



CITY OF WASILLA

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INFORMATION MEMORANDUM NO. 90-11

TO: Council

FROM: Deputy Administrator

DATE: February 8, 1990

RE: City-Borough Task Force Meeting

In response to direction received from City Councils and Borough Assembly, Mr. Moore, Mr. Soulak, Ms. Padie and the undersigned met on February 7, 1990.

The following issues were discussed with results as indicated below:

A. Parks and Recreation The recommendation to the legislative bodies will be:

- (1) Borough contract with the Cities to operate parks and recreation (except Bumpus Ballfield) within the Cities. Cities will prepare a budget and scope of services. Borough Manager will not recommend Bumpus Ballfield.
- (2) Park property within Cities will be transferred to the Borough.

B. Funding of Borough Public Works Department No Resolution.


Borough Manager will not recommend reduction of proportionate mill levy (cost of Public Works Department) or commit to providing engineering services to the Cities.

C. Planning Department

- (1) Borough Assembly to provide guidance to Administration in response to joint resolution for planning submitted by Palmer and Wasilla.
- (2) Borough Manager will check into City requests for specific planning projects.

D. Solid Waste

Recommendation is to establish fees at entrance to Central Landfill. Cities request that rates reflect cost of administration/operations/maintenance at Central Landfill and not be based on borough-wide solid waste costs.


Robert E. Harris
Deputy Administrator

MATANUSKA-SUSITNA BOROUGH

OVERALL ECONOMIC DEVELOPMENT PROGRAM

1990

**Matanuska-Susitna Borough
Planning Department
Economic Development Division
350 East Dahlia
P. O. Box 1608
Palmer, Alaska 99645**

MATANUSKA-SUSITNA BOROUGH

OVERALL ECONOMIC DEVELOPMENT PROGRAM



Palmer, Alaska

January, 1990

MATANUSKA-SUSITNA BOROUGH
OVERALL ECONOMIC DEVELOPMENT PROGRAM

1989 - 1990

Approved January 2, 1990

By

John Duffy, Planning Director
and
Dan Slaby, Economic Development Specialist

Matanuska-Susitna Borough
Economic Development Division
350 East Dahlia
P. O. Box 1608
Palmer, Alaska 99645

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PREFACE

This report represents one of the initial steps taken by Matanuska-Susitna Borough to develop a regional strategy for economic development. As such this document is an economic "plan of action" for the Borough. It is intended to help guide and coordinate economic development efforts initiated by the Borough, municipalities, the local Chamber of Commerces and other groups interested in both identifying and implementing economic development projects.

This OEDP report contains the following elements:

- * An assessment of the Borough's resources, economy, demographic characteristics and economic opportunities;
- * A description of how the Borough will attempt to guide and coordinate economic development efforts within the Borough;
- * An outline for an Overall Economic Development Program identifying community level projects which warrant regional support;
- * An initial program which identifies potential economic development project, which if implemented will achieve job creation objectives.

INTRODUCTION

The Matanuska-Susitna Borough has a diverse economy, with strong industries in agriculture, mining and tourism. Similar to other regions of the State, the Borough experienced rapid economic and population growth in the early 1980's. The recent collapse of the oil prices and the corresponding decline of State revenues caused the Borough to experience high unemployment, business and home foreclosures, wage cuts, and decreased levels of funding for public services and education. In addition, the Borough which had the highest population growth rate in the nation during the early 1980's lost a significant amount of residents.

The economic downturn has rekindled an interest in diversifying the Borough's economy. Stabilization of the Borough's existing industries and the creation of new industries are prime objectives of the Borough's economic development program. Encouraging and obtaining private-sector development and investment with the Borough are critical requirements to a successful program.

A second objective of the Borough's Overall Economic Development Program (OEDP) is the development of industries based on undeveloped or underutilized resources such as coal, timber and minerals. For these resources, attracting value added industries is the preferred option.

Finally, an important purpose of the program is to build a strong regional relationship both between local governments in the Borough and between these governments and the private sector. While each community and industry has unique qualities and resources for economic development, by developing and marketing these assets together the District will seek to strengthen its partnership with the State and Federal governments and achieve a more dramatic impact on worldwide markets.

Original OEDP organization and goals

The OEDP was incorporated October 26, 1978, as a non-profit, non-governmental corporation "for the purpose of strengthening and diversifying the Matanuska-Susitna Borough's economic base." OEDP, Inc.'s, goals are:

- * increase employment opportunities (for employed, underemployed and unemployed);
- * improve the quality of life for the Borough's population;
- * reduce or at least stabilize the cost of living;

- * increase average personal income;
- * improve the standard of living;
- * increase the Borough revenue base.

The following are the major objectives of the program:

1. To increase the average personal income of the residents of the Borough.

2. To improve the standard of living of the residents of the Borough.

3. To increase the revenue base of the Borough.

The program is designed to achieve these objectives through a variety of measures, including:

1. The development of new and expanded industries and businesses in the Borough.

2. The provision of training and educational opportunities for the residents of the Borough.

3. The improvement of the physical environment of the Borough.

The program is a long-term effort and will require the continued support and cooperation of the residents of the Borough.

The following are the major components of the program:

1. The development of a comprehensive economic development plan for the Borough.

2. The establishment of a development authority to coordinate and implement the program.

3. The provision of financial assistance to the residents of the Borough.

The program is a comprehensive effort and will require the continued support and cooperation of the residents of the Borough.

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I. ORGANIZATION OF THE OVERALL ECONOMIC DEVELOPMENT COMMITTEE

The Background

The Matanuska-Susitna Borough initiated its Overall Economic Development Program (OEDP) in 1980. As part of this program an OEDP committee was formed. The Borough and municipalities of Houston, Palmer and Wasilla provided funding for the committee. The OEDP Committee with staff support from the Borough Administration prepared annual updates to the OEDP.

The Committee

The Matanuska-Susitna Borough Overall Economic Development Committee representing the three first-class and home-rule cities in the Borough, the unincorporated areas of the Borough, major economic sectors, the Borough's largest minority population (Alaska Natives) and the unemployed/underemployed residents of the Borough. The membership structure is described below:

<u>Name</u>	<u>Affiliation</u>	<u>Representing</u>
Jim Carter	Willow Chamber & Mat-Su Loggers Assoc.	Forest Products Industry
Craig Thorn	Palmer Chamber	Finance
John Stein	City of Wasilla	Government
Freelon Stanberry	City of Houston	Government
George Carte'	City of Palmer	Government
Jerry Dunbar	Wasilla Chamber	Tourism
Steve Mahay	Talkeetna Chamber	Tourism
Andy Reimer	REDCOR	Private business
Ron Stocker	Alaska Railroad	Transportation
Calvin Steele	USDA	Agriculture
John Lloyd	MTA	Marketing/Utilities
Bruce Scott	MEA	Utilities
Jim Gonski	University of Alaska	Education
Dale Sandvick		Organized Labor
Al Jorgenson		Alaska Native
Ms. Keller		Underemployed
-to be filled-	Borough Assembly	Government
-to be filled-		Mining

Mission

The goal of the OEDP is to enhance economic opportunities by developing and implementing a Borough-wide economic development program and by carrying out the Borough's adopted economic development mission statement and policies (described below).

Staff/Administration

The Borough Planning Department is responsible for providing staff support to the OEDP Committee.

Funding

Funding for the first year OEDP efforts was obtained from a Farmers Home Administration (FmHA) grant of \$49,875, with a matching grant from the Matanuska-Susitna Borough of \$16,625. An executive director and staff were hired in September, 1979, to carry out the program. Their first efforts were reported in an Overall Economic Report of 1980 in three volumes. The base data in Sections II, IV, and V of the 1980 report was derived through the Matanuska-Susitna Borough Housing and Economic Development Survey conducted in July, 1980, and public meetings and discussions with various individuals, businesses and organizations. Section II was a survey of state, federal, Native, private businesses, and individuals concerning attitudes, and recommendations for timber development in the Matanuska-Susitna Borough. Current funding comes from the Borough Planning Department's general operating budget. Funds have also been received by the Regional Economic Development Corporation (REDCOR) from the Alaska State Legislature for the development of an OEDP report.

Representation of Minorities and Unemployed/Underemployed

The Borough is committed to participation of minorities and unemployed/underemployed residents in the OEDP. A seat on the OEDP is reserved for a recommendation to be made by the Borough Mayor and the appointment made by the Assembly.

One seat on the Board is reserved for a representative of the unemployed and/or underemployed residents of the Borough. This recommendation is also made by the Mayor and the appointment is made by the Assembly.

II. THE REGION AND ECONOMY

Location

The Matanuska-Susitna Borough lies in Southcentral Alaska, encompassing 23,400 square miles (about the size of West Virginia). More specifically, the Borough may be described as those lands which form the drainage basins of the Matanuska and Susitna Rivers and their tributaries. The area encompasses three mountain ranges, the Alaska Range to the North, the Talkeetna Range in the central region and the Chugach Range to the south and east. Upper Cook Inlet and Knik Arm form the Borough's southern border (See Map 1). Five geographically distinct regions exist within the Borough: The Alaska Range, Talkeetna Mountains, Chugach Mountains, Susitna River Basin and the Matanuska River Valley.

The Borough is bounded on the south by the Municipality of Anchorage and in the southwest by the Kenai Peninsula Borough. The unorganized region of Alaska bounds the Borough on its remaining borders.

Population

The population of the Matanuska-Susitna Borough has increased considerably during the past fifteen years. The periods of greatest growth in the Borough coincided with the State's more recent economic boom periods of 1974-1976 and 1982-1985 (see Table 1). During the recent past, the Borough's population has increased at a faster annual rate than either Anchorage or the State. In only five of the past seventeen years has the population not increased by more than 10% per year and in only three years were decreases recorded. In comparison, both Anchorage's and the State's population recorded only three years of growth of more than 10%, although their larger population make it harder to attain such large increases. The Matanuska-Susitna Borough has also steadily increased its share of the State's population from 2.2% in 1970 to 8.4% in 1986 (see Table 2).

Several more recent estimates of the Borough's population have been made. The estimates have been completed by the State of Alaska Department of Community and Regional Affairs (37,985), the Borough Planning Department (36,417) and the University of Alaska Institute of Social and Economic Research (37,185). All three entities estimate that the Borough's population has declined. The population decline is in response to the recent recession within the State caused by the collapse of oil prices.

Several other significant population trends have occurred within the Borough between 1980 and 1986. One of the trends is the growth of the Borough's suburban area population. In 1981, 78.9% of the Borough's population was located within the suburban area

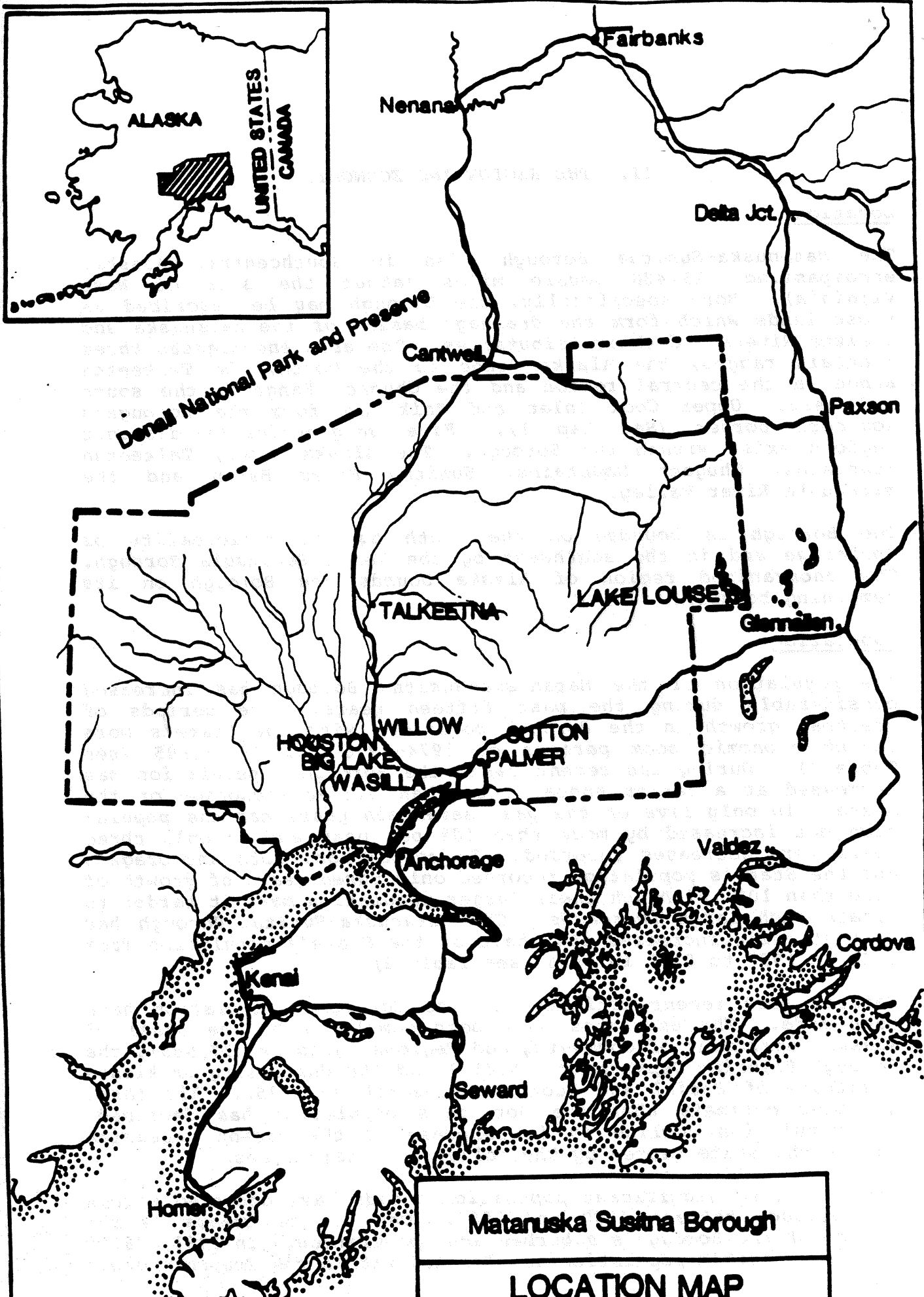
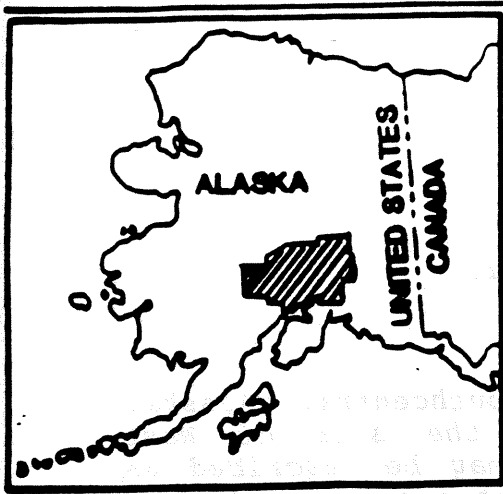


TABLE 1
HISTORIC POPULATION TRENDS
1970 - 1986

Year	MAT-SU		ANCHORAGE		STATE	
	Population	% Increase	Population	% Increase	Population	% Increase
1970	6,509	--	126,385	--	302,583	--
1971	7,293	12.0%	135,777	7.4%	311,200	2.8%
1972	8,310	13.9%	144,215	6.2%	320,000	2.8%
1973	8,170	-1.7%	149,440	3.6%	330,000	3.1%
1974	9,787	19.8%	162,449	8.7%	344,000	4.2%
1975	12,462	27.3%	177,817	9.5%	383,000	11.3%
1976	14,606	17.2%	179,837	1.1%	410,700	7.2%
1977	15,573	6.6%	182,920	1.7%	413,100	0.6%
1978	15,400	-1.1%	180,246	-1.5%	405,700	-1.8%
1979	18,536	20.4%	174,594	-3.1%	400,600	-1.3%
1980	17,816	-3.9%	174,431	-0.1%	401,851	0.3%
1981	22,329	25.3%	187,761	7.6%	422,187	5.1%
1982	27,649	23.8%	204,216	8.8%	460,800	9.1%
1983	30,568	10.6%	230,846	13.0%	510,600	10.8%
1984	34,122	11.6%	244,030	5.7%	543,176	6.4%
1985	41,093	20.4%	248,263	1.7%	563,034	3.7%
1986	44,280	7.8%	238,984	-3.7%	527,000	-6.4%

TABLE 2
PERCENT OF STATE POPULATION
WITHIN MAT-SU AND ANCHORAGE
1970 - 1986

Year	Mat-Su	Anchorage
	% of State	% of State
1970	2.2%	41.8%
1971	2.3%	43.6%
1972	2.6%	45.1%
1973	2.5%	45.3%
1974	2.8%	47.2%
1975	3.3%	46.4%
1976	3.6%	43.8%
1977	3.8%	44.3%
1978	3.8%	44.4%
1979	4.6%	43.6%
1980	4.4%	43.4%
1981	5.3%	44.5%
1982	6.0%	44.3%
1983	6.0%	45.2%
1984	6.3%	44.9%
1985	7.3%	44.1%
1986	8.4%	45.3%

while in 1986 the area contained 83.5% of the Borough's population, an increase of 4.6% (see Table 3). Part of the increase is due to members of the Anchorage labor force choosing to live in the Borough, since land and housing costs are generally lower in the Borough in comparison to Anchorage. Further, the suburban area has increased its share of the region's population from 8.6% in 1981 to 13.4% in 1986. This trend suggests that the Borough's south central area is becoming increasingly suburbanized.

The 1980 census provides the most recent information on the Borough's minority population. The 1980 census data indicated that about 5.1% or 944 persons are of some race other than white. Although the Borough's population increased since 1980 it is assumed that the percentage of non-white racial groups has remained about the same proportionately. Hence, today's minority population should range in size between 1,895 to 2,020.

Government

There are four local governments in the Matanuska-Susitna Borough: The Borough which is a Second Class Borough, the City of Palmer which is a home rule city, the City of Wasilla which is a first class city and the City of Houston which is a second class city. Approximately 18% of the Borough population lives within the three cities.

The cities provide a traditional set of services, e.g. sewer, water, etc. Home Rule communities, such as Palmer, have all the powers that are not specifically limited by state statute. Public referendums, however, are required on taxation and other issues in the first and second class communities.

Matanuska-Susitna Borough. The Matanuska-Susitna Borough was established on January 1, 1964, by an Act of the Alaska State Legislature. The Borough is a county type of local government which exercises some governmental responsibilities inside and outside of cities and some governmental responsibility outside of cities only.

The Borough is classified as a second class borough. Its statutory powers include areawide responsibilities for taxation and assessment, education, planning, subdivision regulation and zoning and public transit, and historical preservation. Since the Borough's establishment in 1964, Borough residents have voted to assume the additional areawide responsibilities of parks and recreation, emergency medical services and ports.

In addition, the Borough exercises certain powers outside of cities including libraries, animal control, solid waste and septage waste treatment. The Borough exercises within most of

TABLE 3

**PERCENT OF BOROUGH POPULATION IN SUBURBAN AREA
1981 - 1986**

Year	Suburban Area Population	Borough Population	% of Population in Suburban Area
1981	17,608	22,329	78.9%
1982	21,965	27,649	79.4%
1983	24,339	30,568	79.6%
1984	27,896	34,122	81.8%
1985	34,373	41,093	83.6%
1986	36,989	44,280	83.5%

NOTE: Suburban area includes the cities of Houston, Palmer and Wasilla as well as subrban census area.

the populated portions of the Borough road and fire protection powers.

Elected boards of supervisors advise the Assembly on the exercise of road powers within 17 separate road service areas and advise with respect to fire protection powers in 10 separate fire service areas. Other service areas include electric (2), water and sewer (1), and flood control (2).

The policy-making power of the Borough rests in the Assembly. The Assembly appoints the manager, attorney and clerk, approves the budget, including the total budget for the school district, sets the mill rate for taxation, and appropriates funds to provide borough services. Seven members are elected to the assembly from seven districts and serve staggered three-year terms.

The elected mayor presides at Assembly meetings, generally does not vote except in a tie, and has the power to veto. The veto can only be over-ridden by a vote of two-thirds of the Assembly members.

The Borough is administered by a Borough Manager appointed by the Assembly. The Borough Manager supervises approximately 110 general government employees.

A seven-person School Board is elected at large and has the statutory right to set policy for schools subject to statewide requirements and standards, and has the right to establish a budget for the school district. The total dollar amount to be spent for schools and the property tax mill levy for schools are set by the Borough Assembly alone. The school district is administered by a superintendent supervising approximately 1,000 to 1,100 school employees, including teachers.

City of Palmer Palmer is a traditional full service city which provides police and fire protection, roads, sewer and water, library, garbage pickup and many other municipal services. It operates under a voter approved charter that establishes a city government which is very similar to that of a first class city, with the council-manager type of government.

There is a ⁶ ~~seven~~ person city council elected at large ^{and an} ~~one of~~ which is the elected mayor. The council appoints the city manager, the city clerk and attorney. The city is administered by the appointed manager.

City of Wasilla In 1984, the City of Wasilla was reclassified by a vote of the people, from a second class city to a first class city. There is a ⁶ ~~seven~~ person city council elected at large and an elected mayor. The council appoints the clerk and attorney. The mayor has the right to veto. The city is administered by the mayor.

City of Houston The City of Houston has a seven person city council elected at large. The council appoints one of its members to serve as mayor. The mayor has no veto power. The city is administered by the mayor except that the council appoints the clerk.

The City of Houston currently levies no taxes, depending instead upon federal shared revenues, state shared revenue, municipal assistance and state grants. The city confines most of its efforts to roads, and fire protection.

Non-incorporated Communities

The Borough also contains other distinct non-incorporated communities. These communities are: Big Lake, Willow, Talkeetna, Sutton, Lake Louise and Chickaloon. Most of these communities are former mining towns or served as bases for mining exploration in adjoining areas. Some of the communities such as Sutton and Talkeetna were quite large many years ago when they served as a major coal mine and military base, respectively. These communities presently offer unique recreational and historic opportunities for visitors.

Transportation

The Matanuska-Susitna Borough is served by all principle modes of transportation. The major characteristics of these modes are described in more detail below.

Highways and Roads

The Borough contains two major Federal Highways: the Glenn Highway and the Parks Highway. The Glenn Highway traverses the eastern portion of the Borough and connects to the Richardson Highway at Glennallen. The Parks Highway is a north/south highway located in the western part of the Borough and connects the Glenn Highway south of Palmer to Fairbanks. These two Federal Highways connect the Borough to the two major economic and population centers of the State: Anchorage and Fairbanks. These two highways are major freight corridors for truck transportation. The two highways also connect the internal road networks of the Borough to the various communities within the Borough and outside economic and population centers.

Railroad

The Alaska Railroad traverses the Borough in an north/south manner and for most of its length within the Borough parallels the Parks Highway. The Railroad is the major shipper of bulk commodities emanating from the Borough (gravel) and from north of the Borough (Usibelli Mine - coal). Additionally, the railroad is a vital freight link between Anchorage and Fairbanks. The three municipalities within the Borough contain industrial parks fronting along the Railroad's main line. Of the three municipal industrial parks, Palmer's is the most developed containing all

major utilities (electricity, natural gas, sewer and water). Houston's and Wasilla's are in various stages of development.

Aviation

The City of Palmer contains a municipal airport with two asphalt paved strips: one is 5,000' by 100' the other is 3,616' by 75'. The community of Talkeetna contains a 3,500' by 75' asphalt paved airport. Finally, the City of Wasilla is in the process of building a new airport which will contain a 3,700' by 75' asphalt paved airstrip.

In addition to the aforementioned asphalt paved airports the Borough contains a large number of developed gravel airstrips. The larger gravel airstrips are located at Big Lake, Skwentna, Summit, Houston, Talkeetna, and Wasilla. There are also a large number of float plane bases within the Borough, one of the largest is located at Willow.

Marine

The Borough contains a deep draft port site located at Point MacKenzie. Point MacKenzie is approximately three to five miles west of the Port of Anchorage. One of the most promising port sites is bounded by several thousand acres of Borough lands. The Borough has studied the feasibility of the port for several years but has recently taken a more active development approach to the port's development. The Borough completed a conceptual port development plan, an inventory analysis, a water depth analysis, a market and goods analysis and is presently conducting a much more thorough feasibility analysis. The Borough has also created a Port Commission to directly oversee the port's development.

The Point MacKenzie area also contains an existing deep draft barge dock. This dock is owned by a private sector company and provides limited service between the Municipality of Anchorage and the Matanuska-Susitna Borough.

The Economy

Employment Trends

The Borough's civilian labor force has increased by approximately 2,500 persons between 1984 and 1989 -- an increase of 18% although it reached its peak for this period in the first part of 1986. The number of Borough residents out of work in May, 1989 was approximately 1,840 - preliminary estimate - (Department of Labor, Employment and Unemployment Statistics: Matanuska-Susitna Borough, 1989). Only two bush or rural census regions, Yukon-Koyukak and Skagway-Takutat-Angoon, had higher unemployment rates. However, no organized borough had higher unemployment rates than the Matanuska-Susitna Borough. The recent downturn in the State's economy resulting from the drop in the price of oil

TABLE 4

Matanuska-Sustina Employment by Industry 1980-1988

	1980	1981	1982	1983	1984	1985	1986	1987	1988
Total	3,265	3,701	4,303	5,355	6,542	6,991	6,699	6,193	6,095
Mining	"	"	"	"	"	"	"	"	"
Construction	178	253	518	778	971	710	427	281	179
Manufacturing	37	105	70	67	111	111	88	83	108
Transportation	319	343	381	525	595	670	680	688	638
Trade	733	748	898	1,173	1,547	1,735	1,990	1,643	1,523
Finance-Ins. & R.E.	120	131	198	208	280	290	295	205	159
Services	460	537	604	793	991	1,128	1,101	1,019	1,088
Government	1,341	1,418	1,564	1,734	1,977	2,228	2,425	2,248	2,357
Federal	112	103	101	104	112	100	105	102	99
State	403	460	545	595	651	737	761	799	791
Local	826	855	919	1,035	1,214	1,392	1,589	1,387	1,467
Miscellaneous	"	"	"	"	"	"	"	"	"

Source: Alaska Department of Labor, Research & Analysis. Statistical Quarterly.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

TABLE 5

MATANUSKA-SUSTINA BOROUGH ANNUAL EMPLOYMENT TRENDS
1980 - 1986

	1980	1981	1982	1983	1984	1985	1986
POPULATION	17,816	22,329	27,649	30,545	34,122	41,093	44,280
LABOR FORCE	9,326	8,851	10,289	12,843	15,854	16,638	17,087
EMPLOYMENT	7,901	7,647	8,879	11,058	13,888	14,342	14,414
IN BOROUGH (NON-AG.)	3,249	3,654	4,319	5,352	6,565	7,016	6,758*
IN BOROUGH (OTHER)	2,108	1,531	1,701	2,145	2,393	2,235	2,539
IN ANCHORAGE	2,544	2,462	2,859	3,561	4,930	5,091	5,117
UNEMPLOYMENT RATE	1,425	1,204	1,410	1,785	1,966	2,296	2,673
	15.3%	13.6%	13.7%	13.9%	12.4%	13.8%	15.6%

Notes: In Borough (Non-Ag) based on Research and Analysis Section, Alaska Department of Labor, Statistical Quarterly, 1980 - 1986.

In Anchorage employment based on 1980 Census and Matanuska-Sustina Borough Comprehensive Plan Survey, Richard Ender and Hellenenthal & Assoc., 12/84.

Figures for 1986 based on 11 month average.

* Six month average.

Population based on 1980 Census and Mat. S. Survey

is considered to be the principle cause for the high unemployment rates.

Table 4 illustrates existing Borough's employment by industry between 1980 and 1988. During this period the Borough's employment increased by 87% or 2,830 persons.

Employment Characteristics

As illustrated in Table 5 a significant number of Borough residents work in Anchorage, the major job market in the State. Two estimates have been made of the total number of Mat-Su residents working in Anchorage contained in: 1) the 1980 Census, and 2) a 1984 report by Richard Ender and Hellenthal and Associates. The 1980 Census estimated that 32% of workers sixteen years of age or older commuted forty-five or more minutes to their place of work. Richard Ender and Hellenthal and Associates conducted a sample survey for the Matanuska-Susitna Borough in December, 1984 in which they asked residents about their place of work. This survey identified approximately 36% of those living in the Borough had their place of work in Anchorage. For the purposes of this report the Ender and Hellenthal estimate has been used to approximate the current number of residents working in Anchorage because it is more recent.

In 1986, approximately 9,300 individuals lived and worked within the Borough while about 5,000 Borough residents worked in Anchorage (see Table 5). The actual number of persons living and working in the Borough is probably a little less than stated here because no attempt has been made to estimate the number of Borough residents working on the North Slope or other non-Borough locations such as Glennallen.

Another characteristic of the Mat-Su economy is the size of basic industries in the local economy. The number of jobs in the basic sector is an important variable since the basic sector of the economy tends to create demand for other services; hence, jobs in the non-basic sectors of the economy. In addition, firms in the basic sectors are more likely to develop goods and services for export to other communities.

The basic sectors of the economy generally consist of: Mining, Construction, Manufacturing, Transportation, Communications & Utilities, Wholesale Trade, Agriculture, and State and Federal Governments. No recent data is available about the Borough's agricultural workforce, therefore it is not discussed here. Additionally, no data is available on State Government employment; hence, it has not been possible to separate its various components and is therefore not discussed here. The remaining basic sectors mentioned above maintained their proportion of the local economy between 1980 and 1988 when their proportions of total resident, non-agricultural employment were

23% and 25% respectively. Economic growth during this period has been due, to a large extent, to high oil revenues resulting in large government spending which in turn has fueled the expansion of the construction and supporting industries. Since 1980 the Matanuska-Susitna Borough has shown only slight increases in these five industries and in some cases has actually declined.

Tables 6 through 8 illustrate the location quotients for several areas in the State for the period 1980 to 1985. A location quotient measures whether or not the local economy is self sufficient in a particular industry or actually is large enough to export products to other areas. Generally, a location quotient greater than one means that a particular industry is able to both fulfill local demand and export products to other areas. Like other indicators, the location quotient must be used with caution. For example, numbers close to one can be assumed to mean that the area is fulfilling most of its local demand but not actually exporting. In addition, a knowledge of the particular economy is required; for example, Table 9 suggests that Anchorage is just able to fulfill its local demand for goods and services provided by the TCU industry. However, Anchorage is the main transportation hub of the State and is a major exporter of transportation services. The location quotient for this industry does not reveal this fact because it is "diluted" by the employment in the communications and utility industries.

The location quotients for the Matanuska-Susitna Borough indicate that the Borough is able to fulfill its local demand in the TCU and Construction industries. The Borough is, however, an importer in the Mining, Manufacturing and Wholesale Trade industries. In fact Mining in the Borough has steadily declined while Wholesale Trade has about doubled between 1980 and 1988.

Tables 9 and 10 illustrate the distribution of Manufacturing and Retail Trade firms in the State. Although this data is somewhat old, it indicates the relative lack of diversification within the Borough as compared with other areas in the State. Therefore, even though the Borough has increased its amount of basic employment it is still undiversified. Also, Tables 10 and 11 suggest that the Borough's retail spending is leaking to Anchorage where there is a larger pool of firms for residents to choose from.

Another indicator of a sector's importance to the Borough economy is the amount of monies it generates for infusion into the local economy. This indicator, however, must be used with caution since an industry may have a comparatively low payroll but still play an important role in the economy, e.g., create other jobs. Manufacturing and Wholesale Trade are two examples of industrial sectors that have smaller than average payrolls but which are indispensable to the overall health of the Borough's economy. Within the Borough, Local Government has the single largest quarterly payroll followed by State Government, Transportation, Communications & Utilities, and Retail Trade (Department of Labor, Statistical Quarterly). The smallest quarterly payrolls are found in the Mining and Manufacturing sectors.

TABLE 6

LOCATION QUOTIENTS OF SELECTED INDUSTRIES
(1980)

INDUSTRY	NATION	STATE	ANCHORAGE	MAT-SU	KENAI	FAIRBANKS	JUNEAU
MINING	NA	5.591	0.865	0.267	2.372	0.057	NA
CONSTRUCTION	NA	1.097	1.110	0.873	1.175	1.206	0.552
MANUFACTURING	NA	0.409	0.289	NA	2.407	0.337	0.103
TCU	NA	1.853	1.015	0.973	0.816	1.244	0.838
WHOLESALE	NA	0.597	1.613	0.415	0.956	1.000	0.409

TCU= Transportation, Communications & Utilities.

TABLE 7

LOCATION QUOTIENTS OF SELECTED INDUSTRIES
(1983)

INDUSTRY	NATION	STATE	ANCHORAGE	MAT-SU	KENAI	FAIRBANKS	JUNEAU
MINING		5.327	0.837	0.101	1.654	0.264	0.052
CONSTRUCTION		1.827	0.939	1.489	1.116	1.008	0.613
MANUFACTURING		0.293	0.397	0.225	2.716	0.368	0.213
TCU		1.621	0.971	1.121	1.129	1.256	0.711
WHOLESALE		0.692	1.537	0.315	0.792	0.930	0.415

TCU= Transportation, Communications & Utilities.

TABLE 8

LOCATION QUOTIENTS OF SELECTED INDUSTRIES
(1985)

INDUSTRY	NATION	STATE	ANCHORAGE	MAT-SU	KENAI	FAIRBANKS	JUNEAU
MINING		5.781	0.806	0.041	1.634	0.160	NA
CONSTRUCTION		1.529	0.977	1.245	1.451	1.316	0.659
MANUFACTURING		0.284	0.431	0.298	2.440	0.389	0.351
TCU		1.520	1.045	1.169	0.894	1.182	0.697
WHOLESALE		0.705	1.529	0.465	0.772	0.916	0.342

TCU= Transportation, Communications & Utilities.

Agricultural Production

No recent estimates have been made of the number of Mat-Su residents employed in agriculture. Statistics are available however, for the value and amounts of agricultural production in the Matanuska Valley. The importance of agriculture to the Borough's economy can be estimated from these statistics.

The Matanuska-Susitna Borough plays a dominant role in the State's agricultural sector. This is a position the Matanuska Valley has maintained over the years. In 1980, the Matanuska Valley's value of production accounted for 66.5% of the State's total agricultural production. By 1988 the Matanuska Valley had increased its proportion of the State's total value of production to 71%. The Matanuska Valley's agricultural production was valued at \$12,324,300 in 1988.

In 1988, the Matanuska Valley accounted for about 43% of the State's total planted acres (Alaska Agriculture Statistics, 1989). Most of the acres planted in the Matanuska Valley for the 1985 season were dedicated to oats. Oats have become a major feed crop grown in the Valley: in 1980, 600 acres were planted with oats while in 1988, 1,300 acres were planted with oats. On the other hand, barley production has decreased by 64% (500 acres) since 1980 when 1,400 acres were planted with barley. Finally, the number of acres planted with commercial vegetables, such as potatoes, has increased slightly, from 559 acres in 1980 to 744 acres in 1988.

In four out of five areas of agricultural production: commercial vegetables, beef and veal, pork, milk, and poultry; the Matanuska Valley is the leading contributor to the State's overall production.

Personal Income

The per capita personal income for the Matanuska-Susitna Borough is shown in Table 11. Between 1980 and 1987, per capita personal income in the Borough increased by \$2,947. During this same time period the Borough's population increased by 16,306 persons. The Matanuska-Susitna Borough, though, has one of the lowest per capita income levels in the state and was about \$7,600 lower than Anchorage's in 1987.

TABLE 9

DISTRIBUTION OF MANUFACTURING FIRMS FOR SELECTED CATEGORIES
1982

SELECTED PRODUCT CATEGORIES	STATE	ARIZONA	FLORIDA	JUDEA	NEVA	ANTHONYA - SUBITO
FOOD & KINDRED	121	23	1	2	16	1
TEXTILE MILL	1	1				
APPAREL & OTHER TEXTILE	7	4	2		1	
LUMBER & WOOD	85	12	5	2	7	7
FURNITURE & FIXTURES	2	1				1
PAPER & ALLIED	3	1				
PRINTING & PUBLISHING	73	39	5	6	5	2
CHEMICALS & ALLIED	5	2			2	1
PETROLEUM & COAL	7	3	1		2	
RUBBER & MISCELLANEOUS	5	3	1			
LEATHER	1	1				
STONE, CLAY & GLASS	28	9	2	1	6	4
FABRICATED METAL	24	14	6		1	1
NON-ELECTRICAL MACHINERY	24	9	3	0	6	1
ELECTRICAL & ELECTRONIC EQUIPMENT	3	1	2	2		
TRANSPORTATION EQUIPMENT	21	7		1	3	2
MISCELLANEOUS	21	13	3	1	3	1
AUXILIARY FIRMS	14	6			2	
FIRMS WITH MORE THAN 20 EMPLOYEES	144	37	8	3	16	3
TOTAL	445	149	31	15	54	21

Source: Bureau of the Census, 1982 Census of Manufacturers, April, 1984; Table 9, pp. 9 & 10.

- Notes:
- 1) Auxiliary establishments are composed of firms who are primarily engaged in performing services for other establishments rather than for the general public or other business firms.
 - 2) Summation of categories does not equal total due to exclusion of several other categories.

TABLE 10

NUMBER OF RETAIL TRADE FIRMS FOR SELECTED CATEGORIES
(10 MAJOR RETAIL CATEGORIES)
1982

SELECTED CATEGORIES	STATE	ARIZONA	FLORIDA	JUDEA	NEVA	ANTHONYA - SUBITO
BUILDING MATERIAL, HOMEWARE, etc.	134	51	16	9	12	9
GENERAL MERCHANDISE	85	13	9	1	5	3
FOOD	297	91	22	20	28	12
AUTOMOBILE DEALERS	135	57	25	13	14	5
GASOLINE STATIONS	176	75	27	7	20	10
APPAREL & ACCESSORY	207	104	18	21	16	5
FURNITURE & HOME FURNISHINGS	166	90	23	16	13	3
EATING & DRINKING ESTABLISHMENTS	749	307	92	43	69	37
DRUG & PROPRIETARY STORES	63	26	10	5	6	2
MISCELLANEOUS	647	293	85	57	43	17
TOTAL	4,579	1,838	607	268	448	221

Source: Bureau of the Census, 1982 Census of Retail Trade, July, 1984; Table 8, pp. 14 & 15.

- Notes: Summation of categories does not equal total due to exclusion of several other categories.

TABLE 11
 PER CAPITA PERSONAL INCOME FOR SELECTED BOROUGHS
 1979 - 1987

CENSUS AREA	1979	1980	1981	1982	1983	1984	1985	1986	1987
STATE	\$11,585	\$13,007	\$14,979	\$16,916	\$17,380	\$17,550	\$18,762	\$18,426	\$18,321
ANCHORAGE	\$12,800	\$14,521	\$16,631	\$18,821	\$18,736	\$19,168	\$20,904	\$21,111	\$21,102
HATANUSKA-SUSITNA	\$10,461	\$10,761	\$12,424	\$14,651	\$15,627	\$14,197	\$15,273	\$13,767	\$13,408
KENAI	\$10,711	\$11,296	\$13,000	\$14,601	\$12,961	\$13,237	\$15,982	\$15,832	\$15,835
FAIRBANKS	\$12,474	\$14,114	\$16,872	\$18,864	\$20,488	\$20,764	\$18,473	\$17,031	\$16,780
JUNEAU	\$13,441	\$15,674	\$18,034	\$19,899	\$20,840	\$21,253	\$23,163	\$21,666	\$21,949

Source: Bureau of Economic Analysis, April 1989

III. MAJOR ECONOMIC SECTORS: THE RESOURCE AND FUTURE PROSPECTS

Forestry

Forests suitable for long-term management for commercial development are located in the broad basin formed by the lower valleys and basins of the Matanuska and Susitna Rivers. Major forest categories consist of black and white spruce, birch, aspen and cottonwood, with closed and open mixed forests the most common type.

The State of Alaska, Department of Natural Resources indicates that within the Borough there are approximately 1,190,500 publicly-owned, forested acres of high and moderate capability that are suitable for personal use or commercial management; and another 308,700 acres of lower capability (Susitna Area Plan). If all first and second priority classification state and borough lands of high and moderate capacity were harvested on an 80-year rotation, then at least 14,500 acres would be available for harvest each year. If low capability acres were included, the area available for harvest would be at least 18,100 acres annually.

The State estimates that approximately 13 million board feet of lumber and houselogs and 80 thousand cords of fuelwood could be produced annually from lands within the Borough or likely to have road access in the near future. If presently remote areas also are made accessible, approximately 29 million board feet of lumber and houselogs could be produced annually, along with 128 thousand cords of fuelwood.

In the Spring of 1989 the Borough completed an inventory of its forest lands. This inventory considered the Borough's 350,000 acre entitlement. Of the 350,000 acres approximately 61% (158,062 acres) are forested, the remaining acreage consisted of lands dedicated to agriculture, settlement, public facilities, recreation, non-commercial forest, etc.

There are five dominant forest types within the Borough: white spruce, cottonwood, birch, aspen and black spruce. By far birch is the predominant forest type on Borough forest land accounting for roughly 84% of the forest land. Black spruce and cottonwood follow, accounting for 14% and 1% of the Borough's forest lands respectively. White spruce accounts for about 0.5% of the Borough's forest lands while aspen is not significantly present.

The Borough's forest lands are found in blocks of various sizes, ranging from 400 acres to 21,000 acres and are located in various parts of the Borough but predominantly in the Susitna Basin.

If one excludes State private forest lands, the Borough's timber base is suited for several small to medium sawmills. The larger sawmills and timber processing plants, e.g. pulp mills, require a substantially larger timber supply; therefore, the Borough would have to combine its timber base with others, most notably the State, in order to supply the larger timber processing plants.

In the Spring of 1989, the Borough had twenty-two active timber sale contracts. These contracts were with local operators and with individuals seeking timber for personal use, e.g., houselogs.

The existing Borough and State forest lands provides several opportunities. However before a stable commercial timber industry can be developed, lands dedicated to long-term forest management must be created. In addition, commercial timber uses and other uses must identify ways of coexisting within the forest as they have in other States in the Union. Once a dedicated forest land base exists, the Borough will be able to take formal steps to maintain and enhance the existing logging operations within the Borough. Further, a dedicated forest land base for commercial timber operations is necessary in order to attract small to medium processing plants (e.g. chopstick plant, furniture plant) to the Borough.

Agriculture

Only a small percentage of the lands in the Borough are suitable for agriculture. Of the 14,720,000 acres in the Borough only 359,950 or 2.5% have been classified by the U. S. Soil Conservation Service as being suitable for agriculture. Alaska's finest agricultural lands are located in the Matanuska-Susitna Borough near and around the Palmer/Wasilla areas.

One hundred forty-six thousand two hundred and ninety (146,290) acres within the Borough are classified as Class II agricultural lands, and 213,660 acres as Class III. Class II soils are the best in Alaska, Class III the next best. Class IV soils, of which there are about 181,560 acres, are marginal for farming because of steepness, shallowness, wetness, sandiness, lack of fertility or other limiting factors, but are suitable primarily for grass crops. There are no Class V soils in the Matanuska or Susitna Valley areas. The approximately 541,000 acres of Class VI and VII soils are generally suitable for pasture or range. Poorly drained peat soils (muskeg) including Class VII have few agricultural uses unless a more aggressive approach is taken, e.g., draining programs.

About 30% of the fresh potatoes consumed in Alaska are produced in the Matanuska-Susitna Borough. Almost all Borough potatoes go to the fresh vegetable market. In comparison, about 60% of the potato harvest nationwide goes into french fries, hashbrowns, potato chips and other processed potatoes.

About 20% of the fresh lettuce consumed in the railbelt area is grown in the Borough. This 20% figure is expected to grow as farmers become more sophisticated in marketing.

The existing agricultural base provides many opportunities for economic development. The commercial vegetable segment of the industry, in particular potato production, has been successful and is an area that offers opportunities for expansion with proper support and marketing. Two potential areas are: construction of cold storage facilities and diversification into specialty markets. Cold storage facilities would allow farmers to extend the life of crops and allow them to sell their crop over a longer period rather than "dumping" the crop on the market which generally drives prices down. Diversification into specialty markets to serve local consumption such as fresh cut flowers, seasonal flowers, special or unique berries and mushrooms are other potential agricultural prospects.

Coal and Hardrock Mining

The Borough contains large reserves of subbituminous and lignite coals. The Borough's coalfields and fields have economically attractive characteristics: proximity to tidewater, thickness, extent, and quality of the numerous coal seams. Exploratory drilling in the southwestern part of the Borough has proved major coal reserves suitable for surface mining. Although other reserves are believed to exist in the Borough, the lack of site specific information has inhibited their identification.

Despite the Borough's immense coal resources, production has been minimal because of the remote locations of the deposits, access limitations, environmental concerns and lack of markets. Coal is produced on a small scale from numerous sites for local use and once was mined to fuel ships during the early part of the century. Also, substantial quantities were produced from the Matanuska coal field for the Anchorage market until Cook Inlet natural gas became available in 1967. Coal production in Alaska is now generally limited to the U-ibelli mine near Healy, which produces about 700,000 tons per year from the Nenana Coal Field for interior military bases, the City of Fairbanks and export to Korea.

Because most of the coals in the Borough are very low in nitrogen and sulfur they may be used by electrical generation utilities seeking to lower their pollution generation. However, much of the Borough's coals also have high water content and therefore need to have the water removed in order to be competitive in the world market.

Coal prospects for the Borough in the area of coal are currently bright. Idemitsu-Kosan, Inc., the largest independent oil company in Japan is presently moving forward with the development of a coal mine in the Wishbone Hill Coal Field near Sutton. Idemitsu-Kosan, Inc. proposes to ship one million metric tons of coal per year with shipments beginning in 1991.

Other major mineral resources within the Borough include gold, limestone, sand and gravel. Although other metallic and non-metallic minerals are known to exist in the Borough, most notably copper and chromium, insufficient data exists regarding the quality and quantity of the deposits.

Gold has been located throughout the Borough. Indeed, the Borough's region is ranked third in Alaska in terms of total ounces produced. Currently there are several active hardrock gold mines in the Borough: Valdez Creek in the northeast and Independence Mine in the southcentral area of the Borough.

Several major deposits of commercial grade limestone exist in the Borough. Each of these deposits are believed to contain in excess of 100 million tons each. Two of the deposits, Castle Mountain and Doone Creek, are located within a few miles of the Glenn Highway in the Chickaloon area.

Lastly, the Borough contains large quantities of sand and gravel. Vast reserves are located in close proximity to the existing rail and highway network. Indeed, large quantities of gravel have been shipped by rail to Anchorage over the past few years.

Prospects for hardrock mining consist of large gold mining activities currently taking place in the Valdez Creek Mining District. Small gold mining operations that in many cases are "reworking" old mines offer another opportunity for economic expansion. Since the small gold mines have lower production costs they may be able to withstand the vagaries of the gold market for longer periods of time. Another opportunity consists of expanding mining operations to include tourist visits. In other areas, the development of the Wishbone Hill Coal Field may produce sufficient interest in developing the nearby Castle Mountain and/or Doone Creek limestone reserves since limestone and coal are the prime ingredients in the manufacture of cement.

Marine Port Development

The Borough has considered developing a port for several years. After reviewing the results of several studies that considered potential port sites as well as land and water characteristics the Borough selected the Point MacKenzie area which is located in the southern part of the Borough due west from the Municipality of Anchorage's Port. In the Point MacKenzie area two potential deep draft port sites exist, each having distinct advantages and disadvantages.

The Borough is presently completing more in-depth site analyses and market feasibility studies as well as a port master plan and comprehensive plan for the port area. These studies and plans will provide more thorough data on the viability of the port, and if it is viable, describe how the port could be developed to maximize benefits and minimize costs.

A port at Point MacKenzie could facilitate natural resource development throughout the Borough and the State's Interior by lowering the transportation costs of bringing natural resources to market. In addition, a Borough port at Point MacKenzie could complement the port at the Municipality of Anchorage by specializing in bulk material exports which the Anchorage port is at a disadvantage to support due to its more limited land base. Hence a Borough port could have positive Statewide and regional impacts.

Tourism, Recreation and Sportfishing

The Matanuska-Susitna Borough's tourism industry is based, to a large extent, on sportfishing, wildlife viewing and sightseeing. Other segments of the Borough's tourism include more interactive activities such as rafting, kayaking, mountain climbing, etc. The Borough contains many State and Borough park facilities. There are over 1,000 miles of Borough trails, not including the many Federal and State historic trails, such as the world famous Iditarod Trail. In addition, the Borough contains many historic features and places which are major tourist attractions.

All species of salmon, trout, grayling, ling cod (burbot) and white fish are found within the Borough. Five species of salmon return to Borough streams to spawn. The Little Susitna River, Deshka River, Lake Creek, Willow Creek, Sheep Creek and Kashwitna River are among the most popular. Access to the Borough's more popular sportfishing streams and lakes is by river-boat charters, air taxis, a rustic lodge or hiking to a stream from a nearby road or highway.

Federal Parks

Approximately 30% of the Denali National Park and Reserve are within the Matanuska-Susitna Borough. The Denali National Park contains Alaska's premier attraction, Mount McKinley (Denali), which is less than 10 miles outside of the Borough.

State Parks

Denali State Park, located on the Parks Highway just south of the National Park, is a wilderness of lakes, forests, rivers and mountains. Independence Mine State Historic Park, located in a high valley that is easily accessible by automobile, preserves the remains of one of the states major gold mines. Kepler-Bradley Lakes, Montana Creek, Nancy Lake and Big Lake are a few of the area's numerous State recreation sites.

In addition to these State Parks, the Borough contains several State wildlife refuges which provide wildlife viewing and hunting opportunities. Some of these refuges include: Susitna Flats Game Refuge (300,800 acres), Palmer Hay Flats (28,800 acres), Willow Mountain Critical Habitat Area (23,000 acres), Goose Bay Game Refuge (11,200 acres) and the Matanuska Valley Moose Range (132,500 acres).

Borough Parks

The Borough has twelve parks which serve out-of-state tourist, regional visitors and residents. Three of the parks are specifically designed for motorhome and tent camping users. The Borough has also developed five salmon stream access projects which include parking, trails and restroom facilities. In addition, the Borough has over 1,000 miles of developed trails. The trails extend along accessible lakes and across distant mountain passes.

The Matanuska-Susitna Borough is also rich in history. The historic past of the Borough is safeguarded in the various Borough museums. Among the more popular historic museums include: Wasilla Historical Museum & Frontier Village, Sutton Alpine Historic Park, Museum of Alaska Transportation and Industry, Talkeetna Museum and, Knik Museum and Musher's Hall of Fame. Finally, the Iditarod headquarters in Wasilla offers visitors a chance to view displays about the Iditarod Trail. Tourism is expected to continue to grow both in the State and in the Borough. The Borough has already taken steps to take advantage of this growth by developing new recreation and tourist facilities. The Borough has also taken additional steps to promote the region as a regional and international destination through advertising, participation in tourism trade shows and assisting local tourism groups.

Other tourism and recreation prospects for the Borough may be placed in two categories: destination and regional. Destination prospects include the development of the proposed Hatcher Pass Ski Resort and the proposed South Denali Visitor Center. Either one of these proposed projects will establish the Borough as an international tourist and recreation destination. The regional prospects include better promotion of the Borough's recreational assets, especially in the Anchorage market, and continued development and integration of the Borough's various trails and parks.

IV. ECONOMIC DEVELOPMENT PROGRAM

The goal of the Borough's OEDP is to provide a framework for developing the Borough's economy. This revision of the Borough's previous OEDP is intended to provide this framework by updating the Borough's economic goals and program to meet existing conditions and future opportunities. As the initial step in this process, the Borough Assembly has adopted an ordinance which describes the economic development mission statement for the Borough and provides for Borough-wide economic development policies. Both the mission statement and policy statement follow.

Economic Development Mission Statement

It is the desire of the Matanuska-Susitna Borough to promote economic development, enhance the quality of life for its residents, strive to provide long-term, permanent employment opportunities, develop its natural resources, and attract new industry to the Borough for the overall benefit of its citizens through guidance of the following Economic Development Policy Statements.

Economic Development Policy Statements

It is the policy of the Matanuska-Susitna Borough to:

Encourage public involvement in the economic development process.

Promote the development of its natural resources, and to encourage those industries which provide "value added" natural resource products.

Complete the municipal land selection process and to promote the timely disposal of public lands.

Support and encourage foreign trade where beneficial to the Matanuska-Susitna Borough without regard to country of origin through coordination of State and Federal foreign trade efforts and that all bidders and corporations are treated equally.

Maintain, expand and diversify its existing agricultural industry.

Enhance the tourism industry, develop facilities, and encourage a public information awareness program of recreational opportunities within the Borough.

Provide access, as well as develop and protect its commercial and sport fisheries by protecting habitat, and obtaining an equitable share of the Cook Inlet Salmon Fishery.

Encourage development of its forest industry through a forest management program.

Develop an efficient and effective multi-modal transportation system and to expand the transportation network, specifically in areas that will encourage natural resource development.

Enhance existing recreational activities and development of new facilities.

Coordinate with private and other regulatory agencies to facilitate the permitting process.

Development of policies and incentives that encourage industrial investment consistent with community concerns.

Encourage an environment that nurtures the development of new private enterprise from conception to maturity while strengthening existing businesses.

The primary purpose of the OEDP is to help design a program for the Borough. The principle parts of the program include: a review of existing conditions, an identification of opportunities or prospects, an evaluation scheme and finally program implementation. This section of the report describes the criteria by which proposed projects will be evaluated for inclusion in the Borough's economic development program.

1. Retention and Expansion of the Existing Economic Base. The Borough contains many existing businesses and industries which provide employment for Borough residents. A prime consideration when evaluating proposed economic development projects will be how the proposed projects will help to maintain the existing economic base as well as provide opportunities for existing industries and businesses to expand their markets.
2. Creation of New Employment Opportunities. The creation of new employment opportunities for the Borough's population is another fundamental goal of the Borough's OEDP. Proposed projects will therefore be evaluated on their ability to create long-term goals. In addition, projects that provide year-round employment will receive more consideration than those that create seasonal employment opportunities.
3. Private Sector Participation. The private sector has historically been able to provide goods and services more efficiently than the public sector. Moreover, public sector funds are limited and their use should be directed to those projects that have the highest return. Therefore, projects that maximize private sector participation in terms of capital investment and management will be highly considered.
4. Value Added. The Borough contains vast reserves of natural resources. In most cases the number of jobs and capital investment may be increased by adding value to the natural resource as it goes through the various stages of processing and manufacturing. Projects which maximize the processing

of natural resources within the Borough will receive more consideration than those which merely export natural resources out of the Borough without any processing.

5. Import Substitution. One of the ways an economy develops over time is by substituting locally made products for imported products. The manufacturing and distribution of local products improves the local economy by maximizing both employment opportunities and spin-off effects. Projects that provide import substitution opportunities will therefore receive higher consideration than those which do not.
6. Long-term Opportunities. Certain projects by virtue of their infrastructure needs or market characteristics may provide opportunities for the creation of new industries or lower the cost of doing business for existing industries. For example, a project that requires the extension of natural gas and sewage lines may allow existing businesses to lower their utility costs thereby making their products more competitive. Therefore, projects that provide these opportunities will be favorably considered.
7. Minimization of Adverse Impacts. Some projects may have adverse impacts on either existing industries/businesses or on the environment. Those projects that have no adverse impacts will receive the highest priority when considering competing projects.