
2014

ANNUAL BUSINESS CONFIDENCE INDEX REPORT

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Summary of Key Findings

Anchorage Economic Development Corporation (AEDC) contracted with McDowell Group, an Alaska research and consulting firm, to conduct the sixth annual AEDC Business Confidence Index (BCI) Survey. The purpose of this survey is to assess business conditions in the Anchorage area and measure Anchorage business confidence entering 2014. A total of 227 businesses and organizations in Anchorage and Chugiak/Eagle River participated in the online survey, which was conducted between Nov. 6 and Dec. 20, 2013.

BUSINESS CONFIDENCE INDICES

With a maximum score of 100, an index above 50 indicates a generally optimistic outlook while below 50 indicates a generally pessimistic view.

The composite and its five component indices (Anchorage economy, gross sales, net profits, employment, and capital expenditures) have generally all trended upward since the first BCI survey was fielded six years ago.

In the past year three component indices (net profits, employment, and capital expenditures) all shifted downward, causing the composite to drop slightly.

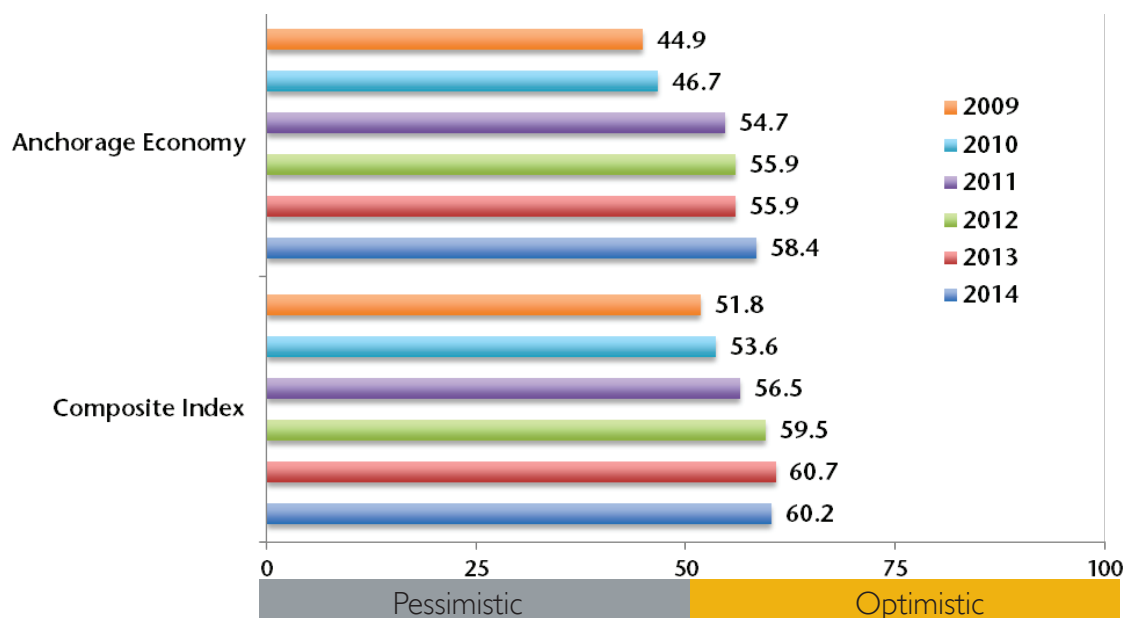
The AEDC Business Confidence Composite Index for 2014 is 60.2, down slightly from 2013 (60.7), but up from 2012 (59.5).

Comparing other indices to last year's results, expectations for 2014 are:

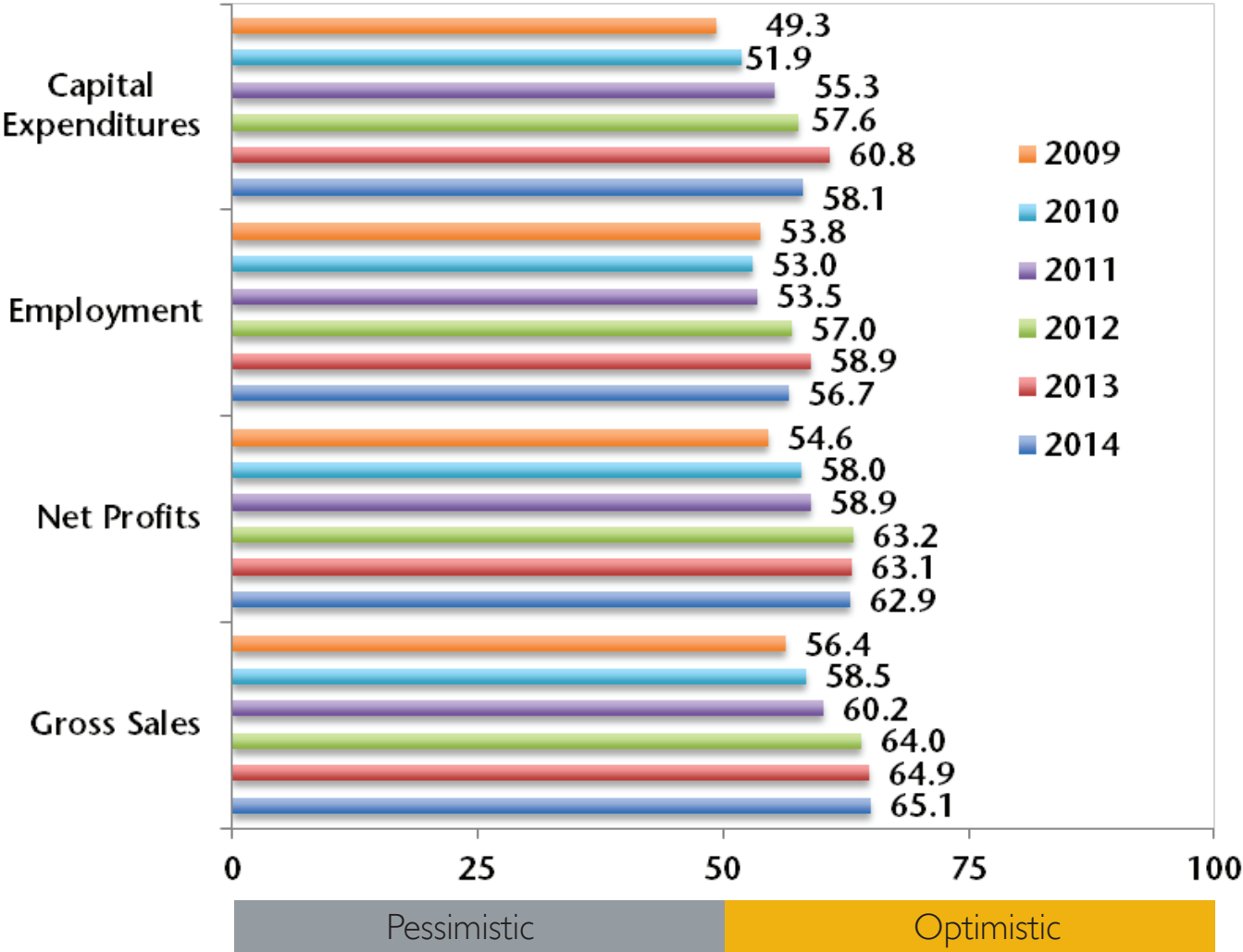
- Higher for the Anchorage Economy, up 2.5 points to 58.4.
- Holding steady for gross sales, up slightly by 0.2 points to 65.1.
- Holding steady for net profits steady, down slightly by 0.2 points to 62.9.
- Lower for employment, down 2.2 points to 56.7.
- Lower for capital expenditures, down 2.7 points to 58.1.

The charts below compare the indices for each annual AEDC BCI survey conducted since 2009.

Anchorage Economy & Composite Index Business Confidence Indices, 2009 - 2014



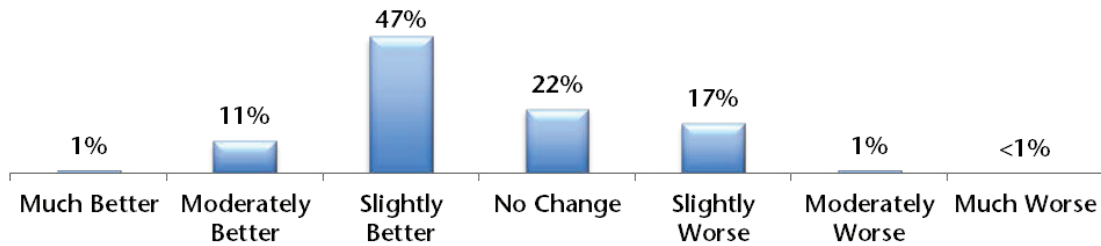
Capital Expenditures, Employment, Net Profits, and Gross Sales Business Confidence Indices, 2009-2014



ANCHORAGE ECONOMY

The levels of business optimism about the overall Anchorage economy are similar to what has been reported in the past five years. While six out of 10 business respondents (59 percent) expect the Anchorage economy to fare better in 2014 than 2013; almost half (47 percent) anticipate the local economy to only be “slightly better.” One-fifth (22 percent) of business respondents expect no change in the Anchorage economy in 2014.

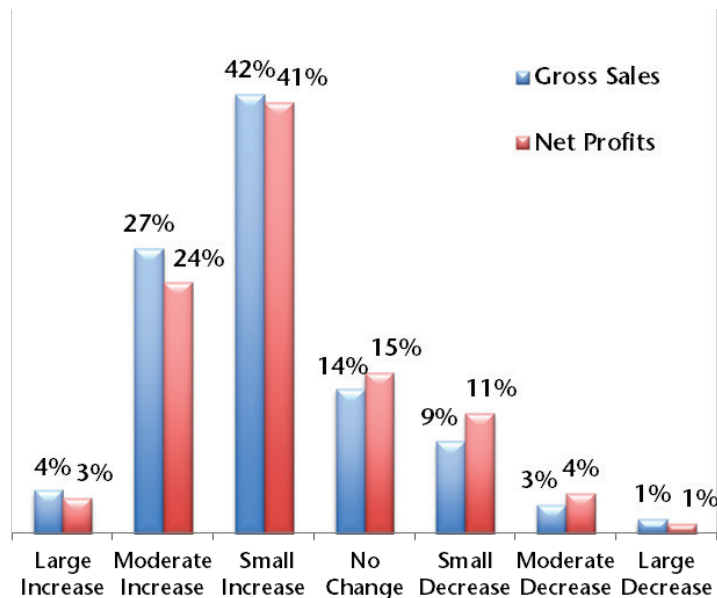
How do you think the Municipality of Anchorage economy will fare in 2014, compared to 2013?



GROSS SALES AND NET PROFITS

Most Anchorage business respondents expect their gross sales and net profits will increase in 2014, with 73 percent projecting an increase in gross sales and 68 percent projecting an increase in net profits (small, moderate or large increases combined). These results are similar to last year’s results.

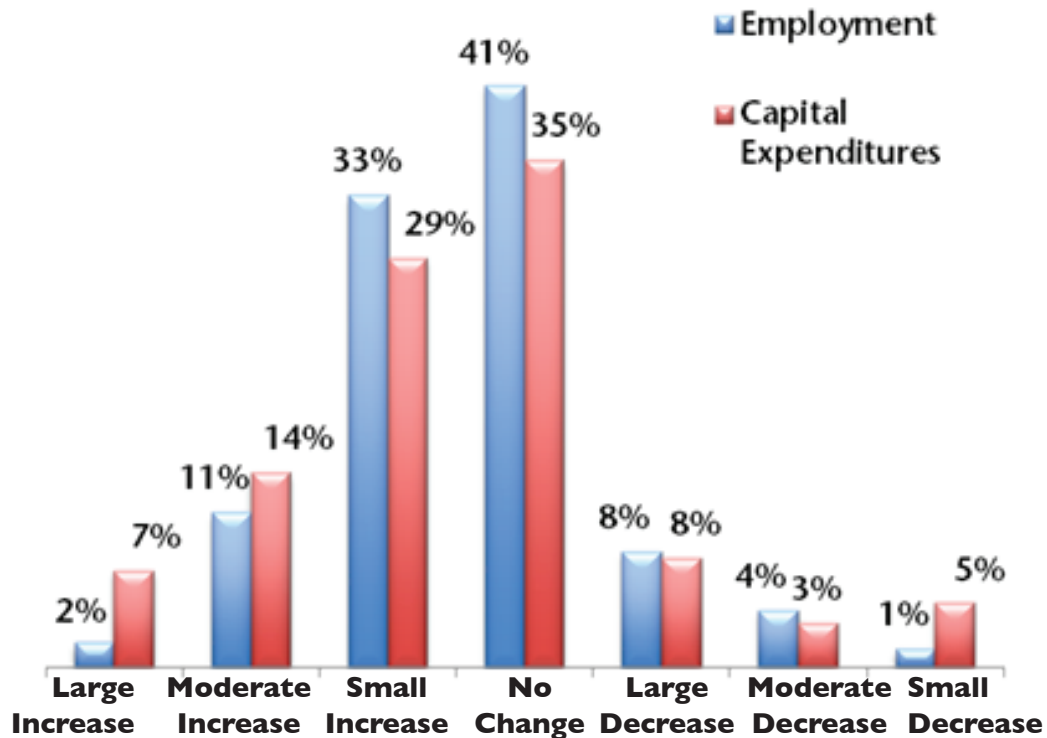
Expectations for Gross Sales and Net Profits in 2014



EMPLOYMENT AND CAPITAL EXPENDITURES

Just under half of the respondents (46 percent) expect increases in their employment in 2014, compared to 52 percent last year. There are similar expectations for capital expenditures in 2014 with 49 percent of respondents expecting small to large increases, compared to 52 percent last year.

Expectations for Gross Sales and Net Profits in 2014



BARRIERS TO BUSINESS GROWTH

The **top two barriers** facing Anchorage business respondents are **health insurance** and **federal regulations**, with 36 percent of respondents indicating each of these barriers is “significant” to their organization’s growth.

However, when responses are combined that identify “significant” and “moderate” barriers, the top five issues creating business barriers include:

- **Condition of the state economy** (72 percent)
- **Condition of the national economy** (71 percent)
- **Availability of professional/technical workforce** (68 percent)
- **Health insurance** (67 percent)
- **Federal regulations** (63 percent)

IMPORTANT ISSUES AFFECTING ANCHORAGE'S ECONOMY

Anchorage businesses and organizations continue to see oil and gas development and associated issues as “very important” to Anchorage’s economy, including declining North Slope oil production (82 percent very important), Cook Inlet resource development (73 percent), and natural gas pipeline from North Slope to Cook Inlet (67 percent). Related to oil production and state revenue impacts, sustainability of the State of Alaska operating budget is also considered “very important” to Anchorage’s economy (73 percent).

When asked what was the “most important” to the Anchorage economy, declining North Slope oil production was most often mentioned (28 percent).

BUSINESS SUPPORT FOR AN ANCHORAGE SALES TAX

Businesses were asked if they support the establishment of a municipal sales tax. Six out of 10 business respondents (58 percent) indicated they favor a sales tax to offset business and residential property taxes, compared to 54 percent who supported a tax last year.

Do you support establishment of a sales tax to offset business and residential property taxes in Anchorage?

	Dec. 2013 Survey Results	Dec. 2012 Survey Results	Dec. 2011 Survey Results
Yes	58%	54%	60%
No	42%	46%	40%

WORKFORCE HOUSING

A new question was asked in the survey regarding workforce housing.

When asked if the price, quality, and affordability of Anchorage’s housing stock affected a business’s ability to retain and recruit employees, 58 percent of business respondents indicated it did.

Introduction and Methodology

Anchorage Economic Development Corporation (AEDC) contracted with McDowell Group for the sixth year to conduct the annual Business Confidence Index (BCI) survey of businesses and organizations in Anchorage (including Eagle River and Chugiak). The purpose of the survey is to identify various factors that affect Anchorage businesses and the overall economy in order to assess business confidence.

The online survey was conducted from Nov. 6 to Dec. 20, 2013. Respondents were asked a series of questions regarding their organization's business performance in 2013 compared to 2012, expectations for 2014, perceived barriers to growth, importance of various projects and issues to the Anchorage economy, and their opinion of the overall economies in Anchorage and Alaska. Most of the questions were unchanged from prior surveys, allowing results to be benchmarked. A total of 227 businesses and organizations completed the survey.

A business confidence index model was designed to gauge expectations about the overall Anchorage economy, gross sales, net profits, employment, and capital expenditures. The index, with a possible maximum of 100, indicates a positive outlook for percentages above 50 and a negative outlook for numbers below 50. Businesses involved in finance/insurance, professional services, transportation, non-profits, and construction had the highest percentage of participation in the survey this year.

2013 Business Performance

- When asked about net profits in 2013 compared to 2012, most respondents (65 percent) reported an increase (small, moderate, large combined) in net profits.
- A quarter of respondents (23 percent) reported a decrease in net profits (small, moderate, large combined).
- Twelve percent of respondents reported no change in their net profits between 2012 and 2013.

In term of net profits, how has your business performed in 2013 compared to 2012?

	Dec. 2013 Survey Results	Dec. 2012 Survey Results	Dec. 2011 Survey Results	Dec. 2010 Survey Results	Dec. 2009 Survey Results	Dec. 2008 Survey Results
Large increase	6%	10%	8%	6%	6%	12%
Moderate increase	24	25	23	20	15	30
Small increase	35	21	26	30	21	23
No change	12	15	19	9	13	12
Small decrease	12	15	12	16	17	13
Moderate decrease	9	9	7	10	18	2
Large decrease	2	4	6	8	10	8

Note: Results re-calculated to remove "not applicable" responses. Due to rounding, some columns may not add up to 100 percent.

GROSS SALES/ANNUAL OPERATING BUDGET

- Three out of four respondents (73 percent) expect an increase (small, moderate, and large combined) in their gross sales or operating budgets in 2014. Most of these business respondents, however, expect these increases to be small.
- Similar to last year's survey results, 13 percent of respondents expect a decrease in their gross sales or operating budgets and 14 percent expect no change in 2014.

In terms of gross sales/annual operating budget, how do you expect your organization to perform in 2014 compared to 2013?

	Dec. 2013 Survey Results	Dec. 2012 Survey Results	Dec. 2011 Survey Results	Dec. 2010 Survey Results	Dec. 2009 Survey Results	Dec. 2008 Survey Results
Large increase	4%	3%	4%	3%	6%	4%
Moderate increase	27	33	26	22	22	26
Small increase	42	37	38	38	32	27
No change	14	15	19	21	15	8
Small decrease	9	6	8	10	13	17
Moderate decrease	3	4	2	3	10	15
Large decrease	1	3	2	4	4	2

Note: Results re-calculated to remove "not applicable" responses. Due to rounding, some columns may not add up to 100 percent.

NET PROFITS

- A majority of respondents (68 percent) expect an increase in their net profits in 2014; however, 41 percent anticipate only a "small increase."
- Sixteen percent of respondents expect a decrease in net profits and 15 percent expect no change.

In terms of net profits, how do you expect your organization to perform in 2014 compared to 2013?

	Dec. 2013 Survey Results	Dec. 2012 Survey Results	Dec. 2011 Survey Results	Dec. 2010 Survey Results	Dec. 2009 Survey Results	Dec. 2008 Survey Results
Large increase	3%	2%	4%	2%	4%	5%
Moderate increase	24	23	23	20	24	20
Small increase	41	43	39	38	30	23
No change	15	20	19	22	18	15
Small decrease	11	7	10	10	12	21
Moderate decrease	4	5	2	4	9	14
Large decrease	1	-	2	4	4	1

Note: Results re-calculated to remove "not applicable" responses. Due to rounding, some columns may not add up to 100 percent.

EMPLOYMENT

- Just under half of respondents (45 percent) expect to hire more workers in 2014; however, 33 percent expect only a “small increase” in hiring.
- A similar percent (41 percent) expect no change in their employment levels and 13 percent of respondents expect a decrease in 2014.

In terms of employment, how do you expect your organization to perform in 2014 compared to 2013?

	Dec. 2013 Survey Results	Dec. 2012 Survey Results	Dec. 2011 Survey Results	Dec. 2010 Survey Results	Dec. 2009 Survey Results	Dec. 2008 Survey Results
Large increase	1%	2%	2%	-%	2%	3%
Moderate increase	11	11	11	9	7	13
Small increase	33	39	32	25	24	23
No change	41	39	43	49	49	35
Small decrease	8	6	10	12	11	20
Moderate decrease	4	2	2	2	4	6
Large decrease	1	<1	1	2	2	1

Note: Results re-calculated to remove “not applicable” responses. Due to rounding, some columns may not add up to 100 percent.

CAPITAL EXPENDITURES

- Half of respondents (50 percent) expect to increase their capital expenditures in 2014. Seven percent expect these increases to be large.
- A third of respondents (35 percent) expect no change in their 2014 capital expenditures and 16 percent expect to see a decrease in their capital spending, with 5 percent expecting these decreases to be large.

In terms of capital expenditure, how do you expect your organization to perform in 2014 compared to 2013?

	Dec. 2013 Survey Results	Dec. 2012 Survey Results	Dec. 2011 Survey Results	Dec. 2010 Survey Results	Dec. 2009 Survey Results	Dec. 2008 Survey Results
Large increase	7%	7%	5%	3%	4%	5%
Moderate increase	14	18	12	12	8	10
Small increase	29	27	28	31	23	22
No change	35	35	43	37	42	28
Small decrease	8	7	8	7	9	16
Moderate decrease	3	4	4	5	8	10
Large decrease	5	2	2	5	5	8

Note: Results re-calculated to remove “not applicable” responses. Due to rounding, some columns may not add up to 100 percent.

Barriers to Business Growth

Respondents were asked to rate a list of potential barriers to business growth as either significant, moderate, not a barrier, or not applicable.

- Most respondents rated health insurance and federal regulations as “significant” barriers to their growth (36 percent each).
- When “significant” and “moderate” ratings were combined, the top five barriers to growth are: the state economy (72 percent), state of the national economy (71 percent), availability of professional/technical workforce (68 percent), health insurance (67 percent), and federal regulations (63 percent).
- As seen in previous years, workforce employment issues continue to be a barrier to growth, including the availability of a professional/technical workforce (68 percent) (third barrier mentioned overall), the job readiness of entry-level workforce (61 percent) and the availability of semi-skilled workers (57 percent).
- Other barriers (or comments) mentioned by respondents can be found in the Appendix.

To what extent are the following factors a barrier to your organization’s growth?

	Significant barrier	Moderate barrier	Not a barrier	Not applicable
Health insurance	36%	31%	26%	8%
Federal regulations	36	27	28	9
Condition of the national economy	28	43	27	2
Condition of the state economy	27	45	27	2
Availability of professional/technical workforce	24	44	25	7
Availability of semi-skilled workforce	18	39	31	11
State regulations	18	28	44	10
Job readiness of entry-level workforce	16	45	28	11
Workers’ Compensation insurance	13	27	51	9
Federal taxes	13	24	47	16
Cost of labor	11	47	36	5
Municipality of Anchorage regulations	10	28	49	12
Access to capital	10	19	59	12
Energy prices	9	38	42	10
Cost of commercial lease/rental property	9	31	48	13
Energy supply	9	18	61	12
Transportation linkages with suppliers and markets	8	18	55	20
State taxes	7	13	60	20
Municipality of Anchorage taxes	6	23	55	16

Notes: Due to rounding, some rows may not add up to 100 percent.

Capital Improvement Plans

- A third of respondents (35 percent) are planning capital improvement projects in the next two years, down from 43 percent last year. Of the respondents expecting capital improvements, 70 percent say these capital improvements will lead to new job creation.
- Of the remaining respondents (65 percent) not planning capital improvements, most (76 percent) reported the recent economic climate did not affect their development plans.

Are you planning significant capital improvement in the next two years (2014-2015)?

	Dec. 2013 Survey Results	Dec. 2012 Survey Results	Dec. 2011 Survey Results	Dec. 2010 Survey Results	Dec. 2009 Survey Results	Dec. 2008 Survey Results
Planning capital improvement	35%	43%	34%	27%	31%	34%
Will create jobs	70	65	71	64	73	74
Will not create jobs	30	35	29	36	27	26
Not planning capital improvement	65%	57%	66%	73%	69%	66%
Recent economic climate did not affect plans	76	88	72	62	69	74
Recent economic climate affected plans	24	12	28	38	31	26

Expectations for the Economy in 2014

ALASKA ECONOMY

- More than half of the respondents (56 percent) think the Alaska economy will fare better in 2014 than in 2013. This continues the positive outlook since 2008.
- A lower percentage of respondents think there will be no change in the Alaska economy in 2014 (20 percent compared to 29 percent last year).
- A quarter of respondents (24 percent) think the Alaska economy will be worse in 2014, an increase from last year's 17 percent.

How do you think the overall Alaska economy will fare next year, compared to this year?

	Dec. 2013 Survey Results	Dec. 2012 Survey Results	Dec. 2011 Survey Results	Dec. 2010 Survey Results	Dec. 2009 Survey Results	Dec. 2008 Survey Results
Much better	1%	2%	1%	1%	-%	3%
Moderately better	13	11	8	8	7	5
Slightly better	42	41	42	38	30	13
No change	20	29	26	25	15	14
Slightly worse	20	13	19	23	37	44
Moderately worse	3	4	3	4	10	17
Much worse	1	-	2	2	2	3

Note: Due to rounding, some columns may not add up to 100 percent.

ANCHORAGE ECONOMY

- Nearly two out of three respondents (59 percent) believe the Anchorage economy will fare better in 2014 than in 2013, an overall increase from 51 percent in last year's survey.
- Similar to last year's results, about 19 percent of respondents think the overall Anchorage economy will fare worse in 2014 compared to 2013.

How do you think the overall Municipality of Anchorage economy will fare next year, compared to this year?

	Dec. 2013 Survey Results	Dec. 2012 Survey Results	Dec. 2011 Survey Results	Dec. 2010 Survey Results	Dec. 2009 Survey Results	Dec. 2008 Survey Results
Much better	1%	1%	-%	1%	-%	3%
Moderately better	11	14	7	8	8	8
Slightly better	47	36	48	39	25	16
No change	22	28	25	27	21	14
Slightly worse	17	19	15	21	32	47
Moderately worse	1	2	3	3	13	11
Much worse	<1	-	2	1	2	1

Note: Due to rounding, some columns may not add up to 100 percent.

Importance of Projects for the Economy

Businesses were asked to rate the importance (very, somewhat, or not important) of various projects and issues to the Anchorage economy. Five new issues/projects were added to the list this year: sustainability of State of Alaska operating budget, 90 percent Anchorage School District high school graduation rate by 2020, Live. Work. Play. Initiative, community and neighborhood safety, and creative environments that enhance community livability.

- Resource development and its impact on state revenues are “very important” to Anchorage businesses, with 82 percent of respondents rating declining North Slope oil production as “very important”, followed by the sustainability of Alaska’s operating budget (73 percent), and Cook Inlet resource development (73 percent).
- Other “very important” issues to the Anchorage economy included: a natural gas pipeline from the North Slope to Cook Inlet (67 percent), 90 percent Anchorage School District high school graduation rate by 2020 (54 percent), and community and neighborhood safety (54 percent).
- Other issues of high importance to respondents can be found in the Appendix.

How important do you think the following projects are for the Municipality of Anchorage economy?

	Very important	Somewhat important	Not important	Don't know
Declining North Slope oil production	82%	16%	2%	-%
Sustainability of State of Alaska operating budget	73	25	1	1
Cook Inlet resource development	73	24	3	-
Natural gas pipeline from North Slope to Cook Inlet	67	26	3	<1
90% ASD high school graduation rate by 2020	54	39	6	<1
Community and neighborhood safety	54	39	5	1
Workforce affordable housing	51	43	5	1
Workforce training	46	47	7	<1
Port of Anchorage expansion	41	50	9	<1
Creative environments that enhance community livability	33	44	21	2
Pebble Project	33	29	33	5
Upgrade of energy and water/wastewater utility infrastructure	30	53	14	3
Susitna-Watana Hydroelectric Project	30	41	26	4
Knik Arm Bridge	26	32	38	3
Live. Work. Play. initiative	24	43	25	8
City parks and trails revitalization	17	46	36	<1
Ship Creek redevelopment	14	50	33	3

Note: Due to rounding, some columns may not add up to 100 percent.

When asked to identify what was the “most important” issue for the Anchorage economy, declining North Slope oil production was rated the most important by 28 percent of respondents. Ranked second was the natural gas pipeline from the North Slope to Cook Inlet (16 percent) followed by the sustainability of State of Alaska operating budget (13 percent).

Which of these projects do you think is the most important for the Municipality of Anchorage economy?

	Dec. 2013 Survey Results	Dec. 2012 Survey Results	Dec. 2011 Survey Results	Dec. 2010 Survey Results	Dec. 2009 Survey Results	Dec. 2008 Survey Results
Declining North Slope oil production	28%	31%	-%	-%	-%	-%
Natural gas pipeline from North Slope to Cook Inlet	16	18	14	18	20	25
Sustainability of State of Alaska Operating Budget	13	*	*	*	*	*
Cook Inlet resource development	9	16	28	16	15	*
Affordable workforce housing	8	8	3	5	2	*
Knik Arm Bridge	7	8	6	5	6	4
Workforce training	5	2	3	2	4	7
Port of Anchorage expansion	3	8	10	7	4	2
90% ASD high school graduation rate	3	*	*	*	*	*
Upgrade of utility infrastructure**	1	1	3	4	*	*
Live. Work. Play. Initiative	1	*	*	*	*	*
Community and neighborhood safety	1	*	*	*	*	*
Creative environments that enhance community livability	1	*	*	*	*	*
Susitna-Watana Hydroelectric Project	<1	2	*	*	*	*
Pebble Project	<1	1	*	*	*	*
Ship Creek Redevelopment	-	-	*	*	*	*
City parks & trails revitalization	-	*	*	*	*	*
Other**	1	4	3	5	4	4

Notes: * Indicates project not included in the survey that year. **Other responses can be found in the Appendix. Due to rounding, some columns may not add up to 100 percent.

BUSINESS SUPPORT FOR AN ANCHORAGE SALES TAX

A majority of respondents (58 percent) support establishing a sales tax in Anchorage, up from 54 percent in the previous survey, but down from 60 percent in 2011 when the question was first asked on the annual survey.

Do you support establishment of a sales tax to offset business and residential property taxes in Anchorage?

	Dec. 2013 Survey Results	Dec. 2012 Survey Results	Dec. 2011 Survey Results
Yes	58%	54%	60%
No	42%	46%	40%

WORKFORCE HOUSING

A majority of respondents (58 percent) say the price, quality, and affordability of Anchorage's housing stock affects their ability to retain and recruit employees.

Does the price, quality, and affordability of Anchorage's housing stock affect your ability to retain and recruit employees?

	Dec. 2013 Survey Results
Yes	58%
No	42%

Respondent Characteristics

The top five sectors represented in this year's survey include finance/insurance/real estate, professional services, transportation, non-profit organizations, and construction/maintenance.

What sector best describes your organization? (self-identified)

	Dec. 2013 Survey Results	Dec. 2012 Survey Results	Dec. 2011 Survey Results	Dec. 2010 Survey Results	Dec. 2009 Survey Results	Dec. 2008 Survey Results
Finance/insurance/ real estate	20%	9%	8%	10%	9%	10%
Professional services	15	12	10	9	12	14
Transportation	9	7	10	6	5	16
Non-profit	8	12	13	1	7	6
Construction/ maintenance	8	5	3	9	5	4
Engineering/ architecture	7	4	7	4	7	11
Government/military	5	7	2	1	7	3
Arts/education	4	3	5	1	3	1
Wholesale/retail trade	3	6	5	7	4	5
Mining/oil support services	3	3	2	*	*	*
Health care	3	2	3	4	4	2
Tourism/hospitality	2	7	5	13	6	7
Media/ communication	2	6	4	7	10	5
Information technology	2	4	3	2	3	2
Mining/oil production	2	3	4	4	6	9
Alaska Native Corporation	2	2	4	2	*	*
Utilities	1	3	2	4	3	3
Manufacturing	1	2	1	3	3	1
Fishing/seafood	<1	-	2	-	-	1
Social services	-	-	1	*	*	*
Personal services	-	-	-	-	2	*
Other	-	4	7	5	3	3

Notes: * Indicates sector not represented in the survey for that year.

ORGANIZATION SIZE

Seventy-two percent of respondents had over \$1 million in gross sales (or annual operating budgets for non-profits) in 2013 with 41 percent having gross sales of more than \$10 million.

Which of the following categories best describes your organization's annual gross sales or annual operating budget?

	Dec. 2013 Survey Results	Dec. 2012 Survey Results	Dec. 2011 Survey Results	Dec. 2010 Survey Results	Dec. 2009 Survey Results	Dec. 2008 Survey Results
Under \$250,000	11%	9%	16%	21%	19%	10%
\$250,000 to \$500,000	6	3	4	9	5	4
\$500,000 to \$1 million	5	10	9	8	8	7
\$1 million to \$5 million	19	20	19	25	20	18
\$5 million to \$10 million	12	11	9	10	7	13
More than \$10 million	41	45	38	26	38	47
Don't know	6	3	5	2	3	3

Note: Due to rounding, some columns may not add up to 100 percent.

CURRENT AND PEAK EMPLOYMENT

Two out of five respondents (38 percent) are small businesses, employing less than 10 full-time and part-time employees in 2013. Eleven percent of respondents employed more than 500 employees in 2013.

How many people (full-time and part-time) do you employ in the Municipality of Anchorage currently?

	Dec. 2013 Survey Results	Dec. 2012 Survey Results	Dec. 2011 Survey Results	Dec. 2010 Survey Results	Dec. 2009 Survey Results	Dec. 2008 Survey Results
Under 10	38%	31%	39%	46%	42%	26%
10 to 49	20	27	27	28	26	38
50 to 99	11	12	7	8	9	8
100 to 249	16	12	10	6	9	9
250 to 500	3	10	8	7	6	9
500 or more	11	8	7	5	8	10
Don't know	<1	-	2	1	1	1

Note: Due to rounding, some columns may not add up to 100 percent.

Responses on peak employment are similar to the number of current employees.

How many people (full-time and part-time) do you employ in the Municipality of Anchorage in a peak month?

	Dec. 2013 Survey Results	Dec. 2012 Survey Results	Dec. 2011 Survey Results	Dec. 2010 Survey Results	Dec. 2009 Survey Results	Dec. 2008 Survey Results
Under 10	37%	30%	39%	43%	39%	23%
10 to 49	22	27	26	29	27	38
50 to 99	11	12	8	8	9	10
100 to 249	13	11	10	6	10	10
250 to 500	5	11	9	10	4	8
500 or more	11	9	7	4	9	12
Don't know	<1	-	2	1	1	-

Note: Due to rounding, some columns may not add up to 100 percent.

The following section includes verbatim responses for open-ended survey questions.

Are there any other barriers that prevent your organization from achieving growth?

- Ability of customers to grow.
- Access to funding support - Competition for funding between many business and industry organizations.
- Access to low cost capital for construction of affordable housing.
- Commercial banks pay local, state and federal taxes on their income. Credit unions do not pay Federal taxes as they are tax exempt and that gives them a competitive cost advantage. Taxing credit unions would remove that barrier.
- Competition from state and federal government agencies operating in trades that government has absolutely no business in. Every government department wants to grow their empire to the maximum level they can get away with. They don't pay taxes or have to observe their own regulations.
- Congress and federal spending.
- Consolidations and acquisitions of our client base. Work going to large out-of-state companies.
- Corruption within the MOA Administration. We are tired of special treatment given if you comply with the "requirements" and the nastiness that happens to your business if not giving in.
- Cost of housing for employees, many of whom move here from out of state. It is difficult to attract out-of-state employees given Anchorage's cost of living, in particular housing.
- Costs of services marketing.
- Environmental permitting process.
- Fiscal certainty on resource taxes to attract investment maintain economic growth.
- Fiscal uncertainty in the Alaska Oil Patch. Lack of competitive ability to attract industry investment due to high taxes.
- Increases in taxes, insurance, supplies, and employees costs.
- Lack of coordination between government and business; planning silos with no connectivity between development/placement of expensive infrastructure, regulatory framework and need for redevelopment and new housing, office, community space, etc.
- Lack of infrastructure in northwestern rural Alaska; cost of energy; volatile commodities prices.
- Lack of new companies moving to the region.
- Lack of political leadership at the local, state and national level.
- Lack of rate setting mechanism by the State of Alaska for community mental health services.
- Lack of skilled professionals.
- Land to be developed that is owned by MOA.
- Legislative requirements that can potentially alter current plans/strategies.
- Markets are overly competitive with insignificant margins to fuel growth.
- Municipal P and Z is inept and does not support development.
- Municipality of Anchorage budget cuts.
- My biggest barriers are my lack of time and talent. Contractors are used to the crazy amounts government pays them so small guys like me can't afford much. Typical 'crowding out.' Big capital budget years mean us

little guys can't get work done. Also, while I noted taxes are a barrier because it would sure be nice to have that \$, I do feel that I get value out of my relatively low taxes in Anchorage.

- My organization is the government of the State of Alaska -- and to be honest, I'd like to see it grow less than it historically has.
- Politics. (x2)
- Rulemaking by the FMCSA on Hours of Service, drivers are working longer and driving less, their wages have not increased with the lack of available hours to drive, the drivers are making less and are more fatigued.
- Shoddy competition.
- Small business set-asides that stifle competition.
- State and federal capital spending.
- State funding of non-funded federal mandates/compliance.
- The cost of housing.
- The potential of Right-to-work legislation. Ordinance 37 in Anchorage. The repeal of ACES without any conditions.
- The SB21 referendum on the ballot in August 2014 creates uncertainty that will limit growth until resolved.
- Uncertainty at the federal level creates significant doubt and reluctance among our constituencies.
- Unionized work force.
- Unsettled taxation of oil and gas industry.
- Unwillingness of commercial taxpayers to pay for public services that make Anchorage a high quality community. The persistent stinginess of the business community to pay their fair share of property taxes greatly hinders the growth of this city. AEDC should be working hard to convince businesses that they need to start paying their share.
- Valuations and performances of stocks and bonds.
- We need more higher-income earners to support locally-owned small business. They need to understand that shopping on the Internet may be easy, but it does not create local jobs.

Are there any other projects you think are very important for the Anchorage Economy?

- A community concentration on education pre-K.
- A MOA sales tax would hurt the economy.
- Additional MOA roadway projects.
- Additional North-South runway at TSIA.
- Adoption of incentives to catalyze #1 and #2.
- Better snow removal on sidewalks, paths and roads.
- Better Relationship with Mat Su! MOA let ferry die.
- Bigger police force.
- Bus system expansion.
- Chukchi Sea O&G.
- Commuter rail to Mat-Su.
- Continued investment in the Glenn Highway Capacity.
- Continued investment in the Seward Highway Safety.
- Convention Center.

- D. Sullivan's continual cuts in ANC schools.
- D. Sullivan's cutting of city services.
- Deepwater northern port.
- Defeat of ballot initiative to repeal SB21.
- Defeat of the repeal of Senate Bill 21.
- Diversify MOA Revenue from R.E. Tax.
- Donlin Creek (x2).
- Enhance infrastructure to improve visitation.
- Expanding railroad.
- Expansion of statewide infrastructure.
- Federal spending on military projects within AK.
- Fiscal tax stability oil and gas - attract invest.
- Gang issues with people who are immigrating to USA.
- Glenn Highway corridor - Corridor management/alt. routes.
- Glenn Highway upgrade even with Knik Arm Bridge.
- Higher education improvement.
- Homeless/drunks.
- Impeach Obama/Get rid of ObamaCare.
- Improved Port of Anchorage road access.
- Increased road bonds.
- Investment in quality public employees.
- Investment in quality teachers to teach children.
- Investment in training of a quality workforce.
- Issue-Controlling spending by ASD.
- Issue-Controlling spending by the Municipality.
- Light rail.
- Livengood.
- Medicaid project expansion.
- Military installation support and preservation.
- Military presence and DOD spending.
- Mineral development: interior & northwest.
- More correctional officers.
- More infrastructure statewide.
- Municipal and State incentives for investment.
- Museum expansion - next phase.
- Need to make it easy to live here w/o having a car.
- Off season tourism.

- Oil tax initiative.
- Open air market.
- PR campaign to show how the economy works.
- Point McKenzie and rail extension.
- Public transportation.
- Railbelt electrical transmission system upgrades.
- Redevelopment of underutilized/contaminated land.
- Reduce the difficulty & cost for liquor licensing.
- Repeal 37.
- Repeal SB 21 -- But, add new production bonus.
- Revitalizing aging business corridors.
- Rich CDQs should act like other 'citizens' of ANC.
- Road to Beluga.
- Safety within Anchorage. We don't have good police.
- Schools and University projects.
- Seward Highway to Glenn Highway Connection (x4).
- Stabilization of oil taxes.
- Stabilization of school budget.
- Streamlining MOA development services.
- Tax incentives for (re)development.
- Title 21 (x3).
- UAA Anchorage infrastructure and road connections.
- Upgrade Spenard Road already!
- Vote No on SB21 Repeal.
- West Susitna Access Project roads to resources.