

**Economic Development Initiative****FY2013 Request: \$1,770,000****Reference No: 54070****AP/AL:** Appropriation**Project Type:** Economic Assistance**Category:** Development**Location:** Statewide**House District:** Statewide (HD 1-40)**Impact House District:** Statewide (HD 1-40)**Contact:** Jo Ellen Hanrahan**Estimated Project Dates:** 07/01/2012 - 06/30/2017**Contact Phone:** (907)465-2506**Brief Summary and Statement of Need:**

The Department of Commerce, Community, and Economic Development (DCCED) promotes the Governor's priorities to create jobs and long term economic growth through numerous strategies including marketing Alaska's products and services, research, and analysis of business development potential. The state excels in marketing tourism and seafood, but has a limited market presence in other key industries such as minerals, forest products, and transportation logistics.

<b>Funding:</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>Total</b>
Gen Fund	\$1,770,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$3,770,000
<b>Total:</b>	<b>\$1,770,000</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$3,770,000</b>

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	1,470,000	0
Ongoing Operating:	0	0
One-Time Startup:	0	
<b>Totals:</b>	<b>1,470,000</b>	<b>0</b>

**Additional Information / Prior Funding History:**

No prior funding

**Project Description/Justification:**

In FY2013, DCCED will implement a multi-faceted, multi-agency marketing initiative in the Division of Economic Development to position the state as a place to invest, grow and innovate. This effort will include strategies for all sectors of the economy. The initiative will increase demand for Alaska products and services and promote Alaska as a strategic place to invest and conduct business operations.

**Marketing Elements**

DCCED promotes the Governor's priorities to create jobs and long term economic growth through numerous strategies including marketing Alaska's products and services. The state excels in marketing tourism and seafood, but has a limited market presence in other key industries such as minerals, forest products, and transportation logistics. DCCED works closely with the private sector and other state agencies including transportation, natural resources, state parks, agriculture and the arts to leverage the state's marketing investment and create more value for Alaska businesses. In FY2013 will focus on Alaska's advantages as a place to do business and it will increase demand for Alaska products and services. The Marketing Initiative will include public relations, consumer advertising, new marketing materials, promoting the Alaska brand, business outreach, focus group

work, surveys and attending trade shows to ensure marketing efforts resonate with partner agencies, consumers and Alaska businesses. The initiative will:

- Add value to Alaska products and services
- Help Alaska businesses develop market opportunities and create competitiveness
- Position Alaska for economic growth and job creation
- Increase efficiency in state government through leveraging marketing activities with other agencies

### **1. Expand DCCED's Core Marketing Activities**

Augment marketing tactics including increased presence at industry trade shows, developing new online/web content, interactive media tools, outreach to the business community to identify new market potential and increase sales of Alaska products. Building on the Alaska Product Preference program housed in DCCED, we will work with Alaska-owned assets (i.e. the Alaska Railroad, Alaska Marine Highway, state prisons, the university system, and other Alaska institutions) and other commercial and institutional buyers to Buy Alaska. Through this effort, DCCED will focus on marketing core and emerging industries, natural resource endowment, strategic global location and the state's emerging Arctic Frontier as an opportunity for economic investment.

### **2. Hit the Marketplace with a Broad and Proactive Public Relations Program**

Through coordinated media and outreach, this project will promote Alaska as a place to do business, develop messages about Alaska, and target key publications. Selected messages will be deployed through story placements in conventional and online media, direct web content and other online tools. Other tactics such as promotional events or "road show" outreach activities in key geographic markets will be conducted. DCCED will be prepared to respond to media coverage by developing effective communication channels to rapidly dispel media coverage that mischaracterizes Alaska's business environment, economic condition, or business opportunities; and, respond to economic circumstances resulting from natural disasters or catastrophic events.

### **3. Produce New High Quality Promotion Materials**

To market Alaskan products and services effectively, DCCED will develop point-of-sale materials such as brochures, booklets and other collateral to promote Alaska products in retail outlets. Additionally, specific sectors such as mining, forest products, and the film industry all need professionally designed materials so potential investors understand the advantages of investing in Alaska. For example, the minerals industry needs a Minerals Industry Prospectus designed to provide objective information to interested parties about the tax regime, geological information resources, permitting process, reclamation work and environmental guidelines the State of Alaska employs with all its industries. Likewise, DCCED can help increase visitor awareness and sales of Alaska State Parks, Alaska Grown agricultural products, and Silver Hand arts and crafts by developing and distributing promotional materials specifically designed for this market.

### **4. Promote Alaska's Brand in the National Marketplace**

Establish and manage Alaska's reputation as a place to invest, do business, live and work through strategically placed advertising in trade publications and other domestic outlets. The effort will extend Alaska's brand, build equity in that brand and create clarity and consistency about Alaska in the marketplace. In establishing Alaska's brand, DCCED will work with partner agencies and corporations, businesses, residents and key trading partners. Message development will include

research and creative development, focus groups and surveys that reflect the values, images and themes of Alaska as a unique venue for business opportunities.

**Anticipated Results**

This initiative will add much needed strategies and tactics to the state's marketing programs. First, it will leverage and include existing state programs now underperforming in their marketing efforts. Secondly, it will add value to general economic development programs in Alaska by matching businesses with potential markets. And, finally, it will begin to allow DCCED to extend Alaska's brand in the global marketplace. A fraction of the state's investment in the tourism and seafood industries, this investment allows DCCED to significantly expand awareness, value, and sales in other industry sectors.

**Research and Analysis Elements**

Market research, economic impact analyses, business development planning, and industry outreach are key elements of DCCED's economic development and job creation strategy. In preparation for the state's five-year comments on Tongass Land Use Management Plan (TLMP), DCCED will review timber sales in Southeast Alaska for economic value, evaluate market demand, and develop recommendations that optimize Tongass resources and job creation potential. Additionally, DCCED will study potential for Alaska as an Arctic gateway for container ships, oil tankers, cruise ships, and other vessels to Asia, Europe, and other global destinations. The department's economic development specialists will contribute their resource development expertise and gather business and community leader opinions for the Tongass and Arctic projects. Additionally, the Division of Economic Development will contract for professional services to obtain the technical expertise needed on global market demand, industry trends, competition, and infrastructure development.