



AEDC  
Anchorage Economic  
Development Corporation

# 2019 / ANNUAL REPORT

COLLABORATING / INNOVATING / ADVOCATING / SUPPORTING

## 2020 AEDC Board of Directors Voting Members

### Lynn Rust Henderson, AEDC Chair

Vice President, Premera Blue Cross Blue Shield of Alaska

### Vice Chair

Michael Huston, Northrim Bank

### Secretary/Treasurer

Steve Noble, DOWL

### Immediate Past Chair

Raquel Edelen, Hotel Captain Cook

### Executive Committee At-Large Member

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Michael Prozeralik, KBP Architects

Peter Pounds, GCI

Laura Edmondson, Bering Straits Native Corporation

Charles Grimm, BAC Transportation

Garret Wong, Chartered Financial Consultant

Martin Bettis, Signature Flight Services

Dave Cavitt, Alaska Furniture Enterprises

Walter Featherly, Calista Corporation

### Ex-Officio Members

Larry Cash, RIM Architects

Tim Vig, Stantec

Lon Wilson, The Wilson Agency

Marilyn Romano, Alaska Airlines

David Knapp, BP Alaska

John Weddleton, Anchorage Assembly

Jamie Allard, Anchorage Assembly

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 private contributions, municipal and state grants and contracts.

### Mission Statement:

To grow a prosperous, sustainable and diverse economy.

### Vision Statement:

By 2030, Anchorage has invested in priority Live. Work. Play. projects

- We will secure investments in physical infrastructure and community redevelopment
- We will be a strong advocate for affordable health care, housing, education and community safety
- We will be an advocate for workforce development and sound economic policy
- We will develop, maintain and improve Anchorage's quality of life and unique recreational and creative opportunities
- We will establish Live. Work. Play. as the community-wide priority with broad-based support from the public and business community
- We will forge strategic partnerships with organizations to accomplish our vision and priorities

**Integrity:** Being transparent and ethical in all our dealings

**Credibility:** Demonstrating competency and expertise in everything that we do

**Proactive:** Creating opportunities through innovative actions

**Collaboration:** Leveraging our strengths with the strengths of others

**Sustainability:** Assuring continuance of mission

Welcome to the 2019 Annual Report for the Anchorage Economic Development Corporation. On behalf of the Board of Directors and AEDC staff, we are proud to share our efforts to move Anchorage toward a brighter future.

After more than thirty years as Anchorage's economic development organization, we continue to lead our city. In 2019, we continued to market Anchorage to national and international business, drawing investment interest in our community from outside the state.

However, following our 2018 adoption of a new 10-year strategic direction, we made Anchorage's success our primary focus. We believe that if Anchorage is to grow and succeed, it must become a community that grows, attracts, and keeps skilled workers and innovative entrepreneurs.

In 2019, we pivoted our economic development strategy to focus on Anchorage's growth and development. What you'll read in this report demonstrates that from promoting entrepreneurship – by example – to providing jobs data that our educators and employers require, advocating for positive change, and supporting local business, we are building a foundation for a prosperous future. We see our community's needs – and we address them definitively.

Although our strategy may have shifted, we are still the go-to resource for local economic information. Whether you're an employer seeking information on the jobs market, an educator curious about in-demand skills, an Anchorage resident looking for information on Anchorage's economic outlook, or a member of the media inquiring about the effect of a given policy on local business, we are your trusted source. With monthly, quarterly, and annual research to inform our business community's decision-making, and Alaska's two largest business networking events, we are Anchorage's economic development organization.

AEDC staff, Board of Directors, and our Investors Council look forward to continuing to promote a prosperous and diverse Anchorage economy. We look forward to building Anchorage's future, together.

Sincerely,



## TABLE OF CONTENTS

**2** – Board of Directors

**2** – Mission, Values, Vision

**3** – Letter from the President

**4** – First Friday

**5** – Real-Time Jobs Intelligence Report

**6** – Buy Local

**7** – Advocacy/local economic expertise

**8** – Strategic Initiatives

**9** – Membership & Events

**10** – By the numbers

**11** – 2019 Financials

## Collaborating to champion entrepreneurship

Startups are an essential part of Alaska – and Anchorage’s – economy, but research shows that 52% of Alaska businesses fail during the first five years. This partnership event, our signature 2019 Live. Work. Play. First Friday, sponsored by Wells Fargo, was a foray into the conversation around “productive failure,” the reframing of a failed entrepreneurial attempt as a “learning experience, potential catalyst for future success.” In Alaska, 39% of current business owners previously owned a different business. While the data does not show if prior businesses failed or were sold, it does show that multiple ventures are normal.

**Our goal:** to open the dialogue around entrepreneurship, failure, and developing a supportive and learning mindset.

In November 2019, we partnered with the Center for Economic Development, part of the University of Alaska Anchorage’s Business Enterprise Institute, to co-host the “Failure//Resilience” showcase at Anchorage Museum, highlighting entrepreneurs’ stories of failure and resiliency.

In addition to our First Friday event, this project also featured a 60-minute video with 10 entrepreneur interviews and an accompanying brief from the Center for Economic Development.

We’re proud to note that AEDC President and CEO Bill Popp was featured in the video and photography showcase.

**“Own your failure. Learn from it. Don’t shine over anything. Every stupid decision you made is a valuable lesson. Every uninformed decision you made is a valuable lesson. Learn from your mistakes, do your damndest not to repeat them, but be ready for it to happen again if you’re going to continue to be an entrepreneur.” - Bill Popp**



## Innovating to meet the needs of today’s businesses

In July 2019, we released the first-ever Real-Time Jobs Intelligence Report, a quarterly report providing a snapshot of the Anchorage job market. We are grateful for the support of report sponsor KeyBank, who makes this data accessible. In this report, readers will find information on the types of jobs, education levels, certificates and hard and soft skills that are more sought-after in Anchorage. Readers will also find which jobs are more prevalent in Anchorage compared to anywhere else in the country with the detailed Job Posting Location Quotient data. The data from the Real-Time Jobs Intelligence Report comes from Jobs EQ, a service that provides access to labor market data down to the zip code.

As Anchorage seeks to attract and retain both talent and business, this information will help to inform important business decisions, from tech schools using hard data to determine which certification programs are most crucial, businesses using ad duration periods to identify which jobs are easiest to fill, to prospective employees deciding top certificates in which to invest their time and resources.

The 2019 Year-in-Review Real-Time Jobs Intelligence Report shows that in 2019, total jobs numbers decreased, but demand increased across multiple sectors – including industries that were notably down for the year. We believe that factors impacting these trends include self-disqualification through the inability to pass an employment-contingent drug test; wage issues; labor force participation difficulties, including the lack of access to affordable and available childcare; the growing impact of consumer preference for online retail; and demographic trends affecting the shape and size of the labor force.

Anchorage’s labor force in November 2019 was down 4,500 compared to November 2018. This loss in labor force is making it increasingly harder to hire qualified workers, resulting in challenges to attract business investment. It is also masking underlying trends in unemployment rates – intimating that jobs are growing and unemployment is declining as a result.

As Anchorage competes with the rest of the world for workforce, this information will be crucial to understanding where our economy is headed, what employers are seeking, and how we can better support the career pipeline for homegrown talent.





## Advocating for community

The AEDC Board of Directors represents a broad cross-section of the Anchorage and Alaska business community, including some of the state's largest employers. Not only do the businesses represented range across industry sectors, but our board members represent an incredible diversity of skill sets – from legal to revenue generation, finance to design, and more. From small business to large, local to national, operations to engineering, the AEDC Board of Directors has big conversations about what it means to be an Alaskan and a business leader in our state's biggest city.



Lynn Rust Henderson, AEDC Chair

In 2019, the AEDC Board took an active role in advocating for the change we want to see in our community.

In March 2019, we voted unanimously to support a ballot proposal introducing a retail sales tax on alcohol within the Municipality of Anchorage, dedicated to services associated with mitigating the impacts of alcohol and alcohol misuse in Anchorage. While that ballot proposition failed, we also supported a similar measure on the 2020 city ballot, which passed. Our Board of Directors recognizes that issues of community safety and wellness are central to making Anchorage the best place to Live. Work. and Play. While there is more work to be done, addressing these issues is an immediate step toward addressing the problems that restrict our future.

In July, our Board reiterated our position on the State budget, urging the Legislature to find common ground between targeted necessary cuts, new broad-based sources of revenue, and the Permanent Fund.

We are hopeful that our Governor and legislators will work together to pass a balanced budget this session that incorporates all these elements and supports the positive quality of life that not only makes Anchorage a great place for families, business, and investment – but also meaningfully assists our organization's efforts to attract and retain a quality workforce.

AEDC President and CEO Bill Popp, with the AEDC Board's full support, is serving as a co-chair of the OneAlaska initiative, opposing an unprecedented oil tax increase. The AEDC Board believes that oil tax policy shouldn't be done at the ballot box, but through the Legislature and with the help of independent economic experts. A tax increase of this magnitude will make the state less competitive, impacting industry investment, and eliminating or postponing promising development projects – resulting in fewer jobs, less oil, and less long-term revenue.

Programmatically, the AEDC Board is single-minded in their focus on attracting and retaining not just a talented workforce, but also retirees. The Board is already working alongside AEDC staff and community partners to plan and activate throughout all of Anchorage, leveraging strengths and finding common ground where we can. In 2019, our Board developed a regular conversation with business leaders, non-profit partners, policymakers, and others about how to support and invest in our city. In seeking to make Anchorage a destination city, we are determined to engage both small and large employers and establish public-private partnerships that build our capacity.



## Supporting local business with a wraparound print & digital campaign

Every year, Anchorage Downtown Partnership (ADP) teams up with American Express and the downtown business community to create an impactful day for Small Business Saturday. In 2019, AEDC amplified the Buy Local and Shop Small campaign, expanding its reach to cover local businesses across Anchorage and increasing its length through the holiday shopping season. Participating businesses offered deals or specials for Small Business Saturday, receiving placement on the Buy Local/Shop Small map.

According to national data, between 40 and 68 cents per dollar circulate in the local economy if spent locally. By extending the invitation to participation in Buy Local/Shop Small to AEDC Investors and Anchorage-based companies in Midtown, South Anchorage and other parts of the city, we increased business participation by nearly 40%.

Business survey responses following the campaign's end showed that 91% of respondents saw an increase in sales on Small Business Saturday, 90% said they would participate again, and 80% said they would be interested in participating in a future event.



Strategic Initiatives

Business Attraction E-news

In 2019, AEDC continued to send a series of electronic newsletters targeted to site selectors and developers across the United States. Each newsletter is packed with real estate opportunities, demographic information, and emerging windows of opportunity within the Anchorage economy. The newsletters covered a range of topics, from housing development opportunities, oil and gas data, Opportunity Zones and local tax incentives, opportunities at the Ted Stevens International Airport, and more. The Business Attraction newsletter has a 15% open rate, with a 1% click rate.



Foreign Delegations

AEDC hosted a number of foreign visitors and delegations throughout 2019. Delegations from Russia and Harbin visited our office in addition to the Ambassador to the Philippines and a Commissioner from the Hong Kong Office of Economics and Trade. Meetings with foreign delegations allow us to showcase investment, travel and trade opportunities that often lead to AEDC staff making other introductions to local businesses and other government bodies.

Outreach & Research

The first half of the year the AEDC team focused on outreach to the communities of Bozeman, Bend, Boise, Louisville, Chattanooga, and Oklahoma City to understand economic and political challenges, industry growth patterns and methodology for placemaking and livability initiatives. We found that our challenges in Alaska are not all unique, and that many other communities across the US face similar political and economic barriers.

Staff then took a deep dive in Anchorage’s own history starting in the 1980s to understand the City’s historic planning efforts around our three key areas of focus: Downtown, U-MED, and Chester Creek. AEDC staff presented findings to the board of directors in the fall of 2019.

In summary, the priorities for community and economic development initiatives have remained largely the same since our city’s last installment of large capital dollars during Project 80s. The city has always prioritized our largest employment hub, the UMED district, as well as transportation between downtown and UMED. There was a period in the 90s without many major planning documents released; however, we know that meaningful programs like the seasonal planting of flowers downtown and the City of Lights initiative got their start during this time.

We saw important planning documents produced at the end of the 1990s and into the first decade of the 2000s with Anchorage 2020, Vision Anchorage and the Downtown Comprehensive Plan. Each of those plans prioritized the developments and revitalization efforts in Downtown, Ship Creek, and the UMED District, which we continue to support today.

Membership & events

Economic Forecast

The 2020 Economic Forecast Luncheon looks into the year ahead based on employment, population, and demographic data; provides a snapshot look at the labor force; and offers an update on consumer and business confidence.

- Keynote Presentation: Place & Prosperity by Chris Fair, President , Resonance Consultancy
- Attendees: 1501
- Sponsors: 27
- Sponsorship \$: \$111,500
- Revenue \$: \$83,756
- Reports: \$30,000

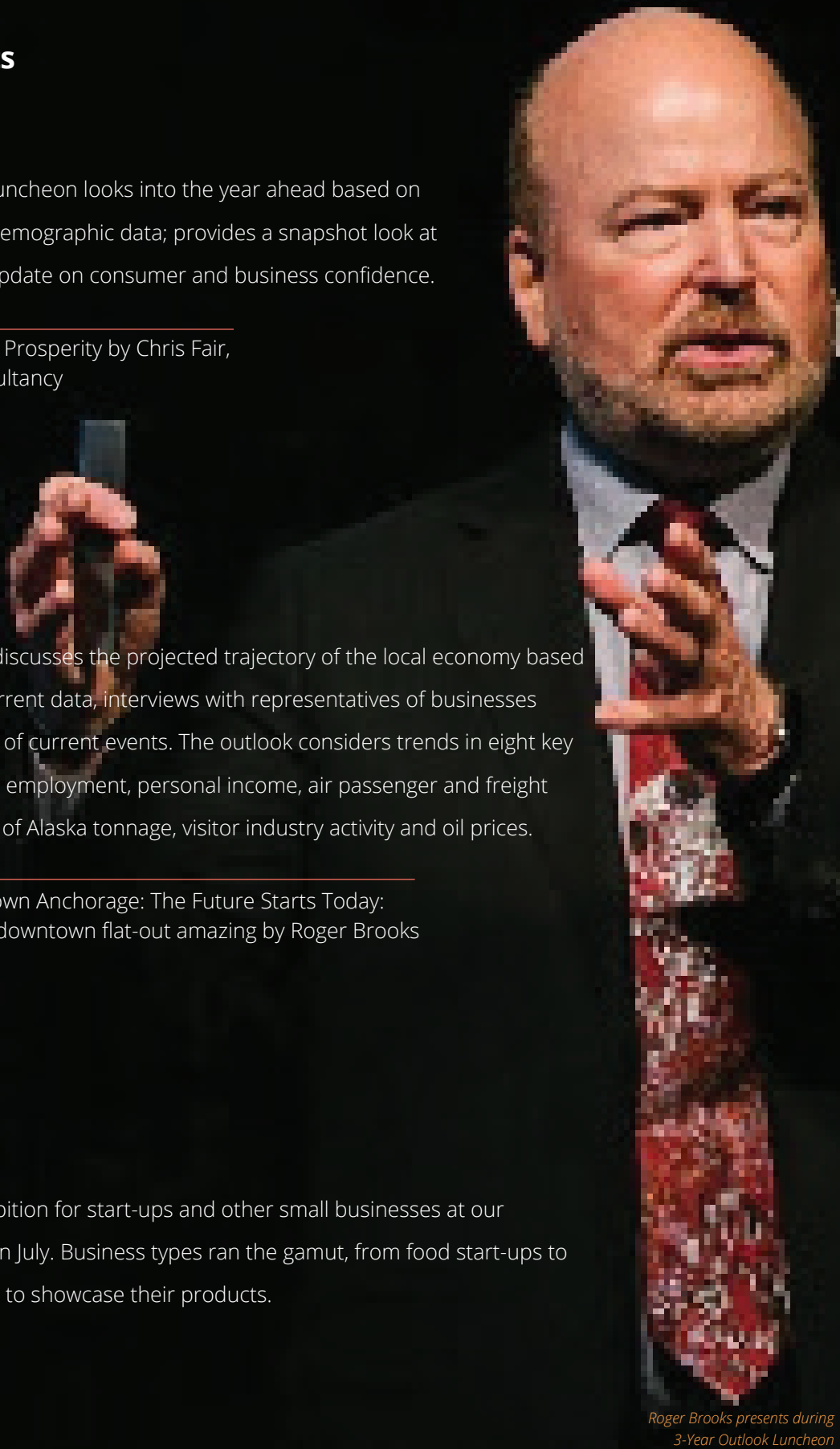
3-Year Outlook

The 3-Year Outlook Luncheon discusses the projected trajectory of the local economy based on a review of historical and current data, interviews with representatives of businesses and organizations, and analysis of current events. The outlook considers trends in eight key indicators including population, employment, personal income, air passenger and freight volumes, building permits, Port of Alaska tonnage, visitor industry activity and oil prices.

- Keynote Presentation: Downtown Anchorage: The Future Starts Today: The 10 ingredients to make downtown flat-out amazing by Roger Brooks
- Attendees: 1360
- Sponsors: 35
- Sponsorship \$: \$130,800
- Revenue \$: \$69,915
- Reports: \$15,000

Entrepreneur Hall

Every year, AEDC hosts an exhibition for start-ups and other small businesses at our Three-Year Outlook Luncheon in July. Business types ran the gamut, from food start-ups to machinery shops that attended to showcase their products.



Roger Brooks presents during 3-Year Outlook Luncheon

## 2018 → 2019 (by the numbers)

25%  
increase

### Membership:

Diamond Investors:	\$111,000
Platinum Investors:	\$60,000
Gold Investors:	\$64,250
Silver Investors:	\$71,500
Bronze Investors:	\$82,750

**TOTAL: up \$14,800 from 2018**

### In-kind Contributions

Diamond:	\$54,460
Platinum:	\$10,968.25
Silver:	\$6,813.50
Bronze:	\$2,295.23

**TOTAL INCOME: up \$27,790**

60%  
increase

+30%  
increase

### Website

Visitors:	32,734
New users: 3	2,405
Session:	1:28 (-00:04)
Pages/session:	2.25

13.5%  
increase

### E-Newsletter

Subscribers	4597
Open Rate	16.3%
Click rate	2.1%

22%  
increase

### Social Media Followers

Twitter	4,391
LinkedIn	4,094
Facebook	3,087
Instagram	1,109

### Reports

Employment  
Annual Report  
ANCI  
BCI  
Forecast  
3-Year Outlook  
Cost of Living Index

16  
including  
4 New

### Public relations

2019 media hits: 120

\$171,000  
estimated  
media value

## Finances

INCOME	FY2020*	FY2019	FY2018	FY2017
Grants & Contracts	330,000	285,571	387,575	563,297
Private Cash	927,750	871,177	882,303	942,668
In-Kind	114,224	130,455	171,416	173,701
Misc. & Interest	1,980	2,023	2,973	2,573
<b>TOTAL INCOME</b>	<b>1,373,954</b>	<b>1,289,226</b>	<b>1,444,267</b>	<b>1,682,239</b>

EXPENSES				
Program	893,163	850,329	1,019,305	1,140,514
Management & General	321,386	245,735	354,802	396,893
Fundraising	124,345	232,362	129,293	142,759
<b>TOTAL EXPENSES</b>	<b>1,338,894</b>	<b>1,328,426</b>	<b>1,503,400</b>	<b>1,680,166</b>
<b>NET INCOME</b>	<b>35,060</b>	<b>-39,200</b>	<b>-59,133</b>	<b>2,073</b>



## AEDC Diamond Investors \$20,000+



ANCHORAGE DAILY NEWS



## AEDC Platinum Investors \$10,000 - \$19,999

Alaska Regional Hospital

Calista Corporation

DOWL

ENSTAR Natural Gas Co.

First National Bank Alaska

Hotel Captain Cook

KeyBank of Alaska

KTUU-Channel 2 News

Last Frontier Mediactive LLC.

Matson

Northern Air Cargo

Providence Health & Services Alaska

Ravn Air Group, Inc.

Stantec

TOTE Maritime

## AEDC Gold Investors \$5,000 - \$9,999

Alaska Executive Search

Alaska Growth Capital

Alaska Heart & Vascular Institute

Alaska Communications

AT&T Alaska

BAC Transportation

BDO USA, LLP

Chugach Electric Association, Inc.

CIRI

ConocoPhillips

Cook Inlet Housing Authority

CRW Engineering Group

Denali Federal Credit Union

FedEx Express

iHeartMedia

KPB Architects

Lynden Inc.

Leonardo DRS

Pacific Northwest Regional Council of Carpenters

Regional Council of Carpenters

Signature Flight Support

Swissport

University of Alaska

## AEDC Silver Investors \$2,500 - \$4,999

Alaska National Insurance Company

Alaska Railroad Corporation

Aleut Corporation

ALSCO Inc.

Alyeska Resort

Avitus Group

Bering Straits Native Corporation

Birch Horton Bittner & Cherot

Calais Company, Inc.

Challenge Alaska

Color Art Printing

Cook Inlet Tribal Council

Creative Lighting & Sound

Diamond Parking

Furniture Enterprise

Garret Wong

Herrington and Company

JL Properties, Inc.

KPMG

Marathon Petroleum Company

NANA

Odom Corporation

Orthopedic Physicians Anchorage

Penco Properties

Petrotechnical Resources of Alaska

Stillpoint Lodge

TDX Corporation / Alaska Park

The Alaska Club, Inc.

The Superior Group, Inc.

Wilson Albers

Think Office, LLC

Thomas, Head & Greisen

TrailerCraft, Inc.

Tonbo Digital

Superman Moving & Storage LLC

## AEDC Bronze Investors

**\$500 - \$2,499**

3M  
AECOM  
Agnew Beck Consulting  
AK Supply Inc  
Alaska Airlines Magazine  
Alaska Architectural Lighting, Inc.  
Alaska Business Monthly  
Alaska Cargoport, LLC  
Alaska Colorectal Surgery  
Alaska Hospitality Retailers  
Alaska Housing Finance Corporation  
Alaska Sales and Service  
Alaska Sausage and Seafood  
Alaskan Data Solutions  
Alaska Waste  
Alyeska Pipeline Service Company  
Alyeska Title Guaranty Agency  
American Marine Corporation  
American Red Cross of Alaska  
Anchorage 5th Avenue Mall – Simon Property Group  
Anchorage Concert Association  
Anchorage Convention Centers-SMG  
Anchorage Downtown Partnership  
Anchorage Fracture & Orthopedic Clinic  
Anchorage Marriott Downtown  
Anchorage Museum at Rasmuson Center  
Anchorage Sand & Gravel Co.  
Anchorage Women's Clinic  
Applied Microsystems  
Bambino's Baby Food  
BBFM Engineers Inc.  
Bettisworth North Architects & Planners, Inc.  
Brandy Pennington Anchorage Real Estate  
Brilliant Media Strategies  
Bristol Bay Native Corporation  
Cadence General, LLC  
Carlile Transportation  
Chenega Corporation  
Chevron  
Chugiak Alaska Corporation  
Chugiak-Eagle River Chamber of Commerce  
Coastal Television

Commodity Forwarders, Inc.  
Copper Valley Telecom  
Cornerstone Credit Services  
Cornerstone General Contractors, Inc.  
Covenant House Alaska  
Credit Union 1  
Creekside Surgery  
Crowley Fuels LLC  
Davis Wright Tremaine LLP  
DenaliTEK Incorporated  
Eklutna, Inc.  
Enterprise Engineering, Inc.  
Excel Construction  
F.R. Bell & Associates, Inc.  
Fairweather, LLC  
Fidelity Title Agency of Alaska  
Frampton & Opinsky, LLC  
Gina Bosnakis & Associates  
Girdwood Alliance  
Herrington and Company, LLC  
High Point Construction, Inc.  
Hilton Anchorage  
Holland America  
Holland & Knight LLP  
Holmes Weddle & Barcott  
Hope Community Resources, Inc.  
International Union of Operating Engineers, Local 302  
Irwin Development Group, LLC  
Jack White Real Estate  
Jae Shin  
Kittelson & Associates  
Kuna Engineering  
Marsh & McLennan Agency LLC  
Matanuska Electric Association, Inc  
Matanuska Telephone Association  
Matanuska Valley Federal Credit Union  
McCool Carlson Green Architects  
Mellen Investment Company, LLC  
Merrill Lynch  
Michael Baker International  
Microcom  
Millrock Exploration Corp.  
Mint Dental  
NANA Management Services (NMS)  
National Cooperative Bank  
NECA Alaska  
NeighborWorks Alaska  
New York Life Insurance Company

Norcoast Mechanical  
North Star Terminal & Stevedore LLC  
Northern Compass Group  
Northern Economics, Inc.  
Northern Handyman Services  
Northern Skies Federal Credit Union  
Old Harbor Native Corporation  
Ompa, Inc.  
Opti Staffing Group  
Pacific Acquisitions LLC  
Pango Technology, Inc.  
Paragon Interior Construction  
Parker, Smith & Feek, Inc.  
Parliament Chiropractic  
PDC Engineers  
Petro 49, Inc./Petro Marine Services  
Pfeffer Development LLC  
Purr-Ferred Pet Food LLC  
Quintillion  
QIP Inc. / Alaska Inc. Magazine  
RE/MAX Dynamic Properties  
Reid Middleton, Inc.  
Residential Mortgage, LLC  
RIM Architects  
RISQ Consulting  
Roger Hickel Contracting, Inc.  
Rosewood Coaching/Vistage  
RSA Engineering  
Sedor Wendlandt Evans & Filippi, LLC  
Sheraton Anchorage  
Spawn Ideas, Inc.  
Spenard Builders Supply  
Stoel Rives LLP  
Summit Embroidery Works  
TDL Staffing Inc  
Tex R Us LLC  
The Bradley Company Ltd, LLC  
The Foraker Group  
The Insurance Center  
The Lakefront Anchorage  
The Summit Group Real Estate Services  
The Trust Land Office  
Thompson & Co Public Relations  
UAA College of Arts & Sciences  
UAA College of Business & Public Policy  
UBS  
Umialik Insurance Company  
USI Insurance Services

Vertical Harvest Hydroponics  
Visit Anchorage  
Vulcan Towing  
Western Enterprises Inc.  
White Wings Aircraft Services  
Wilson Strategic Communications  
YWCA Alaska





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