

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 895



PORT OF BELLINGHAM

Washington State

DATE: February 25, 1992

TO: Representative William Hudson and
Representative Jerry Mackie,
Alaska State Legislature

VIA: Reed R. Stoops
FAX NO. (907) 463-4841

COMMENTS ON PROPOSED HOUSE BILL NO. 399

BY: THOMAS J. GLENN, FORMER OFFICER OF THE PORT OF BELLINGHAM
- PORT ENGINEER, July, 1958 through December, 1962
- GENERAL MANAGER, January, 1963 through January, 1983

This draft legislation would provide for the setting up of port authorities in the State of Alaska as marine and transportation facilities- and operations-focused departments of municipal entities - towns, cities, and boroughs.

The sole source of funds to pay costs of operating the authority is revenue from its operations. This provision assures that the port will never become a drain on the funds of its parent municipality. It also assures that the port will function as no more than a city's (or borough's, or both) waterfront department.

This scope of activity is different - notably less - than port district operations in, say, the State of Washington, where ports are politically autonomous and are granted certain taxing powers. The reason for this difference must be sound since it reflects a different assignment for port authorities by the State of Alaska.

With this difference in mind, I would suggest that a "start-up" fund may need to be provided to enable a port authority to open offices, hire its embryo staff, and start operations.

The revenue bond provisions are comprehensive and clear.

QUESTIONS:

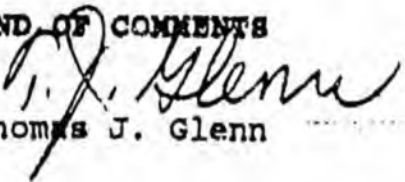
1. Should Section 29.35.635 be expanded to note that the port authority must abide by all the laws, rules, etc., of authorities above it. That is, is the authority given the position of licensee, not licensor, concerning building permits, etc.?

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2. Under Section 29.35.605(3)(d), would the goals of each port authority be so different that the definition of powers could not be set forth once at the State level?

Section 29.35.705 provides commendable flexibility in light of the variation of size, resources, and type of Alaskan communities that may desire to implement port authority operations.

END OF COMMENTS


Thomas J. Glenn

SB352

SENATE FINANCE COMMITTEE REPORT

DATE: 4/24/92

FURTHER:

DATE TURNED INTO OFFICE: 5-6-92

The Finance Committee considered SENATE BILL NO. 352

"An Act relating to the establishment of port authorities by municipalities; and providing for an effective date."

and recommends:

- replace with _____ CS SB 352 (FINANCE)
or adopt previous _____ CS _____
 attaches amendment(s)

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

adopts _____ Letter of Intent

further referral to the _____

- do pass
 do not pass
 no recommendation
 individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes DIKED 2-4-92

fiscal notes _____

appropriation--no fiscal note

DO PASS:

[Signature]
[Signature]
[Signature]
[Signature]
1. [Signature] do pass

Co-Chair: Signature/Recommendation

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes DOT 1-30-92

fiscal notes _____

OTHER RECOMMENDATIONS:

Al Adams - no rec

2. _____

Co-Chair: Signature/Recommendation

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Bill Version: SB 352
(S) Publish Date: 3-18-92

FISCAL NOTE

Revision Date: 01/30/92
Title: Authorize Port Authorities

Department Affected: DOT&PF
BRU: Headquarters

Sponsor: Senator Pearce
Requestor:

Component: Plans, Programs and Budget
Component Serial Number: 0542

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY93	FY94	FY95	FY96	FY97	FY98
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	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

Changes in CS SB 352 (CRA) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.

4/23/92 [Signature]
date Comte Aide (initial)

Changes in CS SB 352 (Trans) have no fiscal impact. This fiscal note is appropriate.

3/17/92 [Signature]
date Comte Aide (initial)

Prepared by: Ron B. Lind, Director

Phone: 465-2171

Division: Plans, Programs and Budget

Date: January 30, 1992

Approved by Commissioner: [Signature]
Frank G. Burpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: January 30, 1992

Distribution By Preparer: Leg. F

Changes in CS SA 352 (FID) have no fiscal impact. This fiscal note is appropriate.

Leg. Office, Impacted Agency(ies).

5-6-92 [Signature]
date Comte Aide (initial)

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. SB 352

Revision Date: _____

Department Affected: Commerce & Econ. Dev.

Title: Establishing port authorities by
municipalities

BRU: Economic Development

Component: _____

Sponsor: Senator Pearce

Requestor: Senator Pearce

COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE FUND RESOURCE:	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS (Attach a separate page if necessary.)

This bill enables a municipality or group of municipalities to establish port authorities as separate enterprises. It does not require their establishment.

Prepared By: Albert H. Clough, Development Specialist Phone: 465-2017
 Division: Economic Development Date: 2/3/92
 Approved by Commissioner: Glenn A. Olds *for [Signature]* Ant. [Signature]
 Agency: Department of Commerce & Economic Development Date: 2-4-92

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

Final

CS FOR SENATE BILL NO. 352 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS PEARCE, Collins

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the establishment of port authorities by municipalities; relating to
2 public corporations of a municipality; and providing for an effective date."

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

4 * Section 1. LEGISLATIVE FINDINGS AND POLICY. (a) The legislature finds that

5 (1) the development of ports for transportation related commerce is vital to attainment
6 of an efficient and effective transportation network in the state;

7 (2) the development of ports is vital to the economic well-being of the state and of the
8 future development of industry in the state;

9 (3) article X, sec. 13, Constitution of the State of Alaska, authorizes municipalities to
10 make agreements for cooperative or joint administration of functions or powers and, under that authority,
11 two or more municipalities may by agreement establish an authority:

12 (4) bond holders are not familiar with the state constitution and the authority granted to
13 municipalities under the state constitution;

14 (5) it is in the interest of the state to provide port authorities with the power to issue

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1 revenue bonds when permitted by a municipality in a port authority enabling ordinance.

2 (b) It is the policy of the state and, in the interest of promoting the health, security, and general
3 welfare of all of the people of the state, a public purpose to provide a means for establishing a more
4 efficient transportation system and to encourage economic growth in the state, including the development
5 of its natural resources, by making it clear that municipalities are authorized to create municipal port
6 authorities with the power to acquire, construct, and operate ports for transportation related commerce
7 and to borrow money for the same.

8 * Sec. 2. AS 29.35 is amended by adding new sections to read:

9 ARTICLE 9. PORT AUTHORITIES.

10 Sec. 29.35.600. PURPOSE OF AUTHORITIES. The purpose of a port authority is to
11 provide for the development of a port or ports for transportation related commerce within the
12 territory of the authority.

13 Sec. 29.35.605. ESTABLISHMENT OF PORT AUTHORITIES. (a) A port authority
14 may be created by one of the following means:

15 (1) the governing body of a municipality may create by ordinance a port authority
16 as a public corporation of the municipality;

17 (2) the governing bodies of two or more municipalities may create by parallel
18 ordinances adopted by each of the governing bodies a port authority as a public corporation of
19 the municipalities.

20 (b) One or more municipalities may join an authority established under (a)(1) or (2) of
21 this section upon the adoption of parallel ordinances by the governing bodies of each affected
22 municipality.

23 (c) A port authority created under this section is a body corporate and politic and an
24 instrumentality of the municipality or municipalities creating it but having a separate and
25 independent legal existence.

26 (d) Creation of a port authority under AS 29.35.600 - 29.35.730 is an exercise of a
27 municipality's transportation system powers.

28 (e) The enabling ordinance by which a port authority is established must specify the
29 powers, boundaries, and limitations of the port authority.

30 (f) An ordinance creating a port authority shall require approval by the voters of the
31 municipality or municipalities participating in the authority in order for the authority to be

1 established.

2 (g) Nothing in AS 29.35.600 - 29.35.725 prevents a municipality or municipalities from
3 creating or participating in a public corporation, including a port authority, in any form or manner
4 not prohibited by law. However, the provisions of AS 29.35.600 - 29.35.725 only apply to and
5 may only be utilized by a port authority created under this section.

6 Sec. 29.35.610. DISSOLUTION OF A PORT AUTHORITY. (a) The enabling
7 ordinance by which a port authority is created must provide for the manner by which a port
8 authority may be dissolved.

9 (b) If an authority ceases to exist, its assets shall be distributed to the municipalities that
10 participated in the authority in proportion to the difference between their contributions to the
11 authority and any outstanding debt or obligation of that municipality to the authority, provided
12 that any obligation to bondholders then outstanding shall first be satisfied in full.

13 Sec. 29.35.615. MUNICIPAL PROPERTY. (a) A municipality may transfer and
14 otherwise convey or lease real property, and any improvements to it, to an authority for use by
15 the authority for the purposes set out in the ordinance adopted under AS 29.35.605.

16 (b) A municipality may transfer and otherwise assign or lease personal property to an
17 authority for use by the authority for the purposes set out in the ordinance adopted under
18 AS 29.35.605.

19 Sec. 29.35.620. POWERS. If provided in the enabling ordinance, an authority may

20 (1) sue and be sued;

21 (2) have a seal and alter it at pleasure;

22 (3) acquire an interest in a project as necessary or appropriate to provide financing
23 for the project, whether by purchase, gift, or lease;

24 (4) lease to others a project acquired by it and upon the terms and conditions the
25 authority may consider advisable, including, without limitation, provisions for purchase or
26 renewal;

27 (5) sell, by installment sale or otherwise, exchange, donate, convey, or encumber
28 in any manner by mortgage or by creation of another security interest, real or personal property
29 owned by it, or in which it has an interest, including a project, when, in the judgment of the
30 authority, the action is in furtherance of the authority's purposes;

31 (6) accept gifts, grants, or loans, under the terms and conditions imposed under

1 the gift, grant, or loan, and enter into contracts, conveyances or other transactions with a federal
2 agency or an agency or instrumentality of the state, a municipality, private organization, or other
3 person;

4 (7) deposit or invest its funds, subject to agreements with bondholders;

5 (8) purchase or insure loans to finance the costs of projects;

6 (9) provide for security within the boundaries of the authority;

7 (10) enter into loan agreements with respect to one or more projects upon the
8 terms and conditions the authority considers advisable;

9 (11) acquire, manage, and operate projects as the authority considers necessary
10 or appropriate to serve the authority's purposes;

11 (12) assist private lenders to make loans to finance the costs of projects through
12 loan commitments, short-term financing, or otherwise;

13 (13) charge fees or other forms of remuneration for the use or possession of
14 projects in accordance with the agreements described in this section, other agreements relating
15 to the projects, covenants, or representations made in bond documents relating to the projects,
16 or regulations of the authority relating to the projects;

17 (14) exercise the powers of eminent domain and declaration of taking within its
18 physical boundaries under AS 29.35.030 to acquire land or materials for authority purposes;

19 (15) regulate land use within the boundaries of the authority;

20 (16) defend and indemnify a current or former member of the board, employee,
21 or agent of the authority against all costs, expenses, judgments, and liabilities, including attorney
22 fees, incurred by or imposed upon that person in connection with civil or criminal action in
23 which the person is involved as a result of the person's affiliation with the authority if the person
24 acted in good faith on behalf of the authority and within the scope of the person's official duties
25 and powers;

26 (17) purchase insurance to protect and hold harmless its employees, agents, and
27 board members from an action, claim, or proceeding arising out of the performance, purported
28 performance, or failure to perform in good faith, of duties for, or employment with the authority
29 and to hold them harmless from expenses connected with the defense, settlement, or monetary
30 judgments from that action, claim, or proceeding; the purchase of insurance is subject to the
31 discretion of the board; insurance purchased under this paragraph may not be considered

1 compensation to the insured person; and

2 (18) protect its assets, services, and employees by purchasing insurance or
3 providing for certain self-insurance retentions; an authority may also maintain casualty, property,
4 business interruption, marine, boiler and machinery, pollution liability, and other insurance in
5 amounts reasonably calculated to cover potential claims against the authority or a municipality
6 for bodily injury, death or disability, and property damage that may arise from or be related to
7 authority operations and activities.

8 Sec. 29.35.625. BONDS OF A PORT AUTHORITY; SUPERIOR COURT
9 JURISDICTION. (a) If authorized by the enabling ordinance, an authority may borrow money
10 and may issue bonds on which the principal and interest are payable

11 (1) exclusively from the income and receipts of, or other money derived from,
12 the project financed with the proceeds of the bonds;

13 (2) exclusively from the income and receipts of, or other money derived from,
14 designated projects or other sources whether or not they are financed, insured, or guaranteed in
15 whole or in part with the proceeds of the bonds; or

16 (3) from its income and receipts generally or a designated part or parts of them.

17 (b) All bonds may be sold at public or private sale in the manner, for the price or prices,
18 and at the time or times that the authority may determine.

19 (c) Before issuing bonds, an authority shall provide for consideration at least sufficient,
20 in the judgment of the authority, to pay the principal and interest on the bonds as they become
21 due and to create and maintain the reserves for the payment that the authority considers necessary
22 or desirable and meet all obligations in connection with the lease or agreement and all costs
23 necessary to service the bonds, unless the lease or agreement provides that the obligations are
24 to be met or costs are to be paid by a party other than the authority.

25 (d) Bonds shall be authorized by resolution of the authority, be dated, and shall mature
26 as the resolution may provide, except that a bond may not mature more than 40 years from the
27 date of its issue. Bonds shall bear interest at the rate or rates, be in the denominations, be in the
28 form, either coupon or registered, carry the registration privileges, be executed in the manner, be
29 payable in the medium of payment, at the place or places, and be subject to the terms of
30 redemption that the resolution or a subsequent resolution may provide.

31 (e) All bonds issued under this section, regardless of form or character, are negotiable

1 instruments for all of the purposes of AS 45.01 - AS 45.09 (Uniform Commercial Code).

2 (f) The superior court has jurisdiction to hear and determine suits, actions, or proceedings
3 relating to an authority, including suits, actions, or proceedings brought to foreclose or otherwise
4 enforce a mortgage, pledge, assignment, or security interest brought by or for the benefit or
5 security of a holder of the authority's bonds or by a trustee for or other representative of the
6 holders.

7 Sec. 29.35.630. BONDS ELIGIBLE FOR INVESTMENT. Bonds issued under
8 AS 29.35.625 are securities in which all public officers and public bodies of the state and its
9 political subdivisions, all insurance companies, trust companies, banks, investment companies,
10 executors, administrators, trustees, and other fiduciaries may properly and legally invest funds,
11 including capital in their control or belonging to them. The bonds may be deposited with a state
12 or municipal officer of an agency or political subdivision of the state for any purpose that the
13 deposit of bonds of the state is authorized by law.

14 Sec. 29.35.635. VALIDITY OF PLEDGE. The pledge of revenue of an authority to the
15 payment of the principal or interest on bonds or notes of the authority is valid and binding from
16 the time the pledge is made, and the revenue is immediately subject to the lien of the pledge
17 without physical delivery or further act. The lien of a pledge is valid and binding against all
18 parties having claims of any kind against the authority irrespective of whether those parties have
19 notice of the lien of the pledge.

20 Sec. 29.35.640. CREDIT OF STATE OR A MUNICIPALITY NOT PLEDGED. (a) The
21 state and municipalities participating in an authority are not liable for the debts of that authority.
22 Bonds issued under AS 29.35.625 are payable solely from the revenue of the authority and do
23 not constitute a

24 (1) debt, liability, or obligation of the state or a municipality; or

25 (2) pledge of the faith and credit of the state or a municipality.

26 (b) An authority may not pledge the credit or the taxing power of the state or its
27 municipalities. A bond issued under AS 29.35.625 must contain on its face a statement that

28 (1) the authority is not obligated to pay it or the interest on it except from the
29 revenue pledged for it; and

30 (2) the faith and credit of the taxing power of the state or of a political
31 subdivision of the state is not pledged to the payment of it.

1 Sec. 29.35.645. PLEDGES OF THE STATE AND MUNICIPALITIES. The state and
2 municipalities participating in the authority pledge to and agree with the holders of bonds issued
3 under AS 29.35.625 and with the federal agency, if any, that loans or contributes funds in respect
4 to a project of the authority, that the state and the municipalities participating in the authority will
5 not limit or alter the rights and powers vested in the authority by its enabling ordinance or other
6 law so that it is unable to fulfill the terms of a contract made by the authority with those holders
7 or that federal agency, or in any way impair the rights and remedies of those holders or that
8 federal agency until the bonds, together with the interest on them and interest on unpaid
9 installments of interest, and all costs and expenses in connection with an action or proceeding
10 by or on behalf of those holders or that federal agency, are fully met and discharged. An
11 authority is authorized to include this pledge and agreement of the state and the municipalities
12 participating in the authority, insofar as it refers to holders of bonds of the authority, in a contract
13 with those holders, and insofar as it relates to a federal agency, in a contract with that federal
14 agency.

15 Sec. 29.35.650. LIMITATION OF LIABILITY. A liability incurred by an authority shall
16 be satisfied exclusively from the assets or revenue of the authority. A creditor or other person
17 does not have a right of action against the state or a municipality participating in an authority
18 because of a debt, obligation, or liability of an authority.

19 Sec. 29.35.655. LIMITATION ON PERSONAL LIABILITY. A board member or
20 employee of an authority is not subject to personal liability or accountability because of the
21 execution or issuance of bonds.

22 Sec. 29.35.660. FIDELITY BOND. An authority shall obtain a fidelity bond in an
23 amount determined by the board for board members and each executive officer responsible for
24 accounts and finances of that authority. A fidelity bond must be in effect during the entire tenure
25 in office of the bonded person.

26 Sec. 29.35.665. NO TAXING AUTHORITY. An authority may not levy an income or
27 other tax.

28 Sec. 29.35.670. EXEMPTION FROM TAXATION. (a) An authority exercising the
29 powers granted by the enabling ordinance under AS 29.35.600 - 29.35.730 is in all respects for
30 the benefit of the people of the municipalities participating in the authority and the people of the
31 state in general, for their well-being and prosperity, and for the improvement of their social and

1 economic condition. The real and personal property of an authority and its assets, income, and
2 receipts are exempt from all taxes and special assessments of the state or a political subdivision
3 of the state.

4 (b) Bonds issued by the authority under AS 29.35.625 are issued for an essential public
5 and governmental purpose; therefore, the bonds, interest and income from them, and all fees,
6 charges, funds, revenue, income, and other money pledged or available to pay or secure the
7 payment of the bonds or interest on them are exempt from taxation except for inheritance,
8 transfer, and estate taxes.

9 (c) Notwithstanding the provisions of (a) of this section, an authority and the
10 municipalities participating in the authority may enter into agreements under which the authority
11 agrees to pay the participating municipalities payments in lieu of taxes and special assessments
12 on real and personal property of the authority that is within the taxing jurisdiction of the
13 municipality.

14 (d) Nothing in this section creates a tax exemption with respect to the interests of a
15 business enterprise or other person, other than the authority, in property, assets, income, or
16 receipts, whether or not financed under AS 29.35.600 - 29.35.730.

17 Sec. 29.35.675. DEVELOPMENT PLAN. In the enabling ordinance establishing the
18 authority under AS 29.35.605 the authority shall be

19 (1) required to submit a development plan to the governing body of the
20 municipality or municipalities participating in the authority; and

21 (2) prohibited from undertaking the construction or acquisition of a project unless
22 the project appears in a development plan submitted to and approved by the governing body of
23 the municipality or municipalities participating in the authority.

24 Sec. 29.35.680. ADMINISTRATION OF PORT AUTHORITIES; BOARD. (a) An
25 authority shall be governed by a board of directors, which shall exercise the powers of the
26 authority. The enabling ordinance establishing the authority under AS 29.35.605 must specify
27 the number, qualifications, manner of appointment or election, and terms of members of the
28 board.

29 (b) The board shall appoint a chief executive officer of the authority who serves at the
30 pleasure of the board. The board shall fix the compensation of the chief executive officer.

31 Sec. 29.35.685. CONTINUATION OF COLLECTIVE BARGAINING AGREEMENTS;

1 APPLICATION OF AS 23.40.070 - 23.40.260. (a) A collective bargaining agreement for
2 employees of the state or its political subdivisions who are transferred to an authority under
3 AS 29.35.600 - 29.35.730 shall remain in effect for the term of the agreement or for a period of
4 one year, whichever is longer, and shall be binding on the authority unless the parties agree to
5 the contrary before the expiration of the agreement. A labor-management negotiation impasse
6 declared after a transfer of employees under this subsection but before the negotiation of a new
7 collective bargaining agreement shall be resolved as provided in the collective bargaining
8 agreement, except that if the collective bargaining agreement does not provide for a resolution,
9 then as provided in AS 23.40.070 - 23.40.260.

10 (b) Employees of the state or a political subdivision of the state transferred to an
11 authority shall retain, for a period of one year following the date of transfer or for the duration
12 of a collective bargaining agreement transferred under (a) of this section, whichever is greater,
13 all rights of participation in fringe benefit programs available to the employees on the day before
14 the transfer, or in programs substantially equivalent.

15 (c) AS 23.40.070 - 23.40.260 apply to employees of an authority established under
16 AS 29.35.600 - 29.35.730 unless all municipalities participating in the authority are exempt under
17 sec. 4, ch. 113, SLA 1972.

18 Sec. 29.35.690. BYLAWS AND REGULATIONS. (a) A board shall adopt bylaws and
19 appropriate regulations consistent with the enabling ordinance to carry out its functions and
20 purposes.

21 (b) A board shall adopt bylaws as soon after the establishment of the authority as
22 possible and may from time to time, amend those bylaws. The bylaws may contain any
23 provision not in conflict with law for the management of the business of the authority and for
24 the conduct of the affairs of the authority, including

25 (1) the time, place, and manner of calling, conducting, and giving notice of
26 meetings of the board and committees of the board, if any;

27 (2) the compensation of directors, if any;

28 (3) the appointment and authority of committees of the board, if any;

29 (4) the appointment, duties, compensation, and tenure of officers, directors, chief
30 executive officer, and other employees, if any;

31 (5) procedures for adopting regulations;

- 1 (6) procedures for adopting bylaws;
- 2 (7) procedures for making annual reports and financial statements; and
- 3 (8) other matters for the conduct of business by the board.

4 Sec. 29.35.695. **AUTHORITY SUBJECT TO PUBLIC RECORDS LAW.** An authority
5 established under AS 29.35.605 is subject to AS 09.25.110 - 09.25.220.

6 Sec. 29.35.700. **ANNUAL REPORT.** Within 90 days following the end of the fiscal year
7 of an authority, the board shall distribute to the mayor and governing body of each municipality
8 participating in the authority a report describing the operations and financial condition of the
9 authority during the preceding fiscal year. The report may include suggestions for legislation
10 relating to the structure, powers, or duties of the authority or operation of facilities of the
11 authority. The report must itemize the cost of providing each category of service offered by the
12 authority and the income generated by each category.

13 Sec. 29.35.705. **AUDITS.** (a) The board shall have the financial records of an authority
14 audited annually by an independent certified public accountant.

15 (b) An authority shall make all of its financial records available to an auditor appointed
16 by a municipality participating in the authority for examination.

17 Sec. 29.35.710. **REMEDIES.** A holder of bonds or notes or coupons attached to the
18 bonds issued by an authority under AS 29.35.625, and a trustee under a trust agreement or
19 resolution authorizing the issuance of the bonds, except as restricted by a trust agreement or
20 resolution, either at law or in equity, may

21 (1) enforce all rights granted under AS 29.35.600 - 29.35.730, the trust agreement
22 or resolution, or another contract executed by the authority; and

23 (2) compel the performance of all duties of the authority required by
24 AS 29.35.600 - 29.35.730 or the trust agreement or resolution.

25 Sec. 29.35.715. **CLAIMS.** For the purpose of judicial and regulatory proceedings by and
26 against an authority, an authority and its board members and employees enjoy the same rights,
27 privileges, and immunities as a municipality and municipal officers.

28 Sec. 29.35.720. **CONFLICTING LAWS INAPPLICABLE.** If provisions of
29 AS 29.35.600 - 29.35.730 conflict with other provisions of this title, the provisions of
30 AS 29.35.600 - 29.35.730 prevail.

31 Sec. 29.35.722. **OWNERSHIP OR OPERATION OF CERTAIN STATE FACILITIES**

1 PROHIBITED. The Department of Transportation and Public Facilities may not, without the
2 approval of the legislature,

3 (1) convey or transfer the Alaska marine highway system or the Anchorage or
4 Fairbanks international airports to an authority; or

5 (2) enter into an agreement with an authority under which the authority would
6 operate the Alaska marine highway system or the Anchorage or Fairbanks international airports.

7 Sec. 29.35.725. DEFINITIONS. In AS 29.35.600 - 29.35.730, unless the context
8 otherwise requires,

9 (1) "authority" means a port authority established under AS 29.35.605;

10 (2) "board" means the board of directors of an authority;

11 (3) "bonds" includes bonds, bond anticipation notes, notes, refunding bonds, or
12 other forms of indebtedness of the authority;

13 (4) "bylaws" or "bylaws of the authority" means the guidelines adopted by and
14 amended by the board from time to time in accordance with AS 29.35.600 - 29.35.730;

15 (5) "port" means a facility of transportation related commerce located within the
16 state;

17 (6) "project" means a port, dock, and administrative facilities, including property
18 necessary in connection with the operation of a port;

19 (7) "project cost" or "cost of a project" means all or any part of the aggregate
20 costs determined by an authority to be necessary to finance the construction or acquisition of a
21 project, including without limitation to the cost of acquiring real property, the cost of constructing
22 buildings and improvements, the cost of financing the project, including, without limitation,
23 interest charges before, during, or after construction or acquisition of the project, costs related
24 to the determination of the feasibility, planning, design, or engineering of the project and, to the
25 extent determined necessary by the authority, administrative expenses, the cost of machinery or
26 equipment to be used in the operation or rehabilitation of a port, and all other costs, charges,
27 fees, and expenses that may be determined by the authority to be necessary to finance the
28 construction or acquisition;

29 (8) "real property" or "land" means any interest in real property, including tidal
30 and submerged land, and any right appurtenant to the interest, and without limitation, interests
31 less than full title such as easements, uses, leases, and licenses;

1 (9) "regulation" means a standard of general application or the amendment,
2 supplement, revision, or repeal of a standard adopted by an authority to implement, interpret, or
3 make specific the law enforced or administered by it or to govern its procedure.

4 Sec. 29.35.730. SHORT TITLE. AS 29.35.600 - 29.35.730 may be referred to as the
5 Municipal Port Authority Act.

6 * Sec. 3. AS 21.76.010(a) is amended to read:

7 (a) Municipalities and their public corporations, city and borough school districts, and
8 regional educational attendance areas may enter into cooperative agreements with each other for
9 the purpose of establishing, operating, or participating in joint insurance arrangements through
10 which the participating members agree to pool contributions in order to either assume risks from
11 losses to the participants on a group basis or purchase coverage for the participants on a group
12 basis.

13 * Sec. 4. AS 29.45.030(a) is amended to read:

14 (a) The following property is exempt from general taxation:

15 (1) municipal property, including property held by a public corporation of a
16 municipality, or state property, except that

17 (A) a private leasehold, contract, or other interest in the property is taxable
18 to the extent of the interest;

19 (B) notwithstanding any other provision of law, property acquired by an
20 agency, corporation, or other entity of the state through foreclosure or deed in lieu of
21 foreclosure and retained as an investment of a state entity is taxable; this subparagraph
22 does not apply to federal land granted to the University of Alaska under AS 14.40.380
23 or 14.40.390, or to other land granted to the university by the state to replace land that
24 had been granted under AS 14.40.380 or 14.40.390;

25 (C) an ownership interest of a municipality in real property located outside
26 the municipality acquired after December 31, 1990, is taxable by another municipality;
27 however, a borough may not tax an interest in real property located in the borough and
28 owned by a city in that borough;

29 (2) household furniture and personal effects of members of a household;

30 (3) property used exclusively for nonprofit religious, charitable, cemetery,
31 hospital, or educational purposes;

1 (4) property of a nonbusiness organization composed entirely of persons with 90
2 days or more of active service in the armed forces of the United States whose conditions of
3 service and separation were other than dishonorable, or the property of an auxiliary of that
4 organization;

5 (5) money on deposit;

6 (6) the real property of certain residents of the state to the extent and subject to
7 the conditions provided in (e) of this section;

8 (7) real property or an interest in real property that is exempt from taxation under
9 43 U.S.C. 1620(d), as amended;

10 (8) property of a political subdivision, agency, corporation, or other entity of the
11 United States to the extent required by federal law; except that a private leasehold, contract, or
12 other interest in the property is taxable to the extent of that interest.

13 * Sec. 5. AS 38.05.810 is amended by adding a new subsection to read:

14 (i) Subject to AS 38.05.820, the commissioner may lease state land, including tideland,
15 to a port authority established under AS 29.35.600 - 29.35.730, if the state land is within the
16 physical boundaries of the authority and is needed by the authority for purposes provided in
17 AS 29.35.600 - 29.35.730. A lease of state land under this section may be for less than the
18 appraised market value.

19 * Sec. 6. AS 44.85.410(3) is amended to read:

20 (3) "municipal bond" means a bond or note or evidence of debt that constitutes

21 (A) a general obligation bond that is a direct and general obligation of a
22 political subdivision of the state, all the taxable property within which is subject to
23 taxation to pay the bond, note or evidence of debt, and the interest without limitation, as
24 to rate or amount generally to the extent permitted by law or to avoid a default as
25 provided for second class cities under AS 29.45.590;

26 (B) a revenue bond, except a revenue bond for electrical generation
27 purposes other than diesel-powered generation, issued by a municipality or a port
28 authority that [WHICH] pledges the revenue of a revenue-producing capital
29 improvement and that [WHICH] is payable solely from the revenue of the
30 revenue-producing capital improvement;

31 (C) a general obligation bond or revenue bond combined or additionally

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secured;

(D) a bond of a borough issued as a general obligation of a service area under AS 29.47.440 or former AS 29.58.340; or

(E) an obligation of a municipality secured only by

- (i) special assessments on benefited property;
- (ii) tax increments and a letter of credit or equal security; or
- (iii) a lease for equipment or building improvements if the state is not a lessee;

* Sec. 7. This act takes effect immediately under AS 01.10.070(c).



*Department of Transportation
and Public Facilities*

POSITION PAPER

BILL NO: SB 352

APPROVED: *[Signature]*

TITLE: Authorizes Port Authorities

DATE: January 30, 1992

The intent of this bill is to allow municipal governments the authority to establish a port authority within certain jurisdictions and to spell out the power of that authority. This bill will allow municipalities to establish port authorities. Once established, the authority will have separate and independent legal authority. The bill does not determine how a board member is selected or the length of term in office. This is established by the municipality. The port authority will have all normal powers to allow for efficient operations, but will also have Power of Eminent Domain, leasing and bonding authority, be exempt from taxation, but would not have taxation authority. The Department of Transportation proposes an amendment to allow powers of Eminent Domain only if approved by the municipality.

SB 352: "An Act relating to the establishment of port authorities by municipalities."

The concept of a port authority is similar to an enterprise fund. Specifically, all the proceeds of user fees go into the port authority fund to pay for operations, maintenance, and to repay debts incurred in port development.

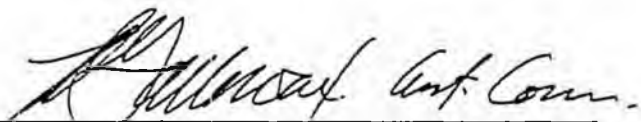
This legislation is enabling legislation. A municipality or several municipalities could join together to form a port authority. No municipality would be required to establish one; it is just an additional economic development tool. In some cases, several communities joining together in a port authority could provide the economics necessary to operate self-sufficiently.

The legislation allows municipalities to create the structure which makes the most sense for them. The port commission could be directly elected or could be appointed by the mayor and confirmed by the council or assembly. Port authority facilities could be exempt from taxes or could pay "in lieu of taxes."

Any debt incurred by the port authority will be its own debt and not the debt of the local government or the State of Alaska. Port authorities would not have the power to levy taxes but could receive taxes dedicated to it by a local government. A system such as this currently operates in Kodiak where 1% of their 5% sales tax is dedicated to the port fund.

Port authorities would be able to own and operate any kind of transportation facility such as a toll road, toll bridge, airport, etc. This will become more important as state oil revenues decline and less money is available for capital projects. Port authorities, in conjunction with lending institutions such as AIDEA, will provide a method to finance and maintain public transportation facilities which cannot be achieved any other way.

This type of legislation is recommended by the Alaska Municipal League. Furthermore, it is supported by this department.



Glenn A. Olds, Commissioner *GA*

Date: 2.4.92

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

240 Main Street, Suite 500
Juneau, Alaska 99801-2101

MEMORANDUM

April 22, 1992

SUBJECT: Port Authorities - SB 352 (Work Order No. 17-LS1768\P)

TO: Senator Drue Pearce
Attn: Ken Erickson

FROM: Jerry Luckhaupt *JLB*
Legislative Counsel

Disregarding for the moment SB 352, you have asked if a municipality could create or participate in a port authority by a cooperative agreement or some other procedure other than by an ordinance? It is my opinion that a municipality could create or participate in a port authority by a cooperative agreement pursuant to AS 29.35.010(13). That section provides that a municipality may cooperate with another municipality, the state, or the federal government in the performance of any power or function that the municipality is authorized to perform. An ordinance approving the cooperative agreement or otherwise approving the municipality's participation in the agreement would not necessarily be required. If the cooperative agreement would "establish, alter, or abolish a municipal department" or could be construed to be undertaking an action for which an ordinance is required under AS 29.25.010(a), then an ordinance would be required in addition to the cooperative agreement.

SB 352 does not necessarily restrict municipalities to only forming a port authority as provided in the bill draft. For example, AS 29.35.605(a) in the bill draft, does not provide that a port authority may only be created by one of the following means. Therefore, general law municipalities probably are not restricted from forming a port authority in another manner. Further, the bill does not contain a provision that AS 29.35.600 - 29.35.725 is a limitation on the powers of a home rule municipality. Therefore, home rule municipalities are certainly not restricted from forming a port authority in another manner. (See AS 29.10.200)

SB 352 provides a structure for municipalities to avail themselves of if they want to create a port authority. It provides various forms of authority that are not currently available (such as, the port authority being able to issue its own revenue bonds). If a municipality wishes to avail itself of the structure provided by AS 29.35.600 -

Senator Drue Pearce

April 22, 1992

Page 2

29.35.725, then it must do so by ordinance. This is a policy choice for the legislature. By requiring an ordinance the legislature may be attempting to provide a certain level of public involvement in the decision-making process before this statutory structure may be utilized. The requirement of an ordinance means that there will be a certain minimum amount of public notice and involvement in the decision to create or participate in a port authority, while a municipality's creation or participation in a port authority by cooperative agreement does not necessarily require any public notice or involvement in the decision at all.

If you have further questions, please contact me at your convenience.

GPL:pl:gc
92-279.plm

SB355

(11)

Date Referred: April 1, 1992

HOUSE COMMITTEE REPORT FURTHER REFERRALS:

Date of Committee Action: 4/23/92

The FINANCE Committee considered:

SB 355

SENATE BILL NO. 355

REGIONAL ECONOMIC ASSISTANCE PROGRAM

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

RECOMMENDATIONS:

be replaced with _____ the same title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

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

APPROVES PREVIOUS: (Dept/Date) _____

fiscal impact DCED

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

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

Mike Havens NAVAYRE
CHAIRMAN'S SIGNATURE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

FISCAL NOTE

BILL NO. SB 355

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

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

COMPONENT SERIAL NO.

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS (Attach a separate page if necessary.)

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

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

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

SENATE BILL NO. 355

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY SENATORS STURGULEWSKI, Uehling

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

A BILL

FOR AN ACT ENTITLED

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

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

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

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

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

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

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

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

COMPONENT SERIAL NO.

8	0	1
---	---	---

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: None

ANALYSIS (Attach a separate page if necessary.)

SEE ATTACHEE

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

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

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

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

FISCAL NOTE - SB 355

ANALYSIS:

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

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

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

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

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

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POSITION PAPER

Department of Commerce
& Economic Development

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

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

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

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

Glenn A. Olds
Glenn A. Olds, Commissioner

Date: 2-6-92

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020592a

Alaska State Legislature



SENATOR
ARLISS STURGULEWSKI

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

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

Senate

MEMORANDUM

April 3, 1992

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

FROM: Senator Arliss Sturgulewski *al*
Senate District F

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

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

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

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



Southwest Alaska Municipal Conference

Putting Resources to Work For People

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

RESOLUTION 92-4

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

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

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

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

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

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

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

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

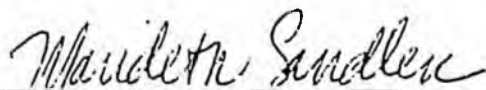
WHEREAS, Senator Sturgulewski has introduced Senate Bill No. 355 to extend the Alaska Regional Economic Assistance Program to July 1, 1997.

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

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



Richard G. Wilson, President



Marideth Sandler, Executive Director



**ANCHORAGE
ECONOMIC
DEVELOPMENT
CORPORATION**

February 20, 1992

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

Dear Arliss:

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

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

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

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

Thank you for your consideration of Senate Bill 355.

Sincerely,

Scott E. Hawkins
President

Resolution of the Alaska Municipal League

Resolution No. 92-11

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

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

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

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

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

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

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

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

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



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

February 18, 1992

Position Paper

SB 355 - Extend the Alaska Regional Assistance Program

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

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

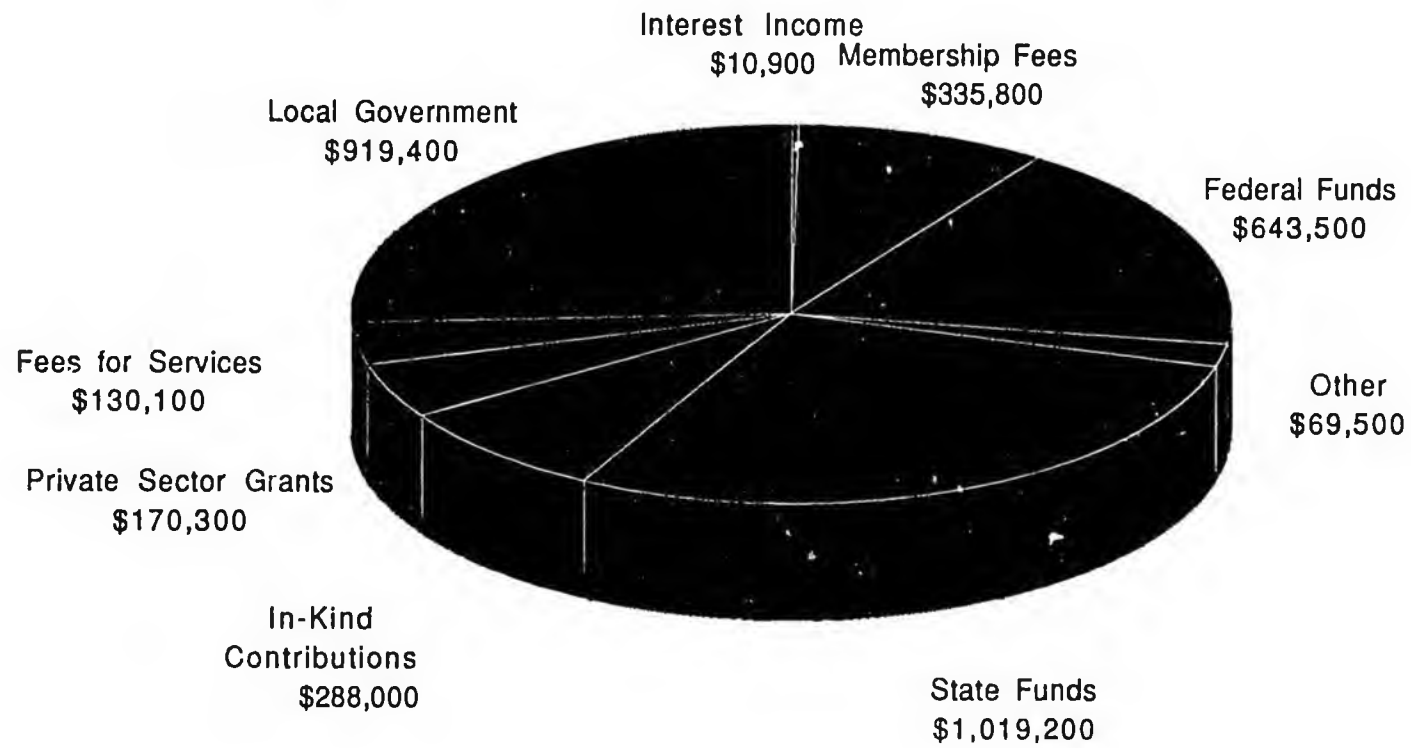
The current program will "sunset" July 1, 1993. Under AS 44.33, the Department of Commerce and Economic Development may provide up to \$50,000 in matching development grants to up to fifteen regional development organizations per year. In FY 92, there is \$617,000 authorized. There are 13 designated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

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

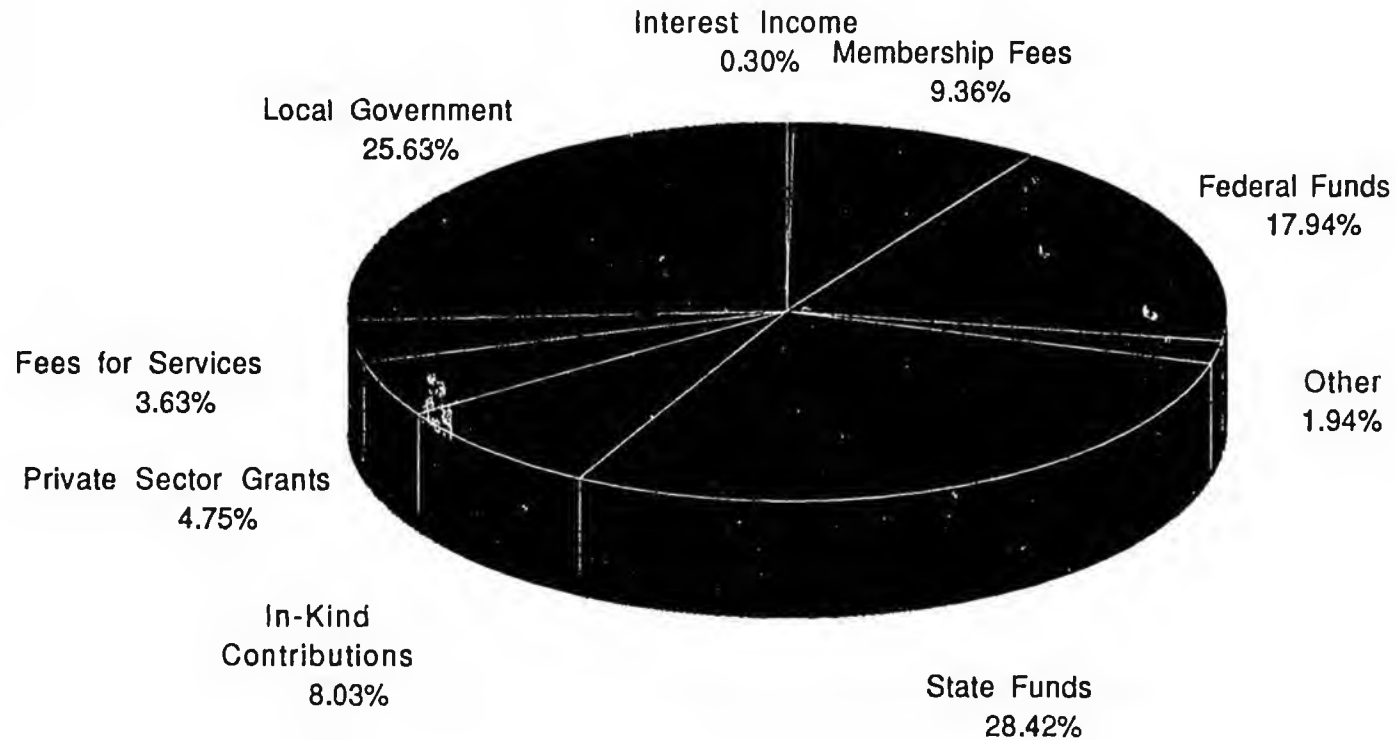
Attachment

c:ardorsb.355

Alaska Regional Development Organizations FY92 Funding Sources



Alaska Regional Development Organizations FY92 Funding Sources by % Contribution



ALASKA REGIONAL DEVELOPMENT ORGANIZATIONS - FY92 FUNDING SOURCES

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

Alaska Regional Development Organizations Program

Division of Economic Development
Department of Commerce and Economic Development



ARDOR

SHAPING ALASKA'S FUTURE

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

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

Alaska Regional Development Organizations Program

Division of Economic Development
Department of Commerce & Economic Development

Revised November 1991

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



ALASKA REGIONAL DEVELOPMENT ORGANIZATIONS PROGRAM

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

ARDOR FACTS

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

DESIGNATED ARDORs

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

**DESIGNATED ARDORS
POPULATION AND LAND AREA**

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

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

Anchorage Economic Development Corporation

Designated: April 11, 1989

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

Arctic Development Council

Designated: March 1, 1991

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

Bering Straits Economic Council

Designated: January 11, 1990

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

Copper Valley Economic Development Council

Designated: November 1, 1990

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

Interior Alaska Economic Development Council

Designated: January 31, 1990

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

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

Kenai Peninsula Borough Economic Development District

Designated: February 22, 1989

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

Kuskokwim Economic Development Council

Designated: February 15, 1991

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

Lower Kuskokwim Economic Development Council

Designated: September 17, 1991

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

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

Lower Yukon Economic Development Council

Designated: November 1, 1991

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

Northwest Arctic Borough Economic Development Commission

Designated: June 28, 1989

- * Upper Kobuk Birch Bark Basket & Dog Sled Cooperative

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

Prince William Sound Economic Development Council

Designated: November 1, 1991

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

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

Southeast Conference

Designated: April 14, 1989

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

Southwest Alaska Municipal Conference

Designated: April 6, 1989

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

Encouraging ARDOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

– Robin Mackey Hill

State readies Bush for life after oil goes

Grant program plants seeds for future development, jobs

By HAL BERNTON

Daily News business reporter

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

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

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

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

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

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

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

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

On Friday morning, Fuhs

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

SEEDS: Getting ready for life after oil

Continued from Page D-1

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

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

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

The following describes projects some councils are pursuing.

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

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

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

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

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

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

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

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

But opportunities for new economic development also exist.

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

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

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

ALASKA

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

ALASKA REGIONAL ECONOMIC ASSISTANCE PROGRAM GUIDELINES

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

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

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

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

APPLICATION PROCEDURES

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

Who May Apply:

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

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

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

(Revised 3/13/89)

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

Where to Apply:

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

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

What to Submit:

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

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

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

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

When to Apply:

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

Review Criteria:

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

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

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

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

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

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

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

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

ARDOR DESIGNATION DECISION PROCESS

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

1. Application is received by the department.

—Day One—

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

—Department has 10 days to review application—

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

—30 day public review and comment period—

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

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

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

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

ARDOR FUNDING PROCESS

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

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

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

ARDOR FUNDING POLICIES

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

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

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

ARDOR OPERATIONS

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

Designated Alaska Regional Development Organizations

Alaska Regional Development Organizations Program

Department of Commerce and Economic Development
Division of Economic Development

Kenai Peninsula Borough Economic Development District

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

Southwest Alaska Municipal Conference

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

Anchorage Economic Development Corporation

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

Southeast Conference

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

Northwest Arctic Borough Economic Development Commission

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

Bering Straits Economic Council

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

Interior Alaska Economic Development Council

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

Copper Valley Economic Development Council

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

Kuskokwim Economic Development Council

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

Arctic Development Council

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

Lower Kuskokwim Economic Development Council

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

Prince William Sound Economic Development Council

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

Lower Yukon Economic Development Council

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

SB355

SENATE FINANCE COMMITTEE REPORT

DATE: 2/12/92

FURTHER:

DATE TURNED INTO OFFICE: 2-25-92

The Finance Committee considered

SENATE BILL NO. 355

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

and recommends:

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

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

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

DECED 2-24-92
(Funding included in budget)

fiscal notes _____

appropriation--no fiscal note

DO PASS:

[Handwritten signatures: Lynn Hoff, Al Adams, and others]

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

OTHER RECOMMENDATIONS:

1. *[Signature]*
Co-Chair: Signature/Recommendation

[Signature] Do pass
Co-Chair: Signature/Recommendation

FISCAL NOTE

BILL NO. SB 356

STATE OF ALASKA
1992 LEGISLATIVE SESSION

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

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

COMPONENT SERIAL NO.

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: None

ANALYSIS (Attach a separate page if necessary.)

SEE ATTACHEE

Post-It™ brand fax transmittal form 7671 # of pages 2

To: <u>Suzie Barnett</u>	From: <u>Jo Galloway</u>
Co: <u>Sen. Pauschot</u>	Co: _____
Dupl. _____	Phone # <u>x 2500</u>
Fax # <u>465-2009</u>	Fax # _____

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

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legl. Ofc., and Impacted Agency(ies).
Page 1 of 2

FISCAL NOTE - SB 355

ANALYSIS:

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

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

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

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

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

TL/dg11394D
022492a

SENATE BILL NO. 355

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY SENATORS STURGULEWSKI, Uehling

Introduced: 1/14/92

Referred: L&C, Finance

A BILL

FOR AN ACT ENTITLED

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

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

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

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

FISCAL NOTE

No. 1
 Bill version: SB 355
 (S) Publish Date: 2-12-92

**STATE OF ALASKA
 1992 LEGISLATIVE SESSION**

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

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

COMPONENT SERIAL NO.

	8	0	1
--	---	---	---

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

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

REVENUE FUND RESOURCE:						
-------------------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS (Attach a separate page if necessary.)

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

Prepared By: Terry Miller, Development Specialist Phone: 465-2017
 Division: Economic Development Date: 2/5/92
 Approved by Commissioner: Glenn A. Olds Date: 2.7.92
 Agency: Department of Commerce & Economic Development

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., and Impacted Agency(ies).
 Page 1 of 1

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

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

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

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

Glenn A. Olds

 Glenn A. Olds, Commissioner

Date: 2-6-92

Alaska Regional Development Organizations Program Funding History							
				FY 89	FY 90	FY 91	FY 92
Alaska Regional Development Organizations							
Kenai Peninsula Borough Economic Development District				\$50.0	\$29.2	\$37.5	\$50.0
Southwest Alaska Municipal Conference				50.0	12.5	50.0	50.0
Anchorage Economic Development Corporation				50.0	50.0	12.5	50.0
Southeast Conference				50.0	8.3	50.0	50.0
Northwest Arctic Borough Economic Development Commission				50.0		50.0	50.0
Matanuska-Susitna Regional Economic Development Development Corp.				50.0		50.0	
Bering Straits Economic Council					50.0	16.7	33.3
Interior Alaska Economic Development Council					50.0	16.7	50.0
Copper Valley Economic Development Council						34.6	37.5
Kuskokwim Economic Development Council					50.0		50.0
Arctic Development Council					50.0		50.0
Lower Kuskokwim Economic Development Council							50.0
Prince William Sound Deveopment Council							50.0
Lower Kuskokwim Development Council							50.0
G.F. Operating Budget Pass Through Grant Total				\$300.0	\$300.0	\$318.0	\$620.8
ARDOR Program Support							
Federal Economic Development Administration Technical Assistance Grant				44.9			
Federal Economic Development Administration Planning Grant					200.0	200.0	150.0
CIP State Match				40.0	100.0	120.0	150.0
Non-G.F. ARDOR Program Support Total				\$84.9	\$300.0	\$320.0	\$300.0
Total Funds all Sources				\$384.9	\$600.0	\$638.0	\$920.8
prepared 2/24/92							
Postions: FTE				1.0	3.5	3.5	3.0

and to produce the statutorily mandated annual performance report on the state's economy. This information is essential to the private sector for business decisions and for policy makers to make informed decisions about state policies affecting business and economic development.

Revised EDA 302(a) grant guidelines limit funding to a maximum of three years. FY 92 represents the division's third and final year of funding under these guidelines. ARDORs are the critical linkage between local communities and state government for the examination and determination of economic development policy and promotion of economic self-sufficiency. Retention of the three positions is critical as they actively assist each ARDOR and coordinate the functions of the ARDOR program with other division and department programs. If funding is not authorized, these positions will be eliminated and the division will be forced to limit its role solely to the administration of the pass through grants referenced above.

Budget:

100 - Personal Services		\$195.2
Development Specialist I (R18)	70.5	
Development Specialist I (R18)	64.3	
Research Analyst III (R18)	60.4	
200 - Travel		30.7
300 - Contractual		35.0
400 - Supplies		3.0
500 - Equipment		5.0
700 - Grants		<u>83.0</u>
TOTAL		\$351.9 -
		83.0
		<u>268.9</u>

**ADDITIONAL
EXPLANATION
FORM**

C5

9984M-3

AGENCY Commerce and Economic Development
 BRU Economic Development
 COMPONENT _____

page of 4
 Revised Date:

FY93
000434

11/20/91

08:59:08.3

PERSONAL SERVICES EXPENDITURES DETAIL REPORT

PAGE: 24

DEPT. OF COMMERCE & ECONOMIC DEVELOPMENT SCENARIO: 1 (FY93 AGENCY SCENARIO 1)

COMPONENT #: 08 7501000000 NAME: BUSINESS DEVELOPMENT

BRU NAME: BUSINESS DEVELOPMENT

PCN	JOB CLASS TITLE	T R D S C U	LOCATION NAME	S R & S	MOS BUDG	ANNUAL SALARY	PREMIUM PAY	ANNUAL BENEFITS	TOTAL PERSON. SVCS	GEN. FUND AMOUNT
081047	CLERK III	F A GG 00000	JUNEAU	AA 08D	12.00	22932	0	10718	33650.01	33650.01
081048	DEVELOPMENT SPEC II	F A GG 00000	JUNEAU	AA 20A	12.00	48711	0	17464	66176.13	66176.13
081049	GRANTS SPECIALIST	F A XE 00000	JUNEAU	AA 21D	12.00	54306	0	18865	73171.58	0.00
081201	DIVISION DIRECTOR	F A XE 00000	JUNEAU	AA 26J	12.00	87985	0	25504	113490.01	113490.01
081202	CORRESPONDENCE SEC II	F A GG 00000	JUNEAU	AA 10F	12.00	29169	0	12350	41519.23	41519.23
081205	DEVELOPMENT SPEC II	F A GG 00000	JUNEAU	AA 20F	12.00	57720	0	19804	77525.31	77525.31
081207	DEVELOPMENT SPEC II	F A GG 00000	JUNEAU	AA 20E	12.00	55666	0	19284	74951.51	74951.51
081228	DEVELOPMENT SPEC II	F A GG 00000	ANCHORAGE	AA 20K	12.00	61639	0	20560	82250.01	82250.01
081229	ADMIN ASST II	F A GG 00000	JUNEAU	AA 14B	12.00	33251	0	13418	46669.99	46669.99
08123X	DEVELOPMENT SPECIALIST	F A XE 00000	JUNEAU	AA 22D	12.00	62004	0	20557	82561.98	82561.98
08124X	DEVELOPMENT SPECIALIST	F A XE 00000	JUNEAU	AA 23D	12.00	66402	0	21394	87796.65	87796.65
081243	CLERK TYPIST III	F A GG 00000	FAIRBANKS	CC 08C	6.00	12297	0	4397	16695.05	16695.05
081244	DEVELOPMENT SPEC II	F A GG 00000	JUNEAU	AA 20K	12.00	61689	0	20560	82250.01	82250.01
081245	DEVELOPMENT SPEC II	F A GG 00000	FAIRBANKS	CC 20D	12.00	56196	0	19423	75619.20	75619.20
081260	DEVELOPMENT SPEC II	F A GG 00000	JUNEAU	AA 20K	12.00	61689	0	20560	82250.01	82250.01
081261	PLANNER VI	F A GG 00000	JUNEAU	AA 22F	12.00	66087	0	21397	87484.68	87484.68
081265	SECRETARY I	F A GG 00000	JUNEAU	AA 10B	12.00	25867	0	11486	37354.11	37354.11
081266	GRANTS ADMINISTRATOR II	F A GG 00000	JUNEAU	AA 17J	12.00	48711	0	17464	66176.13	66176.13
081268	DEVELOPMENT SPEC I	F A GG 00000	ANCHORAGE	AA 18D	12.00	47161	0	17058	64220.75	64220.75
081269	DEVELOPMENT SPEC I	F A GG 00000	JUNEAU	AA 18J	12.00	52101	0	18351	70452.54	70452.54
081270	RESEARCH ANALYST III	F A GG 00000	JUNEAU	AA 18B	12.00	44087	0	16254	60341.79	60341.79
					COLUMN TOTALS:	1055728	0	368877	1422606.68	

ARDOA
SUPPORT

FULL TIME POSITIONS	20	TOTAL PERSONAL SERVICES	1422606.68
PART TIME/SEASONAL POSITIONS	1	PLUS LUMP SUM PREMIUM PAY	0.00
NON PERMANENT POSITIONS		SUB-TOTAL	1422606.68
OTHER.....		MINUS 4.40787 % VACANCY ADJUSTMENT	62706.65

NUMBER OF POSITIONS IN COMPONENT 7501000000 = 21 PERSONAL SERVICES, LINE 100 1359900.03
 (INCLUDES 3 BUDGETED NEW POSITIONS)

STAFF MONTHS: 246.00

FUNDING DATA:
 1002 (FEDERAL RECEIPTS) 73171.58
 1004 (GENERAL FUND RECEIPTS) 1349435.10
 =====

TOTAL FUNDING: 1422606.68

000441

Encouraging ARDOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Robin Mackey Hill

Designated Alaska Regional Development Organizations

Alaska Regional Development Organizations Program

Department of Commerce and Economic Development
Division of Economic Development

Kenai Peninsula Borough Economic Development District

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

Southwest Alaska Municipal Conference

Designation Date: April 6, 1989
Rich Wilson, President
Marideth Sandler, Executive Director
3300 Arctic Boulevard, Suite 203
Anchorage, AK 99503
Phone: 562-7380
Fax: 562-0432

Anchorage Economic Development Corporation

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

Southeast Conference

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

Northwest Arctic Borough Economic Development Commission

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

Bering Straits Economic Council

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

Interior Alaska Economic Development Council

Designation Date: January 31, 1990
Walter "Wally" Carlo, President
Wendy Warmick, Executive Director
520 Fifth Avenue, Suite 410
Fairbanks, AK 99701
Phone: 458-1210
Fax: 456-1942

Copper Valley Economic Development Council

Designation Date: November 1, 1990
Robert Wilkinson, President
Donna Tolman, Executive Director
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Glenallen, AK 99588
Phone: 822-5001
Fax: 822-5009

Kuskokwim Economic Development Council

Designation Date: February 15, 1991
Dennis Thomas, President
Jennie Wooderson, Executive Director
P.O. Box 207
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Fax: 675-4419

Arctic Development Council

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

Lower Kuskokwim Economic Development Council

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

Prince William Sound Economic Development Council

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

Lower Yukon Economic Development Council

Designation Date: November 1, 1991
Edwin Glotfely, Interim Board Member
P.O. Box 9
Etmonak, AK 99581
Phone: 949-1249
Fax: 949-1926

SB362

(11)

HOUSE COMMITTEE REPORT

Date Referred: March 16, 1992

FURTHER REFERRALS:

Date of Committee Action: 5/19/92

The FINANCE Committee considered:

CSSB 362(STA)(title am)

CS FOR SENATE BILL NO. 362 (STA)(title am) VOTER REGISTR'N WITH DIVIDEND APPLICATION

"An Act requiring the inclusion of voter registration forms with permanent fund dividend applications; and providing for an effective date."

RECOMMENDATIONS:

be replaced with _____ the same title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

Senate State Affairs Comm,

ADOPTS: CSSB 362 (STA) letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____

fiscal note(s) Gov 2/26/92

zero fiscal note _____

zero fiscal note(s) DOR 2/26/92

SIGNING <u>DO PASS</u>	DP	<u>OTHER</u> RECOMMENDATIONS	DNP	NR	AM
<u>Mark Boyer</u> Boyer	X				
<u>Tan Brown</u> Brown	X				
<u>Thomas Koponen</u> Koponen	X				
<u>Ben Sharp</u> Sharp	X				
<u>Bill Phillips</u> Phillips	X				
<u>Ronald J. Hanson</u> Hanson	X				
<u>J. Wilmer</u> Wilmer	X				

MARK BOYER vice-chair
CHAIRMAN'S SIGNATURE



Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811

Senate State Affairs Committee

LETTER OF INTENT

CSSB-362 (STA)

Providing voter registration forms
with permanent fund dividend applications

Legislators are eager to encourage voter registration and find the availability of the dividend application to be one of the best methods to promote voter registration. At the same time, the legislature is concerned that Alaskans not confuse registering to vote with filing their dividend application, or the reverse, or assume that one is dependant upon the other. It is the intent of the legislature that the Department of Revenue and the Division of Elections make every reasonable effort to minimize any confusion.

It is further the intent of the legislature that the Department of Revenue and the Division of Elections report to the legislature as to the success or failure of distributing voter registration forms with permanent fund dividend applications after the plan has been in effect for at least two years.

The legislature, while desiring to promote voter registration, does not wish to encourage the inclusion of other state forms with the dividend application.