



Wednesday, April 17, 2019

Additional Funding Options for CBJ Assembly for JEDC FY20 Budget

The Juneau Economic Development Council requests funding for FY20 of \$415,000.

There are opportunities and challenges ahead for city, region and state. The JEDC Board would like to keep focused on a set of strategic actions tailored to this specific moment to help Juneau's economy prosper during difficult economic times in Alaska. In addition to core funding in FY19, JEDC was awarded one-time funding of \$75,000 of the \$165,000 we requested to focus on four strategic investments, listed below. In FY20, we are requesting the \$90,000 balance of the \$165,000 to advance our efforts in these areas. We are not asking for resources to take on additional new tasks, but to complete the work started in FY19 in each of these areas.

Core Funding: \$325,000 for FY19 and FY20

JEDC appreciates the increase to our core support in this two-year budget cycle of \$25,000 to return to core funding levels in FY13 and FY14. We are not seeking a change to our funding budgeted for FY20 of \$325,000. Core funding supports the execution of JEDC's annual Board approved budget and work plan, which is in alignment with the Juneau Economic Plan. The core funding allows JEDC to deliver on its mission through its five areas of focus: 1) Help Make Juneau a Great (Capital) City, 2) Strengthen Key Regional Industries, 3) Develop Talent, 4) Promote Entrepreneurship and Small Businesses, and 5) Deliver Economic Development Services. Core resources are leveraged significantly, historically bringing in twice or more of direct additional resources to JEDC to deliver economic development programming. The stability of the core funding allows JEDC to maintain basic infrastructure, pursue long-term goals and invest in developing and retaining talented staff.

Additional Strategic Investments: \$90,000, balance of FY19 request of \$165,000 (FY 19 award was \$75,000).

1. Invest in Juneau's Entrepreneurial Capacity

Main Activities:

- Organize and host a second Juneau Start-Up Weekend
- Implement second Alaska Angel Conference. First ever Angel Conference was developed with three "leads", one each in Anchorage, Fairbanks and Juneau. Through this process in FY19, we have six active Juneau investors directly participating (including JEDC) and two companies from Southeast participated in the pitch process. We intend to host in Juneau in FY20 or FY21.
- Create networking opportunities for entrepreneurs, create more content for entrepreneurs in Innovation Summit and link entrepreneurs in Juneau to networks, programs, competitions, and resources across Alaska.

- Metrics: # of (potential) entrepreneurs engaged; # of new businesses created; # of new products launched; # of new investors identified; # of partnerships; and investment \$.

2. **Pursue Innovation in Mariculture and Ocean Industries**

(Included in the JEP).

Main Activities:

- Position Juneau as a/the center of a growing mariculture industry in Alaska. The JEDC Ocean Products Cluster Working Group members identified mariculture as a potential \$1 billion industry in Alaska several years ago. In February 2018, the Governor's Alaska Mariculture Development Plan reaffirmed the potential of mariculture in Alaska and anticipates it to grow to be a \$100 million industry in 20 years, from the current level of just a few million. As this industry grows, investments will coalesce around communities that provide strong support. UAS has world-class expertise in seaweed cultivation and has research assets at Auke Bay. JEDC will identify private firms interested in developing this industry and encourage them to partner with UAS and/or locate in Juneau. JEDC will work closely with NOAA research, UAS and UAF, State agencies and private firms to encourage investment in our region with economic benefit to our community.
 - Potential Metrics: research dollars; firms investing or doing business in Juneau; research partnerships.
- Ocean Cluster. With federal funding support, JEDC successfully supported the activities of the Southeast Ocean Products industry through a Cluster Working Group. While we continue to see the incredible importance and potential of the ocean economy to our region, our work with an Ocean Products Working Group in Southeast has been limited by access to resources. JEDC would like to deepen our efforts to support the Ocean Products Industry in our region. The Bering Sea Fishermen's Association has been actively supportive of creating an Alaska Ocean Cluster. JEDC is a member of their advisory group. JEDC will use our experience and expertise in cluster work to support inclusion of Southeast Alaska into this initiative. JEDC will continue to promote increased utilization of ocean products and link our firms with resources and markets outside of Alaska.
 - Metrics: issues important to the maritime/ocean products industry in Juneau/Southeast considered at Alaska Ocean Cluster; initiatives developed that support Southeast ocean product development; # of businesses from our region participating in collaborative industry development.

3. **Attract Talent to Juneau: Choose Juneau**

(Included in the JEP)

This effort has progressed successfully to date, but a more sustained effort is needed. Over the past few years, JEDC has created a web presence, active FB page, collaboration with human resource managers, presentations to

organizations around Juneau, short video clips and a growing awareness of the opportunity that exists in attracting talent to our community.

As work becomes more mobile and more people can choose where to live while making a living remotely, it is paramount that Juneau fully understand and anticipate this trend. We have good reason to believe that Juneau offers a very attractive life-style for a remote worker. But how best to attract them to Juneau? And what types of workers would be most attracted to Juneau? What conditions do we need to better develop in Juneau so that workers Choose Juneau? How do we most effectively and efficiently reach these people?

To date, we have made modest investments to create Choose Juneau tools: website, Facebook page, Instagram account, some marketing materials, etc. Many places would also like to promote their communities in the same way. It is clear to us at JEDC that doing this half-heartedly will produce little impact. We propose a higher level of investment so that we can better understand the potential and pursue specific opportunities.

Actions include:

- Create a suite of better tools and have a more polished and meaningful presence that will meet the needs of most of Juneau's human resource recruitment departments (and save them all time and resources collecting and sharing information about living in Juneau).
- Better understand the market of potential workers that might be willing to work remotely from Juneau.
- Better understand the market of potential workers that might be willing to relocate to Juneau, including their families.
- Identify companies (like Seattle-based Tune Inc.), to consider locating employees in Juneau.
 - Potential metrics: # of HR Departments using Choose Juneau; # of investments informed by Choose Juneau; # of persons moved to Juneau to work.

4. Visitor Industry Growth—Ensure Growth in Tourism is Positive for Juneau
(Included in the JEP)

Juneau is Alaska's most visited community during summer. That fact is the result of the wonderful characteristics of Juneau and the growing demand for cruise travel experiences. In 2018, Juneau received a record number of visitors via the cruise industry. That number will increase by about 15% in 2019 to over 1.3 million. In the summer of 2020, we expect additional growth of 4 or 5%. While the pace of future growth can be debated, there is every indication that visitor growth in Juneau will continue.

JEDC has successfully supported the Visitor Products industry through a cluster working group over the past 7 years. Although outside federal funding for this

effort ended a few years ago, JEDC has supported these efforts through our core budget and fundraising efforts. There have been many meaningful positive outcomes of this work. Newer efforts in recent years have focused on the emerging needs and opportunities of the small cruise industry. A hallmark of this effort has been the open engagement by non-industry stakeholders as well as individual firms.

At the February 2019 Innovation Summit, we dedicated considerable time to raising awareness amongst attendees and the public about the acceleration of growth over the next few years and the resulting opportunities (as well as some challenges) in the visitor products industry. We brought the CEO of the Iceland Tourism Cluster to Juneau to participate in the Innovation Summit. Iceland is one of the few northern locations experiencing more rapid growth in tourism than Juneau. This experience has led to deeper insights into managing growth.

By engaging with Tourism Best Management Practices (TBMP), the Visitor Products Cluster Working Group, and with community members, we have also become more aware of concerns within the community about impacts of the growing industry. Several of these issues will be further explored with participants at a community workshop entitled Tourism Growth and Juneau, scheduled for late April.

JEDC would like to continue to assist Juneau to pro-actively “ensure growth in tourism is positive for Juneau.” Through collaboration with members of the Visitor Products Cluster Working Group, TBMP and other stakeholders, we would like to:

- Influence growth so that we achieve maximum positive impacts on Juneau’s economy, such as increased winter tourism, local business formation and expansion, increased investment, enhancements of adjacent sectors (such as the arts, entertainment, retail, health care, etc.), dual benefit infrastructure, etc.;
- Anticipate and address potential negative impacts;
- Support review of current TBMP (Tourism Best Management Practices) and consider areas of enhancement over the next 1 to 3 years; and,
- Explore longer-term (10+ years) growth scenarios to ensure Juneau’s visitor carrying capacity and tourism growth are widely supported and anticipated.
 - Potential Metrics: public understanding regarding growth in the visitor products industry; initiatives identified to ensure growth is positive.