

P R E S S K I T



AEDC
Anchorage Economic
Development Corporation

IN THIS KIT

WHO WE ARE

The faces, the mission, the board and the basics

WHY ANCHORAGE?

A compelling compilation on everything from the weather to taxes and everything in between. Why Anchorage is an ideal place to plant your business roots.

ON THE HORIZON

Here's the economic forecast to attract potential businesses and information about our strategic location.

BIG WILD LIFE

Read why Anchorage is the best place to live and work if you love the outdoors and love to keep busy after work.

IN THE CITY

What is it like to live in this engaging city, from community and cultural events, to tons of activities to join after work and on the weekend.

YOUNG PROFESSIONALS HERE FOR GOOD

These exciting young business people have decided to make Anchorage their home.



WHO WE ARE

The Anchorage Economic Development Corporation (AEDC) is a private, non-profit organization that has been in operation since 1987.

The AEDC mission is to encourage growth and diversity in the Anchorage economy.

AEDC is connected to every industry statewide and, coupled with Anchorage's strategic geographic location, the organization introduces entrepreneurs and member businesses that are looking to grow or even get started in Alaska.

Anchorage represents the hub of the state's communication, transportation, health care, finance and trade industries. AEDC is the organization that brings them all together.

Some of the things AEDC does for businesses include:

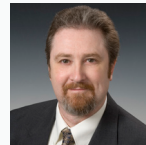
- Assisting Anchorage and Alaska companies through a well-organized and sustained program to encourage growth, retention and/or expansion outside Alaska
- Enhancing business between Anchorage and the rest of the state
- Attracting businesses in industries with the most potential for leveraging growth, such as logistics
- Encouraging targeted companies to visit Anchorage
- Generating viable business opportunities for investors
- Aligning with other appropriate organizations to communicate and market a common vision for economic development and growth
- Commissioning timely, relevant research on area economic conditions with local research firms and organizations and responding to research inquiries

These strategies are put into action through counseling new business owners, putting people in touch with each other for mutual benefit and hosting trade missions in the United States and abroad to expand markets.

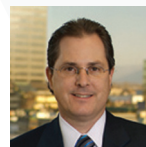
THE ANCHORAGE ECONOMIC DEVELOPMENT CORPORATION BOARD



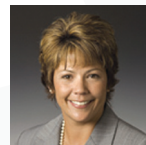
Brian Nerland
Chair
President, Alaska District KeyBank, N.A.



Dennis Mitchell
Vice Chair
Regional Manager – Alaska
Lynden International



Lon Wilson
Secretary/Treasurer
President, The Wilson Agency, LLC



Sophie Minich
Immediate Past Chair
Chief Operating Officer,
Cook Inlet Region, Inc. (CIRI)

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WHY ANCHORAGE?

For many reasons, Anchorage is an ideal place to plant your business roots. Anchorage's strategic geographic location in the Pacific Rim allows for access by air to markets around the world. Closer to home, the transportation infrastructure, welcoming business environment, access to a young workforce, plenty of educational opportunities and a "can-do" Alaska spirit make Anchorage an ideal location for doing business. In terms of cost of living, it is most like Seattle, and there are perks, like the Alaska Permanent Fund Dividend, which pays a dividend based on oil royalties to each qualifying resident annually. (Checks in recent years have hovered around \$1,500 for every qualifying man, woman and child in the state.)

POPULATION

Anchorage is the largest city in Alaska (population of more than 283,000) and has 42 percent of the state's population. Why Anchorage? Why not.

Here are some highlights:

TRANSPORTATION

From one of the busiest airports in the world, to rail, road and sea, Anchorage has myriad transportation options that connect you and your business to the world.

By air: Ted Stevens Anchorage International Airport offers direct flights from Anchorage to 45 cities around the globe taking full advantage of Anchorage's geographic location, allowing access to 90 percent of the industrialized world within less than 9.5 hours. In addition, Anchorage boasts more airfields than almost anywhere else in the world -- Lake Hood airfield, the largest and busiest seaplane base in the world; Merrill Field, the busiest in Alaska; and Birchwood Airport for general aviation traffic. Fort Richardson's Bryant Field and Elmendorf Air Force Base support military operations.

By sea: The Port of Anchorage provides direct ties with the Ted Stevens Anchorage International Airport and is going to become even larger, thanks to a more than \$500 million upgrade. With an active Foreign Trade Zone and a designated customs port of entry, the port serves 80 percent of Alaska geographically, including major military installations, by means of road, rail and air cargo connections.

By rail: If train travel is what you are looking for, the Alaska Railroad Corporation is a full-service railroad serving ports and communities from the Gulf of Alaska to Fairbanks. While its passenger service is known by visitors from around the world, the railroad's revenue comes primarily from its freight and real estate operations. Its rail-barge service offers a direct connection to the Port of Seattle, while freight operations move coal, gravel, construction materials and other commodities to communities along the tracks from Seward and Whittier in the south, through Anchorage, the Matanuska-Susitna Valley, Talkeetna, Denali National Park and Fairbanks. State-owned and overseen by a board appointed by Alaska's governor, the railroad offers unmatched scenic appeal and charm.

By land: Anchorage has road access to all major industrial and business areas in Alaska. Making the trip even more pleasant is the fact that Alaska has 11 state-designated scenic byways and three national scenic byways. The Alaska Highway connects with the Canadian highway system in northern British Columbia.

FOREIGN TRADE ZONES

A Foreign-Trade Zone provides special customs procedures to businesses engaged in international trade-related activities. Duty-free treatment is accorded items that are processed in Foreign-Trade Zones and then re-exported, and duty payment is deferred on items until they are brought out of the Foreign-Trade Zone for sale in the U.S. market. This helps to offset customs advantages available to overseas producers who compete with domestic industry.

Anchorage has two Foreign-Trade Zones -- Ted Stevens Anchorage International Airport, the top airport in North America for total tonnage of landed freight, third in the world for cargo throughput, and the Port of Anchorage, which serves 80 percent of Alaska's populated areas.

TAXES AND BUSINESS INCENTIVES

Alaska's corporate income tax, a graduated percentage of taxable income ranging from 1 percent for net income below \$10,000 to 9.4 percent for net income over \$90,000, is structured similar to the federal income tax. Anchorage's average mill rates are lower than Seattle's by approximately four mills. Property taxes are levied on a

full-assessed value at rates that range from nine to 18 mills. Inventory taxes are based on 100 percent of the value of inventory. Inventory held for shipment outside of Alaska may be exempted from local inventory taxes. Contact AEDC for more details.

The Anchorage municipal code provides tax exemptions for property used by a business that creates employment within the city. Qualifying businesses must also generate sales outside of the municipality or reduce the importation of goods or services. The state of Alaska does not have a sales tax, nor does the Municipality of Anchorage. The fee for a business license is \$100 a year and the cost is slated to go down in October 2009 to \$50 a year.

WORK FORCE

Young and highly educated achievers comprise Anchorage's workforce. According to the 2005 census, the median age in Anchorage is 32.4 years. When compared to the national average age (35.3 years), Anchorage's workers are significantly younger. Anchorage is also one of the smarter cities in the United States, ranking 22nd for the percentage (32.8 percent) of residents 25 and older who have a bachelor's degree, according to the U.S. Census Bureau.

Occupations currently in high demand in Anchorage include administrative managers and professional occupations, environmental occupations, equipment operators, field inspectors, health and safety compliance inspectors, and engineers within these specialized areas: project, chemical, civil, electrical, mechanical and geological.

EDUCATION

For families and employees with school-age children, the Anchorage School District offers a wide range of quality education choices ranging from foreign language immersion programs to diverse charter school options. State and local content standards guide classroom instruction and a wide range of programs like mentorships for gifted students, school-business partnerships, Junior Achievement and individual plans for students with special needs accentuate every child's intellectual interests and needs.

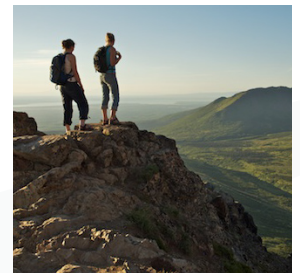
Higher education choices include the University of Alaska Anchorage, Alaska Pacific University and Charter College for continuing education courses or pursuing a master's, technical or doctorate degree or simply for those life-long learning opportunities to keep your mind sharp.

ANCHORAGE SIMILAR TO SEATTLE IN TERMS OF COST OF LIVING

A common misconception about Alaska is that the cost of living is significantly higher than most areas in the United States. Anchorage's cost of living is approximately 17.4 percent higher than the national average but when compared to other West Coast metropolitan cities, like San Francisco and Los Angeles, Anchorage is far more affordable. "Similar to Seattle" is what we like to say.

ANCHORAGE BOASTS FOUR SEASONS AND A MODERATE, MARITIME CLIMATE

If you relish the enjoyment of all four seasons – a glorious summer, colorful fall, white winter and the wonders of spring – Anchorage weather will welcome you. Commonly thought of as cold and dark the majority of the year, the truth is that Anchorage's climate is actually quite mild. With the Alaska Range to the north and the warm Japanese current to the south, Anchorage experiences a surprisingly moderate, maritime climate. During the spring and summer, Anchorage's climate is similar to San Francisco's spring weather, with temperatures that can reach into the 70s. Winters bring high temperatures dipping into the 20s, creating a climate very much like ski resorts in the Rocky Mountains, Canada or Europe.



ALASKA PERMANENT FUND DIVIDEND

Alaska is a resource-rich state, and that fact is made tangible each year when Alaska's governor gets the chance to announce to the public the amount of the annual Permanent Fund Dividend. This check, provided to all eligible Alaskans, is a way for the people of Alaska to share in the royalties from publicly owned, subsurface oil and gas resources on the North Slope. In 2007, eligible Alaskans each received \$1,654. Each year the amount is determined by the number of eligible applicants and the earnings available for distribution. For a glimpse of this past amounts, visit the Department of Revenue's Web site at www.pfd.state.ak.us.

ON THE HORIZON

Making your business roots in Anchorage makes good business sense. From its strategic global location to an abundance of opportunity, Anchorage is promising. Here are a few measures of economic activity in Anchorage that prove why:

- Anchorage marked its 19th consecutive year of job growth in 2007.
- Employment increased in Anchorage by 1,100 jobs in 2007.
- Industries that showed growth in 2007 include health care, leisure and hospitality, oil/gas and retail.
- The largest increases in employment between the fourth quarter of 2006 and the fourth quarter of 2007 occurred in the professional and business services sector (370 new jobs) and the leisure and hospitality sector (330 new jobs). The health care sector increased by 300 jobs.

UPCOMING PROJECTS

Anchorage is the headquarters for many of the state's largest businesses, and development all over Alaska has an impact here in Southcentral Alaska. Following is a list of projects being planned that will affect jobs, people and business in Anchorage:

- A pipeline to ship natural gas from Alaska's North Slope oil region to North American consumers is a top priority for state government. As conceived, it would be North America's largest construction project.
- Port of Anchorage expansion
- New Denaina Civic and Convention Center opens in October 2008
- Healy coal mine expansion
- Knik Arm bridge
- Warehousing opportunities for pharmaceutical companies
- Twenty or more Alaska mine prospects currently under exploration and development work
- Fire Island wind-energy project
- Western Arctic coal project
- Nenana Basin prospective petroleum province
- Two new Class A office complexes and a new downtown parking garage
- Future expansion of Red Dog Mine
- Instate petrochemical projects resulting from an Alaska North Slope gas line
- Matanuska-Susitna railroad spur line
- Chukchi Sea outer continental shelf lease sales, 2007-2012
- Chuitna Coal Project
- Donlin Creek Gold Mine
- Anchorage Museum Expansion



BIG WILD LIFE™

If you ask the members of the Anchorage business community what they love most about living and working in Anchorage, the answer is unsurpassed quality of life.

Anchorage is a youthful city of approximately 283,823 residents, full of life and full of promise. An influx of nearly 1 million tourists per year provides Anchorage with restaurants, hotel rooms and entertainment venues comparable to cities three times its size.

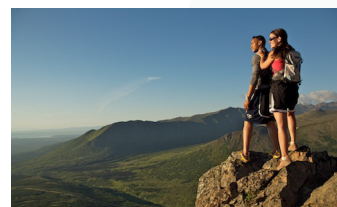
Our Big Wild Life™ campaign, now in full swing, is what Anchorage is all about. Our city offers the perfect balance of outdoor activity and sophisticated nightlife. On a clear summer day, residents can catch a king salmon on their lunch break, enjoy a world-class meal and take in a Broadway show that evening, all within a 10-block radius!

Anchorage residents enjoy all of the advantages of modern city life, but also benefit from plenty of back-door wilderness. With a population density of 150 people per square mile, and easy access to millions of acres of city, state and national parks, adventure is always one step away.

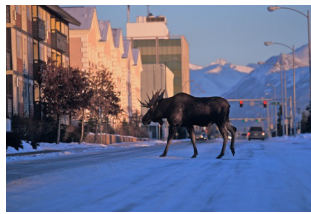
Anchorage offers excellent downhill skiing just a short drive away in scenic Girdwood, extensive trails and parks, sports complexes, ice rinks and public gardens, and sports leagues for adults and youth.

It's an active person's dream come true. There's something here for everyone.

RELATED LINKS:
www.bigwildlife.net
www.49threel.com



IN THE CITY



If you are interested in living and working in a vibrant city, with a healthy event calendar and activities for you and your family, Anchorage is the place. No matter what your interests are, it's happening in Anchorage.

It's also a place that can inspire new interests. For instance, you could finally learn to fly by taking private pilot lessons at Merrill Field or Lake Hood, both located minutes from downtown Anchorage. If you earn your license, you will become a part of the Alaska flying community, which has the highest number of pilots per capita of any state — six times the number in the Lower 48. Or, find one of a myriad of other activities that will inspire your dreams. There are parks and trails everywhere for walking, biking and running.

During the week, your children can attend some of the best schools. On the weekend, you can attend concerts, fairs, cultural events and the zoo. Anchorage is proud to have been distinguished for the third time in 2008 as a winner of the Top 100 Best Places for Young People, according to America's Promise Alliance.

Quality education opportunities abound in Anchorage as well. The Anchorage School District is home to a revamped, standards-based education system that includes a report card to the public. You can search the state's online report card to the public and find exactly how your child's school compares to others — and, if you are like most people, you may choose where you live based on where your young family members will go to school.

The diversity of cultures in the classroom is a harbinger of the diversity of the community as a whole. Opportunities for cultural experiences are wide ranging, thanks to a cultural palette made up of Alaska Natives and dozens of other cultural groups, including Hispanics, Asian/Pacific Islanders, Koreans, Hmong and many more.

The mingling of cultures and traditions spills over into Anchorage's wide range of great restaurant choices and world-class museums and art galleries. Highlights include the Anchorage Museum of History and Art, the Alaska Native Heritage Center, Alaska Aviation Heritage Museum, the Alaska Museum of Natural History and many others.

Anchorage's retail landscape is growing by the month, and the community boasts a full complement of national chains (e.g. Nordstrom, Best Buy, Old Navy, JC Penney's, Home Depot, Lowe's and many more) as well as a number of locally owned retail businesses from small boutiques to boat supplies. Nightlife in the city is characterized by award-winning microbreweries, movie theaters, dance clubs and a large performing-arts center that hosts local and national touring productions year-round.

The housing market has been stable by comparison to national markets, and did not experience either the wild speculation or big crashes that happened in other communities in recent years. In fact, Anchorage is actually experiencing a mild sellers market in the summer of 2008 with a median sale price of \$283,000.



HERE FOR GOOD

As the largest city in Alaska, a young, educated workforce populates Anchorage. The median age is 32, and 32.8 percent of residents ages 25 and older have a bachelor's degree or higher. This combination spells success for businesses and individuals alike, with the median household income at \$63,656 compared to a national average of \$48,451.

Anchorage provides all the amenities and conveniences of a large city, but leaves behind the normal congestion and hectic pace. Traffic delays and long commutes are the exception here. While shopping, fine dining and nightlife are easily accessible, so are opportunities to hike, downhill ski and snowboard, kayak, rock climb and other outdoor adventures. In fact, wilderness lies just minutes away in all directions from the city, and many trailheads are found in area neighborhoods or within a 20-minute drive from town.

Anchorage and Alaska are young, both in attitude and in time. Poised to celebrate the 50th anniversary of statehood in 2009, Alaska has living links to our past. Children of Alaska's last territorial governor are around today, and can talk about life prior to statehood status. Pioneers who came to Alaska with a dream and a dime made indelible marks on Anchorage, and that spirit is alive today, making it an exciting, youthful and promising place to live, work and play.

Here are a few young Anchorage professionals who have chosen to make their homes here, to start their families and businesses and develop their careers. Their individual stories help tell a larger story about Anchorage: it's a place where young people have greater opportunities for professional growth, where young people are given a chance to make a difference. Simply put, Anchorage is a great place to watch your professional dreams come true.



Spotlight on Stacy Schubert, 28

President

Anchorage Chamber of Commerce

"Anchorage is great because it has a very open business community and a great understanding of work/life balance."



Spotlight on Jim Anderson, 40

Owner/President

Lead Dog Consulting

"Anchorage provides an environment where one can make their own way. The wide-open spaces are conducive to thinking in new ways, whether one wants to start a software company, open a brewery or start a service business."

Spotlight on Chris Schutte, 32

Policy and Communications Director

Anchorage Downtown Partnership, Ltd.

"For a young, energetic person, it's definitely the right time to be here. There's so much capital and new business growth in the city, that if you're that type of person, and you're motivated, then your options are endless."

Spotlight on Daniel Greenhalgh, 34

President of Skinny Raven and Her Tern Shoe Stores

"You are always two seconds away from the trail at any part of town. You're in the city but can put on your running clothes and be on the trail."

Spotlight on Holly Willman, 28

Process Engineer

BP Exploration Alaska

"The opportunities offered to young professionals are greater than anywhere else I've been."

