

November 2022

EXECUTIVE SUMMARY

CHOOSE ANCHORAGE

A FRAMEWORK FOR REVITALIZATION

COMMISSIONED BY ANCHORAGE ECONOMIC DEVELOPMENT CORPORATION



AEDC
Anchorage Economic
Development Corporation

THE CHALLENGE



Bounded by the Cook Inlet and the Chugach Mountains, Anchorage is situated in one of the most beautiful settings in the world. Within a boundary area of roughly 2,000 square miles, the city is home to scenic parks and trails, an upscale ski resort, top-tier restaurants, and unique cultural and arts amenities. It is a popular destination for visitors and adventure seekers from around the globe. It is strategically located along the Pacific Rim and near the increasingly important Arctic region.

Despite its many assets and amenities, Anchorage faces multiple economic challenges that threaten its long-term prosperity. Chief among them is the ongoing decline in the city's population due to outmigration. For the past 11 years, more people have moved out of Anchorage than have moved in. And for the past eight years, the migration effect has been large enough to trigger overall population decline. Moreover, Anchorage's "natural" growth (the difference between births and deaths) has been cut in half since 2014. Certainly, the COVID-19 pandemic is having an impact on this trajectory, but the trend was already well underway before the pandemic.

The loss of population has constrained employment growth. Anchorage eased through the Great Recession in 2007–2009 with relatively little negative impact on job growth and even experienced modest employment gains until 2012. By 2014, however, the US had not only recovered all of its lost jobs, but it had also caught up to Anchorage. Since then, job performance in Anchorage has diverged sharply from national patterns. As of 2021, the national job base was 4.7 percent larger than it had been in 2007. By contrast, Anchorage's job base was 8.8 percent smaller. The consequences of declines in population and job growth are clear. The city's employment base, which peaked at 183,000 in 2012, now hovers near 160,000.

These issues are exacerbated by Anchorage's structural barriers. Its geographic isolation and dependence on imports result in higher costs for consumer goods, housing, food, and building materials. The higher cost of living translates to higher wage rates in a labor market that is already starved for workers. This situation makes Anchorage uncompetitive for labor-intensive manufacturing operations. Mitigating the challenges associated with Alaska's geographic location requires creativity and the adoption of emerging technologies in areas such as food production and housing construction.

Alaska is admired for the rugged individualism and can-do attitude of its people. Both qualities have helped the state's economy to grow and prosper even when faced with difficult conditions. The interconnectedness of today's economy, however, favors regions that can address complex problems collaboratively. Shared problems require shared solutions. In other words, addressing Anchorage's problems in a sustainable way will require collective action rather than a go-it-alone approach. On this note, community stakeholders pointed to a disappointing track record of collaboration and long-term planning.





PLAN OBJECTIVE

To profile and build a business case for sustainable recruitment and retention targets that leverage Anchorage's current and emerging economic strengths and assets, including its natural resources, for value-added diversification and to identify gaps and opportunities in its workforce pipeline.

GUIDING PRINCIPLES

Guiding principles reflect tenets broadly shared by the community. In the context of this strategic plan, they are a set of statements expressing the economic development values and priorities in Anchorage. These principles were crafted through input from stakeholders throughout the planning process. The guiding principles also serve as a foundation for the plan, as all the strategies and actions identified should tie to at least one of the principles.

1

COLLABORATIVE — *Build and enhance partnerships across the community to advance economic opportunity for all.*

2

INCLUSIVE — *Seek to understand perspectives from a spectrum of ages, races, ethnicities, and geographies in and around Anchorage.*

3

DIVERSIFYING — *Maximize market opportunities to widen the Anchorage economic base.*

4

SUSTAINABLE — *Build alliances and initiatives that endure over the long term.*

5

ACTIONABLE — *Embrace this plan as a blueprint to guide Anchorage's collaborative growth over the next several years.*

STRATEGIC PLAN

This plan consists of four major goals that build on one another: (1) driving new business investment and strengthening the existing business base, (2) deepening the pipeline of skilled talent, (3) enhancing the city's quality of place, and (4) investing in vital infrastructure. Based on input from stakeholder engagement and competitive analyses, the set of strategies and actions identified under each goal is meant to provide community partners with a roadmap to collectively strengthen Anchorage's economic vitality over the next five years and beyond.



GOAL 1

BUSINESS VITALITY

Create a dynamic and diverse business base that drives higher levels of new investment and job creation.

- 1.1.** Strengthen AEDC's business retention and expansion efforts.
- 1.2.** Focus diversification efforts on emerging market opportunities.
- 1.3.** Continue expanding and deepening the entrepreneurial ecosystem in Anchorage.
- 1.4.** Serve as a source of business intelligence to support Anchorage's efforts to diversify into emerging market sectors.



GOAL 2

TALENT

Build a robust talent pool with skills that meet the needs of current and future employers to foster a more resilient and diversified economic base.

- 2.1.** Develop an independent regional workforce development board covering the Anchorage area.
- 2.2.** Expand partnerships in leading sectors to build awareness of career opportunities in the region and offer education and training.
- 2.3.** Promote Anchorage's value proposition for talent.
- 2.4.** Leverage the existing and future regional veterans' community to support talent demand and career opportunities.
- 2.5.** Expand support systems for Anchorage's young professionals to retain talent and grow a future community leadership pipeline.



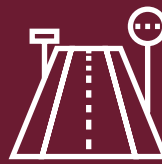


GOAL 3

QUALITY OF PLACE

Invest in Anchorage's quality of place to help reverse current migration trends and support the retention and attraction of young people.

- 3.1.** Increase the number of housing units, owner and rental, across the spectrum of affordability and density.
- 3.2.** Elevate downtown revitalization opportunities (including redevelopment, infill, and adaptive reuse).
- 3.3.** Leverage the presence of Anchorage's recreational assets through marketing opportunities.
- 3.4.** Support and advocate for creative strategies for addressing people experiencing homelessness in Anchorage through the Anchorage Coalition to End Homelessness.
- 3.5.** Develop and promote Anchorage's identity (districts, wayfinding, beautification, activation).



GOAL 4

INFRASTRUCTURE

Leverage existing assets in a sustainable manner and invest in critical infrastructure to shape quality places that are attractive to business and talent.

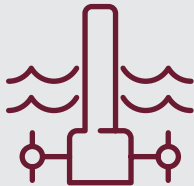
- 4.1.** Secure full funding for the reconstruction of dock facilities at the Port of Alaska.
- 4.2.** Facilitate the development of Ted Stevens Anchorage International Airport as a hub for international air cargo operations and passenger flights.
- 4.3.** Work with private developers to provide the infrastructure needed to support new housing construction.
- 4.4.** Strengthen the city's transportation network to improve safety, encourage walking and bicycling, activate streets, and encourage economic activity.
- 4.5.** Design a public investment strategy to spur private investment and talent retention/attraction in Anchorage.

STRATEGIC GROWTH AREAS



AIR HUB OPERATIONS

Anchorage lies along a heavily trafficked air cargo route between Asia and North America. The city can evolve from a refueling stop into a thriving international transshipment location. The city is also well positioned to support new international air passenger routes.



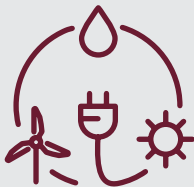
OCEAN BOUNTY

The Cook Inlet—and the Gulf of Alaska, beyond—represents a sustainable ocean bounty, from fisheries to offshore energy.



BASE CAMP HOSPITALITY

A city's image shapes its economy. When the world thinks of Anchorage, it should picture a gateway to majestic scenery and national parks. Anchorage can become the world's base camp for the Alaska Long Trail.



ENERGY FUTURES

The future of energy production will be multi-sourced. Fossil fuels will be supplemented and gradually replaced by a range of evolving technologies involving waves, wind, and geothermal energy. Anchorage can be an epicenter for new energy development projects in Alaska.



STATEWIDE AND REGIONAL SERVICES

Anchorage has been and will remain a robust statewide hub for healthcare, education, and a range of professional services. Anchorage's base of foundational services is a critical asset for all Alaskans.



ALTERNATIVE CONSTRUCTION

With limited housing and expensive, imported construction materials, Anchorage needs a different path. Demonstration projects and construction partnerships with 3D printing firms are options worth pursuing. See Appendix B for a description of a feasibility study to build 3D printed homes in rural Alaska.



MOVING FORWARD

Choose Anchorage is an ambitious initiative. It is not feasible for any one organization to lead and coordinate implementation of such a wide-ranging effort in such a large region. For this reason, an implementation coalition consisting of multiple organizations and leaders will be required to organize and champion the strategy. As the city's chief economic development organization, AEDC will have a central role in coordinating the implementation effort. However, AEDC lacks the resources, staff, and expertise to do it all. Other organizations and individuals will have to step up and champion specific goals and strategies. Even with a concerted, collaborative approach, successful implementation will require a long-term commitment to seeing the plan through.



LEADERSHIP COMMITTEE

The “Choose Anchorage” plan is being guided by an overarching leadership committee that provides counsel, advice and direction to AEDC staff and volunteers!

Chris Swalling

Founder, Swalling & Associates

Dan Newman

Founder, Alaska Premier Auctions & Appraisals

Dave Cavitt

President, Furniture Enterprises

Jacob Lyons

Director of Operations, Premier Alaska Tours

Jen Motyka

Owner, Blitz Promotions

John Rense

Board Member, Girdwood Inc.

Marilyn Romano

Regional Vice President, Alaska Airlines

Mark Begich

President & CEO, Northern Compass Group

Michelle Klouda

Owner & Managing Principal, RIM Architects

Sophie Minich

President & CEO, CIRI

Mike Huston

President, Northrim Bank

Shane Durand

COO, Central Environmental Inc.

If you would like to get involved or stay up to date on the progress of this initiative please email: info@aedcweb.com





AEDC
Anchorage Economic
Development Corporation

CHOOSE ANCHORAGE

Choose Anchorage is AEDC's framework for revitalization that includes a comprehensive action plan focused on improving four interconnected aspects of Anchorage:



Talent

Build a robust talent pool with skills that meet the needs of current and future employers to foster a more resilient and diversified economic base.



Business Vitality

Create a dynamic and diverse business base that drives higher levels of new investment and job creation.



Quality of Place

Invest in Anchorage's quality of place to help reverse current migration trends and support the retention and attraction of young people.



Infrastructure

Leverage existing assets in a sustainable manner and invest in critical Infrastructure to shape quality places that are attractive to business and talent.

BECOME AN INVESTOR TODAY!

By joining AEDC, your business has a voice to influence the direction of our Economy.

- ✓ Free Notary Service
- ✓ Start-Up Resources
- ✓ Discounts on Events
- ✓ Referrals & Networking
- ✓ Early Access to Reports
- ✓ Exclusive Sponsorships
- ✓ Recognition at our Events
- ✓ Board Room Access (Seats 16)
- ✓ Company Profile on Website
- ✓ Business Assistance & Coaching
- ✓ Eligibility to Serve on Councils



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