



**Center for Economic Development**

# **ANNUAL REPORT**

**JULY 1, 2006 – JUNE 30, 2007**

**GRANT NO. 07-66-05874**

Prepared by Christi Bell, Director

This Report was Prepared Under an Award from the  
U.S. Department of Commerce  
Economic Development Administration

This publication was prepared by the University of Alaska  
Center for Economic Development. The statements, findings,  
conclusions, and recommendations are those of the author(s)  
and do not necessarily reflect the views of the  
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## EXECUTIVE SUMMARY

The University of Alaska Center for Economic Development (center) is funded, in part, by a grant from the U.S. Department of Commerce, Economic Development Administration. Matching funds are provided by the University of Alaska Anchorage, the Institute of Social and Economic Research and center clients. The center works with community-based, non-profit organizations to create a positive climate for private sector capital investment and job creation. The University of Alaska campuses with their unique expertise and research capabilities are utilized as key elements in the economic development process. Center clients include Alaska Regional Development Organizations (ARDORs), Native and village corporations, municipal and borough governments, local non-profit corporations, and Economic Development Administration designated Economic Development Districts.

This report is divided into four sections. The first section describes the center's staff, mission, and clients. The second section briefly summarizes the economy of Alaska including the development challenges and opportunities within the state. The third section summarizes center projects and activities in three key areas: Technical Assistance, Applied Research, and Information Dissemination. The last section provides a summary of clients served by the center in the past year along with a discussion of the geographical distribution of center services

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## INTRODUCTION

The University of Alaska Center for Economic Development (center) was established in September 1992 through a University Center Technical Assistance Grant (#07-06-03352-92) from the U.S. Department of Commerce, Economic Development Administration. The center is part of the Institute of Social and Economic Research (ISER)—a research institute within the College of Business & Public Policy at the University of Alaska Anchorage.

This annual report covers the program's fifteenth year of service in providing technical assistance to clients throughout Alaska. Significant progress has been made toward achieving the program goals, objectives, and specific activities as stated in the grant proposal. The center will continue to meet challenges from new clients within the boundaries of its grant award and within the mission of the University of Alaska, a mission which obliges the university to engage in public service activities for the people of the state of Alaska.

## CENTER STAFF

The center's staff consists of a director, administrative assistant, VISTA Leader, VISTA member and part-time student research positions. The center's director, Christi Bell, reports to the director of the Institute of Social and Economic Research (ISER), Steve Colt, who reports to the dean of the College of Business & Public Policy, Thomas R. Case.

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## CENTER MISSION AND OBJECTIVE

The mission of the center is to leverage the university's many resources to facilitate economic development efforts throughout Alaska.

The center's overriding objective is to be an access point and conduit for delivery of university-based resources—delivering, distilling, and disseminating information to underserved and economically challenged communities throughout Alaska. The center achieves this goal by:

- Providing “entrepreneurship focused” technical assistance to aid entities in planning, formulating, implementing, and efficiently operating economic development strategies throughout Alaska.
- Conducting applied research to support “entrepreneurship” initiatives and programs.
- Disseminating information to raise Alaskans’ overall awareness about economic development issues, entrepreneurship development strategies, and lessons learned.

## CENTER EXPERTISE AND RESOURCES

The center serves as the University of Alaska’s lead for economic development outreach activities in accordance with the goals of state and federal agencies. In this role, the center supports coordination and communication between projects and multi-disciplinary programs; and, acts as an essential clearinghouse of entrepreneurship and economic development information in the state. A review of center projects demonstrates the diversity of University of Alaska faculty, staff, and students that have provided services to clients during the program year. The following multidisciplinary programs are considered partners, resources, or potential contributors to the center’s program:

- Collaborating schools and programs at the University of Alaska Anchorage include the Institute of Social and Economic Research, the School of Business and Public Policy, School of Social Work, and University of Alaska Corporate Programs.
- Collaborating schools and programs at the University of Alaska Fairbanks include the School of Management, the College of Rural and Community Development, the Department of Alaska Native and Rural Development, the School of Natural Resources and Agricultural Sciences, and the Cooperative Extension Service.
- Collaborating schools and programs at the University of Alaska Southeast include the School of Business, Public Administration and Information Systems, and the School of Career Education.

Additionally, the Alaska Small Business Development Center (ASBDC), also part of the University of Alaska statewide system, is considered a resource and partner. ASBDC assists private, for profit businesses. The ASBDC provides services to clientele statewide. The center and ASBDC cooperate by providing referrals between programs and working collaboratively on projects as opportunities present themselves.

## CENTER COLLABORATORS AND PARTNERS

In addition to University of Alaska based assets, the center has established strong working relationships with local and regional economic development organizations, private consultants, and volunteer professionals to provide clients with a wide variety of options and resources. In many cases, center projects involve more than one of these primary entities, with a cross-section of industry, private business interests, non-governmental non-profit groups, associations, and community-focused organizations participating and lending expertise to a client project. Part of the center's role is to bring these various entities together to support regionally based economic development initiatives.

The center works in partnership with those entities already engaged in long-term, regional economic development initiatives. In Alaska these entities include the state of Alaska Department of Commerce Community and Economic Development, Alaska Regional Development Organizations (ARDORs), the United States Economic Development Administration (EDA) Economic Development Districts (EDDs), the United States Economic Development Administration Anchorage office, the Community Development Quota (CDQ) groups, the Resource Conservation and Development Councils (RC&Ds), Native tribal and village corporations, and regional Native corporations. Additional key partnerships include the Denali Commission, state Chamber of Commerce, USDA Rural Outreach Programs, the Alaska Manufacturing Extension Program, Alaska Works, Sheldon Jackson College, Alaska Pacific University, and private consulting firms. The goal of these partnerships is to establish ways to improve service delivery and increase economic development support. Knowledge of each of these programs and understanding of the resources each possesses is a crucial way the center assists organizations in carrying out their economic development efforts. The center does not duplicate efforts, but strives to support existing efforts and expand local and regional resource bases statewide.

## CENTER CLIENTS

The primary target audiences of the center consist of all the public agencies and private entities that touch economic development. In many cases, center projects involve more than one of these primary target entities with a cross-section of industry sectors, private business interests, non-governmental non-profit groups, associations, and community-focused organizations. The center cannot assist private, for profit businesses. Clients of the center include:

- Alaska Regional Development Organizations (ARDORs)
- Alaska Native corporations
- Tribal and village councils
- Municipal and borough governments and agencies
- Community Development Quota (CDQ) groups
- EDA designated Economic Development Districts

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## ALASKA BACKGROUND & ECONOMY

Alaska's economy saw the 19th consecutive year of sustained, moderate economic growth in 2006—a trend that will likely continue through 2008. As of June 2007 the state had a 5.9 percent unemployment rate, which is historically very low, but about 1.5 percent higher than the current national level. Alaska's economy has done well due to a relatively strong national economy, continued high oil prices, and an influx of foreign tourism due to a weakened U.S. dollar. Though Alaska's economy has done well for 19 years through several national booms and busts, there are several issues facing the state that must be addressed. Global warming also poses a long run expense to Alaska's infrastructure from erosion and melting of the permafrost. North Slope production is projected to continue to fall in future years and new discoveries are not expected to offset slowed production. Nearly 80 percent of the state's operation revenues are derived from oil.

### KEY INDUSTRY SECTORS

Federal, state, and local governments collectively account for more than 30 percent of the work force in Alaska. Government is the largest economic sector. Federal and State spending are especially dominant economic contributors in many rural Alaskan communities.<sup>1</sup> With limited increases in taxes to add to revenues, flat or reduced state spending continues to have an impact on all aspects of Alaska's economy. Damage to state's infrastructure due to global warming may also further stretch state and national funds. Future possibilities for increased state revenues include a gas pipeline, the opening of the Arctic National Wildlife Refuge, or new taxes. However, all of these options require a political consensus that does not currently exist.

Alaska's economy has been in a period of transition away from a resource economy towards a service economy for nearly a decade with decreasing or stagnant growth in oil and mining, and increased growth in tourism and service sectors. Recently though, high oil and base mineral prices have slowed this transition and the state has seen renewed growth in oil and mining revenue.

*Oil, gas, and metal mining* had a good year with increases in world prices for base metals seeing continued growth, though probably not as high as the 7.3 percent seen in 2005. Employment should increase in the south east with Kensington mining disputes looking as if they will be resolved soon. A majority of the jobs created by the mining industries are in rural locations and can lead to an increased number of jobs in rural communities. While mineral prices are up, and the industry is doing well, they are still well below their pre-2001 levels.

*Construction* continues to grow strong in Anchorage, while slowing in the interior and southeast regions. Construction remains a bright spot in the economy and provides well-paid jobs that are comparable to jobs lost in the traditional industries of oil, timber, and fishing over the last decade.

*Seafood processing* had a very successful year with continued stable growth after a low point in 2002. The rebound is attributed to aggressive fish revitalization programs and a focus on value added processing and fisheries sustainability.

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<sup>1</sup> Trends 2005  
University of Alaska  
Center for Economic Development  
Annual Report

*Tourism* continues as an important economic sector and again saw strong growth, but many tourist destinations believe they are beginning to reach saturation. Also, high oil prices are driving up the costs of travel to Alaska so that travelers are choosing less remote locations. Additionally, of the visitors that are coming to Alaska, many are spending more of their money in the arts, entertainment, and recreation sectors of tourism rather than on hotels, restaurants, and retail. 2007 looks like it will be having a modest increase in tourism with increased cruise ship bookings and solid bookings at an increasing number of convention centers across the state. 2007 is also seeing a fresh influx of foreign visitors especially from Japan and Europe as the U.S. dollar weakens against the Euro on the international market.

*National restaurant chains and hotels/motels* continue to move into Anchorage, including TGI Friday's, Motel 6, Fairfield Inn, Hilton Garden Inn, Howard Johnson, and Springhill Suites. Retail trade continues to grow as well with the market entry of Banana Republic, American Eagle Outfitters, Abercrombie & Fitch, Best Buy, Sportsman's Warehouse, and Petco. In addition, Fred Meyer and Wal-Mart both introduced new stores in the MatSu Valley and Fairbanks in 2005 and 2006. We have already seen Target, Bed Bath and Beyond, and another Petco move into Anchorage in 2007. More chains are moving into smaller rural communities as they realize that these smaller Alaskan communities can support lucrative chain businesses.

The military in the state is seeing new funds with the development of a missile shield in the state, along with an increase in Air Force training going on in the state, though this has been limited. Government spending has been relatively flat, and will most likely continue to be stagnant or decrease as the national government deals with a large budget deficit and two wars, while Alaska has developed the reputation for large money "pork" projects. The state budget also looks like it will hold constant as the governor looks to trim down spending while new taxes do not look likely.

The growth in medical services seems to continue its leveling out after years of large growth with most of the growth coming from outpatient or extended care areas of the health care sector. Moderate growth is expected to continue for several years in these areas as more and more Alaskans reach retirement age.

The economic climate of the whole state has changed considerably over the past decade. Compared with the rest of the nation, Alaska has experienced much slower growth in wages and income. In 2004 Alaska's unemployment rate was 7.5 percent which in 2006 had decreased to a state average of 6.7 percent. Though more Alaskans are working, many of the jobs available are lower paying. If the few larger urban communities—Anchorage, Fairbanks, Juneau, and Sitka—were removed from the average, the resulting unemployment rate would be much higher. Based on the 2005 Denali Commission annual report, it is estimated that more than 100 rural Alaska communities have unemployment levels that consistently exceed 50 percent. That being said, jobs are lacking in rural Alaska where many people depend on part time, seasonal, and sporadic employment. Rural Alaska also suffers from a large number of discouraged workers, who are no longer looking for jobs, and are not represented in the statistics.

## ALASKA'S DEVELOPMENT CHALLENGES

Communities throughout Alaska—but particularly rural Alaska communities—face serious challenges. These challenges include remoteness; lack of road systems and highway linkages; limited access to markets; harsh climatic conditions; and lack of work force readiness skills that limit both conventional and more innovative types of economic development. While the state of Alaska encompasses an estimated 20 percent of the land mass of the United States, there are no roads, railroads, or power grids that connect communities outside of major population hubs. Alaska communities continue to be plagued by inadequate housing, affordable energy and utilities, and lack of safe drinking water and adequate sewer systems. In addition, communities continue to face intractable social problems including depression, substance abuse, violence, and limited medical care.

While the problems of rural Alaska vary widely from region to region, some similarities exist. Basic cash economies coexist with subsistence activities including hunting, fishing, and gathering. There are few value-added industries and little or no export activity. Service or commercial enterprises are scattered, providing limited opportunities for employment. Development of available resources and diversification is needed to offset the seasonal, localized, and fluctuating incomes. This development must also occur in a manner compatible with the rural subsistence lifestyle. Rural residents, for the foreseeable future, must walk with a foot in each world—the cash economy and the subsistence lifestyle. Rural Alaska also appears to be facing another challenge in the long term future of increased infrastructure damage in Alaska due to global warming. This can be seen in several small rural villages where erosion is causing towns to be washed into the sea. Additionally, northern communities may face melting permafrost and other difficulties.

## ALASKA'S DEVELOPMENT OPPORTUNITIES

Despite the many needs and issues, sectors of Alaska's economy offer economic opportunities. Nearly all of Alaska's economic growth in the past decade can be attributed to service sectors. The health care segment is responsible for nearly a quarter of all new jobs. The visitor industry has experienced growth in recent years, following its 9/11 setback. The leisure and hospitality industry employs an estimated 10 percent of the state's workforce and anticipates growth. North America's largest producing oil fields and the largest zinc mine in the world are both located in rural Alaska. Additionally, a lucrative bottomfish resource is located offshore in the Bering Sea, and salmon runs are improving following multiple years of low runs. Furthermore, Alaska's strategic location—being equidistant from Asia, Europe, and the Eastern United States—has made it possible for the Anchorage International Airport to become the fifth largest air-cargo hub in the world.

Several economic development organizations in rural Alaska have concentrated on small-scale ecotourism and arts and crafts development. The limited infrastructure in villages, along with the high cost of rural travel and hesitancy on the part of many rural villages to welcome visitors to their communities, is reflected in a slow and cautious rise in rural tourism. Native arts continue as a developing industry as rural artisans begin to understand the complexities of marketing and distributing their products. Native arts have the advantage of being a complementary occupation to traditional subsistence activities. However, there remains a huge gap in the acceptance of commercial marketing of products. Other industries—along with small-scale tourism, ecotourism, and arts—must continue to be developed to provide a stable, diverse economy for rural Alaska.

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## **CENTER PROJECTS AND ACTIVITIES ENTREPRENEURSHIP DEVELOPMENT**

The center strives to promote a more favorable business environment in rural Alaska by encouraging capacity building, higher-skill attainment, higher-wage jobs, and attraction of greater levels of private capital investment through the following activities:

- Linking University of Alaska faculty, staff, and students across disciplines
- Serving as a conduit for statewide economic development professionals
- Providing a wide range of technical assistance resources
- Encouraging economic professional development
- Supporting greater statewide access to economic development information
- Building a stronger entrepreneurial climate through local and regional capacity building

The center accomplishes this work through the leveraging of university based research, knowledge, and expertise of university staff, students, and faculty. Additionally, the center works closely with other entrepreneurship and economic development related programs and private consultants to support projects throughout the state of Alaska.

### **CENTER ASSISTANCE PROVIDED**

The center provides a wide variety of technical assistance, from developing initial project ideas to mentoring clients through project implementation. The scale of projects the center has been involved with also varies, as do the types of projects. Technical assistance examples include:

- Feasibility analyses
- Business plans
- Market research and marketing plans
- Organizational and community planning
- Topical workshops and trainings

The center engages in basic and applied research to assist its clients in making improved decisions. The center also engages in outreach activities to inform businesses, municipal and tribal governments, regional development organizations, CDQ groups, public officials, and others involved in economic development efforts on matters relating to economic development.

As the center has evolved over the past year several new programs and services have been developed to support additional program outreach and to meet the needs of Alaskans seeking greater entrepreneurship and economic development support.

The following sections summarize the projects and related activities of the center under three headings: Technical Assistance, Applied Research, and Disseminating Results.

## CENTER PROJECT REVIEW

### TECHNICAL ASSISTANCE

#### **CLIENT/PROJECT: City of Seward - Conference Center Market and Cost Benefit Analysis and Financial Assessment**

**Services Provided:** The center assisted with a strategic marketing analysis and financial assessment of the proposed Mary Lowell Conference Center

**Results:** The project team consisted of the University of Alaska Center for Economic Development, Institute of Social and Economic Research staff, and Agnew::Beck Consulting. The team prepared an analysis of project facility users by contacting and surveying projected users of the proposed facility. The team also reviewed other operating conference facilities to project anticipated operating revenues and expenses.

**Project Status:** Market and cost benefit analysis complete.

#### **CLIENT/PROJECT: Aleutian Pribilof Islands Community Development Association (APICDA) – St. George Island Tourism Assessment**

**Services Provided:** The center assisted with a tourism assessment and market analysis for future product development on St. George Island.

**Results:** The project team consisted of the University of Alaska Center for Economic Development, Fox Practical Marketing, and Aurora Consulting. The team made an inventory of tour product options and assessed the viability of alternatives. A report of findings was prepared and presented to APICDA. The project team took into consideration current product strengths, weaknesses, pricing appropriateness and competitiveness as well as product related challenges to address within marketing and outreach efforts.

**Project Status:** Tourism assessment and market analysis complete.

#### **CLIENT/PROJECT: City of Houston – Prison Development**

**Services Provided:** Center staff worked with City of Houston Council members to develop strategies for encouraging the development of a prison in their community.

**Results:** The City of Houston successfully made it through several rounds of prison site selections. Ultimately, the soil capacity in Houston was determined unsatisfactory for construction purposes.

**Project Status:** Prison site chosen outside of Houston - project complete.

**CLIENT/PROJECT: Alaska Peninsula Corporation**

**Services Provided:** The center in partnership with a UAA faculty member and Angvik and Associates assisted the Alaska Peninsula Corporation in assessing the projected costs and benefits associated with the Pebble Mine Project on their Bristol Bay, Alaska communities. The project team identified cluster forms of development that may be potential support industry business development options for local residents of communities close to the mine.

**Results:** Alaska Peninsula Corporation communities will be better prepared to understand and make entrepreneurial related decisions surrounding the Pebble Mine development.

**Project Status:** Project complete.

**CLIENT/PROJECT: Aleutian Pribilof Islands Community Development Association (APICDA) – Nikolski Lodge Tourism Assessment**

**Services Provided:** Tourism assessment and market analysis for existing lodge located on Nikolski Island.

**Results:** The project team consisted of the University of Alaska Center for Economic Development, Fox Practical Marketing, and Aurora Consulting. The team assessed current lodge marketing strategies and made recommendations regarding future marketing practices. A report of findings was prepared and presented to APICDA.

**Project Status:** Marketing assessment complete.

**CLIENT/PROJECT: Togiak Traditional Council**

**Services Provided:** Center staff and Marine Advisory Program personnel studied the economic feasibility of a proposed small scale fish processing facility proposed for the community of Togiak in the Bristol Bay region. This project also took into consideration the involvement of the Bristol Bay Economic Development Corporation and the projects ultimate ability to support local Togiak fishers.

**Results:** The project was determined to have several critical issues that hindered the projects economic viability. The center recommended the client address several critical questions prior to a business plan being pursued. The center also recommended that a project team work with the community directly to address project sustainability concerns.

**Project Status:** Feasibility study complete.

**CLIENT/PROJECT: Anchorage Community Theatre**

**Services Provided:** Center staff facilitated a strategic planning of this non-profit community theatre group. The theatre is continuing to explore expansion of facilities and services and desired a facilitator to work through a strategic analysis of alternatives and decision points.

**Results:** The theatre group strategic plan was completed.

**CLIENT/PROJECT: Chugach Alaska Corporation**

**Services Provided:** Center staff facilitated a strategic planning of this Alaska Native regional corporation. The corporation reviewed an existing action plan and resulting outcomes and then set new strategic goals for the coming year. The center facilitated a discussion of strategic alternatives and various decision points.

**Project Status:** The strategic plan was completed.

**CLIENT/PROJECT: Oceans Alaska**

**Services Provided:** Center staff and program partners are working closely with Oceans Alaska to facilitate a series of public meetings. The purposes of the meetings are to take a hard look at the current situational analysis of the mariculture industry, establish a mission for the industry and review common goals/objectives, and future vision of the industry. Public meetings have included a broad reaching group of people, organizations, and state and federal agencies interested in the growth of the mariculture industry in coastal Alaska.

**Results:** Public meetings have occurred in Craig (POW Island), Ketchikan, and Juneau.

**Project Status:** Additional public meetings will occur in Southcentral Alaska this coming fall and then a summary of findings and outcomes will be developed and delivered.

**CLIENT/PROJECT: Anchorage Community Development**

**Services Provided:** Center staff worked closely with Anchorage Community Development staff to study the economic feasibility and develop a business plan for a proposed health services business proposed for Alaska. The business was determined to have the potential for strong success providing highly desired health care services, jobs and economic stimuli.

**Results:** Anchorage Community Development staff is actively working on execution of the business plan and identifying funding partners.

**Project Status:** Center staff will be providing additional support as requested.

#### **CLIENT/PROJECT: Anchorage Community Development**

**Services Provided:** Center staff working closely with Anchorage Community Development staff have begun to look at the economic feasibility, market potential, and development partners of a tourism lodge proposed for the Denali Park area.

**Results:** Financial analysis has been developed. Project partners have been identified.

**Project Status:** Center staff will be providing additional support as requested.

#### **CLIENT/PROJECT: Camp Fire USA**

**Services Provided:** The center was requested to research the feasibility of Camp Fire USA expanding after school services into junior high schools. The junior high based program will have a community service emphasis. The center will support this project through market assessment and program efficiency analysis.

**Results:** The center has assisted Camp Fire USA with obtaining outside funding. Center staff working in partnership with ISER staff developed user and school survey instruments for Camp Fire use. Center staff have compiled survey responses and written a report of findings based on the survey instruments. Center staff has also conducted research on service learning programs both in Anchorage and the national level to provide Camp Fire feedback on developing new programming.

**Project Status:** This project is anticipated to be complete July 2007.

#### **CLIENT/PROJECT: US Department of Agriculture**

**Services Provided:** The center director participated in a USDA dairy industry review panel.

**Results:** The panel reviewed a series of proposals and development alternatives, met to discuss opinions, and made decisions regarding USDA funding disbursement.

**Project Status:** Complete.

#### **CLIENT/PROJECT: Seldovia Village Tribe – Entrepreneurship Training**

**Services Provided:** Center staff will be working with the Seldovia Village Tribe to develop entrepreneurship/business development training.

**Results:** The training will be developed in the coming months.

**Project Status:** Late fall or early winter delivery anticipated.

## CENTER PROJECT REVIEW

### TECHNICAL ASSISTANCE – MULTI-YEAR EFFORTS

#### **CLIENT/PROJECT: Alaska Marketplace – Alaska Federation of Natives**

**Services Provided:** Center staff has met regularly with Alaska Marketplace developers to support event planning and implementation as it relates to determining finalist, identifying sources of University based technical assistance, and sources of mentoring support.

**Results:** The Alaska Marketplace is an initiative sponsored by the Alaska Federation of Natives to encourage entrepreneurs with small business development. For a complete review of the competition see <http://www.alaskamarketplace.org>

**Project Status:** Ongoing.

#### **CLIENT/PROJECT: Alaska Native Policy Center**

**Services Provided:** The center director is an advisory team member for the Rural Development Performance Measurement project. The purpose of the project is to design and test performance measures linking economic growth to poverty reduction. The project team has focused on data collection recommendations, and new performance measures that may more accurately reflect rural Alaska.

**Results:** The advisory group has met and identified new measures for program evaluation. Several meetings have been held over the past few months with project participants providing input and project direction.

**Project Status:** Ongoing.

#### **CLIENT/PROJECT: Cordova Community Kitchen**

**Services Provided:** The center has begun preliminary investigation and research for a community-based commercial kitchen. Center staff, VISTA members and a student supported research on the project during the later months of 2006. Additional support will be provided to assist with user survey delivery and analysis.

**Results:** The project team successfully interviewed local residents regarding use of the proposed Cordova Community Kitchen. Initial findings revealed that anticipated use of the facility would be less than initially estimated. The project team will continue to work with the community of Cordova to identify alternative facility uses and project structuring for greatest feasibility.

**Project Status:** Ongoing.

#### **CLIENT/PROJECT: Kokhanok Bottled Water Facility**

**Services Provided:** Center staff have met with Kokhanok community representatives and discussed the potential of conducting a feasibility analysis for a bottled water facility.

**Results:** The community has been provided information regarding water bottling facilities and has been discussing the fit as a development endeavor of the community.

**Project Status:** Ongoing.

#### **CLIENT/PROJECT: Bristol Bay Greenhouse – Regional Example**

**Services Provided:** The center was requested to assist the Bristol Bay Borough in determining the feasibility of a greenhouse operation within the region. The desire is for locally grown produce to be an output of the development.

**Results:** The center has assisted the Bristol Bay Borough with outlining a feasibility study. Center staff has met with Bristol Bay Borough representatives to tour through a greenhouse facility in Fairbanks and to present critical areas of concern associated with the project.

**Project Status:** Ongoing.

#### **CLIENT/PROJECT: Port Graham – Fish Processing and Marketing**

**Services Provided:** The center reviewed existing feasibility and business plan analyses to provide input to this EDA project. Center staff has also met with the authors of the plans and other interested parties to better understand the current situation of the Port Graham project. Project leads in Port Graham are making decisions regarding level of center support and assistance they desire.

**Results:** It was determined that additional analysis would be necessary and the center is actively working to put together a project team and identify funding for project efforts.

**Project Status:** Ongoing.

## CENTER PROJECT REVIEW

### TECHNICAL ASSISTANCE – NEW CENTER PROGRAMS

#### CLIENT/PROJECT: EDA - Handbooks

**Services Provided:** The center, Institute of Social and Economic Research (ISER), and the Marine Advisory Program have agreed to partner in order to write, publish, and distribute industry specific training manuals with the purpose of providing basic industry and business planning training assistance. The intent of the training manuals will be to address basic business start-up questions and to better prepare an individual or entity in pursuing a business within a specific industry segment. The manuals will also be used for workshop and training delivery purposes, becoming an integral part of the training curriculum. It is envisioned that these training manuals will be distributed as training resource guides to entrepreneurs desiring to start-up a micro-enterprise or that are exploring improving operations of an existing business. The center is receiving \$100,000 in additional funding from the USEDA to produce these entrepreneurial training manuals.

**Results:** The center in conjunction with UA faculty, staff and student efforts is developing a series of entrepreneurship training manuals. These funds will enable the drafting of at least six guides including:

- Fisheries-“A Village Fish Processing Plant: Yes or No?”
- Bed and Breakfast Start-up and Operations Guide
- Restaurant Business Start-up Guide
- Small Engine Repair Start-up Guide
- ATV Rental Business Start-up Guide
- Cultural/Eco-tourism Guiding Business Start-up Guide
- Rural Lodge Business Start-up Guide

**Project Status:** The project kicked off in September 2006 and is anticipated to be completed during the first quarter of 2008. The research team has reviewed existing training manuals and conducted initial research on other similar resources that may exist for each of these manuals. The team has conducted some interviews of small rural business operators. Each of these manuals has been started and each is well on its way to completion. Final drafting of these plans will occur in the coming months.

## **CLIENT/PROJECT: USDA – Alaska Cooperative Development Program (ACDP)**

**Services Provided:** The center now supports cooperative business development program and receives US Department of Agriculture funding of \$185,000 to support these outreach efforts. These funds provided for the bringing on of one staff in Anchorage and one staff in Fairbanks to focus on cooperative development technical assistance efforts. None of the funds are duplicative of USEDA support. Industries targeted for cooperative support include fisheries (salmon), shellfish, consumer, credit unions, and utilities.

**Program Partners:** The center is primarily partnering with the University Alaska Fairbanks, Cooperative Extension Service, and the Agriculture and Forestry Experiment Station. Additional partners that have evolved since project inception include: the Northwest Cooperative Development Center, Western Center for Risk Management Education (WCRME), Marine Advisory Program/Alaska Sea Grant, National Farmers Union, Alaska Farmers Union, and Alaska Marine Conservation Council.

**Results:** Specific activities and accomplishments since program inception:

- Establish web presence - the site is under construction and will include basic information about the program, how to contact staff, links to other sites with basic information about cooperatives, and articles and aids for establishing a cooperative form of business in Alaska.
- Provide cooperative business development support to clients, including:
  - Kachemak Shellfish Growers Cooperative
  - Olga Bay Cooperative
  - Kenai Wild, LLC
  - Prince of Wales Island sawmill and shellfish growers organizations
  - Reindeer Herders Association – Nome
  - Cooperative Food Store – Fairbanks
  - Food Buying Groups – Anchorage
  - Alaska Peony Growers/UAF Georgeson Botanical Gardens
  - Delta Junction Farm Forum
  - Meat Processing Facility – North Pole

**Project Status:** The project kicked off in November 2006 and is a one year program. An additional year of funding has been requested.

**CLIENT/PROJECT: Corporation for National and Community Service – Americorps, Volunteers in Service to America (VISTA) – VISTA Umbrella**

**Services Provided:** The center and the Institute of Social and Economic Research will partner to manage the Corporation for National Community Service – Volunteers in Service to America (VISTA) umbrella program at the University of Alaska Anchorage. This program leverages approximately \$330,000 of federal funds to support VISTA outreach. This VISTA umbrella supports fifteen one to three year economic development projects throughout Alaska. The projects that have been brought to the center all compliment the center’s mission and purpose and include a wide variety of projects including those that address community planning, tourism development, utility cost efficiency research, and internal capacity building for start-up organizations. Specific activities include:

Community and Organizational Planning: VISTA members will work with communities to develop new or update existing multi-year community and resource plans. The organizations benefiting from this effort include: the Port Graham Village Council, the City of Seward, and Native Village of Chenega Bay.

Tourism Development: VISTA Members will develop tools, systems, and trainings to improve the marketing and customer service level of tour products to the tourism industry. The organizations involved with separate projects include the City of Bethel, UA Bethel Campus, Prince of Wales Chamber of Commerce, and the state of Alaska Office of Tourism.

Individual Development Accounts: The VISTA Members will identify additional operating funds for Individual Development Accounts program and conduct outreach efforts to increase program participation. The Cook Inlet Tribal Council and Bethel Community Services Foundation are involved with this effort.

Workforce Development: SEAPRO will focus on the training and placement of vocational workforce. People First will assist persons with disabilities with the finding and keeping of employment

Rural Energy: Two VISTA Members will strive to establish a measure of true energy costs within the Southwest region of Alaska and to explore alternative energy sources. The Southwest Alaska Municipal Conference is involved with this effort.

Small Business Development: Two VISTA members will work closely with the center to support entrepreneurship capacity building throughout Alaska.

**Results:** The center will not only be able to provide additional long-term economic development services, but will also be able to increase the staffing capacity of the center by three additional full-time equivalent personnel.

**Project Status:** Ongoing. Funding decisions are made year to year.

## **CLIENT/PROJECT: Basic Economic Development Course (BEDC)**

**Services Provided:** The University of Alaska made a one time investment of \$45,000 into the center to develop an Alaska Basic Economic Development Course (BEDC). Center staff worked closely with the International Economic Development Council (IEDC) to develop an accredited BEDC.

**Results:** Course materials have been prepared and are ready for delivery. The center director attended the Northwest Basic Economic Development Course in Ellensburg, WA August 2006. This time was spent attending course activities and exploring the feasibility of bringing a similar course to Alaska. A center VISTA member also attended a Basic Economic Development Course in Tucson, AZ in January 2007 to gain additional curriculum background and course comparison information.

**Project Status:** The first ever Alaska Basic Economic Development Course will be delivered October 14 – 18, 2007 in Anchorage, Alaska - <http://akbedc.uaa.alaska.edu/>.

## **CLIENT/PROJECT: Alaska Department of Commerce, Community & Economic Development, Division of Community Advocacy**

**Services Provided:** The center in partnership with the state of Alaska successfully proposed and received funding to establish a statewide organization—the Coalition for Economic Development in Alaska (CEDA). An additional \$70,000 of program support was leveraged through this effort.

The center will use its portion of funding to support economic development professional course development, an economic development newsletter, and to develop business case studies to use as support to client projects.

**Results:** The proposal was funded and the center is working closely with the state Department of Commerce, Community and Economic Development on project delivery. The CEDA project will seek to build statewide economic development capacity through basic training, professional certification, and an economic development conference.

**Project Status:** Ongoing

## CENTER PROJECT REVIEW

### APPLIED RESEARCH

The center conducts applied research to address broad issues that are identified by local organizations and impact economic development. The center also collects, maintains, and publishes a series of economic indicators that reflect development conditions and opportunities within the state. The center also serves as a resource for conferences, workshops, and programs related to economic development.

#### **CLIENT/PROJECT:** *Alaska Business Monthly Magazine*

**Services Provided:** The center employs a UAA student to collect, maintain, and publish a series of economic indicators that reflect development conditions and opportunities within the state of Alaska.

**Results:** The center reports these economic indicators and statewide statistics every month in the “Alaska Trends” section of the *Alaska Business Monthly*—a magazine published in Alaska and distributed throughout the United States.

**Project Status:** Ongoing.

#### **CLIENT/PROJECT:** *Viable Business Enterprises for Rural Alaska (ViBES)*

**Services Provided:** The purpose of this research is to determine what types of small business enterprises might be viable in different sizes and types of rural Alaska communities. This study will both describe the existing patterns of business activities in rural Alaska and identify threshold community characteristics for successful enterprises of various types. The research will explore what businesses have been created, have expanded, and have succeeded. Additionally, the research will also evaluate businesses which failed and will probe the reasons behind these events. While this is an Institute of Social and Economic Research (ISER) project center staff have been active members in the advisory panel, have actively participated in project planning, supported proposal writing and seeking letters of support for the project from center collaborators and partners.

**Results:** Center staff has met with ISER project representatives to support advisory committee discussion, assist with survey development and project research methodology. Center staff also successfully leveraged additional funding to support the project financially. Review drafts are currently available at <http://www.iser.uaa.alaska.edu/vibes/>

**Project Status:** The project is anticipated to be complete during the fall of 2007 and then final project papers and research will ultimately rest on the center web site – <http://www.ced.uaa.alaska.edu>

**CLIENT/PROJECT: Alaska Federation of Natives – Leadership Conference**

**Services Provided:** The center director attended and participated in this meeting of state of Alaska economic development providers and Native leaders – July 2006.

**Results:** The conference provided networking opportunities and several opportunities to share the services and current projects of the center.

**Project Status:** Complete.

**CLIENT/PROJECT: Denali Commission**

**Services Provided:** The center director attends and participates in the Denali Commission's Economic Development Work Group monthly meetings.

**Results:** The director uses this opportunity to become better acquainted with Denali Commission goals and objectives. The center director participated in discussions and has begun a follow-up report that will review existing community planning efforts and summarized strategies for communities to employ to make the process more reality based.

**Project Status:** Ongoing

**CLIENT/PROJECT: Alaska Municipal League (AML)**

**Services Provided:** The center director and VISTA leader attended this year's AML economic development forum in Juneau, Alaska. The event was held in November.

**Results:** Both center and VISTA information was shared while in Juneau.

**Project Status:** Complete.

**CLIENT/PROJECT: Kodiak Archipelago Rural Leadership Conference**

**Services Provided:** The center director prepared a presentation for this conference that overviews the Alaska Economy and establishes cases for future business development trends and opportunities.

**Results:** The conference was scheduled for January 2007.

**Project Status:** Weather conditions were poor and attendance at this conference in Kodiak was not successful. Center staff went back in May to deliver the original presentation.

**CLIENT/PROJECT: Alaska Federation of Natives 2006 Annual Conference**

**Services Provided:** Center staff attended and participated in the Alaska Federation of Natives Conference in Anchorage, AK the week of October 23, 2006.

**Results:** A center brochure and information bulletin was handed out to participants.

**Project Status:** Complete.

**CLIENT/PROJECT: Alaska Small Business Forum**

**Services Provided:** Center staff attended an Alaska Small Business Forum event of the state Department of Commerce, Community and Economic Development. The purpose of the forum was to bring together small business technical assistance providers such that a sharing of program services could be made among providers.

**Results:** The meeting was a good way to learn about state of Alaska small business technical assistance providers and share the programs and services of the center.

**Project Status:** Complete.

**CLIENT/PROJECT: Alaska Annual World Trade Center Economic Forecast**

**Services Provided:** Center staff attended the Alaska World Trade Center Economic Forecast event. The purpose of the forum was to provide practitioners and businesses a forecast of Alaska economic conditions.

**Results:** The meeting was a good way to learn about state of Alaska and provide participants information regarding center activities.

**Project Status:** Complete.

**CLIENT/PROJECT: EDA – CEDS Training**

**Services Provided:** The Alaska Economic Development Administration (EDA) office developed and delivered a Comprehensive Economic Development Strategy for entities applying for grants from EDA

**Results:** Center staff participated in the training and the center director delivered a brief overview of center programs and services to participants.

**Project Status:** Complete.

## CENTER PROJECT REVIEW

### DISSEMINATING RESULTS

The center made presentations to appropriate organizations for marketing, network building, and developing additional sources of financial support for program efforts.

#### **CLIENT/PROJECT: UA Center for Economic Development Website**

**Services Provided:** An update of the center web site was completed to more effectively communicate center services and share applied research, technical reports, public feasibility studies, and generic business plan documents.

**Results:** The center web site is regularly updated by VISTA support.

**Project Status:** Ongoing.

#### **CLIENT/PROJECT: UEDA 2006 Annual Conference**

**Services Provided:** The center director attended and participated in the UEDA 2006 Annual Conference in Savannah, GA – October 29 through November 3, 2006.

**Results:** The conference was very informative and an excellent networking opportunity.

**Project Status:** Complete

#### **CLIENT/PROJECT: EAUC (Educational Association of University Centers) 2006 Annual Meeting**

**Services Provided:** The center director attended and participated in the EAUC 2006 meeting in Savannah, Georgia – November 1.

**Results:** The meeting was a good way to network and hear from EDA and other EDA funded university centers.

**Project Status:** Complete.

**CLIENT/PROJECT: National Association of Development Organizations**

**Services Provided:** The center director met with NADO staff along with local Anchorage EDA staff to discuss the upcoming 2008 NADO conference.

**Results:** The meeting was a good way to network with NADO staff and express support for the conference. The center director has had several follow up conversations with Alaska Regional Development Organization directors to enlist further support for the conference.

**Project Status:** Ongoing.

**CLIENT/PROJECT: National Conference - Service in Indian Country**

**Services Provided:** The center director and VISTA members attended this national conference to provide an overview of economic development activities in Alaska and model how a university center can embrace a VISTA program for development outreach and support. All costs for travel and accommodations were paid for by the conference organizers.

**Results:** The meeting was a good way to meet other Indian community providers and share information on service and program development.

**Project Status:** Complete.

**CLIENT/PROJECT: EDA/University of HI, Entrepreneurship Event**

**Services Provided:** The center director attended and participated in this meeting of EDA economic development providers and other university center based organizations. The director spoke at the conference providing an overview of Alaska based projects that demonstrated successful collaboration among economic development professionals.

**Results:** This conference provided useful information and networking opportunities.

**Project Status:** Complete

## CENTER COLLABORATION AND PARTNERSHIP SUMMARY

### CLIENT/PROJECT: Alaska Economic Development Professionals

**Services Provided:** The center is working aggressively at forming new areas of collaboration and developing new partnerships for the delivery of services. The center director has met personally with staff of the eleven regional development organizations and now regularly participates in annual planning meetings. Additionally the center director has worked to develop new connections throughout the university.

**Results:** The center is becoming more recognized as an economic development entity with greater awareness of the University as a development resource. The following entities have been met with and areas of mutual collaboration have been explored:

- AK Small Business Dev Center
- Alaska Village Initiatives
- Anchorage Downtown Partnership
- First Alaskans Institute
- Native Policy Center
- Alaska Federation of Natives
- Alaska Manufacturing Ext Program
- Alaska Growth Capital
- Anchorage Econ Dev Corporation
- Bering Strait Development Council
- Copper Valley ED Council
- Fairbanks North Star Borough ED Commission
- Kenai Peninsula ED District
- Lower Kuskokwim ED Council
- Mat-Su Resource Conservation & Dev
- Northwest Arctic ED Commission
- Prince William Sound EDC
- Southeast Conference
- Juneau Econ Dev Corporation
- Southwest Alaska Municipal Conf
- Kawerak EDC
- Western Alaska Community Dev Association

The following entities are currently working with the center on project delivery:

- Alaska Department of Commerce, Community and Economic Development
- Alaska Marine Advisory Program
- Alaska Regional Development Organizations
- First Alaskans Institute & Alaska Native Policy Center
- Institute of Social and Economic Research
- UAA College of Business and Public Policy
- UAF Agriculture and Forestry Experiment Station
- UAF Cooperative Extension Service
- UAF School of Business
- Alaska Small Business Development Center

## CENTER FUTURE PROJECTS AND ACTIVITIES

While it is difficult to forecast future demand and identify specific projects to be completed during the upcoming grant year—July 1, 2007 to June 30, 2008—a partial list of planned activities follows:

### Technical Assistance and Related Activities

*Entrepreneurship Technical Assistance Initiative* - The center will access, coordinate, and direct the university's expertise and research capabilities to deliver statewide technical assistance.

*Entrepreneurship Mentorship Initiative* - The center will provide competent, caring, and confidential support to projects that require systematic and targeted mentoring or coaching.

*Entrepreneurship Training Initiative* - The center will develop and deliver entrepreneurship trainings to build and support the advancement of entrepreneurial capacities.

*Economic Development Providers Initiative* - The center will deliver a basic economic development course to an audience of elected officials, educators, economic development professionals, and community leaders – October 14-18, 2007.

### Applied Research and Related Activities

*Alaska Trends Publication* - The center will produce for the ***Alaska Business Monthly*** magazine data, research, and analysis for a monthly published article, "Alaska Trends."

*Conferences, Meetings, Training, and Outreach* - The center director and/or staff will speak at conferences, meetings, and other similar venues as requested to share research outcomes, economic development best practices, and findings.

*Publication of Outcomes* - The center will develop education materials. Industry specific business plans and training curricula resulting from research, technical assistance, or literature review activities will be published and made available through the center web site and resource library.

### Information Dissemination and Related Activities

The center will initiate an expanded outreach program to inform entrepreneurs and economic development professionals on matters relating to economic development.

*Web site Re-design* – The center will support an increased level of information exchange.

*Economic Provider Database* – The center will develop a database.

*Brochure Update* – The center will update a new brochure to raise center awareness.

*Reports* – The center will prepare and submit semi-annual and annual reports.

## CENTER CLIENT DISTRIBUTION

The service area of the center is the entire state of Alaska—with special attention focused on rural, largely “Native” areas. Approximately 58 percent of the Alaska Native population lives in rural Alaska, and rural Alaskan communities tend to be nearly 80 to 90 percent Native. Alaska does not operate with a county form of government, and many regions of the state lie outside the boundaries of incorporated boroughs.

### 5 DISTINCT REGIONS

In order to characterize client distribution, center projects are monitored by geographical regions that have been traditionally defined. Five major regions are included within the state: the Far North, the Interior, the Southwest, the Southcentral, and the Southeast or Inside Passage. These regions are outlined on the map on the following page.

The ***Far North*** region includes areas north of the Arctic Circle as well as the Seward Peninsula. Larger communities within this region include Barrow, Kotzebue, and Nome. The average unemployment rate over the past 24 months in areas of this region was 11.8 percent, more than twice the national average.

The ***Interior*** region extends from the U.S.-Canadian border west to Galena and Nulato. North to south, the region extends from the Arctic Circle to the southern boundaries of Denali National Park and Preserve. Fairbanks lies in the heart of the Interior region. The average unemployment rate over the past 24 months for areas of this region (excluding Fairbanks) was 8.4 percent, 1.5 times the national average. Also affecting the Interior economy is changing U.S. military policy. The Base Realignment and Closure Commission recommended downsizing Eielson Air Force Base near North Pole and closing the Galena Air Base installation. The 22 percent reduction in Eielson personnel levels will greatly reduce civilian employment opportunities. The closure in Galena is expected to reduce employment by at least 20 percent.

The ***Southwest*** region includes drainage systems of the Lower Yukon and Kuskokwim rivers as well as the Aleutian Islands, the Pribilof Islands, Kodiak Island, and Bristol Bay. The average unemployment rate over the past 24 months for areas of this region (excluding the major port of Unalaska) was 11.8 percent, over two times the national average.

The ***Southcentral*** region is made up of the area south of Denali National Park and Preserve to the tip of the Kenai Peninsula and east to Prince William Sound and the U.S.-Canadian border. Major communities include Anchorage, Kenai, Seward, Palmer, Wasilla, and Valdez. The average unemployment rate over the past 24 months for areas of this region (excluding Anchorage) was 9 percent, 1.6 times the national average.

The ***Southeast*** region is the southeast panhandle of Alaska. The region includes the communities of Haines, Juneau, Ketchikan, Sitka, Skagway, and Yakutat. The average unemployment rate over the past 24 months for areas of this region (excluding the capital city of Juneau) was 11.1 percent or roughly two times the national average.

# 5 Distinct Regions!



## NUMBER OF CLIENTS SERVED

This year the center provided services to 41 individual businesses or clients. This number does not reflect the fact that several of our business clients are composed of organizations representing multiple owners or communities. For example, the Kachemak Shellfish Grower's Cooperative represents thirteen oyster farms. The following table shows the number of clients served in each region.

Region	Number of Clients
Statewide or Multi-Region	11
Far North	1
Interior	5
Southwest	9
Southcentral	13
Southeast	2
<b>Total Clients Served</b>	<b>41</b>