

Presentation to the
Fairbanks North Star Borough Assembly
April 2011

Fairbanks Economic Development Corporation

FEDDC Staff

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- Military

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- Cold Weather Testing
- Rural Outreach
- Forestry
- Knowledge Industry Network (KIN)

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- Energy
- Interior Issues Council
- Agriculture/Mining

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AmeriCorps/Vista

- Fairbanks First: Think Local

FEDDC 2011 Board of Directors

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Denali State Bank

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Doyon Utilities

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FNSB Mayor

Fairbanks City Mayor

Chamber of Commerce

Local 1243

CCHRC

HOPS Hallmark

UAF

Great Northwest

Ex-officio

Matt Want

Doug Isaacson

Jesse VanderZanden

FNSB Assembly

North Pole Mayor

Fairbanks International Airport

FEDDC Investors

Platinum

Fairbanks North
Star Borough

City of Fairbanks
Flint Hills

Gold

GCI

Silver

Cold Regions Test Center
Design Alaska
Golden Valley Electric Association
ExxonMobil

FEDC Investors Cont.

Bronze

Alaska Aerofuel	Doyon, Ltd
Alaska Airlines	Everts Air Cargo
City of Valdez	Tim and Barb Cerny Foundation
Doyon Utilities	University of Alaska

Benefactor

Automotive Testing and Development Services	GHEMM
Advance Printing	Local 375 Plumbers & Pipefitters
Denali State Bank	MAC Federal Credit Union
Fairbanks Memorial Hospital	Mt McKinley Bank
Great Northwest, Inc.	Usibelli Coal Mine

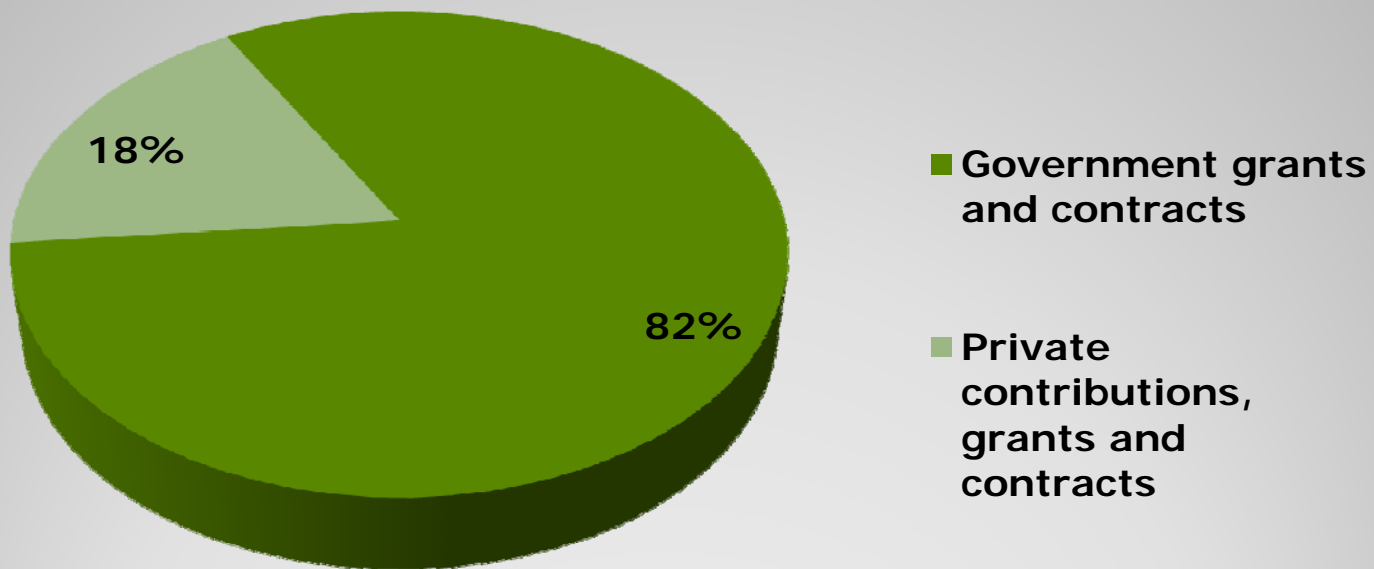
Contributor

Alaska Forest Association	Laborers' Local 959
Birchwood Homes	UAF Alumni Association
Chena Hot Springs Resort	Fairbanks Conventions & Visitors Bureau
Hebert Homes	Greater Fairbanks Chamber of Commerce
HOPS Hallmark	Downtown Association
Holland America	

FEDDC Funding

Using our resources and those of our community wisely.

Where our funds come from

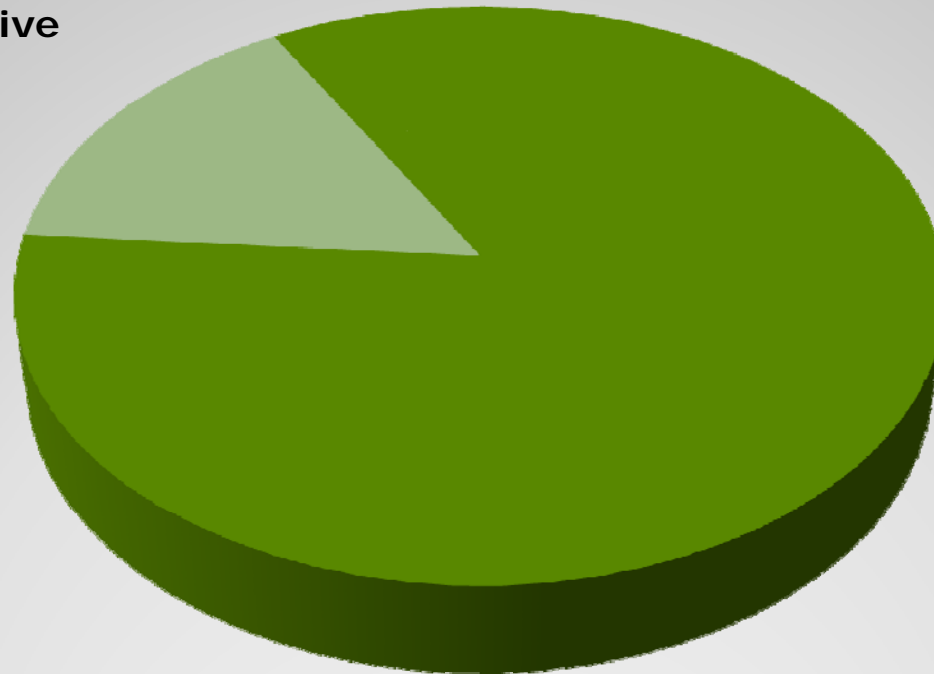


FEDDC Funding

Program vs. Administrative expenses

How we use our funds

**General
Administrative
15%**

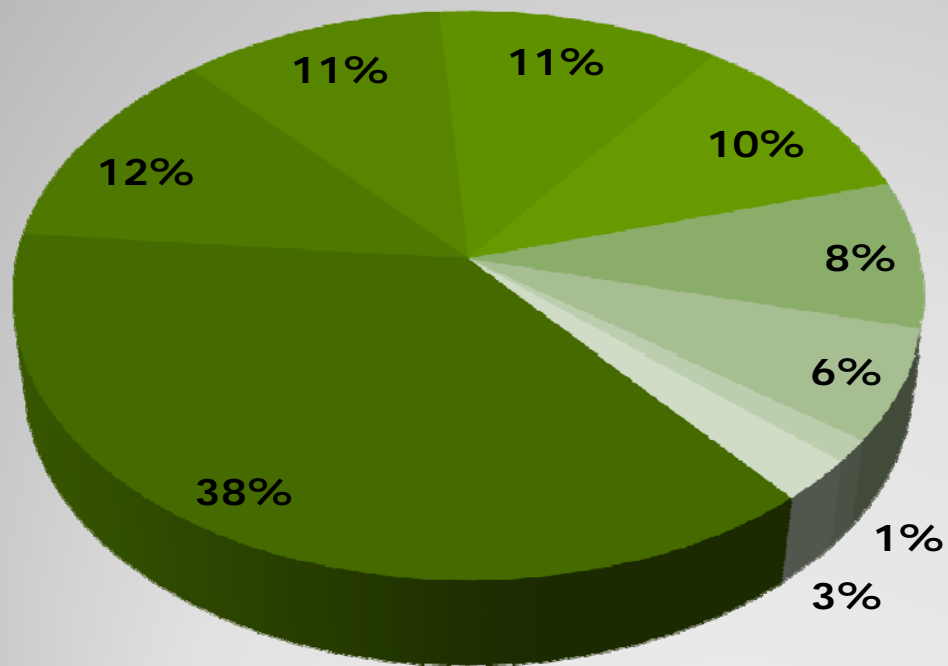


**Economic
Development
Programs
85%**

FEDDC Funding

Expenses by program

Nature of our programs



- Energy 38%
- Cold Weather Testing 12%
- Technology Led Economic Development 11%
- Rural Outreach 11%
- Community Economic Modeling 10%
- Military 8%
- Forestry 6%
- Grow Fairbanks 1%
- Other 3%

FEDC Funding

Budget Report

- **2011 Annual Budget: \$630,000**

2011 FNSB Investment: \$400,000

We are forward funded 6 months by the FNSB assembly.

- **2012 budget request \$400,000**

Mission

- Our mission at FEDC is to create economic opportunity and jobs throughout Fairbanks and surrounding areas that economically impact our community.



Why Economic Development?

- Our projects are designed to:
 - Create Jobs
 - Create Opportunities
 - Build on Community Assets
 - Improve Underpinning Economic Infrastructure

OUR PROJECTS

Assets to Build on:

- Cold Weather – Testing and Research
- Regional Development – Fairbanks as a Regional Hub
- Forestry, Mining & Agriculture – Natural Resources
- Technology-Led Economic Development
 - UAF-FEDC partnership, KIN and EOTF
- Military – Industry Retention and Growth
- Grow Fairbanks - Fairbanks First: Think Local

Local Economic Opportunity Identifiers:

- Interior Issues Council
- Community Economic Modeling

Underpinning Economic Infrastructure Needs:

- Energy
- Transportation

Cold Weather Testing - Asset

- FEDC is the only organization in Alaska that promotes Fairbanks CWT capabilities on behalf of multiple business and organizations.
- The 2010/2011 CWT season brought roughly \$500K to the Fairbanks economy
 - Over \$400K in Automotive testing (at least 7 tests)
 - Over \$100K in Aviation testing (at least 5 tests)

Highlights of the 2010/2011 Cold Weather Test Season:

- FEDC was directly responsible for Alaska Aerofuel receiving Daimler for 12 days, 6 cars, 13 employees this winter
- Automotive CW testing created at least 9 winter season jobs locally from just one test
- Aviation testing boost local business used to help service their testing needs (i.e. Alaska Aerofuel, Everts and Omni)

Cold Weather Testing - Asset

- Exhibit at Trade Shows
- Develop Promotional Pieces, Materials, Advertisements and Editorials
- Respond to CWT Inquiries
- Facilitate Site Visits
- Identify and Partner with Testing Resources



Rural Outreach - Asset

Fairbanks reaching out to over 40 Rural communities to encourage trade and commerce between those communities and the FNSB.



- **Rural Communities have \$500 million, \$250M which is directed towards Fairbanks.**
- Identify and target Northern and Western Alaska communities for rural outreach and Trade Missions
- Research each community to determine the amount of commerce, including mail, freight and travel
- Facilitate Trade Missions
- Certified Bush Friendly Program
- Phone Book Distribution and Fairbanks 1-800 Directory
- Alaska SourceLink
- **Transportation**
 - Governor's Aviation Advisory Board
 - US Postal Service Bypass Mail Hubs
 - Work to increase enplanement, mail and cargo tonnage at FAI



Forestry, Mining & Agriculture - Asset

Utilizing a local, readily available and renewable natural asset to create high paying jobs and value added products for our community.

- FECON Biomass Project
- 2011 Alaska Wood Energy Conference – 150+attendees
- 2011 Wood Energy Resource Fair

New Growth



Fairbanks First: Think Local

Grow Fairbanks!

Asset

Fairbanks First: Think Local is designed to be a community initiative to promote local shopping.

The Goal is to educate the public about the impacts their expenditures have on our local economy.

The program is available to all Fairbanks North Star Borough Businesses and is intended to function as a cooperative marketing tool and outreach program to connect residents with businesses.

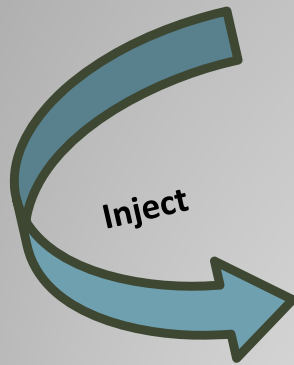


Asset FNSB Think Local Impact Analysis

Impact of 10% shift in household expenditures

10% shift

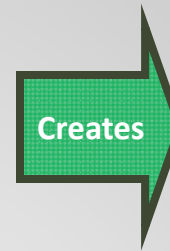
Total Household Spending = \$3.2 Billion/yr
 \$1.5 Billion → Local Businesses
 \$1.6 Billion → Non Local Businesses



Inject

(Direct) **\$160 Mill.**
 +
 (Indirect) **\$222 Mill.**

= \$376 Mill.
to local business



Creates

1772 jobs
with average salary
of \$40,529

Impacts	Output (\$ Mill.)	Employment	Labor Income (\$ Mill.)	Average pay
Direct	\$ 160	1239	\$ 48.40	\$ 39,054
Indirect	\$ 222	533	\$ 23.40	\$ 43,956
Total	\$ 376	1772	\$ 71.80	\$ 40,529

Asset Technology-Led Economic Development

Technology and Our Economy

- Using knowledge and research to improve our quality of life.
- A technology-led economy retains graduates, provides jobs, opportunity and economic growth.

Asset

Technology-Led Economic Development

Developing our community's entrepreneurial endeavors and University research.

- Technology Transfer & Commercialization of UA Scientific Research
- Arctic Innovation Competition
- Economic Opportunity Task Force (EOTF)
- Fairbanks Focus
- Knowledge Industry Network (KIN)
 - 250+ active members



Asset

Technology-Led Economic Development

Economic Opportunity Task Force (EOTF), bringing together local entrepreneurs/investors and UAF researchers.

- Recent Topics have included
 - *Alaska Satellite Facility and Innovative Data Mining*
 - *Remote Predictive Mapping*
 - *Cultivation and Production Aspects of Blueberries*
 - *Alaska Wild Bog Blueberries*
 - *Angel Investors*
 - *Peony and cut flower marketing and production*
 - *Corporate strategies and business plans*
 - *SNRAS and Botanical Gardens and Reindeer facility*
 - *Controlled environment and LED lights*
 - *Brown Fat in infants and SIDS research applicability to Alaska*
 - *Mathematical analysis of industrial processes materially increasing productivity and profit margins*
 - *Reindeer and fresh meat markets*
 - *Poker Flats business opportunities (unmanned aircraft and aerial sensor technologies)*
 - *Bringing research ideas into the "real world"*

Military - Asset

Retaining current military activity and attracting new military resources to our region.

- **AMFAST** (Alaska Military Force Advocacy Structure Team)
- **Access to JPARC** (Joint Pacific Alaska Range Complex)
 - Tanana Bridge
- **JLUS** (Joint Land Use Survey)
- **JPARC Modernization & Enhancement Environmental Impact Study**



Interior Issues Council

Local Identifier

Letting **OUR** community choose **OUR** direction.

- **A Think Tank organization to:**
 - Research and discuss significant issues for the FNSB, Interior Alaska and Alaska's future
 - Assist in formulating public policy to enhance or resolve, when necessary, those issues.



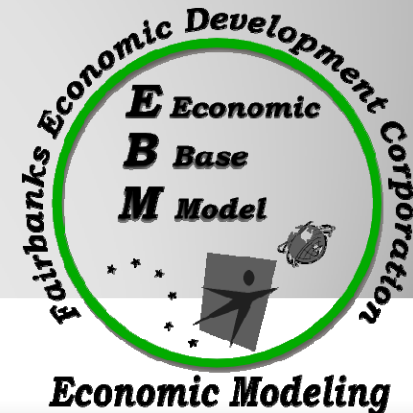
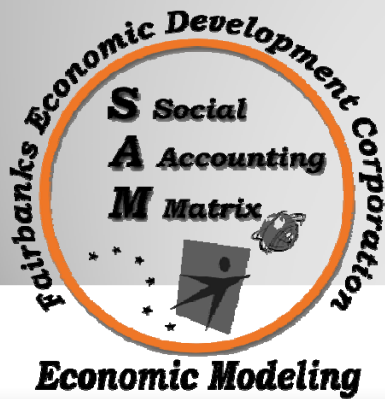
Community Economic Modeling

Local Identifier

The **Economic Base Model** was developed to determine the drivers of our economy.

Social Accounting Matrix (SAM) Model:

Constructed Social Accounting Matrix (SAM) model to determine the roles of industries in the FNSB.



Energy — Underpinning Issues

- At today's prices this year:
 - Fairbanks residents will spend \$354 million on energy
 - Fairbanks Businesses will spend \$349 million on energy
- FEDC identifies and supports the development of affordable energy to the Interior.
- Short term goal is to reduce the current cost of energy by \$50 to \$70 million.

Energy - Underpinning Issues

- Evaluated Instate Bullet Line Routing Options (Alaska Gasline Development Corporation)
 - Parks Highway
 - Richardson Corridor
 - Conclusion:
 - Richardson Highway Corridor
 - Higher population
 - Higher mineralization
 - Lower geotechnical risk

FEDDC believes:

A successful community needs

VISION,

Leadership &

ACTION!

Included in your packets are:

- AMFAST Long-Term Strategic Plan
- New Cold Weather Test Brochures
- FEDC 2010 Audited Financial Statements
- FEDC 2010 and 2011 Annual Budgets
- A copy of this presentation

Questions?

