



AEDC

2007 ANNUAL REPORT

AEDC MISSION

# AEDC EXISTS TO GROW AND DIVERSIFY THE ANCHORAGE ECONOMY.

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# CHAIRMAN'S MESSAGE



On behalf of the Board of Directors, I am pleased to present the 2007 Annual Report from the Anchorage Economic Development

Corporation (AEDC) to its investors and the broader business community.

Twenty years ago when AEDC first opened its doors, Anchorage's economy was heavily dependent on a single industry — natural resource extraction. During those years, the city experienced the effects of this dependency, as the price of oil and our economy collapsed.

However, today I am happy to report that Anchorage is in its 20th year of economic growth. The Municipality of Anchorage, AEDC and many other non-profit organizations and private corporations have worked hard to grow and diversify the Anchorage economy.

State-of-the-art health care facilities, a proliferation of retail businesses, a strong tourism industry and a booming professional services sector are just a few of the growth areas contributing to our contemporary economy.

Our busy international airport is number one in the U.S. for landed weight of cargo aircraft and

number three in the world for cargo throughput, making Anchorage a prime international logistics hub. And, the Port of Anchorage, undergoing a more than \$500 million expansion, is the hub for the entire state for most goods entering Alaska.

Anchorage also enjoys an unsurpassed quality of life. Outdoor recreation opportunities include world-class downhill ski areas, hundreds of miles of cross-country skiing and biking trails, excellent fishing, hiking and boating — all within the comforts of a well-established urban area. A higher-than-average median income and very low tax rate make Anchorage a fantastic place to work and play.

AEDC is charged with growing and diversifying the Anchorage economy. I know that with the great partnerships and many successes already in hand, we will continue to promote economic growth in Anchorage and the State of Alaska for a long time to come. I would like to thank Sophie Minich for her leadership as Chair of AEDC in 2007. I would also like to thank Mayor Mark Begich and the members of the Assembly and all AEDC investors for their generous support of our organization.

A handwritten signature in black ink, appearing to read "B. Nerland".

Brian G. Nerland  
President, Alaska District  
KeyBank, N.A.



PRESIDENT'S LETTER

# A YEAR IN REVIEW



I am pleased to present the 2007 annual report from the Anchorage Economic Development Corporation (AEDC) and to share the highlights of AEDC's

operations in 2007 as well as its financial status.

AEDC is a catalyst for new business opportunities in Anchorage and the Southcentral region. As that catalyst, it provides links between industries as well as economic resources for businesses looking to invest in, or expand operations to, Anchorage. As an economic resource, AEDC provides monthly electronic news bulletins, quarterly newsletters, quarterly economic indicator reports, a dynamic website and an annual economic forecast for the city. We are constantly meeting with and providing information to local businesses looking to expand and Outside businesses looking to locate in Anchorage.

AEDC works to proactively market Anchorage as a great place to do business through its public relations program, including travel to targeted conferences. Last year, AEDC hosted a number of national and international business journalists and also met with members of the media while traveling on business. These efforts resulted in articles promoting Anchorage published in *World Trade Magazine*, *Cargonews Asia*, *Logistics Today* and many other publications.

In 2007, the Anchorage Economic Development Corporation also:

- Launched the Anchorage Big Wild Life™ brand in conjunction with the Municipality of Anchorage and Anchorage Convention &

Visitors Bureau. The brand was created to drive promotional efforts with the message that Anchorage is a great place to visit, do business and live.

- Signed two Memoranda of Understanding (MOU) with the Beijing Liqiao Bonded Logistics Development Corporation and the Beijing Investment Promotion Bureau that will open new market opportunities for Alaska seafood and logistics services in Beijing and increase business at the Ted Stevens Anchorage International Airport and the Port of Anchorage.
- Hosted several trade delegations, including a group of business leaders from Qingdao, China. AEDC connected the delegations with business opportunities in Anchorage and Alaska and introduced local business leaders with business opportunities in China.

As we move forward in 2008, AEDC will focus on communicating to the world the business opportunities offered by Anchorage and Alaska; recruit new business investment in Alaska; and seek greater attention and cooperation among business, government and educators to meet Alaska's growing workforce needs for the coming decade and beyond.

Thank you for the opportunity to share with you some of the AEDC highlights in our 2007 annual report. We look forward to continuing to serve the Anchorage community and to share even more information with you in the future.

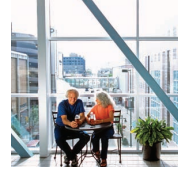
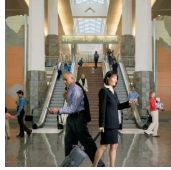


Bill Popp



TIMELINE OF NOTABLE ACHIEVEMENTS

# AEDC HIGHLIGHTS 2007



## JANUARY

AEDC released 2007 economic forecast. Research projected city to be on track for 19th consecutive year of job growth.

Launched the Anchorage brand: Anchorage Big Wild Life™ in partnership with the Municipality of Anchorage and Anchorage Convention & Visitors Bureau.

Signed two Memoranda of Understanding (MOU) with the Beijing Liqiao Bonded Logistics Development Corporation and Beijing Investment Promotion Bureau that will open new market opportunities for Alaska and Anchorage.

## FEBRUARY

Participated in the 15th annual Symphony of Seafood, promoting the Alaska seafood industry and Alaska wild seafood products.

## MARCH

Hosted business delegation from Qingdao, China, and created business opportunities for Alaska-based companies.

## APRIL

Anchorage named “Small City of the Future,” by *Foreign Direct Investment (FDI)* magazine.

*Alaska Airlines* magazine highlighted Anchorage and AEDC in a six-page, full-color feature article entitled “Taking Care of Business: Anchorage Pairs Livability with Prosperity.”

## MAY

Hosted the first Alaska Council of Supply Chain Management Professionals (CSCMP) Roundtable in Anchorage.

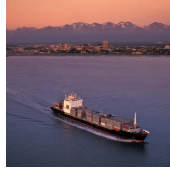
Anchorage Big Wild Life™ logo announced at city-wide event in Town Square. Alaska Serigraphics awarded first product license.

## JUNE

Facilitated financing for a new Anchorage-based company Tedsbox, Inc., and its product TEDSBOX.

CNN and the *Travel Channel* featured Anchorage and AEDC in the educational programming series “Business & Beyond.”





JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

Hosted four national and international journalists representing: *Air Cargo Weekly*, *World Trade*, *Business Travel* and *Modern Weekly*.

Anchorage employment grew by 1,940 jobs, an increase of 1.3 percent compared to the same period in 2006.

Global economic expert Ted Fishman met with AEDC Investors and discussed Anchorage's strategic location, trade with China and opportunities for Anchorage to further engage in the global economy. Mr. Fishman also addressed more than 450 business leaders at the AEDC Investor Luncheon.

Met with Puget Sound-area organizations and discussed areas of commonality that enable the two regions to work together on specific economic development initiatives.

Nearly a dozen Chinese officials from the Beijing Investment Promotion Bureau and the Beijing Liqiao Free Trade Center met with Anchorage officials and signed agreements to facilitate groundwork for economic ties between Anchorage and Beijing.

Met with Japanese business leaders and presented an overview of business opportunities in Anchorage.

Participated with a World Trade Center trade mission to Alberta and discussed how the province has addressed its massive workforce needs and how the Oil Sands projects will affect Alaska.

Attended the Supply Chain Management Logistics World 2007 conference in Singapore and researched global logistics opportunities for Anchorage.

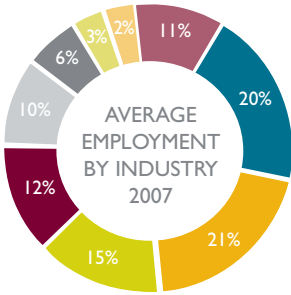
*World Trade* magazine featured Anchorage and AEDC. An AEDC video was also featured on the home page of the magazine's website.

The Associated Press released a story on two Memoranda of Understanding signed between Anchorage and Beijing.

Sponsored and assisted with the organization of the second annual Cross-Cultural Communication Series.

Facilitated the development of a Southcentral energy policy proposal by the Tri-Borough Commission Mayor's energy policy task force.

# ANCHORAGE HIGHLIGHTS 2007



## Employment

Unemployment rate (Q4 2007)	4.8
U.S. average	4.6

MEDIAN ANCHORAGE  
HOUSEHOLD INCOME  
(2006) WAS \$63,656  
U.S. AVERAGE WAS \$48,451

## Notable municipal public and private projects spurred in 2007:

### \$500 + MILLION EXPANSION EFFORTS AT THE PORT OF ANCHORAGE

\$107 million construction of a 215,000 square-foot Dena'ina Civic & Convention Center

\$106 million Anchorage Museum of History and Art expansion project

Construction of multiple class-A office towers

### GROUNDBREAKING OF TWO MAJOR RETAIL CENTERS INCLUDING TIKAHTNU COMMONS, ANTICIPATED TO BE THE LARGEST RETAIL CENTER IN ALASKA

Completion of Glenn Square retail center core facilities

**48.5%**  
EMPLOYMENT  
GROWTH 1987-2007



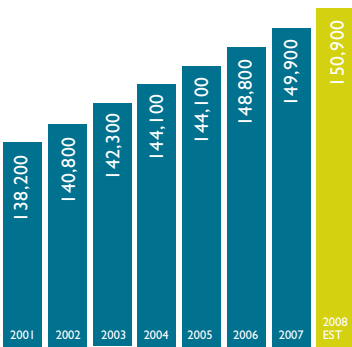
## 2007 FORECAST & RESULTS

Approximately 1,100 new jobs were added to the Anchorage economy in 2007, this is less than 50 percent of the forecasted new jobs for the year.

NEVERTHELESS, THE INCREASE OF 0.7 PERCENT OVER 2006 EMPLOYMENT MARKED ANCHORAGE'S 19TH CONSECUTIVE YEAR OF JOB GROWTH.

## Population Growth

1990	226,838
2000	260,283
2007	283,823
2010 (projected)	293,323
2025 (projected)	337,706



ANCHORAGE EMPLOYMENT

## Education

### 2007 PUBLIC SCHOOL ENROLLMENT

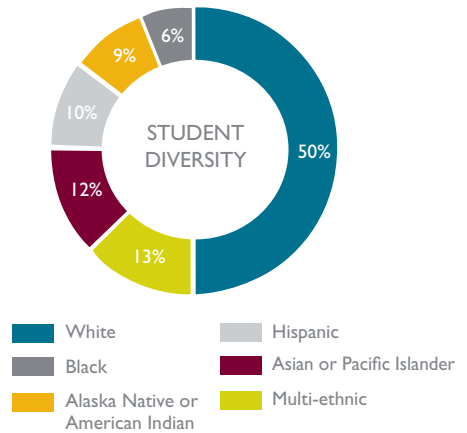
# 48,457

88TH LARGEST SCHOOL DISTRICT IN THE COUNTRY

## Student Diversity

ASD students speak 87 different languages at home. After English, the five most common are Spanish, Samoan, Hmong, Filipino/Tagalog, Yupik.

RESIDENTS AGED 25+ POSSESSING A BACHELOR'S DEGREE (2006) WAS 32.8%  
U.S. 2006 AVERAGE WAS 27%



Sources: Alaska Department of Labor and Workforce Development  
U.S. Department of Labor  
U.S. Census Bureau





# AEDC 2007 FINANCIAL DATA

<b>INCOME</b>	<b>FY2008 BUDGET</b>	<b>FY2007**</b>	<b>FY2006</b>	<b>FY2005</b>
Grants	\$614,045	\$571,756	\$550,228	\$683,099
Private Cash	\$639,500	\$511,051	\$576,195	\$510,244
Private In-Kind	\$50,000	\$45,533	\$29,159	\$37,983
Misc. & Interest	\$40,000	\$140,357	\$119,467	\$51,664
<b>Total Income</b>	<b>\$1,343,545</b>	<b>\$1,268,697</b>	<b>\$1,275,049</b>	<b>\$1,282,990</b>
<b>EXPENSES</b>				
Marketing	\$448,550	\$614,463	\$607,891	\$328,170
Business Development	\$157,500	\$76,678	\$91,657	\$221,031
Operations	\$722,109	\$717,283	\$733,127	\$673,251
<b>Total Expenses</b>	<b>\$1,328,159</b>	<b>\$1,408,424</b>	<b>\$1,432,675</b>	<b>\$1,222,452</b>
<b>Annual Net Results (+/-)</b>	<b>\$15,386</b>	<b>\$(139,727)</b>	<b>\$(157,626)</b>	<b>\$60,538</b>

\*\*Pending final audit

FY2006 & FY2007 Annual Net Results were planned reductions of cash reserves



# AEDC INVESTORS & PARTNER ORGANIZATIONS

## Platinum \$20,000 & Up

Anchorage Water & Wastewater Utility  
BP Alaska  
Chugach Alaska Corporation  
ConocoPhillips Alaska, Inc.  
General Communications, Inc.  
Municipality of Anchorage

Municipal Light & Power  
Port of Anchorage  
Providence Alaska Medical Center  
Solid Waste Service  
Ted Stevens Anchorage International Airport  
Walsh Sheppard

## Gold Level \$15,000 - \$19,999

Alaska USA Federal Credit Union  
Anchorage Community Development Authority  
Wells Fargo Bank N.A.

## Silver Level \$10,000 - \$14,999

Alaska Channel  
Alaska Communications Systems, Inc.  
Alaska DigiTel, LLC  
Alaska Railroad Corporation  
Alaska Regional Hospital

AT & T  
DOWL Engineers/Alaska Testlab  
Fiint Hills Resources Alaska, LLC  
Tesoro Alaska Petroleum Company

## Bronze Level \$5,000 - \$9,999

Alaska Airlines  
Alaska Interstate Construction  
Anchorage Sand & Gravel Co., Inc.  
Birch, Horton, Bittner and Cherot  
CH2M Hill  
Chugach Electric Association, Inc.  
CIRI  
ENSTAR Natural Gas Co.  
Eklutna, Inc.  
ExxonMobil  
FedEx Express  
First National Bank Alaska

Immediate-Care, Inc.  
KeyBank  
kpb architects  
Lynden International  
Northern Air Cargo  
Northrim Bank  
Premera Blue Cross Blue Shield of Alaska  
Shell Oil  
Totem Ocean Trailer Express, Inc.  
USKH, Inc.  
Wilder Construction Co.

## Investor Level \$2,500 - \$4,999

10th & M Seafoods  
Alaska National Insurance Co.  
Alaska Regional Council of Carpenters  
Alaska Sales & Service  
Anchorage Daily News  
Architects Alaska, Inc.  
Bond, Stephens & Johnson, Inc.  
Brown Jug, Inc.  
Carlile Transportation Systems, Inc.  
Chevron, Alaska  
Commodity Forwarders, Inc  
Dowland-Bach Corporation  
Hilton Anchorage

Hotel Captain Cook  
Ken Brady Construction Co. Inc.  
KPMG  
Kwik'pak Fisheries  
Odom Corporation  
Penco Properties  
PIP Printing  
POB MONTGOMERY & COMPANY  
RIM Architects  
The Alaska Club, Inc.  
The Aleut Corporation  
The Wilson Agency, LLC  
Venture Development Group, LLC

## Contributor \$1,000 - \$2,499

Alaska Cargoport, LLC  
Alaska Destination Specialists  
Alaska Distributors Co.  
Alaska Supply Chain Integrators, LLC  
Alaska Telecom, Inc.

Alyeska Resort  
Anchorage Convention & Visitors Bureau  
Anchorage Council of Bldg & Construction  
Trades Unions  
Carr-Gottstein Properties

City Electric, Inc.  
Coffman Engineers, Inc.  
Cornerstone Construction Co., Inc.  
Davis Constructors & Engineers, Inc.  
Denali Alaskan Federal Credit Union  
Fred Meyer Stores, Inc.  
Global Fuel, LLC  
HDR Alaska, Inc.  
Holmes Weddle & Barcott PC  
Hughes Bauman Pfiffner Gorski & Seedorf, LLC  
IMEX, Ltd. dba Dynamic Properties  
JL Properties, Inc.  
Kennedy Associates Real Estate Counsel, Inc.  
Linford of Alaska, Inc.  
Marsh USA Inc.  
Mikunda, Cottrell & Co., Inc.  
Millennium Alaskan Hotel Anchorage  
Movers, Inc.  
MTA

### Individual \$500

3M  
ACS Media LLC  
AK Supply, Inc.  
Aeroterm  
Alaska InvestNet  
Alaska Native Business & Resource Directory  
Alaska Professional Sports, Inc.  
Alaska Rubber and Supply, Inc.  
Anchorage Downtown Partnership, Ltd.  
Anchorage Marriott Downtown  
Anchorage Museum at Rasmuson Center  
ASCG Incorporated  
Bob Poe  
Cal Calvin & Associates  
Chugiak-Eagle River Chamber of Commerce  
Credit Union 1  
CRW Engineering Group, LLC  
Diamond Airport Parking  
Dokoozian Construction  
Doyon Universal Services JV  
Evergreen Helicopters of Alaska, Inc.  
F.R. Bell & Associates, Inc.  
Financial Resources, Inc.  
Frampton & Opinsky, LLC

### Our Partner Organizations

AEDC is pleased to work with these partner organizations in an effort to expand relationships with businesses locally and around the world.

Alaska State Chamber of Commerce  
Anchorage Chamber of Commerce  
Anchorage Convention & Visitors Bureau  
Anchorage Downtown Partnership  
Anchorage School District  
Alaska Pacific University  
Alaska Regional Development Organizations  
Buy Alaska  
Chugiak-Eagle River Chamber of Commerce  
Department of Commerce, Community and Economic Development  
Kenai Peninsula Borough

N C Machinery Co.  
Norcoast Mechanical  
Nye Frontier Toyota Lexus of Alaska  
Pegasus Aircraft Maintenance, LLC  
Perkins Coie  
Porcaro Communications, Inc.  
Potelcom Supply, Inc.  
Premier Alaska Tours, Inc.  
Prudential Jack White Vista Real Estate  
RE/MAX Properties, Inc.  
Roger Hickel Contracting, Inc.  
Schwantes, Inc.  
Spenard Builders Supply  
Swalling Construction Co., Inc.  
The Superior Group, Inc.  
UAA Alaska Small Business Development Center  
Udelhoven Oilfield System Services, Inc.  
Yukon Equipment

Greatland Laser, LLC  
Harmans Repair Station, Inc.  
Hartig, Rhodes, Hoge & Lekisch, P.C.  
Horizon Lines of Alaska, LLC  
Hot Wire, Inc.  
Jaguar Development Group  
Kiewit Building Group  
Knik Arm Bridge & Toll Authority  
Kumin Associates, Inc.  
Lottsfeldt Smith  
Marketing Solutions, Inc.  
McDowell Group, Inc.  
Morrison Auto Group  
NCB  
Northern Economics, Inc.  
Pacific Tower Properties, Inc.  
Princess Tours  
Rise Alaska, LLC  
Scott Balice Strategies, LLC  
Sheraton Anchorage Hotel  
Sundog Media  
The Strategy Biz, Inc.  
UAA College of Business & Public Policy  
Walter Featherly

Mat-Su Borough  
Municipality of Anchorage  
Port of Anchorage  
Resource Development Council for Alaska, Inc.  
State of Alaska  
Ted Stevens Anchorage International Airport  
The Alliance  
The Foraker Group  
University of Alaska Anchorage  
UAA - Alaska Small Business Development Center  
World Trade Center

# AEDC BOARD OF DIRECTORS

## Voting Members



**Brian Nerland**  
Chair  
President, Alaska District  
KeyBank, N.A.



**Dennis Mitchell**  
Vice Chair  
Regional Manager - AK,  
Lynden International



**Lon Wilson**  
Secretary/Treasurer  
President, The Wilson  
Agency, LLC



**Sophie Minich**  
Immediate Past Chair  
Chief Operating Officer,  
CIRI

Bill Benke  
Chris Brown  
Connie Carter  
Suzanne Cherot  
Jeffrey Davis  
Joseph Everhart  
Sheldon Fisher  
Peter Grunwaldt  
Sandra Halliwill  
David Hamilton  
Martin Hanofee  
Craig Haymes  
Stephanie Holthaus  
Greg Kessler  
Bob Lacher  
Bruce Lamoureux  
Kevin Mitchell  
Bill O'Leary  
Stewart Osgood  
John Palmatier  
Michael Prozeralik  
Chris Stephens  
Pat Walsh

Sr. VP Business Development, GCI  
COO, AT&T  
Managing Director for Alaska Operations, FedEx Express  
Managing Partner, Birch, Horton, Bittner & Cherot  
VP/General Manager, Premera Blue Cross Blue Shield of Alaska  
Sr. VP of Alaska Commercial Banking, Wells Fargo Bank N.A.  
Sr. VP of Product, Sales & Marketing, ACS  
President, Premier Alaska Tours  
Manager of Supply Chain Management, BP Exploration (Alaska)  
Sr. VP Business & Commercial Lending, AK USA Federal Credit Union  
Vice President of Business Development, Chugach Alaska Corporation  
Alaska Production Manager, ExxonMobil Corporation  
Vice President of Cargo, Northern Air Cargo  
Director of the Alaska Commercial Group, Totem Ocean Trailer Express  
Manager of Federal Services & Infrastructure, CH2M HILL  
Hospital Administrator, Providence Alaska Medical Center  
Vice President Finance & Administration Conoco Phillips Alaska, Inc.  
Vice President of Finance & CFO, Alaska Railroad  
President, DOWL Engineers  
Executive Secretary/Treasurer, Alaska Regional Council of Carpenters  
President, Koonce Pfeffer Bettis, Inc.  
Associate Broker, Bond, Stephens & Johnson, Inc.  
CEO, Walsh Sheppard





### **Ex-Officio Members – Legislators**

Fred Dyson	Senator, Alaska State Legislature
Hollis French	Senator, Alaska State Legislature
Harry Crawford	Representative, Alaska State Legislature
Craig Johnson	Representative, Alaska State Legislature

### **Ex-Officio Members – Municipality**

Mayor Mark Begich	Municipality of Anchorage
Dan Coffey	Assembly Member, Municipality of Anchorage

### **Ex-Officio Members – Appointed by the Board**

Chris Anderson	Deputy Director – Credit & Business Development, AIDEA
Mike Brady	Vice President, Ken Brady Construction Co. Inc.
Larry Cash	President, RIM Architects
Carol Comeau	Superintendent, Anchorage School District
Kathy Porterfield	Chair, Anchorage Chamber of Commerce and Managing Partner, KPMG
Jim Gorski	Member, Hughes Bauman Piffner Gorski & Seedorf LLC
Mary K. Hughes	Past Chairman of the Board, AEDC
Ed Lamb	CEO & President, Alaska Regional Hospital
Douglas North	President, Alaska Pacific University
Tennys Owens	President, Artique, Ltd.
Mort Plumb	Airport Director, Ted Stevens Anchorage International Airport
Julie Saupe	President & CEO, Anchorage Convention & Visitor's Bureau
Fran Ulmer	Chancellor, University of Alaska – Anchorage

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900 W. 5th Avenue, Suite 300, Anchorage, AK 99501  
(907) 258-3700 • [www.aedcweb.com](http://www.aedcweb.com)

AEDC is a private nonprofit corporation (IRS code 501(c)(6)), operating since 1987. It exists to encourage growth and diversity in the Anchorage economy, promote a favorable business climate and improve the standard of living of Anchorage residents. Funding sources for the corporation are municipal and state grants, contracts, and private contributions.

