



**Board of Directors Special Meeting
Monday, March 5th, 2018
Call in 866-528-2256, Passcode 7400397#
AEDC Board Room
4:00pm to 5:00pm**

- I. Call to Order and Board Chair's welcome**
- II. Approval of Consent and Action Agendas**
- III. Committee Consent Agenda**
 - A. Approval of the December 6, 2017 Annual Meeting minutes (p. 2)**
 - B. Approving Resolution 2018-02 Appointing Additional Members of the 2018 Investors Council (p. 8)**
- IV. Committee Action Agenda**
 - A. Approving Draft Position Letter Supporting Proposition 10, the Proposed Sale of Municipal Light & Power to Chugach Electric Association, on the April 3, 2018 Municipal Election (p. 9)**
 1. Data Resources Webpage: <https://aedcweb.com/board-member-page/>
- V. President's Report**
 1. July Luncheon Speaker Opportunity: Kikkan Randall (p. 11)
- VI. Executive Session (If requested)**
- VII. Upcoming Committee & Board Meetings**
 - Executive Committee Meeting March 21, 4:00pm to 5:30pm, AEDC Boardroom
 - Executive Committee Meeting April 21, 4:00pm to 5:30pm, AEDC Boardroom
 - Board of Directors/Investors Council Meeting April 25, 8:30am to 11:30am, Location TBA
- VIII. Adjourn**



**Board of Directors Annual Meeting Agenda
BP Energy Center
Wednesday, December 6th, 2017 8:30am to 11:30am
Call In #: 866-528-2256, Passcode 7400397#**

A meeting of the Board of Directors of Anchorage Economic Development Corporation was called to order at 8:25am. on December 6, 2017 at the BP Energy Center, the Chairperson being present.

Roll was called and a quorum was established.

Voting Members Present:	Raquel Edelen, Joseph Everhart, Grace Greene, Charlie Grimm, Mike Huston, David Knapp, Steve Noble, Michael Prozeralik, Marilyn Romano, Lynn Rust Henderson, Dale Shaw, Lon Wilson,
Voting Members Absent:	James Hasle, Sophie Minich, Peter Pounds
Ex-Officio Members Present:	Chris Schutte, Kristin DeSmith (rep. from the Mayor's office)
Ex-Officio Members Absent:	Eric Croft, Tim Steele
Staff Present:	Bill Popp, Sean Carpenter, Moira Gallagher, Will Kyzer, Allison Meyers, Darleen Fernandez, Emma Kelly
Others Present:	Sam Gingrich, Brian Nerland, Robert McNaughton, Kirsten Schulz, Dave Karp, Jamie Boring, Dale Wade, Timothy Vig, Greg Pearce, Mary Kay Hughes, Bill Dann, Larry Cash, Jamie Boring, Larry Cooper, Tim Sullivan, Rick Pollock, Julie Saupe

Approval of Agenda and Consent Agenda

MOTION: Board Chair Marilyn Romano moved to approve the agenda and consent agenda. Vice Chair Raquel Edelen seconded the motion.

Items for approval on the consent agenda included:

A. Approving Resolution 2017-04 Electing the 2018 Officers of the Corporation

- B. **Approving Resolution 2017-05 Confirming the 2018 Executive Committee Members**
- C. **Approving Resolution 2017-06 Appointing Mr. Mike Huston, Executive Vice President, Northrim Bank to the Board of Directors seat #12**
- D. **Approving Resolution 2017-07 Approving the 2018 AEDC Meeting Schedule**
- E. **Approving Resolution 2017-08 Appointing the Members of the 2018 Investors Council**
- F. **Approving Resolution No. 2017-09 Appointing Ms. Julie Taylor, President & CEO, Alaska Regional Hospital to the Board of Directors, Seat #3**
- G. **Approving the August 7, 2017 Board of Directors Meeting minutes**
- H. **Acceptance of the 3rd Quarter financials**
 - i. 3rd Quarter Financials
 - ii. Investor Add/Drop Lists
 - iii. Cash Flow Projection
 - iv. Year-End Projection

AEDC president introduction/review of items

Mr. Popp began his review by reminding the board that this is an opportunity for members to make motions to pull agenda items for further discussion. One item on the agenda is the election of the officers of the corporation as there will be a change in the officers for 2018. The more aggressive meeting schedule for 2018 will also be discussed as well as a resolution to appoint new representatives on the investors council for 2018. Mr. Popp noted that Board Member James Hasle is terming out 12/31/2017 and that Julie Taylor with Alaska Regional Hospital will replace him as the new voting Board Member. As a point of clarification, Mr. Popp mentioned that during the annual meeting, members of the investor council serve as advisors only, and that any item on annual meeting agenda must first be generally approved by the Executive Committee.

Dave Karp asked Mr. Popp to clarify who can vote with the new Board structure and Investors Council, Mr. Popp stated that only voting members of the Board may vote.

Bill Dann inquired if the items on the consent agenda have been approved by the Executive Committee, Mr. Popp stated that items on the agenda are generally approved by the Executive Committee.

The motion to approve the agenda and consent agenda carried unanimously without further discussion.

Incoming Chair's Comments- Raquel Edelen

AEDC's incoming Chair Raquel Edelen thanked the group and stated that the coming year will be all female Officers. She introduced Charlie Grimm as Revenue Chair for 2018.

v. 2018 Revenue Chair-Charlie Grimm

Mr. Grimm introduced himself and asked the group for volunteers for the committee. Mr. Grimm stated he has raised \$4,000 so far with a goal of \$17,000 for the coming year. Mr. Grimm asked the group to donate seats for the upcoming AEDC January luncheon to potential new investors – as his introduction to AEDC was through a luncheon.

II. Presentation: Bathroom Ballot Initiative (Proposition 1), April 2018 Municipal Election- Glenn Cravez & Josh Hemsath

- i. **Proposition 1 is a ballot initiative that will change how Municipal law works regarding municipally owned bathroom and changing facilities. Currently, individuals can use facilities that matches their gender identity. This proposition seeks to require individuals use facilities that match the gender on their birth certificates.**

Mr. Glenn Cravez began his presentation by reminding the Board that AEDC took a stance

against discrimination of the LGBT community in 2015. Mr. Cravez introduced the Bathroom Ballot Initiative (Proposition 1) which will be in the April 2018 Municipal Election. The Bill allows an individual to use public facilities matching the gender that they identify with. Mr. Cravez states that if this ordinance passes it would require transgender individuals to use facilities for the gender that is identified on their birth certificates. Mr. Cravez discussed the economic impact of similar ordinances that have passed in other states including businesses choosing to relocate to other areas. Mr. Cravez asked the AEDC Board to oppose this initiative.

There were several questions of clarification from the Board regarding how the Bill would be enforced and how it would be determined that a person was truly transgender. Mr. Cravez responded that the current law is very clear and that it is illegal to use facilities for an improper purpose.

Ms. Romano stated that AEDC took a position in 2015 in front of the assembly and that if AEDC took a position, it would come in the form of a letter stating our opposition for the ballot initiative. She opened the floor for discussion.

Mr. Popp clarified that AEDC has historically taken positions on different initiatives in the form of a letter. He noted that staff would not be spending substantial resources to promote our position unless the Board wants AEDC to be an active advocate on the issue.

Discussion ensued among the board.

MOTION: Board Member Joe Everhart moved to approve a motion that AEDC's Board of Directors oppose Proposition 1, and Vice Chair Raquel Edelen seconded the motion.

Mr. Popp reviewed the process going forward with drafting the letter and delivering it to the Officers and Executive Committee members for feedback. The letter would then be provided to Mr. Cravez and Identity Inc. and would be made available to AEDC's membership.

The motion to oppose Proposition 1 carried unanimously without further discussion.

III. Presentation: Live.Work.Play. "Moon Shot" Strategy: Mike Prozeralik and Daniel Mitchell, LWP Co-Chairs

The Moon Shot plan for Live. Work. Play. Is a document from the Live. Work. Play. Steering Committee addressed to AEDC's Board of Directors that suggests that the Live. Work. Play. Initiative focus on the following four items focusing on three areas of town, Downtown, U-Med, and the Chester Creek Greenbelt:

- Make it easier to "go play" outside and improve winter transportation
- Ensure urban design incorporates considerations of winter safety and comfort
- Increase winter festivals, develop winter patio culture, become a leader in winter business
- Promote a citizenry that celebrates winter

Mike Prozeralik introduced LWP's "moon shot" plan detailing ways to redevelop downtown, the U-Med district, and the Chester Creek Greenbelt. Increasing the number of resident's downtown will make downtown more vibrant and energetic. He mentioned that redeveloping the U-Med district and integrating the University more fully with the business community could help stem the outflow of students. He noted that the Chester Creek Greenbelt is primed for development to better link downtown and U-Med. When redeveloping these areas of Anchorage, it is imperative to embrace winter design elements to promote Anchorage's status as a winter city.

Moira Gallagher presented a few of L.W.P.'s success stories. Housing - developed many infrastructure white

papers, passed ordinances allowing cottage homes, gained support from the assembly to fund feasibility study for storm water utility and passed an ordinance allowing for accessory dwelling units. Trails – wayfinding program. Community safety – media campaign discouraging panhandling, Greendot trail safety program. Workforce development – 3 job skills boot camps, finalizing intern playbook. Creative placemaking- finished feasibility study to create private local arts council

The L.W.P. Steering Committee will be looking at ways each area of focus can develop plans relating to downtown, the U-Med district, and the Chester Creek Greenbelt.

Bill Dann asked how the steering committee is partnering with ADP and what are the threats in the way of achieving the goals by 2025.

Mr. Prozeralik stated neither have happened yet but an intended partnership is planned in the future.

Ms. Romano asked Mr. Prozeralik to clarify that he is asking the Board today to support the refreshed LWP strategy and not take action at this time.

Lon Wilson stated that there needs to be something visual and tangible to gain greater support.

IV. President's Report

AEDC President and CEO Bill Popp announced sponsorship opportunities for the luncheon as well as the increase in luncheon ticket prices with a \$15 increase per ticket.

A. Vision Navigation: Project Scoping Tool

This is a document developed through research of what other organizations have used to determine ROI on recurring projects.

Mr. Popp introduced the return-on-investment tool developed by AEDC staff to test return-on-investment for reoccurring projects and evaluate proposed new projects. The tool gives the Board and staff a sense of how each project is performing and to evaluate any required changes going forward.

B. CEDS project update

Mr. Popp updated the Board with a timeline for rolling out the CEDS draft to the public with an anticipated presentation date to the Mayor in late January 2018.

Chris Schutte added that January was a targeted date and not a requirement.

There were no further comments or questions regarding the CEDS project update.

C. AeroNexus project update

Meeting set for early January to review the last year and identify the major challenges faced to move forward and strengthen the alliance. The idea behind this is that businesses looking to invest within Anchorage to have a unified partnership between the Municipality and the Airport to enable a smooth entry into the market with AEDC providing data, support and key resources they may need to better understand opportunities.

There were no questions or comments about the AeroNexus project update.

D. 3rd Quarter 2017 Progress Report and 3rd Quarter 2017 Vision Navigation Update

- i. 3rd Quarter Progress Report
- ii. 3rd Quarter Vision Navigation Chart

Mr. Popp presented progress on the 2017 plan. Revenue diversification project is “done” after not getting full support from the Board on developing a 501 C3 to pursue targeted grants. The AeroNexus initiative is tracking to result in 100percent completion for all 2017 milestones. The

remaining milestones not completed in 2017 for the remaining Vision Navigation strategic initiatives will be carried over into 2018.

There were no comments or questions about the Vision Navigation Update or 3rd Quarter Progress Report.

V. Action Agenda

A. Approving the AEDC 2018 Vision Navigation Plan and Metrics

MOTION: Board Member Charlie Grimm moved to approve the AEDC 2018 Vision Navigation Plan and Metrics.

Mr. Popp identified the changes made to AEDC's core values, vision and target year end conditions for 2018, vetted through Investors Council, the Board, and Staff.

Mr. Popp then went on to outline the three strategic initiatives proposed for 2018 for Board approval. These initiatives are the Anchorage Comprehensive Economic Development Strategy, AeroNexus and rebooting the Live. Work. Play initiative.

Discussion ensued regarding the metrics for the AeroNexus Vision Navigation plank, and what tangible outcomes for AeroNexus could look like based on how Anchorage was poised for outside investment.

Mr. Popp mentioned that clinical drug trials in Asia have been identified as a potential avenue for the AeroNexus project to target.

There was no further discussion or comments on AEDC's 2018 Vision Navigation Plan and Metrics

The motion to approve AEDC's 2018 Vision Navigation Plan and Metrics carried unanimously.

B. Approving the AEDC 2018 Budget

MOTION: Board Member Charlie Grimm moved to approve the proposed AEDC 2018 budget.

Mr. Popp first reviewed preliminary outcomes of 2017 budget, announcing \$1.5Million in projected revenue to end the year which is about \$88,000 under budget. Expenses are tracking under \$1.5Million at \$86,000 under planned budget for expenses.

Mr. Popp highlighted that in 2018 there will be a reduction in grant revenue of around \$96,000 and \$66,000 less in professional services revenues due to onetime projects. There will be an increase in personnel costs with the hiring for two new positions in 2017 and a full staff of ten for 2018.

There is an expected overall reduction in revenue of about \$77,000 in 2018. Mr. Popp announced the planned to increase revenue in the areas of investment and sponsorships to make up the difference in the loss of grant and professional services revenue.

2018 Proposed budget shows a net positive result of \$4,000.

Mr. Popp announced that if AEDC is not tracking as expected by the second quarter of 2018 he has a strategy to cut expenses to ensure the year is ended with a net positive.

There were no board member comments or questions regarding AEDC's 2018 budget.

The motion to approve AEDC's 2018 budget carried unanimously.

C. Proposed Voluntary Voting Member Board Terms

Board Chair Marilyn Romano presented to the Board, an issue with the AEDC Board Restructuring that went into effect July 1st, 2017. The eleven Board Members who were reappointed are now entitled to new six-year terms meaning that all eleven members will be retiring from their seats at the same time.

Mr. Popp proposed a schedule that staggers retirement of Board seats that is based on how many years each represented company has held an AEDC Board seat. This proposed retirement staggering requires voluntary resignations from Board Members in the form of resignation letters.

Discussion ensued regarding the possibilities of changing the bylaws. Mr. Popp was directed by the Board to consult with legal counsel and develop an updated proposal for consideration by the Board at the next board meeting.

VI. Board Member Comments

There were no further comments.

VII. Adjourn

MOTION: Vice Chair Raquel Edelen moved to approve adjournment of the board meeting. The motion carried unanimously.

Attest: Lynn Rust Henderson, Secretary-Treasurer



Board Resolution No. 2018-02

Appointing Additional Members of the 2018 AEDC Investors Council

Whereas, the Anchorage Economic Development Corporation operates under a set of Bylaws; and,

Whereas, Article V, Section 1 of the Bylaws establishes the Investors Council to advise the Board of Directors, Management and Staff on economic conditions, challenges and opportunities within Anchorage and Alaska, and that the membership of the Council will be appointed by a resolution the Board; and,

Whereas, Article V, Section 1, Item A of the Bylaws states “The Board of Directors shall seek to appoint members to the Council who are representative of the general diversity of the Anchorage business community industry sectors. Each member of the Council must be an Investor in good standing of the Corporation”; and,

Whereas, Investor Council members Brian Nerland and Kirsten Schultz have resigned from Council for business reasons, and

Whereas, the Board of Directors may appoint additional members to the Investors Council at its discretion;

Therefore, be it resolved upon the Executive Committee’s recommendation the Board of Directors appoints the following 3 additional Members of the Investors Council for the 2018 term effective February 21, 2018:

- Mr. Mike Navarre, Commissioner, Alaska Department of Commerce, Community and Economic Development
- Mr. Ryan Binkley, Co-Publisher, Anchorage Daily News
- Mr. Marty Bettis, General Manager, Swissport USA, Inc.
- Mr. Szczesniak, Airport Manager, Ted Stevens Anchorage International Airport
- Mr. Preston Simmons, Chief Operating and Administrative Officer, Providence Health & Services Alaska

Passed and approved February 21, 2018.

Raquel Edelen, Chair

ATTEST: Lynn Rust-Henderson, Secretary/Treasurer

2018 Board of Directors

Chair

Raquel Edelen
Hotel Captain Cook

Vice Chair

Grace Greene
TOTE Maritime

Secretary/Treasurer

Lynn Rust Henderson
Premera Blue Cross Blue Shield of Alaska

Immediate Past Chair

Marilyn Romano
Alaska Airlines

Julie Taylor
Alaska Regional Hospital

Charles Grimm
BAC Transportation LLC

David Knapp
BP Exploration

Sophie Minich
CIRI

Steve Noble
DOWL

Dale Shaw
FedEx Express

Peter Pounds
GCI

Michael Prozeralik
KPB Architects

Mike Huston
Northrim Bank

Lon Wilson
The Wilson Agency, LLC

Joseph Everhart
Wells Fargo Bank N.A.

2017 Ex-Officio Members Municipality of Anchorage

Mayor Ethan Berkowitz
Chris Schutte
Office of Economic & Community Development
Assemblyman Eric Croft
Assemblyman Tim Steele

February 21, 2018

RE: Policy Statement- Municipal Ballot Proposition 10 Sale of ML&P

The Anchorage Economic Development Corporation (AEDC) has been a leader in economic development and business assistance for 31 years. Our 260 investor companies represent the largest employers in Alaska, and a mix of locally grown and national corporations across every major industry in the state. Our primary mission is to grow and diversify in the economy, and as a fundamental component of that mission, the AEDC Board of Directors adopted as its strategic vision making Anchorage the #1 city to live, work and play in America.

In mid-2016 several local businesses contacted AEDC with their concerns about Municipal Light & Power's proposed electric rate increases that were before the Regulatory Commission of Alaska (RCA). In those conversations many opinions were expressed as to the causes of the proposed rate increases. One theme was consistent -- the outlook for increases in the coming years will have a negative impact on the cost of doing business and the cost of living in Anchorage.

AEDC responded to these concerns by forming an Electric Utilities Working Group. The goal of the working group was to develop a consensus view of the issues from the business community and a corresponding set of recommendations for consideration by the Municipality of Anchorage (MOA), ML&P and Chugach Electric Association.

The AEDC Electric Utilities Working Group met in four sessions in early 2017 to better understand the current facts and circumstances of the electric utility marketplace in Anchorage. Based on the work in these four sessions that included in-depth discussions with ML&P, CEA and a nationally recognized industry expert, as well as the expertise of its members, the working group believes the current model of two electric utilities serving most of Anchorage's 295,000 citizens has resulted in inherent inefficiencies that are creating growing costs for ratepayers. These include:

- A complex system of separate grids with separate system strategies that are difficult to align
- Duplicative infrastructure such as headquarters, warehouses, purchasing, etc.
- National and local trends of declining per-capita demand through efficiencies such as LED lighting, more efficient appliances, control systems, etc. are decreasing utility revenues that are

contributing to increasing per-capita costs for businesses and consumers

- Separate service areas make it more difficult to integrate new renewables and micro-grid sourced generation that could otherwise reduce long-term fuel costs for power generation
- The abilities of two separate utilities to find new operational efficiencies are becoming significantly challenged in the face of the rapidly changing economies of scale in the relatively small Anchorage marketplace
- The current outlook is on track to significantly increase costs in the coming years if solutions to this situation are not acted upon quickly
- The working group was very concerned about the impact to jobs any new efficiency initiative or potential merger of the two utilities could create and will need to be clearly understood and mitigated to the greatest degree possible
- Divergent ownership structures, organizational purposes and strategies for generation and major infrastructure investments result in excess capacity and costs

Because of these observations, the working group's main recommendation was that a more in-depth effort be initiated in the community to work with all stakeholders to engage in substantive discussions about the merging of Municipal Light & Power (ML&P) and Chugach Electric Association (CEA). These recommendations were forwarded to Municipality of Anchorage, Municipal Light & Power, and Chugach Electric Association. With unanimous support from both the Municipality and CEA, negotiations were soon entered between the Chugach and the Municipality of Anchorage that has resulted in a proposed sale of ML&P to CEA announced in December.

In reviewing the terms of the sale as presented by the MOA and CEA, the AEDC Board of Directors believes the proposed sale provides many benefits and protections to Anchorage citizens and businesses, including:

- Lower operating costs through improved efficiencies in the unified Anchorage electric grid
- Lower long-term electric rates and improved service for business and individual consumers
- No job losses as a result of the sale of ML&P to CEA
- No property tax increases because of the sale of ML&P to CEA
- Significant retirement of Municipal bonded indebtedness
- Local control of the unified electric grid will be maintained through the co-op model
- Significant revenues will be provided to the MOA in the coming decades under the tax cap

For these reasons, the AEDC Board of Directors supports the sale of ML&P to Chugach Electric Association and urges Anchorage voters to vote "Yes" on Ballot Proposition 10 on the April 3, 2018 Municipal election ballot.

Sincerely,

Bill Popp
President and CEO

Raquel Edelen
Chair, AEDC Board of Directors

Kikkan Randall

Olympic Gold Medal Winner, 4-Time Olympian, “Get Activist” and Mom Athlete

Bio

Kikkan Randall (born December 31, 1982) is an American, Olympic champion cross-country skier. She has won 17 U.S. National titles, taken home 17 U.S. Championships, made 16 podiums in the Stage World Cup, made five trips to the Winter Olympic Games and had the highest finish by an individual U.S. woman at the World Championships (2nd in the Sprint FS at Liberec, CZE in 2009).^[1] She was the first American female cross-country skier to take a top ten finish in World Cup competition, to win a World Cup race and to win a World Cup discipline title.^[2] She won the silver medal in the individual sprint at the FIS Nordic World Ski Championships 2009 in Liberec, becoming the first American woman to win a medal in cross country skiing at the FIS Nordic World Ski Championships, and in 2013 teamed up with Jessica Diggins to win the first ever American FIS Nordic World Ski Championships gold medal in the team sprint. She and Diggins won the United States' first ever cross-country skiing gold medal at the Winter Olympics in women's team sprint at Pyeongchang in 2018.

Outlook Luncheon Proposed Schedule

- Speaker Reception - Tuesday, July 24th - meet and greet
- 3-Year Outlook Luncheon - July 25th 11:30am - 1:30pm - 20-30 minute keynote address
- Post-event photo op - Dena' ina Center lobby

Fee

\$12,500 plus travel, car service and stay at The Hotel Captain Cook (if needed)

Media

https://www.washingtonpost.com/sports/olympics/kikkan-randall-has-blazed-a-cross-country-trail-jessie-diggins-followed-it-to-gold/2018/02/21/0293d812-16de-11e8-92c9-376b4fe57ff7_story.html?utm_term=.799ee6f124b8

<https://www.npr.org/sections/thetorch/2018/02/21/587513454/kikkan-randall-the-only-mom-on-team-usa-just-won-a-gold-medal-in-her-last-event>

<http://time.com/5087940/2018-olympics-kikkan-randall-motherhood/>

<https://www.usatoday.com/story/sports/winter-olympics-2018/2018/02/21/americans-kikkan-randall-jessie-diggins-make-history-cross-country-gold/358017002/>

<https://www.nbcolympics.com/video/how-jessie-diggins-kikkan-randall-made-us-olympic-history>

<http://www.nbcolympics.com/video/jessie-diggins-kikkan-randall-describe-gold-medal-sprint>

Sponsors: L.L. Bean bp Anchorage Fracture and Orthopedic Clinic Alyeska Resort Polar Yellow highlight = AEDC Investor	Sundog Media Continental Auto Group Marwe Alaska Seafood Fischer Subway	YOKO SkiErg Providence Health & Services The Alaska Club Rudy Project Exer-Genie
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