

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

SB 480, CSSB 480

154

159

SR

480

SENATE COMMITTEE REPORT

FURTHER

3/15/88

DATE TURNED INTO OFFICE 4/13/88

Mr. President:

Finance Committee considered SB 480

establishing the Alaska regional economic assistance program; efd

and recommended

replace with CS SB 480 (FIN)  same title  
 or adopt \_\_\_\_\_  new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted \_\_\_\_\_

Committee  attached or  adopted fiscal note(s)

new  updated or  previous  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature] do pass  
Chairman signature and recommendation

Committee Backup attached

14/8

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CSSB 480 (Fin)  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Commerce & Econ. Dev.  
Title: Alaska Regional Economic Assistance Program BRU: Division of Business Development  
Sponsor: Special Committee on Local & Economic Development  
Requester: Senator Sturgulewski

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	300.0	500.0	500.0	500.0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	300.0	500.0	500.0	500.0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of dollars)

GENERAL FUND	0	300.0	500.0	500.0	500.0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	300.0	500.0	500.0	500.0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

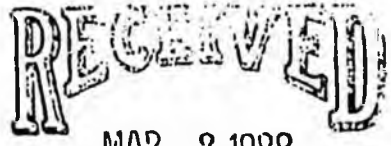
ANALYSIS: (Attach a separate page if necessary.)

See attached

Prepared by: Tom Lawson, Economic Development Planner Phone: 465-2017  
Division: Business Development Date: February 23, 1988

Approved by Commissioner: J. Anthony Smith Date: 3/7/88  
Agency: Department of Commerce and Economic Development

- Distribution (by preparer):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)



MAR 3 1988

08/1/88

## FISCAL NOTE ANALYSIS

### SB 480 -- ALASKA REGIONAL ECONOMIC ASSISTANCE PROGRAM

Assumptions/Program Summary: The fiscal note assumes that approximately ten regional development organizations will form and need funding at an average level of \$50.0 on an annual basis.

The program will be administered by the Division of Business Development staff as detailed in the FY 89 Operating Budget.

Economic Impact: While the proposed program will have a modest impact on the state budget, the projected long-term benefit of the program on the state's economy should be significant.

Impact on Local Government: Establishment of regional development organizations is optional. However, to receive state funding for the organization, matching funds are required. Nonstate matching funds would no doubt be solicited from a variety of sources, including local governments within the region. Since the total nonstate match would not have to exceed \$50.0, the fiscal impact on local governments within each region would vary, but on average would be slight. The benefits of the program, local/regional economic development and diversification, should far outweigh the costs.

Original sponsor: Special Committee on  
Local and Regional  
Economic Opportunity

*Finance*  
~~BY THE LABOR AND  
COMMERCE COMMITTEE~~

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 480 <sup>*Fix*</sup> (~~L&C~~)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska regional economic  
7 assistance program; and providing for an effective  
8 date."

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

10 \* Section 1. PURPOSE. It is the purpose of the legislature in estab-  
11 lishing the Alaska regional economic assistance program to

12 (1) encourage the formation of regional development organiza-  
13 tions that address the economic problems of specific regions in the state;

14 (2) coordinate private and public resources to support economic  
15 development on a regional basis;

16 (3) provide the state with information on regional economic  
17 issues and opportunities for international trade; and

18 (4) provide assistance in local economic diversification and  
19 development efforts during the current recession to encourage regions of  
20 the state to become economically self-sufficient.

21 \* Sec. 2. AS 44.33 is amended by adding a new section to read:

22 Sec. 44.33.026. ALASKA REGIONAL ECONOMIC ASSISTANCE PROGRAM.

23 (a) The department shall

24 (1) encourage the formation of regional development orga-  
25 nizations by providing assistance in forming organizations to inter-  
26 ested individuals, including information on how to qualify and apply  
27 for regional development grants and federal funding under 42 U.S.C.  
28 3121 - 3246 (Public Works and Economic Development Act of 1965), as  
29 amended;

1           (2) assist an interested individual in establishing bound-  
2 aries for a proposed organization to ensure that the region

3           (A) is of sufficient geographic size and contains a  
4 large enough population to form an economically viable unit with  
5 shared interests, resources, traditions, and goals;

6           (B) contains at least one municipality that serves as  
7 a regional center; and

8           (C) contains the entire area of each municipality  
9 included in the region;

10          (3) gather information about regional economic issues,  
11 international trade, and tourism from organizations;

12          (4) serve as liaison between organizations and other state  
13 agencies and encourage other agencies to make resources available to  
14 help accomplish goals of the organizations;

15          (5) assist each organization to

16           (A) provide services designed to encourage economic  
17 development to local communities and businesses;

18           (B) collect and distribute economic information rele-  
19 vant to the region;

20           (C) participate in state marketing campaigns and join  
21 state trade missions that are relevant to the region; and

22           (D) develop and implement strategies to attract new  
23 industry, expand international trade opportunities, and encourage  
24 tourism within the region.

25          (b) Subject to (c) of this section, the department may make  
26 regional development grants to organizations for projects the depart-  
27 ment determines will be of value in encouraging economic development.  
28 During a fiscal year the department may make no more than 15 grants  
29 and may only make grants to one organization from a particular region.

1 An organization that is designated an economic development district  
2 under 42 U.S.C. 3171 qualifies for grants under this subsection. The  
3 department shall by regulation adopt procedures for applying for  
4 regional development grants, including application deadlines. The  
5 department may by regulation establish additional grant eligibility  
6 requirements.

7 (c) To qualify for a grant, a regional development organization  
8 must match the grant by providing an amount of money from nonstate  
9 sources for the project that equals the amount of grant money to be  
10 used for the project. The total amount of grant money provided to an  
11 organization during a fiscal year may not exceed \$50,000.

12 (d) There is established in the department the regional develop-  
13 ment fund consisting of appropriations to the fund. Money from the  
14 fund may be used only for regional development grants. ~~An appro-~~  
15 ~~priation to the regional development fund lapses to the fund from~~  
16 ~~which it was appropriated July 1, 1993, unless otherwise provided in~~  
17 ~~the appropriation act.~~

18 (e) In this section

19 (1) "department" means the Department of Commerce and  
20 Economic Development;

21 (2) "regional development organization" or "organization"  
22 means a nonprofit <sup>organization or</sup> corporation formed to encourage economic development  
23 within a particular region of the state that includes the entire area  
24 of each municipality within that region and that has a board of  
25 directors that represents the region's economic, political, civic and  
26 social interests.

27 \* Sec. 3. AS 44.33.026 is repealed July 1, 1993.

28 \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: SB 480 Revised  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Alaska Regional Economic Assistance Program

Agency Affected: Commerce & Econ. Dev.  
BRU: Division of Business Development

Sponsor: Special Committee on Local & Economic Opportunity  
Requester: Senator Sturgulewski

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	300.0	500.0	500.0	500.0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	300.0	500.0	500.0	500.0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of dollars)

GENERAL FUND	0	300.0	500.0	500.0	500.0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	300.0	500.0	500.0	500.0	0

POSITIONS:

FULLTIME	0	0	0	0	0	0
PARTTIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

See attached

Prepared by: Tom Lawson, Economic Development Planner  
Division: Business Development

Phone: 465-2017  
Date: February 23, 1988

Approved by Commissioner: J. Anthony Smith  
Agency: Department of Commerce and Economic Development

Date: 3/7/88

Distribution (by preparer):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

RECEIVED

MAR 3 1988

page 1 of 2

0972D-1/030488b

LEGISLATIVE FINANCE

0972D-1/030488b

## FISCAL NOTE ANALYSIS

### SB 480 -- ALASKA REGIONAL ECONOMIC ASSISTANCE PROGRAM

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3/1/88 S (840)

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: SB 480  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Commerce & Econ. Dev.  
Title: Alaska Regional Economic Assistance Program BRU: Division of Business Development  
Sponsor: Special Committee on Local & Economic Opportunity  
Requester: Senator Sturqulewski

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	500.0	500.0	500.0	500.0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	500.0	500.0	500.0	500.0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of dollars)

GENERAL FUND	0	500.0	500.0	500.0	500.0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	500.0	500.0	500.0	500.0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

See attached

Prepared by: Tom Lawson, Economic Development Planner Phone: 74652017  
Division: Business Development Date: February 23, 1988

Approved by Commissioner: J. Anthony Smith Date: 3/1/88  
Agency: Department of Commerce and Economic Development

REG DIV  
MAR 7 1988

- Distribution (by preparer):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

LEGISLATIVE FINANCE

213 480

## FISCAL NOTE ANALYSIS

### SB 480 -- ALASKA REGIONAL ECONOMIC ASSISTANCE PROGRAM

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STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 24, 1988

SUBJECT: Alaska regional economic assistance  
program (SB 480)

TO: Senator Arliss Sturgulewski

FROM: Tamara Brandt Cook *TBC*  
Director  
Division of Legal Services

Here is the sectional analysis that you requested for SB 480.

Section 1. This is a statement of the purpose of the legislature in establishing the Alaska regional economic assistance program.

Section 2. The Department of Commerce and Economic Development is required to encourage the formation of regional development organizations, assist individuals in establishing boundaries for proposed organizations, gather information about regional economic issues, serve as liaison between organizations and other state agencies, and assist organizations to provide services designed to encourage economic development, collect economic information, participate in state marketing campaigns and trade missions, and develop strategies to attract new industry, expand trade opportunities, and encourage tourism. The department may make grants to organizations for projects of value in encouraging economic development. The department may only make grants to one organization from a particular region during a fiscal year and an organization designated as an economic development district under federal law qualifies for grants. In addition, to qualify for a grant an organization must match the grant. The total amount of grant money provided to one organization may not exceed \$50,000 during a fiscal year. A regional development fund is established and money in the fund lapses to the fund from which it was appropriated July 1, 1993 unless otherwise provided in the appropriation act. A regional development organization is defined to be a

Senator Arliss Sturgulewski  
Page 2  
February 24, 1988

nonprofit corporation formed to encourage economic development within a particular region with specific requirements regarding the composition of the board of directors.

Section 3. The Alaska regional economic assistance program is repealed July 1, 1993.

Section 4. The Act has an immediate effective date.

TBC:gc  
WKG2:02

## Economic Development Planning

### REGIONAL DEVELOPMENT ORGANIZATIONS PROGRAM PROPOSED

Alaska communities are facing a myriad of complex local, regional, state, and international economic issues which are at best difficult to address. As a result a series of regional economic development entities have evolved as individual communities have begun to pool their resources, providing communities with a cooperative and organized means to meet these economic challenges. Because of the economic downturn, the demand from regional organizations and communities for state economic development technical and financial assistance has increased dramatically while revenues for state, federal, and local economic development assistance programs have been reduced.

To address this issue, the Division of Business Development has designed the Alaska Regional Development Organizations (ARDOR) Program and is included in Governor Cowper's FY 89 capital budget submission. The purpose of ARDOR program is to facilitate economic development at the regional and local level through establishment of a network of regional economic development organizations and the provision of financial and technical assistance. Governor Cowper recently introduced the program in Anchorage at the 37th Annual Alaska Municipal League (AML) Local Government Conference.

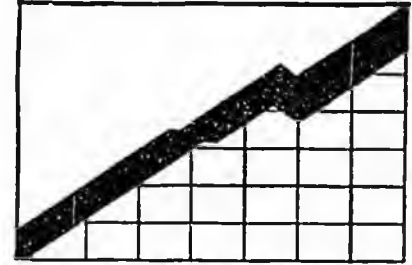
As proposed, the ARDORs will work with the communities and the division to develop and implement regional development strategies; address regional economic issues; collect and distribute regional economic information; provide development assistance within the region; participate in state economic development programs, such as marketing efforts; and coordinate economic development activities with member communities and the state. The ARDORs and regional development strategies will provide the foundation for the development of a credible, strong, and pragmatic state development strategy, under preparation by the division.

The ARDOR program is designed to encourage evolution of economic regions and organizations from the local level and ultimately be self-sustaining. An economic region will likely consist of communities with similar or related economic problems and opportunities. At least one city within the region should be recognized as a regional center of economic activity. It will be up to the region to determine its ARDOR. The organization selected must represent the economic, political, civic and social interests of the region with the confidence of its residents.

The ARDOR Program grants will be administered by the Division of Business Development. One-to-one matching grants of up to \$30,000 will be provided annually to ARDORs to support full-time professional staff in each ARDOR office.

A state/regional electronic mail computer network for coordination of economic development activities and dissemination of economic information and news will be established. In addition, quarterly regional teleconferences will be conducted between appropriate state agencies and regions.

In developing the ARDOR program, the division has been working closely with Senator Arliss Sturgulewski, Chair of the Senate Community and Regional Affairs Committee and Chair of the Senate Special Committee on Local and Regional Economic Opportunity. At the AML Conference a joint session of the Senate and House Community and Regional Affairs Committees was held. The ARDOR program was a focal point of discussion. The AML passed a resolution in support of the ARDOR program.



### ALASKA ECONOMIC DEVELOPMENT STRATEGY PROGRESSES

As part of the Alaska Economic Development Strategy, a report entitled, *The Alaska Economy: An Overview*, has been prepared and is in the final editing stages. The report assesses the relative strengths and weaknesses of each sector of the state's economy and will serve as the foundation of the strategy. It is anticipated that the report will be published in early 1988.

Development of a process for coordinating the development of state, regional and local economic development planning and implementation activities is a major objective of the strategy program. The Alaska Regional Development Organizations Program (see related story) was formally proposed in November to meet this objective.

### VENTURE CAPITAL IN ALASKA

Elaine Wurster was recently hired to assist the division explore the feasibility of attracting venture capital into the state. Legitimate venture capital groups (with sizable investment capital) will be contacted to explore possible efforts in Alaska.

### ANNUAL RDC MEETING

The Resource Development Council's Eighth Annual International Conference on Alaska's Resources, "What Alaska Can Do For America" will be held February 26-27 at the Anchorage Sheraton Hotel. A number of speakers will cover a broad range of topics affecting Alaska's development.

Concurrently, the Fourth Annual All-Alaska Exposition will highlight tourism, transportation, and local economic development projects.



Official Business

# Alaska State Legislature

P.O. BOX V  
State Capitol  
Juneau, Alaska 99811

PRESS RELEASE

February 22, 1988

By: SENATOR ARLISS STURGULEWSKI, CHAIRMAN  
Senate Special Committee on Local & Regional Economic Opportunity

Contact: Frank Homan - 465-3818

Senator Arliss Sturgulewski announced today the introduction of legislation designed to promote regional economic development. Senate Bill 480 will establish the Alaska regional economic assistance program and apply throughout the state. The legislation is sponsored by the Senate Special Committee on Local and Regional Economic Opportunity of which Senator Sturgulewski is chairman. Other members of the committee include Senator Lloyd Jones of Ketchikan and Senator Fred Zharoff of Kodiak.

"I am particularly pleased with this legislation," said Senator Sturgulewski. "We have been working on this bill for the past year and have had many meetings with numerous groups who are trying to bring about economic development in their areas. There is an excitement and a momentum out there that we want to encourage and assist. For example," she continued, "there are people coming together on a regional basis to help each other such as the Southwest Municipal Conference, the Southeast Conference, the Kenai Peninsula, the Mat-Su, the Lower Yukon Kuskokwim River area, Interior Alaska and the Northwest Arctic to mention only a few. They are now in various stages of formation and I hope this legislation

will aid in bringing them together for mutual benefit of the region."

The legislation will compliment the regional program being developed within the Department of Commerce and Economic Development (DCED) by giving it a formal structure. SB 480 provides for grants of up to \$50,000 per year to each region that qualifies.

"We have tried to keep the requirements of each region to a minimum," she said, "because we don't want the state to dictate to the regions. We would rather encourage the regions to form on their own initiative. If there is no support for the program from the regions, then the state will not force it on them. Each area has its own set of interests, resources, traditions, and goals," the Senator said, "and we want that to be the catalyst for development, not a canned program put out by the state."

The DCED will be responsible for the program. Information will flow both ways; the state would provide assistance to regions that request it and the regions would be responsible to provide information back to the state that would assist in state economic development promotion. "For example," Sturgulewski said, "if a region has a particular product or resource they want to develop for export, the information would be made available to the state and the state Office of International Trade would incorporate it into their overseas promotion program."

The regional assistance program is designed to be a partnership. There

must be cooperation among communities in the region to work together; there must be private and public representatives in the organization; and there must be cooperation between the state and the region. One requirement is that the DCED serve as a liaison between regional organizations and other state agencies to make resources available to help the regions accomplish their goals. "Too many times we have competition among agencies of the state when we should have cooperation. We're all in this together," said Sturgulewski.

The legislation defines regional development organization to mean a non-profit corporation formed to encourage economic development within a particular region of the state. It has a board of directors that represents the region's economic, political, civic, and social interests and that includes at least one municipal official, one person from the local private business sector, and one person who represents the local Native community.

"I see this legislation as a positive step in creating economic development initiatives at the local level," said Sturgulewski. "There are a lot of people out there that have good ideas for economic growth. This legislation will say to them that the state wants to help support their efforts."

The bill was assigned to the Labor and Commerce and Finance Committees in the Senate.

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 88-4

A RESOLUTION SUPPORTING THE ALASKA  
DEVELOPMENT ORGANIZATIONS PROGRAM.

WHEREAS, the League supports legislation and funding policies which would promote the creation and implementation of economic development organizations by Alaska municipalities, and

WHEREAS, the State of Alaska has experienced a profound long-term economic change resulting from the decline in oil revenues, and

WHEREAS, Alaska communities are facing a myriad of complex local, regional, state, and international economic issues which are, at best, difficult to address, and

WHEREAS, there has been a natural evolution of regional economic development entities from individual communities to pool resources, providing communities with a cooperative and organized means to meet these economic challenges, and

WHEREAS, because of the economic downturn, the demand from regional organizations and communities for state economic development technical and financial assistance has increased dramatically while revenues for state, federal, and local economic development assistance have been reduced, and

WHEREAS, the Division of Business Development, Alaska Department of Commerce and Economic Development has proposed a new program, the Alaska Regional Development Organizations Program (ARDOR), to promote and provide financial assistance to regional development organizations, and

WHEREAS, the purpose of the ARDOR program is to facilitate economic development at the regional and local level through establishment of a network of regional economic development organizations and the provision of financial and technical assistance, based on the evolution of economic regions and organizations from the local level, and

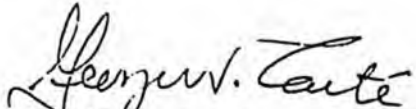
WHEREAS, representative economic development organizations of these regions will work with the communities and the State to develop and implement an action-oriented regional economic development strategy accommodating local economic development action plans, provide economic development and business technical assistance to region member communities and businesses, collect and distribute economic information on the region, participate in state

marketing campaigns, and serve as a liaison for coordination with local governments and the State regarding regional economic activities and issues, and


WHEREAS, the ARDOR program and regional development strategies will provide the foundation for the development of a credible, strong, and pragmatic state development strategy;

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League urges that the Governor and the Legislature support the Division of Business Development, Alaska Department of Commerce and Economic Development, and fund the Alaska Regional Development Organizations Program (ARDOR).

Adopted this 13th day of November 1987.

  
George W. Carte, President

ATTEST:

  
Scott A. Burgess, Executive Director

Resolution No. 88-4



# Southwest Alaska Municipal Conference

*Putting Resources to Work For People*

1007 West 3rd Avenue, Suite 201 • Anchorage, Alaska 99501 • (907) 274-7555

February 28, 1988

Senator Arliss Sturgulewski, Chairperson  
Senate Special Committee on Local and  
Regional Economic Opportunity

P.O. Box V

Juneau, Alaska 99811

Re: SB 480

Dear Senator Sturgulewski:

The Southwest Alaska Municipal Conference (S.W.A.M.C.) is pleased to comment on SB 480 which establishes the Alaska regional economic assistance program. S.W.A.M.C. views SB 480 as a positive contribution to locally-initiated economic development in the State.

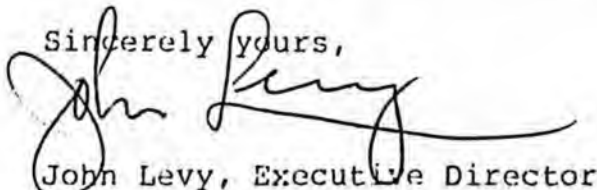
S.W.A.M.C. represents municipalities in Bristol Bay, the Aleutians, the Pribilofs and Kodiak. Our many associate members include banks, shippers, and Native corporations. Our organization currently relies on memberships and donations (\$15,000 annually) to employ one part-time staff person. I have enclosed an example of some of the economic development work S.W.A.M.C. has done. These profiles were researched and written by S.W.A.M.C. and Department of Community and Regional Affairs staff last summer.

Printing costs (\$26,000) were paid for by the eight communities involved in the project. S.W.A.M.C. had a booth at Fish Expo in Seattle where we distributed several hundred. Funding of SB 480 would allow regional organizations such as ourselves to become even more active in identifying the growth and investment needs for the region and bring together business and local government to address those needs.

Our only concern with the current version of the bill is that we request that Section 2 (e) (2) be changed so that everything after "...civic and social interests..." to the end of the paragraph be struck. S.W.A.M.C. represents cities. Although unincorporated communities and firms may be associate members, only cities have voting rights. We fear that the present qualifying language would prevent our participating in this program.

I thank you for this opportunity to offer comments and hope to be available to testify at the March 9 hearing.

Sincerely yours,



John Levy, Executive Director

Representing Bristol Bay, The Pribilofs, Kodiak and the Aleutians.



U.S. DEPARTMENT OF COMMERCE  
Economic Development Administration  
701 "C" Street, Box 10  
Anchorage, Alaska 99513  
907-271-5857

March 6, 1988

Honorable Tim Kelly, Chairman  
Senate Committee on Labor and Commerce  
Alaska State Legislature  
The Capitol  
Juneau, Alaska 99811

Dear Senator Kelly:

This letter concerns Senate Bill No. 480, which your Committee is to consider March 9th. As it will not be possible for me to appear in person to testify, I wished to write to you in regard to the proposed Alaska regional economic assistance program.

Throughout most of the United States, regional economic development has grown significantly. It has proved effective, both in terms of cost and program delivery.

I am very pleased to see both the Legislature and the Administration working to encourage meaningful local, regional economic development. For a variety of unique and developmental reasons, Alaska has not previously fostered regional economic development. Senate Bill 480 should provide a very strong encouragement for local development of regional economic development organizations.

In addition to direct local benefit from working together, the State (and my agency, as well) should benefit from stronger, more targeted and better thought-out projects which have broader local commitment.

In those regions which can meet Economic Development District criteria, I feel that even more benefits will accrue. Where you have the local public and private sector representatives sitting around a table, as equals, making decisions or recommendations which together they have a better opportunity of making happen, success in economic development should breed further success. The "movers and shakers" of both sectors can be the driving force to increase local jobs and improve local economies.

Best regards,

*Bernhard Richert*  
Bernhard Richert  
Economic Development  
Representative

## ECONOMIC DEVELOPMENT DISTRICTS

Economic Development Districts (or EDD's or Districts) are locally-formed organizations with representation of both the Public and Private sectors. The primary objective of a District is to promote sound economic development for the communities it serves. An Economic Development District:

- o can serve a variety of purposes or functions (which are determined locally)
- o will work together for common economic development purposes
- o has as its membership multiple geo-political entities
- o is funded from a variety of sources (State, Federal, Borough, City, etc.)
- o has a staff responsible to the local board of directors.

There are well over 300 EDD's nationally, many States being covered with the organizations. A District can provide technical assistance in selected program areas, or it can run programs or deliver a wide range of services, depending upon the local EDD's wishes.

Financial advantages include sharing the cost of the organization among various funding sources. (The Economic Development Administration can make Planning or "administrative" grants-in-aid to help EDD's with their Overall Economic Development Programs.) Public Works projects which are funded by the Economic Development Administration are eligible for an additional ten percent (10%) bonus from the Federal Government. There also should be an economy of scale by communities working more closely together. By agreeing on what to work together on, it should be possible to avoid duplication.

An EDD is independent, yet responsible and responsive to local public and private interests because both are meaningfully involved as board members, and local governments contribute to the financial operation of the District.

A new District would likely have a staff of about three, working directly under a Board of Directors of a size workable for the local area.

Possible activities could include any of the following, and many others:

- o areawide tourism promotion
- o transportation planning
- o working to establish a Customs office
- o run a revolving loan program or establish a business "incubator"
- o export promotion, industrial development, energy conservation, financial management for villages or cities, resource development

This program ties in nicely with the State's Trade Alaska Program.

Getting started: establish an appropriate organization (State non-profit) and request the Governor to endorse the geographic area as an Economic Development District to the Economic Development Administration.

# ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

■ KING COVE ■ SAND POINT ■ AKUTAN ■ COLD BAY ■ FALSE PASS ■ NELSON LAGOON

February 29, 1988

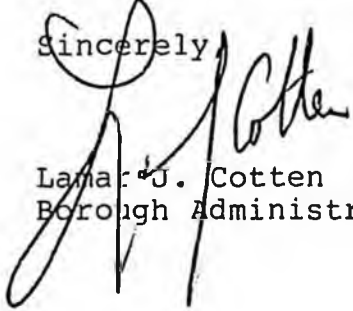
Senator Arliss Sturgulewski  
P.O. Box V  
Juneau, Alaska 99811

RE: Senate Bill 480

Dear Senator Sturgulewski:

This correspondence serves as a letter of support for SB 480. The Aleutians East Borough (AEB), as a member of the South West Alaska Municipal Conference (SWAMC), views this legislation as a positive step towards promoting regional economical development. The AEB supports SWAMC being a recipient of the money for this region and as always looks forward to working with your office on this subject and others.

Sincerely,

  
Lamar J. Cotten  
Borough Administrator

# City of Sand Point

P.O. Box 249  
Sand Point, Alaska 99661

(907) 383-2696

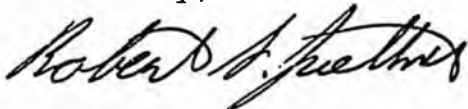
March 2, 1988

Honorable Arliss Sturgelewski  
P.O. Box V  
Juneau, Alaska 99811

Dear Senator Sturgelewski:

The City of Sand Point supports your efforts through SB 480 to promote regional economic development planning. Meaningful economic development results from the involvement of local people through a pooling of their interests, concerns and resources. When communities which are individually working on economic development associate with other communities in their region, they develop sound regional economic plans. We in our region are fortunate to belong to the Southwest Alaska Municipal Conference (SWAMC). For the past two years SWAMC has effectively bridged the gap between Bristol Bay people and Aleutian people. As such, the City of Sand Point will support the effort of SWAMC to be a recipient of funds made available by SB 480.

Sincerely,



Robert S. Juettner  
City Administrator

PUBLIC OPINION MESSAGE

DEAR: SENATOR STURGULEWSKI

NAME: JOHN C. STEIN  
TITLE: MAYOR OF WASILLA  
ADDRESS: 290 E. HERNING  
CITY: WASILLA  
PHONE: 373-9055

ZIP: 99687

BILL NO: SB 480

SUBJECT: REGIONAL ECONOMIC ASSISTANCE PROGRAM

MESSAGE: I STRONGLY SUPPORT THE ARDOR PROGRAM PROPOSED IN SB480. THE REGIONAL APPROACH TO ECONOMIC DEVELOPEMENT MUST HAVE LOCAL PARTICIPATION AND STATE SUPPORT. I SUGGEST 44.33.026(E)(2) BE AMENDED TO PROVIDE ORGANIZATION MEMBERSHIP FOR "MINORITIES" RATHER THAN "LOCAL NATIVE COMMUNITY." MANY COMMUNITIES WILL HAVE NATIVE MAJORITIES. KEEP UP THE GOOD WORK. THANKS!

POMID: 14112836

DATE: 03/09/88

TIME: 11:28:36

LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES SENATORS

LARSON  
MENARD

ELIASON  
FAHRENKAMP  
KELLY  
SZYMANSKI  
UEHLING

NO RESPONSE REQUIRED

Suggested by: Mayor Williams

CITY OF KENAI

RESOLUTION NO. 88-25

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, ENDORSING AND URGING THE ALASKA STATE LEGISLATURE TO SUPPORT AND PASS SENATE BILL 480 WHICH IS DESIGNED TO PROMOTE REGIONAL ECONOMIC DEVELOPMENT.

WHEREAS, dependency upon oil revenues to support the State of Alaska over the past two years has become extremely volatile, and

WHEREAS, the State of Alaska needs to design a program that will create stability in the economic picture in the state of Alaska, and

WHEREAS, Senate Bill 480 provides for grants of up to \$50,000 per year to each region in the state of Alaska that qualifies under the terms of Senate Bill 480, and

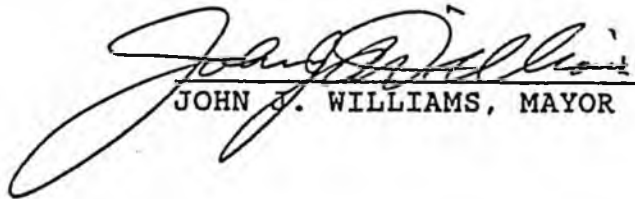
WHEREAS, these regional programs will be charged with the responsibility of diversifying and adding to the economic structure within the state of Alaska to create a more stable business climate to the benefit of all Alaskans, and

WHEREAS, Senate Bill 480 appears to be one of the few positive steps in creating economic development initiatives at the local level, and

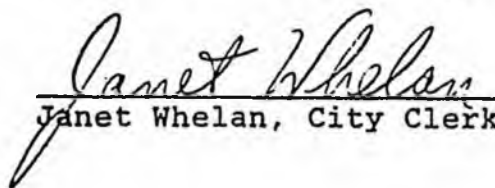
WHEREAS, the regional assistance program is designed to be a partnership between local regions and the Department of Commerce and Economic Development by providing information that will flow to the DCED and from the DCED back to the local regions in an effort for the State and local areas to participate in this stabilizing economic program.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, that said Council urges the Alaska State Legislature to pass Senate Bill 480.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 6th  
day of April, 1988.

  
\_\_\_\_\_  
JOHN J. WILLIAMS, MAYOR

ATTEST:

  
\_\_\_\_\_  
Janet Whelan, City Clerk

Introduced: 2/22/88  
Referred: Labor and Commerce  
and Finance

5-1480A

BY THE SPECIAL COMMITTEE  
ON LOCAL AND REGIONAL  
ECONOMIC OPPORTUNITY

1 IN THE SENATE

2

SENATE BILL NO. 480

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act establishing the Alaska regional economic  
assistance program; and providing for an effective  
date."

7

8

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

10

\* Section 1. PURPOSE. It is the purpose of the legislature in estab-

11

lishing the Alaska regional economic assistance program to

12

(1) encourage the formation of regional development organiza-

13

tions that address the economic problems of specific regions in the state;

14

(2) coordinate private and public resources to support economic

15

development on a regional basis;

16

(3) provide the state with information on regional economic

17

issues and opportunities for international trade; and

18

(4) provide assistance in local economic diversification and

19

development efforts during the current recession to encourage regions of

20

the state to become economically self-sufficient.

21

\* Sec. 2. AS 44.33 is amended by adding a new section to read:

22

Sec. 44.33.026. ALASKA REGIONAL ECONOMIC ASSISTANCE PROGRAM.

23

(a) The department shall

24

(1) encourage the formation of regional development orga-

25

nizations by providing assistance in forming organizations to inter-

26

ested individuals, including information on how to qualify and apply

27

for regional development grants and federal funding under 42 U.S.C.

28

3121 - 3246 (Public Works and Economic Development Act of 1965), as

29

amended;

1                   (2) assist an interested individual in establishing bound-  
2 aries for a proposed organization to ensure that the region

3                   (A) is of sufficient geographic size and contains a  
4 large enough population to form an economically viable unit with  
5 shared interests, resources, traditions, and goals; and

6                   (B) contains at least one municipality that serves as  
7 a regional center;

8                   (3) gather information about regional economic issues,  
9 international trade, and tourism from organizations;

10                   (4) serve as liaison between organizations and other state  
11 agencies and encourage other agencies to make resources available to  
12 help accomplish goals of the organizations;

13                   (5) assist each organization to

14                   (A) provide services designed to encourage economic  
15 development to local communities and businesses;

16                   (B) collect and distribute economic information rele-  
17 vant to the region;

18                   (C) participate in state marketing campaigns and join  
19 state trade missions that are relevant to the region; and

20                   (D) develop and implement strategies to attract new  
21 industry, expand international trade opportunities, and encourage  
22 tourism within the region.

23                   (b) Subject to (c) of this section, the department may make  
24 regional development grants to organizations for projects the depart-  
25 ment determines will be of value in encouraging economic development.  
26 During a fiscal year the department may only make grants to one orga-  
27 nization from a particular region. An organization that is designated  
28 an economic development district under 42 U.S.C. 3171 qualifies for  
29 grants under this subsection. The department shall by regulation

1 adopt procedures for applying for regional development grants, includ-  
2 ing application deadlines. The department may by regulation establish  
3 additional grant eligibility requirements.

4 (c) To qualify for a grant, a regional development organization  
5 must match the grant by providing an amount of money from nonstate  
6 sources for the project that equals the amount of grant money to be  
7 used for the project. The total amount of grant money provided to an  
8 organization during a fiscal year may not exceed \$50,000.

9 (d) There is established in the department the regional develop-  
10 ment fund consisting of appropriations to the fund. Money from the  
11 fund may be used to carry out the purposes of this section and for  
12 costs of administering the Alaska regional economic assistance pro-  
13 gram. An appropriation to the regional development fund lapses to the  
14 fund from which it was appropriated July 1, 1993, unless otherwise  
15 provided in the appropriation act.

16 (e) In this section

17 (1) "department" means the Department of Commerce and  
18 Economic Development;

19 (2) "regional development organization" or "organization"  
20 means a nonprofit corporation formed to encourage economic development  
21 within a particular region of the state with a board of directors  
22 that represents the region's economic, political, civic and social  
23 interests, and that includes at least one municipal official, one  
24 person from the local private business sector, and one person who  
25 represents the local Native community.

26 \* Sec. 3. AS 44.33.026 is repealed July 1, 1993.

27 \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 3/3/88 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

\*\*FISCAL NOTE(S) ATTACHED  \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

FURTHER: Finance

2/22/88 DATE TURNED INTO OFFICE \_\_\_\_\_  
Mr. President:

Labor and Commerce Committee considered SB 480

establishing the Alaska regional economic assistance program; efd

and recommended:

- replace with CS SB 480 (LIC)  same title
- attached amendment(s) and  new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_
- letter of intent adopted and attached

FN

\*\* Committee  attached or  adopted fiscal note(s)  
 zero  fiscal impact

MEMBERS SIGNING DO PASS  
2 Nelson  
2 Schrenk  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS  
1 Fishley (No Rec)  
1 Miller (No Rec)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

1 Tim Kelly - No Rec  
Chairman signature and recommendation

Committee Backup Attached

CSSB

480

**HOUSE COMMITTEE REPORT**

(11)

Date referred: 4/25/88

FURTHER REFERRALS:

DATE: 5-3-88

The Finance Committee has considered CSSB 480(Fin)

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

**RECOMMENDS:**

- replace with \_\_\_\_\_  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published 4/13/88
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

Adams Al Adams

Porchot Pat Porchot

Larson Ron Larson

Swack Chuck Swack

Boyer Mark Boyer

Rieger Steve Rieger

Frank Don Frank

Brown Jan Brown

Davis Mike Davis

**SIGNING OTHER RECOMMENDATIONS:**

Goll Steve Goll

Wallis Kay Wallis

Al Adams

Chairman's signature

298

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CSSB 480 (Fin)  
PUBLISH DATE: SENATE 4/13/88

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Alaska Regional Economic Assistance Program

Agency Affected: Commerce & Econ. Dev.  
BRU: Division of Business Development

Sponsor: Special Committee on Local & Economic Opportunity  
Requester: Senator Sturqulewski

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	300.0	500.0	500.0	500.0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	300.0	500.0	500.0	500.0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of dollars)

GENERAL FUND	0	300.0	500.0	500.0	500.0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	300.0	500.0	500.0	500.0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

See attached

Prepared by: Tom Lawson, Economic Development Planner  
Division: Business Development

Phone: 465-2017  
Date: February 23, 1988

Approved by Commissioner: J. Anthony Smith  
Agency: Department of Commerce and Economic Development

Date: 3/7/88

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

RECEIVED

MAR 3 1988

page 1 of 2

09720-1/030488b

LEGISLATIVE FINANCE

Original sponsor: Special Committee on  
Local and Regional  
Economic Opportunity

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 CS FOR SENATE BILL NO. 480 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL  
6 For an Act entitled: "An Act establishing the Alaska regional economic  
7 assistance program; and providing for an effective  
8 date."  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. PURPOSE. It is the purpose of the legislature in estab-  
11 lishing the Alaska regional economic assistance program to  
12 (1) encourage the formation of regional development organiza-  
13 tions that address the economic problems of specific regions in the state;  
14 (2) coordinate private and public resources to support economic  
15 development on a regional basis;  
16 (3) provide the state with information on regional economic  
17 issues and opportunities for international trade; and  
18 (4) provide assistance in local economic diversification and  
19 development efforts during the current recession to encourage regions of  
20 the state to become economically self-sufficient.  
21 \* Sec. 2. AS 44.33 is amended by adding a new section to read:  
22 Sec. 44.33.026. ALASKA REGIONAL ECONOMIC ASSISTANCE PROGRAM.  
23 (a) The department shall  
24 (1) encourage the formation of regional development orga-  
25 nizations by providing assistance in forming organizations to inter-  
26 ested individuals, including information on how to qualify and apply  
27 for regional development grants and federal funding under 42 U.S.C.  
28 3121 - 3246 (Public Works and Economic Development Act of 1965), as  
29 amended;

1 An organization that is designated an economic development district  
2 under 42 U.S.C. 3171 qualifies for grants under this subsection. The  
3 department shall by regulation adopt procedures for applying for  
4 regional development grants, including application deadlines. The  
5 department may by regulation establish additional grant eligibility  
6 requirements.

7 (c) To qualify for a grant, a regional development organization  
8 must match the grant by providing an amount of money from nonstate  
9 sources for the project that equals the amount of grant money to be  
10 used for the project. The total amount of grant money provided to an  
11 organization during a fiscal year may not exceed \$50,000.

12 (d) There is established in the department the regional develop-  
13 ment fund consisting of appropriations to the fund. Money from the  
14 fund may be used only for regional development grants.

15 (e) In this section

16 (1) "department" means the Department of Commerce and  
17 Economic Development;

18 (2) "regional development organization" or "organization"  
19 means a nonprofit organization or nonprofit corporation formed to  
20 encourage economic development within a particular region of the state  
21 that includes the entire area of each municipality within that region  
22 and that has a board of directors that represents the region's eco-  
23 nomic, political, and social interests.

24 \* Sec. 3. AS 44.33.026 is repealed July 1, 1993.

25 \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

Original sponsor: Special Committee on  
Local and Regional  
Economic Opportunity

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 CS FOR SENATE BILL NO. 480 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
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1           (2) assist an interested individual in establishing bound-  
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3           (A) is of sufficient geographic size and contains a  
4 large enough population to form an economically viable unit with  
5 shared interests, resources, traditions, and goals;

6           (B) contains at least one municipality that serves as  
7 a regional center; and

8           (C) contains the entire area of each municipality  
9 included in the region;

10          (3) gather information about regional economic issues,  
11 international trade, and tourism from organizations;

12          (4) serve as liaison between organizations and other state  
13 agencies and encourage other agencies to make resources available to  
14 help accomplish goals of the organizations;

15          (5) assist each organization to

16           (A) provide services designed to encourage economic  
17 development to local communities and businesses;

18           (B) collect and distribute economic information rele-  
19 vant to the region;

20           (C) participate in state marketing campaigns and join  
21 state trade missions that are relevant to the region; and

22           (D) develop and implement strategies to attract new  
23 industry, expand international trade opportunities, and encourage  
24 tourism within the region.

25          (b) Subject to (c) of this section, the department may make  
26 regional development grants to organizations for projects the depart-  
27 ment determines will be of value in encouraging economic development.  
28 During a fiscal year the department may make no more than 15 grants  
29 and may only make grants to one organization from a particular region.

1 An organization that is designated an economic development district  
2 under 42 U.S.C. 3171 qualifies for grants under this subsection. The  
3 department shall by regulation adopt procedures for applying for  
4 regional development grants, including application deadlines. The  
5 department may by regulation establish additional grant eligibility  
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21 that includes the entire area of each municipality within that region  
22 and that has a board of directors that represents the region's eco-  
23 nomic, political, and social interests.

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# Alaska State Legislature



SENATOR  
ARLISS STURGULEWSKI

Chairman, Senate Community and Regional Affairs Committee  
Vice-Chairman, Senate Judiciary Committee  
Member, Senate Resources Committee

2937 SHELDON JACKSON STREET  
ANCHORAGE, ALASKA 99508

While in Juneau  
P. O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-3818

## Senate

MEMORANDUM

April 26, 1988

TO: Representative Al Adams, Chairman  
House Finance Committee

FROM: Senator Arliss Sturgulewski (AS)

RE: SB 480 "An Act establishing the Alaska regional economic assistance program and providing for an effective date."

Senate Bill 480 will establish the Alaska Regional Assistance Program throughout the state. This legislation is designed to encourage the formation of regional organizations to address economic development problems. It is also designed to be a catalyst for the encouragement of local and regional groups to form together on their own initiative. It is flexible in structure to accommodate the diversity of regions within Alaska and is not a canned program put out by the state.

The legislation will compliment the regional program being developed within the Department of Commerce and Economic Development (DCED) by giving it a formal structure in statute. Senate Bill 480 allows for matching grants of up to \$50,000 per year for each region. The legislation restricts the number of regions to 15 and has a 1993 sunset date. The DCED currently anticipates that there might be about 12 regions formed. Early discussions suggest that some of the organizations and regions that might be interested in qualifying for the regional program are:

- S.E. Conference
- S.W. Municipal Conference
- NANA Region
- Bering Straits Region
- Bethel Area (Yukon-Kuskokwim)
- Kenai Peninsula Area
- Mat-Su Borough Area
- North Slope Borough Area
- North Star Borough Area
- Anchorage Area
- Prince William Sound Area

The regional assistance program is designed to be a partnership. There must be cooperation among communities in the region to work together; there

must be private and public representatives in the organizations; and there must be cooperation between the state and the region. One requirement is that DCED serve as a liaison between regional organizations and other state agencies to make resources available to help the regions accomplish their goals.

The legislation defines a regional development organization to mean a non-profit corporation or organization formed to encourage economic development within a particular region of the state. It has a board of directors that represents the region's economic, political and social interests.

The legislation has broad support. Some supporting organizations are listed below:

- Alaska Municipal League
- Alaska Conference of Mayors
- Alaska State Chamber of Commerce
- S.E. Conference
- S.W. Alaska Municipal Conference
- Economic Development Administration
- City of Kenai
- City of Wasilla
- Aleutians East Borough
- City of Sand Point
- City of Juneau
- Fairbanks Northstar Borough
- Anchorage Economic Development Corporation
- Juneau Economic Development Corporation
- City of Unalaska
- Mat-Su Regional Economic Development Corporation
- Mat-Su Borough
- City of Bethel
- Resource Development Council

Senate Bill 480 passed the Senate by a vote of 20 - 0.

Because of the strong public support for this legislation and the lateness of the session, I would appreciate your consideration for an early hearing.

Attachments: CSSB 480(Fin)  
Fiscal Note  
Bill History  
Sectional Analysis  
Press Release by Senator Sturgulewski  
Newsletter by DCED

BILL: SB 480

NAME: CSSB 480(FIN)

TITLE: "An Act establishing the Alaska regional economic assistance program; and providing for an effective date."

PRIME SPONSOR: LOCAL & REGIONAL EC. OPPORTUNITY, SP. COMMITT

FUNDING : \$300,000 GENERAL(FNOTE) \$000 OTHER(FNOTE)

CURRENT STATUS: PASSED (S) STATUS DATE: 04/25/88

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP		EXIT	MENU	TEXT	PRINT	BWD	FWD		FIRST	LAST	QUIT
SB 480											

Bill/Resolution Action

Page 2 of 2

Current Status: PASSED (S)

	Jrn-Date	Jrn-Pg	Action
1	02/22/88	2361	(S) READ THE FIRST TIME - REFERRAL(S)
2	02/22/88	2361	(S) L&C, THEN FIN
3	03/15/88	2632	(S) L&C RPT CS 2DP 3NR
4	03/15/88	2633	(S) FISCAL NOTE PUBLISHED
5	04/13/88	3004	(S) FIN RPT CS 7DP
6	04/13/88	3004	(S) UPDATED FISCAL NOTE W/ANALYSIS
7	04/25/88		(S) RULES TO CALENDAR
8	04/25/88		(S) READ THE SECOND TIME
9	04/25/88		(S) FIN CS ADOPTED UNAN CONSENT
10	04/25/88		(S) ADVANCED TO THIRD READING UNAN CONSENT
11	04/25/88		(S) READ THE THIRD TIME CSSB 480(FIN)
12	04/25/88		(S) PASSED Y20 N-
13	04/25/88		(S) EFFECTIVE DATE SAME AS PASSAGE

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP		EXIT	MENU	TEXT	PRINT	BWD	FWD		FIRST	LAST	QUIT

# STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465-3800

## LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 25, 1988

SUBJECT: Alaska regional economic assistance  
program (CSSB 480(Finance))

TO: Senator Arliss Sturgulewski

FROM: Tamara Brandt Cook *TBC*  
Director  
Division of Legal Services

Here is the sectional analysis that you requested for SB 480.

Section 1. This is a statement of the purpose of the legislature in establishing the Alaska regional economic assistance program.

Section 2. The Department of Commerce and Economic Development is required to encourage the formation of regional development organizations, assist individuals in establishing boundaries for proposed organizations, gather information about regional economic issues, serve as liaison between organizations and other state agencies, and assist organizations to provide services designed to encourage economic development, collect economic information, participate in state marketing campaigns and trade missions, and develop strategies to attract new industry, expand trade opportunities, and encourage tourism. The department may make grants to organizations for projects of value in encouraging economic development. The department may make no more than 15 grants and may only make grants to one organization from a particular region during a fiscal year. An organization designated as an economic development district under federal law qualifies for grants. In addition, to qualify for a grant an organization must match the grant. The total amount of grant money provided to one organization may not exceed \$50,000 during a fiscal year. A regional development fund is established. A regional development organization is defined to be a nonprofit organization or corporation formed to encourage economic development within a particular region

Senator Arliss Sturgulewski

Page 2

April 25, 1988

with general requirements regarding the composition of the board of directors.

Section 3. The Alaska regional economic assistance program is repealed July 1, 1993.

Section 4. The Act has an immediate effective date.

TBC:bb

b5/037



Official Business

# Alaska State Legislature

P.O. BOX V  
State Capitol  
Juneau, Alaska 998

PRESS RELEASE

February 22, 1988

By: SENATOR ARLISS STURGULEWSKI, CHAIRMAN  
Senate Special Committee on Local & Regional Economic Opportunity

Contact: Frank Homan - 465-3818

Senator Arliss Sturgulewski announced today the introduction of legislation designed to promote regional economic development. Senate Bill 480 will establish the Alaska regional economic assistance program and apply throughout the state. The legislation is sponsored by the Senate Special Committee on Local and Regional Economic Opportunity of which Senator Sturgulewski is chairman. Other members of the committee include Senator Lloyd Jones of Ketchikan and Senator Fred Zharoff of Kodiak.

"I am particularly pleased with this legislation," said Senator Sturgulewski. "We have been working on this bill for the past year and have had many meetings with numerous groups who are trying to bring about economic development in their areas. There is an excitement and a momentum out there that we want to encourage and assist. For example," she continued, "there are people coming together on a regional basis to help each other such as the Southwest Municipal Conference, the Southeast Conference, the Kenai Peninsula, the Mat-Su, the Lower Yukon Kuskokwim River area, Interior Alaska and the Northwest Arctic to mention only a few. They are now in various stages of formation and I hope this legislation

will aid in bringing them together for mutual benefit of the region."

The legislation will compliment the regional program being developed within the Department of Commerce and Economic Development (DCED) by giving it a formal structure. SB 480 provides for grants of up to \$50,000 per year to each region that qualifies.

"We have tried to keep the requirements of each region to a minimum," she said, "because we don't want the state to dictate to the regions. We would rather encourage the regions to form on their own initiative. If there is no support for the program from the regions, then the state will not force it on them. Each area has its own set of interests, resources, traditions, and goals," the Senator said, "and we want that to be the catalyst for development, not a canned program put out by the state."

The DCED will be responsible for the program. Information will flow both ways; the state would provide assistance to regions that request it and the regions would be responsible to provide information back to the state that would assist in state economic development promotion. "For example," Sturgulewski said, "if a region has a particular product or resource they want to develop for export, the information would be made available to the state and the state Office of International Trade would incorporate it into their overseas promotion program."

The regional assistance program is designed to be a partnership. There

must be cooperation among communities in the region to work together; there must be private and public representatives in the organization; and there must be cooperation between the state and the region. One requirement is that the DCED serve as a liaison between regional organizations and other state agencies to make resources available to help the regions accomplish their goals. "Too many times we have competition among agencies of the state when we should have cooperation. We're all in this together," said Sturgulewski.

The legislation defines regional development organization to mean a non-profit corporation formed to encourage economic development within a particular region of the state. It has a board of directors that represents the region's economic, political, ~~and~~, and social interests,

~~and that include as its members principal officials, the persons from the~~  
~~local, state, business sector, and non-profit organizations in the region~~  
~~and the community.~~

"I see this legislation as a positive step in creating economic development initiatives at the local level," said Sturgulewski. "There are a lot of people out there that have good ideas for economic growth. This legislation will say to them that the state wants to help support their efforts."

The bill was assigned to the Labor and Commerce and Finance Committees in the Senate.

## Economic Development Planning

### REGIONAL DEVELOPMENT ORGANIZATIONS PROGRAM PROPOSED

Alaska communities are facing a myriad of complex local, regional, state, and international economic issues which are at best difficult to address. As a result a series of regional economic development entities have evolved as individual communities have begun to pool their resources, providing communities with a cooperative and organized means to meet these economic challenges. Because of the economic downturn, the demand from regional organizations and communities for state economic development technical and financial assistance has increased dramatically while revenues for state, federal, and local economic development assistance programs have been reduced.

To address this issue, the Division of Business Development has designed the Alaska Regional Development Organizations (ARDOR) Program and is included in Governor Cowper's FY 89 capital budget submission. The purpose of ARDOR program is to facilitate economic development at the regional and local level through establishment of a network of regional economic development organizations and the provision of financial and technical assistance. Governor Cowper recently introduced the program in Anchorage at the 37th Annual Alaska Municipal League (AML) Local Government Conference.

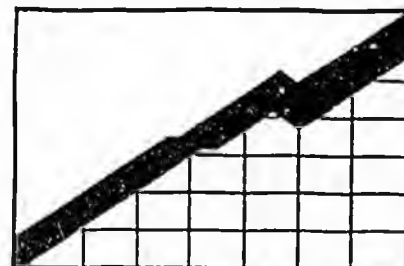
As proposed, the ARDORs will work with the communities and the division to develop and implement regional development strategies; address regional economic issues; collect and distribute regional economic information; provide development assistance within the region; participate in state economic development programs, such as marketing efforts; and coordinate economic development activities with member communities and the state. The ARDORs and regional development strategies will provide the foundation for the development of a credible, strong, and pragmatic state development strategy, under preparation, by the division.

The ARDOR program is designed to encourage evolution of economic regions and organizations from the local level and ultimately be self-sustaining. An economic region will likely consist of communities with similar or related economic problems and opportunities. At least one city within the region should be recognized as a regional center of economic activity. It will be up to the region to determine its ARDOR. The organization selected must represent the economic, political, civic and social interests of the region with the confidence of its residents.

The ARDOR Program grants will be administered by the Division of Business Development. One-to-one matching grants of up to \$30,000 will be provided annually to ARDORs to support full-time professional staff in each ARDOR office.

A state/regional electronic mail computer network for coordination of economic development activities and dissemination of economic information and news will be established. In addition, quarterly regional teleconferences will be conducted between appropriate state agencies and regions.

In developing the ARDOR program, the division has been working closely with Senator Arliss Sturgulewski, Chair of the Senate Community and Regional Affairs Committee and Chair of the Senate Special Committee on Local and Regional Economic Opportunity. At the AML Conference a joint session of the Senate and House Community and Regional Affairs Committees was held. The ARDOR program was a focal point of discussion. The AML passed a resolution in support of the ARDOR program.



### ALASKA ECONOMIC DEVELOPMENT STRATEGY PROGRESSES

As part of the Alaska Economic Development Strategy, a report entitled, *The Alaska Economy: An Overview*, has been prepared and is in the final editing stages. The report assesses the relative strengths and weaknesses of each sector of the state's economy and will serve as the foundation of the strategy. It is anticipated that the report will be published in early 1988.

Development of a process for coordinating the development of state, regional and local economic development planning and implementation activities is a major objective of the strategy program. The Alaska Regional Development Organizations Program (see related story) was formally proposed in November to meet this objective.

### VENTURE CAPITAL IN ALASKA

Elaine Wurster was recently hired to assist the division explore the feasibility of attracting venture capital into the state. Legitimate venture capital groups (with sizable investment capital) will be contacted to explore possible efforts in Alaska.

### ANNUAL RDC MEETING

The Resource Development Council's Eighth Annual International Conference on Alaska's Resources, "What Alaska Can Do For America" will be held February 26-27 at the Anchorage Sheraton Hotel. A number of speakers will cover a broad range of topics affecting Alaska's development.

Concurrently, the Fourth Annual All-Alaska Exposition will highlight tourism, transportation, and local economic development projects.

Original sponsor: Special Committee on  
Local and Regional  
Economic Opportunity

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 CS FOR SENATE BILL NO. 480 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska regional economic  
7 assistance program; and providing for an effective  
8 date."

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

10 \* Section 1. PURPOSE. It is the purpose of the legislature in estab-  
11 lishing the Alaska regional economic assistance program to

12 (1) encourage the formation of regional development organiza-  
13 tions that address the economic problems of specific regions in the state;

14 (2) coordinate private and public resources to support economic  
15 development on a regional basis;

16 (3) provide the state with information on regional economic  
17 issues and opportunities for international trade; and

18 (4) provide assistance in local economic diversification and  
19 development efforts during the current recession to encourage regions of  
20 the state to become economically self-sufficient.

21 \* Sec. 2. AS 44.33 is amended by adding a new section to read:

22 Sec. 44.33.026. ALASKA REGIONAL ECONOMIC ASSISTANCE PROGRAM.

23 (a) The department shall

24 (1) encourage the formation of regional development orga-  
25 nizations by providing assistance in forming organizations to inter-  
26 ested individuals, including information on how to qualify and apply  
27 for regional development grants and federal funding under 42 U.S.C.  
28 3121 - 3246 (Public Works and Economic Development Act of 1965), as  
29 amended;

1                   (2) assist an interested individual in establishing bound-  
2                   aries for a proposed organization to ensure that the region  
3                   (A) is of sufficient geographic size and contains a  
4                   large enough population to form an economically viable unit with  
5                   shared interests, resources, traditions, and goals;  
6                   (B) contains at least one municipality that serves as  
7                   a regional center; and  
8                   (C) contains the entire area of each municipality  
9                   included in the region;  
10                  (3) gather information about regional economic issues,  
11                  international trade, and tourism from organizations;  
12                  (4) serve as liaison between organizations and other state  
13                  agencies and encourage other agencies to make resources available to  
14                  help accomplish goals of the organizations;  
15                  (5) assist each organization to  
16                  (A) provide services designed to encourage economic  
17                  development to local communities and businesses;  
18                  (B) collect and distribute economic information rele-  
19                  vant to the region;  
20                  (C) participate in state marketing campaigns and join  
21                  state trade missions that are relevant to the region; and  
22                  (D) develop and implement strategies to attract new  
23                  industry, expand international trade opportunities, and encourage  
24                  tourism within the region.  
25                  (b) Subject to (c) of this section, the department may make  
26                  regional development grants to organizations for projects the depart-  
27                  ment determines will be of value in encouraging economic development.  
28                  During a fiscal year the department may make no more than 15 grants  
29                  and may only make grants to one organization from a particular region.

1 An organization that is designated an economic development district  
2 under 42 U.S.C. 3171 qualifies for grants under this subsection. The  
3 department shall by regulation adopt procedures for applying for  
4 regional development grants, including application deadlines. The  
5 department may by regulation establish additional grant eligibility  
6 requirements.

7 (c) To qualify for a grant, a regional development organization  
8 must match the grant by providing an amount of money from nonstate  
9 sources for the project that equals the amount of grant money to be  
10 used for the project. The total amount of grant money provided to an  
11 organization during a fiscal year may not exceed \$50,000.

12 (d) There is established in the department the regional develop-  
13 ment fund consisting of appropriations to the fund. Money from the  
14 fund may be used only for regional development grants.

15 (e) In this section

16 (1) "department" means the Department of Commerce and  
17 Economic Development;

18 (2) "regional development organization" or "organization"  
19 means a nonprofit organization or nonprofit corporation formed to  
20 encourage economic development within a particular region of the state  
21 that includes the entire area of each municipality within that region  
22 and that has a board of directors that represents the region's eco-  
23 nomic, political, and social interests.

24 \* Sec. 3. AS 44.33.026 is repealed July 1, 1993.

25 \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

Original sponsor: Special Committee on  
Local and Regional  
Economic Opportunity

BY THE LABOR AND  
COMMERCE COMMITTEE

1 IN THE SENATE

2

CS FOR SENATE BILL NO. 480 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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2 aries for a proposed organization to ensure that the region

3                   (A) is of sufficient geographic size and contains a  
4 large enough population to form an economically viable unit with  
5 shared interests, resources, traditions, and goals;

6                   (B) contains at least one municipality that serves as  
7 a regional center; and

8                   (C) contains the entire area of each municipality  
9 included in the region;

10           (3) gather information about regional economic issues,  
11 international trade, and tourism from organizations;

12           (4) serve as liaison between organizations and other state  
13 agencies and encourage other agencies to make resources available to  
14 help accomplish goals of the organizations;

15           (5) assist each organization to

16                   (A) provide services designed to encourage economic  
17 development to local communities and businesses;

18                   (B) collect and distribute economic information rele-  
19 vant to the region;

20                   (C) participate in state marketing campaigns and join  
21 state trade missions that are relevant to the region; and

22                   (D) develop and implement strategies to attract new  
23 industry, expand international trade opportunities, and encourage  
24 tourism within the region.

25           (b) Subject to (c) of this section, the department may make  
26 regional development grants to organizations for projects the depart-  
27 ment determines will be of value in encouraging economic development.  
28 During a fiscal year the department may make no more than 15 grants  
29 and may only make grants to one organization from a particular region.

1 An organization that is designated an economic development district  
2 under 42 U.S.C. 3171 qualifies for grants under this subsection. The  
3 department shall by regulation adopt procedures for applying for  
4 regional development grants, including application deadlines. The  
5 department may by regulation establish additional grant eligibility  
6 requirements.

7 (c) To qualify for a grant, a regional development organization  
8 must match the grant by providing an amount of money from nonstate  
9 sources for the project that equals the amount of grant money to be  
10 used for the project. The total amount of grant money provided to an  
11 organization during a fiscal year may not exceed \$50,000.

12 (d) There is established in the department the regional develop-  
13 ment fund consisting of appropriations to the fund. Money from the  
14 fund may be used only for regional development grants. An appro-  
15 priation to the regional development fund lapses to the fund from  
16 which it was appropriated July 1, 1993, unless otherwise provided in  
17 the appropriation act.

18 (e) In this section

19 (1) "department" means the Department of Commerce and  
20 Economic Development;

21 (2) "regional development organization" or "organization"  
22 means a nonprofit corporation formed to encourage economic development  
23 within a particular region of the state that includes the entire area  
24 of each municipality within that region and that has a board of  
25 directors that represents the region's economic, political, civic and  
26 social interests.

27 \* Sec. 3. AS 44.33.026 is repealed July 1, 1993.

28 \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

Introduced: 2/22/88  
Referred: Labor and Commerce  
and Finance

5-1480A

BY THE SPECIAL COMMITTEE  
ON LOCAL AND REGIONAL  
ECONOMIC OPPORTUNITY

1 IN THE SENATE

2 SENATE BILL NO. 480

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

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8       organization during a fiscal year may not exceed \$50,000.

9       (d) There is established in the department the regional develop-  
10       ment fund consisting of appropriations to the fund. Money from the  
11       fund may be used to carry out the purposes of this section and for  
12       costs of administering the Alaska regional economic assistance pro-  
13       gram. An appropriation to the regional development fund lapses to the  
14       fund from which it was appropriated July 1, 1993, unless otherwise  
15       provided in the appropriation act.

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21       within a particular region of the state with a board of directors  
22       that represents the region's economic, political, civic and social  
23       interests, and that includes at least one municipal official, one  
24       person from the local private business sector, and one person who  
25       represents the local Native community.

26       \* Sec. 3. AS 44.33.026 is repealed July 1, 1993.

27       \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).