

Agency: Commerce, Community and Economic Development**Grants to Named Recipients (AS 37.05.316)****Grant Recipient: Copper Valley Development Association, Inc.****Federal Tax ID: 92-0134864****Project Title:****Project Type: Planning and Research**

Copper Valley Development Association, Inc. - Biomass and Agricultural Business Development

State Funding Requested: \$90,000
One-Time Need**House District: 12 / F****Brief Project Description:**

Increase business development services for small businesses in the energy and agricultural sectors of the Copper River Valley.
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Funding Plan:

Total Project Cost:	\$90,000
Funding Already Secured:	(\$0)
FY2013 State Funding Request:	<u>(\$90,000)</u>
Project Deficit:	\$0

Funding Details:

None

Detailed Project Description and Justification:

Project Summary: The Copper Valley Development Association (CVDA), the Alaska Regional Development Organization (ARDOR) for the Copper River region respectfully requests funds to increase business development services for small businesses in the energy and agricultural sectors of our region. Small businesses in the energy sector will receive assistance in entering or expanding services in biomass energy market. Small businesses in the agricultural sector will receive assistance in adopting new technologies and practices to expand existing markets and for developing and marketing new agricultural niche products. CVDA will provide assistance to these businesses with research, business planning, finance, marketing and related services.

Need for project: Copper River has a depressed economy with high unemployment and limited industry. The Alaska Department of Labor and Workforce Development classify all communities in the Copper River Region as "economically distressed". Census data shows a declining regional population down from approximately 3,500 in 2000 to 2,826 in 2010. Reasons most often cited for outmigration are the lack of employment opportunities and the high cost of living, spurred by rising energy and food costs. CVDA's research indicates that Copper River has both the resources and economic opportunities in the energy and agricultural sectors to reverse this trend. As the regional ARDOR, CVDA is playing a key role in helping local businesses enter and/or expand their participation in these markets. This request will increase CVDA's capacity to meet the demand for business development services in these sectors.

See attached PDF for additoinal details.

Project Timeline:

FY 2013-14

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

Copper Valley Development Association, Inc.

Grant Recipient Contact Information:

Name: Jason Hoke
Title: Executive Director
Address: PO Box 9
Glennallen, Alaska 99588
Phone Number: (907)822-5001
Email: jhoke@coppervalley.org

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



Copper Valley Development Association, Inc.

P.O. Box 9, Glennallen, AK 99588 * 907-822-5001 phone * 907-822-5009 fax
www.coppervalley.org * info@coppervalley.org

January 20, 2012

Legislative Request for Biomass and Agricultural Business Development in the Copper River Region

Project Summary: The Copper Valley Development Association (CVDA), the Alaska Regional Development Organization (ARDOR) for the Copper River region respectfully requests funds to increase business development services for small businesses in the energy and agricultural sectors of our region. Small businesses in the energy sector will receive assistance in entering or expanding services in biomass energy market. Small businesses in the agricultural sector will receive assistance in adopting new technologies and practices to expand existing markets and for developing and marketing new agricultural niche products. CVDA will provide assistance to these businesses with research, business planning, finance, marketing and related services.

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Biomass Energy: Numerous resource assessments have confirmed that Copper River contains approximately 1 million acres of standing beetle kill timber. These resources can be harvested and processed into bio-fuels in the form of wood chips, bio-bricks and/or pellets to provide heat and hot water for schools, businesses, and homes. Creating a biomass industry in our region will reduce energy costs, create jobs and grow the economy. CVDA has conducted extensive research on biomass systems, fuels, production methods, and equipment. We are sponsoring regional meetings with potential producers, end users, vendors, engineers and funders to identify markets and assist end users in converting to biomass energy systems. This year, CVDA will oversee the installation of a biomass system that will provide heat and hot water for the Kenny

Lake School and have assisted the School District in applying for additional funds for a biomass system for the Glennallen High School Campus area that is projected to save approximately \$400,000 in heating costs during the first year of operation. CVDA assisted nine regional entities in applying for pre-engineering assistance for designing biomass systems through the Alaska Wood Energy Task Force and will assist 15 local businesses in applying for the USDA funds for energy efficiency and renewable energy projects. Additionally, we have developed a partnership with the Copper Country Alliance a regional environmental group to develop forest management plans that ensure our resources are harvested in an environmentally responsible manner. CVDA is working closely with the Alaska Energy Authority in championing the cause of biomass in our region but much more needs to be done in the coming year. This request will provide an additional 15 hours per week to assist local businesses in developing a viable biomass industry in our region.

Agriculture: Copper River is home to a small number of farmers who produce hay, beef, pork, vegetables and other agricultural products. These farmers must contend with high-energy costs, transportation difficulties, inclement weather, underdeveloped markets, high capital costs and other obstacles that limit their competitiveness. CVDA's research indicates that new technologies, products, practices, and marketing strategies can increase agricultural production in our region. For example, substituting green fodder for hay in feeding livestock has been shown to substantially reduce costs while providing a superior product. Fodder can be produced year round indoors at minimal costs and does not require large tracks of land, tractors, baling equipment, labor and storage. Portable slaughterhouses minimize transportation costs and increase efficiency in bringing meat products to local markets. Developing niche markets for products like Alaska grown peonies, fallow deer, and quail provides new opportunities for agricultural production. Using backhauls with existing transportation systems can move local products to urban markets at reduced rates. Farmers and/or potential farmers need technical assistance with business planning, funding opportunities, developing and marketing research for new products, implementing new practices and addressing transportation issues. This request will provide 15 hours per week of business development services for the agricultural sector.

Organizational Information: CVDA is an effective ARDOR organization with a sound financial accounting system that ensures we remain in good standing with all funding agencies. We have a strong Board of Directors and broad based community support.

Total Request: \$90,000

Budget Detail: CVDA has qualified staff in place to carry out the objectives of this request. Funds are budgeted for direct services to small businesses in the Copper River Valley. No funds are allocated for administration or equipment. See the attached budget for expenditure breakdown.

Contact: Jason Hoke, Executive Director

Budget for Copper Valley Development Association Legislative Appropriation Request

		Cost
Energy/ Biomass		
Direct service from CVDA Staff	15 hrs./ week x 52 wks x \$25/hr	\$19,500.00
Contract Services for Technical Assistance and Consultative Work	300 hrs @ \$80/hr.	\$24,000.00
In-Region Travel		\$ 1,500.00
Agriculture		
Direct service from CVDA Staff	15 hrs./ week x 52 wks x \$25/hr	\$19,500.00
Contract Services for Technical Assistance and Consultative Work	300 hrs @ \$80/hr.	\$24,000.00
In-Region Travel		\$ 1,500.00
	TOTAL	\$90,000.00