Sr.
Chairman
TENAKEE TRADITIONAL COUNCIL

# HOUSE COMMITTEE REPO

(7)

**Date Referred to Committee: February 8, 2010**

**FURTHER REFERRALS: Resources**
**Finance**

**Date of Committee Action:** 3.9.10

**The COMMUNITY AND REGIONAL AFFAIRS Committee considered:** **HB 295**

**HOUSE BILL NO. 295**

**"An Act relating to the grant of certain state land to the University of Alaska; relating to the duties of the Board of Regents; relating to deposits made to the Alaska permanent fund received from certain lands conveyed to the University of Alaska; ratifying and reauthorizing certain prior conveyances of land to the University of Alaska; making conforming amendments; and providing for an effective date."**

**HB 295-UNIVERSITY LAND GRANT**

**Recommends it be replaced with [ ] HCS *or* [X] CS *for* HB 295 (CRA)**

***For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____*** **[X] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

***List of Abbrev for Depts.:***
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
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| ***NEW*** FISCAL NOTES *Assigned by Chief Clerk's Office | | | | |
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| ***PREVIOUS*** FISCAL NOTES | | | | |
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| Signing with recommendations | Printed Last Name | DP | DNP | NR | AM |
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| | Kaplan | | | X | |
| Wes Keller | Keller | | | X | |
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| Chair: | Munoz | | | X | |
| Chair: | HERRON | | | X | |

## Rob Earl

**From:** Kaci Schroeder
**Sent:** Monday, March 08, 2010 11:01 AM
**To:** Rob Earl
**Subject:** FW: Haines Lands Selection - HB 273
**Attachments:** HB 273 Haines Borough Land Selection Maps 3-7-10.pdf; HB 273 Haines Lands Selection description 3-7-10.doc

Here are the maps of the selections that we got from the Borough. When Haines formed a Borough they did not get all of their statutory lands and have worked with DNR to select lands that they could use towards their total land entitlement.

If you need anything more, please let me know. I have a grueling hearing this afternoon, but should be able to focus on this after that.

**Kaci Schroeder Hotch**
**Legislative Aide to Rep. Thomas**
**State Capitol, Rm 501**
**Juneau, AK 99801**
**1-888-461-3732**
**(907) 465-3732**
**fax: (907) 465-2652**

"In things pertaining to enthusiasm,
no man is sane who does not know how to be insane on proper occasions.
- Henry Ward Beecher

---

**From:** Mark Earnest [mailto:mearnest@haines.ak.us]
**Sent:** Sunday, March 07, 2010 2:00 PM
**To:** Rep. Bill Thomas
**Cc:** Kaci Schroeder; 'Steve Ritzinger'; 'Julie Cozzi'
**Subject:** Haines Lands Selection - HB 273

Dear Bill,

Attached are materials related to possible lands selections for Haines Borough via HB 273. There are maps for each of the proposed parcels, William Henry Bay property, Lynn Sisters property, Excursion Inlet properties, and Chilkoot Lake area. It should be noted that the first three properties are part of the University of Alaska lands selection within the Haines Borough, which are included in existing but separate legislation. Should the University land bill be amended to exclude these lands or not approved, these lands would then become available for the Borough. We do not have a good description nor do we know the status of the Chilkoot Lake lands. Bruce was unable to remotely access detailed maps from Talkeetna on Saturday when he called. These lands can be evaluated first thing Monday morning to determine their eligibility and possible acreage for selection.

Note: please disregard the last page of the pdf and instead use the word document.

Mark

# STATE OF ALASKA/ FRANK MURKOWSKI, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES
Division of Mining, Land and Water

550 West 7th Ave.; Suite 1070
Anchorage, AK 99501
Telephone: (907) 269-8600


March 31, 2005

The Honorable Representative Bill Thomas
State Capitol, Room 428
Juneau, AK 99801-1182

Dear Representative Thomas:

Thank you for forwarding Mayor Wilson's letter that discussed the City of Tenakee Springs' concerns about the University Lands Bill, HB 130. I would like to take the opportunity to address her concerns.

## US 2459: 17-acres near the Tenakee Springs Harbor

Mayor Wilson provides that she believes that a parcel of land near the Tenakee Springs Harbor has been dropped from the bill. That is incorrect. Rather, we have used another solution to solve the issue for the City.

Earlier this year, the Department had told the Tenakee Springs that it would not process a lease application for a 17-acre tract near the Tenakee Harbor pending the Legislature's consideration of HB 130 and possible conveyance of the tract to the University of Alaska. At your request, I told you and I told Mayor Wilson separately by phone that DNR would be happy to adjudicate the application before any conveyance to the University.

Thus, assuming that the City does apply for the lease, and assuming that after public notice and comment DNR finds that the lease is in the best interest of the state, Tenakee will have a long-term lease to the parcel. If so, that lease becomes a valid existing right and if the land is conveyed to the University, the University would become the owner of the property, subject to the City's lease. I do not believe that the University would be a less congenial lessor; and in any case the City's rights would remain protected under the lease.

I testified to this effect during the House Resources Committee hearing on March 2nd, and I have attached the legislative transcript from that testimony to this letter.

I am pleased that we were able to find a solution to this concern.

## Stipulation for Settlement of March 9, 1981

Mayor Wilson's letter provides a copy of a 1981 Stipulation for Settlement between the City and the State of Alaska. The settlement ended a lawsuit over Tenakee's municipal entitlement. I believe there is some confusion over the lands to which the settlement applies, and to the meaning of "retain in state ownership."

***To what land does the Stipulation apply?*** The Stipulation of Settlement applies only to parcel C-34 in the Northern Southeast Area Plan. It does not apply to other lands proposed in HB 130.

HB 130 proposes to convey two parcels near Tenakee Springs to the University. The parcel nearest the Harbor includes parcels designated as C-31 and C-32 in the Northern Southeast Area Plan. The Stipulation of Settlement *does not* apply to these two parcels. It does apply to parcel C-30, as Mayor Wilson's letter indicates. However C-30 is not proposed for conveyance to the University.

HB 130 also proposed to convey what is designated as C-34 in the Northern Southeast Area Plan. The Stipulation of Settlement *does* apply to this parcel. The Stipulation of Settlement requires that the parcel will be retained by the state for "commercial, industrial, road right-of-way and borrow pit purposes."

***Retained by the State.*** I would like to discuss the meaning of "retained by the state" in the context of the Stipulation of Settlement. While we have not completed a detailed review of the litigation that led up to the Stipulation, the court suit ended by this Stipulation was about Tenakee's municipal entitlement. The Stipulation provides that certain lands would be conveyed to the City and that certain lands would not be conveyed to the City and would instead be "retained by the state."

We note that it would be highly unusual, if not historically unique, for the Department to agree to retain a parcel of state land permanently in state ownership, absent an applicable directive from the legislature or a compelling constitutional imperative. Therefore, we believe that the phrase "retained by the state" communicates merely the proposition that the land simply would not be conveyed to Tenakee Springs as part of its municipal entitlement.

The settlement does not say or even imply that the state would never under any circumstances sell or transfer those lands. If that had been the intent, the Stipulation would almost certainly have outlined a process for doing so, as is characteristic of these types of Stipulations. It purpose of the Stipulation was to settle the municipal conveyance question that was in litigation. Thus, after brief consultation with the Department of Law, we believe that the Stipulation of Settlement does not bind DNR from disposing of title.

However, even if, after further review, we find the above interpretation to be in error, and the lands must retained by *the state,* the University is an agency of the state. Conveying land to the University of Alaska does not convey it out of state ownership. It is solely a transfer between agencies of the state, and is therefore not barred by the Stipulation of Settlement.

***Management Purposes.*** We believe the provision in the paragraph 1.2 of the Stipulation settlement reflects the proposition that at the time of settlement the Department had the intention to continue existing uses of the parcel for the removal of reasonable amounts of material under reasonable conditions while the land remains in state ownership. However, we do not read the stipulation as a categorical commitment to permanently make those uses available even in the event that such uses become, for example, unreasonable when viewed together with the Department's obligation to manage these lands for other competing purposes, or a legislative determination to convey them to the University of Alaska. To the extent we are incorrect on this score, the University, of course, would be bound to permit the specified reasonable uses under its management.

Further, the management purposes outlined in the Stipulation of Settlement for parcel C-34 — "Commercial, industrial, road right-of-way and borrow pits" — are development purposes appropriate for University ownership and management. Should further review confirm that the state may not dispose of its title, the Stipulation of Settlement is a valid existing right that the University must respect. But these uses are appropriate for University management.

***Summary.*** In summary, the Stipulation of Settlement provided by the City of Tenakee does not apply to the parcel proposed for transfer near the boat harbor, and does not restrict the legislature's ability to convey the remaining parcel, C-34, to University management. In fact, the purposes outlined in the Stipulation of Settlement are appropriate for University ownership and management.

Thank you for this opportunity to review the concerns. Please let me know if you have additional questions,

Sincerely,

Bob Loeffler
Director

cc: Senator Al Kookesh
Representative Mike Chenault
Representative Bruce Weyhrauch
Mayor Shelly Wilson, City of Tenakee Springs
Ed Collazzi, DNR
Janet Burleson Baxter, DNR

# HB

# 318

# Alaska State Legislature

*Interim: (June – Dec.)*
716 West 4TH Avenue, Suite 600
Anchorage, Alaska 99501-2133
(907) 269-0129
Fax (907) 269-0128

*Session: (Jan. – May)*
State Capitol, Room 403
Juneau, Alaska 99801-118
(907) 465-4859
Fax (907) 465-3799

## REPRESENTATIVE JOHN HARRIS

# Sponsor Statement

HB 318

"An Act relating to public use of unregulated water systems"

In many parts of Alaska water for home and domestic use is difficult to obtain. Many Alaskans do not live in places where water can be reached by drilling a well or tapping into spring water, so many must find other ways to provide water for their personal use.

Some communities have common watering points where people can go to fill containers and haul water to their homes and places of residence. Those watering points may not always be state certified water wells. Under current regulations if 25 people or less use the well water the state of Alaska will allow it, but if more than 25 people use the well the state requires the well to be a Community public water system (PWS). This adds cost and additional management practices some communities don't have the resources to provide, and takes way a person's right to choose what they put into their bodies.

HB 318 allows Alaskans the freedom to choose where and how they get water for their personal use by providing language in statute for unregulated public water systems. This new language will require any watering point that isn't regulated by the state to have a notice posted conspicuously at the watering point stating the water is not regulated and users use it at their own risk. With proper disclosure citizens will be able to choose if they want to use the water and how they will maintain the water system.

26-LS1357\R
Bullard
1/29/10

**CS FOR HOUSE BILL NO. 318( )**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY**

**Offered:**
**Referred:**

**Sponsor(s): REPRESENTATIVE HARRIS**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act relating to public use of unregulated water systems."**

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

* **Section 1.** AS 46.15 is amended by adding a new section to read:

**Sec. 46.15.032. Unregulated public water systems.** (a) The department may not prohibit the consumption or use of water from a public water system that has a notice posted conspicuously at all watering points warning that

(1) the water system is not regulated by the department;

(2) water from the system may not meet minimum drinking water standards established by the department under AS 46.03.020(10)(C); and

(3) any person consuming or using the water from the water system does so at the person's own risk.

(b) In this section,

(1) "public water system" means a system for the provision of water to the public for human use or consumption; and

(2) "watering point" means a common tap from which a community



*New Text Underlined [DELETED TEXT BRACKETED]*

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2048

may obtain water.

## Peter Fellman

**From:** Brenda Hannah
**Sent:** Monday, February 01, 2010 10:32 AM
**To:** Peter Fellman
**Subject:** FW: Sen Coghill//Water Testing Parks

Hey there Pete,
Please keep me in the loop.
Thanks for your time.

Respectfully,
Brenda Hannah

-----Original Message-----
From: King, James G (DNR) [mailto:james.king@alaska.gov]
Sent: Wednesday, January 27, 2010 10:40 AM
To: Brenda Hannah
Cc: Brakes, Heather K (DNR)
Subject: FW: Sen Coghill//Water Testing Parks

Brenda,

Here are the answers to your questions regarding drinking water in State Parks.

Regards,
James

Is drinking water in parks tested by DEC?
No, not by DEC, but by private contractors who take water samples and report the results to both DEC and DPOR.

If so how often?
Our water in the campgrounds or picnic areas is tested quarterly for nitrates and monthly for fecal coliform bacteria (during the visitor use season only, and not tested during non-use winter months)

What are the specs?
There can be no detection of fecal coliform bacteria; I'm not sure about the nitrates.

What is our policy on testing drinking water?
We test at the beginning of each visitor season and then monthly or quarterly depending on the test (see second Q above) We test all of our drinking water systems. However, as added precaution, we also post a sign at each hand pump water source stating that "this water may not meet drinking water standards and the user is advised to boil or purify the water before using."

Other information:
If a test comes back positive for fecal coliform, we discontinue allowing the public to use the well until it can be chlorinated thoroughly and retested until a clean test. In some cases, we have recurring positive tests, and in these cases, we try to abandon that well and

drill a new one that is not as susceptible to contamination. (usually from surface water runoff)

-----Original Message-----
From: Brakes, Heather K (DNR)
Sent: Monday, January 25, 2010 2:45 PM
To: King, James G (DNR); 'chris_degernes@alaska.gov'
Subject: Sen Coghill//Water Testing Parks
Importance: High

James,
Please contact Brenda in Sen Coghill's office 465.3719. They would like information on water testing in state parks.

Thank you so much.
Heather



# Salcha Fair Association

P.O. Box 140086 Salcha, AK. 99714 Phone 907-488-4556 Fax 907-488-7097
salchafair@alaska.net

EIN #92-0118522

To Whom It May Concern,

The Salcha Fair Association received a $2500.00 donation to put in a well at the fairgrounds in 2003. Mr. Partridge had lost his son in a horrible accident on Eielson Air Force Base. His son loved Salcha so he wanted to do something for the community in memory of his son.

There as a well put in and we named it Jacob's well in memory of his son. Salcha is a rural community with a lot of areas that produce very bad water. Therefore, the need for good water in this area is essential for basic needs. We are fortunate to have good quality water at Jacob's well located on the Salcha Fairgrounds. We got the water tested as soon as it was running and it came back good. We have the water tested 2 times a year and it has always been understood that it was a use at you own risk well.

We were very surprised at the amount of people who actually needed water in this area. It is good water, it is close to their home and they don't have to haul it that far. A lot of people used to get water in North Pole and they did not like all the additives and softeners that were in the water. Now look at the big mess North Pole is in and their water was supposedly regulated by safe water standards.

Input that I have received from the people who use this well is they appreciate it being there and say it is very good water and Thank us for having it available to them. Since the notoriety of the well has gotten attention. The Department of DEC has made us comply with community well regulations which the SFA cannot afford to test on a monthly basis so we have had to put a lock on the well and limit use of the well to only 24 people. There are so many more people in this area that need water and can't get it. "WE THE PEOPLE", should have the right to drink water from a well that has a proper disclaimer notice posted at the well site stating "USE AT YOUR OWN RISK". Why is it any different than at the Salcha River boat launch that has a well for people to use that has un-potable water but the people can still use that water. Also, it is the same as the Harding Lake facilities. So why is the SFA's well any different?

The Salcha Fair Association is run solely on volunteers. We have no gaming permit or a steady way to make money to run the operations of the yearly fair other than donations from sponsors for special events. Originally, we would just shut off electric after the fair event was over because we didn't need

it on all year long. After we put in the well and saw the huge need for water we kept the electric on all year long and asked the residents to make donations to help us to pay the monthly electric bill.

In Conclusion, It would be very nice to have the limited use restrictions lifted and be able to offer our community this life saving necessity provided that we have it properly posted as "use at your own risk".

Thank you for your time and consideration in this matter.

Sincerely,

Peggy Burns (Treasurer)
Salcha Fair Association
907-488-4556
salchafair@alaska.net

## Peter Fellman

**From:** chris burns [burnsmarketing@alaska.net]
**Sent:** Thursday, December 17, 2009 3:02 PM
**To:** Peter Fellman
**Subject:** FW: Drinking water Notice for Salcha Fair
**Attachments:** Notice for well use 12-09.docx

Here is the final reply. She did not like the fact that I put on the well notice that DEC forced us to shut it down. As you can see the way she talks to me! Anyway just wanted to keep you posted.
Thanks,
Peggy

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**From:** Grantham, Linda J (DEC) [mailto:linda.grantham@alaska.gov]
**Sent:** Wednesday, December 16, 2009 9:12 AM
**To:** chris burns
**Subject:** FW: Drinking water Notice for Salcha Fair

I added our phone number to the notice.

*Linda J. Grantham*
*Environmental Program Specialist III*
*ADEC Drinking Water Program*
*610 University Avenue*
*Fairbanks, AK 99709*
*Phone: 907-451-2137*
*Fax: 907-451-2188*

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**From:** Grantham, Linda J (DEC)
**Sent:** Tuesday, December 15, 2009 3:09 PM
**To:** 'chris burns'
**Subject:** RE: Drinking water reminder for Salcha Fair
**Importance:** High

We received the clarification on the list you sent for persons using the watering point. With that information it does appear you will be operating as a Class C public water system.

The notice you sent us suggests that someone could get a key even if they couldn't afford to pay. You must change the notice to say the use of the well is being restricted because the SFA cannot afford to operate the watering point as a community well. I have attached a more appropriate notice for your use.

In order to put an ending to this issue, we are drafting a document for you to sign and have notarized stating that you do not and will not provide water to 25 or more residents from the well owned and operated by the Salcha Fair Association. We have a notary here in our office that you can use at no cost. I will be providing the document in a separate email or the USPS.

We will be sending one of our staff to take photographs of the newly installed lock.

*Linda J. Grantham*
*Environmental Program Specialist III*
*ADEC Drinking Water Program*
*610 University Avenue*
*Fairbanks, AK 99709*
*Phone: 907-451-2137*
*Fax: 907-451-2188*

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**From:** chris burns [mailto:burnsmarketing@alaska.net]
**Sent:** Tuesday, December 15, 2009 11:32 AM
**To:** Grantham, Linda J (DEC)
**Subject:** RE: Drinking water reminder for Salcha Fair

Ms. Grantham. In my haste to comply because of computer being down I sent the list and did not share all the details not realizing the impact of the people count on the list. Rod and Patty Lloyd live on the north slope and are only here 2-3 months in the summer and use the water at their Harding Lake cabin They have not gotten a key yet. (2 people), Cindy and Steve Jeffries don't use the well they just donate to help the fair they don't even have a key, (2 people) Walter Floyd is deceased (1 person) ,Beverly Lucas does not use the well she is the Secretary of SFA and she just donates to help us out. (1 person) and John and Donna Sones live in North Pole and only come out for a month in the summer and like to help the fair by donating. (2 people). That makes us below the 25 person count and the well is locked down and there are no more memberships being sold as to make us comply with the requirements. I am only a volunteer and do not get paid for my services for the Fairs doings and I feel I have done everything in my power to comply with your wishes. If you could send out your people to do an on site inspection as they did in the past then that should be verification of the information that I have submitted to you.
Respectfully,
Peggy Burns (Treasurer)
Salcha Fair Association

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**From:** Grantham, Linda J (DEC) [mailto:linda.grantham@alaska.gov]
**Sent:** Monday, December 14, 2009 2:18 PM
**To:** chris burns
**Cc:** Irwin, Marci L (DEC); Christian, Cindy L (DEC)
**Subject:** RE: Drinking water reminder for Salcha Fair
**Importance:** High

Ms. Burns. You should note that the number of paying customers on the list you provided is 28. By definition, a water system with 25 or more residents is considered a Community water system and must comply with the Alaska Drinking Water Regulation 18 AAC 80.

As it stands, you are operating a Community water system without Department approval.

The Department has never forced you to do anything. We have advised you of the regulations and it is your decision as to whether or not you continue to operate as a Community water system. The Department is tasked to enforce Federal and State regulations in order to protect the health of those using a public water system.

*Linda J. Grantham*
*Environmental Program Specialist III*
*ADEC Drinking Water Program*
*610 University Avenue*
*Fairbanks, AK 99709*

# STATE OF ALASKA

SEAN PARNELL, GOVERNOR

610 University Avenue
Fairbanks AK 99709
Phone: (907) 451-2108
Fax: (907) 451-2188
http://www.dec.state.ak/

DEPT. ENVIRONMENTAL CONSERVATION
DIVISION OF ENVIRONMENTAL HEALTH
DRINKING WATER PROGRAM

100.07.287
Enf. Tracking #:09-1034-37-8197

January 8, 2010

CERTIFIED MAIL-RETURN RECEIPT REQUESTED #: 7009 1410 0002 1106 7083

Ms. Peggy Burns, Treasurer
Salcha Fair Association, Inc.
P.O. Box 140086
Salcha, AK 99714-0086

**Re: Bilateral Compliance Agreement**

Dear Ms. Burns:

This letter documents the Bilateral Compliance Agreement (BCA) between the Alaska Department of Environmental Conservation's Drinking Water Program (DEC) and the Salcha Fair Association, Inc. (SFA).

The SFA is a nonprofit organization formed to showcase local individual and community endeavors at an annual fair. The association owns and operates a drinking water well, PWSID# AK2312415, located at the Salcha fair grounds in Salcha, AK. The well was originally approved and served as a drinking water source to be used during the fair, but local interest prompted the SFA to provide water to the general public. At this time, the SFA does not have the financial capacity to operate and maintain the well as a Community public water system (PWS) as defined in 18 AAC 80. Therefore, SFA has chosen to operate as a State-regulated Class C PWS, and limit access to the well to less than 25 residents. This agreement establishes the requirements for use of this well as a State-regulated Class C public water system (PWS).

The SFA and its responsible party, currently Peggy Burns, shall limit access to the well by January 1, 2010 by providing to users keys to the locked watering point. The SFA shall provide to the DEC a current list of users of the well. The SFA shall provide annually by January 1st of each year to DEC an updated list of the users of the well, and in addition shall provide an updated list upon DEC's request.

The SFA also agrees that in order to retain the State regulated Class C status, the SFA will not allow use of the watering point to exceed the requirement that it serve less than 25 residents.

The SFA agrees to comply with the State regulations governing operation of Class C public water systems.

If at any time the SFA decides to provide water to 25 or more residents, it shall notify DEC immediately and the SFA shall abide by the monitoring and reporting requirements in the state and federal regulations for the class of system that it operates.

The Salcha Fair Association, Inc. shall designate an individual who has authority to bind the Salcha Fair Association, Inc. as the primary contact and agent on drinking water matters.

Currently, the SFA's designated agent is Ms. Peggy Burns. The SFA shall notify DEC of any changes to its designated agent.

To ensure the safety of the water, the Drinking Water Program recommends collecting monthly samples for total coliform bacteria analysis and annual samples for nitrate analysis, and have them analyzed by a State certified laboratory.

Please sign and date the attached agreement before a Notary and submit to the Drinking Water Program office in Fairbanks by January 29, 2010.

Sincerely,

Linda J. Grantham
Environmental Program Specialist III

LJG (G:\EH\DW\PWS\312415 Salcha Fair Association\BCA 2009.docx)

Enclosure: Bilateral Compliance Agreement

State of Alaska
Fourth Judicial District

Bilateral Compliance Agreement : State of Alaska and Salcha Fair Association, Inc.

I, Peggy Burns, being first duly sworn, depose and say that:

(1) I am acting on behalf of the SAF under authority of its bylaws and I am the designated responsible agent for the purposes of entering into this bilateral compliance agreement;
(2) I have authority to sign for and legally bind the SFA and its officials and successors to the commitments and conditions of this agreement;
(3) The SFA will fully comply with all current procedures and requirements necessary to validly authorize my signature on this agreement;
(4) The SFA agrees to the terms and conditions of this bilateral compliance agreement.

Peggy Burns — 1-27-10
Signature of Peggy Burns — Date
Treasurer and Designated Agent,
Salcha Fair Association, Inc.

PEGGY BURNS
Printed Name

SUBSCRIBED AND SWORN to before me at 6841 Caraday Rd. Salcha, AK 99714 on 1-27-10 Date

Phyllis Stern
Notary Public, State of Alaska
My Commission Expires 12/12/11

PHYLLIS STERN NOTARY PUBLIC STATE OF ALASKA

Copy of Original

Salcha Fair
NOTice

# Notice!

**Thanks to all the notoriety of having a well for the community at the SFA grounds. The office of DEC drinking water program is forcing us to comply with regulations which require extensive testing. The SFA cannot afford to comply with all the tests required. Therefore: We are no longer allowed to provide water at large. We are locking up the well. If you are a paid member of the SFA then we will give you a key to Jacobs well. If you**

**cannot afford the $40.00 a year membership let one of us know and we will get a key to you.**

**If you are a paid member to get your key please call 488-4556 for Peggy or 488-0803 for Lori we both live very close and we can run your key over to you or you can stop by my house or Lori's to get it.**

**We are sorry for the inconvenience but DEC gave us no choice.**

**Salcha Fair Association**
**P.O.Box 140086**
**Salcha, AK. 99714**

**Lori Lovan @ 488-0803**
**Peggy Burns @ 488-4556**

D.E.C. NOTICE

# Notice !

Use of this watering point has been restricted.

This is because the Salcha Fair Association currently cannot afford to operate the well as a Community water system as defined in the State Drinking Water Regulations 18 AAC 80.

Please contact Peggy Burns (488-0803) or Lori Lovan (488-4556) for information. Or, you can contact the DEC at 907-451-2108.

2061

# Alaska State Legislature

*Interim: (June – Dec.)*
716 West 4TH Avenue, Suite 600
Anchorage, Alaska 99501-2133
(907) 269-0129
Fax (907) 269-0128

*Session: (Jan. – May)*
State Capitol, Room 403
Juneau, Alaska 99801-118
(907) 465-4859
Fax (907) 465-3799

**REPRESENTATIVE JOHN HARRIS**

Past and current names of people and families that have used the Salcha well.

Big Delta · Chickaloon · Copper Center · Delta Junction · Eielson · Farm Loop · Glennallen · Paxson · Salcha · Sheep Mountain · Sutton · Tolsona · Valdez

1. Amy Jo Horton 4887 FM 2087, Kilgore, Texas 75662
2. Becky Cummings
3. Beverly Lucas 5530 Xantheus Way, Salcha,AK. 99714 488-3568
4. Bob Murrey
5. Brandin Hechstrasser
6. Carol Tate 7027 Sewell Dr. Salcha, AK. 99714
7. Cindy Jeffries
8. Debbie Mantir
9. Dillon Horton 4887 FM 2087 Kilgore, Texas 75662
10. Gail Owen
11. Gary Johnson
12. Ann Johnson 488-3228
13. James Kley
14. Jan Owen-Denton
15. John Biddle 7473 Harding Drive, Salcha, AK. 99714 488-6798
16. Lori Lovan 7060 SnowWhite Ct. Salcha, AK. 99714 488-0803
17. Margie Hauger 5920 Richardson Hwy, Salcha, AK. 99714
18. Nancy L. Smith
19. Patty Lloyd General Delivery Salcha AK. 99714
20. Paul Delcourg General Delivery, Salcha, AK. 99714
21. Phyllis Stern
22. Richard Farrar Harding Lake Host 9500 Coolidge Dr. Salcha, AK. 99714
23. Rod Lloyd P.O.BOX 1636 Barrow, AK. 99723
24. Roger Hocking 7250 DeHalden Lane Salcha, AK. 99714
25. Sid Parrish P.O.BOX 140102 Salcha, AK. 99714
26. Steve Gulman Salcha Hardware 488-6398
27. Bill Tate
28. Morrie Mills
488-7114

29.Laura Vandernoot 5920 Richardson Salcha, AK. 99714

30. Ann Stone 7495 Richardson Hwy Salcha, AK. 99714 488-3027

31. James Stone

32. Dale Mantei 6225 Johnson Rd. Salcha, AK. 99714

33. Sharon Mantei 6225 Johnson Rd. Salcha, AK. 99714 488-2677

34. Roger Wilson 9535 Cooledge St. Salcha, AK. 99714

35. Leila Wilson 9535 Cooledge St. Salcha, AK. 99714

36.

37.

38.

39.

40.

# 2008-2009 Paid Well Membership

Bill Crandall
P.O. Box 14005
Salcha, AK. 99714
590-6105 Paid Cash May 08 $20.00

Randy Owsley
P.O. Box 140115
Salcha, AK. 99714 Paid $10.00 May 08 cash

Gary and Ann Johnson
Johnson Rd
Salcha, AK. 99714
488-3228 Paid $20.00 Cash May 08

Dale and Sharon Mantei
6225 Johnson Rd.
Salcha, AK. 99714 Pd ck# 1217 May 08 $20.00

Rodney and Patricia Lloyd or General Delivery, Salcha, AK. 99714
P. O. Box 1636
Barrow, AK. 99723 pd. Ck#3081 $20.00 May 08

John and Mary Jane Biddle
7473 Harding Dr.
Salcha, AK. 99714 pd CK#1047 $20.00 on 6-7-08

Leroy H. Thayer
P.O. Box 60346
Fairbanks, AK. 99706-0346 pd. CK#314 for $20.00 on 6-7-08

John Smoot
7197 Johnson Rd.
Salcha, AK. 99714 Paid 20.00 on 6/27/08

Paul Ratcliff
P.O. Box 56598
North Pole, AK. 99705 paid 20.00 cash 6/08

Roger and Jane Hocking
7250 Dehalden Ln.
Salcha AK. 99714 pd 20.00 on 6/23/08

John and Francis Sones
P.O. Box 140067
Salcha, AK. 99714 pd. 20.00 on 6/24/08

William W. Murden
7190 Johnson Rd.
Salcha, AK. 99714 Pd 20.00 ck#126 on 6/27/08

Mr. and Mrs. Wayne Hunter
6091 Homestead CT.
Salcha, AK. 99714 488-3784 paid $40.00 ck#1385 (bounced) on 7/15/08

Jeff and Sherry Emmons
10380 Endeavor Dr.
Salcha, AK. 99714 pd. 20.00 on 7/25/08 ck#1500

Steve and Cindy Jeffries
Salcha AK. 99714 paid $20.00 cash at front gate on 6/27/08

$310.00 paid to date 8/4/08

Marge and Bob Houger
Richardson Hwy
Salcha, AK. 99714 488-2320 Paid Cash of $20.00 on 9-28-08

Ernest and Robin Smith
7516 Johnson Rd.
Salcha, AK. 99714 paid Ck#3625 of $20.00 on 9-20-08

$350.00 paid to date 10/10/08

# Well Memberships Fees paid
# June 2006 thru June 2007

Nanci Jones
P.O. Box 55314
North Pole, 99705
488- Paid $10.00 6-27-06

Bill and Lynette Taylor
5382 Ingrid Dr.
Salcha, AK 99714
488-3953 Paid $20.00 6-20-06

Mitch Collum
Don't have address or phone?
Donated 250.00 Cash towards well on July 5th, 2006

Cindy and Steve Jeffries
Salcha Ak. 99714
488-0794 Paid 20.00 on
6-23-06

Nick Jr. and Petite Bradshaw
7150 Johnson Rd.
Salcha, AK. 99714 Paid 10.00 on 7-6-06

Sharon and Jerry Morrison
9407 Coolidge
Salcha, AK. 99714
488-2512 Paid $20.00 ck #
6383 on 7-31-06

Susan Carey — Gave Bev membership $ I can't remember receiving it.
Tara Huffman
members!

Tina Williams
8914 Walts Road
Salcha, AK. 99714 — paid $10.00 at Sept meeting

Marge Houger
Richardson Hwy
Salcha, AK. 99714 — paid $10.00 at Sept meeting

Martina A. Delp
6401 Johnson Rd. — paid $20.00 membership /donation
Salcha, AK. 99714 — Oct. 7,
347-1533

Leroy and Carolyn Thayer
P.O.Box 60346
Fairbanks, AK. 99706-0346 — paid $10.00 Ck # 178 on 9-18-06

Jeff and Sherry Emmons
10380 Endeavor Drive
Salcha, AK. 99714 — paid $10.00 Ck# 1456 on 10/11/06

Dale Mantei
6225 Johnson Rd.
Salcha, AK. 99714 — paid $10.00 cash 12/ 2006

Gary and Ann Johnson
Johnson Rd.
Salcha, AK. 99714 paid $20.00 cash 10/06

Ms. Brenda Wilbur
1045 Gilmore St.
Fairbanks, AK. 99701-4116 paid $10.00 1-29-07 ck# 6774

Terry and Tamara Reily
6939 Military Pipeline
Salcha, AK. 99714 paid $20.00 ck# 2628 Jan 07

Ms. Carolyn Plum
6883 Johnson Rd.
Salcha, AK. 99714 paid $10.00 12/26/06 ck# 1251

Grant D. Davenport
P. O. Box 140113
Salcha, AK. 99714 paid $20.00 on 3/6/07 ck# 1811

$450 paid towards well as of 3/7/07 pb

Red and Patty Lloyd
General Delivery
Salcha, AK. 99714 pd, 20.00 ck#2822 on 5-19-07

# Salcha Fair Well Membership List
# June 25, 2005-------June 25, 2006

1.Jon Estephan P.O.Box 10411 Fbks. AK.99710
2.Mary Estephan 10500 Wrong Way Lane Salcha pd. 20.00
3.Raymond R. Rood 2601 E. Rose City, RD p.o.box 154 Lupton MI 48635 pd. 10.00 4/18/05
4. Kelley and Archie Wemark 6330 Grieme Rd. Salcha AK pd. 10.00
5.Bill and Kim Stock 6679 Johnson Rd. pd. 10.00 6/26/05C
6.Rick and Marge Holland 216 Dunbar Ave. Fbks. AK. 99701 pd. 10.00
7.Shelly Shupe 7505 Richardson Hwy. Salcha 488-3710 pd 10.00 7/13/05
8.Tina Williams 8914 Walts Rd. Salcha 488-2548 pd. 10.00 7/13/05
9.Nancy Jones P.O.Box 55314 North Pole 99705 pd. 20.00 10,donation on 6/31/05
10.Sharon Morrison 9407 Coolidge dr. Salcha 488-2512 pd. 20.00
11.Jerry Morrison " " " "
12.Debbie Mantei Johnson Rd. pd. 10.00
13.Carolyn and Leroy Thayer 10308 old valdez trail pd. 10.00 7/28/05
14.Joe Horton 4887 FM 2087 Kilgore TX 75662
15.Eldie Horton paid 50.00 on 7/28/05 30.00 donation
16.Marilyn Marsh paid 10.00 6252 Johnson Rd Salcha 488-3045
17.Cindy Jeffries paid 10.00 6365 River Running Rd. Salcha 488-0794
18.Steve Jeffries paid 10.00
19.Sidney Parrish paid 10.00 donated 40.00 P.O.Box 140102 Salcha
20.Cecili Balough 6955 Johnson Rd. Salcha, AK. Pd. 7-13-05
21.Leroy Thayer 488-2450
22.John Biddle 7473 Harding Dr. Salcha 99714 Pd. 9/27/05
23.
24.
25.
26.
27.
28.
29.
30.

# 2009-2010 Paid Well Membership

Rod and Patty Lloyd pd $40.00 on 6/8/09

Steve Gulmon pd $100.00 on 6/19/09 978-9828

Leroy H and Carolyn Thayer
10308 Old Valdez Trail
Salcha, AK. 99714 pd Ck# 427 for $20.00
P.O.Box 60435 Fbks, AK. 99706

John Smoot 460-1467
7197 Johnson Rd.
Salcha , AK. 99714 paid at 09 fair. $20.00

Cindy and Steve Jeffries paid at 09 fair $20.00

Kris and Christie Bowman
10240 Old Valdez Tr.
Salcha, AK. 99714 Paid 40.00 on 8/21 check # 1562

John and Mary Biddle
7473 Harding Dr.
Salcha, AK. 99714 Paid Ck# 1051 on 8/21-09 for $20.00

Judy Sewell
10421 Old Valdez Tr.
Salcha, AK. 99714 on 8/29/09 cash of $40.00

Roger and Jane Hocking
7250 Dehalden Ln.
Salcha, AK. 99714  488-0863  pd Ck # 7601  $50.00

Mike S. King
7100 Johnson Rd.
Salcha, AK. 99714  799-8901  pd cash $40.00 on 10/9/09

Roger and Leila Wilson
9535 Coolidge St.
Salcha, AK. 99714  347-1737  pd ck#195 $40.00 on 9/1/09

Walter and Florence Floyd
7205 Johnson Rd.
Salcha, AK. 99714  488-3058  pd Ck#5838 $50.00 on 8/31/09

Beverly Lucas  paid $200.00 to GVEA on 10/06/09

William and Kimberly Stock
6679 Johnson Rd.
Salcha, AK. 99714  488-6763  pd ck# 3956 for  $40.00

William D. Murphy
7332 Old Site Rd.
Salcha AK. 99714 paid  40.00 on 9/24/09  ck#1736

Jay Sones  John and Donna Sones  377-3054
P.O.Box140067  3745 Helensdale Ave.  pd. Ck#1034
Salcha, AK. 99714  North Pole, AK. 99705  $50.00 10/20/09

Ernest and Robin Smith
7516 Johnson Rd. 488-0273
Salcha, AK. 99714 pd Ck # 3973 for $40.00 on 10-15-09

Dose DEC have a definition of a public water system in state statute?

They may respond that the definition is in the CFR they adopted.

( 40CFR 141.2, Public water system means a system for the provision to the public of water for human consumption through pipes or other constructed conveyances , if such system has at least fifteen services connections or regularly serves at least twenty five individuals daily at least 60 days out of the year)

How does DEC count those 25 people?

They may respond that they count every member of the house hold.

(So if 6 families have 4 members that's 24 people a day) So if people are hauling a week's worth of water at a time, the actual number of people served by the well could be as high as 168 people per week.

Did DEC advise the community of Salcha that the water system MAY qualify for a Variance?

Letter from Salcha Fair Association, received today, says they were not offered help, just more regulations

Was the community informed that there may be loans, financial assistance or technical assistance available to help upgrade the well?

CRF 40 clearly addresses the need to help communities with water problems so there isn't an unfunded mandate imposed on the people.

Dose the state have a definition of a "Disadvantaged Community" in state statute, with regards to safe drinking water?

CFR 40 Section 1452 has a definition under (D) Assistance for Disadvantaged Communities;

CS FOR HOUSE BILL NO. 318( )

**Sec. 46.03.082. Unregulated public water systems.** (a) If the Department of Environmental Conservation determines that it is in the best interest of the public to limit or prohibit the consumption or use of water from a public water system used by 25 or more people per day before prohibiting the consumption or use of water from the system, the department shall first provide the community that uses the public water system with.

(b) In this section, "public water system" means a system for the provision of water to the public of water for human consumption though pipes or, other constructed conveyances, if such system has at least 15 service connections or regularly services an average of at least twenty five individuals daily at least 60 days out of the year.

(c) in this section "municipalities" means a community or urban political unit.

CS for House Bill 318

26-LS135\R Bullard

**Section 1**. AS 46.15.032 is amended by adding a new section to read:

**Sec. 46.15.032. Unregulated public water systems.** (a) If the Department of Environmental Conservation finds that more than 25 people are consuming water from an unregulated public water system or a system which has been found out of compliance with regulations adopted by the department, before closing the public water system or limiting its use the department shall provide the following.

(1) A supply of clean potable water for each person who can no longer receive water from the public water system or assistance locating a clean, accessible water supply.
(2) Technical assistance, system variances, guidance and advice to determine the best course of action to bring the offending water system into compliance.
(3) Loans, grants and other financial assistance to ensure public water system compliance and safety is obtained and maintained as mandated by 40 CFR 141.1

(b) In this section,

(1) "public water system" means a system for the provision of water to the public for human use or consumption; and

(2) "watering point" means a common tap from which a community may obtain water.

26-LS1357\E
Bullard
3/15/10

**CS FOR HOUSE BILL NO. 318( )**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY**

**Offered:**
**Referred:**

**Sponsor(s): REPRESENTATIVES HARRIS, Tammie Wilson, Johnson, Muñoz, Peggy Wilson, Seaton**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act relating to public use of unregulated water systems."**

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

per day averaged over 6 mos.

*** Section 1.** AS 46.15 is amended by adding a new section to read:

**Sec. 46.03.082. Unregulated public water systems.** (a) If the department determines that it is in the best interest of the public to limit or prohibit the consumption or use of water from a public water system used by 25 or more people, before prohibiting the consumption or use of water from the system, the department shall first provide the community that uses the public water system with

(1) technical assistance to aid in making the water system meet minimum drinking water standards established by the department under AS 46.03.020(10)(C) when the department has reason to believe that the community using the water system lacks the resources or expertise to get technical assistance from other sources;

(2) financial assistance under AS 46.03.030(b) or 46.03.036(b) to rehabilitate or replace the water system; and

(3) assistance in locating a reasonable source of drinking water or, if no source of drinking water is reasonably available, a supply of drinking water for persons using the water system.

(b) In this section, "public water system" means a system for the provision of water to the public for human use or consumption.

26-LS1357\S
Bullard
3/29/10

**CS FOR HOUSE BILL NO. 318( )**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY**

**Offered:**
**Referred:**

**Sponsor(s): REPRESENTATIVES HARRIS, Tammie Wilson, Johnson, Muñoz, Peggy Wilson, Seaton, Keller**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act relating to public use of unregulated public water systems."**

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

*** Section 1.** AS 46.15 is amended by adding a new section to read:

**Sec. 46.03.082. Unregulated public water systems.** (a) The department may determine that it is in the best interest of the public to limit or prohibit the consumption or use of water from a public water system. If the public water system is located in a community, before prohibiting the consumption or use of water from the system, the department shall first provide the community with

(1) technical assistance to aid in making the water system meet minimum drinking water standards established by the department under AS 46.03.020(10)(C) when the department has reason to believe that the community lacks the resources or expertise to get technical assistance from other sources;

(2) financial assistance to rehabilitate or replace the water system; and

(3) assistance in locating a reasonable source of drinking water, or, if no source of drinking water is reasonably available, a supply of drinking water, for

persons using the water system.

(b) In this section,

(1) "community" means a municipality or a place in the unorganized borough in which 25 or more people reside as a social unit;

(2) "public water system" means a system for the provision of water to the public for human use or consumption through pipes or other constructed conveyances, if the system has 15 or more service connections or otherwise serves 25 or more individuals each day for 60 or more days in a calendar year.

# FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 318
() Publish Date:

Identifier (file name): HB318-DEC-CO-02-19-2010
Dept. Affected: Environmental Conservation
Title: Unregulated Potable Water Systems
RDU: Environmental Health & Water Quality
Component: Drinking Water & Facility Construction
Sponsor: Representative Harris
Requester: Community and Regional Affairs, Resources
Component Number: 2066 & 637

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | | (5,909.7) | | | | | |
| Travel | | (310.7) | | | | | |
| Contractual | | (1,374.2) | | | | | |
| Supplies | | (223.4) | | | | | |
| Equipment | | (20.0) | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **(7,838.0)** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | (5,644.7) | | | | | |
| 1003 GF Match | | (1,986.6) | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | (206.7) | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **(7,838.0)** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2010) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | (66.0) | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

If HB 318 becomes law, the Environmental Protection Agency (EPA) has indicated that they will withdraw approval of the Department's drinking water regulatory program. Loss of primacy for the Drinking Water Program would mean loss of $5.6 million annually in federal grant funds for the program. In addition, EPA would implement the program with much less flexibility and concern for local issues than the State.

(continued on page 2)

Prepared by: Kristin Ryan, Director — Phone (907) 269-7645
Division: Environmental Health — Date/Time 2/23/2010 @ 11am
Approved by: Larry Hartig — Date 2/23/2010
Commissioner

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. HB 318

**ANALYSIS CONTINUATION**

In addition to the decrements shown above, Alaska would also become ineligible for the annual federal grants for the low-interest Drinking Water Loan Program. EPA provides approximately $13 million each year that the State deposits into a loan fund from which loans are made to municipalities for drinking water infrastructure projects. These annual capitalization grants would be lost to the state and our municipalities.

This bill would also reduce EPA funding received by the Environmental Health Laboratory used to certify private laboratories so they can provide testing services to public drinking water systems.

<<GAVEL>>

Let's call the meeting to order.

Let the record reflect that it is 8:00 a.m. on Tuesday, March 16, 2010.

Present are:
Representative Keller
Representative Harris
Representative Millett
Representative Cissna
Representative Gardner
Co-Chair Munoz
And myself, Chair Herron

[At this time I would like to remind everyone to turn off their cell phones.]

This morning we have **HB 318 Unregulated Potable Water Systems** back before us.

Members should have their bill packets from last Thurdays hearing we had on this bill. Harris staff Pete Fellman presenting.

[Have not heard from DEC who will be there, but these two testified last time]:
Online: Kristine Ryan, DEC Environmental Health Director, to testify on HB 318
Lori Verbrugge, Epidemiologist

Ask ADEC questions (provided by Fellman).

Rep. Harris: Mr Chairman, I have this CS I'd like the committee to consider.

2

**Peter Fellman**

**From:** chris burns [burnsmarketing@alaska.net]
**Sent:** Monday, February 22, 2010 8:18 AM
**To:** Peter Fellman
**Subject:** FW: Salcha Fairground Well

Hey Pete,
Here is one of the original emails concerning the well and she said 25 or more people a day which we did not have that kind of use and then Ms. Grantham said 25 or more a month. Big difference when it depends on whether or not it can be used as it was? FYI
Peggy

**From:** Christian, Cindy L (DEC) [mailto:cindy.christian@alaska.gov]
**Sent:** Tuesday, April 14, 2009 11:42 AM
**To:** salchafair@alaska.net
**Cc:** Ryan, Kristin J (DEC); Weise, James R (DEC)
**Subject:** Salcha Fairground Well

Good Morning Peggy,

It was good to talk to you yesterday regarding the well at the Salcha Fairgrounds. You said that the well is still operating and has not be locked or shut down at any point. The well is currently classified as a Class C state regulated water system. This means that the well is approved to serve less than 25 people per day. Originally the well was classified as Class C because it was only in operation during the fair. If the well serves more than 25 people per day, then it would be reclassified as a Class A Community Water System. The Fair Association has several options for keeping the Class C status for the well. As we discussed yesterday, you could restrict the usage of the well by locking the well house and only providing keys to a certain number of people to keep the population below 25/day. You also indicated that you would like to charge people for using the well so that it would help to pay the electric bill for the pump.

Another option would be to provide a sign-in sheet at the well house so that we could try to get an idea of how many people are currently using the well. You said yesterday that you didn't think that 25 people per day are using the well. We just need to get some kind of verification of that number. Another thing you could do would be to hire an engineer to verify the number of people currently using the well. This is something that the community of Ester did to verify the number of people using their well. They were able to remain a Class C because they verified that less than 25 people per day were getting water. I'm not sure if you have any engineers living in Salcha that would be able to do this for you, but it is something to look at.

Please let me know if you have any questions or if I can be of further help.

Thanks,

Cindy

***Cindy Christian***

***Compliance and Monitoring Manager***

# HB

# 336

# Alaska State Legislature

**Chairman**
State Affairs Committee

**Member**
Judiciary Committee
Labor & Commerce Committee
Health & Social Services Committee
Military & Veterans Affairs Committee

**Finance Subcommittees**
Labor and Workforce Development
Military and Veterans' Affairs
Public Safety

*A Communication From*
**REPRESENTATIVE BOB LYNN**
**District 31 Anchorage**

**E-Mail:** Representative_Bob_Lynn@legis.state.ak.us
**"Bob Lynn's Alaska Blog"** www.RepLynnBlog.com

**Session:**
Alaska State Capitol, #104
Juneau, AK 99801-1182

Phone: (907) 465-4931
Fax: (907) 465-4316
Toll Free: (800) 870-4391

**Interim:**
716 W. 4th Ave., #650
Anchorage, AK 99501-2133

Phone: (907) 269-0205
Fax: (907) 269-0207

# HB 336
# Sponsor Statement

House Bill 336 puts in statute the ability for telephone or electric cooperatives to allow members to vote by electronic transmission as specified by the coop's by-laws. The bill was filed at the urging of coops around the state.

Currently, coop members may only vote in person or via the postal service. This method, however, is outdated and could be having a negative impact on member participation in elections and other important matters.

By allowing telephone and electric coops to permit voting via electronic transmission approved in its by-laws, the Legislature will make it so common 21st century practices may be applied to important public involvement matters.

Coops in every corner of Alaska will be enthused the Legislature has had the foresight to pass legislation important to their public process. This bill does not make electronic transmission voting mandatory, and cooperatives choose whether they want to partake or not.

Already, however, Matanuska Telephone Association (MTA) members have voted to adopt a new bylaw allowing electronic transmission voting. All MTA, and other coops, need is for the Legislature amends the statute to allow these coops to do so.

Please help me in facilitating the quick passage of HB 336.

# FISCAL NOTE

**STATE OF ALASKA**
**2010 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version: **HB 336**
() Publish Date:

Identifier (file name): HB336-CED-RCA-3-3-10
Dept. Affected: DCCED
Title: Electric & Telephone Cooperatives' Voting
RDU: Regulatory Commission of Alaska (399)
Component: Regulatory Commission of Alaska
Sponsor: House State Affairs
Requester: House Community and Regional Affairs
Component Number: 2417

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2010) cost:** 0.0

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This proposed legislation would amend voting procedures in AS 10.25 for electric and telephone cooperatives to authorize electronic voting.

(ANALYSIS CONTINUED)

Prepared by: Robert M. Pickett, Chairman
Phone 907.276.6222
Division: Regulatory Commission of Alaska
Date/Time 2/26/10 12:30 p.m.
Approved by: Emil R. Notti, Commissioner
Date 3/3/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. SB 260

**ANALYSIS CONTINUATION**

The Regulatory Commission of Alaska (RCA) has limited jurisdiction that includes regulating the rates and services of non-exempt electric and telephone cooperatives. *See* AS 42.05.141. With the exception of deregulation elections governed by AS 42.05.712, RCA jurisdiction does not extend to membership voting procedures. Members of electric and telephone cooperatives seeking to enforce the electronic voting procedures proposed by this legislation would need to pursue judicial recourse rather than RCA intervention.

Since the RCA will not be involved in enforcing the amended voting procedures, it will not experience any increase in workload based on the passage of HB 336.

# Homer Electric Association, Inc.

**Corporate Office**
3977 Lake Street
Homer, Alaska 99603-7680
Phone (907) 235-8551
FAX (907) 235-3313

**Central Peninsula Service Center**
280 Airport Way
Kenai, Alaska 99611-5280
Phone (907) 283-5831
FAX (907) 283-7122


February 22, 2010

Representative Bob Lynn
Alaska State Legislature
State Capitol, Room 104
Juneau, Alaska 99801

RE: Support for HB 336 – Permitting Electronic Voting for Cooperatives

Honorable Representative Lynn:

Homer Electric Association, Inc. (HEA) would like to join several other cooperatives in support of HB 336. The ability for cooperatives to use the Internet to improve member participation is a worthwhile goal.

HEA appreciates that the language in HB 336 is not mandatory, but rather provides the option to institute electronic voting should our members decide to move in that direction. Member participation is crucial to the success of our cooperative and it is possible that allowing electronic voting will improve the ability of our members to cast their vote during elections.

I urge support of this bill and its passage from your committee at the earliest time.

If you have any questions, please feel free to contact me at any time.

Sincerely,

Bradley P. Janorschke
General Manager

Golden Valley Electric Association
PO Box 71249, Fairbanks, AK 99707-1249 • (907) 452-1151 • www.gvea.com
Your Touchstone Energy® Cooperative

February 23, 2010

The Honorable Bob Lynn
Alaska State Legislature
State Capitol, Room 104
Juneau, Alaska 99801-1182

Subject: Support for HB 336 – permitting electronic voting for cooperatives

Dear Representative Lynn:

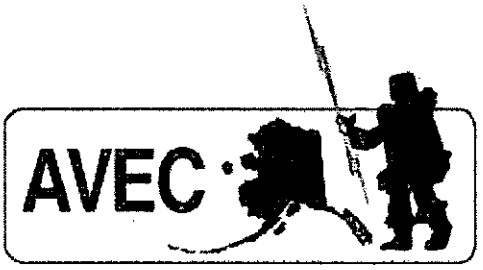
Golden Valley Electric Association, Inc. supports House Bill 336. Golden Valley is in favor of AS 10.25 being changed to allow cooperatives the option of electronic voting in their co-op elections.

Currently, Golden Valley is in the process of conducting a membership bylaw election which will amend our bylaws to permit electronic voting. Allowing this option acknowledges that the Internet has become a universal platform for sharing information. It offers co-op members a choice in submitting their ballot. Electronic submission will also save on cooperative mailing & handling costs.

Using the Internet as a universal medium to conduct business does not preclude our traditional means of operating and communicating with our members, but offers an additional option. I look forward to your support of this bill and its passage from your committee. If you have any questions, please feel free to contact me.

Sincerely,

Brian Newton
President and CEO




February 22, 2010

Representative Bob Lynn
State Capitol, Room 104
Juneau, AK 99801-1182

Re: Support for HB 336 – Permitting Electronic Voting for Cooperatives

Honorable Representative Lynn,

Please convey to the House State Affairs Committee Alaska Village Electric Cooperative's strongest support for HB 336.

The language in HB 336 is not mandatory, but rather permissive, allowing cooperatives that have been so directed by their members, through their bylaws, to institute electronic voting on matters that may come before the membership.

In this modern age, where communication via the postal service has become almost archaic, it is only logical that the communication channels that are most used by most individuals should be permitted for the conduct of commerce. Indeed, it is now impossible to deal with some state agencies, such as APOC, by any other method, since it is simply not allowed!

I urge support of this bill and its passage from your committee at the earliest time.

Yours sincerely,

Meera Kohler
President and CEO

4831 EAGLE STREET * ANCHORAGE, ALASKA * PHONE (907) 561-1818 * FAX (907) 562-4086

***Sent Via Email: nancy_manly@legis.state.ak.us***

February 22, 2010

Honorable Bob Lynn
Alaska State Capitol, Room #104
Juneau, AK 99801-1182

RE: HB 336 – Electronic Voting for Telephone Cooperatives

Dear Representative Lynn:

I'm writing to ask for your support on HB 336 "An Act relating to electronic voting procedures for electric and telephone cooperatives; and providing for an effective date".

As you know, the internet has changed forever the way we communicate and do business. Alaskans have more than embraced this new world and currently lead the country as the most Internet-connected state in America. Matanuska Telephone Association (MTA) is very proud of the work we have done, to bring the future to those we serve, by building a state-of-the-art telecommunications network capable of providing a high speed broadband connection to 98% of our member/owners.

Given this connectivity and the efficiency and effectiveness it can bring, MTA proactively presented to its membership in 2007 a proposed bylaw change to allow electronic voting and to send and receive documents electronically. In the balloting process, we explained that before implementation could take place, the Alaska Legislature would need to amend State cooperative law to allow for electronic voting. Our membership voted overwhelmingly to adopt the new bylaw allowing electronic voting, as determined by MTA's Board of Directors.

It goes without saying that electronic voting can be faster and more efficient for MTA and its members. It will also save considerable postage costs, make counting votes in our elections more efficient and help reduce wasted paper. But, more importantly, MTA believes this method of balloting promotes members ability to have every option available to them to participate in their cooperative elections.

On behalf of MTA's membership and our Board, I ask for your support of the House Bill 336 to allow electronic voting for our members.

Thank you for your consideration.

Sincerely,

Greg Berberich
Chief Executive Officer

CHUGACH
POWERING ALASKA'S FUTURE

February 22, 2010

Representative Bob Lynn, Chair
House State Affairs Committee
State Capitol, Room 104
Juneau, Alaska 99801

Dear Representative Lynn:

I am writing to express Chugach Electric Association's support for HB 336. Chugach is very much in favor of AS 10.25 being changed to allow cooperatives the option of electronic voting in their co-op elections.

As drafted, HB 336 makes electronic transmission of a ballot optional for those cooperatives whose members vote to change their bylaws to permit it. Chugach agrees making this voting method optional and member driven is the right approach. It is also important to note the bill allows each cooperative to determine voting procedures that are appropriate for their organization, thereby providing the flexibility for each co-op to decide how best to implement electronic voting. Once again, we think that is the right way to proceed. We understand that not all cooperatives might want to offer electronic voting, and those that do might want to limit the means of transmission in order to ensure a secure and efficient election process.

Electronic voting is a choice that we believe many members will appreciate. Chugach members already voted several years ago to change the bylaws to permit electronic voting when state law is changed.

Chugach urges legislative support of HB 336.

Sincerely,

Bradley W. Evans
Chief Executive Officer

Chugach Electric Association, Inc.
5601 Electron Drive, P.O. Box 196300, Anchorage, Alaska 99519-6300 • (907) 563-7494 Fax (907) 562-0027 • (800) 478-7494
www.chugachelectric.com • info@chugachelectric.com

Alaska Power Association
703 West Tudor Road, Suite 200
Anchorage, Alaska 99503-6650
907-561-6103
Fax: 907-561-5547
www.alaskapower.org

February 19, 2010

Representative Bob Lynn, Chair
House State Affairs Committee
Alaska State Legislature
State Capitol, Room 104
Juneau, Alaska 99801-1182

Re: Support for HB 336: Permitting Electronic Voting for Cooperatives

Dear Representative Lynn:

Alaska Power Association supports House Bill 336, electronic voting for electric and telephone cooperatives. Alaska Power Association is the statewide trade association for the electric utilities that supply power to more than a half-million Alaskans in communities from Barrow to Unalaska and down the Inside Passage.

Member representation through the exercise of voting rights is a cornerstone of the principles of cooperatives. Voting is permitted under the cooperative statute in person and by U.S. mail if the cooperative's bylaws allow it. The Internet has made it possible for secure and private activity to be conducted via electronic means.

Alaska Power Association urges and supports amendments to the Alaska Statutes that would allow cooperative members to exercise their voting rights via the Internet if their bylaws so allow.

We urge support of this bill and its passage from your committee at the earliest time.

Sincerely,

Marilyn Leland
Executive Director

(7)

**Date Referred to Committee: February 10, 2010** **FURTHER REFERRALS: State Affairs**

**Date of Committee Action:** 3.9.10

**The COMMUNITY AND REGIONAL AFFAIRS Committee considered:** **HOUSE BILL NO. 336**

**"An Act relating to electronic voting procedures for electric and telephone cooperatives; and providing for an effective date."**

**HB 336-ELECTRIC & TELEPHONE COOPERATIVES' VOTING**

**Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)**
***For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____*** **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

*List of Abbrev for Depts.:*
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

| ***NEW*** **FISCAL NOTES** *Assigned by Chief Clerk's Office | | | | |
|---|---|---|---|---|
| List by Dept(s): | *FN# | Fiscal | Indet. | Zero |
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| ***PREVIOUS*** **FISCAL NOTES** | | | | |
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| **Signing with recommendations** | **Printed Last Name** | **DP** | **DNP** | **NR** | **AM** |
|---|---|---|---|---|---|
| | Harris | ✓ | | | |
| Wes Keller | Keller | X | | | |
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| Chair: Cathy Munoz | Muñoz | ✓ | | | |
| Chair: Robert E Herron | Herron | | | X | |

(7)
Date Referred to Committee: February 23, 2010 FURTHER REFERRALS: Health and Social Servic

Date of Committee Action: 3.9.10

The COMMUNITY AND REGIONAL AFFAIRS Committee considered: HOUSE BILL NO. 3

"An Act requiring 911 dispatchers to be trained in cardiopulmonary resuscitation; and providing for an effective date."

HB 361-CPR TRAINING FOR 911 DISPATCHER

Recommends it be replaced with [ ] HCS *or* [ ] CS for _____ (_____
*For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____* [ ] Same Title [ ] New T

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

*List of Abbrev for Depts.:*
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

| *NEW* FISCAL NOTES *Assigned by Chief Clerk's Office | | | | |
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| List by Dept(s): | *FN# | Fiscal | Indet. | Zero |
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| Signing with recommendations | Printed Last Name | DP | DNP | NR | AM |
|---|---|---|---|---|---|
| Betty Gardner | Gardner | | | X | |
| Wes Keller | Keller | | | X | |
| John Harris | Harris | | | X | |
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| Chair: Kathy Muñoz | Muñoz | | | X | |
| Chair: Debbie Eft Herron | Herron | | | X | |

# Alaska State Legislature

**Chairman**
State Affairs Committee

**Member**
Judiciary Committee
Labor & Commerce Committee
Health & Social Services Committee
Military & Veterans Affairs Committee

**Finance Subcommittees**
Labor and Workforce Development
Military and Veterans' Affairs
Public Safety

*A Communication From*
**REPRESENTATIVE BOB LYNN**
**District 31 Anchorage**

**E-Mail:** Representative_Bob_Lynn@legis.state.ak.us
**"Bob Lynn's Alaska Blog"** www.RepLynnBlog.com

**Session:**
Alaska State Capitol, #104
Juneau, AK 99801-1182

Phone: (907) 465-4931
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Toll Free: (800) 870-4391

**Interim:**
716 W. 4th Ave., #650
Anchorage, AK 99501-2133

Phone: (907) 269-0205
Fax: (907) 269-0207

February 23, 2010

To: Representative Munoz, Co-Chair
Representative Herron, Co-Chair
House Community and Regional Affairs Committee

Fr: Representative Bob Lynn BL

Re: HB 336 ELECTRIC & TELEPHONE COOPERATIVES' VOTING

---

Please schedule HB 336 to be heard in the House Community and Regional Affairs Committee at your earliest convenience. HB 336 puts in statute the ability for telephone or electric cooperatives to allow members to vote by electronic transmission as specified by the coop's by-laws. The bill was filed at the urging of coops around the state. Thank you.

Attached Documents

Memo/Hearing Request
Bill History/Action
HB 336 (26-LS1458\A)
Sponsor Statement
Letters of Support

CHUGACH
POWERING ALASKA'S FUTURE

HB336


Phil Steyer
DIRECTOR
GOVERNMENT RELATIONS
CORPORATE COMMUNICATIONS
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Cell (907) 242-1417

Chugach Electric Association, Inc.
5601 Electron Drive • P.O. Box 196300 • Anchorage, Alaska 99519-6300
www.chugachelectric.com • (800) 478-7494

# HB

# 361

Alaska State Legislature

**Representative Anna Fairclough – House District 17**

# House Bill 361

"An Act requiring 911 dispatchers to be trained in cardiopulmonary resuscitation; and providing for an effective date"

Currently in Alaska State Statute there is no provision requiring 911 dispatchers to be certified in cardiopulmonary resuscitation (CPR). Most people are told that during an emergency you should call 911 immediately and someone will be able to help you. In the event that the caller does not know how to perform CPR, is unsure or panicking during the 911 call the operator should be able to not only calm the person down, but also be able to walk the caller through the process while help is on the way.

Most of the 911 dispatchers in the state are certified as Emergency Medical Dispatchers (EMD) which covers CPR. But for those remote regions in the state that don't have certified EMDs or dispatchers trained in CPR the passage of this bill may ultimately save lives.

Thank you for your consideration and I urge your support on the passage of legislation.

*Session:* Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819
*Interim:* 10928 Eagle River Road, Suite 238 • Eagle River, AK 99577 • 907-694-8944 • Fax 907-694-8945
Representative_Anna_Fairclough@legis.state.ak.us

# FISCAL NOTE

**STATE OF ALASKA**
**2010 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version:
() Publish Date:

Identifier (file name): HB361-DPS-AST-03-08-10
Dept. Affected: Public Safety
Title "An act requiring 911 dispatchers to be trained in CPR."
RDU Alaska State Troopers
Component AST Detachments
Sponsor Representative Fairclough
Requester House Community and Regional Affairs
Component Number 2325

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | 1.2 | | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| Travel | | | | | | | |
| Contractual | 1.0 | | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **2.2** | | **1.1** | **1.1** | **1.1** | **1.1** | **1.1** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | 2.2 | | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **2.2** | **0.0** | **1.1** | **1.1** | **1.1** | **1.1** | **1.1** |

**Estimate of any current year (FY2010) cost:** 0.0

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This legislation would amend AS 26.23.170(b) and require that all 911 dispatchers be trained in cardiopulmonary resuscitation (CPR). Thirty eight (38) department employees would be effected by this legislation. The estimated personnel and training costs are $2185.00 in FY11, and approximately $1092.00 each year thereafter. FY11 (38) need training X $20 avg. fee cost = $760.00, assuming that ½ would be in overtime status x (3) hrs avg. @ $25 avg. OT rate = $1425.00, or total FY11 cost of $2185.00.The department has several contracts across the state for dispatch services and this legislation may increase those costs in the future.

Prepared by: Lt. Rodney Dial
Phone 907-247-4480
Division Alaska State Troopers
Date/Time 3/8/10 9:30 AM
Approved by: Joseph Masters, Commissioner
Date 3/8/2010
Department of Public Safety

(Revised 11/6/2009 OMB)



2101

# Brookline 911 dispatcher praised for helping to save a life

E-mail|Link|Comments (0) Posted December 18, 2009 12:01 PM

**By Brock Parker, Globe Correspondent**

Authorities in Brookline are praising the work of a rookie 911 dispatcher who helped a local man perform CPR on his wife last month until emergency medical technicians arrived.

The woman survived, and now Emergency Dispatcher Siobhan McIntyre, who has been on the job since May, has received a commendation from police for her efforts.

"There's nothing like it," McIntyre said. "I saved a life. I had a hand in this."

David Connolly, the chief emergency dispatcher for Brookline, said McIntyre was working on Nov. 13 at 5:22 a.m. when a Brookline man called 911 because he'd found his wife unresponsive in their home.

The woman, who asked to remain anonymous, was in cardiac arrest and her husband did not know how to perform CPR, Connolly said.

"He asked me numerous times: "What do I do? What do I do?" McIntyre said. "I was just trying to calm him down. It was frightening to say the least."

McIntyre began walking the man through the steps to perform CPR. She instructed him about how to breathe into his wife and how to perform chest compressions, which he did. At that point, emergency responders arrived and used a defibrillator to revive the woman, Connolly said.

Connolly said McIntyre gets the credit for helping to save the woman's life because she was able to stay calm, get emergency responders in route and help talk the man through performing CPR all at the same time.

"And she's only been on the job since May," Connolly said.

McIntyre, 26, said that while she started in May, she had been training with a partner until she began working on her own in October.

While she is happy to have helped save a life, McIntyre said she's hoping the situation won't arise again any time soon.

"I hope it's a while," she said. "You never want to be in that position again."



- Cathleen Allison/Nevada Appeal

# Carson City 911 dispatcher gives instructions to save baby

BY F.T. NORTON
FTNORTON@NEVADAAPPEAL.COM,

A Carson City dispatcher likely saved a newborn's life Wednesday morning.

When a call came in to emergency dispatch at 8:22 a.m., communications supervisor Cindy Merrell heard a distraught mother, barking dogs and a crying toddler.

But what anyone else would have missed in the cacophony was what the woman said between screams — "My baby's not breathing!"

Merrell heard it right away.

"The baby's not breathing," the veteran emergency dispatcher can be heard repeating on the 911 call recording.

Merrell said she turned to coworker Liz Hertz and relayed the information. Hertz called out medics.

Then Merrell, herself a mother of four and grandmother of six, went to work.

She opened flip cards and tried to get the woman's attention.

"I'm going to help you," Merrell shouted over the din. "I need you to calm down so we can help your baby, OK!"

When the mother responded that she understood, Merrell began giving her directions.

"I need you to put your baby on a flat surface," said Merrell. "Tilt the head back and see if he's breathing."

The woman wailed as a toddler could be heard in the background crying.

"I want you to breathe two puffs of air into the baby's lungs, just enough to make the chest rise," said Merrell.

The line became silent as the mother did as she was told. Then the woman can be heard crying, "Oh my God. My son's dead, my son's dead."

"Don't give up," said Merrell. "I need you to help the baby."

She instructed the mother to do chest compressions. Through the line Merrell could hear the thumping as the woman did as she was told.

Everyone in the dispatch center became fixated on what was unfolding, including John Mason, a system technician with AT&T, who hours later was still in awe of what he'd witnessed.

"It was just so amazing," he said.

Merrell worried the mother was going to stop because she kept repeating her son was dead.

"Don't give up. Just keep going until the medics get there. Keep going. Keep going," Merrell said. "I need you to help the baby. Don't give up."

For six minutes, Merrell remained calm while the frantic mother wailed, the dogs barked and a toddler cried.

And then, Merrell heard a weak cry.

"Oh, he just started crying," the mother yelled.

When paramedics arrived, Merrell hung up.

The baby's family declined to comment. According to Renown Regional Medical Center in Reno, the 3-week-old infant is in good condition.

"It's absolutely amazing – Cindy staying on the phone, calming the lady down and talking her through it, probably saved the baby's life," said Sheriff Ken Furlong. "Cindy doesn't get rattled. She's an amazing woman."

Merrell said normally after an emotional call, she will get up from her desk and go into another room to cry.

"But John Mason was in the room," she said with a laugh. "I turn around and he's got these tears, and Liz has got these tears, so I had to be like, 'Oh, it's just a job.'"

For Mason, however, the experience was unforgettable.

"I got to just sit there and listen to this dispatcher and the way she took control of the situation and actually saved the baby's life," said Mason, a former Marine. "I've seen a lot of stuff that didn't affect me. This actually touched me. When that baby coughed we were (cheering).

"We were just overwhelmed with joy that one life was saved by the training and composure of this particular dispatcher," Mason said. "I think she's a hero."

Merrell was more humble about her actions.

"I was just glad that the baby was alive and I could help the mom," said Merrell.

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http://www.nevadaappeal.com/apps/pbcs.dll/article?AID=/20100121/NEWS/100129972/1047&parentprofile=1063&template=printart

Click here to print or select **File** then **Print** from your browser. Close Window

# 911 Claims Operators Don't Need to Know CPR

**A Shocking Revelation by the *Today Show* Reveals 18 State Behind the Curve**

By **Ryan Christopher DeVault**

The 911 system in this country is broken, and the *Today Show* showed us just how broken it is. In a *Today Show* investigation of the 911 system, it was revealed that 18 states around the country do not require that their operators know CPR to be on the job. It seems that one of the reasons that the story was being done in the first place was that a city manager in Murphy, Texas said that his operators didn't know CPR because they weren't required to know it. Does this sound like a good excuse? Or does it sound like laziness where the city could be putting its residents at risk by not actually taking on training that could save lives?

Let's all just agree that knowing CPR is an important tool and that when someone takes the initiative to actually learn CPR that they are working towards the greater good. The fact is that nobody does CPR to help themselves out because obviously CPR is a tool you use to help out someone else in need. Those who go through the training to help save the lives of other people are commendable, and it creates more and more people that are capable of helping people with a medical emergency. With that in mind shouldn't anyone that could be placed in a position to use CPR go through the training simply because they can?

If you haven't learned CPR, and your child is suddenly having trouble breathing, who do you call? We are all told that you should call 911 immediately, but what are you expecting when you call 911? As a parent I would hope for immediate help with the situation, but there are 18 states (listed on page 2) around the country that don't care enough to make sure that the callers can receive help from their operators. I am of the opinion that it is important for parents to learn CPR, but if they haven't had the money to pay for the training, what are their options in those 18 states where you can't rely on 911 to help you out? I wish I had the answer to that question.

The reason that the city of Murphy, Texas is being brought up in this article is that they had a woman whose child had stopped breathing call into their 911 dispatch to receive help with CPR. The operator couldn't help, and the excuse that the city is giving is that they aren't required to know how to do CPR in Texas, and that they did nothing wrong. Maybe they learned their lesson in Murphy though, because the claim by the city manager of Murphy (to the *Today Show*) is they are now going to train their operators. It won't bring back the child that died in the sad case, but maybe it can be a warning sign for residents to take up the cause in their states for 911 operators to be required to know CPR. Unless you can answer for me the following question, "who do I call for help with CPR while in the middle of trying to save a life?"

**States that DON'T require CPR Training for 911 Operators**

Idaho
Nevada
Colorado
South Dakota
Nebraska
Kansas
Oklahoma
Wisconsin
Michigan
Indiana
Arkansas
Mississippi
Alabama
Florida
New York
West Virginia
Alaska
Hawaii

Source:

*Today Show* Video

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Need your CPR certification but hate to sit through another mind-numbing 6-hour class? With CPRToday! nationally-validated, fully-accredited online courses you can earn your CPR, First Aid, AED, and Bloodborne Pathogens certification at your convenience and have your certificate and wallet card today.



CPRToday! is **quick**, **inexpensive** and completely **risk-free**. Ours is the only program that:

- ✔ Is Nationally accredited in all 50 states
- ✔ Meets International Guidelines Conference on Cardiopulmonary Resuscitation standards
- ✔ Includes most recent AHA and ARC Guidelines (December 13, 2005)
- ✔ Includes "compression-only" bystander-initiated CPR techniques (March 31, 2008)
- ✔ Is Emergency Cardiovascular Care (ECC) and OSHA 1910.1030(g)(2) compliant
- ✔ Does not require hands-on skills testing
- ✔ Includes instant 2-year certification from your own printer (see how)
- ✔ Does not require additional fees for practical exam
- ✔ Includes 30-day unlimited course access from any computer
- ✔ Includes unlimited access to your certificate and wallet card
- ✔ Is reviewed by National Health & Safety Foundation®
- ✔ Is endorsed by CNN (watch video)
- ✔ Is accepted in more places than any other online certification - **100% guaranteed!**

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2107

# Certificate Of Completion

IS HEREBY PRESENTED TO

## Demo Student

In Recognition Of Successful Completion Of CPR Today! Inc. Training Course In

## Basic Life Support
## Adult CPR

| 80463228-1261 | March 2012 | Regina Bennett |
|---|---|---|
| CERTIFICATION NUMBER | EXPIRATION DATE | INSTRUCTOR |

LET IT BE KNOWN THAT THIS STUDENT HAS SUCCESSFULLY PASSED SKILLS EVALUATION IN ACCORDANCE WITH NATIONAL COGNITIVE SKILLS EXAMINATION STANDARDS, NATIONAL HEALTH & SAFETY FOUNDATION® AND WWW.CPRTODAY.COM (CPRToday! Inc.) CERTIFICATION TERMS & CONDITIONS

| | ADULT | CHILD | INFANT |
|---|---|---|---|
| CHECK FOR RESPONSIVENESS | By shaking the victim and shouting | By shaking the victim and shouting | By patting victim's feet and chest |
| WHEN TO DIAL 911 | Immediately if victim is unresponsive | After 1 to 2 minutes of performing CPR | After 1 to 2 minutes of performing CPR |
| PULSE LOCATION | Carotid artery (on the side of neck) | Carotid artery (on the side of neck) | Brachial artery (inner upper arm) |
| AIRWAY | Lift the neck and tilt the head back | Lift the neck and tilt the head back | Slightly tilt the head into "sniffer's position" |
| BREATHING | Pinch the nose; give 2 breaths | Pinch the nose; give 2 breaths | Mouth over mouth & nose; give 2 puffs |
| CIRCULATION | 2 hands, 2 in. deep; 30 compressions | 1 hand, 1 inch deep; 30 compressions | 2 fingers, ½ inch deep; 5 compressions |

**Check for pulse every minute. Repeat A-B-C cycle as necessary until EMS arrives.**

COMMUNITY & WORKPLACE CERTIFICATION

Guidelines 2005

Demo Student

Has Successfully Completed CPRTodayl Inc.'s Training Course In

Basic Life Support

Adult CPR

8046322B-1261 — March 2012 — Regina Bennett

Certification Number — Expiration Date — Instructor

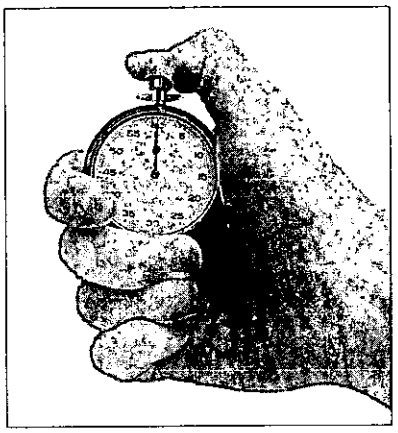
This individual has successfully passed evaluation in accordance with nationally-recognized cognitive skills assessment standards and CPRTodayl Inc. certification Items & Conditions

2108

# INTRODUCTION TO CPR

**IMPORTANT ANNOUNCEMENT:** In March 2008 the American Heart Association published an advisory statement outlining "hands-only" or "compression-only" CPR. This statement is a clarification addendum to the 2005 AHA Guidelines for CPR and ECC which dictates that lay persons who are unable or unwilling to provide rescue breaths may perform hands-only CPR. This updated recommendation does not apply to first responders and/or medical personnel with access to CPR barrier or a mechanical respirator; unwitnessed cardiac arrest, cardiac arrest in children and infants, or cardiac arrest presumed to be of non-cardiac origin (drowning, trauma, airway obstruction, acute respiratory diseases, drug overdose, etc). AHA study concedes that when performed correctly, conventional CPR continues to prove a more effective rescue method for victims of cardiac arrest and as such we will continue to educate our students in ventilation as well as compressions.

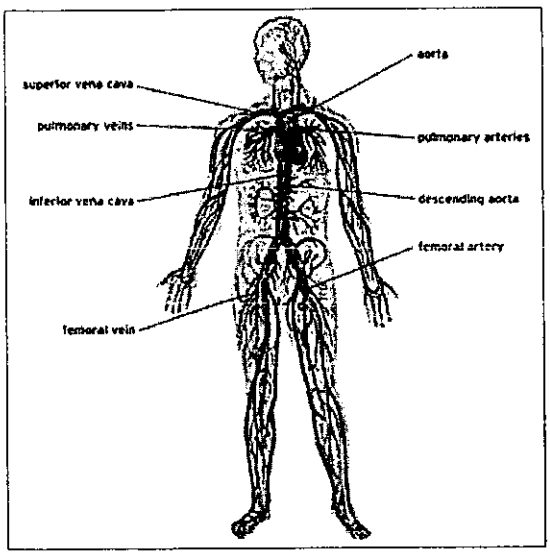
Recent statistics suggest that sudden cardiac arrest is rapidly becoming the leading cause of death in America. Once the heart ceases to function, a healthy human brain may survive without oxygen for up to 4 minutes without suffering any permanent damage. Unfortunately, a typical EMS response may take 6, 8 or even 10 minutes.



It is during those critical minutes that Cardio Pulmonary Resuscitation can provide oxygenated blood to the victim's brain and the heart, dramatically increasing his chance of survival. And if properly instructed, almost anyone can learn and perform CPR.

## HOW CPR WORKS

The air we breathe in travels to our lungs where oxygen is picked up by our blood and then pumped by the heart to our tissue and organs. When a person experiences cardiac arrest - whether due to heart failure in adults and the elderly or an injury such as near drowning, electrocution or severe trauma in a child - the heart goes from a normal beat to an arrhythmic pattern called ventricular fibrillation, and eventually ceases to beat altogether. This prevents oxygen from circulating throughout the body, rapidly killing cells and tissue. In essence, Cardio (heart) Pulmonary (lung) Resuscitation (revive, revitalize) serves as an artificial heartbeat and an artificial respirator.




CPR may not save the victim even when performed properly, but if started within 4 minutes of cardiac arrest and defibrillation is provided within 10 minutes, a person has a 40% chance of survival.

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Invented in 1960, CPR is a simple but effective procedure that allows almost anyone to sustain life in the first critical minutes of cardiac arrest. CPR provides oxygenated blood to the brain and the heart long enough to keep vital organs alive until emergency equipment arrives. To make learning CPR easier, a system was devised that makes remembering it as simple as "ABC":

- Airway
- Breathing
- Circulation

**WHEN TO DIAL 9-1-1**

It is critical to remember that dialing 9-1-1 may be the most important step you can take to save a life. If someone besides you is present, they should dial 9-1-1 immediately. If you're alone with the victim, try to call for help prior to starting CPR on an adult and after a minute on a child. Before we learn what to do in an emergency, we must first emphasize what NOT to do:

- DO NOT leave the victim alone.
- DO NOT try to make the victim drink water.
- DO NOT throw water on the victim's face.
- DO NOT prompt the victim into a sitting position.
- DO NOT try to revive the victim by slapping his face.

Always remember to exercise solid common sense. When faced with an emergency situation we may act impulsively and place ourselves in harm's way. Although time should not be wasted, only approach the victim after determining that the scene is safe: always check for cars, fire, gas, downed electrical lines, and any other potential hazards before attempting to perform CPR.

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# ADULT CPR

**Definition**
Because there is no single anatomic or physiologic characteristic that distinguishes a "child" victim from an "adult" victim and no scientific evidence that identifies a precise age to initiate Adult rather than Child CPR techniques, the ECC scientists made a consensus decision for age delineation that is based largely on practical criteria and ease of teaching. However, American Heart Association's guidelines dictate that Adult CPR is performed on any person over the age of approximately 10 to 14 years (or post-adolescence, as defined by the presence of secondary sex characteristics).

**Assessing the situation**
If you suspect that the victim has sustained spinal or neck injury, do not move or shake him.

**1 person CPR**

- Verify that the victim is unresponsive by shaking the victim gently and shouting "Are you okay?"
- If there is no response, dial 9-1-1
- Retrieve an AED if one is available
- Begin CPR and use the AED as appropriate

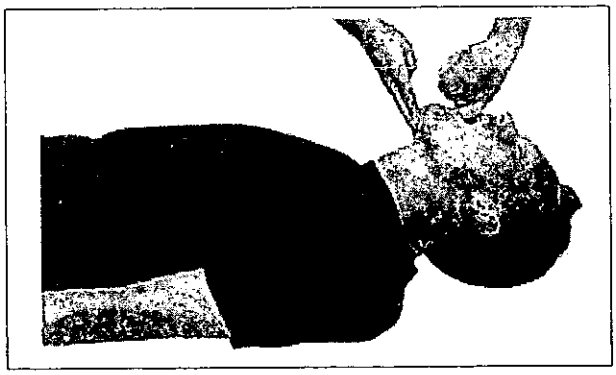
**2 person CPR**

- Verify that the victim is unresponsive by shaking the victim gently and shouting "Are you okay?"
- A trained rescuer should remain with the victim to begin CPR
- Second rescuer telephones 9-1-1 and, if available, retrieves an AED
- Continue CPR and use the AED as appropriate

**A-B-C of CPR**

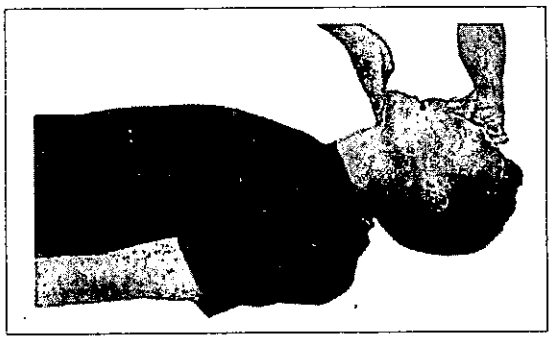
**"A" is for AIRWAY.** If the victim is unconscious and is unresponsive, you need to make sure that his airway is clear of any obstructions. The breaths may be faint and shallow - look, listen and feel for any signs of breathing. If you determine that the victim is not breathing, then something may be blocking his air passage. The tongue is the most common airway obstruction in an unconscious person and it may be necessary to perform a finger sweep in order to move the tongue or any other foreign object away from the air passage. With the victim lying flat on his back, firmly hold his chin with one hand while using the finger of your other hand in a sweeping motion. Once the airway is unblocked, place your hand on victim's forehead and your other hand under the tip of the chin and gently tilt his head backward. In this position the weight of the tongue will force it to shift away from the back of the throat, opening the airway. If the person is still not breathing on his own after the airway has been cleared, you will have to assist him breathing.

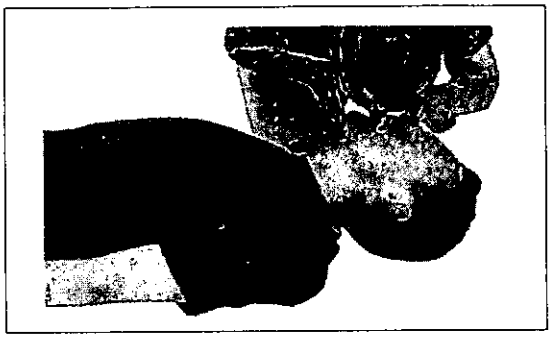


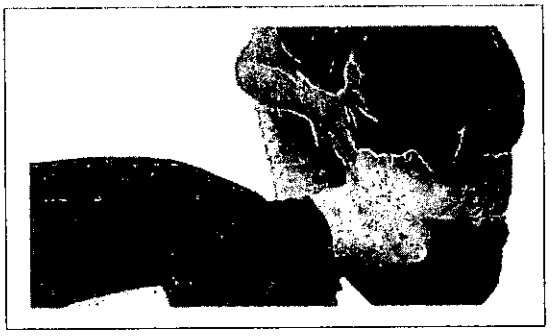


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**"B" is for BREATHING.** With the victim's airway clear of any obstructions, gently support his chin so as to keep it lifted up and the head tilted back. Pinch his nose to prevent air from escaping once you begin to ventilate. Take a full breath, place your mouth tightly over the victim's (use a shield barrier if one is available) and blow until the victim's chest rises. Maintain a tight seal around his mouth and be careful not to over-inflate his lungs as this may force air into the stomach, causing him to vomit. If this happens, turn the victim's head to the side and sweep any obstructions out of the mouth before proceeding. Between each breath allow the victim's lungs to relax - place your ear near his mouth and listen for air to escape and watch the chest fall as he exhales. If the victim remains unresponsive (no breathing, coughing or moving), check his circulation.



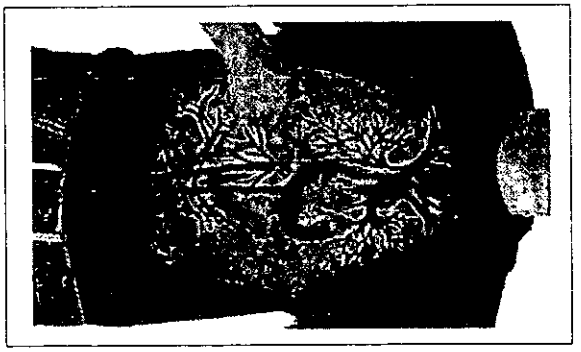




**"C" is for CIRCULATION.** In order to determine if the victim's heart is beating, place two fingertips on his carotid artery, located in the depression between the windpipe and the neck muscles, and apply slight pressure for several seconds. If there is no pulse then the victim's heart is not beating, and you will have to perform chest compressions.

**Chest compressions**

When performing chest compressions, proper hand placement is very important. Place two fingers on the victim's sternum and then put the heel of your other hand next to your fingers. Now you need to place your hand on top of that hand and interlace the fingers. Lock your elbows and using your body's weight, compress the victim's chest. The depth of compressions should be approximately 1½ to 2 inches - remember: 2 hands, 2 inches at a rate of 100 compressions per minute. If you feel or hear slight

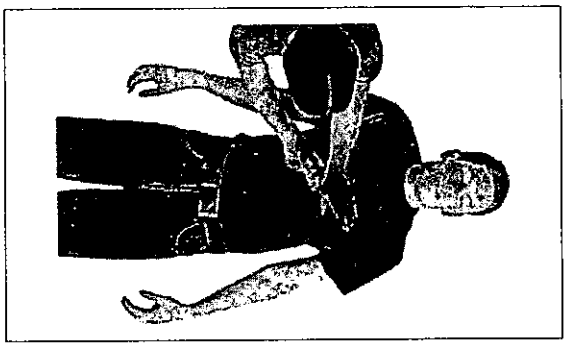


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cracking sound, you may be pressing too hard. Do not become alarmed and do not stop your rescue efforts! Damaged cartilage or cracked ribs are far less serious then a lost life. Simply apply less pressure as you continue compressions.

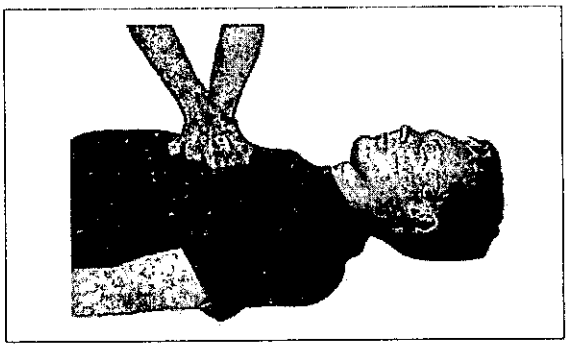
**1 person CPR**

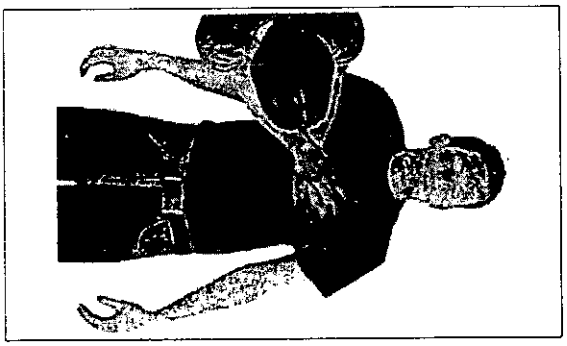
Count aloud as you compress 30 times at the rate of about 3 compressions for every 2 seconds. Finish the cycle by giving the victim 2 breaths. This process should be performed 5 times - 30 compressions and 2 breaths - after which remember to check the victim's carotid artery for pulse (for no longer than 10 seconds) and other signs of consciousness. If you definitely not feel a pulse within 10 seconds, you should begin cycles of chest compressions and ventilations. Continue until an advanced airway is in place or victim regains consciousness.



**2 person CPR**

Count aloud as you compress 30 times at the rate of about 3 compressions for every 2 seconds. Finish the cycle by giving the victim 2 breaths. To prevent fatigue and deterioration in quality and rate of chest compressions the rescuers should change compressor and ventilator roles every 2 minutes - the switch should be accomplished as quickly as possible to minimize interruptions in compressions. Continue until an advanced airway is in place or victim regains consciousness.





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# HCR

# 22

# [redacted]OUSE COMMITTEE REPOR[redacted]

(7)
**Date Referred to Committee: March 24, 2010** **FURTHER REFERRALS: Finance**

**Date of Committee Action:** 3.30.10

**The COMMUNITY AND REGIONAL AFFAIRS Committee considered:**
**HOUSE CONCURRENT RESOLUTION NO. 22**

**Establishing and relating to the Alaska Northern Waters Task Force.**
**HCR 22-ALASKA NORTHERN WATERS TASK FORCE**

**Recommends it be replaced with [ ] HCS** *or* **[ ] CS** *for* _____ (_____)
*For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR*_____ [ ] Same Title [ ] New Title

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

*List of Abbrev for Depts.:*
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

***NEW* FISCAL NOTES**
*Assigned by Chief Clerk's Office

| List by Dept(s): | *FN# | Fiscal | Indet. | Zero |
|---|---|---|---|---|
| LEG | | X | | |
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***PREVIOUS* FISCAL NOTES**

| List by Dept(s): | FN# | Fiscal | Indet. | Zero |
|---|---|---|---|---|
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| **Signing with recommendations** | Printed Last Name | DP | DNP | NR | AM |
|---|---|---|---|---|---|
| | | | | | |
| | Harris | X | | | |
| | Cissna | ✓ | | | |
| | Gardner | ✓ | | | |
| | | | | X | |
| | | | | | |
| | | | | | |
| | | | | | |
| Chair: | Munoz | ✓ | | | |
| Chair: | HERRON | ✓ | | | |

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**By the House Community and Regional Affairs Committee**


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5. Article: Melting ice could mean new riches
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7. Opinion by Mayor Itta: Visit to New York, D.C. gets Arctic message across
8. White House Climate Change Adaptation Task Force Overview
9. White House Interagency Ocean Policy Task Force Overview
10. Arctic Marine Shipping Assessment: Scenarios of the Future
11. Northern Waters Commission: A Call to Action

# HOUSE CONCURRENT RESOLUTION NO. 22

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**Introduced: 3/24/10**
**Referred: Community and Regional Affairs, Finance**

## A RESOLUTION

**Establishing and relating to the Alaska Northern Waters Task Force.**

**BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

**WHEREAS** Alaska is the only Arctic state in the nation; and

**WHEREAS** recent warming trends have resulted in the depletion of Arctic perennial sea ice by nine percent a decade; and

**WHEREAS**, according to the National Aeronautics and Space Administration, the rate of depletion is accelerating because of interaction among the ice, oceans, and atmosphere; and

**WHEREAS** rapidly retreating sea ice is altering fish and wildlife habitats and affecting the accessibility and viability of certain species, on which many local communities rely for nutritional and cultural purposes; and

**WHEREAS** reduced sea ice is affecting polar route navigation by opening oceans previously frozen year-round; and

**WHEREAS** the new accessibility of the Northern waters is resulting in increased marine transportation, access to resources, tourism, fisheries, and the presence of United States government agencies in the North; and

**WHEREAS** the waters of Northern Alaska are of national security and strategic importance to the United States and the State of Alaska; and

**WHEREAS**, because of national security concerns, the United States Coast Guard is increasing its presence in the North and has plans to build new infrastructure to support its heightened activity, including housing and office facilities and possibly a deep water port; and

**WHEREAS** Northern Alaska contains important mineral and other resources both in state waters and on the outer continental shelf; and

**WHEREAS** commercial activities, including resource development, and the revenue they generate for the state may be significantly affected by the changing Arctic waters; and

**WHEREAS** those changes will affect local communities, businesses, the state, and the natural resources on which they rely; and

**WHEREAS** there is no comprehensive state plan for Alaska's Northern waters; and

**WHEREAS** various federal agencies and international bodies are working together to form a commission to address the changing ocean patterns and the opportunities and problems that may arise as a result of those changing patterns; and

**WHEREAS** the State of Alaska should be involved in the process of forming the commission; and

**WHEREAS** a comprehensive plan to address the warming ocean, including the economic, ecological, and security effects, will benefit the state and its residents;

**BE IT RESOLVED** by the Alaska State Legislature that the Alaska Northern Waters Task Force is created in the legislative branch; and be it

**FURTHER RESOLVED** that the task force shall consist of nine members as follows:

(1) one senator from Northwest Alaska appointed by the President of the Senate;

(2) two representatives from Northwest Alaska appointed by the Speaker of the House of Representatives; and

(3) six members appointed jointly by the President of the Senate and the Speaker of the House of Representatives, as follows:

(A) one member representing the United States Coast Guard;

(B) one member representing the executive branch of state government;

(C) the mayors of the North Slope Borough, Northwest Arctic Borough, and City of Nome; and

(D) one member representing the United States Department of the Interior; and be it

**FURTHER RESOLVED** that the task force shall select a chair from among the members of the legislature; and be it

**FURTHER RESOLVED** that the municipal government and federal government members of the task force may receive per diem and travel expenses authorized for boards and commissions under AS 39.20.180 if they do not receive reimbursement for expenses from the municipal or federal government; and be it

**FURTHER RESOLVED** that the task force may meet during and between legislative sessions; and be it

**FURTHER RESOLVED** that the Bush Caucus chair may assign staff to provide support services for the task force; and be it

**FURTHER RESOLVED** that the duties of the task force include the following:

(1) assess and facilitate creation of a state and federal commission responsible for overseeing the development of state and federal northern ocean waters;

(2) facilitate regional coordination, cooperation, and outreach regarding the creation of the commission to keep local stakeholders informed and to incorporate their input into the process; and

(3) identify and coordinate efforts of mutual concern for federal, state, and local agencies, as well as international interests in the creation of the commission; and be it

**FURTHER RESOLVED** that the task force shall conduct hearings in the Northern region of the state to fulfill its purpose; and be it

**FURTHER RESOLVED** that the task force shall provide recommendations regarding the formation of the commission and shall deliver a preliminary report of its findings to the legislature by January 20, 2012, and deliver a final report to the legislature on January 30, 2012, together with legislative proposals for consideration; and be it

**FURTHER RESOLVED** that the task force shall be available for legislative hearings regarding its final report and recommendations; and be it

**FURTHER RESOLVED** that the continuation or termination of the task force shall

be reevaluated during the Second Regular Session of the Twenty-Seventh Alaska State Legislature.

# ALASKA STATE LEGISLATURE

## House Community & Regional Affairs Committee


**Rep. Cathy Muñoz, Co-Chair**

State Capitol Building, Room 409
Juneau, Alaska 99801-1182
Phone (907) 465-3744
Fax (907) 465-2273
Rep_Cathy_Munoz@legis.state.ak.us

**Rep. Bob Herron, Co-Chair**

State Capitol Building, Room 411
Juneau, Alaska 99801
Phone: (907) 465-4942
Fax: (907) 465-4589
Rep_Bob_Herron@legis.state.ak.us


### Sponsor Statement
### House Concurrent Resolution 22
### Establishing the Alaska Northern Waters Task Force

House Concurrent Resolution 22 establishes the Alaska Northern Waters Task Force to facilitate regional coordination and State of Alaska leadership in the ongoing development of the United States' policies related to the opening of Arctic marine transportation routes, national security, and resource development. The task force will comprise Legislators from Northwestern Alaska, leaders from Arctic communities, and key federal agencies. Together, they will assess and facilitate the creation of a joint state and federal entity to coordinate United States and Alaska interests that result from the opening of Arctic waters.

Perennial ice in the circumpolar Arctic waters is reducing in size at a rate of nine percent per decade. Arctic nations such as Norway, Canada and Russia are proactively promoting and defending their interests in increasingly ice-free areas. As the only Arctic state in this nation, Alaska has a unique role and interest in the development and evolution of U.S. policy in its northernmost region.

The creation of the Alaska Northern Waters Task Force anticipates increased federal attention to navigation routes, resource development, military activity and commerce in the Arctic. HCR 22 foresees the future creation of a joint federal/state commission that guides interagency and inter-jurisdiction actions in

the Arctic. It provides an opportunity for Alaska's Legislature and Arctic communities to assume a proactive role in shaping such a body, and ensures that Alaska's unique interests are strongly represented.

In the execution of its responsibilities, the Alaska Northern Waters Task Force will hold hearings in the northern communities of Barrow, Nome and Kotzebue, as well as Anchorage. By meeting in these regions, the task force will be able to seek guidance and feedback from the residents of the regions most likely to experience impacts from increased activity in the Arctic.

The Alaska Northern Waters Task Force will deliver its findings to the Alaska Legislature in January 2012, including legislative proposals for consideration.

# FISCAL NOTE

**STATE OF ALASKA**
**2010 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version: **HCR 22**
() Publish Date:

| | | | |
|---|---|---|---|
| Identifier (file name): | HCR22-LEG-COU-3-26-10 | Dept. Affected: | Legislature |
| Title | Establishing and relating to the Alaska Northern Waters Task Force | RDU | Legislative Council |
| | | Component | Council and Subcommittees |
| Sponsor | House Community and Regional Affairs | | |
| Requester | House Community and Regional Affairs | Component Number | 783 |

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | | | | | | | |
| Travel | 84.0 | | | | | | |
| Contractual | 10.0 | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **94.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | 94.0 | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **94.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2010) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

HCR22 establishes the Alaska Northern Waters Task Force in the Legislative Branch. The Task Force consists of nine members composed of three Legislators, one member from the Executive Branch, and five public members. It is anticipated that the Task Force will hold five meetings. Travel funding is included in this fiscal note and includes the cost for experts to attend the meetings. Meetings will be held in Barrow, Nome, Kotzebue, and Anchorage at Legislative Information Offices or local government facilities at no rental cost to the Task Force. The Bush Caucus Chair may assign staff of the Bush Caucus Chair to support the Task Force. The Task Force will assess and facilitate the creation of a state and federal commission responsible for overseeing the development of state and federal northern ocean waters; inform and incorporate local stakeholders input into the process, and identify and coordinate efforts of mutual concern for federal, state, and local agencies. Funding for professional services contracts is included in this fiscal note. Costs to teleconference meetings and print the proposals and reports due in January 2011 will be absorbed in the Legislative Affairs Agency Budget.

| | | | |
|---|---|---|---|
| Prepared by: | Karla Schofield, Deputy Director | Phone | 465-6626 |
| Division | Legislative Affairs Agency | Date/Time | 3/26/10 3:51 PM |
| Approved by: | Pamela Varni, Executive Director | Date | 3/26/2010 |
| | Legislative Affairs Agency | | |

(Revised 11/6/2009 OMB)

**ANALYSIS CONTINUATION**

5 meetings - all with travel

1 member of the Executive Branch - absorb travel in Executive Branch Budget.
3 Legislators; 5 public members; 1 staff person, 4 experts

| 1 meeting | Airfare | 247/day Per Diem | | | |
|---|---|---|---|---|---|
| Nome Meeting | | | | | |
| Bethel Legislator | 1062 | 494 | | | |
| Kotzebue Legislator | 427 | 494 | | | |
| Nome Legislator | 0 | 0 | | | |
| Juneau Coast Guard member | 880 | 494 | | | |
| North Slope Borough - Barrow | 1158 | 494 | | | |
| NW Arctic Mayor - Kotzebue | 427 | 494 | | | |
| Nome Mayor | 0 | 0 | | | |
| Anchorage Interior Dept member | 568 | 494 | | | |
| Kotzebue Staff person | 427 | 494 | | | |
| Anchorage Energy Expert | 568 | 494 | | | |
| Anchorage Energy Expert | 568 | 494 | | | |
| Washington, DC Energy Expert | 1450 | 988 | | | |
| Washington, DC Energy Expert | 1450 | 988 | | | |
| | 8,985.00 | 6,422 | 15,407 | 1 | 15,407 |

| 2 meetings | Airfare | 278/day Per Diem | | | |
|---|---|---|---|---|---|
| Anchorage Meeting | | | | | |
| Bethel Legislator | 494 | 556 | | | |
| Kotzebue Legislator | 568 | 556 | | | |
| Nome Legislator | 568 | 556 | | | |
| Juneau Coast Guard member | 506 | 556 | | | |
| North Slope Borough - Barrow | 709 | 556 | | | |
| NW Arctic Mayor - Kotzebue | 568 | 556 | | | |
| Nome Mayor | 568 | 556 | | | |
| Anchorage Interior Dept member | 0 | 0 | | | |
| Kotzebue Staff person | 568 | 556 | | | |
| Anchorage Energy Expert | 0 | 0 | | | |
| Anchorage Energy Expert | 0 | 0 | | | |
| Washington, DC Energy Expert | 1309 | 1112 | | | |
| Washington, DC Energy Expert | 1309 | 1112 | | | |
| | 7,167 | 6,672 | 13,839 | 2 | 27,678 |

**FISCAL NOTE**

**STATE OF ALASKA** **BILL NO.** HCR 22
**2010 LEGISLATIVE SESSION**

**ANALYSIS CONTINUATION**

| 1 meeting | Airfare | 278/day Per Diem | | | |
|---|---|---|---|---|---|
| Barrow Meeting | | | | | |
| Bethel Legislator | 1098 | 508 | | | |
| Kotzebue Legislator | 1290 | 508 | | | |
| Nome Legislator | 1160 | 508 | | | |
| Juneau Coast Guard member | 1195 | 508 | | | |
| North Slope Borough - Barrow | 0 | 0 | | | |
| NW Arctic Mayor - Kotzebue | 1290 | 508 | | | |
| Nome Mayor | 1160 | 508 | | | |
| Anchorage Interior Dept member | 846 | 508 | | | |
| Kotzebue Staff person | 1290 | 508 | | | |
| Anchorage Energy Expert | 846 | 508 | | | |
| Anchorage Energy Expert | 846 | 508 | | | |
| Washington, DC Energy Expert | 1751 | 1016 | | | |
| Washington, DC Energy Expert | 1751 | 1016 | | | |
| | 14,523 | 7,112 | 21,635 | 1 | 21,635 |

| 1 meeting | Airfare | Per Diem 282/day | | | |
|---|---|---|---|---|---|
| Kotzebue | | | | | |
| Bethel Legislator | 878 | 564 | | | |
| Kotzebue Legislator | 0 | 0 | | | |
| Nome Legislator | 427 | 564 | | | |
| Juneau Coast Guard member | 1078 | 564 | | | |
| North Slope Borough - Barrow | 1158 | 564 | | | |
| NW Arctic Mayor - Kotzebue | 0 | 0 | | | |
| Nome Mayor | 427 | 564 | | | |
| Anchorage Interior Dept member | 568 | 564 | | | |
| Kotzebue Staff person | 0 | 0 | | | |
| Anchorage Energy Expert | 568 | 564 | | | |
| Anchorage Energy Expert | 568 | 564 | | | |
| Washington, DC Energy Expert | 1670 | 1128 | | | |
| Washington, DC Energy Expert | 1670 | 1128 | | | |
| | 9,012 | 6,768 | 15,780 | 1 | 15,780 |
| Testify in Juneau during Session | | | | | |
| Nome Mayor | 978 | 756 | | | |
| Barrow Mayor | 1216 | 756 | | | |
| | 2,194 | 1,512 | 3,706 | 1 | 3,706 |
| | | | | | 84,206 |

**Senator Begich - Inuvikput Package**

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Introduced August 3, 2009, the *Inuvikput Package* consists of seven pieces of legislation:

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**S.1560 Arctic OCS Revenue Sharing Act** - Alaska Natives who have subsisted on marine mammals and other arctic resources for thousands of years would bear the direct risks of increased commercial activity in their waters. This bill directs a portion of federal revenues from offshore oil and gas development - the same share Louisiana receives from drilling in the adjacent Gulf of Mexico - to the State of Alaska with a percentage of those funds directed to those most affected.

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**S.1561 Arctic Marine Shipping Assessment Implementation Act** - As the polar icecap recedes, the Arctic region is increasingly accessible to shipping and tourism. This bill is designed to ensure safe and reliable maritime transportation in the Arctic and protect its waters. It would boost the nation's investment in needed infrastructure, including replacement of America's aging fleet of icebreakers and building new forward operating air bases for the Coast Guard to assert our national interest in the region.

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**S.1562 Arctic Science, Coordination and Integration Act** - Numerous scientists and agencies conduct important and needed research into various aspects of the Arctic but concerns remain that these efforts are not well coordinated and leave gaps in our understanding of Arctic issues. This bill calls on the National Research Council to undertake a study toward a comprehensive strategy to coordinate Arctic research and make recommendations to Congress on a long-term Arctic Ocean research plan.

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**S.1563 Arctic Ambassador Act** - Russia, Canada, Norway and other Arctic nations are represented at the ambassadorial level before the Arctic Council and U.S. interests would benefit from an enhanced diplomatic presence in Arctic matters. This bill is intended to strengthen U.S. representation before the Arctic Council and other international forums by appointment of a U.S. ambassador to the Arctic.

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**S.1564 Arctic Oil Spill Research and Recovery Act** - Vast energy reserves are believed to lie beneath Arctic waters and it is vital that any development of such resources be conducted in a responsible manner that protects the environment upon which residents of the region depend. This bill directs the Secretary of Commerce to conduct research to improve oil spill prevention, response and recovery in Arctic conditions and requires the Coast Guard to assess and reduce risk from such development.

**S.1565 Arctic Health Research Act** - People of the Arctic suffer from increased rates of alcohol abuse, diabetes, high blood pressure, and death from injury and suicide. This act would initiate a study into the mental, behavioral and physical health problems in the Arctic, institute an Arctic health assessment program at the Centers for Disease Control and create an "Arctic desk" at the National Institute of Health that was called for in 1984 but has never been established.

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**S.1566 Arctic Climate Change Adaptation Act** - Alaska villages and public infrastructure are already suffering from coastal erosion, flooding, permafrost melting and other impacts of climate change. This bill would help the State of Alaska, Alaska Native organizations, affected Arctic communities and the private sector adapt to the impacts of climate change and assist in dealing with habitat restoration, clean energy development and other economic development activities.

# Melting ice could mean new riches

Jill Burke
Mar 1, 2010

"It's not a question of if but when."

That's what Mead Treadwell, chairman of the U.S. Arctic Research Commission, told a New York City crowd Monday about the prospect of a booming northwest passage.

Treadwell made the remarks during a moderated panel discussion, "Will the Bering Strait become the Panama Canal of the North?" hosted by the Council on Foreign Relations at Alaska House New York. (Alaska House is a nonprofit organization founded by Alaska Dispatch publisher Alice Rogoff to promote education about Alaska and its Native culture and foster economic development within the state.)

The day's discussion, which pulled together Alaska's congressional delegates, regional leaders and industry representatives, centered on the sense of urgency seemingly missing both in the state and nationwide for developing the infrastructure -- like deep water ports and international rules -- that will be needed to tap into a new hustling, bustling Bering Strait.

Two of the world's largest mining operations are above the Arctic Circle, including the Red Dog zinc mine in Alaska off the coast of Kivalina, according to Treadwell -- and the Arctic is poised to deliver even more resources. Minerals, fishing, oil and gas, exploration and science, and tourism all have northern footholds. Capturing opportunities related to those activities with the prospect of shorter shipping routes as ice recedes is something Americans need to be thinking about now, Treadwell said.

The challenge is building the infrastructure. Deep water ports are needed to accommodate large container ships and provide an anchor for the military presence that will need to increase to keep pace with a rise in offshore activity near the United States' northern coast.

Participants, including Rogoff, suggested that developing port infrastructure for Alaska's western coast, from Adak to Barrow, could be an economic boom as important to the state as the trans-Alaska oil pipeline, particularly when even a handful of new port jobs has the potential to pull villages teetering on the brink of economic failure into sustainability.

Alaska Sens. Lisa Murkowski, a Republican, and Mark Begich, a Democrat, attended the event and told participants they are aware of the critical role Alaska is poised to play in a changing Arctic environment. Murkowski is pushing for a Department of Defense and Homeland Security feasibility study for a deep water port off Alaska's shores.

"This study will determine whether it is in the strategic interest of the United States, as I believe it is, to build a port and where it might be located. A deep water port would not only serve our military and Coast Guard needs, but as we develop our offshore oil and gas reserves and see more shipping, tourism and vessel traffic in the Arctic, a deep water port could provide valuable support," Murkowski said.

A full transcript of the day's discussion will be posted online at the Council on Foreign Relations' Web site.

*Contact Jill Burke at jill(at)alaskadispatch.com*

http://www.alaskadispatch.com/news/news/4250-melting-ice-could-mean-new-riches

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# United States Senator Lisa Murkowski

Home > Press Office > Press Releases

Monday March 01 2010

## Murkowski Speaks at Arctic Policy Roundtable at New York Council on Foreign Relations

NEW YORK - U.S. Sen. Lisa Murkowski, R-Alaska, helped lead a discussion on U.S. Arctic policy at a roundtable forum today at the Council on Foreign Relations in New York City. Also participating in the discussion was U.S. Sen. Mark Begich, D-Alaska, a number of Arctic policy experts and several Alaskans, including Mayor Edward Itta of the North Slope Borough. Following is a text of Sen. Murkowski's remarks as prepared for delivery:

"Good afternoon. It is my distinct pleasure to be back at the Council on Foreign Relations today to discuss one of my favorite subjects, the Arctic. As all of us in this room are aware, the United States is an Arctic nation because of Alaska. But, what does it mean to be an Arctic nation? I believe that the Federal Government is just waking up to this reality and we are frantically trying to define exactly what that distinction means. In my view, being an Arctic nation means that the United States has certain obligations and responsibilities in the region to the land, the water and the people. And we all need to help our nation understand what those are.

"The pace of change in the Arctic demands that greater attention be focused on the region. The implications of the dynamic changing Arctic for the residents and important U.S. security, economic, environmental, and political interests, depend on it.

"One of those responsibilities I spoke of is to have the necessary infrastructure in the region. I recently introduced legislation that directs the Department of Defense and the Department of Homeland Security to study the feasibility, location and resource needs for an Arctic deep water port. This study will determine whether it is in the strategic interest of the United States, as I believe it is, to build a port and where it might be located. A deep water port would not only serve our military and Coast Guard needs, but as we develop our offshore oil and gas reserves and see more shipping, tourism and vessel traffic in the Arctic, a deep water port could provide valuable support. I will insure that the Navy and Coast Guard actively consult with the communities and leaders of the region, as well as the State of Alaska.

"As we all are keenly aware, while the Arctic is becoming more and more ice free in the summer months, Arctic ice is not going to completely disappear. One of the major challenges that we face is our aging ice breaker fleet. I was able to get an appropriation to refurbish the Polar Star last year, and the Coast Guard has embarked on a study to determine whether we need to rebuild or replace our aging polar class vessels, but no matter the result of the study, we must have the commitment of the Administration and Congress that ice breakers are a national priority. And I will do all I can to advocate that position.

"As you know, I am a strong proponent of ratification of the United Nations Convention on the Law of the Sea. The United States must ratify the treaty but we remain at a stalemate: the White House looks to the Senate to lead and the Senate waits for stronger support from the

Administration. As the only Arctic nation not a party to the treaty, failure to ratify continues to keep the United States at a disadvantage internationally and outside the process, without a seat at the table.

"Even though we are not a party to the Treaty, the United States is making progress on mapping our extended continental shelf. The results of Coast Guard ice breaker HEALY's hydrographic missions in the Arctic have been remarkable and I have supported this initiative with appropriations and legislation to authorize more funding. I was gratified to see the cooperation in the Beaufort between with the HEALY and the Canadian icebreaker the Louie St. Laurent. This is yet one example of international cooperation in the Arctic.

"While I was pleased that the United States released its long awaited Arctic Regional Policy in early 2009, implementation is still lagging. It may be necessary for Congress to step in and help move the process. While certain branches of the government, like the Navy and Coast Guard, are developing and implementing their portions of the policy, it is still not nearly to the degree I would like. Certainly other Arctic and non-Arctic nations are moving much more quickly to develop policies and support them, than we are.

"I believe we are at a very critical time in the Arctic. As many of us have identified, there are two paths we can go down in regards to international relations -- one is a path of competition and conflict, and the other is one of cooperation and diplomacy. This decision, and the direction it takes, will require vision and dynamic leadership, both at home and abroad. I believe the United States, as one of the most powerful Arctic nations, must step up and provide it.

"A changing Arctic brings risks and challenges to the environment and indigenous people of the region. But it also brings opportunity and awareness, and if we can work to identify and minimize the risks, and use the opportunities to better the lives of the people of the Arctic region, we can all prosper.

"Thank you and I look forward to a lively conversation this afternoon."

# # #

BOOKMARK PRINTER FRIENDLY

BROWSE BY: March 2010 GO

03/25/10 -
Murkowski Opposes Health Care Reconciliation Bill

03/24/10 -
Murkowski Meets with Coast Guard Commandant Nominee

03/24/10 -
Murkowski, Johnson Introduce Bill to Address and Reduce Fetal Alcohol Disorders

03/23/10 -

The Arctic Sounder



Published on March 18th, 2010

# Opinion: Visit to New York, D.C. gets Arctic message across

By EDWARD ITTA

We Inupiaq like to say that the Arctic Ocean is our garden. It feeds us with its bounty of whales, seals, walrus, ugruk, fish and other subsistence foods. Our harvest is better in some years than in others. Weather, ice and ocean currents all affect the amount of "crops" we are able to feed to our families from year to year.

These are times of change for the ocean. Offshore oil and gas exploration is gearing up. We have seen plenty of evidence that climate change may cause dramatic shifts in the polar ice cap and in our weather. Receding ice could open up new shipping routes between Europe and Asia. We may see increased ocean traffic from commercial fishing boats and tourist ships.

What can we do about it? As mayor, I believe the borough should be engaged in the planning, monitoring, research and mitigation efforts that are being crafted right now as government agencies at all levels respond with a new sense of urgency to challenges and opportunities in the Arctic Ocean. That's why I spent the past week in New York and Washington, D.C. I joined Senators Begich and Murkowski in New York and the three of us made presentations on adapting to climate change in the Arctic to a group of policymakers, business people, scientists and journalists, who then participated in a roundtable discussion.

Policymakers are eager to hear our views, because they recognize that we have the most intimate knowledge of the Arctic and the most to lose if the ocean is not adequately protected. My message to them was that we don't want offshore development, but if it is going to happen, we insist on participating in decisions that will govern offshore activities and precautions. I showed them the Arctic policy principles adopted by ICC in 1984 as an example of longstanding Inuit leadership on protecting the polar region.

In Washington, I met with several of the highest officials in the Interior Department, including Interior Secretary Ken Salazar; his assistant secretary for Land and Minerals Management, Wilma Lewis; Liz Burnbaum, director of the Minerals Management Service (MMS); and Bob Abbey, director for BLM. I stressed that if the government is going to allow OCS activity, then it should set the bar very high when it comes to clean and cautious operations in the water.

I said that the shutdown requirement MMS wrote into Shell's Camden Bay permit is a good step in the right direction, since it gives that requirement the force of law for the first time. I argued for larger deferral areas around traditional Barter Island and Cross Island whaling areas, a moratorium on leasing new acreage, zero discharge of drilling wastes, a cumulative impacts analysis, and the need for better baseline science.

I invited Secretary Salazar to visit the North Slope this summer so he can get a first-hand look at some of the places that mean so much to our people. He agreed to pay us a visit in August.

At NOAA, I talked with two key officials about their efforts in preparing a new Environmental Impact Statement concerning the effects of oil and gas activities in the Arctic Ocean. Rather than the annual Incidental Harassment Authorizations (IHA) that are now issued, they are looking at doing five-year Incidental Take Authorizations. They believe it will build certainty and flexibility into their mitigation requirements, and I can see their point. I told them that we need more monitoring and study of the effects of noise on migrating whales. I discussed the Obama administration's new planning initiative for oceans and coastal areas with the head of the President's Council on Environmental Quality (CEQ). CEQ is spearheading the president's effort to deal with climate change. How this new ocean planning program will work is still something of a mystery, but it has a high priority in the administration. I focused on the need to be sensitive about traditional uses of the coastal and ocean areas and to make sure our voices are heard as these large-scale management programs are designed.

At the U.S. Fish and Wildlife Service, we discussed the ongoing management plan for Steller's eiders. I pointed out that our people are conservationists by nature and that education efforts about threatened species can be much more effective than hardball enforcement tactics. I thanked them for establishing a liaison position in Barrow (now held by Emma Huntsman) and said I look forward to better communication between the community and the agency.

Although I spent time with Senators Murkowski and Begich in New York, I was able to meet with each of them again in D.C. I also met with Congressman Young. In each case, I went over a range of issues that we can work on together, and I thanked them for legislation they sponsored in response to my eight-point OCS policy position.

All in all, it was a very productive week. If our voice is going to be heard in the halls of political power, it will be because we take our message to the decision makers and state our point clearly and forcefully. My staff and I will continue to engage with the agencies that shape the regulatory framework for North Slope activities of all kinds. In these challenging times,

these changing times, I want to make sure they can't forget our concerns as they plan the future in offices that are thousands of miles from the Arctic.

Edward Itta is mayor of the North Slope Borough.

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## White House Climate Change Adaptation Task Force

In 2009, the White House Council on Environmental Quality (CEQ), the Office of Science and Technology Policy (OSTP), and the National Oceanic and Atmospheric Administration (NOAA) initiated the Interagency Climate Change Adaptation Task Force, which includes representatives from more than 20 Federal Agencies. When the President signed the Executive Order on Federal Leadership in Environmental, Energy, and Economic Performance, on October 5, 2009, he called on the Task Force to develop, within one year, Federal recommendations for adapting to climate change impacts both domestically and internationally.

### Interim Progress Report

On March 16, 2010, the Task Force released an Interim Progress Report which outlines the Task Force's progress to date and recommends key components to include in a national strategy on climate change adaptation. These six components include:

1. Integration of Science into Adaptation Decisions and Policy
2. Communications and Capacity-building
3. Coordination and Collaboration
4. Prioritization
5. A Flexible Framework for Agencies
6. Evaluation

The Interim Progress Report is available for 60 days of public comment. Submit your comment here.

### Workgroups

The Interagency Climate Change Adaptation Task Force formed workgroups to consider the capabilities of the Federal Government to respond to the impacts of climate change on various critical sectors, institutions, and agency mission responsibilities. Five initial workgroups began by reviewing existing policies, operations, procedures, and other tools that affect the Federal Government's response, and will suggest options for improving the government's capacity for adaptation to climate change. The five initial workgroups are focused on the following topics:

- **Agency Adaptation**: Develop recommendations on how agencies should plan and implement adaptation
- **Science Inputs to Policy**: Develop recommendations to couple the production of scientific and technical support to adaptation planning, prioritization, and resilience building within the USG, in the US, and internationally
- **Insurance**: Develop recommendations on opportunities for the United States Government to support insurance and adaptation issues
- **Water Resources Adaptation**: Develop recommendations on how Federal water management agencies should plan and implement adaptation actions related to climate impacts on water resources
- **International Resilience**: Develop recommendations on opportunities for the United States Government to support and lead international adaptation efforts

These workgroups have defined their scope and end products, and have begun initial analysis. Most workgroups have used stakeholder listening sessions to solicit feedback from various government and regional actors on adaptation issues within their respective issue area.

### Listening Sessions

The five initial Interagency Climate Change Adaptation Task Force workgroups hosted twenty listening sessions with key stakeholders and experts. The listening sessions were designed to engage the expertise and recommendations of external organizations into the workgroup deliberations early in this review process.

### Final Product

In October 2010, the Task Force will report to the President on the development of domestic and international dimensions of a U.S. approach to climate change adaptation and what Federal Agencies are doing to support this effort. The Task Force also will recommend additional aspects to consider in the development of a comprehensive national strategy.

# White House Interagency Ocean Policy Task Force

On June 12, 2009, President Obama sent a memorandum to the heads of executive departments and federal agencies establishing an Interagency Ocean Policy Task Force, led by the White House Council on Environmental Quality. The Task Force is charged with developing a recommendation for a national policy that ensures protection, maintenance, and restoration of oceans, our coasts and the Great Lakes. It will also recommend a framework for improved stewardship, and effective coastal and marine spatial planning.

The oceans, our coasts, and the Great Lakes provide jobs, food, energy resources, ecological services, recreation, and tourism opportunities, and play critical roles in our Nation's transportation, economy, and trade, as well as the global mobility of our Armed Forces and the maintenance of international peace and security," President Obama wrote in the memorandum. "We have a stewardship responsibility to maintain healthy, resilient, and sustainable oceans, coasts and Great Lakes resources for the benefit of this and future generations."

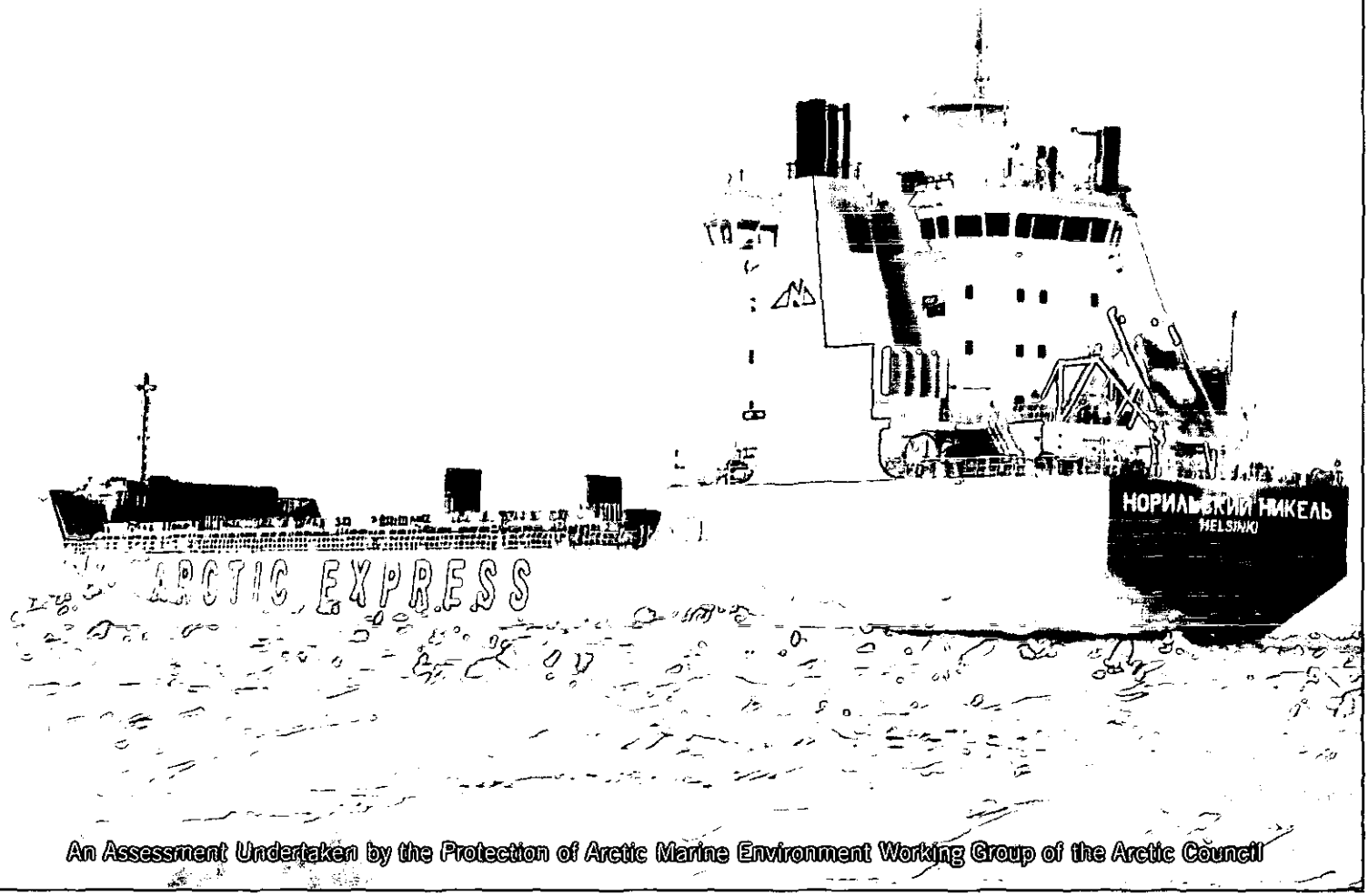
"The challenges our oceans, coasts, and Great Lakes are facing are complex, and to meet these challenges we must have the participation of a wide spectrum of views from within the federal government," said Nancy Sutley, Chair of the White House Council on Environmental Quality. "The Task Force has a wealth of opportunity to make our oceans, coasts and Great Lakes healthier - both environmentally and economically."

The recommendations and frameworks developed by the Task Force will be cost effective and improve coordination across federal agencies. The Chair will terminate the Task Force upon the completion of its duties.

The time period to submit comments to the Task Force has closed, but you can read comments from others. The Task Force's Interim Framework is open for comment through Friday, February 12, 2010.

Read the President's Proclamation on National Oceans Month

# ARCTIC MARINE SHIPPING ASSESSMENT




© Aker Arctic Technology

An Assessment Undertaken by the Protection of Arctic Marine Environment Working Group of the Arctic Council

# Scenarios on the Future of Arctic Marine Navigation in 2050

## Arctic Marine Shipping Assessment (AMSA)

The Arctic Council – an intergovernmental forum that addresses environmental protection and sustainable development issues, as well as challenges faced by the Arctic governments and people – is conducting an assessment of current and future Arctic marine activity. The lead countries for AMSA are Canada, Finland and the United States with the Arctic Council's working group on Protection of the Arctic Marine Environment (PAME) responsible for the assessment. A key element of AMSA is the creation of a set of scenarios, or plausible futures, for Arctic marine navigation.

## Scenario Framework

The high-level scenario summaries were created at two AMSA/PAME Scenarios Workshops held in San Francisco (April 2007) and Helsinki (July 2007). The workshops were designed and facilitated by Global Business Network of San Francisco. Through brainstorming, work in small groups and spirited plenary discussion, workshop participants collectively agreed that the two factors detailed below – Governance and Resources & Trade – are the most important and uncertain in shaping the future of Arctic marine navigation in mid-century. By crossing these two critical uncertainties, participants formed the scenario matrix illustrated to the right. This framework also allows the incorporation of many of the uncertainties explored at the workshops, while still creating four different scenario spaces that are plausible and relevant to the range of Arctic stakeholders. When completed, the scenario stories willbe posted on the PAME website, www.pame.is.

### Governance

This uncertainty axis describes the degree of relative *Governance stability*, both within the Arctic region and internationally.

← **Less stability** implies shortfalls in legal structure and transparency, as well as a propensity for stakeholders to work on a more unilateral basis rather than by collaborating in a cooperative, international fashion.

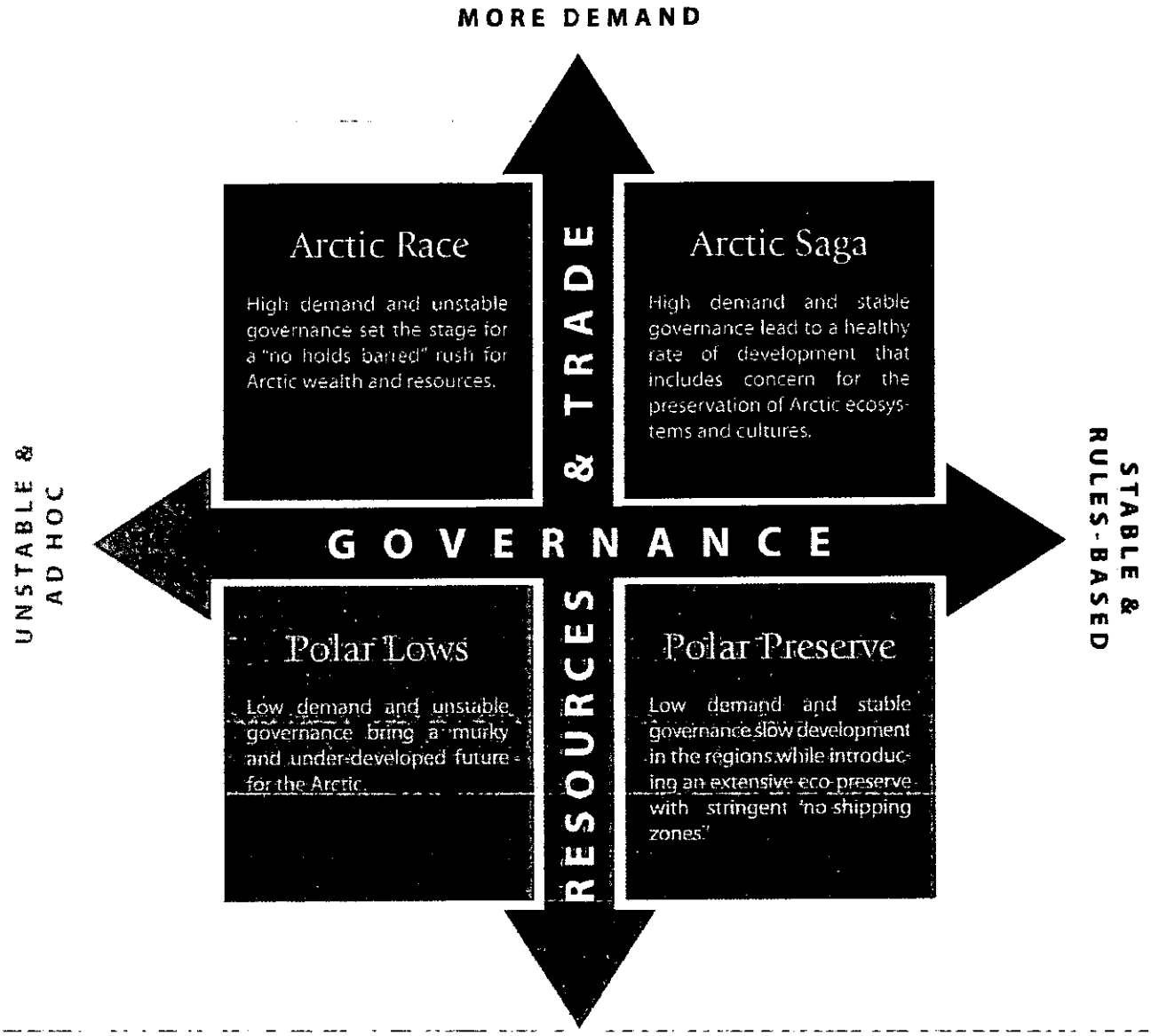
→ **More stability** implies not only efficiently operating legal and regulatory structures, but an international atmosphere more conducive to collaborative and cooperative development.

### Resources & Trade

This uncertainty axis describes the level of demand for Arctic natural resources and trade. Framing this in a global context exposes the scenarios to a broader range of potential market developments, such as the rise of Asia or political instability in the Middle East.

↑ **More demand** implies exactly that – higher demand from more players and markets around the world – for natural resources and commerce in the Arctic.

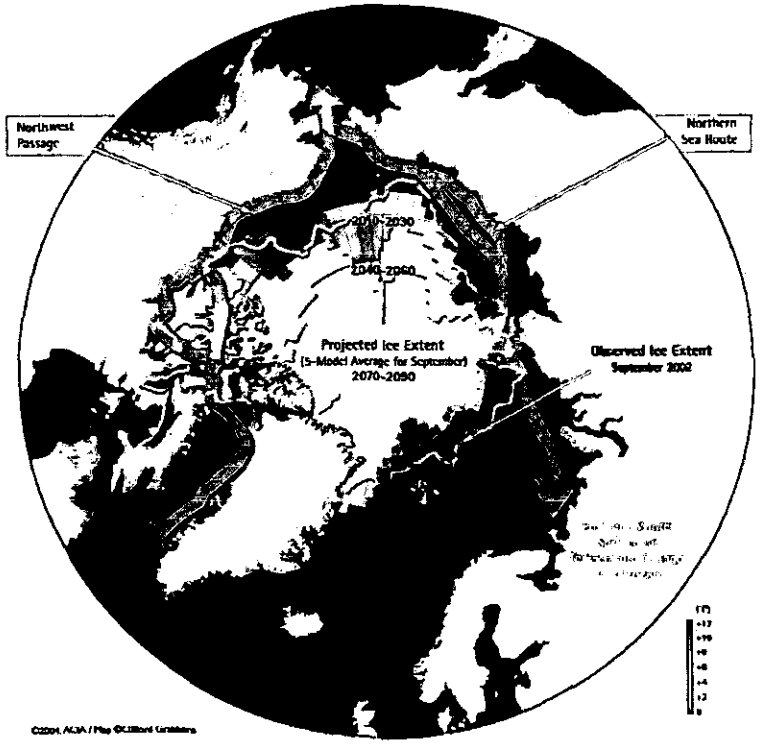
↓ **Less demand** is also straight forward, with fewer global players interested in utilizing Arctic commerce and natural resources.




*Development of the AMSA scenarios is being facilitated by Global Business Network of San Francisco.*
*Support for this effort has been provided by: Aker Arctic Technology, BP Shipping, Finnish Ministry of Foreign Affairs, Institute of the North, Transport Canada, U.S. Arctic Research Commission, U.S. Department of State and U.S. National Oceanic & Atmospheric Administration.*

## Arctic Climate Impact Assessment Key Finding #6:

*"Reduced sea ice is very likely to increase marine transport and access to resources."*





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March 27, 2010

# Northern Waters Commission

**A Call to Action**

**China declares itself an Arctic nation. Building an icebreaker.**

**Canada renames the much sought-after Northwest Passage the "Canadian Northwest Passage."**

**Two new-built container ships cut the shipping time from East Asia to Rotterdam in half. Sea route across northern Russia. Icebreaker escorts not needed.**

**Norway seeks talks with Alaskans.**

**Canada – Alaska border dispute flares up.**

**Iceland envisions a transshipment role for itself.**

**Russia claims undersea territories and resources.**



2139

**Disclaimer.**
**This paper is NOT -- repeat NOT -- a treatise on global warming or explanations for it. This is a look at Alaska's potential role in new strategies and opportunities brought forward by receding sea ice in Northern Waters.**

## Discussion

Reports clearly indicate that the sea ice in Northern latitudes is receding.

No matter what the cause might be, what meaning does that fact have for Alaska and the United States?

Other nations and their governments are already hard at work on their own interests. Russian, Canada, Norway, Iceland and even our own Federal government are players.

These governments and their commercial partners are at the table. What should the State of Alaska and the Alaskan people be doing? We are not very active yet, but we should be.

How and when do we claim our place at the table? Or should we maintain a subordinate, quasi-colonial posture? Most are repulsed by the very thought of the latter.

The situation in Northern Waters could be summed up as follows.

**The waters north and northwest of Alaska have strategic importance for at least these four reasons:**

1. **Protection of routes of ocean transit.**
2. **Mineral and other resource rights, sub-surface and on-shore.**
3. **Territorial rights and claims by foreign governments.**
4. **Rights and welfare of local inhabitants.**

As governments, the interests listed above are shared by the Federal government and the State of Alaska.

Some independent Federal agencies are taking actions, and some bilateral or multilateral international forums exist. Not all these agencies are coordinating with one another.

Although these shared interests are critical, yet, as of now, there is no organized Federal-State mechanism for handling or even discussing these matters.

Fortunately, there is an approach that is time-proven and very successful.

**Suggestion**

1. Use the very successful Fishery Management Council model, on which Federal and State appointees sit, deliberate, form policy and approve actions.

2. Feds and State agree to form a **Northern Waters Commission** (working title).

3. A balanced membership is formed comprised of Federal and State of Alaska appointees.

The **Northern Waters Commission** would be the forum at which to discuss policy issues, such as those listed in the four strategic areas above.

Regular meetings would be held, just as with the North Pacific Fishery Management Council, in a balanced atmosphere, with advice and input from staff, local governments, public agencies and the public.

Initial discussions about the **Northern Waters Commission** have been held with members and staff of our Congressional delegation, members of the State Legislative and Executive branches, the US Arctic Research Commission, the Mayor of the North Slope Borough, and experienced members of the public.

There is universal acknowledgement of the general issues involved with receding sea ice, and there is a real interest in the course of action outlined above as a means of addressing those issues.

As further background, in New York City a March 1, 2010 conference was held at the Council on Foreign Relations on the general subject of the retreating sea ice in the North. Senators Murkowski and Begich both made statements there, as well as Mayor Edward Itta.

Many notables were at the conference including the Norwegian Ambassador to the United Nations; David Rockefeller Jr.; Theodore Roosevelt IV; Nome Mayor Denise Michels; Alaska State Representative Carl Gatto; Bering Straits Native Corporation executive Gail Schubert; Alaska Native Arts Foundation chair Alice Rogoff; US Arctic Research Commission chair Mead Treadwell; and former Alaska Commissioner of Commerce, Community and Economic Development Bill Noll.

There was also an evening reception on March 1st at the Alaska House New York on the same subject. Mead Treadwell, Alice Rogoff and Bill Noll shared the podium at the reception. Mead gave a great power point presentation, followed by a lively Q&A.

About 80 had attended the Council on Foreign Relations event. Follow up is expected. As one example, an officer from Norway's General Consulate requested bilateral talks with Alaskans on this general subject.

Here is a link to the text of the afternoon session at Council on Foreign Relations, including the remarks by Senator Murkowski, Senator Begich and Mayor Itta:
http://www.cfr.org/publication/21623/adapting_to_climate_change_in_the_arctic_coordinating_a_federal_state_and_private_sector_response.html?breadcrumb=%2Fbios%2F13363%2Fscott_g_borgerson

Here is a link to the evening session at Alaska House New York:
http://www.ustream.tv/recorded/5121092

So, the question is, what to do next?

**Recommendation**

The State of Alaska perform work to create a report that will be the basis for taking actions deemed prudent to protect the interests of Alaska and Alaskans and advance these interests in the face of the receding sea ice.

There are and will be opportunities for people and businesses. Will Alaska play the role of a colony or foil for Federal and international protagonists? Or will Alaska step into the breach and take its rightful place alongside the sovereign powers already working for their own ends?

**Proposed Scope of Work**

A. The current and recent commercial and recreational marine transits passing Alaska over the top across Russia and Canada. The nature of this shipping and its potential. The economics.

B. Estimated oil, gas and other minerals in Northern Waters and their value.

C. Territorial claims to sea, sub-sea or land areas and resources.

D. Current actions by the US Coast Guard and the US Navy. Port potentials.

E. Other commercial potential such as tug support, pilotage, and ice breakers.

F. Shoreside support needs and potential for commerce. Infrastructure.

G. Social and economic potentials for local residents, businesses and governments.

H. Federal agencies currently involved in any way. International forums.

I. Existing Federal laws and regulations, and those pending in Congress.

J. The Law of the Sea Treaty: situation report.

K. The North Pacific Fishery Management Council budget and funding source.

L. Public hearings in key Northern locations.

Respectfully submitted.

William C. (Bill) Noll, Owner

Former Mayor of Seward

Former Alaska Commissioner of Commerce, Community and Economic Development

Founding president, Seward Association for the Advancement of Marine Science, dba Alaska Sealife Center

26-LS1622\E
Cook
3/26/2010

**CS FOR HOUSE CONCURRENT RESOLUTION NO. 22( )**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY**

**Offered:**
**Referred:**

**Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**A RESOLUTION**

**Establishing and relating to the Alaska Northern Waters Task Force.**

**BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

**WHEREAS** Alaska is the only Arctic state in the nation; and

**WHEREAS** recent warming trends have resulted in the depletion of Arctic perennial sea ice by nine percent a decade; and

**WHEREAS**, according to the National Aeronautics and Space Administration, the rate of depletion is accelerating because of the interaction among the ice, oceans, and atmosphere; and

**WHEREAS** rapidly retreating sea ice is altering fish and wildlife habitats and affecting the accessibility and viability of certain species, on which many local communities rely for nutritional and cultural purposes; and

**WHEREAS** reduced sea ice is affecting polar route navigation by opening oceans previously frozen year-round; and

**WHEREAS** the new accessibility of the Northern waters is resulting in increased marine transportation, access to resources, tourism, fisheries, and the presence of United States government agencies in the North; and

**WHEREAS** the waters of Northern Alaska are of national security and strategic importance to the United States and the State of Alaska; and

**WHEREAS**, because of national security concerns, the United States Coast Guard is increasing its presence in the North and has plans to build new infrastructure to support its heightened activity, including housing and office facilities and possibly a deep water port; and

**WHEREAS** Northern Alaska contains important mineral and other resources both in state waters and on the outer continental shelf; and

**WHEREAS** commercial activities, including resource development, and the revenue they generate for the state may be significantly affected by the changing Arctic waters; and

**WHEREAS** those changes will affect local communities, businesses, the state, and the natural resources on which they rely; and

**WHEREAS** there is no comprehensive state plan for Alaska's Northern waters; and

**WHEREAS** various federal agencies and international bodies are working together to form a commission to address the changing ocean patterns and the opportunities and problems that may arise as a result of those changing patterns; and

**WHEREAS** the State of Alaska should be involved in the process of forming the commission; and

**WHEREAS** a comprehensive plan to address the warming ocean, including the economic, ecological, and security effects, will benefit the state and its residents;

**BE IT RESOLVED** by the Alaska State Legislature that the Alaska Northern Waters Task Force is created in the legislative branch and shall consist of nine members as follows:

(1) one senator from Northwest Alaska appointed by the President of the Senate;

(2) two representatives from Northwest Alaska appointed by the Speaker of the House of Representatives; and

(3) six members appointed jointly by the President of the Senate and the Speaker of the House of Representatives, as follows:

(A) one member representing the United States Coast Guard;

(B) one member representing the executive branch of state government;

(C) the mayors of the North Slope Borough, Northwest Arctic

Borough, and City of Nome; and

(D) one member representing the United States Department of the Interior; and be it

**FURTHER RESOLVED** that the legislators on the task force shall select a chair from among themselves and the chair may assign staff to provide support to the task force; and be it

**FURTHER RESOLVED** that the municipal government and federal government members of the task force may receive per diem and travel expenses authorized for boards and commissions under AS 39.20.180 if they do not receive reimbursement for expenses from the municipal or federal government; and be it

**FURTHER RESOLVED** that the task force may meet during and between legislative sessions and the duties of the task force include the following:

(1) assess and facilitate creation of a state and federal commission responsible for overseeing the development of state and federal northern ocean waters;

(2) facilitate regional coordination, cooperation, and outreach regarding the creation of the commission to keep local stakeholders informed and to incorporate their input into the process;

(3) identify and coordinate efforts of mutual concern for federal, state, and local agencies, as well as international interests in the creation of the commission; and

(4) conduct hearings in the Northern region of the state to fulfill its purpose; and be it

**FURTHER RESOLVED** that the task force shall provide recommendations regarding the formation of the commission and shall deliver a preliminary report of its findings to the legislature by January 20, 2012, and deliver a final report to the legislature on January 30, 2012, together with legislative proposals for consideration; and be it

**FURTHER RESOLVED** that the task force shall be available for legislative hearings regarding its final report and recommendations; and be it

**FURTHER RESOLVED** that the continuation or termination of the task force shall be reevaluated during the Second Regular Session of the Twenty-Seventh Alaska State Legislature.

Muñoz will Chair

<<GAVEL>>

Andy Mack

Let's call the meeting to order. N. Slope Borough

Let the record reflect that it is 8:00 a.m. on Tuesday, March 30, 2010.

Present are:
Representative Keller
Representative Harris
Representative Millett
Representative Cissna
Representative Gardner
Co-Chair Munoz
And myself, Chair Herron

[Please turn off their cell phones.]

859 $12 million
61 Nana Reg.
62 Bering St.
8 BB
20 Kodiak
3 Chugach
79 T/H
Copper

Edward
Itta
Cook Inlet
221
headquarter
Poverty

*parents as teachers program

This morning we have one item on our agenda:

- **Community Services Block Grant State Plan**
- **HCR 22 -- Northern Waters Task Force** Rep

**Intro for CSBG:**
Community Services Block Grant funds are federal funds allocated to the Department of Commerce, Community, and Economic Development for distribution to the state's only Community Action Agency, Rural Alaska Community Action Program, Incorporated (RurAL CAP). In order to be eligible to receive these funds, the state must hold at least one legislative hearing every 3 years in conjunction with development of the state plan.

It is anticipated that approximately $2.7 Million in federal fiscal year 2011 funds will be received, although that number could increase or decrease slightly. RurAL CAP will receive 95% of the funds for programs or activities that provide for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient.
ALSO here - Janet Davis - Grants Administrator - from FBNKS
Jill Davis, Grant Manager, with the Division of Community and Regional Affairs, is here in Juneau to explain the state's Community Services Block Grant program.

David Hardenberg, Executive Director and Sarah Scanlan, Deputy Director of RurAL CAP are expected to be online from the Anchorage LIO. Sarah Scanlan will provide a more detailed overview of the program components.

Cissna
Harris

Leverages $30 mil in other public funds

26-LS1622\E
Cook
3/26/2010

**CS FOR HOUSE CONCURRENT RESOLUTION NO. 22( )**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY**

**Offered:**
**Referred:**

**Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**A RESOLUTION**

**Establishing and relating to the Alaska Northern Waters Task Force.**

**BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

**WHEREAS** Alaska is the only Arctic state in the nation; and

**WHEREAS** recent warming trends have resulted in the depletion of Arctic perennial sea ice by nine percent a decade; and

**WHEREAS**, according to the National Aeronautics and Space Administration, the rate of depletion is accelerating because of the interaction among the ice, oceans, and atmosphere; and

**WHEREAS** rapidly retreating sea ice is altering fish and wildlife habitats and affecting the accessibility and viability of certain species, on which many local communities rely for nutritional and cultural purposes; and

**WHEREAS** reduced sea ice is affecting polar route navigation by opening oceans previously frozen year-round; and

**WHEREAS** the new accessibility of the Northern waters is resulting in increased marine transportation, access to resources, tourism, fisheries, and the presence of United States government agencies in the North; and

**WHEREAS** the waters of Northern Alaska are of national security and strategic importance to the United States and the State of Alaska; and

**WHEREAS**, because of national security concerns, the United States Coast Guard is increasing its presence in the North and has plans to build new infrastructure to support its heightened activity, including housing and office facilities and possibly a deep water port; and

**WHEREAS** Northern Alaska contains important mineral and other resources both in state waters and on the outer continental shelf; and

**WHEREAS** commercial activities, including resource development, and the revenue they generate for the state may be significantly affected by the changing Arctic waters; and

**WHEREAS** those changes will affect local communities, businesses, the state, and the natural resources on which they rely; and

**WHEREAS** there is no comprehensive state plan for Alaska's Northern waters; and

**WHEREAS** various federal agencies and international bodies are working together to form a commission to address the changing ocean patterns and the opportunities and problems that may arise as a result of those changing patterns; and

**WHEREAS** the State of Alaska should be involved in the process of forming the commission; and

**WHEREAS** a comprehensive plan to address the warming ocean, including the economic, ecological, and security effects, will benefit the state and its residents;

**BE IT RESOLVED** by the Alaska State Legislature that the Alaska Northern Waters Task Force is created in the legislative branch and shall consist of nine members as follows:

(1) one senator from Northwest Alaska appointed by the President of the Senate;

(2) two representatives from Northwest Alaska appointed by the Speaker of the House of Representatives; and

(3) six members appointed jointly by the President of the Senate and the Speaker of the House of Representatives, as follows:

(A) one member representing the United States Coast Guard;

(B) one member representing the executive branch of state government;

(C) the mayors of the North Slope Borough, Northwest Arctic

Borough, and City of Nome; and

(D) one member representing the United States Department of the Interior; and be it

**FURTHER RESOLVED** that the legislators on the task force shall select a chair from among themselves and the chair may assign staff to provide support to the task force; and be it

**FURTHER RESOLVED** that the municipal government and federal government members of the task force may receive per diem and travel expenses authorized for boards and commissions under AS 39.20.180 if they do not receive reimbursement for expenses from the municipal or federal government; and be it

**FURTHER RESOLVED** that the task force may meet during and between legislative sessions and the duties of the task force include the following:

(1) assess and facilitate creation of a state and federal commission responsible for overseeing the development of state and federal northern ocean waters;

(2) facilitate regional coordination, cooperation, and outreach regarding the creation of the commission to keep local stakeholders informed and to incorporate their input into the process;

(3) identify and coordinate efforts of mutual concern for federal, state, and local agencies, as well as international interests in the creation of the commission; and

(4) conduct hearings in the Northern region of the state to fulfill its purpose; and be it

**FURTHER RESOLVED** that the task force shall provide recommendations regarding the formation of the commission and shall deliver a preliminary report of its findings to the legislature by January 20, 2012, and deliver a final report to the legislature on January 30, 2012, together with legislative proposals for consideration; and be it

**FURTHER RESOLVED** that the task force shall be available for legislative hearings regarding its final report and recommendations; and be it

**FURTHER RESOLVED** that the continuation or termination of the task force shall be reevaluated during the Second Regular Session of the Twenty-Seventh Alaska State Legislature.

# FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HCR 22
() Publish Date:

Identifier (file name): HCR22-LEG-COU-3-26-10
Dept. Affected: Legislature
Title: Establishing and relating to the Alaska Northern Waters Task Force
RDU: Legislative Council
Component: Council and Subcommittees
Sponsor: House Community and Regional Affairs
Requester: House Community and Regional Affairs
Component Number: 783

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | | | | | | | |
| Travel | 84.0 | | | | | | |
| Contractual | 10.0 | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **94.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | 94.0 | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **94.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2010) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

HCR22 establishes the Alaska Northern Waters Task Force in the Legislative Branch. The Task Force consists of nine members composed of three Legislators, one member from the Executive Branch, and five public members. It is anticipated that the Task Force will hold five meetings. Travel funding is included in this fiscal note and includes the cost for experts to attend the meetings. Meetings will be held in Barrow, Nome, Kotzebue, and Anchorage at Legislative Information Offices or local government facilities at no rental cost to the Task Force. The Bush Caucus Chair may assign staff of the Bush Caucus Chair to support the Task Force. The Task Force will assess and facilitate the creation of a state and federal commission responsible for overseeing the development of state and federal northern ocean waters; inform and incorporate local stakeholders input into the process, and identify and coordinate efforts of mutual concern for federal, state, and local agencies. Funding for professional services contracts is included in this fiscal note. Costs to teleconference meetings and print the proposals and reports due in January 2011 will be absorbed in the Legislative Affairs Agency Budget.

Prepared by: Karla Schofield, Deputy Director — Phone 465-6626
Division: Legislative Affairs Agency — Date/Time 3/26/10 3:51 PM
Approved by: Pamela Varni, Executive Director — Date 3/26/2010
Legislative Affairs Agency

(Revised 11/6/2009 OMB)

Treaty of the Seas

&

Needs financial backing to

give it teeth

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. HCR 22

**ANALYSIS CONTINUATION**

5 meetings - all with travel

1 member of the Executive Branch - absorb travel in Executive Branch Budget.
3 Legislators; 5 public members; 1 staff person, 4 experts

| 1 meeting | Airfare | 247/day Per Diem | | | |
|---|---|---|---|---|---|
| Nome Meeting | | | | | |
| Bethel Legislator | 1062 | 494 | | | |
| Kotzebue Legislator | 427 | 494 | | | |
| Nome Legislator | 0 | 0 | | | |
| Juneau Coast Guard member | 880 | 494 | | | |
| North Slope Borough - Barrow | 1158 | 494 | | | |
| NW Arctic Mayor - Kotzebue | 427 | 494 | | | |
| Nome Mayor | 0 | 0 ✓ | | | |
| Anchorage Interior Dept member | 568 | 494 | | | |
| Kotzebue Staff person | 427 | 494 | | | |
| Anchorage Energy Expert | 568 | 494 | | | |
| Anchorage Energy Expert | 568 | 494 | | | |
| Washington, DC Energy Expert | 1450 | 988 | | | |
| Washington, DC Energy Expert | 1450 | 988 | | | |
| | 8,985.00 | 6,422 | 15,407 | 1 | 15,407 |

| 2 meetings | Airfare | 278/day Per Diem | | | |
|---|---|---|---|---|---|
| Anchorage Meeting | | | | | |
| Bethel Legislator | 494 | 556 | | | |
| Kotzebue Legislator | 568 | 556 | | | |
| Nome Legislator | 568 | 556 | | | |
| Juneau Coast Guard member | 506 | 556 | | | |
| North Slope Borough - Barrow | 709 | 556 | | | |
| NW Arctic Mayor - Kotzebue | 568 | 556 | | | |
| Nome Mayor | 568 | 556 | | | |
| Anchorage Interior Dept member | 0 | 0 | | | |
| Kotzebue Staff person | 568 | 556 | | | |
| Anchorage Energy Expert | 0 | 0 | | | |
| Anchorage Energy Expert | 0 | 0 | | | |
| Washington, DC Energy Expert | 1309 | 1112 | | | |
| Washington, DC Energy Expert | 1309 | 1112 | | | |
| | 7,167 | 6,672 | 13,839 | 2 | 27,678 |

Alaska & Iceland Trans Arctic Shipping Noise Issues

Arctic Marine Research
Arctic Oceans Nations

Rep Herron

# FISCAL NOTE

**STATE OF ALASKA**
**2010 LEGISLATIVE SESSION**

**BILL NO.** HCR 22

**ANALYSIS CONTINUATION**

| 1 meeting | Airfare | 278/day Per Diem | | | |
|---|---|---|---|---|---|
| Barrow Meeting | | | | | |
| Bethel Legislator | 1098 | 508 | | | |
| Kotzebue Legislator | 1290 | 508 | | | |
| Nome Legislator | 1160 | 508 | | | |
| Juneau Coast Guard member | 1195 | 508 | | | |
| North Slope Borough - Barrow | 0 | 0 | | | |
| NW Arctic Mayor - Kotzebue | 1290 | 508 | | | |
| Nome Mayor | 1160 | 508 | | | |
| Anchorage Interior Dept member | 846 | 508 | | | |
| Kotzebue Staff person | 1290 | 508 | | | |
| Anchorage Energy Expert | 846 | 508 | | | |
| Anchorage Energy Expert | 846 | 508 | | | |
| Washington, DC Energy Expert | 1751 | 1016 | | | |
| Washington, DC Energy Expert | 1751 | 1016 | | | |
| | 14,523 | 7,112 | 21,635 | 1 | 21,635 |

| 1 meeting | Airfare | Per Diem 282/day | | | |
|---|---|---|---|---|---|
| Kotzebue | | | | | |
| Bethel Legislator | 878 | 564 | | | |
| Kotzebue Legislator | 0 | 0 | | | |
| Nome Legislator | 427 | 564 | | | |
| Juneau Coast Guard member | 1078 | 564 | | | |
| North Slope Borough - Barrow | 1158 | 564 | | | |
| NW Arctic Mayor - Kotzebue | 0 | 0 | | | |
| Nome Mayor | 427 | 564 | | | |
| Anchorage Interior Dept member | 568 | 564 | | | |
| Kotzebue Staff person | 0 | 0 | | | |
| Anchorage Energy Expert | 568 | 564 | | | |
| Anchorage Energy Expert | 568 | 564 | | | |
| Washington, DC Energy Expert | 1670 | 1128 | | | |
| Washington, DC Energy Expert | 1670 | 1128 | | | |
| | 9,012 | 6,768 | 15,780 | 1 | 15,780 |

| | | | | | |
|---|---|---|---|---|---|
| Testify in Juneau during Session | | | | | |
| Nome Mayor | 978 | 756 | | | |
| Barrow Mayor | 1216 | 756 | | | |
| | 2,194 | 1,512 | 3,706 | 1 | 3,706 |
| | | | | | 84,206 |

State helping itself

Arctic Ocean Nations
Commercial Cruise Ships
NPFMC - Fishing

Alaska & Iceland
Trans Arctic Shipping
Noise Issues
Arctic Marine Research

**Senator Begich - Inuvikput Package**

oil/gas, Subsea minerals

Introduced August 3, 2009, the *Inuvikput Package* consists of seven pieces of legislation:

Name Port

Wildlife protection ⇒ subsistence

incalculable value

what happens beyond 3 miles?

**S.1560 Arctic OCS Revenue Sharing Act** - Alaska Natives who have subsisted on marine mammals and other arctic resources for thousands of years would bear the direct risks of increased commercial activity in their waters. This bill directs a portion of federal revenues from offshore oil and gas development - the same share Louisiana receives from drilling in the adjacent Gulf of Mexico - to the State of Alaska with a percentage of those funds directed to those most affected.

Coast Guard Rescue

---

**S.1561 Arctic Marine Shipping Assessment Implementation Act** - As the polar icecap recedes, the Arctic region is increasingly accessible to shipping and tourism. This bill is designed to ensure safe and reliable maritime transportation in the Arctic and protect its waters. It would boost the nation's investment in needed infrastructure, including replacement of America's aging fleet of icebreakers and building new forward operating air bases for the Coast Guard to assert our national interest in the region.

---

**S.1562 Arctic Science, Coordination and Integration Act** - Numerous scientists and agencies conduct important and needed research into various aspects of the Arctic but concerns remain that these efforts are not well coordinated and leave gaps in our understanding of Arctic issues. This bill calls on the National Research Council to undertake a study toward a comprehensive strategy to coordinate Arctic research and make recommendations to Congress on a long-term Arctic Ocean research plan.

---

**S.1563 Arctic Ambassador Act** - Russia, Canada, Norway and other Arctic nations are represented at the ambassadorial level before the Arctic Council and U.S. interests would benefit from an enhanced diplomatic presence in Arctic matters. This bill is intended to strengthen U.S. representation before the Arctic Council and other international forums by appointment of a U.S. ambassador to the Arctic.

---

**S.1564 Arctic Oil Spill Research and Recovery Act** - Vast energy reserves are believed to lie beneath Arctic waters and it is vital that any development of such resources be conducted in a responsible manner that protects the environment upon which residents of the region depend. This bill directs the Secretary of Commerce to conduct research to improve oil spill prevention, response and recovery in Arctic conditions and requires the Coast Guard to assess and reduce risk from such development.

Rep. Neal Foster

Commerce

**S.1565 Arctic Health Research Act** - People of the Arctic suffer from increased rates of alcohol abuse, diabetes, high blood pressure, and death from injury and suicide. This act would initiate a study into the mental, behavioral and physical health problems in the Arctic, institute an Arctic health assessment program at the Centers for Disease Control and create an "Arctic desk" at the National Institute of Health that was called for in 1984 but has never been established.

---

**S.1566 Arctic Climate Change Adaptation Act** - Alaska villages and public infrastructure are already suffering from coastal erosion, flooding, permafrost melting and other impacts of climate change. This bill would help the State of Alaska, Alaska Native organizations, affected Arctic communities and the private sector adapt to the impacts of climate change and assist in dealing with habitat restoration, clean energy development and other economic development activities.

# HJR

# 15

# STATE OF ALASKA

**SARAH PALIN, GOVERNOR**

550 WEST 7TH AVENUE, SUITE 1310
ANCHORAGE, ALASKA 99501-3565
*PHONE:* *(907) 269-8721*
*FAX:* *(907) 269-8908*

**DEPARTMENT OF NATURAL RESOURCES**

***DIVISION OF PARKS & OUTDOOR RECREATION***
***OFFICE OF HISTORY AND ARCHAEOLOGY***


February 25, 2009

Representative Scott Kawasaki
Alaska House of Representatives
Room 428, State Capitol
Juneau, Alaska 99801

Dear Representative Kawasaki:

The Alaska Historical Commission is the citizen's board that serves as the geographic names board for the State of Alaska. The members of the Alaska Historical Commission met at Juneau last week and reaffirmed the 1976 decision by its predecessor, the State Board on Geographic Names, and its 2001 vote of reaffirmation that the name of Mt. McKinley be changed to Denali.

Commission members are aware that a member of Ohio's congressional delegation introduces a bill each new session of Congress declaring McKinley the official name for the mountain. Members also are aware of the U.S. Board on Geographic Names' policy to take no action on a geographic name proposal when there is pending legislation regarding a name in Congress. Members said, however, the mountain has great importance for Alaska's first people who occupied this land for thousands of years and is a very special place to most Alaskans.

The Alaska Historical Commission members support the proposed House Joint Resolution 15 of the 26th Alaska State Legislature and urge its passage.

Sincerely,

Joan M. Antonson

Deputy State Historic Preservation Officer
For Judith E. Bittner
State Historic Preservation Officer


**Alaska Historical Commission**

Lieutenant Governor Sean Parnell, Chair

| | |
|---|---|
| Judith E. Bittner, SHPO | Patricia Roppel, Wrangell |
| Romer E. Derr, Juneau | Jonathon S. Ross, Anchorage |
| Michael R. Martz, Bethel | Douglas W. Veltre, Anchorage |
| David. Moore, Anchorage | Candy Waugaman, Fairbanks |

# Representative Scott Jiu Wo Kawasaki

Alaska State Legislature — District 9 Fairbanks

**MEMORANDUM**

for Rep Scott Kawas

Date: February 11, 2009

To: Representative Bob Herron, Co-Chair
House Committee on Community and Regional Affairs

From: Scott Kawasaki
Representative District 9

RE: House Joint Resolution 15

---

I respectfully request a hearing to be scheduled in the House Committee on Community and Regional Affairs for House Joint Resolution 15, urging the United States Congress to change the name of Mount McKinley to Denali.

A copy of the resolution, sponsor statement, and additional material are attached.

There will be various testimonies given from multiple locations from around the state at many LIO locations. At this point in time, we have not confirmed the list of witnesses that will present when the bill receives a hearing.

If you have any questions or need additional information, please call Mercedes Theuer at 465-6890.

**In Juneau** ○ State Capitol Juneau, Alaska 99801
**In Fairbanks** ○ 1292 Sadler Way Fairbanks, Alaska 99701
**Juneau** ○ (907) 465-3466 ○ Fax (907) 465-2937 ○ **Fairbanks** ○ (907) 456-7423 ○ Fax (907) 451-9293
Email: Representative_Scott_Kawasaki@legis.state.ak.us

Referral File-All materials included here from
(H) CRA Committee hearing on February, 26, 2009.

Representative Scott Jiu Wo Kawasaki
Alaska State Legislature District 9 Fairbanks

# House Joint Resolution 15
# Sponsor Statement

**"A Resolution Urging the United States Congress to Change the Name of Mount McKinley Back to Denali."**

Millions of people from all over the world come to Alaska every year to engage in our unique culture and embrace our spectacular environment. Mount McKinley is viewed as the centerpiece of that environment, but its name disregards Alaskan culture and undermines its majesty. The State of Alaska has been denied the right to rename this geographical landmark since 1975 due to a block in the United States Congress. It is time to reassert our interests and bring attention to the importance of the Denali name.

The intent of HJR 15 is to rechristen Mount McKinley its rightful Athabascan name, Denali, meaning "The High One." The highest peak on the continent is widely recognized as Denali, but officially renaming it would properly respect the mountain's history and the culture of Alaska Natives.

Should the mountain forever maintain the name of a president who never visited Alaska, a name which the mountain received in 1896 when McKinley had just been named the Republican candidate, the mountain's current name would forever linger as a reminder of the usurpation of the state's right to name geographical landmarks. Having made several efforts to rename the mountain since its designation as Mount McKinley, it is clear the people of Alaska generally share this aspiration.

I urge you to support HJR 15 for the sake of Alaskan culture.

**In Juneau** ○ State Capitol Juneau, Alaska 99801
**In Fairbanks** ○ 1292 Sadler Way Fairbanks, Alaska 99701
**Juneau** ○ (907) 465-3466 ○ Fax (907) 465-2937 ○ **Fairbanks** ○ (907) 456-7423 ○ Fax (907) 451-9293
Email: Representative_Scott_Kawasaki@legis.state.ak.us

## AMENDMENT 1

**OFFERED IN:** The House Community and Regional Affairs Committee

**TO:** HJR 15 (HCRA)

**OFFERED BY:** Representative Kawasaki

**Delete** at page 1, lines 7-9

**Add** the following at page 1, lines 7-9:

> **WHEREAS** "Denali" translates to "The High One" from the Koyukon dialect of the Athabaskan people and is indicative of its worldwide recognition as the highest mountain on the continent of North America, standing at 20,320 feet; and

## AMENDMENT 2

**OFFERED IN:** The House Community and Regional Affairs Committee

**TO:** HJR 15 (HCRA)

**OFFERED BY:** Representative Kawasaki

**Delete** at page 2, lines 1-2

**Add** the following at page 2, line 1-2:

> **WHEREAS** the Alaska Board of Geographical Names officially recognizes the name of the mountain as "Denali"; and

# Alaska State Legislature

1975

**Source:**

HCS SJR 6 am H

## SENATE JOINT RESOLUTION NO. 6

Relating to the renaming of Mt. McKinley.

---

**BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

WHEREAS for many years Alaska's famed Mt. McKinley was known as Denali; and

WHEREAS Denali is a name highly honored among the Native people of Alaska; and

WHEREAS one of the aims of naming mountains, bridges, lakes or the like should be to honor and keep alive the heritage of those who were here before us; and

WHEREAS the renaming of Mt. McKinley as Denali would be a fitting and proper gesture to a large segment of the Alaskan population and would be originally Alaskan; and

WHEREAS the Legislature wishes to preserve the traditional name of Mt. McKinley National Park;

BE IT RESOLVED by the Alaska State Legislature that the Secretary of the Interior is respectfully requested to direct the United State Board on Geographic Names to officially designate Mt. McKinley as Denali; and be it

FURTHER RESOLVED that Mt. McKinley National Park be renamed McKinley National Park.

COPIES of this resolution shall be sent to the Honorable Rogers C. B. Morton, Secretary, Department of the Interior; the Honorable C. Sumner Spalding, Chairman, United States Board on Geographic Names; and to the Honorable Ted Stevens and the

Honorable Mike Gravel, U. S. Senators, and the Honorable Don Young, U. S. Representative, members of the Alaska delegation in Congress.

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO



111TH CONGRESS
1ST SESSION

# H. R. 229

To provide for the retention of the name of Mount McKinley.

---

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 2009

Mr. RYAN of Ohio (for himself and Ms. SUTTON) introduced the following bill; which was referred to the Committee on Natural Resources

---

# A BILL

To provide for the retention of the name of Mount McKinley.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. RETENTION OF NAME OF MOUNT MCKINLEY.**

Notwithstanding any other authority of law, the mountain located 63 degrees 04 minutes 12 seconds north, by 151 degrees 00 minutes 18 seconds west shall continue to be named and referred to for all purposes as Mount McKinley.

○

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FAIRBANKS
Daily News - Miner

# Fairbanks lawmaker wants to rename Mt. McKinley

By Rena Delbridge

Originally published Tuesday, February 10, 2009 at 12:39 a.m.
Updated Tuesday, February 10, 2009 at 10:21 a.m.

JUNEAU — It's taken years of patience, but an Alaska legislator sees a window of opportunity to change the name of North America's tallest mountain from Mount McKinley to Denali.

The window could be as narrow as a weather break a mountaineer hopes for in a bid to summit the 20,322-foot tall peak, but Rep. Scott Kawasaki, D-Fairbanks, is making the attempt.

"The people of Alaska should have the right to name their own monuments, and Denali is one of the big ones," he said. "Now is our opportunity to reassert our authority over our mountain ... the name Denali means something, culturally, to most Alaskans."

He filed a House resolution that, if approved, would urge Congress in Washington, D.C., to make the change.

According to Kawasaki, Alaskans have been denied the right to rename the landmark since 1975 due to a block in Congress.

Like many natural features of the American landscape, the mountain was named for a U.S. president, William McKinley of Ohio, as a token to a popular national figure of the time.

McKinley, who never visited the territory of Alaska, was the Republican nominee when prospector William A. Dickey dubbed the landmark in his honor.

Native Alaskans call the mountain Denali, which means The High One in Athabascan. Kawasaki's bill includes a notation that restoring the original name may help "to rectify past injustices toward Alaska Native peoples."

Since 1975, Ohio Rep. Ralph Regula blocked legislation in Congress to rename the mountain.

Regula's district includes McKinley's hometown. He filed legislation yearly protecting the mountain's name, and with a bill pending, the U.S. Board on Geographic Names can't make a change.

While the moves to prevent a change ebbed with Regula's retirement this year, two other Ohio representatives, Betty Sutton and Tim Ryan, have pledged to continue the battle — and in January filed a bill blocking a name change.

Kawasaki grew interested in the debate at the beginning of his first term in the Legislature, about two years ago.

A high school student in Fairbanks sent him a message via Facebook, the social networking site, asking him to consider support for a name change because of the traditional and cultural value Denali has in many Alaskan communities.

The representative hasn't forgotten, and he renewed his interest recently following an e-mail from an Alaskan studying at Yale, who pointed out now could be the perfect time to launch an offensive.

Kawasaki's House Joint Resolution 15 was introduced Monday and referred to Community and Regional Affairs and the Resources committees.

The representative said he'll talk with Interior senators about sponsoring a mirror proposal in that body.

TUESDAY, FEBRUARY 10, 2009

## Denali or McKinley?

My wife and I visited Alaska for a few days about 20 years ago. It was because of that visit that this news item attracted my interest

*JUNEAU, Alaska (AP) — A move is under way to change the name o North America's tallest mountain from Mount McKinley to Denali.*

*The mountain in Alaska was named for President William McKinley o Ohio, who never visited the territory which later became the nation's 49th state.*

*State Rep. Scott Kawasaki has filed a resolution that would have Alaska urge Congress to make the change.*

*Kawasaki says the people of Alaska should have the right to name thei own monuments. Denali is the Native American name for the mountain.*

*Since 1975, Ohio Congressman Ralph Regula blocked legislation to rename the mountain. Regula's district included McKinley's hometown o Canton. Regula retired this year, but two other lawmakers from Ohio have pledged to continue his fight.*

Every Alaskan I talked to referred to the mountain as Denali, not Mount McKinley. Once I stood in Earthquake Park in Anchorage and was staring at a huge mountain off in the distance. I asked a passerby which mountain it was. He said it was Denali. Wow, I thought. The thing is a hundred miles away and it looks like it's just outside of town

Kawasaki has a point about how the people of Alaska should have the righ to name their own monuments.

I was born and raised in Ohio, and I have distant kin in Canton. McKinley's name on a mountain in Alaska means little to me.

There's nothing wrong with "Denali." Change the name.

# Lies Across America: What Our Historic Sites Get Wrong

*By James Loewen*
New Press. 416 pp. $18.77
Friday, March 10, 2000

**Chapter One: The Far West**

The Tallest Mountain — The Silliest Naming

ALASKA Denali (Mt. McKinley)

Since people probably reached Alaska before any other part of the Western Hemisphere, they probably named North America's tallest mountain thousands of years ago. They didn't call it Mt. McKinley.

Replacing Native American names with those of European Americans is a form of cultural imperialism. The practice declares that the new rulers of the landscape can afford to ignore what Native names mean and connote in favor of new names that typically have no relation to what is named.

Low-profile conflicts have raged for many years between those who want to change the names of localities and geographic features back to their original Native names, and those who want them named for European American people, towns, or words. To some degree this is a contest between Native Americans and European Americans, but European Americans are usually found on both sides of the arguments. The battles might also be characterized as between traditionalists and those desiring change, except that both parties claim to have tradition on their side. Denali, or Mt. McKinley, dramatically embodies these disputes about names all across America, not only because it is such a dramatic place but also because the controversy at Denali has gone on for more than twenty-five years.

William A. Dickey renamed the peak, the tallest point in North America, Mt. McKinley in 1896. Why he got to name it is hard to fathom. Dickey had come to Alaska spurred by discoveries of gold in Cook Inlet. With three companions he made it to Talkeetna and saw Denali, "the great one" in the language of the nearby Tanaina Indians. According to C. H. Merriam, testifying before the U.S. Geographical Board in 1917, "The right of the discoverer to name geographical features has never been questioned," but Dickey was no discoverer. Native people had discovered the mountain thousands of years earlier. Even if only *white* people "discover," Russians saw it in the 1770s or 1780s and named it Bulshaia Gora, "big mountain." Even if only *English-speaking* white people "discover," George Vancouver saw Denali in 1794. Dickey was not even the first white *American* to see it; other Americans had preceded him by a quarter century.

Dickey had no serious reason to name the mountain as he did. William McKinley had not yet been martyred when he received the honor;

McKinley had not yet been martyred when he received the honor; indeed he had not even been elected president. Nor had McKinley ever been to the mountain, or even to Alaska. William Dickey favored conservative fiscal policies, while most people in the West wanted to expand the amount of money in circulation by minting more silver coins and certificates. Dickey was irritated by arguments he had lost with "free silver" partisans on his trip and decided to retaliate by naming Denali after the gold standard champion.

"The original naming was little more than a joke," according to George R. Stewart, author of *American Place-Names*. From the first, some people preferred the Native name, and Dickey's frivolous reason for choosing McKinley gave them ammunition. Nevertheless, probably because he wrote about his trip in the *New York Sun*, Dickey's choice began to catch on. McKinley defeated William Jennings Bryan in 1896, so at least the mountain turned out to be named after a president, and, when McKinley was shot in Buffalo in 1901, after a martyred president.

Today however, many Americans consider the Native name more melodious and object to "McKinley" on aesthetic grounds—as if the Mississippi River had been renamed for, say, Zachary Taylor. Others support Native efforts to gain more acceptance, including better recognition on the landscape. "It's time we listened to the Native people of Alaska," declared Senator Ted Stevens of Alaska in 1991. "This mountain is the largest in North America. It was named by the Natives long before we arrived."

Nationally, a lone congressman from Ohio prevents the renaming of the mountain. In 1975, Rep. Ralph Regula from Canton, William McKinley's hometown, blocked a compromise proposed by the Alaska legislature to name the mountain Denali and leave the national park surrounding it named for McKinley. Five years later the National Park Service agreed to a compromise Regula couldn't block: it changed the name of Mt. McKinley National Park to Denali National Park, but the mountain stayed Mt. McKinley. This resolution proved unstable, however. Finding its Native lobby more persuasive than Ohio's McKinley lobby, Alaska changed its name for the mountain to Denali, relegating the 25th president to the parenthetical statement, "(also known as Mt. McKinley)." Regula has found a way to block any change on the national level, however. His aide told me, "The Board of Geographic Names won't change names so long as legislation on the subject is pending. Congressman Regula always has legislation pending." The legislation never gets anywhere, but it suffices to prevent action by the board.

When the Board on Geographic Names was considering a proposal to rename the mountain in 1977, Congressman Regula testified, "This action would be an insult to the memory of President McKinley and to the people of my district and the nation who are so proud of his heritage." But Americans *aren't!* That's the problem: most Americans don't rank William McKinley very high in the pantheon of presidents. They remember him if at all as a creation of political boss Mark Hanna, beholden to big business, and addicted to high tariffs. He also got us bogged down in a seemingly endless colonial war in the Philippines (25). Such facts do not deter Regula, who portrays McKinley as "a champion of the working class" and credits him for "settlement of the

long-standing Spanish-American conflict."

Naturally the congressman's office claims higher principles, not mere local pride, motivate Regula to block renaming the mountain. "The congressman feels that a lot of money goes into maps," emphasized aide Barbara Wainman, "and names shouldn't be changed lightly." Moreover, she noted, if they win Denali, Native groups will want to change other names.

On that last point Wainman is right. Entry 24 tells that Native groups *do* want to change other names all across America. And American Indians are winning some of these battles. Memphis renamed DeSoto Bluff "Chickasaw Heritage State Park." "Custer's Last Stand" is now "The Little Bighorn Battlefield." Also, the U.S. Board on Geographic Names adopted a policy in 1990 to favor names derived from American Indian, Inuit, and Polynesian languages. Eventually Natives will outlast Ralph Regula and rename Denali.

**E-Mail This Article**

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## Chapter 3

# DOMESTIC GEOGRAPHIC NAMES POLICIES

The U.S. Board on Geographic Names has formulated policies and procedures that deal with particular naming problems or issues. These policies have been developed over the past 100 years to encourage and permit uniformity and objectivity in the decision-making process and to assist in national standardization. Although most proposed geographic name situations and conditions will be addressed by these policies, there may be certain instances in which other factors must be considered to arrive at a suitable decision.

## POLICY I: NAMES BEING CONSIDERED BY CONGRESS

Geographic names and their applications specifically established by an act of Congress are official by law and, therefore, take precedence over decisions of the Board. Occasionally, a name or name-change proposal submitted to the Board becomes at the same time a matter of proposed legislation before Congress. To prevent confusion by possible conflicting action by the bodies, the Board adheres to the following policy:

### Policy

The U.S. Board on Geographic Names will not render a decision on a name or its application if the matter is also being considered by the Congress of the United States. If Congress does not act on the proposed legislation by the end of its second session, the Board will not act on the case for 90 days after the beginning of the next session of Congress. If Congress formally declines to act on proposed naming legislation, the Board will wait 90 days before deciding on the case, unless new legislation is introduced during that period.

| Approved by: | Approved by: |
|---|---|
| Board on Geographic Names | Secretary of the Interior |
| March 12, 1981 | April 20, 1981 |

## POLICY II: NAME CHANGES

Geographic names, as do other categories of proper names, perform an important reference or label function in language. Each name identifies a particular geographic feature, place, or area. This function requires a high degree of stability in the spoken and written forms of names and their applications. Consequently, changes in existing names should not be made without good reason. The U.S. Board on Geographic Names will consider every proposal involving a name change on an individual basis, and the merits of each case will be carefully evaluated.

Definition

"Name change" means formally changing the proper name of a place, feature, or area in the United States or its territories and outlying areas now recognized by the U.S. Board on Geographic Names as official for use on Federal maps and in other Federal publications. The Board recognizes three classes of name changes:

- Those made to bring Federal official usage into agreement with well-established local usage.
- Those made to eliminate particular name problems as in cases involving derogatory names, name duplication, and names originally authorized on the basis of incorrect information.
- Those made at the request of persons or organizations, public or private, for commemorative or other reasons important to the proposer.

Policy

sec. 1

General: The U.S. Board on Geographic Names does not encourage changes in official geographic names. It will not initiate changes in domestic geographic names except in rare cases such as those involving certain derogatory names and name duplications. All name change proposals are evaluated in cooperation with State geographic names authorities, Federal, State, and tribal agencies, local governments, other authoritative bodies, and the public.

sec. 2

Conforming to Local Usage: It is the policy of the Board to follow present-day local usage whenever possible. However, the Board will consider proposals to change official names that do not agree with well-established local usage or its applications. Considerations other than local usage may be overriding in certain individual cases. Factors such as Board policies, document usage, population density, and State, tribal, and local governmental needs are always considered in Board decisions.

sec. 3

Derogatory Names: The Board has a firm policy prohibiting the inclusion of a word in an official geographic name considered by the Board to be derogatory to any racial, ethnic, gender, or religious group (see Policy V: Derogatory Names).

sec. 4

Duplicate Names: Common names are often applied over and over again in the naming process. Where duplication leads to confusion, the Board encourages requests to change names in order to eliminate duplication (see Policy VII: Name Duplication).

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Cover photo: Shem Pete in his chief's clothing at a Cook Inlet Region, Inc. potlatch in October, 1985. Photo by Kathy Kiefer.

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2176

# *Athabaskan Names for Mount McKinley*

*by James Kari*

The tallest mountains in the Alaska Range are literally in the center of traditional Alaska Athabaskan territory. The Athabaskans surrounding the Alaska Range have two names for the tallest mountain—one is found in the languages north or west of the range, and one in the languages to the south. These are listed here in the practical writing systems of these languages.

*North or west of the Alaska Range:* 'The High One'

| | |
|---|---|
| **Deenaalee** | Koyukon |
| **Denaze** | Upper Kuskokwim |
| **Denadhe** | Tanana |
| **Denadhe** | Holikachuk |
| **Dengadh, Dengadhiy** | Ingalik |

*South of the Alaska Range:* 'Big Mountain'

| | |
|---|---|
| **Dghelay Ka'a** | Upper Inlet Dena'ina |
| **Dghili Ka'a** | Lower Inlet Dena'ina |
| **Dghelaay Ce'e** | Ahtna |

The name Denali is derived from the Koyukon name. This name does not mean 'The Great One', as is commonly believed, but is instead based on a verb theme meaning 'high' or 'tall'. William Dickey's statement, "The Indians of Cook Inlet have always called this the Bulshaia (great) mountain" (1897:325), is not correct. Dickey recorded the Russian word for 'big'.

The first documented sighting of the mountain was in February 1834, when an Alaska Native, Andrei Glazunov, saw a high mountain from the mouth of the Stony River in the middle Kuskokwim River area. He recorded the name as "Tenada" (VanStone 1959). This is clearly the Ingalik name **Dengadh**. Glazunov is said to have been a Russian creole and a speaker of Kodiak Alutiiq, an Eskimo language. He was literate in Russian, and he was formally documenting previously unexplored areas of the Kuskokwim and Yukon rivers at the direction of Admiral Ferdinand von Wrangell. Tenada and other names from Glazunov's journal appear on the 1839 Wrangell map, the best map of its day of the southcentral Alaska area (Wrangell 1980 [1839]; see p.35).

Dickey, who was quite euphoric about being the first white man on the middle Susitna River in 1896, thought that his sketch map of the Susitna River (Moore 1981:16; see p. 159) was the first to record a name for the tallest mountain.

The choice for a name for the tallest mountain continues to be controversial. Brooks, in order to enhance the case for the name Mount McKinley, claimed that there was no Russian map with names on the tallest mountains of the Alaska Range (Brooks 1911:24, 1953:230).

Donald Orth, secretary of the U.S. Board of Geographic Names (U.S.B.G.N.), has summarized the Denali-McKinley name change controversy (1980, 1985). In 1975 the Alaska legislature officially adopted the name Denali for the mountain and recommended that name to the U.S.B.G.N. However, the Board will not issue a ruling because in 1977 a bill was introduced in Congress by the Ohio (President McKinley's home state) delegation to retain in perpetuity the name Mount McKinley. This bill has never come up for a vote, and is apparently still pending. As of 1985 the U.S.B.G.N. had received 25,000 letters and signatures from throughout the United States, with about 68% favoring the name Denali.

A congressional vote to change the name would emphasize the importance and desirability of preserving indigenous place names.

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Daily News - Miner

# Restoring Denali

## Mountain's name blocked by flawed agency policy

Published Wednesday, February 18, 2009

The names of past presidents cover our maps like left-over campaign signs. These presidents may have been fine citizens, but the minor memorials to them are too often next to meaningless.

So it has gone with Alaska's and North America's tallest mountain, dubbed Mount McKinley in 1896 by a prospector seeking to promote the Republican nominee for president, William McKinley of Ohio.

A far more interesting, unique and descriptive name existed for the mountain long before it became McKinley. That traditional Athabascan name, Denali, should be restored, as Fairbanks Rep. Scott Kawasaki has urged Congress to do. He introduced a resolution to that effect in the Alaska Legislature.

However, the easiest route to restoring the mountain's proper name may not be through Congress but rather through the U.S. Department of the Interior. Within that department lies the Board of Geographic Names, and that board has a policy that has been gamed for decades by Denali's opponents.

The board's "Policy I" is simple: "The U.S. Board of Geographic Names will not render a decision on a name or its application if the matter is also being considered by the Congress of the United States."

Not surprisingly, the members of Congress from William McKinley's home state of Ohio are happy to ensure, year after year, that "the matter" is brought before Congress. McKinley was the nation's 25th president when he was assassinated in 1901. He never visited Alaska.

This session, Rep. Tim Ryan, D-Ohio, fulfilled his duty by introducing HR 229, which states: "Notwithstanding any other authority of law, the mountain located 63 degrees 04 minutes 12 seconds north, by 151 degrees 00 minutes 18 seconds west shall continue to be named and

referred to for all purposes as Mount McKinley."

That qualifies as "being considered by Congress" under the geographic names board policy. So the board will not consider any petitions to rename Mount McKinley as Denali.

The board's reasoning when it adopted this policy was sound. While the board is the authoritative source of all names in the United States, its decisions, of course, can be trumped by an act of Congress. So, to avoid wasting time on names likely to be nullified in short order, the board suspends action when such legislation is before Congress.

Unfortunately, this policy is easily abused. Any congressional delegation that opposes a geographic name change may halt the board's consideration indefinitely, regardless of the merits.

It's time for a new policy. Since this policy is neither in law nor in regulation, it can be changed at any time with a minimal public process.

The current board policy was approved by Secretary of the Interior James Watt on April 21, 1981. Watt, a Colorado resident who served under President Ronald Reagan, drew criticism for his environmental policies before being drummed out of office for an offensive joke.

It should give Secretary of the Interior Ken Salazar, also of Colorado but serving under President Barack Obama, great pleasure to rewrite one of Watt's well-intentioned but flawed guidelines: Policy I of the U.S. Board of Geographic Names.

O L D MINTO

*Dedicated to preserving the Athabascan way of life.*

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May 27, 2008

Ms. Carla Beam
Community Affairs Director
BP Exploration Inc.
PO Box 196612
Anchorage, AK 99519

Dear Carla,

Our project, *Sharing Alaska Native Traditional Knowledge*, will focus on elements of the People (Denai'na), language (Denak kanaaga), lands (Dena' nena) and history (Yo do na). An example of this concept is in the story of Mount Denali.

Mount Denali is North America's highest mountain. Its name means the Tall One. He is sacred because he looks down on his People and blesses them. Mount Foraker is next to Denali and is known in Athabascan as Sultana, meaning Denali's wife. These names and what they represent was passed down by our ancestors. The two peaks signify a basic Athabascan belief that a man cannot live alone and survive. Survival in Dena' nena calls for a partnership between a husband and a wife.

Today as I view Denali it reminds me of the fact that it will be there forever and that I am a tiny part of Denali's world. Denali is a part of our everyday Athabascan life as we look to him for weather predictions, just as our ancestors did in years past to plan for their subsistence gathering over the next few days or weeks. Mount Denali has been the cornerstone for speakers during ceremonial events. Denali represents our resilience to survive in this great land.

Information like this and a lot more will be part of the multimedia documentary produced by the project, *Sharing Alaska Native Traditional Knowledge*, by Cultural Heritage and Education Institute.

Sincerely,

Robert Charlie
Executive Director

February 20, 2009

Dear Representative Scott Kawasaki and members of the Community and Regional Affairs Committee:

Please accept this comment on HJR15, sponsored by Rep. Kawasaki. I am in favor of the resolution and the renaming of Mt. McKinley to its original name, DENALI. Although a relative newcomer to Alaska, having arrived in 1989, I have always called "the high one" or "the great one" DENALI. It is a most appropriate name and officially calling it DENALI honors the original peoples of Alaska. In addition, it is a much more beautiful name than McKinley!! Please support this resolution.

Thank you.

Sincerely,

Carolynn Tomory
35331 W Pinochle Lane
Glacier View (Sutton), Alaska 99674
(907) 745-5452
Email: ctomory@mtaonline.net

February 20, 2009

To the House Committee on Community and Regional Affairs:

I am most certainly in favor of HJR 15. Although I am originally from Ohio, I do not believe Denali should be called or should ever have been called Mt. McKinley. "The" mountain already had a name, DENALI, and it should be called by that name.

Respectfully,

Raymond J. Tomory
35331 W Pinochle Lane
Glacier View (Sutton), AK 99674

February 20, 2009

Rep. Kawasaki,

I just wanted to say THANK YOU for what you are trying to do with the Mountain. I moved here in 1991, and knew this was home right away. I have noticed that most of the sourdoughs call the Mountain Denali, while the Cheechakos (sp?) call it Mt. McKinley. I also wanted to let you know that you have the support of many of the people that I have spoken with recently about this issue.

Keep up the good work.

Christie Lutsch
PO Box 82117
Fairbanks, AK 99708-2117

February 22, 2009

To Whomever it May Concern,

My name is Jonathan Kreiss-Tomkins; I was born and raised in Sitka, Alaska and am a recent graduate of Sitka High School. I am currently pursuing undergraduate studies at Yale University in New Haven, Connecticut. Of more relevance, however, is my great love of the mountains and wilderness. I am an aspiring mountaineer and while most of my adventures have been focused in Southeast Alaska and the Yukon, I have ventured up to Talkeetna for climbing and caught a glimpse of North America's tallest and most awe-inspiring peak, Denali. We all know the story behind the name -- William Dickey, an out-of-stater passing through the region named it for the Ohioan, William McKinley. (It is worth noting that with the possible reappellation of Denali, Ohio's politicans will still have representation: Mount Foraker, Alaska's third highest mountain, is is named for Joseph Foraker, a former Ohio Senator and Governor from the turn of the century.) But what is perhaps not so well known is that that name -- Mount McKinley -- has been controversial for just as long. Hudson Stuck, leader of the first party to reach the true summit in 1913, recorded his strenuous objections to the name "Mount McKinley" in their account of the expedition, *The Ascent of Denali*: "...forefront in the author's heart and and desire, must stand a plea for the restoration to the greatest mountain in North America of its immemorial native name. If there be any prestige or authority in such matter from the accomplishment of a first complete ascent...the author values it chiefly as it may give weight to this plea." While Hudson Stuck's plea, lamentably, has been left unanswered, these next few years offer a rare window on the federal level to effect a renaming of one of Alaska's greatest treasures and the State of Alaska should make every effort to ensure such an attempt is successful.

Sincerely,

Jonathan Kreiss-Tomkins
805 Charles St.
Sitka, AK 99835
203.436.0222/907.747.5387
jonathan.kreiss-tomkins@yale.edu

CRAIG RENKERT
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e-mail: hike4fun77@gmail.com
(614) 319-3537

February 22, 2009

Representative Kawasaki
Room 428, State Capitol
Juneau, AK 99801

Dear Representative Kawasaki

I am writing to *support* the House Joint Resolution 15 to change the name of Mont McKinley to Denali.

I was born and grew up in Ohio. While attending college in Colorado I expanded an interest in hiking that started when I was a Boy Scout hiking along the Scioto River near Columbus. Not long after college my hiking challenges sought greater mountains to climb. I raised donations for and help organize equipment for the American team that successfully climbed Mt Everest in 1976. In 1977 I organized and lead a climb of Denali. We spent twenty eight days on the mountain and were known as the Up-N-Over expedition. Our route led us up the West Buttress, to the summit, and down the Muldrow Glacier ending at Wonder Lake.

As a result of my experience on the mountain I decided to move to Alaska, which I did later that year. I spent eighteen years in Alaska working, hiking, and learning about the Alaskan people. One of the things I learned living in Alaska is that Alaskan Natives have great respect for each other and the land. Having the mountain "The High One" labeled for a politician that has no connection to the mountain reduces respect for the person and the state that he called home.

As a resident of Ohio I support the resolution to change the name of Mount McKinley to Denali. I believe restoring the name of North America's highest mountain to Denali will right a wrong that started over one hundred years ago. Doing so will in a small way bring greater honor to President McKinley and his home. I will also urge the Ohio congressional delegation to support that name change.

Sincerely,

Craig Renkert

**From:** Brad Faulkner [mailto:seafood@xyz.net]
**Sent:** Tuesday, February 24, 2009 9:46 PM
**To:** 'Rep_Scott_Kawasaki@legis.state.ak.us'
**Subject:** Denali bill - a little history

Charles Sheldon wrote The Wilderness of Denali. He spent time in the shadow of Denali in 1906-1908. He was a good friend of Theodore Roosevelt. His work was instrumental in creating McKinley National Park. Maybe more than anyone. The last chapter of his book he advocates for the real name, Denali. He labeled the end of this chapter, "Farewell to Denali" He says, "The Indians who have lived for countless generations in the presence of these colossal mountains have given them names that are both euphonious and appropriate." Read it. Use it. His words work well. It is at the local library. Good luck. *[Staffer retrieved this publication from the State Library.]*

McKinley is so wrong it needs a champion to officially change it to the real name. Alaskans know better.
Brad Faulkner
Homer
Alaskan first

---

**From:** Brad Faulkner [mailto:seafood@xyz.net]
**Sent:** Wednesday, February 18, 2009 7:49 PM
**To:** 'Rep_Scott_Kawasaki@legis.state.ak.us'
**Subject:** Denali bill - a little history

Rev. Hudson Stuck formed the party that first climbed Denali. Walter Harper, an Alaska native was the first to stand on top. Walter drowned with his new bride in the Princess Sophia disaster.

In the preface to his book, The Ascent of Denali (Charles Scribner's Sons, 1914) Hudson Stuck wrote – his first sentence – **"Forefront in this book, because forefront in the author's heart and desire, must stand a plea for the restoration to the greatest mountain in North America of its immemorial native name."** Stuck goes on to argue for Denali for three pages in the preface to his book. If you have not read this preface, you need to.

McKinley gave us the most corrupt period in Alaska history. I am speaking of course of Nome in 1900 and the corrupt judgeship of Arthur H. Noyes. The judge was appointed by McKinley to the federal bench. The ring leader of the whole thing was an ally of McKinley's named Alexander McKenzie. To quote William Hunt in, North of 53, The Wild Days of the Alaska Yukon Mining Frontier, **"During the McKinley era, roguery flourished"** (chapter 16 and 17 relevant) (chosen by the Alaska Historical Society as one of the best 67 history books about Alaska since 1867). Finally a San Francisco Circuit Court arrested and convicted McKenzie. McKinley went on to pardon him.

You need to understand this period to realize how oxymoronic naming Denali after McKinley really is.

Just a little history which you may or may not know. Both these books are great Alaska History books. Good luck.

Brad Faulkner
Homer

This CS for HJR 15 reflects 2 changes from (H) CRA Committee hearing on February, 26, 2009.

2 amendments (enclosed) were presented by the Sponsor and both were adopted

No other changes were made

**CS FOR HOUSE JOINT RESOLUTION NO. 15(CRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

**BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**Offered: 2/27/09**
**Referred: Resources**

**Sponsor(s): REPRESENTATIVES KAWASAKI, Gardner**

**A RESOLUTION**

**Urging the United States Congress to change the name of Mount McKinley to Denali.**

**BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

**WHEREAS** the Athabaskan name "Denali" for Alaska's highest mountain has been in use for thousands of years before the renaming of the mountain to McKinley in 1896, is still widely used across the state, and is recognized throughout the world as synonymous with Mount McKinley; and

**WHEREAS** "Denali" translates to "The High One," from the Koyukon dialect of the Athabaskan people and is indicative of its worldwide recognition as the highest mountain on the continent of North America, standing at 20,320 feet; and

**WHEREAS**, in 1896, when prospector William A. Dickey christened the mountain "Mt. McKinley," William McKinley of Ohio had recently been named the Republican candidate for President of the United States but had not yet assumed the office of President; and

**WHEREAS** President McKinley never visited the territory of Alaska; and

**WHEREAS** officially recognizing the Athabaskan name of Denali may help to rectify past injustices toward Alaska Native peoples; and

**WHEREAS** the Alaska Board of Geographical Names officially recognizes the name of the mountain as Denali; and

**WHEREAS** members of Congress have blocked any attempt by Alaska officials to rename the mountain Denali since 1975, effectively revoking the right of the people of the State of Alaska to name their own geographical landmarks;

**BE IT RESOLVED** that the Alaska State Legislature urges the United States Congress to pass legislation to change the name of Mount McKinley to Denali.

**COPIES** of this resolution shall be sent to the Honorable Barack Obama, President of the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Ken Salazar, United States Secretary of the Interior; the Honorable Nancy Pelosi, Speaker of the U.S. House of Representatives; the Honorable John Boehner, Minority Leader of the U.S. House of Representatives; the Honorable Harry Reid, Majority Leader of the U.S. Senate; the Honorable Mitch McConnell, Minority Leader of the U.S. Senate; the Honorable Jeff Bingaman, Chair of the Energy and Natural Resources Committee of the U.S. Senate; the Honorable Lisa Murkowski and the Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress; and all other members of the 111th United States Congress.

AMENDMENT 1

**OFFERED IN:** The House Community and Regional Affairs Committee

**TO:** HJR 15 (HCRA)

**OFFERED BY:** Representative Kawasaki

**Delete** at page 1, lines 7-9

**Add** the following at page 1, lines 7-9:

> **WHEREAS** "Denali" translates to "The High One" from the Koyukon dialect of the Athabaskan people and is indicative of its worldwide recognition as the highest mountain on the continent of North America, standing at 20,320 feet; and

AMENDMENT 2

**OFFERED IN:** The House Community and Regional Affairs Committee

**TO:** HJR 15 (HCRA)

**OFFERED BY:** Representative Kawasaki

**Delete** at page 2, lines 1-2

**Add** the following at page 2, line 1-2:

> **WHEREAS** the Alaska Board of Geographical Names officially recognizes the name of the mountain as "Denali"; and

# HJR

# 20

# FISCAL NOTE

**STATE OF ALASKA**
**2009 LEGISLATIVE SESSION**

Fiscal Note Number: HJR20
Bill Version:
() Publish Date:

Identifier (file name): HJR20-LEG-COU-3-2-09
Dept. Affected: Legislature
Title: Urging the United States Congress to end daylight savings time.
RDU: Legislative Council
Component: Council and Subcommittees
Sponsor: Representatives Fairclough, Keller
Requester: House C&RA Committee
Component Number: 783

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2009) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This legislation has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director — Phone 465-6626
Division: Legislative Affairs Agency — Date/Time 3/2/09 3:11 PM
Approved by: Pamela Varni, Executive Director — Date 3/2/2009
Legislative Affairs Agency

(Revised 9/10/2008 OMB)

C&RA Committee Referral File

HJR 20 was heard and passed with individual recommendations on 3-3-09

No changes were made to this resolution in this Committee

(page 1591), the second sentence should have begun with "Subtypes and sub-subtypes."

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3. Retraction: Molecular epidemiology and prevalence of drug resistance-associated mutations in newly diagnosed HIV-1 patients in Cameroon. Antivir Ther 2008;13:845. (Also available at http://www.intmedpress.com/images/File/Retraction_Nkengafac.pdf.)

# Shifts to and from Daylight Saving Time and Incidence of Myocardial Infarction

**TO THE EDITOR:** More than 1.5 billion men and women are exposed to the transitions involved in daylight saving time: turning clocks forward by an hour in the spring and backward by an hour in the autumn. These transitions can disrupt chronobiologic rhythms and influence the duration and quality of sleep, and the effect lasts for several days after the shifts.[1,2]

We examined the influence of these transitions on the incidence of acute myocardial infarction. To calculate the incidence ratio, we compared the incidence of acute myocardial infarction during each of the first 7 days after the spring or autumn transition and the mean of the incidences on the corresponding weekdays 2 weeks before and 2 weeks after the day of interest. For example, for the Tuesday after the transition, we would have divided the incidence on that Tuesday by the mean of the incidence on the Tuesday 2 weeks earlier and the incidence on the Tuesday 2 weeks later. We used data from the Swedish registry of acute myocardial infarction, which provides high-quality information on all acute myocardial infarctions in the country since 1987. The incidence ratios, as measures of relative risk, and exact 95% confidence intervals were calculated.

The incidence of acute myocardial infarction was significantly increased for the first 3 weekdays after the transition to daylight saving time in the spring (Fig. 1A). The incidence ratio for the first week after the spring shift, calculated as the incidence for all 7 days divided by the mean of the weekly incidences 2 weeks before and 2 weeks after, was 1.051 (95% confidence interval [CI], 1.032 to 1.071). In contrast, after the transition out of daylight saving time in the autumn, only the first weekday was affected significantly (Fig. 1B); the incidence ratio for the whole week was 0.985 (95% CI, 0.969 to 1.002).

The effect of the spring transition to daylight saving time on the incidence of acute myocardial infarction was somewhat more pronounced in women than in men, and the autumn effect was more pronounced in men than in women. The separate analyses of the 1987–1996 and 1997–2006 periods yielded essentially the same results as those for the whole 1987–2006 period. The effects of transitions were consistently more pronounced for people under 65 years of age than for those 65 years of age or older.

The most plausible explanation for our findings is the adverse effect of sleep deprivation on cardiovascular health. According to experimental studies, this adverse effect includes the predominance of sympathetic activity and an increase in proinflammatory cytokine levels.[3,4] Our data suggest that vulnerable people might benefit from avoiding sudden changes in their biologic rhythms.

It has been postulated that people in Western societies are chronically sleep deprived, since the average sleep duration decreased from 9.0 to 7.5 hours during the 20th century.[4] Therefore, it is important to examine whether we can achieve beneficial effects with prolonged sleep. The finding that the possibility of additional sleep seems to be protective on the first workday after the autumn shift is intriguing. Monday is the day of the week associated with the highest risk of acute myocardial infarction, with the mental stress of starting a new workweek and the increase in activity suggested as an explanation.[5] Our results raise the possibility that there is another, sleep-related component in the excess incidence of acute myocardial infarction on Monday. Sleep-diary studies suggest that bedtimes and wake-up times are usually later on weekend days than on weekdays; the earlier wake-up times on the first workday of the week and the consequent minor sleep depri-



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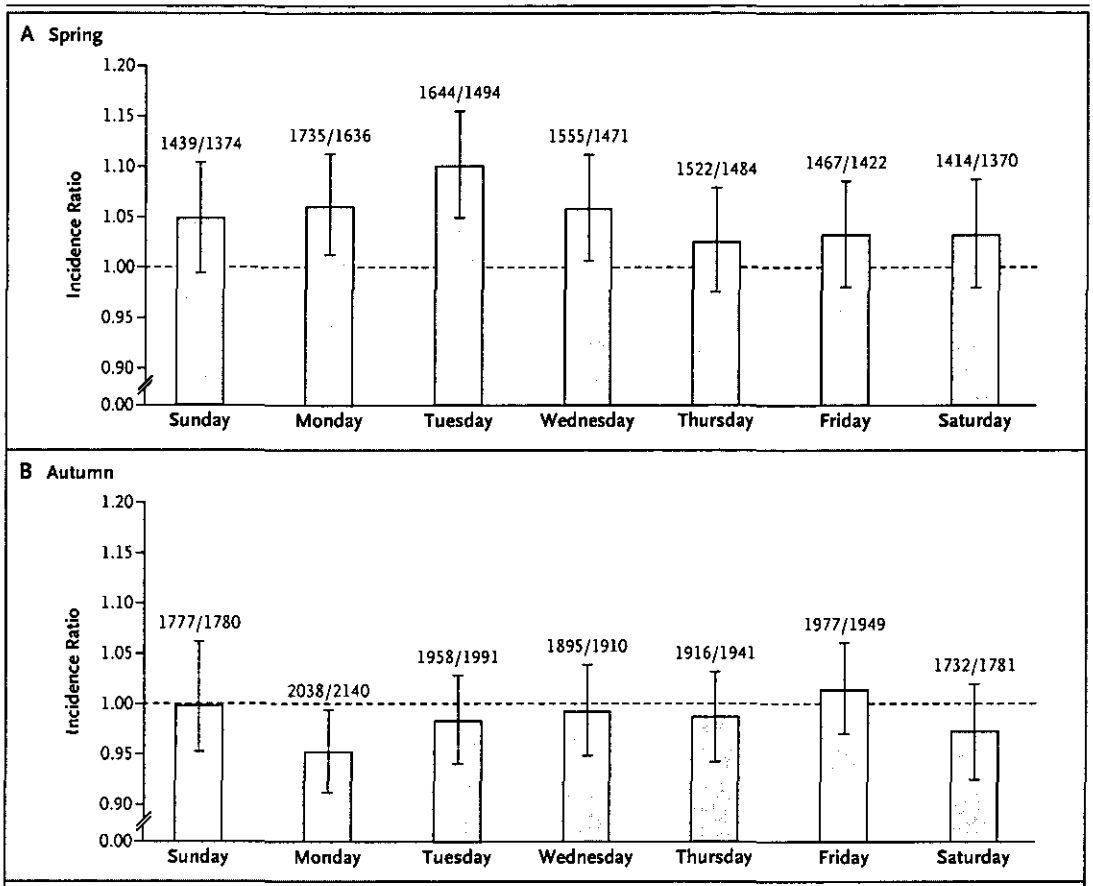



**Figure 1. Incidence Ratios of Acute Myocardial Infarction on the First 7 Days after the Spring and Autumn Clock Shifts for Daylight Saving Time.**

The incidence is represented by the ratio of the number of acute myocardial infarctions (as the main diagnosis) on the given day after the shift to the mean number on the corresponding days 2 weeks earlier and 2 weeks later (both numbers given above the bars). Analyses of the data for the spring shift are based on the 15 years between 1987 and 2006 in which Easter Sunday was not the transition day (Panel A). Analyses of the data for the autumn shift are based on all 20 years between 1987 and 2006 (Panel B). In the autumn (Panel B), the control period was defined as the corresponding weekdays 2 weeks before and 2 weeks after the day of interest. In spring (Panel A), we aimed to avoid interference with Easter, the only public holiday that could influence our results. For years in which Easter Sunday was celebrated 2 weeks after the Sunday of the spring shift, we defined the control period for the Sunday of the shift as the Sunday 3 weeks before and the Sunday 3 weeks after (thus skipping Easter Sunday). When we did not exclude Easter if it coincided with the exposure or control days, we observed an even higher effect size associated with the spring transition. The number of acute myocardial infarctions on the transition Sunday was adjusted for the difference in day length as compared with the control Sundays (i.e., 23 vs. 24 hours in the spring [Panel A] and 25 vs. 24 hours in the autumn [Panel B]). The results of secondary analyses for both spring and autumn, which included acute myocardial infarctions that were either the main or secondary diagnoses, were essentially similar to the results of the analyses that included main diagnoses alone, as were the results of analyses of the spring shift that were restricted to fatal cases. For the autumn shift, in contrast to the analyses of all acute myocardial infarctions, analyses restricted to fatal cases showed a smaller decrease in the incidence of acute myocardial infarction on Monday, and the risk of fatal acute myocardial infarction increased during the first week after the shift. I bars denote 95% confidence intervals.

vation can be hypothesized to have an adverse cardiovascular effect in some people. This effect would be less pronounced with the transition out of daylight saving time, since it allows for additional sleep. Studies are warranted to examine the possibility that a more stable weekly pattern of waking up in the morning and going to sleep at night or a somewhat later wake-up time on Monday might prevent some acute myocardial infarctions.



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Supported by a postdoctoral grant (2006-1146, to Dr. Janszky) from the Swedish Council of Working Life and Social Research, Ansgarius Foundation, King Gustaf V and Queen Victoria's Foundation, and the Swedish Heart and Lung Foundation.

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NATIONAL GEOGRAPHIC NEWS
NATIONALGEOGRAPHIC.COM/NEWS

# Extended Daylight Saving Time Not an Energy Saver?

**Brian Handwerk**
**for National Geographic News**

**March 7, 2008**

On Sunday people in the United States will roll their clocks forward an hour at 2 a.m. and begin the country's second consecutive year of extended daylight saving time.

The change, adopted into law last year, was touted as a way to save energy. But some studies suggest the move actually has consumers using more power—and paying bigger energy bills.

Hendrik Wolff, an environmental economist at the University of Washington in Seattle, is skeptical of the purported savings.

Wolff and colleague Ryan Kellogg studied Australian power-use data surrounding the 2000 Sydney Olympics, when parts of the country extended daylight saving time to accommodate the games.

The pair compared energy use in the state of Victoria, which adopted daylight saving time earlier than normal, to South Australia, which did not.

"Basically if people wake up early in the morning and go to bed earlier, they do save artificial illumination at night and reduce electricity consumption in the evening," Wolff said.

"Our study confirmed that effect. But we also found that more electricity is consumed in the morning. In the end, these two effects wash each other out."

Wolff stresses that it's difficult to determine how increased daylight saving time affected energy use across the U.S. last year. But he's inclined to reject the government's pre-change projections of modest energy savings.

**Lights Out, But Bills Up**

In 2007 the U.S. Congress passed a bill mandating that daylight saving time begin on the second Sunday in March and end on the first Sunday in November, creating an extra month of earlier mornings.

The U.S. Department of Energy is now sorting through the variables that drive power use—from weather patterns to the proliferation of high-definition televisions—to determine the yearlong impact of extended daylight saving time. (Related photos: sunrises and sunsets.)

Meanwhile the quirky chronology of Indiana's daylight saving time history allowed Matthew Kotchen, an economist at the University of California, Santa Barbara, to measure the time change's energy impact in that state.

No federal rule mandates that states or even individual counties observe daylight saving time, so for years only 15 of Indiana's 92 counties made the time switch.

When the entire state adopted daylight saving time in spring 2006, Kotchen and colleague Laura Grant were able to observe changes in energy use in homes throughout southern Indiana over a three-year period.

Their finding was clear: The switch to daylight saving time cost Indiana homeowners dearly on their electric bills.

"Just in the state of Indiana, it turns out to be almost seven million dollars a year in increased residential electricity bills," Kotchen said. "And that's at a far lower price for electricity than the national average."

The study found that daylight saving time did save on lighting use but that heating and air-conditioning use more than offset any gains.

"At least in southern Indiana, and probably in other places that have a similar climate, it's resulting in an increase in residential electricity consumption. Our estimates range between one and four percent."

But Kotchen cautions about applying results from Indiana to the entire nation.

For example, "we really don't know what's happening in California, Florida, or Texas," he said.

Steve Nadel, executive director of the nonprofit American Council for an Energy-Efficient Economy, noted that people will have to wait and see whether extended daylight saving time saves energy—and if so, in which parts of the country.

He also stressed that electricity-use patterns have changed significantly since the 1970s, when studies were done that suggested modest energy gains from the time shift.

"I would say certainly since the 1970s there's a lot more use of air conditioning," he said.

UCSB's Kotchen added that "in places where you have to use a lot of air conditioning [daylight saving time] may have a detrimental effect for the same reason that we [see] in Indiana, but it's difficult to say."

**Impacts Beyond Energy**

Massachusetts Democrat Ed Markey was one of the co-sponsors of the bill that mandated daylight saving time begin on the second Sunday in March and end on the first Sunday in November.

Jessica Schafer, press secretary in Congressman Markey's office, said she hasn't seen any hard data about energy savings since the switch.

"We've always said that the energy savings from this would be small compared to other changes you could make, but every little bit counts."

Other effects have been easier to identify, she said.

"People walk up to [Congressman Markey] and tell him what they think," she said. "By and large it's been positive. People feel that it's very family friendly."

That's because the shifting schedule allows most people to be more active during actual daylight hours—daylight saving time is about more than just saving energy.

"Added to the other reasons—increased traffic safety, increased leisure time, reduced crime—all told, I think the benefits are significant and meaningful."

Such social benefits may be even harder to quantify than energy savings. If they do exist, however, they may outweigh the original reason for the change.

"There are lots of reasons we might want to have daylight saving time," UCSB's Kotchen said.

"But the notion that it's an energy-saving policy—as people have been suggesting for at least 200 years—is not necessarily the case."

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# HJR

# 39

# Alaska State Legislature
## House of Representatives

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Representative Tammie Wilson

## Sponsor Statement

HJR 39 disapproves an annexation decision that is flawed in both substance and process.

The annexation plan, presented by the City of Fairbanks to the Local Boundary Commission, seeks ~0.05 square miles of residential and commercial property. The plan is encumbered by insurmountable legal and practical challenges, and **creates an unnecessary risk to public safety** for residents during fire and life-threatening medical emergencies.

**Substantive problems** with the annexation proposal:

- The City, and LBC, failed to contend with, or consider, a number of factors relevant to the legal standards applicable in evaluating annexation proposals:
    - 3 AAC 110.090, Needs of the Territory.
        - **Lack of reasonable need;**
        - **Existing versus anticipated health, safety, and general welfare conditions;**
        - **Adequacy of existing services;**
        - **Detrimental effect to emergency services in the annexed area;**
            - **Initial Fire Service & EMS response time would increase exponentially**
            - **Per the City's own reports, police & fire service would be inadequate as the current demand cannot be met.**
    - 3 AAC 110.130, Boundaries.
        - **Consequences of creating an enclave.**
    - 3 AAC 110.135, Best Interests of the State.
        - **Attainment of self-government;**
        - **State's lack of relief of responsibility for local services.**
    - 3 AAC 110.970, Determination of Essential Services.
        - **Most effective form of municipal service.**
- General Effect on the City of Fairbanks with respect to EMS, police, and fire response:
    - Availability of Emergency Services would decrease for all Fairbanks' residents.

**Severe Flaws of Due Process** with the annexation proposal:

- The method did **not** incorporate a vote or survey of residents affected by annexation.
- All hearings of the Local Boundary Commission transpired **without representation** by a commissioner from the 4th Judicial District—the very area where annexation was proposed.

In short, the LBC's decision to approve annexation was based upon false data amidst a deficient process. Considering all problems with the proposal, the worst is that annexation poses a greater public safety risk to all residents.

I appreciate your support for HJR 39.

# FISCAL NOTE

**STATE OF ALASKA**
**2010 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version: HJR39
() Publish Date:

Identifier (file name): HJR39-LEG-COU-2-19-10
Dept. Affected: Legislature
Title "Disapproving the Local Boundary Commission recommendation regarding the annexation of territory..."
RDU Legislative Council
Component Council and Subcommittees
Sponsor House Community and Regional Affairs Committee
Requester House Community and Regional Affairs Committee
Component Number 783

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

**Estimate of any current year (FY2010) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This Legislation has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director
Phone 465-6626
Division Legislative Affairs Agency
Date/Time 2/19/10 3:27 PM
Approved by: Pamela Varni, Executive Director
Date 2/19/2010
Legislative Affairs Agency

(Revised 11/6/2009 OMB)



2200

# Provided by Representative T. Wilson

## HJR 39 Outline

HJR 39 disapproves the Local Boundary Commission's decision to annex two territories in the Fairbanks North Star Borough. The disapproval is based, primarily, on the fact that residents were not given a vote on the annexation (and overwhelmingly oppose it), and 2nd, the annexation would slow emergency response time to the annexed areas.

**What is the Local Boundary Commission?**

The Local Boundary Commission is a statewide, five member commission that processes petitions on incorporation of cities, boroughs, and unified municipalities, reclassification of cities, and municipal annexations, detachments, dissolutions, mergers, and consolidations.

**What is the Legislature's role with boundary changes?**

Under Article X, Sec. 12, the Legislature is the final reviewer of boundary change proposals.

**What is the process of initiating an annexation?**

There are two paths for annexation:

1) A proposal that is ultimately forwarded to the Legislature for review, or
2) Local action, where residents vote on the question of the boundary change.

In either method, the LBC must approve and is involved in the process. In this case, the petition was **NOT** voted on by residents. The Legislature serves as the substitute to a vote by the people affected by annexation. AS 29.06.070(c).

**Have LBC reports ever been disapproved?**

Yes. One example: in 1989, when the Fairbanks North Star Borough attempted to annex a territory surrounding Livengood.

**Do the residents in the affected areas want annexation?**

No. Over 90% of the residents living in and around the enclave lots, and 100% of the businesses in the commercial subdivision, **oppose** the annexation (see attached signed petition and written testimony).

In addition, the Fairbanks City Council was, historically, split on the proposal.

The Fairbanks North Star Borough administration, and Assembly, have consistently opposed annexation (see attached resolutions and back-up material).

**Are there other reasons to disapprove the LBC's report?**

Yes, many. As outlined in the sponsor statement, there are a number of legal standards that were misconstrued; by regulation, for instance, annexation should not take place if it causes a detriment to emergency services.

If annexed, first response for fire service will be approx. 8 times longer than the current response time.

**What is the proper method of disapproving an LBC report?**

Under Uniform Rule 49(a)(5), a joint resolution is required "*...for disapproval of local government boundary changes recommended by the Local Boundary Commission.*"

**The Legislature is the only official voice of the people on this matter.**

**On the grounds that public safety is harmed, the Fairbanks North Star Borough's and fire service area's budget will be negatively impacted, and the overwhelming majority of residents oppose annexation, please disapprove the LBC report by supporting HJR 39.**

By: Hank Bartos
Introduced: 01/21/2010

FAIRBANKS NORTH STAR BOROUGH

RESOLUTION NO. 2010 – 08

A RESOLUTION TO ENCOURAGE THE SUPPORT OF OUR INTERIOR STATE DELEGATION AND THE ALASKA LEGISLATURE TO OPPOSE THE LOCAL BOUNDARY COMMISSION'S DECISION REGARDING THE FRED MEYER SUBDIVISION ANNEXATION

WHEREAS, the City of Fairbanks proposed an annexation of the Fred Meyer Subdivision and on December 2, 2009, the Local Boundary Commission approved the proposed annexation, and

WHEREAS, the University Fire Service Area has a fire substation with an ambulance only a few blocks from the Fred Meyer subdivision and a Main Station closer than any city fire station, thereby providing these properties with a quicker response time to any fire or ambulance call than the city can provide; and

WHEREAS, the annexation is not in the best interest of the state, the borough or the citizens utilizing the facilities on the subject property.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the Fairbanks North Star Borough strongly encourages our Interior State Delegation, and Alaska Legislature, to oppose the Local Boundary's decision.

PASSED AND APPROVED THIS __ DAY OF _____, 2010.

_____

Mike Musick
Presiding Officer

ATTEST:

_____

Mona Lisa Drexler, MMC
Municipal Borough Clerk

By: Guy Sattley
Introduced: 09/11/08
Adopted: 09/11/08

FAIRBANKS NORTH STAR BOROUGH

RESOLUTION NO. 2008 - 35

A RESOLUTION OPPOSING THE CITY OF FAIRBANKS' PROPOSED ANNEXATION OF THE FRED MEYER SUBDIVISION

WHEREAS, the City of Fairbanks has proposed an annexation of two very different and distinct areas resulting in a proposal that is confusing due to the mixing of two entirely separate and different issues into one annexation proposal; and

WHEREAS, the businesses located within the Fred Meyer Subdivision are satisfied with the services provided by the University Fire Service Area/University Fire Department and have no desire to be annexed into the City of Fairbanks; and

WHEREAS, the University Fire Service Area has a fire substation with an ambulance only a few blocks from the Fred Meyer subdivision and a Main Station closer than any city fire station, thereby providing these properties with prompt and adequate response to any fire or ambulance call; and

WHEREAS, the University Fire Service Area enjoys a more desirable Insurance Services Office rating of a Class 2 while the City of Fairbanks has a lower insurance rating; and

WHEREAS, the proposed annexation will financially impact Borough taxpayers through an annual loss of over $378,000 in taxes including Nonareawide EMS, Nonareawide Economic Development, Solid Waste, and Alcohol Taxes, but will not reduce the services provided by the Borough.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the Fairbanks North Star Borough opposes the City of Fairbanks' proposed annexation of the Fred Meyer Subdivision; and.

BE IT FURTHER RESOLVED that copies of this resolution shall be sent to the City of Fairbanks' Mayor and Council and to the Local Boundary Commission.

PASSED AND APPROVED THIS 11th DAY OF SEPTEMBER 2008.

Nadine Winters
Presiding Officer

ATTEST:

Mona Lisa Drexler, MMC
Municipal Borough Clerk

Ayes: Frank, Musick, Sattley, Stringer, Hopkins, Foote, Winters
Noes: Brown, Beck

Fairbanks North Star Borough
Office of the Mayor
809 Pioneer Road P.O. Box 71267 Fairbanks, Alaska 99707-1267 907/459-1300
Fax 907/459-1102
Email mayor@co.fairbanks.ak.us

February 18, 2010

House Community & Regional Affairs Committee
Alaska State Capitol
Juneau, Alaska

RE: Support for HJR 39 Opposing LBC Annexation Approval

Dear House Community & Regional Affairs Committee:

The Fairbanks North Star Borough respectfully requests that the Legislature deny the annexation of the Fred Meyer Subdivision to the City of Fairbanks. The City chose to do this annexation through the Legislative Review Process of AS 29.06.040 and, it is the Legislature's responsibility, as set forth in law, to review this annexation. This is especially important because there was no vote of the people concerning this annexation which would have been required had the City chosen the annexation under the local action process. Furthermore, the City chose to consolidate the annexation of the enclave lots with the annexation of the Fred Meyer Subdivision. The Fred Meyer Subdivision should not be annexed just because the enclave lot annexation makes sense. The two issues were divided by the LBC and should have been divided in two separate petitions by the City. They are not contiguous or related.

There are several reasons why this annexation should be denied:

1. First and foremost is the safety issue. The Fred Meyer Subdivision is currently in the University Fire Service Area and the UFSA Station 2 is approximately .6 miles away from Fred Meyer's door. The nearest City station is 3.1 miles away and an ambulance or fire truck must go through 10 signaled intersections down Airport Way, one of Fairbanks' most heavily trafficked streets, to get to Fred Meyer. If a person has a heart attack at Fred Meyer, there is no argument that the UFSA can and will respond significantly faster than the City. As they say in the emergency industry, "Time is tissue." There has been no showing of **need** for this annexation.

2. There must be a cost benefit analysis—particularly when there was no public vote. The City has chosen to annex only one small, but lucrative subdivision which will not require significant costs to the City. In its petition, the City indicated that the increased costs to the City would be only $39,000 to $52,000 per year. The increased cost to the Fred Meyer Subdivision owners would be approximately $68,000 in increased taxes and fees. Yet the subdivision is not getting any significant increased services – if anything, the services are slower and, therefore, decreased.

3. It is bad public policy to allow one municipality to financially cannibalize another. Annexation of the Fred Meyer Subdivision would remove the 2nd largest taxpayer from service area. Between property tax loss to the service area and loss in alcohol taxes and non-areawide taxes, the Borough would lose over $475,000 each year. The LBC concluded that the loss was "de minimus" but not to Borough taxpayers. Taxes will have to be raised in the service area and Borough-wide to cover this loss. The City residents will have a reduction in their taxes after the annexation because the City is gaining over $600,000 in new revenues while the Borough residents' taxes will be increased. If this area truly needs to be annexed, the City should have requested annexation of the residential subdivision to the south and the rest of the commercial area to the west, rather than picking only the most lucrative piece of property that will bring in the most revenues with the least cost to the City.

4. Finally, the Borough did not get a fair hearing. For example, the LBC did not allow cross-examination of witnesses, which prohibits real factual inquiry during the process. At the same time, the LBC used a hyper-sensitive conflict analysis which deprived the 4th Judicial District of any vote on the LBC. The representative from the 4th Judicial District was forced to recues himself even though he had no financial interest in the issue. A review by the Legislature is necessary to provide the residents of the interior representation in this annexation decision.

The Legislature has denied an annexation in the past (Livengood in 1990). The Borough asks that the Legislature pass the resolution denying the annexation of the Fred Meyer Subdivision.

Sincerely,

Luke Hopkins, Mayor

**Before the Local Boundary Commission**
**Department of Commerce, Community and Economic Development**
**State of Alaska**

In re: Proposal to Annex
Approximately .05 Square Miles
of territory to the City of Fairbanks
by Legislative Review

RESPONDENT'S REQUEST FOR RECONSIDERATION

The Respondent in the above-entitled annexation petition, the Fairbanks North Star Borough (hereinafter, "Respondent" or "FNSB,") requests that the Local Boundary Commission order reconsideration of the above-entitled proposal for annexation of the Fred Meyer subdivision.[1] Pursuant to 3 AAC 110.580(e), the commission will grant a request for reconsideration if the commission determines

> (1) a substantial procedural error occurred in the original proceeding;
> (2) the original vote was based on fraud or misrepresentation;
> (3) the commission failed to address a material issue of fact or a controlling principal of law; or
> (4) new evidence not available at the time of the hearing relating to a matter of significant public policy has become known.

This request for reconsideration is for the following reasons:

1. THE LOCAL BOUNDARY COMMISSION FAILED TO ADDRESS THE FOLLOWING MATERIAL ISSUE OF FACT:

The Local Boundary Commission (LBC) failed to properly address the material issue of fact that the annexation of the Fred Meyer subdivision would create an enclave

[1] The Respondent is only asking for reconsideration of the annexation to the City of Fairbanks of Fred Meyer subdivision and is not asking for reconsideration of the annexation of the "enclave lots."

lot. During discussion of the annexation petition at the decisional meeting, Chairman Crystal stated, in complete conflict with the maps and testimony presented, that "the territory is wholly or substantially surrounded by the annexing city, and I think it is." (Transcript of Decisional Hearing, p. 21.) Later, when discussing whether the annexation would create an enclave lot, as discussed in 3 AAC 110.130(b), the Commission asked for a definition of an enclave lot. Staff gave the dictionary definition of an enclave as "a territory surrounded or nearly surrounded by the territory of another country." Staff continued by stating that "Commerce finds that Fred Meyer is contiguous to the city but that annexing it would arguably create an enclave." The LBC did not further discuss the enclave lot situation and moved to section (c). (Transcript of Decisional Hearing, p. 41.) At the hearing, the LBC did not discuss any testimony refuting the fact that the City only bordered the easterly boundary and only part of the southerly boundary as shown on the attached map. (Exhibit 6 from the Respondent's Brief.) The annexation of the Fred Meyer subdivision will result in one lot nearly surrounded by the Borough thus creating an enclave.

2. THE LOCAL BOUNDARY COMMISSION FAILED TO ADDRESS THE FOLLOWING CONTROLLING PRINCIPLE OF LAW:

Administrative regulation 3 AAC 110.130(b) states that "[a]bsent a specific and persuasive showing to the contrary, the commission will presume that territory that is not contiguous to the annexing city, or that would create enclaves in the annexing city, does not include all land and water necessary to allow for the development of essential

municipal services on an efficient, cost-effective level." Pursuant to the regulation, when an enclave lot is formed, there is a presumption that the regulation has not been met. Once the presumption attaches, there must be a specific and persuasive showing that there is sufficient land and water necessary to allow for the development of essential municipal services on an efficient, cost-effective level.

As shown above, the facts are such that the annexation does create an enclave. Furthermore, the LBC's Statement of Decision states that the annexation "arguably creates an enclave." (Statement of Decision, p. 9.) Therefore, the presumption should be applied that the annexation did not include all land necessary to allow for development of essential municipal services on an efficient, cost-effective level which can only be overcome by a specific and persuasive showing to the contrary.

The LBC's Statement of Decision does not include any specific and persuasive showing to the contrary. The decisional statement merely gives a summary statement that "the territory is already fully developed and receiving services" and "the expanded City of Fairbanks would contain all land and water necessary to allow for the development of essential municipal services on an efficient, cost-effective manner." (Statement of Decision, p. 9.) There is no discussion as to how receiving services from the Borough, the service area and the State of Alaska shows that the annexation contains all land necessary to efficiently and cost-effectively develop essential City services. A summary statement should not be sufficient to establish the regulatory requirement of a "specific and persuasive" showing to the contrary.

In the decisional meeting, when discussing 3 AAC 110.130(b), the LBC did not discuss any specific and persuasive showing that this requirement could be met. The Commission merely listened to the definition of an enclave and then went on to item 3 AAC 110.130(c). (Transcript of Decisional Hearing, p.41.) Therefore, the requirement of 3 AAC 110.130(b) was not met.

For the forgoing reasons, the Respondent respectfully requests that the Local Boundary Commission reconsider the decision annexing the Fred Meyer subdivision to the City of Fairbanks.

DATED at Fairbanks, Alaska this 28th day of December, 2009.

Fairbanks North Star Borough

Cynthia M. Klepaski

Cynthia M. Klepaski
Assistant Borough Attorney

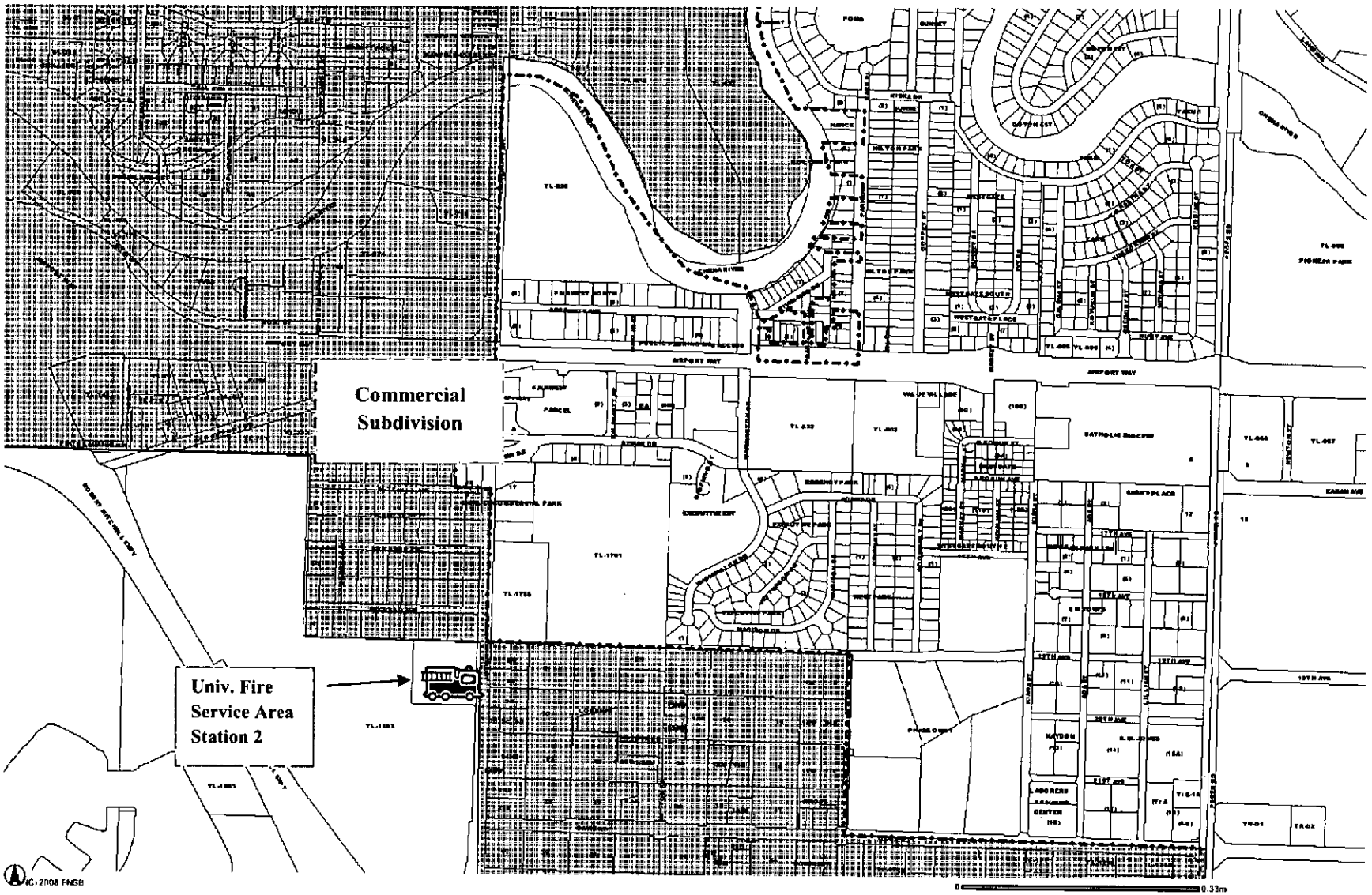
## "Time is Tissue"

| | Commercial Area | Commercial Subdivision To Hospital (FMH) | Total Miles |
|---|---|---|---|
| University Fire Station 2 | **0.6** | 3.1 | 3.7 |
| University Fire Station 1 | **2.2** | 3.1 | 5.3 |
| City Main Fire Station | **3.1** | 3.1 | 6.2 |
| City Aurora Fire Station | **3.5** | 3.1 | 6.6 |

First response time is the most critical component of emergency service.
In a situation where every minute counts, initial time of response means the difference between life and death or full recovery and long-term disability.

The annexation would make emergency service response time up to
**8 times longer.**

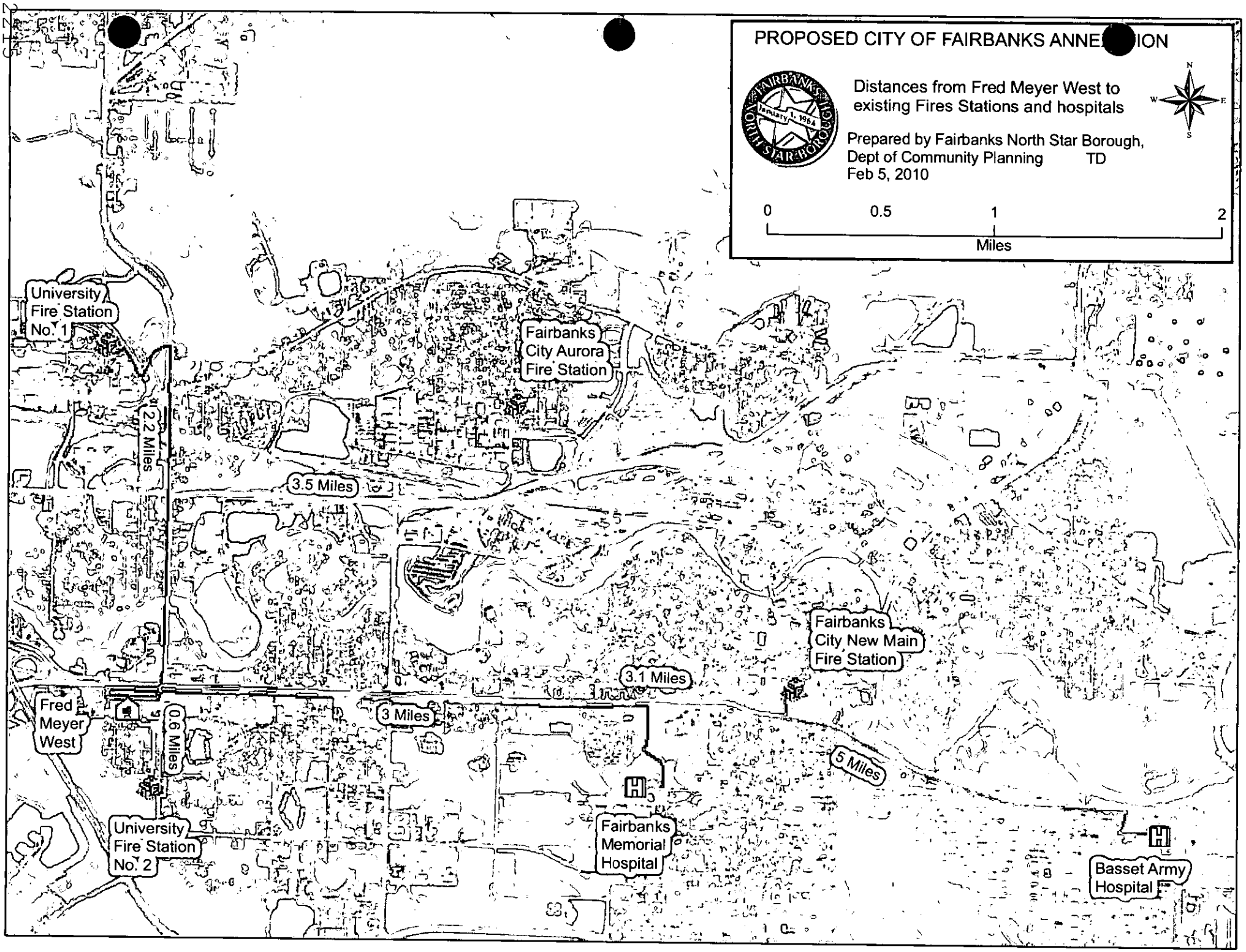
**The annexation will create an enclave and 450k loss of revenue to the Fairbanks North Star Borough.**




University Fire Service Area if the Commercial Subdivision is Annexed

University Fire Service Area (partial)

City Boundaries


PROPOSED CITY OF FAIRBANKS ANNEXATION
Distances from Fred Meyer West to existing Fires Stations and hospitals
Prepared by Fairbanks North Star Borough, Dept of Community Planning TD
Feb 5, 2010
0 0.5 1 2
Miles
N
S
E
W
University Fire Station No. 1
Fairbanks City Aurora Fire Station
2.2 Miles
3.5 Miles
Fairbanks City New Main Fire Station
3.1 Miles
Fred Meyer West
0.6 Miles
3 Miles
5 Miles
University Fire Station No. 2
Fairbanks Memorial Hospital
Basset Army Hospital

## Lost Revenues to Borough from Annexation of Fred Meyer Subdivision

| Taxable Assessed Value | 2008 | 2009 |
|---|---|---|
| Taco Bell | $833,833 | $887,159 |
| Mt. McKinley Bank | $1,475,014 | $1,473,961 |
| Fred Meyer | $22,652,568 | $22,604,203 |
| Total FM Subdivision | $24,961,415 | $24,965,323 |

assessed values did not significantly increase in 2009

Borough taxes that would not be charged to FMSub after annexation

| | 2008 mill rate | 2008 Taxes | 2009 mill rate | 2009 Taxes |
|---|---|---|---|---|
| EMS (ambulance) | 0.256 | $6,390 | 0.276 | $6,890 |
| Solid Waste | 1.103 | $27,532 | 1.121 | $27,986 |
| Econ. Dev | 0.144 | $3,594 | 0.117 | $2,921 |
| Univ. Fire Service Area (UFSA) | 2.138 | $53,368 | 2.301 | $57,445 |
| Total lost property taxes | | $90,885 | | $95,243 |
| Lost Alcohol taxes -approx* | 5% | $380,000 | | $380,000 |
| (no lost tobacco tax) | 8% | $0 | | $0 |
| TOTAL approx yearly loss to Borough | | $470,885 | | $475,243 |

*Alcohol taxes are confidential but actual is higher

**SUMMARY:**

| | FY09 | |
|---|---|---|
| City Gains | $669,832 | |
| FNSB Loses | -$475,243 | (includes $57,445 loss to UFSA) |

## Expenses v. Revenues for City

### Expenses

Increased Costs of services supplied to FM Subdivision by City (from p. 16)

| | | | |
|---|---|---|---|
| $1,000 | Gen Gov | $1,000 | |
| $50,000 | Police | $37,500 | footnote on page 16 250 calls x$75/hr x 1hr av=$37,500 |
| $1,000 | pub works | $1,000 | City states "$50,000 is a safe margin" |
| $52,000 | | $39,500 | |

### Revenues

| City's 2009 increased revenues estimates (p.16) | | Borough's calculation | |
|---|---|---|---|
| $149,653 | property tax to City | $122,330 | (4.9mills x 2009 assessed value ) |
| $151,946 | Alcohol Tax | $380,000 | approximate (actual figures are confidential) |
| $157,502 | tobaco tax | $157,502 | using City's figure |
| $10,000 | licenses and Permits | $10,000 | City's figure for licenses and permits |
| $469,101 | Increased Revenues to City (p.16) | $669,832 | Borough's estimated increased revenues to City |
| **$417,101** | City's increased revenue minus expenses ($469,101 - $52,000 from p. 16 of Petition) | **$617,832** | Revenues minus expenses ($629,832 - $52,000) |

### Increase cost to Fred Meyer Sub owners

| | |
|---|---|
| 2.35 | mills as per page 14 of the City's Petition |
| $58,659 | Increased property taxes(=2.35 mills x 2008 assessed value for FM Sub) |
| $10,000 | Licenses & permits as per page 16 |
| $68,659 | Total* increase to be paid by FM Sub |

*Does not include increased insurance, if any, caused by a lower ISO rating in the City

## Provided by Representative T. Wilson

Evidence reflecting the City Fire & Police Departments are unable to cope with the current demand of emergency services (from the City Department's annual documents).

As they are unable to meet current demand, the addition of a large commercial area will decrease, already stretched, resources.

| Stats from Fire Chief Edith Curry, University Fire Department: Mutual Aid received from, and given to, Fairbanks Fire Department within the prospective commercial annexed area. | | | | |
|---|---|---|---|---|
| **YEAR** | **Runs to FM,TB and MMB** | **MA Rec'd from FFD@ FM,TB,MMB** | **Total MA Rec'd from FFD** | **Total Mutual Aid Given to FFD** |
| | | | (not limited to FM, TB and MMB) | |
| 2000 | 22 | 0 | | |
| 2001 | 16 | 0 | no data for these years is available with the new | |
| 2002 | 24 | 0 | program used by the UFSA to keep statistics | |
| 2003 | 23 | 0 | | |
| 2004 | 23 | 0 | 11 | **52** |
| 2005 | 18 | 0 | 11 | **54** |
| 2006 | 33 | 0 | 14 | **35** |
| 2007 | 36 | 0 | 14 | **46** |
| 2008 | 48 | 0 | 15 | **40** |
| **Total** | **243** | **0** | **65** | **227** |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| FM | Fred Meyers | | | |
| TB | Taco Bell | | | |
| MMB | Mt. McKinley Bank | | | |
| | | | | |
| | | | | |
| **Conclusion:** Available records show the Fairbanks Fire Department (FFD) has never serviced the commercial area where annexation is proposed, and assisted the University Fire Service Area (UFSA) 65 times in 9 years. Conversely, UFSA has assisted FFD **227 times over 9 years** while handling all calls in the commercial area. | | | | |

# Comparisons and Evaluations of Expenditures and Efficiencies of the Fairbanks Police Department

**by**

**Fairbanks Citizens Review Committee**

Lloyd Hilling, Committee chair – **Committee Report** →

*Compiling reports of:*

Robert S. Koslick, Committee member – Report **"A"** →

Lance Roberts, Committee member – Report **"B"** →

Butch Stein, Committee member – Report **"C"** →

Warren Tanner, alternate member – Report **"D"** →

Lorna Weese, Committee member – Report **"E"** →

Other reports and references – **"F", "G"** →

*[arrows simply indicate that the above seven items are in the order as listed →]*

**Submitted to Mayor and Council November 16, 2007**

While of the overall 2007 Fairbanks police budget, 89.7% was labor, it doesn't appear to be practical to expect that salaries can be modified, and still keep them competitive in the state. The data does highlight that it might be productive to focus recruitment at lateral hiring from the lower-48, which also might help achieve desired diversity. [BA1]

## Staffing

*Liability issues.* Koslick points out that since 1971, police department personnel fell from 74 to 48, population rose from 18,600 to 31,000 (although FPD sworn officers rose from 32 in 1990 to 44 in 2007 while population remained steady), and crime rose from 878 UCR part 1 crimes (serious, or person-on-person crimes) to 2053 UCR part 1 crimes. [AA1] He further notes:

In reviewing [this and other] data compiled by this committee, it is apparent that the Fairbanks Police Department is, and has been for some time, seriously understaffed to the extent of placing the City of Fairbanks in a libelous position and it's police officer's in harm's way due to forced overtime to cover shifts, little or no back up on felony calls and operating at crisis level staffing day after day.

Warren Tanner, Provost of Fort Wainwright during the pipeline years, stresses that even with the high numbers Koslick cites above, "The Fairbanks Department was short staffed" in 1974 – 1978 and his men often directly assisted the FPD by riding two to a car (one FPD with one MP in a car) throughout the city in those heady years. [DA1] Without a doubt, the upcoming gas line will necessitate extraordinary measures to ensure a properly policed community.

*Crime and staffing.* Koslick [AA1] cites a report to the Public Safety Commission in 2006 comparing crime and staffing between the Fairbanks area and 15 comparably sized city-county units throughout the U.S. "Fairbanks experiences a higher number of crimes than the average city in all serious crimes-against-persons categories," while burglaries and thefts are more a problem in the lower-48 cities than in Fairbanks. The backdrop is that those similar lower-48 cities had a ratio of 1.8 sworn officers per 1000 residents versus Fairbanks' 1.38 officers per 1000. "If the City of Fairbanks were staffed at the national average [2.3 sworn officers per 1000], we would have seventy-one officers serving our community." [FA4]

Comparing Fairbanks with Juneau, Koslick points out that Fairbanks experiences an across-the-board higher level of crime in all categories – yet with a smaller police force to deal with it. [AB1]. In a city with far less crime and far less impact of a surrounding population, Juneau staffed 18 additional police and police-support positions over that of Fairbanks."

*Investigative unit.* Stein [CA1] reviews the Chief's requests for investigative personnel increases the past three years. "these requests have been denied. When considering the level of crime that our police respond to ... it becomes quite evident that the FPD investigative unit should be expanded significantly". He then lists Chief Hoffman's view of "minimum staffing for the investigative unit to adequately respond to current community needs and expectations": (1) unity supervisor, (3) core detectives, (2) specialized investigators, (2) follow-up investigators, (2)

internet/computer crime investigators, and (2) or more drug investigators assigned to Borough-wide ABADE interagency task-force [CA1-2].

*Civilian support staff.* Stein emphasizes the need for additional front desk, evidence and admin staff:

> Comparing our police department with police departments of equal size throughout the country shows [that our civilian support staff is] grossly understaffed. FPD no longer has a records section or personnel assigned to report duplication, distribution, filing and handling of correspondence requests. Furthermore, the department has no planning, budget, accounting or analysis sections. These duties are performed directly by the Chief. [CA2]

*2008 Budget request.* Chief Hoffman's 2008 budget request is for increases in personnel from 2007 to 2008, as follows: detective from 3 to 4; investigative unit officer from 0 to 1; highway safety officer from 2 to 4 (grant funded – already approved by City Council); evidence custodian from 1 to 2 (already approved by City Council); and front desk clerk from 1 to 2. Mayor Thompson has recommended that these changes go forward as requested. Thus police personnel is proposed to be at the level of 53.5 employees in 2008, up from 47.5 in 2007. A majority of the committee approves and encourages adoption of these budgetary recommendations.

*Alternataive viewpoint regarding staffing.* A minority of the committee [GA1-2] differs with the majority on how the crime and population statistics apply themselves to recommended police staffing levels.

Very conservatively, at least 10,000 of Fairbanks' city population now either live on Fort Wainwright or are otherwise assigned to it, patrolled and policed almost entirely by federal employees. It is argued [GA1] that FPD shoulders only one-half of this burden resulting in a "proxy ratio" of (46 officers divided by (31,182 minus 10,000/2) equals) 1.76 officers per 1000 population, slightly above the Western U.S. average of 1.7 and slightly below the 1.8 average of comparable U.S. cities.

As to crime's burden on FPD compared nationally:

> [C]urrent data shows Fairbanks to suffer about 70 more Part 1 (person-on-person) crimes yearly than in lower-48 ... while enjoying about 700 less Part 2 crimes, or a ratio of 1 to 10. Chief Hoffman states that a person-on-person crime very often takes 10 times the resources expended on the average burglary/theft, and sometimes much more than that. If the assumption is made that the average resource expenditure on Part 1 and Part 2 crime is a 10 to 1 ratio, then crime in Fairbanks would be at a level about even with comparable U. S. cities. [GA2]

In sum, this viewpoint expresses reservations about two of the additions to the 2008 budget: the detective (1) and the investigative unit officer (1). Future changes in FPD jurisdiction and upcoming demographic changes on and off post, or future revelations, will certainly bear on this issue.

In the past 35 years, the Fairbanks population has risen over 50%, crime has more than doubled, and yet police **staffing** levels have fallen by over 30% since 1971 (although FPD sworn officers rose from 32 in 1990 to 44 in 2007 while population remained steady). Issues of liability are of paramount concern, as are those of responsibility to the citizenry. Comparison with Juneau and lower-48 shows Fairbanks to be appreciably less **staffed** when comparing with both population and crime incidence.

A committee minority views **staffing**-related statistics differently, suggesting that FPD may be **staffed** comparably to lower-48 crime and population levels.

With two more **traffic** patrol officers coming on board in 2008 (totaling four, paid for by state grants), the **traffic** situation appears sufficiently in hand.

In the context of **training**, the issue of liability is once more addressed, with emphasis placed on the huge exposure to litigation nowadays. Recommendations are to rely less on voluntary drives to obtain funding for **training**.

A minority feeling is that the **2008 FPD budget** request should be lowered from 53.5 persons to 51.5 – pending further argument and consideration.

In consonance with the above facts and viewpoints as expressed in this entire report, a majority of the committee urges adoption of Chief Dan Hoffman's **2008 budget request** for **increases in personnel staffing** from 47.5 police department employees in 2007, to 53.5 employees in 2008.

AA 1

REPORT OF THE CITIZEN'S REVIEW
COMMISSION ON
STAFFING & RECRUITMENT
FAIRBANKS POLICE DEPARTMENT

**Staffing**

In reviewing data compiled by this committee it is apparent that the Fairbanks Police Department is, and has been for some time, seriously understaffed to the extent of placing the city of Fairbanks in a libelous position and it's police officer's in harms way due to forced overtime to cover shifts, little or no back up on felony calls and operating at crises level staffing day after day.

In 1971, pre-pipeline, the City staffed 49 officers and 25 civilian support personnel to service its population of 18,600 residents that generated a total of 878 UCR part 1 crimes. By contrast, in 2005 the City staffed 41 officers and 16.5 civilian support personnel to service a City population of 31,182 that generated a total of 2053 UCR part 1 crimes.

Researching police staffing levels for cities of like size, we found that Juneau has more sworn officers (55) then Fairbanks (44) with approximately 50% less UCR activity then Fairbanks. Juneau has 6 police clerks compared to Fairbanks 0, and an approved 2008 budget that is 4 million more then FPD. Further, Juneau is not on a road system and does not have the surrounding population of 50,000 people that impacts the city of Fairbanks,

The FBI's Crime report for 2004, the most recent year completed found that the nationwide average for police staffing is 2.3 sworn officers per 1000 residents. Western cities of the same size range of Fairbanks had an average of 1 8 sworn officers per 1000 residents. Fairbanks ratio is 1.3 If staffed at the national average. Fairbanks would have 71 officers in the community. If staffed at the 1 8 ratio Fairbanks would have a compliment of 56 sworn officers Again, FPD is currently at 44 sworn officers.

Chief Hoffman has asked for an incremental increase of two (2) Property Crime Investigators, two (2) Traffic Patrol Units, (1) one Administrative Assistant, (1) one Front Desk Clerk and (1) one additional Evidence Custodian.

We feel that the current staffing level is inadequate to police a community the size of Fairbanks, and strongly support the increases proposed in the cities 2008 budget.

**Recruitment**

It is becoming difficult to recruit qualified applicants due to several factors. While the state enjoys a relative low unemployment rate, law enforcement agencies in Alaska and across the country are having to compete with each other and private sector employers to

attract the most capable candidates. Some agencies across the country with severe recruitment and retention problems are lowering their recruitment standards to expand their applicant pools. Private sector wages and benefits have created strong competition. The key to improving and maintaining recruitment is to insure that salaries and benefits remain competitive with the predominant competing agencies in the state, (i.e. Alaska Sate Troopers and Anchorage P.D, both of whom are currently working to fill 50 plus respective vacancies). Additionally, appropriate staffing levels would go a long way to enhance working conditions and reduce officer burn out. In talking to a number of the FPD officers, they expressed not having enough time to adequately cover the call volume and that the forced overtime was taking a toll on their personal lives and time spent with family.

There is a clear message here. Aside from wage and benefits, qualified applicants are looking for adequate back up on felony and domestic violence calls, reasonable down time to regenerate, time with family and perhaps most of all, to see themselves as part of a worthwhile enterprise that instills in them a sense of pride and belief that what they do is more then just a job.

Due to recent challenges in recruitment, and the extremely low ratio of successful qualifying applicants from the general labor population, FPD has placed a heavy emphasis on the recruitment of lateral hires from other municipal agencies. Of the last 7 officers hired in 2006 and 2007, six (6) were lateral hires from other departments around the state. This has greatly increased the timelines and efficiency of the recruitment and hiring process, as most applicants have already been extensively "pre-screened" as well as demonstrating their effectiveness in being able to successfully perform police work. However, as the potential pool of lateral applicants begins to dry up, FPD will need to investigate and pursue other avenues of recruitment outside of established law enforcement circles.

Robert S. Koslick
Citizen Review Commission

| NumberOfCases | CY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| viol_code_desc | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | Grand Total |
| AA L FLS STM/SP APPL | | 2 | | | | | | | 1 | | 3 |
| ADMIN INVESTIGATION | | | | | | | 1 | | 1 | | 2 |
| AGGRAV/ASLT O/WEAP | | | | | | 1 | | | | | 1 |
| ALCOHOL INFORMATION | | 1 | | | | | | | | | 1 |
| ANIMAL REL OFF/COMPL | 1 | | | | | | | | | | 1 |
| ARREST WARRANT SERV | 4 | 3 | 1 | 3 | 4 | 4 | 2 | 9 | 1 | 3 | 34 |
| ASLT/NON AGGRAVATED | 2 | | 2 | 2 | 2 | 3 | 1 | | 4 | 1 | 17 |
| ASLT/NONFAM/STRNGARM | | | | | | | | | | 1 | 1 |
| ASSIST INSIDE AK | 1 | 3 | 2 | 2 | 4 | 2 | 2 | 2 | | 6 | 24 |
| BICYCLES | | | 2 | 1 | 2 | | 2 | | 3 | 1 | 11 |
| BIKE, ATV COMPL | | | | | | | 1 | | | | 1 |
| BURG NONRES FORCED | | | | 1 | | | | | | | 1 |
| CITIZEN REPORT DWI | 1 | 1 | | 2 | 4 | | 1 | 2 | 1 | | 12 |
| CITIZEN REPORT FORM | | | | | | | 1 | 1 | 1 | 1 | 4 |
| CIVIL PROBLEM | 3 | 2 | 3 | 2 | 1 | 2 | 3 | 3 | 4 | 2 | 25 |
| COCAINE-SELL | | | | | 1 | | | | | 1 | 2 |
| COMMUNITY POLICING | | | | 1 | | | | | | | 1 |
| CONCEALMNT OF MERCH | 1 | | 5 | 8 | 1 | 2 | | | 1 | | 18 |
| CONDITIONAL REL VIOL | | | | | | 1 | 1 | | | 1 | 3 |
| CONTRIB DELINQ MINOR | | | | | | 1 | | | | | 1 |
| COUNTERFEITING MISC | | | | 1 | | | 1 | | | | 2 |
| CRIMINAL TRESPASS | 3 | 3 | 1 | 2 | 7 | 6 | 1 | 7 | 3 | 2 | 35 |
| DEATH NOTIFICATION | | | | 1 | | | | | | | 1 |
| DISORDERLY CONDUCT | | 2 | 1 | | 2 | | | | | 1 | 6 |
| DISTURBANCE-OTHER | 1 | 6 | 4 | 5 | 12 | 5 | 5 | 9 | 3 | 4 | 54 |
| DNA REG/SAMPLE TAKE | | | | 1 | | | | | | | 1 |
| DOMESTIC VIOL SERVE | | 2 | 1 | 3 | | 1 | | 2 | 1 | | 10 |
| DRIV WHILE LIC SUSP | 1 | | | | 1 | | | 1 | | | 3 |
| DRUGS INFORMATION | | 1 | | 2 | 1 | | 2 | | 3 | 1 | 10 |
| DWI - ALCOHOL | 2 | 1 | | | | 2 | | 1 | | 1 | 7 |
| EMBEZ/BUSIN PROP | | | | | | | 1 | | | | 1 |
| ENDNGR WLFRE OF MINR | 1 | | | | | | | | | | 1 |
| FAIL REGISTER SOR | | | 1 | | | | | 1 | | 1 | 3 |
| FALSE ALARM | | | | 1 | | 1 | | | | | 2 |
| FAMILY OFF-NON CRIM | 2 | | | 1 | 2 | | | 1 | | | 6 |
| FIRING WEAPON | | | | 1 | | | | | | | 1 |
| FORGERY OF CHECKS | 2 | | | 1 | | 1 | | 1 | 1 | | 6 |
| FOUND PROPERTY | | | 1 | 3 | | | 1 | 2 | 1 | | 8 |
| FURNISH LIQ TO MIN | | | | 1 | | | | | | | 1 |
| HANGUP RESPONSE 911 | | | | | | | | 1 | 1 | | 2 |
| HARASSING COMMUNICAT | 1 | 2 | 2 | 2 | 3 | 5 | 1 | 2 | 5 | 2 | 25 |
| ILLEGAL USE-CR CARD | | 1 | | 2 | 1 | 1 | | 1 | 4 | 1 | 11 |
| INDECENT EXPOSURE | | | | | | | | | | 1 | 1 |
| INSPECTION | | | | | | | 1 | | 1 | | 2 |
| INSUFF FUNDS-CHECK | | | | | | | | | | 1 | 1 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| INTOXICATED PEDEST | | 1 | | | 1 | | 1 | | 1 | | 4 |
| KIDNAP MINOR | | 1 | | | | | | | | | 1 |
| KIDNP ADULT SEX ASLT | | 1 | | | | | | | | | 1 |
| LARCENY FROM AUTO | 2 | 4 | | 4 | 2 | 1 | | 2 | 1 | 3 | 19 |
| LARCENY FROM BLDG | 6 | 7 | 8 | 9 | 14 | 4 | 2 | 5 | 5 | | 60 |
| LARCENY FROM YARDS | | | 1 | 1 | | 1 | 1 | | 1 | 1 | 6 |
| LARCENY/VEH PARTS | | | | | 1 | | | | | | 1 |
| LEAVE SCENE OF ACCID | 3 | 2 | 8 | 10 | 11 | 8 | 7 | 1 | 7 | 6 | 63 |
| LOC-NOTIFY AGENCY | | | | | 1 | | | | | | 1 |
| LOST PROPERTY | 3 | 6 | 10 | 13 | 13 | 8 | 3 | 2 | 5 | 2 | 65 |
| LOST/ILL RETAIN PROP | | 1 | | 1 | 1 | 3 | 5 | | 1 | 1 | 13 |
| MAKING A FALSE REPT | | | | | | | | 1 | | | 1 |
| MAL MISCH PRIV PROP | | 1 | 2 | | 4 | 1 | 1 | | | 2 | 11 |
| MAL MISCH-PRIV PROP | 2 | | | | | 1 | | 1 | | 2 | 6 |
| MARIJUANA-POSSESS | | | | | 1 | 1 | | 1 | | | 3 |
| MEDICAL ASSIST | | | 2 | | 3 | | | 1 | 4 | 2 | 12 |
| MINOR CONSUMING 9/95 | | 1 | | | | | | 1 | | | 2 |
| MINOR NEED OF SUPRV | | | | 1 | 4 | | 1 | 2 | 2 | 3 | 13 |
| MISREP-PROPELLED VEH | 1 | | | | | | | | | | 1 |
| MISSING PERSON-JUVEN | | | | 1 | | | | | | | 1 |
| MOTORIST ASSIST | | | | | | 1 | 1 | | | 1 | 3 |
| MVA-INJURY | | | | | | | | 1 | 1 | | 2 |
| MVA-PROP DAMAGE | 3 | 3 | 4 | 6 | 4 | 5 | 3 | 8 | 10 | 7 | 53 |
| MVA-PROP NON TRAFF | 1 | | | | | | | | | | 1 |
| NARCOTIC EQUIP-POSS | | | | | | | | | 1 | | 1 |
| OVERDUE MOTORIST | | | | | | 1 | | | | | 1 |
| PAROLE VIOLATION | | | | | | 1 | | | | | 1 |
| PASS COUNTERFEIT MSC | | | | | 1 | | | | | | 1 |
| PATROL REQUEST | 1 | 4 | | 1 | 1 | 1 | 1 | 5 | 1 | 1 | 16 |
| PICKPOCKET | | | 1 | | 1 | | | | | | 2 |
| POSSESS COUNTRFT MSC | | 1 | | | | | | | | | 1 |
| POSSESSION OF WEAPON | | | | | | | | 1 | | | 1 |
| PROBATION VIOLATION | | | | 1 | | | | 2 | | | 3 |
| PROTECTIVE CUST | 2 | 1 | 1 | 2 | 3 | 5 | | 2 | 2 | 3 | 21 |
| PROVIDE TRANSPORT | | | 1 | | | | 1 | | | | 2 |
| PUBLIC ASSIST | | 4 | 3 | 6 | 9 | 3 | 3 | 1 | 2 | 3 | 34 |
| PURSE SNATCH NO FORC | | | | | | | | 1 | | | 1 |
| PURSE SNATCH NO FRCE | | 1 | | | 1 | 1 | 1 | 1 | | | 5 |
| RECVR STLN PROP/NONV | | | | | | | | 1 | | | 1 |
| REPORT OF HARM | | | 1 | | | | | | | | 1 |
| ROB/FORCE/PURSE SNAT | | | | | | 1 | | | | | 1 |
| SECURITY CHECK | | 1 | | 2 | 1 | 17 | 3 | | | 1 | 25 |
| SEXUAL ASSAULT | | | | | | | | | | 1 | 1 |
| SHOPLIFTING | 19 | 23 | 45 | 74 | 85 | 61 | 18 | 31 | 32 | 44 | 432 |
| SNOWMACHINE COMPL | | | 1 | | | | | | | | 1 |
| SODOMY MAN STRONGARM | | 1 | | | | | | | | | 1 |
| STLN/VEH/RECOVRD/LCL | | | | | | | 1 | | | | 1 |

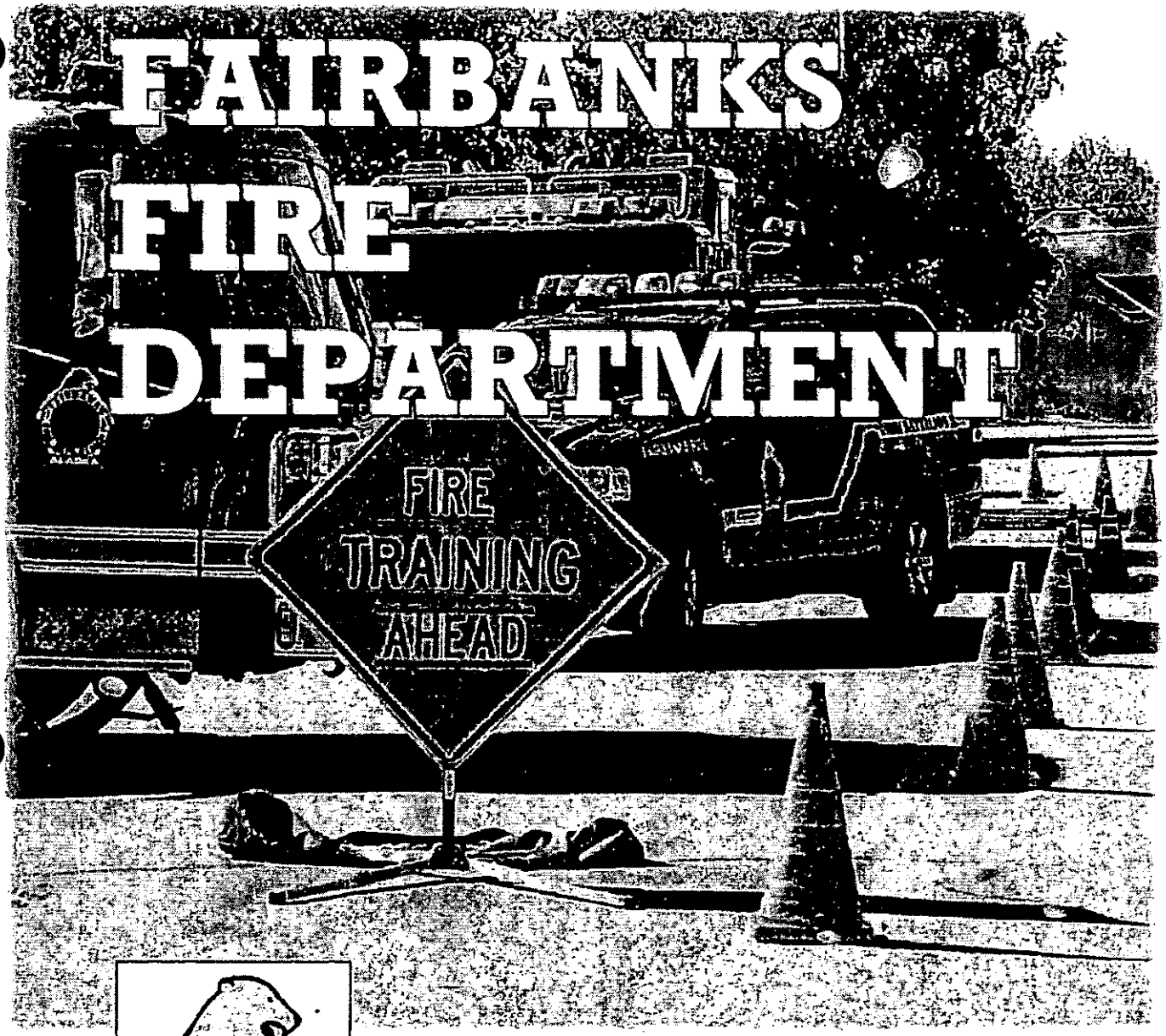
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|---|---|---|---|---|---|---|---|---|---|---|---|
| SUBJECT REMOVAL | 1 | 2 | 2 | 1 | 2 | 5 | 4 | 5 | 5 | 11 | 38 |
| SUBP/SUMMONS SERVED | | | | | | | | 1 | | | 1 |
| SUSPICIOUS CIRCUM | 4 | 4 | 8 | 3 | 7 | 7 | 3 | 5 | 4 | 5 | 50 |
| THEFT BY DECEPTION | 2 | | | | | 1 | 1 | | | | 4 |
| THREAT TO BOMB | | | | | | | | | | 1 | 1 |
| TRAFFIC OFFENSE | 3 | | 2 | 2 | 1 | 1 | | 1 | 1 | 2 | 13 |
| TRANSPORT MENTAL | | | | 1 | | | | | | | 1 |
| TROOPER RECRUITMENT | | | | | | | 1 | | | | 1 |
| VEHICLE THEFT | 5 | 1 | | 2 | 1 | 1 | 3 | | | | 13 |
| VEHICLE THEFT-FELONY | 1 | | | | | | | | | | 1 |
| VIOLATE TERMS RO | 1 | 2 | 3 | 4 | 1 | 1 | 1 | | 1 | 1 | 15 |
| VOIDED DISPATCH | | | | 1 | | | | | | | 1 |
| WELFARE CHECK-PERSON | 1 | 2 | 3 | 4 | 6 | 2 | 3 | 2 | 3 | 5 | 31 |
| Grand Total | 87 | 105 | 132 | 199 | 228 | 181 | 97 | 131 | 130 | 140 | 1430 |

**Question: With city department reports already claiming to be stretched, how can FPD handle an average of 143 NEW calls? Per the Fairbanks Citizens Review, they would be unable to meet the demand.**

# Provided by Representative T. Wilson

**The following annual reports by the Fire Department show the consistent challenge the department has to meet current demand. Emergency services, per their own reports, will be stretched; the annexed area, as well as the City, will experience a slower response time.**

# FAIRBANKS FIRE DEPARTMENT




FAIRBANKS FIRE DEPARTMENT
ALASKA
ORG. 1904

# 2008

# ANNUAL REPORT

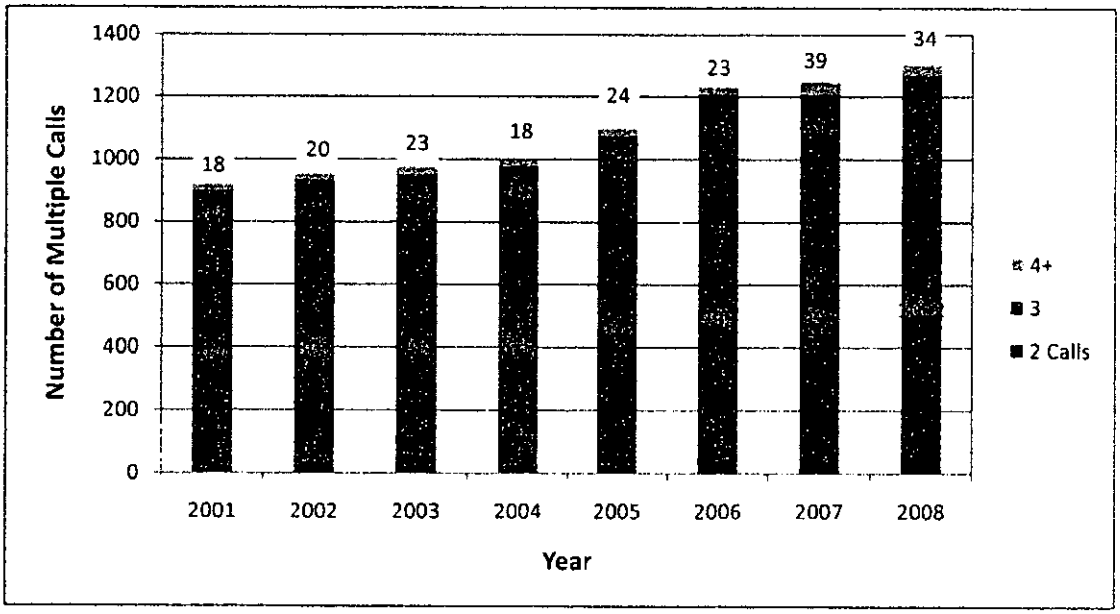
# PROBLEM AREAS FOR 2008

1. A continuing increase in multiple emergency calls. In 2008 there were 1303 simultaneous calls with 251 instances of three or more simultaneous calls.

2. The continued lack of reoccurring fire safety inspections due to the shortage of personnel in the Fire Marshal's office. This has resulted in serious fire and life safety problems continuing without corrective action.

3. We are continuing to see a large local fire loss; it has been over 1,000,000 dollars for the past six years.

**The Growing Problem – Simultaneous Emergency Calls**



# Fairbanks Fire Department Prevention Division

## Fire Prevention Division GOALS for 2009

- Increase inspections in target hazard occupancies (restaurants, assembly, schools, and apartments)
- Establish a local Fire Prevention Coalition to help coordinate fire prevention efforts in Interior Alaska (City and FNSB)
- Develop and implement an "Engine Company Inspection Program"
- Continue to seek incentives for people who install approved fire sprinkler systems
- Investigate the feasibility of requiring fire sprinklers in Assembly occupancies to include retroactive provisions
- Work to require residential fire sprinklers in new one and two family dwellings

## 2008 Highlights of the Prevention Division

- **HIRED A DEPUTY FIRE MARSHAL** to meet the increased work load. This position will concentrate on reoccurring inspections of our high risk occupancies such as assembly, educational, institutional, and residential occupancies.

- **OPERATION NIGHT LIGHT INSPECTIONS:** These after hour night inspections have proven extremely helpful in identifying problems in assembly occupancies open in the evening. It has also been a great educational tool for local business owners.

- **PARTNERSHIPS:** Continued to partner with businesses and local groups to get public safety education and information out and into the community.

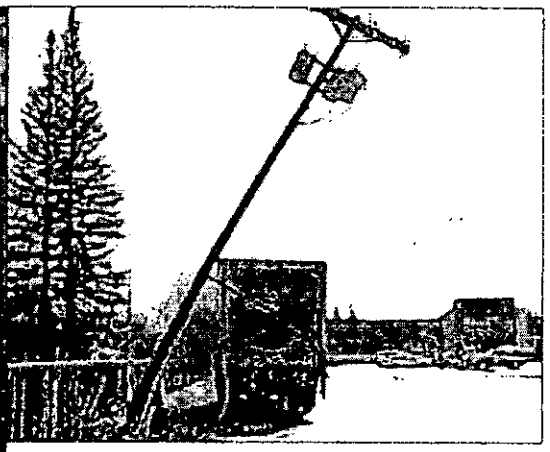
- **MEDIA RELATIONS:** Improved the relationship with local and statewide media outlets. Used the improved relations to increase the amount of safety information delivered to the public.

- **RECEIVED GRANT FUNDING** from Department of Homeland Security to support our smoke alarm installation program. Purchased dual sensing smoke alarms for our high risk occupancies (seniors and low income areas)

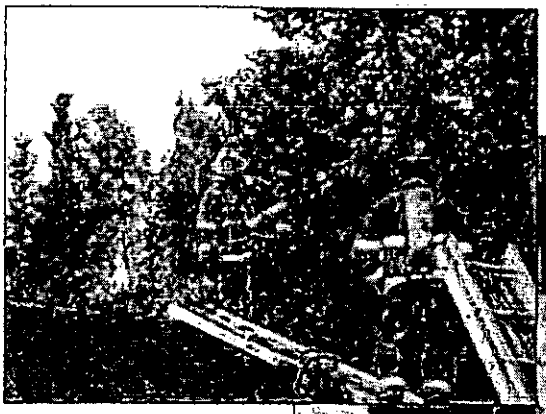
## Areas of Concern

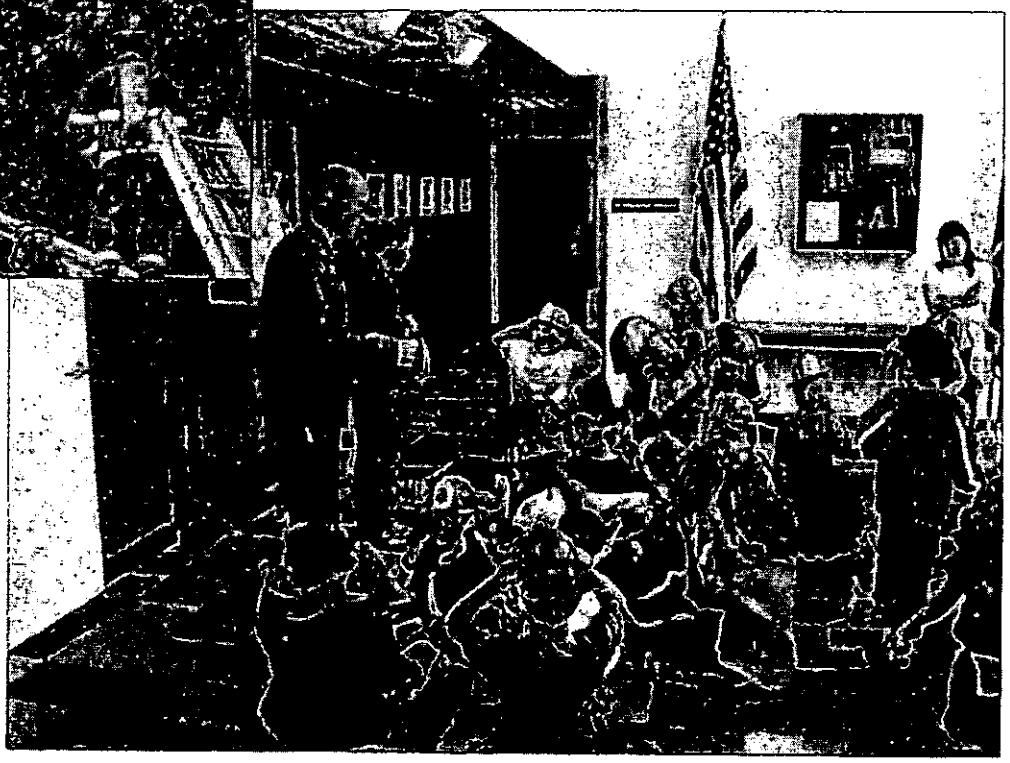
**INCREASED USE of ALTERNATIVE HEAT SOURCES** ... With the rise in cost of heat fuel, people are using alternative sources of heating some of which is not used properly.





# 2007
# FAIRBANKS FIRE DEPARTMENT ANNUAL REPORT





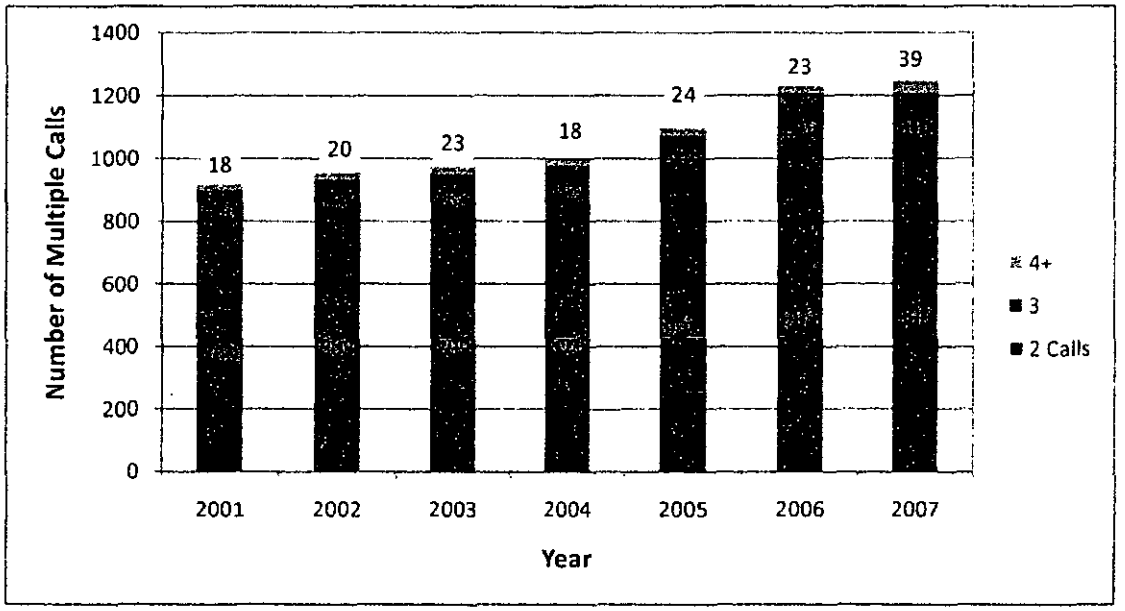
# PROBLEM AREAS FOR 2007

1. A continuing increase in multiple emergency calls. In 2007 there were 1248 multiple calls, with 253 occurrences of 3 or more simultaneous calls. We saw a dramatic increase of 4 simultaneous calls from 23 occurrences in 2006 to 35 occurrences in 2007. (See graph below.) In 2007, there were 333 occurrences of two or more ambulance responses, an increase from 294 in 2006.

2. The continued lack of reoccurring fire safety inspections due to the shortage of personnel in the Fire Marshal's office. This has resulted in serious fire and life safety problems continuing without corrective action.

3. We are continuing to see an increase in our local fire loss; it has gone over 1,000,000 each year for the last five years.

**The Growing Problem – Simultaneous Emergency Calls**



# Fairbanks Fire Department Prevention Division

## Fire Prevention Division GOALS for 2008

- Increase staffing of the Division to meet the increased work load. Will continue to work with the administration to hire a recruit Deputy Fire Marshal
- Increase inspections in target hazard occupancies (restaurants, assembly, and apartments)
- Establish a local Fire Prevention Coalition to help coordinate fire prevention efforts in Interior Alaska (City and FNSB)
- Develop and implement an "Engine Company Inspection Program"
- Continue to seek incentives for people who install approved fire sprinkler systems.
- Investigate the feasibility of requiring fire sprinklers in Assembly occupancies to include retroactive provisions.

## 2007 Highlights of the Prevention Division

- **IMPROVEMENT OF RISK WATCH**: Secured funding to support the expansion of RISK WATCH Natural Disasters curriculum for the schools.
- **OPERATION NIGHT LIGHT INSPECTIONS:** These after hour / night inspections have proven extremely helpful in identifying problems in assembly occupancies open in the evening. It has also been a great educational tool for local business owners.
- **PARTNERSHIPS:** Continued to partner with businesses and local groups to get public safety education and information out and into the community.
- **MEDIA RELATIONS:** Improved the relationship with local and statewide media outlets. Used the improved relations to increase the amount of safety information delivered to the public.
- **INCREASED INVOLVEMENT OF OPERATIONAL PERSONNEL:** We've seen an increased involvement of the operational (suppression staff) in public safety education.

## Areas of Concern in 2007

**LACK OF PERSONNEL**

The continued lack of adequate staffing in the Fire Prevention Division continues to impact the daily operation of the Division. We have had significant construction in 2007. A large number of projects required review and ongoing inspections. These reviews and inspections limited the ability of the Fire Prevention Division to:

- ✓ Continue periodic Fire Safety Inspection of facilities around the community.
- ✓ Follow up to on fire & life safety complaints in a timely fashion.
- ✓ Conduct follow-up on fire investigations.
- ✓ Continue fire safety education efforts in our schools and around the community.

# LEGISLATIVE RESEARCH SERVICES

Alaska State Legislature
Division of Legal and Research Services
State Capitol, Juneau, AK 99801

(907) 465-3991 phone
(907) 465-3908 fax
*research@legis.state.ak.us*


February 17, 2010

Memorandum

TO: Representative Scott Kawasaki
FROM: Patricia Young, Manager
RE: Boundary Change Recommendations before the Alaska Legislature, 1960 to Present
*LRS Report 10.144*

You asked for a history of Local Boundary Commission recommendations for boundary changes presented to the legislature from statehood forward.[1] "Boundary changes," as they pertain here, refer to changes in established boundaries such as through annexation and detachment; they do not refer to the creation of new cities or boroughs through incorporation.

Alaska statutes specific to the Local Boundary Commission (LBC) include AS§ 44.33.810 - .828. Pursuant to those statutes, all LBC meetings and hearings must be public. Adequate public notice must precede every hearing, and minutes must be kept and be must be included in the public record. In particular, AS § 44.33.826 specifies that the LBC may not propose a boundary change to the legislature unless a hearing on the change has been held in or in the near vicinity of the area affected by the change.

The following table lists LBC recommended boundary changes presented to the legislature from statehood forward. As you will see, LBC records show 127 proposed changes from 1960 to date. Among those, we identified nine instances in which the legislature disapproved the proposed changes. For each recommended change, public notice would have been given and public hearings would have been held.[2] Staff members with the LBC have requested that the Department of Law identify any legal challenges, and we will forward that information to you upon its arrival.

We hope this information is useful. If you have questions or need additional information, please let us know.

[1] This report updates House Research Agency report 85.173, "Ten-Year History of Legislative Annexation in Alaska," which provided information on LBC boundary change recommendations from 1975 through 1984.

[2] The LBC annual reports to the legislature document the schedule of notices and hearings, as well as the public input, that accompanied each proposed change.

## Boundary Change Proposals before the Alaska Legislature, 1960 to Present

| Year | Number | Proposed Change | Legislative Disapproval |
|---|---|---|---|
| 1960 | 1 | Recommendation for annexation of a portion of Government Hill and a portion of the Railroad Reserve to the City of Anchorage | |
| | 2 | Recommendation for annexation of the Fairview Public Utility District to the City of Anchorage | |
| | 3 | Annexation of the Kodiak Watershed Reserve, Near Island, Uski Island, Gull Island, Holiday Island, Crooked Island, and Popof Island to the City of Kodiak | |
| 1962 | 4 | Exclusion of certain territory on the south side of the Kenai River from the City of Kenai | |
| | 5 | Redefinition of the corporate boundaries of the City of Fairbanks and annexation of two areas adjacent to the City of Fairbanks | |
| 1963 | 6 | Annexation of territory to the City of Ketchikan | |
| | 7 | Annexation of the Island Homes area and a portion of the Graehl area to the City of Fairbanks | |
| | 8 | Annexation of the sanitary landfill area to the City of Fairbanks | |
| | 9 | Annexation of Birch Hill Cemetery to the City of Fairbanks | |
| | 10 | Redefinition of the corporate boundaries of the City of Fairbanks and annexation of two areas adjacent to the City of Fairbanks | |
| 1964 | 11 | Annexation of territory to and detachment of territory from the North Star Borough | |
| | 12 | Redefinition of the corporate boundaries of the City of Pelican | |
| | 13 | Annexation of "South Juneau" to the City of Juneau | |
| | 14 | Exclusion of Section 33, T6S, R8W Fairbanks Base from the City of Anderson | |
| 1965 | 15 | Detachment of Goat Creek from the Greater Anchorage Area Borough and annexation of the same territory to the Matanuska-Susitna Borough | |
| | 16 | Dissolution of the City of Wood River | |
| 1966 | 17 | Exclusion of territory from and annexation of territory to the City of Seward | |
| | 18 | Redefinition of the corporate boundaries of the Matanuska-Susitna Borough, Greater Anchorage Area Borough, and the Kenai Peninsula Borough | |
| 1967 | 19 | Annexation of territory to the City of Douglas | |
| | 20 | Annexation of territory to the City of Bethel | |
| | 21 | Annexation of territory to the City of Unalaska | |
| 1968 | 22 | Detachment of Cantwell from the Matanuska-Susitna Borough | |
| | 23 | Annexation to the City of Nome | |
| 1969 | 24 | Annexation of territory to the City of Nenana | |

## Boundary Change Proposals before the Alaska Legislature, 1960 to Present

| Year | Number | Proposed Change | Legislative Disapproval |
|---|---|---|---|
| 1970 | 25 | Redefinition of the corporate boundaries of the Greater Anchorage Area Borough and the Kenai Peninsula Borough | |
| | 26 | Redefinition of the corporate boundaries of the City of Girdwood | |
| | 27 | Annexation to the City of Fairbanks | |
| | 28 | Annexation of Port Chilkoot and adjacent territory to the City of Haines | |
| | 29 | Annexation of Port Valdez and adjoining territory to the City of Valdez | |
| | 30 | Redefinition of the corporate boundaries of the City of Stebbins | |
| | 31 | Redefinition of the corporate boundaries of the City of Lower Kalskag | |
| 1971 | 32 | Redefinition of the corporate boundaries of the City of Fairbanks | |
| | 33 | Redefinition of the corporate boundaries of the City of Togiak | |
| | 34 | Redefinition of the corporate boundaries of the Matanuska-Susitna Borough | |
| | 35 | Annexation to the City of Barrow | |
| | 36 | Annexation to the City of Cordova | HJR 21 |
| 1972 | 37 | Annexation to the City of Nome | HJR 93 |
| | 38 | Annexation to the City of Kotzebue | |
| | 39 | Annexation to the City of Cordova | |
| | 40 | Annexation to the City of Kodiak | HJR 96 |
| | 41 | Dissolution of the Town of Chena | |
| | 42 | Annexation to the City of Barrow | |
| | 43 | Redefinition of the corporate boundaries of the City of Ambler | |
| 1973 | 44 | Annexation to the City of Craig | |
| | 45 | Annexation to the City of Whittier | |
| | 46 | Annexation to the City of Anchorage | |
| 1974 | 47 | Dissolution of the City of Basher | |
| | 48 | Dissolution of the City of Donnelly | |
| | 49 | Reclassification of the City of Pelican | |
| | 50 | Dissolution of the City of Bay City | |
| 1975 | 51 | Annexation of territory to the City of Wrangell | |
| | 52 | Annexation of territory to the Haines Borough | |
| | 53 | Dissolution of the City of Long Island | |
| | 54 | Annexation to the City of North Pole | |
| 1976 | 55 | Redefinition of the corporate boundaries of the City of Chuathbaluk | |
| | 56 | Redefinition of the corporate boundaries of the City of Nuiqsut | |
| | 57 | Redefinition of the corporate boundaries of the City of Selawik | |
| | 58 | Redefinition of the corporate boundaries of the City of Shungnak | |
| | 59 | Annexation to the City of Yakutat | |
| 1977 | 60 | Annexation to the City of Palmer | |
| | 61 | Annexation to the City of Seward | |
| 1978 | 62 | Annexation to the City of Skagway | |
| | 63 | Annexation to the Haines Borough | |
| | 64 | Annexation to the City of Petersburg | |

## Boundary Change Proposals before the Alaska Legislature, 1960 to Present

| Year | Number | Proposed Change | Legislative Disapproval |
|---|---|---|---|
| 1979 | 65 | Annexation to the City of Kodiak | LR No. 3 |
| | 66 | Redefinition of the corporate boundaries of the Kenai Peninsula Borough | |
| 1980 | 67 | Annexation to the City of Skagway | |
| 1981 | 68 | Annexation to the City of St. Mary's | |
| | 69 | Annexation to the City of King Cove | |
| | 70 | Annexation to the City of Nome | LR No. 2 |
| 1982 | 71 | Annexation to the City of Nome | |
| | 72 | Annexation to the Kodiak Island Borough | |
| | 73 | Annexation to the City of Kodiak | |
| 1983 | 74 | Annexation to the Fairbanks North Star Borough | |
| | 75 | Annexation to the City of Port Lions | |
| | 76 | Annexation to the City of Haines | |
| 1984 | 77 | Annexation of 8.11 square miles to the City of Haines | LR No. 35 |
| | 78 | Annexation 0.3 square miles to the City of Ketchikan | |
| | 79 | Annexation of 3.03 square miles to the City of Point Hope | |
| | 80 | Annexation of 9.68 square miles to the City of Hoonah | LR No. 37 |
| | 81 | Annexation of 10.92 acres to the City of Kodiak | |
| 1985 | 82 | Annexation of 117 acres to the City of Fairbanks | |
| | 83 | Annexation of 183 square miles to the City of Togiak | |
| 1986 | 84 | Annexation of 30.14 square miles to the City of Angoon | |
| | 85 | Annexation of 515.62 acres to the City of Ketchikan | |
| | 86 | Annexation of 58.609 acres to the City of Ketchikan | |
| | 87 | Annexation of 48.30 acres to the City of Ketchikan | |
| | 88 | Annexation of 121.31 acres to the City of Ketchikan | |
| | 89 | Annexation of 1.14 square miles to the City of North Pole | |
| | 90 | Annexation of 194 square miles to the City of St. Paul | |
| | 91 | Annexation of 214 square miles to the City of Unalaska | |
| | 92 | Detachment of 3,298 square miles from the North Slope Borough | |
| 1987 | 93 | Annexation of 40 square miles to the City of Dillingham | LR No. 6 |
| | 94 | Annexation of 164 acres to the City of Fairbanks | |
| | 95 | Annexation of 21 acres to the City of Fairbanks | |
| | 96 | Annexation of 8.58 acres to the City of Kodiak | |
| | 97 | Annexation of 268 acres to the City of Pelican | |
| 1988 | 98 | Annexation of 12.25 square miles to the City of Dillingham | |
| | 99 | Annexation of 12.85 square miles to the City of Kake | |
| 1989 | 100 | Annexation of 12,343 sq. miles to the Kodiak Island Borough | |
| | 101 | Annexation of 216 sq. miles to the Fairbanks North Star Borough | LR No. 6 |
| 1990 | 102 | Annexation of 1.3 miles to the City of North Pole | |
| 1992 | 103 | Annexation of 140 square miles to the City and Borough of Juneau | |

## Boundary Change Proposals before the Alaska Legislature, 1960 to Present

| Year | Number | Proposed Change | Legislative Disapproval |
|---|---|---|---|
| 1993 | 104 | Annexation of 7.25 square miles to the City of Hoonah | |
| | 105 | Annexation of 4.75 square miles to the City of Haines | |
| | 106 | Annexation of 7 square miles to the City of Haines | |
| | 107 | Annexation of 68.23 square miles to the City of Cordova | |
| | 108 | Annexation of 7.5 acres to the City of Palmer | |
| 1994 | 109 | Annexation of 21 square miles to the City of King Cove | |
| | 110 | Annexation of 42.8 acres to the City of Seldovia | |
| | 111 | Annexation of 1.8 acres to the City of Seldovia | |
| 1995 | 112 | Dissolution of the City of Atmautluak | |
| | 113 | Dissolution of the City of Kasigluk | |
| | 114 | 114. Dissolution of the City of Newtok | |
| | 115 | Dissolution of the City of Tuluksak | |
| | 116 | Dissolution of the City of Tununak | |
| 1996 | 117 | Detachment of 252 sq. miles from the Matanuska-Susitna Borough | |
| | 118 | Annexation of 83.71 acres to the City of Wasilla | |
| 1997 | 119 | Detachment of 13 acres from the City of Fairbanks | |
| | 120 | Annexation of territory to the City and Borough of Yakutat | |
| 1999 | 121 | Annexation of 6.5 square miles to the City of Haines | |
| 2000 | 122 | Annexation of 24.29 Square Miles to the City of Aleknagik | |
| | 123 | Annexation of 1.2 Square Miles to the City of Ketchikan | |
| 2002 | 124 | Annexation of 4.58 square miles to the City of Homer | |
| 2003 | 125 | Annexation of 921.34 acres to the City of Palmer | |
| 2008 | 126 | Annexation of 4,510 square miles to the Ketchikan Gateway Borough | |
| 2010 | 127 | Annexation of .05 square miles to the City of Fairbanks | |

**NOTES**: "Boundary Changes" here refers to changes in established boundaries, not to the creation of new cities or boroughs through incorporation. Both the state constitution (Article X, § 12) and state statutes (AS § 44.33.828 and AS § 29.06.040[b]) provide that boundary changes proposed to the legislature during the first ten days of any regular legislative session become effective at the earlier of 45 days after presentation or the end of the session unless the change is disapproved by a resolution concurred in by a majority of members of each house.

**SOURCES**: Local Boundary Commission and *Final Status of Bills and Resolutions*, various years.

## Info provided by the City of Fairbanks

**Including testimony opposed to HJR 39-In Favor of Annexation**

CITY
OF
FBNKS

# CITY OF FAIRBANKS

Terry Strle, Mayor

800 CUSHMAN STREET
FAIRBANKS, ALASKA 99701-4615
OFFICE: 907-459-6793
FAX: 907-459-6787
tmstrle@ci.fairbanks.ak.us


February 17, 2010

Representative Bob Herron & Representative Cathy Munoz, Co-Chairs
Representative Cissna, Representative Gardner, Representative Harris,
Representative Keller, and Representative Millett -
Members of House Community & Regional Affairs Committee

**RE: HJR 39; City of Fairbanks Annexation**

Dear Representatives:

I plan to testify at the February 23rd hearing on this matter. Attached is additional information. The Local Boundary Commission's decision was well-reasoned and supported by an extensive record and exhaustive review. The City Council authorized this very small annexation of the so-called "enclave lots" on Park & Riverside Drives (basically surrounded by the City), and the Fred Meyer Subdivision which is contiguous to the City.

The City followed the procedures authorized by the State's voters, found at Article X, Section 12 of the Alaska Constitution, as well as state statute and regulation. This method was used recently by the Ketchikan Gateway Borough and City of Homer without legislative veto. The Fairbanks North Star Borough recently properly applied state statute to annex territory to various fire service areas without an election in order to provide better fire protection.

As the Local Boundary Commission noted:

> ***"A majority of commission members felt it necessary to consider essential municipal services in a broad sense. The FNSB cannot provide police services, or building and fire code inspection and enforcement. The City of Fairbanks provides these services within its limits and has the capability to extend essential municipal service into the territories proposed for annexation. When considering the basket of essential municipal services, the commission finds that no other city, borough, or borough service area can provide essential municipal services on a more efficient and more effective basis."***

Thank you for your service to our state.

Sincerely,

Mayor Terry Strle

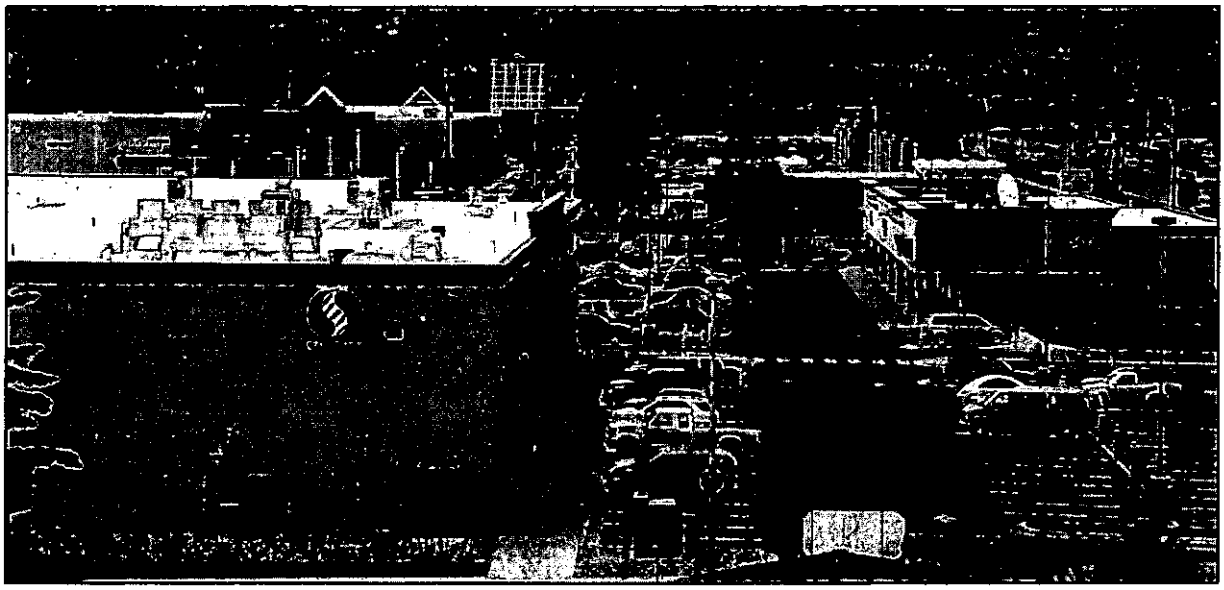
cc: Members of Interior Delegation

Attachments:

1. Annexation Fact Sheet.
2. Affidavit of Marc Dumas, MD (uncontested evidence that City can provide high quality emergency medical service to Fred Meyer Subdivision).
3. Comments from City Fire Chief Warren Cummings. (City ability to provide quality fire and EMS to area).
4. Letter of Support from Alaska State Troopers.
5. Letter of Support from Cathy Schulz, Manager of Sophie Station Hotel/Apartments (located farther south on University Avenue).
6. City's Witness List from Local Boundary Commission Hearing

# FACT SHEET

# CITY OF FAIRBANKS ANNEXATION



***PURPOSES OF ANNEXATION:***

1. To extend full City services to two areas which are already *de facto* parts of the City and receive benefit of city services. The two areas are referred to as the Fred Meyer Subdivision ("FMS") and the "Enclave Lots." Maps of both areas are attached. The FMS, pictured above, includes three businesses: the Fred Meyer West store, Taco Bell and a branch of Mt. McKinley Bank. The Safeway store and several ancillary retail facilities, in the foreground of the picture, are **within** the City limits.

2. To strengthen the ability of the existing City to provide essential municipal services to the vast majority of Interior residents who live, work, shop, attend schools, or engage in recreation in the City.

***ANNEXATION WILL PROVIDE IMPROVED PUBLIC SAFETY:***

1. Marc Dumas MD, an emergency medical specialist, testified that City paramedics provide a higher level of service than UFSA EMT students (from sub-station that is not always staffed). No other doctor testified to the contrary.

2. The FMS is within national response standards for EMS and fire service. The Manager of the Sophie Station Hotel/Apartments – located further south on South University Avenue. – wrote a letter of support, noting the good service they receive.

3. City is the only provider of bank robbery deterrent system to serve banks at FMS.

For additional information please contact Mayor Terry Strle
tmstrle@ci.fairbanks.ak.us 459-6793

4. Any major incident in our community requires mutual aide, which remains in place.

5. **The City Police Department offers a far higher level of police service than provided by the Alaska State Troopers—nearly three times the number of officers per capita.** The Troopers have approximately 52 budgeted Trooper positions for the entire "D Detachment" which includes over 100,000 people in 205,000 square miles with 30 Alaska Native villages and 20 highway communities. The Troopers also submitted a letter of support.

*EXTENSIVE OPPORTUNITY FOR PUBLIC COMMENT*

- **None of the affected property owners at the Fred Meyer Subdivision filed any written or oral objection to the Local Boundary Commission regarding the annexation**. *(Fred Meyer and Mt. McKinley Bank made comments prior to the petition being filed but took no further formal action during the public process).*

- **On more than 17 occasions,** opportunity was extended to the public to make comments through advertising and/or public meetings. The process has met and exceeded requirements for public involvement and transparency.

- There were **over forty articles** in the *Fairbanks Daily News-Miner* regarding the annexation and several stories on our two local television news stations.

- At the City Council meeting to consider the resolution to annex, only eight people commented, and a mere 13 comments were made during the FNSB's meeting to consider a resolution in opposition. A total of **30 people commented at the LBC Public Hearing**. Compare that number to the throngs of people who have crammed City and Borough chambers recently regarding air quality, dumpster-diving, cell phone towers, junkyard ordinances or the use of fluoride in the water system.

- The Local Boundary Commission and the City had **direct written communication** with affected property owners on **four separate occasions.**

*MINIMAL IMPACT ON EXISTING BOROUGH*

- The annexation will have a minimal impact on the University Fire Service Area 2010 budget: a 2.38% reduction **of $52,000** from their $2,188,040 budget. The University Fire Service area has the **largest budget of the five fire service areas** formed by the Fairbanks North Star Borough.

- The loss of revenue to the Fairbanks North Star Borough is less than **one-quarter of one percent** of their annual 132 million dollar budget.

*ANNEXATION MEETS CURRENT LEGAL STANDARDS SET BY STATUTE & REGULATION*

- This modest annexation followed the same standards recently used – for much larger areas -- by the City of Homer and Ketchikan Gateway Borough. Neither was vetoed by

the legislature. Even if legislature wishes to a make prospective change, it should not treat this annexation differently that others made under current law.

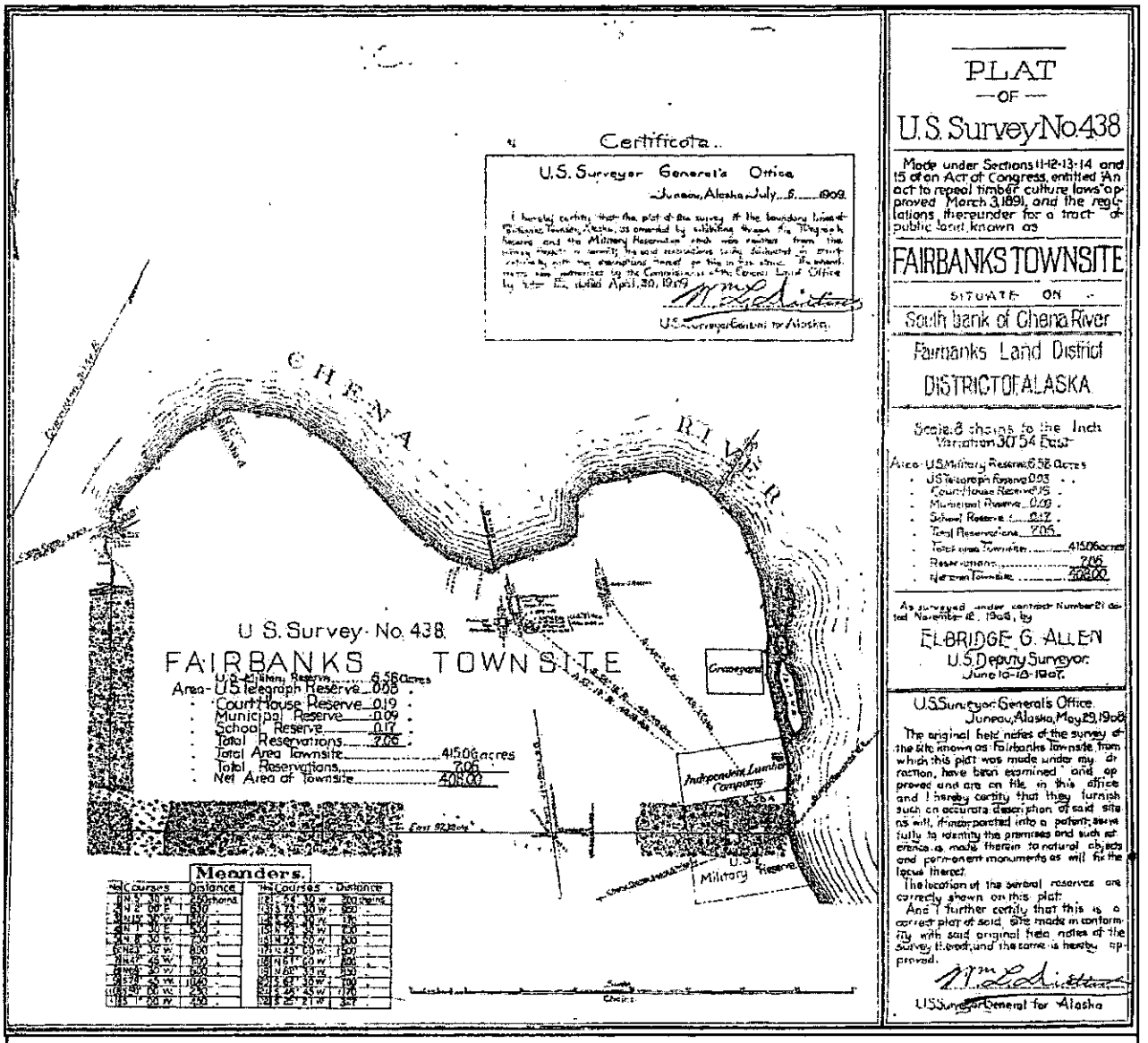
- Historically, other areas opposed annexation, areas that are now integral parts of the City. The drafters of Alaska's Constitution recognized that requiring voter/owner/borough approval of every effort by a city to annex would lead to weakened cities unable to provide adequate public safety for the community.

- The Fairbanks North Star Borough recently used an analogous statute to expand fire service area boundaries without an election.

Attachments:

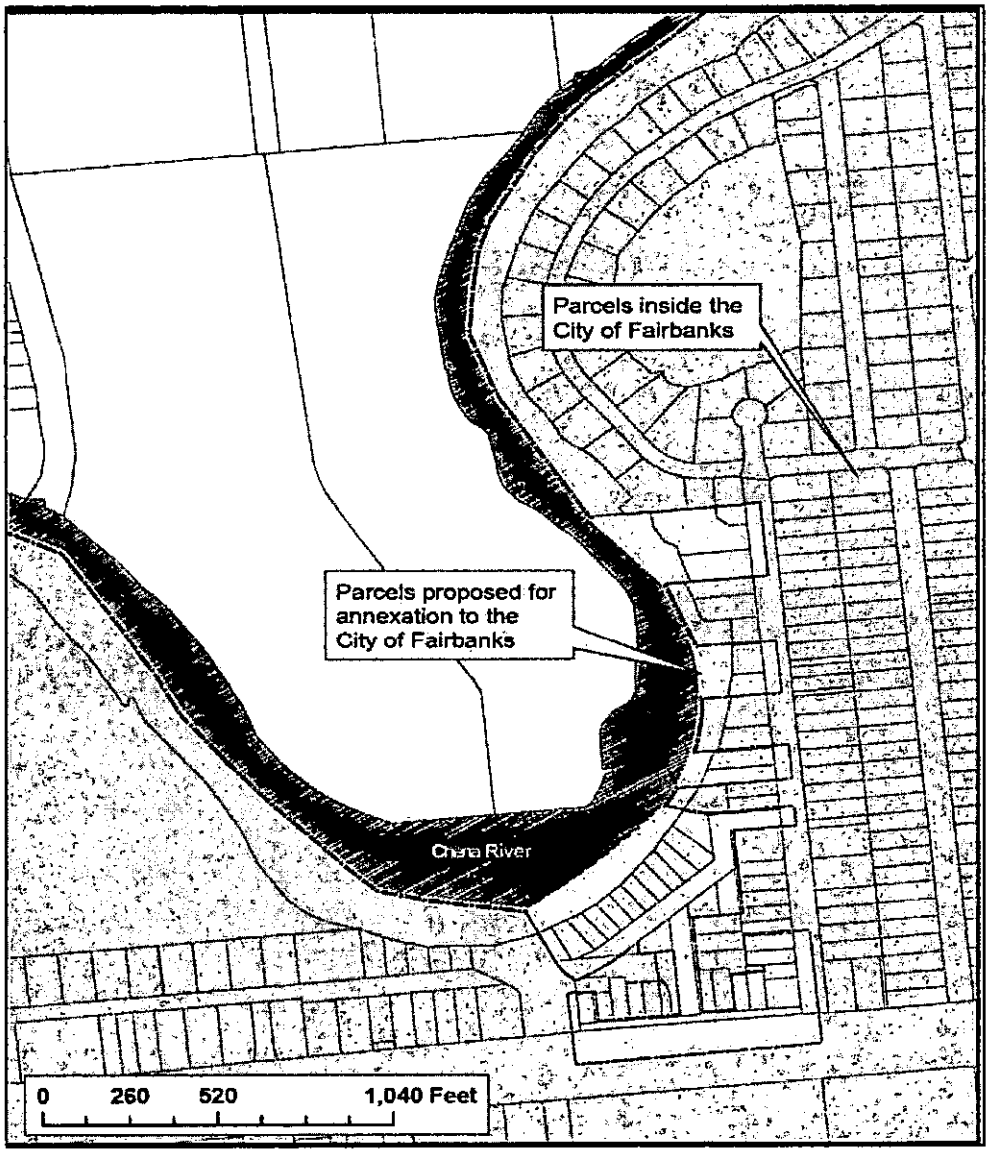
Original City Townsite, circa 1908
Map of two areas currently proposed for annexation.

For additional information please contact Mayor Terry Strle
tmstrle@ci.fairbanks.ak.us 459-6793

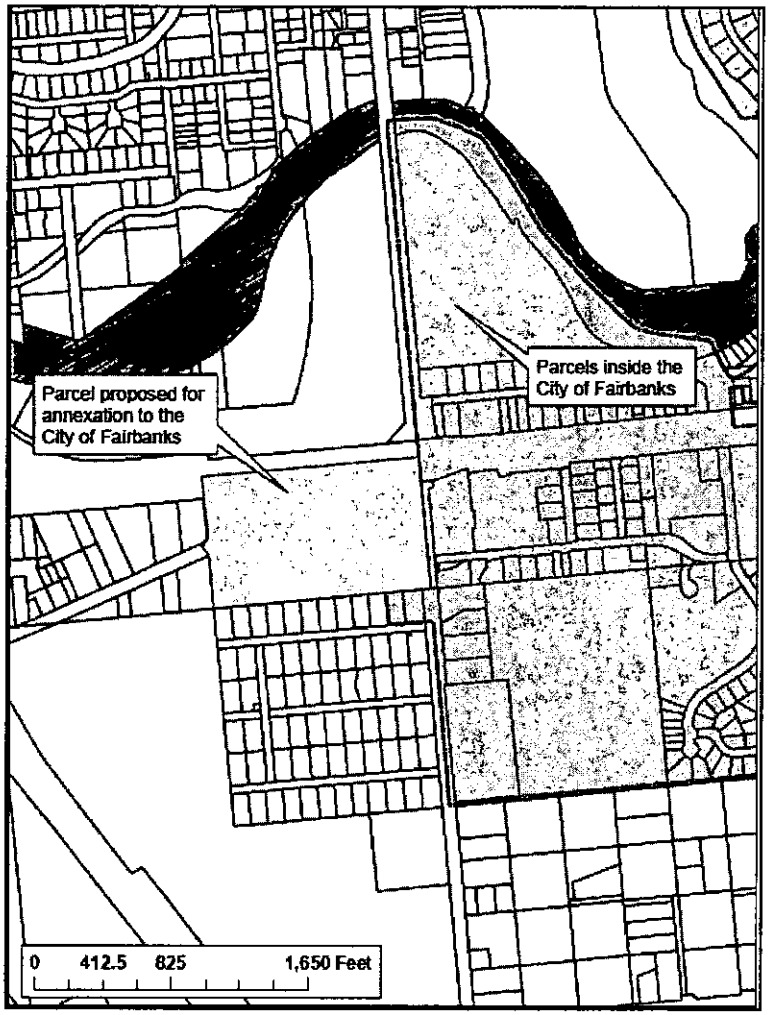



Original City boundaries did not extend north of the Chena. The southern boundary was close to present-day 10th Ave.

For additional information please contact Mayor Terry Strle
tmstrle@ci.fairbanks.ak.us 459-6793




For additional information please contact Mayor Terry Strle
tmstrle@ci.fairbanks.ak.us 459-6793




For additional information please contact Mayor Terry Strle
tmstrle@ci.fairbanks.ak.us 459-6793

## AFFIDAVIT OF MARC DUMAS, MD

I, Marc Dumas, being first duly sworn on oath, depose and state that:

1. I am a Doctor of Medicine, having received my undergraduate degree at the State University of NY Upstate Medical University, Syracuse, NY, and internship and residency training at the Geisinger Medical Center, Danville, PA.

2. Emergency medicine is my area of medical specialty; I am residency-trained and board-certified in emergency medicine. I am a Fellow of the American College of Emergency Physicians and a Fellow of the American Academy of Emergency Medicine.

3. My employment history can be summarized as follows: emergency physician at Fairbanks Memorial Hospital from 1991 to 2001; practiced specialized sports medicine and orthopedics at Sports-Medicine Fairbanks from 2001 to 2003; served as a flight physician and Medical Director of Guardian Flight, Inc. from 2004 to the present. I also served as the Medical Director of the Yukon Flats Health Center for the last 4 years.

4. I am currently engaged as the Medical Director for the City of Fairbanks Fire Department and have been for the past five years. I am well aware of the training, education, practical experience of the City's paramedics and EMTs. On a weekly basis, I conduct routine training of City EMS staff, review the ambulance responses, and interact with the City EMS staff to the point where I have an informed opinion as to the level of service they provide.

5. The level of skill and training required to become and remain a paramedic is much greater than that required for an EMT III. To become a paramedic requires more than 1,200 hours of classroom study and clinical training. By comparison, only 240 hours are required to be certified as a EMT III.

6. In addition to training and education, it is vitally important that paramedics handle a certain volume of patients to maintain their skills set. The City EMS program responded to 3,352 calls in 2008 (roughly one call every three hours); this level of response provides the opportunity for the City paramedics and EMTs to see a wide variety of medical situations.

7. The City EMS program provides a highly qualified service to the patients treated that in many cases has saved lives, reduced suffering and aided to patient treatment. A large part of the City's success is due to the fact that the City provides fulltime paramedic level care and

the fact that at least two paramedics are always on duty. Because the City now employs 17 paramedics, there are usually 2-5 actually on duty; (and sometimes 6).

8. Full-time paramedic level EMS service provides a higher level of essential public emergency medical service than EMT level service, even in situations that are not life-threatening.

9. EMT level responders, particularly when new to the field, would not always be able to determine if a patient would be better served by a paramedic.

10. The advantages of offering higher level paramedic level service are significant, and the City EMS could adequately respond to the Fred Meyer Subdivision and offer a higher level of emergency medical care. Even with the current number of paramedics and EMTs, the City of Fairbanks can offer a higher level of EMS service to the Fred Meyer Subdivision than an agency which does not offer full-time paramedic level EMS. To put it colloquially, when your life or the life of a loved one in on the line, who do you want landing your disabled jet on the Hudson River; a pilot with 19,000 hours of stick time and advanced training, or the pilot of a twin engine commuter aircraft with 100 hours in type?

Marc Dumas, M.D.

SUBSCRIBED AND SWORN TO before me this 8th day of May, 2009.

Amber B. Courtney
Notary Public in and for the State of Alaska
My commission expires: 9/11/2011

AMBER B. COURTNEY NOTARY PUBLIC STATE OF ALASKA

## Comments for House Community & Regional Affairs Committee

City of Fairbanks Fire Chief Warren B. Cummings:

I've been employed by the City of Fairbanks since 1972 and have had operational control of the Fire Department since 1994.

The City of Fairbanks currently has 44 employees. The national average "staff per 1000 population" for fire personnel is 1.71. The City of Fairbanks currently exceeds that standard: we are currently staffed at 1.93 per thousand.

In 2008, we had 4186 calls, 834 fire and 3352 ambulance calls. We have a "save rate" of 99.18% on $140,000,000 worth of property. We averaged 11.5 calls per day, which are chiefly ambulance calls.

A portrait of our staff:

Average of 17 years of experience, 10 with the City of Fairbanks,
Our 17 Paramedics average eight years of experience as paramedics,
15 of our employees are from UAF Fire Department/program,
10 of our employees have been UAF Emergency Service Instructors.

Our response times for Fred Meyer is within National Standard Response Formula. (Note: our vehicles equipped with Opticom system, which automatically changes red lights to green as emergency vehicles approach):

FF Station 1 3.73 minutes
FF Station 3 3.99 minutes
National Standards – 4.00 minutes.

A comparison of our request for mutual aid and those made by the University Fire Department are very similar:

| **5 Year Mutual Aid Request Average** | |
|---|---|
| City | 13.7 requests per/1000 calls |
| University | 13.0 requests per/1000 calls |

We provide fire code review, inspection and enforcement along with fire investigation.

1. No onsite construction inspections were done for the properties located in the annexation area to ensure compliance with Building Codes.

2. Very few Fire Code inspections by State since completion:
   Fred Meyer last inspected in 2002
   Taco Bell last inspected in 2003
   Mt McKinley Bank Never inspected

The City of Fairbanks has a better chance of inspecting these properties just based on area of coverage. State Fire Marshall covers all of Northern Alaska versus the City of Fairbanks all of the property in the city limits. No different than City Police covering an area versus the State Troopers coverage area.

The City of Fairbanks had the first Class 2 rating in Alaska, but was lowered to Class 4 in the 1980's during the post oil boom downturn. In 1999 we returned to a Class 3. We had expected to be graded this past year but it didn't happen. Next year there will be an upgrade to the ISO schedule that will give bonus points for:

1. Fire Codes
2. Fire Inspections
3. Fire Investigations
4. Fire Prevention Programs

All of which will help the city's rating as they are provided by the City of Fairbanks. Because of our improvements since 1999, we see no problem returning to our Class 2 rating of 1980.

Note: Only 5% of Fire Departments in the nation have an ISO rating of 3 or higher!

The City provides the full package of emergency services:

Need fire suppression? – got it.
Need paramedic level ambulance? – got it.
Need police response with traffic control, interviews, accountability?– got it.
Need public works – barricades, heavy equipment, plows, steam truck? – got it.
Need structural inspection from building department? – got it.
Need electrical or Fire Code electrical inspector? – got it.
Need coordinated dispatch? – got it.
Need police or fire investigation?– got it.

We provide a higher level of all essential government services. No other entity can provide the whole package.

We presented supportive testimony from emergency medicine doctor, Alaska State Troopers and the general manager of a hotel located farther from Fred Meyer on University Avenue.

postmarked 04/21/09

# State of Alaska
Department of Public Safety
# Division of Alaska State Troopers

Sarah Palin, Governor
Joseph A. Masters, Commissioner

April 16, 2009

Fairbanks City Clerk's Office
City Hall
800 Cushman St.
Fairbanks, AK 99701

Subject: Proposed Annexation by City of Fairbanks-Police Services and Protection

To Whom It May Concern,

The Alaska State Troopers has received a copy of the City's Petition to annex two territories in the Fairbanks area: the Fred Meyer Subdivision and the territory known as the "enclave lots" near the Chena River and the vicinity of Park and Riverside.

The City is certainly capable of providing police services and protection to these territories, both of which are currently served by the Alaska State Troopers. In addition, the annexation by the City would relieve the state government of the responsibility of providing local police services. Annexation would enable the Troopers to focus more efforts on the needs outside the city service areas.

Sincerely,

Audie Holloway

Colonel Audie Holloway
Director

CC: Brad Johnson, Acting Chief, Fairbanks Police Department

Office of the Director
5700 East Tudor Road - Anchorage, AK 99507 - Phone (907) 269-5511 - Fax (907) 337-2059

# Local Boundary Commission
## 2009 Fairbanks Annexation Petition
## City of Fairbanks Witness List
## Listed in alphabetical order, not order of testimony
## It is planned that all witnesses will appear in person

| Name | Attached Page | Area of Substantive Testimony | Est. time in minutes |
|---|---|---|---|
| CB Bettisworth, Architect, former LBC Member | 1 | 1. Boundary decisions should be made in accord with regulations and not short-term local opposition.<br>2. Legislative review method.<br>3. City should expand its boundaries to include urban areas.<br>4. Territory is compatible and needs City service | 15 |
| Patrick Cole, City Chief of Staff | 3 | 1. History of City Annexations & background of this Petition.<br>2. Research on each applicable standards.<br>3. Efforts to resolve issues with University Fire Service Area. | 10 |
| Warren Cummings, City Fire Chief | 5 | 1. City Fire Department's operational capabilities.<br>2. Relationship between City and University Fire Department.<br>3. City Fire Department can meet the unmet fire suppression needs of the enclave lots and the unmet fire prevention & building safety needs of the Fred Meyer Subdivision. | 10 |
| Marc Dumas, M.D. Emergency Medicine Physician | 7 | City paramedics will provide needed paramedic service in the territory to be annexed. | 10 |
| Gregg Erickson, Economist, *Erickson & Associates* | 9 | Annexation of this compatible territory meets regulatory standards and should be approved. | 15 |
| Vic Fischer | 17 | 1. Constitutional preference for legislative review annexation.<br>2. Constitutional preference that urban territories be annexed to City rather than a service area.<br>3. This Annexation meets regulatory standards and should be approved. | 15 |
| Stephanie Johnson, City Dispatch Center Manager | 22 | City Dispatch center will provide needed integrated emergency service to the territory to be annexed. | 10 |
| James Soileau, City Chief Financial Officer | 25 | The economy within the proposed expanded boundaries would provide the City with revenues needed to provide essential municipal services on an effective, cost-effective basis and enhance the extent to which the existing city meets the standards for incorporation. | 10 |
| Terry Strle, City Mayor | 27 | 1. Efforts to avoid conflict with Borough & Fire Service Area.<br>2. City boundaries should include territory that meets statutory standards for annexation. | 10 |
| Laren Zager, City Police Chief | 28 | 1. City Police will easily be able to handle minor call volume increase.<br>2. Annexation will relieve the state of the duty to provide police service.<br>3. City already providing some police service to territory.<br>2. City is only provider of robbery prevention technology that benefits the territory to be annexed. | 10 |

Introduced By: Council Member Eberhart
Introduced: February 8, 2010

**RESOLUTION NO. 4399**

**A RESOLUTION IN SUPPORT OF THE LOCAL BOUNDARY COMMISSION APPROVAL OF ANNEXATION OF THE FRED MEYER SUBDIVISION AND THE "ENCLAVE" LOTS ON PARK AND RIVERSIDE DRIVES, BARTLETT AVENUE, AND AIRPORT ACCESS ROAD**

**WHEREAS**, since its 1903 incorporation, the boundaries of the City of Fairbanks have periodically been enlarged in light of urban growth; and

**WHEREAS,** after extensive analysis and multiple opportunities for public involvement, the Local Boundary Commission approved annexation of these two areas into the City, finding that applicable regulatory standards for annexation were met; and

**WHEREAS,** the Local Boundary Commission agreed that the City can provide essential municipal services to these territories on a cost efficient basis.

**NOW, THEREFORE, BE IT RESOLVED** that the Fairbanks City Council strongly encourages our Interior State Delegation, and the Alaska Legislature, to support the Local Boundary Commission's decision.

Terry Strle, City Mayor

AYES: Eberhart, Gatewood, Bratcher, Roberts
NAYS: Stiver, Cleworth
ABSTAIN:
ABSENT:
ADOPTED: February 08, 2010

ATTEST:

Janey Hovenden, CMC, City Clerk

APPROVED AS TO FORM:

Paul J. Ewers, City Attorney

## Terry Harvey

**From:** Brenda Hewitt [brenda@hewitt.net]
**Sent:** Monday, February 08, 2010 8:27 PM
**To:** Terry Harvey
**Subject:** Fairbanks Annexation - Yes

I am in favor of this particular annexation (Fred Meyers area in Fairbanks). I have lived on Peger Road most of my life and we chose to be annexed to the city back in 1971 and have been paying the higher taxes for that privilege. Oh, I complain sometimes but we did it. The thing is, most people won't vote for an increase in taxation and why should they? They are getting all the benefits of being in the city without paying for it, making those of us that are willing to pay, pay more. I don't think that is fair. If it looks like a duck, walks like a duck, quacks like a duck, then it is a duck. It is fair. Truly fair to those of us in the city that are already paying all these taxes for the services that they are enjoying. I think they should annex all the way down to the Airport.
I know there are a bunch of fellow conservatives that are complaining but I don't think they should. Most of them aren't even effected by the change as they live in North Pole.
I just have to share my thoughts with you.
Thanks, Brenda

# SOPHIE STATION HOTEL

(907) 479-3650 • 1717 University Avenue, Fairbanks, Alaska 99709 • Fax (907) 479-7931 Fairbanks, Alaska



RECEIVED

SEP 0 6 2008

City Mayor's Office


September 4, 2008

Mayor Strle
City of Fairbanks
800 Cushman Street
Fairbanks, AK 99701

Re: Fire & Police Protection

Dear Mayor Strle,

This is to acknowledge the excellent fire and police protection provided by The City Of Fairbanks to Sophie Station Hotel.

As General Manager since 1988, I have had the opportunity to work with a variety of city officials, Battalion Chiefs, and Police Captains. I have always found the service to be prompt, dependable and professional.

Thank you for continuing this fine tradition.

Warm Regards,

Catherine

Catherine Schultz
General Manager

**Petitions, Email, POM's in favor of HJR 39-Opposed to Annexation**

FOR
HJR
39

2260

LIST B

We, the undersigned, oppose the City of Fairbanks 2008 annexation proposal referencing the Fred Meyer and Riverside areas of 0.05 square miles.

| Name/Printed | Name/Signed | Address |
|---|---|---|
| Patricia A. Carroll | | 1118 Park Fai AK 99709 |
| JILL COLE | | 2502 Talkeetna FbksAK 99709 |
| JOHN COLE | | 2502 Talkeetna FbksAK 99709 |
| ANNA BARKER | | 1190 NENANA ST, FBKS |
| John Gindler | | P.O. Box 60655, Fai. AK 99706 |
| Linda Charlie | | 938 Dennis Rd. N.P. |
| Gerald EVANS | | 5 Eleanor Ave Fairbanks, AK 99701 |
| Melvin Charlie | | 938 Dennis Rd. N. P. AK 99705 |
| Rebecca | | Po Box 71073 Fairbanks, AK 99707 |
| Anthony Mattelli | | Po Box 71073 Fairbanks, AK 99707 |
| Patrick Williams | | 2514 Riverview Dr Fairbanks AK 99709 |
| CHARLES HUNTINGTON | | PO BOX 73648 FBKS AK 99707 |
| Bonnie Johnstone | | 3206 Airport Road, Fbks, AK 99709 |
| Casey Davis | | P.O. BOX 10846 FBKS AK 99710 |
| Matt Wilson | | 4956 DARTMOUTH DR FBKS AK 99709 |
| LOIS JAMES | | 108 Oak Dr Fbks. AK 99709 |
| Carl Johansen | | 1107 Nenana St. FBKS, AK 99709 |
| JOHN J ZAUSEL | | 5381 DECATHLON FBKS AK 99709 |
| Christopher L. Quist | | 708 10th Ave FBK AK 99701 |
| Stephanie G. Ketzler | | 1628 Cottonwood St FBKS AK 99709 |
| DALE ALBERTZ | | 3007 S Kobuk 99709 |
| DONALD E. CROCKER | | P.O. BOX 81546 FBK AK 99708 |
| JAMES R. FIKES | | 1412 HUCKLES LANE |
| Catarino Rodriguez | CATARINO RODRIGUEZ | 3310 RIVERSIDE DR. APT 4 FBKS 99709 |
| Peter H. Mayer | | 540 University Ave FBKS, AK |

OVER

2261

owners list.

LIST 'A'

We, the undersigned, oppose the City of Fairbanks 2008 annexation proposal referencing the Fred Meyer and Riverside areas of 0.05 square miles.

| Name/Printed | Name/Signed | Address |
|---|---|---|
| Richard Smoker | Richard Smoker | 3310 Riverside Dr. |
| Sherrelyn Argend | Sherrelyn Argend | 3310 Riverside Dr. |
| Joseph R. Hebert | Joseph R. Hebert | 3330 Riverside Dr. |
| Linda M. Hebert | Linda M. Hebert | 3330 Riverside Dr |
| M&R Inc Ludwig & Et Bergh | Ludwig J. Bergh | 3206 Airport Way |
| ANJO, Inc / Annie Neubauer | Annie Neubauer | P.O. Box 80626, Fairbanks 99708 |
| Dan Gilbertson | Dan Gilbertson | 1102 Park Drive 99709 |
| Gabrielle Gilbertson | Gabrielle Gilbertson | 1102 Park Drive 99709 |
| Walter Lord | Walter Lord 11/24 | 1114 Park drive 99709 |
| Charles Rossiter | Charles Rossiter | 3430 Duncan Rd NP 99705 |
| Judy Benefield | Judy Benefield | 3316 Riverside Dr. 99709 |
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**Analysis of petition report issued by the City of Fairbanks supporting the annexation of Fred Meyer West property**

Prepared by William Shechter
4910 Palo Verde Ave.
Fairbanks, AK 99709
>Former Fire Chief, University of Alaska Fairbanks
>Former Fire Chief, City of Fairbanks
>Former Fairbanks North Star Borough Emergency Manager
>Current secretary, University Fire Service Area Commission

Date: March 15, 2009

Abbreviations used in this analysis:
UFD = University Fire Department
UFSA = University Fire Service Area
FFD = Fairbanks Fire Department
FPD = Fairbanks Police Department
PW = Public Works
AST = Alaska State Troopers
ADOT = Alaska Department of Transportation
LBC = Local Boundary Commission
EMS = Emergency Medical Services
FNSB = Fairbanks North Star Borough

Introduction

Review by the staff of the LBC of the proposed annexation by the City of Fairbanks of the Fred Meyer West property is based on a report issued by the City of Fairbanks that includes inaccurate, incomplete, and nonfactual information. The poor quality of this report was brought to the attention of the city council at their November 24, 2008 hearing; however, the city council chose to disregard these warnings because of the financial issues associated with the annexation effort. One of the most grievous mistakes by the city was to start comparing FFD with UFD. Much of this analysis was included in testimony on November 24th and is presented here to clarify many statements made by the city and to assist the LBC and its staff in their review of the annexation proposal.

Over the years the LBC has denied annexation petitions where the sole purpose is financial gains rather than an improvement in levels of service. This analysis clearly demonstrates, as has been testified to the city council members on November 24, 2008, the primary reason for the proposed annexation of the Fred Meyer property is **financial gain**.

In much of the their petition, the City of Fairbanks failed to clarify issues and did nothing to avoid gross confusion when discussing the Fred Meyer West property and the "enclave" properties - both covered in the same petition.

As noted in this analysis, the FNSB Assembly and Mayor Jim Whitaker have both indicated their opposition this annexation petition.

This analysis is based on the September 8, 2008 petition report.

**Page 5 (3rd parag.):** The city's petition starts out with the most obvious incorrect statement because customers and business owners in the Fred Meyer West property do NOT currently enjoy any city services. This is clearly a false statement.

**Page 5 (last parag.):** As a practical matter, as noted later in the analysis, EMT-III personnel have proven to be more than sufficient for the EMS needs of emergencies at the Fred Meyer property.

**Page 6 (Emerg. Dispatch Services):** The city's petition is inaccurate and incomplete when discussing this issue. The city's dispatch center answers Enhanced 911 calls (land line) originating from inside the city and for all cell phone calls originating anywhere in the Borough (even outside the Borough in some cases). Land line 911 calls originating in the Borough (outside the city) are answered by the AST dispatcher. Of importance, but not discussed in the city's petition, is knowing that, no matter who calls into the Enhanced 911 System, all calls can be electronically transferred between the Public Safety Answering Points (PSAP). This means that calls initially handled by the city dispatch center, when needed, are instantaneously transferred to the UFD dispatch center or to AST dispatch center, along with all caller information (phone number and location).

In summary - this means that dispatchers at FFD/FPD, UFD, AST, and the Airport can all receive the same electronic information.

**Page 7**: Both the City of Fairbanks fire and police chiefs for years have requested additional personnel to handle the ever growing number of calls for service associated with growth of businesses and population. However, their requests have continually been denied by the city council. Only as a result of a federal grant, has the city council, early in 2009, authorized one additional firefighter per shift. Even this authorization vote was far from unanimous because of concern for long term employment after the grant expires in a few years. This decision to hire 3 additional firefighters did not increase the minimum number of on-duty personnel per shift.

Staffing and response problems within the FFD are identified not only in Exhibit M of their annexation petition but also in the January 25, 2009 Fairbanks Daily News Miner article.

It is totally inaccurate to assert that the Fred Meyer property currently enjoys or benefits from any city service - this is simply not true. This assertion is noted throughout the city's petition.

**Page 8 (last parag.):** The ability of the FFD to adequately service the Fred Meyer property is seriously in question when considering the number of multiple EMS responses handled by the FFD resulting in a high number of times agencies outside the city are requested to respond into the city. The high number of multiple EMS calls (some requiring fire apparatus response) within the city also results in a reduction of available FFD personnel to man the fire apparatus and be ready to respond accordingly. A few years ago a loss of life at a motel fire in the heart of the city was attributed (by FFD personnel) in part to the lack of on-duty personnel while handling multiple EMS calls.

**Page 10 (1st parag.):** The city does not allocate any highway construction funds directly impacting the Fred Meyer property in as much as all roads servicing these businesses are under the jurisdiction of ADOT (e.g. Airport Rd. and University Ave.).

**Page 10 (last parag.):** This clearly demonstrates, as was identified on numerous occasions during the November 24th hearing, that the City of Fairbanks is only interested in the financial gains associated with the proposed annexation.

**Page 13 (chart):** The identified 2008 estimated alcohol and tobacco tax revenues ($325,864) is part of the financial gain so evident in the city's petition. It also becomes a significant loss to the FNSB which is one of the reasons the FNSB Assembly voted to formally oppose the annexation petition.

**Page 20 (last parag.):** According to the approved city's budget the FFD will not be adding 3 more paramedic/firefighters in 2009.

**Page 23 (chart):** The city failed to identify the level of EMT services that EMS personnel at the UFD provide. The State of Alaska is the only state in the nation that utilizes EMT-I, -II and -III levels. All other states have only EMT-Basic and Advance levels. The EMT-III level (operated by the UFD) incorporates approx. 80% of the training required to be a nationally recognized paramedic. EMT-III trained personnel focus their expertise on cardiac emergencies. In addition, records will show that in 15 years of responding to Fred Meyer West for EMS calls, there has *never* been an incident requiring a paramedic.

**Page 24 (Sect. 18, A.):** As stated by the Fred Meyer West store director, David Atlee, there really is NO NEED for his store to have any city services. He is more than satisfied with responses provided by UFD and AST. The city has truly fabricated this assertion.

**Page 25 (parag. B.):** As stated elsewhere, there are no city services needed by Fred Meyer West so efficiency and effectiveness are non-issues. The

effectiveness of a much closer fire and EMS response from the UFD have never been questioned. The store director's primary concern is the loss of effectiveness by having the FFD responding from such a distance.

**(parag. E.):** There is no permanent population within the Fred Meyer West property. Transient population (shoppers, delivery people, and employees) is, obviously, not the issue here.

**Exhibit E, pg. 1, C**: Contrary to the city's assessment, there is no transition plan associated with the proposed annexation of the Fred Meyer property in as much as the Borough Assembly has voted to oppose the entire transfer of assets and liabilities to the City of Fairbanks.

**Exhibit E, pg. 4**: One of the major concerns of the UFSA Commission in objecting to the annexation deals with the city not honoring past commitments - as a precedent to any agreement regarding the proposed annexation. The city's initial agreement to reimburse the UFSA Commission for the loss of revenue was withdrawn. The city council, after signing its own labor contracts, has, in previous years, refused to fund components of the labor agreement they originally agreed upon. Prior action by the city council leaves a lot to be desired when "trusting" them to do what they say vs. what they really do even within the parameters of a contract.

**Exhibit E, pg. 5-6-7**: This is the section of the city's petition that received considerable testimony at the Nov. 24th hearing.

The FFD experiences the highest volume of multiple emergency responses of any fire/EMS agency in the Interior of Alaska. These multiple EMS calls require fire apparatus personnel to respond either with their fire vehicles (for serious life-threatening medical emergencies) or to cross-staff the ambulances leaving the fire apparatus with only a driver and, hopefully, an officer. During these times, fire suppression capabilities within the city are drastically reduced, at least until mutual aid can be called or off-duty FFD personnel can respond to the station.

Taking on additional responsibility would only make the situation worse, especially since the city council has refused to hire more personnel.

For this reason the UFD or other area civilian or military fire departments are often requested to respond inside the city.

It is important to understand that as the City of Fairbanks has grown and demands on the FFD have grown, total uniformed personnel has not kept up to the increases when compared to employees working there in the early 1990's.

On the other hand, however, the UFSA Commission has funded additional UFD personnel to handle their increased workload.

The city's petition addresses the UFD Station #2 being empty. The petition implies that the FFD main station is, likewise, not empty. Multiple responses dictates otherwise. The petition also implies that FFD personnel must never be out of their station for training purposes, which is really unreasonable.

The UFD has developed a training complex directly behind the UFSA Station #2 - all in an effort towards keeping emergency personnel available in their assigned response area.

The city's petition boasts about FFD's 2 aerial platforms. Throughout the U.S. fire service there has been much discussion regarding the effectiveness of aerial platforms vs. aerial ladders. This community is blessed by having both - 2 platforms in the city and 2 aerial ladders in the UFD. Aerial ladders require less room to operate and can reach just as high. High-level rescue in the Fred Meyer property is not an issue regarding the use of aerial devices. The most important attribute is the ability to deliver large quantities of water - a feature of both types of aerial devices equally. Of interest - the UFSA has recently ordered a new aerial ladder truck for the UFD.

The city's petition touts the use of grant funding for personnel. This may prove to be a problem when the grants expire and the city council, as previously mentioned, involves a federal grant of limited duration for increasing one additional firefighter per shift. An opposite philosophy is used by the UFSA Commission. The commission funds additional UFD employees through ***sustainable*** residential property tax revenues, a process that allows for appropriate long range master planning.

The city's petition erroneously states that UFD EMT training is only a "fraction" of what is required to become a paramedic. This is simply not true. As mentioned previously in this analysis, EMT-III's receive medical training nearly to the extend of a nationally recognized paramedic. This statement is supported by the hiring of previous UFD firefighters in the Lower 48 and their paramedic training.

The benefits expounded in this section about the FFD is, somewhat, contrary to the city's own statistics on response times, as elaborated in Section M, page 16 of their annexation petition.

The city's petition also discusses police response to the Fred Meyer property. This is done as a mutual aid response to assist AST. As discussed previously, the police chief has requested additional personnel to maintain an acceptable ratio of population and calls for service with officers on patrol. This has not been approved by the city council. The Fred Meyer store director is pleased with the response of AST to problems in his store. The streets around Fred Meyer are already patrolled by AST, FPD, as well as the Airport Police Department. For serious law enforcement emergencies, as with fire agencies, multiple police agencies have responded to the Fred Meyer property. This includes bank alarms, robberies, release of toxic materials inside Fred Meyers, etc. The incident

involving the release of a toxic substance was coordinated by the UFD and involved multiple fire, EMS, and police agencies.

**Exhibit E, pg. 7**: Here the city's petition again demonstrates its total lack of understanding of real-life conditions regarding emergency communications.

Contrary to the petition, the UFD does, in fact, have full capabilities to utilize ALMR - the newest digital trunking radio system. All radios (portable, mobile, and base) have this new technology. However, since it has been shown that ALMR radios do not work well inside large buildings, UFD officers only use ALMR when responding with other Borough fire agencies or during large disasters when communications with state officials are required. The report never mentions that FFD also does not use ALMR when fighting fires inside large buildings in the city.

The petition also fails to mention that the FNSB has identified the University Dispatch Center as the back-up Emergency Operations Center (EOC) to the entire Borough. The primary EOC is the City of Fairbanks Dispatch Center; however, as backup, the University Dispatch Center has all of the capabilities necessary.

This is another example of the city using distorted facts to promote its agenda of ignoring service levels and concentrate on financial gains associated with the proposed Fred Meyer annexation.

**Exhibit H, pg. 1**: Contrary to the real situation, there is no additional economic development possible within the Fred Meyer West property. In fact both Fred Meyer's store director, the board of directors for Mt. McKinley Bank, and the owner of Taco Bell have all expressed their desire not to be annexed and that they see no need to extend city services to their businesses. Recent public testimony by Craig Ingram and Jerry Cleworth, representing bank directors, opposed the city proposed annexation.

**Exhibit H, pg. 3** (2nd parag.): Contrary to statements by the city, the current service area does provide all necessary and wanted services - namely fire suppression and EMS. As with all private property owners, there is no need for Public Works and there is total satisfaction with the attention provided by AST. The efficiency and effectiveness of the UFD is equal or better to that provided by FFD mainly because of the significant difference in response distance/time. Tactically, both fire departments hold joint training exercises, work together on many mutual aid responses inside the city, and both have the latest designed equipment and apparatus.

**Exhibit H, pg. 4** (parag. (3) in lower ½ of page): This emphasizes the real and only purpose that the city of Fairbanks is proposing to annex the Fred Meyer property- "*to generate and collect local revenue and income from the territory.*"

**Exhibit H, pg. 6 (3rd major discussion point)**: Contrary to statements by the city, there has never been any confusion regarding whether the Fred Meyer West property is in or out of the City of Fairbanks. This has been very clear and well understood by everyone since Fred Meyer West was built nearly 18 years ago.

**Exhibit H, pg. 7 & 8 (1)**: There has never been a determination by the LBC for the need to annex Fred Meyer property to the city. This is a very misleading and inaccurate statement.

**(2)**: There is no danger to city residents by keeping the Fred Meyer property out of the city. As a matter of fact there is considerably more hazard to city residents because of spreading the fire and police departments even thinner that they already are. The areas South of Van Horn Road have commercial and industrial businesses and some are without fire protection coverage. The city refuses to give attention to these unprotected areas in order to protect its residents from hazardous materials influences.

**(3)**: Regarding the Fred Meyer property, there is absolutely no need nor is there any request to extend city services.

**(4)**: Currently the city does NOT provide any services to the Fred Meyer West property - another example of twisting the facts.

**(5)**: There is no possibility for any additional economic growth within the Fred Meyer West property - contrary to what is stated in the petition.

**(7)**: With no residents in the Fred Meyer property, there is no concern for "local self-government."

**Exhibit I, pg. 1 (Resolution 4312)**: This resolution approved by the city council in early 2008 should be considered voided since the sixth "Whereas" has never been completed - namely how to deal with the loss of funding by the UFSA Commission. This was brought to the attention of the city council on Nov. 24th but did not receive any acknowledgement.

**Exhibit I, pg. 5 (Resolution 4335)**: Likewise this resolution should have been voided by the city council because it refers to Resolution 4312 that (as noted above) has not been fully accommodated.

**Exhibit J, pg. 1** (Affidavit): As noted above, any reference to Resolution 4312, needs to be made null and void since Resolution 4312 has never been completed. This is a serious issue which has been ignored by the city council and the city administration.

**Exhibit K, pg. 3 (2nd parag.)**: Statement regarding essential city services is not an issue in this proposed annexation. As private property, there is no street maintenance and no trash pick up at the Fred Meyer property businesses. Fire

service and EMS is provided more than adequately and effectively by the UFD, and the property owner's store director is more than pleased with the level of service provided by AST.

**Exhibit K, pg. 4 (1st parag.):** There are some serious errors that appear on this page.

Item #1: At the end of the 2nd paragraph, contrary to what is printed here, Borough Mayor Jim Whitaker and the FNSB Assembly are opposed to the proposed annexation of the Fred Meyer property. Mayor Whitaker clarified his position during the Nov. 24th hearing but it made no difference to the city council members and no effort was made to correct the petition before submitting the document.

Item #2: After 3 meetings between Fairbanks Chief of Staff Pat Cole, UFSA Commission Chair Steve Adams, Borough officials, FFD Chief Warren Cummings, and UFD Chief Edie Curry the city broke off all future discussions refusing to meet further to try and find a solution to the concerns of the UFSA Commission.

Item #3: The city does not seem to care that the loss of revenue by the UFSA Commission would have to be made up by all service area taxpayers - a process that would require an election within the entire UFSA to confirm raising property taxes.

**Exhibit M, pg. 9 (parag. 1 & 2):** Both these narratives, based on the FFD 2007 annual report, identify problems within the FFD which will only be made worse if the proposed annexation is allowed to occur. The number of simultaneous multiple emergency EMS calls places a real drain on the ability of FFD to respond to fire emergencies. Likewise the work load placed on one city fire prevention/inspection/ fire cause & origin officer will also get worse by annexing the Fred Meyer property. Internal staffing problems continued in 2008 as addressed in the January 25, 2009 Fairbanks Daily News Miner article that identified serious response deficiencies.

The level of service realized by the 3 businesses located in the proposed annexation area would be drastically reduced.

**Exhibit M, pg. 12 (last section of "concern"):** As noted earlier in this report, total FFD personnel were reduced in the late 1980's and have never been brought back to levels commensurate to the growth of emergency responses, increase in population, and large increase in new businesses within the city.

**Exhibit M, pg. 14:** The deficiencies in "turnout time" and "response time" when compared to the national standard mentioned in this petition, will be made worse with the additional response burden once the proposed annexation is finalized.

Why should all of the city's residents be adversely impacted because the city council has failed to provide the needed growth of the FFD?

Conclusion:

It is vitally important to the safety of thousands of shoppers that do business on a daily basis in Fred Meyer West, Taco Bell, and Mt. McKinley Bank that the staff of the Local Boundary Commission and members of the Commission fully understand the inaccurate, incomplete, and misleading nature of the City of Fairbanks' petition when reviewing all aspects of the proposed petition - prior to making their final recommendation.

Craig Ingram and Jerry Cleworth, representing the board of directors of Mt. McKinley Bank, have provided public testimony strongly opposing the proposed annexation. Likewise, Dale Martens, President of Denali Foods, Inc, operator of Taco Bell, has also strongly opposed the proposed annexation.

The city's petition is seriously flawed. This analysis is an attempt to clarify these issues and provide a factual document for LBC review.

When considering all relevant issues, the one that stands out and is most vital involves the response time differences between the UFD (located less than ½ mile away) and the FFD (located in excess of 3 miles away) and the impact this will have on the safety afforded store customers and employees alike.

I hope the Local Boundary Commission agrees that ability to render quick emergency care (i.e. fire suppression and/or emergency medical treatment) is paramount and will therefore deny the city's annexation petition for the Fred Meyer West property.

William Shechter
4910 Palo Verde Avenue
Fairbanks, AK 99709

tel: 907-479-2001
email: wshechter@gci.net

Fairbanks North Star Borough, University Fire Service Area Commission Endorsement:

This analysis was prepared by William Shechter, University Fire Service Area Commission Secretary, and is endorsed, in full, by all five members of the Commission.

| | |
|---|---|
| Steve Adams, Chairman | date |
| John Patterson | date |
| Bruce Foote | date |
| Rolin Dow | date |
| William Shechter, Secretary | date |

# FAIRBANKS CITY COUNCIL
# REGULAR MEETING MINUTES, FEBRUARY 11, 2008
# FAIRBANKS CITY COUNCIL CHAMBERS
# 800 CUSHMAN STREET, FAIRBANKS, ALASKA

The City Council reconvened at 7:00 P.M., after a Work Session on Community Water Fluoridation, on the above date, to conduct a Regular Meeting of the Fairbanks City Council at the City Council Chambers, 800 Cushman Street, Fairbanks, Alaska, with Mayor Terry Strle presiding and with the following Council Members in attendance:

| | |
|---|---|
| Council Members Present: | Vivian Stiver, Seat A<br>Chad Roberts, Seat B<br>Steve Thompson, Seat C - telephonic<br>John Eberhart, Seat D<br>Lloyd Hilling, Seat E<br>Tonya L. Brown, Seat F |
| Absent: | None |
| Also Present: | Patrick B. Cole, Chief of Staff<br>Janey Hovenden, City Clerk<br>Brad Johnson, Deputy Chief<br>Herb Kuss, City Attorney<br>Michael J. Schmetzer, City Engineer<br>Tony C. Shumate, Director Personnel/Purchasing/RM<br>Ron Woolf, Chief Financial Officer |

## INVOCATION

The Invocation was given by City Clerk Janey Hovenden.

## FLAG SALUTATION

**Mayor Strle** led the Flag Salutation.

## PRESENTATION

Mayor Strle presented, and read, a Proclamation to Dean Johnson, William Perry, Tim Childs, and Roy Moore for their exemplary conduct.

## CITIZEN'S COMMENTS

Pete Higgins, DDS, Fairbanks, AK. Dr. Higgins stated that he is the President of the Alaska Dental Society (ADS) and presented his view of the fluoridation of the City's water. He further stated that the ADS supports fluoridation and gave a brief history on the inception of the Ordinance which allowed for the fluoridation. He concluded by stating that fluoride is safe.

Bill McAfee, 753 Gaffney, Fairbanks, AK. Dr. McAfee spoke against fluoridation of the water. He indicated that a former Nobel prize winner spoke out against fluoridation as being a fraud. He indicated that water should not be a vehicle to introduce a corrosive poison that could produce serious effects on a long range basis. Dr. McAfee stated that fluoride consumption should be a personal choice and that benefits are negligible.

Ron Warner, 1452 Lacey Street, Fairbanks, AK. Mr. Warner spoke out against the fluoridation of the water. Mr. Warner provided examples of other communities that removed fluoride from their waters and listed problems associated with fluoride consumption. Mr. Warner asked the Council to remove fluoride from the water supply.

Ed Davis, 3110 Bunchberry, Fairbanks, AK. Mr. Davis spoke out against fluoridation of the water. He provided examples of health issues exhibited by those who consumed fluoridation via water sources. Mr. Davis stated that the consumption of fluoride should be a personal choice.

Suzanne Rich, 1451 Flat Mountain Rd, Fairbanks, AK. Ms. Rich stated that everyone recognizes that too much fluoride is a poison. She stated that fluoride is available other ways.

Susan Yanish, 508 Monroe St, Fairbanks, AK. Ms. Yanish asked the Council to remove fluoride from the water source. She indicated that she buys bottled water for her children to avoid fluoride consumption.

Lee Despain, 1006 4th Ave. Fairbanks, AK. Mr. Despain commented on Mr. Gavora's presentation and the facts as provided. Mr. Despain explained how water runs through pipes in a house, picks up contaminates as it travels, and is then consumed by the user.

D.A. McGilvary, 206 Kellum, Fairbanks, AK. Ms. McGilvary stated that she will not consume City water because of the fluoride content. She stated that she hauls water in for her consumption.

Gloria Desrochers, 113 Cowles St, Fairbanks, AK. Ms. Desrochers supported the removal of fluoride from the City water supply. She stated that she should not be forced to ingest a poison that is not good for her.

Sean Ryan, 2045 Jack St, Fairbanks, AK. Mr. Ryan stated that the tap water in town is nasty tasting and is not limited to the presence of fluoride alone. Mr. Ryan shared facts regarding the annexation as proposed. He stated that previous attempts to annex have been unsuccessful.

Craig Ingham, 530 4th Ave. Fairbanks, AK. Mr. Ingham stated that the Mt. McKinley Bank board of trustees voted unanimously to oppose the annexation of Fred Meyer. Mr. Ingham stated that the Resolution presented contains mistruths and contradictions and cited specific examples.

Watch on your list today? You'll find it at
Fred Meyer.

Fred Meyer Stores • P.O. Box 42121 • Portland, OR 97242-0121 • 3800 SE 22nd Ave. • Portland, OR 97202-2999 • 503 232-8844 • www.fredmeyer.com

February 11, 2008

Mayor Terry M. Strle and Fairbanks City Council Members
City of Fairbanks
800 Cushman Street
Fairbanks, AK 99701

Via facsimile: (907) 459-6787 and e-mail

Dear Mayor Strle and Fairbanks City Council Members:

Thank you for forwarding us the information regarding the "Fred Meyer Subdivision."

Fred Meyer Stores has enjoyed a good relationship with the City of Fairbanks since our original Fairbanks store opened in 1978. In 2005 we opened our current east Fairbanks store, where we employ more than 300 people, providing family wages, health and welfare benefits, pension benefits and vacation and sick time. In 2007, we paid more than $51,000 in property taxes to the City of Fairbanks.

It is with the greatest respect for the efforts of the City Council that we, unfortunately, will be unlikely to support the current annexation proposal. Our initial review, including discussions with our operations and logistics people, raise concerns for us about the level of services we might receive in exchange for what is likely to be a large sum of additional money.

However, we feel that we have not received enough information to have a full understanding of the benefits, costs and impacts of the proposed annexation. We hope to have further discussions about all of these items.

We have the greatest respect and appreciation for the assistance our east Fairbanks store receives from the City, particularly the police and fire response. However, it is simply a function of proximity that results in even more rapid police and fire response to our west Fairbanks store. This is one of our top concerns with the current annexation proposal.

We look forward to learning more about the benefits and costs to Fred Meyer of the annexation proposal.

Best regards,

Melinda Merrill
Director, Public Affairs

"Always strive to offer Customers the service, selection, quality and price that satisfies them best." Fred G. Meyer, Founder, 1896-1978

## Borough Comments

Fairbanks North Star Borough
Department of Law
809 Pioneer Road • PO Box 71267 • Fairbanks, AK 99707 - (907) 459-1318 FAX 459-1155

RECEIVED
SEP 17 2009

September 16, 2009

sent via e-mail
LBC@alaska.gov
Original to follow via US mail

Department of Commerce
Community and Economic Development
Division of Community & Regional Affairs
Local Boundary Commission
550 W. 7th Avenue, Suite 1770
Anchorage, AK 99501

Dear Commerce Staff:

Pursuant to the Preliminary Report filed August 2009 and the informational meeting held in Fairbanks, Alaska on September 11, 2009, the Fairbanks North Star Borough (Borough) is forwarding the following questions, comments and objections regarding the report.

First are some questions relating to the process. Some of these were asked during the informational meeting:

1. On page 21 of your report, it indicates that no other written materials may be filed at the hearing. Does that include photos and other demonstrative evidence?

2. Does the exception for good cause apply to allow the Borough to respond to new issues or evidence presented for the first time in the reply brief filed by the City of Fairbanks (City)?

3. Can the petitioner and respondent use power point presentations during opening and closing statements? The Borough realizes this may depend on the venue which has not been selected; however, we believe that all three tentative sites allow for power point presentations.

4 Your preliminary report indicates that the law makes no provision for cross-examination but cross-examination is essential to a due process hearing under Alaska law. The Borough has an interest in this property that the annexation to the City deprives it of (i.e. lost revenues); therefore, due process should attach. The Borough objects to the determination that the petitioner and the respondent do not get an opportunity to cross-examine witnesses.

The remaining comments and objections relate to some of the findings presented in the report.

5. On page 31, relating to reasonable need for city government, the report states that "the borough and the [University Fire Service Area] UFSA cannot provide emergency services on a more efficient or more effective level" and concludes, therefore, that "Fred Meyer exhibits a reasonable need for city government." The Borough objects to this finding. Why must the status quo be at a more efficient or more effective level? The factor specifically states that the territory must exhibit a need. Just because Commerce finds that the current services are not MORE efficient, that does not show a need. The burden is on the City to show that Fred Meyer exhibits a reasonable need for city government. The requirement is not that the Borough must show it can provide a more efficient and more effective level of services than the City.

6. On page 44, the report states that "Commerce finds that the majority of conditions in Fred Meyer are adequate." The report downplays this factor. Furthermore, does Commerce realize that the City did not mention in its briefing that when the City responds to any location, either within the City or in the Borough through its mutual aid agreements, it charges non-City residents significantly more than it charges City residents. While the Borough ambulance services also differentiate between City and Borough residents, the difference is much less. The people who currently use Fred Meyer and the other businesses in the subdivision are not only City residents but also Borough residents and residents outside the Borough (e.g. Nenana, Healy and other towns and villages in Alaska.) Commerce did not address the fact that those people will be adversely affected by the annexation to their detriment if they are in need of ambulance services at the Fred Meyer Subdivision. The staff report does not address the impact on Borough residents who utilize the Fred Meyer Subdivision businesses.

7. On page 47, the report states that the City asserted that the Fairbanks Police Department is the primary responder for any bank robberies at the Fred Meyer Subdivision. The report goes on to state that the assertion was "uncontested by the Borough." The Borough objects to both of those statements. First, the reason that the assertion was uncontested by the Borough was because it was first brought forth by the City in its reply brief. A search of the opening brief shows that bank robberies were not mentioned in the City's opening brief but rather first mentioned in the reply brief. Therefore, because the Borough had no opportunity to respond to the reply brief, it should not be held against the Borough. For the same reasons, the Borough objects to the staff using information to support the annexation which was only addressed in the City's reply brief.

8. On page 53, the report states that the regulations state that a territory may not be annexed to a City if essential municipal services can be provided more efficiently and more effectively by . . . an organized borough." The regulation means that if the Borough is more efficient and effective then the annexation MAY NOT happen. However, the regulation does not mean that if the Borough is not more efficient and effective then the annexation must occur. The report

concludes that the Borough provides a more effective and efficient fire and EMS service but that it does not provide a more effective or efficient police, dispatch, building code inspection and fire code enforcement. If Commerce's finding is that neither the Borough nor the UFSA can provide essential municipal services more effectively or efficiently then doesn't that only mean that there is not an absolute ban on the annexation? It should be noted in the report that the regulation does not require that the Borough be more efficient or more effective in order to defeat the annexation.

9. On page 53, the report concludes that fire code inspections are not currently provided more effectively; however, currently those services are provided by the State. The Borough questions whether or not staff spoke to Dave Tyler, State Fire Marshall, regarding the current State ability and intent to provide fire code inspections outside the City as opposed to the past performance. What is represented in the report has more to do with past State staffing and budget issues as opposed to what would be done under the current inspection program.

10. The Borough objects to the fact that Commerce did not address the fact that Fred Meyer Subdivision owners will be paying $150,000 more in property taxes yet will not be receiving $150,000 more in services.

11. The Borough objects to the finding that the effect on the Borough and the University Fire Service area is de minimus which can be made up easily by raising taxes. Why should the Borough residents' taxes increase just so the City residents' taxes can be decreased? Merely shifting a tax burden is not in the best interest of the State.

The last comments and objections relate to the Legislative Review standards. Pursuant to the statutes and regulations, at least one of the nine circumstances must exist. The report clearly states that seven of the circumstances do not exist. The Borough objects to the two findings that circumstance 7 and 8 exist within the Fred Meyer Subdivision. Specifically:

12. On page 117, Commerce found that annexation of the Fred Meyer Subdivision would promote a maximum local self-government and minimum local government units because the Subdivision would belong to both the City and the Borough. If just belonging to both a city and a borough means that there is maximum self-government and minimum local government, the necessity to meet one of the circumstances would always be met when a city annexes property within an existing borough. There must be something more required otherwise the regulation would be pointless. The Borough objects that circumstance 7 exists in the Fred Meyer Subdivision.

13. On page 120, Commerce declares that annexation of Fred Meyer would enhance the existing City to meet incorporation standards and be in the best interest of the state merely because the City has averred that Fred Myer has an advantage over other businesses in the City

limits. The Borough is unaware of any businesses that have stepped forward to make that argument. Furthermore, how can Commerce find that the annexation meets this circumstance merely because annexation would bring in additional area and revenue to the City? Again, wouldn't the necessity to meet one of the circumstances always be met by this criteria because EVERY proposed annexation would bring in additional area and revenue (property taxes)? Finally, the City is already incorporated. It would seem that this circumstance is aimed at cities that are in the process of incorporation. The annexation would not help the City meet the standards for incorporation because it is already incorporated. The Borough objects that circumstance 8 exists in the Fred Meyer Subdivision.

The Borough appreciates Commerce staff taking time to review these questions, comments and objections.

Sincerely,

Cynthia M. Klepaski

Cynthia M. Klepaski
Assistant Borough Attorney

cc: Mayor Jim Whitaker, Fairbanks North Star Borough
Mayor Terry Strle, City of Fairbanks
University Fire Service Area Commission

## Public Comments

RECEIVED
SEP 18 2009

September 15, 2009

State of Alaska
Dept. of Commerce &
Economic Dev.
Div. Community & Regional Aff.
550 W. 7th Ave., Suite 1770
Anchorage, AK 997501

Attn: Brian Bitzer
Local Boundary Commission

RE: Fairbanks Annexation of enclave lots

Dear Mr. Bitzer:

Of all the people in the enclave lots, this proposed annexation probably affects me the most. In 1971 my husband and I acquired the Boatel and he ran it until his death in January 2003. Since that time, I have operated it with the help of my two daughters as ANJO, INC. and ABIE NEUBAUER, INC. Being in the liquor industry has its ups and downs. Many people like us, and many people do not, but that is the nature of the business.

Most of us realize this is just a money thing. The city, and it does not matter which people are in charge, seems to always need more. Property taxes are very important to the city, but who pays property taxes; the private person or the privately owned business. I'm sure they will be losing many tax dollars when the new bridge (better to by pass downtown Fairbanks) is installed. Don't forget all that property by the Big I was privately owned and those people paid property taxes. A new bridge or a road or a government building does not pay property taxes even though they might provide employment during construction.

The other property downtown that the city has not collected taxes on for several years is the Polaris building. It would be nice if the City would not be able to annex my property until they took care of "old business". They need to get efficient and get the Polaris building back paying taxes then come after the rest of us.

As far as the city providing utilities to us, they can't. Several years ago the people gave the City of Fairbanks a "no" vote and they had to sell, for better or worse, all the utilities, except garbage. I am presently hooked up to GVEA, and Golden Heart Utilities and I pay to have my garbage hauled. I live in the city and I pay for them to pick up my garbage whether or not I have any so that will be another bill each month for those people who own property next to the Boatel.

The city wishes to give me "protection", when they really mean they want to provide me with more regulations. I'm at a loss as to how I have survived 38 years without a fire inspection of my cement block building. However, just so you know...two years ago I spent quite a bit of money to have all the electrical updated. As a private business person, I try to keep the building and property in order so my customers will keep coming back and my employees will keep getting paid.

I assume, in the not too distant future, the city will be asking the voters for more money for more fire people, police people, and safety people because of this annexation. Hopefully, they will not be doing this just for the Boatel.

Thanks for your time and consideration.

Annie Neubauer

Annie Neubauer, Pres.
ANJO, INC. & ABIE NEUBAUER,INC.
P.O. Box 80626
Fairbanks, AK 99708

TO: All Fairbanks legislators 1/24/10

From: Carter Crawford 107 Maple Fairbanks 99709. 347-9223, ccrawford@gci.net

Re: Annexation of Fred Meyer W to City of Fairbanks

Welcome back to Juneau and the world of natural resources, economy and budget. I have an important issue which is a speck on the big picture, but has critical long term importance to Fairbanks and current borough residents.

Normally annexation would not involve you, but the Borough has requested reconsideration and been turned down again by the LBC and the matter must now be resolved by a legislative vote.

PLEASE VOTE TO DENY THE CITY ANNEXATION OF THIS PROPERTY.

Brent Williams of Commerce is the Specialist on this Case and can give you any detailed data you need. I find him excellent. But I want to give you the citizen's perspective.

Why the LBC approved the annexation is unclear. The most basic rule for annexation is unmet need, in this case for Fire and Police. Clearly this is not the case. However the fact that none of the 4 LBC Commissioners are familiar with Fairbanks may be one reason.

The Borough request for reconsideration involves an excellent discussion on regarding 3 AAC 110.130 showing the LBC did not make any persuasive argument that the territory involved was an enclave area, it is not, nor that that services would be provided if it were. Therefore the requirements of AAC 110.130 b and c were not met.

We also know:

The City apparently made a persuasive argument that they could provide <u>better</u> service, not meet any unmet needs except one EMT specialist. This is absolutely not the case. How can a Fire service in Fairbanks approximately 3 miles away get to Fred Meyers faster than the higher rated University Fire.

They also felt they could provide better service that the State Troopers

Testimony by Vic Fisher appeared to have an impact. I was not there but Rep Wilson was, and apparently he based to some information on a law on the books 50 years ago. I question if there was one Fire Dept then let alone paved roads and certainly no population density. There surely were many unmet needs!

The real reason for annexation by the City is simply for the money it generates. In supporting the Annexation, as one Councilman put it, "it is not fair" and "we need the

money." Robbing Peter Borough to pay Paul City is abhorrent and no legal justification. The City never provided any reference to public safety and unmet need past Lathrop, it was all about problems downtown. And as came out in the Sales Tax debate (turned down for the 10th time by the voters), the Police Chief stated they can service the current needs with current staffing, but any additional burden will require more money for more staff. And I know now that the delays can be long for response to current crime, up to two days for burglaries and many hours to crimes against persons on weekends.

The current and former mayor have both stated this annexation is only step one of annexation out to the airport. When they do not have the staff to service additional populations and there are three Fire Dept's closer to the airport what case do they have. Also the Airport has its own Police Security that is very aggressive and I frequently see them down airport not just on the grounds.

As for the Troopers, I see them daily patrolling the territory in question, on Peger, all the way to Cushman. I have never seen the City at Fred's nor have I ever seen their Fire Trucks to be first on the scene, always University.

IN ADDITION TO THE LACK OF LEGAL REASON, THIS IS TAXATION WITHOUT REPRESENTATION. Certainly more residents should have come down to testify, but too few were aware of the importance. I live close to Fred Meyer, and in the borough because I do not want to live in the City again. Since annexation of other businesses and residents is next, I want a vote of all residents before making this transition. No one I spoke to wanted annexation of Fred Mayer when I explained it or the longer term consequences, and that they too can be annexed wit out their vote!

VOTE NO ON FRED MEYER ANNEXATION TO THE CITY

TO: All Fairbanks legislators 1/24/10

From: Carter Crawford 107 Maple Fairbanks 99709. 347-9223, ccrawford@gci.net

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VOTE NO ON FRED MEYER ANNEXATION TO THE CITY

## Michelle Sikma

**From:** Shay Wilson
**Sent:** Wednesday, February 17, 2010 1:15 PM
**To:** Michelle Sikma
**Subject:** [D7] New Pom:Boundaries

**Follow Up Flag:** Follow up
**Flag Status:** Flagged

Patricia Stark
Po Box 82525

Fairbanks 99708-2525,
pstark@mosquitonet.com

Please overturn the annexation proposed by the City of Fairbanks. It was not brought to a public vote and it is a money grab by the City.

**Michelle Sikma**

**From:** Shay Wilson
**Sent:** Thursday, February 11, 2010 9:14 AM
**To:** Michelle Sikma
**Subject:** New Pom:HJR 41 Const. Am: Annexations And Detachments

Frederick Henkel 412 Glacier Ave Fairbanks 99701, I am in favor of HJR 41 requiring a vote before annexation. I don't think the City of Fairbanks knows what they are doing. It's just a quick grab. Thank you.

**Michelle Sikma**

**From:** Shay Wilson
**Sent:** Thursday, February 11, 2010 9:12 AM
**To:** Michelle Sikma
**Subject:** New Pom:HJR 39 Disapproving Fairbanks Annexation

Frederick Henkel 412 Glacier Ave Fairbanks 99701, I am in favor of HJR 39. i live in the City of Fairbanks and don't believe we should annex based on no services. There should be a vote on annexation.

**Michelle Sikma**

**From:** Shay Wilson
**Sent:** Tuesday, February 09, 2010 10:14 PM
**To:** Michelle Sikma
**Subject:** New Pom:Boundaries

Paul Renschen 3193 Edby Rd Fairbanks 99709,paulneva paulneva@acsalaska.net 457 6640 I am opposed to the Fred Meyer annexation. It is a money grab by the City at the expense of the Borough and the University Fire Department. There is no other reason for it. It should be overruled.

**Michelle Sikma**

**From:** housemajority_email@housemajority.org
**Sent:** Tuesday, February 09, 2010 1:34 PM
**To:** Rep. Tammie Wilson
**Subject:** HJR 39 Disapproving Fairbanks Annexation

+----------+
DO NOT REPLY DIRECTLY TO THIS EMAIL: your reply will go to enews@housemajority.org To correspond with the author Hit 'Reply' or 'Forward'.
Then change the TO: address to mprax@acsalaska.net If suspected Spam please forward to: support@housemajority.org
+----------+

From: mprax@acsalaska.net

Dear Representative Wilson,

Please pass this information regarding HJR 39, (the resolution that you introduced to disapprove the Fairbanks annexation) on to other legislators:

Society recognizes that when a person proposes to force another person to pay for and accept a service without their prior voluntary consent, then they're committing the crime of extortion. The extortion would still exist even if the victim doesn't actively resist or if many other people who are aware of the crime don't initiate positive actions to restrain the perpetrator. The state has a duty to protect property owners from extortion, especially if the extortion is being committed by a political subdivision of the state.

The essential consideration of HJR 39 is whether the owners of the affected properties have expressed a desire to be annexed into the City of Fairbanks.

Prior consent to the services offered by the Fairbanks North Star Borough, The University Fire Service District, and the State of Alaska could be inferred in the case of the properties that are proposed to be annexed, because the borough government, the fire service area, and the state government were established in the area prior to when the property was purchased, or at least prior to when they were improved. But the properties were improved to their present condition without the benefit of any services offered by the city and it appears that the property owners haven't been consulted to see whether they want the additional service.

The Local Boundary Commission's recommendation appears to be based on the City of Fairbanks' assertion that they would be able to provide a higher level of service. If the property owners had made these assertions, they would be accepted without question. However, absent a confirmation from the property owners, they are nothing more than a self serving justification for committing what would otherwise be obvious extortion.

There are less than a dozen properties involved in this whole annexation. It would have been a simple task for the city or even the LBC to contact the property owners and ask them whether they would at least consent to this annexation. I wasn't able to find any indication that the property owners were consulted by the city, the borough, the fire district, or the LBC. Therefore, the legislature should chastise the City and the LBC for their ï¿½lack of diligence' at the very least.

The legislature could resolve this dispute by contacting the property owners to confirm whether they want the additional services provided by the city. If the process doesn't allow

the legislature to contact the property owners, then they should disapprove the annexation request.

The implications of this case extend far beyond the subject properties. All citizens of the state are exposed to aggressive local governments annexing territory. Indeed, the Fairbanks North Star Borough forcibly annexed much more territory into fire service areas even as it opposed this annexation.

The legislature should also review the State Statutes that govern the annexation process to ensure that the desire of the property owner is the primary consideration. Protection of property rights is the primary purpose of a civil government that operates under the rule of law. Provision of services is, at the most, a secondary purpose and must not be allowed to override protecting property rights.

Thank you,

Glenn M. Prax

~ Glenn Michael Prax
Zip Code: 99705

+----------+
DO NOT REPLY DIRECTLY TO THIS EMAIL: your reply will go to enews@housemajority.org To correspond with the author Hit 'Reply' or 'Forward'.
Then change the TO: address to mprax@acsalaska.net If suspected Spam please forward to: support@housemajority.org
+----------+

**Michelle Sikma**

**From:** Shay Wilson
**Sent:** Tuesday, February 09, 2010 10:05 AM
**To:** Michelle Sikma
**Subject:** New Pom:HJR 39 Disapproving Fairbanks Annexation

Glenn Prax 1015 Meadow Rue Ave North Pole 99705-5139, mprax@acsalaska.net (907)378-5667 (907) 488-2400 Please support HJR 39, to express the legislature's disapproval of the Local Boundary Commission's decision to approve the annexation of approximately 0.05 square miles of territory to the City of Fairbanks, unless your receive a positive request for that annexation from the owners of the subject properties.

**Michelle Sikma**

**From:** Shay Wilson
**Sent:** Monday, February 08, 2010 1:10 PM
**To:** Michelle Sikma
**Subject:** New Pom:HJR 39 Disapproving Fairbanks Annexation

Linda Nordmann Po Box 445 Ester 99725-0445, My husband and I are very much against the City of Fairbanks annexing Fred Meyers. If we are at Fred Meyers and need medical assistance it would take too long for help to arrive. People are upset about the annexation. You are making a big mistake if you allow this.

**Michelle Sikma**

**From:** Shay Wilson
**Sent:** Monday, February 08, 2010 11:48 AM
**To:** Michelle Sikma
**Subject:** New Pom:Boundaries

Frank Omstead Po Box 74222 Fairbanks 99707-4222, I am against the annexation where the people in charge go behind our backs without our permission to deal with our property. The safety issue is involved. If I had a heart attack I don't want to wait for the City of Fairbanks to respond.

**Michelle Sikma**

**From:** Shay Wilson
**Sent:** Monday, February 08, 2010 12:51 PM
**To:** Michelle Sikma
**Subject:** New Pom:HJR 39 Disapproving Fairbanks Annexation

Jeanne Daniel 272 Bentley Dr Fairbanks 99701-3463, I am opposed to the annexation by the city of the fairbanks involving the west fred meyer area because the city of fairbanks cannot provide police and fire protection; shouldn't be expanding because ppl already have coverage and have made clear they don't want to be annexed. Residents opposed.

**Michelle Sikma**

**From:** Shay Wilson
**Sent:** Monday, February 08, 2010 11:45 AM
**To:** Michelle Sikma
**Subject:** New Pom:Boundaries

Catherine Omstead Po Box 74222 Fairbanks 99707-4222, I am against the annexation where the people in charge go behind our backs without our permission to deal with our property. The safety issue is involved. If I had a heart attack I don't want to wait for the City of Fairbanks to respond.

**Michelle Sikma**

**From:** Shay Wilson
**Sent:** Monday, February 08, 2010 11:44 AM
**To:** Michelle Sikma
**Subject:** New Pom:HJR 39 Disapproving Fairbanks Annexation

Mark Blong Po Box 353 Ester 99725-0353, I think the safety factor is very important to make it simple the risk of the city being sued.

**Michelle Sikma**

**From:** Shay Wilson
**Sent:** Monday, February 08, 2010 11:31 AM
**To:** Michelle Sikma
**Subject:** New Pom:Boundaries

James Weidner 5479 Chena Hot Springs Rd Fairbanks 99712, 488-6366 I am absolutely opposed to the City of Fairbanks annexing Fred Meyers. They are not going to provide any servies, it's a land grab for taxes.

**Michelle Sikma**

**From:** Shay Wilson
**Sent:** Friday, February 05, 2010 3:22 PM
**To:** Michelle Sikma
**Subject:** New Pom:HJR 41 Const. Am: Annexations And Detachments

Jerry Cleworth 551 2nd Ave., Sutie B Fairbanks 99701, Not all of us on the Fairbanks City Council support the annexation of Fred Meyer subdivision which will actually reduce public safety for this area. The City can only offer less service for a higher tax burden. This is unfair to the businesses involved and for their customers.

**Michelle Sikma**

**From:** Natalie and Tim [wynfromere@alaska.net]
**Sent:** Thursday, February 04, 2010 11:33 AM
**To:** Natalie and Tim <wynfromere@alaska.net>
**Subject:** LBC Annexation Proposal
**Attachments:** FNSB_2008-35.pdf; FNSB_2010_08.pdf

Dear Representative,

The Fairbanks North Star Borough Assembly voted, on two separate occasions, to oppose the annexation proposal that is now before you in the Local Boundary Commission Report. Attached are the FNSB Assembly's resolutions.

Please consider introducing a resolution to disapprove the LBC report at your earliest convenience.

Sincerely,

Natalie Howard
720 Bennett Road
Fairbanks, AK 99712
907 457-7902

Bill Zorb

FYI, copy of letter I sent to the LBC during the comment period:

Dear Local Boundary Commission,

I am writing to voice my extreme opposition to the city of Fairbanks petition to annex the Fred Meyers West subdivision. This is nothing more than a money and power grab by the city.

Currently fire and EMT service is provided by the University Fire Department, located only 2 blocks away from Fred Meyers West. The city's closest station is 3.08 miles from Fred Meyers West. The University Fire Department is 0.47 miles away.

If the city wants to expand it's service area, perhaps it should consider annexing areas in South Fairbanks where Fire Service is not being provided currently. The city has contracted to provide fire protection to several properties that wanted it in these areas, a practice that I believe is at least dishonest and maybe illegal.

The real problem here is that the area being annexed should want to be annexed and it should have something to be gained from annexation. But this is not the case, these people already have fire service, EMT service, and police protection. The city has nothing to offer but higher taxes.

This city annexation plan seeks money, but no better service. This plan is flawed and should not pass.

Sincerely
Bill Zorb, Fairbanks

## Terry Harvey

**From:** csc@alaska.com on behalf of Craig Compeau [csc@alaska.com]
**Sent:** Monday, February 08, 2010 9:37 PM
**To:** Terry Harvey
**Subject:** In Favor Of HJR39

As a 65 year old fmaily business, I would like to strongly support HJR39.
Our business moved out of the city after the flood, as we did not see the benefits of owning a business within the city limits.
We feel the same way today.
We also feel that as borough taxpayers, we are getting a raw deal, and that our concerns are being intentionally ignored.

Craig Compeau
Compeau's Inc

## Terry Harvey

**From:** victor Buberge [vbuberge@yahoo.com]
**Sent:** Wednesday, February 10, 2010 12:22 AM
**To:** Terry Harvey
**Subject:** ANNEXATION

Terry Harvey, I am apposed to the annexation of Fred Meyers in Fairbanks, Ak. for various reasons. Thankyou. Victor Buberge

## Terry Harvey

**From:** John Sturgeon [JSturg@Alaska.Net]
**Sent:** Tuesday, February 09, 2010 7:41 AM
**To:** Terry Harvey
**Subject:** pass hjr 39

Urge you to pass HJR 39.. this annexation is nothing but a money grab

## Michelle Sikma

**From:** Shay Wilson
**Sent:** Friday, February 19, 2010 3:44 PM
**To:** Michelle Sikma
**Subject:** [SPAM] New Pom:HJR 39 Disapproving Fairbanks Annexation

Nancy Dobberpuhl
1479 Alderwood Dr

Fairbanks 99709,

I think this is a land grab. The City wants revenue but doesn't care about the safety or health of the residents currently served by the University Fire Dept. If I have a heart attack or am mugged while shopping at Fred Meyers I would rather have University Fire respond.

State of Alaska
Local Boundary Commission

**550 West Seventh Avenue, Suite 1770 • Anchorage, Alaska 99501**
**Telephone: 907-269-4559 • Fax 907-269-4539**

January 15, 2010

The Honorable Mike Chenault
Speaker
House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182
ATTN: Chief Clerk Suzi Lowell

Subject: Legislative Review Annexation by the City of Fairbanks

Dear Speaker Chenault:

The Local Boundary Commission ("commission") presents to the Second Session of the Twenty-Sixth Alaska State Legislature the commission's decision to approve the annexation of approximately 0.05 square miles to the City of Fairbanks ("City"). This presentation is done pursuant to article X, section 12, of Alaska's constitution. Under article X, section 12, the commission "may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house."

Alaska's constitutional framers expected that local boundary changes could be controversial. The Fairbanks North Star Borough ("Borough") opposed the annexation. Many community members were concerned about the annexation petition. Commissioner Lavell Wilson recused himself due to a potential conflict of interest, and did not participate in any of the proceedings.

After careful review, the commission approved the annexation of the territory referred to as the "enclave lots" by a vote of 4-0. The commission also approved the annexation of the territory referred to as the "Fred Meyer subdivision" by a vote of 3-1.

On December 10, 2009, the commission issued its written decisional statement to the public. Commissioner John Harrington wrote a narrow dissenting opinion regarding the annexation of the Fred Meyer territory. Both the decisional statement and the dissenting opinion are enclosed for your reference. These documents and all public materials regarding this annexation petition can also be found at: http://www.commerce.state.ak.us/dca/lbc/fairbanks_2.htm.

Members: Lynn Chrystal, Chair;
John Harrington, First Judicial District; Robert Harcharek, Second Judicial District;
Larry Semmens, Third Judicial District; Lavell Wilson, Fourth Judicial District

Should you have any questions, please contact Local Boundary Commission staff at 907-269-4559 (Brent Williams), 907-269-4587 (Brian Bitzer), or at LBC@alaska.gov. Thank you for your consideration.

Sincerely,

LOCAL BOUNDARY COMMISSION

Lynn Chrystal
Chair

Enclosures:

(1) LBC *Statement of Decision*, City of Fairbanks' annexation
(2) Commissioner John Harrington's *Statement of Dissent*, City of Fairbanks' annexation

# Local Boundary Commission

# Statement of Decision

**Members**

*Lynn Chrystal*
*Chair*
*At Large*

*John Harrington*
*Member*
*First Judicial District*

*Bob Harcharek*
*Vice Chair*
*Second Judicial District*

*Larry Semmens*
*Member*
*Third Judicial District*

*Lavell Wilson*
*Member*
*Fourth Judicial District*
***(Recused)***

**In the Matter of the December 10, 2008, Petition by the City of Fairbanks to Annex 0.05 Square Miles**

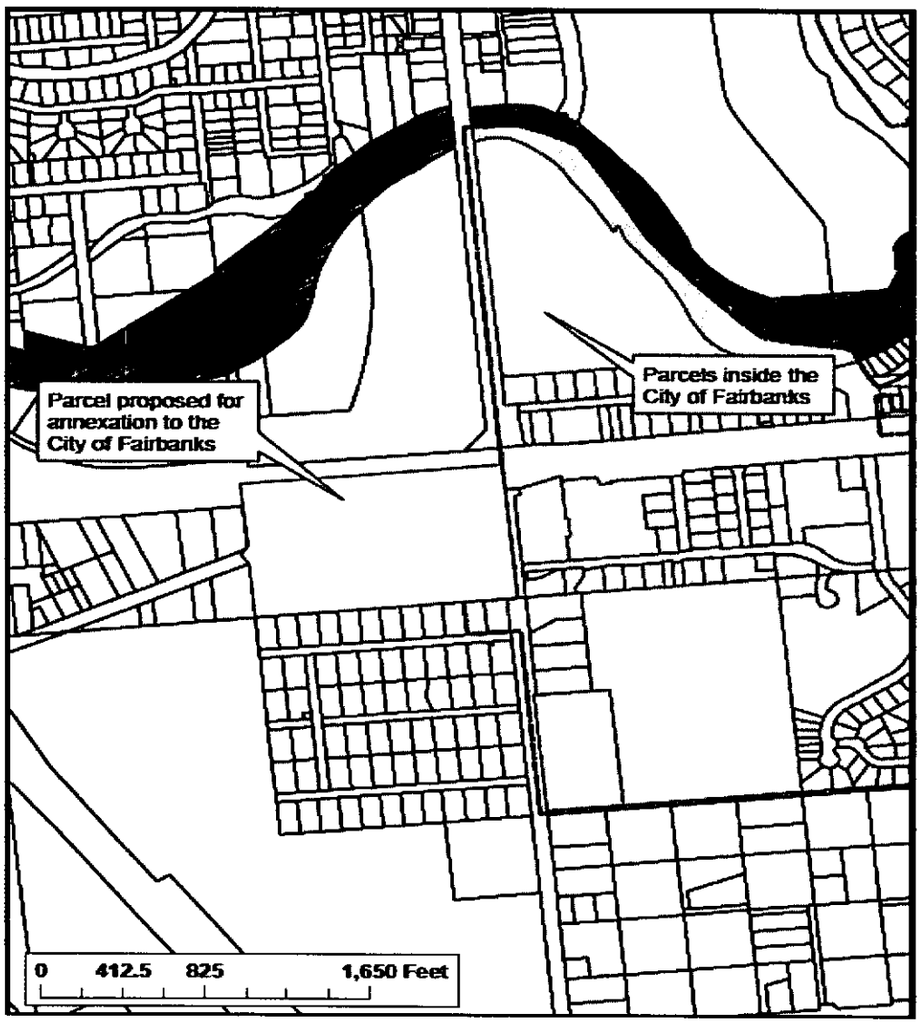
## Section I
## Introduction

On December 10, 2008, the City of Fairbanks petitioned the Local Boundary Commission (also referred to as "LBC" or "commission") to annex 0.05 square miles comprised of two separate territories. The territories proposed for annexation are described as follows and are shown on the maps below:

Area 1 – Territory known as the enclave lots. This site includes lots on Park and Riverside Drives, Bartlett Avenue, and Airport Access Road comprising approximately 0.02 square miles and was authorized for annexation by Ordinance #4335.



Area 2 – Territory known as the Fred Meyer subdivision (also referred to as "Fred Meyer"). This site includes a large Fred Meyer retail center, a Taco Bell, and Mt. McKinley Bank. This territory comprises approximately 0.03 square miles and was authorized for annexation by Ordinance #4335.




## SECTION II
## PROCEEDINGS

- **Deposit of Petition**

  On July 23, 2008, the City of Fairbanks provided a copy of the City's prospective petition in notebooks at the following locations:

  - Clerk's Office, City of Fairbanks City Hall, 800 Cushman Street, Fairbanks;
  - Noel Wien Library Lobby, 1215 Cowles Street, Fairbanks; and
  - Clerk's Office, Fairbanks North Star Borough Administrative Office Building, 809 Pioneer Road, Fairbanks.

On February 27, 2009, the City updated those notebooks to include the submitted petition, public notice, and copies of the laws establishing standards and procedures for city annexation. They have been subsequently updated.

- **Petitioners Pre-Petition Public Hearing**

On November 21, 2008, the City of Fairbanks conducted a duly noticed public hearing, as required by 3 AAC 110.425. At the hearing, 17 individuals provided oral comments regarding the proposed annexation.

- **Submission and Review of Petition**

The petition was submitted to LBC staff (also referred to as "Commerce") on December 10, 2008, and accepted for filing on January 26, 2009.

- **Posting of Notice**

On February 2, 2009, notice was posted at the following locations within the territories proposed for annexation:

  - On Riverside Drive, just north of Ping's Laundry;
  - At the intersection of Park Drive and Airport Frontage Road;
  - At the north end of Park Drive, just south of the Park Drive and Kiska intersection;
  - On the light pole at the northeastern entrance/exit to Fred Meyer subdivision;
  - On the light pole at the northwest corner of Fred Meyer subdivision, intersection with Old Airport Way; and
  - On the utility pole at the southeastern entrance/exit to Fred Meyer subdivision.

On February 2, 2009, notice of the filing of the Petition was also posted within the existing boundaries of the City:

  - Clerk's Office, City of Fairbanks City Hall, 800 Cushman Street, Fairbanks;
  - Noel Wien Library Lobby, 1215 Cowles Street, Fairbanks;
  - Clerk's Office, Fairbanks North Star Borough Administrative Office Building, 809 Pioneer Road, Fairbanks;
  - United States Post Office, 315 Barnette Street, Fairbanks; and
  - Rabinowitz State Court House, 101 Lacey Street, Fairbanks.

- **Public Notice**

Notice of the petition was published in the *Fairbanks Daily News-Miner* on February 2, 2009, February 9, 2009, and February 16, 2009.

On February 27, 2009, a public service announcement was sent to the following radio stations to broadcast for 14 days:

KUAC-FM, KAKQ, KFBX, KIAK, KKED, KSUA, KFAR, KWLF, KTDZ, KXLR, and KCBF.

On March 6, 2009, a shortened version of the public service announcement was provided to the above radio stations to broadcast over the next 14 days.

- **Service of Petition**

On February 20, 2009, the Fairbanks North Star Borough and the City of North Pole were served, via United States Postal Service, complete copies of the petition.

On February 20, 2009, a copy of the Notice of Petition was mailed by City employee Amber Courtney to the individuals and organization whose names and addresses are listed in Exhibit No. 3, attached to the March 13, 2009, City affidavit.

- **Deadline for Initial Comments and Responsive Briefs**

The notice of filing invited written public comment concerning the proposed annexation by April 17, 2009. The Fairbanks North Star Borough submitted a timely received responsive brief on April 17, 2009, before 4:30 p.m., via an internet link. Staff received 23 public comments.

A few technical errors have occurred which the staff would like to bring attention to. First, under 3 AAC 110.480(d), LBC staff should have informed potential commenters that the commenters needed to either serve a copy of the comments upon the petitioner, and file a statement that service was made, or to notify staff of their inability to do so. Upon realizing this error, staff sent the petitioner copies of the comments.

Second, under 3 AAC 110.700(d), when notice for public comment went out it should have told each potential commenter that if he or she filed electronically, which most of them did, he or she would also need to follow up with an original. Upon realizing the omission, staff contacted each commenter to inform him or her of the error and request that he or she file an original as well, to comply with the regulation. All but four did. The four comments that did not have an original filed do not comply with the regulation.

Lastly, under 3 AAC 110.490, the reply brief must be accompanied by an affidavit of service at the time the reply brief was timely filed. The reply brief was filed on time; however, the affidavit of service was submitted later, which did not comply with the regulation.

To ensure the fairness of the process and to allow every commenter the opportunity to have his or her comments addressed, staff requested that the LBC relax the relevant regulations to allow in the four comments that were submitted on time (but without an original on file) and the reply brief. This request was part of an item on the agenda for the duly noticed June 2, 2009, LBC public meeting titled "Relax procedural regulations to allow emailed comments and reply brief affidavits to be considered." Both the Fairbanks North Star Borough and the City of Fairbanks were notified and attended the meeting telephonically. Staff and the LBC did not know the four commenters' identity or position on the proposed annexations when the LBC considered the relaxation of the regulations. Staff felt it was in the interest of justice to allow all comments to be considered regardless of its position.

Both the Borough and the City had an opportunity to comment or object before the commission voted on the issue. The borough stated it did not object to relaxing the regulations. The city chose not to comment on the issue at that time. After lengthy discussion, the LBC took the following actions: (1) relaxed 3 AAC 110.480(d), which required that comments be served on the petitioner; (2) relaxed 3 AAC 110.490 which required that the reply brief be accompanied by an affidavit of service at the time the reply brief was timely filed, and (3) relaxed 3 AAC 110.700(d) which required any comment regarding the petition filed electronically to be followed by an original document.

Relaxation was approved by three votes yes to one vote no. This allowed comments made by Craig Compeau, Shawnee Dunham, John Havard, and Bartholomew Roberts to

be considered by the staff and the LBC, as well as the reply brief.

- **Petitioner's Reply Brief Filed**

  On May 11, 2009, the City of Fairbanks filed a 139-page reply brief.

- **LBC Meeting**

  On August 4, 2009, the LBC held a public meeting. One of the items on the agenda was the rescheduling of future petition proceedings dates. The meeting was duly noticed.

- **Preliminary Report Distribution**

  On August 17, 2009, Commerce distributed copies of its 204 page *Preliminary Report Regarding the Proposal to Annex Approximately 0.05 Square Miles of Territory to the City of Fairbanks by Legislative Review* to interested parties including the petitioner, respondent, property owners, commenters, Local Boundary Commission members, and others.

- **Appointment of Two New Members to the Local Boundary Commission**

  On September 10, 2009, Governor Sean Parnell appointed two individuals to fill vacancies on the Local Boundary Commission. John Harrington of Ketchikan and Larry Semmens of Soldotna joined previously appointed commission members Robert "Bob" Harcharek of Barrow, Lynn Chrystal of Valdez, and Lavell Wilson of Tok. That same day Governor Parnell appointed Lynn Chrystal to serve as the LBC's chair.

- **Commerce Informational Meeting**

  On September 11, 2009, Commerce conducted a duly noticed public informational meeting concerning the city of Fairbanks' annexation proposal and future petition proceedings.

- **Receiving Timely Comments on Preliminary Report**

  The public comment period for the preliminary report was from August 17, 2009, until September 16, 2009. Commerce received six timely submitted comments, including comments from the City of Fairbanks and the Fairbanks North Star Borough.

- **Final Report Distribution**

  On October 13, 2009, Commerce distributed copies of its *Final Report to the Local Boundary Commission Regarding the Proposal to Annex Approximately 0.05 Square Miles of Territory to the City of Fairbanks by Legislative Review* to interested parties including the petitioner, respondent, property owners, commenters, Local Boundary Commission members, and others.

- **Notice of Local Boundary Commission Public Hearing and Decisional Meeting**

  After Commerce conferred with the City of Fairbanks and the Fairbanks North Star Borough, the Local Boundary Commission chair scheduled a public hearing regarding the City of Fairbanks' annexation petition. The hearing was held on Monday, November 9, 2009, beginning at 12:00 p.m. in the Fairbanks North Star Borough School District's board room. The decisional meeting occurred at the same place on Tuesday, November 10, 2009, at 3:00 p.m.

Formal notice of the hearing had been given by Commerce under 3 AAC 110.550. Commerce published the full notice in a display ad in the *Fairbanks Daily News-Miner* on October 5, 2009. It was also published on October 19, 2009, and November 3, 2009. The notice was also posted on the internet through the state's *Online Public Notice System*, on the Division of Community and Regional Affair's website, and on the LBC website.

Additionally, notice of the hearing was provided to the Petitioner's representative (Mayor Terry Strle) and to the Respondent's representative (Mayor Jim Whitaker). The City posted the notice where the petition documents available for public review are (Fairbanks City Hall, Fairbanks North Star Borough Administrative Office Building, and the Noel Wien Public Library); at the United States Post Office and at the Rabinowitz State Courthouse; and at the six street locations specified on page 3 under "Posting of Notice."

- **LBC Tour of the Territories Proposed for Annexation**

On Monday, November 9, 2009, the Local Boundary Commission (all members were present except for Commissioner Wilson who is recused from proceedings) and staff conducted a tour of the territories proposed for annexation by automobile at 10 am. The tour was conducted and recorded in accordance with 3 AAC 110.550(f).

- **LBC Public Hearing Regarding the City of Fairbanks' Annexation Petition**

In accordance with 3 AAC 110.550 and 3 AAC 110.560 the Local Boundary Commission held a duly noticed public hearing on Monday, November 9, 2009, regarding the City of Fairbanks' annexation petition. The commission heard sworn testimony from witnesses for the City of Fairbanks and for the Fairbanks North Star Borough, as well as comments by numerous public members both for and against the proposed annexations.

- **LBC Decisional Meeting Regarding the City of Fairbanks' Annexation Petition**

In accordance with 3 AAC 110.570 the Local Boundary Commission held a duly noticed decisional meeting on Tuesday, November 10, 2009, regarding the City of Fairbanks' annexation petition. The commission voted 4 to 0 to vote on the two territories proposed for annexation (the enclave lots and the Fred Meyer subdivision) separately, as allowed under 3 AAC 110.570(c)(1). The commission approved by a vote of 4 to 0 the territory referred to as the enclave lots for annexation into the City of Fairbanks. The commission also approved by a vote of 3 to 1 the territory referred to as the Fred Meyer subdivision for annexation by the City of Fairbanks. Commissioner John Harrington dissented on approving the Fred Meyer subdivision for annexation.

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## SECTION III
## FINDINGS AND CONCLUSIONS

The record in this proceeding includes the City of Fairbanks' annexation petition and supporting materials, written comments received on the petition, the Fairbanks North Star Borough's responsive brief, the City of Fairbanks' reply brief, Commerce's preliminary report, comments received on Commerce's preliminary report, Commerce's final report, and testimony received at the LBC's November 9, 2009, public hearing on the petition.

Alaska law requires the Local Boundary Commission to apply the standards for annexation to cities found at 3 AAC 110.090 – 3 AAC 110.140 and 3 AAC 110.900 – 3 AAC 110.982. Section III of this decisional statement recounts such application by the commission. Based on the evidence in the record relating to the subject petition, the Local Boundary Commission has reached the findings and conclusions set out in this section.

**A. 3 AAC 110.090. Need.**

Two standards relate to the need for city government in the territory proposed for annexation. First, 3 AAC 110.090(a) states that a territory may be annexed to a city provided the commission determines that there is a reasonable need for city government in the territory. Second, 3 AAC 110.090(b) states that territory may not be annexed to a city if the commission determines that essential municipal services can be provided more efficiently and more effectively by another existing city or by an organized borough, on an areawide basis or nonareawide basis, or through a borough service area.

**1. 3 AAC 110.090(a)**

Regarding the first standard, the commission finds that there is clearly a reasonable need for city government for the enclave lots. There is currently no fire service being provided to lots in the enclave located outside of the city's limits. Further, the enclave lots are in a patchwork of lots in which some homes receive fire services and some do not. This poses a danger if a house in the enclave lots catches fire and the fire spreads to a house within the city limits. Commission members expressed that there is also a need for street services and police services.

While there are no permanent residents of Fred Meyer subdivision, thousands of borough and city residents work, shop, bank, and eat at businesses in the territory every day. Commissioners were concerned with the lack of building code enforcement in the territories proposed for annexation. Some commissioners expressed that a developed commercial area could use the services of an urban police force, the City of Fairbanks police department, compared to a traditionally rural police force, the Alaska State Troopers. The Fred Meyer subdivision is in reasonable need of an enhanced level of municipal services.

The LBC finds that the petition meets 3 AAC 110.090(a)'s criteria for both the enclave lots and the Fred Meyer subdivision.

**2. 3 AAC 110.090(b)**

With respect to the second standard relating to the need for city government, 3 AAC 110.090(b) provides that territory may not be annexed to a city if essential city services can be provided more efficiently and more effectively by another existing city, by an organized borough, or through a borough service area. Neither the enclave lots nor Fred Meyer are in close proximity to the City of North Pole, the only other city within the Fairbanks North Star Borough and are not suitable for annexation to that more distant city government.

The LBC finds that neither the Borough nor the University Fire Service Area (also referred to as the "UFSA") can provide essential municipal services more efficiently and more effectively than can the City because neither the borough nor the UFSA is currently providing the enclave lots with police, fire/EMS, code enforcement, or other services.

There were mixed feelings expressed as to whether the UFSA or the City provided more efficient and more effective fire and EMS services to the Fred Meyer subdivision. The UFSA's stations are closer to Fred Meyer, and it has a better ISO rating. The City's paramedics receive more training than the UFSA's EMTs.

A majority of commission members felt it necessary to consider essential municipal services in a broad sense. The Fairbanks North Star Borough cannot provide police services, or building and fire code inspection and enforcement. The City of Fairbanks provides these services within its limits and has the capability to extend essential municipal services into the territories proposed for annexation. When considering the basket of essential municipal services, the commission finds that no other city, borough, or borough service area can provide essential municipal services on a more efficient and more effective basis.

The LBC finds that the petition meets 3 AAC 110.090(b)'s criteria for both the enclave lots and the Fred Meyer subdivision.

**B. 3 AAC 110.100. Character.**

Alaska law allows a territory to be annexed to a city provided, in part, that the territory is compatible in character with the annexing city. (3 AAC 110.100).

The view, "if it looks like a city it is a city" was expressed in testimony and public comment. Commissioners felt that both areas looked like a city and that they were compatible in several areas. The enclave lots are part of an established neighborhood of predominately residential properties with a few commercial properties. This land use is consistent with similarly located lots within the City's boundaries.

Fred Meyer is the only box store outside of the city limits. Similar commercial properties are found within the City of Fairbanks including the Safeway retail center directly across University Avenue.

We find that the petition satisfies 3 AAC 110.100's requirements for both territories because both the enclave lots and the Fred Meyer subdivision are compatible in character to the City of Fairbanks.

**C. 3 AAC 110.110. Resources.**

Alaska law allows a territory to be annexed to a city provided, in part, that the commission determines that the economy within the proposed post-annexation boundaries of the city has the human and financial resources necessary to provide essential city services on an efficient, cost-effective level. (3 AAC 110.110).

Commissioners expressed that the resources of the territory would be able to provide essential city services on an efficient, cost-effective level. The budget information provided shows that the revenues the City will be able to collect from the existing tax structure exceeds the projected expenses for providing city services. The commission heard testimony that there would not be a problem meeting the increased need for police or fire services. Annexation would also expand the economic base of the City of Fairbanks.

Given the above circumstances, the commission concludes that the economy within the proposed post-annexation boundaries of the City of Fairbanks has the human and financial resources necessary to provide essential city services to the territories proposed for annexation on an efficient, cost-effective level. Thus, the requirements of 3 AAC 110.110 are satisfied by the annexation petition.

**D. 3 AAC 110.120. Population.**

3 AAC 110.120 states that "[t]he population within the proposed expanded boundaries of the city must be sufficiently large and stable to support the extension of city government."

The 2007 population estimate for the City of Fairbanks is 31,627 persons. The enclave lots are mainly residential, with a few businesses. The Fred Meyer subdivision is exclusively commercial with no residents. There are approximately 35 residents in the enclave lots, and no known permanent residents of the Fred Meyer subdivision. Fairbanks is Alaska's second most populous community, and is the most populous of Alaska's incorporated cities. The population density of the City of Fairbanks will not be significantly affected by this annexation petition. The commission heard testimony that the City of Fairbanks has the capability of extending police and fire services to the territories proposed for annexation.

Given the small size of the territories proposed for annexation and the stability of the City's population, the LBC concludes that the population within the proposed post-annexation boundaries of the City of Fairbanks is sufficiently large and stable to support the extension of city government. Thus, the standard set out in 3 AAC 110.120 is satisfied.

**E. 3 AAC 110.130. Boundaries.**

There are five standards related to boundaries that the commission must consider. We find that the petition has satisfied 3 AAC 110.130's requirements based on the rationale below.

**1. 3 AAC 110.130(a)**

3 AAC 110.130(a) states that the proposed expanded boundaries of the city must include the land and water necessary to promote developing essential municipal services in an efficient, cost-effective manner.

Both the enclave lots and the Fred Meyer subdivision are developed territories. There has been nothing presented to suggest the proposed expanded boundaries of the City of Fairbanks does not contain all the land and water necessary to provide development of essential municipal services on an efficient, cost-effective level.

The LBC finds that the proposed boundaries of the city include all land and water necessary to develop essential municipal services in an efficient and cost-effective manner. This applies to both territories.

**2. 3 AAC 110.130(b)**

3 AAC 110.130(b) states that territory that is noncontiguous to the annexing city, or that would create enclaves in the annexing city, does not include all land and water necessary to develop essential municipal services in an efficient, cost-effective manner (absent a specific and persuasive contrary showing).

The enclave lots and Fred Meyer subdivision are both contiguous to the City of Fairbanks. Annexation of the enclave lots would eliminate an enclave currently within the city. As the enclave lots are contiguous to the annexing city, and because annexing them does not create an enclave, we need not address the land and water issue.

While the Fred Meyer subdivision could arguably create an enclave, the territory is already fully developed and receiving services. The expanded City of Fairbanks would contain all land and water necessary to allow for the development of essential municipal services on an efficient, cost-effective manner.

We find that 3 AAC 110.130(b)'s requirements have been met for both territories.

### 3. 3 AAC 110.130(c)(1)

The expanded boundaries of the City of Fairbanks must be on a scale suitable for city government, and may include only that territory comprising an existing local community, plus reasonably predictable growth, development, and public safety needs during the ten years following the effective date of annexation.

For both the enclave lots and the Fred Meyer subdivision, there is no reasonably anticipated future growth or anticipated public safety needs for the next ten years. As was discussed in 3 AAC 110.100, it is difficult to distinguish among the enclave lots, the Fred Meyer subdivision, and the City of Fairbanks as separate communities. These areas seem to comprise a single community, socially and economically.

For 3 AAC 110.130(c)(1) we find that the proposed expanded boundaries of the city, including both territories, are on a scale suitable for city government and only include an existing local community, plus reasonably predictable growth, development, and public safety needs during the ten years after the effective date of annexation.

### 4. 3 AAC 110.130(c)(2)

The proposed expanded boundaries of the City of Fairbanks may not include entire geographical regions or large unpopulated areas, except if those boundaries are justified by the application of standards in 3 AAC 110.090 – 3 AAC 110.135 and are otherwise suitable for city government.

Both the enclave lots and Fred Meyer are small (only comprising 0.05 square miles) and are highly developed territories. They do not contain entire geographical regions or large unpopulated areas. There are approximately 35 residents in the enclave lots. While there are no permanent residents of the Fred Meyer subdivision, thousands of borough and city residents work, shop, bank, and eat in the territory.

For 3 AAC 110.130(c)(2), we find that neither the enclave lots nor the Fred Meyer subdivision includes entire geographical regions or large unpopulated areas.

### 5. 3 AAC 110.130(d)

3 AAC 110.130(d) states that "if a petition for annexation to a city describes boundaries overlapping the boundaries of an existing organized borough, the petition for annexation must also address and comply with the standards and procedures for either annexation of the enlarged city to the existing organized borough or detachment of the enlarged city from the existing organized borough. If a petition for annexation to a city describes boundaries overlapping the boundaries of another existing city, the petition for annexation must also address and comply with the standards and procedures for detachment of territory from a city, merger of cities, or consolidation of cities."

This annexation petition does not describe boundaries overlapping the boundaries of an existing organized borough or another existing city. For that reason the petition does not need to address the standards and procedures for annexation of the enlarged city to the existing organized borough, detachment of the enlarged city from the existing organized borough, detachment of territory from an existing city, merger of cities, or consolidation of cities.

We find that the overlapping boundary standard is satisfied for both the enclave lots and the Fred Meyer subdivision.

**F. 3 AAC 110.135. Best Interests of the State.**

Alaska's constitution promotes maximum local government with a minimum of local government units and prevention of duplication of tax levying jurisdictions. (Article X, §1).

The commission finds that the proposed annexation would have no effect upon the number of local government units. It is important to note that the Fairbanks North Star Borough is a second class borough, whereas the City of Fairbanks is a home rule city. Annexation of the enclave lots and Fred Meyer would promote the principles of maximum local self-government because the territories would receive the benefits of belonging to both the City and the Borough. We found in analyzing 3 AAC 110.140(7) that both annexations would meet the constitutional mandate of maximum local self-government and a minimum number of local government units.

Annexation would meet even a broader interpretation of best interests of the state than merely the impact upon the state budget. The commission finds that the proposed annexation of the enclave lots would help improve the boundaries of the City of Fairbanks and extend city police protection to territories which are now served by the Alaska State Troopers, and in the case of the enclave lots, extend fire protection where such protection is not currently provided. Also, building and fire code enforcement and inspection is currently provided by the state. The state would be relieved of the responsibility of providing building and fire code enforcement and inspecting. Even if the buildings were already built, code inspections are in the best interests of the state. The commission believes with better code enforcement comes better safety and better buildings.

While this annexation will probably not reduce the state's budget for the Alaska State Troopers, annexing Fred Meyer and the enclave lots will allow the troopers to provide better service to the other areas they are responsible for.

While it is not required that the commission review the financial impact on the Borough or the UFSA, commissioners expressed opinions on the financial impact this annexation will cause. All revenue losses cause pain to municipalities. It is a normal course of events that service areas will provide services near a city's boundaries. The fact that a service area exists should not impede a city from expanding. The financial impacts to the borough and the UFSA were not significant enough for this annexation to be viewed as not being in the best interests of the state.

We find that the petition satisfies 3 AAC 110.135's requirements for both territories.

**G. 3 AAC 110.140. Legislative Review.**

For territory to be annexed under the legislative review method the commission must determine that one of eight circumstances enumerated in 3 AAC 110.140 exists.

We find for the enclave lots that circumstance (1), whether "the territory is wholly or substantially surrounded by the annexing city" is met because the enclave lots are substantially surrounded by the City and the Chena River.

Circumstance (7) exists if the commission determines that "annexation will promote (A) maximum local self-government, as determined under 3 AAC 110.981; and (B) a minimum number of local government units, as determined under 3 AAC 110.982 and in accordance with art. X, sec. 1, Constitution of the State of Alaska."

The commission finds that the residents and property owners of the territories proposed for annexation would benefit from belonging to both the Fairbanks North Star Borough (second class borough) and the City of Fairbanks (home rule city). The commission finds that this

annexation will not affect the number of local government units. The commission, based on previous decisions, does not believe this standard is so stringent that it requires that the proposal reduce the number of local government units. Rather it means that no new local government unit will be created unless it is justified. We find that annexing both the enclave lots and the Fred Meyer subdivision promotes maximum local self-government and a minimum number of local government units.

As at least one circumstance has been found to exist for both the enclave lots and the Fred Meyer subdivision, we find that the petition meets 3 AAC 110.140's requirements.

**H. 3 AAC 110.900. Transition.**

3 AAC 110.900 concerns whether the transition plan contains all the required information, and that all required actions were undertaken to prepare for a smooth transition. There are six parts to 3 AAC 110.900 that the commission reviewed.

The commission considers the prospective transition of extending essential city services into the territories proposed for annexing to be elementary and uncomplicated. In particular, the commission notes that annexation would not involve the transfer of assets or liabilities from one local government to another. The petition states that the City will provide fire, police, and other essential municipal services to both of the territories proposed for annexation. City officials testified that the City consulted with Borough and UFSA officials concerning the proposed annexation.

The commission finds that 3 AAC 110.900's requirements have been satisfied with respect to the current annexation proposal based on the rationale below.

**1. 3 AAC 110.900(a)**

3 AAC 110.900(a) requires the petition to include a practical plan demonstrating the capacity of the annexing city to extend essential city services into the territories proposed for annexation in the shortest practical time after the effective date of the proposed annexation. The City of Fairbanks included the required transition plan as Exhibit E of its petition. The City of Fairbanks stated in its transition plan that it was ready to extend municipal services to the territories immediately after the effective date of the proposed annexation.

We find that the petition has met 3 AAC 110.900(a)'s requirements.

**2. 3 AAC 110.900(b)**

3 AAC 110.900(b) requires that the petition include a practical plan for the assumption of all relevant and appropriate powers, duties, rights, and functions presently exercised by an existing borough, city, unorganized borough service area, or other appropriate entity located within the boundaries proposed for change.

The plan must be prepared in consultation with borough officials. The City stated that it is prepared to assume all relevant and appropriate powers, duties, rights, and functions to expand essential city services to the Fred Meyer subdivision and the enclave lots promptly upon the annexations' effective date.

We find that the petition has met 3 AAC 110.900(b)'s requirements.

### 3. 3 AAC 110.900(c)

3 AAC 110.900(c) requires that the petition must include a practical plan for the transfer and integration of all relevant and appropriate assets and liabilities of an existing borough, city, unorganized borough service area, and other entity located within the boundaries proposed for annexation. Here, a plan to transfer assets and liabilities is a moot subject because there are no assets or liabilities that would be affected by the annexations.

### 4. 3 AAC 110.900(d)

3 AAC 110.900(d) allows the LBC to condition approval upon executing an agreement for assuming powers, duties, rights, and functions, and for the transfer and integration of assets and liabilities.

The commissioners discussed whether it was necessary to require that the City and Borough execute an agreement prescribed or approved by the commission for the City to assume the powers, duties, rights, and functions, and for the transfer and integration of assets and liabilities from the Borough. Commissioner Harrington expressed concern that annexation of the Fred Meyer subdivision would increase response time for fire and EMS services to employees and patrons of the commercial business located there. A majority of the commission felt that it was not necessary to require such an agreement, but wished the City and Borough would continue dialogue regarding the financial impact to the Borough and the UFSA.

3 AAC 110.900(d) is optional, and the commission did not act upon it.

### 5. 3 AAC 110.900(e)

The transition plan did state the names and titles of all officials consulted by the petitioner as required by 3 AAC 110.900(e). While the petition did not state the dates and subjects of these meetings, all required entities were aware of the petition. There is no question from testimony given by the Borough and the City at the November 9, 2009, public hearing that consultation occurred.

The commission finds that the spirit of 3 AAC 110.900(e) has been met.

### 6. 3 AAC 110.900(f)

If a petitioner has requested consultation, and borough officials have declined to consult or were unavailable during reasonable times, the petitioner may ask the LBC to waive that requirement. As no such request was received, no such waiver was granted.

## I. 3 AAC 110.910. Statement of Nondiscrimination

As provided by 3 AAC 110.910, an annexation proposal may not be approved by the commission if the effect of the annexation would deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin.

We find no evidence that the effect of the proposed change denies any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin.

**J. 3 AAC 110.920. Determination of Community.**

3 AAC 110.920 applies to determining whether a settlement comprises a community. Given the City's size, and that the commission sees the two territories as part of the City of Fairbanks' social and economic community, the LBC determines that this regulation was not relevant to this petition.

**K. 3 AAC 110.970. Determination of Essential Municipal Services.**

Essential municipal services were discussed under 3 AAC 110.090. The commission sees fire and EMS services, police services, fire and building code enforcement and inspection, and dispatch as being essential municipal services deserving highest consideration. It is important to note that the Fairbanks North Star Borough, as a second class borough, does not have its own police force. Also, it does not provide building and fire code enforcement and inspection. The state is currently responsible for providing those services. The City of Fairbanks has demonstrated its ability to provide and extend these services to the territories proposed for annexation. We find that the petition has met 3 AAC 110.970's requirements.

**L. 3 AAC 110.981. Determination of Maximum Local Self-Government.**

This standard has been discussed in consideration of best interests of the state and whether this annexation is appropriately sought under legislative review. The commission finds that the residents and property owners of the territories proposed for annexation would benefit from belonging to both the Fairbanks North Star Borough (second class borough) and the City of Fairbanks (home rule city) because the territories will continue to receive areawide services which only the Borough can provide. The territories would also receive additional essential municipal services which the City can provide but the Borough and the UFSA cannot, such as police enforcement, and building and fire code enforcement and inspection.

We find that annexing the enclave lots and the Fred Meyer subdivision would extend local government needs (police enforcement, building and fire code inspections and enforcement) which cannot be met by the borough on an areawide or nonareawide basis, by annexation to another existing city, or through an existing borough service area. We find that the petition has met 3 AAC 110.981's requirements.

**M. 3 AAC 110.982. Minimum Number of Local Government Units.**

This standard has been discussed in consideration of best interests of the state and whether this annexation is appropriately sought under legislative review. The commission finds that this annexation will not affect the number of local government units. The commission, based on previous decisions, does not believe this standard is so stringent that it requires that the proposal reduce the number of local government units. Rather it means no new local government unit will be created unless it is justified.

We find that enlargement of the city's boundaries is more appropriate than promoting the incorporation of a new city or the creation of a new borough service area. We find that the petition has met 3 AAC 110.982's requirements.

## SECTION IV
## ORDER OF THE COMMISSION

The commission concludes that all of the relevant standards and requirements for annexation of both territories (the enclave lots and Fred Meyer) are satisfied by the City of Fairbanks' petition. Therefore, the Commission approves the December 10, 2008, petition of the City of Fairbanks for the annexation of approximately 0.05 square miles.

The LBC in the past has held the view that multiple piecemeal annexations do not necessarily serve optimum public policy. The current commission supports this view. Notwithstanding, the commission reaffirms its conclusion that both territories, while small in nature, do meet all relevant standards and requirements.

Approval of the proposed annexation by the Local Boundary Commission will result in boundaries for the City of Fairbanks described as follows:

### CITY OF FAIRBANKS CORPORATE BOUNDARIES

Commencing at the south 1/4 corner of Section 36, T1N, R1W, F.B. & M. which is located on the Fairbanks Base Line, being the true point of beginning of this description; thence west along the Fairbanks Base Line to the northwesterly corner of Section 3, T1S, R1W, F.B. & M.; thence in a southerly direction along the section line common to Sections 3 and 4, T1S, R1W, F.B. & M., to an intersection with the thread of the Noyes Slough; thence downstream along the thread of the Noyes Slough to the easterly 1/16 line of Section 4, T1S, R1W, F.B. & M.; thence in a northerly direction along said easterly 1/16 line to the southerly boundary of Johnston Subdivision, filed in the Fairbanks Recorder's Office October 4, 1954, as Instrument No. 151.674; thence in northerly, northeasterly and northerly directions, respectively, along the easterly boundary of Johnston Subdivision filed in the Fairbanks Recorder's Office on October 4, 1954, as Instrument No. 151.674, to the southernmost right of way limit of College Road, State of Alaska Project S-SG-0644(5); thence in a northwesterly direction along the southernmost right of way limit of College Road, State of Alaska Project S-SG-0644(5), to the Fairbanks Base Line; thence west along said Base Line to the thread of Noyes Slough; thence downstream along the thread of Noyes Slough to the northerly extension of the lot line common to Lots 1 and 11 of the Fairbanks Industrial Park Subdivision filed in the Fairbanks Recorder's Office on October 15, 1976, as Instrument No. 76-165; thence in a southerly direction along the westerly boundaries of Lots 1 through 6 and 9 and the southerly extension of said line to the southernmost right of way limit of Hanson Road, shown on the plat of Fairbanks Industrial Park Subdivision filed in the Fairbanks Recorder's Office on October 15, 1976, as Instrument No. 76-165; thence in a westerly direction along the southernmost right of way limit of Hanson Road to the northwesterly corner of Lot 21, Fairbanks Industrial Park Subdivision filed in the Fairbanks Recorder's Office on October 15, 1976, as Instrument No. 76-165; thence in a southerly direction along the westerly boundary of said Lot 21 to the southwesterly corner of Lot 21, Fairbanks Industrial Park Subdivision filed in the Fairbanks Recorders Office, on October 15, 1976, as Instrument No. 76-165; thence easterly and northeasterly along the southerly boundaries of Lots 21, 20 and 24 to the southeasterly corner of Lot 24, Fairbanks Industrial Park Subdivision filed in the Fairbanks Recorder's Office on October 15, 1976, as Instrument No. 76-165; thence easterly, normal to the section line, to said section line common to Sections 5 and 4, T1S, R1W, F.B. & M.; thence in a southerly direction along said section line common to Sections 4, 5, 8 and 9, T1S, R1W, F.B. & M. to an intersection with the easterly extension of the southernmost right of way limit of Phillips field Road as shown on the plat of Doyon Estates subdivision, filed in the Fairbanks Recorders Office on October 16, 1997 as Instrument No. 97-100 ; thence in a westerly direction along said easterly extension of the southernmost right of way limit of Phillips Field Road to an intersection with the westernmost right of way limit of Mouton Street as shown on the plat of Doyon Estates subdivision, filed in the Fairbanks Recorders Office on October 16, 1997 as Instrument No. 97-100 ; Thence southeasterly and southwesterly along said westernmost right of way limit of Mouton Street to the northern most boundary of Government Lot 10, Section 8, T1S, R1W, F.B.& M.; thence in a westerly direction along the northerly boundary of Government Lot 10, Section 8, T1S, R1W, F.B.& M. extended to intersect with the thread of the

Chena River; thence downstream along the thread of the Chena River to the section line common to Sections 7 and 8, T1S, R1W, F.B. & M.; thence in a southerly direction along said section line to the easterly extension of the northerly boundary of Fred Meyer Subdivision as filed in the Fairbanks Recorder's Office as Plat No. 91-55; thence westerly, southerly and easterly along the boundary of said Fred Meyer Subdivision to the northwesternmost corner of Lot 2, Block 1, Fairwest Subdivision West Addition filed in the Fairbanks Recorder's Office January 24, 1964, as Instrument No. 64-486; thence in a southerly direction along the westerly lot line of said Lot 2, Block 1, to the northernmost right of way limit of Mitchell Avenue as shown on said plat of Fairwest Subdivision West Addition; thence in an easterly direction along the northernmost right of way limit of Mitchell Avenue as shown on said plat of Fairwest Subdivision West Addition extended to the section line common to Sections 17 and 18, T1S, R1W, F.B. & M.; thence in a southerly direction along the section line common to Sections 17 and 18, T1S, R1W, F.B. & M. to the northernmost 1/16 corner common to Sections 17 and 18, T1S, R1W, F.B. & M.; thence in an easterly direction along the northernmost east-west 1/16 line to the northerly 1/16 corner on the centerline (north-south) of Section 17, T1S, R1W, F.B. & M.; thence in a southerly direction along the centerline (north-south) of Section 17, T1S, R1W, F.B. & M. to the center 1/4 corner of Section 17, T1S, R1W, F.B. M; thence in a easterly direction along the centerline (east-west) of Section 17, T1S, R1W, F.B. & M. to an intersection with the westernmost right of way limit of Peger Road, State of Alaska Project S-0665(2); thence in a southerly direction along the westernmost right of way limit of Peger Road, State of Alaska Project S-0665(2), to a point on the extended southernmost right of way limit of Van Horn Road, State of Alaska Project S-0665(2), thence in an easterly direction along the southernmost right of way limit of Van Horn Road, State of Alaska Project S-0665(2), to the easternmost limit of Schacht Street as shown on the plat of Metro Industrial Airpark subdivision filed in the Fairbanks Recorders Office on December 12, 1969, as instrument No. 69-12194; thence in a southerly direction along the easternmost limit of said Schacht Street to the southwest corner of Lot 1-A as shown on the replat of Lot 1, Block 7, Metro Industrial Air Park filed in the Fairbanks Recorders Office on June 18, 1985, as Instrument No. 85-96; thence in a easterly direction along the southerly boundary of said Lot 1-A to the southeasterly corner of said Lot 1-A at the westerly boundary of the Subdivision of the Arvo A. Joki Property in the SE 1/4 of Section 21, T.1S. R.1 W. F.M., filed in the Fairbanks Recorder's Office on May 31, 1973, as instrument No. 73-34; thence in southerly easterly and northerly directions around the perimeter of the Avro A. Joki Property encompassing Tract A and Tract B to the southernmost right of way limit of Van Horn Road, State of Alaska Project S-0665(2); thence in an easterly direction along the southernmost right of way limit of Van Horn Road, State of Alaska Project S-0665(2) to the easternmost limit of South Lathrop Street, a 66 foot section line easement centered on the section line common to Sections 21 and 22, T1S, R1W, F.B. & M.; thence in a southerly direction along the easternmost limit of South Lathrop Street, a 66 foot section line easement centered on the section line common to Sections 21 and 22, T1S, R1W, F.B. & M. to the northwesterly corner of Lot 1, as shown on the Amended Plat of D-5 Subdivision filed in the Fairbanks Recorder's Office on September 19, 1980, as Instrument No. 80-160; thence in an easterly direction along the northerly boundary of Lot 1, as shown on the Amended Plat of D-5 Subdivision filed in the Fairbanks Recorder's Office on September 19, 1980, as Instrument No. 80-160; thence in a southerly direction along the easterly boundary of Lot 1, as shown on the Amended Plat of D-5 Subdivision filed in the Fairbanks Recorder's Office on September 19, 1980, as Instrument No. 80-160 common to the westerly boundary of Lot 6, Block 1, King Industrial Park Subdivision filed in the Fairbanks Recorder's Office on July 22, 1981, as Instrument No. 81-114 to the southwesterly corner of Lot 6, Block 1, King Industrial Park Subdivision filed in the Fairbanks Recorder's Office on July 22, 1981, as Instrument No. 81-114; thence in an easterly direction along the southerly boundary of Lot 6, Block 1, King Industrial Park Subdivision filed in the Fairbanks Recorder's Office on July 22, 1981, as Instrument No. 81-114 to the westernmost right of way limit of Royal Road, as shown on the plat of King Industrial Park Subdivision filed in the Fairbanks Recorder's Office on July 22, 1981, as Instrument No. 81-114; thence in a northerly direction along the westernmost right of way limit of Royal Road, as shown on the plat of King Industrial Park Subdivision filed in the Fairbanks Recorder's Office on July 22, 1981, as Instrument No. 81-114 to the northeasterly corner of Lot 7, Block 1, King Industrial Park Subdivision filed in the Fairbanks Recorder's Office on July 22, 1981, as Instrument No. 81-114; thence in an easterly direction along the westerly extension of and continuing along the southerly boundary of Lot 2, Block 2, King Industrial Park Subdivision filed in the Fairbanks Recorder's Office on July 22, 1981, as Instrument No. 81-114 to the southeasterly corner of Lot 2, Block 2, King Industrial Park Subdivision filed in the Fairbanks Recorder's Office on July 22, 1981, as Instrument No. 81-114;

thence northerly along the easterly boundary of Lots 1 and 2, Block 2, King Industrial Park Subdivision filed in the Fairbanks Recorder's Office on July 22, 1981, as Instrument No. 81-114 to the southernmost right of way limit of Van Horn Road, State of Alaska Project S-0665(2); thence in an easterly direction along the southernmost right of way limit of Van Horn Road, State of Alaska Project S-0665(2), to an intersection with the westernmost right of way limit of South Cushman Street; thence in a southerly direction along the westernmost right of way limit of South Cushman Street as shown on the plat of Tennessee Miller Industrial Park recorded in the Fairbanks District Recorders Office on March 14, 1986 as instrument number 86-35; thence continuing along the southerly extension of said westernmost right of way limit of South Cushman Street to the section line common to Sections 22 and 27, T1S, R1W, F. B. & M; thence in an easterly direction along the section line common to Sections 22, 27, 23 and 26, to the ¼ common to Sections 23 and 26, T1S, R1W, F.B. & M.; thence in a northerly direction along the north-south centerline of Section 23, to the northernmost 1/16 corner on said north-south centerline of Section 23, T1S, R1W, F.B. & M.; thence in an easterly direction along the northernmost eastwest 1/16 line of said Section 23 to the northernmost 1/16 corner common to Sections 23 and 24, T1S, R1W, F.B. & M.; thence in a southerly direction along the section line common to Sections 23 and 24 to the southerly limit of Parcel B of Exhibit A to the Special Warranty Deed recorded in the Fairbanks Recorder's Office on February 27, 1985, in Book 414, Pages 331 through 337, as Instrument Number 85-4616; thence North 8959'52" East along the southerly boundary of said Parcel B a distance of 330.14 feet; thence North 002'05" West a distance of 330.22 feet to a point on the southerly boundary of said Parcel B; thence North 8959'59" East a distance of 690.39 feet to a point on the southerly boundary of said Parcel B; thence South 000'01" East a distance of 660.40 feet to a point on the southerly limit of said Parcel B; thence North 8959'46" East a distance of 300.44 feet to the southeasternmost corner of said Parcel B which lies on the westerly 1/16 line of Section 24, T1S, R1W, F.B. M; thence in a southerly direction along the westerly 1/16 line of Sections 24 and 25, T1S, R1W, F.B. & M., to the meander of the north bank of the Tanana River; thence in northeasterly and southeasterly directions along the meanders of the north bank of the Tanana River to an intersection with the section line common to Sections 32 and 33, T1S, R1E, F.B. & M.; thence in a northerly direction along the section line common to Sections 33, 28, 29 and 32, T1S, R1E, F.B. & M., to the section corner common to Sections 21, 28, 29 and 20, T1S, R1E, F.B. & M.; thence in an easterly direction along the section line common to Sections 28 and 21, T1S, R1E, F.B. & M., to the westerly 1/16 corner common to Sections 28 and 21, T1S, R1E, F.B. & M.; thence in a northerly direction along the westerly 1/16 line of Section 21, T1S, R1E, F.B. & M., to the southernmost right of way limit of the Old Richardson Highway, FAP 62-4; thence in a northwesterly direction along the southernmost right of way limit of the Old Richardson Highway, FAP 62-4, extended to the westernmost right of way limit of Badger Road, State of Alaska Project S-0620(2); thence in a northerly direction along the westernmost right of way limit of Badger Road State of Alaska Project S-0620(2) to an intersection with the westerly 1/16 line of Section 21, T1S, R1E, F.B. & M.; thence in a northerly direction along the westerly 1/16 line of Section 21, T1S, R1E, F.B. & M., to the westerly 1/16 corner common to Sections 21 and 16, T1S, R1E, F.B. & M.; thence in an easterly direction along the section line common to Sections 21 and 16, T1S, R1E, F.B. & M. to the centerline of Badger Road State of Alaska Project RS-0622(6); thence in a northerly direction along the centerline of Badger Road State of Alaska Project No. RS-0622(6) to the centerline of Holms Road State of Alaska Project RS-0622(1) /63872; thence in a southeasterly direction along the centerline of Holms Road to a point of tangent at centerline station 24+59.63; thence South 02°32' 10" West (basis of bearing for this call is Holms Road State of Alaska Project RS-0622(1) /63872) to the section line common to Sections 21 and 16, T1S, R1E, F.B. & M; thence in an easterly direction along said section line to the section corner common to Sections 22, 21, 16 and 15, T1S, R1E, F.B. & M.; thence in a northerly direction along the section line common to Sections 15 and 16, T1S, R1E, F.B. & M., to the section corner common to Sections 10, 15, 16 and 9, T1S, R1E, F.B. & M.; thence in a westerly direction along the section line common to Sections 9 and 16, T1S, R1E, F.B. & M., to the 1/4 corner common to Sections 9 and 16, T1S, R1E, F.B. & M.; thence in a northerly direction along the centerline (north-south) of Section 9, T1S, R1E, F.B. & M., to the 1/4 corner common to Sections 9 and 4, T1S, R1E, F.B. & M.; thence in an easterly direction along the section line common to Sections 9, 4, 3 and 10, T1S, R1E, F.B. & M., to the westerly 1/16 corner common to Sections 10 and 3, T1S, R1E, F.B. & M.; thence in a northerly direction along the westerly 1/16 line to the mid 1/16 corner located in the SW 1/4 of Section 3, T1S, R1E, F.B. & M.; thence in an easterly direction along the southerly 1/16 line to the southerly 1/16 corner on the centerline (north-south) of Section 3, T1S, R1E, F.B. & M.; thence in a northerly direction

along the centerline (north-south) of Section 3, T1S, R1E, F.B. & M., to the 1/4 corner of Section 3, T1S, R1E, F.B. & M., located on the Fairbanks Base Line; thence east along the Fairbanks Base Line to the southerly 1/4 corner of Section 34, T1N, R1E, F.B. & M.; thence in a northerly direction along the centerline (north-south) of Section 34, T1N, R1E, F.B. & M., to the 1/4 corner common to Sections 34 and 27, T1N, R1E, F.B. & M.; thence in a westerly direction along the section line common to Sections 27, 34, 33 and 28, T1N, R1E, F.B. & M., to the section corner common to Sections 29, 28, 33 and 32, T1N, R1E, F.B. & M.; thence in a southerly direction along the section line common to Sections 32 and 33, T1N, R1E, F.B. & M., to the 1/4 corner common to Sections 32 and 33, T1N, R1E, F.B. & M.; thence in a westerly direction along the centerlines (east-west) of Sections 32 and 31, T1N, R1E, F.B. & M., to the 1/4 corner of Section 31, T1N, R1E, F.B. & M., located on the Fairbanks Meridian; thence north along the Fairbanks Meridian to the northernmost 1/16 corner of Section 36, T1N, R1W, F.B. & M., thence in a westerly direction along the northerly 1/16 line of Section 36, T1N, R1W, F.B. & M., to the mid 1/16 corner located in the NE 1/4 of Section 36, T1N, R1W, F.B. & M.; thence in a southerly direction along the easterly 1/16 line to the easterly 1/16 corner on the centerline (east-west) of Section 36, T1N, R1W, F.B. & M.; thence in a westerly direction to the interior 1/4 corner of Section 36, T1N, R1W, F.B. & M.; thence in a southerly direction along the centerline (north-south) of Section 36, T1N, R1W, F.B. & M., to the 1/4 corner common to Section 36, T1N, R1W, F.B. & M., and located on the Fairbanks Base Line, the true point of beginning of this description. This description encompasses an area of 33.85 square miles.

Approved in writing this 2nd day of December, 2009.

**LOCAL BOUNDARY COMMISSION**

**By:** Lynn Chrystal x
**Lynn Chrystal, Chair**

**Attest:**

**By:** R. Brent Williams x
Brent Williams, Staff

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## RECONSIDERATION BY THE COMMISSION

Per 3 AAC 110.580(a) "within 18 days after a written statement of decision is mailed under 3 AAC 110.570(f), a person may file an original and five copies of a request for reconsideration of all or part of the decision, describing in detail the facts and analyses that support the request for reconsideration."

Per 3 AAC 110.580(e) "the commission will grant a request for reconsideration or, on its own motion, order reconsideration of a decision only if the commission determines that

(1) a substantial procedural error occurred in the original proceeding;
(2) the original vote was based on fraud or misrepresentation;
(3) the commission failed to address a material issue of fact or a controlling principle of law; or
(4) new evidence not available at the time of the hearing relating to a matter of significant public policy has become known."

Additionally, per 3 AAC 110.580(f) "if the commission does not act on a request for reconsideration within 30 days after the decision was mailed under 3 AAC 110.570(f), the request is automatically denied."

Also, per 3 AAC 110.580(f) "if the commission orders reconsideration or grants a request for reconsideration within 30 days after the decision was mailed under 3 AAC 110.570(f), the commission will allow a petitioner or respondent 10 days after the date reconsideration is ordered or the request for reconsideration is granted to file an original and five copies of a responsive brief describing in detail the facts and analyses that support or oppose the decision being reconsidered."

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## JUDICIAL APPEAL

Per 3 AAC 110.620, "a final decision of the commission made under the Constitution of the State of Alaska, AS 29.04, AS 29.05, AS 29.06, or this chapter may be appealed to the superior court in accordance with the Administrative Procedure Act (AS 44.62)." Please note that AS 44.62.560 requires that "the notice of appeal shall be filed within 30 days after the last day on which reconsideration can be ordered, and served on each party to the proceeding."

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**STATE OF ALASKA**

**LOCAL BOUNDARY COMMISSION**

In the Matter of the )
Petition for Annexation )
of 0.05 Square Miles to )
the City of Fairbanks )

**STATEMENT OF DISSENT BY**
**COMMISSIONER JOHN HARRINGTON**

INTRODUCTION

This dissent in the annexation of the Fred Meyer Subdivision is limited to a narrow issue. The essential problem in this annexation is the mixed effect that the action will have on the delivery of services to the subdivision. I believe the Commission erred in only one aspect of the annexation process. It made a mistake by not requiring the City of Fairbanks and the Fairbanks North Star Borough execute an agreement allowed by 3 AAC 110.900(d) regarding the delivery of Fire and EMS services.

The City can provide police service and building code enforcement more efficiently and more effectively than can the Borough or the State of Alaska. But the Borough, exercising nonareawide EMS powers and service area fire suppression powers, is providing more efficient and more effective fire and EMS service than can the City. The presentation by the City lauded its more highly trained EMS and fire staff, but training cannot make up for the significantly longer response time. The current delivery of service from a station just 0.3 miles from the subdivision will be changed to a response from a station several miles away.

STATEMENT OF DISSENT

The Fred Meyer Subdivision has a reasonable need for city government. That need is partially met by the exercise of nonareawide EMS powers of the Borough and fire suppression through the University Fire Service Area. If it were not for the lack of several essential municipal services available from the Borough (e.g. police, and building code enforcement), this subdivision would not meet the applicable standards for annexation.

> 3 AAC 110.090. Need
> (a) The territory must exhibit a reasonable need for city government. . . .
> (b) Territory may not be annexed to a city if essential municipal services can be provided more efficiently and more effectively by another existing city or by an organized borough, on an areawide basis or nonareawide basis, or through a borough service area that, in the determination of the commission, was established in accordance with art. X, sec. 5, Constitution of the State of Alaska.

Because of the emphasis in 3 AAC 110.090 on "*services provided more efficiently and more effectively...*" the Commission was required to address the relative efficiency and effectiveness in the delivery of Fire and EMS services to the subdivision. During the hearings the Commission heard testimony regarding the City's attempt to come to an agreement with the Borough regarding the University Fire Service Area, specifically, the financial impact on the service area. The financial impact on the service area is significant, but the more important impact is the degradation of service delivery.

It is within the power of the commission (3 AAC 110.900(d) Transition) to prescribe an agreement between the City and the Borough.

> 3 AAC 110.900. Transition
>
> ...
>
> (d) Before approving a proposed change, the commission may require that all boroughs, cities, unorganized borough service areas, or other entities wholly or partially included within the boundaries of the proposed change execute an agreement prescribed or approved by the commission for the assumption of powers, duties, rights, and functions, and for the transfer and integration of assets and liabilities.

One possible agreement would provide for the retention of the Fred Meyer Subdivision within the University Fire Service Area until such time as the City can provide a more comparable response time.

It is in the best interest of the subdivision, the community of Fairbanks, and the State that essential services are delivered efficiently and effectively. In this annexation action the degradation in delivery of fire and EMS services can be avoided, and as such, should be.

It is in this very limited area that I dissent from the action taken by the Commission. In all other aspects of the Commission's approval of the annexation, I concur.

Approved in writing this 2nd day of December, 2009.

By: _____ x

John Harrington,
Commissioner
First Judicial District

**Attest:**

By _____ x

Brent Williams, Staff

# HJR

# 46

# MEMORANDUM

Date: February 23, 2010

To: Rep. Nancy Dahlstrom, Chair
House Rules Committee

From: Rep. Bob Herron, Co-Chair Community & Regional Affairs
Rep. Cathy Muñoz, Co-Chair Community & Regional Affairs

RE: House Joint Resolution 46, Supporting Denali Commission

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We respectfully request that HJR 46, "Urging Congressional support for the reauthorization of the Denali Commission" be calendared for a floor vote.

HJR 46 urges the Obama administration to reauthorize the commission for an additional five years and urges the United States Congress to provide funding to provide for the continued success of the Denali Commission in its vital mission.

If you have any questions or need additional information, please call Rob Earl at 465-5141.

# ALASKA STATE LEGISLATURE

## House Community & Regional Affairs Committee


**Rep. Cathy Muñoz, Co-Chair**

State Capitol Building, Room 409
Juneau, Alaska 99801-1182
Phone (907) 465-3744
Fax (907) 465-2273
Rep_Cathy_Munoz@legis.state.ak.us

**Rep. Bob Herron, Co-Chair**

State Capitol Building, Room 411
Juneau, Alaska 99801
Phone: (907) 465-4942
Fax: (907) 465-4589
Rep_Bob_Herron@legis.state.ak.us


## HJR 46, Supporting Denali Commission
## Sponsor Statement

The importance of the Denali Commission to Rural Alaska's infrastructure needs cannot be overstated. Since 1999, the Commission has very successfully promoted rural development by providing economic, infrastructure, job training, and health care support in rural communities.

The Denali Commission has invested approximately $1 billion to improve the infrastructure and sustainability of rural Alaska, complementing the state's investment of about $2 billion toward the same purposes.

Today, the Denali Commission brings together stakeholders from throughout Alaska to advise the Denali Commission in the wise investment of its Federal resources. These investments offer a means for effective local and state partnership in finding ways to sustain rural Alaska's communities and culture.

This Resolution urges the Obama administration to reauthorize the commission for an additional five years and urges the United States Congress to provide funding to provide for the continued success of the Denali Commission in its vital mission.

# FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HJR46
() Publish Date:

Identifier (file name): HJR46-LEG-COU-2-19-10
Dept. Affected: Legislature
Title: Urging Congressional support for the reauthorization of the Denali Commission.
RDU: Legislative Council
Component: Council and Subcommittees
Sponsor: House Community and Regional Affairs Committee
Requester: House Community and Regional Affairs Committee
Component Number: 783

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

**Estimate of any current year (FY2010) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This Legislation has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director — Phone 465-6626
Division: Legislative Affairs Agency — Date/Time 2/19/10 3:17 PM
Approved by: Pamela Varni, Executive Director — Date 2/19/2010
Legislative Affairs Agency

(Revised 11/6/2009 OMB)

# HOUSE JOINT RESOLUTION NO. 46

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**Introduced: 2/19/10**
**Referred: Community and Regional Affairs**

## A RESOLUTION

**Urging Congressional support for the reauthorization of the Denali Commission.**

**BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

**WHEREAS**, since 1999, the Denali Commission has promoted rural development by providing economic, infrastructure, job training, and health care support in rural communities, with minimal overhead and administrative costs; and

**WHEREAS** the Denali Commission has invested approximately $1,000,000,000 to improve the infrastructure and sustainability of rural Alaska communities, which has complemented the state's investment of approximately $2,000,000,000 for those purposes; and

**WHEREAS** the Denali Commission has proven to be an effective catalyst for federal and state efforts to improve rural infrastructure, including transmission facilities, communication systems, bulk fuel facilities, power system upgrades, primary care clinics and other health facilities, housing, washeterias, solid waste facilities, and rural transportation improvements; and

**WHEREAS** the Denali Commission has trained construction and health care workers for careers in their communities and regions, and has promoted economic development and

sustainability through effective interagency coordination; and

**WHEREAS** the Denali Commission has served Alaska well for over a decade in meeting its intended purposes and therefore merits continued funding and authorization; and

**WHEREAS** the Bush Caucus recognizes the importance of the state's role as a co-chair of the Denali Commission and will urge the legislature to continue to provide matching funds for Denali Commission projects; and

**WHEREAS** President Obama's administration has recognized the importance of the Denali Commission with a base appropriation of $11,965,000 a year in the federal fiscal year 2010 and 2011 budgets;

**BE IT RESOLVED** that the Alaska State Legislature recognizes the valuable work of the Denali Commission and supports the reauthorization of the commission for an additional five years; and be it

**FURTHER RESOLVED** that the Alaska State Legislature respectfully urges the United States Congress to provide the necessary funding for the ongoing development and operation of the Denali Commission.

**COPIES** of this resolution shall be sent to the Honorable Barack Obama, President of the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Harry Reid, Majority Leader of the U.S. Senate; the Honorable Mitch McConnell, Minority Leader of the U.S. Senate; the Honorable Nancy Pelosi, Speaker of the U.S. House of Representatives; the Honorable John Boehner, Minority Leader of the U.S. House of Representatives; the Honorable Gary F. Locke, United States Secretary of Commerce; the Honorable Raymond L. LaHood, United States Secretary of Transportation; the Honorable Kathleen Sebelius, United States Secretary of Health and Human Services; and the Honorable Lisa Murkowski and the Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

**HJR 46, Supporting Denali Commission**

Mr Speaker, HJR 46 encourages the United States Congress to re-authorize the Denali Commission with adequate funding and encourages the President and his Administration to continue the Denali Commission as an authorized Independent Federal Agency. The Denali Commission is one of seven Federal Regional Commissions serving the challenges of rural America. Yet, while the Denali Commission has a proven record of over 10 years of service to rural Alaska, it is the only Regional Commission that is not presently authorized, with authorization that expired on October 1, 2009.

This resolution will act as a clear statement by the Alaska Legislature to the United States Congress to re-authorize the Denali Commission, enabling the Alaska Delegation to pursue the necessary funding for the Denali Commission to invest in rural Alaska.

I urge passage of this Resolution. Thank-you Mr Speaker.

[All commissions are re-authorized for 5 years at a time.]

1) The Denali Commission is one of seven commissions that include:
**Appalachian Regional Commission** - East Coast Mountains - Funded in FY10 - Authorized in FY08
**Denali Commission** - Alaska - Funded in FY10 - Not Authorized
**Delta Regional Authority** - Mississippi - Alabama - Lousiana - Funded in FY10 - Authorized in 2008 Farm Bill (P.L. 110-627)

**All brand new in 2008 Farm Bill**
**Northern Border Regional Commission** - Maine - New Hampshire - Vermont- New York -Funded in FY10 - Authorized in 2008 Farm Bill
**Southeast Crescent** - 7 SE States - Authorized in 2008 Farm Bill and not yet in the President's budget.
**Southwest Regional Border Authority** - Arizona - New Mexico - Texas - California - Authorized in 2008 Farm Bill and not yet in President's budget.
**Northern Great Plains Regional Authority** - North Dakota - South Dakota - Kansas - Nebraska - Iowa - Authorized in 2008 Farm Bill and not yet in President's budget.

**Appalachian Regional Commission was not authorized for about a year in 06-07.**

2) Denali Commission is funded in FY10 for $61M as follows:

$12M - Base budget
$ 4M - TAPL interest
$ 7M - USDA High Cost Energy (Estimated) - Earmark in USDA
$28M - Denali Access Program - Earmarks in SAFETEA-LU
$10M - HRSA Rural Health Facilities - Earmark in HHS

" The Denali Commission has a proven record of over 10 years of service to ~~rural~~ Alaska, and is the only Regional Commission that is not presently authorized. HJR 46 encourages Congress and the President to re-authorize the Denali Commission as an Independent Federal Agency so that the commission may continue its mission, vital to ~~rural~~ development in Alaska. "

ECONOMIC

Herron quote

**Rob Earl**

**From:** Dani Carlson
**Sent:** Monday, March 15, 2010 4:09 PM
**To:** Dani Carlson
**Subject:** Press Release: HJR 46 Passes Legislature, Supports Denali Commission
**Attachments:** CRA_20100315_HJR46.pdf




**PRESS RELEASE** **FOR IMMEDIATE RELEASE**

# LEGISLATURE SUPPORTS DENALI COMMISSION

***House Committee stands up for vital organization***

**Monday, March 15, 2010, Juneau, Alaska –** The Alaska State Senate today unanimously passed House Joint Resolution 46, urging the federal government to support reauthorization of the Denali Commission. HJR 46 is a priority of the Legislature's Bush Caucus.

The House Community & Regional Affairs Committee sponsored the resolution to persuade Congress, the White House and members of the President's Cabinet to reauthorize the Denali Commission for another five years.

"The Denali Commission has proven over a decade that it's vital to supporting Alaska," C&RA Co-Chair Bob Herron, D-Bethel, said. "It's unfortunate that it's the only regional commission that is not presently authorized. I strongly encourage congress to re-authorize the Denali Commission as an independent federal agency for the benefit of all Alaskans."

"The Federal-State partnership has been essential to the success of the Denali Commission," C&RA Co-Chair Cathy Muñoz, R-Juneau, said. "Re-authorization by Congress will allow the Commission to continue its mission of community development in Alaska."

HJR 46 now goes to the governor's office for signature.

# # #

To contact Rep. Herron's office, please call 907-465-4942.

To contact Rep. Muñoz's office, please call 907-465-3744.

yours,

**Dani Carlson**
House Majority Press Office



2336

(7)

**Date Referred to Committee: February 19, 2010** **FURTHER REFERRALS:**

**Date of Committee Action:** 2.23.10

**The COMMUNITY AND REGIONAL AFFAIRS Committee considered:**

**HOUSE JOINT RESOLUTION NO. 46**

**Urging Congressional support for the reauthorization of the Denali Commission.**

**HJR 46-SUPPORTING DENALI COMMISSION**

**Recommends it be replaced with [ ] HCS *or* [ ] CS *for* _____ (_____)**

***For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_____*** **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

*List of Abbrev for Depts.:*
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

**NEW FISCAL NOTES**
*Assigned by Chief Clerk's Office

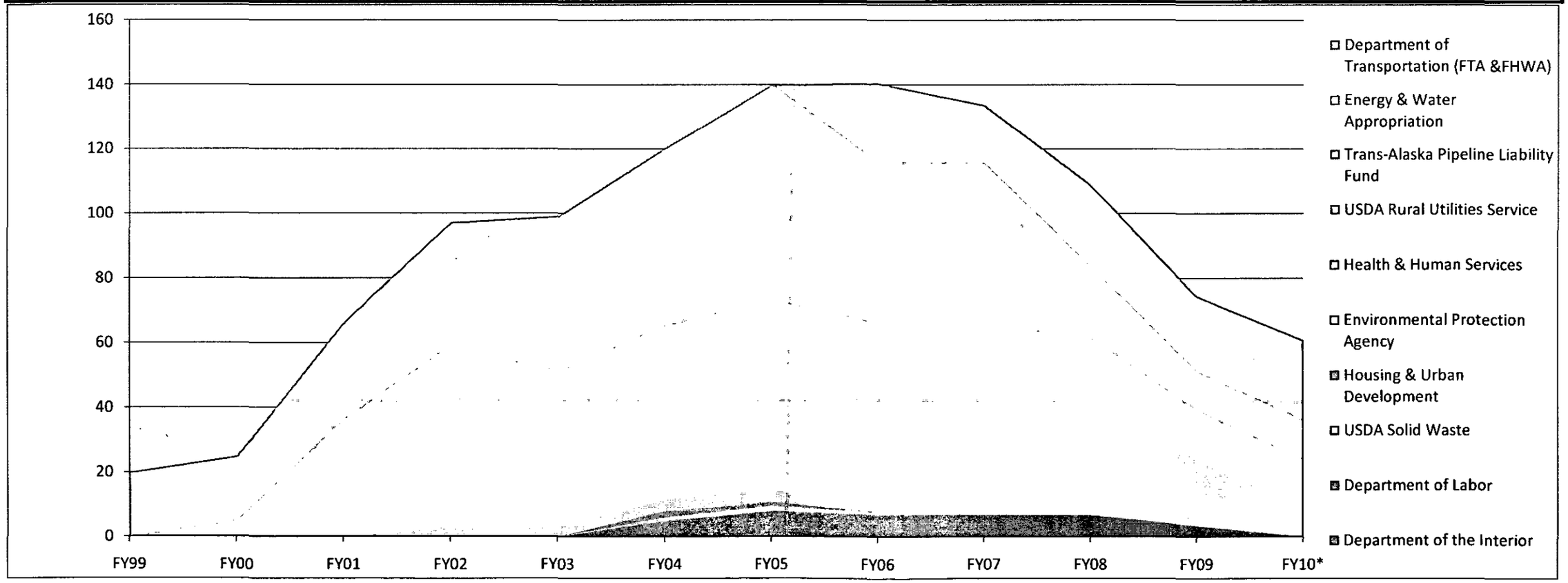
| List by Dept(s): | *FN# | Fiscal | Indet. | Zero |
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**PREVIOUS FISCAL NOTES**

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| Signing with recommendations | Printed Last Name | DP | DNP | NR | AM |
|---|---|---|---|---|---|
| | CISSNA | ✓ | | | |
| | HARRIS | ✓ | | | |
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| | | | | | |
| Chair: | MUNOZ | ✓ | | | |
| Chair: | HERRON | ✓ | | | |

| *Funding Sources* | *FY99* | *FY00* | *FY01* | *FY02* | *FY03* | *FY04* | *FY05* | *FY06* | *FY07* | *FY08* | *FY09* | *FY10** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Department of the Interior | | | | | | | 0.9861 | | | | | |
| Department of Labor | | | | | | 4.97 | 6.944 | 6.8746 | 6.875 | 6.7549 | 3.378 | |
| USDA Solid Waste | | | | | | 1 | 1.5 | 0.7425 | 0.7425 | 0.433 | 0.434 | |
| Housing & Urban Development | | | | | | 1.9882 | 1.289 | | | | | |
| Environmental Protection Agency | | | | 3 | 2.9805 | 3.4794 | 3.968 | | | | | |
| Health & Human Services | | | 10 | 19.9 | 27.222 | 34.693 | 39.543 | 39.2832 | 39.2832 | 38.5967 | 19.642 | 10 |
| USDA Rural Utilities Service | | | 15 | 25 | 18.5 | 15 | 15 | 15 | 15 | 10 | 8.5 | 8 |
| Trans-Alaska Pipeline Liability Fund | | 5 | 11.36 | 11.36 | 2.486 | 4.273 | 4.4 | 4.2333 | 3.9913 | 5.8309 | 7.3132 | 6 |
| Energy & Water Appropriation | 20 | 20 | 30 | 38 | 48 | 55 | 66.464 | 49.5 | 49.5 | 21.8 | 11.8 | 11.965 |
| Department of Transportation (FTA &FHWA) | | | | | | | | 24.955 | 18.4143 | 25.4639 | 23.484 | 25 |
| | *20* | *25* | *66.36* | *97.26* | *99.1885* | *120.4036* | *140.0941* | *140.5886* | *133.8063* | *108.8794* | *74.5512* | *60.965* |



# SB

# 3

# ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

ALASKA
STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182

(907) 465-3707
FAX (907) 465-4821

## MEMORANDUM

**DATE:** April 1, 2009

**TO:** Representative Bob Herron, Co-Chair
Representative Cathy Munoz, Co-Chair
House Community & Regional Affairs Committee

**FROM:** Sn. Donald Olson
Senate District T D.O.

**SUBJ:** Request for Hearing – SB 3

I would like to request a hearing for Senate Bill 3 at your earliest convenience.

Senate Bill 3 would provide a benefit to the state's economic development organizations, the ARDORs, by providing them with the opportunity to obtain public information from the Commercial Fisheries Entry Commission (CFEC) without charge. Under AS 16.05.815, no confidential information will be made available.

Attached is a copy of the bill, a sponsor statement combined with a sectional analysis, two ZERO fiscal notes, support letters from the CFEC and four ARDORs, and a copy of AS 16.05.815, the statute on confidential reports and records. There is no known opposition, and SB 3.

If there are any questions, please contact Tim Benintendi of my office at 4989. Thank you.

# FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: SB0003A
() Publish Date:

Identifier (file name): SB003-DFG-CFEC-02-02-09
Dept. Affected: Fish and Game
Title: An Act authorizing an Alaska regional development organization to
RDU: Comm Fisheries Entry Commission
Component: Comm Fisheries Entry Commission
Sponsor: Senator Olson
Requester: Senate Community and Regional Affairs Committee
Component Number: 471

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Travel | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Contractual | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Supplies | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Equipment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Land & Structures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Grants & Claims | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CHANGE IN REVENUES ( )** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1003 GF Match | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1004 GF | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1005 GF/Program Receipts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1037 GF/Mental Health | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Interagency Receipts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2009) cost:** 0.0

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Part-time | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Temporary | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

**ANALYSIS:** *(Attach a separate page if necessary)*

There are no significant fiscal impacts for CFEC associated with this bill.

Prepared by: Shirley Penrose, Administrative Officer
Phone 907-790-6960
Division: Commercial Fisheries Entry Commission
Date/Time 2/2/09 7:25 AM
Approved by: Frank M. Homan, Chairman
Commercial Fisheries Entry Commission
Date 2/2/2009

(Revised 9/10/2008 OMB)

# FISCAL NOTE

**STATE OF ALASKA**
**2009 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version: **SB 3**
() Publish Date:

Identifier (file name): SB3-CED-OED 02-02-09
Dept. Affected: DCCED
Title: CFEC AS INFORMATION RESOURCE
RDU: Economic Development
Component: Office of Economic Development
Sponsor: Senator Olson
Requester: Senate Community and Regional Affairs
Component Number: 2743

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |
| **FUND SOURCE** | | (Thousands of Dollars) | | | | | |
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2009) cost:**

| **POSITIONS** | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*

This bill would allow the Commercial Fisheries Entry Commission to share fisheries information and data with regional Alaska Regional Development Organizations (ARDORs). Currently there is an ongoing charge for this information from the Department of Fish and Game.

There is zero fiscal impact on the Department of Commerce, Community and Economic Development.

Prepared by: Tyson Fick — Phone 465-2503
Division: Legislative Liaison, DCCED — Date/Time 02-02-09/ 8:30am
Approved by: Emil Notti, Commissioner — Date 2/2/2009
Department of Commerce, Community and Economic Development

(Revised 9/10/2008 OMB)

# ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

ALASKA
STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182

(907) 465-3707
FAX (907) 465-4821


## Senate Bill 3 – C.F.E.C. As An Information Source

Version 26-LS0018/A, February 5, 2009
STAFF: Tim Benintendi, 465-4989

## SPONSOR STATEMENT and SECTIONAL ANALYSIS

### SPONSOR STATEMENT:

SB 3 would allow ARDORs to benefit from commercial fishery and related information generated by the Commercial Fisheries Entry Commission (CFEC), at no cost. No confidential information may be disclosed, per AS 16.05.815.

There are eleven ARDORs (Alaska Regional Development Organizations) established under AS 44.33.895. These are non-profit organizations comprised of representatives of the economic, political, and social interests in each region. Their purpose is to encourage and assist economic development in their specific areas.

Eight ARDORs would especially benefit from this legislation: Southwest Alaska Municipal Conference, Bering Strait Development Council, Lower Kuskokwim Economic Development Council, Northwest Arctic Borough Economic Development Commission, Kenai Peninsula Borough Economic Development District, Mat-Su Resource Conservation & Development, Inc., Prince William Sound Economic Development District, and the Southeast Conference.

For these organizations, commercial fishing activities provide a substantial portion of their regions' economic base. To illustrate, the wholesale value of the 2005 commercial fishery exceeded $3 billion. Earnings of the 27,700 participating fishermen accounted for $1.2 billion. Another 22,500 persons participated in the seafood processing workforce, earning $277 million in wages. For coastal communities, approximately 37% of private-sector workers were employed in fish harvesting and seafood processing activities. CFEC information

can be critical for ARDOR understanding of economic trends in their regions, and development opportunities which may emerge.

The CFEC supports Senate Bill 3, and regards the loss of fees under this bill as negligible.

**SECTIONAL ANALYSIS:**

**SECTION 1:** Would amend AS 16.43.100(a) by adding to CFEC responsibilities, providing without charge to regional development organizations formed under AS 44.33.895, public information relevant to fisheries, participants in fisheries, permit holders' harvests, and earnings data. No confidential information would be released under Senate Bill 3.

**FISCAL NOTE:** Zero note from CFEC.

# STATE OF ALASKA
## COMMERCIAL FISHERIES ENTRY COMMISSION

**SARAH PALIN, GOVERNOR**

*8800 GLACIER HWY, #109*
*P O. Box 110302*
*JUNEAU, AK 99811-0302*

*(907) 789-6150 Licensing Calls*
*(907) 789-6160 Other Business*
*(907) 789-6170 FAX*
*(907) 789-6180 BBS*

*INTERNET: www.cfec.state.ak.us*

January 30, 2009

The Honorable Donny Olson
Alaska State Senator
State Capitol, Room 514
Juneau, AK 99801-1182

RE: SB 3 "An Act authorizing an Alaska regional development organization to use the Alaska Commercial Fisheries Entry Commission as an informational resource"

Dear Senator Olson:

We have reviewed SB 3 and support this legislation.

We understand that the intent of SB 3 is to allow Alaska Regional Development Organizations (ARDORS) established under AS 44.33.895 to request public information from the Commercial Fisheries Entry Commission (CFEC) fishery database without charge. As you know, CFEC has a wealth of public information regarding Alaska's commercial fisheries that we regularly make available upon request to any person or entity. However, there may be a fee required depending on the extent of the effort needed to provide the data. Under SB 3 we would provide data to ARDORS just as we would without this bill, however, without charge.

As a clarification, any CFEC public information available from CFEC data sources must comply with AS 16.05.815 "Confidential nature of certain reports and records." (See enclosed) Basically this statute prohibits the release of any individual fisherman's earnings and harvests obtained from fish ticket information unless aggregated to protect confidentiality. That prohibition is not affected by SB 3.

We do not believe SB 3 would be a significant impact on CFEC resources since there are a limited number of ARDORS and not all represent coastal areas.

Thank you for the opportunity to comment on SB 3.

Sincerely,

Frank Homan
Chairman

Enclosure

(1) during the first full 10 days after the time when a taking is prohibited, except as provided in (3) of this section;

(2) if the fish or game or part of fish or game is in a preserved condition whether frozen, smoked, canned, salted, pickled, or otherwise preserved; or

(3) with respect to crab aboard a commercial crab fishing vessel, during the first full three days after the time when a taking is prohibited. (§ 26 art I ch 94 SLA 1959; am § 1 ch 42 SLA 1974)

**Sec. 16.05.815. Confidential nature of certain reports and records.** (a) Except as provided in (b) and (c) of this section, records required by regulations of the department concerning the landings of fish, shellfish, or fishery products, and annual statistical reports of fishermen, buyers, and processors required by regulation of the department are confidential and may not be released by the department or by the Alaska Commercial Fisheries Entry Commission except as set out in this subsection. The department may release the records and reports set out in this subsection to the Alaska Commercial Fisheries Entry Commission. The department and the Alaska Commercial Fisheries Entry Commission may release the records and reports set out in this subsection to the recipients identified in this subsection if the recipient, other than a recipient under (5) — (9) of this subsection, agrees to maintain the confidentiality of the records and reports. The department and the Alaska Commercial Fisheries Entry Commission may release

(1) any of the records and reports to the National Marine Fisheries Service and the professional staff of the North Pacific Fishery Management Council as required for preparation and implementation of the fishery management plans of the North Pacific Fishery Management Council within the exclusive economic zone;

(2) any of the records and reports to the professional staff of the Pacific States Marine Fisheries Commission who are employed in the Alaska Fisheries Information Network project for the purpose of exchanging information with users authorized by the department;

(3) any of the records and reports to the Department of Revenue to assist the department in carrying out its statutory responsibilities;

(4) records or reports of the total value purchased by each buyer to a municipality that levies and collects a tax on fish, shellfish, or fishery products if the municipality requires records of the landings of fish, shellfish, or fishery products to be submitted to it for purposes of verification of taxes payable;

(5) such records and reports as necessary to be in conformity with a court order;

(6) on request, the report of a person to the person whose fishing activity is the subject of the report, or to a designee of the person whose fishing activity is the subject of the report;

(7) on request, annual statistical reports of a fisherman, buyer, or processor to the fisherman, buyer, or processor whose activity is the subject of the report, or to a designee of the fisherman, buyer, or processor whose activity is the subject of the report;

(8) any of the records and reports to the Department of Public Safety for law enforcement purposes;

(9) fish tickets, fish ticket information, records required of sport fishing guides, and annual statistical reports of fishermen, buyers, and processors and information in those reports to the law enforcement personnel of the National Marine Fisheries Service and the National Oceanic and Atmospheric Administration for the purpose of enforcing fishery laws in waters of this state and in waters of the exclusive economic zone adjacent to this state;

(10) fish tickets, fish ticket information, and records required of sport fishing guides regarding halibut to the International Pacific Halibut Commission;

(11) any of the records and reports to the child support services agency created in AS 25.27.010, or the child support enforcement agency of another state, for child support purposes authorized under law; and

(12) any of the records and reports to the Department of Natural Resources to assist the department in carrying out its statutory responsibilities in regard to sport fishing operations and sport fishing guides within the Kenai River Special Management Area under AS 41.21.500 — 41.21.514.

(b) Except as provided in (c) of this section, records or reports received by the department which do not identify individual fishermen, buyers, or processors or the specific locations where fish have been taken are public information.

(c) Crab stock abundance survey information that reveals crab catch by sampling location is confidential and is not subject to inspection or copying under AS 40.25.110 — 40.25.120 until the close of the fishing season for which the survey was conducted.

(d) Except as otherwise provided in this section, the department shall keep confidential (1) personal information contained in fish and wildlife harvest and usage data; and (2) the records of the department that concern (A) telemetry radio frequencies of monitored species; (B) denning sites; (C) nest locations of raptors that require special attention; (D) the specific location of animal capture sites used for wildlife research or management; and (E) the specific location of fish and wildlife species. The department may release records and information that are kept confidential under this subsection if the release is necessary to comply with a court order, if the requestor is a state or federal agency, if the requestor is under contract with the state or federal agency to conduct research on a fish or wildlife population, or if the requestor has been authorized by the department to perform specific activities and agrees to use the records and information only for



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purposes as provided under a contract or agreement with the department. After 25 years, the records and information that are kept confidential under this subsection become public records subject to inspection and copying under AS 40.25.110 — 40.25.140 unless the department determines that the release of the records or information may be detrimental to the fish or wildlife population. In this subsection, "personal information" has the meaning given in AS 40.25.350. (§ 1 ch 117 SLA 1970; am § 1 ch 117 SLA 1974; am § 1 ch 66 SLA 1980; am §§ 1, 2 ch 72 SLA 1982; am § 1 ch 84 SLA 1985; am §§ 1, 2 ch 115 SLA 1988; am § 1 ch 32 SLA 1989; am § 10 ch 200 SLA 1990; am § 1 ch 89 SLA 1994; am § 19 ch 87 SLA 1997; am § 1 ch 59 SLA 1999; am § 1 ch 119 SLA 2002; am § 5 ch 70 SLA 2004; am § 1 ch 41 SLA 2007)

**Revisor's notes.** — In 2000, in subsection (c), "AS 40.25.110 — 40.25.120" was substituted for "AS 09.25.110 — 09.25.120" and in subsection (d) "AS 40.25.110 — 40.25.140" was substituted for "AS 09.25.110 — 09.25.140" to reflect the 2000 renumbering of AS 09.25.110 — 09.25.140.

In 2004, "child support enforcement agency created in AS 25.27.010" was changed to "child support services agency created in AS 25.27.010" in paragraph (a)(11) of this section in accordance with § 12(a), ch. 107, SLA 2004.

In 2007, "AS 40.25.350" was substituted for "AS 44.99.350" in subsection (d) to reflect the 2004 renumbering of AS 44.99.350.

**Cross references.** — For exceptions to this section related to the weathervane scallop fishery, see AS 16.43.911(c) and to other fisheries, see AS 16.43.520(i); for reporting of wholesale canned salmon prices, see AS 43.80.050 — 43.80.100.

**Effect of amendments.** — The 2002 amendment, effective July 6, 2002, in subsection (a) inserted "fishermen" in the first sentence and updated an internal reference, added the language beginning ", or to a designee" to the end of paragraph (6), added present paragraph (7) and redesignated former paragraphs (7)-(10) as paragraphs (8)-(11), rewrote paragraph (8), in paragraph (9) inserted ", and annual statistical reports of fishermen, buyers, and processors and information in those reports"; and made stylistic changes.

The 2004 amendment, effective January 1, 2005, in subsection (a), substituted "department" for "Department of Revenue" in paragraph (3), rewrote paragraph (8), and added paragraph (12).

The 2007 amendment, effective July 4, 2007, inserted "records required of sport fishing guides" in paragraphs (a)(9) and (a)(10), and made related changes.

**Editor's notes.** — The delayed amendments to this section by § 148(c), ch. 87, SLA 1997, as amended by § 53, ch. 132, SLA 1998, which were to take effect July 1, 2001, were repealed by § 15, ch. 54, SLA 2001.

**Sec. 16.05.820. Research by the federal government.** The Secretary of the Interior, the Secretary of Commerce, or the Secretary of Agriculture of the United States and their authorized agents or other appropriate federal agencies may conduct fish cultural operations and scientific investigations in the state in the manner and at the times jointly considered necessary or proper by the Board of Fisheries and the secretary and their authorized agents. (§ 29 art I ch 94 SLA 1959; am § 14 ch 206 SLA 1975; am § 10 ch 208 SLA 1975)

**Sec. 16.05.822. Transplanting of musk oxen.** The board may transplant surplus musk oxen from Nunivak Island to appropriate areas on the mainland of the state, when good management practices dictate the action. The board shall determine which transplant sites are appropriate and whether a surplus of animals exists. (§ 1 ch 220 SLA 1975)

**Revisor's notes.** — Formerly AS 16.05.865. Renumbered in 2008.

**Sec. 16.05.825. State upland game bird release program.** (a) In addition to any other program for the stocking or propagation of game birds that the department has as of July 23, 1974, the department shall establish a special program for the raising, maintenance, and release of upland game birds in the state. Birds raised under this program may be released in an appropriate area of the state, at any time, but may be harvested only during regular hunting seasons, as specified by the board under AS 16.05.255(a)(2). The board shall adopt regulations necessary to implement this section.

(b) The department shall establish an appropriate facility for the raising and maintenance of upland game birds to be located at an appropriate place, as determined by the commissioner, in interior Alaska.

(c) The department shall employ a method of tagging game birds released under this section and compile harvest statistics.

(d) In this section, "upland game bird" means a game bird for which a season is established under AS 16.05.255(a)(2) as of July 23, 1974, excluding waterfowl. (§ 1 ch 31 SLA 1974; am § 15 ch 206 SLA 1975; am § 7 ch 126 SLA 1994)

**Sec. 16.05.826. Waterfowl conservation stamp program.** (a) The waterfowl conservation tag authorized in AS 16.05.340(a)(17) shall be produced annually in stamp form by the department in an amount the commissioner considers appropriate. The department shall make stamps available for the creation of waterfowl conservation limited edition prints and shall provide for the sale of stamps and prints to the public.

(b) The department shall provide by appropriate means for the selection of the design of the annual waterfowl conservation stamp and for the production and sale of the stamps.

(c) The department may contract to others the performance of the department's responsibilities under this section. Contracting under this subsection is governed by AS 36.30 (State Procurement Code), except that a contract may include provisions for advance payment or reimbursement for services performed under the contract. All costs incurred under this section may be paid from the fish and game fund.

(d) *[Repealed, § 28 ch 90 SLA 1991.]* (§ 5 ch 71 SLA 1984; am § 8 ch 106 SLA 1986; am § 31 ch 138 SLA 1986; am E.O. No. 73 § 12 (1989); am § 28 ch 90 SLA 1991)



2347

SWAMC

**Southwest Alaska Municipal Conference**
3300 Arctic Boulevard, Suite 203 Anchorage, AK 99503 p: 907.562.7380 f: 907.562.0438 www.swamc.org

Alaska Peninsula
Aleutian Chain
Bristol Bay
Kodiak Island
Pribilof Islands

January 23, 2009

Senator Donny Olson
Alaska Legislature
Juneau, AK 99811

Re: Senate Bill 3

Dear Senator Olson:

The Southwest Alaska Municipal Conference is an Alaska Regional Development Organization (ARDOR) and also a federally recognized Economic Development District. Our region includes three of the biggest seafood ports (2006) in the nation for total volume landed: Dutch Harbor (#1), Kodiak (#4), Naknek (#12) and includes the world's largest sockeye run – Bristol Bay. This region also includes three of the most valuable seafood ports (2006) in the nation for total landed value: Dutch Harbor (#2), Kodiak (#3), and Naknek (#8). The fisheries of Alaska have just been rated as the ninth largest fishery in the world and account for sixty two percent (62%) of the nation's total seafood catch.

Much of our region's economic vitality and development potential is based on commercial fisheries and their health. We do a lot of research and analysis of fisheries data for the region to assist in our efforts to promote development opportunities in the region. So for SWAMC to have free access to commercial fisheries data from the Commercial Fisheries Entry Commission is vital to our mission and the quality of work.

On behalf of our Board of Directors and staff we fully support your efforts to allow ARDORs free access to this critical economic data that is vital to our economic development efforts.

Sincerely,

Michael Catsi
Executive Director

PRINCE WILLIAM SOUND
ECONOMIC DEVELOPMENT DISTRICT

Chenega Bay
Cordova
Tatitlek
Valdez
Whittier

January 26, 2009

Senator Donald Olson
State Capitol, Room 514
Juneau, AK 99801-1182

RE: SB3 – Commercial Fisheries Entry Commission

Dear Senator Olson:

Prince William Sound Economic Development District became an ARDOR (Alaska Regional Development Organization) in 1991, and a federal economic development district in 2001. Our region is comprised of Chenega Bay, Cordova, Tatitlek, Valdez, and Whittier.

The fishing industry is of great importance to our regional economy, and therefore we are requesting that ARDORs have free access to economic data gathered by the Commercial Fisheries Entry Commission, as described in SB3, public information relevant to fisheries, participants in fisheries permit holders' harvests, and earnings data.

Thank you for considering our request.

Sincerely,

Sue Cogswell

Sue Cogswell
Executive Director

ALASKA REGIONAL DEVELOPMENT ORGANIZATION
ARDOR
2744 Spenard Rd., Suite 207 • Anchorage, Alaska 99503 Phone (907) 222-2440 • FAX (907) 222-2411 • Cell (907) 223-7072 • Email pwsedd@gci.net

**Lower Kuskokwim Economic Development Council**
**PO Box 2021, Bethel, Alaska 99559 * 907 543-5967**

Jan 29, 2009

Senator Donny Olson
Alaska State Senate
Juneau, AK 99801

Dear Sen. Olson: re: Senate Bill 3

This letter is written in support of your Senate Bill 3, introduced in the current session, that will provide Alaska fisheries information to Alaska Regional Development Organizations (ARDORs), and other economic development organizations that provide assistance to Alaskan commercial fishermen.

By providing current fisheries information to these organizations, the State of Alaska will provide timely and appropriate assistance to these self employed entrepreneurs and help to strengthen Alaskan commercial fisheries for the long term benefit of all Alaskans.

Very truly,

Carl Berger
Executive Director

# Kenai Peninsula Economic Development District, Inc.

BUSINESS INNOVATION CENTER

January 30th, 2009

FAXED 1/30/09

Senator Donny Olson
Alaska Legislature
Juneau, Alaska 99811

SENT BY FAX 907-465-4821

Reference Senate Bill No. 3

Dear Senator Olson, Donny

The Kenai Peninsula Economic Development District is an Alaska Regional Development Organization, (ARDOR) and also a federally recognized Economic Development District.

Our region includes the ports in Seward, Homer, Seldovia, Port Graham and other parts of the Cook Inlet.

Part of our responsibilities as an ARDOR is to do research, analysis and planning for our region. A large part of that is to have the free flow of information from other State and Federal agencies of the data that each is responsible to collect.

Your proposed legislation, Senate Bill No. 3, goes a long way to ensure that this data exchange is open and free flowing.

The Kenai Peninsula Economic Development District is in full support of this legislation.

Thank you for taking a leadership role in providing this economic data to the effective ARDORS.

John Torgerson
Executive Director

14896 KENAI SPUR HWY, SUITE 103-A, KENAI, AK 99611-7014
**PHONE:** (907) 283-3335 **FAX:** (907) 283-3913
**EMAIL:** info@kpedd.org www.kpedd.org www.exportalaska.com

# HOUSE COMMITTEE REPO

(7)

**Date Referred to Committee: March 23, 2009** **FURTHER REFERRALS: Community and Regional Affairs, Finance**

**Date of Committee Action:** 3/31/09

**The HOUSE SPECIAL COMMITTEE ON FISHERIES considered:** **SENATE BILL NO. 3**

"An Act authorizing an Alaska regional development organization to use the Alaska Commercial Fisheries Entry Commission as an informational resource."

**SB 3 CFEC AS INFORMATION RESOURCE**

**Recommends it be replaced with [ ] HCS** *or* **[ ] CS** *for* _____ (_____)

*For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR*_____ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to _____Committee
[ ] Letter of Intent_____Committee

*List of Abbrev for Depts.:*
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
DHS
LWF
LAW
LEG
MVA
DNR
DPS
REV
DOT
UA

**NEW FISCAL NOTES**
*Assigned by Chief Clerk's Office

| List by Dept(s): | *FN# | Fiscal | Indet. | Zero |
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**PREVIOUS FISCAL NOTES**

| List by Dept(s): | FN# | Fiscal | Indet. | Zero |
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| Signing with recommendations | Printed Last Name | DP | DNP | NR | AM |
|---|---|---|---|---|---|
| Craig Johnson | Johnson | | | X | |
| Mike Hawker | Millett | | | X | |
| [illegible] | [illegible] | | | | |
| | | | | | |
| A P Bud Q | Bud Q | X | | | |
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| Bill Thomas | Thomas | X | | | |
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| Chair: Pete Edgmon | Edgmon | X | | | |
| Chair: | | | | | |

# SB 29

(H)CRA Referral file **SB29\A**

March 19, 2009- Heard & passed with no changes

SENATE DISTRICT B

# MEMORANDUM

**TO:** Representative Bob Herron, State Affairs Co-Chair
Representative Cathy Muñoz, State Affairs Co-Chair

**FROM:** Senate District B KB

**SUBJECT:** SB 29 Hearing Request

**DATE:** 3/9/2009

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I respectfully request a hearing on SB 29, "An Act naming the Capitol Annex the Thomas B. Stewart Legislative Office Building."

SB 29 would name the Capitol Annex the Thomas B. Stewart Legislative Office Building in honor of Judge Thomas B. Stewart and his countless contributions to the State of Alaska. The Capitol Annex is currently under renovation.

Tom Stewart was a driving force behind the Alaska Constitutional Convention and Alaska statehood. As we celebrate Alaska's 50th anniversary of statehood this year, it's an appropriate time to honor Tom Stewart.

Thank you for considering a hearing on SB 29. Please feel free to contact Kristen Bressette at 465-4790 if you have any questions.

SENATOR KIM ELTON

SB 29

"An Act naming the Capitol Annex the Thomas B. Stewart Legislative Office Building."

**Sponsor Statement**

SB 29 would name the Capitol Annex the Thomas B. Stewart Legislative Office Building in honor of Judge Thomas B. Stewart and his countless contributions to the State of Alaska. The Capitol Annex was formerly known as the Scottish Rite Temple and is currently under renovation.

Tom Stewart was known and respected throughout Alaska. He served in the territorial House of Representatives and was a driving force behind the Alaska Constitutional Convention and Alaska statehood. Tom then served as a state senator in the first Alaska Legislature. The remainder of his professional career was spent serving as a Superior Court judge.

More than the distinguished positions he held, Tom was known and respected for his character, wisdom, and leadership. He led by example and remains an inspiration to Alaskans. As we celebrate Alaska's 50th anniversary of statehood this year, it's an appropriate time to honor Judge Thomas B. Stewart.

The estimated completion date of the renovation of Capitol Annex is August 31, 2009.

ALASKA SENATE
STATE CAPITOL • JUNEAU, ALASKA 99801-1182 • (907) 465-4947 • FAX (907) 465-2108
SENATOR_KIM_ELTON@LEGIS.STATE.AK.US

# SENATE BILL NO. 29

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

**BY SENATORS ELTON, Ellis, Therriault, Paskvan, Thomas, Wielechowski**

**REPRESENTATIVE Kerttula**

**Introduced: 1/21/09**
**Referred: State Affairs**

## A BILL

## FOR AN ACT ENTITLED

**"An Act naming the Capitol Annex the Thomas B. Stewart Legislative Office Building."**

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

*** Section 1.** AS 35.40 is amended by adding a new section to read:

**Sec. 35.40.220. Thomas B. Stewart Legislative Office Building.** (a) The Capitol Annex in Juneau known as the Scottish Rite Temple is named the Thomas B. Stewart Legislative Office Building.

(b) The legislative council shall prepare and install an appropriate plaque dedicating the Thomas B. Stewart Legislative Office Building in memory of the Honorable Thomas B. Stewart.

# FISCAL NOTE

**STATE OF ALASKA**
**2009 LEGISLATIVE SESSION**

Fiscal Note Number:
Bill Version: **SB29**
() Publish Date:

Identifier (file name): SB29-LEG-COU-2-20-09
Title "An Act naming the Capitol Annex the Thomas B. Stewart..."
Sponsor Senators Elton, Ellis, Therriault, Paskvan, Thomas
Requester Senate State Affairs

Dept. Affected: Legislature
RDU Council and Subcommittees
Component Administrative Services
Component Number 780

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2010** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Contractual | | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |
| **FUND SOURCE** | | (Thousands of Dollars) | | | | | |
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

**Estimate of any current year (FY2009) cost:**

| **POSITIONS** | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

**ANALYSIS:** *(Attach a separate page if necessary)*
This legislation has zero fiscal impact on the Legislative Affairs Agency. The cost to prepare and install an appropriate plaque will be absorbed within existing budgets.

Prepared by: Karla Schofield, Deputy Director — Phone 465-6626
Division Legislative Affairs Agency — Date/Time 2/20/09 3:30 PM
Approved by: Pamela Varni, Executive Director — Date 2/20/2009
Legislative Affairs Agency

(Revised 9/10/2008 OMB)

*Walter J. Hickel*

*Box 101700*
*Anchorage, Alaska 99510-1700*
*Telephone 907-343-2400*
*Fax 907-343-2211*
*Email wjhickel@gci.net*

March 16, 2009

The Honorable Mike Chenault
Speaker of the House
The Alaska Legislature
Representative_Mike_Chenault@legis.state.ak.us

Dear Mr. Speaker:

Please add my name to those in support of SB 29 that would name the Capitol Annex after Judge Thomas B. Stewart. Tom played a pivotal role in preparing Alaska for Statehood, heading up the challenging assignment to see that a model constitution was created for our unique state, researching what other states had done, organizing the Constitutional Convention, and recruiting top experts from across the nation to assist the Delegates with their assignment.

What's more, Judge Stewart, a top skier, was a member of the famed 10th Mountain Division of the US Army in WWII that fought with great courage in the Italian campaign, was an outstanding citizen of Juneau all his life, and served Alaska with distinction in both the legislature and on the bench.

This proposed tribute is a fine idea, and I urge enthusiastic support from today's legislature.

Sincerely,

Walter J. Hickel

Cc:
Rep. Cathy Munoz Representative_Cathy_Munoz@legis.state.ak.us
Rep. Bob Herron Representative_Bob_Herron@legis.state.ak.us
Rep. John Coghill Representative_John_Coghill@legis.state.ak.us
Rep. Bob Lynn Representative_Bob_Lynn@legis.state.ak.us

**Kristen Bressette**

---

**From:** John Havelock [jehavelock@yahoo.com]
**Sent:** Tuesday, February 24, 2009 3:08 PM
**To:** Sen. Kim Elton
**Subject:** SB 29

I understand you are sponsoring a bill to name the old Mason's Building after Tom Stewart. I could not think of a more apropriate name. Tom Stewart was an able Senator, profoundly conscientious, a just judge, one of a handful of truely influential Convention delegates and an honest and accurate reporter of this state's history, consitutional and otherwise.. There is every reason to endorse this naming. John Havelock

**Kristen Bressette**

---

**From:** Victor Carlson [victorcarlson@yahoo.com]
**Sent:** Tuesday, February 24, 2009 5:09 PM
**To:** Sen. Kim Elton
**Subject:** Naming of old Masonic Hall

Dear Senator Elton:

It is with great pleasure that I support your bill to name the old Masonic Hall to honor the late Thomas Stewart.

As a colleague of Judge Stewart and an admirer from the first time I met him in 1962 I believe he set the standard for which every public servant should strive.

You and your colleagues are to be congratulated for taking this action.

Very truly yours,

Victor D. Carlson

**Kristen Bressette**

---

**From:** miranda2@gci.net
**Sent:** Tuesday, February 24, 2009 5:27 PM
**To:** Sen. Kim Elton
**Subject:** Senate Bill 29

Dear Senator Elton:

I will not be able to attend Thursday's Senate State Affairs Committee's hearing on Senate Bill 29, proposing to name the former Scottish Rite Temple building after Thomas B. Stewart, but wanted to express my support.

I am sure that countless Alaskans will provide you and the Committee with equally countless reasons why there is no person more deserving to have this building named after him than Tom Stewart. There's not much I can add to that except to say that I can't imagine anything more fitting than to name a building once used for Scottish rites after a guy named "Stewart."

For what it's worth, the bill has my wholehearted (and loving) support. Thanks for initiating the idea.

Sincerely,

Susan Burke

## Kristen Bressette

**From:** Steve Cowper [scowper@mindspring.com]
**Sent:** Wednesday, February 25, 2009 6:08 PM
**To:** Sen. Kim Elton
**Subject:** Tom Stewart

Kim -

I am told there is a move to name an annex to the capitol building after Tom Stewart. Count me as a supporter.

Tom Stewart was sui generis, a legal term that means one of a kind. Born in Juneau, and coming of age as he did with the fabled 10th Mountain Division in the Aleutians, he personified the history of Alaska from the 1920s until his death last year. He participated in most of that history and influenced events in a way that called up our better nature. Fortunately, the rest of us got to benefit from his wisdom and decency. We'll not see his like again.

Steve Cowper

## Kristen Bressette

**From:** Jessica Dillon [jessica.r.dillon@gmail.com]
**Sent:** Wednesday, February 25, 2009 9:35 PM
**To:** Kristen Bressette
**Subject:** SB 29 - Support Note

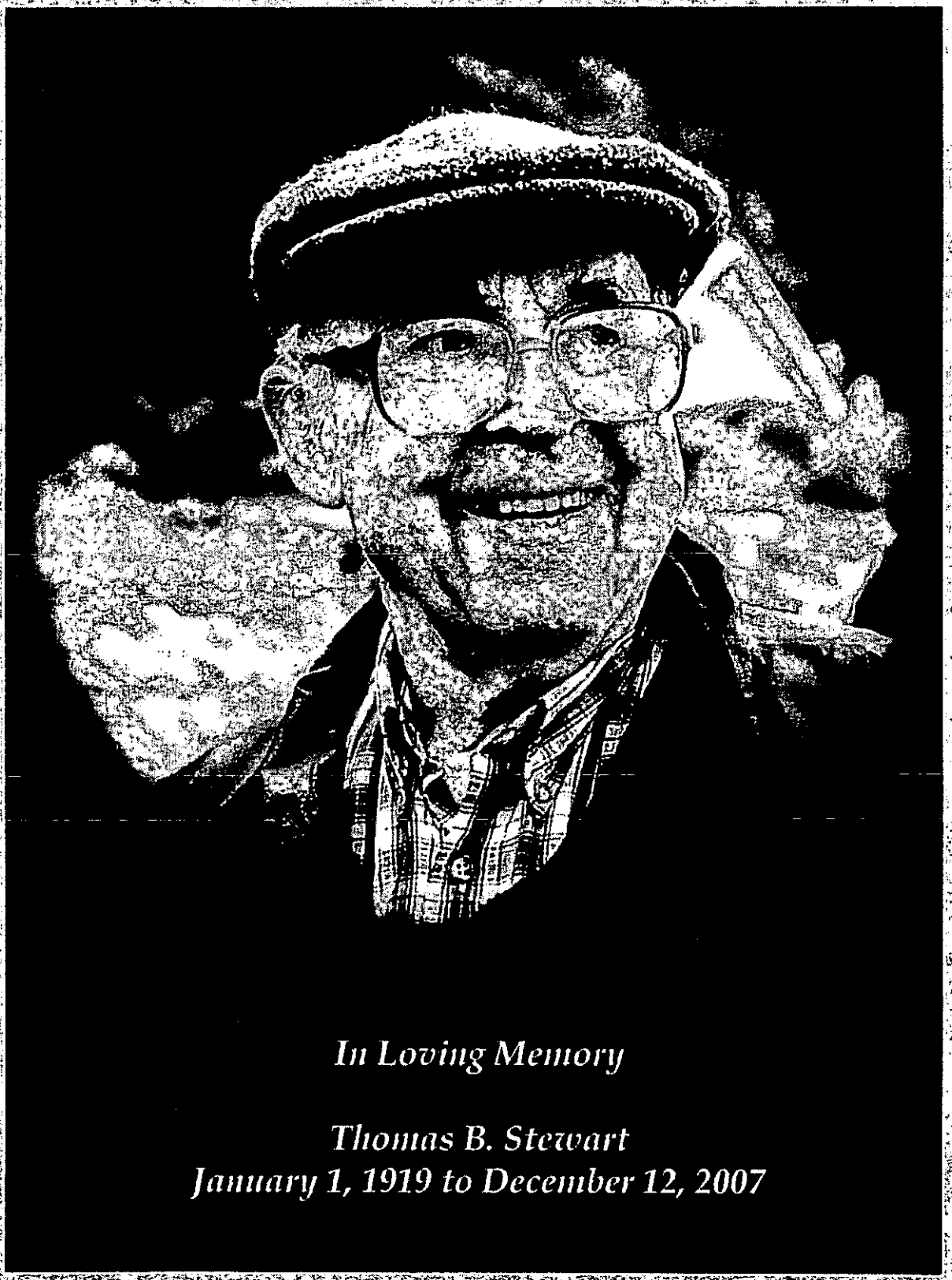
I am in support of naming the capitol annex, formly the Scottish Rite Temple, after my grandfather, Thomas B. Stewart.

My grandfather's life work demonstrated his unwavering commitment to public service in Alaska; He was an exemplary Alaskan.

I believe this building would be a worthy tribute to him.

Sincerely,

Jessica Dillon
726 "O" Place, Apt. 102
Anchorage, AK 99501



*In Loving Memory*

*Thomas B. Stewart*
*January 1, 1919 to December 12, 2007*



Tom and I have had 88 years together and I treasure dearly this lifetime experience. We actually met as babies. I lived with my family in a house on 12th and "A" streets. Our mothers were good friends so we spent a great deal of time at each other's homes. A lot of time was spent at the Evergreen Bowl (now Cope Park) sailing boats and rafting the big pond, which was in the bowl at that time. Mt. Roberts was one of our favorite hikes and we climbed it many times together. Fishing was another hobby for both of us and we had many trips all over Southeast Alaska. Tom said one of these was the best of his life. This incident occurred in peril Straits for coho salmon. Tom has been in our home hundreds of times over the years. He brought Jane with him and she really enjoyed hearing our stories. We are truly missing Tom and all of the wonderful things he has done for us, but we do have our wonderful memories.
– Dean Williams

*

I will always remember Tom Stewart: his humor, optimism, balanced perspective, memory for details, wisdom, love for Jane, honesty, Gilbert and Sullivan cameos, love for Alaska, wide ranging dinner table conversation, respect for the law, hiking tours and tales about mining in early Juneau, his friendship with Jay Hammond, patience with all the rehearsals at the Stewart home, and love for his family. I always learned something, every time I talked with Tom, and felt blessed to have known him as a friend. Tom, I will always think of you with respect, admiration and affection. - Fran Ulmer

*

I was deeply saddened by the passing of a wonderful man I have known since childhood. A very young Tom Stewart was a chum of my cousin's. They kept in touch over the years and never forgot getting rides on the Juneau Fire Trucks in the 4th of July parade on the lap of my father, Elliott Fremming. – David Fremming

*

Our flag's 49th star shines all the brighter because of Tom Stewart. As the young lawyer and Territorial Legislator who worked hard for statehood, he was the spark that led to organizing our Constitutional Convention. As the Convention's secretary, it was his hard work and research that ensured Alaska's Constitution would become the model for others to copy.

Tom's skills and accomplishments were far beyond the capacity of most men. A decorated veteran for his World War II service in Italy, he was an accomplished skier and outdoorsman, a prodigious reader, a great dad, and a fair and legendary judge. Alaska has lost a true Renaissance man, and I have lost a good friend. – Ted Stevens

**Meeting Judge Stewart is high on the list of my fond memories of my Juneau years. As a settlement conference judge after he "retired", he was well prepared, very polite, never rushed, and got matters resolved. When we met around town, he would stop and chat, usually about some aspect of Juneau history, such as the 4th of July race up to the top of Mt. Juneau back in the twenties. - Bill Chisham**

*

When I first lived in Juneau, I knew Tom as another single guy who skied, chased girls, and partied. Juneau was about 2,500 people, if memory serves me correctly. A fairly cohesive group of Tom's friends (myself included) would gather now and then for beach parties at Auke Bay. – Bruce Campbell

*

One time when I was on the stand giving my testimony, the opposing lawyer saw fit to call me a liar. (I was telling the truth and I had a signed letter in my pocket from the Governor that supported my story.) I sensed that this was not a wise move on the part of that attorney and that he made a very serious tactical error in calling me a liar. A dark cloud, or look of sternness, came over Judge Stewart's face. The second time I interacted with Judge Stewart in a formal way was when he served as the mediator to keep our case out of court. He was so gracious in supervising the process. So while I experienced the Stewarts' graciousness in their home, my most profound memory was Judge Stewart's graciousness in his professional life. Alaska and Juneau are blessed to have both Judge Tom Stewart and Jane Stewart in its history. - John J. Shaffer

*

We shall remember Tom with much fondness. Years ago he encouraged us to visit Alaska, and with great thoroughness planned our twelve-day itinerary. Like an expert tour director, he prearranged our accommodations and ferry reservations. Tom was a magnificent man who contributed richly to Alaska and our country during both war and peace. - Loretta and John Engle



*

When I was 10 or 11, and the Stewarts were living in Anchorage, Mr. and Mrs. Stewart took Mary and me to see the production of Oklahoma at the Sydney Laurence Auditorium. After the show I spent the night with Mary. We slept in 'the barn' which was always fun. The next morning, in came Mr. Stewart swinging a tray with our breakfast on it and singing Oh What a Beautiful Morning. He served us breakfast in bed. I still smile every time I think about that, and 40 years later it's still the only time I've ever been served breakfast in bed. - Elizabeth Nesbett Lake



I met Tom and Jane in 1985. George Rogers wanted the Juneau Lyric Opera to do a Gilbert and Sullivan production of Iolanthe, and Jane was the musical director. For the next three years it was my privilege to be paired with Elizabeth in Iolanthe, The Gondoliers, and The Merry Widow. I spent many hours in the Stewart house singing and practicing for these various roles. Just walking in the back door you could tell that theirs was a warm, loving home. During Iolanthe, Tom played the part of the Guard. His solo opened the second act. To see this distinguished, honorable man dressed in a red soldier's uniform and tall furry hat strutting around the stage and singing about the ignorance of the political establishment was hysterical. And, one of the biggest laughs in the entire play came in the finale; when Tom popped open his wings to fly with the Fairy Queen to Fairy Land. It was a true delight to work with him. I was blessed to have known and become friends with the Stewarts. - Bob Jacobson

*

To know Tom Stewart was to touch the Alaska Constitution. Through him, we experienced the delegates' work at the convention, and came to know the purpose and strength of the bedrock document they created. In the legal community, Judge Stewart was a compass. We revered him, and will miss him very much. – Morgan Christen

*

I first met Tom about 35 years ago. He arrived at my home for dinner with Bob and Donna and presented me with a lovely bouquet of flowers. I had wonderful visits with Jane and Tom, including a fishing trip the five of us took on the No Weigh to Mitchell Bay, one of Tom's favorite places. I brought four of my grandchildren, separately, to Juneau on cruises. On each trip, Tom always met us at the dock and took us on an historical tour of the town, including a visit to his office and chambers. Each had their picture taken in the Judge's seat. Tom had friends all over the world and I felt honored to be one of them. He could hold you spellbound with stories of his adventures. He will always be missed. – Dobey Peacock



*

A shared frustration and regret by most adult children is our not having listened more closely to stories and information passed on to us from our own parents and grandparents as they raised us. It was Tom who helped bridge some of those gaps after my parents and grandparents were gone. I will always be grateful to him. – Alison Eastaugh Browne



I feel extremely lucky to have been a part of Grandpa's life. All the people I met through him had such a tremendous light about them and were so friendly, sincere, and caring. Their collective character said so much about what an extraordinary person Grandpa was, that so many different people should care so much for him. Grandpa wanted to bring the people he loved together, and we all got to meet and know an almost endless stream of amazing people through him because he was so amazing himself. – Jared Hendricks

*

Without a lecture or a textbook, without talking about the how and why of things, and without even acknowledging that he was doing it, Tom Stewart was probably the greatest teacher I ever encountered. Whether it was how to conduct oneself in a courtroom, or how to deal with the vagaries of a Juneau winter, or how to maintain a friendship across the years and across the miles, Tom was always the perfect model. As a result, if you wanted to succeed at something, you simply tried to do it as he did.

His courtroom, for example, was an oasis of calm, courtesy, and rationality – even with the most difficult of cases – such that a young lawyer would quickly learn that the bombast and theatrics one might see on television trials were not only counterproductive, but wrong. The term "role model" is widely over-used these days (why should anyone presume that a professional athlete is a role model for children?) but as applied to Tom Stewart it seems a perfect fit: Whether as a judge or a legislator or a friend or a parent – or in any of countless other roles – Tom Stewart taught us how to act by doing it himself as it should be done. These were lessons worth learning.
– Bud Carpeneti

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I'll never forget going over to Tom's house and being greeted by him with his pajama bottoms pulled up over his belly button and his toes hanging over his Birkenstocks.
- Tighearnan O'Malley

Because Tom was always a great gentleman, one who embraced the many bounties with which life rewarded him in return for his generous, warm-hearted, supportive and enthusiastic nature, there was never an occasion when we weren't richer for his presence.

Perhaps the occasions that most stand out for us were the times when he offered his home as a salon so that friends could gather and share the gift of music. Of course, the Stewart home was not only a salon for music, but one for lovers of exploring, history and much else besides.

But it is the dozen or so times that we performed at the house, in the early years with Jane at the piano and later, when her presence had become that of a benevolent spirit, with other pianists, that we recall with unique fondness.

Performers, after studying their pieces with love and care, treasure the opportunity to bring that love and care to others, and Tom, in his generosity, warmth and enthusiasm understood that perfectly. The occasions he created were special creations, meant for his guests to have special experiences and for us so they were, and they remain as highlights, musically, socially and personally. – Linda and Paul Rosenthal

*

I was stranded one day and could not get hold of anyone to provide me with a ride downtown, including Grandpa. So, I went to the bus stop and got on the next bus. I found Grandpa sitting in the first seat, first row, and was so surprised, because at that time he had three cars. I asked him why he was riding the bus. He responded that he had a lot of houseguests who needed his cars, and that he enjoyed taking the bus. His generosity and unselfishness never ceased to amaze me. Since it was raining, I tried to persuade him to get off the bus at a stop where it would be a short walk to his house, instead of at his usual stop that was several blocks further away. He turned to me, and said, "of course it's raining, we live in a rain forest and we need the rain." And he then continued, "and we need the exercise too." Of course! What was I thinking? So, we had a nice stroll up through Evergreen Cemetery, and although I returned to work soaked from the rain, I felt fortunate to have had this additional time with him before I headed south, and to have gained a few more "little life lessons" from him.
– Jessica Dillon





I remember when I was just a little girl, Dad took me and my sister, Elizabeth, up the Taku in his outboard motor boat. We jumped the beaver dam, stopped to visit a friend living rough in the woods, fished, and ate ice cream at Taku Lodge – all very exciting for a youngster. On the way home we ran into a wicked squall. I could see other open boats heading into shore and asked Dad to please, please, please take us in. He said, no, your mother will worry if we're late, we need to get back to town. Over the years, he took me to some great fishing spots: Shelter, Outer Point, Taku, Mitchell Bay, Nushagak. He didn't always fish, saying he had caught his fair share many years earlier, but he took me to the fish and was thrilled when I caught one. He was always eager to help in any way he could, and usually went above and beyond the call of duty, as Mom would say. Late in life, when the adventuring became too strenuous for him, he would happily smile, give me a hug and a kiss, then wave goodbye, as I took off on my own. I will sorely miss those hugs and kisses, and that loving wave and bright smile. – Donna Stewart

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This is a poem from the New Yorker that Tom used to recite to parents in divorce settlement conferences. It never failed to make a huge impact, and helped to make the tone of the conference child-centered. - Kathy Ruddy

*VOICE OF GOOD COUNSEL WITH ECHO*

*Because a child is not a flower*
*And will not wither from the stem,*
*Do not conspire against the hour*
*That you must needs let go of him.*

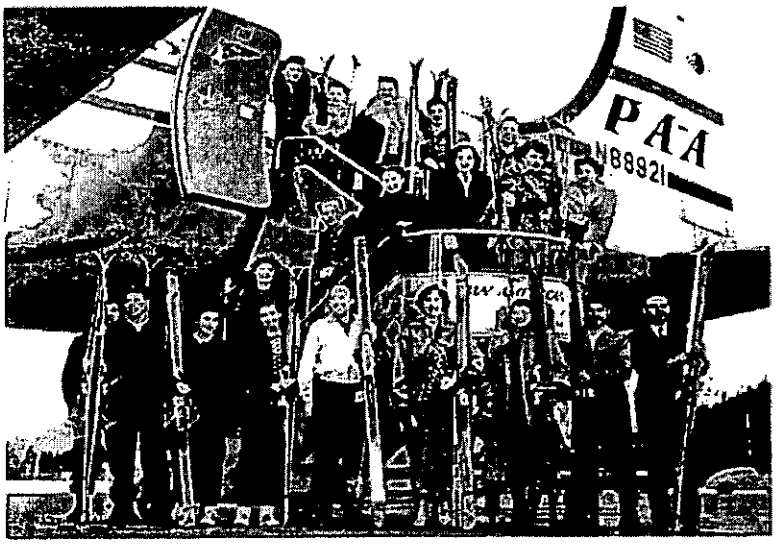
*Because a child is not a feast*
*However much he feed your pride,*
*Against the hour he is released*
*Set other food and drink aside.*

*Because a child is not a reason*
*And calls but does not justify,*
*Plan to outline his needy season*
*And listen now beyond his cry.*

*Because a child is not a king,*
*Put you some other livery on,*
*Lest you stand, bare and shivering,*
*When he is garmented and gone.*



*Oh flower that from my roots did spring, My feast, my reason and my king.*




In the early spring of 1952, Tom's parents decided to move to Europe for two years, and left Tom in charge of the house. Tom invited several of his friends to room at the house and share expenses. It seemed like we were always doing something. He and Dean Williams had big plans for the Ski Bowl, and almost immediately involved me as a willing recruit. This included fixing up the Dan Moller trail down from Third Cabin, starting a Ski Patrol, acquiring the Sno-Cat, and hauling auto wheels and 2,400 feet of rope up the 3 miles to the bowl and mounting them on poles to create a new ski tow. Tom was the guiding light behind all this. Tom's enthusiasm, organizing skill, and unassuming personality helped to make him a very effective leader in all the projects that he undertook.

The Taku River was another favorite place for adventuring, and we made several trips in Tom's 25-foot long flat bottom riverboat with the 22 outboard motor. When we encountered a log jam or beaver dam, Tom would head directly for the obstruction at full speed, allow the boat to run up on the obstruction, and then at the last second, slow the motor and rapidly turn the crank so the motor would be raised high enough to clear the obstruction, when it passed under the boat. This required intense concentration and time, but Tom was usually skilled enough to accomplish the task.

Tom displayed to each of us his intense love of the outdoors, and particularly his love and encyclopedic knowledge of Southeast Alaska. Without his enthusiasm and intimate knowledge of each inlet, cove and mountain, it was doubtful if many of us would have ever seen this spectacular country. Tom was one of the finest human beings Loretta and I have ever known. He was a wonderful combination of a person with very high intelligence and fantastic memory, but at the same time very kind, generous and helpful to others. He was self-effacing in most circumstances, but when he wanted to make a point in a discussion, he could put together all the right words in the right sequence to make the argument. He was the true definition of a "friend" to hundreds of people, I am sure. He was always helping others in countless ways. Mostly these kind gestures went unnoticed, which is the way Tom preferred to do it. We will all miss him terribly, but are very grateful that we did have the opportunity to know and enjoy him as long as we did. – Dick Holmgren



Tom visited us every Christmas Eve. He always brought a shiny bag filled with smoked salmon, fresh bagels, and cream cheese. He would sit with us by the Christmas tree and talk about past Christmases, family, and the news. I loved these visits. – Annie Carpeneti

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At an arts fundraiser, my friends Alison and Forrest Browne won a continental breakfast for 10 prepared by Tom Stewart, followed by a hike with him up the Perseverance Trail while he explained early Juneau mining history. I was invited.

We started with coffee and blueberry muffins prepared and served by Tom at the Stewart house. As we began hiking, I asked him why he had a pair of hip waders strapped to his backpack. He replied, "In case I need to carry a woman across the creek along the trail." Such gallantry! That was about 1990. Tom would have been 70 years old. The women on the hike were disappointed that the foot bridges were intact that spring, and there was no deep, standing water on the trail. – Sharon Satre Kelly

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Many of us feel that we've lost not only a wonderful colleague and mentor, but someone who was in many ways a father to us: a father of our constitution; a father of our justice system, including a judicial selection process admired around the nation and world; and a father of so many chapters in our state's young history. – Dana Fabe

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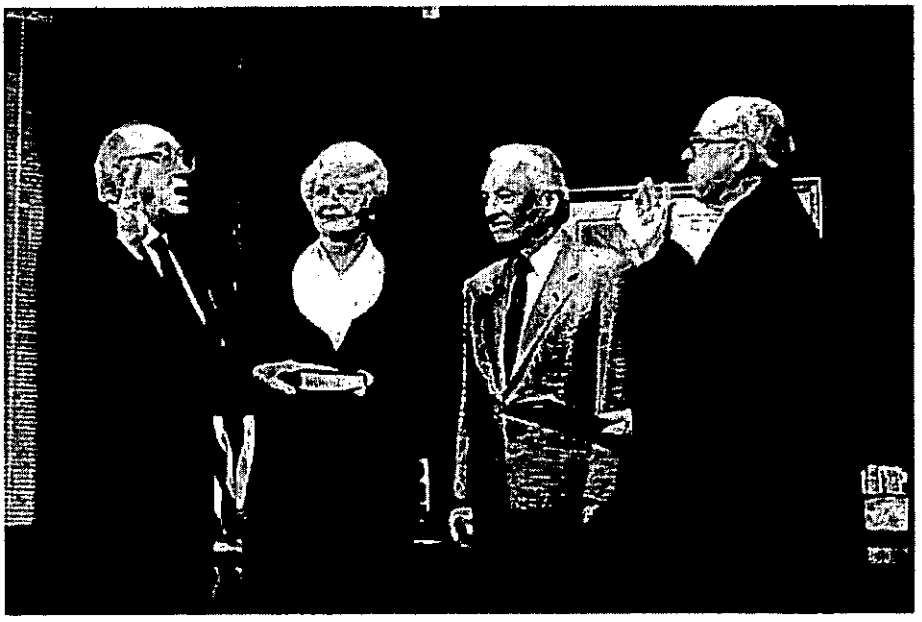
Dad took me grouse hunting up the Eklutna Lake Road. As we drove along slowly with the windows rolled down, he told me all he knew about hunting grouse: what to look for, how to find them, etc. I spotted one about 100 feet in front of the car. I said, "Dad, there's a grouse!" "Where?" he asked. "Right in front of us on the road. Stop, you'll run it over." We both got out of the car and he said, "I still can't see it. Where is it?" And before I answered, I pulled out my rifle and shot it. He jumped in shock, then turned to me and said "You could have told me you were going to shoot it, but now I see it. And it is a grouse." – Steve Stewart

As Dean of Tom's proud alma mater, the Yale Law School, I write to express the deep admiration and affection of everyone of Judge Tom Stewart's community for the life and work of this great man. He was a truly remarkable person: an extraordinary judge and patriot, a gifted lawyer, a loving husband and father, and a remarkable friend.

At Yale Law School, we ask our graduates to combine vision with action, humanity with excellence. Tom Stewart did both throughout every phase of his life: his time in the army, his years at Yale Law School, his work on the Joint House and Senate Committee on Statehood, and as chief organizer of the Alaska Constitutional Convention. He was both a Founding Father and a gifted storyteller and his book about the Alaska Constitutional Convention is a memorable recounting of how human excellence and decency can make the law live for a rugged people. Judge Tom went on to serve in both the territorial and state legislatures, to administer the state court system, and to sit 15 years as a respected Superior Court judge. Few Alaskans, and few American lawyers, can claim a comparable level of governmental service. In retirement, he continued to be unflagging in his commitment to his community, and most of all to his extraordinary, close-knit family.

To be honest, at Yale Law School, we don't see many students from Alaska. I have had the personal pleasure of "coming into the country" on a boat sailing from Seattle to Juneau, to see the eternal sunrise at Homer Spit and Nome, to fish the Deshka River, and to gaze at the crest of Denali. At such moments, Alaska seems, quite frankly, to be a land governed more by nature than by people or law. To bring a smoothly working constitution to such a vast expanse takes vision, decency, imagination, and precision. It takes patriotism and statesmanship of the highest order. All of these qualities Judge Tom Stewart wielded in abundance.

Tom Stewart was the living embodiment of the Alaska Constitution, and for us, a brilliant, potent piece of Yale Law School in the Great Northwest. We will remember him with great great pride, and think of you, his friends and family as you recall the many gifts that he gave to all of us. – Harold Hongju Koh



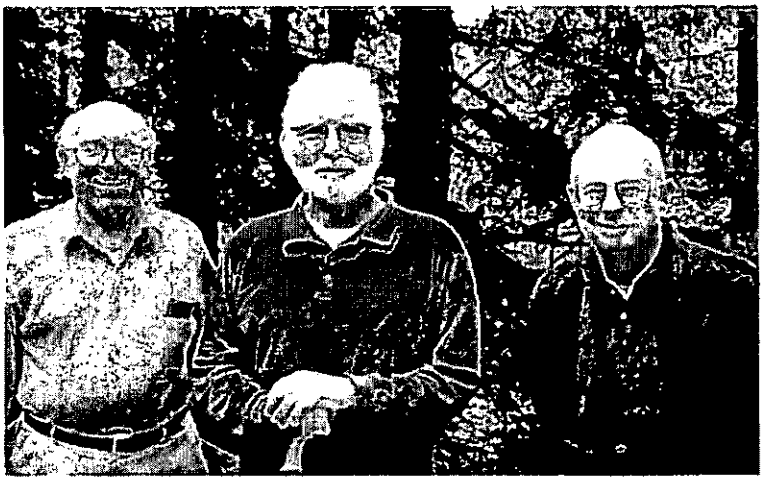
Alaska today, and for all time, would have been dramatically different if it weren't for Judge Stewart. He shaped the convention that created a model constitution, not just for our country, but for all lands that are rich in resources and commonly owned. When the full story is known, he will not only be seen as a champion of our great state but a champion of a vision that can change the world. Ermalee and I will greatly miss this remarkable man.
– Walter J. Hickel




I have thousands of memories of your father that flit through my mind, nearly all of them positive and some profoundly affecting me. When I was the DA, and was as green as grass, we did the first jury trial in the then new courthouse, and I was beat badly. After the verdict I was wandering around my house feeling lower than whale poop. Your dad called and consoled me ... nothing improper, but kept me from feeling so desolate.

There was the time when your dad was supposed to do a settlement conference and didn't show up. People were waiting. He was never late, and after several phone calls with no answer, we were all very concerned. I decided to walk over and check on him. I knocked several times. No answer. I opened the door and yelled, and got no response. With grave trepidation I moved through the kitchen and into the living room calling out "Tom" loudly. No answer – and then he came bursting into the living room. Stark Naked. I've never been so happy to see a naked old man. His alarm hadn't gone off, the hearing aids weren't in, and he hadn't heard the phone and was shocked at the time. We were thrilled. He came and apologized and did the settlement conference professionally and successfully.

Many years ago, I asked him to swear me in, which he did. As we left the room he pulled me aside and said, Larry the only real control we have as judges is to take a recess. If you need to think about something you can always take a recess and go pee. It was the only advice he ever gave me and I saw him on nearly a daily basis. He was full of examples that we could emulate but he didn't tell you how to do things. He was always the epitome of courteous, almost courtly. He was witty and often profound. He stayed current on the affairs of the day and had great insight and memories of things that were fascinating to hear and gave perspective to contemporary issues. He lived his principles and those principles included compassion, respect for the rights of others and helping those who could not help themselves. He believed in living life, intelligently, and to the fullest and encouraging others to enjoy the life we have.
– Larry Weeks



I am honored and blessed to call myself a friend of Judge Stewart. Our friendship began in the 1980's through our mutual interest in preserving the history of Alaska. (At that time I was the State Archivist.) One project dear to both our hearts was the remastering of the Constitutional Convention tapes. Years later, in 2003, when he agreed to give me away at my wedding, I was thrilled. At the same time, I was nervous and disorganized, and as usual Judge Stewart was patient and organized. When my fiancé, Alvin Schmid, met Judge Stewart he was immediately entranced, and to this day Alvin fondly remembers with great pride the salute that Judge Stewart gave him when they parted. But of all my memories of Juneau, my most vivid is the sight of Judge Tom Stewart and his darling wife, Jane, walking hand in hand around the streets of Juneau. – Virginia Newton

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There are so many reasons why I treasure the memory of Tom Stewart. Many of us have heard about Kiska and Riva Ridge and the Constitutional Convention. My personal opinion is that he was the most important Juneauite in the history of the State of Alaska, and that the handful of people who may be counted the most important in the state's history includes him: Egan, Hickel, Greuning, Hammond, and Tom Stewart; his contributions to the state's foundation were that important. I have always been astounded that such a shy and soft-spoken man of moderate physical stature cast such an enormous shadow.

But what each of us will remember first and last will probably be something personal, some small kindness or surprise. Here is one of my favorites: When I was a third-year law student in Boston, I flew to Alaska for job interviews. After making the rounds in Juneau, I flew on to Anchorage for a handful of interviews. One was with the hiring partner of one of the most respected firms in the state, and at the end the partner asked me if I had yet received any job offers. I responded that, as a matter of fact, Judge Stewart offered me a job as his law clerk for the coming year. The man put my file on the desk and sat up very straight in his chair. He then looked me straight in the eye and said, "Mr. Jahnke, if you have an offer to clerk for Judge Stewart, why are you wasting your time talking to me?"

Tom Stewart gave me my first law job, and I learned more from him in my one-year clerkship than I learned in three years of law school. And that was only the beginning. I thank God for the life of Tom Stewart. – Tom Jahnke

## Too Good to Be Gone

I keep waiting for Tom to call
And give a detailed accounting
Of where he's been
Who he's lunched with
And taken out to dinner
Perhaps even the spelling
Of their last name.

Tom was always one to check in
To unfailingly call on a birthday
And sing a speeded-up version
Of Happy Birthday to You,
To extend an invitation
For Sunday morning pancakes
And bacon and sausage and eggs
With long-cherished maple syrup
Poured from a long-cherished pitcher.

Tom was the epitome
Of welcoming and thoughtful.

It would be fair to say
They don't make them like Tom anymore.
He was faithful, decent, unwavering,
And true.
He never missed an opportunity
To be helpful to another person
Or his community,
Or Alaska.

He was a true statesman
He lived his values
With vim and vigor
And, always, good cheer.

I expect I will miss him terribly
My whole life.

Thank you, Tom
You are reason to have faith in the world.

– Michelle Sydeman



Knowing Judge Tom Stewart and the intellectual wealth he gave to Alaska leaves me hoping that he will also be remembered as a man who could reach across social barriers to touch everyone. Sometimes people in leadership lose their ability to relate to the common citizen, yet Tom communicated with everyone as his social equal and this selfless empathy is a lesson for all of us to embrace. – Eric Havelock



Tom and Jane's courtship in the mid '50s was a delight to behold. Their love was warm and their friendship deep and full of respect. They shared music, literature, dancing, and all aspects of their existence, including the children. Tom and Jane married during the 1955-56 constitutional convention, the creation of which will forever remain to Tom's credit. They shared a wonderful life thereafter, and Tom's caring for Jane through her last days was truly heartwarming. What a wonderful human being, Tom Stewart, a good friend. – Vic Fischer

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As a young lawyer I was in awe of Judge Stewart. To be truthful, I was also somewhat intimidated by him, perhaps the more so when I lost one of my first bench trials in front of him. He was no-nonsense, get-to-the-point, but courteous and respectful to all. During my career I have appeared before many other judges—almost without exception very thorough, competent people—but I realize that Judge Stewart shaped my very conception of what an ideal judge (and perhaps justice itself) is like: a combination of knowledge of the law, wisdom, life experience, compassion—and humor. Over the years, I came to know Tom in a variety of other settings: the arts, the world affairs council, and two gubernatorial task forces, to name a few. I count myself blessed to have been a friend. I still stand in awe of him. – Bruce Botelho

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Tom opened his home to countless visitors in his later years, and I was fortunate to be his guest on several occasions. Interesting people dropped in, or slept in a nearby room, or Tom would be cooking breakfast for guests while vividly recalling notable Alaskans and events. The atmosphere always was casual and comfortable and friendly, and it was just plain fun to be there.

I stopped at the house last year just as KTOO was concluding their filming of his ski troop experience in Italy during WW11, after which we had, as it turned out, the last chat of a 50-plus year friendship. The following December I wrote him a note to express how much I'd enjoyed watching his program the evening before and how good he was in it. Then, on an impulse I added that a kid in my neighborhood, Walter, had been killed fighting in the same area at about the same time, and that his sister Ida, who has taken up channeling, recently told me matter of factly that Walter has been reincarnated and is living with his family in the South. I sincerely hope that this eccentric if somehow endearing idea brought a little amusement into what were, sadly, his final days. I know that all of us will continue to miss Tom, a remarkable and remarkably kind man. – Betty Annis

I have known Judge Stewart since the 1960's when I served as presiding District Magistrate for the First Judicial District. When I returned to private practice, I was privileged to also know him as a mentor to me, a young attorney still feeling his way into the practice of law. He had the patience of Job and the skill to offer a suggestion, sometimes in the heat of battle that helped move things along without ever making either side feel that he was playing favorites. However, the "line officer" from the 10th Mountain could show up when necessary, and he had a wonderful ability of making himself heard in a very clear and forceful way without ever raising his voice. He continued to mentor me after I was appointed to the Superior Court in 1973. My last visit with Tom was the end of July. I had been a student at the U of A Fairbanks during the constitutional convention, and we talked about that from our different perspectives. I can't think of a better way to say goodbye to him than to be able to share with him what was one of the highlights of his life and a great contribution to our state. He honored us all with his leadership, his service and his friendship. – Thomas Schulz

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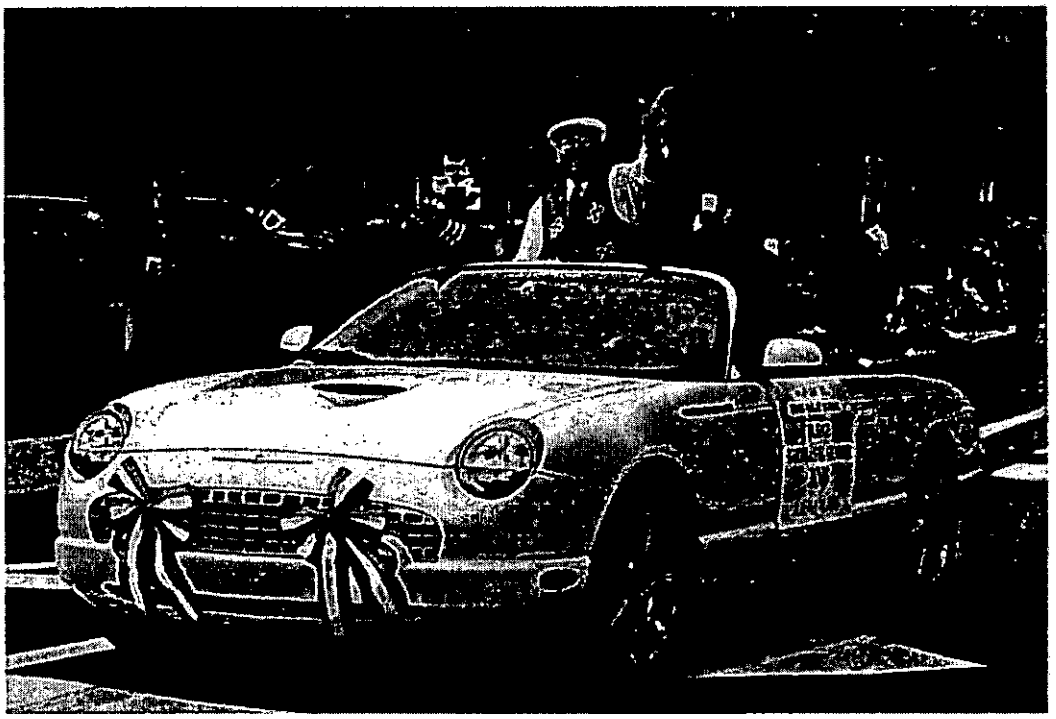
My fondest memory of Tom is of him as a father and a husband. The first time I met him, Steve brought me home to Juneau to meet his parents. All through the ride from the airport, Steve and Tom chatted as I sat quietly listening. I think Tom sensed that his son's prospective bride was a bit nervous because almost before I was though the kitchen door he wanted to show me something displayed on the refrigerator. It was a photograph of him and his lovely bride dancing. Only after he shared that treasured memory with me did he seat me at the kitchen table for tea, cookies, and induction into that society of people who have had the honor of enjoying Tom's favorite venue for sharing his marvelous stories. Over the years, I watched as he cared for his bride. It was a gift to observe as he played Sousa marches to encourage Jane to eat. He would sing to her a bit of one of her favorite show tunes to make her smile, or at her whim, whisk her in a few circles through the halls of the pioneer's home, bringing a glimmer of the Jane he fell in love with so many years before. Dad gave Steve and me a living testament that the vows of "for better or for worse, in sickness and in health" are just that – solemn vows. Vows he fulfilled with love. – Ann Stewart

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A fond memory that I have of my father that sums up his character took place on a sunny fall afternoon at his home in Juneau. My mother had been suffering from dementia for several years, but still retained some degree of cognizance of her condition. On this day as my dad was walking through the living room, she stopped him and said that she thought it would be a good idea if he let her take care of herself and that he should consider finding another partner that wasn't a burden to take care of. He stopped and smiled and said to her that he had made a promise fifty years ago, and that he had no intention of not keeping that promise. Commitment to his word was one of his character strengths that I loved so much. I miss you Dad! Lots of Love, Caleb



Hale and Farewell to our dear friend Tom Stewart
We will miss you forever!



"It is not place,
nor power,
nor popularity,
that makes the success that one desires.
But the trembling hope
that one has come near to an ideal."

Oliver Wendell Holmes