

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6423 SENATE LABOR & COMMERCE

827

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: KHANTHALY VONGPHRACHANH

TITLE:

ADDRESS: 8125 COUNTRY WOOD DRIVE

CITY: ANCHORAGE

ZIP: 99502

PHONE: 344-8684

BILL NO:

SUBJECT: ALLIANCE BANK

MESSAGE: I AM A TAXPAYER AND A VOTER, I WORK FOR ALLIAN CE BANK AND MY FAMILY LIVELIHOOD DEPEND ON MY INCOME. I AM ONE OF 460 EMPLOYEES STATEWIDE WHO SPEND ON ALLIANCE BANK. YOUR SUPPORT OF OUR RESTRUCTURE PLAN WILL SEND A POSITIVE MESSAGE TO THE GOVERNOR AND THE FDIC. THE BANK IS NOT ASKING FOR MONEY FROM THE STATE TO FUND THE RESTRUCTURE. THANK YOU.

POMID: 03114129

DATE: 02/02/89

TIME: 11:41:29

LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	FAHRENKAMP
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MEHARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMAWSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: BENITA SLEMING

TITLE:

ADDRESS: 4502 MCPHEE AVE. APT #1

CITY: ANCHORAGE

ZIP: 99508

PHONE: 258-5553

BILL NO: SCR 12

SUBJECT: ALLIANCE BANK

MESSAGE: I AM A REGISTERED VOTER AND TAXPAYER. I AM ONE OF THE 469 EMPLOYED BY ALLIANCE. I AND MY FAMILY DEPEND ON ALLIANCE FOR OUR LIVELIHOOD. I LIVE IN YOUR DISTRICT AND YOUR SUPPORT OF OUR RESTRUCTURE PLAN WILL SEND A POSITIVE MESSAGE TO THE GOVERNOR AND THE FDIC.

POMID: 03121943

DATE: 02/02/89

TIME: 12:19:43

LIONAME: ANCHORAGE LIO

COPIES: SENATORS

RODEY
FAIKS
KERTTULA
COGHILL

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: RICHARD WALTERS

TITLE:

ADDRESS: 7101 GENNY CIRCLE

CITY: ANCHORAGE, ALASKA

PHONE: 349-3467

ZIP: 99507

BILL NO: SCR 12

SUBJECT: ALLIANCE BANK

MESSAGE: I URGE YOU TO SUPPORT THE OPEN BANK ASSISTANCE REQUESTED BY ALLIANCE BANK. ALLIANCE FILLS A UNIQUE PLACE IN OUR ALASKAN SOCIETY. ALLIANCE HAS HAD TO MAKE SOME DIFFICULT DECISIONS BUT IT IS THE KIND OF CURE NECESSARY FOR OUR ECONOMIC TROUBLES. WHEN IT SURVIVES IT HELPS OUR STATE SURVIVE.

POMID: 03144700

DATE: 02/02/89

TIME: 14:47:00

LIONAME: ANCHORAGE LIO

COPIES: SENATORS

RODEY
FAIKS
KERTTULA
COGHILL

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: JULIE GILFILIAN

TITLE:

ADDRESS: 3910 EASTWOOD LOOP

CITY: ANCHORAGE

PHONE: 333-2849

ZIP: 99504

BILL NO: SCR 12

SUBJECT: ALLIANCE BANK

MESSAGE: I AM ONE OF 460 EMPLOYEES STATEWIDE THAT WORK FOR ALLIANCE BANK AND DEPEND ON THE INCOME THAT I MAKE. I ASK THAT ALL OF YOU SUPPORT THE RECONSTRUCTIVE PLAN FOR THE BENEFIT OF ALL OF US AT ALLIANCE BANK.

POMID: 03150257

DATE: 02/02/89

TIME: 15:02:57

LIONAME: ANCHORAGE LIO

COPIES: SENATORS

RODEY
FAIKS
KERTTULA
COGHILL

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: PENNY COBB

TITLE:

ADDRESS: 810 E. 42ND PLACE, #U

CITY: ANCHORAGE

ZIP: 99503

PHONE: 562-5023

BILL NO: SCR 12

SUBJECT: ALLIANCE BANK

MESSAGE: AS ONE OF 460 EMPLOYEES STATEWIDE I AM ASKING FOR YOUR SUPPORT OF THE RESTRUCTURE PLAN FOR ALLIANCE BANK. WHILE THE BANK IS NOT ASKING FOR ANY STATE FUNDS YOUR SUPPORT WILL SEND A POSITIVE MESSAGE TO THE FDIC. THANK YOU FOR YOUR SUPPORT.

POHID: 03105407

DATE: 02/02/89

TIME: 10:54:07

LIONAME: ANCHORAGE LIO

COPIES: SENATORS

RODEY
FAIKS
KERTTULA
COGHILL

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: MICHELLE MATILAINEN

TITLE:

ADDRESS: P.O. BOX 772843

CITY: EAGEL RIVER, ALASKA

ZIP: 99577

PHONE: 694-7339

BILL NO: SCR 12

SUBJECT: ALLIANCE BANK

MESSAGE: I AM A TAX PAYER AND A VOTER. I WORK FOR ALLIANCE BANK, AND MY LIVELIHOOD DEPENDS ON MY INCOME. I AM ONE OF 460 EMPLOYEES STATEWIDE WHO DEPEND ON ALLIANCE BANK. YOUR SUPPORT OF OUR RESTRUCTURE PLANS WILL SEND A POSITIVE MESSAGE TO THE GOVERNOR AND FDIC THE BANK IS NOT ASKING FOR MONEY FROM THE STATE TO FUND THE RESTRUCTURE.

POHID: 03111211

DATE: 02/02/89

TIME: 11:12:11

LIONAME: ANCHORAGE LIO

COPIES: SENATORS

RODEY
FAIKS
KERTTULA
COGHILL

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: SUZANN WALTERS

TITLE:

ADDRESS: 7101 GENNY CIRCLE

CITY: ANCHORAGE

PHONE: 349-3467

ZIP: 99507

BILL NO: SCR 12

SUBJECT: ALLIANCE BANK

MESSAGE: AS A VOTER, HOMEOWNER, MOTHER AND EMPLOYEE OF ALLIANCE BANK I WISH TO
STATE MY SUPPORT FOR SCR12. BOTH MY HUSBAND AND I ARE EMPLOYED BY ALLIANCE
BANK. OUR LIVELYHOOD AND ABILITY TO CONTINUE TO LIVE IN ALASKA DEPENDS ON THIS
INCOME. PLEASE SUPPORT ALLIANCE BANK.

POMID: 03084238

DATE: 02/02/89

TIME: 08:42:38

LIONAME: ANCHORAGE LIO

COPIES: SENATORS

RODEY
FAIKS
KERTTULA
COGHILL

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: LINDA FRANGER

TITLE:

ADDRESS: 2931 CONCORD LANE

CITY: ANCHORAGE

PHONE: 243-6578

ZIP: 99502

BILL NO: SCR 12

SUBJECT: ALLIANCE BANK

MESSAGE: I AM ONE OF 460 EMPLOYEES WHO DEPEND ON ALLIANCE BANK FOR MY INCOME.
I AM CALLING TO GIVE MY SUPPORT FOR SCR 12. I FEEL IT WOULD BE DEVASTATING
NOT ONLY TO THE EMPLOYEES OF ALLIANCE BUT THE ALASKAN ECONOMY.

POMID: 03103010

DATE: 02/02/89

TIME: 10:30:10

LIONAME: ANCHORAGE LIO

COPIES: SENATORS

RODEY
FAIKS
KERTTULA
COGHILL

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: KAY MURPHY

TITLE:

ADDRESS: 6800 CHEROKEE WAY

CITY: ANCHORAGE, ALASKA

PHONE: 337-5666

ZIP: 99504

BILL NO: SCR 12

SUBJECT: ALLIANCE BANK

MESSAGE: MY FAMILY AND I HAVE BEEN RESIDENTS OF EAST ANCHORAGE SINCE 1970.

YOUR SUPPORT OF ALLIANCE BANKS RESTRUCTURE PLANS WITH FDIC IS CRITICAL

TO THE SUCCESS OF THE BANK, ITS 460 EMPLOYEES, AND CITIZENS OF ALASKA.

ALLIANCE IS A STATEWIDE BANK AND PROVIDES SERVICES NOT AVAILABLE FROM

OTHER BANKS.

FOMID: 03093314

DATE: 02/02/89

TIME: 09:33:14

LIONAME: ANCHORAGE LIO

COPIES: SENATORS

RODEY
FAIKS
KERTTULA
COGHILL

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: EMILEE CRUZ

TITLE:

ADDRESS: 3316 ROSELLA STREET

CITY: ANCHORAGE, ALASKA

PHONE: 264-2731

ZIP: 99504

BILL NO: SCR 12

SUBJECT: ALLIANCE BANK

MESSAGE: I AM ONE OF THE 460 EMPLOYEES STATEWIDE WHO DEPEND ON ALLIANCE

BANK AND MY FAMILY DEPENDS ON MY INCOME. THE BANK IS NOT ASKING FOR MONEY

FROM THE STATE, JUST YOUR SUPPORT OF OUR RESTRUCTURE PLAN. UNEMPLOYMENT

CHECKS CAN NOT SUPPORT MY HOUSE PAYMENTS AND FAMILY NEEDS. THANK YOU.

FOMID: 03093745

DATE: 02/02/89

TIME: 09:37:45

LIONAME: ANCHORAGE LIO

COPIES: SENATORS

RODEY
FAIKS
KERTTULA
COGHILL

S C R

21

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 2/23/87
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 3/3/89

2/21/89

Mr. President:

Labor and Commerce Committee considered SCR 21

small business incubator program and to the Matanuska-Susitna
Business Development Center Task Force

and recommended:

replace with CS _____ same title

attached amendment(s) and new title

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) attached zero

fiscal impact

appropriation no FN attached

Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]
[Signature]

[Signature] No Rec
[Signature] No Rec

[Signature]
Chairman signature and recommendation

Committee backup attached

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
Title: Small Business Incubator Program BRU: Business Development
Sponsor: Szymanski Components: _____
Requester: Senate Labor & Commerce Committee

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

There are a number of existing federal and state grant programs that could provide funding for the small business incubator. Department of Commerce and Economic Development staff have offered to provide technical assistance on this project.

Prepared by: Tom Lawson, Acting Director Phone: 465-2017
Division: Business Development Date: 3/2/89

Approved by Commissioner: *Larry Mercurieff* Phone: 465-2500
Agency: Department of Commerce & Economic Development Date: 3/2/89

Distribution (by preparer):

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

SCR 21: SMALL BUSINESS INCUBATOR PROGRAM

Background

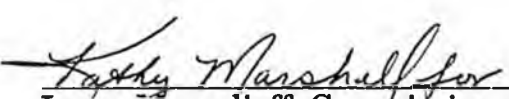
The Matanuska-Susitna Regional Economic Development Corporation established the Business Development Center Task Force. The task force has developed a proposal for a small business incubator to serve the Matanuska/Susitna Valley.

The premise behind a small business incubator is to assist new or young firms through a critical growth period. This is accomplished by the incubator offering low cost facilities, technical and administrative assistance, and possibly appropriate financing. The small business incubator concept has been tremendously successful across the country with more than 300 incubators in operation. However, no incubators are operating in Alaska at present.

Analysis of Resolution

The resolution supports the small business incubator concept and the business development efforts of the Matanuska-Susitna Business Development Center Task Force.

The Department of Commerce and Economic Development supports the small business incubator program in concept. Staff have met with task force members and have offered technical assistance as well as identified potential funding sources.



Larry Mercurieff, Commissioner
Department of Commerce and Economic
Development

Date: 3/3/89

LM/LW/dgl3470D
030389a



Alaska State Legislature

Senator Mike Szymanski

While in Session:
P.O. Box V
State Capitol, Room 11
Juneau, Alaska 99811
(907) 465-4978/4979
FAX (907) 465-2652

During Interim:
3111 C Street, Suite 510
Anchorage, Alaska 99503
(907) 561-7617

165 E. Parks Highway
Legislative Information Office
Wasilla, Alaska 99687
(907) 376-MIKE

POSITION PAPER

SCR21

A Resolution Related to the Organization of A Small Business Incubator Program

The Regional Economic Development Corporation (REDCOR) has been exploring the feasibility of a Small Business Incubator Program for the Matanuska-Susitna Borough. This type of program has been very successful throughout the lower forty-eight states by providing professional, technical and financial assistance to small businesses during their "start-up" phase.

The Purpose of a Small Business Incubator program is to create jobs and diversify the local economy.

The Borough's economic development and economic stability depends on small businesses. Statistics show that small businesses provide a far greater number of jobs than larger ones do.

The Incubator program will be designed so as not to directly compete with other established local businesses, but rather to bring in new businesses that provide services and products that are needed but not currently provided locally.

The concept of a Small Business Incubator program has received a lot of community support, and small business entrepreneurs have joined together to share their expertise and have established the Matanuska-Susitna Business Development Center Task Force. The Task Force is charged with the overall coordination and administration of the project in addition to its implementation.

SCR21 requests that the Alaska State Legislature support the small business incubator concept and the business development efforts of the Matanuska-Susitna Development Center Task Force.

Senate District E

Mat-Su • So. Anchorage • Bird/Indian • Girdwood • Whittier • Nikiski • Cooper Landing • Hope • Seward • Cordova • Valdez

BOROUGH ASSEMBLY DOCUMENT
CONTROL & AM/IM FORM

Resolution No. 11-89
11/15/89 approved L. Dahl
Matanuska-Susitna Borough
P. O. Box 1608
Palmer, Alaska 99645-1608

SUBJECT: Small Business Incubator Program

For Agenda of: 01/17/89

No. AMBY 034

ATTACHMENTS: Background information on Small Business Incubator program.

Route to:	Dept/Committee/Individual (Please review & return to originator)	Initials	Remarks
1	REDCOR	<i>LD</i>	Originator
2	Planning Director Borough Assessor Public Works Director	<i>LD</i>	
3	Finance Director Borough Attorney	<i>LD</i>	
4	Borough Manager Mayor		

STATEMENT: The Regional Economic Development Corporation (REDCOR) has been exploring the feasibility of a small business incubator program for the Matanuska-Susitna Borough (MSB). The small business incubator program has been very successful throughout the nation by providing professional, technical and financial assistance to small businesses during their "start-up" phase and has therefore been helpful in creating employment opportunities and diversifying local economies.

FISCAL ACTION (TO BE COMPLETED BY FINANCE) FISCAL IMPACT? (YES/NO)
 AMOUNT REQUESTED \$0 - 16,000 FUNDING SOURCE FY89 Budget - Economic Dev. Act.
 FROM ACCOUNT # 203 610-422-10 PROJECT # 4/1
 TO ACCOUNT # 203 610-422-20 PROJECT # 7/1
 VERIFIED BY: *John* CERTIFIED BY: *Jensen*
 DATE: 1-9-89 DATE: 1-9-89

RECOMMENDED ACTION: REDCOR respectfully recommends that the Borough Assembly fund the small business incubator program from the Economic Development fund in the amount of \$16,000. The funds would be used to: complete a preliminary market analysis to be done by a consultant (\$5,000). Travel costs for three persons (two REDCOR representatives and one Borough representative) to visit three sites (\$11,000). The Planning Department would managed the grant.

APPROVED BY: *John Hage*
John Hage, Borough Manager

The MSB's economic development and stability depends to an extent on small businesses. Federal statistics indicate that small businesses create a greater number of employment opportunities than corporations.

The small business incubator program could be designed so as to directly compete with other established local businesses but to create new businesses that may provide services and products not needed but not currently provided locally and that also focus on "added" type businesses.

REDCOR has formed a task force on the small business incubator which is comprised of fourteen members who have a wide range of expertise. REDCOR has discussed the small business incubator with small business entrepreneurs who are supportive of the program. Additional information on the small business incubator program attached for your review.

Prior to developing a small business incubator program, however, necessary to complete an analysis of the market potential for a business incubator as well as visit successful incubator facilities in order to learn from their mistakes and successes. REDCOR, in respectfully requests that the Borough Assembly designate funds for market analysis of the Borough and for travel costs to visit such small business incubators. A list of funding options is presented for your consideration.

Option 1: Total Cost: \$16,000.

Completion of a preliminary market analysis to be done by a consultant \$5,000. Travel costs for three persons (two REDCOR representatives and one Borough representative) to visit three sites: \$11,000.

Option 2: Total Cost: \$7,333.

Completion of a preliminary market analysis to be done by the Planning Department out of the Department's existing budget. Travel costs for REDCOR representatives: \$1,333. A Borough representative from the Planning Department would travel to the sites but those costs would be paid out of the Department's existing budget.

Option 3: Total Cost: \$0.

Completion of a preliminary market analysis to be done by the Planning Department funded by the Department's existing budget. After completion of the preliminary market analysis an in-depth telephone survey would be developed by the Planning Department. The telephone survey would be developed jointly by the REDCOR Small Business Incubator Task Force and the Planning Department. At the conclusion of the market analysis and telephone survey a determination would be made on the need for on-site visits.

 FAX TRANSMITTAL MEMO
 TO: *Carmen - Sen. Dymally*
 DEPT: _____ FAX #: *465-2652*
 FROM: *Mat-Su* PHONE: *745-9664*
 CO: *Borough* FAX #: _____
 Post-It brand fax transmittal memo 7571

NO. OF PAGES
1

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 2-27-89 : 3:17PM :
 7020 : Xerox Telecopier



United States
Department
of Agriculture

Rural
Electrification
Administration

Office
of the
Administrator

Exhibit 8
Washington,
D.C.
20250

37-10 DFK
322
7-1-88
File

OCT 31 1988

SUBJECT: 7 CFR Part 1709, Subpart B, Rural Economic
Development Loan and Grant Program

TO: REA Borrowers

Attached for your information is a copy of the subject draft regulation that the Rural Electrification Administration (REA) published in the Federal Register on October 27, 1988. The program will provide zero interest loans and grants to RE Act borrowers for the purpose of promoting rural economic development and job creation projects. If you wish to submit comments, please forward them to Mr. Blaine D. Stockton, Jr., Assistant Administrator - Management, Rural Electrification Administration, Room 4063-South Building, U.S. Department of Agriculture, Washington, D.C. 20250. The Federal Register notice states that comments must be received by November 28, 1988. The comment period has been extended an additional 30 days and closes on December 28, 1988.

Jack Van Mark

JACK VAN MARK
Acting Administrator

Attachment

RECEIVED

NOV 14 1988

MTA REA CERTIFICATION/
CONTRACT ADMIN. DEPT.



THE MATANUSKA-SUSITNA BUSINESS DEVELOPMENT CENTER

A Small Business Incubator

THE MATANUSKA-SUSITNA BUSINESS DEVELOPMENT CENTER

A Small Business Incubator

1. OVERVIEW

The Matanuska-Susitna Regional Economic Development Corporation (REDCOR) has been exploring the benefits of a local small business development program based upon the concept of small business incubation. With the formation of an incubator committee by the Mat-Su Borough and REDCOR in November of 1988 and the recent appropriation of \$16,000 from the Borough's Economic Development Fund, this program is now on the road to becoming a reality. The committee, known as the "Matanuska-Susitna Business Development Center Task Force", is comprised of seventeen members who have a wide range of both private and public sector business expertise (see exhibit 1).

Thus far, the efforts of the Task Force have been relatively low profile: general concept familiarization; development of the mission statement, goals and objectives (see exhibit 2); targeting funding sources; and establishment of a tentative project schedule and budget. Despite this low profile approach, these efforts have already attracted the interest of a number of anxious entrepreneurs with ideas like: hardwood toys; French fries and dehydrated potatoes; gold nugget jewelry manufacturing; reindeer ranching; and gourmet (yuppie) sauerkraut.

The small business incubator concept has been tremendously successful across the country, in many cases turning dying communities into active commercial and industrial centers. Today, over 300 incubators are in operation throughout the lower 48 states, many of which are serving small cities and rural towns with problems much like our own. Like many other rural areas across this nation, the Mat-Su Borough has high unemployment, lacks economic diversification and exports its young people, who leave because there are no opportunities here. The Mat-Su Borough had the highest unemployment rate in

Alaska during 1987 at 18.8 percent.¹ The slight reduction in 1988 to 15.7% was due not to an improved economy but to less people.

Our local business economy is built around providing retail services to the public sector and each other. To illustrate the point, we need only consider the primary local employers: Borough schools; Borough, State and Federal government; utility companies; the hospital; and the grocery chains. Our top 10 employers are government organizations or service companies.

A healthy environment for small business is absolutely essential to effective community development.² Unfortunately, in Alaska we have tended to look at small businesses as service or retail outlets only. We rely instead on the "big hits" to drive our economy. There's this dangerous tendency to believe that all we have to do is wait for the oil price to go up, win the Olympic bid, gain a Navy "home" port, or build a natural gas pipeline, then everything will be just fine again.

Like many third world countries, our economy produces little that isn't exported as a raw natural resource. Sometimes all we export is our name. On shelves across America (including Alaska) you can find "Alaska (brand) Fish Fertilizer", complete with a totem pole, the big dipper and Renton, Washington address.

Why is the "Mat-Su Business Development Center" so important to our economic future? Because it is one of our best hopes for employment opportunities now and for stable economic growth in the future. It will help to move us from

¹ At the same time, Anchorage and Fairbanks had unemployment rates of 7.1% and 11.8% respectively.

² Nationally, small business accounts for more jobs than big business, and generates more than half of all major innovations. According to the Small Business Administration, small firms and inventors are 2.4 times more productive per employee and 24 times more productive per research and development dollar.

an economy based upon consumption to one based upon production. It will help change our perception of small business by cultivating the entrepreneurial spirit of our people. This program is aimed at the latent entrepreneur whose dream needs a chance to leave the kitchen table, "cottage industries" whose products should be outgrowing the basements and garages, and seasoned businesses with a vision to expand to national and international export markets.

OK, so what is a "Small Business Incubator"? Simply stated, small business incubation is a flexible method of encouraging the development of new businesses and fostering local economic development. Incubators are facilities in which a number of new and growing businesses operate under one roof with affordable rents, shared services and equipment, and access to a wide range of professional, technical and financial programs. An incubator provides an environment where a new business is assured a maximum chance at successfully surviving the "start-up" phase of its growth cycle. It's sort of a "pressure cooker" for small business development. Some will argue that we don't need to provide a new or growing businesses with floor space and business advice because we have no shortage of vacant floor space in the valley and there are state and federal business programs in existence. If it were that simple, there would be no shortage of new business ventures and employment opportunities today. What the facility provides is somewhat like the role of critical mass in a nuclear reaction.

Our battle for economic strength and vitality will be won with small victories, by encouraging and assisting the entrepreneurial efforts of our greatest natural resource, our people. This will be a broad based effort that harnesses the combined energies and resources of government, private enterprise, community organizations, and educational institutions. The ultimate objective of this program is to give the Matanuska-Susitna region that one elusive ingredient so necessary for long term economic health and stability. That missing ingredient is diversity.

2. OBJECTIVE

Because the economic problems we face in Alaska and in the Mat-Su Borough demand swift and decisive action, the Matanuska-Susitna Business Development Center Task Force is seeking immediate financial assistance to launch a six month pilot program by April 1, 1989 to run during the second half of the (federal) fiscal year. During this pilot program period, the Business Development Center will operate in accordance with our adopted mission "to assist new enterprises by providing a dynamic, synergistic environment that nurtures the development of private businesses from conception to ultimate independence while also enhancing and supporting the development of established businesses". The Business Development Center will complete or make significant progress toward meeting the following objectives:

- * *Establish a tenant targeting and recruitment program that encourages labor-intensive firms to locate in the incubator facility.*
- * *Provide individualized assistance tailored to fit specific needs of both new and existing businesses.*
- * *Establish a flexible facility management approach.*
- * *Establish an advisory board of professionals to provide technical, financial, accounting, marketing and clerical support services to small businesses; develop a public and community support network whereby support services could be provided at a reduced or even no charge.*
- * *Assist businesses in the preparation of plans and strategies that will increase the likelihood of success.*
- * *Identify products and services not readily available locally and recruit businesses that would provide them (import substitution).*
- * *Enhance our region image as a center of productivity by working together with the Mat-Su College (UAA) to implement small business and entrepreneurial education programs.*
- * *Focus on businesses with a high degree of entrepreneurial spirit and potential for early results that would generate recognition for the region and the "incubator" program.*
- * *Begin to create marketing outlets for local products and services by developing an aggressive marketing program and providing coordination between local producers and Alaskan, national and international distributors and retailers.*

- * *In cooperation with existing programs, provide training and placement programs for the³ local work force that offer shared cost benefits to local businesses.*
- * *Establish a venture capital advisory group to locate and attract venture capital and provide loan and venture capital packaging assistance.*

Prior to the end of the pilot program period, the Business Development Center will complete a comprehensive market analysis, establish operational standards, and provide a detailed progress report which will accompany any request for continuing project funding.

3. GENERAL (TARGET) PROGRAM DESCRIPTION

- 3.1 Concept: The Matanuska-Susitna Business Development Center will be a locally designed incubator where new and small fledgling businesses receive valuable assistance in management, marketing, and financing. The Center will provide cost-efficient space for both office and light assembly/manufacturing type businesses. Administrative shared services such as copying, word processing, bookkeeping, and phone answering will also be available.
- 3.2 Developers: The Center is a joint effort of the local government (Matanuska-Susitna Borough) and the Matanuska-Susitna Regional Economic Development Corporation (REDCOR), a non-profit corporation which is charged with promoting the area to potential business and industrial interests. The Matanuska-Susitna Borough is actively seeking new growth to meet the dual challenges of expanding our region's economic base and creating jobs for our people.

³ The American Improvement Matrix (AIM) employment program will work with the "incubator" to provide such services and will coordinate efforts with the JTPA program and future Alaskan Job Corps Center.

- 3.3 Operating Status: The Center is to be a non-profit corporation.
- 3.4 Opening Date: The objective is to incorporate the Center by April 1, 1989 and open a facility by June 1, 1989.
- 3.5 Business Market Area: State, National and International
- 3.6 Possible Funding Sources:
- a) Economic Development Administration (EDA)
 - b) Housing and Urban Development (HUD)
 - c) Rural Electrification Administration (REA)
 - d) Employment and Training Administration (JTPA)
 - e) Farmers Home Administration (FmHA)
 - f) Small Business Administration (SBA)
 - g) State of Alaska: Department of Economic Development
 - h) Mat-Su Borough Economic Development Fund
 - i) Foundation and Corporate Grants
- 3.7 Leasable Space: 10,000 plus square feet
- 3.8 Number of Business Spaces: 15+
- 3.9 Space Usage: Single office to light assembly/manufacturing
- 3.10 Base Rent and Support Services: Office rental charges would begin at about \$150.00 (minimum) per month and vary according to business type and office size. There will be a nominal one time administrative fee (\$25.00) to apply for space or seek consultation. The following services may be included:
- a) Professional Office Environment
 - b) Directory Listing
 - c) Secretarial/Clerical Services
 - d) Word Processing
 - e) Telephone Answering Service
 - f) Janitorial Service
 - g) Utilities
 - h) Copy Machine
 - i) Facsimile (FAX) Machine
 - j) Conference Room with Audio-Visual
 - k) Business (PC) Computer Access and Software
 - l) Postage Machine and Parcel Support Services

- m) Managerial and Technical Assistance with Business Plan Development, Market Research, Financing
- n) Information Center (Library) Use
- m) Bookkeeping Assistance
- o) Shared Light Assembly/Manufacturing Area

3.11 Additional Support Services: Small Business Assistance Network

- a) Mat-Su College (UAA) Educational Programs
- b) Matanuska-Susitna Regional Economic Development Corporation (REDCOR)
- c) Matanuska-Susitna Borough - Planning Dept.
- d) American Improvement Matrix (AIM) Employment Program
- e) Anchorage Center for International Business (ACIB)

3.12 Estimated New Job Creation: 20 (11 inside and 9 outside incubator)

3.13 Tenant Selection Guidelines:

- a) The use of incubator space by retail business is inappropriate due to the nature of the facility and the availability of alternative space in the immediate area. This does not preclude on site retail sale of merchandise produced by program participants.
- b) Prospective tenants currently located in other facilities in the Mat-Su region that are proposing an extension of their existing business will not be accepted. Neither will the Center consider space for a satellite office of business based outside the Mat-Su that is not committed to staffing the office from the local work force. This does not prevent an existing business from occupying space for a new or related venture or from using other services offered by the Business Development Center.
- c) Service and manufacturing businesses that intend to compete exclusively in the local market may be discouraged but not necessarily excluded from incubator space. In keeping with the Center's philosophy to foster strong economic growth and job creation in the Mat-Su region, certain start-up businesses that fall into this category may be identified as types that would benefit from the incubator format without creating hardships for similar existing businesses. The Center acknowledges the facts that (1) not all tenant businesses must be unique in nature and that (2) the growing Mat-Su economy will be able to absorb additions to certain business types.
- d) Preference will be given to businesses that (1) intend to market beyond the confines of the Mat-Su area and Alaska, that (2) make "value added" use of local natural resources, that (3) are unique to the local economy, and/or (4) will employ large numbers of local people. This preference may take the form of prime office space, reduced rents, and subsidized or additional services.

- e) In addition to the other factors mentioned above, manufacturing tenants will be screened with consideration given to the environmental impact of the business as related to the facility's ability to (1) accommodate the movement of materials and people, (2) handle waste, ventilation and noise, and (3) be compatible with other tenants and the surrounding community.

3.14 Informational Contacts:

- a) Correspondence - Matanuska-Susitna Borough Planning Department, Box 1608, Palmer, Alaska, 99645, Attn: Mary Utter
- b) Task Force Chair - Karl Eric Rye, Tel: 907-745-9583
- c) Planning Subcommittee Chair - Jim Gonski, Tel: 907-745-4255
- d) Funding Subcommittee Chair - Erma Perry, Tel: 907-373-1333
- e) Education Subcommittee Chair - Harold Newcomb, Tel: 907-376-5346

4. PROPOSED PILOT PROGRAM SCHEDULE ("C" Indicates complete)

<u>C</u> ... Establish Task Force	11/15/88
<u>C</u> ... Define Mission, Goals and Objectives	12/01/88
<u>C</u> ... Prepare Conceptual Program of Work	12/15/88
<u>C</u> ... Identify possible SBI Locations	12/15/88
<u>C</u> ... Gain Assembly Support for Conceptual Plan	01/30/89
<u>C</u> ... Hold Community Meetings on Conceptual Plan	01/30/89
_ ... Begin Negotiations for SBI Facility	02/15/89
_ ... Conduct Market Analysis	02/28/89
_ ... Prepare Preliminary Financial Feasibility	02/28/89
_ ... Apply for Federal and/or Other Funding	03/15/89
_ ... Obtain Non-Profit Corporate Status for SBI (Organization)	04/01/89
_ ... Assembly Approval of Final SBI Program	04/30/89
_ ... Receive Approval of Primary Funding	05/01/89
_ ... Open Facility and Implement Pilot SBI Program	06/01/89
_ ... Provide Detailed Progress Report to Funding Source(s)	08/31/89
_ ... Begin Full SBI Program Operation	10/01/89

4. PROPOSED BUDGET FOR PILOT PROGRAM

(Not ready for publication as of 2/2/89)

Matanuska-Susitna Business Development Center Task Force

Karl Erik Rye (Project Leader), REDCOR and Matanuska Telephone	745-9583
Gladys Dixon, Mat-Su Economic Development Corp. (REDCOR)	373-0831
John Duffy, Mat-Su Borough - Planning Director	745-9661
Minnie Fisher, Business and Professional Women's Association	376-1442
Jim Gonski, Mat-Su College and Financial Resources Group	745-4255
Ralph Hulbert, Palmer Historical Society	745-4586
Don Loesche, REDCOR	892-7111
John Loyd, Matanuska Telephone - Marketing	745-3211
Jim McGowan, REDCOR - Executive Director	345-3298
Harold Newcomb, REDCOR and Wasilla Realty	376-5346
Erma Perry, AIM Youth Employment Program	373-1333
Bruce Scott, Matanuska Electric	745-3231
Dave Soulak, Palmer City Manager	745-3271
John Stein, Wasilla City Mayor	373-9055
Bruce Strand, Key Bank	373-6100
Mary Utter, Mat-Su Borough Planning Dept.	745-9664
Chuck Vancura, Valley Hospital	745-4813

Planning Sub-committee

Jim Gonski (chair)
 John Duffy
 Don Loesche
 Karl Rye
 Dave Soulak
 Mary Utter

Funding Sub-committee

Erma Perry (chair)
 Gladys Dixon
 Ralph Hulbert
 Jim McGowan
 Bruce Strand
 Mary Utter

Education Sub-committee

Harold Newcomb (Chair)
 Minnie Fischer
 John Loyd
 Bruce Scott
 John Stein
 Mary Utter
 Chuck Vancura



Box 873542, Wasilla, AK 99687

January 9, 1989

THE MATANUSKA-SUSITNA BUSINESS DEVELOPMENT CENTER

A Small Business Incubator

Mission Statement

The Matanuska-Susitna Business Development Center mission is to assist new enterprises by providing a dynamic, synergistic environment that nurtures the development of private businesses from conception to ultimate independence while also enhancing and supporting the development of established businesses.

Goals and Objectives

1. Job Creation & Retention

- A. Establish a tenant targeting and recruitment program that encourages labor-intensive firms to locate in the incubator facility.
- B. Provide individualized assistance tailored to fit specific needs of both new and existing businesses.
- C. Maintain a flexible facility management approach.
- D. Provide a complete program of professional, technical, financial, accounting, marketing and shared office support to tenants.
- E. Assist businesses in the preparation of plans and strategies that will increase the likelihood of success.

2. Economic Diversification

- A. Promote businesses that would diversify and strengthen the local economy and help the local businesses maintain a competitive edge by providing products and services not currently available.
- B. Support and foster indigenous new businesses.

3. Fill Gaps Identified in the Local Economy

- A. Identify products and services not readily available locally and recruit businesses that would provide them.
- B. Encourage firms that specialize in "import substitution" products and services.
- C. Encourage businesses that capitalize on local products and natural resources.
- D. Encourage and promote local businesses that commit to "local hire" practices.
- E. Promote the export of "value added" natural resource products.

4. Enhance Community's Image as a Center of Productivity

- A. Implement aggressive outreach marketing and education programs.
- B. Capitalize on public relations opportunities.
- C. Sponsor periodic trade shows.
- D. Focus on businesses with a high degree of entrepreneurial spirit and potential for early results that would generate recognition for the region and the incubator program.
- E. Support the well planned development of industrial parks and commercial facilities.

5. Create Marketing Outlets for Community Products and Services

- A. Implement an aggressive marketing program for local products and services.
- B. Provide assistance and coordination between local producers and state, national and international distributors and retailers.

6. Expand the Local Tax Base

- A. Encourage firms to locate, expand and/or startup in the area.
- B. Encourage state and local government to offer incentives to businesses (particularly "value added" resource product industries) that locate, expand and/or startup in the area.
- C. Encourage and support the development of large-scale projects, i.e., Hatcher Pass Ski Resort, Wishbone Hill Coal Development, and Point MacKenzie Port projects.

- D. Enhance and maintain high quality lifestyle to attract people to locate to the area.
- E. Provide educational and training programs that develop a competitive work force.

7. Create Local Investment Opportunities in High-Growth Companies

- A. Sponsor periodic venture capital conferences and enterprise forums.
- B. Establish a venture capital advisory group to locate and attract venture capital.
- C. Provide loan and venture capital packaging assistance.
- D. Assist businesses to "go public" through the issuance of stocks and bonds or creation of limited partnerships.

8. Assist in Meeting Capital Needs

- A. Encourage low interest loans with flexible repayment plans, i.e., depending on earnings/profits.
- B. Encourage debt-equity investment programs, short-term notes on accounts receivable, etc.
- C. Secure state, federal and local grant funding wherever available.
- D. Encourage businesses that have low to moderate start-up capital requirements.
- E. Develop a public and community support network whereby support services could be provided at a reduced or even no charge.

Kaye

Exhibit 3

JOHN C STEVENS MISSISSIPPI CHAIRMAN

ROBERT C BYRD WEST VIRGINIA	MARK O MATTHEW OREGON
WILLIAM PROxmire WISCONSIN	TED STEVENS ALASKA
DANIEL E HOLLYE HAWAII	HOWELL P WELCHER JR CONNECTICUT
ERNEST F HOLLINGS SOUTH CAROLINA	JAMES A MCCLURE IDAHO
LAWTON CHILES FLORIDA	JAKE GARN UTAH
J BENNETT JOHNSON LOUISIANA	THAD COCHRAN MISSISSIPPI
QUENTIN N BURDICK NORTH DAKOTA	ROBERT W EASTEN JR WISCONSIN
PATRICK J LEAHY VERMONT	ALFONSI M DAMATO NEW YORK
JIM BASSER TENNESSEE	WARREN RUDMAN NEW HAMPSHIRE
DEMME DICONCINI ARIZONA	ARLEN SPECTER PENNSYLVANIA
DALE BUMPERS ARKANSAS	PIE V DOMINICI NEW MEXICO
FRANK R LAUTENBERG NEW JERSEY	CHARLES E GRASSLEY IOWA
TOM HAREN IOWA	DON NICLES OREGON
BARBARA A MIKULSKI MARYLAND	
HARRY REID NEVADA	

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 205 10-6025

Bus. Dev. Center

FRANCIS J SULLIVAN STAFF DIRECTOR
J KEITH BENEDEY MINORITY STAFF DIRECTOR

December 17, 1987

K. Sullivan

Leo C. Kaye
HC 30 Box 12934
Wasilla, Alaska 99687

Dear Leo:

Thanks for your letter concerning the establishment of a Small Business Incubator in the Mat-Su Valley.

I have contacted the Small Business Administration on your behalf to obtain any additional information on sources of start-up funds and advice for organizing a Small Business Incubator. I will keep you informed of any developments.

I appreciate your comment expressing support for ANWR. I will continue to do all I can at the federal level to permit environmentally sensitive exploration and development of the Arctic National Wildlife Refuge's coastal plain.

With best wishes,

Cordially,

Ted Stevens
TED STEVENS

MATANUSKA-SUSITNA BOROUGH
ASSEMBLY RESOLUTION SERIAL NO. 89- 020

A RESOLUTION OF THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH SUPPORTING
THE CONCEPT OF A SMALL BUSINESS INCUBATOR PROGRAM

WHEREAS, the Matanuska-Susitna Borough residents and businesses continue to be adversely affected by the current economic recession; and

WHEREAS, a group of concerned local professional and private citizens of the Borough have joined together to share their expertise; and

WHEREAS, the Matanuska-Susitna Business Development Center Task Force was established in November, 1988; and

WHEREAS, the purpose of this Task Force is to provide assistance and expertise in the development and implementation of a Small Business Incubator Program; and

WHEREAS, the purpose of a Small Business Incubator program is to create jobs and diversify the local economy; and

WHEREAS, a Small Business Incubator facility would provide professional, technical and financial assistance to small businesses during their "start-up" phase; and

WHEREAS, the Borough's economic development and economic stability depends primarily on small businesses; and

WHEREAS, Federal, State and local funding sources are available for implementation and operation of Small Business Incubator facilities; and

WHEREAS, the Matanuska-Susitna Borough Assembly believes that every effort should be made to improve and stabilize the Borough's economy.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the Matanuska-Susitna Borough supports the concept of a Small Business Incubator Program; and

PASSED AND APPROVED by the Assembly of the Matanuska-Susitna Borough this 17 day of January, 1989.

Dorothy A. Jones
Dorothy A. Jones, Borough Mayor

ATTEST:

Linda Dahl
Linda Dahl, Borough Clerk

Reso 89-020

MATANUSKA-SUSITNA BOROUGH
PLANNING COMMISSION RESOLUTION 89-16

A RESOLUTION OF THE PLANNING COMMISSION OF THE MATANUSKA-SUSITNA BOROUGH
SUPPORTING THE CONCEPT OF A SMALL BUSINESS INCUBATOR PROGRAM

WHEREAS, the Matanuska-Susitna Borough residents and businesses continue to be adversely affected by the current economic recession; and

WHEREAS, a group of concerned local professional and private citizens of the Borough have joined together to share their expertise; and

WHEREAS, the Matanuska-Susitna Business Development Center Task Force was established in November, 1988; and

WHEREAS, the purpose of this Task Force is to provide assistance and expertise in the development and implementation of a Small Business Incubator Program; and

WHEREAS, the purpose of a Small Business Incubator program is to create jobs and diversify the local economy; and

WHEREAS, a Small Business Incubator facility would provide professional, technical and financial assistance to small businesses during their "start-up" phase; and

WHEREAS, the Borough's economic development and economic stability depends primarily on small businesses; and

WHEREAS, Federal, State and local funding sources are available for implementation and operation of Small Business Incubator facilities; and

WHEREAS, the Matanuska-Susitna Borough Planning Commission believes that every effort should be made to improve and stabilize the Borough's economy.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the Matanuska-Susitna Borough supports the concept of a Small Business Incubator Program; and

PASSED AND APPROVED by the Planning Commission of the Matanuska-Susitna Borough this 16th day of January, 1989.

John Duff
John Duff, Planning Director

ATTEST:

Mary Utter
Mary Utter, Planning Clerk

A RESOLUTION OF THE CITY OF PALMER
PLANNING AND ZONING ADVISORY COMMISSION

A RESOLUTION OF THE PLANNING AND ZONING ADVISORY COMMISSION OF THE CITY OF PALMER SUPPORTING THE SMALL BUSINESS INCUBATOR PROGRAM DEVELOPMENT EFFORTS OF THE MATANUSKA-SUSITNA BUSINESS DEVELOPMENT CENTER TASK FORCE.

WHEREAS, residents and businesses within the City of Palmer and Matanuska-Susitna Borough continue to be adversely affected by the current economic recession; and

WHEREAS, through the leadership of the Matanuska-Susitna Regional Economic Development Corporation (REDCOR), a group of concerned local professional and private citizens of the Borough have joined together to share their expertise; and

WHEREAS, the Matanuska-Susitna Business Development Center Task Force was established in November, 1988; and

WHEREAS, the purpose of this Task Force is to provide assistance and expertise in the development and implementation of a Small Business Incubator Program; and

WHEREAS, the purpose of a Small Business Incubator Program is to create jobs and diversify the local economy; and

WHEREAS, a Small Business Incubator facility would provide professional, technical and financial assistance to small businesses during their "start-up" phase; and

WHEREAS, the Task Force proposes to establish a Small Business Incubator facility within the City of Palmer; and

WHEREAS, the City and Borough economic development and stability depends primarily on small businesses; and

WHEREAS, Federal, State and local funding sources are available for implementation and operation of Small Business Incubator facilities; and

WHEREAS, the City of Palmer Planning and Zoning Advisory Commission believes that every effort should be made to improve and stabilize the City and Borough economy.

NOW, THEREFORE, BE IT RESOLVED that the Planning and Zoning Advisory Commission of the City of Palmer supports the Small Business Incubator concept and the development efforts of the Matanuska-Susitna Business Development Center Task Force; and

BE IT FURTHER RESOLVED that the Commission urges the support of the Palmer City Council for the Small Business Incubator concept and the Task Force.

Passed and approved by the Planning and Zoning Advisory Commission of the City of Palmer this 12th day of January, 1989.


KARL ERIC RYE, CHAIRMAN


DAVID L. SOULAK, CITY CLERK

RESOLUTION NO. 89-1

A RESOLUTION OF THE MAT-SU CONVENTION AND VISITORS BUREAU SUPPORTING THE SMALL BUSINESS INCUBATOR CONCEPT AND THE DEVELOPMENT EFFORTS OF THE MATANUSKA-SUSITNA BUSINESS DEVELOPMENT CENTER TASK FORCE.

WHEREAS, Tourism in the borough has slowed due to lack of infrastructure including businesses with a high degree of entrepreneurial spirit; and


WHEREAS, visitors to Alaska seek our local products, natural resources and 'Alaska Grown'; and

WHEREAS, the visitor industry is in need of hospitality training programs that develop a competitive work force; and

WHEREAS, tourism on an international level is assisting in the creation of a 'GLOBAL ECONOMY'!

NOW, THEREFORE, BE IT RESOLVED that the MAT-SU CONVENTION AND VISITORS BUREAU supports the Small Business Incubator concept and the development efforts of the Matanuska-Susitna Business Development Center Task Force.

PASSED and APPROVED by the MSCVB
January 26, 1989.


Wayne Burkhardt, President MSCVB



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99687
PHONE: 373-9050

RESOLUTION NO. WR89-06

A RESOLUTION OF THE CITY COUNCIL OF WASILLA, ALASKA SUPPORTING THE SMALL BUSINESS INCUBATOR CONCEPT AND THE DEVELOPMENT EFFORTS OF THE MATANUSKA-SUSITNA BUSINESS DEVELOPMENT CENTER TASK FORCE

WHEREAS, residents and businesses within the City of Wasilla and Matanuska-Susitna Borough continue to be adversely affected by the current economic recession; and

WHEREAS, through the leadership of the Matanuska-Susitna Regional Economic Development Corporation (REDCOR), a group of concerned local professional and private citizens of the Borough have joined together to share their expertise; and

WHEREAS, the Matanuska-Susitna Business Development Center Task Force was established in November, 1988; and

WHEREAS, the purpose of this Task Force is to provide assistance and expertise in the development and implementation of a Small Business Incubator Program; and

WHEREAS, the purpose of a Small Business Incubator Program is to create jobs and diversify the local economy; and

WHEREAS, a Small Business Incubator facility will provide professional, technical and financial assistance to small businesses during their "start-up" phase; and

WHEREAS, the Task Force will be seeking to establish a Small Business Incubator facility in the Wasilla area; and

WHEREAS, the City and Borough economic development and stability depends primarily on small businesses; and

WHEREAS, Federal, State and local funding sources are available for implementation and operation of Small Business Incubator facilities; and


WHEREAS, the Wasilla City Council believes that every effort should be made to improve and stabilize the City and Borough economy.

NOW, THEREFORE BE IT RESOLVED that the Wasilla City Council supports the Small Business Incubator concept and the development efforts of the Matanuska-Susitna Development Center Task Force.

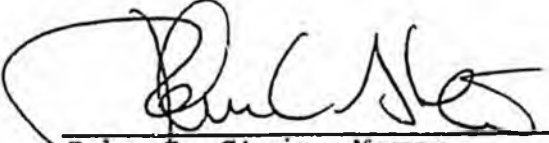
I certify that a resolution in substantially the above form was passed by a majority of those voting at a duly called and conducted meeting of the governing body of the City of Wasilla this 23 day of January, 1989.

ATTEST:

APPROVED:



Erling P. Nelson, C.M.C.
City Clerk



John C. Stein, Mayor

(Seal)

A RESOLUTION OF THE PALMER CHAMBER OF COMMERCE BOARD OF DIRECTORS SUPPORTING THE SMALL BUSINESS INCUBATOR CONCEPT AND THE DEVELOPMENT EFFORTS OF THE MATANUSKA-SUSUTNA BUSINESS DEVELOPMENT CENTER TASK FORCE

WHEREAS, residents and businesses within the Matanuska-Susitna Borough continue to be adversely affected by the current economic recession; and

WHEREAS, Under the leadership of the Matanuska-Susitna Regional Economic Development Corporation (REDCOR), concerned local professionals and private citizens have joined together to share their expertise; and

WHEREAS, the Matanuska-Susitna Business Development Center Task Force was established in November, 1988; and

WHEREAS, the purpose of this Task Force is to provide assistance and expertise in the development of a Small Business Incubator Program; and

WHEREAS, the purpose of a Small Business Incubator Program is to create jobs and diversity the local economy; and

WHEREAS, a Small Business Incubator facility would provide professional, technical and financial assistance to small businesses during their "start-up" phase; and

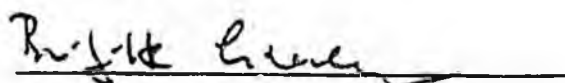
WHEREAS, the Borough's economic development and stability depends primarily on small businesses; and

WHEREAS, Federal, State and Local funding sources are available for implementation and operation of Small Business Incubator facilities; and

WHEREAS, the Palmer Chamber of Commerce believes that every effort should be made to improve and stabilize the Borough's economy.

NOW, THEREFORE, BE IT RESOLVED that the Palmer Chamber of Commerce supports the Small Business Incubator concept and the development efforts of the Matanuska-Susitna Business Development Center Task Force.

PASSED AND APPROVED by the Palmer Chamber of Commerce Board of Directors this 18th of January, 1989.



Brigitte Lively, President

A RESOLUTION OF THE MAT-SU DEMOCRATS (DISTRICT 16) SUPPORTING THE SMALL BUSINESS INCUBATOR CONCEPT AND THE DEVELOPMENT EFFORTS OF THE MATANUSKA-SUSUTNA BUSINESS DEVELOPMENT CENTER TASK FORCE

WHEREAS, residents and businesses within the Matanuska-Susitna Borough continue to be adversely affected by the current economic recession; and

WHEREAS, Under the leadership of the Matanuska-Susitna Regional Economic Development Corporation (REDCOR), concerned local professionals and private citizens have joined together to share their expertise; and

WHEREAS, the Matanuska-Susitna Business Development Center Task Force was established in November, 1988; and

WHEREAS, the purpose of this Task Force is to provide assistance and expertise in the development of a Small Business Incubator Program; and

WHEREAS, the purpose of a Small Business Incubator Program is to create jobs and diversity the local economy; and

WHEREAS, a Small Business Incubator facility would provide professional, technical and financial assistance to small businesses during their "start-up" phase; and

WHEREAS, the Borough's economic development and stability depends primarily on small businesses; and

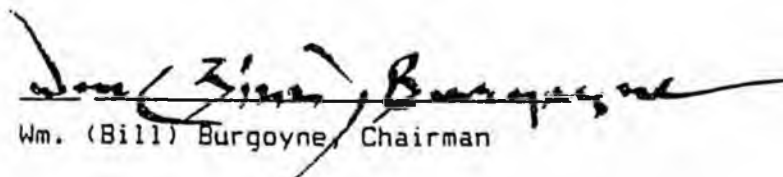
WHEREAS, Federal, State and Local funding sources are available for implementation and operation of Small Business Incubator facilities; and

WHEREAS, District 16 Democrats believe that every effort should be made to improve and stabilize the Borough's economy.

NOW, THEREFORE, BE IT RESOLVED that the Mat-Su Democrats (District 16) support the Small Business Incubator concept and the development efforts of the Matanuska-Susitna Business Development Center Task Force; and

BE IT FURTHER RESOLVED in order to assist in the establishment of a Small Business Incubator Program in the Matanuska-Susitna Borough, individual members of the Mat-Su Democrats have donated the sum of \$300.00 dollars to REDCOR for express use by the Task Force.

PASSED AND APPROVED by the Mat-Su Democrats January 12, 1989.


Wm. (Bill) Burgoyne, Chairman

NOTE:
A Similar Resolution from
the District 16 Republicans
was passed, but the
copy has yet to be received

ices rk

it answer questions
e in the wholesale
tailers were watch-
osely to see what
ors were doing.
s out that the majors
g prices," said one
ation owner. "The
the way up, but it's
story. They could go
w."

nd some retail gaso-
under \$1 since Oc-
7, when the major
pped their price to
1.02 to 99.7 cents.
ne price hike burrs
it could be a good
Alaska economy,
narily based on oil
ction.

rices could reflect a
world oil prices fol-
luction agreement by
artel. Alaska crude
r \$17.50 on the spot
ck after dropping to



Gas prices are looking up and so may the state economy.

rogram gets disaster test

d of like the fire de-
ing its fire drills
late if you wait un-
happens," said Lt.
of the Alaska Nation-

disaster emergency
is located on Bogard
the state Division of
Services shares a
with the Alaska Na-
Representatives of
departments were on

hand to pretend that a disaster like
the 1986 Mat-Su flood had struck
part of Alaska.

Cowper kicked things off at 10
a.m. on Saturday when his voice
emerged from the mobile homes
which serve as headquarters for
the Division of Emergency Ser-
vices.

"We have him on Memorex, as
opposed to real life," Haller said.
The tape recorded message was

carried through MTA telephone
lines to the Emergency Broadcast
System, which includes dozens of
radio and television stations and
RATNET, the Rural Alaska Tele-
vision Network.

For the first time, the test in-
cluded a toll-free telephone num-
ber which listeners were encour-
aged to call, so that officials could
tell just how well their disaster
test worked.

Bears join Trooper program

zes, dressed in caps
with hearts on their
uh ribbons around

John Murphy, head
detachment, has al-
e bears at work.

or an accident on the
ay on my way to
The woman had two
n with her, two and
d... an Anchorage
ived and he had two
runk. As soon he
s to the children they
alking and playing
her while I finished
c with their mother."
orough Mayor Dor-
and other officials
ears of their own at
ent.

times I could use it
" Jones said, laugh-

ls 85 miles a day
na to her office in
as often come across

accidents. "There's nothing worse
than seeing a child who is scared,
crying and unsure of what's going
on," she said. "Buddy Bears will
help."

The Palmer Emblem Club, an
affiliate of the Elks, is helping to
coordinate the program in the
Valley.

The program's organizers plan
to collect enough bears to last a
year. Already close to 500 bears
and a variety of other small
stuffed animals, including a small
child's donation of her baby doll
and blanket, have been contribut-
ed.

The Buddy Bear Patrol accepts
donations of new or like-new ted-
dy bears under 12 inches tall.
Other small stuffed animals are
accepted, Olson.

Vivian Heilman at the Caboose
Lounge recently issued a chal-
lenge to all Mat-Su bars to meet
or beat her pledge of 100 bears
for the patrol. "It's working," she
said, "they're starting to respond."

She is already on her way to her
first 100 bears. "I cleaned out my
kids' closets and came up with 28
bears!"

Donated bears can be dropped
off in a collection basket near a
display window in the mall. Each
morning the bears are collected
and placed in the window.

Other collection points around
the borough include Blossoms &
Bygones in Palmer (where another
window will be filled with dona-
tions), the Cottonwood Creek
Public Safety Building, Sutton
Fire Hall, Wasilla Fire Hall, Sun-
shine Clinic at Mile 98 Parks
Highway, Willow Elementary, the
EastLake Mall in Big Lake, and
MTA's offices in Palmer and
Wasilla.

Monetary contributions to the
program are also accepted. Send
contributions to: Mat-Su Buddy
Bear Patrol, C/O Palmer Emblem
Club 338, P. O. Box 516, Palmer
99645.

Business incubator gets funds

Assembly votes
to spend \$16,000

By ERIC TROYER

FRONTIERSMAN STAFF

The Mat-Su Borough Assembly
voted last week to spend \$16,000
to help start a small business incu-
bator program.

Of the total amount \$5,000 is
earmarked for a preliminary mar-
ket analysis and \$11,000 is for
three people to visit other incubator
programs. The funding was
passed 6-1 with Assemblyman
Ted Smith dissenting.

"I'm not comfortable with
\$11,000 to send a bunch of people
Outside to some unspecified loca-
tions that may or may not help the
program," he said.

Smith made a motion to cut the
\$11,000, but no one would offer a
second so the motion died.

After the vote, Borough Plan-
ning Director John Duffy said the
people would probably visit incu-
bator programs in Pueblo, Colo.,
Everett, Wash., and Portland, Ore.
The planning department will
manage the funds.

Assemblyman Norm Levesque
said if started the program would
be the first of its kind in Alaska.

"Maybe for once we'll show
some leadership," he said.

Assemblywoman Eleanor Mal-
apanes pointed out that once start-
ed the program could be eligible
for some federal funds.

The incubator program has been
championed by the Regional Eco-
nomic Development Corporation.
The program's goal is to help
small businesses get started by
providing professional, technical
and financial assistance.

REDCOR has a 14-member
task force that is studying the idea
of the program. Two members of
the task force as well as a member
of the borough will visit the other
incubator programs.

The market analysis will help
determine how much and what
kind of space and expertise is
needed for the program.

The Assembly also voted unani-
mously to support the concept of
a "Forest Stewardship Agreement
Act" proposed by REDCOR, step-
ping away from actually support-
ing the act. Forest stewardship is
management of timber as a re-
newable resource.

Assemblywoman Rose
Palmquist said she was concerned
that backing away from the act
might slow down legislation on
forest stewardship.

But Smith, a former state forest-
ry department head, argued that
the bill had a number of problems
and needed to be refined.

"I don't think this bill is the one
we should specifically support,"
he said.

Business

Group eggs on business incubator program

By BILL KELDER
Times Valley Bureau

WASILLA — In an attempt to revitalize the Matanuska-Susitna Borough's sagging economy, the Regional Economic Development Corp., or Redcor, is trying to start a small business incubator program in the borough.

"One thing we've found in our research is that it is better to start small, grow and keep growing, than it is to start big," said Karl Rye, a planner for the Matanuska Telephone Association and a member of Redcor's board of directors.

The incubator program is designed to

help new businesses get started by providing a location, and business and marketing expertise and advice.

The program has been established in several U.S. communities and has been successful, Rye said.

"It's a very complex program that can be greatly successful," said Mike Siemion, the federal Small Business Administration's director of business development in Anchorage. He said only about 10 percent of new businesses in America succeed, "but under the incubator program they have something like a 75 percent success rate."

Essentially, he said, the incubator program is run by businesses and other people in a local community. "The degree of success depends to a large extent on the competence and commitment of those people," Siemion said. "It also usually requires a long-term investment on the part of the community sponsoring the program, and seed money for a capital fund that is dedicated to the project."

Rye said the incubator program is still in the conceptual stage. Even so, he convinced the Matanuska-Susitna Borough Assembly last week to approve \$16,000 in seed money for the project. The money is

allocated to the borough's planning department, which will oversee how it is spent on the incubator project.

"We've contacted Gov. Steve Cowper's office on this and Sen. Ted Stevens' office in Washington, D.C., and both have expressed support for the concept," Rye said Tuesday.

Working with Rye is Erma Perry. Perry directs the Valley's AIM (American Improvement Matrix) program, a non-profit operation that tries to train and place young adults and minorities in permanent jobs.

See Business, page D-8

Business: Manufacturing in community

Continued from page D-4

"We've talked to Sen. Stevens about the possibility of using the AIM program here in conjunction with the small business incubator program. He was very positive about the possibility of getting some additional federal funding for the program because of that," Perry said. "Stevens has his staff working on it now."

What Rye and Perry hope to do is locate an empty site in the borough that would serve as the start-up facility for the program.

"We would place new businesses in the facility, where they would share the lease at low rates, and share office equipment and supplies to help keep their initial overhead down to get them started," Rye said. "They

would also have access to a wide range of professional, technical and financial programs.

"The bottom line is that the incubator program is nothing more than people in a community helping to stimulate their economy by encouraging new businesses to start up there," Rye said.

Perry said the federal AIM program could help even more if it's possible to work the two programs together.

Under the AIM program, training costs are paid by the program, along with part of an employee's workman's compensation payments.

Rye said a panel would be formed to take business ideas from the community and recommend which should be part of the program. He said the new businesses would not compete with

existing businesses.

"We're not looking at taking another piece out of the Mat-Su borough's economic pie, we're looking at trying to make that pie bigger," he said.

Initially, Rye hopes the program can help get a small manufacturing business, or a number of them, going in the borough. "But we'll listen to any good proposal," he said.

The incubator program draws on the experience and expertise of the people in the community it serves, Siemion said. "If they know what they're doing, the program can work fine. If not, well . . ."

By focusing the program's initial efforts on manufacturing, Rye said he hopes to turn the Valley's economy around. "It

will help us move from an economy based upon consumption to one based upon production," Rye said. "And it can provide job opportunities, on a small scale, much quicker than some of the large development projects that have been proposed."

The incubator concept is supported by the Palmer Chamber of Commerce, the borough and the Palmer Planning Commission.

Siemion said Alaskans will have an opportunity to learn more about the incubator program in March. Mary Jean Rynn, the executive director of Evergreen Development Co. in Seattle, will give a daylong seminar on the incubator program at the Anchorage Hilton Hotel on March 2.



MEA's POWER LINES



Vol. III, No. 34

Published by Matanuska Electric Association, Inc.

December 1988

Program could create new jobs

MEA considers 'incubating' businesses

MEA is in negotiations with a Mat-Su development corporation to see if the co-op's former headquarters building could be used to house a small-business incubator program, designed to develop new businesses and create jobs.

The co-op's Board of Directors on Nov. 15 directed staff to negotiate an agreement with the Mat-Su Regional Economic Development Corp. (REDCOR) to rent or lease MEA's office building on East Elmwood Avenue in downtown Palmer. But directors also said that other, better offers for the building, if any, should be brought before the board.

General Manager Jim Palin said the empty building costs MEA approximately \$56,000 a year in depreciation, interest payments, insurance and maintenance costs. The building, which is for sale, has been vacant since MEA moved in July 1987 into a new headquarters building adjacent to the Palmer Industrial Park.

According to information provided the board by REDCOR representative Karl Rye of Palmer, incubators are facilities in which a number of new and growing businesses operate under one roof, sharing services and equipment. The businesses pay low rents, at least

initially, and have access to a wide range of professional, technical and financial programs intended to help them succeed.

Rye said REDCOR intends to approach the Mat-Su Borough Assembly, the state and local businesses to obtain the funding for a local small-business incubator program. Although there are



MEA Vice President Barbara J. "Tamie" Miller of Wasilla receives her Director's Certificate from National Rural Electric Cooperative Association (NRECA) Executive Director Bob Bergland. Miller completed 15 hours of NRECA courses on planning, finance and management to earn the certificate.

not yet any in Alaska, incubator programs are in place throughout the Lower 48.

Incubators may be "start-up" firms, or may include a mix of new and growing businesses — research and development, assembly and light manufacturing, advanced technology, service and retail. Rye said that service or retail firms that would directly compete with established local businesses usually are not considered for incubation projects.

To help them succeed, the businesses usually share a wide range of office facilities and services, the cost of which may be too burdensome for a business struggling to get on its feet. These shared services may include secretarial support, automated office equipment, maintenance and security services, day care programs, utility costs and telecommunication equipment or even laboratory equipment and facilities.

Incubator tenants also receive professional assistance in developing or modifying a business plan, on accounting and taxes, financing, planning and research, marketing and advertising, exporting, procurement contracts and other legal matters.

To have safe holidays, you better 'watts' out

During one of the most joyous times of the year, people have lost their homes, and sometimes their lives, by failing to keep safety at the forefront of their holiday celebrations, said MEA Safety Director Al Stevens.

"MEA wants you to have a joyful season, not a tragic one," he said. "Christmas trees placed too close to baseboard heaters or fireplaces have made their owners homeless. You should place the tree away from any heating or drying sources, and make sure it doesn't block any doorways or exits."

Stevens offered these other holiday safety tips:

Dried-out trees and needles are ex-

tremely flammable, so select a fresh tree. The butt should be sticky with sap. (To test, scrape the bottom with a knife.) Keep the tree fresh by mounting it in a water-holding stand. If you use an artificial tree, make sure it is fire-resistant.

Use only lights and electrical cords that bear the "UL" marker, which indicates they meet safety standards. Inspect light strings and cords for fraying, bare wire, loose connections and broken sockets. "Light sockets and strings are so hard to repair, you're probably better off replacing them," Stevens says.

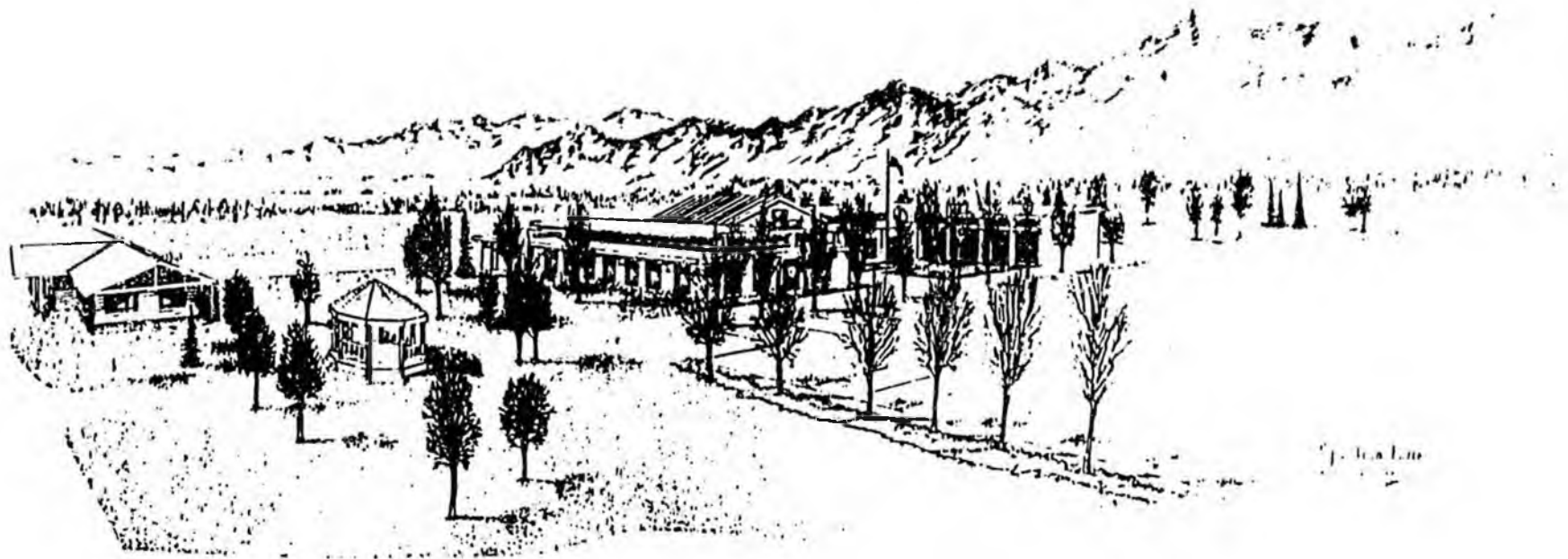
If you have a metal tree, use only indirect lighting. If lighting cords are

placed directly on metal trees, they can become "charged" and dangerous.

Use only fireproof or fire-resistant decorations. Don't decorate your tree with small ornaments that look like food or candy, but aren't; small children might eat them.

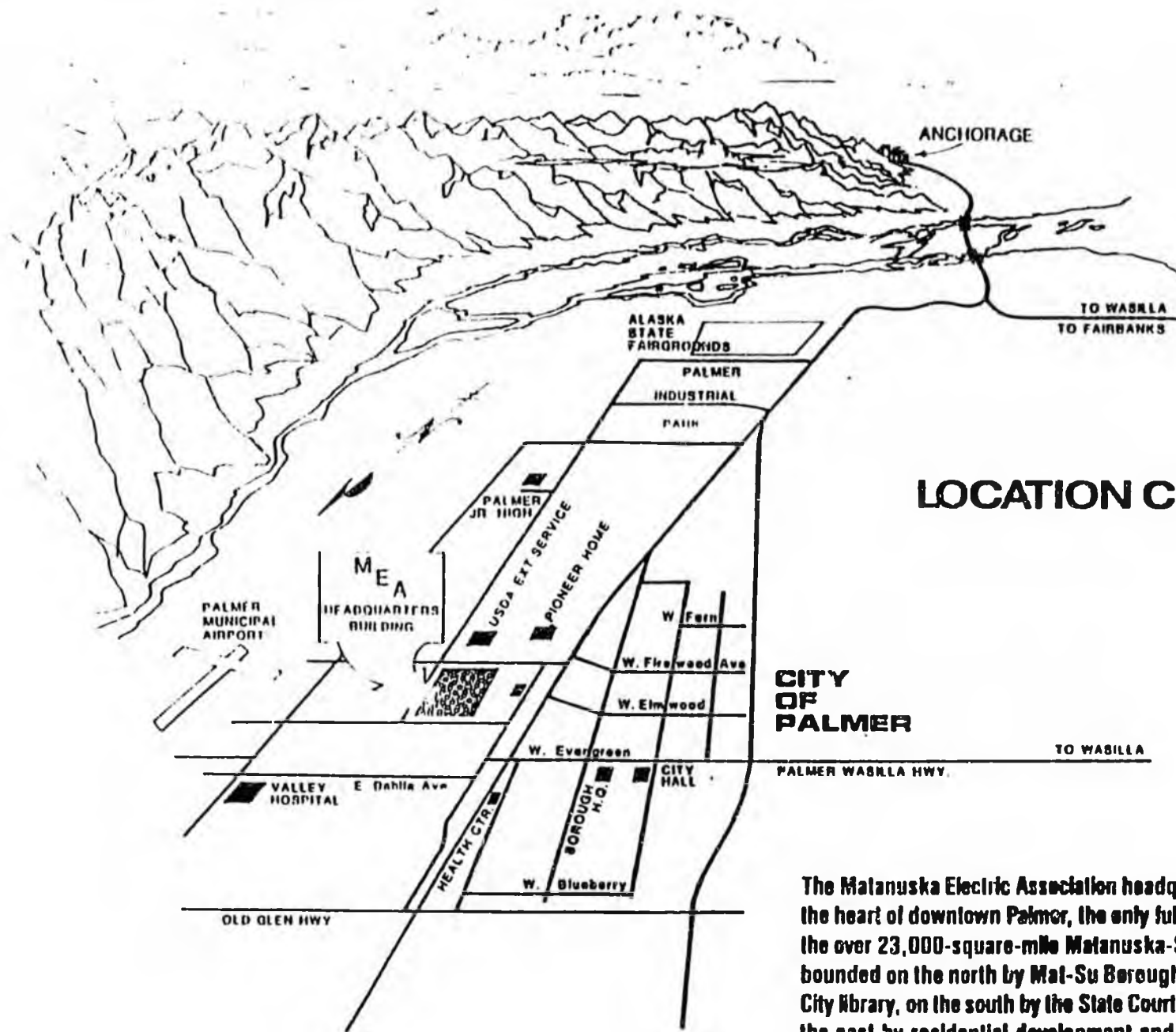
Dispose of wrapping paper safely. Tossing it into stoves and fireplaces is dangerous. The paper flares easily and burns "hot," and has caused household fires.

As a final safety precaution, you might consider unplugging light cords when no one is around to guarantee that all's well — particularly if you have active pets that could be tempted to knock over the tree.



GRAPHIC B

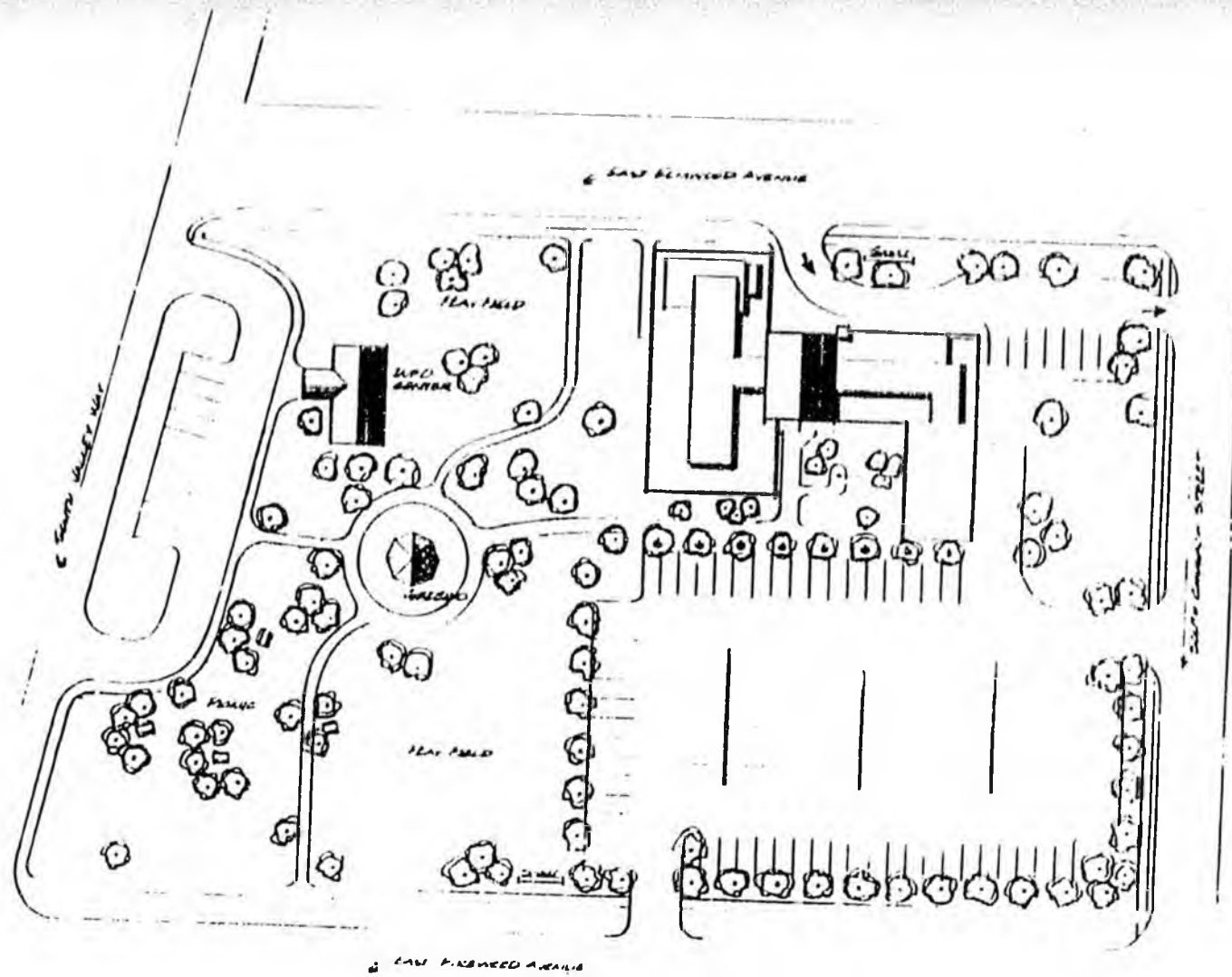
An illustrated design for the entry way, landscaping and gazebo for public use.



LOCATION COUNTS

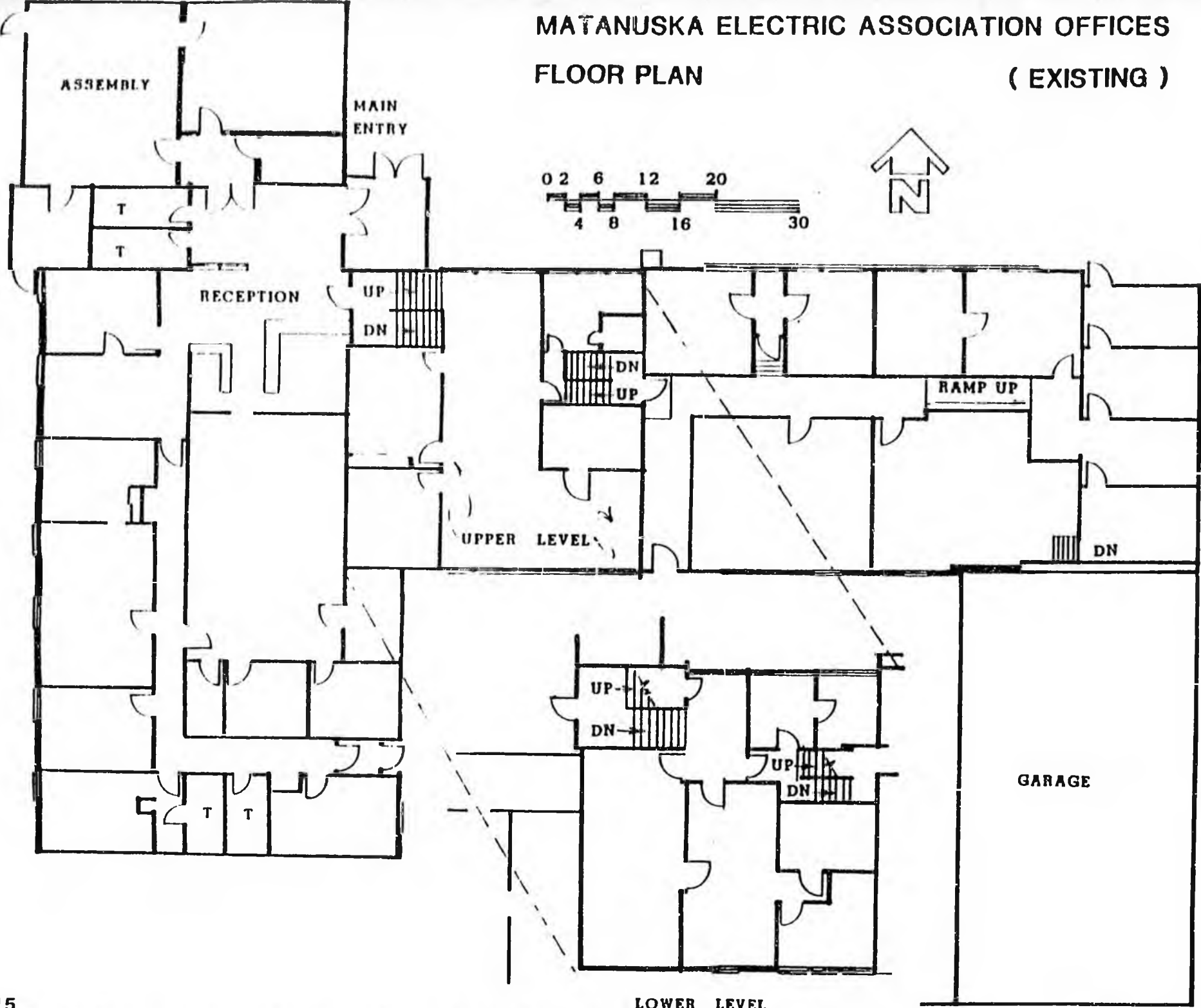
The Matanuska Electric Association headquarters building is located in the heart of downtown Palmer, the only fully serviced home rule city in the over 23,000-square-mile Matanuska-Susitna Borough. The site is bounded on the north by Mat-Su Borough headquarters and the new City Library, on the south by the State Courthouse and Pioneer Home, on the east by residential development and on the west by the Palmer Visitor Information Center and downtown business district.

The Glenn Highway is the major north-south arterial in and out of Palmer. This highway carries traffic from Palmer and nearby Wasilla northeast to the infamous Alaska Highway, and 50 miles south to Anchorage, Alaska's largest city and transportation hub.



AN ADAPTIVE REUSE OF MAT. ELECTRIC ASSOC. BUILDING

MATANUSKA ELECTRIC ASSOCIATION OFFICES
FLOOR PLAN
(EXISTING)



S C R

27

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 3/23/89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

3/23/89

DATE TURNED INTO OFFICE 4/3/89

Mr. President:

Labor & Commerce

Committee considered

SCR 27

Urging the Alaska Housing Market Council to develop a statewide housing policy for the decade of the 1990's

and recommended:

replace with CS _____ same title

attached amendment(s) and new title

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

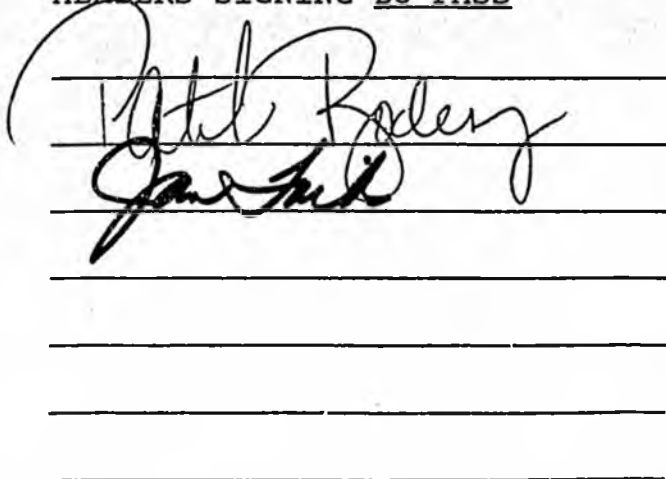
further referral to finance

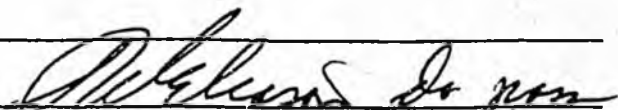
FISCAL NOTE(S) attached zero
 appropriation no FN attached

fiscal impact
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS




Chair: signature and recommendation

Committee backup attached

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SCR 27
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Economic Dev.
Title: Urging AHMC to develop a statewide housing policy BRU: Alaska Housing Market Council
Sponsor: Senate Sp. Comm., Banking & Economic Dev. Components: _____
Requester: Senate Labor & Commerce

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Linda Wild, Special Assistant
Division: Commissioner's Office

Phone: 465-2500
Date: _____

Approved by Commissioner: Larry Mercurieff
Agency: Department of Commerce & Economic Development

Phone: 465-2500
Date: 3/30/89

Distribution (by preparer):

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

page ____ of ____

3687D-2/033089a

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SCR 27
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: 4-4-89 Agency Affected: Commerce & Economic Dev.
Title: Urging AHMC to develop a statewide housing policy BRU: Alaska Housing Market Council
Sponsor: Senate Sp. Comm. Banking & Econ Components: _____
Requester: Senate Labor & Commerce

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	9.5	16.3				
TRAVEL	32.9	32.0				
CONTRACTUAL	1.7	2.1				
SUPPLIES	.2	.2				
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	44.3	50.6	0	0	0	0

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

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

FUNDING: (Thousands of dollars)

GENERAL FUND	44.3	50.6				
FEDERAL FUNDS						
OTHER						
TOTAL	44.3	50.6				

POSITIONS:

FULLTIME			0	0	0	0
PARTTIME						
TEMPORARY	1	1				

ANALYSIS: (Attach a separate page if necessary.)

The amounts shown in this fiscal note are for informational purposes only. As funding for the development of a statewide housing policy is included within AHMC's operating budget, no new funds are required.

Prepared by: Glenda Straube, Executive Director
Division: Alaska Housing Market Council

Phone: 563-3325
Date: 4-3-89

Approved by Commissioner: Larry Mercurieff
Agency: Department of Commerce & Economic Development

Phone: 465-2500
Date: 4/4/89

Distribution (by preparer):

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

ALASKA HOUSING MARKET COUNCIL
HOUSING POLICY DEVELOPMENT COMMITTEE
SCR 27

	<u>FY 89</u>	<u>FY 90</u>
EXPENDITURES:		
Salaries	\$8,956	\$15,373
Benefits (One temporary full-time staff person)	549	942
Total Personal Services	9,505	16,315
Total Travel	32,911	32,028
(Air fare and per diem for six meetings in Anchorage, three meetings in Juneau, one meeting in Fairbanks, one meeting in Homer, and one meeting in Bethel)		
Total Contractual (Meeting Room Costs)	1,740	2,120
Total Supplies (Misc. Office Supplies)	<u>150</u>	<u>150</u>
TOTAL EXPENDITURES:	<u>\$44,306</u>	<u>\$50,613</u>



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

ADMINISTRATIVE ORDER NO. 94

As a result of current economic conditions, the housing market in Alaska is currently unstable, and in a state of decline. It is in the best interests of the people of Alaska, and necessary for efficient administration, that interagency policies and programs of the State of Alaska affecting the housing market be coordinated, and that the governor and legislature of the state be advised of current market conditions and policy options.

Therefore, I, Steve Cowper, Governor of the State of Alaska, under the authority granted by art. III, secs. 1, 23, and 24 of the Alaska Constitution and by AS 44.17.060 and AS 44.-19.145(c), order the following:

Section 1. Creation and Composition.

The Housing Market Council is hereby created within the Department of Commerce and Economic Development, under the Alaska State Building Authority. The council consists of the commissioner of commerce and economic development and a representative of the Alaska State Building Authority, the Alaska Industrial Development Authority, the Alaska Housing Finance Corporation, and the Alaska Permanent Fund. Other members of the council may, from time to time, be appointed by me.

Section 2. Responsibilities.

The Housing Market Council shall coordinate interagency housing policy and shall advise myself and the legislature on Alaska housing market conditions and policy options for the State of Alaska. The council shall serve as a forum for all housing interests, including special consumers, owners, investors, and housing-industry-related entities.

Section 3. Administration.

The Housing Market Council shall maintain its own administrative structure but is not subject to the provisions of AS 37.07 (Executive Budget Act) or AS 39.25 (State Personnel Act). I will appoint a chief executive officer to serve at my pleasure. Subject to the availability of money, the chief executive officer may, with concurrence of a majority of the council, employ necessary personnel to conduct the business of the council.

Section 4. Funding.

The operations of the Housing Market Council will be funded by an initial contribution from the Alaska State Building Authority general funds previously pledged for payment to the State of Alaska. Similar contributions to the council will be made by the Alaska Industrial Development Authority, the Alaska Housing Finance Corporation, and the Alaska Permanent Fund, as members of the council and subscribers to its services.

Section 5. Annual Report.

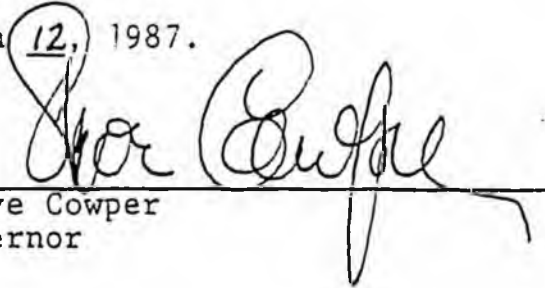
The Housing Market Council shall submit an annual report to me and the legislature on the condition of the housing market in Alaska and on pertinent policy options available to the State of Alaska by January 1, 1988, and annually thereafter. The council is subject to an annual independent audit.

Section 6. Duration.

The Housing Market Council shall cease to exist no later than three years from the date of this order, unless it is extended by subsequent administrative order or legislation.

This order takes effect immediately.

DATED at Juneau, Alaska March 12, 1987.


Steve Cowper
Governor

S C R

29

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 4/13/89
IN ACCORDANCE WITH UNIFORM RULE '23

4/3/89

FURTHER

FIN

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 4/11/89

Mr. President:

L&C

Committee considered

SCR 29

investment of the state's public trust funds

and recommended:

replace with CS _____ same title

attached amendment(s) and new title

_____ letter of intent adopted

do pass

do not pass

no recommendation

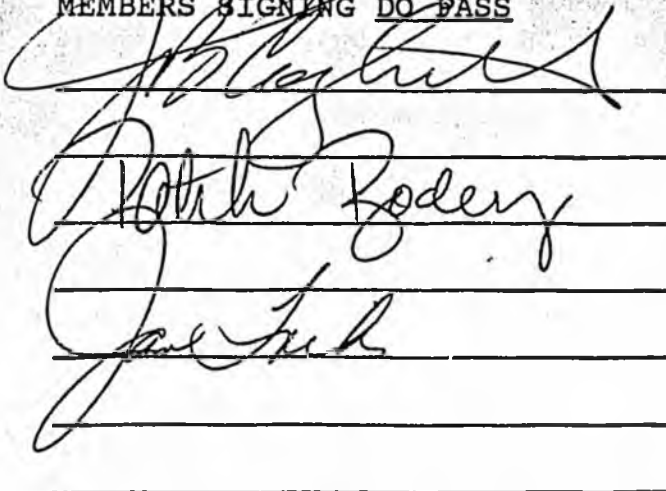
individual recommendations

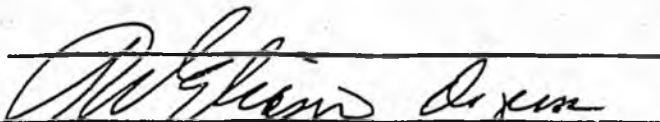
further referral to _____

FISCAL NOTE(S) attached Dept of Revenue - 4/10/89
 zero fiscal impact
 appropriation no FN attached Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS




Chair: signature and recommendation

Committee backup attached

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Revenue
 Title: Investment of the State's BRU: Treasury
Public Trust Funds
 Sponsor: Senate Special Committee on Components: _____
Banking and Development
 Requestor: Senate Labor and Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
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
LANDS & 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	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

ANALYSIS: attach a separate page for analysis.

Prepared By: Milt Barker *MB* Phone: 465-2350
 Division: Treasury Date: _____

Approved by Commissioner: Hugh Malone *Rep. W/L FOR* Date: 4/10/89
 Agency: Department of Revenue

Distribution (by preparer):

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

Re: SCR 29



**ANCHORAGE
ECONOMIC
DEVELOPMENT
CORPORATION**

**ENCOURAGING VENTURE CAPITAL FUNDS
TO PURSUE ALASKA OPPORTUNITIES**

Purpose: Use Alaska's tremendous financial clout to encourage large venture capital funds to actively search out Alaska opportunities.

Need: The collapse of Alaska real estate values and financial institutions has destroyed much of Alaska's wealth that was previously available to finance new ventures. At the same time, Alaska public retirement funds and the Alaska Permanent Fund prefer to maintain their nationwide diversification policies. There exists a need to somehow address Alaska's need for investment capital without compromising the integrity of its important public trust funds.

Structure: This proposal envisions nothing more than a resolution of the legislature. It will encourage the managers of Alaska's public trust funds to invest a small portion of their portfolios in large, stable, high-grade venture capital funds on the condition that the venture capitalists actively pursue viable Alaska opportunities. This will diversify and enhance the portfolios of our public trust funds while greatly improving Alaska entrepreneurs' access to equity capital.

Cost: No appropriation will be required. The public trust funds will benefit from the generally attractive returns from high-grade venture capital funds.

550 West 7th Avenue
Suite 850
Anchorage, AK 99501
Telephone (907) 258-3700

Monthly Report

Tom Lawson, Acting Director

ALASKA

DEPARTMENT OF COMMERCE
AND ECONOMIC DEVELOPMENT
DIVISION OF BUSINESS DEVELOPMENT

February 1989

ARDOR Program Up and Running: The Alaska Regional Development Organizations (ARDOR) program went into effect beginning February 22. Interest in the program has been expressed from all areas of the state. By the end of February, four designation and funding applications were filed and are being processed: Kenai Economic Development District, Southwest Municipal Conference, Anchorage Economic Development Corporation, and the Southeast Conference.

Under the provisions of the ARDOR program, an economic development district formally recognized by the U. S. Economic Development Administration is automatically designated as the ARDOR for the region it serves. As a result, the Kenai Economic Development District is the first officially designated ARDOR. A designated ARDOR is entitled to receive up to \$50,000 a year in matching funds for a maximum of five years to develop and implement an economic development strategy.

DBD Year-end Report Published: In response to numerous requests for information on various projects and programs, the division published a Year-end Report covering major activities of the division during 1988. Copies of the report are available upon request.

Alaska Business Incentives Publication Due: Work has started on a complete revision of the division publication, *Business Incentives in Alaska*. Staff intern Kaaren Kubley is currently engaged in background interviews and data collection; the final publication should be available by mid-May and will be used as a basic industrial attraction tool for general distribution and for use in responding to the increasing number of requests this office receives to update national media databases.

Alaska Venture Capital Fund Considered: The major thrust of the venture capital program has centered on the creation of a venture capital fund to invest in Alaskan enterprises. Governor Cowper announced the formation of a working group to assess the advisability and feasibility of the state providing seed funds to attract a venture capital firm or firms to establish an Alaska base of operations.

Small Business Counseling Center (SBCC) Hires New Manager: The Juneau office of the SBCC has announced the appointment of Stephen Street to succeed Ron Walt as branch manager. With an MBA from the University of Denver, School of Business, Mr. Street joins the program with extensive experience in small business and the banking industry. The SBCC Juneau office serves the entire southeast region. A wide array of business technical services ranging from business plan preparation to finding sources of capital can be accessed by calling 789-3660 during regular working hours, 9:00 a.m. to 5:00 p.m., Monday through Friday. Services are also offered after hours by appointment.

S C R

53

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 2/12/90

FURTHER:

Date of 5-Day Notice: 2/15/90
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2/26/90

L & C Committee considered SCR 53

Relating to small businesses in the state.

and recommended:

- replace with _____ CS _____ same title
- attached amendment(s) new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to Finance Committee

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) Dept of Commerce, 2/16/90

zero fiscal note(s) _____

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Chair: Signature and Recommendation

Alaska State Legislature

3111 C Street, Suite 150
Anchorage, Alaska 99503
(907) 561-2038

During Session:
P.O. Box V
Juneau, Alaska 99811
(907) 465-4993

Senator Drue Pearce
District G

MEMORANDUM

TO: Senator Dick Eliason, Chairman
Senate Labor and ~~Commerce~~ Committee

FROM: Senator Drue Pearce *Drue Pearce*

DATE: February 22, 1990

RE: SCR 53 Relating to small businesses in the state

After reading the November 1989 Governor's Conference on Small Business Final Report to Governor Cowper, I felt it was important for the legislature to recognize the group's efforts and to encourage the governor to implement their final recommendations.

Senate Concurrent Resolution requests the governor to hold a small business conference every other year; to appoint a small business person to state boards and commissions that are pertinent to small business issues; to designate the Division of Business Development as the coordinating agency with other state agencies for small business issues; and to the extent possible to implement the group's recommendations.

DP:jf

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Small businesses in the state
Sponsor: Pearce et al.
Requestor: Senate Labor & Commerce

Agency Affected: Commerce & Economic Dev.
BRU: Business Development

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS		100		105		110
MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL		0		0		0
REVENUE		0		0		0

FUNDING: (Thousands of Dollars)

GENERAL FUND		100		105		110
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		0		0		0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Grant would be awarded on the basis of a 50-50 match with funds from private industry.

Prepared by: Jamie Parsons, Director
Division: Business Development

Phone: 465-2017
Date: 2/16/90

Approved by Commissioner: Larry Merrill
Agency: Department of Commerce & Economic Development

Date: 2/22/90

Distribution (by preparer):

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

STATE OF ALASKA

TO BE AT

February 26, 1990

Mr. Jack Jessee
Chairman
Steering Committee
Governor's Conference on
Small Business
P.O. Box 240288
Anchorage, AK 99524-0288

Dear Jack,

Here are my thoughts on the recommendations and resolutions of the Governor's Conference on Small Business. I've outlined my positions on the enclosed Executive Summary and followed that with more detailed comments.

Let me thank you again for your time and energy in identifying problems and proposing solutions to those problems. I hope your interest will persist as we enter the second phase of this process--working together to improve the Alaskan business climate now and for the future. Jamie Parsons will be my point man for this work. I hope you'll share your ideas with him.

Sincerely,

SJS Steve Cowper
Steve Cowper
Governor

Enclosure

cc: Steering Committee
Governor's Conference on
Small Business

Virginia A. Samson
Executive Director
Governor's Conference on
Small Business

Jamie Parsons, Director
Division of Business Development
Department of Commerce and
Economic Development

EXECUTIVE SUMMARY

Governor Steve Cowper's Comments on Governor's Conference on Small Business

Recommendations:

- 1A. My administration indeed has a long-term economic development strategy, developed not by a formal commission but by common sense. To put it colloquially, "We've beaten the bushes and chased every economic development rabbit that's jumped up." I think we've been very successful.
- 1B. Proper handling of waste is a continuing priority of my administration. We've expanded many programs and are working to reach small businesses with pertinent information.
- 1C. Legislation I signed into law two years ago is working; workers' compensation rates are coming down.
- 4A. I'm working legislatively to improve the Loan Guaranty Program; we've initiated the Business Development Information Network to complement other information networks.
- 4B. I support neither SJR 3 nor the concept of automatic periodic sunset of regulations, but we are working on specific ways to simplify regulatory and licensing processes.
- 4C. We're improving access to equity capital through Permanent Fund programs, the Alaska Science and Technology Foundation, the Uniform Limited Offering Registration program and creation of a \$30 million venture capital fund.
7. Many employee benefits are mandated by law or required subjects of collective bargaining; progress is slow, but we're seeing some success in containing costs.
8. We will not form the recommended 12-member commission, but will work on specific problems of government competition brought to our attention.
9. Job Training Partnership Act training programs are available, but funding is limited; the State Board of

Education and the State Vocational Education Board will remain united.

10. We indeed have a transportation plan and are working on several fronts to refine and improve it; I've introduced legislation to allow the Alaska Marine Highway System to keep the money it generates--that should improve efficiency and service. We welcome community and private sector participation in infrastructure development.
11. State permitting processes are largely timely and effective, but I'd like businesses with specific problems to inform me of them.
12. Separation of powers and different agency missions mean the State will likely never have totally uniform bidding and contracting procedures. We always recruit in Alaska before resorting to outside sources; State law also requires agencies to buy products F.O.B. final destination.
13. Risk pooling is already allowed; new legislation may help further. Bonding on small projects is not required.
14. We've significantly expanded our efforts to disseminate information to small businesses.
15. My administration continues to coordinate efforts among agencies to maintain or expand business education; funding is limited.
16. We're already marketing Alaska on a number of fronts, despite tight budgets.
17. My administration's performance in international trade is top-notch and still improving; we'll continue to work with Alaska businesses to open overseas markets.
18. Tourism infrastructure development is a serious concern being addressed by the interagency Tourism Coordinating Committee; again, funding is a problem.
19. I've held the line throughout my term on public employee wages--no easy task.
20. The Little Davis-Bacon Act is applied uniformly in all regions of the state.

Resolutions:

We've appointed a small businessman as Director of the Division of Business Development and will work to identify small business candidates for board and commission vacancies.

GOVERNOR'S CONFERENCE ON SMALL BUSINESS
Comments by Governor Steve Cowper

RECOMMENDATIONS

1A. Long-Term Economic Development Policy

My administration's policy has been clear since I took office. Simply put, I've directed my agencies to "beat the bushes and chase every economic development rabbit that jumps up." Our record shows the success of this approach: tremendously expanded trade with Pacific Rim nations, significant new potential markets opened with the Soviet Union, a large new Federal Express presence in Alaska, several new Foreign Trade Zones, active involvement with both the Organization of Petroleum Exporting Countries (OPEC) and the Independent Petroleum Exporting Countries, promotion of resource extraction and sale (e.g., Wishbone Hill), and formation and endowment of the Alaska Center for International Business and the Alaska Science and Technology Foundation, to mention a few. All these success stories have important long-range implications for Alaska, and we'll continue our efforts toward long-term stabilization of our economy.

Still, other states have documented substantial benefits from formal policy development exercises. Realistically, I hesitate to develop such a policy shortly before a new administration takes office. A policy would stand a better chance of enthusiastic implementation if it were developed and implemented by a new Governor at the beginning of the term. I will recommend this activity in my transition documents.

In the meantime, we'll work to strengthen planning efforts with an eye toward the long term. The Department of Commerce and Economic Development's (DCED's) Alaska Regional Development Organizations (ARDOR) program is alive and well and actively engages in economic stabilization and development at the regional level. The Division of Tourism is completing a five-year strategy that includes both tourism marketing and attraction development elements. These efforts are typical of how Cowper administration agencies commonly engage in strategic planning.

The Alaska Constitution states, "It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." This is a

clear statement of the economic development policy for State-owned land and resources.

To be useful, economic plans for State-owned resources should be built upon the State's regional and area plans and coordinated with the development plans of federal agencies, Native corporations and other private landowners. Where State area plans delineate resource development as an appropriate land use, economic development implementation plans could be produced. State agencies, including the Department of Natural Resources (DNR) and DCED, would be involved because Alaska Statutes require specific procedures for the conservation, use and development of State-owned resources.

The State has numerous policies and procedures in place to protect fisheries, as well as wildlife, from the impacts of oil and gas and mineral development. Economic development policies should concentrate on the multiple use of resources and the coordinated coexistence of all resource users.

A fisheries policy supporting management of the fisheries resource for the Alaskan people is strongly implied in the Alaska Constitution. I've directed the Fisheries Cabinet to develop a narrowly-focused set of specific actions the State should pursue in the next three to five years. That plan will be an important feature of my transition briefings to the next Governor. In 1988, we filled the position of Director of External and International Fisheries Affairs and created a special section within the Commissioner's Office of the Department of Fish and Game (DFG).

At present, Alaska's fisheries resources generate more than \$2.5 billion a year and provide an estimated 70,000 seasonal jobs. More than 400,000 sport fishing licenses are sold annually. Unlike petroleum, our fishery resource is renewable and, with a sincere financial commitment on the part of the people of the state, can in future years support a large portion of the state's economy. At present, however, DFG receives slightly less than two percent of the State's General Fund budget. For FY 90, DFG received \$43.7 million in General Fund dollars. That's less than we distribute each year as longevity bonus payments. In the prior fiscal year, the raw fish tax alone returned almost that much (\$41.3 million) to the General Fund. You might point that out to your legislators.

I agree that the "policy should look at fishing areas as permanent industrial bases that can be developed and

managed" and that it should "emphasize the needs of coastal communities for capital to build infrastructure so products can be processed on shore." This commitment must only be made when there is clear and convincing evidence that an infusion of capital is supported by realistic economic studies undertaken by both State and local governments and industry. Government cannot "create" a fishery economy without private industry support and cooperation.

Recent budget cuts mean the DFG's ability to manage fisheries is decreasing, not increasing. Lack of precise, timely information demands that DFG manage conservatively. That means harvests are restricted or eliminated, sometimes resulting in unharvested resources and unrealized income for the state's commercial fleets. Again, you should share that information with your legislators.

The State's fisheries enhancement program has had tremendous impact on Alaska's economy. Studies suggest that the programs of the Fisheries Rehabilitation, Enhancement and Development (FRED) Division benefit not only the salmon industry itself, but also the regional economies of the state. In addition to the direct impact on the industry and the commercial harvest, State and private enhancement efforts produce large numbers of fish for the recreational fishery, thus generating additional dollars in local economies.

According to Institute of Social and Economic Research (University of Alaska) studies, the state could expect, because of FRED programs, substantial gains in personal income and employment levels of Alaskans in many parts of the state. A recent simulation of the impacts of proposed FRED budgets for FY 89 suggests the total projected personal income and employment impacts of the statewide program would be \$80 million in resident wages and approximately 2,300 resident jobs. Again, your legislators need to know that.

In 1988, departments with roles in the seafood industry developed a draft fisheries strategy under the auspices of the Fisheries Cabinet. This document is a compendium of the agencies' existing programs and ideas for additional work. Most of the specific programs raised by the Conference were included in that strategy document. Increments required to address the Conference's concerns have been generally included by the various departments in their budget requests. Last year's budgets included increments for management and enforcement, and the State continues to fund an observer program.

Rapid turnaround of fisheries business tax revenues to communities should be implemented. DCED and the Department of Revenue are working together to improve delivery of these important revenues.

Over the years, there have been many proposals for a cabinet-level fisheries position. Neither of the past two administrations created such a position, partly because it would become a lightning rod for a myriad of problems that are often allocative in nature. The Board of Fish already addresses such issues. On the national and international scene, there are other bodies whose Alaskan members are nominated or appointed by the Governor. Generally, these bodies are left to deal with the issues without an overtly direct role being played by the Governor's Office.

Given that the responsibilities for dealing with the seafood industry are spread over many departments, it makes sense that Governor's Office involvement is necessary and desirable to bring issues to resolution. Short of a new cabinet position, having a Governor's Office representative chair the Fisheries Cabinet meetings is one way to keep the main focus on the departments and to reach resolution on budgets and issues involving several agencies. I plan to follow that suggestion for the Fisheries Cabinet's upcoming strategy development exercise.

I agree that transportation policy should facilitate economic development. This is one of seven long-term goals of the Department and Transportation and Public Facilities (DOT&PF) Management Plan. The DCED has a small capital project underway now to identify projects with enough private sector backing to fund or partially underpin infrastructure development. A plan for harbors and docks is reportedly under development by Ports Alaska.

Both DCED and DOT&PF have proposed some type of endowment or continuing appropriation to permit planning and to provide matching funds for federal port and harbor monies. Several proposals suggest the formation of an ongoing source of funds for economic development-related infrastructure. Recommendations include bond sales, endowing a fund and further capitalizing and modifying the Municipal Bond Bank. Since major policy issues are involved in determining the best mechanism, Office of Management and Budget analysis and cabinet-level discussions are necessary. I'll pursue that analysis and discussion.

The Alaska Marine Highway System (AMHS) earns about \$35 million of its \$65 million operating costs. No specific route earns a profit. Revenues from summer tourist traffic on the southeast mainline system partially defray expenses incurred in operating feeder vessels and providing winter service. Should summer mainline routes be abandoned in favor of private enterprise, the overall operating costs of the System would be reduced. Revenues would decline significantly. The State "subsidy" level, as a percentage of operating costs, would increase. Service levels to communities would, in all likelihood, be drastically reduced, due to commensurate fleet reductions. This also presumes the willingness of the private sector to meet this need, which is speculative at best. See my additional comments on the AMHS in Section 10.

Before the sale, lease or other disposal of State land or resources, the DNR is required by law to determine in writing that the sale, lease or disposal is in the best interest of the people of the state. Development of resources can provide benefits beyond direct revenues, including infrastructure development and increased employment opportunities. However, neither the Constitution nor the statutes provide for an emphasis on renewable resource development.

State resources are not being given away without compensation, as the problem statement suggests. Analysis of opportunities and liabilities associated with increases in the "economic rents" charged for use or extraction of the State's resources is ongoing. It isn't likely that new policies regarding the revenue opportunities available from a revised resource strategy will be formulated prior to a new administration.

CSSB 181 and CSHB 159, introduced during the 1989 session, would provide the minerals industry with a two-year delay in local taxation of underground reserves. The oil and gas industry is currently exempt from this tax. The minerals industry is seeking the same exemption. The named bills provide an opportunity to review the issue.

My Administrative Order No. 113, signed June 12, 1989, establishes several findings that pertain to the issue of a human resources policy and, in particular, Alaska hire. It directs State agencies to 1) mutually implement Alaska's Employment and Training Policy, 2) work in concert with the private sector, 3) assist Alaskans seeking full employment opportunities within the Alaska job market, and 4) provide

viable opportunities to ensure that Alaskans become qualified and are able to successfully compete for employment opportunities.

Administrative Order No. 113 further sets forth the idea that the Employment and Training Mini-Cabinet will be formally organized as the administrative policy board for human resource development. The Alaska State Job Training Coordinating Council (SJTCC) is slated to play a major role in reviewing and recommending policy in the human resources development arena. The SJTCC is composed of one-third private sector representatives. My administration has provided the tools necessary to develop a comprehensive human resources development plan under the auspices of the Governor's Coordination and Special Services Plan required by the Job Training Partnership Act. The Alaska SJTCC and the Employment and Training Mini-Cabinet will work on this plan for implementation July 1, 1990. For more information, contact Bill Mailer in the Department of Community and Regional Affairs' Anchorage Office at 273-9433.

1B. Disposal of Wastes

I'm pleased that the small business community shares my concern for proper handling of solid, hazardous, toxic and other wastes. I've nearly tripled the Department of Environmental Conservation's (DEC's) budget during my term to better address this important issue.

Alaska doesn't produce sufficient quantities of hazardous waste to support even a small commercial treatment or disposal facility. However, we are investigating the feasibility of establishing hazardous waste collection and transfer facilities. DEC has proposed a capital improvement project in FY 91 to work on pilot facilities for regional management of hazardous wastes; local governments are normally responsible for waste disposal.

DEC does pursue enforcement actions when warranted, but emphasizes technical assistance to help local and regional entities improve solid waste disposal systems on their own. Small businesses that generate hazardous wastes are not required to carry liability insurance; only hazardous waste treatment, storage or disposal facilities are required to do so.

The State conducts annual hazardous waste collection projects and maintains ongoing efforts to educate communities, regulated businesses and the public on proper

management, disposal and reduction of waste. At my direction, DEC has expanded these efforts and will continue to do so. The same is true of underground storage tank problems, recycling policy and waste reduction programs. As economics for recycling improve, we'll surely see greater success on this front.

DEC has authority to respond to spills of hazardous substances. Spills which threaten drinking water sources are the highest priority for response among the 3,000 spill reports received by DEC each year.

1C. Workers' Compensation Insurance

Legislation I signed into law two years ago is beginning to pay dividends; rates are coming down. I resisted pressure to change it because I knew it would work, and now it's clear that rates are declining--in some cases, dramatically so. State-run workers' compensation insurance pools are experiencing considerable financial difficulty in other states. Rates are too subject to political manipulation--I don't recommend such a pool for Alaska.

Many of the concerns expressed apparently stem from an inadequate understanding of existing workers' compensation law. The Department of Labor's Division of Workers' Compensation publishes a booklet called "Guide to Workers' Compensation" and provides speakers for employer seminars and meetings. For more information, contact Workers' Compensation Division Director Jacquelyn McClintock at 465-2790.

4A. Access to Loans

The Loan Guaranty Program should attract more participation with these changes:

- a) require Alaska Industrial Development and Export Authority (AIDEA) participation in collection and foreclosure costs of bad loans;
- b) raise guaranty percentage from 70 to 80 percent;
- c) set maximum guaranty at \$1 million, not 70 percent of \$1 million, or \$700,000; and
- d) alter 2 percent delinquency rule.

House Bill 123, which I introduced, would make these changes. Remember that the guaranty program is still a secondary program requiring bank origination.

At my direction, dissemination of information to businesses has become a high priority of DCED's Division of Business Development (DBD). Loan and general small business assistance information is available from DBD through the computerized business information network (AKBizNet) Small Business Development Center workshops, monthly newsletters, informational brochures distributed to schools and libraries, public service announcements and in cooperation with the Division of Occupational Licensing via business licensing mailouts.

Worth special notice is the Business Development Information Network (BDIN), newly established by my Administrative Order No. 117. The BDIN will provide "one-stop shopping" for people seeking information about doing business in Alaska. For more information, call DBD Director Jamie Parsons at 465-2017.

The Michigan Strategic Fund's Capital Access program is eminently adoptable to meet Alaska's capital needs. Such a program would require legislation and a minimum of \$2 million. We are evaluating the possibility of introducing such a measure; realistically, my inclination is to save it for the next administration.

The recently-passed Thrift Bailout Bill amended the Community Reinvestment Act so that each bank's community reinvestment record must be made public; that may loosen purse strings. Additionally, we are examining reactivation of the Tourism Revolving Loan Fund to stimulate small business development in tourism.

4B. Cumbersome and Allegedly Misdirected Regulations

Senate Joint Resolution 3, proposing a constitutional amendment authorizing legislative repeal of administrative regulations, would present to voters essentially the same question they've already rejected three times in ten years. Besides, the Legislature already has the authority to nullify regulations. I do not support SJR 3.

Nor can I support automatic periodic sunset of all regulations. They receive regular scrutiny now; formal review and/or revision would be prohibitively expensive. A regulatory review commission could reasonably be established

by private business, not the State, and could provide testimony during public hearings or comment periods on proposed regulatory changes. Small business might even consider hiring a lobbyist to present views in a coordinated and consistent fashion.

In isolated cases, 90-day review and issuing of regulations following passage of new laws is appropriate. Most frequently, this is an unrealistic period to draft regulations, clear them with the Department of Law, issue public notice and compile public comments. Additionally, many regulations must be adopted by boards that meet only twice a year. As an alternative, State agencies could notify business representatives and inform them of specific effects of proposed regulations prior to public hearings. I would welcome establishment of focal points within the small business community to help disseminate such information.

Simplification of forms is worth pursuing. We may be able to create a joint data base for all licensing. Applicants could fill out basic information once and then select needed items from a menu of licenses, permits and services. This selection could trigger requests for additional information specific to the items needed. Research, coordination, planning and funding are necessary for this effort to succeed, but I feel the end result would be worth the investment. We'll pursue it further.

Likewise, application of common sense and use of understandable language in regulations has always been a goal of Cowper administration agencies. I welcome the assistance of the business community in identifying problems. The Division of Insurance, recognizing that the subject matter of their regulations can be confusing, requires a section-by-section analysis of all proposed regulations, specifically identifying the purpose, statutory authority, intent and expected impact. This analysis is available to the public concurrent with the public review process.

The Ombudsman's Office, an arm of the Legislature, suggests that one additional assistant ombudsman in Anchorage could provide needed services to small business. The budget increment required would need legislative approval. If such an item reached me for action, I'd give it serious consideration.

4C. Equity Capital Availability

The Alaska Permanent Fund's expansion into international investing will broaden the State's contacts with foreign corporations and financiers. This will lead to opportunities to learn about, visit and invest in Alaska.

The DCED Venture Capital program, when operational, will bring money presently invested outside back to Alaska, where it will be invested in Alaskan and Alaskan-related businesses. This program has the potential to become a \$30 million-plus investment fund.

I will continue strong support of my Alaska Science and Technology Foundation (ASTF). ASTF staff are working to identify businesses interested in presenting funding proposals and have begun a series of forums to help potential proposers understand how to apply and, ultimately, commercialize successful projects. For more information, call John Sibert at 272-4333.

The Division of Banking, Securities and Corporations is in the process of adopting regulations which would implement a Uniform Limited Offering Registration (ULOR) similar to Washington State's program. The ULOR will allow greater access to equity capital through additional opportunities to offer stock to investors.

Initiating a system similar to the Washington State Investment Network is possible, but may not be feasible. Such a system would proceed in conjunction with ongoing venture capital activities. We'll keep it in mind as we work on venture capital projects. If it makes sense, we'll consider installing it.

7. Employee Benefits

Debate over the virtues and costs of mandated benefits will no doubt continue--it's a tough issue. We must ensure worker protection without unduly burdening business people and/or compounding the uncompensated care problem. This issue deserves rigorous examination through the legislative process.

State employee insurance benefits are a mandatory subject of collective bargaining. We have aggressively negotiated for health insurance changes with modest success, but have been unsuccessful in either increasing deductibles or requiring employees to pay for any portion of dependent coverages. We

can't do either ourselves, unless the Legislature directs otherwise. The Legislature's Health Care Cost Containment Task Force is examining pooling, but only among public employers statewide. Legislation (SB 254) has been introduced to require public employer pooling.

One potential improvement is to negotiate a defined contribution instead of a defined benefit plan. The negotiated defined contribution could then be used as pre-tax dollars for each employee to select from a "menu" of insurance options. To date, labor unions have strongly opposed any move toward a defined contribution.

One way to provide alternatives to current insurers is to pass a bill to create health maintenance organizations (HMOs). Staff medical care providers and emphasis of problem prevention are two main features that would allow HMOs to be cost efficient. Senate Bill 335 addresses HMOs and is currently pending before the Legislature.

8. Government Competition With the Private Sector

My administration has made a concerted effort to contract with private entities whenever feasible. I hesitate to go to the trouble and expense of creating a 12-member commission to review and evaluate commercial enterprises operated and services provided by the State. Realistically, assuming clear sailing through the appropriation process, such a commission would be functioning about the time the new administration moved in. I prefer to direct my administration's energies more informally to problems as they come to our attention. I will renew my charge to cabinet members to minimize competition with private enterprise, and I call upon small business to bring specific problems to our attention.

Privatization of income-producing government enterprises is certainly worth considering. Ideally, health care would be completely privatized, but escalating costs have forced government involvement; this trend is likely to continue. Entities such as the Alaska Railroad and the Alaska International Airport System are important economic development tools; maintaining public ownership is probably in the best interests of Alaskans. We are actively working with the Legislature to restructure the Alaska Housing Finance Corporation to facilitate privatization.

Excessive and unnecessary government competition with private enterprise should be eliminated. However, we should

review competition between public and private functions before considering any statutory changes. If business would like to provide specific information on instances of what they consider unfair or unnecessary competition, they should contact the appropriate Commissioner with a copy to me. We'll review those cases and then determine our course of action. The same holds for grants and contracts to nonprofit organizations.

If private sector Alaska laboratories will provide descriptions of their facilities to the Division of General Services and Supply (DGSS), Department of Administration, we'll circulate that information to all agencies needing laboratory services. For more information, call DGSS Director Bob Link at 465-2250.

Business people concerned with competition should remember that the Office of Management and Budget continues to review all budget requests for more personnel to determine if contracting out would be more appropriate than creating new State positions.

9. Education and Small Business

Under the Job Training Partnership Act (JTPA), training programs could be operated by the private sector and/or labor organizations to train workers in occupations for which demand exceeds supply. JTPA also offers pre-apprenticeship programs. The recently-enacted State Employment and Training Program (SETP) provides apprenticeship programs with either organized labor or the U.S. Department of Labor's Bureau of Apprenticeship and Training. For more information, contact JTPA Program Manager Mark Mickelson, Department of Community and Regional Affairs, at 465-4890.

The SETP requires that "employment assistance and training entities" will receive funds to carry out the legislation's intent. Regulations being promulgated now will define those "entities." The intent of the program is to increase numbers of jobs in the state, which necessitates private sector involvement in designing and participating in local-level training. Private, for-profit training agencies may be involved in the delivery of training services.

Separating the State Board of Education and the State Vocational Education Board would not be appropriate. Integration of basic education and vocational education is necessary to prepare a workforce with strong academic skills

along with occupational skills. Splitting it between two governing bodies would make that task even more difficult. Since the program is not yet fully operational, I do not recommend altering it at this time.

10. Transportation Policy

The State has a transportation policy plan that was adopted in 1982. It needs updating, but covers all modes of transportation. The DOT&PF is currently refining their statewide transportation planning process. A major goal of that work is to provide a systematic means for the public to comment on planning and policy processes. Another goal is to develop a process through which a new multimodal transportation plan will be prepared and updated on an ongoing basis. A specific goal of the new plan is to provide policy guidelines to all interested parties on the role of transportation in economic development. A draft of the plan should be available by December 1990.

Separate commissions for specific functions of DOT&PF would represent a significant change--one that deserves more debate, especially on the ways in which commissions would be structured and empowered. Separate commissions for the various modes of transportation would make comprehensive intermodal connections more difficult. Allowing income from transportation users to remain within the agency requires a constitutional dedication of those fees. I've introduced a bill (HB 439) to allow the Alaska Marine Highway System (AMHS) to receive and expend the money it generates; this would provide system managers incentive to improve efficiency and increase revenues.

The AMHS presently provides year-round service to Kodiak, Seldovia, Cordova, Valdez, Seward and the southeast panhandle. Monthly service from May to October is extended to Dutch Harbor and other communities west of Kodiak. Traffic beyond Kodiak is inadequate to justify the cost of winter service. Even if it did, weather conditions would severely limit the schedule and time necessary to sail to and beyond Dutch Harbor. That schedule would, of course, reduce service to Kodiak and other southwest coast communities. Expansion could also entail considerable capital expense for dock facilities and upgrade of harbors.

Refurbishment of AMHS vessels causes temporary reduction, but not cessation, of service to given communities. However, the M/V TUSTUMENA is the only certified oceangoing vessel in the fleet. When it is out of service, some

communities are lost to the System. We are exploring affordable alternatives to offset the loss in service due to scheduled maintenance of the M/V TUSTUMENA.

The AMHS contracts with some communities for ticketing and terminal services. It is not clear that we could reduce our costs by transferring terminal operation leases and port powers to local governments in other locations.

The repeal of the Jones Act (limiting the use of foreign-built vessels to transport cargo and passengers between American ports) would lead to direct competition with the AMHS for its most profitable routes, resulting in either an increase in State general fund contributions to fleet operations or a reduction in service. If the law were amended to allow the AMHS to operate foreign-built vessels, we might replace some vessels with more modern ships at a lesser cost than constructing similar vessels in American shipyards. I join the DOT&PF in supporting repeal of the Jones Act as it relates to general marine commerce for Alaska.

A surface transportation link between Nome and Fairbanks would provide access to potentially marketable natural resources as well as for tourists. Despite obvious benefits, there is little support for completion of this link. Realistically, it does not warrant extensive effort at this time.

The "Alaska International Airport System (AIAS) Air Service Analysis/Route Planning Project" seeks to analyze international air service to Alaska, identify new routes that may be economically feasible for an airline to operate, and determine which airlines should be contacted about establishing new services. The contractor will prepare marketing proposals and define required changes to international aviation bilateral agreements. Clearly, the inability to easily cross the long Alaska-Canada border inhibits commerce not only with Canada, but also Asia and Europe. Tour operators in Europe and Japan would likely package tours to Alaska in combination with western Canada if timely, dependable air transportation were available.

The current U.S.-Canada bilateral is very restrictive; it is unlikely that it will be substantially liberalized soon. We are, however, actively pursuing special provisions for open skies between Canada and Alaska by garnering support for this action from carriers on both sides of the border. Success at the carrier level will take us to Washington,

D.C., and Ottawa to secure an open skies arrangement until we can negotiate a liberal bilateral.

Increased competition and service to rural Alaska poses difficult economic feasibility questions. The present deregulated environment simply does not favor multiple operators in already thin markets. Without a federal subsidy program, the ability to foster greater competition in rural Alaska will remain limited.

DOT&PF welcomes community and private sector participation in helping develop infrastructure that would support airport activity. A good example of State involvement in the development of such infrastructure is the agreement reached between Federal Express and the Anchorage International Airport. Expansion of the ground transportation system and deep-water ports are presently addressed on a case-by-case basis (e.g., Wishbone Hill, Klondike Highway, Red Dog Mine, St. Paul port, St. George port), or through the six-year capital budget development process. Of course, the State can only promote projects that make economic sense. The DOT&PF has worked with communities on port development projects in the Pribilof Islands; similar arrangements could be made with any coastal community with a feasible proposal. I encourage local representatives to come forward with such proposals.

11. Regulations

The State has made a substantial commitment to ensure that the State's responsibilities in the project permit review process are fulfilled quickly and completely. Alaska's project review process was automated six years ago; improvements in timeliness and overall effectiveness are clearly evident.

The State's permitting processes have definite, fairly short review timeframes. Agencies are largely successful at processing requests within the required time limits. Reduced staffing levels because of program budget cuts have caused backlogs in the past, but permits and licenses have not and should not be granted simply because a deadline has passed. The public's best interest is served by following the full review process.

Regulations are not promulgated in a vacuum. Public review helps ensure that rules are reasonable and appropriate. If agency officials attempt to enforce conditions not pertinent to permit or license stipulations, aggrieved business people

should appeal to the Commissioner of the appropriate department. Agencies have clearly defined appeals processes in place for most regulatory decisions. Establishing additional appeal bodies in agencies, including "non-regulators," would require significant additional funding. I'd prefer to work within the present system and hope business people will let me know of specific instances if it isn't working. My staff can evaluate complaints on a case-by-case basis and keep me apprised of the scope of any problem.

12. Procurement

As attractive as it may sound, the State will probably never adopt completely consistent bidding/contracting procedures for all agencies. Constitutional separation of powers divides authority for executive, judicial and legislative branches of government; school districts are independent of the State; the railroad is an independent corporation. Even if the procurement code applied exactly the same to all State-funded agencies, they would operate differently simply because they have different missions. All private sector businesses must meet statutory requirements, but do not operate exactly the same; the State is no different.

Treating vendors differently simply because they are located in other states is blatantly unconstitutional. An extra handling fee charged to out-of-state bidders would be inappropriate. It costs the same to send a bid package to Seattle as it does across town in Anchorage.

The State is careful to recruit within Alaska before going out of state. Sometimes we have little choice but to go outside to secure services needed by the public. I strongly support hiring Alaskans and working with Alaskan contractors, but it's inappropriate to ban outside advertising outright.

State law (AS 36.30.090) requires agencies to buy products F.O.B. final destination--unless an agency can demonstrate that some other F.O.B. point is in the State's best interest.

13. Insurance and Bonding

As discussed earlier, the level of health care coverage for State employees is set in collective bargaining. My administration has taken an aggressive approach to