



Section IV: Strategic Direction and Action Plan

SOUND OPPORTUNITIES

Economic Growth for the Prince William Sound Region

SECTION IV: STRATEGIC DIRECTION AND ACTION PLAN

A. Strategic Direction

1. Strategic Focus Areas

PWSEDD framed the strategic direction for **Sound Opportunities** with five guiding principles. The focus of PWSEDD is regional, so the plan focuses on programs, projects, and activities that have broad regional significance. The plan must be realistic and doable in the context of PWSEDD's staff and financial resources. Actions are prioritized according to prospective impact, potential or existing regional partnerships, and organizational capacity. The plan must acknowledge and respect local needs, wishes, and exclusions. Finally, the plan must be flexible enough to address opportunities and issues that will undoubtedly arise over the course of the next five years.

With these guiding principles in mind, the CEDS planning process has identified five strategic focus areas:

Business Retention and Expansion
Workforce Readiness and Retention
Expansion of the Economic Base
Infrastructure Development
Regional Cohesion and Partnership

Business Retention and Expansion

New business formation has been strong, particularly in the past two years. However, further analysis of business licenses revealed that the business survival rate averages less than six years. The Business Climate Survey reinforced these findings. It also revealed deficiencies in business planning, emergency preparedness, and continuity and secession planning.

Throughout the CEDS planning process, the challenges of operating a business in a rural region with high operating costs were frequently cited. However, the lack of local business support programs and difficulties in accessing statewide programs added to these challenges.

Workforce Readiness and Retention

A variety of workforce issues were identified as a potentially limiting factor to economic growth. A small, aging, and declining population contributes to a number of workforce issues now and for the future economy. Three-quarters of employers cite barriers to employment as the top reason for not being able to recruit and hire locally. Half of all employers cite the need for basic work maturity skills and customer service training.

Increased partnership and collaboration amongst educational institutions, employers, and workforce alliances will be needed to prioritize and address current and emerging workforce issues.

Expansion of the Economic Base

As a remote, rural region in Alaska, the PWSEDD, local governments, businesses, and other stakeholders frequently acknowledged that economic development must be approached differently. Traditional business recruitment strategies are not feasible. Additionally, industries and economic opportunities are unevenly distributed across the region with local specialization in various sectors. This local specialization creates both opportunities and vulnerabilities.

The greatest commonality across the region is reliance on maritime infrastructure and marine services. These assets are essential to the prosecution of the region's major industries, community operations, and quality of life for the region's residents.

The Tourism and Outdoor Recreation cluster is also seen as a growth opportunity, but not all communities desire the introduction or growth of this sector. These concerns or limitations must be factored into regional approaches to expanding this sector. During planning activities, businesses, and residents identified opportunities to optimize tourism and outdoor recreation growth, capture a greater share of revenues derived from visitors coming to the region, and introduce regional approaches to destination marketing. Continuous and reliable service from the Alaska Marine Highway System is viewed as an essential factor in growing this sector.

Infrastructure Development

The Prince William Sound region is remote and rural. There is limited infrastructure. Throughout the planning process, restoring reliable service and ensuring the future of the Alaska Marine Highway System in the region was cited as the most critical need. The need to maintain, update, and expand maritime infrastructure is also a concern and opportunity.

Other important infrastructure needs were also cited, including continued development of alternative and renewable energy sources. Reductions in the state capital budget and ongoing pressure to reduce the state operating budget are likely to result in deferred maintenance of state-owned infrastructure as well as delays in long-planned projects. Creative partnership arrangements and financing will be needed to maintain existing infrastructure and keep new projects moving forward.

Regional Cohesion and Partnerships

Prince William Sound is a unique region. Its communities are largely isolated and disconnected from one another, save for the Alaska Marine Highway. The region lacks direct representation in Juneau with its legislators split between the Mat-Su Valley and Kodiak. Locally, there can be three or more layers of local governance that require administration, leadership, and civic involvement.

None of these attributes are inherently detrimental to region's future economic growth.

However, the disconnectedness and diffuse leadership give rise to the need for stronger regional cohesion. Issues surrounding the Alaska Marine Highway are but one example of how combining efforts amongst municipal and tribal governments, Alaska Native Corporations, and other stakeholders could garner greater attention and results. The region must seek ways to coordinate legislative agendas, capitalize on its ties to the Walker Administration, and leverage shared and local interests to create strong regional outcomes. A shared and coordinated approach to regional issues, including an approved CEDS is an essential ingredient for the region's future success.

Community Priorities

While the CEDS focus is regional, it is also part of PWSEDD's mission to support local priorities. The region's five communities submitted the following top priorities:

Chenega

- Develop a marine service center to include a store, seasonal restaurant, and fuel service
- Improve the marine ramp to allow for monthly winter ferry service
- Replace the community center
- Provide business and entrepreneurial support to activate use of seven halibut permits
- Extend water and sewer utilities into planned subdivision
- Develop comprehensive energy systems including efficient generators, solar panels, and battery bank

Cordova

- Replacement of harbor floats G, H, I, J, and K
- Completion of the Crater Lake Water and Power project
- Local street improvements
- Community health services

Tatitlek

- Develop Retail and Commercial Master Plan
- Harbor improvements to increase ferry service
- Develop a Housing Master Plan to include energy efficient housing
- Roadway and trail maintenance and improvements
- Renovate Village Council House

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- Improve education and training opportunities
- Implement weatherization, modernization, and other energy efficiency measures
- Develop Ecotourism Master Plan
- Develop a Village Facilities Master Plan to address community facility, public spaces, infrastructure, and marine facilities

Valdez

- Promote housing affordability and availability
- Enhance senior and developmental disability services and opportunities
- Beautify and redevelop the downtown area
- Improve marine-related facilities and industries
- Link and expand college programs to existing and new industries
- Reduce energy costs and increase access to power

- Increase year round recreation and tourism opportunities
- Increase Arctic and water-related training programs

Whittier

- Complete Shotgun Cove Road to gain access to developable land for housing and business development
- Resolve, remediate, redevelop the Buckner Building
- Complete the Public Safety Building
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Many of these community priorities align with and are complimentary to the action plan outlined on the following pages.

2. Action Plan 2016 - 2021

BUSINESS RETENTION AND EXPANSION: Strengthen the local business sector by increasing new business formation by 20 businesses, increasing business retention by five percent, and improving business preparedness and continuity.

1. Increase the five year average of new local business creation by five percent from 81 to 85 businesses between 2016 – 2020. (4 – 8 jobs/year x 5 years = 20 – 40 jobs)
2. Increase the ten-year average of local business retention by five percent from 42 to 45 businesses between 2016 – 2020. (3 – 6 jobs/year x 5 years = 15 – 30 jobs)
3. Increase business preparedness for natural and man-made disasters with 30 percent of all businesses having designated working capital reserves and a business continuity plan in place by 2021. (business survey in 2015 and 2020/2021)

Tasks:

Sponsor business development and financing workshop in conjunction with the Small Business Administration, UA Business Enterprise Institute, Alaska Division of Economic Development, Prince William Sound College, and private lenders.

Conduct face-to-face BRE interviews with 15 small-to-medium enterprises to determine barriers to growth and continuity.

Develop awareness and advocacy program for business preparedness

Partner with FEMA and DMVA/DHSEM on one business continuity planning workshop or webinar.

WORKFORCE READINESS AND RETENTION: Improve workplace maturity and technical skills in the local workforce.

1. Reduce seasonally adjusted annual unemployment rate from 9.5 percent to no more than 8.1 percent by 2021. (70 jobs based on a 1.4 point reduction in the unemployment rate over the five year period).

2. Increase concentration in secondary career and technical education (CTE) aligned with regional employment opportunities through increased partnerships with the Alaska Department of Education and Early Development, Chugach School District, Valdez City Schools, Cordova City Schools and Prince William Sound College
3. Increase employer satisfaction with the workplace maturity and technical skills of workers aged 35 years old and younger. (Employer survey 2014 versus 2019/2020).

Tasks:

Convene regional CTE educators and employers to identify resources and priorities

Partner with Alaska Maritime Works to align regional efforts with statewide plans and other local initiatives to develop maritime sector CTE and training opportunities.

Apply for workforce development grants to extend the Voyage to Excellence or similar program throughout the district

EXPAND ECONOMIC BASE: Increase regional economic base with focused efforts in the tourism and maritime sectors

1. Increase tax revenues from tourism activities by an average of 2.6 percent per year over the period of 2016 – 2020. (transient occupancy, car rental, and cruise ship transfer taxes in Cordova, Valdez, and Whittier)
2. Increase employment in the tourism and maritime sectors by 1 - 2 percent
3. Increase local property tax revenues from commercial and industrial property through increased private investment of \$200,000 by 2020.

Tasks:

Inventory and assess the maritime support sector in the region

Develop online marine services directory

Promote the online marine services directory

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INFRASTRUCTURE DEVELOPMENT: Advocate for and facilitate the development of public infrastructure and redevelopment to support regional economic development

1. Advocate to retain regional access via the Alaska Marine Highway System. (AMHS passenger traffic report)
2. Reduce regional energy costs, reliance on diesel fuel, and dependency on the Power Cost Equalization program. (AEA energy profile)
3. Leverage local infrastructure investments with state and federal grants and appropriations
4. Advocate for the assessment, mitigation, and rehabilitation of Formerly Used Defense Sites (FUDS) and other brownfield sites

Tasks:

Monitor and advocate for AMHS routes within the region.

Partner with Southeast Conference on its contract to develop a new business model for the AMHS

Seek funding to evaluate the feasibility of a municipal authority or privatization of the PWS ferry routes.

Facilitate household energy efficiency program in partnership with the Alaska Housing Finance Corporation, North Pacific Rim Housing Authority, and RuralCap Energy Wise Program.

Promote use of the Alternative Energy Loan Fund for energy retrofitting of commercial buildings.

Advocate for regional and community infrastructure projects with state and federal funding agencies.

Advance assessment and mitigation of brownfield issues at the Buckner Building

REGIONAL COHESION: Increase regional cooperation and cohesion: planning, leadership

1. Revise regional Comprehensive Economic Development Strategy by June 30, 2016
2. Increase scope and rate of partnerships and stakeholder participation in PWSEDD activities
3. Increase regional preparedness for natural and man-made disasters.

Tasks:

Complete the CEDS Revision by December 31, 2016.

Track and report attendance at all PWSEDD convened meetings, workshops, and events.

Advocate for the formation and coordination of Local Emergency Planning Committees (LEPCs) in Chenega, Cordova, Tatitlek, and Whittier

Partner with the Division of Homeland Security, LEPCs, and other response agencies on staging an all community emergency drill to alternate between years when Alaska Shield is held.