

**Agency: Commerce, Community and Economic Development****Grants to Named Recipients (AS 37.05.316)****Grant Recipient: Anchorage Economic Development Corporation****Federal Tax ID: 920123006****Project Title:****Project Type: Planning and Research**

# **Anchorage Economic Development Corporation - Southcentral Alaska Economic Development Grant**

**State Funding Requested: \$95,000**  
One-Time Need**House District: Anchorage Areawide (16-32)****Brief Project Description:**

Business and Economic Development Focused on Industry and Business Recruitment for the South Central Region

**Funding Plan:**

Total Project Cost:	\$380,000
Funding Already Secured:	(\$285,000)
FY2012 State Funding Request:	<u>(\$95,000)</u>
Project Deficit:	\$0

*Funding Details:**Federal Funds \$0**Local Funds \$105,000 10-11**Other Funds \$180,000 10-11 (committed private sector contributions)***Detailed Project Description and Justification:**

The grant along with the 2/3 private match would be used to encourage economic development in Southcentral Alaska. This would be accomplished through a 3 prong approach: Marketing/Public Relations, Site Selector Recruitment, and Business Pro Forma Analysis programming.

**Marketing/Public Relations**

Through an ongoing multi-year public relations campaign, AEDC has established strong relationships with major national and international business print and electronic publications. AEDC uses those relationships to generate positive media stories about business in Anchorage and Southcentral Alaska to dispel myths and misperceptions about the business environment and highlights opportunities that exist in the region. Efforts are focused on publications that have the highest opportunities to reach key company decision makers for real estate, finance and investment.

**Media Familiarization Trip**

To have the greatest impact with media that results in the highest return on PR investment, familiarization trips have demonstrated repeatedly that bringing representatives of national business publications to Anchorage and Southcentral generates the best coverage and excellent ROI. AEDC has organized two media familiarization tours since 2007 and would organize a tour in the summer of 2011 for 4 to 6 reporters and editors of national and international business publications.

\$95,000  
Approved

Members of the tour would receive a 3 day schedule encompassing the Southcentral region that would expose them to the business and lifestyle opportunities that exist in the region. Follow up efforts to the trip will be made with all members of the tour to assure the highest level of coverage possible as a result of the tour.

#### Site Selector Recruitment

AEDC will contact and develop relationships with prospective national and international site selection professionals. AEDC will pick key site selection professionals representing businesses within target industries for which Alaska offers opportunities for expansion. Establishing relationships with site selectors is an important tool in economic development because they scout locations for companies looking to expand within an existing market or enter into a new market. These are firms that specialize in relocation or new locations based on a particular industry's needs and wants. To engage these site selectors AEDC proposes a four pronged plan:

- Industry conferences
- Regional tours
- Familiarization tours to Alaska
- Webinars

#### Conferences

To build the necessary relationships, AEDC will attend 2-3 key industry conferences to meet and network with site selection professionals. The intention of these conferences is twofold. For AEDC to be effective staff needs to understand the current site selection industry needs, wants and trends. Staff will also use these conferences as an opportunity to start building relationships with key industry site selection professionals and firms that represent markets with high growth potential in Alaska.

#### Regional Visits

AEDC will develop and execute four regional tours to promote Alaskan business opportunities in one-on-one meetings. AEDC staff intends to meet with up to six different site selector companies each trip or 24 site selector companies in total. One-on-one meetings have been the most effective in holding the attention of site selectors and spreading the story of business in Alaska. These meetings allow our staff the opportunity to tailor the story of Alaska to the interests of a particular company. This also provides the most effective way to establish relationships within a company that can transcend a single contact within an organization.

#### Familiarization Tour

Seeing is believing! AEDC will host a familiarization tour for 3-5 site selectors in Alaska and introduce them to key businesses and government agencies. The goal is to give them first-hand knowledge that will help them understand the business environment of Alaska as well as the opportunities Alaska can provide. This would entail a 3 to 5 day visit with the agenda tailored to fit the industries that the site selectors represent.

#### Webinars

AEDC will coordinate 4-5 webinars that will target site selectors interested in an introduction to the opportunities and challenges of doing business in Alaska. The goal is to engage 10-15 site selectors to attend each webinar and follow up with more specific information during a conference or regional tour.

Webinars are a cost effective way to introduce site selectors to Alaska. They also offer the ability to remain in touch with a company once initial contact has been made, even if an individual contact moves on. Webinars also provide a training ground and feedback loop for AEDC staff to learn more about the site selection industry.

**Business Pro Forma Analysis:**

AEDC will create a minimum of 4 pro forma business analyses for targeted industry sectors. The business analyses will give AEDC, and other government agencies, the opportunity to understand the expectations of the targeted industry sectors when they expand into a new area and tailor proposals to address factors influencing the location decision. The pro forma case studies would also enable the prospective companies interested in Alaska to acquire a "first blush" analysis on what it would take to operate a business in Alaska.

The analysis for each business will first establish average industry cost and profit expectations for a given modeled investment. I.e. a data center, a distribution center, a call center, etcetera. Focus of the analysis will be on amortized capital costs, operational costs, revenues and net profitability. A narrative will be provided that clearly explains the nature and importance of each cost item or revenue stream to the business.

Once the analysis of industry expectations is completed, a spreadsheet will be developed that will allow for equivalent costs for an Alaska community to be inputted for comparison, i.e. labor, power, rent, taxes, etcetera. This spreadsheet will allow both communities and companies to clearly understand whether or not an opportunity exists to establish that business in Alaska, what challenges exist to attracting that business to Alaska, and what steps might be taken to make a given community more attractive to that kind of business investment. I.e. incentives such as workforce training, land, tax abatement, etcetera. All of these analysis documents would be made available to all interested communities.

**Project Timeline:**

July 2011-July 2012

**Entity Responsible for the Ongoing Operation and Maintenance of this Project:**

One Time Program Expense

**Grant Recipient Contact Information:**

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Has this project been through a public review process at the local level and is it a community priority?  Yes  No