



Fairbanks North Star Borough Comprehensive Economic Development Strategy (CEDS)

FEDCo Energy Roundtable

June 18, 2021

Roundtable Participants

FNSB/Interior AK Energy Leaders

- Lou Florence, Doyon Utilities (*invited*)
- Tim Jones, Doyon Utilities (*invited*)
- John Burns, GVEA (*present*)
- Meadow Bailey, GVEA (*present*)
- Dan Britton, IGU (*present*)
- Steve Haagenson, IGU (*present*)
- Angela Speight, Petro Star (*invited*)
- Doug Richmond, Petro Star (*present*)
- Jake Loud, Petro Star (*present*)
- Rob Brown, Usibelli Coal Mine (*present*)
- Lisa Herbert, Usibelli Coal Mine (*invited*)

Others

- Brittany Smart, FNSB Mayor's Office (*present*)
- Jim Dodson, Fairbanks Economic Development Corporation (*present*)
- Jomo Stewart, Fairbanks Economic Development Corporation (*present*)
- Shelly Wade, Consultant Project Manager/Facilitator (*present*)

Introduction & Purpose

The Project Team



FNSB Project Manager:
Brittany Smart



Contracting Team:
Shelly Wade, AICP

Dena'inaq ełnen'aq' gheshtnu ch'q'u yeshdu.

We live and work on the land of the Dena'ina.

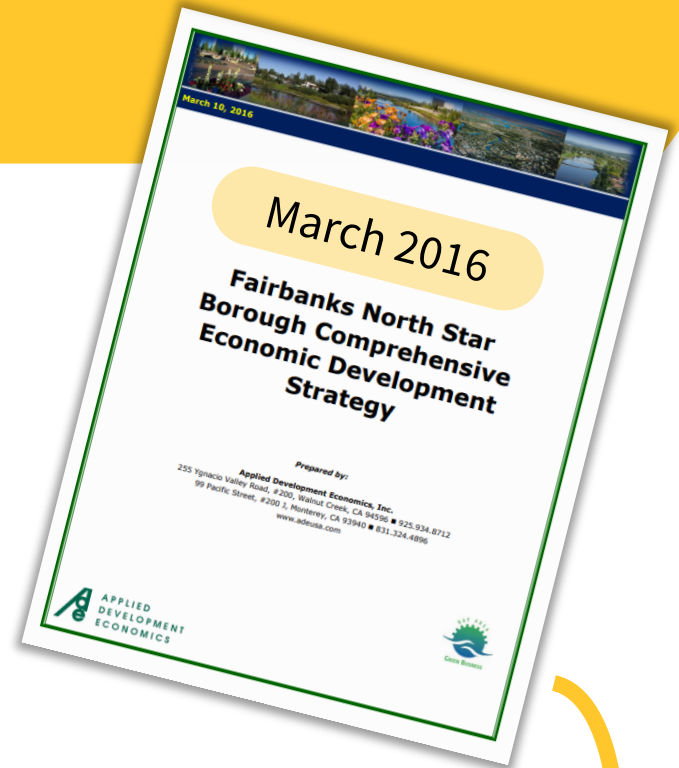
Translation by J. Isaak and S. Shaginoff-Stuart

Supporting team
members:

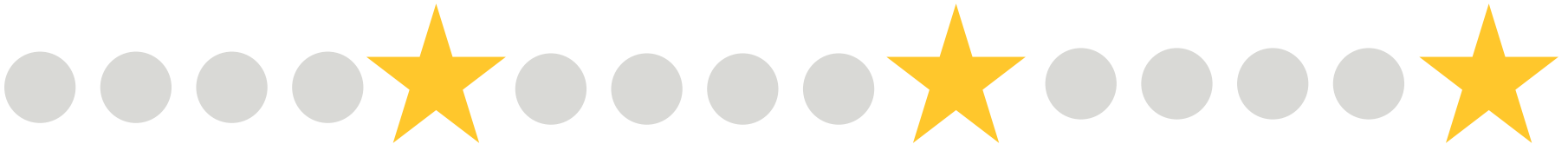


Project Purpose

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

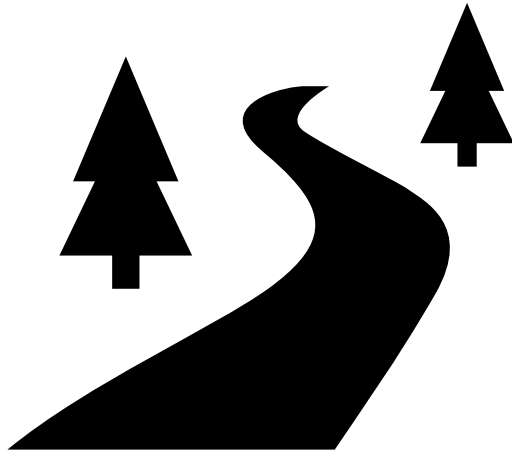


CEDS must go through a robust update every five years, with shorter, less intensive updates annually.



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.

Discussion Notes (input shared during the meeting)

- **Comment:** Having a current CEDS is a requirement for some federal funding opportunities, including the Economic Development Administration that typically funds CEDS processes. For this round, unlike previous rounds of CEDS development, FNSB is funding the process to allow more flexibility in the process, timeline and final document.
- **Comment:** Although this process is led by the Borough, public and private partners should feel they have ownership of CEDS development, the final product, and see themselves as collaborators in implementation/success of the CEDS.

What does a CEDS do?

- Brings the private and public sector together to develop a regional strategy and action plan.
- Serves as a road map to economic resilience and prosperity.
- Identifies projects and makes recommendations 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?

Numbers that tell the FNSB story – people, economy

An economic vision

SWOT analysis and situational assessment

Economic development goals, objectives and strategies for next 5 years, developed and supported by regional partners

Implementation plan – how we're going to work on our priorities; ways to measure our progress

Discussion Notes (input shared during the meeting)

- **Comment:** Several aspects of the 2016 CEDS were not implemented or followed through.
- **Comment:** The 2016 document looks like a “check the box” exercise with no clear accountability or identified lead for tasks.
- **Comment:** The 2016 process lacked the public involvement planned (and in process) for our current effort.
- **Question:** Who is going to own this and who will make sure we follow through on it?
 - **Comment:** The Borough and the Mayor are the curators of the CEDS, but all of us, FNSB and Interior AK private and public sector partners are responsible for implementation and monitoring progress. The Economic Development Commission is tasked with guiding the process and also monitoring implementation and progress.

Discussion Notes (input shared during the meeting)

- **Comment:** We need a clear leader for the process and “overseer” of the plan.
 - **Comment:** Again, the Borough is the lead. However, the people at this table, and leaders across sectors, could and should take the lead on strategies that are relevant to their sectors. The collaboration among stakeholders could get formalized in a memorandum of agreement among partner with commitments to lead (NOTE: does not mean fund) strategies.

Proposed FNSB CEDS Topics/Sectors

Industry Clusters

key sectors that drive the FNSB economy

Education + Research

Energy

Healthcare

Military

Natural Resources (*Agriculture, Forestry, Mining*)

Visitation

Community Influencers

supportive foundations that clusters rely on to grow and flourish

Communications

Government

Housing and Land Use

Quality of Life

Transportation

Utilities

Workforce Development

How does the CEDS benefit industry?

The CEDS will:

- Include a **dedicated “1-Pager” for each industry cluster** – tailored snapshot, SWOT, goals, strategies and implementation actions.
- Articulate a **shared economic development vision and goals** for industry, consumers, government.
- Position the community/industry for **funding and investment opportunities**.
- Hold everyone accountable with **measurable short and longer-term targets** and **ways to track and communicate progress**.

Discussion Notes (input shared during the meeting)

- **Question:** Can you give an example of an articulated, shared economic vision?
 - **Comment:** Some examples include, over the next 5 years, 1) Decrease the cost of energy by 20%; 2) Increase use of renewables by 20%. These are ONLY EXAMPLES. That said, the strength of the document is in the level of specificity identified in the goals, strategies and related 5-year targets.
 - **Comment:** The project team will send some CEDS examples from other regions of the state.
 - **Comment:** CEDS are also supposed to undergo annual updates to assess what has been done and if the goals are still relevant.
- **Question:** Was there an audit or annual look at the 2016 document?
 - **Comment:** The Economic Development Commission started to do that and realized it was not a helpful exercise given the lack of specificity and weakness of that document, so moved to creating a new CEDS.
 - **Comment:** The 2016 plan was aspirational at best, making an audit challenging. The goal of this document is to make it more actionable.

Discussion Notes (input shared during the meeting)

- **Comment:** Excited because there needs to be an energy vision for Interior Alaska that everyone buys into and supports, and that could be laid out in this CEDS. Low-cost energy is a driver in a lot of this.
- **Comment:** We need to consolidate all these interests and initiatives into a clear strategy.
- **Question:** How long has FNSB had a CEDS? Have they always been ineffective?
 - **Comment:** The Borough has had them for a long time, but no great examples of success. However, this process is already different in the ways we are engaging with community and industry leaders for their input, early and throughout the process.
- **Comment:** We should learn from our mistakes.
 - **Comment:** One helpful tool for success is the public involvement we are doing/have planned, but also the idea of doing a “pre-feasibility” assessment of a proposed CEDS project or strategy to help community partners understand what it will take (preliminary levels of investment, etc.) to make a project/strategy successful.
 - **Comment:** We are also conducting economic impact analyses, using IMPLAN, an input/output model, to assess potential jobs and revenue proposed projects will bring to the FNSB/Interior Alaska. Three projects, including the IGU Phase 2 Buildout are currently being assessed through this method to position the FNSB for federal infrastructure funding.
 - **Comment:** The CEDS process also has built in an annual update which requires/allows partners to review and adjust to the landscape in real time.

Discussion Notes (input shared during the meeting)

- **Question:** What is an example of a deliverable in the 2016 plan that was not realistic?
 - **Comment:** “To diversify energy sources and lower and stabilize energy costs.” This lacks specific measures of success.
- **Question:** What is the timeframe on the CEDS?
 - Spring/Summer 2021 – Discover & Listen
 - Invite input; compile and analyze data
 - Fall/Winter 2021 – Draft & Review
 - Create a vision, goals, strategies; host Economic Summit; prepare draft CEDS
 - Spring 2022 – Finalize & Activate
 - Adopt the CEDS
 - Take action on CEDS recommendations

Energy Context

Discussion Notes (input shared during the meeting)

- **Question:** How do we articulate what we think a priority should be for the IMPLAN exercise?
 - **Comment:** The Mayor has his priorities, but if you think there is something else we should consider, let us know. The four projects currently undergoing analysis include:
 - Pearl Creek Elementary Water Main Extension that will provide piped water to neighboring communities.
 - Polaris Building demolition.
 - IGU Phase 2 Buildout.
 - **Comment:** We built into our scope of work modeling up to five projects. There could be another priority that is energy related (aside from Phase 2 Buildout), especially if it's identified as a collective community priority.
- **Question:** What was the criteria for getting a project into the first round of IMPLAN analysis? Specifically, how did the IGU project make it in?
 - **Comment:** It was a priority of Mayor Ward's, and it's related to the infrastructure bill. Natural gas to the Interior is a priority of the CEDS.
 - **Comment:** Tying in natural gas to the Pearl Creek area is a priority of IGU's as well. IGU team will provide the CEDS project team with additional information on that.
- **Comment:** There is a need to have collaborative dialogue. It doesn't make sense to have projects in silos.
 - **Comment:** That is a great point, and a lot of community planning processes suffer from that.
 - **Comment:** We could commit to regularly scheduled meetings to make sure the energy goals in the CEDS are on track.

Discussion Notes (input shared during the meeting)

- **Comment:** Low-cost energy is the foundation. We should be having regular, facilitated dialogue about how to benefit the community long-term. These meetings can be self-facilitated.
 - **Comment:** CEDS Project team will suggest a future meeting dates for the next meeting where that schedule and meeting objectives could be established.

What are the energy trends in FNSB/Interior and how can we measure success?

What/Data	Source
Annual Home Heating Costs	<i>Alaska Statewide Housing Assessment (Alaska Housing Finance Corporation)</i>
Average Fuel Costs (petroleum, natural gas, fuel oil, etc.) and Electrical Rates	<i>Varies</i>
Natural Gas Residential Conversions	<i>Interior Gas Utility, Fairbanks Natural Gas</i>
Homes Connected to Natural Gas Lines	<i>Interior Gas Utility</i>
Percent of Railbelt Energy Generation Coming from Renewable Sources	<i>Alaska Energy Authority and Renewable Energy Alaska Project</i>
Energy Sector Employment & Business Retention & Expansion	<i>Spread across sectors – is there a consolidated source?</i>

What other data, sources should we consider?

Discussion Notes (input shared during the meeting)

- **Question:** What is the Borough's ability to be sensitive to proprietary information or data that partners may share? We have more sensitive data that would help inform, but private business entities would not want that in the public sphere.
 - **Comment:** We could establish a memorandum of agreement along those lines, but even without that, no entity/business-specific information will be published without a conversation, and only if relevant to community/regionwide economic story or strategy.
- **Comment:** The military is a huge consumer of energy. We always seem to jump to cost, but there is a huge vulnerability in supply of energy in Alaska. Supply drives the cost. We need to start the conversation at what energy does this community need.

Energy: Strengths and Weaknesses of the Region

1. What **factors contribute** to a successful energy industry in the FNSB/Interior AK?
2. What **factors are a barrier** to a successful energy industry in the FNSB/Interior AK?

The Pandemic and Energy

1. How has the energy industry been impacted by the pandemic?
2. One year from today, do you see regional energy economic conditions as better, the same, or worse than today? Why?
3. What can we learn from the pandemic and what actions are needed to help the energy sector recover from the pandemic's disruption?

2016 CEDS Goal #1: Lower and stabilize FNSB energy costs by expanding the energy portfolio with a focus on local resources.

Objectives:

- Bring affordable, sustainable natural gas to the Fairbanks North Star Borough.
- Support geothermal energy production in and around the Interior region.
- Find ways to recover and use waste heat to heat buildings and greenhouses in the FNSB.
- Support University of Alaska Fairbanks research to find new ways to provide affordable clean energy in the FNSB and surrounding regions.

2016 CEDS Goal #2: Strengthen FNSB's Position as a Hub of Energy Development Services and Research.

Objectives:

- Develop a stronger support role for the oil and gas industry, including infrastructure and workforce capacity to support construction of a natural gas pipeline.
- Advocate for responsible development of the petrochemical industry in the Borough.
- Position the Interior as an energy research and development hub.

Proposed Tasks (from 2016)

1. Support completion of the Interior Energy Project.
2. Actively support continued development of new local natural gas distribution systems in communities not currently served. Assist in siting and development of storage facilities.
3. Develop Petro Star Asphalt Plant.
4. Conduct market analysis for microgrid energy technology development.

➤ **Are these the right tasks? What's missing?**

➤ **Which is the most important?**

➤ **What measurable progress do we want to make over the next five years?**

Next Steps and Wrap-Up

Upcoming Activities

- **Tomorrow – June 19th**: Midnight Sun Festival, 12PM ~ 10PM
- July 13th: Chamber's General Membership Luncheon
- July 24th: Booth at Golden Days
- July 30th – August 8th: State Fair
- Additional roundtable and sector-specific conversations

Discussion Notes (input shared during the meeting)

Next steps – The project team will:

- Send examples of other CEDS documents, including the 2016 and 2008 FNSB CEDS.
- Send the PowerPoint presentation and Regional Snapshot.
- Send several suggested dates for a follow-up meeting in the next two to four weeks.
- Send the next wave of questions to discuss at the next meeting.
- Energy partners to delegate input on most informative/effective energy data (Slide 20) to appropriate staff.

Thank you!

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