Financing Strategies for Communities
Alaska’s Fishing Communities: Harvesting the Future
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<table>
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<th>Salmon Industry Example</th>
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<tr>
<td><strong>Recognition of Problem</strong></td>
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<tr>
<td>- Salmon Forums</td>
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<td>- Salmon Summit</td>
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<td><strong>Development of Solutions</strong></td>
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<td>- Legislative Salmon Task Force</td>
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<td>- Economic Analysis</td>
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<td><strong>Determine Funding Channel</strong></td>
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<td>- Disaster</td>
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<td>- Cooperative State Research, Education, and Extension</td>
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<td>- Saltonstall-Kennedy Funds</td>
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<td>- Southeast Sustainable Salmon Fund</td>
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Salmon Industry Example - Lessons

- **Recognition of Problem**
  - Continue to develop the issue
  - Educate policy makers - with economic analysis, reports

- **Development of Solutions**
  - Goal setting at a local, regional and state level.
  - Understand successful methods to achieve goals at that local, regional & state level.

- **Determine Funding Channel**
  - Buy a plane ticket to Washington D.C. and Juneau.
  - Gain access to top policy makers within government.
  - Get dialed into existing programs and drive the creation of specific programs.
Economic Development

Economic development is a government (local, state, federal, other) effort to propel an economy to obtain a certain optimum status. Economic development employs government resources to accelerate development.

What comes first, community development or economic development?
Community & Economic Development

- Economic development is slowed and often stopped in a community bound by social distress.

- Quality of life aspects that government handles -
  - providing and improving education
  - mitigating social harm

are critical components of economic development.
## Elements of Economic Development

- **Resources**
  - Capital
  - Physical
  - Human
- **Human Resources**
  - For Alaska, particularly in rural communities, nurturing and developing a stable work force is one of the greatest challenges/needs.
  - Education beyond standard curriculum may be necessary to make local opportunities relevant to tomorrow’s workforce.
### Types of Fisheries Related Community Investments

- Roads
- Utilities - Power, Water, Sewer
- Docks and Harbors
- Airports
- Communications
- Harbor infrastructure - cranes, pumps, net repair locations
- Ice
- Cold storage
- Quota ownership
- Processing facilities

#### Traditional vs. Non-Traditional

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Non-profit projects in Revitalization Strategy

- ○ = marketing projects
- ⚪ = equipment/quality projects
Different Approaches By Communities

- **Docks and Harbors**
  - Dillingham and Adak

- **Ice**
  - Angoon - looking for an operator
  - Valdez - leased to private operator
  - Haines - still under construction
  - Kuskokwim - operated by the CDQ organization
  - Bristol Bay - leased to private operators
  - Cook Inlet Salmon Branding - leased to private operators
  - Pilot Point - repairs to existing machine
Different Approaches By Communities

➢ **Harbor Infrastructure**
   - Bristol Bay Borough - forklift
   - Valdez - crane and fish pump
   - Juneau - crane

➢ **Cold Storage**
   - Ketchikan - voted down at the Borough level
   - Petersburg - under construction
   - Wrangell - in planning stages
Different Approaches By Communities

- **Processing Facilities - Equipment**
  - Coffman Cove - equipment leased to local operator
  - Wrangell - equipment leased to local operator
  - Metlakatla - freezer equipment for community owned facility
  - Elfin Cove - buying station
  - Yukon Delta Fisheries Development Association - equipment leased to its for-profit salmon operation
  - Valdez - fish meal plant - ultimately rejected
  - Cordova - fish meal plant - ultimately rejected
  - Kotzebue - two grants for processing equipment and facility improvements
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<th>General Observations</th>
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<td><strong>Public v. Private competition</strong></td>
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<td>➢ Significant controversy over public v. private sector when moving into icing projects and beyond.</td>
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<td><strong>Handling of fish</strong></td>
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<td>➢ Projects that involve handling the fish tend to be more difficult for governments to manage. Greater success in turning assets over to private sector. -- which brings its own controversies.</td>
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<td><strong>Public process slow</strong></td>
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<td>➢ Non-traditional fisheries investments (ice, cold storage, etc.) often bogged down in the public process. Very difficult to launch.</td>
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<tr>
<td><strong>Public and private investment</strong></td>
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<td>➢ Investments that compete in the open market stand a greater chance of success if they are conducted with private investment and offers substantial rewards for the investor.</td>
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### Community-Led Development - Things to Think About

**Nature of investment**
- Traditional government investment? A road, dock, airport extension?
- Does this investment begin to move into the realm of running a business? Does it compete with the private sector? Ice machine, cold storage facility, processing plant?

**How does the investment cover costs**
- Existing tax base
- Fee based
- Does it attempt to operate at a profit?

**Who will manage the investment**
- Government entity
- A non-profit
- Lease to a business
Community-Led Development - Strategies

- Caution when approaching a “business” investment
  - Unfair competitive advantage over businesses - governments/non profits often have deep pockets and will subsidize these activities.
  - Can put a damper on innovation and productivity which may work in short-term, but long-term changes in the market may put impacted stakeholders at a major disadvantage.

- Local governments are often pressured to provide an economic base when it is not there.
  - Approach this with caution.
  - Developing the conditions that support economic activity are essential.
Thank you

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