



Fairbanks North Star Borough Comprehensive Economic Development Strategy (CEDS)

Explore Fairbanks Discussion

April 21, 2021



Introductions and Purpose

Land Acknowledgement


*Dena'inaq e'tnen'aaq'
gheshtnu ch'q'u yeshdu.* (Dena'ina)

Translation by J. Isaak and S. Shaginoff-Stuart

*I live and work on the
land of the Dena'ina.* (English)

A Land Acknowledgement is a formal statement that recognizes and respects Indigenous Peoples as traditional stewards of this land and the enduring relationship that exists between Indigenous Peoples and their traditional territories.

<http://convention.myacpa.org/nashville2020/inclusion/land-acknowledgement/>



For more information:
<https://nativegov.org/a-guide-to-indigenous-land-acknowledgment/>

The Project Team



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Supporting team members:



Project Purpose

To develop an updated Five-Year FNSB Comprehensive Economic Development Strategy (CEDS).

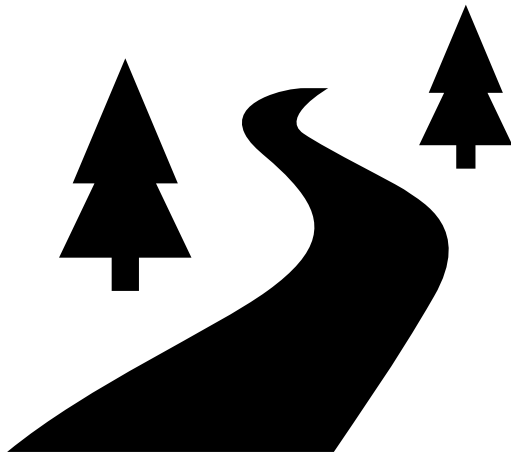


CEDS must go through a robust update every five years, with shorter, less intensive updates annually.



CEDS Purpose

A CEDS is a locally-based, regionally-driven economic development planning document that guides local government and community action.



It serves as a road map to economy resilience and prosperity.

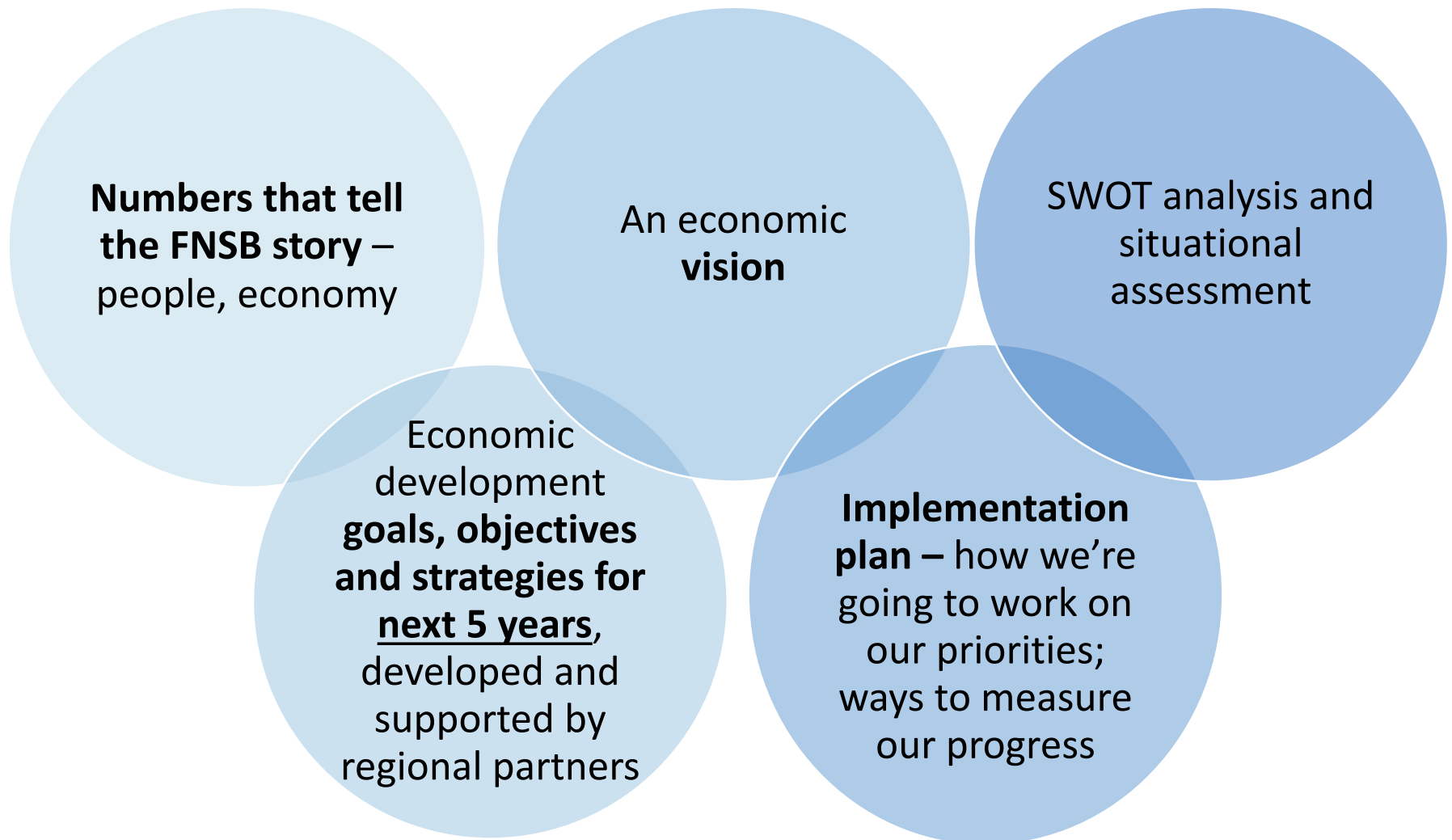
What does a CEDS do?

Brings the private and public sector together to develop a regional plan that strengthens our economy and community.

CEDS recommendations identify how to:

- Secure and support businesses
- Create more and better paying jobs
- Improve quality of life
- Increase resilience to changes, threats

What does a CEDS include?



Proposed FNSB CEDS Topics/Sectors

Industry Clusters

key sectors that drive the FNSB economy

Education + Research

Energy

Healthcare

Military

Natural Resources

Tourism

Community Influencers

supportive foundations that clusters rely on to grow and flourish

Communications

Housing and Land Use

Transportation

Utilities

Workforce Development

Discussion Notes (input shared during the meeting)

- Consider adding Government as a cluster (state and local government). Government is a big employer.
- Consider opening up Natural Resources into more distinct categories such as agriculture, mining, forestry, etc.

Project Timeline

Start

- February 1st, 2021

Final CEDS Completion

- by July 1st, 2022

CEDS Adoption

- by October 1st, 2022

CEDS Submission to EDA

- by October 31st, 2022



EDA = Economic Development Administration

Detailed Public Involvement Schedule

	2021										2022					
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	→
Project Website	•															Adoption →
Stakeholder Interviews																
Interactive Discussions	★															
Community Events																
Community Discussions						••										
Economic Summit																
E-Newsletters	•				•	•			•	•			•		•	
Social Media	•	•	•	•	•	•			•	•			•		•	
Public Notices, News & Radio						•				•			•		•	
Key Phases	<i>Project Kickoff</i>		<i>Open Houses</i>		<i>SWOT Analysis</i>		<i>Draft Vision & Goals</i>		<i>Economic Summit</i>		<i>Public Review Draft</i>			<i>Final CEDS</i>		→

Key: shaded = ongoing engagement, preparation, and outreach

• = major activity/deliverable

Community Events

- Golden Days
- State Fair
- Tanana Valley Farmer's Market
- Alaska Municipal League – Alaska Defense Forum Joint Session
- *Maybe: Builder's Show, Women's Fair, Military Appreciation Day*
- **What else?**

Discussion Notes – Ideas for other events (input shared during the meeting)

- Midnight Sun Festival (no run this year); June 19th.
- At outdoor recreation areas such as Chena Lake throughout the summer.
- North Pole Worship Center Food Truck event. Smaller last year, but generally well attended.
- North Pole 4th of July parade?
- Use QR codes, post in key locations where people gather to get feedback. Doesn't all have to be in person.
- Costco on a Saturday.
- Pioneer Park – they have a calendar of events, including 4th of July activities.



Tourism Context

Relevant Resources

Resource	Date
FNSB Comprehensive Economic Development Strategy	2016
Northern Opportunity: Alaska's Economic Strategy (DCCED)	2017
Interior Alaska COVID-19 Economic Impact & Recovery Plan	2020
COVID-19 Small Business Surveys (FEDC, ATIA, SBDC, Explore Fairbanks)	2020
Current FNSB Plans underway: Downtown Plan, Trails Plan, Roads Plan, Pioneer Park Plan	In progress
Carlson Center Feasibility Study and Market Analysis (FNSB)	2020
Economic Trends Magazine Articles (DOLWD)	varies

What other information should we consider?

Discussion Notes (input shared during the meeting)

- Chena Riverfront Plans, Riverfront Commission
- Convention Center Feasibility Study and Analysis
- Health Industry/Health Partners: review their plans (Community Health Needs Assessment?)
- Outdoor Recreation – how it relates to health
- Alaska Native Corporations, regional nonprofits, UAF – plans/summaries of work they are doing that has an economic development focus

2016 CEDS: Tourism Goals, Objectives

Goal: Diversify visitor serving attractions and facilities to extend the tourism season and expand the types of visitors attracted to the Borough.

Objectives:

- Increase winter tourism through improved transportation services, attractions and enhanced marketing efforts.
- Develop a convention center to increase business visitors.
- Develop a performing arts center to increase entertainment opportunities.
- Expand cooperative marketing programs with the airlines to gain access to new visitor markets.

Interior Alaska COVID-19 Economic Impact and Recovery Plan

Tourism Objective:
Maintain and strengthen Interior Alaska as a tourist destination.

Tourism-Related Task: Fund destination marketing efforts by Explore Fairbanks.



What are the tourism trends and how can we measure success?

What	Source
Tourism & Hospitality: Employment	Quarterly Census of Employment & Wages
Tourism & Hospitality: Wages	Quarterly Census of Employment & Wages
Bed Tax Receipts	Fairbanks North Star Borough
University of Alaska Museum Visitors	University of Alaska
Visitors, Overnight Stays, Expenditures, Satisfaction	Alaska Visitor Statistics Program
Airport and Rail Passenger Arrivals	Bureau of Transportation Statistics (enplanements), Alaska Railroad Corporation (rail passengers)

What other data should we consider?

Discussion Notes (input shared during the meeting)

- Explore Fairbanks collects bed tax receipts from all 3 municipalities. Spring 2021 data looks close to Spring 2019.
- ALCAN border crossings.
- NAICS code: leisure and hospitality. Not all employment is captured through this code. For example, transportation is excluded from this QCEW category, even though it is a major part of the visitation sector.
- Employment tax data for small and medium sized businesses, as reported to the state – is this available?
- University of Alaska Museum visitors – too specific. There are many other facilities where visitors go.
- Explore Fairbanks has done other analysis but doesn't collect ongoing primary data from visitors.
- Number of visitor attractions is less helpful.

How is the tourism industry recovering from the pandemic?

- TODAY: What do we know (e.g., winter/shoulder season numbers)?
- LOOKING AHEAD:
 - What trends are you seeing ?
 - What is projected?

Related:

- How have visitor habits changed as a result of the pandemic?
- How have tourism businesses adapted?

Discussion Notes (input shared during the meeting)

- 2021 bookings are looking good; overbooked in some cases (e.g., hotels, trains). Potentially even more so than 2019.
- Feeling optimistic.
- “Our business is seeing numbers exceeding 2019”
- Overly optimistic? Reduced capacity could explain overbookings. Rental car bookings are full through June and July, fewer train trips?
- Hard to find employees/staff; many open positions. Mixed reasons for why this may be happening.

SWOT

What is a SWOT Analysis?

SWOT Analysis Objective: *identify contributors and barriers to economic resilience for the FNSB tourism industry*

	Internal	External
Positive	Strengths	Opportunities
Negative	Weaknesses	Threats

Example SWOT

STRENGTHS

Existing relative competitive advantages.

Resources

FISH

6 of top 10 ports in U.S. are in SWAMC region



18 Communities have land-based seafood processing.²

Community Development Quota program³
\$21.5 million /year
1,114 workers employed

TOURISM

Out-of-state visitors to Southwest AK spent an average of \$1,514 per person on their trip, compared with the statewide average of \$941.⁵

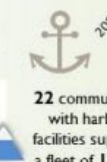
3 National Parks in the region

22 communities with harbor facilities support a fleet of 1,487 boats.⁶

Many potential sources of energy

MINING

52% of 2010 Alaska mining exploration expenditures were made in Southwest AK.⁴



22 communities with harbor facilities support a fleet of 1,487 boats.⁶

Many potential sources of energy

Fisheries, Seafood and Maritime Initiative - addressing workforce development needs

Workforce Development

2012 Rural Jobs + Innovation Accelerator Challenge grant: \$405,023

Partnerships

Funded by: U.S. Dept. of Commerce's Economic Development Administration, the U.S. Dept. of Agriculture
Partners: BBNA, SAVEC, University of Alaska, AK Regional Training Centers, Bristol Bay School District and more

Job growth to population growth ratio (1997-2008)¹
Southwest AK 4.88 United States 0.93

Energy

Alaska Energy Authority's Power Cost Equalization (PCE) program reimburses up to 70 percent of residential energy costs in some Southwest Alaska communities.¹¹

Workforce Development

BBEDC's Permit loan program is increasing the number of locally-owned commercial fishing permits

Partnerships

3 Alaska Native Corporations
3 Community Development Quota organizations
18 SWAMC Business Council members

Resources

- Outer Continental Shelf (OCS) oil + gas potential
- Rich regional mineral deposits
- Arctic development, resources + science

Value-Added Seafood Processing

\$ Catch ← Happens in AK
\$\$ Process ← Usually happens in AK
\$\$\$\$ Package ← Sometimes happens in AK

Energy

Many current and potential efforts to reduce regional energy costs:

- Bulk fuel purchasing
- Natural gas development
- Hydro energy
- Waste-to-heat incinerators

Dillingham Egegik

OPPORTUNITIES

Chances/opportunities for regional improvement or progress.

WEAKNESSES

Existing relative competitive disadvantages.

Resources

Fluctuating seafood stocks



Seasonality of resource jobs: Unemployment in Aleutians East Borough⁷

8% July 2013 26% December 2013

Workforce Development

Widely dispersed population: Less than 30,000 people over an area the size of Oregon

Lack of trained local workforce
More than 80% of fish processing jobs held by non-residents

Infrastructure

One-way flight costs from Anchorage⁸...

To Adak, Unalaska, St. Paul \$450-\$700
To Honolulu \$350-\$500
To London \$650-\$900

No overland connectivity

Energy

There is no area-wide energy plan to guide investments

Average annual household energy costs:¹⁰

\$ 8,410 Lake + Peninsula Borough
vs.
\$ 2,790 Municipality of Anchorage

4/6 Regions have higher overcrowding rates than the statewide rate of 6%.
In Dillingham Census Area, 18% of housing units are overcrowded⁹

The M/V Tustumena is nearing retirement

Partnerships

2 There are only Chambers of Commerce in Southwest Alaska

PRIORITY ACTIONS

- Expand Fisheries Cluster
- Implement Alaska Maritime Workforce Development Plan
- Promote Local Guiding Training for Tourism
- Establish Youth Mentorship and Training Program
- Promote Entrepreneurial Enterprise
- Promote Energy and Infrastructure Development

Resources

THREATS TO FISH STOCKS

- Climate change
- Oil spill
- Mining accident
- Farmed fish

Environmental protections limit development¹³
Endangered since 1990

Proximity to the Pacific Ring of Fire

cheap energy alternatives

Workforce Development

300 people

Net migration loss between 2011 - 2012¹⁴

Partnerships

Tribal offices are relocating out of the region

Southwest Alaska

Anchorage

Heavy reliance on public funds. Declining state and federal budgets may result in decreased investment and employment.

Infrastructure

Average of 200 earthquakes ≥ 4.0 per year¹⁷

36 of Alaska's 41 active volcanoes are in Southwest AK¹⁶

Climate change: current + potential threats

Erosion
Flooding
Melting permafrost
...and more

Energy

cheap energy alternatives

THREATS

Threats to regional improvement or progress.

Tourism Strengths (*from 2016 CEDS*)

What **local factors contribute** to a successful tourism economy in the FNSB?

- Winter wonderland
- Summer playground
- Seasonal extremes; unique seasonal attributes, 24hr daylight, aurora, etc.
- **What else?**

Additional Strengths (input shared during the meeting)

- Downtown Area
- Native culture in the area
- Aurora should be prioritized as a unique feature
- Strength of Explore Fairbanks as an organization
- Accessible long haul destination
- Independent and diverse travelers, international travelers
- Art attractions

Tourism Weaknesses (*from 2016 CEDS*)

*What **local factors are a barrier** to a successful tourism economy in the FNSB?*

- High energy prices affecting cost of business
- Alaska Airlines shifted hub operations to Anchorage – threat?
- Local regulators do not operate at the speed of business
- State and federal regulators do not operate at the speed of business – threat
- Restricted access to capital – what does this mean?
- Lack of entrepreneurial support systems or network
- Mixed messages to the outside world – ???
- What else?

Additional Weaknesses (input shared during the meeting)

- Hard to employ people for seasonal tourism jobs
- Environmental and infrastructure factors. Roads in disrepair, sidewalks in disrepair, lack of snow removal.
- People experiencing homelessness, and how it impacts the appearance of the community.
- Local ordinances, building codes, state building codes, zoning, state planning; not sharing plans. Different answers from local and state representatives. Conflicting land use goals, jurisdictional issues. Contradictory building codes.
- Access to capital – limited bankroll to do water, sewer, electricity improvements.
- Misunderstanding from local government and citizens of the purpose of bed tax and how it is used.

Tourism Opportunities (*from 2016 CEDS*)

What **outside factors do or can contribute** to a successful tourism economy in the FNSB?

- Implementation of the Interior Energy Project will reduce energy costs for FNSB
- University as center for Arctic research
- Winter tourism- **what about it?**
- Increasing tourism from Asia
- **Revitalize downtown Fairbanks – make it a destination – what about that is an opportunity? strength?**
- **Develop North Pole as a destination – what about it is an opportunity? strength?**
- **QUESTION: What opportunities has the pandemic opened?**
- **What else?**

Additional Opportunities Notes (input shared during the meeting)

- Aurora tourism goes into the shoulder season; not just winter tourism. It is distinct.
- Improve year-round tourism. Our space can be attractive year-round; things to do all year.
- Pandemic opportunities: local visitors; local experience. What can Fairbanks offer to residents from other parts of the state, such as Anchorage?
- New active-duty personnel at Eielson, with more to come.
- Domestic leisure travelers who normally travel internationally are not doing that right now; many are traveling to Alaska instead since it is more exotic.

Tourism Threats *(from 2016 CEDS)*

*What **outside factors are barriers** to a successful tourism economy in the FNSB?*

- State & federal government budget cuts
- PM2.5 nonattainment
- Cruise lines move more ships from Alaska
- **Added:** Long-term impacts from COVID-19
- **What else?**

Additional Threats Notes (input shared during the meeting)

- Climate change. How it will impact the aurora experience.
- Other locations featuring aurora – how are we competing with them?
- Exposure through Discovery and Travel channels; unique features. Can sometimes also feature things that are misleading, fictitious. (also under opportunity)



Preliminary Objectives and Tasks

Preliminary Objectives

(reworked from 2016 CEDS)

1. Diversify visitor attractions and facilities.
2. Extend the tourist season.
3. Expand the types of tourists visiting the Borough.

- **Are these the right objectives?**
- **Which of these is the most important?**
- **What measurable progress do we want to make over the next five years? How will we know when we've done the things listed above?**

Objective 1: Task Ideas

Obj 1: Diversify visitor attractions and facilities.

- a. Develop a convention center.
- b. Redevelop the Polaris Hotel site.
- c. Develop a performing arts center to increase entertainment opportunities.
- d. Change land use policies to promote Aurora viewing areas.
- e. Build an Aurora Viewing Interpretive Center.

➤ **Are these the right objectives?**

➤ **Which of these is the most important?**

Discussion Notes (input shared during the meeting)

- Collective marketing strategy, e.g., for aurora viewing.
- Land use policies.
 - Area near Cleary Summit is a highly utilized aurora viewing area, with nearby potential resource development (24-hour mining operation).
 - “I moved to Fairbanks because I didn’t want development. I don’t want a dog lot next to me, very loud. But I know that can bring in revenue. There’s a balance.”
- Land use policies that promote sustainable economic development

Objective 2: Task Ideas

Obj 2: Extend the tourist season

- a. Increase winter tourism through improved transportation services, attractions and enhanced marketing efforts.
- b. Increase winter tourism marketing.
- c. Develop winter passenger service on the Alaska Railroad.

➤ **Are these the right objectives?**

➤ **Which of these is the most important?**

Discussion Notes (input shared during the meeting)

- Reword away from tourism “season” – aiming for a year-round industry, don’t want it to be seasonal.
- Convention Center could help meet multiple objectives. Could help bring more visitors during the shoulder seasons.

Objective 3: Task Ideas

Obj 3: Expand the types of tourists visiting the Borough.

- a. Expand cooperative marketing programs with the airlines to gain access to new visitor markets.
- b. Increase business conventions held in the Borough.
- c. Add marketing ambassador in emerging markets.

➤ **Are these the right objectives?**

➤ **Which of these is the most important?**

Discussion Notes (input shared during the meeting)

- Marketing ambassador:
 - What does this mean in 2021? Social media influencers in emerging markets?
- Further diversify to international markets, strategize where/how to target key potential markets.
- Big increase with rail markets – have we reached this objective? Continue to expand rail access – expanding beyond non-summer months.
- Long-term: rail access and connectivity to the Lower 48.
- In general, change “tourist” to “visitor.” Not all visitors are tourists – can include business travelers.
- Alaska Long Trail as an opportunity. Fairbanks as a potential end point.

Next Steps and Wrap-Up

Next Steps

- **This month:** website launch, stakeholder interviews
- **This summer:** presence at community events
- **This fall:** community discussions

Thank you!

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