

**NOTICE OF MEETING
REGULAR AGENDA**

1. **CALL TO ORDER/ROLL CALL**
2. **APPROVAL OF THE AGENDA**
3. **PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA**
4. **RECONSIDERATION**
5. **APPROVAL OF MINUTES** of January 12, 2010 p. A1
6. **VISITORS**
 - Dr. Allan Gee, Homer High School Principal
 - Garry White from Sitka Economic Development Association
 - Homer Grange representative
7. **STAFF, COUNCIL, and CHAMBER EDC REPORT**
including City Planner Rick Abboud p. ___
8. **PUBLIC HEARING**
9. **PENDING BUSINESS**
 - A. CEDS development and other activities - Carol Bevis p. ___
 - B. Promoting Homer and local businesses via Internet and other means - Tina Day p.1
 - C. Draft Homer Spit Comprehensive Plan (separate document)
10. **NEW BUSINESS**
 - A. Lease Committee appointment p. 9
 - B. Apprenticeship program - Micheal Neece p. 11
 - B. Code inconsistencies re store size restrictions in Town Center District p. 53
 - C. Lessons learned - themes from "Small Towns/Big Ideas" as they relate to Homer p.55
 - D. Homer's many points of view: How do we work together for the common good? p. 63
11. **INFORMATIONAL MATERIALS (for discussion only)**
 - A. Representative Paul Seaton's newsletter p. 65
 - B. Bradner's Alaska Economic Reports p. 71
 - C. Articles from local and regional newspapers and Alaska Business Monthly p. 79
 - D. Items of possible interest from recent City Council meeting packets p. 89
12. **COMMENTS OF THE AUDIENCE**
13. **COMMENTS OF THE CITY STAFF**
14. **COMMENTS OF THE COUNCIL MEMBER**
15. **COMMENTS OF THE CHAIR**
16. **COMMENTS OF THE COMMISSION MEMBERS**
17. **ADJOURNMENT/NEXT MEETING DAY AND TIME**

Next regular meeting is scheduled for March 9, 2010 at 6 p.m. in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Session 10-01, a Regular Meeting of the Economic Development Advisory Commission was called to order at 6:00 p.m. by Chair Erickson on January 12, 2010 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER DAY, ERICKSON, FAULKNER, HOPPE, NEECE, RAVIN

COUNCILMEMBER: WYTHE

STAFF: SPECIAL PROJECTS COORDINATOR HOLEN
VISTA REPRESENTATIVE BEVIS
DEPUTY CITY CLERK JACOBSEN

APPROVAL OF THE AGENDA

RAVIN/DAY MOVED TO APPROVE THE AGENDA.

Chair Erickson noted that Dr. Gee was unable to attend and Assistant Principal Dave Larson was in attendance instead. She also noted that Mr. White from SEDA was expected to call in and they would interrupt the agenda to take his call, and resume it after the call is complete.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

There were no public comments.

RECONSIDERATION

There were no items for reconsideration.

APPROVAL OF MINUTES

A. Meeting Minutes of December 8, 2009

RAVIN/FAULKNER MOVED TO APPROVE THE MINUTES AS PRESENTED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

A. Dr. Allen Gee, Homer High School Principal

Homer High School Assistant Principal Dave Larson commented about the relationship to economic development in vocation and what is happening at the school. He said as the last

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school year progressed stakeholders in the community questioned what is going on to prepare students for the workforce in Homer. Knowing that college bound students can eventually work their way back into the community in some fashion, the administration made a move in the schedule this last fall to include a few classes beyond the academic requirement. This change included a marketing class, a home economic type class, and some after school academies were added as well. The district is providing those academies through the workforce development center in Kenai. Mr. Bragge, the lead teacher in the vocational wing is teaching a construction academy and a welding academy. Anyone who would like to learn those skills can participate. Some of the students from last years welding and automotive classes were able to find materials around town and were able to build some hydraulic log splitters for home use and there is one at school in the woodshop area. They are trying to do what they can as a school to work not only with the kids that are focused on an academic track in to higher education and colleges, but also with kids that are hands on ready to go into the workplace. Mr. Larson added that the students are also asked to be part of some of the vocation competitions that are happening in the state. Even though they were not officially members of the organization that supported the competition they brought back some prizes and trophies for their participation. The high school administration is focused on the need that they see in the community and have heard through community input.

In response to questioning Mr. Larson commented that right now there is a personal finance class available that meets the criteria for a required math class. Regarding the marketing class he explained that currently the instructor has the students is running a simple business operation in the school using the espresso cart. Students are being taught how to operate it, service it, serve, analyze the finances to find out if they are profitable or not, and so forth. He has also taken the class on field trips in the community. Regarding decreased student population impact, Mr. Larson commented that right now they see that their best case scenario is a flat line of student population, noting that staff is based on student population. If they don't find ways to increase student population it really has a bearing on staffing and what the district will allow them to do, and what the funding from the State will be. He addressed the impacts of the Connections program, another public school, where the enrolled students are primarily homeschooled, but can attend some classes at the high school. Right now they have an average of about 60 Connections students, and the issue is Homer High doesn't receive funding for those students. It is an added pressure economically and staff wise as well. There was brief dialog regarding the need for the high school to actively pursue additional funding from the Borough and the State. Mr. Larson expressed that the school administration is making the effort to receive funding for those students. There was brief discussion regarding apprenticeship programs and Mr. Larson expressed that the administration is very open to dialog about it and the district has allowed curriculums to be proposed. The high school maintains a good relationship with the college and offers a jump start program that allows seniors to take college classes and earn both college and high school credits.

B. Lolita Brache, South Peninsula Coalition for Young Children

Lolita Brache commented that she wanted to let the Commission know about the South Peninsula Coalition for Young Children. They are one of nine partnerships in the state that received funding primarily to get organized as a collaboration for the purpose of advocating for early childhood education and support of families and young children. The state has a goal that all Alaskan children should enter school prepared to succeed. It involves learning basics like colors and abc's, but also involves a nurturing, safe, home environment and helping

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children learn at home by reading to them and so forth. Ms. Brache explained that the research shows the importance of the first five years of life and building healthy brains to develop successful learners. She said economically, money goes farther at the earlier ages because you can do so much preventative work that saves money later in remedial work. It is also important to ensure that parents have places for their kids while they are at work. Ms. Brache asked that the City formally recognize the value of early childhood education as part of a complete economic plan, and that Homer place family resources and early education high on the priority list of things that the City wants to support. She explained how that would be very helpful in leveraging grant funds as the coalition moves forward, for example grants for the prevention of abuse and neglect of children or a grant for parenting classes. It is important for the health of our community. The coalition isn't asking for funds from the City at this point just for the City to recognize early education and family support as a high priority to the economic health and the total overall health of our community.

The Commission agreed to discuss it at a future meeting.

STAFF AND COUNCIL REPORT

Special Projects Coordinator Holen suggested the group talk about the commissioner schedule for attending council meetings and also whether they needed to recommend someone to take Commissioner Erickson's place on the Lease Committee. They agreed to discuss that on their next agenda. Ms. Holen told them about the University of North Carolina School of Government compilation of case studies "Small Town, Big Ideas" for the Commission to look at. She provided a copy for check out and referenced the web site where they could review it.

Councilmember Wythe updated the Commission on the status of the draft Comprehensive Plan.

Commissioner Day commented that she talked to the Chair of the Chamber EDC and will be attending the Kenai Peninsula economic development forum. She expects she can have a report at the next meeting.

PUBLIC HEARING

There were no items for public hearing.

PENDING BUSINESS

A. CEDS development and other activities- Carol Bevis

Ms. Bevis read the following update to the Commission:

During the past 9 months, I have learned so much from my research in economic development and Homer's economy, I have had the opportunity to review citizen surveys, data and interviews, past plans and reports, economic development books, articles and websites, and studied the CEDS and economic strategies of many towns and counties, including 5 in Alaska. I found especially enlightening the economic development strategies and the 7 Lessons Learned from UNC's study of 45 successful Small Towns.

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I have given you all notes from the initial economic development research, written a report -- the pie article, and invited input and feedback at every step along the way. Many have sent me emails with input and feedback, and to date, over 85 residents have participated in this very transparent process.

In addition to the research and the facilitation of public input into the CEDS process, I have also attempted to address some of the issues that I was made aware of early on. For example, people expressed concerns about duplication of effort and lack of collaboration. So, I created the quilt website to serve as a tool of information dissemination for the public, as well as a connection between the two EDCs.

I learned that both retirees and lone eagle entrepreneurs have been moving to Homer to live and/or do business because of the quality of life or quality of place here. Lone eagles, especially, increase the wealth with many benefits and minimal costs to a community. One of my mandates was to update the doingbusinessinhomer.com website. In the process, I went ahead and implemented an economic development strategy. The new website serves a dual purpose: to provide assistance to anyone wanting to do business in Homer and to market Homer as a good place to live and do business for entrepreneurs like lone eagles.

I noticed that excitement was generated at both of the public forums. It would be a shame to let that die out. I continue to receive emails asking when the next meeting will be. The door in me is ready to help out with focus groups or task forces to address some of the areas people seem excited about, in addition to the work of writing the CEDS draft, where I am currently in the final stage of synthesis and summary of all my research. I hope to have a draft ready for your review before the next EDC meeting.

NEW BUSINESS

A. Sitka Economic Development Association Information Teleconference with Garry White, SEDA Executive Director

There were problems with the teleconferencing and Mr. White was unable to connect. This will be rescheduled for February.

B. Alaska Film Group Information

Commissioner Neece informed the Commission about the Alaska Film Group. He explained that there is a link that shows the cities that are enjoying the membership of the group and suggested that the City be persuaded to become a member. It would get Homer's name on the site and also linked into their workforce data base. He said as a side note there are 2 films which will be doing some filming in the Homer area. Being involved with the film group is an opportunity for more advertisement for the City. Membership for the City would be a voting position and the cost is \$250. Now is a good time to be included on their list because the state is giving tax breaks for film makers and the attractive incentives is giving Alaska a distinct advantage over every other state right now, thanks to senate bill 230.

DAY/RAVIN MOVED TO ASK THE CITY COUNCIL TO HAVE A RESOLUTION TO JOIN THE ALASKA FILM GROUP ASSOCIATION.

There was no discussion.

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VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was brief discussion about projects that are already scheduled to happen in the area this summer and how beneficial it will be to the community.

C. Small Business Incentives

The Commission discussed the need for vocational training in Homer. They referenced the local boat building industry and the need for electricians and welders to help support the industry.

The group did some brainstorming and expressed the importance of young people in high school being able to have some hands on experience with trade jobs to get a feel for what they like and what they may want to do. A main topic was the Marine Trade show that happens in November in Seattle. Commissioner Hoppe said he has attended the trade show in years past and stressed to the Commission how many other Alaska coastal cities have a strong Chamber of Commerce presence there. The Commission discussed the importance of having the exposure for the City of Homer, the Port, and the businesses that Homer has to support marine trade. Commissioner Day said she would bring this up to the Chamber EDC.

Discussion branched off to the Film Trade Show and the minimal presence for Alaska. The Commission continued on to discuss the City's web presence and linking up with different organizations like the marine trade associations, film groups, and so forth. It was noted that City is in the process of revamping their website. Councilmember Wythe suggested developing a listing of links the Commission would like to see on the City's website, researching the requirements to provide those links, and forward it on to the Council as a recommendation. Commissioner Day agreed to help with compiling that information and bring a list back for the group to review. Commissioner Hoppe agreed to research information regarding the Marine Trades. Ms. Bevis noted that the Doing Business in Alaska site has an industry page and links up with marine trades. She is interested in their feedback on sites to include as well.

They agreed to include small business incentives and marketing on the next agenda.

D. Economic Impact of Local Zoning Ordinances

Commissioner Ravin reviewed the spread sheet provided by the planning department that included zoning permits that had been issued over the past years. He raised the question what is the economic impact of our zoning ordinances and their application. He noted there are 16 different zones on the map in the draft comprehensive plan, which represents a de facto zoning document. He expressed the need to consider mixed use across the board to allow more opportunity for people to start business. It would be simpler and would help mitigate low numbers and economic slow spots.

The Commission embarked on a discussion about zoning. It was suggested that they discuss this with Mr. White from SEDA as Sitka may have had some experience with the issue, and also look at best practices of communities similar to ours to see how their economic development agencies have addressed it. Councilmember Wythe suggested that the

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impediment with zoning may be the way the code is written. The City has tried to deal with it by rewriting Title 21 and getting rid of the redundancy that makes it seem overwhelming to a person not versed in the process. A lot of the issue for the zoning districts can be addressed through conditional use applications, which allows an opportunity for neighboring property owners to express their views of a use in their area. Chair Erickson asked for clarification about the school that was brought up last meeting being allowed if it were a conditional use. Commissioner Faulkner countered that in discussing the location of the school, the City Planner was very clear that whatever they tried to do, he would recommend against. So they would have to go through the process and get shut down, then go to the council with it. He said that the Planning Commission didn't meet for three months last summer, so that adds about a year to the process by saying you can't have a school in general commercial. Commissioner Ravin suggested that it is a philosophical issue as the zoning code has to facilitate the public interest. When the process delays and impedes the habitation of a building that has been vacant for 6 years it needs to be fixed. Councilmember Wythe commented that she may be the worst proponent of planning and zoning of anyone that sits on the council, so when she speaks about planning and zoning it is based on what exists and how it works. She said when an individual or group perceives something to be in the public's interest, there will be members of the public who don't feel it is in their interest at all. The process is in place to ensure that all sides have the opportunity to have input, be heard, and be represented. Someone who has a business in a commercial district may not want a bunch of students hanging around in the neighborhood for what ever reason they may have. The interest of the commercial business owner in the area should be represented as well as the need for the building to be full and the need for the school to find a place to locate. All of that has to come into the picture through the process. The process and its purpose is to represent all of the citizenry and the special interest groups, not just some of them. Councilmember Wythe suggested that a way to improve the process is to get people who have adamant positions about things to come into the meetings, so that the opinion of the same 20 or 30 people aren't the only ones heard. Encourage friends and neighbors with opposing views to actively participate in the government they would like to see, rather than complaining about it.

The Commission discussed that if the zoning code is in the process of revision that they could look at it on their next agenda.

E. City service provision vs. declining population/taxbase.

Commissioner Ravin thanked staff for providing the additional documents tonight. He reviewed the demographic information provided by Special Projects Coordinator Holen, and noted that as the city's population declines we won't be able to afford as much city government and we will have to spend less money. Councilmember Wythe commented that city assets need to be maintained, regardless of the population of the community. The problem is to what degree can the City maintain them and still be able to live within its means. She noted that Council has cut the budget back to what the figures were in 2008. There was discussion that the demographics are worrisome because the community is aging. Point was raised that if there is never new development brought into town then there are no new jobs. When there are no new jobs, then each of us can only have one replacement, and we have to leave our job for our children to come home and work. It was noted that there has been an increase in tax revenues from 2002 to 2009, yet population is decreasing. Revenues have gone up, but the cost of doing business has gone up as well. Electric and fuel

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costs have increased for everyone, so the expense side has to be considered along with the revenue side.

They discussed that Council had requested a regular treasurer's report and the Commission would like to see it in their packet as well. They would like to see revenue, energy costs, labor costs, and the general fund balance.

INFORMATIONAL MATERIALS

- A. Resolution regarding meeting guidelines
- B. Items of Interest from recent City Council Meeting Packets

Comment was made that the cost of propane has gone up to 4.50 per gallon, making it more expensive than electric. The infrastructure for natural gas is not in place and the city does not have the density to pay for the infrastructure.

COMMENTS OF THE AUDIENCE

There were no public comments.

COMMENTS OF CITY STAFF

Special Projects Coordinator Holen commended Chair Erickson for a good meeting. She said she will have the Council meeting attendance schedule on the next agenda.

COMMENTS OF THE COUNCIL MEMBER

Councilmember Wythe had no comments.

COMMENTS OF THE CHAIR

Chair Erickson said she appreciated everyone. She said she is going to meet with the new Chamber Director and the City Planner to do some economic development brainstorming and hear their ideas and perspective.

COMMENTS OF THE COMMISSION MEMBERS

Commissioner Neece requested that Mr. White from SEDA be continued to the next agenda.

Commissioner Hoppe said it was a great meeting; he is looking forward to hearing from Mr. White. He would like to stay with the school, he thinks it is critical.

Chair Erickson asked that the school be added to the next agenda. Commissioner Neece said he would try to contact Norma Lazaro and get information about the apprentice program.

Commissioner Ravin had no further comments.

Commissioner Faulkner said he would like to hear from Dr. Gee, rather than just from Mr. Larson. School funding has increased by the legislature on the basic formula over the last 3 years. We have fought a huge battle to get our district cost factor from 1.04 to 1.11. Our

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funding has been going up per student but unfortunately in the high school we have been seeing class offerings cut again and again. Whatever we can do to turn it around, we need to do. If it is because of offering free classes to the Connections kids and we need to do what we can to get money that those students generate back into the high school.

Commissioner Day commented that the last demographic report she did for the Chamber there were over 800 homeschooled kids on the peninsula. Since she is the liaison with the Chamber she will bring the concerns of this body to the Chamber EDC. The new director is a former educator and he may have some ideas to help make progress.

ADJOURN

There being no more business to come before the Commission the meeting was adjourned at 8:10 p.m. The next regular meeting is scheduled for February 9, 2010 at 6:00 p.m. in the City Hall Cowles Council Chambers.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____

MEMORANDUM

DATE: February 3, 2010
TO: City EDC
CC: Chamber EDC
FROM: Tina Day

Re: Kenai Peninsula Economic Development Forum Overview

On January 13-14 the Kenai Peninsula Economic Development District hosted a 2-day forum focused on major economic contributing factors to Alaska's economy. This included discussions on (see forum agenda):

- Alaska's Economic Outlook
- Workforce Development
- Oil & Gas Development
- The Alaska Gas Pipeline Project
- Mining
- Tourism (cruise ships)

We also heard from each Peninsula Mayor on key capital projects that Peninsula communities were focusing on – of course Mayor Hornaday stole the show with his ukelele. Also addressing the attendees were representatives from Alaska's congressional delegation as well as the state legislature.

Here were some key takeaways:

Jobs:

- Tourism down 35.2% borough wide
- Alaska jobs down 2,100 vs. 7 millions nation wide – AK doing much better than the rest of the nation
- Retirees on the Peninsula have more disposable income than other boroughs in Alaska – spending more
- Peninsula Walmart opens 3/31
- Soldotna Chamber has a successful "Buy Local" campaign. They focus on "the history of \$1" how it multiplies in the community. For more information contact the Soldotna Chamber
- Jobs in the oil and gas industry have slowed down significantly

Development:

- CIRI is installing a 54MW wind farm installation this summer on Fire Island
- Denali Pipeline LLC working to develop a Gas Treatment Plan
- Tyonke Native Corp. has planned to develop a sophisticated transportation system from their village – Mat-Su – Anchorage, including a ferry system
- Oil & Gas development in the Cook Inlet is definitely depleting and both utilities and oil companies are trying to come up with a long term solution that makes sense for Alaskans.
- Both Trans Canada and Denali are conducting “Open Season” for gas pipeline contracts

Legislative Issues:

- Budget
- Cap & Trade
- Healthcare
- Economic Stimulus
- Job growth for Alaska



Leadership to enhance, foster and promote economic development

Industry Outlook Forum

“Looking Forward to the Next Decade”

Challenger Learning Center, Kenai Alaska

Thursday and Friday, January 14th & 15th, 2010

**Hosted by the Kenai Peninsula Economic Development
District**

And

The Kenai Peninsula Chapter of the Alliance

8:30 AM

Registration and Continental Breakfast

9:00 AM

Welcome

□ **Kyle Fisher, Manager Lynden Transport Kenai/Soldotna**

□ **Pledge of Allegiance,**
Tom Sloan, KPEDD Americorp VISTA

□ **Kristine Holdridge,**
*President of the Kenai Peninsula Economic Development District,
Manager Soldotna Alaska USA FCU.*

□ **Robert Favretto,**
*President of the Kenai Peninsula Chapter of the Alliance,
President of Favretto Consulting & Business Development*



Leadership to enhance, foster and promote economic development

Industry Outlook Forum ***“Looking Forward to the Next Decade”***

Challenger Learning Center, Kenai Alaska

Friday, January 15th, 2010

**Hosted by the Kenai Peninsula Economic Development
District**

And

The Kenai Peninsula Chapter of the Alliance

- 8:30 AM Registration and Continental Breakfast
- 9:00 AM Welcome
- Kyle Fisher, Manager Lynden Transport Kenai/Soldotna
 - Pledge of Allegiance,
Carol Percival, KPEDD MASST Employee
 - Kristine Holdridge,
*President of the Kenai Peninsula Economic Development District,
Manager Soldotna Alaska USA FCU.*
 - Robert Favretto,
*President of the Kenai Peninsula Chapter of the Alliance,
President of Favretto Consulting & Business Development*
- 9:15AM – 10:00AM Cook Inlet Beluga Whale Research Project
- John Mohocich, Project Manager, KPB
- 10:00 AM Break – Networking

9:15AM – 10:30AM **Borough, State and Workforce Development
Economic Overviews**

- **John Janik**, Economic Analyst, Kenai Peninsula Borough
- **Scott Goldsmith**, ISER Economist, Professor of Economics, UAA
- **Alyssa Shanks**, State of Alaska Labor & Workforce Development

10:30 AM Break – Networking

10:45 AM – 12:00 Noon **Community Overviews: Economic Outlook**

- **Pat Porter**, Mayor of Kenai
- **Peter Micciche**, Mayor Soldotna
- **Willard Dunham**, Mayor of Seward
- **Jim Hornaday**, Mayor of Homer
- **David Carey**, Kenai Peninsula Borough Mayor
- **Gary Stevens**, Alaska State Senate, President of the Senate

12:00 Noon **Lunch**

Keynote Speaker

- **Ralph Samuels**, *Vice President,
Government & Community Relations
Holland America Line
Cruise Ship to Homer? How do we capitalize?*

1:15 PM – 2:30 PM **Kenai Peninsula Native Associations/Corporations: Project Updates**

- **Sophie Minich**, CFO, Cook Inlet Region Inc
- **John McClellan**, P.E., Tyonek Native Corporation,

2:30 PM – 3:30 PM **Gas Pipeline Updates/Open Seasons and Beyond**

- **Harold Heinze**, Alaska Natural Pipeline Authority
- **J. S. ‘Scott’ Jepsen**, Denali Pipe Line, LLC

3:30 PM Break - Networking

3:45PM – 5:00 PM

State of Alaska Officials

- **Gene Therriault**, In State Gas Line Coordinator
- **Kevin Banks**, Division Director of Oil and Gas
- **Mark Morones**, AGIA Project Manager

5:00 PM

Reception / Networking (No Host Bar)

6:00PM - 9:00PM

**Dinner At Challenger Learning Center
Congressional Updates**

- **Karen Knutson**, Chief of Staff, Office of Senator Lisa Murkowski
- **Chad Padgett**, State Director, Office of Congressman Don Young
- **Steve Hansen**, Vice President, Tesoro Refining

10:15AM – 12:00 Noon

**Drilling/Production/Facilities
What's Planned for the Kenai Peninsula?**

- **Dan Clark**, Manager, Cook Inlet Assets, ConocoPhillips –
- **Dale Haines**, Operations Manager, Chevron
- **Carri Lockhart**, Production Manager, Alaska Asset Team Leader, Marathon Oil Company
- **Tadd Owens**, Director Government & Public Affairs Pioneer Natural Resources

12:00 Noon **Lunch**

Keynote Speakers:

Legislative and Economic Updates

- ***Mike Chenault***, State Representative
Speaker of the House
- ***Susan Bell***, Special Assistant to the
Governor

1:15 PM – 3:00 PM

Mining Lease Updates

- **Dan Graham**, Project Manager, PacRim Coal, LP
- **John T. Shivley**, CEO, The Pebble Partnership
- **Daniel Fleischmann**, Project Initiation Manager, ORMAT Nevada, Inc.

3:00PM

Adjourn

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CITY OF HOMER
PROPERTY MANAGEMENT
POLICIES AND PROCEDURES

CHAPTER 2: LEASE COMMITTEE

2.1 POLICY

- A. It is the policy of the City of Homer to establish and maintain a Lease Committee.

2.2 PROCEDURES

- A. The City Manager shall establish a Lease Committee that will consist of the Finance Director, the City Planner, the Port and Harbor Director, one member of the Economic Development Commission, one member of an additional commission as determined appropriate by the City Manager, and one member of the public. The Manager shall consult with the Chair of the Commissions to determine who from the Commission and who from the public might best serve the Committee and not be subject to conflicts of interest. The Lease Committee may consult with other department heads such as, the Fire Chief, Police Chief and the Public Works Director and the City Manager or outside professionals as needed and appropriate.
- B. The Lease Committee is responsible for:
- Reviewing the Lease Policies and Procedures as needed and making recommendations to the City Council
 - Advising the City Manager or designee as to the terms, purposes, stipulations and negotiation approach to proposed leases
 - Reviewing all proposed leases and making recommendations to the City Council
- C. In all cases, the Lease Committee shall make recommendations that are consistent with this policy and procedures manual or make specific findings as to why a deviation is warranted and justified.

Presentation to EDC

Question asked by many in our communities around the state.

- 1) What can we do to keep our graduating seniors and other young people in our communities and state after graduation, or keep them interested enough to graduate?
- 2) What can we do to stimulate economic growth in our communities across the state?

Possible answers to those questions.

One of the realities of today is the glamor and attractiveness of working at a resource job is waning as most young have been educated by computer, played computer games, communicate by computer and have watched many hours of TV and movies glorifying the big city, Hollywood, Music industry etc. The beauty of the media field is it can be applied, used, made money from any where on this digitally small planet. Even if you attend a film school and find you are not a Spielberg, Cameron or David Lynch. You take away from that experience a skill in computer or fabrication technologies, the arts or construction on and on, that can be applied in Architecture, Engineering, or any other of the media and trades areas. So a simple answer to the above is; create a Film/TV workforce/apprenticeship program in the high schools and rural areas. We have already put into place a state Film Office, and incentive program of 120 million dollars, a College accredited class @ UAF and now several small Film groups. But; this is not nearly enough to attract the attention of Hollywood and the independent media/music groups. We must at rapid pace increase what workforce, services and infrastructure we have in Alaska. At present we might have at any given time only 20 skilled persons of various trades to help on one film. If it is a film the size of; let us say 6 million dollars or more, you need 60 to 100 persons. So! If we have two or three projects of that size or bigger/smaller they will and can not happen. Sooo! What is the point of the incentive program or Film office? The media industry is smart enough to recognize this short coming and will keep shooting "Alaska" shows and looking else where until we can meet their needs and services.

Creating an apprenticeship/ workforce program in Homer works on multiple levels;

*First; it gives our young people the impetus, self respect and desire to stay and learn.

*Second; it teaches them valuable skills that will enable them to stay in Alaska

*Thirdly; provides an economic engine for the community and Alaska spinning off countless small businesses and supporting our existing businesses.

*Fourth; creates living wage jobs allowing them and others to contribute and grow the community

*Lastly; maybe, they will have a blast working on all the cool and stimulating job possibilities in the Film, Television and Music areas.

1. Introduction

The purpose of this report is to provide a comprehensive overview of the current state of the industry and to identify key trends and challenges.

The industry has experienced significant growth in recent years, driven by increasing demand for high-quality products and services. However, this growth has also led to increased competition and pressure on profit margins. Key challenges include rising raw material costs, labor shortages, and environmental regulations.

2. Market Overview

The market is characterized by a high degree of volatility and uncertainty. Key factors influencing the market include global economic conditions, trade tensions, and technological advancements. The industry is expected to continue to grow, but at a slower rate than in previous years.

The market is dominated by a few large players, but there is a growing number of smaller, niche players. Key players are focusing on innovation and differentiation to maintain their competitive edge. The market is also becoming increasingly global, with companies expanding their operations into new markets.

The market is facing several key challenges, including rising raw material costs, labor shortages, and environmental regulations. These challenges are expected to continue to pressure profit margins and slow down growth. However, there are also opportunities for growth, particularly in emerging markets and in the development of new products and services.

The market is expected to continue to grow, but at a slower rate than in previous years. Key factors influencing the market include global economic conditions, trade tensions, and technological advancements. The industry is expected to continue to grow, but at a slower rate than in previous years.

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MAINTAINING THE STATUS QUO HAS NEVER CHANGED ANYONE'S STATUS

It's time to regain control of your career. Restack the deck in your favor. Time for employers to find and see you for all you're worth. It's time for a revolution in recruitment.

At Monster.com, our goal was to create groundbreaking new tools to give you a tangible advantage. Tools like our 6Sense™ search technology, designed to precisely deliver the job that's right for you. Or the new Monster Communities—networks for like-minded professionals with a shared passion for what they do. Or Career Mapping, to help you find and explore the best path for your career.

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MAINTAINING THE STATUS QUO

FIND YOUR
NEURAL G-SPOT!
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ARE HERE
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CRACKING A
SPY'S SECRETS
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R

D

Feb 2010

NEW INDUSTRIAL REVOLUTION

BY CHRIS ANDERSON

The factory, the investors, the workers—obsolete. In the age of DIY manufacturing, all you need is a garage and a great idea.

make it big FEB 2010



State of Alaska ombudsman

STATE OF ALASKA OMBUDSMAN COMPLAINT FORM

1 Name _____ Today's Date _____
 Mailing address _____
 City/State/Zip _____
 Daytime phone number (____) _____ Evening Phone (____) _____
 Email address: _____

2 • Name of agency you are complaining about: _____
 • Where is the agency located? (What city?) _____

• If the agency is not a state agency, the Ombudsman Office probably cannot help you except to refer you to the right place. **Under Alaska law, the Alaska Ombudsman investigates complaints about state agencies. Local governments are included only if they contract for our services. We cannot overturn court rulings.**

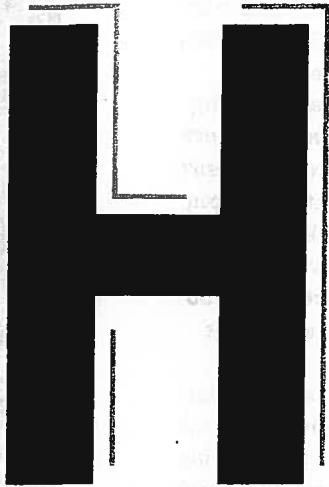
- Is it a state agency? Yes [] No [] Don't know []
- It is important to try to resolve your problem with the agency's help before complaining to the ombudsman.
- Have you filed an appeal or grievance with the agency? Yes [] No []
- If you filed an appeal or grievance, what was the agency's answer? Please attach copies of your appeal and the agency's answer. It is important that we know what you have done to try to resolve the problem.

• Names and phone numbers of the people you contacted at the agency about your problem:

- Has this issue ever been the subject of a court hearing? Yes [] No []
- If yes, what is the court case number? _____

3 • Please give us other information we need to help us investigate your complaint (date of birth, social security number, loan number, case number, court case number, license number, etc.).
 • **If this involves DFYS, include the children's names and birth dates.**
 • **If this is a Child Support Enforcement Division complaint, we must have your Member ID Number and the case number. The member ID is NOT the Social Security number. If the terms of support were set by court order, please enclose a copy of the order and any court-approved changes to it.**

4 • **IMPORTANT** We will not give out your name unless you give permission. Can we use your name when talking with the agency about your complaint? Yes [] No []



HERE'S THE HISTORY OF TWO DECADES in one sentence: If the past 10 years have been about discovering post-institutional social models on the Web, then the next 10 years will be about applying them to the real world.

This story is about the next 10 years.

Transformative change happens when industries democratize, when they're ripped from the sole domain of companies, governments, and other institutions and handed over to regular folks. The Internet democratized publishing, broadcasting, and communications, and the consequence was a massive increase in the range of both participation and participants in everything digital—the long tail of bits.

Now the same is happening to manufacturing—the long tail of things.

The tools of factory production, from electronics assembly to 3-D printing, are now available to individuals, in batches as small as a single unit. Anybody with an idea and a little expertise can set assembly lines in China into motion with nothing more than some keystrokes on their laptop. A few days later, a prototype will be at their door, and once it all checks out, they can push a few more buttons and be in full production, making hundreds, thousands, or more. They can become a virtual micro-factory, able to design and sell goods without any infrastructure or even inventory; products can be assembled and drop-shipped by contractors who serve hundreds of such customers simultaneously.

How to Build Your Dream

In the age of democratized industry, every garage is a potential micro-factory, every citizen a potential micro-entrepreneur. Here's how to transform a great idea into a great product.

1) INVENT Stop whining about the dearth of cool products in the world—dream up your own. Pro tip: Check the US Patent and Trademark Office Web site to ensure no one else had the idea first.

2) DESIGN Use free tools like Blender or Google's SketchUp to create a 3-D digital model of your invention. Or download someone else's design and incorporate your groundbreaking tweaks.

3) PROTOTYPE You don't need to be Geppetto to crank out a prototype; desktop 3-D printers like MakerBot are available for under \$1,000. Just upload a file and watch the machine render your vision in layered ABS plastic.

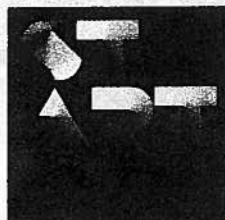
4) MANUFACTURE The garage is fine for limited production, but if you want to go big, go global—outsource. Factories in China are standing by; sites like Alibaba.com can help you find the right partner.

5) SELL Market your product directly to customers via an online store like SparkFun—or set up your own ecommerce outfit through a company like Yahoo or Web Studio. Then haul your golden goose to Maker Faire and become the poster child for the DIY industrial revolution.

The Utopian Pessimist

Billionaire Peter Thiel says the US economy will collapse unless we make giant technological strides. Calling all flying cars! BY GARY WOLF

1 Considering his wealth and good fortune, you wouldn't peg Peter Thiel as a prophet of doom. He cofounded PayPal at age 31 and sold it to eBay four years later for \$1.5 billion. Two years after that, he became the first investor in Facebook—a wager that earned him another fortune. Today, at 42, he runs a San Francisco venture capital firm and a hedge fund, Clarium Capital. But the past year has not been easy on Thiel. As bailouts and government stimulus policies revived financial markets, the staunch libertarian bet against the rally and lost big. Investors have been pulling their money out of his fund: Clarium has shrunk from \$7 billion in assets to about \$1.5 billion. Even as he was laying odds against the economy as a fund manager, though, Thiel was pouring money into audacious, futuristic projects as a VC and philanthropist: private space flight, ocean colonies for human habitation, indefinite life extension. Contradiction? He sees none. Behind both his economic skepticism and his radical utopianism is a conviction that the only way to escape a looming social crisis is to revive the science fiction dreams of yesterday.



What do you do? How do you actually spend your days?

I spend a lot of my time thinking about the future. I run a hedge fund and a venture capital fund, and a lot of that is just trying to learn what's going on in the world, trying to understand the world better.

You say that we have big problems in the US economy and that investors have unrealistic expectations. We've certainly been through a major crisis, but over the long term the stock market seems to grow fairly reliably.

People take it for granted that their retirement funds can earn 8.5 percent a year. That's what their financial planners tell them. And sure, you look back over the past 100 years, the stock market has generally gone up 6 to 8 percent a year. But in a larger historical perspective, that kind of growth

is exceptional. If you had done the equivalent of investing in the stock market from, say, 1000 to 1100 AD, you would not have made 8 percent a year. During the fall of the Roman Empire, you'd have been lucky to get zero. We've been living in a unique period of accelerating technological progress. We've gone from horses to cars to planes to rockets to computers to the Internet in a very short time. It's not automatic that that continues. **What happens if we don't get the growth everyone expects?**

If it doesn't happen, people will go bankrupt in retirement. There are systemic consequences, too. If we don't have enough growth, we will see a powerful shift away from capitalism. There are good things and bad things about capitalism, but inequality becomes completely intolerable to society when everything's static.

You're worried about economic stagnation, but you're optimistic about artificial intelligence and space?

I think we have to make those things happen. We should be looking at technologies that might lead to really big breakthroughs. As a starting point, let's just go back to the science fiction novels of the 1950s and '60s and try to run the past 40 years again.

We need underwater cities and flying cars, otherwise we're going bankrupt?

We go bankrupt if radical progress doesn't happen and we don't realize it's not happening. That's a dangerous combination.

We've had tremendous growth in the Internet, which is how you made your fortune. Why not look there?

Obviously we've done well online. But how much more progress is there going to be? How many big new Internet companies are there? In the '90s we had Netscape, Yahoo, eBay, Amazon. In the past eight years there have been only two: Google and Facebook.

Twitter?

Possibly. Still, the numbers suggest a maturing industry. The Internet may be culturally important, just as the automobile was culturally more important in the '50s than the '20s, as we got suburbia and built the Interstate Highway System. But the last successful car company started in the US was Jeep in 1941.

You've had a rough year. The

stock market rallied strongly, and Clarium Capital bet the wrong way.

I think we're back to a zone of irrational exuberance.

Like before the Internet bubble burst?

I think it's maybe even more irrational because there's no story about the future. At least in '99 there was a story.

Do you have another year in you, in this posture of skepticism? What if you continue to lose money?

Am I right and early, or am I just wrong? You always have to wonder. But the things that I think I'm right about, other people are in some sense not even wrong about, because they're not thinking about them. ☐

Contributing editor GARY WOLF (gary@aether.com) wrote about craigslist in issue 17.09.

"LOCAL'E KNOWLEDGE" registered name
**SOUTH CENTRAL ALASKA'S GULF COAST LOCATIONS SPECIALIST
AND MEDIA SUPPORT TEAM**

Mission Statement

To provide the most comprehensive GIS/GPS spatial/visual, demographic and on the ground real time data of areas from Sand Point to Yakutat on Alaska's wild and scenic gulf coast with seamless logistical support to those places helping make better choices. From gaffer to grip, field craft services to luxury accommodations, maritime support to marine safety, helicopter to fixed wing delivery systems, to an innovative skilled Art and Greens department, PA's to EMT's, ready to serve the photographic and film support needs of the industry or those just looking for a unique unforgettable location.

Below are some questions we could pose on our web page--

Shooting a film or television series; need locations/support in South Central Gulf Coastal Alaska's more remote pristine areas? See Alaska's coast as the Alutiiq peoples saw it before the Europeans; the primal forests, animals, whales, sunsets and sunrises; winter or summer anytime you are ready we have the ability and resources to provide you with seamless support for your projects.

List of companies and products:

Anthropologists

Actors

Artists/Painters

Aviation

Building Supplies

Bed and Breakfasts

Caterers/Craft services

Carpenters >>>> Zoologists

This is just an idea sheet; the above is obviously an incomplete list of services.

Alaska MultiMedia Workshops

Industry Workforce Development Plan

In today's dim economic climate, just as it was during the seemingly endless darkness of the Great Depression, the economic light of the Film industry has shown bright. Today's diverse technological ranges of film making and new independent structure of the entertainment industry, coupled with the satellite, cable and internet companies, the number of people employed world wide is in the millions and is still growing. Because of continuing advancements in Technology (Digital, HD, 3D, CGI graphics, etc) and the accompanying infrastructure changes (Fiber Optics and Internet speeds, etc.) the ability to create and develop highly imaginative products and programming for the Film, Television, Theatre and Music industries can be accomplished anywhere on this digitally small planet.

With the creation of the Alaska Film Office, the passage of Senate Bill 230 creating financial incentives for the production of films in Alaska, the invaluable help of Alaska Film Group, Alaska Exposure, Locale Knowledge and others, the next logical step in the process of bringing film companies and their projects to Alaska is the development of a large highly skilled and diverse workforce.

"So how does one address the process of building such an inviting infrastructure in Alaska to attract outside clients of scale?"

First and foremost! It takes a dreamer/entrepreneur with a strong working knowledge of the subject and a clear concise solid vision of that goal; a group of dedicated, highly motivated and imaginative persons, which share in that same vision"

This is the vision of **Alaska MultiMedia Workshops**; Alaska's first motion picture/television industry workforce development program and networking system.

Recent successful models for Alaska to adapt are: Halifax, N.S., Wellington, NZ, and Prague, Czechoslovakia, being just a few examples of cities successfully promoting themselves by offering a large talented workforce, infrastructure and stunning locations. This is the perfect time to use some of the wonderful incentives, our incredible quality of life and locations, to lure a few of those highly skilled and connected people to Alaska giving us the needed momentum to develop our workforce, services and infrastructure.

The Film and Television industries have moved rapidly into new areas of HD/3D digital technology. Part of the criteria for companies to travel outside of Hollywood in the first place is exotic back drops (Locations), economics, tax incentives, **skilled workforce** and **availability of services**. It is prudent for Alaska to create apprenticeship/training programs geared toward development of a workforce with industry standard skills as well as cutting edge: inventive CGI unit, Mo-Cap team, outrageous broad based Art Department, technically sharp editing group, dynamic audio engineering, ADR team and the accompanying infrastructure required to perform these functions. Just having a portion of the above would **exponentially** help to enhance Alaska's

position in promoting and attracting the Film/TV and Music industries to our state. The concept is no different than training people to work in the oil industry except the entertainment industries are still growing vigorously and will for some time to come.

The ideas proposed in this biz model are not reinventing the wheel but rather intelligently taking advantage of established proven models and tools, upgrading and adapting them for use in Alaska with an Alaskan workforce as well as our own unique infrastructure i.e. niche trades as mentioned earlier like Motion-Capture, ADR, CGI, Animation and Pre-Viz department.

We will be like a secure plug and play situ, with an edge, for any size of industry project, allowing all Media companies, their key people and actors to travel to Alaska where they will find an efficient and effective workforce as well as a dependable supply line with state of the art communications and graphic systems to meet their varied needs. As a comparative example, the money to train and create these departments and associated infrastructure is a fraction of the cost of drilling one simple oil well on the North Slope, with a stable long term return on investment, low impact on environment and an incentive for Alaska's young people to learn and desire to stay and work in Alaska.

The bricks and mortar infrastructure needed, i.e. soundstages, storage and construction areas, are readily available by utilizing empty real state, warehouses and mothballed facilities that exist around the state. As far as a labor support resource, most trade unions and private firms can be utilized with proper notification for the necessary skilled labor until we have created a large enough trained workforce.

The main objective of **Alaska MultiMedia Workshops** is simple and direct. We are here to stimulate and provide for the education and development of a strong Alaskan workforce and infrastructure base for the Global and regional Film, Television and Music industry and other developing media entities. The residual benefits to Alaska and its many rural communities will be in the form of **educational and training programs, permanent full-time living wage jobs and the strength of a very diverse community economic development engine.**

The practical application of skills learned in our own productions, the full array of courses offered at AMMW intertwined with High school apprenticeship programs, the incoming movie projects and television productions being shot by major studios on locations in Alaska, along with the myriad of commercial advertising, local programming and training films are just some of the possibilities for students and professionals to hone their technical skills. In turn, these skilled people will be attractive to other industries in the state as well, i.e. engineering, construction firms, the oil and gas industry and local rural communities etc.

IMPORTANT NOTE: These are sustainable, long term and environmentally low-impact; living wage jobs that create a substantial and stable economy. The digital divide is closing. Interactive is the future. In approaching this market, timing is everything. AMMW will be at the cutting edge in innovative technology, staying current in real time with the technological revolution as well as contributing to the advancement of related technologies.

From the start of the first classes, construction of offices and studios, to the opening day and beyond there will be a myriad of jobs opening up for Alaskans. The center, studio, offices, various wings of production etc. will give rise to office, teaching and production personnel in excess of 75 – 90 core persons statewide. These are full time jobs with benefits and profit

sharing. These do not include the **hundreds** of well paying skilled jobs involved in the productions or construction phases, or those trained by the school, nor do they include the hundreds more support jobs; examples like the local grocers, travel, lodging, transportation, building trades and catering, just to mention a few. The benefits to the Alaskan community are numerous, and one very important fact of the school is offering an **in-state** internationally recognized industry qualified educations and academic degrees to the younger generations of Alaskans for the long-term benefit of themselves and the Alaskan economy; filling a gap in community, economic and social needs.

We aspire to tie in with other rural schools, and community leaders to ultimately realize the basic values of community, with the use of electronic media and internet, through the development of cultural, historic, and intelligent programming and alternative advertising.

Dream for a moment: Is it so hard to imagine Alaska as a world and regional hub for entertainment and education? Major productions are made daily all over the world. The film/television, and music community with its thousands of related industries is the earth's largest employer as well as the creator of tens of thousands of new technology jobs each year around the world. In workforce size and scope nothing comes close; not the oil industry, minerals, fishing, insurance or Wall Street's workforces all combined. Times are changing, why should we not be in the forefront of this low impact – high yield return? Most people are familiar with the profits of the film industry. Carefully done, with the right investors, the returns will be quick and sure, allowing for continuing expansion throughout Alaska.

One thing to remember; by helping to bring this important non polluting sustainable industry to fruition allows us as Alaskans to keep the focus of our culture, community and its importance alive. By providing a strong base of skilled jobs and strong economic diversified infrastructure to rural Alaska we reduce dependence on State, Federal and Tribal funds. In the end, all of this education and training strengthens Alaska's cultural and future economic survival.

Overview

Links

Stimulus Funding

News to Use

Services Focused on Economy

New Classes

ShareThis

SEARCH SITE

Enter Search Terms

SEARCH

JOIN MAILING LIST

Enter Email

SIGNUP

Alaska Updates

The American Recovery and Reinvestment Act of 2009 was signed into law by President Obama on February 17. The Act contains \$288 billion in tax cuts, \$144 billion in revenue sharing to states, and \$357 billion in spending in areas such as infrastructure, health care, housing, energy, scientific research, and more.

Good Advice:

Be realistic. Be ready. Do your homework.

Ask Yourself These questions:

- Does the funding opportunity fit with your existing mission?
- Can you sustain the project when the stimulus funding goes away? If not, please make sure your idea builds capacity for the long term.
- Do you have the human capacity and the infrastructure to manage the grant if you get it? Please remember that the accountability to the public is very high.
- Can you find meaningful partners in your community, state, and/or nation to work with to achieve your goals?

If you still think applying for funding is a good idea then consider these points:

- Look at the grants you have now from the government and see how you can expand the scope of services.
- Look for mission opportunities that create jobs, serves your community and builds your long-term capacity.
- Look at your "shelved projects" that are shovel ready now.
- Look at your proposals that have been denied in the past and now might have a better chance of getting funding because they fit the stimulus criteria.
- Look to projects in your existing Community Plan and collaborate with others to help make them happen.

7.27.09

Alaska to receive \$1.5 billion in stimulus funds *Philanthropy Northwest E-Bulletin*

At its June meeting, the Alaska Funders Group learned details about the massive infusion the state can expect from federal stimulus funds. Legislative aide Larry Persily reported that more than \$1.5 billion will be available for Alaska projects, with the majority going to civilian and military construction. Alaskans hit by the recession will be helped, too. Unemployment benefits will be increased by \$25 a week and will be extended for a longer period. 13,000 veterans will receive a one-time payment of \$250, and Food Stamp benefits will be increased by 13%. Substantial funding also will be available for education, weatherization, job training, housing and water projects. Funders stressed the need to be aware of application requirements and deadlines to assure that Alaska communities and nonprofits don't miss opportunities for federal funds. Persily urged funders to visit the Alaska Clearinghouse, a website maintained by the Denali Commission with support from the Rasmuson Foundation, Federal Executive Association and the state legislature. The site contains extensive information on stimulus funds and programs, including a calendar of events and deadlines to help organizations track grant opportunities. <http://services.philanthropy.org/pressroom/AKEbulletin/0709/Persily.pdf>

7.24.09

Community Renewable Energy Development Grants for State, local and Tribal governments (\$22 Million)

- Applications due September 3, 2009

Weekly Poll

Which of our web services are most helpful to you?

- Grant Information
- Map of Stimulus Projects in Alaska
- Calander of Deadlines
- News Updates
- Community Forum
- Our Links to Other Sites
- E-mail and Twitter Updates
- Results Reports



Written by Jon Bittner
Tuesday, 11 August 2009 18:45

www.grants.gov will be hosting a three part webinar series on August 13, 18 and 20 on Recovery Act money and grants.gov. In addition, on August 12 a webinar on finding Recovery Act funding for contracting and grant opportunities will be presented by grants.gov and FedBizOpps.gov. to see more details about these webinars or to register to attend them, [CLICK HERE](#).

Last Updated on Wednesday, 12 August 2009 20:08

Anchorage Receives \$1.2 Million ARRA Grant to Keep AK Native Children in School



Written by Jon Bittner
Tuesday, 11 August 2009 18:27

Last week US Secretary of Education Anne Duncan announced plans to award a three year \$1.2 million grant to support Project Puqigtut in Anchorage Public schools.

Project Puqigtut provides assistance to Alaska Native high school students who have left school or are at risk of dropping out. By working with local Native organizations, vocational programs, and post secondary institutions students are provided support to complete course requirements and earn their high school diplomas.

To read the Dept. of Education's full press release, [CLICK HERE](#).

Last Updated on Wednesday, 12 August 2009 20:09

More Articles...

- Dept. of Transportation Report Finds Fault With FAA Funding of Alaska Airports
- Alaska Legislature Overturns Gov. Palins Veto of State Energy Plan Funds
- ProPublica Website Releases State By State Stimulus Funding Breakdowns
- USDA Releases Interactive Map for Broadband Grant Eligibility

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Alaska TV in the Making

TRIO TURNS DREAMS INTO REALITY AND HAS HUGE PLANS FOR ALASKA TELEVISION.

BY DEBBIE CUTLER
MANAGING EDITOR

Photo by Kirsten Gregoire



Halfway There cast photo.

If dreams could make money then the three owners of Anchorage-based Upper One Studios would be rich.

Rick Mallars, Tom Karpow and Jason Martin are three amigos who live the life many of us would love to: taking risks, working hard, pursuing passions and seeing sometimes the future is more than dollars in the pocket for the moment.

And they are taking flight.

Formed in 2008 by Mallars and Karpow, Martin joined the duo in late 2009.

"Upper One Studios was created with one purpose and one goal," said Mallars. "To bring quality all-Alaska video productions to the great state of Alaska. Our motto is - The Lower 48

can have the rest, but Alaska has the Upper One!"

Their programming is filmed and produced by Alaskans, with Alaskans and for Alaskans, and currently three shows are in production or being aired.

● "Late Night Alaska," a mostly non-scripted comedy variety talk show hosted by Bob Lester, a DJ from 106.5 KHWL. The show mirrors Saturday Night Live with a unique Alaska flavor, and packs it full of Alaska humor, local politics, music from local bands and musical legends, dancing and more. It is filmed live at Alaska's famous Chilkoot Charlie's, with scripted spots interspersed, and regular features such as "Where's Taquito." There are also fake commercials. Demographics show those ages 18 to 55 are the main audience.

● "Halfway There," a unique and refreshing look at the oftentimes hilarious side of corrections. The sitcom is set in a town hundreds of miles from anywhere. Halfway is a federal residential corrections facility on a five-year quest to rehabilitate inmates back into society. Currently there are four scripts written and ready to roll in a monthly episode. Youth to age 35 appeal to this show, typically.

● "Scared Scriptless Improv," a comedy group that is known statewide and is now bringing their humor to television. The first filming was in November for a weekly TV show coming out this month. It's a PG13 production for a teen and older audience.

Upper One Studios has partnered with KACN Channel 38 (analogue) and local GCI cable Channel 95, utilizing their broadcast capabilities to place their programming in favorable time slots to both urban and rural Alaskans. Both "Late Night Alaska" and "Halfway There" were hoped to be aired by press time, with "Late Night Alaska" on Friday, 10 p.m. to 11 p.m., prime time for weekends. There are also plans to air reruns on Channel 1 from noon to 3 p.m. weekdays. They'll soon be on Dish Network, statewide. In addition, they have a full feature film called "Probation" being shopped around Hollywood, with hopes it will soon find a slot on national TV.

"We're not just talking the old traditional outdoor shows and the tired nature programming that everyone else is doing," said Mallars. "We're talking TV shows, sitcoms, talk shows, business spotlight programming and shows that demonstrate to the rest of the world that REAL filming and REAL programming can actually be done here and that the people who actually live and work here can make that happen."



"We don't need a full Hollywood crew and we don't need millions of dollars to entertain people. We simply need Alaska."

VOLUNTEER CAST

The cast for their productions is large and all volunteer, at least for the moment, said Mallars. There is an agreement that they may be paid later as the shows become more successful and turn profit.

Volunteers were selected, in part, from a joint audition with another firm for a Lower 48 production. "These amazing people showed up," said Mallars. "They just kind of knocked our socks off with their abilities. We're building this troop of people and talent pool and all are very excited about being a part of the projects.

Why work for free? "They just want to be involved in something special," said Mallars. "Take Scared Scriptless for instance. There's a lot of people in there who do plays. You do it because you like to act, be around people with similar interests. We say 'look this is a nonpaying project with a lot of great talent behind it, would you be interested in joining up and see how goes?' Haven't had anyone say 'no' - 110 percent - I've heard them say 'absolutely.'"

The pilot episode of Late Night Alaska has already been filmed live at Koots, just before Halloween.

"We completely packed the place out," said Mallars. "I remember starting filming and I turned around and there were just wall-to-wall people. And it was amazing, there was this huge energy in the crowd and it just took off. I felt like we weren't ready, weren't ready, weren't ready, weren't ready and then it was just 'we're here. We're doing it.'"

"That's my experience with everything Upper One has done," added Martin, also founder and director of Scared Scriptless. "It starts out as a spark and then just explodes."

Things are happening so fast, so quickly conceptually, it sometimes overwhelms the trio. But their focus is still the same, just bigger gears on where they want to go.

Their ultimate goal in two years is having their own full-fledged studio where they can run and produce shows, picking and choosing topics as they please, and not have outside interference,

IN THE FUTURE

They have several other programs in the planning stages, including "Successful Neighbors," about local businesses and Alaskans who give back to the community in some way, and "Alaska Fitness Show," which is a version of the "Biggest Loser," only Alaska-based. They hope to eventually produce full-length major feature films.

"It's something we'd really like to do," said Mallars. They are looking at funding sources for future productions, as well as sponsorships and in-kind donations. There has been even national interest.

"We believe in partnering with long-time Alaska businesses and lifelong Alaskans that can add the very flavor to our productions that we need to make them the best we can," said Mallars. "By the 'best,' we simply mean not only interesting to the people who

live here, but also entertaining and fun for those Alaskans who are now living in the Lower 48 looking for that little taste of home."

They also have a huge Web presence, with Webisodes of all shows available. For samples, type in "Halfway There a Sitcom" in the search engine on the Internet. There are past shows available for viewing, as well as interviews with cast members called "Inside Halfway There."

"One of neat things about Web, we have a Facebook group, just word of mouth, that just went wildfire," added Martin. "We had one member one day, 10 the next, 100 the next and we are now up to 1,600 (mid-November).

"One of the neat things Facebook brought to 'Halfway There' and 'Late Night Alaska' was the number of Alaskans, and even those not in Alaska, who want to see these programs. Some say 'man, I miss Alaska,' or 'It's so neat to see friends I know from Alaska' or places in Alaska where they've been. They're making connections."

All footage is also available on YouTube.

Links to Upper One Studios and antics and shows include:

- www.upperonestudios.com
- www.halfwaytherealaska.com
- www.late.nightalaska.com http://
- www.facebook.com/home.php?#group.php?gid=166506638773 (for "Late Night Alaska")
- <http://www.facebook.com/home.php?#group.php?gid=106437612033> (For "Halfway There") □

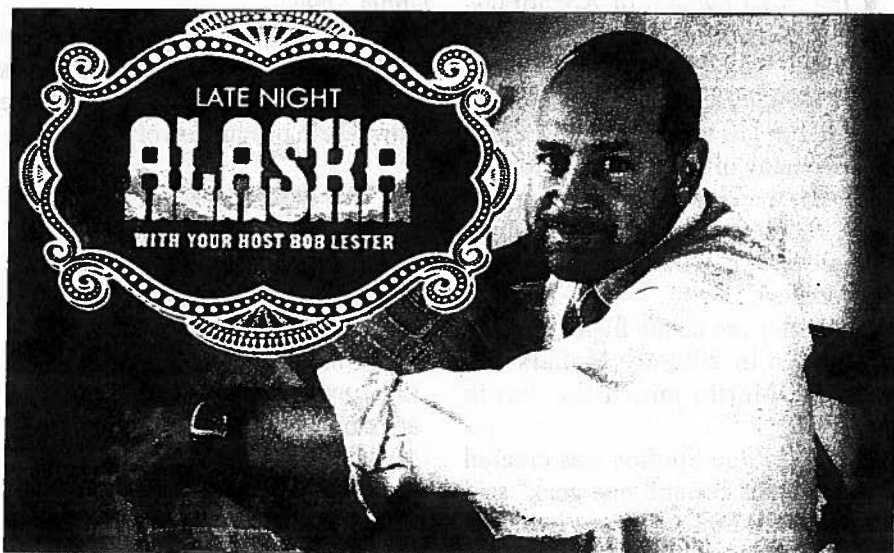


Photo courtesy of Upper One Studios

Kachemak Bay Campus of Kenai Peninsula College-UAA

"An Engine for Economic Development"

The economic impact of the Kachemak Bay Campus is varied, broad and complex.

- There is a significant number of jobs attributable to the presence of the college.
- The Campus provides a skilled, trained workforce and future leaders for the community with employable skills and continuing education.
- The economic impact of the Kachemak Bay Campus is varied, broad and complex.
- Education and training received at KBC by individuals is quickly transferred into an economic return for the student and the community.
- Increases the economic impact of other local industries; transportation, government, health care, tourism, arts, commercial businesses, real estate, etc.
- The campus contributes payroll earning into the local economy. This direct income leads to increased area economic activity as the money multiplies and the support sector responds.
- College-related revenue is contributed to local government through sales tax paid by students.
- Expansion of local banks and credit base results from college-related deposits
- Injects significant amount money into local economy. There is a return of \$4.44 (McDowell Group study) for every dollar invested.
- D.O. L reports that individual earnings begin increasing with completion of the first course. Total wages and salaries increase greatly with vocational education, continuing/professional education and academic degree attainment
- The more education an individual receives, the more money they contribute to charities, the more active they are in the community and the more likely they are to remain in the community and raise healthy families.
- Students and employees impact the real estate market through purchase and rentals.
- The Campus contributes to the local volunteer labor pool.
- Increased durable goods are procured with income from college-related jobs and business activities. Impact includes housing, housing, clothing, utilities, food, transportation, entertainment, etc.

- The campus attracts grants and corporate donations. These funds are leveraged to additionally drive the local economy.
- Education and training received at KBC by individuals is quickly transferred into an economic return for the student and the community.
- The Campus contributes to diversifying the local economy.
- Economists have documented that abundant intellectual resources have a significant impact on a community's ability to attract new businesses, and industries.
- The business of higher education is big business our community with the campus providing a relatively stable and growing influx of cash to the local economy.

Based on FY08, KPC –wide:

- Total economic impact statewide=\$19M
- Total direct spending in Kenai Peninsula Borough--\$10.4M—resulted in additional \$5.4M in economic activity—total impact of \$15.8M
- Statewide employment impact=386 jobs, \$12.5M payroll
- Borough employment impact=\$11.1M payroll
- Spent \$2.3M on goods/services from 200+ borough businesses
- \$3.4M spent on goods/services statewide

Executive Summary

Kenai Peninsula College (KPC) contracted with McDowell Group, an Alaska research and consulting firm, to assess its economic impact on the regional economy. In addition, this research effort details other important KPC contributions to the Kenai Peninsula Borough community. Key findings are presented below.

Summary of Findings

KPC Addresses Kenai Peninsula Borough and Alaska Needs

Kenai Peninsula College is a uniquely Alaskan educational institution serving the higher education needs of the diverse population, industry, and business community of the Kenai Peninsula Borough and the state. A growing student body of over 2,000 is taking more than 11,000 semester credit hours of instruction. In Spring 2009, KPC expects 119 students to graduate, an increase of 125 percent from Spring 2001.

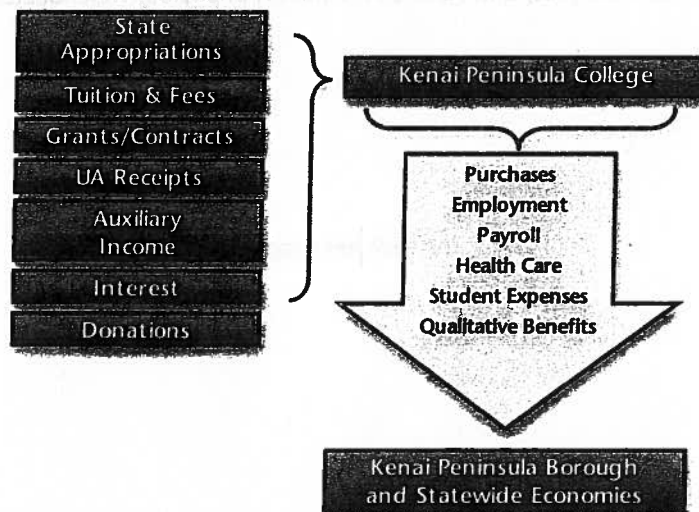
KPC is located geographically throughout the borough, including the Kenai River Campus in Soldotna, the Kachemak Bay Campus in Homer, and the Resurrection Bay Extension Site in Seward. Additionally, KPC has an Anchorage Extension Site at the University Center.

KPC offers 2-year and select 4-year UAA degree programs as well as many certificates. KPC's offerings are designed to meet relevant regional and Alaska needs such as local industry (the Process Technology and Instrumentation programs are examples), the business community (business degrees and courses), and health care (nursing, paramedical, and radiation technology degree programs).

KPC is a Major Economic Contributor

KPC's economic benefit is determined by how much money it directs into the economy through direct expenditures and the expenditures of those associated with the College. Figure 1 below demonstrates the flow of economic activity.

Figure 1.
Economic Role of KPC



KPC's total economic contribution includes direct, indirect and induced impacts.

DIRECT ECONOMIC IMPACTS

- KPC is an important contributor to the local economy and one of the borough's largest employers. It provides jobs to 231 borough residents, who earn more than \$8 million in annual payroll and benefits.
- Including Anchorage-based faculty and staff, KPC has 243 employees teaching at all four locations. Of these, 55 percent are faculty instructors.
- Three-quarters of KPC's spending on goods and services in FY08 (\$3.4 million) went to Alaska businesses, and two-thirds of in-state spending (\$2.3 million) went to businesses within the Kenai Peninsula Borough.
- KPC bought \$2.3 million worth of goods and services from over 200 Kenai Peninsula Borough businesses in FY08.
- Nearly three-quarters of total FY08 spending (\$8.6 million) went towards instruction-related and student-related expenditures, including most payroll expenses, classroom and lab supplies, and student aid.

TOTAL ECONOMIC IMPACTS

- Overall, KPC's total direct spending statewide (including spending within the Kenai Peninsula Borough and elsewhere in Alaska)—approximately \$11.9 million in FY08—resulted in \$7.1 million of additional economic activity throughout the state, aggregating to a total statewide impact of \$19 million.
- KPC's total direct spending within the Kenai Peninsula Borough—approximately \$10.4 million in FY08—resulted in an additional \$5.4 million in economic activity, aggregating to a total Kenai Peninsula Borough impact of \$15.8 million.
- KPC's total statewide employment impact is estimated at 386 jobs in FY08, with a total annual payroll of \$12.5 million. Of these jobs, 346 (and \$11.1 million in payroll) were located in the Kenai Peninsula Borough.

See table next page.

Economic Development Brainstorm – ideas from 9/29 Public Worksession and email responses from Question of the Week & people unable to attend meeting.

IDEA	BENEFITS	ESTIMATED INVESTMENT	PARTNERSHIP POSSIBILITIES	CHALLENGES & DOWNSIDES
Example: Gateway Signage Program For Business Districts: Spit, Old Town & Pioneer Ave. and entrances to Homer	Identification of Business Districts, Town Image, Increased Tourism/Jobs, Beautification, Directional Signage, Jobs for Artists & Sale for Supply Co.	Approx. \$32,000, 4-6 signs Perhaps Artists & Supply Co. would donate a % of cost to get the job & help out in these times	City Gov't, Pioneer, Spit & Old Town Merchants, Building Supply Co., Artists, Chamber of Commerce, Airport, Port & Harbor	Spearheading Funding Designing Cost
1. Youth Entrepreneurship Program	Encourage future entrepreneurs, give youth something constructive to do, future businesses, jobs, and revenues	\$0.00	City/Chamber EDCs, EDC webpage – resources and list of startup ideas, SBDC, SCORE (Service Core of Retired Execs), Volunteer Mentors	Spearheading Finding Volunteers Working with Schools
2. Vocational Education	Prepare and train young people and others, provide a skilled workforce to existing and potential employers, empower people, provides jobs for staff/trainers	Facilities, \$\$\$ (students could learn to write grants and existing facilities could be used – local fishing industry, wooden boat society, etc.)	College, schools, hospitality industry, governments, business community could provide mentoring & apprenticeships, Chamber of Commerce, AVTEC in Seward/Kenai, SCORE	Spearheading, Finding Instructors, appropriate Facilities, Funding, Student Housing
3. A KPB Free Trade Zone	Tax free services/manufacturing Sales Tax Free, like internet services & agricultural products Encourages local commerce	Cost of Public Awareness Campaign, Lobbying	Chamber, KPB, Cities	Spearheading Loss of Tax Revenues/local services
4. Film School	Fits existing economy/culture – arts, tourism, vocational education, Provides jobs and workforce training	Facilities, \$\$\$ – could be part of vocational education effort – see #2. above	Local theater, Pier One, Construction trades, Homer Council on the Arts, College, schools, KPB	Defining Program Spearheading Lots of competition Facilities Lack of Gov't support – changing
5. Community Center (cultural, historical, native, community cohesion, arts) – could tie in with #2 and #4 above	Benefits local residents Facility could be Multi-Use Could be Clearinghouse of info about Community Services, could help avoid duplication of efforts, Provides Jobs & Svcs.	Facility/Staff Costs/cost of Building & Maintenance – could share with users \$\$\$\$ Grant possibilities	Nonprofits, Community schools, Grange, Native community: CIR/Chugach/English Bay/SNA Child care, Boys & Girls club, Homer Foundation	Spearheading Funding Land Acquisition, Design and Construction Ongoing staffing and maintenance
6. Attract New Businesses That fit with Homer	New jobs & revenues	Hiring of Marketing person	Chamber, College, City	Spearheading Funding
7. Create a Business Incubator Value added food products Local food & energy security – sustainable communities Waste stream opportunities	Supports entrepreneurs Creates more meaningful jobs	Cost of building incubator \$\$\$\$ Grant possibilities	Chamber, Businesses, College, Schools	Spearheading Land Acquisition, Design and Construction Ongoing staffing and maintenance

IDEA	BENEFITS	ESTIMATED INVESTMENT	PARTNERSHIP POSSIBILITIES	CHALLENGES & DOWNSIDES
8. Become more of a College Town	More year-round employment, better reputation, more creative capital, more outside \$\$\$ coming in, grants, students spending \$\$\$ year-round More jobs and revenues	Cost of facilities, staff, programs, student housing	College, City, Private Investors, Lodging providers, Restaurants could provide meal plans	(College would Spearhead) Public Buy-in for possible increased taxation to support College, Long term commitments from housing providers
9. Create Local Investor Network for Local Businesses	"The town with local ownership holds its destiny in its hands." Boomtown USA, Support for existing and startup businesses, More jobs and revenues	Cost & Risk to Investors	SCORE, SBDC, Chamber, KPEDD, VISTA, Banks, Chamber's new 501c3 in process	(Chamber would Spearhead?) Cost & Risk to Investors
10. Government support of businesses – leasing, taxation, utilities and land use policies	Makes it easier for businesses to operate	Could lower revenues for City operations & services to residents	City Government	Actually, is ongoing
11. Hire Economic Development Professional	To Spearhead Economic Development Efforts and Market City	Staff & office costs	Chamber, City, Local Businesses	Who would fund the position? Prioritizing of projects?
Ideas we did not have time to discuss...				
12. Moose or Buffalo farms	New Businesses – jobs Local food source	Large Start-up Costs plus Operating Costs	Could be coop or csa Entrepreneurs, Investors USDA	Legal issues for Moose
13. Slaughter House	New Business – jobs, food, increased connection to food sources, ability to choose healthy practices, possible permaculture pilot project	Startup & Operating Costs --grants for innovation	Entrepreneurs, Investors	Location, Local Demand Lots of regs /laws are currently barriers to processing meat locally
14. Downtown Walkability and Bike-friendly roads – bike trail along Kachemak Drive so riders can loop from East End Road	Health, Recreation & Fitness. People would stay longer in town (spend more), use fewer fossil fuels, beautification, town image	Cost of trails, sidewalks and paths – grant monies available	City, State	Public Will Revenues from taxes? Easements and right-of-ways
15. ISSUE: Role of City: A. Community Role	When the City provides funds to nonprofits, the nonprofits leverage the \$\$\$ in the community and have a chance of getting grants.	NA	NA	Need revenues Public attitudes about taxation
B. Core Services Only	Need fewer tax revenues	NA	NA	City government is the only organization that represents all residents; i.e., the Chamber represents their fee-based membership – mostly businesses

IDEA	BENEFITS	ESTIMATED INVESTMENT	PARTNERSHIP POSSIBILITIES	CHALLENGES & DOWNSIDES
16. Buy Local Program	Supports local businesses/jobs \$\$\$ stay in community and circulate, less travel/shipping expenses, fuel costs	Cost to participate in program – cost of advertising	Chamber, City, Community	Ongoing through Chamber – available to member merchants
17. Parking Fees for Fishing Lagoon	Money for stocking	Cost to setup & monitor parking system	City	People would have to get used to paying for something they used to get for free
18. Lower Taxes with City Wind Farm – and other ways to make our basic energy needs locally controlled	Clean energy, renewable, sustainable, cheaper in the long run, local jobs, no more dependence on polluting fossil fuels and large corporations	Large investment to startup, operating and maintenance costs will eventually be much less Grants are available	HEA, City, Community	Public Buy In HEA? City Government? Some fears about new technology
19. Coop Health Insurance (Community-based, not government)	If community-wide program that focuses on wellness and prevention, health care costs go down, takes out the profit factor/motive, local ownership & control; benefit: we have the workers; it would streamline paperwork/records transfer when seen at different locations; local gatekeepers/standards	Maybe all health organizations could collaborate to spearhead and the people could pay monthly –much less than what is paid now to ins. co.s, Medicaid & medicare could help fill in gaps	All health organizations, community residents, businesses could help with their employee costs, City could support the nonprofit	Ins. Co.s won't like; however, the group could negotiate/buy a bulk catastrophic policy for major accidents or diseases; some ins. co. employees could get jobs with the Coop
20. Coop Shipping	Sharing containers could lower shipping costs for businesses and individuals	Coordinating/advertising costs	Chamber, business organization or could be someone's business startup	Coordination
21. Maritime Academy	Fits Homer and ties in with other Vocational Education ideas listed above	\$\$\$\$	College, Marine Trades Industry	Demand? Competition? Financing
22. Grow Arts & Culture	Benefits Wealth & Well-being	Continue to Support	Everyone	Some Public attitudes
23. Legalize & Tax Pot	Prohibition does not work – does harm by creating criminal class – spend all that money on treatment & well-being instead	\$0.00	Everyone	Some Public attitudes Need education about use versus abuse with all substances
24. Bed Tax	1/3 to Chamber to attract tourism, 1/3 for maintenance due to tourist use of facilities and 1/3 to City to benefit locals	Administrative Costs	City	Lodging establishments may not like – most people do not choose lodging based on whether or not there is a tax
25. Toll gate at base of Spit	Increased revenues	Cost to Install & Operate	City	People would have to slow down & pay for something they are used to getting for free

IDEA	BENEFITS	ESTIMATED INVESTMENT	PARTNERSHIP POSSIBILITIES	CHALLENGES & DOWNSIDES
26. A real downtown – Town Square	Community pride, identity & connection, increased use of downtown establishments – more jobs/revenues, increased tourism, walkability	See Town Square Plan	City, businesses	Confusion around costs/benefits because vote combined the financing of the Town Square Plan with a new City Hall building – Cost seemed too high
27. Community Greenhouses	Local healthy food year-round Less dependence on the outside world and factors beyond our control – our basic necessities of survival are a national security issue	Cost to construct and maintain Could use renewable energy and be a showcase—Grants	Could be a business, co-op, nonprofit or all of the above	Investment required
28. Seed Bank	Most civilizations fell because they could not feed their people	Purchase & Storage costs	City, Nonprofits	Why not?
29. Maritime/Boat Museum	Alaska does not have one and yet, it has an extensive maritime history & the most coastline	\$\$\$\$ Grants available	City, Chamber, other nonprofits, College	Spearheading – could have collaboration rather than competition with existing efforts
30. Convention Center	Attract more outside \$\$\$\$, Tax revenues, jobs	\$\$\$\$	City, Chamber, Hospitality Industry	Spearheading & Funding
31. Shuttle Bus - nonprofit	Public transportation, Connection between different business districts, would help alleviate parking problems on the Spit	Purchase, Maintenance & Operations Costs. Could use renewable energy and be a showcase and tourist attraction in itself – grants available	City, Nonprofits, Homer Foundation	Taxi Co.s may not like Certainly there would be demand in the summer, what about the rest of the year?
32. Fish waste to Fertilizer	Good business idea Could help farmers Less Waste	Staff & operations costs	Business Startup, Local Investor Network, Co-op, SBDC, SBA, SCORE	Profit potential?
33. Survey High School students – How can the Community be more supportive? What are their needs? What are their future plans? Do they want to stay in Homer? Do they want to come back after College? What kind of economic development would they like to see? Do they feel heard?	Empower students to be more involved in their community, give them something constructive & illuminating in which to participate. Students could design (with mentoring) their own survey and administer it.	\$0.00 Volunteer time	Schools, Communities Project, VISTA, Chamber, City, College	Spearheading School willingness and Parental support, i.e. permission slips?

26th Legislature(2009-2010)
Bill Text 26th Legislature

00 SENATE CS FOR CS FOR HOUSE BILL NO. 199(FIN)
01 "An Act making appropriations, including supplemental appropriations and capital
02 appropriations; amending appropriations; and providing for an effective date."
03 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
04 (SECTION 1 OF THIS ACT BEGINS ON PAGE 2)
01 * Section 1. The following appropriation items are for operating expenditures associated with
02 the American Recovery and Reinvestment Act of 2009 from the general fund or other funds
03 as set out in section 2 of this Act.
04 Appropriation General Other
05 Allocations Items Funds Funds
06 * * * * *
07 * * * * * Department of Administration * * * * *
08 * * * * *
09 Centralized Administrative 1,489,000 1,489,000
10 Services
11 Finance 1,489,000
12 Violent Crimes Compensation 149,400 149,400
13 Board
14 Violent Crimes 149,400
15 Compensation Board
16 * * * * *
17 * * * * * Department of Commerce, Community and Economic Development * * * * *
18 * * * * *
19 Serve Alaska 1,500,000 1,500,000
20 Serve Alaska 1,500,000
21 * * * * *
22 * * * * * Department of Education and Early Development * * * * *
23 * * * * *
24 Teaching and Learning Support 78,227,500 78,227,500
25 Student and School 77,838,000
26 Achievement
27 Child Nutrition 389,500
28 Commissions and Boards 300,000 300,000
29 Alaska State Council on the 300,000
30 Arts
31 * * * * *
32 * * * * * Department of Health and Social Services * * * * *
33 * * * * *
34 Children's Services 2,139,800 2,139,800
35 Infant Learning Program 2,139,800
36 Grants
37 Health Care Services 2,040,000 40,000 2,000,000
38 Medical Assistance 2,040,000
39 Administration
40 Public Assistance 5,275,700 5,275,700
41 Child Care Benefits 4,036,000
42 Public Assistance 462,000
43 Administration
44 Women, Infants and 777,700
45 Children
46 Public Health 2,000,000 2,000,000
47 Chronic Disease Prevention 2,000,000
48 and Health Promotion
49 Senior and Disabilities 485,000 485,000
50 Services
51 Senior Community Based 485,000
52 Grants
53 * * * * *
54 * * * * * Department of Labor and Workforce Development * * * * *
55 * * * * *
56 Workforce Development 15,439,600 15,439,600
57 Employment and Training 5,162,000
58 Services
59 Unemployment Insurance 1,115,700
60 Business Services 9,161,900
61 Vocational Rehabilitation 2,046,200 2,046,200
62 Client Services 1,800,000
63 Independent Living 246,200
64 Rehabilitation
65 * * * * *
66 * * * * * Department of Public Safety * * * * *
67 * * * * *
68 Alaska State Troopers 5,871,000 5,871,000
69 Special Projects 50,000
70 Narcotics Task Force 5,821,000

10 Council on Domestic Violence 1,348,600 1,348,600
 11 and Sexual Assault
 12 Council on Domestic 1,348,600
 13 Violence and Sexual Assault

(SECTION 2 OF THIS ACT BEGINS ON PAGE 5)

01 * Sec. 2. The following sets out the funding by agency for the appropriations made in sec. 1 of
 02 this Act.

03 Funding Source	Amount
04 Department of Administration	
05 1212 Federal Stimulus: ARRA 2009	1,638,400
06 *** Total Agency Funding ***	\$1,638,400
07 Department of Commerce, Community and Economic Development	
08 1212 Federal Stimulus: ARRA 2009	1,500,000
09 *** Total Agency Funding ***	\$1,500,000
10 Department of Education and Early Development	
11 1212 Federal Stimulus: ARRA 2009	78,527,500
12 *** Total Agency Funding ***	\$78,527,500
13 Department of Health and Social Services	
14 1003 General Fund Match	40,000
15 1212 Federal Stimulus: ARRA 2009	11,900,500
16 *** Total Agency Funding ***	\$11,940,500
17 Department of Labor and Workforce Development	
18 1212 Federal Stimulus: ARRA 2009	17,485,800
19 *** Total Agency Funding ***	\$17,485,800
20 Department of Public Safety	
21 1212 Federal Stimulus: ARRA 2009	7,219,600
22 *** Total Agency Funding ***	\$7,219,600
23 * * * * * Total Budget * * * * *	\$118,311,800

(SECTION 3 OF THIS ACT BEGINS ON PAGE 6)

01 * Sec. 3. The following sets out the statewide funding for the appropriations made in sec. 1 of
 02 this Act.

03 Funding Source	Amount
04 General Funds	
05 1003 General Fund Match	40,000
06 ***Total General Funds***	\$40,000
07 Federal Funds	
08 1212 Federal Stimulus: ARRA 2009	118,271,800
09 ***Total Federal Funds***	\$118,271,800
10 Other Non-Duplicated Funds	
11 ***Total Other Non-Duplicated Funds***	\$0
12 Duplicated Funds	
13 ***Total Duplicated Funds***	\$0

(SECTION 4 OF THIS ACT BEGINS ON PAGE 7)

01 * Sec. 4. The following appropriation items are for capital projects and grants associated with
 02 the American Recovery and Reinvestment Act of 2009 from the general fund or other funds
 03 as set out in section 5 of this Act by funding source to the agencies named for the purposes
 04 expressed and lapse under AS 37.25.020, unless otherwise noted.

05	Appropriation	General	Other	
06	Allocations	Items	Funds	Funds
07	* * * * *			* * * * *
08	* * * * * Department of Environmental Conservation * * * * *			* * * * *
09	* * * * *			* * * * *
10	American Recovery and	68,637,000		68,637,000
11	Reinvestment Act of 2009			
12	Alaska Clean Water	23,637,000		
13	Stimulus (HD 1-40)			
14	Alaska Drinking Water	19,500,000		
15	Stimulus (HD 1-40)			
16	Leaking Underground Storage	1,000,000		
17	Tank Stimulus (HD 1-40)			
18	Village Safe Water	24,260,000		
19	Stimulus (HD 1-40)			
20	Water Quality Planning	240,000		
21	Stimulus (HD 1-40)			
22	* * * * *			* * * * *
23	* * * * * Office of the Governor * * * * *			* * * * *
24	* * * * *			* * * * *
25	American Recovery and	1,000,000		1,000,000
26	Reinvestment Act of 2009 -			
27	Entitlement Funds,			
28	Statewide Competitive,			
29	Discretionary, and			
30	Incentive Grants (HD 1-40)			
01	* * * * *			* * * * *
02	* * * * * Department of Labor and Workforce Development * * * * *			* * * * *
03	* * * * *			* * * * *
04	Economic Stimulus -	3,000,000		3,000,000
05	Additional Funding for			
06	AVTEC Culinary Building			

02 the American Recovery and Reinvestment Act of 2009 from the general fund or other funds
03 as set out in section 8 of this Act by funding source to the agencies named for the purposes
04 expressed and lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
	Allocations	Items	Funds

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

10	Community Development	679,936	679,936
11	Block Grant Program (HD		
12	1-40)		
13	Community Services Block	3,962,565	3,962,565
14	Grant Program (HD 1-40)		

***** Department of Environmental Conservation *****			

18	Air Non-Point Mobile	2,000,000	2,000,000
19	Source Stimulus (HD 1-40)		

***** Department of Revenue *****			

23 Alaska Housing Finance

24 Corporation

25	AHFC Energy Efficiency	9,593,500	9,593,500
26	and Conservation Block		
27	Grants (HD 1-40)		
28	AHFC State Energy	28,563,000	28,563,000
29	Program (HD 1-40)		
30	AHFC Weatherization	18,466,200	18,466,200
31	Program (HD 1-40)		

01 (SECTION 8 OF THIS ACT BEGINS ON PAGE 14)

01 * Sec. 8. The following sets out the funding by agency for the appropriations made in sec. 7 of
02 this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
05 1212 Federal Stimulus: ARRA 2009	4,642,501
06 *** Total Agency Funding ***	\$4,642,501
Department of Environmental Conservation	
08 1212 Federal Stimulus: ARRA 2009	2,000,000
09 *** Total Agency Funding ***	\$2,000,000
Department of Revenue	
11 1212 Federal Stimulus: ARRA 2009	56,622,700
12 *** Total Agency Funding ***	\$56,622,700
13 * * * * * Total Budget * * * * *	\$63,265,201

14 (SECTION 9 OF THIS ACT BEGINS ON PAGE 15)

01 * Sec. 9. The following sets out the statewide funding for the appropriations made in sec. 7 of
02 this Act.

Funding Source	Amount
General Funds	
05 ***Total General Funds***	\$0
Federal Funds	
07 1212 Federal Stimulus: ARRA 2009	63,265,201
08 ***Total Federal Funds***	\$63,265,201
Other Non-Duplicated Funds	
10 ***Total Other Non-Duplicated Funds***	\$0
Duplicated Funds	
12 ***Total Duplicated Funds***	\$0

13 (SECTION 10 OF THIS ACT BEGINS ON PAGE 16)

01 * Sec. 10. LEGISLATIVE INTENT. (a) It is the intent of the legislature regarding P.L. 111-
02 5 (American Recovery and Reinvestment Act of 2009) that

03 (1) federal stimulus money not be expended for any purpose that creates an
04 obligation for the state to replace those funds after they have been exhausted and that stimulus
05 funds be used primarily to supplement or improve existing programs rather than create new
06 services or programs;

07 (2) all state agencies notify recipients of grants funded by federal stimulus
08 money of the limited and temporary nature of the grant funds, and that the state will not be
09 granting additional funds to continue the programs after the federal aid is exhausted;

10 (3) state agencies awarding grants funded in whole or in part by federal
11 stimulus money disclose in writing to all grant recipients that the program funding source will
12 expire;

13 (4) notwithstanding any other provision of this Act, federal stimulus money
14 may be expended to recruit, train, equip, and compensate new peace officers;

15 (5) the executive branch not use any federal stimulus money to enter into lease
16 obligations, equipment contracts, or professional services contracts that extend beyond the
17 end date of federal stimulus funding without a financial plan in place to use existing funds to
18 complete the obligation or contract;

19 (6) the executive branch refuse any federal stimulus money that would violate
20 the strong constitutional right to privacy enjoyed by Alaskans;

21 (7) the Department of Transportation and Public Facilities diligently pursue

22 any federal stimulus grant money that could be used for construction of new vessels for the
 23 Alaska marine highway system fleet;
 24 (8) the Department of Labor and Workforce Development, to the extent
 25 practical, use federal stimulus money to extend or expand job training programs with existing,
 26 proven contractors rather than start new programs with new contractors;
 27 (9) each school district receiving federal stimulus money through the
 28 Department of Education and Early Development be required to acknowledge, in a letter
 29 signed by the school superintendent and school board president or their designees, that the
 30 funding is a one-time addition and that the legislature makes no representation that it will
 31 replace the federal stimulus money when it expires;
 01 (10) the executive branch, to the fullest extent possible, minimize its
 02 expenditure of federal stimulus money on administrative costs;
 03 (11) the executive branch, to the fullest extent allowed by law, strive to ensure
 04 that projects and programs funded with federal stimulus money hire Alaska workers and use
 05 Alaska contractors and vendors and minimize the use of out-of-state consultants;
 06 (12) federal stimulus money for energy or energy-related programs be used to
 07 help reduce energy costs of Alaskans whenever possible and practical;
 08 (13) federal stimulus money for education programs be spent for best-
 09 practices improvements, training, equipment, services, and facility modernization, renovation,
 10 and repair that do not expand programs or create continuing obligations for state funding
 11 when federal stimulus money is exhausted;
 12 (14) school districts focus on short-term investment with long-term gains for
 13 student and teacher performance and pay particular attention to the advisory statement issued
 14 by the United States Department of Education that "These funds should be invested in ways
 15 that do not result in unsustainable continuing commitments after the funding expires."

16 (b) It is the intent of the legislature that the two positions funded in sec. 11 of this Act
 17 coordinate compliance with the accounting and reporting requirements related to P.L. 111-5
 18 (American Recovery and Reinvestment Act of 2009).

19 * Sec. 11. DEPARTMENT OF ADMINISTRATION. The sum of \$200,000 is appropriated
 20 from the general fund to the Department of Administration, division of finance, to fund two
 21 positions and related office expenses relating to accounting and reporting requirements of P.L.
 22 111-5 (American Recovery and Reinvestment Act of 2009) for the fiscal year ending June 30,
 23 2010.

24 * Sec. 12. DEPARTMENT OF HEALTH AND SOCIAL SERVICES. (a) Federal receipts
 25 from the federal economic stimulus funding received by the state under the federal medical
 26 assistance program (sec. 1905(b), Social Security Act) for the fiscal years ending June 30,
 27 2009, and June 30, 2010, are appropriated to the Department of Health and Social Services for
 28 Medicaid programs, as allowed by the federal medical assistance program.

29 (b) If federal receipts under (a) of this section that are received during the fiscal years
 30 ending June 30, 2009, and June 30, 2010, exceed the amounts appropriated for Medicaid
 31 programs by this Act or another Act making appropriations passed by the Twenty-Sixth
 01 Alaska State Legislature in the First Regular Session and enacted into law, the appropriations
 02 from state funds for the affected programs shall be reduced by the excess if the reductions are
 03 consistent with applicable federal statutes.

04 * Sec. 13. DEPARTMENT OF REVENUE. (a) The sum of \$1,730,500 is appropriated to
 05 the Department of Revenue, child support services, for the fiscal year ending June 30, 2010,
 06 from the following sources:

07 SOURCE	08 AMOUNT
09 General fund match	\$ 400,000
10 Federal economic stimulus	1,330,500

11 (b) The federal receipts and receipt supported services appropriated to the Department
 12 of Revenue, child support services, in the version of HB 81, Twenty-Sixth Alaska State
 13 Legislature, that is enacted into law are amended to reduce the amount of the appropriation by
 14 \$1,730,500 for the fiscal year ending June 30, 2010, from the following sources:

14 SOURCE	15 AMOUNT OF REDUCTION
16 Federal receipts	\$ 612,400
17 Receipt supported services	1,118,100

18 (c) Section 3, ch. 27, SLA 2008, page 61, line 7, is amended to read:

19 FUNDING SOURCE	20 OPERATING LEGISLATION	21 NEW	22 TOTAL
20 1002 Federal Receipts	<u>33,355,800</u>	0	<u>33,355,800</u>
	[34,153,800]		[34,153,800]
22 (d) Section 3, ch. 27, SLA 2008, page 62, lines 16 - 19, is amended to read:			
24 FUNDING SOURCE	25 OPERATING LEGISLATION	26 NEW	27 TOTAL
25 1156 Receipt Supported Services	<u>6,730,100</u>	0	<u>6,730,100</u>
	[7,315,600]		[7,315,600]
27 1169 Power Cost Equalization	211,000	0	211,000
28 Endowment Fund			
29 1192 Mine Reclamation Trust Fund	24,000	0	24,000
30 1212 Federal Stimulus: ARRA 2009-1,383,500	0	0	1,383,500

31 * Sec. 14. OFFICE OF THE GOVERNOR. (a) The sum of \$20,700,545 is appropriated
 01 from federal economic stimulus funds received by the state under P.L. 111-5 (American
 02 Recovery and Reinvestment Act of 2009) to the Office of the Governor to be distributed by
 03 the Department of Commerce, Community, and Economic Development on a per capita basis
 04 to entities that are eligible to receive community revenue sharing under AS 29.60.850
 05 29.60.879 during the fiscal year ending June 30, 2009, to be used by the entities for purposes
 06 consistent with sec. 14002(b), P.L. 111-5.

07 (b) The sum of \$93,043,200 is appropriated from federal economic stimulus funds

08 received by the state under P.L. 111-5 (American Recovery and Reinvestment Act of 2009) to
09 the Office of the Governor to be distributed by the Department of Education and Early
10 Development for purposes consistent with sec. 14002(a)(3), P.L. 111-5.

11 * Sec. 15. CONTINGENCY. The appropriation reduction made in sec. 13(b) of this Act is
12 contingent on passage by the Twenty-Sixth Alaska State Legislature in the First Regular
13 Session and enactment into law of a version of HB 81 that appropriates not less than \$612,400
14 in federal receipts and \$1,118,100 in receipt supported services to the Department of
15 Revenue, child support services.

16 * Sec. 16. LAPSE. (a) The appropriations made in secs. 4 and 7 of this Act are for capital
17 projects and lapse under AS 37.25.020.

18 (b) The appropriations made in secs. 1 and 14 of this Act lapse June 30, 2010.

19 * Sec. 17. RETROACTIVITY. Sections 1 - 16 of this Act are retroactive to February 17,
20 2009.

21 * Sec. 18. This Act takes effect immediately under AS 01.10.070(c).

Jan/Feb/Mar 2010



Economic Development Program

Program Update

Program Manager: Mark Allred

Programmatic Goals

The Economic Development program at the Denali Commission endeavors to extend and expand entrepreneurial knowledge and access in rural Alaskan communities. Progresses towards these strategic goals are being made by vital partnerships with the following projects;

Alaska Source Link Entrepreneurial Web Portal

As reported by our partner the University of Alaska Center for Economic Development; since the website's official launch in September at the Alaska State Chamber of Commerce Conference & Trade Show, we have been taking AKSourceLink on the road with a series of introductory workshops across Alaska. Business owners attending the workshops have received the website with enthusiasm. Almost 90% say they will use it as a resource for their business, and more than 90% plan to tell others about AKSourceLink.

A big thank you to our many partners who have organized workshops in their communities, including Kawerak, Inc., Fairbanks North Star Borough, Fairbanks Economic Development Corporation, Fairbanks Collaborative, SBA, Alaska Small Business Development Center, Cordova Marine Advisory Program, Prince William Sound Economic Development District, Prince William Sound Community College, Lower Kuskokwim Economic Development District, Valdez Convention & Visitors Bureau, Nanakauyak Traditional Council, Copper Valley Development Association, and Kenai Peninsula Economic Development District.

For more information on this project or if you would like to join this initiative as a resource partner please contact Ms. Linda Ketchum at afldk@uaa.alaska.edu The website can be found at www.aksourcelink.com.

LAID Community Mapping

The State of Alaska Division of Community and Regional Affairs is our partner on this initiative. This project provides communities with much needed GIS maps that are used for community planning and development purposes. To date over 100 communities have been mapped and we are excited to announce a recent partnership has been entered, due to a 50% match requirement, and the communities of Koyukuk, Tokatna, McGrath, Nikolai, Tanana, Manley Hot Springs, Nenana, and Minto will be mapped. For more information on this project please contact Ms. Ruth St Amour at ruth.st.amour@alaska.gov or at their website http://www.dced.state.ak.us/dca/planning/land_mngt/community_mapping.htm.

Statewide Economic Development Plan

This project is currently in phase 1 which will be completed by the end of January 2010. The deliverable will be a situational analysis of the state. Called "Alaska Forward towards a next generation economy" with an emphasis on recognizing the critical juncture we are at and the need for pulling together the public and private sector to work toward a common goal: long term economic prosperity for all Alaskans. This phase of the project is being completed by IHS Global Insights out of Washington D.C. in partnership with a Juneau based organization; the McDowell Group.

Phase two will begin in early 2010 when the Alaska Partnership for Economic Development (APED) will deliver its findings of the situational analysis to Alaska's business, including Alaska Native Corporations, non-profit sectors and public agencies to include state and local asking them to join us in crafting a shared vision for Alaska's economic future. The APED will then work on a strategy development and implementation plan for Alaska's economic future. For more information please contact Mr. Ron Miller via email at information@alaskapartnership.org or at their website www.alaskapartnership.org.

Alaska Marketplace Business Ideas Competition

The award winning Alaska Marketplace, which is modeled after an initiative by the World Bank, is a business ideas competition in which entrepreneurial ideas are sparked by winners receiving an equity injection from the private sector for their successful entrepreneurial small business ideas.

During this quarter the Alaska Federation of Natives, our program partner on this project, has submitted a best practices report entitled "Four Competitions Strong" and can be found in our database; of note approximately 70% of awardees are still in business with over 100 jobs created in the most difficult small business climates in America. Our program partner says that this project invests in people, and I would have to agree. For more information on this project please contact Ms. Rose Ellis at rellis@nativefederation.org or at their website www.alaskamarketplace.org.

Jan/Feb/Mar 2010**Training Program***Program Update***Program Manager: Karen Johnson**

Background: The Training Program was established by the Denali Commission (Commission) in 1999 as a standalone program to provide training and employment opportunities to rural residents that supported the construction, maintenance and operation of Commission investments.

Program Partner Highlight: Denali Commission

Youth Initiatives: The Commission places a high priority on Alaska's budding workforce and started the Youth Initiatives program in 2005. Youth Initiatives' primary focus is to support Alaska youth by building confidence, awareness, employability skills and career pathways while breaking down the numerous employment barriers that exist in rural Alaska.

The next deadline for the Youth Request for Grant Application (RGA) is January 15, 2009 and can be found at the following link:

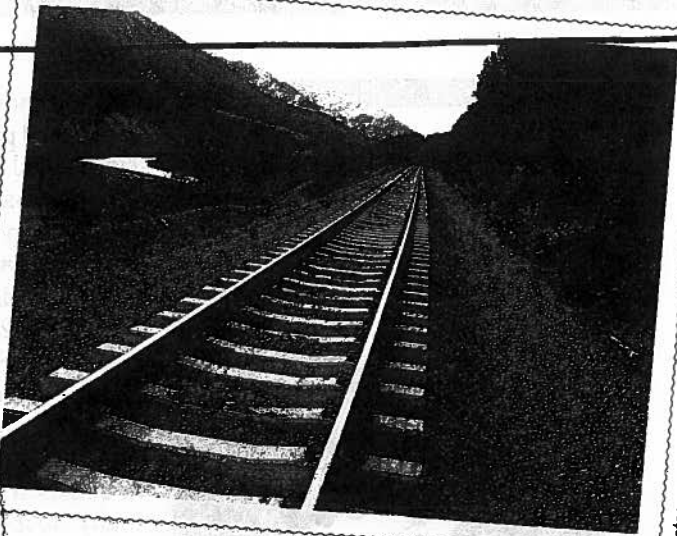
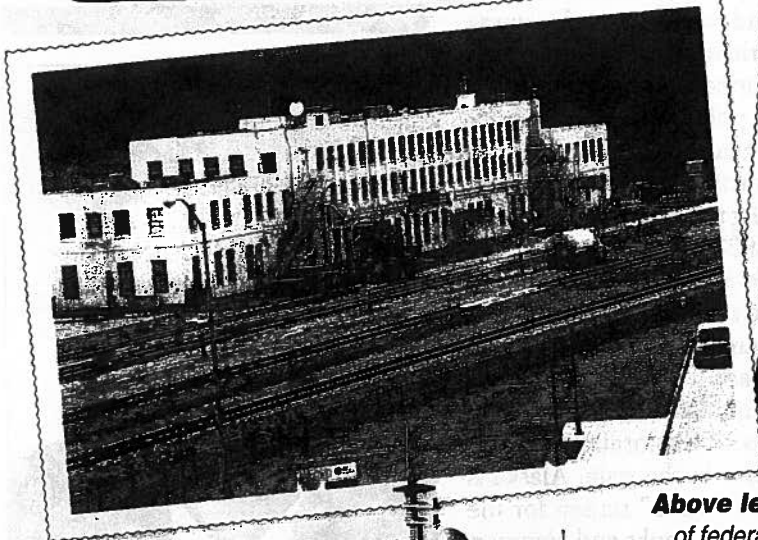
<http://notes4.state.ak.us/pn/pubnotic.nsf/cc52605f7c156e7a8925672a0060a91b/95f0f7986da935cc8925766d006be7c4?OpenDocument>

Denali Training Fund: The Commission's Denali Training Fund (DTF) prioritizes training projects that lead to sustainable employment, support the development, construction, operation, maintenance and management of Commission projects and other public infrastructure, pledge to leverage funds from other sources and demonstrate regional planning and coordination. A recent State of Alaska Department of Labor Research & Analysis report on the Commission's training program shows that the DTF has increased wages of those participants by a staggering 64.4% and shows a 12.1% increase in employment.

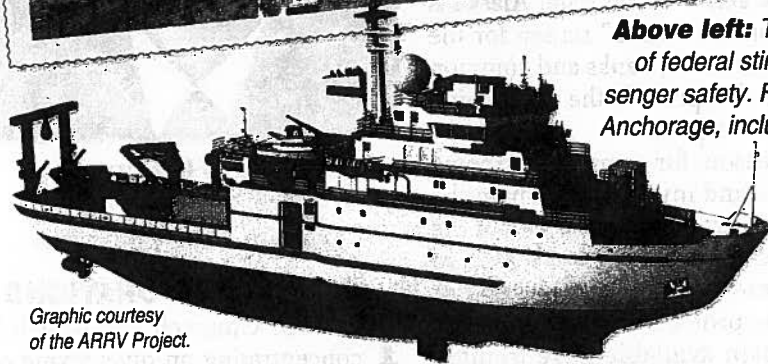
The next deadline for the DTF Request for Grant Application (RGA) is January 29, 2009 and can be found at the following link:

<http://notes4.state.ak.us/pn/pubnotic.nsf/cc52605f7c156e7a8925672a0060a91b/f117f7c28701e5b6892576870082dz76?OpenDocument>

Training Advisory Committee: The Training Program is guided by a proactive advisory board that meets 3-4 times per year is referred to as the Training Advisory Committee or TrAC. The TrAC is comprised of the following members: Mr. John MacKinnon, Executive Director of the Associated General Contractors, Mr. Chick Bishop of Department, Commissioner of the Department of Labor, Ms. Rose Heyano, Director of Community Health Services of the Bristol Bay Health Corporation, Ms. Wanetta Ayers of Western, Executive Director of the Alaska Community Development Association, Mr. Vince Beltrami of Alaska Executive President of the Alaska - American Federation of Labor-Congress of Industrial Organization (AFL-CIO) Ms. Dawn Salesky, President of the Alaska Native Coalition on Employment and Training, and Ms. Bernice Joseph, Vice Chancellor for Rural Community and Native Education of the University of Alaska. The TrAC is chaired by Mr. Vince Beltrami.



Photos courtesy of the Alaska Railroad Corp.



Graphic courtesy of the ARRV Project.

Above left: The Alaska Railroad Corp. is using its \$25.8 million share of federal stimulus money to improve its facilities and enhance passenger safety. First-phase renovations of the historic Ship Creek depot in Anchorage, including track work on its north side, took place last summer.

Above right: The ARRC's track rehabilitation program will replace wooden ties with longer-lasting concrete ties, particularly on curves that get more wear and tear.

Left: With 26 dedicated science berths, the Alaska Region Research Vessel will be able to accommodate more than 500 researchers and students annually and spend as many as 300 days at sea.

ARRA Stimulus Funds Alaska's \$1.2 billion share.

BY TRACY KALYTIK

Since 1973, scientists in Alaska have dreamed of researching the ocean and creatures that live in it while aboard a ship hardy enough to withstand the pounding of winter storms and maneuver through icy conditions.

Now, 36 years later, \$1.48 billion flowing from the American Recovery and Reinvestment Act of 2009 will realize that dream. The grant for construction of the 254-foot Alaska Region Research Vessel is the highest-dollar award among Alaska's approximately 1,000 grants, contracts and loans.

"These are research vessels that belong to a national fleet that universities and university institutes and programs can use to study oceanography," said Terry Whitledge, principal investigator on the project, who is a professor and director of the Institute of Marine Science, University of Alaska Fairbanks. "It seems like a lot, but a research vessel is a very complicated machine."

Delivery of the vessel is anticipated in mid-2013, with science operations beginning in 2014. Whitledge expects 300 to 500 scientists a year will come north to ride the vessel and conduct research in the Arctic Ocean and Bering, Chukchi and Beaufort seas.

"We only have a small window in mid- to late-spring to early fall when we can go out and take samples," Whitledge said. "Seven to nine months of the year, we're having to basically make pronouncements about what's going on without being there most of the time. That hampers us a lot in knowing how the ecosystem works when we're only there less than half of the seasons."

ARRA stimulus grants, contracts and loans are being used in Alaska to do such things as build or modernize rural housing, improve the quality of drinking water and wastewater treatment, buttress education-related funding and upgrade highways and rural airports.

A Nome hospital project is receiving a large infusion of the federal money, as are the Alaska Department of Education, a Detroit-based company building military housing, the State Department of Transportation and the Alaska Railroad Corp.

President Barack Obama on Feb. 17, 2009, signed ARRA into law. The \$787 billion recovery package was designed to jump-start the economy to create and save jobs, according to www.recovery.gov. The Web site provides statistics and an interactive map detailing stimulus money recipients and expected jobs created or saved.

Alaska recipients are receiving 1,006 awards – contracts, grants or loans – worth a total of \$1.2 billion, and creating or saving an estimated 2,314.83 jobs.

The bulk of Alaska's stimulus money is coming in the form of grants, a total of 702 worth \$914.7 million. Contracts – 302 of them – constitute just over



BY STEVE BORELL
Executive Director
Alaska Miners Association

MINERALS

The mineral industry continues to advance following the financial meltdown of late 2008 and early 2009. These financial challenges forced many companies to drop prospects and sell assets but the situation is now greatly improved.

As demand for base metals returns, base metal prices are getting better. Precious metal prices continue to increase due to global political turmoil, inability to rapidly increase production and continued growth of the U.S. national debt. After dropping to nearly \$700/ounce in November 2008, gold prices have continued above \$900/ounce since mid-April and are now over \$1,000/ounce. Silver prices are now above \$16/ounce.

Alaska is particularly well positioned to benefit from improved prices. With many dozens of exploration companies now active in the state, Alaska is clearly on the "radar" screen for the investment funds, banks and common investors that provide the exploration investment capital.

The reasons for companies to come to Alaska and invest here remain the same. Even though nearly half of the state is designated as some type of park, preserve, refuge, wilderness or otherwise protected status, the lands that remain available have tremendous potential. Also, the state has had relatively little exploration – especially with the latest technologies that have been developed over the past couple decades.

Another benefit to Alaska is that it contains a significant amount of private Native lands, much of which are open to leasing with the owners, and Alaska has a large amount of State land that is open to mineral development. Alaska also has a stable tax and regulatory structure and Alaskans support environmentally responsible development.

Today Alaska has five large mines operating, but only five. That compares with Nevada, which is one-fifth the size of Alaska and has 55 large mines. The conclusion is that Alaska has a tremendous opportunity for future mineral development. This development will create high-quality, skilled, year-round jobs and economic opportunity throughout the state. For much of Alaska there are no other options. ■

Alaskans support environmentally responsible development.



BY ED HERNDON
Chief Executive Officer
Chugach Alaska Corporation

NATIVE CORPORATIONS

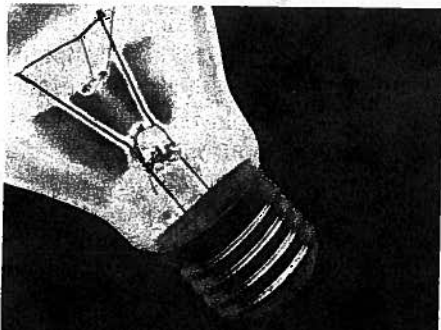
For 2010 Chugach Alaska will be concentrating on diversifying our business base. A large portion of our business is derived from the federal marketplace and it stands to reason that within the current political environment there is a desire to utilize those skills in other markets.

The next year will be just as good – if not better.

Regarding our 8(a) challenges – beyond continuing the education of members of congress and others on the benefits of the 8(a) program, I believe this is an opportunity to strengthen the program through the regulatory process. In addition, any opportunity to show value to the government and the American taxpayer is a positive one.

We need to be thinking about the next generation of shareholders and what will we create now to provide benefits for them then.

Chugach has primarily positioned itself as a service provider for facility maintenance, construction, educational services, IT and oil field services. For the new year our eyes are on new business acquisition and teaming arrangements that can potentially develop our capabilities into new and different markets.



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Alaska Business

\$322 million of the stimulus money and 491.09 saved or created jobs, according to recipient reports on the Recovery.gov Web site. Alaska recipients also are slated to receive two loans worth a total of \$233,650, but with no jobs created or saved.

Agencies are reporting a total of 977 contracts, grants and loans for Alaska, worth a total of \$1.4 billion, with 565 grants, 317 contracts and 95 loans.

The \$148-million grant for the ARRV tops the list of projects slated for more than \$10 million, according to the Recovery.gov list.

Other projects listed as receiving more than \$20 million include:

■ A \$90.5 million contract for Inuit NCI joint venture, through the Department of Health and Human Services, for construction of the Norton Sound Regional Hospital in Nome. The new 150,000-square-foot facility will be a three-story, steel-frame structure with 14 inpatient beds. The project, according to federal stimulus documentation, is expected to create or save three jobs, and is less than halfway completed.

■ A \$62.3 million grant for the State Department of Education, which will reportedly create or save 91 teaching or support staff jobs and be used to support public elementary, secondary and postsecondary education, as well as early childhood education programs and services. Just under \$32 million of that money will be parceled out to Yakutat City and Borough, as well as school districts in the Pribilof Islands, Anchorage, Nenana, Petersburg, Craig, Wrangell, Dillingham, Glennallen, North Slope Borough, Sitka, Chevak, Delta Junction, Kodiak, Ketchikan, Juneau, the Kenai Peninsula, Fairbanks and Mat-Su.

Paul Prussing, deputy director of the Alaska Division of Teaching/Learning Support, said 33 school districts applied for stimulus money. "Of those 33, 25 have been approved. The remaining districts have yet to apply." Prussing said the education department is hoping to receive another \$30 million in stimulus funding sometime next year.

Some districts are performing small repair projects in addition to buying books and educational materials; others have used the money to prevent the need for layoffs.

"It runs the full gamut," Prussing said. "The full spectrum is kind of what we're seeing. There are some upgrades to technology, staff hirings, minor building repair, new curriculums and training, professional development for their teachers."

Districts have until Sept. 30, 2011, to spend their stimulus funds, Prussing said.

■ Lakeshore Engineering Services Inc., a company located in the Detroit area, received a \$49.3 million Department of the Air Force contract to demolish 72 units and one garage complex at Eielson Air Force Base and construct 76 military family housing units with all necessary amenities and supporting facilities. The project includes site preparation, garages, energy-conserving features, parking, patios, privacy fencing, and supporting infrastructure of roads, utilities, recreation areas, landscaping, asbestos removal, and demolition, stimulus documentation stated. The project will generate 1.5 jobs and is less than halfway completed, stimulus documents stated.

■ The Alaska Department of Transportation received several hefty stimulus grants, including one \$6.5 million grant that will be used to help pay for a \$38.5 million reconstruction of Kotzebue's badly storm-eroded Shore Avenue and seawall.

Pounding surf and sea ice have narrowed Shore Avenue to fewer than two lanes.

"In rural Alaska, there is a very high pedestrian population. A third of our community walks," said Lisa Coyle, DOT construction engineering manager for the western district, who lives in Nome. "On Shore Avenue, there's only one lane open for drivers and pedestrians, very unsafe conditions."

Shore Avenue will be paved, and new sidewalks, a pathway, parallel parking and an open space on the seaward side will be put in. An erosion-protection stone facing will be built to protect the sea side.

The project is costly because all the construction materials will have to be barged in, including 75,000 tons of dirt, 2,000 tons of armor stone, and enough concrete and other materials to pave a two-lane road extending approximately 4, and install

sidewalks, curbs, gutters and boat ramps.

"About the only local resource we can employ is the labor," said DOT project engineer Blaine Galleher. "Everyone understands the cost of doing business on this scale, unless they're farther east than the Canadian border. When they opened the bids, I was surprised. I would have thought the cost would have been 20 percent more."

Galleher said this season was spent mobilizing equipment and materials so workers can get started early next season - perhaps in late April. He anticipates hiring approximately 50 people to work on the project.

Galleher, Coyle, and Neil Strandberg, assistant project engineer for DOT, said the work will proceed all next season and into 2011.

■ The Alaska Railroad Corp. received \$25.8 million to fund its so-called Implementation Plan. The ARRC's list of stimulus-approved projects includes installation of a second track at the Fairbanks intermodal depot; installation of Americans with Disabilities Act-compliant depot restroom facilities in Seward and Talkeetna; initiation of a second phase of Anchorage Ship Creek improvements, including design, exterior, mechanical and electrical upgrades; providing an alternate electrical power source in Seward, to reduce train idling; installation of wheel impact load detectors, to enhance passenger safety; monitor seven of the ARRC's 142 wayside locations for track integrity, load, avalanche and hot wheels, to improve the railroad's collision-avoidance system; rehabilitate the tracks by buying and installing 200,000 linear feet of rail and 50,000 ties; erect security fencing at the Ship Creek intermodal facility and conduct hydrology and final engineering in preparation for a major rail realignment in Nenana.

Bruce Carr, ARRC's director of strategic planning, estimates it will take two years to complete the work listed in the Implementation Plan.

"You had to have all the environmental work done," Carr said, of why the selected ARRC projects were best suited for stimulus funding. "You couldn't use (stimulus money) for planning, environmental work. You had to have a project that was ready to go." □

- Contact: Brian Hirsch with the National Renewable Energy Laboratory at 907-299-0268 or brian.hirsch@nrel.gov

DOE is announcing a new funding opportunity for community renewable energy projects. A total of \$21.45 million in DOE funding is available to provide financial assistance to support the implementation of an integrated renewable energy deployment plan for a community, and the construction of renewable energy systems. Eligibility is restricted to state and local governments, Indian Tribes and Tribal Energy Resource Development Organizations or Groups. The application deadline is September 3, 2009.

A copy of the funding opportunity announcement is available on FedConnect. Search for opportunity DE-FOA-0000122)

https://www.fedconnect.net/Fedconnect/PublicPages/PublicSearch/Public_Opportunities.aspx

The synopsis and funding opportunity announcement are available on grants.gov

The purpose of this FOA is to move EERE toward one of its goals to improve knowledge and to promote acceleration of market adoption of renewable energy (RE) technologies. This FOA supports implementation of the Recovery Act by creating jobs, promoting economic recovery, and investing in renewable energy infrastructure. Projects should address the technical, economic, and policy barriers to implementing a combination of renewable energy technologies into one integrated solution for a community to reduce its carbon footprint. Projects should support and enable the deployment goals across the portfolio of EERE's renewable energy programs, with the intent of creating examples that can be further replicated by other communities, nationally and internationally.

Eligible renewable energy technologies for purposes of this FOA include but are not limited to, electric or thermal energy generated from solar, wind, biomass, landfill gas, ocean (including tidal, wave, current, and thermal), geothermal, or new hydroelectric generation capacity achieved from increased efficiency or additions of new capacity at an existing hydroelectric project, as defined in EPA Act 2005.

Update 7.21.09

This information comes from the the Clearinghouse's fifth bi-monthly update. These updates will include new information on their website, current news and new funding opportunities that they are tracking.

Please take advantage of the Alaska Clearinghouse Forum. This is a user forum that will allow visitors to post/discuss questions and experiences with Recovery Act programs and federal agencies. Visitors can sign up for a free member account that gives them access to the forum. www.akclearinghouse.com

News:

- Department of Labor announces \$220 million in grant funding for worker training in high growth industries. The purpose of this program is to provide workers with the training needed to pursue jobs in high growth and emerging industries including the health care industry (nursing, allied health, long term care, health information technology) and other high growth/emerging industries (wireless and broadband deployment, information technology, advanced manufacturing, transportation and warehousing, and biotechnology). Eligible applicants include public or private nonprofit entities; they must be "legal" entities, and may include local workforce investment boards and one-stop systems, Tribal organizations, education and training providers, labor organizations, health care providers, and faith-based and community organizations. Applicants must be fiscal agent, and may not submit multiple applications. Strategic partnerships are required as well. Submission due date for this grant is October 5, 2009.
- The Clearinghouse hosted an Informational briefing on energy funding opportunities July 17th, 2009. The minutes from this meeting are attached to this email and will soon be posted to our Web site. This was our first briefing and we discovered our teleconference capacity had reached its max and individuals were not able to participate via teleconference. We apologize for this inconvenience and are working on our teleconference capacity capabilities. If you have any questions regarding the meeting minutes attached, please email asmith@denali.gov; Please let us know if you are interested in future informational briefings and please include what type of briefings you would like to see coordinated?
- Alaska Clearinghouse works with UAA and the Institute of the North in coordinating efforts for the broadband opportunities. You can read more about the broadband opportunities by visiting our Web site at <http://www.akclearinghouse.com/index.php/component/content/article/136-ntia-and-rus-release-broadband-grant-nofa>
- HUD announces Indian Community Development Block Grant (ICDBG) recipients: <http://www.hud.gov/news/release.cfm?content=pr09-123.cfm&CFID=15761289&CFTOKEN=45601960>

Funding Opportunities:

The Denali Commission is providing funding to incentivize tribes to coordinate regionally on joint proposals under the Department of Energy's Efficiency and Conservation Block Grant (EECBG) solicitation. The deadline has been extended to August 10, 2009. Please visit the Denali Commission website for more information -

09/01/2009	<u>Early Career Research Program</u>	Chicago Service Center	DE-PS02-09ER09-26
09/01/2009	<u>Biomedical Research, Development, and Growth to Spur the Acceleration of New Technologies (BRDG-SPAN) Pilot Program (RC3)</u>	National Institutes of Health	RFA-OD-09-008
09/03/2009	<u>Community Renewable Energy Deployment</u>	Golden Field Office	DE-FOA-0000122
09/04/2009	<u>Energy Training Partnership Grants</u>	Employment and Training Administration	SGA-DFA-PY-08-18
09/09/2009	<u>Systems Level Technology Development, Integration, and Demonstration for Efficient Class 8 Trucks (Super Truck) and Advanced Technology Power trains For Light-Duty Vehicles (ATP-LD)</u>	National Energy Technology Laboratory	DE-FOA-0000079
09/17/2009	<u>Core Facility Renovation, Repair, and Improvement (G20)</u>	National Institutes of Health	RFA-RR-09-007
09/24/2009	<u>Academic Research Enhancement Award (R15)</u>	National Institutes of Health	RFA-OD-09-007
09/29/2009	<u>Pathways Out of Poverty</u>	Employment and Training Administration	SGA-DFA-PY-08-19
09/30/2009	<u>Native American Housing Block Grants</u>	US Department of Housing and Urban Development	HUD-RA-02
09/30/2009	<u>Coastal</u>	U. S. Fish and Wildlife Service	ARRA-COASTAL-2009
09/30/2009	<u>Partners for Fish and Wildlife Program</u>		ARRA-PARTNERS-2009
09/30/2009	<u>Fish Passage</u>	U. S. Fish and Wildlife Service	FISHPASSAGE-2009
09/30/2009	<u>National Fish Habitat Action Plan</u>	U. S. Fish and Wildlife Service	NATIONALFISHHABITATPLAN
10/08/2009	<u>Recovery Act Local Energy Assurance Planning (LEAP) Initiative</u>	National Energy Technology Laboratory	DE-FOA-0000098
10/15/2009	<u>Protection of Human Health by Immunology and Vaccines (U01, U19)</u>	National Institutes of Health	RFA-AI-09-040
06/30/2010	<u>EDA Recovery Act Funding</u>	Economic Development Administration	EDA03102009RECOVERYACT
02/16/2011	<u>Assisted Housing Stability and Energy and Green Retrofit</u>	US Department of Housing and Urban Development	HUD-RA-01

Please contact the Clearinghouse team if you have any questions at akclearinghouse@denali.gov.

Update 5.1.09

Case No.	Case Name	Case Description	Case Status
1000000001	Case 1	Description of Case 1	Open
1000000002	Case 2	Description of Case 2	Closed
1000000003	Case 3	Description of Case 3	Pending
1000000004	Case 4	Description of Case 4	Open
1000000005	Case 5	Description of Case 5	Closed
1000000006	Case 6	Description of Case 6	Pending
1000000007	Case 7	Description of Case 7	Open
1000000008	Case 8	Description of Case 8	Closed
1000000009	Case 9	Description of Case 9	Pending
1000000010	Case 10	Description of Case 10	Open
1000000011	Case 11	Description of Case 11	Closed
1000000012	Case 12	Description of Case 12	Pending
1000000013	Case 13	Description of Case 13	Open
1000000014	Case 14	Description of Case 14	Closed
1000000015	Case 15	Description of Case 15	Pending
1000000016	Case 16	Description of Case 16	Open
1000000017	Case 17	Description of Case 17	Closed
1000000018	Case 18	Description of Case 18	Pending
1000000019	Case 19	Description of Case 19	Open
1000000020	Case 20	Description of Case 20	Closed

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Advanced VFX Compositing

Aug 1 - Aug 7 Steve Wright
 Sep 26 - Oct 2 Steve Wright

Building on what was learned in the introduction to VFX Compositing class, the student will be taken to the next level of visual effects compositing with Shake where the techniques to merge the many layers of a composite into a visual integrated photo-realistic whole are revealed. The essential techniques of motion tracking, rotoscoping, and wire removal will also be covered. Prerequisites are either the completion of the Introduction to VFX Compositing or familiarity with Shake.



Enrollment: 16
 Levels: 2 3 4
 Tuition: \$1,395

Register

Steve Wright
 Aug 1 - Aug 7 2010
 ⇒ REGISTER

Steve Wright
 Sep 26 - Oct 2 2010
 ⇒ REGISTER

Instructors

Steve Wright
 Steve Wright

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Adobe After Effects

Jun 27 - Jul 3 Matt Morin
 Sep 26 - Oct 2 Matt Morin
 Oct 24 - Oct 30 Bruno Toré

An introduction to the premier software for motion graphics
 Adobe After Effects continues to be the industry standard for creating motion graphics. Students create dynamic content for logo treatments and commercials, and understand visual effects features such as keying and compositing for film, video or multimedia. Through daily hands-on assignments, the class explores the tools of After Effects including layers, blending modes, masks and alpha channels. Core animation concepts such as key frames and parenting are covered in-depth. Students also learn how 3D cameras and lights are used to create natural, realistic animations. The class exercises focus on practical, real-world application of the tools. Students gain a solid understanding of After Effects and an appreciation for the possibilities of creating motion graphics.

Enrollment: 15
 Levels: 2 3
 Tuition: \$1,125

Register

Matt Morin
 Jun 27 - Jul 3 2010
 ⇒ REGISTER

Matt Morin
 Sep 26 - Oct 2 2010
 ⇒ REGISTER

Bruno Toré
 Oct 24 - Oct 30 2010
 ⇒ REGISTER

Student Galleries

Instructors

Matt Morin
 Matt Morin
 Bruno Toré

Production Resources: Crew Members

Aerial Coordinator

Animal Wrangler

Art Director

Assistant Director (coming soon)

Camera Assistant

Camera Operator

Casting Service

Craft Service (coming soon)

Director of Photography

Editor

Grip/Gaffer/Electric

Location Scout/Mgr.

Make-Up/Stylist

Producer

Production Assistants (coming soon)

Production Coordinator

Production Manager

Propmaster

Safety

SAG

Set Construction

Snowmobile Wrangler

Sound Mixer

Still Photographer

Studio Teacher

VTR/Video Assist (coming soon)

Videographer

Wardrobe

COMPANY EXPOSURE 53%

When the economy is performing well, most public and private companies are performing well. Investing in these corporations allows the Permanent Fund to benefit in times of growth and prosperity.

REAL ASSETS 18%

The value of real assets hedges inflation risk, helping protect the Fund's real value over time.

TARGET RISK ASSET CLASS ALLOCATION

OPPORTUNITY POOL 21%

This allocation allows the Permanent Fund to invest in special opportunities and to take advantage of dislocations in the markets.

CASH 2%

The cash allocation is designed to let the Fund build up reserves over the course of the year to meet its expected liabilities, primarily the annual dividend payment each July.

INTEREST RATES 6%

Securities with low credit risk usually perform better than other investments in times of deflation or market crises.

ASSET CLASSES

- **ABSOLUTE RETURN** investments (also called hedge funds) are private investment partnerships that use multiple stock and bond investment strategies to achieve a target return on investments.
- **CASH INVESTMENTS** are liquid investments with durations of less than 12 months.
- **STOCKS** represent a share of ownership in public companies. The Permanent Fund owns shares in more than 3,000 corporations around the world.
- **BONDS** are a form of loans. A bond "issuer" – a corporation or government – borrows money at a preset interest rate for a preset period of time.
- **INFRASTRUCTURE** investments are facilities or services that are typically owned and managed by governments, such as toll roads or electric utilities. Infrastructure investments provide a steady return over a long period of time.
- **PRIVATE EQUITY** investments are made directly in private corporations—corporations that are not publicly traded in stock markets. The APFC uses gatekeepers to evaluate the firms that make these investments on the Fund's behalf.
- **REAL ESTATE** includes both direct investments in properties across the U.S., including malls, office buildings and apartment complexes, and real estate investment trusts (REITs). These are publicly traded financial instruments that invest in income-producing real estate and are traded like stocks.

The first part of the report is devoted to a general survey of the situation in the country. It is followed by a detailed study of the economic situation, and then a study of the social situation. The report concludes with a number of recommendations for the future.

The second part of the report is devoted to a study of the economic situation. It is followed by a study of the social situation, and then a study of the political situation. The report concludes with a number of recommendations for the future.

The third part of the report is devoted to a study of the social situation. It is followed by a study of the political situation, and then a study of the economic situation. The report concludes with a number of recommendations for the future.

The fourth part of the report is devoted to a study of the political situation. It is followed by a study of the economic situation, and then a study of the social situation. The report concludes with a number of recommendations for the future.

The fifth part of the report is devoted to a study of the economic situation. It is followed by a study of the social situation, and then a study of the political situation. The report concludes with a number of recommendations for the future.

The sixth part of the report is devoted to a study of the social situation. It is followed by a study of the political situation, and then a study of the economic situation. The report concludes with a number of recommendations for the future.

The seventh part of the report is devoted to a study of the political situation. It is followed by a study of the economic situation, and then a study of the social situation. The report concludes with a number of recommendations for the future.

The eighth part of the report is devoted to a study of the economic situation. It is followed by a study of the social situation, and then a study of the political situation. The report concludes with a number of recommendations for the future.

The ninth part of the report is devoted to a study of the social situation. It is followed by a study of the political situation, and then a study of the economic situation. The report concludes with a number of recommendations for the future.

The tenth part of the report is devoted to a study of the political situation. It is followed by a study of the economic situation, and then a study of the social situation. The report concludes with a number of recommendations for the future.

The eleventh part of the report is devoted to a study of the economic situation. It is followed by a study of the social situation, and then a study of the political situation. The report concludes with a number of recommendations for the future.

The twelfth part of the report is devoted to a study of the social situation. It is followed by a study of the political situation, and then a study of the economic situation. The report concludes with a number of recommendations for the future.

From Homer City Code, Title 21 (Zoning), Town Center District:

21.20.040 Dimensional requirements. The following dimensional requirements shall apply to all uses in the Town Center District:

a. Lot size.

1. The minimum lot area shall be six thousand square feet.

b. Building Setbacks. Buildings shall be set back from lot boundaries and street rights-of way as follows:

1. All buildings must be set back from the Sterling Highway right-of-way by 20 feet or more, without exception.

2. From all other street rights-of-way, all buildings must be set back not less than 10 and not more than 20 feet, except as allowed by subsection (b)(4).

3. All buildings must be set back five feet from all other lot boundary lines, except the minimum set back shall be two feet from all other boundary lines when approved by the State Fire Marshal.

4. If approved by a conditional use permit, the distance for a required set back from a street right-of-way, except the Sterling Highway right-of-way, may be reduced or increased.

5. Alleys are not subject to the set back requirements of subsections 1 and 2. All buildings must be set back at least five feet from alley rights-of-way, without exception.

6. Any attached or detached accessory building shall maintain the same yards and setbacks as the main building.

c. Building Height.

1. The maximum building height shall be thirty five feet, except as provided in subsection 2.

2. Where a suitable fire suppression system is provided a building may exceed 35 feet in height, if and to the extent approved by a conditional use permit.

d. No lot shall contain more than 8,000 square feet of building area (all buildings combined), nor shall any lot contain building area in excess of 30 percent of the lot area, without an approved conditional use permit.

e. Building Area and Dimensions Retail and Wholesale.

1. The total floor area of retail and wholesale business uses within a single building shall not exceed 75,000 square feet.

2. No conditional use permit, Planned Unit Development, or variance may be granted that would allow a building to exceed the limits of subparagraph (e)(1), and no nonconforming use or structure may be expanded in any manner that would increase its nonconformance with the limits of subparagraph (e)(1).

3. Any building the main use of which is retail business, wholesale business, or a combination of the two shall not exceed 66,000 square feet of footprint area. (Ord. 08-29, 2008; Ord. 08-30(S)(A) §1, part, 2008).

LESSONS LEARNED

Seven themes emerged from stories in *Small Towns, Big Ideas*. These themes are offered as take-away lessons for other communities hoping to learn from small towns with big ideas.

1. In small towns, community development is economic development.

If community development – compared with economic development – is generally considered to include a broader set of activities aimed at building the capacity of a community, then these case studies demonstrate that capacity-building and other strategies typically associated with community development are analogous with actions designed to produce economic outcomes. This is especially true, it seems, when these efforts are included as parts of a comprehensive package of strategies designed to address a community's core challenges and opportunities. For example, in Ord, Neb., a broad-based and inclusive approach that included leadership development, youth entrepreneurship and philanthropy enhanced the community's capacity to take on more traditional economic development projects, such as recruiting an ethanol facility (with dozens of new jobs) into the jurisdiction.

Further, communities that incorporate economic and broader, longer-term, community development goals stand to gain more than small towns that take a piecemeal approach. Selma, N.C., for example, had made significant investments in revitalizing both its downtown area and the train depot. Lack of consideration of a four-block area between these two investment zones, however, limited the positive impacts of the community's work. By viewing redevelopment in a more comprehensive way, and by including community development considerations such as revitalization of blighted downtown properties in its strategy, the town was able to identify a barrier to continued revitalization and a potential means of overcoming this barrier that may pay off in the years ahead.

Finally, because community development includes short-range and long-range strategies, it is by definition a long-term and transformative process (a fact that is recognized more in community development circles than in economic development). Successful small towns tend to balance short-term economic gains with longer-term community development goals. In Davidson, N.C., Mayor Randall Kincaid said that every decision about development is weighed against the question of whether "this project is something that our grandchildren will be proud of." Civic leaders in Ord, Neb., invest time and resources into entrepreneurship training in the local school system, with the hope that these activities will transform the local economy for the next generation. Similarly, Big Stone Gap, Va., having developed a strategy based on entrepreneurship, had to "help people think about economic development differently." Over a period of six years, entrepreneurs harvested local opportunities, and slowly but surely, new small businesses started appearing in town – new businesses with local ownership and local roots. These outcomes, however, were not realized during the typical political cycle.

2. Small towns with the most dramatic outcomes tend to be *proactive and future-oriented*; they *embrace change and assume risk*.

These general characteristics of small towns (specifically, of leadership in small towns) perhaps relate to the fact that most communities featured here “hit bottom” and their stories evolved from circumstances in which local folks were willing to try new things and take new risks. For example, in Helena, Ark., the town’s collective sense of hitting bottom presented local leaders with an opportunity to step up, to initiate a new way of planning and implementing development efforts and to convince locals to participate in the process. Similarly, in Scotland Neck, N.C., difficult economic and civic circumstances in the late 1990s presented an opportunity for Mayor Robert Partin and other civic leaders to look inward for new ideas and angles on old problems.

Being proactive (as opposed to reactive) can be measured by a small town’s willingness and ability to act on a particular challenge before it becomes a problem. In Tennessee, for example, Etowah’s proactive approach to building and occupying its industrial park, as opposed to reacting to trolling industries, has paid major dividends in terms of maintaining a diverse array of living wage jobs in town. In Ord, Neb., proactive meant preparing the community for opportunity. Having tackled a number of small-scale challenges in the community and seeded the roots of teamwork around development activities, Ord was prepared to act when the ethanol production facility project arrived.

Cases from Chillicothe, Mo.; Douglas, Ga.; and Farmville, N.C., demonstrate that taking a proactive approach to development also includes reaching out to existing industries. In Chillicothe, Mayor Rodenberg called his core team together on the day the prison announced it was closing. Rather than wasting valuable time, the town initiated an aggressive lobbying campaign and offered an alternative to closure that helped the prison system financially.

Finally, most of the communities profiled in this collection demonstrate a willingness to embrace change and assume risk. For example, Etowah had a history of adapting to shifts in social and economic conditions. Local leaders, therefore, tended to be less steeped in a mindset of “well, this is just the way it’s always been done.” In the face of a growing tourism economy, downtown merchants embraced change and adapted their business models to the shifting circumstances. Similarly, Fairfield, Iowa, is a small town where the entire strategy of building an entrepreneurial culture is based on the natural business cycle of success and failure. According to a local leader, “there was a lot of trial and error – and failures – to get to where we are today, but the failures of some companies have provided cheap space, office furniture and equipment for another round of start-ups. Failure has freed up talented people who again ask what new concepts and companies can we start here in Fairfield.”

3. Successful community economic development strategies are guided by a broadly held local vision.

Most communities in *Small Towns, Big Ideas* demonstrate the importance of establishing and maintaining a broadly held vision, including goals for all manner of development activities. This idea is perhaps illustrated most dramatically by Helena, Ark., where the inclusiveness of the planning and visioning process was crucially important. In this case, it included representatives from government, community organizations, for-profit and nonprofit interests, resource providers and average citizens of the community. In fact, anybody could join the effort, and this perception of an inclusive and open-door process was widespread across Helena. Similarly in Ord, Neb., where so much of the momentum comes from one-on-one conversations, local leaders take the time to meet individually with members of the community to ensure that opposition to development efforts does not take root for lack of understanding the larger vision. In terms of maintaining momentum, Douglas, Ga., demonstrates how a local organization (the Chamber of Commerce in this case) can take responsibility for calling stakeholders together on a regular basis to recommit themselves to the community's vision.

A separate but related point is that in small towns, people are always the most important resource and communities with limited resources cannot afford to exclude anyone from planning or development efforts. Pelican Rapids, Minn., appears to be on the front end of an economic reawakening based on the entrepreneurial tendencies of new immigrant residents who were settled in the area by various refugee organizations. Case after case has demonstrated that people (as opposed to money or other resources) are the one absolutely necessary ingredient to successful development. A committed group of local residents who are willing to work hard for their community's interests can change the fate of an otherwise hopeless community. In Nelsonville, Ohio, an informal group of civic entrepreneurs and artists came together to revitalize the historic downtown square and in the process injected a new dose of energy into the community.

Importantly, it seems, special attention needs to be paid toward integrating newcomers into the community. Newcomers, including young leaders, bring a fresh perspective and new energy to local challenges. In Douglas, Ga., local leaders recognized that newcomers are valuable assets and the town has worked hard to integrate new residents into the community. In Farmville, N.C., new residents are welcomed every spring, when the mayor and town manager invite all newcomers to a "New Residents Picnic." In Nelsonville, Ohio, several young professionals, including an attorney and real estate developer, are forcing the community to think creatively about new economic opportunities.

4. Defining *assets and opportunities* broadly can yield innovative strategies that capitalize on a community's competitive advantage.

In almost any setting – urban or rural, small or large – shell buildings, low tax rates, limited regulation and access to trained workers, highways, railroads or professional services might all be considered economic development assets and justifiably so. Small towns, however, cannot afford to stop there. Given limited sources of competitive advantage, they must redefine economic development assets in a much broader framework.

For example, Allendale, S.C., capitalized on a regional university to create a local leadership development program that, in turn, trained new economic development leaders for the entire region. Brevard, N.C., demonstrates that retirees within a community can be economic development assets. The Retiree Resource Network is a group of retirees with private sector experience who mentor local entrepreneurs. In Columbia, N.C., local leaders recognized that their region's natural beauty was an asset that could drive an ecotourism strategy. In an ironic twist on small town development, the arrival of Wal-Mart became an asset for the small community of Oakland, Md., when local leaders took the opportunity to help Main Street retailers diversify their product lines. Assets for small town development might include individual people, nonprofit organizations, businesses, open space, farms, parks, landfills (biomass), museums, schools, historic architecture, local attitudes or any number of other things.

Further, the mere fact that a particular town is small can become an asset. In some cases, locating a business in a small town can provide a competitive advantage for the business. In Fairfield, Iowa, local leaders are taking advantage of the perception that businesses located in small-town, rural locations carry a moral and ethical standard above their urban competitors. Civic and business leaders in Fairfield have exploited this perception to their competitive advantage. In Oxford, N.C., the Kerr-Tar Mini Hub concept is based on the idea that rural communities within driving distance of the Research Triangle Park can capture a market of technology companies that need to be near the park, but can thrive outside it, where business costs are lower.

A final emerging trend in this category is the increasing use of small town assets as either fuel or triggers for innovation in the area of environment-friendly development or clean energy. In Dillsboro, N.C., the town turned an environmental challenge, in this case methane gas migrating from the community landfill, into an opportunity to create jobs and provide space for entrepreneurs. The Jackson County Clean Energy Park (in Dillsboro) is using methane gas from a nearby landfill to power the studios of local artisans. In Cape Charles, Va., the town's investment in an eco-friendly industrial park was an innovative strategy to bridge the dual

challenges of environmental degradation and job creation. And, in the most extreme case, Reynolds, Ind., is capitalizing on latent energy contained agricultural waste from 150,000 hogs to become BioTown, USA, the nation's first energy-independent community.

5. Innovative local governance, partnerships and organizations significantly enhance the capacity for community economic development.

Most towns featured in *Small Towns, Big Ideas* include an innovative element of either organization or governance. It is clear that innovative local governance, in a variety of forms, can strengthen a community's development strategy. In Columbia, N.C., the town's ability to design an alternative arrangement for generating tax revenues on protected lands helped turn a potential obstacle into a local innovation. In Selma, N.C., the town used an innovative property tax incentive tool to focus redevelopment on a blighted area of town. In New York Mills, Minn., the town structured a public investment in the Regional Cultural Center so the town assumed ownership of the building, thereby reducing long-term risk and creating a win-win situation for artists, public officials and local residents. The key is to think creatively about organizational structure, but always to keep the community's overall net benefit in mind.

Regionalism, or identifying opportunities and partnerships beyond municipal boundaries, is another emerging theme in successful cases. Cross-jurisdictional partnerships can help small towns to pool resources toward shared objectives. Strategies in Ord, Neb., and in Davidson, Oxford and Hillsborough, N.C., involve commitments to interlocal revenue- and responsibility-sharing among varying jurisdictions. Davidson and Oxford are partnering with neighboring communities in industrial development while Hillsborough is partnering with the county to manage growth beyond the town's municipal boundaries. Ord joined with the county and the Chamber of Commerce to share costs and revenues from a wide range of development activities. In Washington, N.C., local officials recognized the growing marine trades cluster in eastern North Carolina and created a workforce and entrepreneurship development strategy to harness the regional economic opportunity.

In addition to regional partnerships and opportunities, successful small towns tend to have local leaders who connect with higher level policy makers and business leaders. Mayor Partin in Scotland Neck, N.C., and several key leaders in Helena, Ark., make explicit efforts to link the interests of their individual communities to policy makers in their respective state capitals. Further, as demonstrated by Douglas, Ga., leaders in small towns must forge partnerships with state-level developers, bankers and power companies, each a critical player in state economic development.

Finally, public-private (including nonprofit) partnerships are emerging as the prominent organizational model for small town development. In Siler City, N.C., for example, the successful establishment of an incubator was the product of a partnership of the community college, local government and a state-level nonprofit organization. In Spruce Pine, N.C., the town's approach to supporting local entrepreneurs requires that the Chamber of Commerce and the craft community work closely together for the first time, to ensure successful marketing and branding. After the plant closures in Morrilton, Ark., Mayor Stewart Nelson brought area churches together to discuss how the faith community could contribute toward economic recovery efforts. In Chillicothe, Mo., an ad-hoc partnership between the town administration and a local business (a prison) demonstrates the influence that towns can have on strategic management decisions within a business, which in turn can have a tremendous impact on the local economy.

6. Effective communities *identify, measure and celebrate short-term successes* to sustain support for long-term community economic development.

Given the long-term nature of community development, and the fact that measurable results from a particular project may be decades in the making, leaders in small towns must repeatedly make the case for the importance of their efforts. Making the case is important to maintain momentum, invigorate volunteers and donors, convince skeptics and, most importantly, keep the focus on the vision or the goals established in a community's strategic plan. Many of the communities profiled in this study recognize that making the case is an ongoing and continuous effort and that there are a number of strategies for doing it.

First, short-term success can build long-term momentum. Obviously, the best way to make the case for any intervention is to demonstrate success. Along these lines, Scotland Neck, N.C., began with actions that would demonstrate success quickly. Town leaders decided to support local hunting and fishing guides, to start bringing more tourists into town and to show local residents that there was reason to be optimistic. This initial success helped them build momentum before beginning to tackle more intractable challenges. Similarly, to maintain buy-in from the Arkansas community, the initial action steps in Helena's strategic plan were those that could be accomplished in short order and for which there was already some momentum. By starting with "low-hanging fruit," town leaders demonstrated that change was possible. Once people started seeing change happen, there was more of an incentive to join in the process. Short-term success is a means for making the case that particular CED activities are worth the investment.

Second, many communities profiled here make an explicit effort to measure and monitor the impacts of their efforts. It seems obvious, but measuring progress and evaluating programs

tend to get pushed to the end of priority lists. Not so in successful small towns. In Ord, Neb., impacts of the community's development programs are monitored and have become useful for both external and internal audiences. Data are used to attract additional investment from outside sources. Moreover, by demonstrating a reasonable return on investment, these data may be used to convince a community's naysayers to join the efforts. In Hollandale, Miss., an analysis of local data helped the community to convince outside grant-makers that a rural transportation network was a smart investment. In addition, it helped to convince policy makers that rural transportation was a viable (if incremental) strategy for alleviating a range of economic challenges.

Finally, small towns profiled here tend to communicate and celebrate success. For example, in Douglas, Ga., community leaders work hard to keep local papers informed about various economic development projects and publicize even the most modest success, including stories of local entrepreneurial successes. Leaders in Ord spend an ever-increasing amount of time publishing newsletters and writing articles for the local newspaper. They send e-mails to as many residents as possible and appear on radio broadcasts regularly. The idea is to replace rumors and coffee shop chatter with accurate information about what the community is trying to accomplish.

7. Viable community economic development involves the use of a *comprehensive package of strategies and tools*, rather than a piecemeal approach.

The capstone lesson is, perhaps, a reaffirmation of a point that we have heard over and over again: there is no silver bullet. No single strategy saved any community in this study. Successful development in small towns is always multifaceted. Small towns should take nothing off the table in selecting strategies to pursue. Successful communities tend to have evolved to the point where they have a comprehensive package of strategies and tools that are aligned with the core assets, challenges and opportunities within their regional context.

Furthermore, given the basic strengths, weaknesses, opportunities and threats affecting each community and the virtually limitless menu of possible strategies, no single package of strategies necessarily fits with a particular type of community. That is, there is no universally applicable formula for community development. Decisions about what to do and why to do it have to be based on local conditions, context and capacity. The lessons from these small towns, however, provide insights and inspiration for other community leaders as they begin the important process of building locally driven strategies that create economic opportunities and improve the social, civic and environmental conditions that face their hometowns.



CITY OF HOMER
CITY HALL

MEMORANDUM EDC 07-_____

This was written for a previous EDC but might still have some relevance

To: Economic Development Commission
From: ~~Anne Marie Hofen~~, Special Projects Coordinator
Date: March 20, 2007
Subject: Economic Development, the Common Good, and Highest and Best Use

Common Good

Investigating the concept of "the common good" has been an interesting assignment. As I told Commissioner ^{John} Faulkner in a separate correspondence, I had already begun to look at the question even before it came up at the last EDC work session. The issue of resource allocation jogged my memory of a college lecture on the subject of "The Tragedy of the Commons," a paper written by Garrett Hardin and published in the journal *Science* in 1968.

Part of "The Tragedy of the Commons" deals with a hypothetical case where villagers are allowed to graze their cattle in "the commons." Each herdsman must deal with the issue of how many cows to put there. Each additional cow means gain for him, but too many cows will degrade the pasture and everyone will suffer in the end. However, human nature makes the first choice more likely, since the gain is immediate and tangible. The possibility of loss is something in the future and something that will be shared; hence, it is less compelling. Understandably, "The Tragedy of the Commons" has been used to analyze such issues as population control, pollution and global warming, and depletion of resources such as water, fish, and forests (not to mention grazing land).

I would add that denial (often unconscious) contributes to the Tragedy of the Commons. As Upton Sinclair famously said, "It is difficult to get a man to understand something when his salary depends on his not understanding it."

I am attaching the Wikipedia entries for "common good" and "public interest," and will pull out one sentence here: "The common good is often regarded as a utilitarian ideal, thus representing the greatest possible good for the greatest possible number of individuals."

Garrett Hardin pointed out an obvious problem with this ideal: "We want the maximum good per person; but what is good? To one person it is wilderness, to another it is ski lodges for thousands. To one it is estuaries to nourish ducks for hunters to shoot; to another it is factory land. Comparing one good with another is, we usually say, impossible because goods are incommensurable. Incommensurables cannot be compared."

Sustainable Economic Development

In the arena of economic development, the term "sustainable development" is often used in discussions relating to the common good or the public interest.

One definition of sustainable development is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

A more complex definition is “development which seeks to relieve poverty, create equitable standards of living, and satisfy the basic needs of all peoples, while avoiding long term damage to natural capital for the sake of short term gain.”

In the book *For the Common Good: Redirecting the Economy Toward Community, the Environment, and a Sustainable Future*, the authors (a World Bank economist and a philosopher–theologian) “set forth a detailed, far-reaching blueprint for a highly decentralized economy built around small communities, scaled to human needs and stewardship of the planet... In place of gross national product, they put forth an ‘index of sustainable economic welfare’ as a yardstick of true growth.” [from *Publishers Weekly* review. Note: I haven’t read the book.]

Note: Homer City Code, Chapter 1.78.040 (Duties and responsibilities of the Economic Development Commission) specifically states that the Commission will “promote public interest in overall economic development.”

Highest and Best Use

The following is from a publication of the Appraisal Institute, the leading organization for professional real estate appraisers: “Highest and best use is a critical step in the development of a market value opinion. In highest and best use analysis, the appraiser considers the use of the land as though it were vacant and the use of the property as it is improved. To qualify as the highest and best use, a use must satisfy four criteria: It must be legally permissible, physically possible, financially feasible, and maximally productive.”

I did not find any other definition of “highest and best use” other than those associated with real estate appraisal. The concept is discussed, however, in relation to conservation easements, historic preservation, etc. For example, the owner of a property with a conservation easement may claim a federal income tax credit on the difference in value between the property as it is and the “highest and best use” of the property as determined by an appraiser. Federal tax law also encourages the donation of preservation easements by permitting charitable deductions for such donations.

From this example, it is clear that “highest and best use” in the technical sense (as used by real estate appraisers) is not always judged to be the highest and best use in other contexts. Numerous studies have also shown that “conservation lands,” parks, trails, greenways, etc. provide economic benefit to neighboring properties and to the community as a whole, even though an appraiser might not view these uses as “maximally productive.”

RECOMMENDATION: Discuss the concepts of common good, public interest, and highest and best use to see if consensus can be reached on definitions that would be helpful to the work of the EDC.

Anne Marie Holen

From: Rep. Paul Seaton [Representative_Paul_Seaton@legis.state.ak.us]
Sent: Sunday, January 24, 2010 5:22 PM
To: Mary Jane Shows
Subject: Representative Paul Seaton January 25, 2010 Newsletter

January 25, 2010
Second Session of 26th Alaska Legislature

From the desk of
Rep. Paul Seaton

Volume 83
Contact Information – (907) 465-2689
Toll Free: (800) 665-2689
Fax: (907) 235-4008
Website: <http://www.RepPaulSeaton.com>
Email: Rep.Paul.Seaton@Legis.state.ak.us

Greetings from Juneau after this first week of the second session of the 26th legislature! Tina and I have settled into the same apartment that we have had for the last 4 years. The weather has been warm and less wet than usual.

We are looking toward an intense session since we are still operating under the 90 day limit. The biggest issues we will be considering are: changes to oil taxes, competing gas lines, extending forward funding of education, response to changes in campaign finance, amendments to the ethics laws and of course the State budget. Any bill that does not pass this session will have to start the process anew in the next legislature.

I am now a member of the Coastal Caucus, alternatively called the Rural Caucus. The Caucus is being more active this year, looking at issues as they affect our non-Anchorage non-Fairbanks communities. We may not all agree on every position, but having a good forum for so many majority and minority members to work together on common issues should be productive.

I want to recommend a book to everyone that is concerned about education and future jobs for our residents. Dan Pink's "A Whole New Mind" examines the abilities required for the 21st century and how we may be educating our students for jobs that will no longer be in the USA. The Education Committee will be watching a one hour DVD presentation of the subject by the author on Monday and it should be available on Gavel- to- Gavel at our 8am committee time. It may form a discussion topic about the criteria we use to incorporate into the educational requirements of the broad scholarship program we will be working on for several weeks.

If you know anyone else who may want to receive this newsletter each week throughout the session please have them sign up under District News on my web site www.RepPaulSeaton.com.

Committees

Education

We kicked off the 2010 committee schedule in House Education with a discussion of the Graduation Rate Working Group. The working group is a broad coalition of educators, administrators and policy makers brought together by the Commissioner of Education & Early Development to analyze the low graduation rate in Alaska and recommend solutions. I serve as a member of the group and participated in a number of meetings over the interim. The most recent product of the working group is a list of factors that lead to students being pushed out of school and ways to address these problem factors. The “push out” list and other material is posted on line at

http://www.legis.state.ak.us/basis/get_documents.asp?chamber=HEDC&session=26&bill=&date1=20100120&time2=0800

HB 206 is committee legislation designed to help graduate more students from high school. The intent is to make the final year or years of high school more relevant to students by allowing those who pass the exit exam early to take college courses toward an Associates degree, free of cost to the student. Another strategy in the bill is to provide a career assessment test that students can take more than once, so the last year of school can be spent improving the previous test score which is then put on the student’s transcript where it is viewable by potential employers.

The third part of the bill is a student count provision that would change the current student count for purposes of school funding from a single October count period, to an average of two counts - a count in February averaged with the October number, then another count from that October to the following February. The higher of the two count averages would be the funding number. Districts would be funded based on the previous year’s number allowing more regularity in budgeting. This provision provides a monetary incentive for districts to retain students. This averaging provision may be modified to simply an extended count period over three to five contiguous months.

A graphic of the HB 206 count provision is online. Please note that throughout the session, all materials that the committee members are reviewing will be posted on the Basis web-site in advance of the meeting. First click

http://www.legis.state.ak.us/basis/hearing_form.asp?session=26 to arrive at the Basis hearing schedule page. Click “display” to review the list of committee meetings for a particular day. The meeting materials are accessed through the folder icon to the right of the meeting description.

This week we will be reviewing new education theories about student motivation and how this pertains to a proposed Alaska scholarship program. We will hear from Commissioner Larry LeDoux about the criteria of the proposed Governor’s Performance Scholarship and how this relates to the goals of the scholarship, hold a discussion on online course offerings in Alaska and virtual schools, and hear two pieces of legislation: HB 310 School Construction Debt Reimbursement and HB 295 University Land Grant.

BEST BEGINNINGS IMAGINATION LIBRARIES IN NANWALEK AND SEWARD

The Imagination Library program mails a free book every month to the home of children from birth until their 5th birthday in participating locations. Dolly Parton started it in Tennessee; Best Beginnings is spreading it throughout the state of Alaska. The Imagination Library program is available in House District 35 to Nanwalek and Seward/Moose Pass residents. For more information on the Seward/Moose Pass program please click on <http://www.bestbeginningsalaska.org/index.php/Families/Seward/Moose-Pass-Imagination-Library.html>

The Nanwalek program has just recently been funded, and a web-site will be online in the future.

State Affairs

Our first meeting of State Affairs will be an overview the Alaska Mobile Land Radio (AMLR) system. The State is trying to get emergency responders to utilize the same radio system so different agencies can communicate with each other. However, implementation of the ALMR system has been flawed in the past and was seen as prohibitively expensive for volunteer fire departments and small communities to maintain. I am looking forward to seeing if the Department has been able to work out some of these kinks. We will also access the qualifications of DEC Commissioner Larry Hartig as the nominated successor as the Lieutenant Governor Designee. We will also hear HB 76 concerning the makeup of the Legislative Budget and Audit Committee.

Resources

Resources did not meet in the first week of session. There will be one meeting next week on Friday to discuss HB 217, legislation to lower the tax rate on gas used as feedstock for in-state manufacturing processes.

I anticipate much discussion this session on in-state gas use, Cook Inlet gas incentives, and modification of tax credits for North Slope oil and gas activities.

Health and Social Services

The first HSS committee meeting of the session will be Thursday. HB 110 "Psychologists' Licensing and Practice" and HB 187 "Insurance Coverage for Autism Spectrum Disorders" will be discussed.

Education Committee Legislation

HB 310- School Debt Bond Reimbursement

Municipalities that bond for the construction of new schools are reimbursed by the State for 70% of their payments as long as student population demonstrates a need for new facilities. If a municipality wants to build a school larger than student population warrants, the state will reimburse payments at a reduced rate of 60%. HB 310 extends the school debt bond reimbursement program for an additional 3 years instead of the currently scheduled sunset in November of 2010.

Personal Legislation

HB 46 Mixing Zones

HB 46 prohibiting pollution Mixing Zones in freshwater spawning areas will be heard in House Fisheries on Friday. In addition to the spawning area protection, HB 46 provides that public shall have the opportunity to provide input on major sewage lagoon expansions, and allows the public to have clear information on the amount and nature of pollution authorized for discharge into public water.

HB 66 Net Energy Metering

HB 66 allows home and business owners to generate electricity from renewable sources, use this energy on site, and receive a credit for any excess. This legislation provided the foundation for discussion while the Regulatory Commission of Alaska worked through a docket to implement net metering. I am pleased to announce that net metering regulations will be on the Lieutenant Governor's desk in the next week or so, and those utilities that sold over 5 million kilowatt hours of electricity in the previous fiscal year (all of the Railbelt utilities, some in Southeast Alaska, and Bethel) will soon be offering the option of net metering to their members. Net Metering will be offered to members until their total generation capacity reaches 1.5 percent of the utility's average retail demand. In other words this will be a first come/first serve policy and if you are interested in net metering, you should be in contact with your utility in the near future.

Bits and Pieces

Jennifer Penaherrera, junior from the University of Alaska Fairbanks: "I am excited to be here participating in the Legislative Internship Program. I will be leaving Alaska for awhile to go to law school but I am grateful for the opportunity to engage in politics at the state level here at home. I would like to contribute to the advancement of a bill this session while working for Rep. Seaton, for instance either HB 94 (pertaining to postsecondary scholarships for Alaskans based on achievement and financial need) or HB 66 which deals with net energy metering. I've also recently developed an interest in aquatic farming issues as well and hope to further my understanding of mariculture this session. I have enjoyed my time here so far and am anticipating a challenging and rewarding experience in Juneau."

Health Benefits of Coffee



I like to joke in my office that you are required to drink coffee to work here, as we collectively pour down many pots over the course of the work day. A study led by Kathryn Wilson of the Harvard Medical School found that men who drank a lot of coffee (6 or more 6-ounce cups a day) had a 60% lower risk of aggressive prostate cancer than those who drank no coffee. So if you see me around town or on Gavel to Gavel sporting a travel mug, here's to good health! You can learn more about the health benefits of coffee on NPR's Science Friday website <http://www.sciencefriday.com/program/archives/200912113> click on the arrow under "listen" in the upper left hand corner of the site.

Protect yourself against identity theft

Last year the legislature passed an important piece of legislation that protects consumers from identity theft. Beginning July 1, 2009 you can put a freeze on your credit by contacting the three credit organizations in the country. This means that no one can take out a new credit card, mortgage, or loan in your name while your credit is frozen. You can easily unfreeze your credit, or temporarily remove the freeze, with a secure password. This allows you and only you to use your credit. Freezing your credit will not damage your credit score. For detailed instructions on how to freeze your credit, commonly asked questions and sample forms, visit my website and click on “Identity Theft Protection – How to Freeze Your Credit”

<http://housemajority.org/seaton/index.php>

Don't forget to apply for your PFD!

Don't forget to apply for your Permanent Fund Dividend this year. Alaskans have until March 31st to apply, however you will NOT be receiving a booklet with an application in the mail this year as the department is trying to encourage online filing. If you prefer a paper application, you can pick one up at the Legislative Information Office in Seward or Homer. If you apply on-line you can choose to easily donate a portion of your PFD to any number of Alaskan charities. You can find the PFD 2010 application at

<http://www.pfd.state.ak.us/ApplyOnline.aspx>

Success! – Alaska Consumer Protection Act at work in the real world

Last year a constituent contacted us concerned about a suspicious promotional check they had received from Yellow Pages Company. I forwarded the check to the office of the Attorney General and mentioned that I believed the check to be in violation of a bill we had recently passed. Over a year later, I received confirmation from Attorney General Dan Sullivan that the promotional check was in violation of the Alaska Consumer Protection Act and that part of the judgment against Yellow Pages Company requires them to pay the State for consumer protection education and enforcement efforts. If you receive a promotional check or other solicitation that you believe is in violation of the Alaska Consumer Protection Act, send a copy our way so we can make sure the proper authorities look into it and Alaskan consumers are protected.

Following Bills

All bills can be accessed through the state's Bill Action and Status Inquiry System (BASIS). You can see what committee a bill is in, when it will be heard, how committee members voted, and much more. You can view all bills relating to your specific areas of interest by selecting “Subject Summary” from the menu on the right. You can access BASIS through the link below, or by doing a search for “BASIS Alaska” <http://www.legis.state.ak.us/basis/start.asp>

Live on the Web

Most committee hearings can be seen and heard on Gavel-to-Gavel, which is broadcast on both local access TV and on the Internet. You can also access online archives from their website.

<http://www.ktoo.org/gavel/schedule.cfm>

If you would like to speak to me regarding a specific issue, it is helpful to first get in touch with the member of my staff handling related issues. You can click on their email address to send them a note, or give us a call at the office. Please provide your full name, address and phone number on any correspondence with the office. Your time and effort are much appreciated and will help us better serve you.

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TransCanada open season plan pleases, but questions linger

Alaskans were pleased at TransCanada's public announcement of its gas pipeline "open season" filing with the U.S. Federal Energy Regulation Commission, and the details the company provided to the media and Legislature. Still, questions need to be answered. One is that the tariff for delivery of gas to in-state points along the pipeline seems high, at \$2.13 to \$2.70 per million btus (mmbtu). That's about 75 percent of the full North Slope-to-Alberta tariff of \$2.80 to \$3.50/mmbtu and is certainly not a mileage-based tariff. This could make gas delivered in Fairbanks still a bargain compared to heating oil now being used, but possibly not for Southcentral Alaska once the tariff for a 24-inch "spur" line is added. The gas may also be too expensive, at that point, to use in value-added manufacturing.

Another question centers around the big incentives, through discounts on tariffs, that will be offered to shippers of gas in an initial open season. Since Alaska utilities are almost surely not going to be able to get themselves organized with financing in place for a bid in TransCanada's first open season this summer, they could miss the boat on this and pay a higher rate (no discounts) in a second or third open season. TransCanada is obliged to offer in its deal with the state. These two factors combined mean that

Continued on page 2

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- Gloomy slope oil outlook Pg. 3
- Broadband expansion in Bush Pg. 4
- New resource estimates at Pebble Pg. 7

Note: Resources Supplement to be sent separately

Alaska employment decline is gradual, not steepening

State employment data indicates the gradual decline in Alaska employment is continuing, but is (good news) not accelerating. Total wage and salary employment was down 2,700 jobs in November, the latest month with confirmed data, compared with the same month a year earlier. Oil and gas employment in November (petroleum is now being watched

closely) was down 300 jobs from November 2008. Construction, another industry being watched, was down 1,200 comparing November 2009 vs. November 2008. Trucking and air transportation, fields which broadly indicate economic trends, were stable with 3,200 trucking jobs and 6,100 aviation-related jobs in both November 2009 and 2008. One job category signaling

Continued on page 2

General Business:

Road to Nome \$2.3 to \$2.7 billion

The state Dept. of Transportation and Public Facilities has estimated that a recommended route for a road to Nome from Interior Alaska would cost \$2.3 billion to \$2.7 billion. Anchorage-based Dowl/HKM did the route assessment and cost estimate. The work was done under a \$1 million appropriation for planning given by the Legislature last year. Dowl/HKM's preferred route begins near Manley Hot Spring, on the existing Elliot Highway, extends west to cross the Yukon near Tanana and follow a corridor generally north of the river to the Seward Peninsula. This is, of course, a long-range project, and it will be interesting to see whether the Legislature supports funding for further studies. Rural lawmakers generally favor the idea because a road would bring costs down and spur economic development.

Legislators are also considering Gov. Sean Parnell's request for \$8 million in funds for permitting and environmental work on a 68-mile road to Umiat from the Dalton Highway. There are existing oil and gas discoveries at Umiat and Gubik which would be served by the road.

Questions for TransCanada (Cont.)

Continued from page 1

there are unlikely to be bargains on transporting gas from the slope to communities in Alaska. Another question is whether the state, if it wants to take its gas in-kind, will have to purchase capacity like any producer/shipper. TransCanada said the answer to this is "yes." Since this is a huge financial commitment it may more or less lock the state into taking its royalty in value, or cash, which leaves the shipping responsibility with the producer. Also, if the state ultimately decides to buy capacity it will lose the opportunity of the early discounts being offered this summer.

Employment decline is gradual (Cont.)

Continued from page 1

consumer discretionary spending, food services and drinking establishments, showed an 800-job loss, 17,000 in November 2009 vs. 17,800 in November 2008. Professional and business services, an indicator field since it contains engineering, was down 200 jobs in November.

One field seeing sharp increases is health care, where employment was up 1,400 in November compared to the same month of 2008. Another growth area is government, where employment was up 900 jobs.

Wet or damp: Rural debate goes on

The issue of alcohol sales is rippling across rural Alaska since Bethel and Kotzebue voted last fall to go "wet," with liquor sales allowed, instead of "damp," which means no sales but liquor purchased elsewhere can be brought in, but not resold. In an advisory vote, Bethel voters registered their disapproval of local alcohol sales, with 74 percent of voters saying the city should oppose liquor license applications. Kotzebue appears to be moving ahead with it, however, with a seven-member local liquor board in place and now engaged in planning sessions.

Fairbanks North Star Borough economic indicators were generally stable in 2009, the borough's third quarter survey indicates. Although unemployment rates climbed actual employment changed little, indicating a likely in-migration of people looking for work (and registering at employment offices). Housing sales prices were generally stable; the number of sales dropped below 2008 levels for the first half of 2009, then increased slightly in mid-year compared to the same period of 2008. Hotel/motel room receipts took a beating, down 24.6 percent in the second quarter and 15.7 percent in the third quarter.

Slope producers gloomy over taxes, costs, prospects

North Slope oil operators seemed pretty downbeat at the Alaska Support Industry Alliance's annual Meet Alaska conference in Anchorage Jan. 19, but while it was obvious that part of this was messaging - to state legislators on taxes and contractors in the audience on their cost structure - there was little doubt that some disturbing numbers cited by the companies should be viewed with real concern.

ConocoPhillips giving up on NPR-A?

ConocoPhillips said it has pretty much given up on the National Petroleum Reserve-Alaska after disappointments in finding a field large enough to stand on its own in terms of infrastructure and regulatory delays in getting several small discoveries hooked up to the Alpine field infrastructure. The company is now focusing on the Chukchi Sea with its new partner, StatOil.

Low reserve replacement since tax took effect

ConocoPhillips said the existing fields on the slope represent the best chances for significant reserve replacement but noted the state tax on these fields (highest on the slope) and cited a poor record of reserve replacements since the latest hike in the state's production tax.

BP sees its drilled footage drop by over 50 percent

BP said it has had to cut its new drilling in existing fields by more than 50 percent since the tax changes took effect, from over 1 million feet a year of new hole to about 400,000 feet in 2010. Drilling is a key strategy in finding new pockets of oil, replacing reserves and dampening the production decline.

FEX sees record low in exploration drilling

FEX LLC, an independent/explorer, said exploration drilling has dropped to a record low this winter. Three exploration wells are planned but two are appraisal-type wells drilled to find new oil near existing discovered oil, not "wildcats" aimed at finding brand new fields.

There are a lot of reasons for these problems, including the state tax, service company costs that are not declining from the runup of costs two years ago, regulatory hassles (NPR-A, where a key federal permit for the CD-5 project has been delayed) and less attractive onshore prospects.

ExxonMobil at Point Thomson, Eni at Nikaitchuq are bright spots

There are, however, bright spots. Among the major producers ExxonMobil was very bullish about its Point Thomson project this year, which will be in production in 2013. Eni is also relaunching its Nikaitchuq offshore development, with pipeline construction planned for this winter and drilling to resume in the spring. First production is expected this December.

Business Intelligence

GCI nets \$88 million in stimulus funds for rural broadband expansion

Anchorage-based General Communications Inc. (GCI) has been awarded \$88 million in federal stimulus funds, in the form of combined grants and loans, to build out its terrestrial broadband service to a wide area of the Bristol Bay and Yukon-Kuskokwim areas. The project will be done by United Utilities, Inc., a GCI subsidiary. Sixty five communities will be served that include 9,089 residences and 748 businesses. The service is particularly aimed at nonprofit and government institutions serving the regions, such as health providers, school districts and the various Alaska Native organizations and tribal entities.

The award consists of a \$44.2 million loan and a \$44.2 million grant, with the grant portion given to support the GCI backbone network facilities that it would have been unable to finance through its own return-on-equity requirements. United Utilities will start work on the project this year, with completion planned in 2012.

KODIAK CORPORATIONS AFTER \$350 MILLION GRANT TO DO ASIA-ALASKA LINK:

Old Harbor Native Corp., teamed up with a subsidiary of Khanjee, Holdings Inc., a multinational energy and infrastructure development firm with offices in Texas, Virginia, London, Qatar and Dubai, to build the first fiber-optic cable between Asia and Europe. The new corporation called Arctic Cable Co. would finance, design and build the cable, and if it is able to secure customers and arrange the financing then construction could begin next year. The proposed cable will run from Tokyo, along the Alaska coast, through the Northwest Passage, past the southern coast of Greenland to London. In Alaska, its two landing points would be in Dutch Harbor and Prudhoe Bay. The Kodiak Kenai Cable Co., which is also involved in the project, has applied for \$350 million in federal stimulus money to lay undersea fiber along the Alaska coast from Kodiak to Prudhoe Bay. The Alaska line would be part of the larger Asia-to-Europe cable, and if it is built would provide high-speed, reliable Internet to rural communities such as Bethel, Kotzebue, Nome and others, KKC said.

ALASKA DECEMBER UNEMPLOYMENT TWO PERCENT UP FROM LAST YEAR:

Alaska's December jobless rate rose to 8.8 percent, its highest level since September, and two percentage points higher than the 6.8 percent rate in December 2008. The state labor department attributed the increase on several factors, including job losses in the oil, construction, hospitality and leisure industries; and also growth in job seekers moving to Alaska from other states. However, Alaska's jobless rate continued to stay below the national unemployment rate for 12 months, which was at 10 percent in December. The December jobless rate for Anchorage was at 7.0 percent, up from 6.6 percent in November; the Matanuska-Susitna Borough rate was at 10.4; and the Kenai Peninsula Borough was at 12.6 percent.

NATIONAL CENSUS KICKS OFF IN WESTERN ALASKA VILLAGE: The 2010 census

kicked off with fanfare at Noorvik, in Northwest Alaska. National census director Robert Groves went to Noorvik with 50 other visitors for the ceremonial start. Groves interviewed Noorvik elder Clifton Jackson, the first person to be counted. Census forms will be mailed to most Americans in March.

LAID-OFF JUNEAU AUTO WORKERS START NEW SERVICE CENTER: Laid-off Juneau employees of Skinner Sales and Service, the closed auto dealer and service company that operated in several Southeast communities, have started Evergreen Motor Works in the capital city. Skinner's closing left owners of Ford, Lincoln and Mercury autos without a local service center.

CORDOVA IS UPBEAT: Cordova community leaders are upbeat, despite the ups and downs of fisheries on which the local economy depends. A new 105-lot residential subdivision is being developed with completion of a 1.25-mile access road, a new marine boatlift is nearing completion and renovations have been done on the local school and airport. Tridents Seafoods' \$20 million expansion of its fish processing plant, completed last year, bodes well for the community.

CITING RISING COSTS, INLAND PASSAGE ELECTRIC SEEKS RATE HIKE: Inland Passage Electric Cooperative in Southeast Alaska filed for a permanent 10.62 percent base rate increase with the Regulatory Commission of Alaska, citing cost increases. The co-op, serving Hoonah, Kake, Angoon and the Chilkat Valley/Haines area, is now operating under a temporary 7.96 percent increase. These increases are not due to fuel price changes, which are handled in a separate rate charge. The permanent increase would add about 4 cents/kilowatt hour to the 46.2 cents/kwh now charged (state Power Cost Equalization pays 19.4 cents of this for residential customers, however).

Continued on page 8

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Petroleum:

Progress in Point Thomson dispute?

Superior Court Judge Sharon Gleason threw out the state's decision on termination of the Point Thomson Unit, and Gov. Sean Parnell, in a speech, called for the settlement of the complex dispute. Those are both positive developments, because it means a settlement is likely before the gas pipeline open seasons planned this summer by TransCanada and the Denali pipeline groups. Having the legal status of the Point Thomson leases settled is critical to any of the companies owning a share of the 8 trillion cubic feet of gas to bidding capacity for moving the gas with one of the pipelines.

Meanwhile, ExxonMobil said it has completed the first Point Thomson development well and is now working on the second. Five wells are to be drilled to support the \$1.3 billion liquid condensate and gas cycling project, which is to be in operation by 2014.

Statoil's U.S. subsidiary acquired a 25 percent stake in 50 ConocoPhillips federal leases in the Chukchi Sea. Statoil paid ConocoPhillips an undisclosed sum in cash and exchanged leases it held in the U.S. Gulf of Mexico. Statoil already held 16 leases in the Chukchi.

Alyeska cuts deal with unions

Alyeska Pipeline Service Co. reached agreement with five Fairbanks-area unions in the Alaska Petroleum Joint Crafts Council to keep union workers on pipeline maintenance work, and avoiding a switch to an all non-union maintenance workforce. Union members accepted a 5 percent pay cut and waived a scheduled pay increase in the new five-year contract, which is with Houston Contracting, the union arm of Arctic Slope Energy Services, a subsidiary of Arctic Slope Regional Corp. Had the switch to

Unions keep pipeline work (Cont.)

non-union occurred the work would likely have been done by an ASRC non-union subsidiary. Meanwhile, In a presentation to the Alaska Support Industry Alliance "Meet Alaska" conference, Alyeska said that at the present rate of decline of North Slope production the Trans-Alaska Pipeline System will be moving an average of 500,000 barrels per day by 2014, down from an average of 680,000 barrels/day now. The pipeline company is working on modifications to allow it to operate at lower throughput levels, but there are technical challenges created by cooler temperatures of the oil, wax buildup and ice plugs that can form in the line. Costs will be higher, however, which will reduce the value of oil on the slope.

In a related development, Alyeska said it will field-test a hydraulic clamp device developed to help the pipeline company shut down a high-pressure oil spray from a leak resulting from a puncture like a bullet hole. The device is lighter and more maneuverable than a clamp developed after a 2001 incident where the Trans-Alaska Pipeline System was damaged with a bullet hole. The new version, developed by Alyeska and Fairbanks contractors, has been field-tested twice before but not in the presence of federal and state regulators. The exercise is planned later this year and will involve spilling water in a spray from a piece of pressurized 48-inch pipe, simulating the high-pressure oil leak.

Feds search Cook Inlet platforms

Federal officials searched Cook Inlet production facilities operated by Chevron Corp. based on assertions that company managers were aware of federal Clean Air Act violations when modifications were made to oil storage tanks. Chevron's Trading Bay Production Facility and Granite Point Tank Farm are the subject of the investigation. Chevron said it is cooperating with the investigation.

Minerals:

Work continues at Niblack project

Heatherdale Resources, now the operator at the Niblack multimetal exploration project in Southeast Alaska, has resumed its exploration project. The Vancouver, B.C.-based company is 51 percent partner with CBR Gold Corp., which previously did work on Niblack. Heatherdale officials say the latest drill results are encouraging and that work will continue this spring with two drill rigs on a 25,000-foot drill program. The companies hold a 6,200-acre land position with 250 acres of patented land. The project is near Moira Sound on southern Prince of Wales Island, 27 miles from Ketchikan. Heatherdale must spend \$15 million on the project in the next three years to retain its 51 percent share, and has the option to obtain 70 percent of the project.

Opponents protest Red Dog permits

To no one's surprise, mining opponents filed challenges to the state's certification of a federal discharge permit issued Jan. 9 for a new mining pit at the Red Dog Mine in northwest Alaska. Trustees for Alaska, an environmental law firm, filed the actions on behalf of the Native Villages of Point Hope and Kivalina to protest certifications of new discharge limits set by the EPA on the National Pollutant Discharge Elimination System permit for the Aqqaluk pit project at Red Dog. A key date coming up for the Red Dog permit is Feb. 9, the end of a 30-day public review period for the permit and a Record of Decision by EPA on its Supplemental Environmental Impact Statement for the new pit. If no protests are filed with EPA the permits are issued, but any protest would kick the issue up to EPA's Environmental Appeals Board which could take several months to make a decision. Timing is critical for Teck Alaska, the Red Dog operator. The company must begin construction on the new pit this summer to have ore being mined

Permits for Red Dog challenged

next summer. Meanwhile, the main pit at Red Dog, now being mined, will be largely depleted next year.

Juneau fishermen: Taku Inlet reserve?

Hoping to forestall any new use of Taku Inlet as a resource development corridor, Juneau fishermen and local property owners are pushing the Juneau municipal assembly and the local legislative delegation to add protections for the Taku River, such as some form of critical habitat designation. The Legislature can designate special use areas for protection of habitat. A plan to use the waterway for support for Tulsequah Mine development is on the back shelf, meanwhile. Redfern Corp., owner of the Tulsequah Chief mine in British Columbia, at the headwaters of Taku Inlet, filed for bankruptcy protection last year.

More resources announced at Pebble

The Pebble Partnership, operator of the big copper/gold/molybdenum project near Iliamna southwest of Anchorage, has reported some big gains in metals resources with the completion of analyses of 2008 and 2009 drilling results. The company announced a 17 percent increase in ore resources in the higher-confidence "Measured and Indicated" category, all from the deep, higher grade eastern ore body. The company is now engaged in its 2010 season planning with details to be released later this spring. Environmental research activity for the year is cranking up now, and drilling at the site is expected to resume later this spring. Company officials say they do not now plan to file for permits this year and will focus on completion of the environmental baseline study document and a preliminary mine development plan. Those need to be completed before permits can be submitted.

Business Intelligence (Cont.)

- Continued from page 5

Much of the co-op's generation is from costly diesel. Juneau, which relies mostly on hydro, has an approximate 10 cents/kwh rate. The co-op is working on a plan for interties to connect with communities with hydro, but raising money has been a challenge. A plan to connect Hoonah with the Alaska Electric Light & Power line at the Green Creek Mine is stalled because of cost increases with a needed submarine cable crossing, now estimated at \$45 million.

SITKA 2009 SALES DROP, AND 2010, 2011 CRUISE PASSENGERS TO BE DOWN: Sitka's gross sales dropped 10.8 percent in the first nine months of 2009 and local sales tax collections dropped 16.2 percent, the Sitka Economic Development Association said. However, the numbers may be skewed by 2008 spending from the \$3,200 distribution of Permanent Fund dividends and the one-time energy cash payment by the state. The community will still take some hits in 2010 and 2011, however. Cruise ship passengers are expected to total 130,000 in 2010 and 100,000 in 2011, both down from recent years. The reductions are due to changes in deployments by the cruise companies, resulting in fewer ships calling at Sitka. Community leaders are still positive for the long term, noting that Sitka has felt bigger bumps in the past, such as when the Alaska Lumber and Pulp mill closed. They are working on a \$65 million expansion of the Blue Lake hydro project and a possible sale of closed Sheldon Jackson College to Dubuque University of Iowa, which wants to get the college reopened.

Sheldon Jackson College is being given more time on its financial restructuring. Alaska Growth Capital, a key creditor for Sheldon Jackson College in Sitka, agreed to give the college more time on its debt and to put off a foreclosure action for another year. Sheldon Jackson was closed in 2007 and college officials have been trying to sell off property to raise money, but sales were slowed by the national recession. The college owes \$4.5 million to Alaska Growth Capital.

KETCHIKAN PROPERTY VALUES STABLE, BOROUGH SAYS: Ketchikan Gateway Borough assessment officials say property values in the borough remained generally stable last year. There was about a 1 percent increase in overall valuation, which resulted from new construction. The 2009 assessment saw a minimal increase also.

ALASKA PACIFIC BANK LOSS GREATER THAN FIRST ESTIMATED: Alaska Pacific Bank reported a \$1.26 million loss for the first 9 months of 2009, a restatement of a \$311,000 loss reported earlier. The new report was filed with the federal Security and Exchange Commission. The Juneau-based bank has been struggling with losses from out-of-state loans and has been assisted by a \$4.8 million federal investment in the bank made through the Troubled Assets Relief Program Capital Purchase Program. The newest numbers show the bank's capital ratio at 12.53, just above the 12 percent minimum ratio set by federal regulators.

Gov. Sean Parnell will accelerate a state "deferred maintenance" program with a fast-tracked \$100 million capital appropriation aimed to get work on the street possibly this summer. There's also word in Juneau of another \$180 million federal stimulus program aimed at infrastructure.

ESTATE & Business

Economic forum: Tough year ahead Market size, economics discourage Cook Inlet oil, gas exploration

BY ANDREW WAITE
MORRIS NEWS SERVICE - ALASKA

KENAI — During a forum aimed at looking into the Kenai Peninsula's economic future, a future currently tied to the oil and gas industry, local residents did not receive the brightest forecast last week.

Oil and gas producers painted the sunniest picture they could at the Industry Outlook Forum held in Kenai's Challenger Learning Center, but none could avoid the bottom line: Cook Inlet has a finite resource

supply, and it might not be economically viable for companies to continue operations in the region.

Some of the more promising news came from Marathon Oil Company, whose appropriately named Sunrise well is rigged for drilling and is expected to spud shortly.

"It is a tight well. We probably won't be saying a whole lot about it until we fully evaluate it, but cross your fingers," said Carri Lockhart, Marathon's Alaska asset team production manager. "I think this is a good

news story for the area."

But even with Marathon's new exploration well, Lockhart couldn't avoid reality.

"Do I think there are going to be 10 or 15 wells in Cook Inlet in the near future? I don't think so because the market doesn't demand that," Lockhart said. "The local utility market is too small to enable growth across the inlet."

When asked what size market would be sufficient, Lockhart could not offer a **See ECONOMY, Page 3**

... Economy of entire state affected by actions of oil and gas industry

FROM PAGE 1

clear answer. Neither could Chevron, ConocoPhillips or Pioneer Natural Resource officials, all representing the production side of the industry.

Chevron's silver lining seemed to be the faintest at last week's forum.

"In terms of exploring gas around the peninsula, we have not had a great deal of success," said Chevron Operations Manager Dale Haines. "We don't have any additional exploration work."

Haines also spoke of abandoning the Baker and Dillon platforms in the inlet.

"Exploration is not a strategy view we have for Cook Inlet gas," Haines said.

ConocoPhillips' license to export Liquefied Natural Gas (LNG) expires in March of 2011, and the company's Cook Inlet assets manager was non-committal on the issue of renewal.

"No decisions have been made for any period beyond that," Dan Clark said. ConocoPhillips' initial exporting license was good for 20 years, while the most recent license was good for only two, according to Clark.

Questions were raised about the company's ability to renew its license before the current one expires, especially given past difficulties cementing an export approval, but Clark said that shouldn't be a concern. With the "alignment of key stakeholders," Clark said ConocoPhillips should be able to renew its license within 30 to 60 days of deciding to do so.

He could not comment on the life expectancy of a possible new license.

As larger companies appear on the verge of scaling back local operations, a smaller company is attempting to ramp things up. Pioneer will soon drill a second appraisal well in search of oil.

"What we need is more information,

and that's what we're getting," said Pioneer spokesman Tadd Owens. Owens said the company would need a third appraisal well before any production drilling could take place.

The oil and

gas industry affects the entire state, not just the local economy.

"As long as we're tied to that source, we're at the whims of the price per barrel and certainly of the number of barrels produced," said Speaker of House Mike Chenault, R-Nikiski.

A pipeline from the North Slope could offer promise, and Alaska Natural Gas Development Authority's Harold Heinze as well as Denali Pipe Line's J.S. Jepsen discussed plans for a potential pipeline.

Heinze said a pipeline could stretch from Prudhoe Bay to Chicago and provide a "generation's worth of gas sharing."

The Federal Energy Regulatory Commission's open season assessment should tell more about the future of any potential pipelines.

"At some point, the Legislature will have to step in if none of these projects move forward," Chenault said of the need to expedite the process of a pipeline.

As for the local oil and gas industry, Marathon's new well could possess the answers.

"There has been a lot of activity in Cook Inlet. Unfortunately, it has not arrested the decline," Lockhart said.

"I don't have a crystal ball."

Andrew Waite is a reporter for the Peninsula Clarion.

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Energy issues expected to dominate 2010 legislative session.
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NEWS

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Wednesday, December 23, 2009

Story last updated at 12/23/2009 - 1:26 pm

2009 in review: State's economy downshifting

By Tim Bradner | *Morris News Service-Alaska, Alaska Journal of Commerce*

Alaska's economy is slowly downshifting. Some of this is being driven by real reductions in dollars coming into Alaska -- fewer tourists, fewer oil wells being drilled, lower payments to fish harvesters this year -- but some of the slowdown is also being driven by psychology -- weak consumer confidence, and more caution by investors and borrowers.

"We know there are people out there with money looking at investments, but they're being very cautious," said Chris Anderson, deputy director for credit at the Alaska Industrial Development and Export Authority.

AIDEA is the state's development finance corporation, which works in partnership with banks on commercial loans. Lending is flat, Anderson said. On the other hand, loan delinquencies are at very low levels. That indicates underlying economic health in most of the economy, she said.

Scott Goldsmith, senior economist at the University of Alaska's Institute of Social and Economic Research, said Alaska is losing jobs, and that will continue into 2010, but things could be far worse.

"The jobs loss so far has been modest -- perhaps 1 percent," compared to many regions of the U.S. reporting jobs losses of up to 8 percent, Goldsmith told the Resource Development Council luncheon in Anchorage Dec. 8. "In Alaska the job loss has been concentrated in tourism, transportation and petroleum, but inevitably the slowdown has been spreading out to other industries including construction, retail trade, services and local government."

Government has held steady, Goldsmith said. That's no surprise given the sturdy military presence in Alaska and the steadiness of state oil revenue. Health care employment has continued to grow.

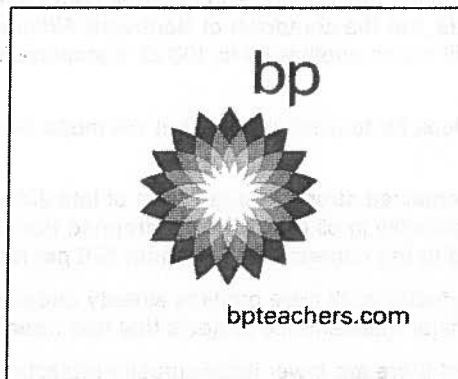
Next year will see more of the same.

"The Alaska economy will continue to contract," Goldsmith said. "We know tourist visits will be down. Major oil companies have announced reductions in their capital budgets. Consumers are cautious and have less cash from a smaller permanent fund dividend this year. Many support businesses are going into the new year with weakened balance sheets."

Neal Fried, an economist with the state Department of Labor and Workforce Development, agrees with that assessment. After 21 years of steady employment growth in almost every sector of the economy, Alaska has started shedding jobs, down about 4,000 so far this year compared to last year.

Alaska is in better shape than most others states, however. Fried said Alaska has lost about 1.3 percent of its wage and salary jobs since the recession effects hit earlier this year. Oregon, in contrast, has lost 6.5 percent of its jobs since the recession began.

Fried ticked off a list of Alaska industries that are shedding jobs. Construction has been down for some time, he said. A lot of this is due to the slowdown in commercial and private building over the last year, and very few commercial building projects are foreseen in 2010.



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Public construction has sustained the industry, but even the government-funded building has been focused on transportation projects, with less on buildings. Structural building, in general, tends to employ more people than building highways.

Transportation employment is also down. The sharp drop in international cargo flights stopping at Anchorage's airport for refueling and servicing this year took a bite out of airport-support jobs, and this was followed by a drop in summer tourism.

There are indications that things have bottomed out for air cargo and there may be small increases in air cargo flights, but the shutdown of Northwest Airlines' cargo hub in Anchorage at the end of December will cause another 50 to 100 air transportation workers to lose jobs, Fried said.

There's also the bleak outlook for tourism in 2010 that will mean fewer summer travelers and air flights.

Oil and gas employment remained strong through most of late 2009 and much to 2010, despite last year's record volatility in oil prices, which dropped from \$140 per barrel to \$30 per barrel and then rebounded to the current range of about \$70 per barrel.

Much of what sustained industry work were projects already under way or committed to before the price drop, or major maintenance projects that had been planned.

Those are finished now and there are fewer large industry projects underway. After a long climb, oil employment is now dipping.

The effect of the national recession on Alaska's consumer confidence, and a smaller permanent fund dividend in 2009, has had an impact on retail in the state. Some parts of retail that are lagging clearly indicate Alaskans' more cautious attitudes toward spending.

Employment with motor vehicle and parts dealers are down, for example, and these jobs are mostly tied to purchasing by local residents. Clothing store employment is also down; the drop in tourism as well as less purchasing by Alaskans affected these jobs.

General merchandise store jobs showed a gain, but this appeared to be caused by the opening of two Target stores and a Kohl's store in the Anchorage area in 2009.

One expanding industry is mining, Fried said. The new Kensington gold mine near Juneau is in the final stages of construction, the Fort Knox gold mine near Fairbanks is expanding, the Usibelli coal mine in Healy is mining and exporting record amounts of coal, and the Red Dog Mine north of Kotzebue expects to receive permits for a new pit that will extend its mine life.

Companies are also exploring a large new gold find north of Fairbanks that could become a second Fort Knox-type large surface mine.

All of this is expected to sustain mining jobs that have been on a steady climb since 2004.

"Mining is one of the more positive parts in our economy right now," Fried said.

Health care employment has also seen steady growth.

"It has been quite robust. This industry had flattened out in 1986 and 1987, but it has grown every year since then," Fried said. "All the large health care operators are expanding: Providence Health Systems, the Southcentral Foundation, the tribal health consortium."

As mild as Alaska's version of the recession has been, and will likely continue to be, ISER's Goldsmith is optimistic growth will resume, but that it will probably lag the national recovery.

"The tourists will come back, although we will have to work at getting our share of the market. The FedEx jets will return full from the Far East, and consumers will regain confidence and start spending," Goldsmith told the Resource Development Council.

But for the long term, Alaskans should be concerned about the state's continued dependence on its main cash cow, petroleum, for state revenues, the declining production in that industry and uncertainty about its future.

Despite the growth of mining, fisheries, tourism and other non-petroleum industries in recent years, it is oil and gas and federal spending that underpin most of the state's economy, Goldsmith said.

The loss of the "Ted Stevens effect" in federal appropriations, that is the loss of the senior member of Alaska's congressional delegation last year, will eventually have impacts on

federal spending in the state.

As for oil and gas, "not everyone understands what petroleum can contribute or what its contribution has been," Goldsmith said.

Alaskans understand the importance of a possible natural gas pipeline, but support for outer continental shelf drilling is lukewarm from some quarters because the state will not be able to collect royalties or severance taxes from that production, he said.

"This way of thinking not only ignores the jobs potential (of OCS), which is an order of magnitude greater than a gas pipeline, but also the spin-off (state) revenues from onshore production activity stimulated by the expansion of infrastructure on the Slope," Goldsmith said. "Consider this: If recoverable (oil) reserves are 10 billion barrels and the price of a barrel is \$50 the total value of OCS development would be \$500 billion. Surely Alaskans have the imagination to see this as an opportunity worth pursuing."

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How Petroleum Has Transformed the Alaska Economy

Trans-Alaska oil pipeline bridge crossing Tanana River near Delta Junction.

Many underestimate extent of oil's contribution.

BY SCOTT GOLDSMITH

Everyone agrees petroleum is an important driver for the Alaska economy, but most Alaskans do not realize how different our economy would be without petroleum. Recent research at the Institute of Social and Economic Research of the University of Alaska Anchorage has produced

some surprising new indicators that quantify the role petroleum has played in the growth and development of the Alaska economy.

Two-thirds of the growth of the economy since statehood can be traced to the petroleum industry. The economy would be about half of its current

size if the petroleum resources of the Cook Inlet and North Slope had not been developed. One-third of all jobs can be traced, directly and indirectly, to petroleum production and the public revenues it produces. And finally, nearly the entire State general fund operating budget has been financed

Those booms have now passed, revealing that in spite of attempts to diversify the economy, we are still highly dependent on petroleum. If we are to maintain the strong economic performance we have grown to expect, the petroleum industry will need to play an important role.

by petroleum revenues for 30 years.

It is critical that Alaskans understand the role that petroleum has played in the transformation of the economy since statehood and its importance today, because production peaked 20 years ago and has now fallen to only one-third of that level. Expansion of some other economic drivers – mining, tourism and air cargo – has offset a small part of the decline. But it has mostly been good fortune – the run-up in the price of oil and other commodities, a decade long boom in federal spending and a booming U.S. economy – that has served to temporarily shield our economy from the consequences of that precipitous decline in production.

Those booms have now passed, revealing that in spite of attempts to diversify the economy, we are still highly dependent on petroleum. If we are to maintain the strong economic performance we have grown to expect, the petroleum industry will need to play an important role.

Although high oil prices, federal spending and a booming world economy have diverted our attention from declining production, there are two other reasons why Alaskans tend to underestimate the contribution of petroleum to the economy.

First, unlike tourism or commercial fishing, most petroleum exploration, development and production takes place in the remote northern part of the state, far from the population centers, so we just do not see it. Second, most

Alaskans have no memory of a time when petroleum was not driving the economy, so we have no basis for judging how much difference it has made in our economic lives.

ONE-THIRD OF JOBS FROM PETROLEUM PRODUCTION AND REVENUES

The oil companies directly employ only about 3 percent of the total work force, but more than 40,000 Alaska jobs are supported, directly and indirectly, by their spending. They purchase billions of dollars of services and materials from other Alaska businesses that provide everything from transportation to construction, to camp support services to the oil companies. In addition, oil industry wages are the highest in the economy and represent a significant source of household purchasing power. As these company purchases and wages circulate through the economy, additional jobs are created in almost all industries of the economy.

The revenues collected by State and local governments from petroleum production and income pay for a large share of our public services. In particular, almost the entire State general fund operating budget comes from petroleum taxes and royalties. These revenues pay the wages of about 30,000 State and local government workers. And as these wages circulate through the economy, another 20,000 private-sector jobs are also created.

When we add in the considerable economic boost from the Permanent Fund dividend – financed by petroleum royalties – the total number of jobs attributable to petroleum activities is more than 100,000, or about one-third of all jobs in the economy. These are the jobs that would disappear if all petroleum industry activity were to cease and the Permanent Fund were to disappear. The job loss would span all but a handful of industries and reach into all regions of the economy.

PETROLEUM SPECIAL CHARACTERISTICS

But the importance of petroleum cannot be measured only by the job loss if the industry were to disappear tomorrow. Three important characteristics of the industry – stability, size and value

added – have generated benefits for our other resource industries and support businesses that have transformed the Alaska economy by further contributing to job growth.

STABILITY

Petroleum has reduced the seasonality of the Alaska economy. This stability has fostered growth of businesses providing goods and services locally.

Almost all the 100,000+ petroleum-related jobs generated by oil company spending, government spending and the dividend are year-round. Employment in the oil patch varies little between the summer and winter seasons, as does employment in the public sector. This is in sharp contrast to the jobs created by the tourism and seafood industries, the other large resource sector employers. Both are highly seasonal with most employment concentrated during a few months in the summer.

The year-round stable employment from petroleum has allowed local serving businesses to put down roots and prosper. Without that stability, it is difficult for supporting businesses to cover their costs. This is evident in communities in Alaska that depend exclusively on tourism, like the Denali park region, or fishing, like Dillingham. In those places where employment is concentrated over a few summer months there are few year-round jobs in supporting businesses. And of the supporting businesses there in the summer, many close up for the winter months.

SIZE

Size matters. The economic multiplier is larger because of petroleum.

The 100,000+ petroleum-related jobs have increased the size of the Alaska economy by one-third. The larger market has brought opportunities for new businesses, more competition among existing businesses, economies of scale and lower costs of doing business. The larger market can support a wider variety of businesses serving other businesses and consumers.

The larger market and availability of goods and services locally provided means that new dollars that come into the economy from whatever source circulate in the economy longer before

Public revenues from petroleum have lowered the tax burden on other businesses and provided funds for economic development that have benefited every sector of the economy and enhanced job growth.

leaking out. This is reflected in an increase in the size of the multiplier due to the presence of the petroleum industry.

VALUE ADDED

Public revenues from petroleum have lowered the tax burden on other businesses and provided funds for economic development that have benefited every sector of the economy and enhanced job growth.

Through 2008, the State of Alaska has collected \$141 billion in revenues (measured in 2008 dollars) from petroleum production – a significant portion of the value added created from production; \$35 billion has been saved – deposited in the Permanent Fund and Constitutional Budget Reserve. The majority – \$106 billion – has been spent, divided about evenly between reduced taxes for households and businesses and increased public spending (compared to the U.S. average).

We are all aware of the light tax burden we enjoy as individuals – no state personal income tax and no state sales tax. But the lighter tax burden has also been a benefit for Alaska businesses, increasing their profitability and consequently their level of operations. Without petroleum revenues, we would be asking our other economic drivers – mining, seafood, tourism, air cargo – to shoulder a larger share of the cost of providing basic public services.

These other economic drivers have also benefited from higher public spending. Some of that spending has directly targeted business development such as financial support for road construction to a mine. Although most of the higher spending cannot be

linked directly to economic development efforts, it has helped to reduce the cost of doing business and increased economic opportunities. For example, a port project reduces the costs of moving goods into and out of the state for our resource industries and education spending increases the quality of the local work force.

It is hard to say exactly how many more jobs Alaska businesses provide today because of the light tax burden and higher public spending due to petroleum revenues. But if we are to believe industry statements about the burden of taxation and legislative statements about the economic development benefits of the State budget, that number must be considerable. Without petroleum, those jobs would also disappear.

The bottom line is that petroleum has helped build the other basic sectors of the economy and has also contributed to growth in the support part of the economy. We estimate that the jobs benefits from the stability, size and value added from petroleum, together with the 100,000+ jobs from production, revenues and the dividend, account for two-thirds of the growth since statehood.

ALASKA WITHOUT PETROLEUM

Without petroleum, we would have been dependent on growth of our other resource industries and the federal government. Growth of those sectors would likely have been slower without the boost from petroleum and growth in the support sector jobs would also likely have been slower.

What would the economy have looked like today without petroleum? Probably not that much different from when Alaska became a state. At that time it was small, thin, seasonal and poor. Of the 90,000 jobs, half were attached to the federal government, either military or civilian activities. There were twice as many private-sector jobs in the summer as in the winter. Because of that and the low per capita income – 10 percent to 20 percent below the U.S. average – there were few local businesses supporting the resource industries or households. Infrastructure was underdeveloped and there was limited revenue-generating capacity to build any.

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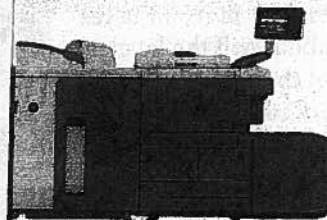
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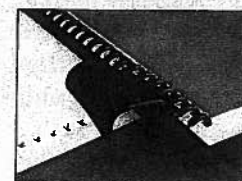
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There would have been growth without petroleum. The number of jobs might have doubled, driven largely by growth in federal spending, mining, seafood and tourism. But we would only have had half the jobs we currently have. And the economy would still be dominated by the federal government that would account directly and indirectly, for more than half the total. Tourism and fishing, both highly seasonal, would be the largest private-sector economic drivers, together accounting for about one-third of all jobs. Mining and air cargo might round out the portfolio of economic drivers.

MAINE?

The economic history and current economic condition of Alaska in the absence of petroleum might be similar to that of Maine, a state with many similarities to Alaska except without petroleum. (On the other hand it has a number of advantages not enjoyed by Alaska.) Maine's economy has struggled since the 1960s with slow job and wage rate growth, slow population growth and an aging population. Whereas Alaska gross product per capita ranks near the top among the states, Maine is near the bottom. Maine households receive on average less in wages, pay more in taxes and enjoy only about half the level of public services of the average Alaska household. And, of course, they do not receive a Permanent Fund dividend.

THE FUTURE

As we look to the future it is important to recognize how the size and strength of the economy has depended on petroleum. Alaska businesses have benefited from an expanding market, low taxes and public expenditures. Alaska households have benefited from high wages, low taxes and public expenditures.

Because of that dependence, declining petroleum production presents a challenge to Alaska. Will we be able to maintain the economy we have grown accustomed to? Experience has shown that the strategy of economic diversification – building up our other natural resource industries – can only partially offset the effects of a declining petroleum industry.



Professor Oliver Scott Goldsmith

Fortunately even though Alaska has produced 17 billion barrels of oil, there are still billions more – both in known fields and estimated – as well as large deposits of natural gas. These resources can support a strong petroleum industry in the state for decades to come.

It will not be easy to develop these additional resources. Nor is it possible to forecast the jobs and other economic benefits that could flow from their development. But based on this analysis

of the importance of petroleum to the economy, it would be a mistake to ignore the opportunity that the petroleum industry still represents for Alaska. □

About the Author

Professor Oliver Scott Goldsmith has been a faculty member of the Institute of Social and Economic Research (ISER) since 1975, and was Institute Director from 2001 to 2005. ISER is a public policy research institute within the College of Business and Public Policy of the University of Alaska Anchorage.

Professor Goldsmith's research interests include regional economics, Alaska fiscal policy and energy policy. He is the principal author of the ongoing Fiscal Policy Papers series, which examine the fiscal implications of the dominance of petroleum in Alaska's tax base. In 2006, he was the recipient of the Edith R. Bullock Prize for Excellence, presented by the University of Alaska Foundation.

Professor Goldsmith is a native of Chicago, graduated from Princeton and earned a Ph.D. in Economics from the University of Wisconsin, Madison, after serving in the Peace Corps in Malaysia. Contact him at 907-786-7720 or afosg2@uaa.alaska.edu.

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**CITY OF HOMER
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Wythe/
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RESOLUTION 10-19

**A RESOLUTION OF THE CITY COUNCIL OF HOMER,
ALASKA, AUTHORIZING THE CITY OF HOMER TO JOIN THE
ALASKA FILM GROUP AS A SPONSOR MEMBER.**

WHEREAS, Homer is recognized as having one of the most beautiful settings in the world, with backdrops of mountains, ocean, forest and hills in addition to a picturesque town; and

WHEREAS, There is considerable potential for Homer to benefit economically from the film industry; and

WHEREAS, The Alaska Film Group (AFG) is a non-profit trade organization designed to create economic opportunities for members, provide an educational forum, and to be a voice for the film and video industry of Alaska; and

WHEREAS, Alaska Film Group offers memberships, including a Sponsor Member category in the amount of \$250.00 that provides members with a link under "Discover Alaska" on the AFG website, thus serving as a marketing and outreach tool.

NOW, THEREFORE, BE IT RESOLVED that the City of Homer will apply for membership in the Alaska Film Group as a Sponsor Member.

PASSED AND ADOPTED by the Homer City Council this 8th day of February, 2010.

CITY OF HOMER

JAMES C. HORNADAY, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Impact: Membership fee: \$250, Acct. No. 100-112-5227

CITY OF HOUSTON
MEMORANDUM

TO: THE CITY CLERK
FROM: THE CITY MANAGER

SUBJECT: [Illegible]

A RESOLUTION OF THE CITY COUNCIL OF HOUSTON
IS HEREBY ADOPTED AS FOLLOWS:

WHEREAS, it is the policy of the City of Houston to provide
for the health, safety and general welfare of its citizens;

AND WHEREAS, it is the policy of the City of Houston to provide
for the health, safety and general welfare of its citizens;

AND WHEREAS, the City of Houston is a member of the
International Brotherhood of Teamsters, Local 1300;

AND WHEREAS, the City of Houston is a member of the
International Brotherhood of Teamsters, Local 1300;

AND WHEREAS, the City of Houston is a member of the
International Brotherhood of Teamsters, Local 1300;

IT IS THE POLICY OF THE CITY OF HOUSTON TO PROVIDE
FOR THE HEALTH, SAFETY AND GENERAL WELFARE OF ITS CITIZENS.

CITY OF HOUSTON

JAMES H. JOHNSON, MAYOR

ATTEST:

JOHANNAH CHASE, CITY CLERK

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**CITY OF HOMER
HOMER, ALASKA**

Hogan

RESOLUTION 10-22

**A RESOLUTION OF THE HOMER CITY COUNCIL
ENCOURAGING THE SELECTION OF HOMER AS THE SITE
OF AN ALASKAN MARITIME ACADEMY.**

WHEREAS, The City of Homer is an important Port City with a rich maritime heritage;
and

WHEREAS, A large segment of the region's employment is based on seafaring activity;
and

WHEREAS, The State of Alaska has more miles of coastline than the rest of the nation
combined; and

WHEREAS, Stability and growth of our maritime industry is an important segment of our
national security; and

WHEREAS, The Governor of the State of Alaska under the provisions of AS 44.99.006
may enter into an agreement with the Federal Maritime Administration to provide for an Alaskan
Maritime Academy; and

WHEREAS, The City of Homer has a large inventory of land available for development in
the area of its port.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council requests that the
Governor select Homer as the site of an Alaskan Maritime Academy.

BE IT FURTHER RESOLVED that upon the Governor's selection of Homer as the site of
the academy, the Mayor of the City of Homer shall appoint a task force of citizens to facilitate
the establishment of the Academy.

PASSED AND ADOPTED by the Homer City Council this _____ day of
_____, 2010.

CITY OF HOMER

JAMES C. HORNADAY, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

MANAGERS REPORT

FEBRUARY 8, 2010

TO: MAYOR HORNADAY / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

1. **Climate Action Plan:** There is very encouraging news to report regarding energy consumption in City buildings. Energy consumption data for 2009 has now been compiled. This information was compared to data from previous years (the average of those years). In 9 out of 12 City buildings, electrical consumption was down by an average of 10.7%. The biggest decrease in electric consumption was the Harbormaster's Office (17.26%), followed by the College/Boys and Girls Club Building (16.31%), the Public Works Shop (15.81%), the Animal Shelter (14.93%), City Hall (12.6%), and the Library (8.37%). Electric consumption also went down at the Sewer Treatment Plant, the main Public Works Building, and the Fire Hall. Fuel oil consumption went down in 5 out of ten City buildings. The leader was the Library (14.63%) followed by the Animal Shelter (10.27%), the main Public Works Building (9.95%) and the PW Shop (6.15%). Based upon the average cost of energy in 2009, these reductions in energy consumption likely saved the taxpayers approximately \$27,300 in electricity and \$7,600 in heating fuel. Some of this decrease in consumption can be explained by weather, capital improvements or other fixes. But most of it I believe is attributable to changes in employee behavior. The employees are taking this seriously and consciously looking for ways to operate more efficiently and save money. The Money, Energy, and Sustainability Handbook has been effective and we look forward to finding ways to reduce consumption even more.
2. **Library Landscaping:** Good news here also. Council will recall that Public Works and the LAB have been working hard trying to find ways to complete the proposed landscaping at the library. Maintaining that landscaping after it is installed is also a recurring problem due to inherent limitations associated with relying on volunteer labor and the frugal PW parks budget. A solution is on the horizon! Brenda Adams (Gardens by Design), a well known local landscaper, has offered to design and plant the raised flower bed in the Library Plaza and maintain all of the gardens around the Library this year for less than \$4,000. The Friends of the Homer Public Library has decided that it would like to get involved and use its own money to pay for this. The LAB thinks this is a great idea and it will relieve some pressure on Public Works Parks staff. The "Friends" are willing to do this for a one year trial basis to see how it goes. A big thanks to the Friends of the Homer Public Library for their willingness to help.

TRIP REPORT

On Friday, January 29, Bryan Hawkins and I traveled to Anchorage to meet with DOT/PF and the Army Corps of Engineers about a variety of City projects and concerns. Following is a summary of what we discussed.

DOT/PF: There is a new Regional Director at DOT/PF (Lance Wilber) who has been on the job for a little more than one month. We took the opportunity to meet him and to bring him up to speed on City projects that we are currently working on with his staff. He spent over one hour with us which was greatly appreciated. There were several projects we focused on. The first was the Deep Water Dock expansion. We hope to get the feasibility study off the ground (finally) within the next few months. The Director seemed enthusiastic about it. We need to finalize an MOU transferring responsibility for the project to the City. We talked about the need to finalize the MOU regarding the Spit Trail completion project so that Public Works can get moving on that. We also talked about the Spit Comprehensive Plan, the City taking responsibility for parking on the Spit along the Sterling Highway, Main Street upgrades, and the Main St. / Sterling Highway intersection. Please let me know if you want to talk about any of these in detail.

Corps of Engineers: We spent the early afternoon meeting with the project development staff who have been working on the East Boat Harbor Feasibility study. The benefit / cost ratio for this project is not favorable at this time. We discussed how to proceed and looked at many alternatives and approaches. We would be happy to discuss this in detail. We asked the Corps to provide us with an estimate on what it would cost to do the remaining work (mostly environmental analysis and comparison of alternatives) and what it would cost to simply take all of the work we already have and place it into a Technical Report. Technical Reports are valuable even if the full study was not completed. We also told them that we wanted them to come to Homer and make a presentation to the Council (agreed to but a date needs to be set) and that we would likely recommend to Council that the project remain open but placed on hold for now (as opposed to terminating it) to keep options open if future conditions change. We have not paid the Corps for any of the money budgeted for 2009 and neither has the State. We wanted to get a good handle on where we were before spending any more money. So, if any money is needed to complete the Technical Report, it could come from money already approved last year. No new funding would be requested. In the late afternoon we met with the project maintenance folks to talk about the 20 year dredging plan. Council may recall that we had a long term dredging plan that was developed and approved which was scheduled to go into effect this year. We encouraged the Corps to drop that plan (and they agreed) because of concerns over safety, long term costs, and the best use of land on the Spit. We came up with a new agreement to de-water and store materials at the same sites we do now for a two year period. It is now incumbent upon us to come up with a new 20 year plan within the next two years. We spent most of our time talking about potential beneficial uses of dredged materials including the creation of new uplands, and replenishing beaches.

ATTACHMENTS

1. February Employee Anniversaries
2. Letter of Commendation / Harbor Officer II John Bacher