

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

10726 HOUSE COMMUNITY & REGIONAL AFFAIRS 10

2. The % of goals identified through regional processes that are achieved. (The percentage reported on the following pages was derived by comparing the goals stated in the January 2002 ARDOR Annual Report with the final progress report submitted by each ARDOR for the period 7/1/01-6/30/02.)

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

3. The amount of non-State funds leveraged by the ARDOR grants. (The dollar amount reported on the following pages provided is the amount reported by each ARDOR in their FY03 ARDOR grant application submitted in July, 2002.)

Following is a summary of the ARDOR budgets for all 13 ARDOR's.

*FY 2003 ARDOR Program Budget*

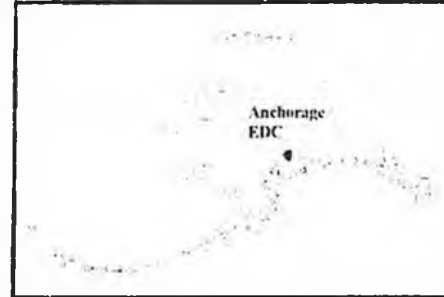
\$ 620,000	State ARDOR grants
748,470	Other State funds
1,165,068	Federal funds
1,017,579	Private sector funds
944,159	Any other non-federal, non-State funds
<b>\$4,495,276</b>	<b>Total ARDOR Budget</b> (total of above 5 lines)
<b>\$3,126,806</b>	<b>Amount of Non-State Funds Leveraged</b> (7/1/02 - 6/30/03)
<b>\$549,700</b>	<b>Total ARDOR In-Kind Contributions</b>

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

# Anchorage Economic Development Corporation

## ***Mission Statement***

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



## **FY 2003 Goals**

- ★ Implement a comprehensive strategic marketing plan designed to create new jobs and new investment in Anchorage.

## **FY 2003 Top Economic/Business Needs**

1. New business parks both on and off airport property
2. More land for industrial development
3. Better trained work force
4. Change perception of Anchorage as a cold, dark and distant place to do business through a marketing/public relations firm
5. Develop competitive local and state incentives

## **FY 2003 Budget**

\$47,220	State ARDOR grant
\$310,000	Amount of other State funds
\$0	Amount of federal funds
\$669,000	Amount of private sector funds
\$491,500	Any other non-federal, non-State funds
<hr/>	
\$1,517,720	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$24,000	Total FY03 ARDOR In-Kind Contributions

## **FY 2002 Coordinated Regional Efforts Resulting in New Business Opportunities**

**Board of Directors**

1. Attended two Mat-Su Economic Development Planning meetings.
2. Have worked to include both Mat-Su and Kenai into our Vision Anchorage economic development planning process.
3. Continued support of regional economic development initiatives.

**Please see page 9.**

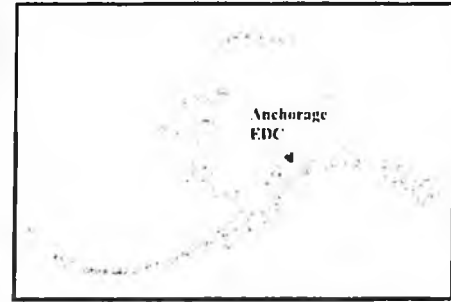
### **FY 2002 Goals \*** (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Develop and execute a well-organized plan to encourage expansion of existing businesses.
- ✓ Implement a strategic marketing plan focused on attracting new businesses in select industries with the most potential for leveraging growth, incorporating a network of Anchorage business leaders who can help build relationships with others in the industry sector.
- ✓ Provide Anchorage economic development data and information to businesses.
- ✓ Align with other appropriate organizations in Anchorage to prevent duplication of efforts and to communicate and market a common vision for economic development and growth.
- ✓ Communicate the direction of AEDC to all members and better align them to AEDC efforts, ensuring they see positive contributions and value for their investment in AEDC.
- ✓ Oversee management of financial and personnel resources, ensuring resources are allocated properly to achieve the strategies above in a positive team environment.

\* A Legislative performance measure discussed on pages 4 and 5.

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# Anchorage Economic Development Corporation

## Other FY 2002 Accomplishments

- Completed community-wide economic development plan named – Vision Anchorage, A Call to Action
- Developed Ambassador of the World program
- Developed Business Retention program
- Created property database on website
- Attracted Multiple Technologies Corporation to Anchorage – 20 new jobs
- Continued development of global logistics

## **Board of Directors**

### **Voting Members**

Gene O'Hara, Chair	Chief Executive, Providence Alaska Medical Center
Kathy Porterfield, Vice Chair	Managing Partner, KPMG
Larry Cash, Secretary/Treasurer	President, RIM Architects
Nancy Bear Usera	Sr. VP Corporate Development, Alaska USA Federal Credit Union
Dennis Bird	Managing Director for AK Operations, Federal Express
Steve Butterworth	VP, Finance, Planning & Control, Phillips Alaska, Inc.
Sherry Combs	Manager of Supply Chain Management, BP Exploration (Alaska)
Bill Fowler	President & COO, Northern Air Cargo
Joe Griffith	General Manager, Chugach Electric Association, Inc.
Tony Izzo	President & CEO, ENSTAR Natural Gas Company
Jim Kubitz	VP, Real Estate & Project Planning, Alaska Railroad Corporation
Ed Lamb	CEO & President, Alaska Regional Hospital
Tom Maloney	VP, Marketing & Business Development, VECO Alaska, Inc.
Kirk McGee	VP, Real Estate, CIRI
Dale Morman	President, Anchorage Sand & Gravel, Inc.
Rick Morrison	President, Eero Volkswagen of Anchorage/Saturn of Anchorage
Brian Nerland	District President, KeyBank National Association
Carolyn Ottosen	AK Division Manager, United Parcel Service
Frank Peake	VP & General Manager, CSX Lines
Mary Ann Pease	VP of Corporate Communications, ACS
Mark Pfeffer	President, Koonce Pfeffer Bettis
Diane Prier	President, Williams AK Petroleum, Inc.
Royce Rock	Business Manager, Carpenters Union, Local 1281
Richard Strutz	President, Wells Fargo Bank AK

### **Ex-Officio Members -- Legislators**

Sen. Johnny Ellis	Senator, Alaska State Legislature
Sen. Ben Stevens	Senator, Alaska State Legislature
Rep. Ethan Berkowitz	Representative, Alaska State Legislature
Rep. Lisa Murkowski	Representative, Alaska State Legislature

### **Ex-Officio Members -- Assembly**

Mayor George Wuerch	Mayor, Municipality of Anchorage
Allan Tesche	Assembly Member, Municipality of Anchorage
Brian Whittle	Assembly Member, Municipality of Anchorage

### **Ex-Officio Members -- Former Board Chairs**

Mike Brady	President, Ken Brady Construction Co. Inc.
Jim Gorski	Partner, Hughes, Thorsness, Powell, Huddleston & Bauman
Ernie Hall	President, Alaska Furniture Manufacturers, Inc.
Mary Hughes	Of Counsel, Hughes, Thorsness, Powell, Huddleston & Bauman
Mel Nichols	Vice President of Operations, DOWL Engineers
Tennys Owens	President, Artique, Ltd.

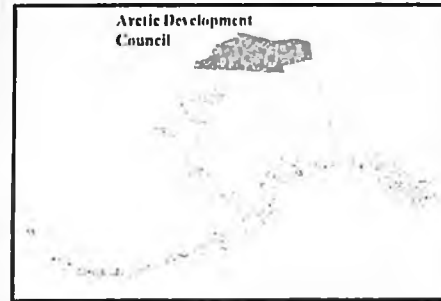
### **Ex-Officio Members -- Appointed by the Board**

Lee Gorsuch	Chancellor, University of Alaska, Anchorage
Mort Plumb	Airport Director, Ted Stevens Anchorage International Airport
Debby Sedwick	Commissioner, State of Alaska, DCED
Jim McMillan	Acting Executive Director, AIDEA
	President, Anchorage Chamber of Commerce
Bruce Bustamante	President & CEO, Anchorage Convention & Visitor's Bureau

# Arctic Development Council

## **Mission Statement**

*The Corporation is formed as a cooperative effort of the public and private sectors within the area encompassed by the North Slope Borough of Alaska to address the economic issues and potential growth of the region by coordinating private and public resources to support economic growth and development.*



## **FY 2003 Goals**

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

## **FY 2003 Top Economic/Business Needs**

Expansion of economic base via small business development and tourism; revolving loan funds are needed and incubator space.

## **FY 2003 Budget**

\$47,870	State ARDOR grant
\$0	Amount of other State funds
\$0	Amount of federal funds
\$31,332	Amount of private sector funds
\$0	Any other non-federal, non-State funds
<hr/>	
\$79,202	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$2,000	Total FY03 ARDOR In-Kind Contributions: City of Barrow equivalent for use of Council Chambers

## **FY 2002 Coordinated Regional Efforts Resulting in New Business Opportunities**

Assisted and completed three business plans in three different villages. Informed village governments & non-profits about grant opportunities.

### **FY 2002 Goals \*** (Percentages of goal achieved: 50%. A ✓ indicates the goal was accomplished.)

- ✓ Promote ADC programs, services and economic development on the North Slope
- ✓ Strengthen technical assistance program for potential and existing business owners on the North Slope.
- ✓ Provide technical assistance to villages
- ✓ Worked with Tuzzy Library & increased inventory of business related books and materials
- Provide North Slope contractors with bid information on federal and State projects.
- Reopen the Revolving Loan Fund program, which was discontinued in August 2001 by the North Slope Borough.
- Promote tourism slope wide through assisting with small business start-up and expansion.
- Evaluate, revise and implement programs and services in accordance with the needs of North Slope residents.

\* A Legislative performance measure discussed on page: 4 and 5.

## **Other FY 2002 Accomplishments**

Three workshops and one seminar were held.

## **Board of Directors**

### *Executive Committee*

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

### *Members*

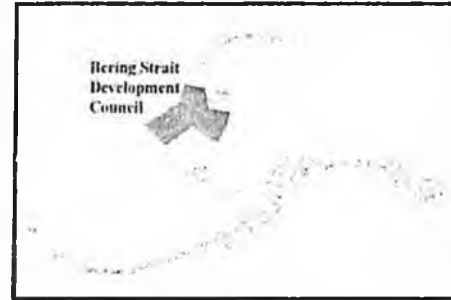
Forrest "Deano" Olemaun,  
ASRC  
John Gleason, Banking - Wells  
Fargo  
Paula Bush, North Slope Borough  
Edith Vorderstrasse, City of  
Barrow  
Edith Tagoseak, Inupiat Comm.  
of the Arctic Slope  
Scott Danner, Ukpeagvik Inupiat  
Corporation

### *Contact*

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Web Site:  
[www.arcticdevelopment.org/](http://www.arcticdevelopment.org/)

### ***Mission Statement***

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



# **Bering Strait Development Council**

## **FY 2003 Goals**

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

## **FY 2003 Top Economic/Business Needs**

- A need for a clear vision in our Region to sustain business as business, not as temporary welfare programs.
- Work with local governments (tribal and city) to foster an environment in which businesses can succeed.
- Work force training programs to increase long-term employment.
- Increased community planning assistance.
- Technical assistance in business and e-commerce development focusing on sustainable business growth and expansion.
- Utilization of the appropriate models of Native Nation Building and rural business development that emphasizes social, cultural, and political development for the communities in our Region.
- Access to growth and high-risk capital for new and existing businesses.

## FY 2003 Budget

\$47,820	State ARDOR grant
\$0	Amount of other State funds
\$59,000	Amount of federal funds
\$0	Amount of private sector funds
\$15,781	Any other non-federal, non-State funds
\$122,601	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$0	Total FY03 ARDOR In-Kind Contributions

## FY 2002 Coordinated Regional Efforts Resulting in New Business Opportunities

Eight (8) preliminary business plans have been completed for the tribal governments that are receiving EDA Fisheries Disaster funding for eight multipurpose facilities. These facilities will be home to private investments that will create or save an average of twelve jobs in their communities. These businesses include: ivory/craft shops, small café's-coffee shops, small store-gift shops, rooms for overnight accommodations, and laundry facilities.

## FY 2002 Goals \* (Percentages of goal achieved: 91%. A ✓ indicates the goal was accomplished.)

- ✓ Update Regional Economic Development Strategy (REDS).
- ✓ Implementing strategies for the USDA-RD Funding Summit Forum.
- ✓ Work with EDA grant recipients in completing construction on a multipurpose building.
- ✓ Improve transportation infrastructure.
- ✓ Support entrepreneurship and small business development.
- ✓ Promote e-commerce in region.
- Assist in development of micro business.
- ✓ Increase regional and financial support.
- ✓ Conduct Bering Strait Development Meetings.
- ✓ Continue working relationship between Bering Strait Development Council and Kawerak, Inc.
- ✓ Coordinate and support other ARDORs, Economic Development Districts and Resource Conservation & Development Districts.

\* A Legislative performance measure discussed on pages 4 and 5.

## Other FY 2002 Accomplishments

- This was the first year for our traveling business development workshops to three communities in our Region: Brevig Mission, Wales and Shishmaref. Business development and planning workshops and information were presented for: bed and breakfasts, birding, small engine repair shops and web design. There were a total of 36 individuals at the workshops.
- Business Planning and Community Planning packets completed.

## Board of Directors

### Executive Committee

Wayne Mundy (Chair),  
Bering Strait Regional  
Housing Authority

Vacant (Vice-Chair)

John Baker (Secretary),  
Banking/Finance

### Members

Sue Greenly, Alaska Airlines

Seat A: Transportation

Howard Farley, NSEDC

Seat B: Fisheries

Ron Engstrom

Seat C: Mining

Mark Johnson

Seat E: Tourism

Kevin Zweifel, NSHC-OEH

Seat F: Health

Wayne Mundy, Chairman

Bering Strait Regional Housing  
Authority

Seat G: Housing

Randy Romenesko

Seat H: City of Nome

Robert Keith, Elim IRA Council

Seat I: Kawerak Board

Victor Ongtawasruk

President, Wales IRA

Kawerak Board

Seat J: Northern Sub-Region

Lincoln Simon, WMO IRA

Kawerak Board

Seat K: S. Central Sub-Region

Simon Bekoalok, Jr, KBM

Shaktolik IRA Council

Kawerak Board

Seat L: Southeast Sub-Region

Leslie Immingan

Savoonga IRA Council

Seat M: St. Lawrence Island

Steve Longley, KBM

Council Traditional Council

Kawerak Board

Seat N: Nome Sub-Region

### Contact

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Kawerak, Incorporated

Economic Development Planner

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# Copper Valley Economic Development Council



## FY 2003 Goals

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

## FY 2003 Top Economic/Business Needs

1. Plan and implement a fee schedule for services provide by CVEDC as a part of membership.
2. Complete Regional Plan by the end of FY03.
3. Ongoing knife sales and marketing.
4. Contract administration for Copper River LEPC.
5. Feasibility study on community center/small business incubator.
6. Organize another junk car removal program.
7. Micro loan project.
8. Promote local cottage industries by the use of weekend markets.

## FY 2003 Budget

\$47,500.00	State ARDOR grant
\$0.00	Amount of other State funds
\$0.00	Amount of federal funds
\$12,118.43	Amount of private sector funds
\$0.00	Any other non-federal, non-State funds
<hr/>	
\$59,618.43	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$13,400.00	Total FY03 ARDOR In-Kind Contributions

## **FY 2002 Coordinated Regional Efforts Resulting in New Business Opportunities**

Develop local economic opportunities

- Small business packet put together for those seeking information on starting a business in the Copper Valley.
- Small business seminars given through a cooperative venture with DCED, Prince William Sound Community College, and CVEDC.
- Job fair promoted through CVEDC.
- Updating of community profiles continues. Cataloging of local resources and contacts has begun.

### **FY 2002 Goals \*** (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Develop CVEDC resources to implement financial self-sufficiency and ability to fully implement strategies and work plan.
- ✓ Plan and manage regional growth to promote the economic well being of area while maintaining the quality of life and values that residents enjoy.
- ✓ Develop local economic opportunities.

\* A Legislative performance measure discussed on pages 4 and 5.

### **Other FY 2002 Accomplishments**

Successfully applied for an Americorp VISTA Volunteer. The VISTA will begin her year of service in July 2002.

### **Board of Directors**

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

### *Contact*

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Web Page:  
[www.alaskaeconomic  
development.org/](http://www.alaskaeconomicdevelopment.org/)

# Fairbanks North Star Borough Economic Development Commission



## FY 2003 Goals

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

## FY 2003 Top Economic/Business Needs

- ✓ Obtaining a grant writer to be utilized by the Organizations represented on the ARDOR Board.
- ✓ Identify appropriate tax incentives that encourage economic development.

## FY 2003 Budget

\$47,670	State ARDOR grant
\$0	Amount of other State funds
\$0	Amount of federal funds
\$0	Amount of private sector funds
\$47,670	Any other non-federal, non-State funds
<hr/>	
\$95,340	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$0	Total FY03 ARDOR In-Kind Contributions

## **FY 2002 Coordinated Regional Efforts Resulting in New Business Opportunities**

- Coordinated efforts to support Fairbanks Economic Development Corporation in obtaining funds for cold weather test marketing.

### **FY 2002 Goals \*** (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Completion and Assembly approval of the Comprehensive Economic Development Strategy (CEDS), January 2002.
- ✓ Produced an interactive CD-ROM media tool that markets Fairbanks for economic development.

\* A Legislative performance measure discussed on pages 4 and 5.

### **Other FY 2002 Accomplishments**

Obtained a VISTA Volunteer through the ARDOR Program to assist with the Fairbanks North Star Borough Comprehensive Plan update.

### **Membership**

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

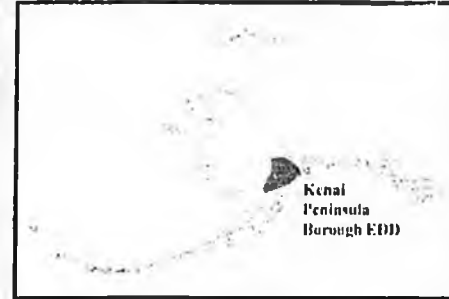
- Assembly
- Greater Fairbanks Chamber of Commerce
- Fairbanks Industrial Development Corporation
- Fairbanks Convention and Visitors Bureau
- Downtown Association/  
Mainstreet Fairbanks
- North Pole Chamber of Commerce
- Representative of Small Minority Business
- University of Alaska Fairbanks
- Alaska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

### *Contact*

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Fax: 459-1102  
Email:  
dleon@co.fairbanks.ak.us  
Website: co.fairbanks.ak.us

## **Mission Statement**

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



# **Kenai Peninsula Borough Economic Development District**

## **FY 2003 Goals**

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

## **FY 2003 Top Economic/Business Needs**

- Work with both public and private partners to improve vocational education and training in the post-secondary institutions.
- Fund vocational courses that are market driven in the secondary schools.
- For the value of our natural resource exports such as timber, oil, natural gas and fish to remain at a stable, sufficient level so that investment in the Peninsula continues.
- Assist the commercial salmon industry with the promotion of the Kenai Peninsula Wild brand, utilize collaborative marketing endeavors to mitigate the negative impacts to commercial fishing and improve management and regulations of the Board of Fish.
- To improve the roadway, marine and airway systems in the Kenai Peninsula in order to make transportation safer and more effective for commercial carriers as well as residents and tourists.

- Promote winter events and market the Peninsula as year-around destination in order to diversify the economy to create employment opportunities.
- To work with communities and support their efforts to develop a convention facility.
- Improve capital markets by expanding EDD's services with financing alternatives. EDD needs to apply for US Department of Treasury designation as a CDFI.
- Continue this year's success with supporting start-up and expanding businesses in the Business Innovation Center.
- Assist and coordinate efforts with the Kenai Peninsula Tourism Marketing Council attracting group tour companies. Promote the Alaska Sea Life Center, the Challenger Learning Center of Alaska and the Pratt Museum to increase visitations.
- Facilitate regional small business development and entrepreneur educational workshops.
- Maintain working relationships with local banks to improve access to capital for entrepreneurs who want to start or expand a business.

### **FY 2003 Budget**

\$47,570	State ARDOR grant
\$0	Amount of other State funds
\$59,000	Amount of federal funds
\$68,964	Amount of private sector funds
\$90,000	Any other non-federal, non-State funds
<hr/>	
\$265,534	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$0	Total FY03 ARDOR In-Kind Contributions

### **Board of Directors**

#### *Executive Committee*

Philemon Morris (President)  
 Transportation, Kachemak  
 City  
 Tom Boedeker, (Vice  
 President) City Manager,  
 City of Soldotna  
 John Crawford ( 2nd Vice  
 President), City of Seldovia  
 Thomas R. Daly, (Secretary)  
 Owner HiSpeed Gear  
 Craig Chapman (Treasurer)  
 Finance, Kenai Peninsula  
 Borough

#### *Members*

Blaine Bardarson,  
 Representative, City of  
 Seward  
 Anne Marie Holen,  
 Representative, City of  
 Homer  
 Nathan Orr, Representative,  
 City Council, City of  
 Seward  
 Blake Johnson, Labor, Laborers  
 Local 341, Anchorage  
 Ron Long, Qutekcak Shellfish  
 Hatchery, Kenai Peninsula  
 Borough Assembly  
 Pete Sprague, Retired Postal  
 Employee, Kenai Peninsula  
 Borough Assembly  
 Emilie Swenning,  
 Representative, City of  
 Homer  
 John Williams, Real Estate,  
 City of Kenai

#### *Contact*

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 Fax: 283-3913  
 E-mail: [jcarter@kpedd.org](mailto:jcarter@kpedd.org)  
 Web site: [www.kpedd.org/](http://www.kpedd.org/)

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# Kenai Peninsula Borough Economic Development District



## **FY 2002 Coordinated Regional Efforts Resulting in New Business Opportunities**

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

## **FY 2002 Goals \*** (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Build Employment by increasing Access to the Capital needed to expand and retain jobs.
- ✓ Promote Employment by providing fledgling Business Ventures with Professional Space, Nurturing Support and Technical Assistance.
- ✓ Support quality, sustainable economic development.
- ✓ Support Economic Development Activities.
- ✓ Encourage Economic Planning on community and Borough levels.
- ✓ Build Economic Development Capacity
- ✓ ARDOR workshop
- ✓ ARDOR teleconferences.

\* A Legislative performance measure discussed on pages 4 and 5.

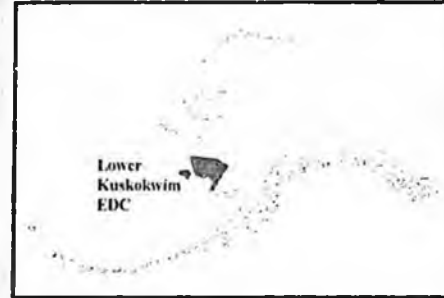
## **Other FY 2002 Accomplishments**

- EDD submitted a grant application to the USDA, Rural Housing, for capacity building training on behalf of nine low-income communities.
- EDD submitted a grant on behalf of the community of Ionia. Ionia requires funding for the community center.
- Marketed the Revolving Loan Fund and made three loans. These loans created four full-time jobs.
- Assisted the City of Soldotna with the enhancement program. Over 20 local businesses participated.
- Applied for and was approved for a VISTA volunteer.
- Worked one-on-one with over thirty-seven entrepreneurs assisting them with marketing, accounting and financial endeavors.
- Finished the fifth and final year as the intermediary for the Port Graham Village and Port Graham Corporation for the Pink Salmon and Streambank EVOS hatcheries.
- Teamed up with communities and other organizations to develop economic projects with the goal of preserving and or enhancing their quality of life.
- EDD's Director taught FastTrac, an entrepreneur education course that was funded with Department of Labor funds.
- EDD made capital improvements to the Business Innovation Center that will improve the marketability of the BIC.

# Lower Kuskokwim Economic Development Council

**Mission Statement**

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



**FY 2003 Goals**

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

**FY 2003 Top Economic/Business Needs**

- New markets for value-added fish products.
- Access to capital for business development.

**FY 2003 Budget**

\$47,570	State ARDOR grant
\$0	Amount of other State funds
\$13,500	Amount of federal funds
\$13,100	Amount of private sector funds
\$0	Any other non-federal, non-State funds
<hr/>	
\$74,170	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$4,500	Total FY03 ARDOR In-Kind Contributions: discounted rent, use of office equipment, office supplies, donated airfare.

## **FY 2002 Coordinated Regional Efforts Resulting in New Business Opportunities**

Eighty fishers received a pay incentive for icing their commercial salmon catch.

### **FY 2002 Goals \*** (Percentages of goal achieved: 75%. A ✓ indicates the goal was accomplished.)

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

\* A Legislative performance measure discussed on pages 4 and 5.

### **Other FY 2002 Accomplishments**

We obtained an additional \$26,600 in cash as new funding for program operations.

### **Board Members**

#### *Executive Committee*

Fred K. Phillip, (Chair)  
Kwik, Inc.

*vacant*, (Vice Chair)

Alexie Jimmie, (Treasurer)

Bayview Trading Co.

Peter Julius, (Secretary)  
Businessman

#### *Members*

David Bigger, Native

Village of Kwinhagak

Mary Kapsner, State Rep.

Richard Foster, State Rep.

Sam George, Business,

Yupit School District

Lyman Hoffman, State

Senator

Les Daenzer, Lower

Kuskokwim School

District

Andrew Guy, Calista Corp.

#### *Contact:*

Carl Berger

Executive Director

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# Mat-Su Resource Conservation & Development, Inc.



## FY 2003 Goals

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

## FY 2003 Top Economic/Business Needs

- ✓ Infrastructure development, including expansion of electrical grid and expansion of public transportation
- ✓ Funding and Technical Assistance for non profit's and community service organizations
- ✓ Establishment of Transportation/Utility Corridor between Willow and Point MacKenzie
- ✓ Active Recycling program and Permanent Recycling Site
- ✓ Workforce Training Program
- ✓ Access to Capital

## FY 2003 Budget

\$47,450	State ARDOR grant
\$0	Amount of other State funds
\$100,000	Amount of federal funds
\$11,150	Amount of private sector funds
\$10,000	Any other non-federal, non-State funds
<hr/>	
\$168,600	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$0	Total FY03 ARDOR In-Kind Contributions

## **FY 2002 Coordinated Regional Efforts Resulting in New Business Opportunities**

- 4<sup>th</sup> Annual Valley Economic Development Conference
- Regional Recycling Program Development
- Development and expansion of local public transportation
- Value Added Timber Products Feasibility Study
- Port MacKenzie

## **FY 2002 Goals \*** (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Economic Development: infrastructure development-assisted in implementation of \$750,000 Line extension grant bringing electrical service to unserved areas. Workforce development – represented region in workforce issues, successfully implemented Sutton One-Stop pilot project. Permanent Recycling site acquired, operational funding obtained. Hosted 4<sup>th</sup> Annual Valley Economic Development Conference.
- ✓ Resource Conservation & Development: Value-Added timber project completed. Mobile Dry Kiln project completed. Open Space Workshop held. Non Timber Forest Products conference held. Completed Timber Bridge Commercialization Project.
- ✓ Community Development: Assisted 5 non profit organizations with funding research. Provided financial management assistance to 6 community organizations.
- ✓ Organization development.

\* A Legislative performance measure discussed on pages 4 and 5.

## **Other FY 2002 Accomplishments**

- Assisted North Valley Development Council with organizational development.
- Hatcher Pass Ski Resort project continues to progress.
- Supported development of a regional Multi-Use Sports Complex.
- Supported Borough's application for Landfill expansion.

## **Board of Directors**

### *Executive Committee*

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

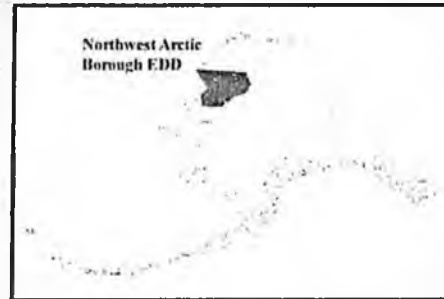
### *Members*

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

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# Northwest Arctic Borough Economic Development Commission



## FY 2003 Goals

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

## FY 2003 Top Economic/Business Needs

Establish Arts Work Places in at least 6 of 11 villages.

## FY 2003 Budget

\$47,220	State ARDOR grant
\$0	Amount of other State funds
\$55,000	Amount of federal funds
\$0	Amount of private sector funds
\$269,608	Any other non-federal, non-State funds
<hr/>	
\$371,828	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$277,000	Total FY03 ARDOR In-Kind Contributions

Describe the contributions: This amount is the total of the Northwest Arctic Borough endowments funds for our loan program (\$165,000), arts purchase program (\$105,000) and youth group loan program (\$7,700).

## **FY 2002 Coordinated Regional Efforts Resulting in New Business Opportunities**

- At least 12 new business began in the region last year, including home-based retail, 2 coffee shops, a catering business, synthetic oil product distributor. Many others sold arts and crafts for the first time. Most notable of these businesses is a espresso/gift shop at the local hotel which was a cooperative effort with the Kotzebue Youth Council and the Youth Opportunity Program. It provides a business education platform for youth who are employed under the Youth Opportunity Program and an additional outlet for arts/crafts sales.
- Cooperated with school district in two Century 21 grants for arts and crafts education in the schools.

### **FY 2002 Goals \*** (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

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

\* A Legislative performance measure discussed on pages 4 and 5.

### **Other FY 2002 Accomplishments**

- Procured funds from USDA (\$80,000) to add to the Small Business Loan Program, and Maniilaq and NANA (\$25,000 each) to add to the Arts and Crafts Purchase Program. We now have over \$277,000 in endowment funds (revolving funds that are not subject to annual appropriation). The loan program is funded at about \$165,000, art purchase at about \$105,000, and youth group loan fund at \$7,700.
- Provided 6 arts and crafts workshops in villages.

### **Economic Development Commission**

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

#### *Ex Officio*

Walter Sampson, Assem<sup>t</sup>  
President  
Roswell Schaeffer, Borough  
Mayor

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# Prince William Sound Economic Development District

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



## **FY 2003 Goals**

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

## **FY 2003 Top Economic/Business Needs**

- ✓ Natural gas line to Valdez
- ✓ Workforce development
- ✓ Provide diversity in local economies
- ✓ Enhance tourism efforts in Prince William Sound

## FY 2003 Budget

\$47,620	State ARDOR grant
\$0	Amount of other State funds
\$0	Amount of federal funds
\$15,715	Amount of private sector funds
\$0	Any other non-federal, non-State funds
<hr/>	
\$63,335	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$8,400	Total FY03 ARDOR In-Kind Contributions: PWSEDD Board of Directors time, travel, volunteer hours pilot/aircraft donation flights to Chenega Bay for meetings.

## FY 2002 Coordinated Regional Efforts Resulting in New Business Opportunities

- Each year PWSEDD and the State of Alaska's Division of Community and Business Development hold training seminars in Prince William Sound. Topics include Starting a Small Business/Writing a Business Plan, Marketing Your Business, and various other courses requested by the community.
- The federal Economic Development Administration recently funded Valdez Fisheries Development Association \$423,000 to build a fish processing plant for the region. This project is being studied as a prototype for other fishing communities in Alaska. PWSEDD worked with Valdez Fisheries in obtaining this grant.
- The City of Whittier and PWSEDD will open a museum in May, 2003. This cultural attraction will offer employment opportunities to Whittier residents while adding to Whittier's appeal as a travel destination

## Board of Directors

Dave Dengel (Pres), Valdez  
Dave Cobb (Vice Pres), Valdez  
Ken Gates (Treas), Cordova Electric  
Betty Miller (Sec), Alaska Tanker Co.  
Michael Vigil, Chenega IRA Council  
Gary Kompkoff, Tatitlek IRA  
Council  
Robin Moore, Whittier  
Chuck Totemoff, Chenega Corporation

## Membership

BP Exploration (Alaska)  
City of Valdez  
Alaska Tanker Company  
Chenega IRA Council  
Alyeska Pipeline Service Company  
City of Cordova  
Cordova Electric Cooperative Assoc.  
City of Whittier  
Chenega Corporation  
Tatitlek IRA Council  
First National Bank of Anchorage  
Petro Star Refinery/Valdez  
Wells Fargo  
Prince William Sound  
Community College  
Eagle Quality Center/Safeway, Inc.  
Copper Valley Cellular  
Valdez Convention & Visitors Bureau  
Walker, Walker, Wendlandt &  
Osovski, Attorneys

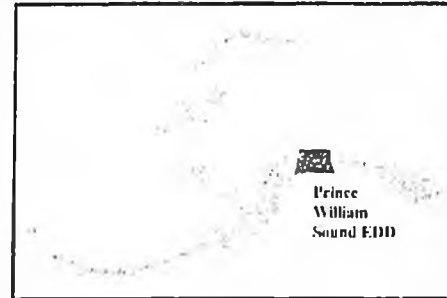
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Web site: www.alaska.net/~pwsdec/

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# Prince William Sound Economic Development District

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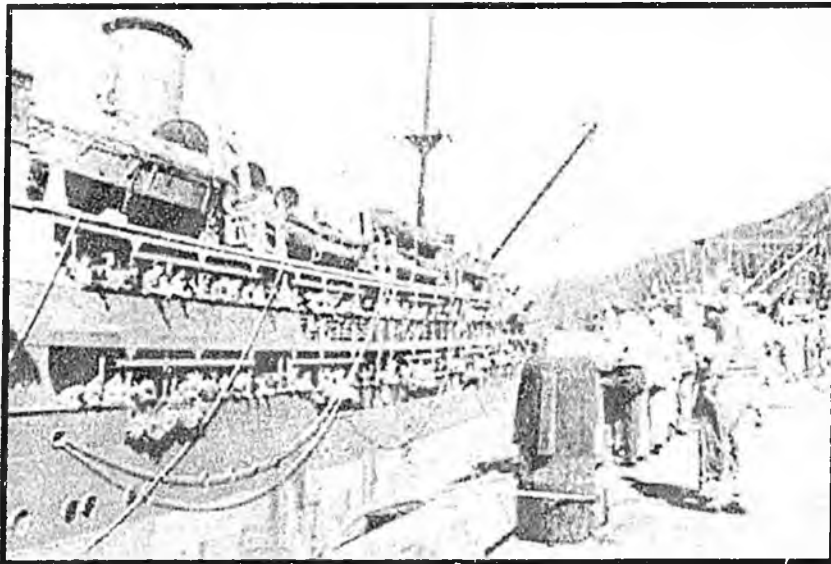
**FY 2002 Goals \*** (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Global Oil Spill Training Institute to be built in Valdez with training held in all PWS communities.
- ✓ Establish a Small Business Incubator with Valdez Fisheries to provide state-of-the art facilities to process up to 5,000 lbs. of fish. This will provide a huge benefit to all fishermen in PWS who presently must rely on the major canneries to process their fish.
- ✓ Provide assistance to the Chenega Bay IRA Council to create new Comprehensive Economic Development Strategy.
- ✓ Provide assistance to small business development in region.

\* A Legislative performance measure discussed on pages 4 and 5.

## Other FY 2002 Accomplishments

- Completed all requirements for EDA grant for fisheries project.
- Recruited new board members.
- To operate more efficiently, moved office to Anchorage.
- Worked with Whittier to build museum.
- Met with Chugach Mountain Festival planners.
- Planned marketing/small business seminars with DCBD.
- Updated Comprehensive Economic Development Strategy.
- Initiated inquiries to Perrier, Int. for bottling plant in Valdez.



*Troop ship arriving in Whittier during World War II*

# Southeast Conference

## ***Mission Statement***

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



## **FY 2003 Goals**

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

## **FY 2003 Top Economic/Business Needs**

- Reduce operating costs and provide better targeted, cost effective service to local communities of the Alaska Marine Highway System through continued implementation of the Southeast Alaska Transportation Plan and completion of an *AMHS Sustainable Ferries* pilot study.
- Electrical power transmission intertie system to reduce costs of power in smaller communities and reduce fossil fuel based power generation.
- Efforts to diversify local economies, to augment and replace the loss of natural resource based economic output.

## **FY 2003 Budget**

\$47,720	State ARDOR grant
\$438,470	Amount of other State funds
\$819,568	Amount of federal funds
\$108,600	Amount of private sector funds
\$3,000	Any other non-federal, non-State funds
<hr/>	
\$1,417,358	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$144,800	Total FY03 ARDOR In-Kind Contributions: Board, Committee and Member hours donated annually. (7,240 hours total at \$20/hour)

## **FY 2002 Coordinated Regional Efforts Resulting in New Business Opportunities**

- Continued work on Southeast Alaska Transportation Plan and initiated Sustainable Ferries pilot study in order to provide local economies needed transportation infrastructure to diversify industrial base.
- Continued work on Southeast Intertie, will provide lower cost power to many communities that now rely on diesel, where businesses have difficulty competing with the lower cost energy base in other communities.
- Worked with a private operator on Fiber-optics. Assisted with concept of public/private partnership, developing support and public involvement strategy, and in locating potential sources of funding.
- Worked with the Inter-Island Ferry Authority to provide daily reliable transportation between Prince of Wales and Ketchikan for people and cargo.
- Worked with mariculture industry to promote shellfish farming in Southeast Alaska, and to survey possible new shellfish farm sites on Prince of Wales

## **Board of Directors**

### *Executive Committee*

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

### *Members*

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

### *Ex Officio*

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

### *Contact*

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**FY 2002 Goals \*** (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Infrastructure development.
- ✓ Quality of life.
- ✓ Capacity building.
- ✓ Tourism.
- ✓ Timber development.
- ✓ Fisheries.
- ✓ Minerals development.
- ✓ Business development.
- ✓ Environmental quality.
- ✓ Communications.
- ✓ Efficiency.

\* A Legislative performance measure discussed on pages 4 and 5.

**Southeast Conference**

**Other FY 2002 Accomplishments**

**Craig** Prepared application for EDA grant funds (\$75,000) for a Hydraulic Boat Trailer to service medium size commercial boats at the JT Brown Industrial Park. This equipment will reduce maintenance and storage costs for local fishermen, provide revenue for the City of Craig and support local marine service and repair businesses. Research 1 Alaska fish processing businesses to market JT Brown Icehouse development and prepared a prospectus for mass mailing to advertise business opportunity in Craig. Provide technical assistance with site selection for King Salmon Hatchery development

**Ketchikan** Assist Ketchikan Indian Corp. with funding for (\$50,000) in renovations to KIC Tribal Hatchery. The renovations will improve efficiency and safety to keep the Hatchery running. Prepared Cost/benefit analysis for a Native Carving Apprenticeship Program to employ KIC members and develop job skills.

- Hydaburg** Prepared Rural Development grant application (\$6,500) for mechanical assessment of Hydaburg Cold Storage. Assist with Rural Business Enterprise Grant for Cold Storage renovation. Provide technical assistance with funding strategies.
- Hyder** Prepare Rasmuson Foundation Grant application (\$24,000) for funding to purchase a palletizing machine for the Hyder Water works.
- Thorne Bay** Provide technical assistance for Library Committee in funding strategies and development. Assist with community planning process.
- Naukati** Provide technical assistance for resolution for second class city status decision. Prepare DCED grant application (\$42,000) for engineering work on waterfront development projects. Assist Naukati West Homeowners Association members with planning and community development projects and strategies. Prepare application for road construction and upgrade (2.4 million) through Forest Road Program
- Coffman Cove** Provide support for community planning process including review of OEDP and waterfront development plan. Assist project managers with funding strategies and Empowerment Zone analysis. Research funding opportunities for IFA terminal development and lands purchase. Assist with feasibility study of hydroelectric plant. Facilitate community planning process and community business plan for future project funding.
- Wrangell** Prepare application for DCED grant (\$48,000) for feasibility study of marine haulout development to support local fishing industry and marine repair and maintenance jobs. Research Alaska businesses for marketing Spur Rd. industrial property development. Provide technical assistance developing questionnaire and data analysis for Zemovia zoning district.
- Hoonah** Prepare application for DCED grant (\$50,000) for engineering and design of marine bulkhead and vessel haulout to support local fishing and processing industry, transportation infrastructure and local marine repair and maintenance jobs. Develop hydraulic boat trailer project with local private business and prepare Rural Development grant application (\$80,000) for Rural Business Enterprise Grant to finance equipment purchase. Provide technical assistance in funding for marine bulkhead construction (1.3 million dollars). Prepared grant application for Community Development Block grant to improve water and sewer system.
- Haines** Assist with marketing plan for Lutak industrial park development. Wrote Mini-Grant application for feasibility study. Prepared Sustainable Salmon Fund Proposal for Ice Plant and Fisheries development. Prepared Rural Development RBEG Grant application to purchase Ice Plant. Provide technical assistance to Chilkat Indian Association for funding a Community Center.
- Sitka** Provide technical assistance to Non-Profit group for grants and project development for transitional living center.

## **Regional Projects**

- Fiber-optic Link** Provide technical assistance with data collection and analysis of cost/benefits for Fiber-optic cable network throughout SE Alaska. Assist AK Fiber-link with grant application preparation and review.
- Prince of Wales Tourism Plan** Develop scope of work for Prince of Wales area Tourism Plan including facilitation of the planning process. Provide technical support and grant application preparation for POW Tourism Coordinator position with Prince of Wales Chamber of Commerce.
- Transportation Study** Wrote grant application for SEC proposal to develop a region wide intermodal transportation study
- Fisheries** Prepared project nominations for Sustainable Salmon Funds Infrastructure grant (\$700,000) to support development of region salmon transportation network and infrastructure.

**Mission Statement**

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



# Southwest Alaska Municipal Conference

**FY 2003 Goals**

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

**FY 2003 Top Economic/Business Needs**

- Establish a coordinated and collaborative approach to overcome economic development challenges within the entire SWAMC region
- Revise a comprehensive regional economic development plan
- Assist in developing a knowledgeable and skilled population
- Strengthen physical infrastructure within the region
- Promote the creation of dynamic local economies
- Provide regional advocacy for policy and funding decisions at the State and Federal level

**FY 2003 Budget**

\$48,170	State ARDOR grant
\$0	Amount of other State funds
\$59,000	Amount of federal funds
\$87,600	Amount of private sector funds
\$16,600	Any other non-federal, non-State funds
<hr/>	
\$211,370	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$0	Total FY03 ARDOR In-Kind Contributions

## **FY 2002 Coordinated Regional Efforts Resulting in New Business Opportunities**

- Conducted a regional conference that included training on tourism development, infrastructure development.
- Provided a forum for discussion of the benefits of regional cooperation in economic development and establishing a model to develop regional unity.
- Regional conferences provide critical communication and networking opportunities for southwest Alaska.

### **FY 2002 Goals \*** (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Conducted a successful regional conference
- ✓ Continued efforts to improve visibility and utilization of regional tourism services and facilities
- ✓ Provided a strong voice on public policy issues affecting the southwest region

\* A Legislative performance measure discussed on pages 4 and 5.

### **Other FY 2002 Accomplishments**

- ☐ Coordinated a grass roots effort to communicate critical issues and action alerts to members directed toward legislative agencies and National Marine Fisheries Service.
- ☐ Completed the process of developing an economic relief program for communities, businesses, individuals and other entities affected by the Steller sea lion protection measures – distributing funds to approximately 15,000 recipients
- ☐ With State funds, engaged a professional consulting firm and published an Economic Impact Study that:
  - Documented economic losses incurred to date due to Federal Steller seal lion conservation measures.
  - Developed forecasts of local and regional economic impacts attributable to alternative federal management measures proposed for Steller sea lion conservation.
  - Provided additional background on economic trends and prospects for the region's salmon and shellfish industries.
  - Developed proposed economic recovery strategies for the region's boroughs and major local governments.

### **Board of Directors**

#### *Members*

Wayne Stevens (Pres.),  
Municipal Representative-  
Kodiak Island  
Alice Ruby (Vice Pres.),  
Municipal Representative-  
Bristol Bay  
Frank Kely (Sec/Treas.),  
Municipal Representative-  
Aleutians/Pribilofs  
Elary Gromoff,  
Associate Representative-  
Aleutians/Pribilofs  
Mayor Glen Gardner, Jr.,  
Municipal Representative-  
Aleutians/Pribilofs  
Debora King,  
Associate Representative -  
Kodiak Island  
Dave Woodruff,  
Municipal Representative -  
Kodiak Island  
Myra Olsen,  
Associate Representative -  
Bristol Bay  
Carvel Zimin,  
Municipal Representative -  
Bristol Bay  
Kara Sandvik,  
Associate Representative -  
At Large  
Joe Sullivan,  
Associate Representative -  
At Large

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✓ **Bering Strait Development Council** (1/15/97)<sup>†</sup>  
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✓ **Copper Valley Economic Development Council** (11/1/90)<sup>†</sup>  
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*Cathryn*  
*Mr. Wilton*  
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✓ **Interior Rivers RC&D Council** (4/30/99)<sup>†</sup>  
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✓ **Kenai Peninsula Borough Economic Development District** (2/22/89)<sup>†</sup>  
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E-Mail: matsurcd@mtaonline.net

*Olson*  
✓ **Northwest Arctic Borough Economic Development Commission** (6/28/89)<sup>†</sup>  
Lee Stoops, Executive Director  
PO Box 1110  
Kotzebue, AK 99752  
Phone: 442-2500  
Fax: 442-2930  
E-Mail:  
lstoops@northwestarcticborough.org  
Web Site:  
www.northwestarcticborough.org

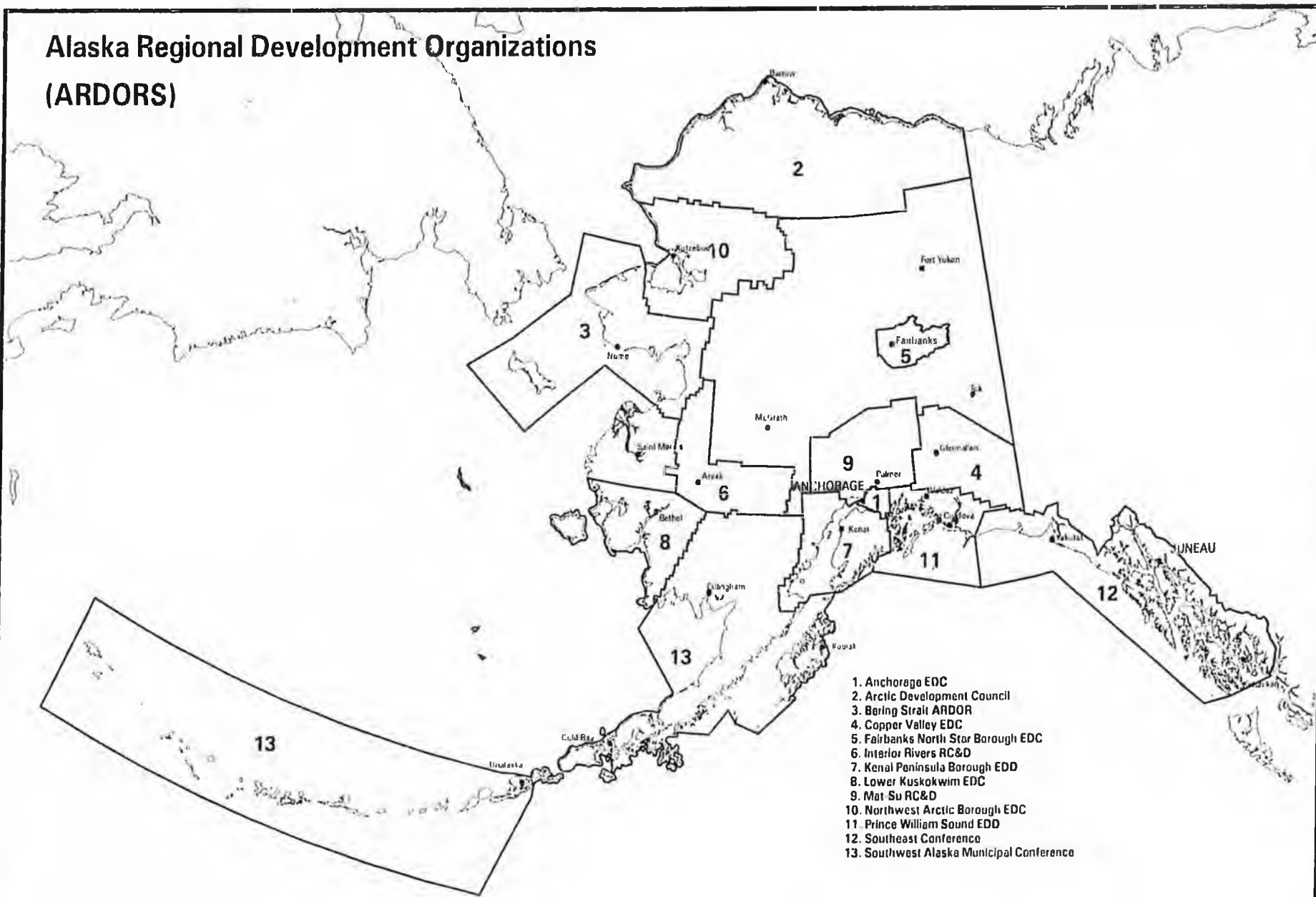
✓ **Prince William Sound Economic Development District** (11/1/91)<sup>†</sup>  
Sue Cogswell, Executive Director  
2207 Spenard Rd, Suite 207  
Anchorage, AK 99503  
Phone: 222-2440  
Fax: 222-2411  
E-Mail: pwsedc@alaska.net  
Web Site: www.alaska.net/~pwsedc/

*Mr. Taylor*  
✓ **Southeast Conference** (4/14/89)<sup>†</sup>  
Meilani Schijvens, Administrative Director  
Loren Gerhard, Projects and Policy Director  
PO Box 21989  
Juneau, AK 99802  
Phone: 463-3445 ext. 21  
Fax: 463-5670  
E-Mail: meilani@seconference.org  
Web Site: www.seconference.org

✓ **Southwest Alaska Municipal Conference** (4/6/89)<sup>†</sup>  
Wanetta Ayers, Executive Director  
3300 Arctic Blvd., Suite 203  
Anchorage, AK 99503  
Phone: 562-7380  
Fax: 562-0438  
E-Mail: wayers@swamc.org  
Web Site: www.swamc.org  
www.southwestalaska.org

<sup>†</sup> Designation Date

# Alaska Regional Development Organizations (ARDORS)



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

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

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Produced, in cooperation with the 13 ARDORs, by the State Department of Community and Economic Development, Division of Community and Business Development, 550 W. 7th Avenue, Suite 1770, Anchorage, AK 99501.

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

**[http://www.deed.state.ak.us/cbd/ardor/pub/03\\_ARDOR\\_rpt.pdf](http://www.deed.state.ak.us/cbd/ardor/pub/03_ARDOR_rpt.pdf)**

or contact Judy Hargis (1-907-269-4565). For more information on the ARDOR Program, call Midge Clouse (1-907-269-4587).

DCED complies with Title II of the Americans with Disabilities Act of 1990. Upon request, this report will be made available in large print or other accessible formats. Request for such should be directed to DCED at 1-907-269-4581 or TDD 1-800-930-4555.

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# FISCAL NOTE

**STATE OF ALASKA  
2003 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 79  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 2/19/03 Dept. Affected: DCED  
 Title AK Regional Economic Asst Program BRU Comm Assist & Econ. Dev. (405)  
 Component Community & Business Development  
 Sponsor House Community & Regional Affairs  
 Requester House Finance Component No. 2486

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	30.0	30.0	30.0	30.0	30.0	30.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	620.0	620.0	620.0	620.0	620.0	620.0
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>650.0</b>	<b>650.0</b>	<b>650.0</b>	<b>650.0</b>	<b>650.0</b>	<b>650.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (RSA from AIDEA)	650.0	650.0	650.0	650.0	650.0	650.0
<b>TOTAL</b>	<b>650.0</b>	<b>650.0</b>	<b>650.0</b>	<b>650.0</b>	<b>650.0</b>	<b>650.0</b>

Estimate of any current year (FY2003) cost: 650.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time	0.5	0.5	0.5	0.5	0.5	0.5
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This is an existing program that is scheduled to sunset 6/30/03. Reauthorization will continue the program for 5 years (until 6/30/08). The \$650.0 comes to the department via a Reimbursable Services Agreement (RSA) from the Alaska Industrial Development and Export Authority (AIDEA). The funding for the RSA is included in AIDEA's operating budget. The department awards \$620.0 in grants to 13 existing Alaska Regional Development Organizations (ARDORs). \$30.0 in personal services pays for a portion of DCED staff time associated with administering the grants and the ARDOR program in general. This funding is included in the current fiscal year budget and is included in the Governor's proposed FY 2004 budget.

Prepared by: Gene Kane, Acting Director  
 Division: Community & Business Development  
 Approved by: Edgar Blatchford, Commissioner  
 Agency: Department of Community & Economic Development

Phone 907-269-4587  
 Date/Time 2/19/03 8:38 AM  
 Date 2/19/2003

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 79  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 2/10/03  
 Title AK Regional Economic Asst Program

Dept. Affected: DCED  
 BRU Comm Assist & Econ. Dev. (405)  
 Component Community & Business Development  
 Component No. 2486

Sponsor House Community & Regional Affairs  
 Requester House Community & Regional Affairs

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	30.0	30.0	30.0	30.0	30.0	30.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	620.0	620.0	620.0	620.0	620.0	620.0
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>650.0</b>	<b>650.0</b>	<b>650.0</b>	<b>650.0</b>	<b>650.0</b>	<b>650.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (RSA from AIDEA)	650.0	650.0	650.0	650.0	650.0	650.0
<b>TOTAL</b>	<b>650.0</b>	<b>650.0</b>	<b>650.0</b>	<b>650.0</b>	<b>650.0</b>	<b>650.0</b>

Estimate of any current year (FY2003) cost: 650.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time	0.5	0.5	0.5	0.5	0.5	0.5
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This is an existing program that is scheduled to sunset 6/30/03. Reauthorization will continue the program for 5 years (until 6/30/08). The \$650.0 comes to the department via a Reimbursable Services Agreement (RSA) from the Alaska Industrial Development and Export Authority (AIDEA) Enterprise Development Fund (AS 44.88.155). The department awards \$620.0 in grants to 13 existing Alaska Regional Development Organizations (ARDORs) (\$47.7 each). \$30.0 in personal services pays for a portion of DCED staff time associated with administering the grants and the ARDOR program in general. This funding is included in the current fiscal year budget and is included in the Governor's proposed FY 2004 budget.

Prepared by: Gene Kane, Acting Director  
 Division Community & Business Development  
 Approved by: Edgar Blatchford, Commissioner  
 Agency Department of Community & Economic Development

Phone 907-269-4587  
 Date/Time 2/10/03 2:36 PM  
 Date 2/10/2003

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SCSHB 79 (FIN)  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
 Title AK Regional Economic Assistance Program BRU Comm Assist & Econ. Dev. (405)  
 Component Community & Business  
 Sponsor House Community & Regional Affairs Development  
 Requester Senate Rules Component No. 2486

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	30.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	620.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>650.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (RSA from AIDEA)	650.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>650.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 650.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time					
Part-time					
Temporary					

**ANALYSIS:** (Attach a separate page if necessary)

The Alaska Regional Development Organizations (ARDOR) program is an existing program that is scheduled to sunset 6/30/03. This Senate Committee Substitute extends the ARDOR program for one additional year (until 6/30/04). The \$650.0 comes to the department via a Reimbursable Services Agreement (RSA) from the Alaska Industrial Development and Export Authority (AIDEA) Enterprise Development Fund (AS 44.88.155). The department awards \$620.0 in grants to 13 existing ARDORs (\$47.7 each). \$30.0 in personal services pays for a portion of department staff time associated with administering the grants and the ARDOR program in general. This funding is included in the current fiscal year budget and is included in the Governor's proposed FY 2004 budget.

Prepared by: Gene Kane, Director Phone 907-269-4587  
 Division Community and Business Development Date/Time 5/7/03 4:13 PM  
 Approved by: Edgar Blatchford, Commissioner Date 5/7/2003  
 Agency Department of Community and Economic Development



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

February 20, 2003

Representative Carl Morgan, Chair  
House Community & Regional Affairs Committee  
State Capitol, Room 408  
Juneau, AK 99801-1182

Re: HB 79

Dear Representative Morgan,

The Alaska Municipal League supports the reauthorization of the ARDOR Program. The 2003 Alaska Municipal League Policy Statement reads:

**Alaska Regional Development Organizations:** The League urges the state legislature to increase funding to the Alaska Regional Development Organizations (ARDOR), to allow for greater amounts of private funds to be leveraged with public monies and to require DCED and other state agencies to coordinate their economic development activities with local ARDOR organizations.

The purpose of the ARDOR Program, established in 1988 by the State Legislature, is to facilitate economic development by establishing a network of regional development organizations designed to advance local control of economic development efforts and to increase the flow and retention of dollars in local economies. The program provides matching grants of up to \$100,000 per year for financial assistance to each designated regional development organization. The legislation establishing the program allows for a maximum of fifteen regional development organizations to be funded in any year. At the present time, almost all regions of the state are organized into ARDORs.

a. **Performance Based Outcomes:** As a condition of state funding, the League supports establishment of practices that ensures maximum local participation from all communities within the ARDOR. Further the League supports creation of performance measures for the goals and employees of the ARDOR. The legislature has moved to performance-based budgeting. This will enhance efforts to increase funding to the ARDOR's and support for a regionally based statewide economic development plan.

Thank you for the opportunity to support this bill.  
Sincerely,

  
Kevin Ritchie  
Executive Director

cc: Representative Kelly Wolf, Vice-Chair  
House Cmte Community & Regional Affairs

Introduced by: Sprague, Long  
Date: 03/11/03  
Action: Adopted  
Vote: 8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH  
RESOLUTION 2003-030**

**A RESOLUTION SUPPORTING THE PASSAGE OF HOUSE BILL 79 AND SENATE  
BILL 62 WHICH EXTENDS THE TERMINATION DATE OF THE ALASKA  
REGIONAL ECONOMIC ASSISTANCE PROGRAM**

**WHEREAS,** the Kenai Peninsula Borough Economic Development District is and has been an Alaska Regional Development Organization since 1988; and

**WHEREAS,** the Kenai Peninsula Borough Economic Development District provides economic development services throughout the Borough consistent with the goals and objectives of the Alaska regional economic assistance program; and

**WHEREAS,** the Kenai Peninsula Borough Economic Development District provides services to the Kenai Peninsula Borough that includes producing the Borough's Comprehensive Economic Development Strategy (CEDS), operates the state's only Business Incubator Center, counsels entrepreneurs, manages a revolving loan fund, assists communities with capacity building initiatives, and facilitates community and economic forums; and

**WHEREAS,** the Kenai Peninsula Borough Economic Development District has qualified for financial assistance under the Alaska regional economic assistance program since 1988; and

**WHEREAS,** House Bill 79 and Senate Bill 62 have been introduced and will provide an extension of the Alaska regional economic assistance program through 2008;

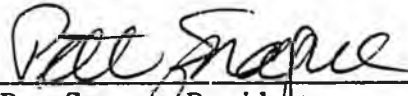
**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1:** That the Kenai Peninsula Borough Assembly urges the 23<sup>rd</sup> Alaska State Legislature to enact House Bill 79 and Senate Bill 62, acts extending the termination date of the Alaska regional economic assistance program.

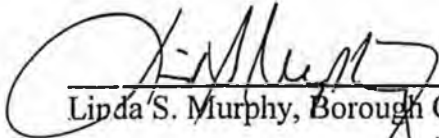
**SECTION 2:** That copies of this resolution shall be sent to Senator Con Bunde, Senator Georgiana Lincoln, Senator Gary Stevens, Senator Tom Wagoner, Representative Mike Chenault, Representative Mike Hawker, Representative Carl Morgan, Representative Paul Seaton, Representative Kelly Wolf, Governor Frank Murkowski and Commissioner of Community and Economic Development Edgar Blatchford.

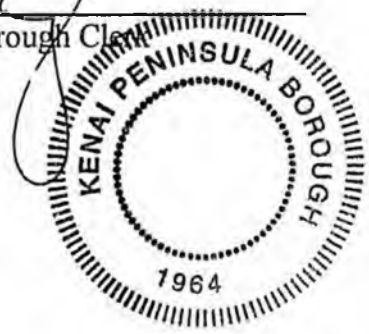
**SECTION 3:** That this resolution takes effect immediately upon its enactment.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 11TH DAY OF MARCH 2003.**

  
\_\_\_\_\_  
Pete Sprague, President

ATTEST:

  
\_\_\_\_\_  
Linda S. Murphy, Borough Clerk



**HB**

**187**



## **Legislative Budget & Audit Committee**

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**Representative Ralph Samuels, Chair**

### **Sponsor Statement for House Bill 187 Extend Board of Storage Tank Assistance**

Under AS 46.03.010(18), the Board of Storage Tank Assistance will sunset on June 30, 2003 unless the Legislature acts to extend the board. House Bili 187 would extend the board to June 30, 2007.

The board (BSTA) was created in 1990 to help the owners and operators of underground storage tanks (UST's) comply with state and federal regulations enacted in response to nationwide concern over possible contamination of drinking water from leaking tanks. These new regulations covered areas including the design, construction and installation of new tanks, and tightened standards for the retrofitting of existing tanks.

Board members have extensive UST knowledge and experience, allowing the board to act as a valuable liaison between the Department of Environmental Conservation and UST owner/operators. BSTA helped the DEC draft reasonable regulations and has helped owner/operators interpret and comply with regulations, saving the State the cost of seizing and cleaning up contaminated sites caused by non-compliance.

The DEC provides financial assistance to UST owner/operators, previously through grant programs, and now through a revolving loan fund, the Storage Tank Assistance Loan Fund. BSTA has been instrumental in mediating disputes between DEC and UST owner/operators over financial assistance determinations and allowable costs, helping avoid the need for formal appeals in some cases.

The Board of Storage Tank Assistance has a proven value, and it is in the best interest of UST owner/operators, the State and the general public to extend the board's sunset date for four years.

## REPORT CONCLUSIONS

In our opinion, the Board of Storage Tank Assistance (BSTA) should be reestablished. The board plays an integral role in promoting compliance throughout the state with federal regulations related to specifications for underground storage tanks (UST). Ostensibly, such compliance is important in promoting public health in that it protects underground drinking water supplies from pollution and provides funding necessary to remediate pollution brought on by leaking USTs owned and operated by private sector interests.

Creation of BSTA grew out of palpable mistrust between many of the private sector UST tank owners/operators and state regulators. As an independent board, BSTA has been instrumental in mediating disputes between the Department of Environment Conservation (DEC) and UST owners/operators. BSTA has enhanced cooperation, which promotes compliance with governmental regulations related to underground tanks.

Since FY 98 the board has conducted eight formal hearings involving appeals of DEC actions. On numerous other occasions, board members or staff have been able to resolve disputes and concerns on an informal basis, which again assists in achieving the overarching public policy objective, bringing UST owners/operators into compliance with current federal tank regulations.

The board actively participates in the making of statutes and regulations pertain to USTs. The board is statutorily required to adopt regulations to be used by DEC to administer the UST financial assistance program. The board also reviews all DEC regulation proposals related to USTs. If it is fair to assume a significant number of UST owners and operators will be interested in participating, with DEC and BSTA in the development of procedures for the new loan program created by SB 128.

Although the December 22, 1998 federal deadline for tank compliance has passed, there are still tanks in Alaska that are out of compliance. Tank owners and operators continue to express a need and desire to maintain BSTA. The board has, and continues to, work with tank owners and operators to help them come into compliance with Environmental Protection Agency (EPA) regulations.

Currently, there is an informal agreement between EPA and DEC, stating that EPA will not assess fines for out of compliance tanks as long as the owner/operator signs a compliance order by consent (COBC) agreement. These agreements state that the tank owner is seeking funding from the State in order to come into compliance and that regardless of receiving that funding they will come into compliance. The ongoing presence and activity of BSTA in promoting statewide compliance, has been an important part of EPA's willingness to accept COBC agreements.

BSTA is needed to continue its role until procedures for the loan program have been established. The creation of the loan program and changes to the grant programs brought on by SB 128 has and continues to require a great deal of the board's time. As regulations and

procedures are established for the cleanup loan program, the board should consider including language in the regulations that would provide a process for tank owners and operators to follow if they wish to appeal a certain action or decision of DEC.

We recommend the legislature extend the board's termination date until June 30, 2003. Given the substantial changes to the UST program brought about by SB 128, and the timetable involved in establishing the regulations and procedures for the loan program, there is still a role, albeit perhaps a reduced one, for BSTA to play.

**HB**

**189**

Alaska State Legislature  
House of Representatives

Alaska State Capitol  
Juneau, Alaska 99801-1182  
1-907-465-3438 (phone)  
1-888-478-3438 (toll free)  
1-907-465-4565 (fax)



Interim Address  
716 West Fourth Avenue  
Anchorage, Alaska 99501-2133  
(phone) 1-907-269-0100  
(fax) 1-907-269-0105

Representative Harry Crawford  
District 21

E-mail: [Representative\\_Harry\\_Crawford@legis.state.ak.us](mailto:Representative_Harry_Crawford@legis.state.ak.us)

**Five Good Reasons to Raise the Legal Smoking Age to 21**

1. **Approximately 90 percent of smokers begin smoking before the age of 21.** Each day, about 6,000 adolescents try a cigarette for the first time; about 3,000 become daily smokers.
2. **But smoking addiction does not develop among adults. Among those over the age of 21 who take up smoking for the first time, more than 90 percent soon drop it completely.**
3. **Of an estimated 16.6 million smokers in the U.S. (1995 figures), 5.3 million will die prematurely from smoking-related disease, resulting in an estimated \$200 billion in health care costs (about \$12,000 per smoker) and about 64 million years of potential life lost (12 to 21 years per smoking-related deaths).**
4. **Cigarette smoking is considered to be the single most preventable contributor to chronic diseases.**
5. **Cigarette smoking during childhood and adolescence produces significant health problems among young people. A starting age of smoking of earlier than 21 more than doubles the risk of developing future smoking-related diseases. It is critical that access of minors to tobacco products be reduced, and raising the legal smoking age to 21 would result in significant future savings in health costs.**

## Bibliography

San Diego (CA) Union-Tribune, August 21, 2002, "Senate kills measure to raise legal smoking age to 21"

American Lung Association State of the Air 2002, www.lungusa.org, "Adolescent Smoking Statistics), January 2003

Bawazeer, A.A., Hattab, A.S., and Morales, E., www.emro.who.int, "First cigarette smoking experience among secondary-school students in Aden, Republic of Yemen"

Denys, Bart G., M.D., Cardiovasculatr Institute of the South, "Smoking: the particular risks of starting young", 1999

Lando, Harry A., Society for Research on Nicotine and Tobacco, Nicotine & Tobacco Research, December 18, 2000

Moyer, David, M.D., The Tobacco Reference Guide, "Children and teen smoking"

### Points of Interest

It is understandable that the American Medical Association endorses raising the legal limit for the possession and purchase of tobacco products to 21 years of age.

It is understandable that the intent is to reduce the initiation of use of tobacco products by raising the legal age in Alaska for tobacco purchase, sale, exchange or possession from 19 to 21 years of age.

BUT.....

Currently, there are three states that require persons to be 19 years of age to purchase or possess tobacco:

Alaska

Alabama

Utah

All the remaining states legalize tobacco purchases at age 18

Alaska already has one of the highest standards

Is it fair that a person be able to fight for his or her country at age 18 but not be able to purchase cigarettes until they are 21?

Is it fair that we hold 18 year old responsible as adults in our court systems, but tell them they can not purchase tobacco until they are 21?

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 189  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Law  
 Title "An Act raising the age for purchase, sale, BRU Criminal Division  
exchange, or possession of tobacco to age 21." Component All  
 Sponsor Representative Crawford  
 Requester House C&RA Committee Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0  
 Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill raises the age to purchase, sell, exchange, or possess tobacco to from 19 to 21.

The penalties included in this bill are violations, which are handled by the court and law enforcement without the assistance of state prosecutors. Passage of this bill will have no fiscal impact on the Department of Law.

Prepared by: Joan M. Kasson Phone (907) 465-5370  
 Division Attorney General's Office Date/Time J/24/03 1:46 PM  
 Approved by: Joan M. Kasson for Gregg D. Renkes, Attorney General Date 3/24/2003  
 Agency Department of Law

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 189  
 ( ) Publish Date: \_\_\_\_\_  
 Dept. Affected: Health & Social Services  
 BRU State Health Services  
 Component Tobacco Prevention and Control

Revision Date/Time (Note if correction): \_\_\_\_\_  
 Title INCREASE AGE FOR POSSESSION OF TOBACCO TO 21

Sponsor CRAWFORD  
 Requester HOUSE (CRA)

Component No. 2384

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES (0)</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: \_\_\_\_\_  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

The intent of this bill is to reduce the initiation of use of tobacco products by raising the legal age in Alaska for tobacco purchase, sale, exchange or possession from 19 to 21 years of age.

The American Medical Association endorses raising the legal limit for the possession and purchase of tobacco products to 21 years of age. Currently, there are three states that require persons to be 19 years of age to purchase or possess tobacco, Alaska, Alabama and Utah. The remaining states legalize tobacco purchases at age 18.

Prepared by: Elmer A. Lindstrom Phone 465-1613  
 Division Office of the Commissioner Date/Time 03/24/2003  
 Approved by: Joel S. Gilbertson, Commissioner Date 03/24/2003  
 Agency Department of Health and Social Services

FISCAL NOTE  
FN #

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

BILL NO. HB 189

ANALYSIS CONTINUATION

Raising the legal age to purchase tobacco would send an important message that tobacco is a dangerous product. However there is little evidence that this action would significantly reduce the prevalence of smoking insofar as the majority of adult smokers began smoking before the age of 19, the current legal age in Alaska.

This bill will have no significant impact on the state tobacco control program and therefore the department anticipates no fiscal impact.



# Alaska State Legislature

## House Committee on Community and Regional Affairs

---

**Representative Carl Morgan, Chair**  
State Capitol Building, Room 408  
Juneau, AK 99801  
907-465-3882

### AGENDA

State Capitol 124  
8:00 am – 10:00 am

- **Call to Order**
  - Today's date is March 25, 2003
  - The time is 8 am
- **On today's agenda**
  - HB 189 Prohibit Tobacco Use Until Age 21  
Sponsor: Representative Crawford  
(If Rep Crawford is not available, his staff Carol Gionannini will present)
- **Public Testimony**
  - On teleconference
  - Anyone present in Juneau that wishes to testify?
- **Wishes of the committee**
  - Options:
    - Move the bill **with** the attached zero fiscal notes
    - Hold bill in committee for further review
- **Other Business**
  - If there is no other business, announce next meeting announce next meeting.
  - Next Meeting – Tuesday, March 18<sup>th</sup>  
Overview of the Denali Commission
- **Adjourn**

**Alaska State Legislature**  
House of Representatives

Alaska State Capitol  
Juneau, Alaska 99801-1182  
1-907-465-3438 (phone)  
1-888-478-3438 (toll free)  
1-907-465-4565 (fax)



Interim Address  
716 West Fourth Avenue  
Anchorage, Alaska 99501-2133  
(phone) 1-907-269-0100  
(fax) 1-907-269-0105

Representative Harry Crawford  
District 21

**HB 189 - PROHIBIT TOBACCO USE UNTIL AGE 21**  
**SPONSOR STATEMENT**

Tobacco kills. Of approximately 16.6 million smokers in the U.S. alone, 5.3 million will die prematurely. Billions of dollars will be spent on tobacco-related health care (an average of \$12,000 per smoker), and nearly 64 million years of potential life -- from 12 to 21 years per smoker -- will be lost. Lung disease associated with smoking has become the third-highest cause of death.

Of those who smoke, 90 percent began smoking before the age of 21. On the other hand, among those over the age of 21 who take up smoking for the first time, more than 90 percent soon drop it completely.

Increasing the age for legal possession of tobacco to 21 will help discourage teen smoking. The resulting decrease in smokers will lower Alaska's health care costs and reduce the number of tobacco-related deaths.

**HB**

**194**

**NORTHWEST ARCTIC BOROUGH****P.O. BOX 1110****KOTZEBUE, ALASKA 99752****(907) 442-2500 / FAX (907) 442-2930**

March 26, 2003

Representative Tom Anderson  
State Capitol Room 432  
Juneau, Alaska 99801

Dear Representative Anderson:

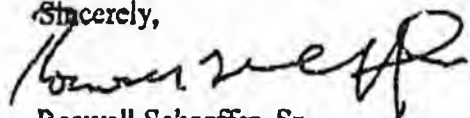
The Northwest Arctic Borough would like to convey full support for HB 194, "An Act creating a tax credit under the Alaska Net Income Tax Act for contributions to regional development organizations; and providing for an effective date." We are one of the recognized Alaska Regional Development Organizations (ARDORS) in the state and believe that this legislation would facilitate investment in those organizations from large businesses operating within Alaska.

Our ARDOR is active in creating small business opportunities and otherwise stimulating employment in an area with a 65% non full-time employment rate among working age adults. Over the last two years we have made in excess of 150 small business loans, provided over \$100,000 in small business grants, and purchased and marketed the arts and crafts of over 120 of our residents. Our economic development programs and activity can be reviewed at our website, [www.northwestarcticborough.org](http://www.northwestarcticborough.org).

In rural regions in particular, where a high percentage of the adult population lacks even a high school education, direct assistance from an ARDOR is essential if individuals are going to make a successful transition to the modern cash economy. In most cases, creation of a job or business has the direct outcome of reducing the cost of public assistance in the form of food stamps or temporary aid to families with dependent children. In all cases, jobs and businesses provide people with the opportunity to learn and grow.

The outcome of this legislation should be additional capital for ARDORS, from which all regions of the state would benefit. Thank you for your support.

Sincerely,



Roswell Schaeffer, Sr.,  
Mayor

LOWER KUSKOKWIM ECONOMIC DEVELOPMENT COUNCIL  
PO BOX 2021, BETHEL, ALASKA 99559 \* 907 543-5967

March 19, 2003

Rep. Tom Anderson  
Alaska State Legislature  
Juneau, AK 99801

Dear Rep. Anderson:

re: Support of House Bill 194

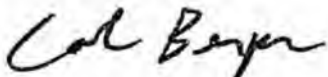
This letter is written in support of HB 194, which would provide tax credits for contributions by private entities to regional development organizations.

We are in our twelfth year of operations as the regional development body for Bethel and 26 lower Kuskokwim villages in SW Alaska. Funding received through the State of Alaska over the years has been leveraged with other sources to allow us to cover our operations expenses, the cost of doing business continues to grow each year and the outlook for funding from the state is uncertain.

Allowing private bodies to donate up to \$10,000 in cash, in exchange for a tax credit equal to the amount of the contribution, would be very helpful to us in our continuous fundraising efforts, assisting us to gain revenues to cover our increasing operating expenses.

Thank you for your efforts to assist us in promoting regional economic development by increasing the financial support options to our organization.

Very truly,



Carl Berger  
Executive Director



701 West Eighth Avenue  
Suite 600  
Anchorage, AK 99501

Telephone 907 265 1200  
Fax 907 265 1296

March 24, 2003

Alaska State Legislature  
State Capitol  
Juneau, AK 99801

As the chair of Anchorage Economic Development Corporation (AEDC), and a long time business owner, I encourage you to support House Bill 194, an act creating a tax credit under the Alaska Net Income Tax Act for contributions to regional development organizations.

Economic development is critical for the future of our state. Alaska has several private, non-profit community development organizations working diligently on economic development initiatives aimed at bringing new investment and jobs to their communities and to the state. Over the years, these organizations have had success in contributing to the economic well being of our state. However, each is limited by its financial support and relies heavily on private contributions for funding.

HB 194 would allow taxpayers to make contributions to regional economic development organizations and take a tax credit equal to the amount of the contribution, not to exceed \$10,000, thus enhancing their ability to support economic development. This bill would not increase the \$150,000 tax credit limit. It would simply provide another option for companies to contribute to the economic future of the state.

AEDC appreciates your support for our global logistics initiatives, and I thank you for your consideration of HB 194.

Sincerely,

Kathleen Porterfield  
Managing Partner



# ASCG

INCORPORATED

March 21, 2003

Honorable Tom Anderson  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801

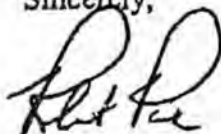
Representative Anderson:

I encourage you to support House Bill 194. This bill would allow taxpayers to make contributions to regional economic development organizations, like the Anchorage Economic Development Corporation (AEDC), and take a tax credit equal to the amount of the contribution, not to exceed \$10,000. This bill would not increase the current \$150,000 tax credit limit; it would simply provide another option for companies to contribute to the economic future of Alaska.

Economic development is critical for the future of our state. Alaska has several private, non-profit community development organizations working diligently on economic initiatives aimed at bringing new investment and jobs to their communities and to the state. Over the years, these organizations have had very real success in contributing to the economic well being of Alaska. However, each is limited by its respective financial support and each relies heavily on private contributions for funding.

This legislation is also supportive of the Governor's efforts to strengthen Alaska's economy through increased economic development of Alaska's resource base. HB 194 could contribute significantly to the ability of economic development organizations throughout Alaska to assist with Alaska's economic development. Thank you for your consideration of this bill and for your ongoing commitment to the economic success of our State.

Sincerely,



Robert Poe  
Sr. Vice President  
Alaska Operations



March 25, 2003

architecture  
development  
interior design  
planning

The Honorable Tom Anderson  
Alaska State Representative  
State Capitol, Room 432  
Juneau, AK 99801-1182

shaping  
tomorrow  
today

Re: House Bill 194

Dear Representative Anderson:

I encourage you to support House Bill 194, an act creating a tax credit under the Alaska Net Income Tax Act for contributions to regional development organizations.

Economic development is critical to the future of our state. Alaska has several private, non-profit community development organizations working diligently on economic development initiatives aimed at bringing new investment and jobs to their communities and to the state. Over the years, these organizations have had success in contributing to the economic well being of our state. However, each is limited by its financial support and relies heavily on private contributions for funding.

House Bill 194 would allow taxpayers to make contributions to regional economic development organizations and take a tax credit equal to the amount of the contribution, not to exceed \$10,000, thus enhancing their ability to support economic development. This bill would not increase the \$150,000 tax credit limit. It simply would provide another option for companies to contribute to the economic future of Alaska.

Thank you for your consideration and your ongoing commitment to the growth and prosperity of our state.

Sincerely,

Mark E. Pfeffer  
President/CEO

425 G Street  
Suite 800  
Anchorage  
Alaska 99501  
907.274-7443 T  
907.274.7407 F  
www.kpb-alaska.com

**LEGAL SERVICES**

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

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

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

**MEMORANDUM**

March 13, 2003

**SUBJECT:** Sectional Summary of HB 194, creating a tax credit for contributions to regional development organizations (Work Order No. 23-LS0733D)

**TO:** Representative Tom Anderson

**FROM:** Kathryn L. Kurtz  
Legislative Counsel

You have requested a sectional summary of the above-described bill

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

**Section 1.** Effective July 1, 2003, adds the credit created in section 7 of the bill to the list of tax credits in AS 21.89.070(c) which, when combined, may not exceed \$150,000.

**Section 2.** Effective July 1, 2005, removes the credit added in section 1 of the bill from AS 21.89.070(c).

**Section 3.** Effective July 1, 2003, adds the credit created in section 7 of the bill to the list of tax credits in AS 21.89.075(c) which, when combined, may not exceed \$150,000.

**Section 4.** Effective July 1, 2005, removes the credit added in section 3 of the bill from AS 21.89.075(c).

**Section 5.** Effective July 1, 2003, adds the credit created in section 7 of the bill to the list of tax credits in AS 43.20.014(d) which, when combined, may not exceed \$150,000.

**Section 6.** Effective July 1, 2005, removes the credit added in section 5 of the bill from AS 43.20.014(d).

**Section 7.** Creates a tax credit not to exceed \$10,000 for cash contributions accepted for direct operation of a regional development organization. Defines "regional development organization" using the definition now found in AS 44.33.895 (scheduled for repeal 7/1/03). Provides that the credit may not be claimed under both this provision and

Representative Tom Anderson  
March 13, 2003  
Page 2

another provision of AS 43, or claimed and also allowed as a deduction under 26 U.S.C. 170 against the Alaska net income tax. Provides that the credit, when combined with other credits taken under other statutory sections, may not exceed \$150,000.

**Section 8.** Effective July 1, 2003, adds the credit created in section 7 of the bill to the list of tax credits in AS 43.55.019(d) which, when combined, may not exceed \$150,000.

**Section 9.** Effective July 1, 2005, removes the credit added in section 8 of the bill from AS 43.55.019(d).

**Section 10.** Effective July 1, 2003, adds the credit created in section 7 of the bill to the list of tax credits in AS 43.56.018(d) which, when combined, may not exceed \$150,000.

**Section 11.** Effective July 1, 2005, removes the credit added in section 10 of the bill from AS 43.56.018(d).

**Section 12.** Effective July 1, 2003, adds the credit created in section 7 of the bill to the list of tax credits in AS 43.65.018(d) which, when combined, may not exceed \$150,000.

**Section 13.** Effective July 1, 2005, removes the credit added in section 12 of the bill from AS 43.65.018(d).

**Section 14.** Effective July 1, 2003, adds the credit created in section 7 of the bill to the list of tax credits in AS 43.75.018(d) which, when combined, may not exceed \$150,000.

**Section 15.** Effective July 1, 2005, removes the credit added in section 14 of the bill from AS 43.75.018(d).

**Section 16.** Effective July 1, 2003, adds the credit created in section 7 of the bill to the list of tax credits in AS 43.77.045(c) which, when combined, may not exceed \$150,000.

**Section 17.** Effective July 1, 2005, removes the credit added in section 16 of the bill from AS 43.77.045(c).

**Section 18.** Repeals AS 43.20.019, the section creating the tax credit, effective July 1, 2005.

**Section 19.** Instructs the revisor to reconcile the material in this bill with sec. 28., ch. 46, SLA 2002, in the event the sunset date of that act is extended. That act provides a tax credit which is scheduled to sunset July 1, 2003, and this bill is drafted under the assumption that the sunset will occur. If it does not, the sections amended above will read differently, and the revisor will simply add references to AS 43.20.019 (the section of this bill which creates the tax credit) to those sections as they actually will read following July 1, 2003.

Representative Tom Anderson  
March 13, 2003  
Page 3

Section 20. Gives a July 1, 2003 effective date to the sections creating the tax credit and referring to the tax credit as part of the \$150,000 cap on tax credits under the Alaska net income tax act.

Section 21. Sunsets the bill July 1, 2005 by removing the credit created in sec. 7, sec. 43.20.019, and references to that section in other sections.

TML:lmb  
03-075.lmb

# Alaska State Legislature

## House of Representatives



Official Business

State Capitol  
Juneau, AK 99801-1182

### SPONSOR STATEMENT FOR HB 194 BY: Representative Tom Anderson

**TITLE:** "An Act creating a tax credit under the Alaska Net Income Tax for contributions to regional development organizations; and providing for an effective date."

House Bill 194 creates a tax credit for contributions made by businesses to Alaskan regional development organizations. This legislation limits the tax credit to the first \$10,000 contributed by a business to a regional development organization. The tax credit allowed under HB 194, when combined with credits allowed under various other tax credit provisions in statute, may not exceed the previously established limit of \$150,000. This tax credit will sunset in 2005.

The definition used in HB 194 for "regional development organizations" is from statutory language used to define an Alaska Regional Development Organization (ARDOR). There are currently 13 ARDORs throughout the state covering all of Alaska except a section of the Interior and a portion of the Lower Yukon.

The ARDOR program is based on the notion that locally driven initiatives, in partnership with the State, can most effectively stimulate economic development and produce healthy, sustainable local economies. The tax credit established by HB 194 will encourage businesses to contribute to the ARDORs and assist regional development organizations' solicitation of contributions by having a tax credit as a further incentive.

I urge your support of HB 194.

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB194  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
 Title Regional Development Org Tax Credit BRU 405  
 Component Comm Assistance & Economic Dev  
 Sponsor Representative Anderson et al Community & Business Development  
 Requester House Community & Regional Affairs Component No. 2486

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation would allow for a tax credit under the Alaska Net Income Tax Act not to exceed \$10,000 for taxpayers making cash contributions to regional economic development organizations. This legisla..on does not impact the fiscal operations of the department.

Prepared by: Gene Kane, Acting Director Phone 907.269.4578  
 Division Community & Business Development Date/Time 3/28/03 5:19 PM  
 Approved by: Edgar Blatchford, Commissioner Date 3/28/2003  
 Agency Department of Community & Economic Development

Alaska Department of Revenue  
Tax Division - Mark Graber 4/2/03

RE: HB 194 Tax Credit for Contributions to ARDORS

Tax Credits claimed under the current \$150,000 limitation:

	FY00	FY01	FY02
<b>Education Credit</b>			
AS 21.89 (Insurance Premiums Tax)	\$ 280,000	\$ 430,000	\$ 300,000
AS 43.20 (Corporate Income Tax)	\$ 1,627,558	\$ 1,163,790	\$ 1,305,267
AS 43.56 (Oil and Gas Property Tax)	\$ -	\$ -	\$ -
AS 43.75 (Fisheries Business Tax)	\$ 14,140	\$ 4,815	\$ 1,794
AS 43.77 (Fisheries Landing Tax)	\$ 312,098	\$ 607,897	\$ 1,555,875
AS 43.65 (Mining License Tax)	\$ 63,751	\$ -	\$ 2,840
<b>Total Education Credits</b>	<b>\$ 2,297,547</b>	<b>\$ 2,206,502</b>	<b>\$ 3,165,776</b>
AK Fire Standards Council Contributions Credit (AS 21.89.075)	\$ -	\$ -	\$ -
<b>Total Credits Claimed Subject to \$150,000 Limit</b>	<b>\$ 2,297,547</b>	<b>\$ 2,206,502</b>	<b>\$ 3,165,776</b>

Note: Contributions to the Alaska Veterans Memorial Fund made between June 18, 2002 and July 1, 2003 will also be subject to the \$150,000 limit.





# Alaska State Legislature

## House Committee on Community and Regional Affairs

---

**Representative Carl Morgan, Chair**

State Capitol Building, Room 408

Juneau, AK 99801

907-465-3882

### AGENDA

State Capitol 124

8:00 am – 10:00 am

- **Call to Order**

Today's date is April 1<sup>st</sup>, 2003

The time is 8:15 am

Roll Call

*Note that we have been joined by a group of students from Project Close Up*

- **On today's agenda**

- **HB 194** Regional Development Organization Tax Credit  
Sponsor: Rep. Anderson

On Teleconference: Mark Graber, Dept. of Revenue, Tax Division

**Note: Letters of support from:**

Providence Alaska Medical Center

Municipality of Anchorage

Copper Valley Economic Development Council

Chugach Electric

Walsh-Sheppard-Flynn

- **Questions and Comments from committee members**

- **Other Business**

- If there is no other business, announce next meeting announce next meeting.

- Next Meeting – Thursday, April 3<sup>rd</sup>

- **Adjourn**



March 28, 2003

Representative Tom Anderson  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801

Dear Legislator Anderson:

I encourage you to support House Bill 194, an act creating a tax credit under the Alaska Net Income Tax Act for contributions to regional development organizations. As a board member of the Anchorage Economic Development Corporation, I am aware of the positive impact the regional development organizations have.

Economic development is critical for the future of our state. Alaska has several private, non-profit community development organizations working diligently on economic development initiatives aimed at bringing new investment and jobs to their communities and to the state. Over the years, these organizations have had success in contributing to the economic well being of our state. However, each is limited by its financial support and relies heavily on private contributions for funding.

HB 194 would allow taxpayers to make contributions to regional economic development organizations and take a tax credit equal to the amount of the contribution, not to exceed \$10,000, thus enhancing their ability to support economic development. This bill would not increase the \$150,000 tax credit limit. It would simply provide another option for companies to contribute to the economic future of the state.

Thank you for your consideration and your ongoing commitment to the economic success of our State.

Sincerely,

Gene L. O'Hara, Pharm.D.  
Chief Executive  
Providence Alaska Medical Center



# Municipality of Anchorage

Office of the Mayor

*George P. Wuerch, Mayor*



March 28, 2003

Representative Tom Anderson  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801

Re: HB 194

Dear Representative Anderson,

Thank you for introducing HB 194, an act creating a tax credit under the Alaska Net Income Tax Act for contributions to regional development organizations.

We all recognize that economic development is vital to the future prosperity of Alaska. Without economic development, we cannot hope to solve the State's fiscal dilemma nor can we ensure a vibrant future for the state. Key to helping realize this vision are the 13 Alaska Regional Development Organizations (ARDORS) throughout the state, funded through a combination of public and private resources. These regional organizations help stimulate economic development and produce healthy, sustainable local economies.

HB 194 will provide additional resources to Alaska's ARDORS by allowing taxpayers to make a contribution and take a tax credit equal to the amount of the contribution, not to exceed \$10,000. This tax credit will fall within the existing \$150,000 tax credit limitation thereby not impacting the State's revenues.

We support the passage of HB 194 and thank you for your commitment to helping to improve the future success of Alaska.

Sincerely,

George P. Wuerch  
Mayor

**COPPER VALLEY ECONOMIC DEVELOPMENT COUNCIL, INC.**

P.O. Box 9  
Glennallen, Alaska 99588

Representative Tom Anderson  
State Capitol  
Juneau, Alaska 99801-1182

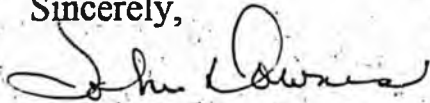
RE: HB194

Dear Representative Anderson;

I would like to take a moment to commend you in your efforts to address the needs of the ARDORS throughout the state of Alaska. As you know it is very hard to raise money to keep projects going and the doors open. With a bill such as HB194 that would enhance the fund raising abilities of the ARDORS throughout the state. There is a great need for a way to entice donations and offer an incentive to organizations that might not otherwise donate. I feel HB194 is a step in the right direction. Again I commend you in your efforts. If there is anything our office can do to help please feel free to let us know.

I have contacted Rep. Carl Morgan's office and urged them to help your efforts in getting this legislation passed this year. I will also contact Rep. Harris's office with the same request.

Sincerely,



John Downes  
Executive Director  
Copper Valley Economic Development Council



**ARDOR**

SHAPING ALASKA'S FUTURE

Ph. (907) 822-5001 - Fax (907) 822-5009 - e-mail: [cvedc@alaska.net](mailto:cvedc@alaska.net)



Joe Griffith  
General Manager

March 24, 2003

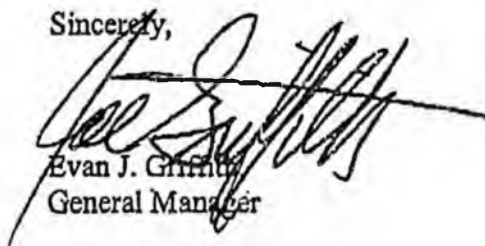
*Via fax: (907) 465-2418*

Representative Tom Anderson  
State Capitol, Room 432  
Juneau, AK 99801-1182

Dear Representative Anderson:

I am writing to express my support for HB 194. As an electric utility, Chugach has a long history of working with the Anchorage Economic Development Corporation and others striving to grow in our economy and create jobs. These organizations have important missions that help build strong communities. The legislation seems like a reasonable way to broaden the base of support for the economic development so important to the future of Alaska.

Sincerely,



Evan J. Griffith  
General Manager



WALSH-SHEPPARD-FLYNN

GROWTH STRATEGIES  
& COMMUNICATIONS

March 26, 2003

Alaska State Legislature  
State Capitol  
Juneau, AK 99801

Dear State Legislator:

I am writing to ask your support of a bill very important to my city of Anchorage and Alaska as a whole—House Bill 194. This would create a tax credit under the Alaska Net Income Tax Act for contributions to regional development organizations.

As a woman who has built and run a business in Anchorage for the past 17 years, I understand very clearly how critical economic development is for the future of my business, this city, and our state. That's why I support and contribute my time to the Anchorage Economic Development Corporation (AEDC).

AEDC is just one of several private, non-profit community development organizations in Alaska working on initiatives to bring new investment and jobs to their communities and to the state—and many business supporters like myself contribute to this important work. Over the years, there have been many successes to celebrate. These successes could be greater, but we are handicapped by limited financial support from the State and therefore need to rely heavily on private contributions for funding.

HB 194 can help. It would allow taxpayers to make contributions to regional economic development organizations and take a tax credit equal to the amount of the contribution, not to exceed \$10,000, thus enhancing their ability to support economic development. This bill would not increase the \$150,000 tax credit limit. It would simply provide another option for companies to contribute to the economic future of the state.

Please support the passage of HB194. It's highly important to all of us.

Sincerely,

Pat Walsh  
President & CEO  
Walsh Sheppard Flynn

1410 Rudakof Circle  
Anchorage, Alaska  
99508  
T: 907.338.3857  
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**HB**

**2009**

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 209  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction):  
 Title Muni Tax: Properly Affected by Disaster

Dept. Affected: DCED  
 BRU Comm Assist & Ec Dev (405)  
 Component Community & Business

Sponsor Representative Chenault  
 Requester House Community & Regional Affairs

Development  
 Component No. 2486

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: \_\_\_\_\_

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This Legislation removes current statutory language requiring a disaster declaration from the governor or president in order to have a reassessment of an area which suffered a natural disaster. This is a local tax issue and would have no fiscal impact on this department.

Prepared by: Gene Kane, Acting Director  
 Division: Community and Business Development  
 Approved by: Edgar Blatchford, Commissioner  
 Agency: Department of Community and Economic Development

Phone 259-4580  
 Date/Time 4/7/03 4:04 PM  
 Date 4/7/2003



