

Tax Credit for ARDORs Will Spur Regional Economic Development

By Representative Tom Anderson

Stimulating economic development was a platform on which many elected officials, including myself, campaigned. One of the most pressing goals of the 23rd Legislature is to increase revenues and stimulate growth through resource development; however, it may be years before the benefits will begin to affect the state's economy. Recognizing the immediate need to boost our economy, I have sponsored House Bill 194 as means to provide a quicker method of promoting economic development.

House Bill 194 creates a tax credit for contributions of up to \$10,000 made to regional development organizations. The definition of a regional development organization comes from the same statutory language used to define an Alaska Regional Development Organization, more commonly known as an ARDOR. There are 13 ARDORs throughout the state covering all of Alaska except a section of the interior and a portion of the Lower Yukon. I believe that the tax credit provided by HB 194 would both encourage businesses to support the ARDORs and assist the organizations' efforts to solicit contributions by offering this credit as an incentive.

The Legislature recognized that a locally driven initiative, in concert with the State, is the most effective path to developing a strong, vibrant, and diverse economy. The Legislature established the ARDOR Program in 1988 to improve local economies and to help eliminate many of the barriers to economic development they face. Alaska's ARDORs have been successful in fostering a healthier economic climate, creating jobs, attracting new businesses, promoting diversity, and strengthening existing businesses. It is essential we assist the ARDORs in their endeavors because that translates into substantial economic growth for our communities.

The Anchorage Economic Development Corporation, or AEDC, is the ARDOR in our region and has been a key element in promoting economic development in Anchorage. The AEDC was first recognized by the state as an ARDOR in 1989. Since that time, the AEDC has been incredibly successful at using State and private sector funds to bring new and more diverse employment to Anchorage. The AEDC is implementing a strategy that positions the Ted Stevens Anchorage International Airport as a global logistics hub, which will attract additional military operations to the city. They have actively worked to build an expanded Egan center and to form an Economic Development Plan Steering Committee, both of which will strengthen and diversify Anchorage's economy.

The AEDC has also been instrumental in a number of projects and studies that actively promote Anchorage as a world-class business environment and encourage development in the city. The AEDC provides information to new businesses, guides existing businesses that want to expand, and gathers data for studies that promote development. The value of these services in our community should not be underestimated.

The AEDC is currently focusing on several key areas of economic growth for Anchorage that are vital to our city's future. It is aggressively seeking to attract commercial global

logistics, air cargo and military business to Anchorage. They are also actively evaluating what new business could be available if natural gas supplies increase and developing strategies to expand the technology sector of our economy. The AEDC serves a vital function in fostering current businesses and attracting new business to Anchorage. If we want to ensure fiscal stability in our State, we must support and assist the programs that best help us achieve our goals.

The State cannot and should not attempt to direct regional communities' economic development. It is the responsibility of the citizens and businesses of each region to determine what's right for them, and it's the State's job to support their decisions. During those times that seem most fiscally bleak, we must focus on ways to achieve a bright future. House Bill 194 is an important piece of the puzzle. We should encourage businesses to invest in ways that come back as a return to the entire community.

State House Representative Tom Anderson (R-Anchorage) is a lifelong resident of District 19. He is Chair of the House Labor and Commerce Committee, Vice-Chair of the House Judiciary Committee and Chair of the Anchorage Caucus.