



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Meeting Agenda

Economic Diversification Commission

Wednesday, July 6, 2016

6:00 PM

Council Chambers

WORK SESSION AGENDA - 6:00 pm

1. [Joint Work Session Ports & Harbor/ED Commissions](#)

Attachments: [Valdez Marine Center.pdf](#)
[Port of Valdez Study 2015.pdf](#)

REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

1. [Approval of the Regular Meeting Minutes of June 1, 2016.](#)

Attachments: [06012016 draft minutes edited.docx](#)

2. [Approval of Regular Meeting Minutes of June 15, 2016](#)

Attachments: [06152015 draft minutes edited.docx](#)

IV. PUBLIC APPEARANCES

V. PUBLIC BUSINESS FROM THE FLOOR

VI. NEW BUSINESS

1. [Americans with Disabilities Act Background Information](#)

Attachments: [ADA small town.pdf](#)
[ADACommon Problems.pdf](#)

2. [Discussion Item: Strategic Initiatives](#)

Attachments:

[Valdez Strategic Initiatives - 6-15-16.docx](#)

[City of VALdez EDC letter dennis ragsdale-a.docx](#)

[Draft letter EDC to Council on zoning Enforcement.docx](#)

[BRE status 6.30.2016-A.docx](#)

[Valdez BRE Project Information 7.6 2016.docx](#)

[Alaska RuralRetention Survey-Ethan Tyler .pdf](#)

[SBDC Annual Report 2015.pdf](#)

[July 13 Valdez Luncheon.docx](#)

VII. COMMISSION BUSINESS FROM THE FLOOR

VIII. ADJOURNMENT



Agenda Statement

File #: 16-0013 **Version:** 1

Type: Action Item **Status:** Agenda Ready

File created: 7/1/2016 **In control:** Economic Diversification Commission

On agenda: 7/6/2016 **Final action:**

Title: Joint Work Session Ports & Harbor/ED Commissions

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Attachments: [Valdez Marine Center.pdf](#)
[Port of Valdez Study 2015.pdf](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

Joint Work Session Ports & Harbor/ED Commissions

SUBMITTED BY: Lamar Cotten, ED Contract Staff

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

None. Discussion only.

SUMMARY STATEMENT:

Previous discussions and presentations at ED Commission meetings have confirmed for the Commission the importance of growing the marine-related economy. To that end the ED Commission requested a joint work session with the Ports & Harbor Commission to discuss important issues.

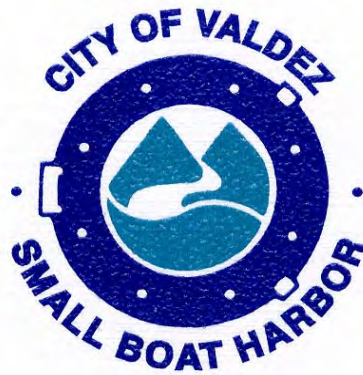
Recommended discussion points include:

- ED Commission Mission
- Valdez New Small Boat Harbor Construction Update & Schedule
- Upland Development Plans
- Port & Harbor Marketing Strategy
- Other

Two documents have been attached for Commission review. The first is: **2003 Valdez Harbor Expansion & Marine Related Development - the Valdez Marine Center**. Jeremy Talbott, Interim P&H Director suggested this as a good instructive overview to possible approached on small boat

harbor uplands development. The second document is: **Port of Valdez Market Study 2015**. This document outlines the market share of the Port in context of other south central Alaska ports and offers some recommendations on non-traditional marketing ideas of a more personal contact nature.

A Comprehensive Vision for Valdez Harbor Expansion and Marine Related Development – The Valdez Marine Center -



**Prepared by:
Alan J. Sorum MPA – Valdez Harbormaster
28 February 2003**

Executive Summary

The time is right for the construction of a new harbor west of the Ship Escort Response Vessel Service (SERVS) Dock in Valdez, Alaska. Adoption of available technology will allow the moorage of additional vessels in the west site and promote the economic diversity needed in the community of Valdez. Development of a comprehensive plan for the use of City uplands adjacent to the new harbor will be the basis of new economic development in our community.

The firm of Peratrovich, Nottingham and Drage, Inc. (PN&D) conducted research in permeable wave barriers sponsored in part by the City of Valdez and has prepared a feasibility study on the use of this technology at the west site. The preservation of scarce uplands through the use of permeable wave barriers, adjacent available uplands, pent up demand for moorage in Alaska and the advancement of a marine center concept for Valdez, all work together to make this an exciting time to consider new economic development within our community.

The bottom line is always the most important element in any project or endeavor sponsored by a municipality. Economic impact of the new Marine Center project will exceed \$44,000,000 and provides for employment of 355 people, many in newly created jobs. A formal study of the marine center concept and land use planning will document greater benefits and help provide an overarching plan for future development.

Introduction

New alternatives in technology and economic opportunity have joined to make development of a new harbor, west of the Ship Escort Response Vessel Service (SERVS) Dock an attractive option. Development of permeable wave barriers as a harbor breakwater, immediate regional demand for moorage, available adjacent uplands, and adoption of a marine center concept all point to substantial economic benefit to the community of Valdez. Working in concert, these various elements present a strong case for transforming Valdez into a regional center for support of the marine and fishing industries. Port Valdez is historically unique in its ice-free character and strategic location with ready access to south central and interior Alaska. Ultimately the proper and timely development of the limited waterfront resources available in Valdez will provide a more balanced local economy.

Studies and concepts too often focus on single projects with singular benefits. Valdez has many rich resources that need to be brought into concert with future development. There are seldom functions or activities occurring within the community that are not in some part dependent on another enterprise or activity. A boatlift, for example, may not be a profitable enterprise in itself. However, the economic activity generated by repairs, storage and other maintenance functions would provide a much greater economic benefit to the community than that reflected in the cost of the boat lift.

Promotion of economic diversity is important to a community like Valdez that is dominated by a single industry. Support for planned development of the area west of the SERVS Dock is best detailed in three broad areas of discussion. They involve the advantages found in the development of a regional marine center concept, the use of permeable wave barriers and

detailing the economic benefits inherent in development of a new harbor. The need for an overarching, holistic mindset is vital to the ultimate success of this endeavor.

The Valdez Marine Center Concept

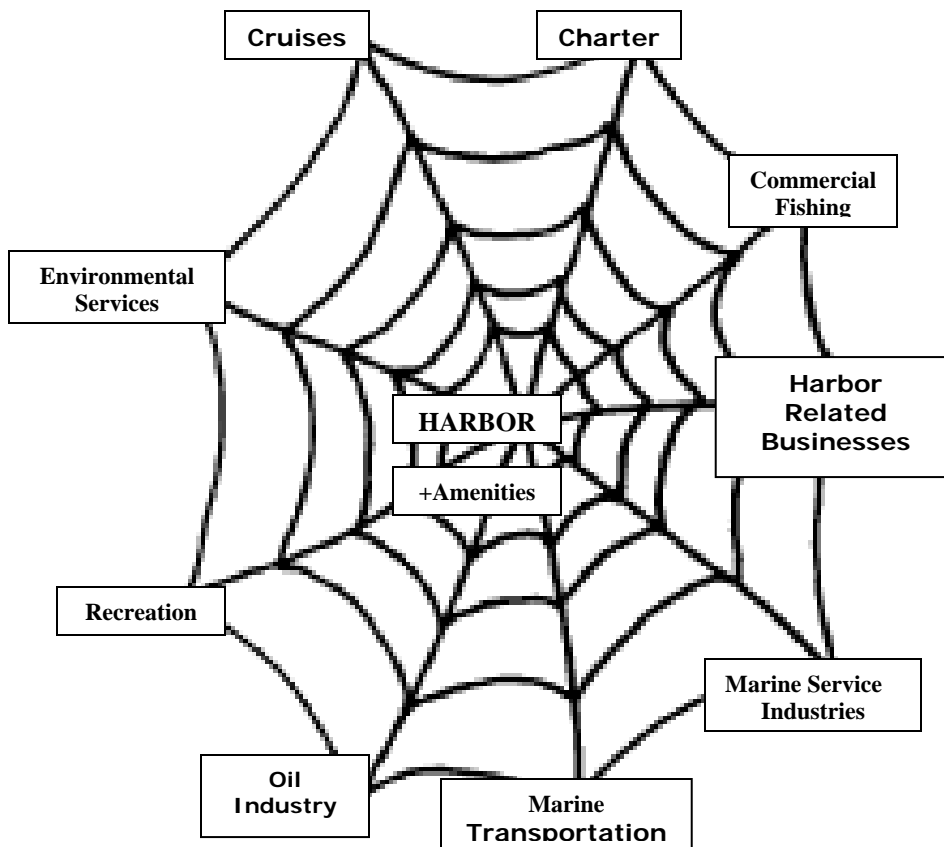
The City of Valdez is actively pursuing the construction of a new harbor basin. Just as important to planners of the basin is planning for the uplands development to ensure maximum economic development impact for the community. The planning of a new harbor in Valdez should include functions and activities that may not have been considered in the past, such as development of a comprehensive marine center and supporting businesses at the harbor spit. There are numerous public economic benefits available to the community if these possibilities are introduced within the initial harbor planning process. This section attempts to identify opportunities to expand cooperation between the public and private sector in development of business opportunities in the new harbor.

Valdez Small Boat Harbor has been involved with a number of planning efforts during the past three years. An overall master plan was implemented that has been very useful in providing direction for future development. This master plan was recently updated to reflect current progress in capital projects and considerations for new harbor requirements. A report outlining the state of the harbor was published in the spring of 2002 that describes harbor infrastructure, operations and development goals. This document provided a record of what is actually in place and being done at the harbor. The harbor began to collect economic data from users during the 2002 boating season. Initial efforts to quantify this information show the harbor to be a major economic force in the greater Valdez community. It is worth

noting that the City of Valdez has been very progressive in its oversight of harbor activity. Compared to other facilities in Alaska and the lower forty-eight, Valdez has accomplished many things that are only recently being discussed in other places.

The question to us is what defines harbor related activity. Valdez is a coastal community with strong ties to marine environment, recreation and transportation. The harbor recently developed a user handbook with an attached business directory. An effort was made to include those businesses that have a connection to the harbor. It was quickly apparent that most Valdez businesses benefit from the operation of the harbor. It is therefore important for us to plan harbor construction projects that are also favorable to local users and businesses. There are many activities that could be included in the planning of a new harbor.

Not only do these enterprises interact with the harbor, but they also have business relationships with each other. A charter operator will depend on the harbor for moorage and purchase parts from a local hardware store. The following is a summary of some harbor related activities and businesses that might benefit from the proper planning of a new harbor. One method to visualize them is to picture the harbor as a web with related functions or activities extending from the center of it.



Web of Harbor Relationships

Charters – Charter fishing is a major component of the harbor community. There are approximately 100 operators working out of the harbor. The master plan proposes the establishment of a charter boat row, which could highlight this activity and provide specific support structures for the fleet. This includes advertising, improved access for all visitors, fish cleaning stations and a common area for visitors to find a charter boat. The area could be designed with a motif that attracts visitors to walk through the area and watch the fish being brought in to the dock.

Another group of charter boats in the harbor operate longer, overnight trips. These vessels are typically larger and demand more moorage space and support services. A new harbor should consider the trend towards larger vessels and the lack of moorage in Alaska for vessels over sixty feet in

length. Many of the large yachts that can be seen throughout the west coast are actually operated as charter vessels. Each represents a separate business enterprise.

Commercial Fishing – Commercial fishing is recognized as being second only to the oil industry, as the most important business pursuit in the state. Valdez has 75 commercial fishing vessels operating out of its harbor and many more staging here for the summer season. Commercial fishing provides direct employment, purchase of supplies, use of marine repair services, raw fish taxes, and secondary employment for the community. Valdez needs to consider the business services required to support commercial fishing and how they could be incorporated in the new harbor. These would include a larger haulout, larger cranes, machine shop, chandlery, welding shop, shipwrights, and a cold storage. Many of these facilities would also better support other commercial vessel operators like cruise ships, oil industry vessels and other fishing enterprises such as processors or the new Valdez Fisheries incubator program.

Many more ideas have been identified as necessary in the new harbor. Upland storage, a bulkhead loading dock, larger moorage spaces and a larger boatlift have been discussed. Many fishers operating from Valdez in the summer would remain here permanently if support service and moorage were available.

Harbor Related Businesses – We mentioned earlier, most businesses in Valdez have a marine related component. A visiting vessel needing repairs would buy groceries, visit restaurants and may stay with a local hotel. Many visiting recreational boats will use the same services. Research conducted by

staff for a policy document shows that there are more than 30 businesses conducting their affairs in the harbor area.

Marine Service Industries – Marine service industries required to fully support a commercial marine center include the services of machinists, welders, shipwrights and ship stores for maintenance and repairs. Fueling, ice making, cold storage, cargo and processing are needed to support a healthy fishing fleet in the harbor.

Marine Transportation – Boat harbors are natural connecting points for other forms of transportation. Floatplanes utilize the mooring basin during the winter with the freezing of Robe Lake. Coastal pilots, the Coast Guard and oil industry transport personnel via water to points throughout the Sound. The harbor facilitates the transfer of fuel and building materials via landing craft to remote locations as well. Taxi and freight companies transfer passengers and material to vessels at the harbor.

Oil Industry – Currently the harbor accommodates vessels from SERVS. This includes small response boats, staging oil recovery barges and small line handling tugs. It is anticipated that SERVS will utilize the new commercial harbor for moorage of response vessels due to proximity and protection from the weather. The community does not have the facilities to handle maintenance of the larger escort tugs and response craft. Much of this business is taken to Seward, Alaska.

There are many opportunities available to the harbor to support the oil industry. There are also several other oil spill response organizations that have used the harbor in the past. The harbor could also work more closely with the community college in its oil industry training programs.

Recreation – Recreational activities occurring within the harbor cover the gamut of possibilities. There are skiff rentals, pier fishing, hunting, kayaking, rafting, hiking and camping trips beginning at the harbor. Sixty percent of all boating activity occurring out of the harbor is recreational. The use of a boat in Prince William Sound can be recreational in of itself or a boat can be used to facilitate another activity like camping. The harbor master plan has identified the importance of continued planning to support recreational activities.

Environmental Services – Valdez Small Boat Harbor has become the de facto used oil collection site for the City of Valdez. Non-harbor customers are supposed to take used oil to the bailer facility for disposal, but since the harbor is closer, this does not occur often. Staff has identified the need for a building to handle environmental wastes generated by the harbor. It is unrealistic to believe boaters will transport small quantities of oily bilge water to the City bailer facility. Current environmental concerns and plans for harbor expansion have become intertwined. The harbor needs to be proactive in its environmental practices, if there is any hope of expanding the present facilities. The City has already made great progress with the completion of the new upland facilities. Storm and vessel maintenance processed water is collected and treated. This waste stream used to be directed into the Duck Flats and mooring basin.

A new bilge water treatment building should be constructed at the harbor to accommodate oily wastes generated by harbor users and to provide similar service to the residents of Valdez as well. It would be appropriate for the new facility to accept antifreeze and batteries as well. A new environmental

facility should be able to support the needs of the harbor and community residents as well.

Permeable Wave Barriers

Historically harbors have utilized rubble mound construction to build protective breakwaters. Rubble mound construction basically involves dumping large rocks into the water until an adequate height is achieved and the rocks quit spreading out at the bottom. Rubble mound breakwaters are expensive to construct. They bury wildlife habitat on the sea floor. Rock breakwaters hinder the flow of water and cause stagnation of harbor waters. Rubble mound breakwaters are difficult to remove and limit future expansion considerations.

The City of Valdez sponsored permeable wave barrier research conducted by the firm of Peratrovich, Nottingham and Drage, Inc (PN&D) in concert with the Alaska Science and Technology Foundation in 1998. PN&D developed scale models that simulated Alaska wave conditions and used these models to design a wave barrier that protects vessels moored in a harbor, as well as allowing adequate flushing of water through the harbor.

Waves equivalent to those normally found in the Pacific Northwest and Alaska were studied. This included waves to six feet in height, with periods of two to five seconds and lengths to 150 feet. Wave action in Port Valdez has been studied by the U. S. Army Corps of Engineers (USACOE) and they found the significant wave to be concerned with in Valdez reaches five feet and has a period of just over four seconds. A permeable wave barrier can easily attenuate a wave of this magnitude. The use of permeable wave barriers at the west SERVS site provides these project benefits:

- The original plan developed by the USACOE proposed the dredging of approximately four acres of existing uplands. Valdez has limited waterfront property and the loss of additional uplands is unacceptable. The use of a permeable wave barrier allows construction in deeper waters, which may allow for creation of additional new uplands at the harbor construction site, depending on final basin size.
- The west site is considered a disturbed area and holds no environmental value to natural resource agencies involved in regulation of marine construction projects. Environmental concerns equate to time and money. More time and more money will be expended as the proposed harbor project shifts to the east. It is a reality that the Duck Flats are an area of national environmental interest and there is little the city can do to change that. There are limited opportunities for alternate mitigation in Prince William Sound due to the pristine nature of the Sound and enormous funds spent in mitigation from the *Exxon Valdez*. A mitigation project may be required as an exchange for construction on the east side of the SERVS dock.
- Wave barriers are multipurpose structures. They protect vessels from wave and wake damage, but can also be used for other additional purposes. Wave barriers have vertical surfaces and therefore maximize the useable area created by the breakwater. Wave barriers can serve as docks that provide flexible moorage on their face. The addition of mooring bollards and energy adsorbing fenders on the outside face allows seasonal moorage of large vessels. Attached floats on the inside face can create additional slip space that cannot be found in the use of rubble mound breakwaters. The addition of floats on the inside face of

a wave barrier significantly expands the number of vessels that can be moored in the harbor.

- Permeable wave barriers are environmentally friendly. Water can flow freely through the structure and harbor flushing is significantly better. The current harbor is a prime example of the problems associated with poor circulation of water. Rubble mound breakwaters destroy sea floor habitat and limit movement of wildlife. Wildlife such as juvenile salmon can travel unhindered through a wave barrier structure.
- There are many recreational benefits associated with wave barrier structures. These include development of picnic areas, connections to a coastal trail system and fishing piers.
- The construction of wave barriers can provide alternative moorage for large vessels like those used by the Coast Guard, NOAA, the oil and fishing industry. SERVS vessels may utilize the more protected waters of an adjacent harbor. There are potential new vessels coming to Port Valdez including the USCG Cutter *Long Island* and a proposed missile defense system radar barge.
- Permeable wave barrier structures are more appropriate for use in high-risk seismic areas. Rubble mound breakwaters impose a huge weight load on the sea floor and can slide easily in an earthquake. Port Valdez is basically a fjord with steep slopes and the topography limits the depth in which a rock breakwater can be placed. Wave barriers use components similar to those used in standard dock construction, which are lighter and can be placed in deeper water. This flexibility allows more efficient mooring basin design and capacity.

Economics

Pat Burden of Northern Economics wrote recently that, "...the importance of a harbor in a community does not stop at the waterfront. A successful harbor both creates and requires a number of related services in the community. Visiting vessel owners purchase food and supplies for local stores. Visitors arriving by vessel often patronize restaurants, hotels, and entertainment businesses in a community. Visitors new to a community may also purchase tour packages that will allow them to explore a community with a guide. Visitors use many businesses that residents use, and vessel owners will do the same."

A calculation of the economic impact generated by construction of a new boat harbor can be made using assumptions provided in research already conducted on the behalf of the City of Valdez. The treatment of this subject begins with a harbor fleet design, identification of the fleet mix, quantifying expenses generated by each user group, calculation of total economic impact and a summary of its importance to the community. Valdez Small Boat Harbor has also led an effort for further expansion planning through efforts like the *Harbor Master Plan*, *State of the Harbor Report* and *Valdez Marine Center* white paper. Mr. Patrick Burden of Northern Economics, Inc. presented a set of guidelines for estimating the economic impact made in the community by the operation of ports and harbors at the Alaska Association of Harbormasters and Port Administrators 2002 annual meeting. Mr. Burden identified three different measures of value to the community. They are **financial impact**, **fiscal impact** and **economic impact**. These values represent three different bottom lines that contribute to the local economy. The following exercise calculates these measures of value using the limited data presently available to the harbor.

Financial impact - Financial impact is the total of harbor revenue, payroll and local purchases of the harbor itself. Total estimated revenue for Valdez harbor for FY2002 is \$649,550. Harbor payroll budgeted for FY2002 is \$388,141. Estimated local purchases by the harbor total \$190,000. So of the \$649,550 in estimated revenue for the harbor in FY2002, approximately \$578,141 is spent in the community and represents the financial impact of the harbor. A similar comparison can be extended to the construction of a new harbor. The current harbor contains 16,260 feet of billable moorage. Combining payroll and local purchases that are paid for out of current revenue, then dividing by the total billable moorage produces an estimate of financial impact of \$35.56 per foot that can be applied to the new harbor. Total billable moorage for the Valdez ultimate harbor design in chart 1 is 16,395 feet. 16,395 feet multiplied by \$35.56 produces a potential financial impact for the new harbor of \$583,006 per year.

Fiscal impact - Fiscal impact is the total spending by non-local and local harbor users, as well as the taxes generated by harbor users and related businesses. Using survey data and research conducted by the U.S. Army Corps of Engineers, we can estimate the expenses incurred by vessels operating out of the harbor.

The current small boat harbor reached its total capacity and has been crowded for a number of years. The City of Valdez and the ACOE began planning for a new harbor in 1999. There has been a substantial amount of information developed over the last three years. The ACOE analyzed potential users of a new harbor and the range of vessel sizes required to satisfy moorage demand. Major harbors in Prince William Sound were identified and moorage demand through waitlist and transient moorage

usage was quantified. The result established a concept harbor that would meet the needs of the Valdez community. The City of Valdez, through discussions with staff and appointed and elected officials further refined the immediate requirements of a new harbor for the community. The ultimate harbor design for the City of Valdez would accommodate approximately 500 vessels of various sizes.

Valdez Ultimate Harbor Design (Table 1)	
Average Vessel Size ft (m)	Number of Slips
30 (9)	425
43 (13)	59
52 (16)	10
98 (30)	6
Total	500

Current use of the small boat harbor and waitlist information was studied to identify the fleet mix that would use the new harbor. Fleet mix is an estimate of different user groups and vessel trades that would moor in the harbor. The ACOE identified recreation, commercial fishers, charter boats and fishing tenders as potential users of a new harbor. The ACOE fleet design identified a mooring basin that would accommodate 335 vessels. This information can be scaled from the ACOE effort to the local desire for a 500-vessel harbor. It is important to estimate the user representation in the new harbor since each group offers different economic benefits to the community.

Valdez Moorage Demand Summary (Table 2)					
Vessel Type	30' (9m)	43' (13m)	52' (16m)	98' (30m)	Total
Recreation	324	15			
Fishers	31	16	4		
Charters	70	28	6		
Tenders	0	0		6	6
Grand Total	425	59	10	6	500

There are several approaches that can be made to quantify the economic impact of a harbor user group to greater economy. The numbers will also vary directly on vessel length. A larger vessel will have a bigger crew, burn more fuel and require greater maintenance.

The harbor department surveyed recreational users during FY 2002. Initial responses to our survey indicate that non-local visitors make 2.2 trips to harbor each season and spend \$440.68 per trip. It would be safe to assume recreational vessels using the new harbor would spend at least this amount per year (\$969.50 per vessel). An effort will continue to better define total spending by both non-local and local harbor users in FY2003.

The following is a summary of costs that can be associated with each vessel identified in the moorage demand summary. Supporting charts developed by the USACOE are attached in the appendix. The chart below represents annual operating costs for the vessels identified in the Valdez moorage demand summary chart. Total operating costs generated by vessels utilizing the new harbor would be in the area of \$29,000,000 per year.

Total Annual Operating Cost for Demand Summary (Table 3)

Vessel Type	30' (9m)	43' (13m)	52' (16m)	98' (30m)	Total
Recreation	\$314,118 ¹	\$14,545 ¹			\$328,663
Fishers	\$3,469,861 ²	\$2,985,984 ³	\$1,037,868 ⁴	\$0	\$7,493,713
Charters	\$10,209,150 ⁵	\$6,167,560 ⁶	\$1,536,354 ⁷	\$0	\$17,913,064
Tenders	\$0	\$0	\$0	\$3,328,410 ⁸	\$3,328,410
Grand Total	\$13,964,611	\$9,166,744	\$2,574,222	\$3,328,410	\$29,063,850

Not all costs generated by vessels in the new harbor will translate into direct local spending. There is a certain level of “leakage” to the greater national and international economy. **Valdez will capture more of these funds as local services and resources are developed.** The promotion of the Valdez Marine Center concept will further this goal and prevent funds from “escaping” the local economy.

Economic impact - Economic impact is the combination of total spending modified by a multiplier, new income and export-oriented commercial spending modified by the same multiplier, and additional employment caused by the harbor’s presence in the community. It is an accepted economic principle that new and outside income brought into a community is spent a number of times. A larger community is better able to provide goods and services than a smaller one. A conservative economic multiplier for a community the size of Valdez would be 1.5. Current information available shows a total spending of \$29,646,856 could be generated by a new harbor. This results in an economic impact of **\$44,470,284** generated by the harbor

¹ Based on survey data of \$969.50 per vessel – Page 14.

² Based on USACOE data with project total annual costs of \$111,931 per vessel – Table 4.

³ Based on USACOE data with project total annual costs of \$186,624 per vessel – Table 5.

⁴ Based on USACOE data with project total annual costs of \$259,467 per vessel – Table 6.

⁵ Based on USACOE data with project total annual costs of \$145,845 per vessel – Table 4.

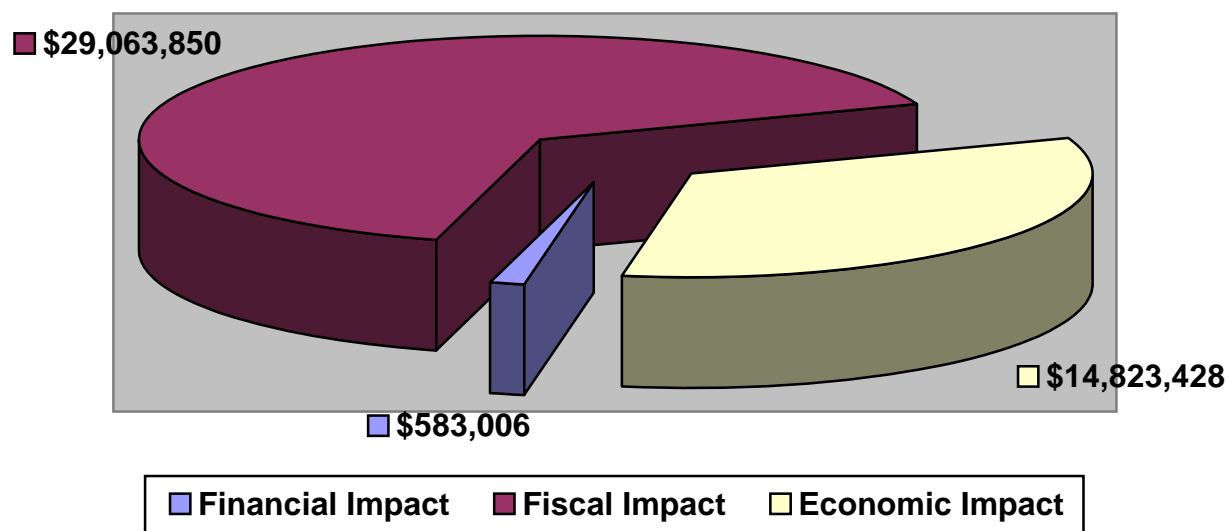
⁶ Based on USACOE data with project total annual costs of \$220,270 per vessel – Table 5.

⁷ Based on USACOE data with project total annual costs of \$256,059 per vessel – Table 6.

⁸ Based on USACOE data with project total annual costs of \$554,735 per vessel – Table 7.

operating budget and harbor customers. Each million dollars of economic impact will generate eight to eleven jobs in a community the size of Valdez. Using a factor of eight employees per million dollars would result in the potential of the addition of up to **355 jobs** in the community resulting from construction of a new harbor because of its total economic impact.

Chart 1 - Economic Values Contributing to a Total Impact of \$44,470,284 Created by the Valdez Marine Center



Economic Conclusions - It is apparent that Valdez harbor is an important economic engine within the community and that expansion of its facilities will greatly enhance the local and regional economy. Further study is important to properly support operations, plan for future expansion and promote effective use of city facilities.

It is important to note the USACOE identified a number of other additional economic benefits that could be attributed to the addition of a new harbor. These include an annual savings of \$20,500 in reduced time delays, reduced fishing tender travel time of \$205,200, reduced dock/float damages of \$171,000, reduced harbor personnel costs of \$12,100, and improving subsistence access for \$264,800 in addition benefits to the community.

Recommendations

Recommendations for the new harbor are based on the idea that there are multiple benefits arising from good planning and well-reasoned installation of harbor infrastructure. Many of these recommendations depend on better public-private cooperation. The City of Valdez is in a position to develop the waterfront to best serve the needs of the community and private businesses can be brought in to operate many of these ventures. Planning for the new harbor should include recreational, industrial, commercial, environmental and local interests. Benefits to visitors will also enhance the quality of life for Valdez residents.

Recommendation 1: Marine Center Economic Study – Conduct a comprehensive evaluation of the economic benefits of a new harbor and supporting facilities needed in Valdez. In addition to refining and confirming existing economic information, this study will be **critical for providing the necessary groundwork to secure State and Federal funding**. Northern Economics proposed completing this scope of work to address adequate planning for a new marine center:

- Review existing documents and prior studies to provide background information for this study.
- Develop a purpose and need statement and supporting documentation to demonstrate the need for a new harbor and supporting facilities in Valdez.
- Prepare a vision statement that integrates small boat harbor infrastructure development with local and regional economic diversification strategies to strengthen the oil and gas, commercial and sport fishing, and tourism industries. The vision statement will identify specific services and facilities needed to meet user demand and that are

vital for a successful harbor facility, based on our professional experience in port and harbor development. For a community to reap the benefits on a harbor expansion, uplands development must take place to promote support services for visiting vessels. A successful marine center must have several components – harbor, vessel lift, work area and collection system, supply stores, repair services, etc. – all of which are needed for the harbor to provide a benefit to the community. A harbor expansion provides more space for visiting vessels, but the services offered in the uplands area is what encourages vessels to visit. Uplands development and the linkage between the harbor improvements and the architectural and visual attraction of commercial/retail shop fronts are part of the vision of a new harbor and marine center for Valdez. Prior research and numerous comprehensive planning, economic diversification, and harbor and waterfront development studies will inform the vision for a new harbor and marine center.

- Describe the economic benefits associated with the harbor expansion and other waterfront development. The value of a harbor exceeds the revenues it brings in for moorage. Many other business sectors are impacted by the harbor-related activity: oil and gas industry, fishing, tourism, and recreation. Other waterfront improvements will also generate benefits. We will address the fiscal, financial, and economic effects of the harbor and the other improvements, as well as other benefits that can be identified.
- Provide rough order of magnitude cost estimates for the recommended harbor improvements. Relying on existing studies of marine centers, we will provide a rough estimate of the costs for harbor and facilities development.

Recommendation 2: Regional Focus – The new harbor and developed uplands should be promoted on a regional basis. This facility should be

named as the Prince William Sound Marine Center or Valdez Marine Center to promote the concept that multiple vessel-related services are available here. Seward is able to draw from a large geographic area due the scale of its service infrastructure. Many vessels based in Valdez haul out in Seward. Offering excellent marine vessel services would draw customers from all the communities in Prince William Sound and parts of the Gulf of Alaska.

Recommendation 3: Public Amenities – Depending on the final location of the new harbor, a walking path should be built along the perimeter of the mooring basin. This trail could be an extension of the Dock Point trail or an extension of the harbor boardwalk from South Harbor Drive. There should be overlook points that provide views of fishing activity and scenic views. Picnic areas located at these observation decks would attract people to the harbor and would be a great public space for residents as well. Areas should be identified as points for the addition of shore-based fishing docks.

Accessible, clean bathrooms and showers are important to harbor users. Vessels have limited facilities and customer experience with a harbor is shaped by the quality of these facilities. The Valdez Port and Harbor Commission identified an additional restroom on the east side of the current mooring basin as an important economic development project. This facility was pictured as having showers, laundry and vending services. An area could be established in concert with this building to offer charter boat directory service and an area could be built to provide for the sale of locally caught fresh fish.

The harbor master plan calls for the construction of a new harbormaster's office when a new boat basin is constructed. One of the best public attractions a harbor can have is a restaurant overlooking the mooring basin.

Fishermen's Terminal in Seattle would be a good example. Most harbors on the west coast provide space for these types of facilities. A new harbor office could incorporate lease space for a restaurant or other marine related business which would be a public benefit by bringing visitors into the area and help offset harbor operational costs.

Harbor related amenities include adequate moorage, power, lighting, garbage, water and pumpout services. Collection of used oil, batteries, antifreeze and bilge water is an important function of the harbor. The harbor now has one of the best upland vessel maintenance yards in the northwest. Efforts will continue to improve this facility and operate it in an environmentally sound manner.

Recommendation 4: Maintenance – Maintenance of public facilities needs to be established as a routine cost of business and not deferred as done in the past. Management software needs to be developed that tracks required maintenance and its associated costs. The system envisioned for the harbor would be based on a GIS system that utilizes a library of all operation and maintenance manuals published for the harbor. Each project built in the harbor has an O&M manual with it that describes required maintenance and intervals for this maintenance to be completed. A good management program would issue work orders for required operations and then record time and expenses to complete to the project. The system would then provide an accurate cost of facilities maintenance and promote a greater lifespan for capital improvements.

Conclusions

Valdez Small Boat Harbor expansion is an important vehicle in the economic development of the greater community. Any further development will immediately impact local businesses through increased visitation both from visitors and residents. The potential for further community development through harbor expansion includes new parks, trails, retail outlets and environmental facilities. Jobs will be created in the vessel support industry as well. Planning efforts should not be limited to construction of just a mooring basin and floating docks. A new Marine Center could be the focal point of a community reaching its true economic potential and thus providing real benefits the entire community.

The proposed Valdez Marine Center should be considered as one of the most viable, realistic projects in the City's overall Economic Development Plan and as a key strategy for future economic diversification.

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Table 4 - Typical Fishers' and Charters' Operating Costs for 9 m Vessel (USACOE 2002)

	Expenditures	Without Project	With Project	Savings
Fixed Costs	Investment	\$108,000	\$108,000	0
	Return on Capital	6,972	6,972	0
	Insurance	4,000	4,000	0
	Association Dues	300	300	0
	License/Permit Fees	400	400	0
	Aquaculture Assessment	1,400	1,400	0
	Fishing Crew Food	7,800	7,410	390
	Charter Crew Food	7,200	6,840	360
	Fishing Crew Shares	52,800	52,800	0
Variable Costs	Vessel Repair/Maintenance	8,000	7,600	400
	Major Equipment/Replacement	4,000	3,800	200
	Diesel Fuel	16,900	16,055	845
	Lube Oil and Hydraulic Fuel	1,183	1,124	59
	Moorage/Gear Storage	2,100	600	1,500
	Gear Repair	3,500	3,200	300
	Business Expenses	2,700	2,565	135
	Other Stores and Supplies	2,500	2,375	125
	Miscellaneous Supplies	1,400	1,330	70
	Charter Crew Wages	87,043	87,043	0
Operating Costs	Commercial Fishers			
	Total Annual Costs ¹	\$115,955	\$111,931	\$4,024
	Variable Costs ²	\$42,283	\$38,649	\$3,634
	Total Operating Hours ³	1,820	1,820	1,820
	Hourly Operating Costs ⁴	\$23.23	\$21.24	\$1.99
	Commercial Charters			
	Total Annual Costs ¹	\$149,839	\$145,845	\$3,394
	Variable Costs ²	\$129,326	\$125,692	\$3,634
	Total Operating Hours ³	1,620	1,620	1,620
	Hourly Operating Costs ⁴	\$79.83	\$77.59	\$2.24

¹Total Annual Costs includes All Expenditures except Investment.

²Variable Costs includes All Expenditures except Investment, Return on Capital, Insurance, Association Dues, License/Permit Fees, Aquaculture Assessment, and Food. In addition, Commercial Charters and Tenders Wages are included in Variable Costs; however Fishers Shares are not part of these costs.

³For some expenditures, with-project operating hours were reduced by 5 percent; by reducing total operating hours by 5 percent would understate hourly operating costs.

⁴Hourly Operating Costs = Variable Costs divided by Operating Hours.

Table 5 - Typical Fishers' and Charters' Operating Costs for 13 m Vessel (ACOE 2002)

	Expenditures	Without Project	With Project	Savings
Fixed Costs	Investment	\$264,000	\$264,000	0
	Return on Capital	17,042	17,042	0
	Insurance	11,100	11,100	0
	Association Dues	400	400	0
	License/Permit Fees	2,050	2,050	0
	Aquaculture Assessment	3,550	3,550	0
	Fishing Crew Food	11,700	11,115	585
	Charter Crew Food	10,800	10,260	540
	Fishing Crew Shares	88,350	88,350	0
Variable Costs	Vessel Repair/Maintenance	10,250	9,737	513
	Major Equipment/Replacement	6,350	6,032	318
	Diesel Fuel	20,475	19,451	1,024
	Lube Oil and Hydraulic Fuel	1,433	1,362	71
	Moorage/Gear Storage	2,250	600	1,650
	Gear Repair	5,500	5,100	400
	Business Expenses	4,600	4,370	230
	Other Stores and Supplies	3,500	3,325	175
	Miscellaneous Supplies	3,200	3,040	160
	Charter Crew Wages	122,261	122,261	0
Operating Costs	Commercial Fishers			
	Total Annual Costs ¹	\$191,750	\$186,624	\$5,126
	Variable Costs ²	\$57,558	\$53,017	\$4,541
	Total Operating Hours ³	1,820	1,820	1,820
	Hourly Operating Costs ⁴	\$31.63	\$29.13	\$2.50
	Commercial Charters			
	Total Annual Costs ¹	\$225,351	\$220,270	\$5,081
	Variable Costs ²	\$179,819	\$175,278	\$4,541
	Total Operating Hours ³	1,620	1,620	1,620
	Hourly Operating Costs ⁴	\$111.00	\$108.20	\$2.80

¹Total Annual Costs includes All Expenditures except Investment.

²Variable Costs includes All Expenditures except Investment, Return on Capital, Insurance, Association Dues, License/Permit Fees, Aquaculture Assessment, and Food. In addition, Commercial Charters and Tenders Wages are included in Variable Costs; however Fishers Shares are not part of these costs.

³For some expenditures, with-project operating hours were reduced by 5 percent; by reducing total operating hours by 5 percent would understate hourly operating costs.

⁴Hourly Operating Costs = Variable Costs divided by Operating Hours.

Table 6 - Typical Fishers' and Charters' Operating Costs for 16 m Vessel (ACOE 2002)

	Expenditures	Without Project	With Project	Savings
Fixed Costs	Investment	\$420,000	\$420,000	0
	Return on Capital	27,113	27,113	0
	Insurance	18,200	18,200	0
	Association Dues	500	500	0
	License/Permit Fees	3,700	3,700	0
	Aquaculture Assessment	5,700	5,700	0
	Fishing Crew Food	13,650	12,967	683
	Charter Crew Food	10,800	10,260	540
	Fishing Crew Shares	123,900	123,900	0
Variable Costs	Vessel Repair/Maintenance	12,500	11,875	625
	Major Equipment/Replacement	8,700	8,265	435
	Diesel Fuel	24,050	22,847	1,203
	Lube Oil and Hydraulic Fuel	1,684	1,600	84
	Moorage/Gear Storage	2,400	600	1,800
	Gear Repair	7,500	7,000	500
	Business Expenses	6,500	6,175	325
	Other Stores and Supplies	4,500	4,275	225
	Miscellaneous Supplies	5,000	4,750	250
	Charter Crew Wages	122,261	122,261	0
Operating Costs	Commercial Fishers			
	Total Annual Costs ¹	\$265,597	\$259,467	\$6,130
	Variable Costs ²	\$72,834	\$67,387	\$5,447
	Total Operating Hours ³	1,820	1,820	1,820
	Hourly Operating Costs ⁴	\$40.02	\$37.03	\$2.99
	Commercial Charters			
	Total Annual Costs ¹	\$262,046	\$256,059	\$5,987
	Variable Costs ²	\$195,095	\$189,648	\$5,447
	Total Operating Hours ³	1,620	1,620	1,620
	Hourly Operating Costs ⁴	\$120.43	\$117.07	\$3.36

¹Total Annual Costs includes All Expenditures except Investment.

²Variable Costs includes All Expenditures except Investment, Return on Capital, Insurance, Association Dues, License/Permit Fees, Aquaculture Assessment, and Food. In addition, Commercial Charters and Tenders Wages are included in Variable Costs; however Fishers Shares are not part of these costs.

³For some expenditures, with-project operating hours were reduced by 5 percent; by reducing total operating hours by 5 percent would understate hourly operating costs.

⁴Hourly Operating Costs = Variable Costs divided by Operating Hours.

Table 7 - Tenders' Operating Costs for a Typical 30 m Vessel (ACOE 2002)

	Expenditures	Without Project	With Project	Savings
Fixed Costs	Investment	\$1,200,000	\$1,200,000	0
	Return on Capital	77,465	77,465	0
	Insurance	54,627	54,627	0
	Association Dues	700	700	0
	License/Permit Fees	4,000	4,000	0
	Aquaculture Assessment	9,120	9,120	0
	Tenders' Food	11,700	11,115	585
Variable Costs	Vessel Repair/Maintenance	66,203	62,893	3,310
	Major Equipment/Replacement	25,200	23,940	1,260
	Diesel Fuel	41,972	39,873	2,099
	Lube Oil and Hydraulic Fuel	3,159	3,001	158
	Moorage/Gear Storage	6,741	600	6,141
	Gear Repair	32,336	30,836	1,500
	Business Expenses	58,924	55,978	2,946
	Other Stores and Supplies	3,486	3,312	174
	Miscellaneous Supplies	7,000	6,650	350
	Tenders' Wages	170,625	170,625	0
Operating Costs	Tenders			
	Total Annual Cost ¹	\$573,258	\$554,735	\$18,523
	Variable Cost ²	\$415,646	\$397,708	\$17,938
	Total Operating Hours ³	1,820	1,820	1,820
	Hourly Operating Cost ⁴	\$228.38	\$218.52	\$9.86

¹Total Annual Costs includes All Expenditures except Investment.

²Variable Costs includes All Expenditures except Investment, Return on Capital, Insurance, Association Dues, License/Permit Fees, Aquaculture Assessment, and Food. In addition, Tenders Wages are included in Variable Costs.

³For some expenditures, with-project operating hours were reduced by 5 percent; by reducing total operating hours by 5 percent would understate hourly operating costs.

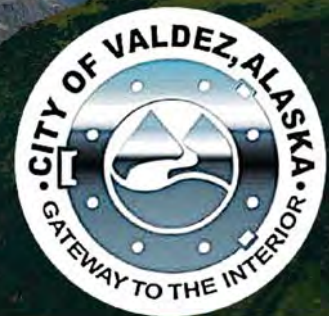
⁴Hourly Operating Costs = Variable Costs divided by Operating Hours.

Competitive Market Analysis and Long Range Planning for the

Port of Valdez

September 2015

Prepared for



Prepared by


McDowell
GROUP

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Juneau • Anchorage

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Summary of Key Findings

To better understand the competitive Southcentral freight market, and to help Valdez position itself for continued relevance, the City of Valdez contracted with McDowell Group to analyze the competitive position of the Port of Valdez and to identify development opportunities.

Valdez has played an important role in the economic development of Alaska, given its strategic location, deep water port, and access to Interior Alaska communities and resources. The port offers commercial shippers important linkages between Alaska and world markets. Yet, it captures only a small percentage of the freight shipped in and out of Southcentral Alaska's ports.



The project methodology included a Valdez site visit

The city of Valdez and Valdez Container Terminal.
Source: City of Valdez.

and interviews with 40 Alaskans knowledgeable about commercial shipping, Alaska ports, and key economic drivers. The project team also compiled transportation and shipping data from a variety of public sources and reviewed numerous reference documents concerning transportation, freight, and economic development.

Information was synthesized from the project tasks into a detailed analysis of freight movements in and out of Alaska, a comparative analysis of major Southcentral ports including infrastructure and rates, and a gap analysis, including recommendations to increase port use and port-related economic activity.

Key findings from the study are presented below.

Competitive Environment

Alaska's Freight and Cargo Network

- The Port of Valdez operates in a complex and highly competitive freight transportation environment, given the numerous transportation options available in other Southcentral ports, as well as trucking, rail, and air service modes.
- The total tonnage of waterborne, non-petroleum, non-coal freight moving through Southcentral port facilities is estimated at 2.2 million tons annually. Approximately 80 percent of this volume is in-bound.

- Freight entering Southcentral ports is transshipped by rail, truck, air, and barge to locations throughout Alaska.
- In 2014, commercial truck traffic on the Parks Highway was more than three times traffic levels on the Richardson Highway.
- The Southcentral and Interior Alaska markets also include freight trucked to and from Alaska via the Alaska Highway; an estimated 10 percent of the general surface freight shipped into Alaska arrives via truck.

Relative Market Share by Port

- Based on 2013 data and McDowell Group estimates, 84 percent of in-bound, non-petroleum freight shipped through Southcentral Alaska moved over Anchorage docks. Whittier is a distance second, at 11 percent, Seward accounts for approximately 3 percent, and Valdez totals 2 percent of regional freight volume.

Estimated Market Share of Southcentral Non-Petroleum, Non-Coal Freight Volume, 2013



Source: Corps of Engineers, 2015; McDowell Group Estimates.

Port of Valdez Market Position

Strategic Positioning

- Valdez port and freight facilities are recognized as being capable compared to other ports.
- The distance from Alaska's population centers and lack of rail transportation place Valdez at a disadvantage when competing for freight volume.
- Proximity to North Slope oil and gas activity, and Interior mines, communities, and military bases is an asset.
- Direct access to the Alaska Interior and the North Slope along the relatively uncongested Richardson and Dalton Highways represents an advantage for some shippers.
- Valdez has a reputation for capably handling oversize freight.
- The availability of significant uplands are an advantage over other ports when a natural gas pipeline or other major developments are contemplated.

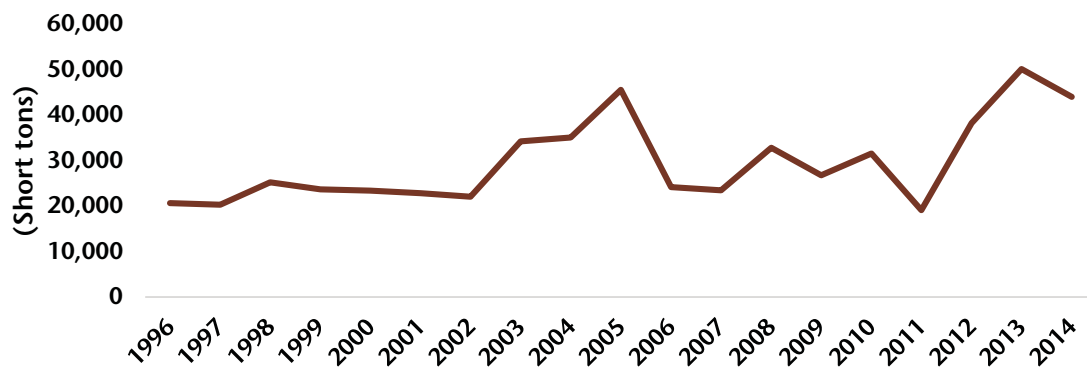


Tracked vehicles destined for the North Slope are unloaded in Valdez.
Source: City of Valdez.

Port of Valdez Freight Movement

- In 2014, 44,000 tons of freight moved through the Port of Valdez, with approximately 55 percent outbound shipments. Port activity has grown in the last two decades; average freight volume between 2002 and 2011 was approximately 30,000 tons.
- Port activity is dominated by movement of seafood, mining supplies, shipment destined for the North Slope, construction materials, and one-off oversize shipments, such as the girders for the Northern Rail Extension Bridge.
- Out-bound shipments of salmon have grown significantly in the last five years and will likely continue to grow. Silver Bay Seafoods' expansion of their Valdez seafood processing facility has the potential to double or triple the amount of refrigerated containers moved through the Port.

Port of Valdez Cargo Freight Volume (short tons), 1996 to 2014



Source: Port of Valdez, 2015.

Rates and Services

- When considering whether to use port facilities in Valdez, Whittier, Seward, Anchorage or Port MacKenzie – a variety of factors come in to play. The specific kind of freight (weight, dimensions, time sensitivity, etc.), distance to end user, multi-modal transshipment opportunities/requirements, economies of scale associated with serving other customers simultaneously, and the cost of actually using the port are all part of that equation.
- Wharfage rates and other port fees are generally competitive with other Alaska ports.
- The “exclusive” arrangement for stevedoring services is unique relative to other Southcentral ports. It creates efficiencies for some shippers, given ready access to equipment and personnel. However, it also may increase costs for shippers.
- Given the proprietary nature of data concerning operating costs for any individual shipper, it is not possible within the scope of this study to draw any particular conclusions about shippers’ response to an “open” stevedoring model in Valdez.

Marketing and Development Strategies

- Market development efforts should be approached in conjunction with city and business leaders – the Port alone will not be as effective.
- Regional partnerships with Fairbanks Greater Chamber of Commerce and Fairbanks Economic Development Corporation can increase visibility with key customers including Interior military bases, Alaska Native Corporations, and Alaska mines.
- In the near term, the most likely growth sectors include seafood, the military, and possibly mining.
- Longer term growth potential for Valdez includes gasoline and Arctic development. However, given the long lead times for planning and development, Valdez should establish key relationships now.
- A detailed analysis of infrastructure needed for the AKLNG Project is underway and is expected to be released in fall 2015. Commercial shippers and industry leaders anticipate that Valdez, like other Southcentral ports, will require extensive use given the lengthy construction period, high volume of in-bound freight, and need for extensive uplands to support the project. Further, the project could

stimulate commercial shipping operators to increase their Valdez presence for the duration of the project.

- While the Port of Valdez infrastructure is regarded as favorable, suggestions offered by commercial shippers included lighting and bollards for the landing dock, additional plug-ins for reefer containers, a platform for landing crafts, mooring dolphins, and a freight handling facility.

Introduction and Methodology

Valdez has played an important role in the economic development of Alaska, as a result of its strategic location, deep water port, and access to Interior communities and resources. The port offers commercial shippers important linkages between Alaska, the Pacific Northwest, and the world. Despite a long tradition of maritime activity and extensive port infrastructure, in recent years Valdez has captured only a small percentage of all freight and cargo shipped through Alaska's ports. The City of Valdez contracted with McDowell Group to analyze the competitive position of the Port of Valdez and to identify development opportunities. The project methodology included the following tasks:

- The project team conducted a site visit in April. In addition to touring the Valdez waterfront and port infrastructure, team members met with public officials, Port Commissioners, and a number of local residents involved with commercial shipping and the port.
- The Southcentral region described in this report include port facilities in Anchorage, Port MacKenzie, Seward, Whittier, Homer, and Valdez.
- Interviews were conducted with industry leaders in mining, oil and gas, commercial fishing, and transportation and shipping sectors, and other key economic drivers. Additionally, the project team interviewed representatives of several Alaska Native Corporations, economic development officials, and others knowledgeable about Alaska's economy. A list of contacts is included in the Appendix.
- The project team compiled transportation and shipping data from a wide array of sources, including the City of Valdez, Alaska Department of Transportation and Public Facilities (Alaska DOTPF), U.S. Army Corps of Engineers (COE), and Alaska Marine Highway. Port volume data from individual ports often differs from COE data. Additional analysis by McDowell Group incorporates estimates of private facilities gaps not necessarily included in COE and individual public port data.
- The project team also reviewed a wide array of resource documents concerning transportation, shipping, and the economy of Valdez. A list of documents is also included in the Appendix.
- Information was synthesized from the project research tasks into a detailed analysis of freight movements in and out of Alaska, a competitive analysis of other Alaska ports, and a Gap Analysis, including recommendations for infrastructure improvements and strategies to increase port use and local economic activity.
- Project findings will be presented at a public work session at the conclusion of the project.

Though large volumes of petroleum products, as well as coal, move into and out of Southcentral Alaska's ports, this study focuses on non-petroleum or coal freight. It is this market, including containerized freight, break-bulk cargo, equipment, construction materials, and a variety of specialized freight that is of the most interest to the Port of Valdez as it considers how to capture a greater share of the region's freight movement.

Southcentral/Interior Freight Profile

The Port of Valdez competes in a large, complex, highly competitive freight transportation environment. Much of the goods and materials consumed in Southcentral, the Interior, and the North Slope move through Southcentral ports. The Port of Valdez also competes against overland truckers who move freight to various Alaska destinations. This chapter describes how freight moves into and out of Southcentral Alaska.

Regional Overview

The estimated total tonnage of waterborne non-petroleum freight shipments moving in-bound through Southcentral ports annually is approximately 2.2 million tons. This estimate is described in more detail following a brief overview of freight data from other sources.

REGIONAL ARMY CORPS OF ENGINEERS WATERBORNE COMMERCE STATISTICS

The only published data available concerning waterborne freight movements through Southcentral ports is compiled by the U.S. Army Corps of Engineers (COE). That data is based on annual reports filed by shippers; however, the data is generally incomplete and in some cases inaccurate for particular commodities. Nevertheless COE data provides a sense of scale and trends.

COE data indicates a total of 2.44 million short tons of freight moved in-bound and out-bound through Southcentral ports in 2013 (the latest available COE data). This includes the ports of Anchorage, Homer, Seward, Whittier, and Valdez. Just over 80 percent of this freight is in-bound, at 2.02 million short tons in 2013. According to COE data, the annual tonnage of in-bound freight has been reasonably steady over the past decade, ranging between a low of 1.93 million tons and a high of 2.2 million tons. Out-bound freight is more variable, due largely to spikes in fish shipments ranging between 225,000 short tons and 513,000 tons annually over the past 10 years.

Total Southcentral Non-Petroleum Freight Shipments (1,000s of short tons), 2004 to 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total In-bound	2,049	2,198	2,072	1,982	1,996	1,928	1,951	1,941	2,042	2,020
Total Out-bound	372	513	345	373	341	225	285	238	278	423
Grand Total	2,421	2,711	2,417	2,355	2,337	2,153	2,236	2,179	2,320	2,443

Source: Corps of Engineers, 2015. Out-bound excludes coal shipped through Seward.

Miscellaneous consumer goods account for about half of the in-bound freight (classified as “manufactured products, not elsewhere classified (NEC)”). Groceries are another large category of in-bound freight; however, data for this category illustrates the vagaries of the COE data, showing an inexplicable decline in grocery freight over the past five or six years. Clearly, as the populations of Anchorage, Mat-Su Borough, Kenai Peninsula Borough, and Fairbanks have grown, so too has the demand for groceries. The decline no doubt reflects some change in how the data was reported (or not reported).

Cement/concrete and lumber are two other types of high-tonnage freight, with trends generally tracking activity in Alaska's construction industry.

Total In-Bound Southcentral Non-Petroleum Freight Shipments (1,000s of short tons), 2004 to 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total In-bound	2,049	2,198	2,072	1,982	1,996	1,928	1,951	1,941	2,042	2,020
Manufac. Prod. NEC	950	1,011	974	1,000	1,023	1,036	1,073	1,108	1,106	1,087
Groceries	338	349	320	334	322	216	209	212	218	190
Cement & Concrete	115	173	140	150	155	152	130	94	117	120
Lumber	99	178	151	147	127	89	88	98	112	108
Vehicles & Parts	75	74	67	70	76	65	78	76	102	82
Fab. Metal Products	55	66	54	58	45	21	16	41	48	71
Misc. Mineral Prod.	59	33	42	35	38	33	36	42	44	45
Food Products NEC	5	4	8	16	18	88	78	43	50	48
Fish (Not Shellfish)	12	25	109	26	14	10	28	18	25	32
Alcohols	30	28	35	19	24	37	26	18	8	21
Primary Wood Prod.	16	21	20	17	20	18	18	26	25	26
Other	295	236	152	110	134	163	171	165	187	190

Source: Corps of Engineers, 2015.

Out-bound freight totals only about one-fifth of the in-bound volume, at about 423,000 tons in 2013. "Manufactured products, not elsewhere classified (NEC)" is again the largest category; this is presumed to be mainly empty south-bound containers. Fish is the largest identifiable component of out-bound freight, followed by scrap metal. Out-bound freight spiked in 2013 as a result of a big increase in fish shipments. Record pink salmon harvests were recorded in 2013.

Total Out-Bound Southcentral Non-Petroleum Freight Shipments (1,000s of short tons), 2004 to 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Out-bound	372	513	345	373	341	225	285	238	278	423
Manufac. Prod. NEC	146	134	139	133	139	119	126	124	134	131
Fish (Not Shellfish)	45	44	66	109	40	62	81	43	46	115
Wood in the Rough	56	19	28	57	67	0	0	0	0	25
Vehicles & Parts	16	21	23	16	16	15	19	40	18	19
Wood Chips	45	141	0	0	0	0	0	0	0	0
Fish, Prepared	13	18	21	12	26	9	17	8	17	19
Iron & Steel Scrap	19	16	17	0	6	0	0	1	35	46
Fab. Metal Products	8	9	7	22	6	3	4	4	3	5
Other	24	111	44	24	41	17	38	18	25	63

Source: Corps of Engineers, 2015. Out-bound excludes coal shipped through Seward.

Port Market Share Analysis

Anchorage

There are three port facilities in Anchorage, including the Port of Anchorage (POA) (owned by the Municipality of Anchorage) and two other marine cargo facilities, one owned by Alaska Marine Lines (AML, a Lynden company), and the other by North Star Terminal & Stevedore Co. POA is the dominant port facility in Anchorage and the Southcentral region, in terms of tonnage moved.

Freight Estimates

Based on 2013 COE data, 84 percent of in-bound Southcentral non-petroleum freight moves over Anchorage docks. Including the municipally-owned POA and adjacent privately-owned barge landings, 1.7 million tons of marine freight came into Anchorage in 2013. The volume of in-bound freight through Anchorage has been reasonably steady, hovering around the 1.6 million to 1.7 million ton range for the past several years.

Anchorage Non-Petroleum In-bound and Out-bound Freight Shipments
(1,000s of short tons), 2005 to 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013
In-bound	1,933	1,779	1,706	1,736	1,628	1,713	1,657	1,720	1,703
Manufac. Prod. NEC	968	926	945	961	977	1,024	1,036	1,021	1,018
Groceries	342	312	326	312	207	203	205	210	178
Cement & Concrete	156	109	122	120	112	120	90	115	113
Lumber	155	127	120	111	75	78	87	98	93
Vehicles & Parts	73	65	68	73	62	75	71	97	79
Fab. Metal Products	56	43	44	35	9	10	31	31	57
Misc. Mineral Prod.	26	28	20	29	25	28	34	29	35
Primary Wood Prod.	14	17	11	16	15	17	24	20	22
Other	143	152	50	79	146	158	79	99	108
Out-bound	419	335	324	289	211	229	215	230	390
Manufac. Prod. NEC	117	112	122	137	112	123	121	129	127
Fish (Not Shellfish)	20	47	80	26	52	44	26	20	83
Wood in the Rough	19	28	57	67	0	0	0	0	25
Vehicles & Parts	21	23	16	16	15	19	40	18	19
Iron & Steel Scrap	16	17	0	6	0	0	1	34	46
Other	226	108	49	37	32	43	27	29	90
Total	2,352	2,114	2,030	2,025	1,839	1,942	1,872	1,950	2,093

Source: Corps of Engineers, 2015.

Out-bound freight from Anchorage totaled 390,000 tons in 2013, over 90 percent of the Southcentral out-bound total. Empty containers likely account for the majority of this tonnage, though a substantial volume of fish (83,000 tons) left the state through Anchorage marine terminals in 2013.

Based on COE and POA data, in 2013 POA accounted for 90 percent of total in-bound and out-bound non-petroleum marine freight moving through Anchorage, and 75 percent of the regional total.

Detailed research conducted by McDowell Group indicates that the total volume of in-bound freight moving over Southcentral docks in 2013 was slightly greater than reported by COE. McDowell Group estimates that in 2013, a total of 2.2 million short tons of waterborne non-fuel freight arrived in Southcentral ports. POA accounted for 74 percent of all Southcentral in-bound non-petroleum freight that year.

In-bound Southcentral Waterborne Freight (Non-Petroleum), 2013

	1,000s of Short Tons	Market Share
Port of Anchorage	1,636	74%
All Other Southcentral Ports*	564	26%
Southcentral Totals	2,200	100%

*Includes Anchorage barge terminals outside POA.

Source: McDowell Group estimates.

POA's dominance in Southcentral marine freight stems from service provided by container or roll-on/roll-off ships operated by Horizon Lines (recently acquired by Matson) and Totem Ocean Trailer Express (TOTE, a Saltchuk company). Both operators serve Anchorage from Tacoma twice weekly. From Anchorage, TOTE vessels return directly to Washington, while Horizon Line vessels call in Kodiak and Dutch Harbor before returning to Washington.

In 2013, TOTE and Horizon Lines combined brought in 1.51 million tons of freight to POA. That volume accounts for approximately 83 percent of all van/container/platform general cargo moving into Southcentral via marine carrier. The in-bound Southcentral van/container/platform general cargo market is estimated at about 1.81 million tons annually, based on 2013 data. Other van/container/platform general cargo comes into Southcentral on scheduled AML and Samson Tug and Barge barges serving Anchorage (AML), Whittier (AML), Seward (Samson) and Valdez (Samson and AML).

Container vessels bring in household and other consumer goods, construction materials, and a broad range of supplies to support business and industry in Alaska. Household and consumer goods make up 80 to 85 percent of in-bound containerized shipments and include items such as groceries, household items, recreational equipment, and vehicles.¹ Container vessels leave Anchorage with mostly seafood and lesser amounts of household goods, recyclables, and scrap materials.

In-bound Southcentral Waterborne Van/Flat/Container General Cargo, 2013, POA and All Other Ports

	1,000s of Short Tons	Market Share
Port of Anchorage	1,512	83%
All Other Southcentral Ports*	300	17%
Southcentral Totals	1,812	100%

*Includes Anchorage barge terminals outside POA.

Source: McDowell Group estimates.

¹ Personal communication, TOTE, Renata Bennett, 2014

Other marine cargo shipments into Anchorage enter through facilities not affiliated with the POA. AML offers barge service to its Anchorage terminal once a week during the ice-free season, generally from April or May through September or October. Freight shipments also come through the Anchorage facilities of North Star Terminal & Stevedore Co. Tonnages and types of freight moved through these private facilities is proprietary and therefore not available for publication.

Anchorage and POA specifically is the portal through which most of the Railbelt's bulk cement is shipped. POA the only port in Southcentral able to handle bulk containerships of cement. The 2014 volume of bulk cement was 141,000 tons.

Total Port of Anchorage In-bound and Out-bound Freight (1,000s of short tons), 2005 to 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Vans/Flats/ Containers	2,081	1,723	1,786	1,832	1,713	1,737	1,705	1,659	1,743	1,811
Cement, Bulk	149	135	122	117	75	104	118	115	112	141
Vehicles	4.1	1.1	5.4	10.7	1.5	0	<1	0	0	0
Freight, NOS	<1	20	<1	<1	<1	0	0	15	5	6
Iron/Steel	0	<1	2.6	0	6.3	4.9	0	5.4	7	0
Total	2,234	1,878	1,915	1,959	1,796	1,846	1,824	1,794	1,867	1,957

Note: Figures may not sum due to rounding.

Source: Port of Anchorage, 2015.

In summary, Anchorage port facilities serve markets throughout the entire state. In-bound goods support the local needs and are also shipped by rail or highway to other communities along Alaska's Railbelt. Marine freight arriving in Anchorage moves beyond the Railbelt as well; goods are flown to remote villages and construction materials and supplies are trucked on the Dalton Highway to support the North Slope oil and gas exploration, development, and production.

Export activities in Anchorage support the seafood industry, shipping Alaska seafood to foreign and domestic markets. Port facilities in Anchorage also transport waste and materials out-of-state due to limited in-state capacity for waste disposal and recycling.

Whittier

Whittier is Southcentral's second largest port in terms of annual freight volume. The Port of Whittier, owned and operated by the Alaska Railroad, is serviced by a rail barge owned by the Canadian National Railway Company (CN) and operated by Foss Maritime. CN's "Aquatrain" barge delivers to Whittier from Prince Rupert two to three times a month, year-round. AML provides rail barge service to the Port of Whittier once a week year-round. AML's barge has a rail deck and a container deck. Containerized freight AML delivers through Whittier is redistributed to Cordova, Valdez and remote locations via barge and to Anchorage, Fairbanks and other destinations via rail and/or truck.

Freight Estimates

COE data indicates that Whittier had about 14 percent of the Southcentral in-bound marine freight market in 2013, with 276,000 tons of in-bound freight. Including in-bound and out-bound freight, Whittier accounts for about 11 percent to total reported regional tonnage.

Freight arriving in Southcentral (via Whittier) on rail cars onboard the AML and CN rail barges is estimated at approximately 200,000 tons annually. This volume does not include AML's containerized freight, which is placed on a rail car, truck or another barge in Whittier for distribution to other communities in Southcentral and Interior Alaska.

Whittier In-bound and Out-bound Freight Shipment (1,000s of short tons), 2004 to 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
In-bound	204	245	261	247	261	313	256	240	245	276
Manufac. Prod. NEC	39	39	45	49	58	54	46	65	79	62
Alcohols	30	28	34	19	24	37	26	18	8	19
Food Products NEC	5	4	8	15	18	13	19	38	46	43
Fish (Not Shellfish)	12	23	19	26	14	10	28	18	25	32
Cement & Concrete	20	17	31	28	35	40	9	3	2	7
Lumber	11	16	15	17	10	10	8	5	3	8
Machinery (Not Elec)	9	12	10	9	10	13	8	4	1	7
Paper & Paperboard	10	22	17	10	9	7	3	1	0	0
Fab. Metal Products	6	8	9	12	8	10	5	5	6	7
Other	62	76	73	62	75	119	104	83	75	91
Out-bound	46	25	34	18	9	12	10	9	9	11
Manufac. Prod. NEC	42	16	27	11	2	3	3	2	2	3
Fab. Metal Products	1	2	2	2	2	2	1	2	2	2
Manufac. Wood Prod.	1	1	2	1	1	2	1	1	1	1
Other	2	6	3	4	4	5	5	4	4	5
Total	250	270	295	265	270	325	266	249	254	287

Source: Corps of Engineers, 2015.

The main customers of the Railroad's Whittier facilities are the natural resource industries. Machinery, building materials, and oil and gas drilling fluid and mud are all transported via the rail barge. Railroad facilities also support the local Whittier seafood processing and tourism businesses.

Seward

Seward is estimated to be the third largest port, in terms of freight volume, in Southcentral behind Anchorage and Whittier. Two port facilities operate out of Seward, one owned by the Alaska Railroad Corporation (ARRC), and the other owned and operated by the City of Seward. As the state's only port with coal loading facilities, coal has accounted for most of the out-bound marine cargo through the ARRC port.

Freight Estimates

According to COE data, over the 2011 to 2013 period, approximately 50,000 tons of in-bound marine freight moved through Seward. In 2013 Seward accounted for about 3 percent of the Southcentral total in-bound and out-bound freight. However, the accuracy of the COE data for Seward is uncertain; the actual market share of in-bound freight is estimated to be higher than what is indicated by COE data, as it does not include all data detailing specific non-coal freight movement through the ARRC facility in Seward.

Seward In-bound and Out-bound Freight Shipment (1,000s of short tons), 2004 to 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
In-bound	26	17	25	25	13	13	8	40	69	44
Lumber	6	7	9	10	6	4	2	6	11	7
Misc. Mineral Prod.	7	5	9	7	4	5	4	7	13	7
I&S Pipe & Tube	3	2	4	3	0	0	0	3	4	5
Primary Wood Prod.	1	2	2	3	2	1	1	1	5	3
Manufac. Prod. NEC	1	0	0	1	1	1	0	5	4	4
Fab. Metal Products	0	0	0	0	0	0	0	3	9	4
Other	8	1	1	1	0	2	1	15	23	14
Out-bound	573	505	403	226	580	890	949	1,071	891	668
Coal	570	505	403	226	579	886	949	1,071	890	641
Other	3	0	0	0	1	4	0	0	1	27
Total	599	522	428	251	593	903	957	1,111	960	712
Total Excl. Coal	29	17	25	25	14	17	8	40	70	71

Source: Corps of Engineers, 2015.

Seward port facilities serve a diverse set of customers. Usibelli Coal Mine relies on the Seward port to export coal to overseas markets. Several facets of the tourism industry – railroad sight-seeing, marine sight-seeing, charter fishing, and cruise ships – benefit from the port facilities located in Seward. Additionally, the Seward commercial fishing fleet, which targets a diverse range of species including salmon, halibut, sablefish, pacific cod, and rockfish, relies on port facilities and generates a market for local seafood processors and support services. The Vigor Industrial shipyard facilities also attract port users to Seward.

Valdez

Of the Southcentral regional ports, the Port of Valdez is the fourth largest in terms of volume. The City-owned facility offers quick access to the Interior, and plays an important role in Alaska's mining and seafood industry.

Freight Estimates

In 2014, 44,000 tons of freight move through the Port of Valdez, according to data provided by the Port. For 2013 and 2014 combined, about 45 percent of the total tonnage is in-bound and 55 percent out-bound.

COE data for Valdez is substantially incomplete for cargo other than petroleum products, and therefore not reported in this study. However, it is estimated that Valdez captures about two percent of the Southcentral marine freight market. For non-containerized barge traffic this proportion rises to an estimated five percent, and excluding rail barge volume Valdez receives an estimated 10 percent of barge volume.

Port activity is dominated by movement of seafood, mining supplies, construction materials, and one-off oversized or overweight loads. Samson Tug and Barge and Alaska Marine Lines are the port's largest shippers, accounting for approximately 90 percent of the Port's total tonnage in 2014.

Activity at the Port has grown slowly since the mid-1990s, often exhibiting significant year-to-year fluctuations depending on seafood harvests and construction projects. Freight tonnages over the 2012 to 2014 period averaged 44,000 tons, well above the annual average for the previous ten years (2002 to 2011) of about 30,000 tons. Out-bound shipments of salmon are playing an increasingly large role—the 2013 volume of more than 50,000 short tons was due in-part to a record harvest of pink salmon in Prince William Sound.

The port is most active in the summer months when canned and frozen salmon from the local Prince William Sound fisheries are harvested and transported to market in containers. Silver Bay Seafood's expansion in Valdez will likely increase the shipment of fish through the port. Other out-bound shipments include small amounts of scrap metal and sulfur from the local refinery.

In-bound shipments include mining supplies destined for the Pogo Gold Mine. After arrival, they are trucked approximately 300 miles north along the Richardson Highway. Other in-bound freight includes occasional shipments of munitions destined for Alaska military installations, construction materials, and freight destined for the North Slope.

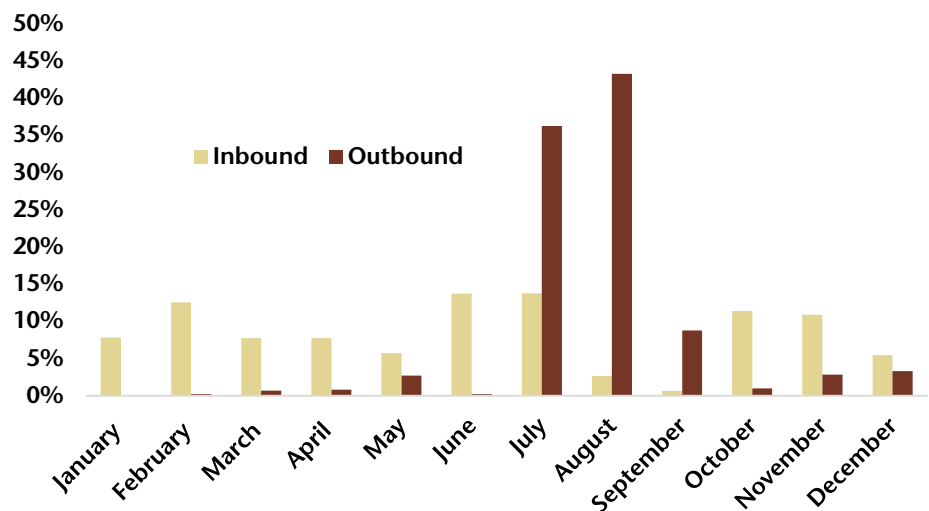
**Port of Valdez Freight Volumes
(1,000s of short tons),
1996 to 2014**

Year	Total Freight
1996	21
1997	20
1998	25
1999	24
2000	23
2001	23
2002	22
2003	34
2004	35
2005	46
2006	24
2007	24
2008	33
2009	27
2010	32
2011	19
2012	38
2013	50
2014	44

Source: City of Valdez, 2015.

The expansion of Silver Bay Seafood's Valdez seafood processing facility has the potential to more than double the amount of reefer containers moving through the port from approximately 450 to more than 1,000 annually. Currently able to process 1 million pounds a day of salmon, the facility will be able to process 2.7 million pounds after expansion.²

Monthly Percent of Total In-bound and Out-bound Freight Movement, Port of Valdez, 2014



Source: Port of Valdez, 2015.

Summary

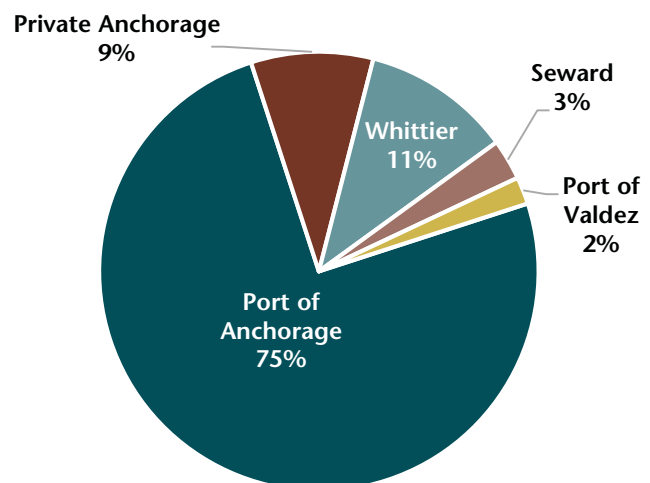
With frequent, regular container and roll-on/roll off ship service, Anchorage dominates the regional marine freight market, capturing 84 percent of total in-bound and out-bound non-petroleum marine freight, based on 2013 data. Of this regional total, the Port of Anchorage accounts for 75 percent and adjacent private operated barge landings account for about 9 percent.

Whittier, with regular rail barge service, captures 11 percent of total regional in-bound and out-bound freight traffic. Seward accounts for approximately 3 percent and Valdez approximately 2 percent.

Other Southcentral ports, including Homer and Port MacKenzie, generally account for small and occasional tonnages of freight. These market share numbers are approximate, and vary year-to-year depending on fish shipments and other factors.

The Southcentral and Interior freight markets also include a significant volume of freight trucked to and from Alaska via the Alaska Highway. It is estimated as much as 10 percent of the general surface freight shipped into Alaska arrives via truck. The Alaska DOTPF has measured annual average daily traffic (AADT) for commercial

Estimated Proportion of Regional Freight Volume, 2013



Source: Corps of Engineers, 2013; McDowell Group estimates, 2015.

² Personal Communication, Richard Riggs, Silver Bay Seafoods, 8/12/2015.

vehicles on the Alaska Highway at a point 76 miles from the U.S./Canada border at about 50 commercial vehicles. That means average one-way daily traffic of approximately 25 trucks. Assuming each truck is carrying about 20 tons of freight, approximately 200,000 tons of freight move into Alaska each year over the highway. This estimate supports the assertion that approximately 10 percent of surface freight shipped into Alaska arrives in Alaska over the highway.

Southcentral Port Infrastructure Inventory

This chapter profiles the physical and infrastructure characteristics of Southcentral ports. Additional information on markets served by these ports is also provided in this chapter. This information is useful in understanding Valdez's competitive position in the regional marine freight market.

Anchorage

Infrastructure

PORT OF ANCHORAGE

POA has a draft depth of -35 feet mean lower low water (MLLW), a cargo wharf extending 2,100 feet, and two wharfs for petroleum tankers each with a length of 600 feet. It lies on 220 acres of land with 90 acres leased to long-term users and has ample open storage space and 27,000 square feet of heated storage and office space. The cargo dock has two 30-ton and one 40-ton electric cranes mounted on rails and, for container ships, supports either roll-on/roll-off (TOTE) or lift-on/lift-off (Horizon Line) vessels. Because of its relationship with nearby military installations, the POA is designated by the Department of Defense as a Nationally Strategic Seaport.



Source: Map Data ©Google 2015.

Of Southcentral port facilities, the POA is the only one that efficiently meets TOTE's roll-on/roll-off system; other facilities either cannot work with roll-on/roll-off at all or cannot handle all three ramps that TOTE uses to load and off-load. In addition, POA is the only port in Southcentral Alaska capable of receiving cement in loose

bulk form rather than packaged. Over 80 percent of cement used in the state comes through here. Additional infrastructure includes a bulk petroleum valve yard with petroleum storage tanks and connections to highway and local pipeline distribution. Petroleum enters the Port not only over the docks but also through a pipeline connected to Tesoro Corporation's Nikiski refinery. The port serves as a gathering station before distribution over the highway or through pipelines connected to Joint Base Elmendorf-Richardson and Ted Stevens Anchorage International Airport. Flint Hills Resources, Tesoro Corporation, The Aircraft Service International Group, and Crowley each have petroleum storage facilities on POA land.

The main factors contributing to a recent increase in port activity include changes in Alaska petroleum refinery capacity and port disruptions on the West Coast, according to POA officials.

The closure of Flint Hills Resources' North Pole refinery, as well as maintenance activities at Tesoro's Nikiski refinery, resulted in reduced in-state refined products capacity, leading to an increase in shipments of petroleum products through the Port. Additionally, a labor dispute in West Coast ports caused congestion which resulted in increased air shipments as companies tried to avoid supply-chain disruptions. This increase in air traffic resulted in higher demand for jet fuel at the Anchorage International Airport, contributing to increased petroleum shipments at the Port.

NORTH STAR TERMINAL & STEVEDORE CO.

The North Star facility receives barges with containerized or break-bulk cargo. Throughout the year, the facility receives multiple shipments of lumber, and, in the summer months, sends out construction equipment to rural areas of the state. Additional shipments include one-time contract barges for industrial or construction projects. Compared to the POA and AML docks, North Star's business has a higher proportion of one-time contract barges and lower proportion of regularly scheduled deliveries.

Because of the significant tidal action in Cook Inlet, barges go dry at low tide. The facility offers three 300-ton cranes and a large fleet of other smaller cranes, forklifts, loaders, dozers, and scrap handlers for maneuvering cargo. North Star's property includes a 376 foot wharf and 22 acres of land.

ALASKA MARINE LINES/NORTHLAND SERVICES

The Northland Services facility (owned by AML) receives barges with containerized or break-bulk cargo. During the ice-free season, AML ships a barge once a week to its Anchorage terminal.

Future Projects/Outlook

The most significant project affecting the future of the port facilities in Anchorage is the POA Expansion Project. This project aims to increase port draft from -35 feet MLLW to -45 feet MLLW, lengthen the dock face, and provide more upland area. Cranes with longer reach will be installed to accommodate larger container ships. Additionally, facilities will be strengthened to withstand earthquakes.

Private sector investment at the Port will increase both refined products and cement storage capacity. Delta Western is constructing a 360,000 barrel storage facility for refined petroleum products, including methanol for use on the North Slope, and Crowley plans to increase jet fuel storage capacity in support of military operations in the Pacific Theater of Operations. These additions will increase the Port's refined petroleum storage capacity to more than 3.2 million barrels. Alaska Basic Industries is tripling storage capacity of cement with the addition of a 40,000 ton facility.

Competitive Position

Marine ports in Anchorage have immediate access to the state's rail and highway networks and largest airport. This positions the town as a transportation hub for much of the state. The nearby military installations and Ted Stevens Anchorage International Airport, the fifth largest air cargo hubs in the world, provide another market advantage. Anchorage is well-suited to meet the local demand for jet fuel from these entities due to the proximity of Tesoro's Nikiski refinery and the pipelines and storage facilities already in place, enabling the reception and distribution of high volumes of petroleum products.

On the other hand, there are some drawbacks from the port facilities' geographic location. When compared to other Southcentral ports, Anchorage requires longer vessel transit times and does not remain ice-free year-round. Additionally, traffic congestion on roads within and surrounding Anchorage can slow transshipment of freight by truck.

Seward

Infrastructure

Seward has two primary port facilities, one owned by the ARRC and the other owned and operated by the City of Seward. The port and nearby Resurrection Bay are ice-free year-round. Dock facilities have direct access to the state's highway and rail networks. Although not centered within as large a population base as some other Southcentral ports, the Port of Seward is located 125 highway miles from Anchorage, and well-situated to distribute goods throughout the Kenai Peninsula.



Source: City of Seward.

The City of Seward's small boat harbor supports recreation interests, tour boats, charter fishing businesses, and a diverse commercial fishing industry. The harbor is home to 12 tour boats and over 100 charter boats. Long-liners, purse-seiners, and gill-netters make up the local commercial fishing fleet that targets a wide variety of seafood species. The small boat harbor has a draft depth of -12.5 feet MLLW and offers several low capacity hydraulic derricks intended primarily for unloading seafood from commercial fishing vessels.

The City of Seward's marine holdings also include the Seward Marine Industrial Center (SMIC), located across Resurrection Bay and six miles from the City of Seward. On leased land within SMIC, Vigor Industrial owns and operates a full-service shipyard for vessel repair and maintenance. The shipyard serves the fishing, marine transportation, and oil and gas industries, and intends to play a role in Arctic drilling maritime operations. Vigor's full-service shipyard sits on 11 acres of SMIC land with 35,000 square feet of covered work area. Operations equipment includes a 5,000-ton Synchrolift, 250-ton Travelift, and two 80-ton cranes. SMIC sits on 15 square miles with its basin at a depth of -21 feet MLLW. It's North Dock has a depth of -25 feet MLLW.

Seward's port facilities offer potable water, power utilities, used oil disposal, garbage service, battery disposal service, fueling, sewage pump service, hardware stores, grocery stores, restaurants, and hotels. Other local support infrastructure includes three seafood processors, Seward Fisheries, Polar Seafood, and

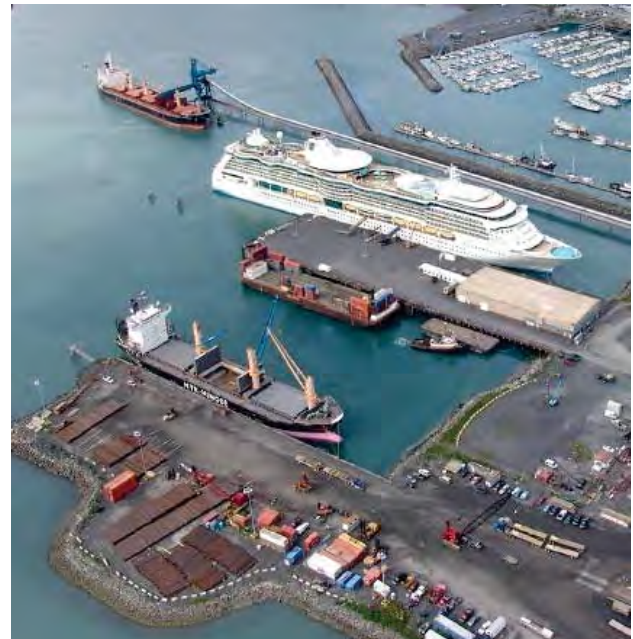


Source: Alaska Railroad Corporation.

Resurrection Bay Seafoods, which process the catch of the commercial fishing fleet. Additionally, the port is in close road proximity to a large concentration of businesses and resources in Anchorage and the Kenai Peninsula.

ALASKA RAILROAD TERMINAL

The primary cargo port facilities in Seward are those owned by ARRC. In recent years over 2 million tons of cargo pass over ARRC docks annually, much of which was coal produced by Usibelli's mine in Interior Alaska.³ The coal is shipped south from the mine in Healy by rail and exported through Seward to foreign destinations. Other shipments include regular barge service run by Samson Tug and Barge that deliver containerized or break-bulk goods once every two weeks and contract barges that deliver cargo such as construction materials on an as-needed basis. Through its direct connection to rail and highway networks, the facility is capable of shipping throughout the entire state. Beyond cargo, the port serves as a tourist hub, receiving cruise ships seasonally and over 130,000 cruise passengers annually.⁴



Source: Alaska Railroad Corporation.

ARRC owns 328 acres of land in Seward, including 75 acres for dock facilities and the rest for upland area supporting dock operations such as storage. Three docks serve different purposes:

- *Seward Loading Facility* deals exclusively in the loading of bulk commodities, primarily coal but also gravel, from rail cars into bulk cargo vessels. It includes a tower crane that moves material with a conveyor system.
- *Passenger Dock* supports passenger operations. It sits at depth of -35 feet MLLW, has two sides each 736 feet in length, and allows two cruise ships to moor at a time. The Passenger Dock can be used for cargo operations but only when a passenger ship is not in port, which limits its cargo activity during the tourist season.
- *Freight Dock* serves cargo operations beyond bulk goods. It has a land area of approximately 5.3 acres, dock face length of 550 feet, draft depth of -35 feet MLLW, and support equipment including a 150 ton crane. Although the dock has roll-on/roll-off capabilities, due to a relatively narrow width and land area, the dock is not compatible with the roll-on/roll-off specifications of large vessels such as TOTE's container vessels. This is significant as TOTE has designated the Seward port as its emergency contingency berth.

Future Projects/Outlook

In 2014, the U.S. Department of Transportation awarded ARRC a \$2.5 million Transportation Investment Generating Economic Recovery (TIGER) grant to study expansion of its Seward Marine Terminal. The expansion,

³ Alaska Railroad Corporation Seward Terminal Reserve, Dock Facilities Master Plan, 2014

⁴ Ibid.

which is focused on the Freight Dock, calls for an extension of the dock by 400 feet and widening of the dock to 320 feet along its entire length. The east side of the dock, which faces constant sediment deposition, is to be dredged, and upland areas not immediately adjacent to the water are to be further developed to support operations. With these improvements, the Railroad intends to increase loading and unloading safety, expand space for simultaneous loading or unloading, enhance roll-on/roll-off capabilities, and allow for larger and more ships to berth.

In 2009, the City of Seward applied for, but was not awarded, a \$16.9 million TIGER grant for improvements to its SMIC facilities. Improvements, such as a wave barrier, additional moorage space, and upland improvements, are planned but not underway. Seward has a particular interest in attracting vessels in the Community Development Quota (CDQ) fishing fleet to homeport in Seward.

Whittier

Infrastructure

The Port of Whittier is ice-free year-round. Local port facilities are owned by either ARRC or the City of Whittier. The community of Whittier does not generate a large demand for freight transportation; rather, port facilities serve as a coastal hub for transshipment of goods to elsewhere in the state by highway, rail, or water.

Anchorage is 60 highway or rail miles from Whittier. Barges take about a week to travel from Puget Sound to Whittier and five days to travel from Prince Rupert, British Columbia – less time than they take to reach Anchorage.



Source: City of Whittier.

The Port of Whittier offers limited access to amenities such as groceries and hotels. Local Whittier businesses provide marine fuel, marine repair, welding, dry boat storage, and other storage services. Gaps in the amenities and services available in Whittier can be supplemented by the services and businesses of nearby Anchorage.

Whittier hosts a commercial fishing fleet that fishes the waters of Prince William Sound, primarily for salmon but also for species such as shrimp and halibut. A fish processing plant in Whittier, owned by Great Pacific Seafoods, Inc., processes the fleet's catch.

ALASKA RAILROAD DOCK

The ARRC facility primarily deals with freight shipments. It receives shipments of containerized or break-bulk goods from rail barges, either Alaska Rail Marine System (ARMS) barges operated by Alaska Marine Lines or CN Aquatrain barges operated by Foss Maritime. These barges have rails on their deck which allow for rail cars to be transferred directly between the barge and rail tracks. Approximately 30 containers can be transported on the CN barge and 40 on the AML barge.

Barge shipments originating in Seattle and Prince Rupert run year-round. An ARMS barge leaves Harbor Island in Seattle once a week and arrives in Whittier about a week later. An Aquatrain barge leaves Prince Rupert about once every 11 days and arrives in Whittier five days later. From Whittier, most goods travel by rail or highway to destinations along the Railbelt, and some continue even further to the North Slope. Other goods are reshipped by water to the nearby coastal communities of Valdez and Cordova, as well as other coastal locations.

In addition to barge freight traffic, ARRC facilities support the commercial fishing and tourism industries. ARRC allows commercial fishing tenders to offload and day-cruise ships carrying fewer than 150 people to moor at its facilities.

ARRC's Whittier dock has a depth of -35 feet MLLW and a length totaling 350 feet. The facilities reside on 230 acres of land. Rail tracks run all the way to the dock and allow railcars to be transferred directly between barges and rail. Forklifts are available to move containers. For freight traffic, the railroad's facilities are only capable of receiving barges; they cannot receive container vessels. Currently unused, the Railroad also has a 1,200' dock that would require improvements before active duty.

ARRC officials mentioned two factors they have to consider when moving freight through Whittier: the width of the tunnel and length of trains they can bring through the town.

WHITTIER HARBOR

The City of Whittier's harbor serves recreation, day-cruise tour, charter, and commercial fishing vessels. The Harbor has a depth of -15 feet MLLW and possesses 350 slips, the largest of which accommodate boats as long as 54 feet. Berthing space is fully occupied and in high demand with a five to seven year wait time to gain a berth. Facilities include two boat launch ramps, two maintenance grids, and a fuel service depot. Additionally, a crane, boom, and net are available for commercial fishing fleet unloading.

The Alaska Marine Highway System (AMHS) provides service to Whittier year-round. The cruise ship terminal owned by Whittier Dock Enterprises LLC, operates on a seasonal basis and accommodates one cruise ship at a time.

Future Projects/Outlook

Due to increased demand of the Whittier small boat harbor, the City of Whittier plans to improve the existing harbor and construct a new harbor. Additional plans call to improve navigation through Passage Canal, the body of water leading to Whittier.

In the event of construction of a natural gas pipeline, it is expected Whittier would play a significant role supplying the project with pipe, machinery, and other supplies. The Railroad has a 1,200' dock currently unused that could be used to support operations.

Port of Valdez

Infrastructure

The Port of Valdez owns the Valdez Container Terminal, John Thomas Kelsey Municipal Dock, and Valdez Grain Terminal. The port remains ice-free year-round. The state's highway network connects Valdez with the rest of the state. Private port facilities have developed to support the export of crude oil from the terminus of the 800-mile Trans Alaska Pipeline System (TAPS). Public facilities support commercial fishing, tourism, and recreation.



Source: City of Valdez.

The Valdez Container Terminal handles containerized cargo, and allows for loading and unloading through both roll-on/roll-off and lift-on/lift-off technologies. The dock extends for 700 feet, with two dolphins allowing for a length of up to 1,200 feet, at a depth of -50 feet MLLW. Infrastructure for loading and unloading includes a 140-ton crane and multiple diesel forklifts. The 21-acre uplands yard has lighting, electrical plug-ins for reefer containers and a 60-ton scale. Adjacent to the Container Terminal is an unused grain terminal with a capacity of 522,000 bushels in nine concrete silos, each of which are 112 feet tall.

Other maritime infrastructure in Valdez include a dock used by AMHS, and a small boat harbor which has 511 slips, three launch ramps, wash-down area, and six maintenance pads with water and power. A 75-ton Travelift, 2 cranes, tidal grid, and fish pump support larger recreational and commercial fishing vessels. Currently under construction, a new harbor will alleviate harbor congestion with the addition of slips for vessels 36 feet to 100 feet.



Source: City of Valdez.

Located closer to the city, a wide variety of vessels use the John Thomas Kelsey Municipal Dock, including oil and gas, commercial fishing, towing, tourism, and recreation. The 600 foot wooden dock is open to the public and adjacent to the Kelsey Plaza which can be rented for parties or festivals. In the summer, recreational fishing takes place at the dock. The dock is lighted and water is available. Water depth is -35 feet MLLW. A nearby fuel dock provides fuel and lubricants to vessels and facilitates export of refined petroleum products, mainly ultra-low sulfur diesel, from the

Petro Star refinery in Valdez. Trucks bring products from the refinery to a tank farm connected to the dock. Refined products are loaded onto fuel barges destined for Anchorage, Homer, Dutch Harbor, and other ports.

Other Ports Serving Southcentral and Interior Alaska Markets

In addition to Anchorage, Seward, Whittier and Valdez, a number of smaller ports interact, or could potentially interact, with the Southcentral freight market. With relatively small amounts of freight volume, no data is publically available detailing port activity.

Port MacKenzie

Facilities at Port MacKenzie are owned by the Matanuska-Susitna Borough. The dock is situated on the west side of Cook Inlet, 86 miles by paved road from Anchorage. It is 38 miles from Wasilla and the quickly-growing Matanuska Valley population.

Port MacKenzie is designed to transport industrial and bulk resources, specifically natural resources, but is capable of moving a broader variety of goods. Examples of cargo that have transited the port include gravel, coal, wood chips, cement, logs, modular homes, heavy equipment, and oil field modules. The port does not have regularly scheduled shipments. Instead, shipments arrive on as-needed basis for specific projects.



Source: Map Data ©Google 2015.

Port MacKenzie lies on 9,033 acres of land, most of which is available for future commercial and industrial development. A 7,000 square-foot terminal sits on-site and, with office space and utilities, is available for lease. Two docks of varying capabilities comprise the Port's facilities. The Barge Dock has a 500-foot bulkhead, a depth of -20 feet MLLW, and 14.7 acres available for temporary storage. The Deep Water Dock has a face of 1,200 feet, a depth of -60 feet MLLW, and a five-foot wide conveyor system capable of moving 2,000 tons of bulk goods per hour. Two cranes with capacities of 230 and 100 tons are onsite and available for lease.

Amenities and support services are limited at the Port. Lodging, food, and groceries are available in nearby Wasilla and Big Lake. Shippers are responsible for procuring the labor necessary to load and unload goods, although one of the few businesses located at the port, NPI LLC, offers off-loading assistance. Available at the dock are electric power, fuel service, waste oil disposal, and garbage disposal.

For Interior Alaska, the port offers the closest access to the ocean. With this proximity, Port MacKenzie is well situated to export natural resources from the Interior, as well as to bring north fuel and natural gas. This would be especially the case if the Port were connected to the existing rail network.

Port MacKenzie's operations are hindered by accessibility. Much of its future expansion depends on a planned rail connection, a 32-mile spur branching off from the main line near Houston. This spur connection will improve the Port's accessibility to natural resource markets of Interior Alaska. Complementing the rail spur are

plans to construct a rail-loading facility at the dock. Additional future projects include the construction of a second conveyor system, a fuel tank farm, and, potentially, an LNG plant.

Skagway

Skagway serves as a marine gateway to Yukon Territory, Canada. In the past, Yukon mining operations relied on the Skagway port and a rail line running from Skagway into Canada to relay freight to and from mines. This function faded over time but came online again 2007 and continues today. However, the rail is no longer used to convey freight; instead, freight moves by truck along the highway connecting Skagway with Whitehorse. Rail operations are limited to passenger traffic.

Facilities at the Port of Skagway serve a variety of industry groups. The facilities include the AMHS ferry and barge terminal; White Pass and Yukon Route (WPYR) Railroad's Broadway Dock, Rail Dock, and Ore Dock; AIDEA's ore terminal; AML's container barge dock; and the City of Skagway's small boat harbor.

The State of Alaska and City of Skagway run the AMHS ferry and barge terminal which accepts AMHS ferries and barges year-round. The WPYR Railroad Rail Dock, which extends 1,764 feet at a depth of -35 feet MLLW, is used primarily to receive cruise ships but can also handle cargo. The Railroad also owns the 300-foot long Broadway Dock, used for cruise ships, and the Ore Dock, 1,250 feet in length at a depth of -42 feet MLLW. The Ore Dock was built in 1969 to load mineral concentrates from Yukon mines onto cargo vessels. Today, it still serves that purpose but also receives cruise ships.

Connected to the Ore Dock is the Ore Terminal, owned by the Alaska Industrial Development and Export Authority (AIDEA). Mineral Services Inc. operates the terminal to export copper concentrate from the Minto Project mine, and in 2014 shipped out over 60,000 tons of copper concentrate. The terminal lies on a 6.7 acre waterfront lot and consists of over 100,000 square feet of indoor storage, an ore loading tower, and fuel transfer and storage facilities. Annually, the fuel facilities transfer over 30 million gallons of fuel to Skagway and communities further inland. The remaining facilities consist of an AML container barge dock, to which a barge



Source: City of Skagway.

delivers from Seattle weekly, and the City of Skagway's small boat harbor which provides berths for recreational, commercial, and fishing vessels.

Future development hinges on activity in the mining industry. Increased exploration and production will drive a greater demand for export capacity and fuel expansion at the Skagway port.

Expansion would increase storage capacity and create additional berthing capacity. The City of Skagway and AIDEA have sought TIGER grant funds for port improvements.

Haines

Port of Haines facilities serve freight transportation, the cruise industry, the commercial fishing industry, commercial vessel operations, and recreational boaters. Although connected to the state's highway system, Haines is isolated at a terminus of the system and remote from other significant population centers along the highway.



Source: Map Data ©Google 2015.

Port facilities include numerous properties owned by Haines Borough, an AMHS terminal, and private operations. The Haines Borough operates two small boat harbors: Portage Cove with 114 slips and capable of mooring boats up to 40 feet in length, and Lentikof Cove which is open seasonally and, in the past, has issued about 40 permits for seasonal use. Both harbors serve and support commercial vessels, recreational vessels, and commercial fishing vessels. The Haines Borough also owns the cruise ship terminal called Port Chilkoot Dock and, in conjunction with the State of Alaska, the Lutak Dock. The Lutak Dock accepts petroleum products, which are stored in on-site storage tanks, and containerized cargo. AML delivers here once a week. The dock extends for 1,051 feet at a depth of -36 feet MLLW and lies adjacent to a six acre staging area. Adjacent to the Lutak Dock lies the AMHS terminal. Private facilities include the Chilkoot Lumber Company Dock, which accepts containerized shipments and seafood, and the Haines Packing Company Dock, a fish processing company.

Assessments for future port development have considered the construction of a railroad linking Haines with Yukon Territory's mineral production projection to aid in delivering minerals to market. The cost of rail construction makes this an unlikely prospect.

Homer

The City of Homer lies at the end of the highway system on the southern end of the Kenai Peninsula. The community is connected by road to Anchorage, but lies further away than Seward and Whittier and is not part of the state's rail system.



Source: Map Data ©Google 2015.

The Homer port is ice-free year-round. Port facilities include the City of Homer's small boat harbor, Fish Dock, Pioneer Dock, and Deep Water Dock. The small boat harbor hosts 1,000 stalls capable of mooring boats up to

75 feet in length. Research, fishing, commercial, and recreational vessels all rely on the harbor. The nearby Fish Dock supports the commercial fishing fleet with several 2.5 and 5 ton cranes for unloading seafood. Homer possesses cold storage for preserving seafood but minimal capacity for processing. Located on the southern end of the Homer Spit, the Pioneer Dock accommodates larger vessels such as Coast Guard vessels, AMHS ferries, and barges. It has a length of 469 feet and depth of -40 feet MLLW and allows for roll-on/roll-off container transport for barges. The Deep Water Dock is designed to meet the needs of even larger vessels such as Pollock trawlers and cruise ships. The Deep Water Dock has a length of 345 feet and depth of -40 feet MLLW. Future development plans aim to equip the Deep Water Dock with the ability to handle containerized freight.

Competitive Analysis

In this chapter the various factors that affect port competitiveness are considered, including stevedoring services, distances from customers and markets, costs of competing freight transportation modes, and other factors.

Stevedoring Services

Stevedoring services at port facilities include line handling, unloading and loading of freight from vessels and trucks, and other manual labor. Two main models exist for the provision of stevedoring services in port facilities: an “open” arrangement or an “exclusive” arrangement.

The “open” model allows any company to provide stevedoring services at a port, as long as they adhere to rules set by the port. In this model, companies active in marine transportation, salvage, or other maritime activity can also become “approved” stevedores which reduces the need to call upon specialized stevedore companies. In many cases this makes economic sense—instead of hiring a stevedoring company, employees already present can perform the needed work. The Port of Anchorage, ARRC-owned Seward and Whittier terminals, Port of Homer, and Port of Haines follow this model. Private facilities such as the Northland Dock in Anchorage provide their own stevedoring services.

Unique to the Southcentral region, the “exclusive” model followed by the Port of Valdez requires all vessels to use a single stevedoring company. The North Star Terminal & Stevedore Co. makes annual payments to the City of Valdez for its 5-year exclusive permit; their current permit expires in 2016.

This arrangement may have both positive and negative elements, from a port user perspective. One advantage for relatively low-volume ports of an exclusive arrangement is that it pushes all business to one stevedoring services company, who then operates with an economy of scale to support reliable, quality service. To the extent that an exclusive stevedoring services contract reduces costs and/or simply logistics for businesses active in the port, it has the potential to increase the attractiveness of the port from shipping and other companies.

An exclusive stevedoring services arrangement may be less attractive to higher volume shippers, who use the dock with enough frequency and volume that mobilizing their own crews to load and unload vessels could be a lower cost option.

Stevedoring services costs are one part of the overall cost equation that shippers consider when selecting ports and modes. Proximity to the customer can override higher handling costs at the dock, especially for one-off shipments, such as the Tanana bridge sections, but also for routine transport of freight such as that moved to Pogo Gold Mine.

Alternatively, port customers with regular shipments to Interior Alaska or elsewhere will be more likely to consider other ports if stevedoring service costs are lower. If handling costs in Seward, Whittier, or Anchorage are lower, the exclusive arrangement could place Valdez at a competitive disadvantage. However, stevedoring

costs are not likely to be the deciding factor for a shipper looking to establish a presence in a port, or significantly scale-up activity in a port it already uses.

Trucking Services

With no access to rail transportation, freight brought into the Port of Valdez is either used locally or transshipped by truck, mainly to the Interior. Depending on the type of load and destination, trucking freight from Valdez can be more expensive than from other Southcentral ports. A variety of factors influence this dynamic, including:

- *Quality of the road.* Compared to the Parks Highway, the Richardson and Glenn highways are less developed from a trucking perspective. There are fewer pull-offs and passing lanes, and a higher number of corners requiring slower speeds. In addition, these routes are plowed less often in the winter.
- *Cannot pull double trailers on the Glenn Highway.* In contrast to the Parks and Richardson highways, the current condition of the Glenn Highway does not allow truckers to pull double trailers. This results in higher costs to trucking companies as they are prevented from realizing the efficiencies associated with pulling doubles.
- *Lower volume of trucking traffic.* Compared to the Parks Highway, the Richardson Highway receives much less truck traffic. Lower volumes typically means fewer providers and less opportunities for economies of scale for truckers already active in the corridor. Related to that, with lower volumes along the Richardson, trucking companies have less opportunity to haul doubles, further increasing prices.
- *Differences in port policies.* Because of Valdez's exclusive use arrangement, shippers are prevented from completing certain tasks (e.g., unloading/loading truck trailers) while operating within the Port of Valdez, increasing the total cost of moving freight in Valdez. This may increase transportation costs paid by freight customers.

Distances by Highway Miles between Cities

↔	Valdez	Seward	Anchorage	Fairbanks	Deadhorse	Haines	Skagway
Valdez	-	423	299	363	857	691	747
Seward	423	-	127	483	976	880	936
Anchorage	299	127	-	359	852	756	812
Fairbanks	363	483	359	-	495	640	696
Deadhorse	857	976	852	495	-	1,134	1,190
Haines	691	880	756	640	1,134	-	352
Skagway	747	936	812	696	1,190	352	-

Source: Google Maps, 2015.

Distance to key consumer markets is the key factor limiting the volume of freight trucked out of Valdez. Anchorage, Kenai Peninsula, and Mat-Su (together accounting for 60 percent of Alaska's population) are all much more conveniently and efficiently served out of port facilities in Anchorage. Fairbanks is equidistant from

Valdez, but high-volume steamship container and roll-on/roll-off service to Anchorage provides an economy of scale through the Port of Anchorage that Valdez is unlikely to ever match. One area of concern to truckers, however, is the traffic volume and number of traffic lights along the Glenn and Parks Highway (particularly through Anchorage and Wasilla) that can slow delivery times.

Trucking Traffic

The Richardson Highway, extending from Valdez to Fairbanks, is less traveled than the Parks Highway, which runs from Anchorage to Fairbanks and is an alternative route for shipments to the Interior. In 2014, the Richardson was traveled by a daily average of 300 to 450 vehicles, of which roughly 30 were commercial vehicles. (The exact number depends on where along the highway the measurement was taken.) In comparison, the Parks Highway experienced daily average traffic of more than 1,000 vehicles, of which an estimated 110 were commercial vehicles.

Daily average traffic on the Glenn Highway, connecting Anchorage with Glennallen, totaled 815 vehicles with approximately 60 commercial vehicles. The Alaska Highway, measured close to the U.S./Canadian border, averaged 333 vehicles daily, of which approximately 50 were commercial vehicles.

Annual Average Daily Traffic and Estimated Commercial Truck Traffic on Select Alaska Highways, 2014

Highway	Milepost	Average Annual Daily Traffic	Estimated Proportion of Commercial Trucks	Estimated Total Daily Commercial Truck Traffic
Parks	240	1,039	11%	109
Glenn	132	815	7%	60
Richardson	66	420	8%	34
Alaska	76	333	14%	47
Richardson	221	326	9%	30

Source: Alaska DOTPF, 2015; McDowell Group estimates.

Oversized and Overweight Truck Traffic

The number of oversized and overweight permits originating within a community is a proxy for heavy truck traffic. Data from the Alaska DOTPF identify Anchorage as the main originator of this type of truck traffic. It is also noted that many of these permits do not originate from ports; it is expected that a significant proportion of oversize and overweight permits — especially those originating in Valdez, Seward, and Whittier — likely result from the movements of boats.

Oversize and Overweight Permits Issued between Destinations, FY2012 to FY2014

Origination-Destination	FY2012	FY2013	FY2014
Valdez	131	244	185
To Fairbanks	101	77	69
To North Pole	8	29	12
To Salcha	4	115	25
To Delta Junction	4	5	14
To Prudhoe Bay	13	18	65
To Deadhorse	1	0	0
Anchorage	774	1,019	1,094
To Fairbanks	338	343	367
To North Pole	53	19	16
To Salcha	2	10	4
To Healy	31	21	22
To Prudhoe Bay	204	586	629
To Deadhorse	146	40	56
Seward	152	154	139
To Anchorage	145	143	134
To Fairbanks	6	8	3
To North Pole	0	3	0
To Salcha	0	0	0
To Healy	1	0	0
To Prudhoe Bay	0	0	2
To Deadhorse	0	0	0
Whittier	189	196	205
To Anchorage	188	196	203
To Fairbanks	1	0	1
To North Pole	0	0	0
To Salcha	0	0	0
To Healy	0	0	0
To Prudhoe Bay	0	0	1
To Deadhorse	0	0	0

Source: Alaska DOTPF, 2015.

Estimated Trucking Rates

Quotes were obtained from industry contacts, including formal quotes from Carlile Logistics and Lynden Transportation for the movement of a 40-foot container with 40,000 lbs. of freight in Alaska. It is expected actual rates would be lower after negotiations with a trucking company and if a customer was committing to multiple or regular shipments. The cheapest route (by highway mile) is between Anchorage and Fairbanks.⁵

⁵ The reader is cautioned against placing significant emphasis on the cost per pound figure in Table XX. The impact of weight on price is non-linear. That is, a shipment weighing 20,000 lbs. may cost the same as a 40,000 lbs. shipment. Trucking companies consider a number of factors to arrive at a price offered to customers including volume, weight, distance, and type of freight.

Estimated Trucking Costs of a 40-foot Container Containing Steel, 2015

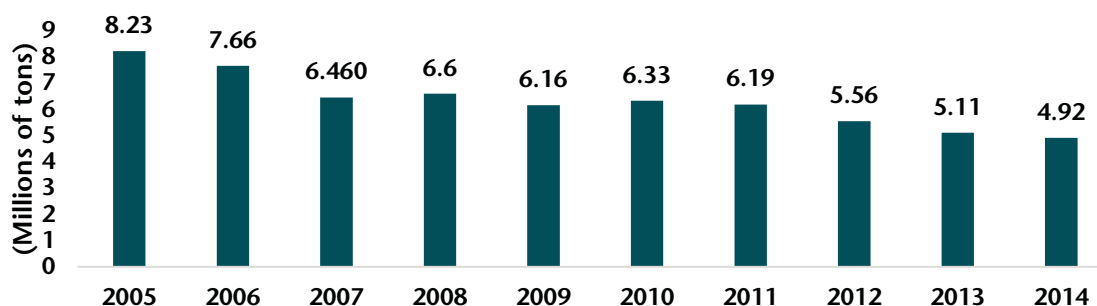
Origination-Destination	Average (\$)	Distance (miles)	Cost (\$)/Mile	Cost (¢)/Pound
Anchorage				
To Fairbanks	\$1,725	350	\$4.93	¢4.3
To Prudhoe Bay	6,625	850	7.79	16.6
To Valdez	2,350	300	7.83	5.9
Valdez				
To Fairbanks	2,925	360	8.13	7.3
To Prudhoe Bay	8,575	860	9.97	21.4
To Anchorage	2,350	300	7.83	5.9

Note: Quote was for a non-refrigerated, full 40-foot container weighing 40,000 pounds. All prices include a 23 percent fuel surcharge. Source: Carlile Logistics, 2015; Lynden Transportation, 2015; McDowell Group estimates, 2015.

Railroad

ARRC offers service throughout Southcentral, extending from Seward to Salcha. The railroad moves significant quantities of coal, gravel, refined petroleum products, and other freight that is not time-sensitive or perishable. Over the last decade, freight tonnage carried by rail has fallen approximately 40 percent, from more than 8.2 million tons in 2005 to approximately 4.9 million tons in 2014. Reduced coal exports (from Usibelli Coal Mine) and refined products (from the recently closed Flint Hills Refinery) shipments are a couple of the main reasons explaining this reduction.

Total Freight Tonnage Transported by the Alaska Railroad (millions of tons), 2005 to 2014



Source: ARRC, 2014 Annual Report.

Sample ARRC Rates

Rates paid by railroad customers vary according to distance traveled, destination, current fuel prices, and type of freight. The following calculations allow some comparison with trucking rate estimates previously addressed.

Alaska Railroad Estimated Rate for Iron and Steel between Anchorage and Fairbanks

	100,000 (lbs.)	120,000 (lbs.)	140,000 (lbs.)	160,000 (lbs.)
Rate per 100 pounds	\$4.02	\$3.68	\$3.29	\$2.93
Total Cost	\$4,090	\$4,486	\$4,676	\$4,758
Cost (\$)/Mile	\$11.69	\$12.82	\$13.36	\$13.59
Cost (¢)/Pound	4.1¢	3.7¢	3.3¢	3.0¢

Note: Estimates included a \$0.20 per mile fuel surcharge.
Source: ARRC Freight Tariff, 2015.

Railroad/Trucking Competition

While trucking companies and ARRC compete for some freight movements, each is well suited for different types of cargo. Rail transportation is competitive for heavy and regular shipments such as transportation of gravel from Palmer to Anchorage, coal from Healy to Seward, or refined products to the Interior. A single railcar regularly carries 100,000 to 160,000 pounds of freight at a time with heavier loads possible. In comparison, a 40' container can carry up to 60,000 pounds.

Trucking is quicker, easier to deploy, and better suited for smaller loads. This especially true for the movement of perishable foods. A container arriving in POA can be delivered to a grocery store in the Interior in six to seven hours, much faster than timelines available by rail.

Handling costs are a large factor for customers comparing rail versus trucking. While rail may be cheaper from Anchorage to Fairbanks for some shipments, if the cargo needs to be repackaged for trucking upon arrival, trucking the entire distance may be more cost-effective.

While these figures are over-simplified, ARRC's comparative advantage against trucking rates are confirmed for heavy shipments. Note the cost per pound measurement for 100,000 pounds is nearly comparable with trucking rates. As weight is added, the cost relative to trucking falls quickly.

Port Tariffs

Each port facility examined in this report has its own set of charges for use of its docks, infrastructure, and services. These charges are publicly available and detailed in a document typically called the *Port Tariff*. The following section compares Valdez's charges for dockage, wharfage, and other fees with facilities in Anchorage and ARRC-owned facilities in Seward and Whittier.



The Valdez Container Terminal with a bulk carrier being loaded with wood chips.
Source: City of Valdez.

Dockage Fees

Dockage fees are charges for vessels tying up at a port facility for a set amount of time, in this case 24-hours. Charges in Valdez are the lowest relative to both Anchorage and ARRC facilities in Seward and Whittier, but higher in some situations than Port MacKenzie. The cost differential between the Port of Valdez and POA and ARRC-owned facilities will increase through 2019 as these facilities increase their rates approximately 17 percent and 15 percent, respectively.

Estimated Dockage Rates Per Vessel-Foot Per 24-Hours in Southcentral Ports, 2015

Over (feet)	Not Over (feet)	Port of Valdez	ARRC-Owned Seward and Whittier	Port of Anchorage*	Port MacKenzie
0	60	\$1.05		\$7.04	
60	100	\$1.10			\$0.60
100	200	\$0.75	\$2.90	\$3.51	
200	300	\$0.66		\$3.28	
300	351	\$0.73		\$3.21	\$0.80
351	374	\$0.85		\$3.15	
374	400	\$0.88		\$3.24	\$1.0
400	426	\$0.93		\$3.37	
426	449	\$0.96		\$3.54	
449	475	\$0.98	\$4.15	\$3.61	
475	498	\$1.03		\$3.77	
498	524	\$1.11		\$4.06	
524	551	\$1.17		\$4.17	
551	574	\$1.18		\$4.31	
574	600	\$1.25		\$4.57	
600	626	\$1.37		\$5.02	
626	649	\$1.54		\$5.62	\$1.20
649	675	\$1.68	\$5.20	\$6.15	
675	698	\$1.84		\$6.70	
698	725	\$2.05		\$7.48	
725	751	\$2.26		\$8.25	
751	774	\$2.49		\$9.06	
774	800	\$2.70	\$7.25	\$9.86	
800	849	\$2.92		\$10.81	
849	900	\$3.14	\$8.25	\$11.59	

*Figures for Anchorage assume a vessel length one-half of the category.

Source: ARRC Port Tariff, 2015; Port of Valdez Tariff, 2015; Port of Anchorage Tariff, 2015; Matanuska Susitna Borough, 2015.

Wharfage Fees

Wharfage fees are charged when a customer brings a specific type of freight through a port facility. Valdez is competitive relative to ARRC facilities and POA in all categories examined, but not with Port MacKenzie. For general cargo/not otherwise specified (NOS) (the category of the majority of freight moved through the Port of Valdez), Valdez is 31 percent and 44 percent cheaper than ARRC facilities in Seward and Whittier and the

POA, respectively. Assuming Valdez does not increase its wharfage fees, this differential will increase through 2019 to 40 percent and 53 percent, respectively.

Some facilities have the ability to negotiate reduced rates for regular users. For example, the Port of Valdez has the ability to reduce wharfage charges 20 percent for common carriers calling on the Port 12 times or more per year, non-common carriers calling on the port 24 times in a year, or customers handling in excess of 5,000 short tons annually in the Port.⁶

Wharfage Fees in Southcentral Ports by Category, 2015 to 2019

	General Cargo/NOS (Short Ton)	Fuel (Gallon)	Explosives (Short Ton)	Empty Containers	Minimum Charge
ARRC-owned Seward and Whittier facilities					
2015	\$5.05	\$0.02	-	\$11.5	\$250.0
2016	5.20	0.025	-	12.0	275.0
2017	5.36	0.025	-	12.5	275.0
2018	5.52	0.025	-	13.0	275.0
2019	5.80	0.03	-	14.0	300.0
Port of Valdez					
2015	\$3.50	\$0.01	\$15.0	-*	\$3.50/Short ton
Port of Anchorage					
2015	\$6.24	\$0.013	\$15.60	\$10.40	\$75.00
2016	6.49	0.0135	16.22	10.82	
2017	6.75	0.0141	16.87	11.25	
2018	7.02	0.0146	17.55	11.70	
2019	7.30	0.0152	18.25	12.17	
Port MacKenzie					
2015	\$2.50	-	\$12.00	\$6.00	-

*The Port of Valdez has a \$6.00 charge for trailer parking that may function as a de facto charge for empty containers.
Source: ARRC Port Tariff, 2015; Port of Valdez Tariff, 2015; POA Tariff, 2015; Matanuska Susitna Borough, 2015.

Other Fees

In addition to dockage and wharfage charges, ports generate revenue through a variety of other charges such as per passenger fees, water fees, and security fees. With no passenger fee, and with other ports increasing their passenger fee, Valdez will remain competitive in this category. Similarly, the Port of Valdez charges the least (of the other Southcentral ports examined) for water provided to vessels calling on its port facilities.

⁶ A *common carrier* refers to a company transporting goods for any person or organization.

Passenger and Water Fees in Southcentral Ports, 2015 to 2019

	Per-Passenger Fee	Charge for first 1,000 gallons of water	Marginal cost per 1,000 gallons of water	Hook-up Fee for water
ARRC-owned Facilities Seward and Whittier				
2015	\$9.85	\$13.4	\$13.4	\$160.0
2016	10.10	13.8	13.8	175.0
2017	10.40	14.2	14.2	175.0
2018	10.75	14.6	14.6	200.0
2019	11.25	15.3	15.3	200.0
Port of Valdez				
2015	-	\$3.00	\$3.00	\$45.0
Port of Anchorage				
2015	*\$3.04 to \$4.04	\$78.00	\$5.20	-
2016	\$3.08 to \$4.08	81.00	\$5.40	-
2017	\$3.12 to \$4.12	84.00	\$5.60	-
2018	\$3.17 to \$4.17	87.00	\$5.80	-
2019	\$3.22 to \$4.22	90.00	\$6.00	-
Port MacKenzie				
2015	\$1.00	-	-	-

*POA figures include a \$1.04 passenger security fee.

Note: Port MacKenzie does not offer water to vessels.

Source: ARRC Port Tariff, 2015; Port of Valdez Tariff, 2015; POA Tariff, 2015.

Southcentral ports calculate security fees through a variety of methods including per ton, per hour the vessel is at the dock, per passenger, and per empty container. Excluding minimum charges, the Port of Valdez is cheaper than both ARRC-owned facilities in Seward and Whittier and POA if a customer can unload at a rate of 130 short tons per hour — a rate that is not uncommon. Without a passenger fee, minimum security charge, and other ports increasing their security fees, the Port of Valdez is highly competitive within the security category.

It is important to note that not all port activities require security and some freight types require enhanced security. For example, movement of ammunition (military use) through the Port of Valdez requires more security than shipments of fish in containers.

Security Fees in Southcentral Ports, 2015 to 2019

	Per Ton	Per Hour	Minimum Security Fee	Empty Container Fee	Per Passenger Fee
ARRC-owned Facilities Seward and Whittier					
2015	\$0.50	-	\$250.0	\$2.00	-
2016	0.50	-	250.0	2.20	-
2017	0.55	-	275.0	2.20	-
2018	0.55	-	275.0	2.20	-
2019	0.60	-	300.0	2.30	-
Port of Valdez					
2015	-	\$65 to \$95	-	-	-
Port of Anchorage					
2015	\$1.18	-	-	-	\$1.04
2016	\$1.21	-	-	-	1.08
2017	1.23	-	-	-	1.12
2018	1.26	-	-	-	1.17
2019	1.29	-	-	-	1.22

Note: The Port MacKenzie tariff does not specify security fees.

Source: ARRC Port Tariff, 2015; Port of Valdez Tariff, 2015; POA Tariff, 2015.

Gap Analysis and Recommendations

The analysis and recommendations below are framed around the study questions identified at the outset of the project. The project team drew on experience with Alaska ports, numerous executive interviews conducted for the project, as well as relevant data, research, and other documents to illustrate the strengths and challenges facing the Port of Valdez in its competitive landscape.

Strengths and Challenges

Geographic Location

STRENGTHS

- Port of Valdez offers several important geographic attributes including a natural, ice-free year-round, deep water port that typically has a calm sea state.
- The Port has efficient access to the uncongested Richardson Highway.
- The physical separation between downtown Valdez and the container terminal ability allows for operational efficiency (in some cases) and a high degree of security. Additionally, the lay-down areas directly at the terminal are supplemented by considerable uplands in close proximity to the port.
- Valdez's proximity and access to Interior and North Slope communities, military, Alaska Native Corporations, and other private developers is an asset.
- Valdez is closer than other Southcentral ports to Seattle and other Pacific Northwest ports, saving as much as a day of marine travel time.
- Valdez's established commercial fishing fleet and processors – coupled with air, highway, and marine transportation linkages – is a strategic advantage over other commercial fishing centers.

CHALLENGES

- A significant drawback for Valdez is the physical distance from Alaska's population centers. Approximately 54 percent of the state's population resides in the Anchorage/Mat-Su area, with 75 percent living in the Railbelt region including Fairbanks and the Kenai Peninsula.⁷
- Illustrating how population density translates to freight volume, in 2013 more than 3.4 million tons of cargo moved between Puget Sound and Alaska. Of that, 97 percent was shipped via water.⁸ The vast majority of cargo transited the POA and other Anchorage port facilities, followed by Whittier.

Commercial Shippers Needs and Expectations

STRENGTHS

- The Valdez container dock is regarded as an especially good facility. Interviewees noted the paving, lay-down areas, and lighting. Additionally, the City's significant investment in plug-ins is superior to many other ports.

⁷ American Community Survey, 5-year data, 2013.

⁸ *The Ties That Bind*, McDowell Group, 2015

- Valdez is recognized as ideal for oversize shipments – especially if destined for the Interior or North Slope.
- The City and business community are complimented for being accommodating and easy to work with.
- Many of Valdez current shippers are also moving products through other Southcentral ports, representing an opportunity to possibly shift freight volume to the Port of Valdez.

CHALLENGES

- Shippers are extremely sensitive to cost and time. Several interviewees noted that a few hundred dollars can make the difference in port selection. Adding further rate pressure, there is high degree of rate competition between trucking and rail options in the Railbelt.
- Use of multiple ports illustrate shippers are purposeful in selecting Valdez; however, logistical and price efficiencies could be achieved by concentrating shipments through other southcentral ports. As an example, Pogo Gold Mine ships cement through Anchorage due to the unique capabilities at that dock. Similarly, grinding balls and cyanide destined for Fort Knox and Pogo gold mines are commonly shipped by rail into Fairbanks and then trucked to the mine sites.
- The highway and rail linkages available in other Southcentral ports create transportation efficiencies that are difficult for Valdez to compete with.

Military Needs and Expectations

STRENGTHS

- Easy access between the port, Richardson Highway, and Interior military bases is a competitive advantage.
- Redundancy is especially important for the military given its national security mission. This is one of the strongest selling points for increasing military use of the port. Valdez should maintain regular communications, encourage site visits, and participate in table-top exercises and physical drills when possible.
- Valdez can expect an increase in ammunition shipments as Eielson Air Force Base (AFB) expands. The new F-35s will require about 25 percent more munitions. Additionally, the base anticipates increasing the number of exercises in the future from its current average of three or four annually. Expected growth of 3,000 more personnel on base will also result in more household goods, cars, and families traveling into the state.
- The Joint Pacific Alaska Range Complex (JPARC) is a national training asset, with 65,000 square miles of airspace in Interior Alaska. An estimated 10,000 people train at JPARC annually. The recent completion of the Northern Rail Extension Bridge spanning the Tanana River near Eielson AFB is expected to contribute to increased year-round use of JPARC. The port could represent an important training and logistical asset to compliment JPARC.
- Increased focus on the Arctic by military and civilian leaders is expected to result in increased military presence, infrastructure, and exercises in Alaska.
- Clear AFB will have substantial freight associated with the planned expansion of the long range missile defense system at the Interior Alaska base.

CHALLENGES

- The size of the military operation at Joint Base Elmendorf Richardson (JBER), coupled with the special designation of the adjacent POA as having strategic importance to the Department of Defense, results in Anchorage serving as the primary port for many military shipments.
- A shipment commonly has 75 percent or more of its goods destined for JBER, with the balance of freight bound for Fort Wainwright or Eielson AFB.
- Because of procurement rules, the military must often choose the cheapest method to bring supplies to their operations. This may place Valdez at a competitive disadvantage against a rail-connected port such as Anchorage, Whittier, or Seward.

Competitive Position

STRENGTHS

- Valdez wharfage and dockage rates are competitive, and in most cases less costly, than in other Southcentral ports.
- Compared to other Southcentral ports, Valdez is closer to the entire region along the Richardson Highway and much of the Interior.
- Compared to the Parks Highway, the Richardson Highway is less congested (with fewer traffic lights and stops) which is advantageous from a trucking prospective.

CHALLENGES

- While stevedoring services rates in Valdez are similar to other ports, the “exclusive use” arrangement contrasts to the “open” arrangement in other ports. The arrangement creates efficiencies for some shippers and adds costs to others, depending on their shipping frequency and local capabilities.
- Population growth continues in the Anchorage and Mat-Su regions, further concentrating regional transportation and port infrastructure in these centers.
- Although much smaller than the POA, Seward’s competitive position is strengthening, given the ARRC’s expansion plans, Vigor Industrial’s increased shipyard capabilities, and formal designation by companies like TOTE as a contingency port.
- A developing Port MacKenzie will add capacity to an already competitive freight environment.
- A lack of rail access in Valdez reduces potential transshipping opportunities.
- Valdez is not widely recognized as an access or departure point for supplies entering or exiting Alaska.
- The Port of Valdez has a relatively small number of customers using its facilities. The loss of one or two would represent a significant loss of freight volume.

Opportunities and Recommendations

Potential Partners and Opportunities

REGIONAL NATIVE CORPORATIONS

The Port should coordinate with regional Alaska Native Corporations on land and resource development strategies. Ahtna Corporation and Doyon Limited are particularly strategic for Valdez, given these corporations' proximity to Valdez and wide array of developable resources.

MILITARY

The military represents a unique opportunity for Valdez, given the strategic importance of Alaska in the Pacific Theater and the Arctic, and need for redundancy in military planning and training. The military also coordinates recreational outings for personnel, creating additional economic linkages. The Port, community leaders, and business leaders should further coordinate efforts to educate military leaders and attract commercial activity. The existing relationship, where the military moves munitions inbound, is a foundation for Valdez to expand this relationship.

SHELL EXPLORATION & PRODUCTION COMPANY

Shell's selection of Valdez as a training facility has several contributing factors including the availability of the port, generally calm sea conditions, training facilities on shore, and housing. The ability to house and feed participants at the "man camp" is a competitive strength over other communities under consideration, including Seward and Kodiak; the camp will require replacement or upgrades in the future. Shell has indicated they intend to conduct a similar drilling season in 2016, with continued effort possible after that, which will prolong its use of Valdez port facilities.

COMMERCIAL FISHING INDUSTRY

Valdez is positioned for continued growth in seafood processing with the well-established commercial fishery, recent investment by processors, cold storage capacity, and hatchery growth in Prince William Sound. It is likely this growth will result in increased port activity. Ongoing communication with industry leaders will be essential in this very competitive industry.

EXISTING PORT USERS

Barge lines, trucking companies, and other users of the port should be engaged by the City and Port of Valdez to identify potential areas where growth can occur.

MANUFACTURING SECTOR

Valdez should examine the feasibility of attracting a modular fabrication company. An interviewee noted that thousands of modular facilities have been built in Anchorage and Mat-Su, and then trucked north for a myriad of uses. As an example, Alutiiq Manufacturing Contractors is located at Port MacKenzie. Valdez assets include available uplands and ability for materials to arrive via highway or port. Finished products can be readily shipped or trucked to clients.

UPLAND LAND OWNERS

ARRC owns approximately 80 acres of uplands near the container terminal. It represents an opportunity to explore mutually beneficial lease or sale of the land. Additionally, ARRC officials indicated they are interested in exploring the possibility of importing refined products from the Petro Star Refinery in Valdez through their Seward facility.

Similarly, other upland land owners may have unique ties to industry sectors that could utilize the port.

Marketing Strategies for the Port

Valdez is strongly identified as the terminus of the Trans-Alaska Pipeline System and as an excellent location for fishing and year-round recreation. The community's port capabilities simply do not have the visibility they may warrant. Several strategies are identified below.

PARTNERSHIPS

Importantly, attracting new commercial activity to Valdez is not a task to be undertaken by the Port alone. The Port, other City officials, and community leaders will need to assess which alliances and tactics will be most effective for each target industry.

Local business leader should coordinate regular meetings with the Fairbanks Greater Chamber of Commerce and Fairbanks Economic Development Corporation to identify mutual priorities concerning infrastructure, regional planning, and political leverage.

A key point is the importance of building relationships and knowledge about the port and other community assets early in the planning process – regardless of the industry sector.

MINERAL DEVELOPMENT

Ensure that existing mining operations and companies engaged in exploration and development, such as International Tower Hill Mines (Livengood Project) and Millrock Resources, are aware of Valdez port capabilities and advantages. Similarly, Alaska Native Corporations and other major land owners with mineral resources should be part of community and port outreach efforts.

Two examples from the project team's research underscore the importance of increasing Valdez visibility at events like the Alaska Mining Association annual conference or Cordilleran Roundup in Vancouver, British Columbia. KPMG's recent assessment of port infrastructure to support anticipated Yukon mineral development included Haines and Skagway as primary ports, with Anchorage, Whittier, Port MacKenzie, and British Columbia ports as alternatives. Similarly, an Alaskan developer recently examined the financial feasibility of moving ore through Whittier and Skagway. Valdez was not mentioned in either analysis.

CONTINGENCY PORT

Alaska transportation providers are cognizant of the vulnerability of Alaska's limited transportation systems. The Port should formalize contingency plans with major truck and marine transportation providers.

Interior businesses traditionally relying on the Parks Highway corridor, including both trucking and rail, may be open to contingency plans routing freight movement through Valdez in the event the Highway is impassable.

ALASKA DOTPF

“Salt shipments,” including deicer and fertilizer for the Alaska DOTPF, represent a potential market for Valdez. Materials are brought in by sea and trucked to numerous locations throughout the state.

COMMERCIAL FISHING

The regional seafood industry represents steady freight traffic and growth opportunities for the port and community. Proximity to salmon fisheries, local cold storage; and air, road, and ocean transportation options are valued by the commercial seafood industry.

MILITARY

Military growth, especially related to Arctic development, represents opportunities for the port. Personnel changes necessitate regular communication and education. These efforts should be focused on the appropriate government contracting office personnel who are making most of the shipping and logistical decisions for the military. The military-owned Glacier Campground in Valdez and Morale, Welfare, and Recreation programs at Alaska military facilities are opportunities to facilitate this type of outreach with military personnel.

ARCTIC DEVELOPMENT

As evidenced by Shell’s local training activities, development of Arctic oil and gas resources, port facilities, and possible mineral deposits may result in opportunities for Valdez. The community offers unique expertise and facilities that will be of increasing importance for Arctic development. Valdez can grow its reputation as a marine training center. Valdez should target public and private entities with port expansions and Arctic infrastructure development such as Cape Blossom near Kotzebue. Additionally, new infrastructure and training opportunities may result from the recently formed Inuit Arctic Business Alliance including NANA, Arctic Slope Regional Corporation, and Bering Straits Native Corporation.

Officials from the City and Port of Valdez should consider attending the growing number of conferences focused on Arctic development taking place in Alaska and Washington.

Near Term Infrastructure Needs

VALDEZ CONTAINER TERMINAL (VCT)

- The anticipated increase in reefer container volume moving through the VCT may necessitate more plug-ins or temporary generators during the peak salmon harvest.
- A covered freight handling facility would allow shippers to work out of the weather and provide space for warehouse and product storage. However, interviewees noted that the quick exchange between barges and trucks, and limited volume, may make it difficult to recoup the investment.
- Possible improvements to the landing craft area include increased lighting and bollards. Shippers would prefer to secure their landing craft during freight movements, rather than having to keep the vessel under power. Additionally, a platform on the floating dock would increase operational efficiency for landing crafts as tides would have reduced impact on loading or unloading.
- Restrooms, WiFi, and a warming shed would allow for easier longer-term operations at the VCT, such as training conducted by Shell Oil & Exploration Company.

KELSEY DOCK

- The ability to off-load grey water at the Kelsey dock would marginally simplify maritime operations in Valdez.

Longer Term Infrastructure Needs

Valdez leaders should support efforts to continue progress on a gas line, regardless of where it will be built. The construction period will utilize virtually all of Alaska's ports. Valdez laydown areas coupled with the port's marine facilities are of considerable value for this major project.

Currently, AKLNG is developing an assessment of labor and infrastructure needs throughout the state. The study is expected to be released this fall. It will be important for Valdez to remain current as the project evolves and is refined.

Interview Contacts

- Anna Atchison, Kinross Fort Knox Mine
- Tom Barrett, Alyeska Pipeline Service Company
- Jeff Bentz, North Star Terminal & Stevedore Co.
- Joe Bovee, Ahtna Inc.
- Ben Bridwell, Sumitomo Pogo Gold Mine
- Tron Clark, Shell Exploration & Production Company
- Sue Cogswell, Prince William Sound Economic Development District
- Jim Dodson, Fairbanks Economic Development Corporation
- Matt Ganley, Bering Straits Native Corporation
- Cole Haddock, Port of Whittier
- Joe Hardenbrook, Fairbanks North Star Borough
- Brian Hawkins, Port of Homer
- Jason Hoke, Copper Valley Development Association
- John Hosey, City of Valdez
- Aaron Hunting, Alaska DOTPF
- Brian Johnson, Delta Industrial Services
- Barbara Johnson, Alaska Center for Unmanned Aircraft Systems Integration
- Diane Kinney, City of Valdez
- Kristel Komakhuk, Shell Exploration & Production Company
- Jim Kubitz, Alaska Railroad Corporation
- Linda Leary, Alaska Railroad Corporation Board Chair
- John MacKinnon, Associated General Contractors of Alaska
- Colonel Mike Winkler, Eielson Air Force Base
- Darren Prokop, University of Alaska Anchorage
- Norm Regis, City of Seward
- Steve Ribuffo, Port of Anchorage
- David Ridge, Crowley
- Richard Riggs, Silver Bay Seafoods
- Brad Robertson, North Star Terminal & Stevedore Co.
- Jim Scholz, Samson Tug and Barge
- Rick Solie, International Tower Hill Mines
- Ryan Sontag, North Star Terminal and Stevedore Co.
- Colleen Stephens, Stan Stephens Cruises
- Aves Thompson, Alaska Trucking Association
- Marc Van Dongen, Port MacKenzie
- Lisa Von Bargaen, City of Valdez
- Dale Wade, Alaska Railroad Corporation
- Mike Wells, Valdez Fisheries Development Association
- Curt Wilson, Wilson Brothers Distributors/Alaska Marine Lines
- John Woodman, Doyon

Reference Documents

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Feasibility and Resource Analysis for Relocating the Home Port of the CDQ Fishing Fleet, Phase 1. McDowell Group. September 2011.

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Ties that Bind: The Enduring Economic Impact of Alaska on the Puget Sound Region. McDowell Group. February 2015.

Trends and Opportunities in the Alaska Marine Industrial Support Sector. McDowell Group. September 2014.

Valdez Community Gap Market Analysis, Volume 1: Summary Analysis and Findings. McDowell Group. January 2008.

Valdez Community Gap Market Analysis, Volume 2: Household Opinion Survey and Business and Community Leader Interviews. McDowell Group. January 2008.

Valdez Community Gap Market Analysis, Volume 3: Economic Baseline and Opportunities Analysis. McDowell Group. January 2008.

Valdez Comprehensive Plan. City of Valdez. Estimated completed 2007.

Valdez Economic Diversification Project Charter. City of Valdez. April 2015.

Valdez Waterfront Master Plan. City of Valdez. December 2007.

Yukon Ports Access Strategy. KPMG. 2006.



Agenda Statement

File #: 16-0014 **Version:** 1

Type: Minutes **Status:** Agenda Ready

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On agenda: 7/6/2016 **Final action:**

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Sponsors:

Indexes:

Code sections:

Attachments: [06012016 draft minutes edited.pdf](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

Approval of the Regular Meeting Minutes of June 1, 2016.

SUBMITTED BY: Lisa Von Bargen, CED Director

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Approve Regular Meeting Minutes of June 1, 2016.

SUMMARY STATEMENT:

See attached minutes for review and approval.

REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

II. ROLL CALL

Commission *Chair Amanda Bauer*
Members *Chair Pro-Tempore David Dengel*
Present: *Commission Member Keith Thomas*
Commission Member Rhonda Wade
Commission Member Scott Hicks
Commission Member Mike Meadors
Commission Member Colleen Stephens (delayed)

III. APPROVAL OF MINUTES

1. Approval of the Regular Meeting Minutes of May 18, 2016

MOTION: Commission Member Mike Meadors moved, seconded by Commission Member Rhonda Wade, to approve the Regular Meeting Minutes of May 18th, 2016.

VOTE ON THE MOTION: 6 yeas, 1 absent (Colleen Stephens-delayed). MOTION CARRIED.

IV. PUBLIC APPEARANCES

1. Dustin Huebner, Tailgate Alaska - Economic Impact of the Event

V. PUBLIC BUSINESS FROM THE FLOOR

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VI. PUBLIC HEARINGS

VII. UNFINISHED BUSINESS

VIII. NEW BUSINESS

1. Discussion Item: Review of the State of Alaska Business Retention & Expansion Program

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Mr. Cotten explained that Ms. Houston has been involved in this program, but the purpose of this is to incorporate topics that they have had several discussions about and what they are trying to do with the Commission. Lots of information and data collection has been very useful for things around town. Ms. Houston and he sat down and called the person who runs this business program with the state. It was brought to this Commission, not to endorse it but to bring the individual to Valdez, or get them on the phone to answer questions the Commissioners might have. He explained that before they do that he wanted to know if they thought the business community would benefit.

Mr. Cotten explained this is a fairly new program. It is a business assistance program. Ms. Houston explained that it is a partnership to provide training to the communities that are interested. Her center was engaged in the training originally, but she was unsure on what training options the State is offering now. Commissioner Dengel questioned who they were training. He asked, is it train the trainer. Ms. Houston explained that is basically the idea. She explained that the page Mr. Cotten attached was really the best sum up of what the program is trying to do. It is to build trust across the business community, connect them to resources to grow their business or prevent them from leaving the community; and training businesses that don't have succession plans and train them on how to do succession planning, and it is also about collecting data. Her center was responsible for working with any local organization that wanted to spearhead this initiative. It is a tool that is advantageous to the community as a whole.

Commissioner Meadors asked if Tailgate Alaska would be a good example of someone who this process might help. He stated that Dustin sat there and told them that they wanted to expand. If there is a track record on this template that they provide it would be good to find out more. If it has been successful and they would be willing to share on what has worked it would not hurt them. Ms. Houston explained that it is new in Alaska, but it is the bread and butter of economic development in the Lower 48. This is what economic development organizations are focusing on. Strengthening the business community by using this tool.

Commissioner Stephens arrived at the meeting.

Chair Bauer questioned Mr. Cotten if he wants the Commission to give direction to bring an individual to Valdez to give them information on the program. Mr. Cotten stated that it is to bring out the person or have them on the line to answer questions on that program or other programs.

Chair Bauer stated it seemed like the Commission would like more information. One way or another finding out more information.

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2. Discussion Item: Collaboration Opportunities with ED Commission and Other Entities (PWSC, P&H Commission, Beautification Task Force)

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Mr. Cotten expressed they have now met with the three groups - Ports & Harbors, Prince William Sound College, and the Beautification Task Force. He explained that they feel that they were missing components in integrating with the organizations without doing their business. There are things that the commission could engage with them more. It's finding how to do that. The Ports & Harbors Commission hasn't identified a set plan yet and it is not clear how to work collaboratively with them yet.

Ms. Von Barga explained that it is important to engage as several items in the draft economic strategy relate to the work of the P&H Commission. It is important the priorities in the waterfront master plan and the economic diversification strategy are in concert with each other.

Ms. Houston expressed she had two questions. If the Harbor uplands is going to be discussed at the end of summer, do they need to put a date on it? Question two is how does this Commission stay updated in the interim?

Commissioner Dengel questioned if it was possible to be updated at each meeting? Commissioner Stephens explained that between Ms. Von Barga and herself they could accomplish it. Bringing in the City Manager to give that update would be the best option.

Ms. Von Barga explained that having a meeting with the Ports and Harbors Commission right now, even though the discussion on the uplands is starting to take off, would be an opportunity to look at it with fresh eyes. Questions of whether it is the best design or is the best option for the community scares people into thinking that it would stop the project while they want to continue moving forward since the process has taken many years to get to this point. It would be good to have the ED Commission come in to look at things from the economic perspective to help re-enforce that the project needs to provide the most economic return possible on the investment.

Ms. Houston questioned when they would like to meet with the Ports and Harbors Commission? Ms. Von Barga stated they should try for the second meeting in July.

Ms. Von Barga explained that the college issue with Mr. O'Conner has been brought up numerous times. A program hasn't been developed so it is hard to implement anything until that happens. Ms. Houston questioned if they should send a letter to Mr. O'Conner explaining in detail. Chair Bauer questioned if they should send a letter, or have another meeting with Mr. O'Conner? Commissioner Wade suggested that maybe it would be good to contact a person high up then Mr. O'Conner to explain things like Mining don't have much of a connection to Valdez, and it would be hard to attract people here for it. Trades are very needed. Commissioner Meadors suggested a letter because it would help the Commission clarify points they wanted to make. Ms. Von Barga stated she would take that to the City Manager because he is the one communicating with Mr. O'Conner on the exchange.

Ms. Houston stated that with the zoning and abatement needing to be a priority is there anything this Commission can do to back that or emphasize whether it is a

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staffing need or a directive need -something that the department can try and focus on it more. Ms. Von Barga suggested that it could come in the form of a memo from the Commission if they think it is a priority. This should be done by asking the City Manager and Council to consider it a priority as they go into the budget timeframe. Look at staff and financial allocation for abatement.

Commissioner Dengel stated that there was something in this year's budget. Ms. Von Barga stated that there is a position for a Senior Planner and a Housing Authority position that are funded. Part of that issue is space. Space needs have been scheduled with the City Council for a work session in mid July.

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3. Discussion Item: ADA Accessibility as an Economic Development Opportunity

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Mr. Cotten explained that Assistant City Manager Todd Wegner mentioned this subject at the last meeting. He explained that it brought up some interesting points on whether there are possibilities there to enhance Valdez for tourists or residents living here to make this community more accessible. Access is an important issue to a high percentage of the population.

Chair Bauer stated that the City buildings are not even accessible. If they talk about moving Community Development to the Airport, how would Ms. Von Barga get up to her office, there is not an elevator. It is a really big deal to watch tourists that are 90 years old try and go up the stairs at the Best Western and try and take their luggage with them. It includes a larger portion of the population than people realize. It is not just people in wheel chairs, it is broader than that. Right now the ramps taking people down to the boats are challenging. There has to be significant space on a ramp to be able to turn a wheel chair around. She asked if this is being considered with the new harbor design. It reflects poorly on a community that they do not have basic accessible needs.

Ms. Von Barga explained that even if something meets the letter of the law, stating that it is ADA accessible, does not make it functional. There is a store in town that the doors are so heavy that they cannot be opened by herself, an elderly person, or someone in a wheel chair. It was not an experience that makes anyone feel good, or make them feel like they are independent enough to do something. The door probably meets the ADA letter of the law but that does not mean anyone with a disability can functionally use it.

Ms. Von Barga stated that when they start talking about making a community more livable, and the quality of life, it is not just about when you can get around in the snow. It is about people being able to function as independently as they can on their own. Having minimum accessibility standards so that residents and visitors can have the maximum quality of life besides the restrictions of weather.

Ms. Von Barga explained that there had been some discussions that a program could be used as a tool. The City could cover the cost of an architect (either local or visiting) to go to the Commercial buildings owners on a voluntary basis and conduct an ADA evaluation of the property. That way when the business owners do renovations, the information would be available to them and they could take it into consideration. It would be an amazing tool that the City could provide. Another way to look at it is for the City to do matching grants for business owners. If they do make ADA changes, the City could match them up to a certain amount. They are incentives that the City could help to improve accessibility.

Commissioner Stephens explained that there are several groups that already exist that they could use to come in and do assessments. They have options of going into hotels and gave them plans on how to modify and they know what is achievable for a business and what is not. It might be a conversation to have with those groups to see what recommendations they have and how they have helped communities move forward.

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Chair Bauer stated that this will take a lot of support from the Council. It is known that businesses have complained to Community Development on the costs of making their businesses ADA compliant. They also ask for permission to not comply.

The Commission discussed and agreed that they would like to follow up on this item. Ms. Houston questioned who would bring this item to City Council? Commissioner Hicks stated it should start in house.

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IX. REPORTS

Mr. Cotten explained that the luncheon with the business community would be on June 8th. They had several RSVP's already.

Ms. Von Bargaen explained the RFQ she handed out has to do with the branding and marketing plan. It is on the City Council agenda for the Council to review and approve on June 7th. Comments need to be to her by Monday. Ms. Von Bargaen stated that the RFP for housing would likely be on their June 15th agenda.

X. COMMISSION BUSINESS FROM THE FLOOR

XI. ADJOURNMENT

There being no further business Chair Bauer adjourned the meeting at 9:17 P.M.



Agenda Statement

File #: 16-0015 **Version:** 1

Type: Minutes **Status:** Agenda Ready

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On agenda: 7/6/2016 **Final action:**

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Sponsors:

Indexes:

Code sections:

Attachments: [06152015 draft minutes edited.pdf](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

Approval of Regular Meeting Minutes of June 15, 2016

SUBMITTED BY: Lisa Von Bargaen, CED Director

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Approve Regular Meeting Minutes of June 15, 2016.

SUMMARY STATEMENT:

See attached minutes for review and approval.

REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

II. ROLL CALL

Commission Members
Present:

Chair Amanda Bauer
Chair Pro-Tempore David Dengel
Commission Member Mike Meadors
Commission Member Scott Hicks
Commission Member Rhonda Wade
Commission Member Colleen Stephens (Delayed)

Commission Members
Absent:

Commission Member Keith Thomas

Also Present:

ED Staff Contractor Lamar Cotten
Sr. Office Assistant Keri Talbott

III. APPROVAL OF MINUTES

1. **Meeting Minutes from June 1st will be available at the July 6th meeting.**

IV. PUBLIC APPEARANCES

1. **Ethan Tyler, Manager Department of Commerce, Community and Economic Development**

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Ethan Tyler, Manager of the Department of Commerce, Community and Economic Development with the State of Alaska, gave a presentation on what his office does and how they are set up. They have funds to help small businesses and entrepreneurs that would not qualify for traditional loans. In his side of the department they primarily work on emerging industries and foster growth within in the economies through research, promotion and policy. Their purpose is to help business promotion, retention and expansion.

Commissioner Stephens arrived at 7:22 P.M.

V. PUBLIC BUSINESS FROM THE FLOOR

Lee Hart explained that Levitation 49 does consider itself an economic diversification engine. She stated that they are not just about the events that they do. This season has been a successful season all around. Community businesses have been supporting them. They have a work session with the City Council on the evening of July 5th.

VI. PUBLIC HEARINGS

VII. UNFINISHED BUSINESS

VIII. NEW BUSINESS

1. Strategic Initiatives

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Mr. Cotten explained that in every meeting he's attended in this community the housing issue has come up. He knows the City Council, City Manager and staff are aware of the significance. The housing needs assessment has been put on the back burner. The City cannot solve the housing issue alone, but there are things to look at. Are they going to help with land? Policies? The City should be there to help the private sector, not competing.

Commissioner Dengel stated that is something that they hear every day. They could talk about it daily, but until they solve it, or come up with a plan, it does nothing to help. It might be time to take a harder line with the City and the City Administration and find out from the City Council what they want the Commission to do. There seems to be a disconnect with the City Council, particularly on this.

Commissioner Wade stated that people say they want to build all the time, but where? The City should focus on finding land where people can build. If it needs to be developed land, start that process.

Commissioner Stephens stated that at the next meeting they should lay out a clear process, where there is a resolution or letter of recommendation to the City Manager and Council for action on this issue. The Commission wants to see the assessment move forward.

Commissioner Dengel stated that Commissioner Wade's suggestion was correct in identifying what lands are available. Commissioner Stephens stated that would be part of the assessment. It would be given to the City Council as a resolution, that way it would be an actionable item, and it would move on to City Council.

Mr. Cotten stated that a letter instead of a resolution that describes some of the issues and why they were suggesting this policy would be better. He would put it together.

Commissioner Dengel stated that while they go through the strategic initiatives, there might be more items identified that they should have a work session with City Council to go over with. Not just housing.

Mr. Cotten stated that they should invite the City Manager to their next meeting. It would be good for the City Manager to know what the Commissions are doing. Commissioner Hicks explained that the City Manager is the one who initiated this Commission. He explained it was the old City manager, but it would be good to know what this City Manager's expectations are.

Mr. Cotten explained the Beautification Committee asked Economic Diversification Commission to have a joint lunch meeting on July 20th. He questioned if they would have another meeting that evening or have an extended lunch?

Commission Stephens stated that the goal is to meet with the Harbor and Port staff. She explained that she could discuss with the Ports and Harbors Commission if they would be able to attend the next meeting.

Mr. Cotten explained that he had spoken to Mr. O'Conner about the college. It is

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still important to get a program. They are undergoing a lot of staffing changes.

Mr. Cotten explained he had spoken to Alaska Housing Authority. He was still hopeful that they could be brought into town. Ms. Houston explained that on the timeline they were hoping to meet with these corporations in mid-July. Mr. Cotten explained that it was only three weeks away, and he would check on their availability for July 6th.

Mr. Cotten explained that the business luncheon seemed to go ok. Commissioner Dengel explained that Ms. Sheinberg had some great information and data to share. People seemed genuinely interested. Mr. Cotten explained it was suggested that maybe every year depending on price that the data base be updated. Ms. Houston explained that the luncheon took place on the second Wednesday in June, and if they were to do another one it would be on July 13th. Mr. Cotten explained that in the memo there are 11 ideas listed out as topics that could be potentially discussed at future business luncheons.

Commissioner Dengel stated he was disappointed that no one from City Administration could be there. One of the reasons they put this together was to have the City talk to the Businesses on what the City was up to. City Hall should be on for the next meeting. Commissioner Stephens stated that an update on current projects would be beneficial. The request should go to the City Manager and he would direct his staff on who needs to attend the meeting.

Commissioner Dengel stated that the power point that Ms. Steinberg provided at the luncheon should be given to the City Council. Or even a hard copy. Commissioner Stephens explained that Council had been given the presentation before. Ms. Houston explained that her suggestion was to have snapshots of the projects going on, but future luncheons to go into depth on specific projects. Commissioner Dengel agreed because a couple of the projects could take hours to talk about alone.

Ms. Houston questioned if they were still waiting on the Year Round Mountain Study. Mr. Cotten stated that McDowell Group would be in town next week giving a presentation on the three projects.

Mr. Cotten explained that the visitors study is scheduled to be completed this fall. They have scheduled it to hopefully be presented to the community in a luncheon in September or October.

IX. REPORTS

X. COMMISSION BUSINESS FROM THE FLOOR

Commissioner Wade stated that Mr. Cotten explained he was going to be talking to the Cold Climate Research organization. She knows that Alaska Craftsman Home Program ACHP Alaska does all kind of free classes out of Anchorage like the Cold Climate Building practices, which all residential contractors are required to take. This might be something that at one of the business luncheons that can be discussed. They talk about new construction and retrofits for businesses and private individuals. It is amazing the stuff that can be done to reduce energy costs.

XI. ADJOURNMENT

There being no further business Chair Bauer adjourned the meeting at 9:08 P.M.



Agenda Statement

File #: 16-0016 **Version:** 1

Type: Report **Status:** Agenda Ready

File created: 7/1/2016 **In control:** Economic Diversification Commission

On agenda: 7/6/2016 **Final action:**

Title: Americans with Disabilities Act Background Information

Sponsors:

Indexes:

Code sections:

Attachments: [ADA small town.pdf](#)
[ADACCommon Problems.pdf](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

Americans with Disabilities Act Background Information

SUBMITTED BY: Lamar Cotten, ED Contract Staff

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

None. Discussion only.

SUMMARY STATEMENT:

First, attached please find two documents covering ADA issues (Small Towns and Common Problems). Although the documents appear to be a bit dated, the topics are still relevant. Secondly, per my discussions with Doug Toelle, Advocacy Director Access Alaska-Fairbanks, the private sector is essentially required to meet the same standards as the public sector.



Americans with Disabilities Act

ADA Guide for Small Towns



**A guide for small local governments
including towns, townships, and rural counties.**

Reproduction

Reproduction of this document is encouraged.

Additional copies of this publication may be obtained by calling the ADA Information Line at 800-514-0301 (voice), 800-514-0383 (TTY) or by visiting the Department's ADA Home Page on the World Wide Web (www.usdoj.gov/crt/ada/adahom1.htm).

Disclaimer

The ADA authorizes the Department of Justice to provide technical assistance to individuals and entities that have rights or responsibilities under the Act. This document provides informal guidance to assist you in understanding the ADA and the Department's regulation. However, this technical assistance does not constitute a legal interpretation of the statute.

first printing, April 2000

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Introduction

The Americans with Disabilities Act gives civil rights protections to individuals with disabilities similar to those provided to individuals on the basis of race, color, sex, national origin, age, and religion. It guarantees equal opportunity for individuals with disabilities in employment, transportation, State and local government services, telecommunications, and in the goods and services provided by businesses.

Small towns offer a variety of essential programs and services that are fundamental to the public and to everyday American life. Although the range of services offered by small towns varies, it is essential that people with disabilities have the opportunity to participate in the programs and services that towns offer. Applying for a building permit or business license, playing ball in the local park, marching in the Memorial Day parade, attending an annual street festival or a town meeting, or calling 9-1-1 for emergency police, fire, or rescue all are typical town programs, activities or services covered by the Americans with Disabilities Act or ADA.



The ADA gives people with disabilities an equal opportunity to participate in the mainstream of public life offered to all Americans. This guide presents an informal overview of some basic ADA requirements and provides cost-effective tips on how small towns can comply with the ADA.

Part One: The ADA's Requirements for Small Towns

Title II of the ADA applies to State and local governments, including towns and townships, school districts, water districts, special purpose districts, and other small local governments and instrumentalities. It prohibits discrimination on the basis of disability in all services, programs, and activities provided by towns¹. Thus, people with disabilities must have an equal opportunity to participate in and benefit from a town's services, programs, and activities. To accomplish this, the ADA sets requirements for town facilities, new construction and alterations, communications with the public, and policies and procedures governing town programs, services, and activities.



A ramp located next to the stairs to this town hall provides an accessible entrance.

¹ The term "towns" is used in this publication to refer to all small local governments, towns, and townships. Please remember that title II applies to all State and local government entities, regardless of size, including State governments, local governments, special government entities such as transportation authorities, school districts, water districts, and other special purpose districts.

1. Existing Facilities: Program Accessibility

When programs, services, or activities are located in facilities that existed prior to January 26, 1992, the effective date of title II of the ADA, towns must make sure that they are also available to persons with disabilities, unless to do so would fundamentally alter a program, service, or activity or result in undue financial or administrative burdens (see page 8). This requirement is called program accessibility. When a service, program, or activity is located in a building that is not accessible, a small town can achieve program accessibility in several ways. It can:

- relocate the program or activity to an accessible facility,
- provide the activity, service, or benefit in another manner that meets ADA requirements, or
- make modifications to the building or facility itself to provide accessibility.

Thus, to achieve program accessibility, a small town need not make every existing facility accessible. It can relocate some programs to accessible facilities and modify other facilities, avoiding expensive physical modifications of all town facilities.



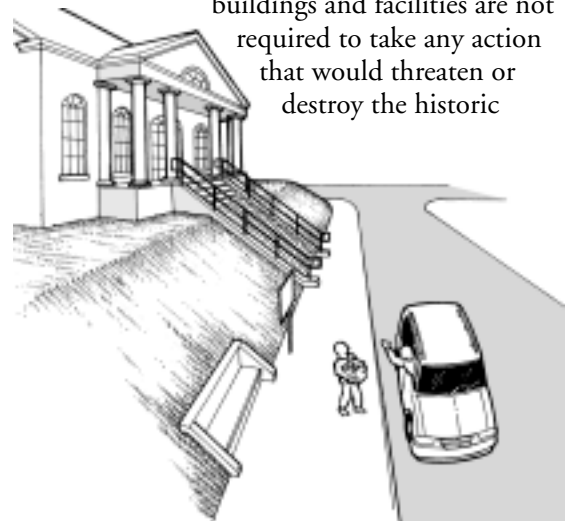
Physical modifications to provide program accessibility included parking spaces, the public toilet facility and an accessible route to the ocean overlook.

Example

A town holds its annual town meeting in an inaccessible location, the second floor of the two-story town hall that has no elevator. The town council considers installing an elevator in the building as well as replacing the existing town hall with a new, fully accessible building, but determines that the town's limited financial resources will not allow either of these approaches. Instead, the town officials decide to hold the town meetings, as well as other public meetings where large numbers of the public are expected to attend, in the accessible auditorium of its local high school. The town officials also decide to move smaller meetings, which are periodically held on the second floor of the town hall, to the school auditorium, when they receive a request within 24 hours of a meeting.

Example

The town library is a historic structure that is listed on the State historic register. The two entrances to the facility each have four steps and no accessible entrance is provided. The town consults with an architect to determine if an accessible entrance can be provided and is told that a ramp or lift cannot be added to either entrance without a significant change to the exterior of the building. After reviewing the ADA requirements, the town learns that qualified historic buildings and facilities are not required to take any action that would threaten or destroy the historic



Library staff provide curbside services because the library facility cannot be made accessible.

Example (continued)

significance of a historic property. The State historic preservation office is consulted and it determines that the exterior cannot be modified. Because physical modifications to the entrances cannot be made, the town changes its policies and provides access to the library services in an “alternate manner” upon request. Library staff are trained to take requests over the telephone, to look up information for individuals with disabilities who cannot use the library, to provide information over the telephone, and to provide curbside service for books and library publications or to mail items to individuals upon request. Library staff may also meet with an individual in another accessible location when the telephone service is not effective. The library publicizes a telephone number for requesting these alternate services in its publications and announcements.

Example

A town-operated two story historic house museum, which dates from 1885, provides exhibition and instructional programs for the public. The focus of the program is the exhibition of a typical 19th century Victorian house.

The self-evaluation determines that the house is not accessible. After considering the options for providing access to the programs and services, the town decides that it is not possible to move the museum programs to other accessible locations because the historic house itself is a critical part of the historic house program. The town develops plans to alter the facility to provide physical access to the first floor. These alterations are planned in compliance with the historic preservation requirements of the ADA Standards.

After reviewing the alterations with the State historic preservation office, the town determines that the second floor cannot be made accessible without threatening the unique features and historic significance of the house. Because the town must consider alternatives to structural changes in these instances, the town establishes a policy to locate all temporary programs on the first floor. In addition, the town documents the second floor spaces and content using video or other innovative solutions and provides an accessible viewing area on the first floor.

Example

The town’s police station has one step at the public entrance and there is no accessible entrance available. After considering its options for providing program accessibility, the town decides to modify the facility to provide access rather than relocate the police programs or services. After review of the programs and services provided at the station, the town determines that the public entrance, lobby, and service counter need to be accessible to provide program accessibility. Therefore, alterations are limited to those items necessary to achieve program accessibility. In this case, it includes providing a van-accessible parking space in the parking lot, an accessible route from the parking space to the modified public entrance, and an accessible service counter inside the police station.



A town chose to alter its police station rather than move its programs and services to another accessible location.

When a town becomes aware that a program is not accessible and plans to alter a facility to provide access, it may be necessary to temporarily relocate a program, service, or activity to a temporary accessible location or to temporarily offer the service in an alternate manner.

This temporary solution assures that the service, program, or activity is accessible during the time the alterations are planned and being implemented.

Example

The public toilet facilities at the town recreation area are not accessible. After consideration of whether to modify the facilities or to relocate the programs held at the recreation area, the town decides to alter the toilet facilities and the walkway leading to them. While the fundraising is done, alterations planned, and the work completed, the town provides temporary portable toilet facilities that are accessible.

When choosing a method of providing program access, a public entity must give priority to the one that results in the most integrated setting appropriate to encourage interaction among all users, including individuals with disabilities. In addition, a town may offer additional activities or services so an individual with a disability can more fully participate in, or benefit from, a program, service, or activity. However, when such special activities or services are provided for people with disabilities, the town must permit a person with a disability to choose to participate in services, programs, or activities that are not different or separate.

Example

The local town pool provides a swimming program for people with disabilities that includes additional staff who provide individualized instruction. A person with a disability participates in the program. The person applies to attend group swimming lessons that are open to the public even though these lessons do not provide specialized instruction. The town must permit the individual with a disability to participate unless doing so would fundamentally alter the program.

Because program accessibility may be provided in an accessible part of a facility when the remainder of the facility is not accessible, the public must be informed of the location of accessible features. Signs

should direct the public to the location of accessible elements and spaces, including the location of accessible parking, the accessible entrance to a facility, and accessible toilet rooms. In addition, a town may issue a brochure or pamphlet with a map indicating the town's accessible features.

Example

A town hall has two sets of public toilet rooms. One set has been altered and is accessible, and the other set is not accessible. The town installs signage at the inaccessible toilet rooms directing people to the accessible toilet rooms.



Sign at an inaccessible entrance provides directions to the nearest accessible entrance.

Towns making modifications to a building or facility to provide program accessibility must comply with the ADA Standards for Accessible Design (ADA Standards) or the Uniform Federal Accessibility Standards (UFAS).

Example

The town outdoor recreation area has a ball field, parking lot, and a building with public toilets. Town officials note that the parking lot does not have accessible parking spaces and the toilet facilities are not accessible. The town decides to provide accessible parking spaces in the part of the lot closest to the route to the ball field by restriping that section of the parking lot, installing signage designating the accessible parking spaces, and

Example (continued)

by making sure the accessible parking spaces are on an accessible route to the recreation area. The town also modifies the toilet facilities to make them accessible. All alterations are done in compliance with the ADA Standards and signs are provided to identify the accessible toilet facilities.



Alterations done to provide program accessibility must comply with the ADA Standards.

2. New Construction and Alterations

New Construction

ADA requirements for new construction have been in effect since January 1992. New buildings and facilities must comply with the new construction provisions of the ADA Standards for Accessible Design (without the elevator exemption) or the Uniform Federal Accessibility Standards (UFAS). This requirement includes facilities that are open to the public and those that are for use by employees.

The ADA Standards for Accessible Design (ADA Standards) were first issued in 1991 and have been selected as the ADA design standard by many towns. Although towns now have the option to choose either the ADA Standards or the UFAS, it is likely that

in the future the ADA Standards will become the only design standard under the ADA. Because ADA requirements for new construction and alterations do change from time to time, towns should become familiar with any new design and construction requirements before a project starts (see Resources for free information sources).



Public toilets at a park were built to comply with the new construction requirements of the ADA Standards.

Alterations and Additions

When a building or facility is renovated or altered or added to for any purpose, the alterations or additions must comply with the ADA Standards. In general, the alteration provisions are the same as the new construction requirements except that deviations are permitted when it is not technically feasible to comply. Additions are considered an alteration but the addition must follow the new construction requirements. When existing structural and other conditions make it impossible to meet all the alteration requirements of the ADA Standards, then they should be followed to the greatest extent possible.

Basic Requirements for Alterations:

- Any alteration that affects the usability of a building or facility must comply with the requirements of the ADA Standards unless technically infeasible to do so. Alterations can be as limited as the replacement of a fixture or element, such as a lavatory, toilet, or piece of door hardware.
- When an element is replaced, the new element must comply with the ADA Standards if the minimum requirements for accessibility under the ADA have not already been met.



Alterations to existing town buildings follow the alteration requirements of the ADA Standards.

- When a town alters an area of a facility that contains a primary function area, the town has an additional obligation. The town is also responsible for making the path of travel to the altered area (room or wing), as well as the toilet rooms, drinking fountains, and public telephones serving the altered area accessible. Primary function areas are those areas of a building that include the primary spaces for which the building was constructed (for example, offices or meeting areas in a town hall, locker rooms in an athletic facility, or classrooms in a school or training center). The amount of money the town must spend to provide an accessible path of travel is limited to 20% of the overall cost of the alterations. If the path of travel alterations can be done for less than the 20% limit, then only that expenditure is required. If all the required accessible features are already provided then no additional expenditure is needed.
- When a qualified historic facility is altered, an exception to the alteration requirements of the ADA Standards may be used if the alteration threatens to destroy the historic significance of the building or facility. In these situations, special provisions in the Standards may be used for the element or space that would be threatened. In almost all situations, accessible design can be used without significantly impairing the historic features of the facility.
- The ADA Standards have specific requirements for additions. Additions, which include an expansion, extension or increase of the gross floor area of a building or facility, are considered an alteration to a facility but the area that is added must comply with the new construction requirements. Each addition that affects or could affect the usability of an area containing a primary function area must meet the path of travel requirements (see above).

3. Maintenance of Accessible Features

Towns must maintain in operable working condition those features that are necessary to provide access to services, programs, and activities -- including elevators and lifts, curb ramps at intersections, accessible parking spaces, ramps to building or facility entrances, door hardware, and accessible toilet facilities. Isolated or temporary interruptions in service or access are permitted for maintenance or repairs.

Example

When weather conditions such as snow and ice limit or prevent access to services, programs, and activities, a town that houses programs in an accessible facility will have to maintain access to ensure that those programs are accessible. Maintenance of accessible features would include the removal of snow from accessible parking spaces, parking space access aisles, the accessible route to the accessible entrance, and accessible entrances. Although temporary interruptions in services due to bad weather are expected, alternate services should be provided if snow and ice cannot be cleared in a timely manner.



Clearing snow from accessible parking spaces and the accessible route may be essential to provide access to programs, services, or activities.

Example

A town building that was built before the ADA went into effect has a lift that provides access from inside the building to the library. The town must maintain the lift in working condition to assure that the public has access to the library programs. If the lift is out of order, repairs must be made in a timely fashion. Until the repairs are made, the town should provide alternate service for wheelchair users and others with disabilities who can no longer gain access to the library. These services may include retrieval of library materials by staff who will meet with an individual in an accessible location.



A lift provides access to the programs and services held in this town library. If the lift is out of service, alternate services are provided in an accessible location until the lift is repaired.

4. Effective Communication

Towns must take appropriate steps to ensure that communications with members of the public, job applicants, and participants with disabilities are as effective as communications with others unless it is an undue financial or administrative burden to do so or it would result in a fundamental alteration (see page 8) in the nature of its program or activity.

Achieving effective communication often requires that towns provide auxiliary aids and services. Examples of auxiliary aids and

services include qualified sign language interpreters, assistive listening devices, open and closed captioning, notetakers, written materials, telephone handset devices, qualified readers, taped texts, audio recordings, Brailled materials, materials on computer disk, and large print materials.



A sign language interpreter is one type of auxiliary aid or service that may be requested.

Towns must provide appropriate auxiliary aids and services where they are necessary to achieve an equal opportunity to participate in, and enjoy the benefits of, a service, program, or activity conducted by or for the town. The town must give primary consideration to the type of auxiliary aid requested by a person with a disability. However, the town may provide a different type of aid if it can show that it is an effective means of communication.

Example

A town prepares to hold its annual town meeting in the high school gymnasium. A request is made through the meeting coordinator for real time captioning to be provided for a person who is deaf. Real time captioning displays the spoken content from a meeting or a speech on a large television screen as text. The town gives primary consideration to the request but after discussing alternatives for providing effective communication with the individual who made the request, the town learns that the

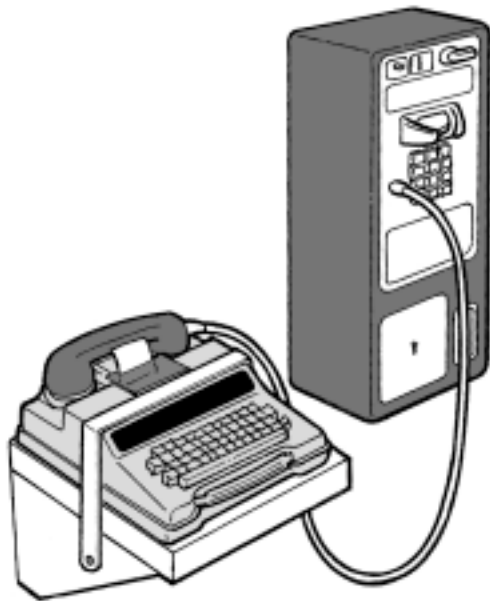
individual is fluent in American Sign Language (ASL). The town offers to provide a qualified ASL sign language interpreter for the town meeting because it has determined from discussions with the individual that the interpreter can provide effective communication.

Determination of an undue financial burden or a fundamental alteration can only be made by the head of the town government or his or her designee and must be accompanied by a written statement of the reasons for reaching that conclusion. The determination of an undue burden must be based on all resources available for use in the program, service, or activity. When it is not possible to provide a particular type of auxiliary aid to achieve effective communication due to an undue burden or fundamental alteration, the town must take any other action that would not result in such burdens or fundamental alteration, but would nevertheless ensure that individuals with disabilities receive the benefits and services of the program or activity.

If a town communicates with applicants and beneficiaries by telephone, it should ensure that an effective telecommunication system such as communication using the relay system or a TTY (or TDD) be used to communicate with individuals who are deaf, hard-of-hearing or who have speech disabilities. A TTY has a keyboard and visual display for non-verbal communication with another TTY user or a relay system operator. The relay system is provided in each State and permits telephone communication between voice handsets and individuals using a TTY.

A town can choose to provide a TTY without significant expense. Some towns have decided to install a portable TTY next to a public pay telephone and to anchor the portable unit to a shelf. Electrical connections are enclosed to protect against accidental disconnection of power.

Requirements for effective communications also apply to “telephone emergency services” that provide a basic emergency service, such as police, fire, and ambulance, that are provided by public safety agencies, including 9-1-1 (or, in some cases, seven-digit) systems. Direct, equal access must be provided to all services included in the system, including services such as emergency poison control information. Where direct access is provided to callers, direct access by TTY users means the telephone emergency service cannot use a relay system or transfer all TTY calls to one operator while other callers have access to all available operators (for more information, see the Department’s publication, *Access for 9-1-1 and Telephone Emergency Services Under the Americans with Disabilities Act*).



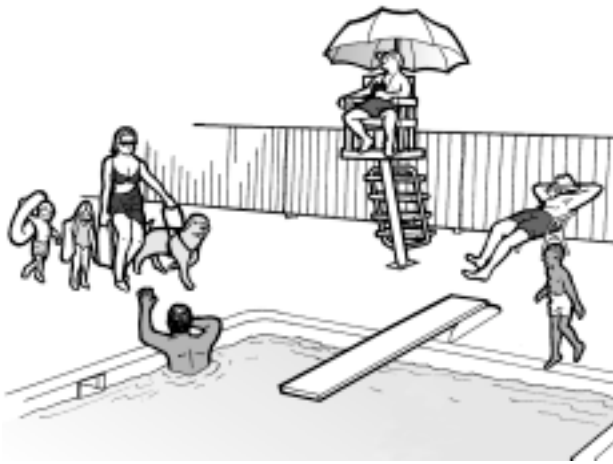
A portable TTY mounted on a shelf located next to a pay telephone can provide a low-cost TTY solution.

5. Policies, Practices, and Procedures

Towns must make reasonable modifications to policies, practices, and procedures to avoid discrimination against individuals with disabilities. While this requirement applies to all policies, practices, and procedures of the town, the town does not have to make modifications that would result in a fundamental alteration in the program, service, or activity or result in a direct threat to the health or safety of others. A direct threat is a significant risk that cannot be eliminated or reduced to an acceptable level by the town’s modification of its policies, practices, or procedures, or by the provision of auxiliary aids or services. The public entity’s determination that a person poses a direct threat to the health or safety of others may not be based on generalizations or stereotypes about the effects of a particular disability (see The ADA Title II Technical Assistance Manual).

The self-evaluation typically includes a review of policies, practices, and procedures (see page 10, Processes for Complying with the ADA). Periodic review after the self-evaluation may be done to maintain compliance with the ADA. A town can choose how it wants to conduct a review of policies and practices that govern the administration of the town’s programs, activities, and services. Towns that have already done a self-evaluation do not have to do another one.

Review of policies, practices, and procedures also applies to telephone emergency services, such as 9-1-1, where policies must ensure direct access to individuals who use TTY’s and computer modems.



A mother with her service animal leads her children to the town pool. Policies and procedures that restrict or prohibit service animals may violate the ADA.

Example

A town pool requires that adults provide photo identification to verify residency before using the pool or participating in pool programs. During review of town policies, practices, and procedures, the town determines that the pool identification policy, which requires that a driver's license with a photo be presented to gain admission, may discriminate against people with disabilities who may not have a driver's license. The town changes its policy to permit other forms of identification to verify residency.

6. Processes for Complying with the ADA

Towns that have not already conducted a self-evaluation or updated a previous self-evaluation conducted under Section 504 of the Rehabilitation Act must do so. The self-evaluation is a review of all town services, programs, and activities to identify any physical barriers or policies, practices, or procedures that may limit or exclude participation by people with disabilities. The self-evaluation includes permanent, temporary, and periodic services, programs, and activities. Each town should look at what services, programs, or activities are offered and in what location.

Any policies, practices, or procedures that may limit or exclude individuals with disabilities must be reasonably modified, unless doing so would result in a fundamental alteration in the nature of the service, program, or activity. The self-evaluation should identify changes to policies to be implemented. It should also identify any discriminatory policies, practices, and procedures that cannot be reasonably changed without resulting in a fundamental alteration.

The self-evaluation also identifies problems with the accessibility of facilities and establishes recommendations for providing program accessibility (which may include relocation to an accessible facility). It may also suggest short-term and long-term strategies to provide access to people with disabilities.



An emergency call box located in a rural area is mounted in an accessible location and can be used with or without speech to provide effective communication.

Towns that completed a self-evaluation to comply with section 504 of the Rehabilitation Act only have to bring the 504 self-evaluation up to date with ADA requirements by evaluating the services, programs, and activities that have changed. However, because considerable time has passed since most section 504 self-evaluations were done, it would be best to conduct a new self-evaluation.

Provide public notice about ADA requirements

A small town must provide notice to the public about its ADA obligations and about accessible facilities and services in the town. The notice must inform the public about the ADA's nondiscrimination requirements. It may also describe how the public or employees may contact specific town officials about problems with accessibility and the need for effective communication. The information must be accessible to the public, including people who have disabilities that affect communication, such as blindness, low vision, deafness, and hearing loss. Although no specific method is required to reach the public, notice can be provided in more than one format and by using more than one type of media, such as the town's website, print, radio, or television.

Other obligations for larger towns with 50 or more employees

Although the ADA only requires State and local governments with 50 or more employees to take the following measures, towns with less than fifty employees may want to consider following the same or similar steps because the process may make it easier to comply with the ADA.

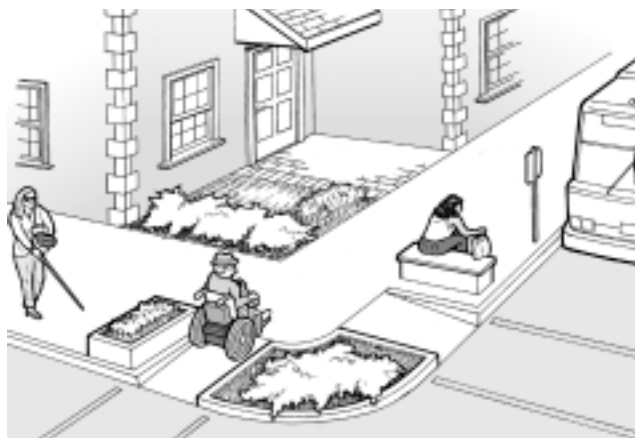
a Designate an individual to coordinate ADA compliance

Responsibilities for the ADA coordinator may include conducting the self-evaluation and developing the transition plan (see below), handling requests for auxiliary aids and services, providing information about

accessible programs and services, and serving as a local resource to the town or township. The ADA coordinator may also have responsibility for working with the mayor or town council to ensure that new facilities or alterations to town facilities meet ADA requirements. In some communities, this individual also receives complaints from the public and works to resolve them.

b Develop a transition plan

If a town with 50 or more employees decides to make physical changes to achieve program access it must develop a written plan that identifies the modifications that will be made. The plan should include timelines for completing these modifications. Interested parties, including people with disabilities and organizations representing people with disabilities, must at a minimum have an opportunity to participate in the development of the plan by submitting comments. A copy of the plan and a copy of the self-evaluation must be available for public inspection for three years after completion.



Installation of curb ramps is one of the items included in the transition plan. This type of curb ramp is used when some type of barrier prevents pedestrians from entering the curb ramp from the side.

c Develop a grievance procedure

Towns with fifty or more employees must have an ADA grievance procedure. A grievance procedure provides people who feel they have been discriminated against because of

their disability, or others who feel they have been discriminated against because they have a friend or family member with a disability, with a formal process to make their complaint known to the town. This procedure encourages prompt and equitable resolution of the problem at the local level without having to force individuals to file a Federal complaint or a lawsuit.

Part Two --Typical Issues: Program Accessibility and Effective Communication

A Accessible Parking

In new construction and in alterations, accessible parking must be provided whenever public parking is provided. Towns may wish to add accessible parking when public parking is not provided to provide access to facilities where programs, services, or activities are located. Accessible parking spaces have a number of features that make it possible for people with disabilities to get into or out of a vehicle.

Accessible Parking Spaces for Cars

Accessible parking spaces for cars have at least a 60 inch-wide access aisle located adjacent to the designated parking space. The access aisle is just wide enough to permit a person using a wheelchair to enter or exit the car. These parking spaces must be located on level ground and identified with a sign mounted in front of the parking space high enough so it is visible when a vehicle is parked.

Features of Accessible Parking Spaces for Cars

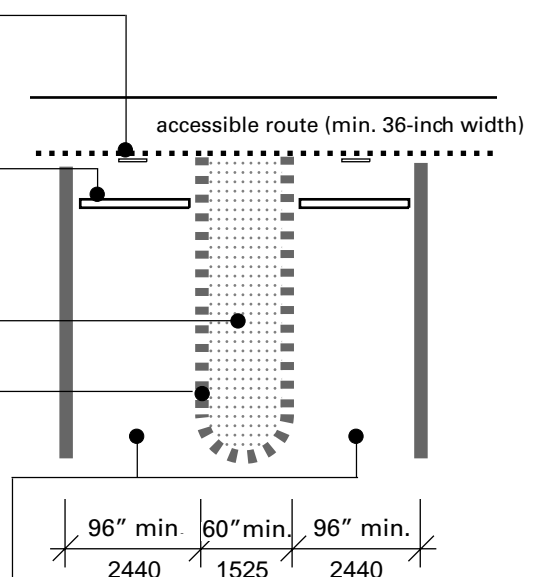
Sign with the international symbol of accessibility mounted high enough so it can be seen while a vehicle is parked in the space.

If the accessible route is located in front of the space, install wheelstops or other barriers to keep vehicles from reducing width below 36 inches.

Access aisle of at least 60-inch width must be level (1:50 maximum slope in all directions), be the same length as the adjacent parking space(s) it serves and must connect to an accessible route to the building. Ramps must not extend into the access aisle.

Boundary of the access aisle must be marked. The end may be a squared or curved shape.

Two parking spaces may share an access aisle.



Van-Accessible Parking Spaces

One of every eight accessible parking spaces, but always at least one, must be accessible for vans with a side-mounted lift. If only one accessible space is provided, it must be a van-accessible space.

Van-accessible parking spaces incorporate the same requirements as accessible parking spaces for cars and have three additional features for vans:

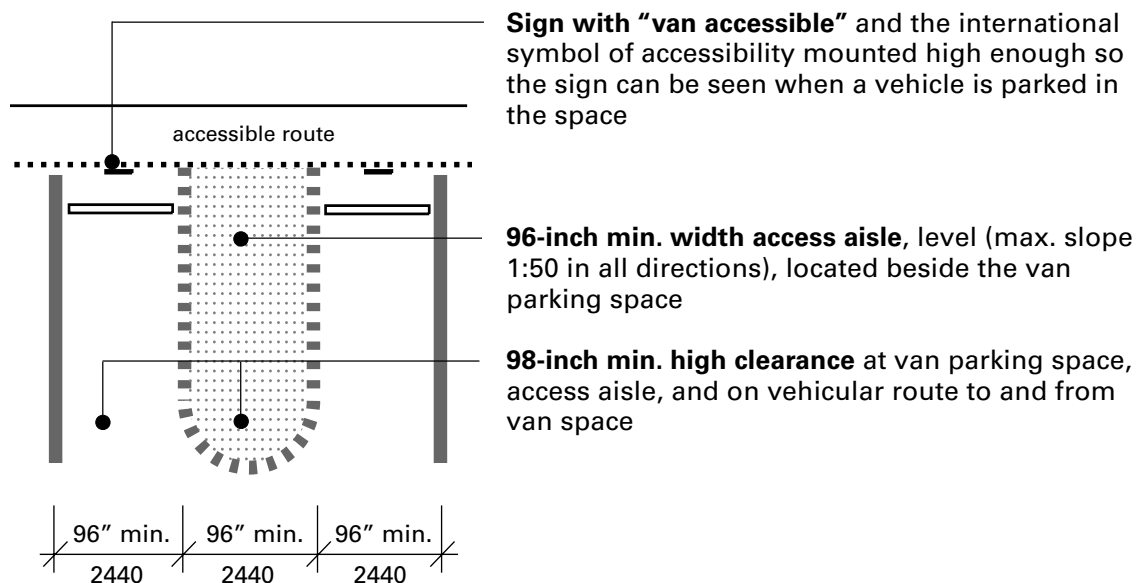
- a wider access aisle (96 inch-wide) to accommodate a wheelchair lift;
- vertical clearance to accommodate van height at the van parking space, the adjacent access aisle, and on the vehicular route to and from the van-accessible space, and
- an additional sign that identifies the parking spaces as “van accessible.”

When accessible parking spaces are added in an existing parking lot, towns must locate the accessible spaces on the most level ground close to the accessible entrance. An accessible route must always be provided from the accessible parking spaces to the accessible entrance.

The ADA Standards have technical requirements for parking lots and garages but no technical requirements for the design of on-street parking.

For more information about accessible parking, see the ADA Standards and other publications listed in Part III: Resources (page 20).

Three Additional Features for Van-Accessible Parking Spaces



B Accessible Route

When a walk, pathway, or pedestrian route is necessary to provide public access to a program, service, or activity, an accessible route must be provided. An accessible route is an unobstructed pedestrian path that connects accessible elements and spaces such as accessible parking spaces, accessible entrances, accessible meeting rooms, accessible toilet rooms, etc. It can be a walkway, hallway, part of a courtyard, or other pedestrian space. An accessible route must be at least 36 inches wide, have no abrupt vertical changes in level (such as a step), have a running slope no more than 1:12 in most cases, and meet other requirements for cross slope, surface conditions, vertical height, and passing spaces. The width of an accessible route can be as narrow as 32 inches wide, such as at a doorway or a narrow section of hallway, but only for a distance up to 24 inches long.



An accessible route connects accessible parking (right) with the accessible entrance.

C Accessible Entrance

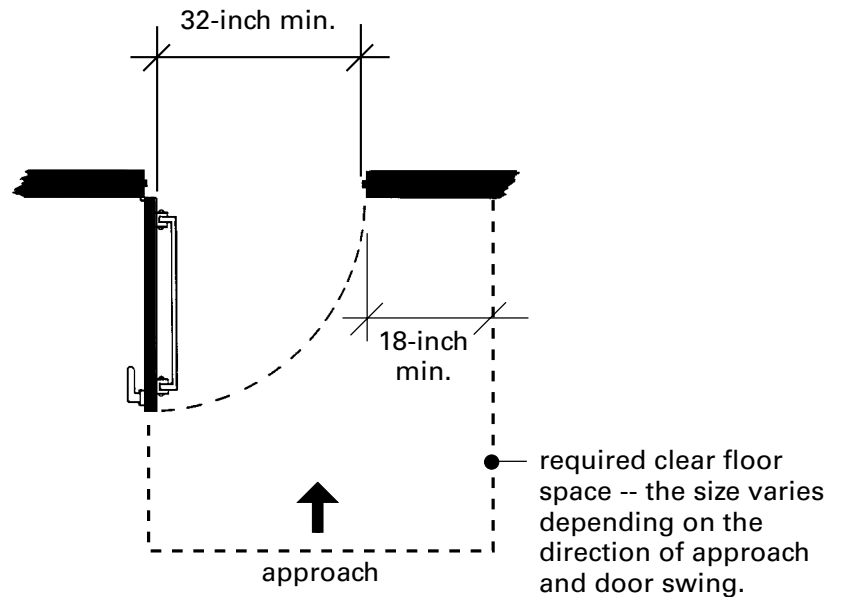
If entering a facility is necessary to participate in or benefit from a program, service, or activity, then that facility must have an accessible entrance and the accessible entrance must be on an accessible route. The accessible route must connect one or more (exterior) site entry points (such as parking, a public sidewalk, or a public transportation stop) with an accessible entrance. The accessible entrance must also connect to an interior accessible route leading to the space or spaces where the program is located.

An accessible entrance must have an accessible door or doorway. If a door is provided, there must be maneuvering space on the pull and push sides of the door to permit a person using a wheelchair to open the door and then move through the door opening. The clear width of the opening must be at least 32 inches wide and accessible door hardware (handle and latch) must be provided. If a door closer is provided, it must be adjusted so the door will not close too quickly.



A historic town building added a ramp, walkway, and modified an entrance to provide access.

Although it is best to have the accessible entrance be the same one used by most of the public, existing conditions may prevent modification of the main entrance resulting in use of a secondary or side entrance as the accessible entrance. It may also be necessary to use a secondary entrance if only one part of the building is accessible. Where a secondary or side entrance provides access, signs should be provided at inaccessible entrances to direct the public to the nearest accessible entrance.

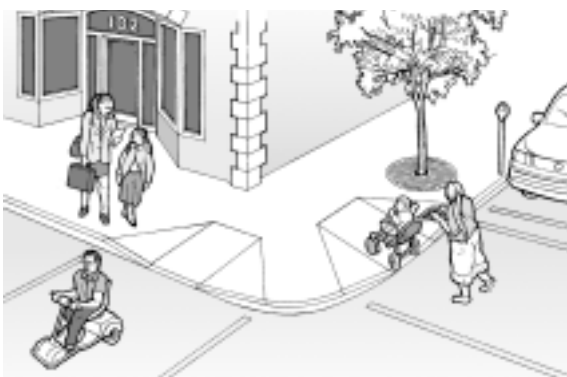


A plan view of an accessible door

D Curb Ramps at Intersections

Pedestrian walkways or sidewalks that are the responsibility of the town often play a key role in providing access to government programs and services and to the goods and services offered to the public by private businesses. When walkways cross a curb at intersections, a ramp or sloped surface is needed. The title II regulations set requirements for curb ramps at intersections. Whenever a town constructs a new road and sidewalk or alters existing roads and sidewalks, it must install curb ramps. In addition, the ADA requires that towns evaluate its existing system of sidewalks and develop a schedule to provide curb ramps where pedestrian walkways cross curbs. Because a town will not be able to install curb ramps at all town streets right away, the town's plan for curb ramp installation should set priorities for which

streets require curb ramps. Towns must give priority to walkways serving State and local government offices and facilities, bus stops and transportation services, private businesses offering goods and services to the public, and employees, followed by walkways serving residential areas.



Curb ramps are needed when walkways cross a curb at an intersection. This type of curb ramp has flared sides and must be used when pedestrians may enter or exit the curb ramp from the side.

Any curb ramps that are installed must comply with the ADA Standards. In areas with hilly terrain or other site constraints, towns should follow the ADA Standards to the greatest extent feasible.

To achieve or maintain program accessibility, a town should develop procedures to allow the public to request that curb ramps be installed at specific intersections frequented by people with disabilities, including residents, employees, or visitors.

E Alternate Services

A town can make its services, programs, or activities accessible by relocating them to an accessible site or offering them in an alternate way that is accessible. A town should consider the integration requirements of the ADA, which require that priority be given to measures that will provide the service, program, or activity in the most integrated setting appropriate. For small towns, alternate service may include meeting with an individual with a disability in his or her home to fill out specific forms if the town office is not accessible. It may also include curb service to pick up or deliver an item. However, in some cases alternate service is not appropriate. If a town meeting is scheduled to be held on the second floor of a building without an elevator and a person using a wheelchair wishes to attend the meeting, the meeting should be relocated to an accessible space, unless it would result in undue financial or administrative burdens. Making the person sit by themselves on the first floor and watch the meeting on a television monitor or having them watch the meeting at home is not a desirable alternative because it does not give the person with a disability an equal opportunity to interact with officials and other participants.

E Library Services

Library services are an example of programs and services offered by many towns. If a library facility or building is not accessible, these services may be offered in a different accessible library facility, in another accessible facility nearby, or in an alternate manner. Some towns with only one library may prefer to modify the entrance to the library and other key elements to provide access. Others that may have a facility that is difficult to make accessible or lack the resources to make essential physical changes may choose to offer the programs and services in an alternate accessible location. What is important is that the same services be available to individuals with disabilities as are offered to others – such as doing research, using the card catalog or cataloging device, reading or reviewing items usually held in reserve or special collections, and returning loaned items.

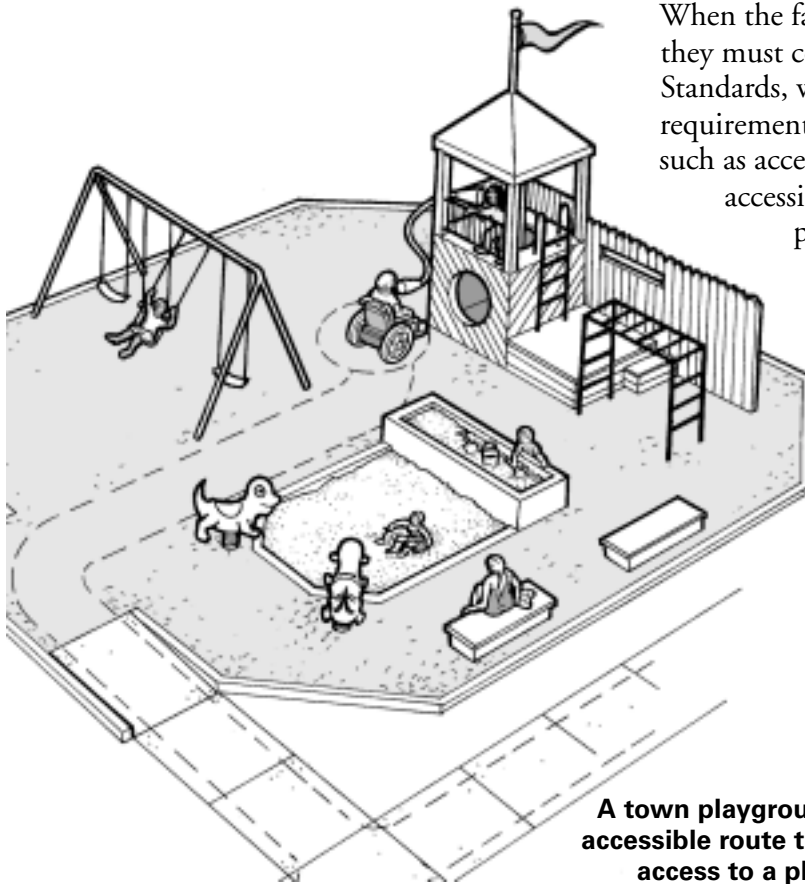


An individual uses a call button to request assistance from library staff of the bookmobile.

If a library provides program accessibility through alternate means it must have policies that permit staff to carry out this policy. The policies must include procedures that permit the public to make requests for the alternate location or services. In many cases, however, providing basic physical accessibility to the library facility is preferred in meeting the obligation to provide services in the most integrated setting appropriate.

G Parks and Recreation Programs

A town's recreational programs or activities, such as those offered at the town baseball or football field or at the town pool, play an important part in the life of a community. These programs, services, and activities are among those that the town should review as part of the self-evaluation to determine if any physical or policy barriers exist that may keep people with disabilities from participating. If a town decides to modify facilities to provide program accessibility and has more than one facility available (such as when several ball fields are provided) only some of the facilities may need to be accessible. However, when only some of the ball fields are accessible, the scheduling policies for their use will need to accommodate requests for accessible fields, player areas, or spectator seating (if provided).



When the facilities are built or altered, they must comply with the ADA Standards, which have specific technical requirements for elements and spaces, such as accessible parking spaces, accessible routes, toilet facilities, public telephones, and

spectator seating areas. For elements and spaces without specific technical standards, such as ball fields or playing areas, the town should use the Standards as a guide, providing a reasonable number, but at least one, that is accessible and providing an accessible route to the area of play and the spectator areas.

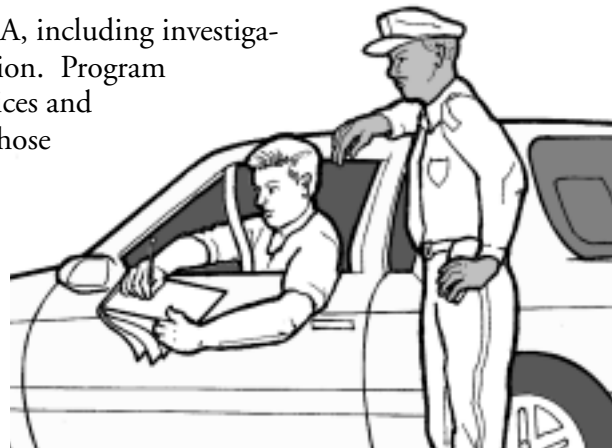
A town playground with an accessible route that provides access to a play area.

H Accessible Print Material

Public documents such as town annual reports, promotional brochures, and other documents, such as tax bills, license applications and other printed information may need to be provided in an alternate accessible format to provide effective communication for individuals who are blind or visually impaired. Alternate formats may include materials in Braille, large print, files on computer disk that can be used in a personal computer, or an audiotape recording of the print document. Priority should be given to the type of format that has been requested unless the town determines that another format is effective or that providing the one requested would result in undue financial or administrative burdens or a fundamental alteration in the nature of the program. A town should publish a contact number for the public to request an accessible format or other auxiliary aid or service.

I Police Services

Local police services are covered by the ADA, including investigations, interrogation, arrest, and transportation. Program accessibility requirements apply to the services and programs offered to the public, including those offered at a local police station. Effective communication requirements also apply to communication with the public, including individuals suspected of criminal activity.



A police officer and a deaf person communicate using a writing pad and pen.

If a town has a police station, jail, or holding facility, or other public police facility, the town should include services, programs, and activities that are offered in these facilities in its self-evaluation. To achieve program accessibility, it may be possible to share some accessible facilities with other nearby towns or government entities or to offer the service, program, or activity in another accessible location or manner. Vehicles used to transport suspects or prisoners should also be included in the self-evaluation. If a town does not have an accessible vehicle available for transporting suspects or prisoners, the town should identify a source for an accessible vehicle, such as an accessible school bus, taxi with a wheelchair lift, or an accessible vehicle from a nearby town.

J Calling 9-1-1 and Other Emergency Services

Dialing 9-1-1 is the most familiar and effective way Americans have of finding help in an emergency. The ADA requires all telephone emergency services to provide direct, equal access to their services for people with disabilities who use a TTY.

Equal access means that TTY callers have an opportunity to obtain emergency services that is equal to that of callers who use voice handsets. The telephone emergency services provided for TTY callers must be handled in the same manner as those provided for individuals who make voice calls, in terms of response time, response quality, hours of operation, and all other features offered (e.g., automatic number identification, automatic location identification, automatic call distribution). There must be adequate numbers of TTY's or equipment to answer TTY calls. If a town or township relies on another government entity to provide its 9-1-1 and telephone emergency services, it should inquire about the accessibility of the services (for more information see *Access for 9-1-1 and Telephone Emergency Services Under the Americans with Disabilities Act*).

K Temporary Events

The ADA applies to both temporary and permanent services, programs, or activities of a town. Facilities and structures that are built or altered for temporary use must comply with the ADA Standards (except for construction trailers). In addition, the policies and operations for the event must meet the nondiscrimination requirements of the ADA. When planning temporary events such as a town festival or concert, the town should review ADA

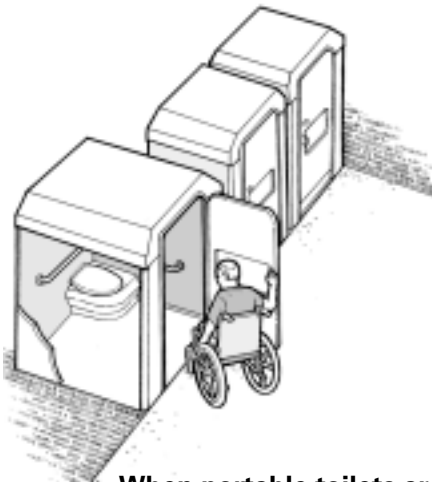
title II requirements² and the ADA Standards. The Standards can provide guidance to help event planners place temporary accessible parking spaces in appropriate locations, provide an accessible route throughout the site, and provide other accessible features for food service, toilet facilities (including accessible portable toilets), assembly area seating, public telephones, etc., where such elements or facilities are provided for the public. It is very important to consider accessibility requirements when the event is in the planning stage so that accessible facilities can be identified and incorporated in a manner that does not require extensive construction or last-minute modifications.

Selected Accessible Features of Town Fair

- temporary curb ramp added where needed to provide an accessible route
- booths and vendors located on an accessible route
- sign language interpreters available for selected performances and programs
- accessible parking, accessible transit drop offs and stops (if provided) and an accessible route from these areas to the fair is provided



A town fair that was planned to provide accessible programs, services and activities.



When portable toilets are provided, at least one at each location must be accessible.

Effective communication requirements also apply to temporary events. It may be necessary to provide qualified sign language interpreters or other auxiliary aids and services as requested, such as print material in a large-print format or on computer disk. A town may choose when to provide interpreters and publicize a schedule for interpreters and other auxiliary aids and services. It should also provide auxiliary aids or services in response to individual requests, unless to do so would result in undue financial and administrative burdens. Promotional material for a temporary event should explain how the public can request a particular auxiliary aid or service and be informed of when specific auxiliary aids and services may be available.

² Private vendors and contractors should follow the ADA title III regulations which cover goods and services provided by private companies. For more information, see the *ADA Guide for Small Businesses*.

Part Three: Resources

Department of Justice ADA Information

To help State and local governments, including small local governments, understand and comply with the law, the Department of Justice established a technical assistance program to answer questions about the ADA. The Department of Justice has a toll-free ADA Information Line that provides access to ADA specialists during business hours. The ADA Information Line also provides twenty-four hours a day access to a fax-on-demand system for technical assistance materials that permits a caller to have the document sent to them by fax. Orders for publications sent by mail may be made twenty-four hours a day on the Information Line's voice mail system.

ADA Information Line -- 800-514-0301 voice and 800-514-0383 TTY

Another important source of ADA information is the Department's ADA Home Page on the World Wide Web. This extensive web site provides access to ADA regulations, all Department ADA technical assistance materials, including newly-released technical assistance material, proposed changes in the ADA regulations, and access to Freedom of Information Act materials including technical assistance letters. The web site also provides links to other Federal agencies with ADA responsibilities.

ADA Home Page -- www.usdoj.gov/crt/ada/adahom1.htm

Selected ADA Publications available from the ADA Information Line and ADA Home Page:

The ADA and City Governments:

Common Problems

A 9-page publication that compiles common problems with Title II compliance.

ADA Regulation for Title II, as printed in the Federal Register (7/26/91)

The Department of Justice's regulation implementing title II, subtitle A, of the ADA, which prohibits discrimination on the basis of disability in the services, programs, and activities provided by towns.

Title II Technical Assistance Manual (1993) and Supplements (Spanish edition available by mail)

A 30-page manual explaining what State and local governments must do to ensure that their services, programs, and activities are provided to the public in a non-discriminatory manner. Gives practical examples.

Department of Justice ADA Mediation Program

A 8-page publication describing the Department's ADA mediation program including locations of ADA mediators, and examples of successful mediation efforts.

ADA Regulation for Title III, including the **ADA Standards for Accessible Design**.

ADA Information Services

A 2-page list with the telephone numbers and Internet addresses of Federal agencies and other organizations that provide information and technical assistance to the public about the ADA.

Enforcing the ADA: A Status Report from the Department of Justice

A quarterly report providing timely information about ADA cases and settlements, building codes that meet ADA accessibility standards, and ADA technical assistance activities.

Commonly Asked Questions About the ADA and Law Enforcement

A 13-page publication explaining ADA requirements for ensuring that people with disabilities receive the same law enforcement services and protections.

Access for 9-1-1 and Telephone Emergency Services

A 10-page publication explaining the requirements for direct, equal access to 9-1-1 for persons who use teletypewriters (TTYs).

ADA Guide for Small Businesses

A 15-page booklet for businesses that provide goods and services to the public.

Other Federal Agencies and Federal Grantees Providing Information

Department of Transportation

Department of Transportation offers technical assistance on ADA provisions applying to public transportation.

ADA Assistance Line for information,
questions and complaints
888-446-4511 (voice) -- TTY: relay service
202-366-2285 (voice) -- 202-366-0153 (TTY)

Transportation - documents and questions
202-366-1656 (voice) -- TTY: use relay service

Transportation - legal questions
202-366-4011 (voice) -- TTY: use relay service

Internet address -- www.fta.dot.gov

Equal Employment Opportunity Commission

Equal Employment Opportunity Commission offers technical assistance on the ADA provisions applying to employment; also provides information on how to file ADA complaints.

Employment - questions
800-669-4000 (voice) -- 800-669-6820 (TTY)

Employment - documents
800-669-3362 (voice) -- 800-800-3302 (TTY)

Internet address -- www.eeoc.gov

Access Board

Access Board (or Architectural and Transportation Barriers Compliance Board) offers technical assistance on the ADA Accessibility Guidelines.

Documents and questions
800-872-2253 (voice) -- 800-993-2822 (TTY)

Electronic bulletin board -- 202-272-5448

Internet address -- www.access-board.gov

Department of Housing and Urban Development

Fair Housing Act: for questions or publications call Department of Housing and Urban Development.

Fair Housing accessibility questions
202-708-2333 (voice) -- 202-708-4112 (TTY)

Fair Housing publications
800-767-7468 (voice) -- TTY: use relay service

Internet address -- www.hud.gov

Disability and Business Technical Assistance Centers (DBTACs)

Department of Education funds ten regional centers to provide technical assistance on the ADA.

800-949-4232 (voice/TTY)

Internet address -- www.adata.org

Job Accommodation Network

The Job Accommodation Network (JAN) is a free telephone consulting service offering information and advice to employers and people with disabilities on reasonable accommodation in the workplace.

800-526-7234 (voice & TTY)

Internet address --
<http://janweb.icdi.wvu.edu/english>



The ADA and City Governments: Common Problems

Introduction

Access to civic life by people with disabilities is a fundamental goal of the Americans with Disabilities Act (ADA). To ensure that this goal is met, Title II of the ADA requires State and local governments to make their programs and services accessible to persons with disabilities. This requirement extends not only to physical access at government facilities, programs, and events — but also to policy changes that governmental entities must make to ensure that all people with disabilities can take part in, and benefit from, the programs and services of State and local governments. In addition, governmental entities must ensure effective communication — including the provision of necessary auxiliary aids and services — so that individuals with disabilities can participate in civic life.

This document contains a sampling of common problems shared by city governments of all sizes that have been identified through the Department of Justice's ongoing enforcement efforts. The document

provides examples of common deficiencies and explains how these problems affect persons with disabilities. The document is not intended to be comprehensive or exhaustive.



City programs held in this municipal gazebo are covered by the ADA.



Curb ramps providing access to streets and sidewalks are a basic city service.

One important way to ensure that Title II's requirements are being met in cities of all sizes is through self-evaluation, which is required by the ADA regulations. Self-evaluation enables local governments to pinpoint the facilities, programs and services that must be modified or relocated to ensure that local governments are complying with the ADA.

For additional information about the Americans with Disabilities Act's Title II requirements, please contact the Department of Justice ADA Information Line. This free service provides answers to general and technical questions about ADA requirements and free ADA documents, such as *Commonly Asked Questions about Title II of the Americans with Disabilities Act (ADA)*, *Commonly Asked Questions about the Americans with Disabilities Act and Law Enforcement, Title II Highlights*, *Access for 9-1-1 and Telephone Emergency Services*, the *ADA Guide for Small Towns*, and the *ADA Standards for Accessible Design*. You may reach the ADA Information Line at:

800-514-0301 (voice) or **800-514-0383** (TTY)

ADA information is also available on the Department's ADA Home Page on the World Wide Web at:

(www.usdoj.gov/crt/ada/adahom1.htm)

Reproduction of this document is encouraged.

Issue: “Grandfather” Clause or Small Entity Exemption

Common Problem:

City governments may believe that their existing programs and facilities are protected by a “grandfather” clause from having to comply with the requirements of Title II of the ADA. Small municipalities may also believe that they are exempt from complying with Title II because of their size.

Result:

Because city governments wrongly believe that a “grandfather” clause or a small entity exemption shields them from complying with Title II of the ADA, they fail to take steps to provide program access or to make modifications to policies, practices, and procedures that are required by law. People with disabilities are unable to gain access to city facilities, programs, services, or activities because of a public entity’s reliance on these common misconceptions.

Requirement:

There is no “grandfather” clause in the ADA. However, the law is flexible. City governments must comply with Title II of the ADA, and must provide program access for people with disabilities to the whole range of city services and programs. In providing program access, city governments are not required to take any action that would result in a fundamental alteration to the nature of the service, program, or activity in question or that would result in undue financial and administrative burdens. This determination can only be made by the head of the public entity or a designee and must be accompanied by a written statement of the reasons for reaching that conclusion. The determination that undue burden would result must be based on all resources available for use in a program. If an action would result in such an alteration or such burdens, a city government must take any other action that it can to ensure that people with disabilities receive the benefits and services of the program or activity.

28 C.F.R. § 35.150(a)(3).

Similarly, there is no exemption from Title II requirements for small municipalities. While public entities that have less than 50 employees are not required to comply with limited sections of the Department of Justice’s regulations, such as maintaining self-evaluations on file for three years and designating a grievance procedure for ADA complaints, no general exemption applies. All public entities, regardless of size, must comply with Title II’s requirements. 28 C.F.R. § 35.104.



Cities must remove barriers or provide alternative access to programs and services in existing facilities.

Issue: Program Accessibility

Common Problem:

City governments often have failed to ensure that the whole range of the city's services, municipal buildings, and programs meet Title II's program access requirements.

Result:

People with disabilities are unable to participate in the activities of city government, such as public meetings, unable to attend city functions, and unable to gain access to the city's various programs and services. If a municipal building such as a courthouse is inaccessible, people with disabilities who use wheelchairs are unable to participate in jury duty, attend hearings, and gain access to other services, because doorways are too narrow, restroom facilities are inaccessible, and steps are the only way to get to all or portions of a facility.

Requirement:

Title II requires city governments to ensure that all of their programs, services, and activities, when viewed in their entirety, are accessible to people with disabilities. Program access is intended to remove physical barriers to city services, programs, and activities, but it generally does not require that a city government make each facility, or each part of a facility, accessible. For example, each restroom in a facility need not be made accessible. However, signage directing people with disabilities to the accessible features and spaces in a facility should be provided. Program accessibility may be achieved in a variety of ways. City governments may choose to make structural changes to existing facilities to achieve access. But city governments can also pursue alternatives to structural changes to achieve program accessibility. For example, city governments can move public meetings to accessible buildings and can relocate services for individuals with disabilities to accessible levels or parts of buildings. When choosing between possible methods of program accessibility, however, city governments must give priority to the choices that offer services, programs, and activities in the most integrated setting appropriate. In addition, all newly constructed city facilities must be fully accessible to people with disabilities. 28 C.F.R. §§ 35.149, 35.150, 35.151, 35.163.



A ramp was installed to provide access to the city activities conducted in this facility.

Issue: Historically Significant Facilities

Common Problem:

City governments may believe that they have no duty to make changes to historically significant buildings and facilities to improve accessibility for people with disabilities.

Result:

Many city programs, services, and activities are conducted in buildings that are historically significant. In addition, many cities operate historic preservation programs at historic sites for educational and cultural purposes. If no accessibility changes are made at these facilities and locations, individuals with disabilities are unable to visit and participate in the programs offered. For example, people who use wheelchairs would not be able to reach the courtroom or clerk's office located in a historic nineteenth century courthouse if no physical changes are made to achieve access.

Requirement:

Historically significant facilities are those facilities or properties that are listed or eligible for listing in the National Register of Historic Places or properties designated as historic under State or local law. Structural changes to these facilities that would threaten or destroy the historical significance of the property or would fundamentally change the program being offered at the historic facility need not be undertaken. Nevertheless, a city must consider alternatives to structural changes in these instances — including using audio-visual materials to depict the inaccessible portions of the facility and other innovative solutions.

If alterations are being made to a historically significant property, however, these changes must be made in conformance with the ADA Standards for Accessible Design, (“the Standards”), 28 C.F.R. Part 36, § 4.1.7, or the Uniform Federal Accessibility Standards, (“UFAS”) § 4.1.7, to the maximum extent feasible. If following either set of standards would threaten or destroy the historical significance of the property, alternative standards, which provide a minimal level of access, may be used. This decision must be made in consultation with the appropriate historic advisory board designated in the Standards or UFAS, and interested persons should be invited to participate in the decision-making process. 28 C.F.R. §§ 35.150(b)(2); 35.151(d); Standards § 4.1.7; UFAS § 4.1.7. If these lesser standards would threaten or destroy historically significant features, then the programs or services conducted in the facility must be offered in an alternative accessible manner or location.



An accessible side entrance was added to this historic facility.

Issue: Curb Ramps

Common Problem:

City governments often do not provide necessary curb ramps to ensure that people with disabilities can travel throughout the city in a safe and convenient manner.

Result:

Without the required curb ramps, sidewalk travel in urban areas is dangerous, difficult, and in some cases impossible for people who use wheelchairs, scooters, and other mobility aids. Curb ramps allow people with mobility impairments to gain access to the sidewalks and to pass through center islands in streets. Otherwise, these individuals are forced to travel in streets and roadways and are put in danger or are prevented from reaching their destination.

Requirement:

When streets and roads are newly built or altered, they must have ramps wherever there are curbs or other barriers to entry from a pedestrian walkway. Likewise, when new sidewalks or walkways are built or altered, they must contain curb ramps or sloped areas wherever they intersect with streets or roads. While resurfacing a street or sidewalk is considered an alteration for these purposes, filling in potholes alone will not trigger the alterations requirements. At existing roads and sidewalks that have not been altered, however, city governments may choose to construct curb ramps at every point where a pedestrian walkway intersects a curb, but they are not necessarily required to do so. Under program access, alternative routes to buildings that make use of existing curb ramps may be acceptable where people with disabilities must only travel a marginally longer route.



Curb ramps provide basic access at intersections and pedestrian crossings.

One way to ensure the proper integration of curb ramps throughout a city is to set a series of milestones for curb ramp compliance in the city's transition plan. Milestones are progress dates for meeting curb ramp compliance throughout the municipality. Milestones should occur on a regular basis throughout the course of the transition plan and must reflect a priority to walkways serving government buildings and facilities, bus stops and other transportation services, places of public accommodation, and business districts, followed by walkways serving residential areas. It also may be appropriate for a city government to establish an ongoing procedure for installing curb ramps upon request in both residential and nonresidential areas frequented by individuals with disabilities. 28 C.F.R. §§ 35.150(d)(2); 35.151(e). In setting milestones and in implementing a curb cut transition plan for existing sidewalks, the actual number of curb cuts installed in any given year may be limited by the fundamental alteration and undue burden limitations.

Issue: Effective Communication

Common Problem:

City governments often fail to provide qualified interpreters or assistive listening devices for individuals who are deaf or hard of hearing at public events or meetings. In addition, city governments often fail to provide materials in alternate formats (Braille, large print, or audio cassettes) to individuals who are blind or have low vision.

Result:

Individuals who are deaf or hard of hearing are unable to participate in government-sponsored events or public meetings and unable to benefit from city programs and services when they are not provided with appropriate auxiliary aids and services. Likewise, people who are blind or have low vision are unable to benefit from city government services when printed materials are the only means of communication available.

Requirement:

Title II requires that city governments ensure that communications with individuals with disabilities are as effective as communications with others. Thus, city governments must provide appropriate auxiliary aids and services for people with disabilities (e.g., qualified interpreters, notetakers, computer-aided transcription services, assistive listening systems, written materials, audio recordings, computer disks, large print, and Brailled materials) to ensure that individuals with disabilities will be able to participate in the range of city services and programs. City governments must give primary consideration to the type of auxiliary aid or service that an individual with a disability requests. The final decision is the government's.



A sign language interpreter at a public meeting may be needed to provide effective communication for people who are deaf.

The type of auxiliary aid or service necessary to ensure effective communication will vary in accordance with the length and complexity of the communication involved and the needs of the individual. For example, sign language interpreters are not required for all interactions with people who are deaf or hard of hearing. Employees can often communicate effectively with individuals who are deaf or hard of hearing through standard written materials and exchange of written notes. For simple transactions like paying bills or filing applications, these methods may be sufficient. For more complex or extensive communications, however, such as court hearings, public meetings, and interrogation by police officers, interpreters or assistive listening systems are likely to be necessary.

City governments should ensure that auxiliary aids and services are also provided for individuals who are blind or have low vision. Alternate formats, such as Brailled or large print materials, qualified readers, computer disks, or audio recordings are examples of appropriate auxiliary aids.

City governments are not required to take any actions that will result in a fundamental alteration or in undue financial and administrative burdens. 28 C.F.R. §§ 35.160-35.164.

Issue: Local Laws, Ordinances, and Regulations

Common Problem:

City governments may fail to consider reasonable modifications in local laws, ordinances, and regulations that would avoid discrimination against individuals with disabilities.

Result:

Laws, ordinances, and regulations that appear to be neutral often adversely impact individuals with disabilities. For example, where a municipal zoning ordinance requires a set-back of 12 feet from the curb in the central business district, installing a ramp to ensure access for people who use wheelchairs may be impermissible without a variance from the city. People with disabilities are therefore unable to gain access to businesses in the city.

Requirement:

City governments are required to make reasonable modifications to policies, practices, or procedures to prevent discrimination on the basis of disability. Reasonable modifications can include modifications to local laws, ordinances, and regulations that adversely impact people with disabilities. For example, it may be a reasonable modification to grant a variance for zoning requirements and setbacks. In addition, city governments may consider granting exceptions to the enforcement of certain laws as a form of reasonable modification. For example, a municipal ordinance banning animals from city health clinics may need to be modified to allow a blind individual who uses a service animal to bring the animal to a mental health counseling session. 28 C.F.R. § 35.130(b)(7).



City zoning policies were changed to permit this business to install a ramp at its entrance.

Issue: 9-1-1 Systems

Common Problem:

City governments do not provide direct and equal access to 9-1-1 systems, or similar emergency response systems, for individuals who are deaf or hard of hearing and use TTY's (TDD's or text telephones) or computer modems.

Result:

People who are deaf or hard of hearing, or those who have speech impairments, and use TTY's or computer modems for telephone communication are unable to access emergency services (police, fire and ambulance) that are necessary for health and safety. When direct emergency services are not available, emergency calls for individuals with disabilities are not responded to appropriately, or in a timely manner, and in some instances, not at all.

9-1-1 Systems (continued)

Requirement:

City governments that provide emergency telephone services must provide direct access to TTY calls. This means that emergency telephone services can directly receive calls from TTY's and computer modem users without relying on state relay services or third parties. A TTY must be located at each individual operator station. City governments must ensure that emergency operators are trained to use the TTY not only when they recognize the tones of a TTY at the other end of the line, but also when they receive a "silent call." 28 C.F.R. §§ 35.161, 35.162. (See *Access for 9-1-1 and Telephone Emergency Services*).

Issue: Law Enforcement Policies, Practices, and Procedures

Common Problem:

When dealing with persons with disabilities, law enforcement agencies often fail to modify policies, practices, or procedures in a variety of law enforcement settings — including citizen interaction, detention, and arrest procedures.

Result:

When interacting with police and other law enforcement officers, people with disabilities are often placed in unsafe situations or are unable to communicate with officers because standard police practices and policies are not appropriately modified. For example, individuals who are deaf or have hearing impairments and use sign language may be unable to communicate with law enforcement officers if they are taken into custody and handcuffed behind their backs. Similarly, individuals with epilepsy or diabetes may be placed at great risk if they are not permitted access to their medications.

Requirement:

Title II of the ADA requires law enforcement agencies to make reasonable modifications in their policies, practices, or procedures that are necessary to ensure accessibility for individuals with disabilities, unless making such modifications would fundamentally alter the program or service involved. Law enforcement officers should be prepared to make reasonable modifications, for example, by allowing, in appropriate circumstances, arrestees who are deaf to be handcuffed in front of their bodies so that they can communicate with others and by allowing detainees access to their medication. 28 C.F.R. § 35.150(b)(7). (See *Commonly Asked Questions about the Americans with Disabilities Act and Law Enforcement*).

Issue: Self-Evaluation and Transition Plans

Common Problem:

City governments often have not conducted thorough self-evaluations of their current facilities, programs, policies, and practices to determine what changes are necessary to meet the ADA's requirements, and have not developed transition plans to implement these changes.

Result:

When self-evaluations are not conducted and transition plans not developed, city governments are ill-equipped to implement accessibility changes required by the ADA. Without a complete assessment of a city's various facilities, services, and programs, it is difficult to plan or budget for necessary changes, and the city can only react to problems rather than anticipate and correct them in advance. As a result, people with disabilities cannot participate in or benefit from the city's services, programs, and activities.

Requirement:

All city governments were required to complete a self-evaluation of their facilities, programs, policies, and practices by January 26, 1993. The self-evaluation identifies and corrects those policies and practices that are inconsistent with Title II's requirements. Self-evaluations should consider all of a city's programs, activities, and services, as well as the policies and practices that a city has put in place to implement its various programs and services. Remedial measures necessary to bring the programs, policies, and services into compliance with Title II should be specified — including, but not limited to: (1) relocation of programs to accessible facilities; (2) offering programs in an alternative accessible manner; (3) structural changes to provide program access; (4) policy modifications to ensure nondiscrimination; and (5) auxiliary aids needed to provide effective communication.

If a city that employs 50 or more persons decides to make structural changes to achieve program access, it must develop a transition plan that identifies those changes and sets a schedule for implementing them. Both the self-evaluation and transition plans must be available to the public. 28 C.F.R. §§ 35.105, 35.150(d).



City policies, including those affecting service animals, should be reviewed during the self-evaluation.



Agenda Statement

File #: 16-0017 **Version:** 1

Type: Report **Status:** Agenda Ready

File created: 7/5/2016 **In control:** Economic Diversification Commission

On agenda: 7/6/2016 **Final action:**

Title: Discussion Item: Strategic Initiatives

Sponsors:

Indexes:

Code sections:

Attachments: [Valdez Strategic Initiatives - 6-15-16.pdf](#)
[City of VALdez EDC letter dennis ragsdale-a.pdf](#)
[Draft letter EDC to Council on zoning Enforcement.pdf](#)
[BRE status 6.30.2016-A.pdf](#)
[Valdez BRE Project Information 7.6 2016.pdf](#)
[Alaska RuralRetention Survey-Ethan Tyler .pdf](#)
[SBDC Annual Report 2015.pdf](#)
[July 13 Valdez Luncheon.pdf](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

Discussion Item: Strategic Initiatives

SUBMITTED BY: Lamar Cotten, ED Contract Staff

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

None. Discussion only.

SUMMARY STATEMENT:

Per our last meeting discussions, attached please find an updated Strategic Initiative Overview as well as information linked to the Strategic Initiatives Milestone and Metrics.

1. E-mail to Dennis Ragsdale, City Manager concerning housing matters and EDC-City officials meeting.
2. Draft letter from EDC to City Council expressing concerns on zoning and abatement enforcement.

3. Business Retention and Expansion Program-BRE Memorandums.
4. State BRE Survey
5. State Program Overview
6. Small Business Development Center Information
6. July 13 Business Luncheon Matters
7. ADA Background information

Valdez Economic Vision and Initiatives – June 15, 2016

Initiative	Promote housing affordability and availability
Goal	Increase the availability of affordable housing. Meet housing needs of seniors and persons with developmental disabilities for existing Valdez residents and potential new residents.
Purpose	Lack of affordable housing stymies short and long term growth.
Objective to Accomplish	Conduct housing needs assessment and develop housing action plan. Potential Partners: City, AHFC, private land owners NPRHA, various lending agencies.
Milestones / Metrics	Set measurable goals and program in 2016
2016 Timeline	<p>June:</p> <ul style="list-style-type: none"> ▪ Revised RFP for the Housing Needs Assessment to be brought directly to the City Manager / City Council (Commission wants to fast-track the process and does not wish to weigh-in on revisions made by City Staff) ▪ Send supplemental note from Commission to the City Manager and Council to emphasize what an important issue housing is for the community and the Commission's desire to see this initiative move forward in a proactive and timely way; Is a housing strategy document needed to move forward to address questions of land availability, zoning and abatement, etc.? ▪ Request work session w/ City Council, Mayor, and City Manager to revisit the Council's expectations of the EDC and the EDC's expectations in terms of moving actions forward <p>July:</p> <ul style="list-style-type: none"> ▪ Send out RFP and award project ▪ Launch Housing Needs Assessment study <p>July-September: Engage w/ study compilation process, public process, etc.</p> <p>September:</p> <ul style="list-style-type: none"> ▪ Complete housing needs assessment ▪ Offer "sneak preview" of study to business community w/ purpose of asking them to engage in policy creation and provide input <p>October:</p> <ul style="list-style-type: none"> ▪ Assess findings of study and move forward with a housing action plan

Valdez Economic Vision and Initiatives – June 15, 2016

	<ul style="list-style-type: none"> Reach out to potential partners <p>November: Host mini-summit of potential players to discuss how to move forward in both this project as well as housing needs as a whole (open to building community and public)</p>
Pilot Project / Immediate Next Step	<p>June:</p> <ul style="list-style-type: none"> Revised RFP for the Housing Needs Assessment to be brought directly to the City Manager / City Council Send supplemental note from Commission to the City Manager and Council to emphasize what an important issue housing is for the community and the Commission's desire to see this initiative move forward in a proactive and timely way Request work session w/ City Council, Mayor, and City Manager to revisit the Council's expectations of the EDC and the EDC's expectations in terms of moving actions forward
<u>Housing Statistic Snapshots:</u>	<p>Source: <i>City of Valdez Valdez-Socioeconomic Indicators December 2015</i></p> <p>Background: A large proportion of Valdez's housing stock is older and less efficient, and over a quarter of the city's housing stock is in mobile homes. This combined with the harsh climate result in Valdez residents spending an average of 13% of their income on household energy, more than comparison Southcentral communities, according to AHFC 2014 Housing Assessments.</p>
Median Monthly Rent Increase	<p>Valdez: One-year increase = 8%; four-year increase = 11%</p> <p>Alaska: One-year increase = 3%; four-year increase = 13%</p>
Homeowners with mortgage paying > 30% of income for housing	<p>2013 = 19.3%</p> <p>4-year change = -.02%</p> <p>1-year change = +3%</p>
Renters paying >30% of income for housing	<p>2013-27.5%</p> <p>4-year change: -19%</p> <p>1 year change: -5%</p>

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Average household size (owner-occupied & renter-occupied)	2010 = 2.47 (owner); 2.07 (renter) 2012 = 2.64 (owner); 2.40 (renter) 2013 = 2.76 (owner); 3.03 (renter)
Number of dwellings built	2010 = 13 2012 = 6 2013 = 3 2014 = 3 new homes 2015 = 1 new triplex 2016 = 0 so far
Projected new housing (within city limits) over the next five years	NPRHA (North Pacific Rim Housing Authority) is schedule to build 30 housing units over the next 5 years. 5 or fewer housing units may be built in 2016.
Types of housing	28% of Valdez housing stock are mobile homes. 5% of Alaskan homes are mobile homes. 7% of rural US homes are mobile homes.

Initiative	Enhance senior and developmental disability services and opportunities
Goal	Plan and facilitate services and infrastructure to meet long term needs of seniors and persons with developmental disabilities.
Purpose	Conduct updated assessment of service and facility needs for seniors and persons with developmental disabilities
Objectives to Accomplish	Support and provide assistance support services for PDD as well as increase opportunities for local construction industry as well increase educational options in Valdez. Potential Partners: City, North Pacific Rim Housing Authority (NPRHA), AHFC, AMHT/HESS, Planning & Zoning Commission

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Milestones / Metrics	<p>Over the next 5-10 years:</p> <ul style="list-style-type: none"> -Increase # of dwelling units specifically designed for PDD by 10-15%. -Increase # of Persons certified to assist in this field by 10%. -Increase # of non-resident clients in either group by 10%. -Increase # of PDD with housing needs that are met by 25%.
2016 Timeline	<p>July: Include senior and development disability services and opportunities research in Housing Needs Assessment study</p> <p>July-September: Engage w/ study compilation process, public process, etc.</p> <p>September:</p> <ul style="list-style-type: none"> ▪ Complete housing needs assessment ▪ Offer “sneak preview” of study to business community w/ purpose of asking them to engage in policy creation and provide input <p>October:</p> <ul style="list-style-type: none"> ▪ Assess findings of study and move forward with a housing action plan ▪ Reach out to potential partners <p>November: Host mini-summit of potential players to discuss how to move forward in both this project as well as housing needs as a whole (open to building community and public)</p>
Potential Pilot Project / Immediate Next Step	June: Revised RFP for the Housing Needs Assessment to be brought directly to the City Manager / City Council
<u>Data Snapshots for PDD and Seniors:</u>	Source: Local and State Service Providers including the Alaska Housing Finance Corp., Alaska Mental Health Trust Authority (AMHTA) Frontiers Services, Connecting Ties, and The Independent Living Center.
2015 estimate of Housing Units Needs for current PDD residents	15 housing units which could entail apartment units, stand-alone homes or other acceptable housing stock.
Individuals who receive assistance for developmental disabilities	1,900 Alaska residents

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2015 number of individuals on waiting list	700 Alaska residents
Number of individuals on the waiting list who reside in Valdez	None. However, there is anecdotal evidence that undefined number of PDD may consider moving to Valdez if adequate housing, services and employment/training is available.
Number of individuals age >64	<p>2010 – 2014 = 28.6% increase 2013 – 2014 = 1.4% change</p> <p>As senior population doubles between now and 2022, so too will grow the need for a range of senior housing including independent living, assisted living, and nursing home care.</p>

Initiative	Downtown Beautification and Redevelopment
Goal	Complete phase I of beautification efforts.
Purpose	Increase downtown tourism and commerce.
Objective to Accomplish	<ul style="list-style-type: none"> -Continue planning and physical changes to enhance attraction of downtown. -Investigate tax incentives for building modifications. -Identify and apply for grants. -Institute changes through ordinance amendments. -Achieve buy-in / collaboration from downtown business owners -Reduce vacancies -Increase mixed-use applications -Clean up -Grow commercial activity in downtown -Strengthen anchor tenants <p>Potential Partners: City of Valdez, AIDEA, local civic supporters</p>

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Milestones / Metrics	<p>Over the next 5-10 years:</p> <ul style="list-style-type: none"> -Increase # of downtown buildings which have used tax incentive program by 20%. -Increase downtown tourism and commerce by 20%.
2016 Timeline	<p>June:</p> <ul style="list-style-type: none"> ▪ Lamar to draft letter to City Manager and Council to suggest that zoning and abatement enforcement should be a priority as the Council moves into budget discussions; Commission to review letter no later than first July meeting <p>July:</p> <ul style="list-style-type: none"> ▪ EDC and Beautification Taskforce to have joint lunch meeting on July 20th – Lamar to talk w/ Todd about availability ▪ Move forward on implementation or recommendation of joint project between EDC and Beautification Taskforce ▪ EDC host focus group for Main Street (downtown) property owners to share info on Beautification Committee efforts and ask for their involvement in upcoming project(s) <p>August:</p> <ul style="list-style-type: none"> ▪ Continue project design and/or implementation efforts jointly ▪ Encourage Council to reconsider the City's position in regards to the 3 Bears lot and how it could play into downtown beautification initiatives <p>September: Continue project implementation efforts jointly</p> <p>October: State completes main street improvements</p> <p>November: Re-group w/ Main Street property owners to engage them in discussion and additional project opportunities</p>
Potential Pilot Project/ Immediate Next Step	<p>June:</p> <ul style="list-style-type: none"> ▪ Lamar to draft letter to City Manager and Council to suggest that zoning and abatement enforcement should be a priority as the Council moves into budget discussions; Commission to review letter no later than first July meeting <p>July:</p> <ul style="list-style-type: none"> ▪ EDC and Beautification Taskforce to have joint lunch meeting on July 20th – Lamar to talk w/ Todd about availability

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Initiative	Improve Marine-Related Facilities and Industries
Goal	Expand and maximize use of marine related facilities. Assist and work with primary private and government users.
Purpose	Reverse underutilization of port facilities and create new well paid jobs and year around businesses.
Objective to Accomplish	<ul style="list-style-type: none"> -Increase traffic through Port of Valdez; work w/ partners in port -Complete the new Valdez Small Boat Harbor and maximize the economic opportunity associated with it -Growing marine services industry -Facilitating expansion of seafood processing industry -Maximize capacity of port and harbor uplands to support the future needs of the U.S. Coast Guard -Make valid contacts w/ the Fairbanks business community <p>Potential Partners: City, Port and Harbor Commission, AIEDA, lending agencies, fish companies.</p>
Milestones / Metrics	<p>Over the next 5-10 years:</p> <ul style="list-style-type: none"> -Increase Port Use by 50% by 2020. -Increase # of local and transient vessels repaired by 20%. -Increase # of jobs in industry by 20%. -Increase # business in industry by 20%.
2016 Timeline	<p>June:</p> <ul style="list-style-type: none"> ▪ Lisa will relay message to City Manager that EDC wants to be involved in conversations regarding port development <p>July:</p> <ul style="list-style-type: none"> ▪ Lisa and Colleen can update Commission at every meeting regarding what's happening with the Port ▪ During second P&HC July meeting, EDC and P&HC to have joint work session come together to formulate what this "marine industrial park" could look like; identify gaps in service in other communities to attract vessels to Valdez; all EDC commissioners are interested in being a part of that conversation – Colleen w/ meet w/ Commission on Monday and then get back w/ Lamar on that update ▪ Colleen, Jeremy, and Janessa to coordinate work session ▪ Consider branding for community centered around harbor

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	<p>August: Present joint meeting's outcomes and recommendation for marine services feasibility study to City Council</p> <p>On hold for now:</p> <p>Better understand current status of Interior use of the Valdez Port</p> <ul style="list-style-type: none"> ▪ Lamar to reach out to Port and Harbor Master to find out quantity, weight, type of cargo, etc. that coming through the Valdez Port <p>Find out what the Port and Harbors Commission has done in regards to port outreach, marketing, and education.</p> <p>Research whether the City should work with a firm to conduct marketing for the Port</p> <ul style="list-style-type: none"> ▪ Lamar: Investigate potential port marketing avenues with a special focus on the Fairbanks/Interior shipping of goods demands. Report back to Commission by second meeting in May. <p>Identify structurally what our issues are then from the job-development / recruitment side</p>
Pilot Project	<p>July: Schedule joint EDC and P&HC work session</p> <ul style="list-style-type: none"> ▪ Colleen, Jeremy, and Janessa to schedule
<u>Port Harbor Statistics Snapshot:</u>	Source: <i>Competitive Market Analysis and Long Range Planning for the Port of Valdez</i>
Alaska's Freight and Cargo Network	The Port of Valdez operates in a complex and highly competitive freight transportation environment given the number of transportation options available in other Southcentral ports as well as trucking, rail, and air service modes.
Relative Market Share by Port (non-petroleum)	Anchorage 84%, Whittier 11%, Seward 3%, and <u>Valdez 2%</u>
Port of Valdez Freight Movement	<p>-In 2014, 44,000 tons of freight moved through the Port with about 55% outbound shipments.</p> <p>-Average freight volume between 2002 and 2011 was about 30,000 tons.</p> <p>-Out-bound shipments of salmon have grown significantly in the last 5 years with expected future growth.</p>
Positive strategic positioning of Port of Valdez.	<p>-Valdez Port and freight facilities are recognized as being capable compared to other ports.</p> <p>-Proximity to North Slope, oil and gas activity, Interior mines, communities, and military bases are all assets.</p> <p>-Direct access to such activities along the relatively uncontested Richardson and Dalton Highways represents an advantage to some shippers.</p>

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	-The availability of significant uplands are an advantage over other ports when a natural gas pipeline or other major developments are contemplated.
Challenges to Port of Valdez	The distance from Alaska's population centers and lack of rail transportation place Valdez at a disadvantage when competing for freight volume.
Seafood Processing and Commercial Fishing Snapshots:	Source: <i>Socioeconomic Baseline Indicators Study December 2015</i>
Resident Commercial Fishermen & Crew Members	Total Valdez Resident Commercial Fishermen: 2014 = 92 resident fishermen Five-year change = -2.9%, one-year change = -9.8% Valdez Resident Crew Members: 2014 = 69 Five year change = -5.5%, one-year change = -6.8%
Valdez Permit Owners - Fishing	2010 = 32 permit holders 2013 = 28 permit holders 2014 = 23 permit holders One-year change = -17.9% Five-year change = -28.1%
Valdez Boat Harbor Tenants	Valdez 2007 = 37%; 2015 = 40% Interior Communities combined 2007 = 45%; 2015 = 49% Rest of Alaska 2007 = 18%; 2015 = 11%

Initiative	Link and Expand College Programs to existing and new industries
Goal	Strengthen relationship between business and education.
Purpose	Reduce out-migration of educated residents.

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Objective to Accomplish	<p>-Provide increase of instruction in vessel repair, health care and oil spill clean-up.</p> <p>-Develop long term operational plan.</p> <p>Potential Partners:</p> <p>City/School District, college, non-profit foundations.</p>
Milestones / Metrics	<p>Over the next 5-10 years:</p> <p>-Increase # of new programs/linked to key profession jobs by 20%.</p> <p>- Increase # of new students in programs that are linked to local industries by 20%.</p>
2016 Timeline	<p>July:</p> <ul style="list-style-type: none"> ▪ Reach out to Dan regarding Business Retention and Expansion (BRE) and Small Business Development Center (SBDC) and opportunities to further support the local business community through PWSC ▪ Use info gleamed from community meeting 1.5 years ago to formulate plan to move forward <p>Alaska Host program is \$85/person – would be something that would be pursued for next spring</p>
Pilot Project	July: Work w/ PWSC to enhance local businesses community training and advancement opportunities
Data Snapshots:	Source: <i>Socioeconomic Baseline Indicators December 2015</i>
PWSC – Annual credit hours	<p>2010 = 8,524</p> <p>2013 = 7,177</p> <p>2014 = 7,315</p> <p>5-year change = -1,209 hours</p> <p>1-year change = +138 hours</p>

Initiative	Reduce Energy Cost and Increase Access to Power
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Goal	<p>Reduce and stabilize residential, public, commercial and industry energy costs and use. Enhance access to power for commercial businesses (particularly the major marine services industries (processing plants)).</p> <p>Increase availability of electric power via renewable energy channels. Lisa, when was the most recent study on this topic completed? Has anyone looked at solar?</p>
Purpose	Increase business and job opportunities with cost savings.
Objective to Accomplish	<p>-Develop energy assessment study and action plan</p> <p>-Educate community</p> <p>-Advocate for policy change w/in City</p> <p>Potential Partners:</p> <p>AHFC-loan program, Copper Valley Electric, Peter Pan, Silver Bay.</p>
Milestones / Metrics	<p>Over the next 5-10 years:</p> <p>-Increase # of uses and buildings with energy use and efficiency/improvements by 20%.</p>
2016 Timeline	<p>July:</p> <ul style="list-style-type: none"> ▪ Request presentations from AHFC, Copper Valley Electric, and ACHP Alaska (Alaska Cold Climate Housing Program – based out of Anchorage) ▪ Lamar will send invites for summer meeting – Lamar will check in with them for the 1st meeting in July (City is willing to cover travel expenses) <p>Different recommended approaches:</p> <ul style="list-style-type: none"> -Educate community via energy fair, or utility bill inserts, or articles, etc. -Educate contractors on how to better explain benefits of energy efficiency in homes -Promote energy audits to home and business owners across community -Promote policy change at City level to encourage more sustainable developments and enhancements for residences and businesses -Promote policy change for internal City practices, including encouraging energy efficiency in all City buildings
<u>Relevant Energy Statistics</u>	Source: City of Valdez Valdez-Socioeconomic Indicators December 2015

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Electricity- Residential/\$1000 (Oct 2015)	Homer \$243.62 Kenai \$243.62 Valdez: \$171.7 Cordova \$168.77 (includes PCE)
Heating Oil (\$/gal) August 2014	Cordova: \$4.62 Valdez: \$4.13 Kenai: \$3.88 Homer: \$3.66
Gasoline (\$/gal (Aug 2014)	Valdez: \$4.76 Cordova: \$4.66 Kenai: \$4.41 Homer: \$4.28
Pilot Project	July: <ul style="list-style-type: none"> ▪ Request presentations from AHFC, Copper Valley Electric, and ACHP Alaska (Alaska Cold Climate Housing Program – based out of Anchorage) ▪ Lamar will send invites for summer meeting

Initiative	Recreation/Tourism
Goal	Increase year round recreation/tourism opportunities.
Purpose	Increase jobs and businesses. Improve quality of life.

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Objective to Accomplish	<ul style="list-style-type: none"> -Market new and existing recreational opportunities. -Complete Year Round Mountain Site Study. -Complete public trail action plan. -Enhance service quality within visitor industry. -Complete Branding Project in 2016-17. <p>Potential Partners: City, AIEDA, lending agencies.</p>
Milestones / Metrics	<p>Over the next 5-10 years:</p> <ul style="list-style-type: none"> -Increase # of visitors -summer and winter by 20%. -Increase # new tourism businesses by 20%. -completed planned tourism related infrastructure. -Increase # of new jobs in tourism by 20%.
2016 Timeline	<p>Conversation w/ Ethan Tyler, State of Alaska</p> <ul style="list-style-type: none"> ▪ As suggested by Ethan Tyler, State of Alaska, to move forward w/ BRE: Identify who you want to gather the data; work w/ CED to provide training to those folks as well as the Commission; Compile list of businesses that you want to contact, and start digging in ▪ The Commission wants to continue to pursue, but doesn't want to make any decisions today w/o anyone from the City or College here – Will move forward at first July meeting ▪ Commission would like a copy of a sample BRE survey from Ethan ▪ Levitation 49 offered up visuals (photos/videos) from their events that could be used w/ BRE program marketing, etc. <p>June:</p> <ul style="list-style-type: none"> ▪ Lamar to meet w/ Lisa and Dan during week of June 20th regarding where they're at w/ BRE potentials; Lamar can provide update to Commission on progress made at July 6th meeting; Lamar will bring recommendation to Commission on the 6th regarding how implementation would look on BRE were it to move forward ▪ One-on-one meetings w/ all 5 large hotel owners will be scheduled as soon as possible; that effort will be taken on by Scott, Mike, Colleen and tour operator; have made limited connection, and will keep the EDC updated as progress is made

Valdez Economic Vision and Initiatives – June 15, 2016

	<ul style="list-style-type: none"> ▪ Should repeat vender survey each year to monitor progress and change ▪ RFP is going out in the latter part of June to look at ADA in all public buildings (including schools) ▪ Send out invites to July luncheon, and determine presentation topic <p>July:</p> <ul style="list-style-type: none"> ▪ Make decision on whether or not to move forward w/ BRE project ▪ City staff is bringing more info to Commission regarding ADA compliance and community opportunities ▪ EDC to begin exploring new project topics that fit into year-round recreation and tourism opportunities ▪ Host second business luncheon – Wednesday, July 13th – noon at the College again; business topic: update from the City on current projects? Harbor update, construction update, marketing RFQ; Request goes to City Manager for either him to speak or for his department heads to speak <p>August:</p> <ul style="list-style-type: none"> ▪ Year Round Mountain Site Study completed ▪ Initiate at least one project idea and flesh out next steps <p>Lisa, when will the Public Trail Action Plan be completed? How should the EDC be engaged in those findings and implementation efforts?</p> <p>Who else can we bring into the tourism conversation? VCVB? Parks and Rec? Winter rec folks? Hotel/restaurant folks? Who else?</p>
Pilot Project	<ul style="list-style-type: none"> ▪ Deliberate what BRE implementation could look like were it to move forward ▪ Invitations to business luncheon to go out
<u>Tourism Statistics</u> <u>Snapshots:</u>	
Total Wages, Leisure & Hospitality	<p>2010 = \$4.5 million</p> <p>2014 = \$6.2 million</p> <p>5 year change = +38%</p>
Total (scheduled) Air Passengers (in + out)	<p>2010 = 31,034</p> <p>2014 = 29,269</p> <p>5 year change -5.7%</p>

Valdez Economic Vision and Initiatives – June 15, 2016

Bed Tax Revenue to City	2010 = \$438,272 2014 = \$425,189 5 year change -3%
Total Sport fishing Anglers (salt + fresh + shore)	2010 = 22,697 2013 = 18,683 (4 year change -17.1%)
Total Sport fishing Days Fished (salt + fresh + shore)	2010 = 65,050 2013 = 57,157 4 year change = -12.1%
# Charter Fishing Vessels Home-ported in Valdez	2010 = 38 2013 = 28 4 year change = -10

Initiative	Increase Arctic and water related training programs
Goal	Build on our location, community skill sets, college and port structures.
Purpose	New jobs, use of existing public and private assets (boats, lands, etc.).
Objective to Accomplish	Make Valdez a premier Arctic training, staging location, and/or homeport. Potential Partners: City, oil companies, private land owners, various training companies.
Milestones / Metrics	Over the next 5-10 years: -Increase # of training activities annually by 20% -Increase # of training participants by 20% -Establish Valdez as homeport/staging location for at least one Arctic “operator”
2016 Timeline	May: Lamar: Re-engage w/ potential training exercise operators via personalized phone calls to assess potential for use of Valdez Port for training and other related activities

Valdez Economic Vision and Initiatives – June 15, 2016

Pilot Project	Lamar to start status investigations
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Begin forwarded message:

From: lamar cotten <lamarcotten-valdezedc@gci.net>

Subject: EDC request.

Date: June 28, 2016 at 11:27:17 AM AKDT

To: Dennis Ragsdale <dragsdale@ci.valdez.ak.us>

Cc: Lisa Von Bargaen <lvonbargaen@ci.valdez.ak.us>, Amanda Bauer <amanda@stephenscruises.com>, David Dengel <ddengel@cvtc.org>

Dennis

It was good to have a quick chat last week about EDC matters. We realize the council and yourself have a series of important tasks in front of you. One key issue is no doubt the pressing community housing needs. EDC feels strongly that a key component of moving ahead on this issue is the completion of a housing needs assessment. Having a concise overview of housing needs will give city and community leaders an accurate current picture of the issue as well serve as an essential tool for the Comprehensive Community Visioning-Redevelopment Program.

Secondly, with the changes in city hall leadership, EDC seeks to have a joint EDC/Council workshop. EDC seeks to revisit council expectations of the Commission work and mission. Please let know me of a convenient meeting date for the council and yourself.

Lamar

301-8737

DRAFT

To: Mayor Knight, City Council Members
Dennis Ragsdale, City Manager
From: Amanda Bauer, Chair EDC

Re: Zoning and Abatement Enforcement

As you are aware, over last year and half, the Economic Diversification Commission (EDC) has been engaged in a series of issues including housing, tourism and business development to name just a few. In staff and commission communications with the public, a key frequent concern expressed was the lack of uniform and consistent enforcement of zoning laws and abatement agreements. EDC would recommend that this issue be viewed as a priority by council in its upcoming budget discussions.

To: EDC members
From: Lamar Cotten, Staff
Date: 6.30.2016

RE: Status update for Business Retention and Expansion Program (BRE)

Summarized below is an update on BRE matters.

1. Background/Recap. BRE is a state funded program operated at the local level to collect and analyze local business data. Such data is derived from in-person interviews possibly followed up by direct technical assistance and suggested approaches to outside funding assistance (loans and grants) and other relevant program tools.
2. Business Interview Process. Attached is the suggested state survey. Survey results are confidential information and will not be shared with the public. Hired interviewers are required to take a 1-2 day class (in Valdez). The cost of the class would be covered by UA Center for Economic Development (UACED). The city may have to cover some travel and R/B cost for the instructor. Payment for the interviewers would be covered by the city as, presumably, contract employees on an hourly basis. Upon training completion, they would commence interviews of local businesses.
3. Program Staff. Interviewers' work is supervised by a program staff person who would work directly with participating businesses and at least initially funded by the COV. The person could be most likely a .5-1 FTE staff to either (1) COV, (2) PWC (3) VVCB or (4) a future local business association. Realistically, such a position would initially require COV funding. Ideally, such a person would be a local resident with a business background.
4. Role of Prince William Sound College. Dan O'Connor and I have had a series of good conversations about a possible role for PWSC in the program. With the initial training cost covered by UACED, PWSC role would at this stage appear to only be very limited or non-existent. Dan and I have agreed to continue to converse on the matter. Unfortunately, he will be out of town for our June 6th meeting. He will attempt to have staff or a board member in attendance.
5. Recommendations. (A) As an initial step, (1) Develop and submit a budget to the city council for instructor travel cost and a one year .5-1 FTE staff position. Upon council approval, (2) train interviewers (3) commence interviews of business owners. (B) At the same time, make a determination of what organization could and would provide this service.

Good morning Lamar,

Economic Development Organizations (EDO), Local Communities, and Regions, local communities, municipalities and regions will conduct their own BRE surveys and manage their own program activities.

Conducting the surveys was what we had discussed potentially having the students or the college do. This would require some bandwidth from them, but aside from time, it would not cost the college any funds.

Communities requesting a local BRE initiative will each provide a local coordinator and a local task force to help with delivery and implementation of the BRE program.

This is really the role that we were having trouble landing on for Valdez. There is no lead organization to be a center point for this effort – which there really needs to be. Who connects the dots and moves the effort forward? Who is looking at the trends, successes and barriers and making the effort to connect those to the resources needed to address them? Typically this has been a local EDO, chamber of commerce, or municipality – this is a role that a number of ARDORS have been playing.

Regarding other costs – the division is currently paying for the software. I will continue to support doing that as long as feasible. In the event that the state is no longer able to pay for this – it would cost a community the size of Valdez just under \$1000 to maintain the license to the software. I am not 100% sure what the training costs would be to have the University Center for Economic Development provide the training, but I think that Melissa or Nolan Klouda could provide you an estimate for that.

I hope this is helpful – give me a shout if I can answer any questions.

Ethan

Ethan Tyler

Manager

Department of Commerce, Community and Economic Development
Division of Economic Development

SURVEY INFORMATION

R1. Interview date*

R2. Interviewer 1*

R3. Interviewer 2

R4. Company contact*

R5. Survey information notes

GENERAL INFORMATION

R6. What is your business type?

- ☐ Sole Proprietor
- ☐ C Corp
- ☐ S Corp
- ☐ LLC
- ☐ Other

If *Other*, please describe

R7. Is your business locally owned?

☐ Yes ☐ No

If *No*, where is your corporate headquarters located?

R8. What are your top three reasons for locating or keeping business in current community?

- ☐ Access to customers
- ☐ Access to suppliers
- ☐ Proximity to home
- ☐ Cost of doing business
- ☐ Workforce availability
- ☐ Financial incentives
- ☐ Local officials
- ☐ Access to business support services
- ☐ Recreation facilities/entertainment
- ☐ Quality of housing
- ☐ Quality of life
- ☐ Safety services
- ☐ Other

If *Other*, please describe

R9. What are the main products/services your business provides?

Primary

Other

Other

R10. What is special or unique about your major products or services?

R11. What type of facility is this?
(Check all that apply)

- ☐ Branch
- ☐ Distribution
- ☐ Headquarters
- ☐ Home-based business
- ☐ Manufacturing
- ☐ Office-operation
- ☐ Research/Development
- ☐ Retail sales office
- ☐ Other

If *Other*, please describe

R12. Do you rent/lease or own this facility?

☐ Rent/Lease ☐ Own

R13. How long have you been operating at this location?

R14. Do you have multiple locations?

☐ Yes ☐ No

If Yes, how many?

If Yes, where are they located?

R15. How long has your business been in operation?

R16. What are the one or two most important reasons that customers might choose your competitors over you?

R17. General information notes

WORKFORCE INFORMATION

R18. How many workers (including yourself) are employed at this location?

What percent are Full-time?

Part-time

Seasonal

R19. Is your business planning to increase, decrease, or maintain your workforce in the next 3 years?

☐ Decrease ☐ Maintain ☐ Increase

R20. Has your business experienced a decline, increase or no change in the past 3 years in the following?

Size of workforce

☐ No response ☐ Decline ☐ Increase ☐ No change

Skill level of workforce

☐ No response ☐ Decline ☐ Increase ☐ No change

Educational attainment of workforce

☐ No response ☐ Decline ☐ Increase ☐ No change

Wages of workforce

☐ No response ☐ Decline ☐ Increase ☐ No change

Average age of workforce

☐ No response ☐ Decline ☐ Increase ☐ No change

Retention of workforce

☐ No response ☐ Decline ☐ Increase ☐ No change

R21. If the number of employees is changing, please identify the reasons for the employment change.
(Check all that apply)

- ☐ Business did not exist 3 years ago
- ☐ Technological Changes
- ☐ Change in management
- ☐ Change in demand (either growth or lack of demand)
- ☐ Improved or increased efficiency
- ☐ Increased competition
- ☐ New products/services
- ☐ Corporate decisions/policies
- ☐ Renovation/expansion
- ☐ Entered new markets
- ☐ Changes in subcontracting
- ☐ Government Regulation
- ☐ Other

If *Other*, please describe

R22. Does your company have problems recruiting employees? Issues recruiting locally?

☐ Yes ☐ No

R23. Is employee turnover a problem for this business?

☐ Yes ☐ No

If Yes, why?

R24. If you answered yes, please identify the most important reasons for your recruiting difficulties?

- ☐ Poor work attitudes
- ☐ Inadequate labor skills
- ☐ High training cost
- ☐ High wage rates
- ☐ Competition for employees
- ☐ Workers will not relocate
- ☐ Workers cannot pass screenings (drug, criminal, record check, etc.)
- ☐ Lack of child care
- ☐ Other

If *Other*, please describe

R25. What resources are you currently using to locate and hire new employees?
(Check all that apply)

- ☐ Ad in local newspaper
- ☐ Internet advertising (Monster, Craig's List, etc.)
- ☐ Internet advertising on our own website
- ☐ Internet advertising on social media (Facebook, LinkedIn, etc.)
- ☐ Job Fair
- ☐ Job Center
- ☐ Temp agency / staffing service business
- ☐ Union
- ☐ Word of mouth
- ☐ Walk-in
- ☐ Professional associations
- ☐ Promote from within
- ☐ Other

If *Other*, please specify

R26. Would any of the following training topics be of value to your business?

- ☐ Basic Accounting
- ☐ Basic Math
- ☐ Basic Shop Math
- ☐ Business Planning
- ☐ Customer Service
- ☐ Employee Management
- ☐ English as a Second Language
- ☐ Financial Management
- ☐ Interpersonal Communication
- ☐ Inventory Control
- ☐ Marketing
- ☐ Online Presence
- ☐ Project Management
- ☐ Reading & Writing
- ☐ Record Keeping
- ☐ Time Management
- ☐ Written Communication
- ☐ Other

If *Other*, please specify

R27. For entry, mid and executive level positions, what are the wage-ranges your business offers?

Entry - High

Entry - Low

Mid - High

Mid - Low

Executive - High

Executive - Low

R28. Workforce information notes

SALES AND PURCHASING INFORMATION

R29. Please estimate the percentage of your gross sales that come from the following locations

Local (within the Borough)

Regional

Outside the region but within Alaska

Outside the region but within the US

Outside the US

R30. What percentage of your sales come from the Internet?

R31. Does your business currently export internationally?

☐ Yes ☐ No

R32. Has your sales of your products or services changed over the last three years?

☐ Yes ☐ No

If Yes, why and what would you estimate the percentage of change to be?

R33. What percentages of YOUR PURCHASES are made over the internet?

Why?

R34. What specific goods and services do you purchase locally? Within the state?

R35. Sales and purchase information notes

TECHNOLOGY AND OPERATIONS INFORMATION

R36. Are there major technological (or other) innovations on the horizon in your industry that might impact your company?

☐ Yes ☐ No ☐ Unsure

If Yes, what are these?

If Yes, will these new technologies require retraining of your labor force?

R37. Are you currently considering any of the following?

- ☐ Downsizing
- ☐ Selling the company
- ☐ Moving
- ☐ Closing
- ☐ Merging/acquiring another business
- ☐ Expanding (at current location)
- ☐ Expanding (different location)
- ☐ Other changes to the business plan
- ☐ Currently not considering anything
- ☐ Other

If *Other*, please specify

R38. If you are considering moving or expanding to another location, which area are you considering?

- ☐ Local Area
- ☐ Another area of Alaska
- ☐ Another State
- ☐ Outside the US
- ☐ Other

R39. Does your company's current property allow for expansion, if necessary?

- ☐ Yes ☐ No ☐ Unsure

If you are NOT expanding your business, what is the single biggest factor or issue preventing you from doing so?

R40. If you are considering changes to your business (selling, moving, expanding, etc.) what are the contributing factors?

- ☐ Changing market conditions
- ☐ Overcrowded building
- ☐ No land for expansion
- ☐ Transportation problems
- ☐ Crime/Vandalism
- ☐ Low work productivity
- ☐ Environmental concerns
- ☐ Local ordinances or building codes
- ☐ High local taxes
- ☐ Lease expiration
- ☐ Telecommunications
- ☐ Insufficient labor supply
- ☐ Retiring
- ☐ Another business opportunity
- ☐ Business incentives in another jurisdiction
- ☐ Better location
- ☐ High energy costs
- ☐ Weather
- ☐ Profitability
- ☐ Other

If *Other*, please specify

R41. Does your business have a current, written business/strategic plan?

- ☐ Yes ☐ No ☐ Unsure

R42. Does your business have a succession plan (ownership/management)?

- ☐ Yes ☐ No ☐ Unsure

R43. Technology and operations information notes

TRADING AREA INFORMATION

R44. What are the greatest advantages and/or disadvantages of operating your business here, as opposed to elsewhere?
(For example – community features, population, business community, etc.)

R45. What type of internet service does your business use?

- ☐ None
- ☐ Dial-up
- ☐ Cable
- ☐ DSL-Telephone
- ☐ T-1 Lines
- ☐ Fiber
- ☐ Satellite
- ☐ Don't Know
- ☐ Other

If *Other*, please specify

R46. Are you satisfied with your current internet service?

☐ Yes ☐ No ☐ Unsure

R47. Is cell phone reception or "dead" areas an issue for your business?

☐ Yes ☐ No ☐ Unsure

R48. Trading area information notes

RESOURCE INFORMATION

R49. During the last three years, have you used any local, regional, state or federal programs to help your business?
For example, Small Business Administration, USDA Rural Development, State of Alaska Department of Labor, Workforce Development?

☐ Yes ☐ No

If Yes, which ones?

- ☐ Community and Economic Development
- ☐ Division of Economic Development
- ☐ Regional Economic Development Organization
- ☐ State of Alaska Department of Commerce
- ☐ University of Alaska Center for Economic Development

If Yes, please specify

If Yes, which programs would you recommend to other businesses?

R50. Would you like to receive assistance with any state, local or federal programs?

☐ Yes ☐ No

If Yes, which ones?

R51. What is your overall opinion of our community as a place to do business?

☐ No response ☐ Poor ☐ Fair ☐ Good ☐ Very Good ☐ Excellent

R52. What is your overall opinion of our community as a place to live?

☐ No response ☐ Poor ☐ Fair ☐ Good ☐ Very Good ☐ Excellent

R53. What federal, state and local policies are of greatest significance to your company?

R54. Would you like to receive additional information about any of the following subjects?

- ☐ Business Plan Development
- ☐ State or Federal Financing Programs
- ☐ Tax Increment Financing
- ☐ Employee Recruitment & Hiring
- ☐ Employee Benefits (including healthcare)
- ☐ School-to-Work/School Business Partnerships
- ☐ Government Procurement
- ☐ International Trade
- ☐ State, Local or Federal Business Assistance
- ☐ Energy Audits
- ☐ Conservation Plans
- ☐ Alternatives for Energy-Saving Controls
- ☐ Alternatives for Energy-Saving Equipment
- ☐ Other

If *Other*, please specify

R55. Are there any specific challenges your company is facing which the State of Alaska can assist in resolving?

R56. What is your overall opinion of Alaska as a place to conduct business?

☐ No response ☐ Poor ☐ Below Average ☐ Average ☐ Above Average ☐ Excellent

R57. What recommendations do you have for improving the business climate or quality of life in the state of Alaska?

R58. Are there new local businesses or specific companies that would improve your business' operations and/or profitability?

R59. Do you have any other questions, comments, or concerns that haven't been covered in this survey? What are other ways that we can improve this area as a place to do business?

R60. If we think an individual or organization may be able to assist you in anyway, will you authorize us to release pertinent information to them?

☐ Yes ☐ No

R61. Resource information notes

MOVING FORWARD

— *towards a* —
DIVERSIFIED ECONOMY

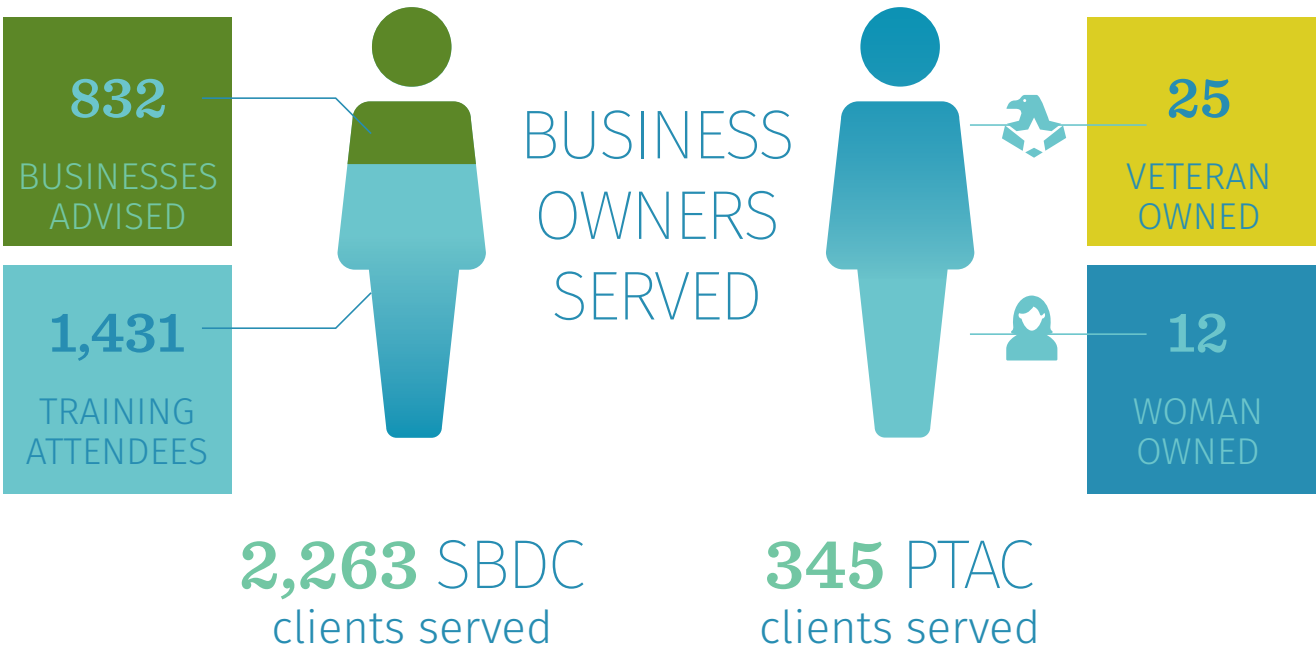


Alaska Small Business
Development Center

UNIVERSITY of ALASKA ANCHORAGE

The Alaska SBDC has identified three strategic priorities to create a measurable impact on our local economy:

- 1 Achieve excellence in service industry
- 2 Focused service delivery to enable growth in regional sectors and communities
- 3 Significant infusion of new capital cycling through the community



\$170.69 MILLION

Government contracts awarded to clients

\$12.61 MILLION

Capital accessed by clients

Every **\$7,999 invested** in the SBDC created **1 full time job** in Alaska

The SBDC created **1 JOB** for every **1.21 DAYS SPENT** spent with a client

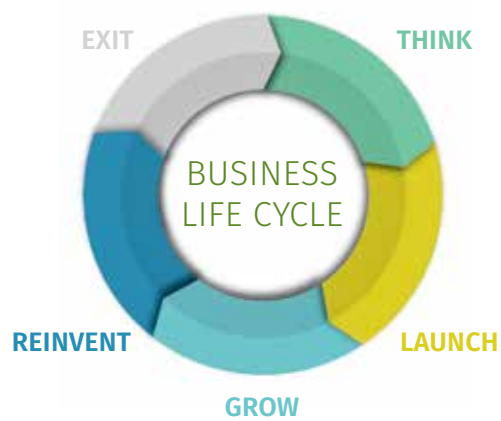
The SBDC **matched every dollar** received from the State of Alaska with **\$2.47** from other sources.



“[SBDC] has been wonderful to work with, and they want you to succeed! They are always there to help and answer any questions that come along, whether it’s financials or marketing. We’re thankful that SBDC is here to help us achieve our goals.”

ISRAELI KRAV MAGA ALASKA
ANCHORAGE





Our services help business owners in any stage of the business life cycle.

In the past year, we have concentrated on creating a holistic set of tools that will assist small business owners and increased the number of workshops available via distance delivery. As a business owner, it is essential to plan carefully as your business grows from one stage to the next and our tools help you navigate that process. SBDC staff throughout the state have a powerful set of services that match the expressed needs of the businesses in all stages of the life cycle. Here is a snapshot of some of our most popular tools, workshops and services. A full list can be found at our website aksbdc.org.

THINK	LAUNCH	GROW	REINVENT	EXIT
MOST POPULAR TOOLS	MOST POPULAR TOOLS	MOST POPULAR TOOLS	MOST POPULAR TOOLS	MOST POPULAR TOOLS
<div>STARTING A BUSINESS</div> <div>The Starting a Business workshop (available in person, as a webinar or on demand) is often the first step for entrepreneurs in the think stage as they work with the SBDC. This class covers basic issues faced when starting a small business such as business licensing, legal forms of business, business record-keeping, hiring employees, business planning and access to financing. Let the SBDC help guide you through the process of starting a small business.</div> <div>BUSINESS PLAN OUTLINE</div> <div>Creating a detailed business plan with accurate financial projections often plays an essential role in successful funding asks and a profitable first few years. Our recently updated business planning guide is a template that makes it easy to edit and “fill in the blanks” as you go. The guide takes businesses step by step through the planning process and asks many of the questions new business owners should be considering before opening their doors, helping them organize their thoughts in an easy to communicate format.</div>	<div>FINANCIAL MODEL</div> <div>The Financial Model spreadsheet walks you through the process of developing an integrated set of financial projections. Whether you’re starting your business and want to know if it ‘pencils out’, or applying for a loan to grow your business and want to impress investors or financial institutions, this linked set of financial projections will help you communicate your idea in an accurate, easy-to-use format.</div> <div>BUYALASKA</div> <div>BuyAlaska.com is a free tool to help Alaska’s small businesses build their online presence. It encourages in-state purchases of goods and services through a multimedia public awareness campaign and by assisting Alaskan businesses, government entities and consumers in finding competitive, local sources for goods and services previously purchased outside Alaska. The program provides direct assistance through the BUYER-SELLER network which matches Alaska’s buyers with sellers statewide, and provides free in-state sourcing for buyers and sales referrals to suppliers.</div>	<div>PROFIT MASTERY</div> <div>A workshop dedicated to maximizing your earnings through a better understanding of your financials. How does your business compare with others in your industry? Can increasing your sales ever worsen your financial outlook? How will hiring a new employee affect your quarterly sales targets? All of these questions and more can be answered by understanding your financials and listening to what they are telling you. Our Profit Mastery workshop does all this and more. It’s a fun and educational workshop structured specifically to understanding your financials.</div> <div>GOVERNMENT CONTRACTING TECHNICAL ASSISTANCE</div> <div>Procurement Technical Assistance Center (PTAC) provides procurement training and counseling services throughout the state, and helps Alaskan businesses keep in touch with contracting opportunities through our award-winning Bid Match Program. Our staff members possess backgrounds in government acquisitions and participate in ongoing training, enabling them to keep pace with the continually changing acquisition marketplace, its policies, and procedures. PTAC also provides services that support government research efforts through the Small Business Innovation Research program.</div>	<div>IBISWORLD</div> <div>SBDC advisors are now backed by the depth and breadth of knowledge from the world’s largest independent publisher of U.S. industry research. IBISWorld Industry information is used for understanding market size, competitors, drafting business plans, benchmarking, forecasting, business valuations, litigation support, due diligence and more.</div> <div>BID MATCH</div> <div>The Bid Match Program is a unique electronic search service that keeps our clients alerted to relevant bid opportunities. With assistance from PTAC, a search profile is built using NAICs codes, keywords and other information relative to a firm’s contracting aims. Clients receive notification e-mails for new bid matches as well as all bid matches posted in the last 30 days. The search includes a combination of federal, state, and many local government websites that post open procurement opportunities.</div>	<div>PROFITCENTS INDUSTRY DATA AND ANALYSIS</div> <div>This tool provides industry data for small business owners who want to better understand the business landscape. Business owners looking to sell will find the information in the ProfitCents Narrative and Financial Snapshot extremely valuable as they negotiate their asking price.</div> <div>WHAT’S YOUR BUSINESS WORTH?</div> <div>This tool assists business owners in producing a complete, objective valuation of their business so that they can ask for the right price from potential buyers. It defines several of the valuation methods commonly used by professionals and provides essential calculations a business owner should know while navigating the process.</div>

OFF TO A SWEET START

IF YOU HAVE YET TO TRY one of Chef Ingrid Shim’s gorgeous Aurora chocolate creations, we urge you to call it a cheat day and head on over to Sweet Chalet! Ingrid hand paints each and every Aurora bonbon to create a high-end chocolate that can be given as a gift or kept for yourself. With over a decade of culinary experience, Chef Ingrid has brought her passion to life in her chocolate creations inspired by Alaska’s aurora. With over 8,000 Facebook fans and hundreds of five star reviews, it’s clear that Sweet Chalet’s fine chocolates and stellar customer service have been a welcome addition to Anchorage’s small business community.

While Ingrid stays busy running the shop and creating the sweets, her husband, Jae, heads up the business side of things. Jae came in to the Alaska Small Business Development Center in 2014 and has utilized both the one-on-

one advising as well as the workshops available to assist on specific business subjects. Jae and his Business Advisor have discussed everything from financing and break-even points to potential locations to investigating price points for high-end chocolates in Anchorage. Most recently, Jae has been attending the SBDC Marketing Lab, where he has continued to work on the business’s robust digital presence.

Sweet Chalet has been a dream for Jae and Ingrid since moving to the US in 2005 from Taiwan and it has taken years of work to make their shop a reality. Chef Ingrid uses award-winning Grand Cru Maracaibo couverture chocolate to create bonbons influenced by several of the world’s top chocolatiers in France. In addition to their Aurora line, Sweet Chalet offers high-end caramels, cookies and assorted treats created from the best

ingredients. Anyone who enters their shop is greeted by Ingrid herself and treated to samples of their latest and greatest confections.

The business has been featured both by the local press as well as international travel magazines.

Try them for yourself by visiting Sweet Chalet at 300 East Dimond Boulevard in Anchorage or visit them online at SweetChaletAlaska.com.

“The SBDC helps small businesses like ours with seminars, classes, and more. I belong to several organizations in town but I’m participating in SBDC’s activities a lot more because they are practical and educational,” says Jae. “I feel like everyone I interact with has a true interest in my business success. We are lucky to have them as a good local resource!”



“[SBDC] was a great motivator in helping me complete my business plan. [They were] highly motivational, smart, and dependable when it came to completing tasks. The main part that encouraged me to continue on with the plan was [their] belief in my business.”

SEA FUR SEWING
JUNEAU



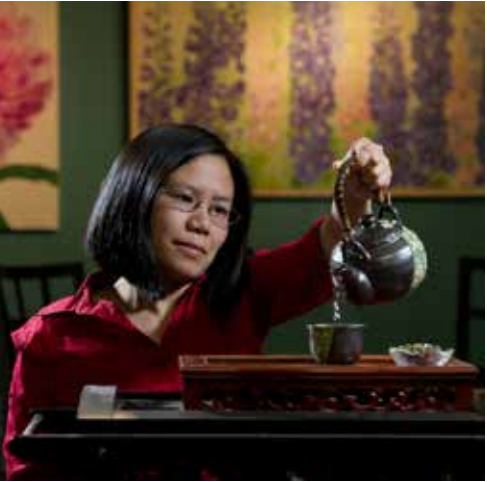
“The SBDC in Fairbanks helped me reevaluate my business and its progress by analyzing my finances and its avenues of sales and demographics. They also helped me update my business plan so I can see what steps I should take in moving my business to the next level.”

SIPPING STREAMS TEA COMPANY
FAIRBANKS



“Developing a business plan was going to be a daunting task; but with the help of Julie and the SBDC we were given the step by step tools to complete the process. The SBDC left us feeling more confident and excited to continue on reaching for our goals.”

BURKESHORE MARINA
BIG LAKE



“SBDC helped us navigate the obstacles to building a business that has the opportunity to grow from a domestic market to international sales. [They] also provided insights and leads into the challenges associated with commercial scale wild-harvesting.”

DENALI BIO TECHNOLOGIES
KENAI PENINSULA



“I use SBDC on a regular basis. For resources, training opportunities and so much more. The Business Advisors are a valued part of my advisory team. Since 1992, SBDC has assisted in growth, mentoring, re-branding and exit planning for me and my company.”

TSS, INC.
KETCHIKAN



“SBDC helps me out immensely by showing me the tools to success and giving me the structural support of constructing my business as how I want it to be. Ian Grant’s communication and persistent planning help motivate proactive progression.”

GONZO
JUNEAU





65 COMMUNITIES SERVED IN 2015

We are able to provide no cost one-on-one business advising and low cost workshops throughout Alaska via our six centers and distance delivery to business owners in remote parts of the state.

OFFICE LOCATIONS

ANCHORAGE FAIRBANKS JUNEAU
KETCHIKAN KENAI PENINSULA WASILLA

A NETWORK OF PROGRAMS

The SBDC is part of a larger network of Alaskan Programs that link economic development programs across the university system and support businesses and entrepreneurial capacities across Alaska.



ALASKA SBDC

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Phone: (907) 786-7201 Fax: (907) 786-1499
aksbdc.org

This report made possible due to generous support from

The Wells Fargo logo, consisting of the words "WELLS FARGO" in a bold, yellow, serif font, set against a red rectangular background.



Dennis,

Per our discussions, please mark your calendar for High Noon July 13th @PWSC for your Business Luncheon presentation. The EDC requested your presentation to cover current status of the boat harbor construction effort, the various road projects and the upcoming city marketing effort. If you want to add the issue of housing it would be more than welcomed as well. Doors open at 11:40ish. EDC is providing cold sandwiches and bottled water. Invitations will be going out this week.

Lamar Cotten EDC contract staff

301 8737