

January 17, 2018

Professional Services Proposal

Haines Baseline Economic Data Report

&

Haines 5-Year Economic Development Plan

Submitted to

**Haines Economic
Development Corporation**

Submitted by


**McDowell
GROUP**



January 17, 2018

Margaret Friedenauer
Executive Director
Haines Economic Development Corporation
PO Box 1449
Haines, AK 99827

Dear Ms. Friedenauer,

We are very pleased to have been selected to prepare the *Haines Baseline Economic Data Report* and *5-Year Economic Development Plan* for Haines Economic Development Corporation. We are excited about this opportunity to assist Haines with this very important research and planning project.

In this document we have merged relevant sections of McDowell Group's proposals for the baseline and planning projects, and provided a consolidated timeline. We have also modified the scope of work to reflect feedback from the HEDC on our proposals, including aspects related to student input, readability of deliverables, and consistency with the needs of Haines' CEDS work. We also propose to create two new handouts, summarizing project information at key points. The documents will be designed for broad public distribution and will incorporate color images, graphics, and other visuals.

Selection of McDowell Group for both projects provides the opportunity to redirect professional services time we previously budgeted for coordination between contractors to development of these additional summary documents and provide higher-value analysis and plan development time.

We look forward to talking with you further about the project goals, scope of work, schedule, deliverables, and budget.

Sincerely,

A handwritten signature in blue ink that reads "Susan K. Bell". The signature is fluid and cursive, with the first name "Susan" and last name "Bell" clearly legible.

Susan K. Bell
Principal

Table of Contents

Cover Letter 1

Methodology and Scope 2

 Methodology..... 2

 Project Kick-Off Meeting and Site Visit 2

 Secondary Data Collection and Analysis 2

 Data Collection Through Survey Research 3

 Presentation of Baseline Economic Conditions 4

 Community and Stakeholder Outreach..... 4

 Strategy and Plan Development..... 5

 Project Timeline and Deliverables 6

 Project Budget 7

Methodology and Scope

Our customized approach will synthesize residents' vision and guidance, economic data and analysis, and our team's development and business expertise into a practical and actionable plan. The process and resulting product will build on Haines' strengths and opportunities, address challenges, and foster a stronger and more resilient economy.

Methodology

Project Kick-Off Meeting and Site Visit

Shortly after contract award, we will initiate a project kick-off meeting and site visit. This meeting will allow us to incorporate HEDC's input and address any questions concerning the project scope, methodology, schedule, and communication protocols.

We will also utilize this time to meet with key contacts including the Haines Borough manager, mayor, and other staff members; Haines Chamber of Commerce; business leaders; and other entities interested in participating in the planning process. We will develop the site visit schedule and list of contacts with HEDC's input.

If desired, we could introduce our project team and project approach at a community forum and/or meet with local media.

Secondary Data Collection and Analysis

Economic baseline research and analysis will begin with compilation of all relevant published data and a range of unpublished data that together reflect trends and conditions in the Haines economy. Sources of data will include federal government sources such as U.S. Census and American Community Survey, Bureau of Economic Analysis, and Bureau of Labor Statistics; various state agencies, including the departments of Labor and Workforce Development, Fish and Game, Revenue, Commerce, Community and Economic Development; and local sources, including the Haines Borough.

Data from these and other sources will provide a broad picture of trends in the local economy in terms of population demographics, labor force characteristics, sources of employment and wages, sources of personal income and income distribution, business sales, and a variety of industry-specific trends. We will prepare either five-year or ten-year time series (trend) analysis, depending on availability and quality of each data set.

An essential aspect of baseline analysis is accurately interpreting the data, recognizing the strengths and weaknesses of various data sets, and having the experience necessary to fill in the blanks left by inaccurate, incomplete, or non-disclosable data. Too often, economic data for Alaska's smaller communities and economies is presented as accurate and complete, when it is often more misleading than informative.

A fully-formed economic baseline must include analysis of forces at work in the industries and activities most important to the community. Understanding which forces are within local influence and which are not is critical for successful strategic economic development planning. With a professional staff of 16, McDowell Group has

subject-matter expertise in sectors important to Haines, notably the visitor industry, commercial fishing and seafood processing, mining, health and social services, transportation, and others. We look forward to supporting HEDC's efforts with our many years of experience in market research and business development in these areas.

In addition, to further enhance the baseline data analysis, we will interview local business owners and agency managers in for-profit and non-profit sectors of the economy. A basic premise underlying our economic development planning work is that the barriers to growth and opportunities for expansion are most evident to the people managing local businesses and agencies.

Useful baseline analysis also includes a look ahead. The purpose of economic development planning is to create opportunity that might not otherwise exist in the absence of that planning. The scope of our baseline research will include an analysis of the trajectory of the Haines economy, and how forces affecting the Alaska economy are likely to play out locally.

Finally, additional value can be added to the baseline document by including information about the multiplier effects of various forms of investment and spending in Haines. With a resume that includes numerous local, regional and statewide economic impact studies, McDowell Group will provide that important perspective.

Data Collection Through Survey Research

All Haines residents likely support progress towards an economically healthy, resilient, and prosperous community. However, economic development and economic well-being mean different things to different people and goals for the future may differ accordingly. To establish a baseline of community attitudes and priorities, we propose conducting a random-sample telephone survey of 200 adult Haines residents. The sample will include landline and cell-only users. Under our careful management, the survey results will be statistically representative of all Haines residents with a maximum margin of error of ± 6 percent at the 95 percent confidence level. Sub-group analysis will include examination of survey results by respondents' age, income, and potentially other demographic characteristics such as gender.

The survey instrument will be designed in close consultation with HEDC. The survey can measure residents' sense of personal economic well-being (whether improving or not), perceptions about the health of the local economy, their expectations for the local economy in the future, perceived barriers to local economic growth and diversification, opinions about what economic development goals the community should be pursuing, support for various economic and infrastructure development projects, support for public investment in economic development programs and initiatives, and a variety of other information. This survey research pulls together what may prove to be varied opinions on how Haines is doing economically, what the community should seek to achieve in terms of economic development, and how best to get there. Random sample surveying is an essential part of the public outreach effort. No other method (town meetings, mail surveys, on-line surveys alone) can yield results that are truly representative of the entire population.

The telephone survey, while generating results that are statistically representative of the entire community, will give a relatively small percentage of residents the opportunity to voice opinions about important economic development issues. However, in our *5-Year Economic Development Plan* proposal, we propose to convert the telephone survey instrument to a web-based, open-access survey. This approach gives everyone in the

community an opportunity to conveniently participate in the community engagement process. The project team will use public service announcements, press releases, and other social media tools to inform the community about the opportunity to participate in the online survey.

It is important to note that online survey results will not be blended with the telephone survey results. The online survey would be subject to self-selection bias, meaning its results may not be representative of the community overall. Results for the two survey efforts will be reported separately.

Presentation of Baseline Economic Conditions

We will present findings and conduct a public work session once the baseline data and survey results are available for public review. During this forum, we will facilitate a discussion of Haines' unique assets, strengths, competitive advantages, threats, and barriers. The SWOT discussion will consider both internal and external factors that affect the local economy and quality of life.

Community and Stakeholder Outreach

Capturing Haines residents' vision and opinions is critical to the *Development Plan*. We want to tap the wealth of knowledge that residents, business owners, department staff, and community leaders have to offer. We also recognize that involvement in plan development will help ensure buy-in and motivation for implementation.

We will utilize a suite of approaches to capture input from residents of different generations, economic, and demographic sectors. We will proactively seek opinions from residents who don't typically get involved in planning efforts.

An overview of our outreach and communication methods is provided below.

- **HEDC Board:** We will utilize the guidance and expertise of the board as a Steering Committee throughout the project and plan development.
- **Stakeholder and key informant interviews:** Early in the project we will interview stakeholders in Haines, trade organizations, economic development organizations, and other potential partners. Our project team will develop a contact list and interview protocol for review and input by HEDC. As we develop goals and strategies, we will reconnect with selected individuals to refine the analysis and recommendations.
- **Statistically representative telephone survey:** We will conduct a telephone survey with a randomly selected sample of Haines residents as part of our baseline data collection. The survey will be designed by McDowell Group with input and review by HEDC. The information gathered from this effort will be invaluable in gauging residents' development priorities, suggestions, and concerns.
- **Online survey:** Once the phone survey is completed, ensuring that results are statistically representative of Haines population, we will open the survey to the full community. We will incorporate a link to the survey on the project website and will utilize local media, social media, and local organizations like the Haines Chamber to promote the survey opportunity.

- **Interactive public forums:** We anticipate three public forums throughout the project. If desired, we will coordinate an initial forum with the kick-off meeting to introduce our project team and approach to plan development. The second forum will be a work session when the Baseline Economic Data is available for public review. This session will also incorporate a SWOT analysis. The third forum will be a presentation and discussion of the *5-Year Economic Development Plan*.
- **Student outreach:** We plan to incorporate student outreach throughout the project. We will encourage student participation in the online survey. We also envision student discussion groups at two key points in the project: following development of *Baseline Economic Data* and discussion of the draft *Development Plan*. We will work closely with HEDC and the Haines School District to ensure that appropriate protocols are followed concerning student engagement.
- **Discussion groups:** We will allocate time and team resources to conduct several discussion groups during the project. We will work with HEDC to identify the appropriate audiences and timing. As an example, a discussion may take place at Haines Senior Center, in Klukwan, or in conjunction with a Lynn Canal Conservation community meeting.
- **Haines Borough:** As a key partner and project funder, we anticipate frequent communication with the Borough Assembly and staff. We will meet with the Borough during the project kick-off meeting and site visit. We also anticipate stakeholder interviews and data collection with several members including the Borough Manager, Planner, Tourism Director, and others. Presentation of the draft *5-Year Economic Development Plan* can be arranged at a Borough Assembly meeting or at a separate work session.
- **Project website:** We will utilize HEDC's website to provide easy access to project documents and presentations, meeting notices, team contact information, news stories, and other project resources. The website will also allow users to submit comments and ideas. We worked very effectively with Bear Star Web Design on several recent projects including the Juneau Economic Plan and AMHS Reform. A popular feature of the AMHS Reform project website was the sharing of public comments as individuals gave their permission to post them.
- **Media:** Our team values the important role of media in this project. We will work with KHNS and Chilkat Valley News staff at key stages of the project to maximize public awareness and participation.
- **Social media:** We will work with local organizations to leverage their contacts and existing social media channels to provide project updates and solicit feedback.

Strategy and Plan Development

Strategy and Plan Development will begin with careful consideration of information gathered through the prior project phases. We will begin by synthesizing the information into common themes, likely by economic sector. We will develop an evaluation matrix with consideration for the following development concepts:

- Gaps in foundational development elements such as training and workforce development, affordable energy, communications, and transportation infrastructure.

- Potential to stimulate economic activity by investing time and resources in promotion and marketing, market research, financing, incentives, or changes to public policies.
- Anticipated return on investment in terms of new employment, economic activity, and contributions to the local tax base.

We propose to meet with HEDC at the initial stage of plan development to review and discuss project findings and *Development Plan* components. We will incorporate HEDC's feedback as we finalize the plan elements including detailed strategies, lead agency/individual, timeline, metrics, and evaluation process. We will also ensure that the plan format aligns with federal CEDS guidelines providing maximum utility for grant applications.

We will work closely with HEDC to ensure project documents are highly readable and easily implemented. We will incorporate infographics and HEDC's suggestions for making documents accessible (such as incorporation of a "How to read this Plan" section in the documents).

The plan will encompass a 5-year time horizon and will highlight immediate, mid-term, and longer-term actions. Contents will likely include an introduction, executive summary, background information, an overview of the local and regional economy, discussion of existing economic sectors and outlook, community demographics, business climate and resiliency, SWOT analysis, and the action plan. Recognizing that the *Baseline Economic Data Report* will be a standalone document, information will be summarized in the *Development Plan* to provide context.

The HEDC board will have an opportunity to review the draft plan before it is presented in a public forum. We will publicize the public forum and opportunity to review the plan through press releases, Haines Borough and project website, social media, and project contacts.

Project Timeline and Deliverables

The following table presents a project timeline for successful completion of the *Five-Year Economic Development Plan* by July 1, 2018. The project anticipates team member travel at four key project points: project kick-off and initial site visit; community forum and work-session to discuss baseline data; HEDC work-session to review elements of the Draft Plan before it is finalized; and presentation of the Draft Plan.

Project Schedule for the 5-Year Economic Development Plan

Project Task	Timeline
Notice to proceed and project launch	January
Project kick-off meeting and site visit	January or asap
Secondary data collection and analysis	January through March
Stakeholder interviews, website launch, initial outreach	January through March
Business interviews	February
Household survey research	Feb 1 to Mid-March
Deliver baseline data report	April 1
Community forum and work session	By mid-April
Discussion groups with students and other groups	Concurrent with forum
HEDC work session on Plan Elements	By May 1
Draft 5-Year Development Plan	By mid-May

Project deliverables include:

- Project documents for HEDC's website providing public access to draft documents, meeting notices, team contact information, and other resources. The website will also be used to capture public comments.
- PowerPoint presentation of Baseline Economic Development Conditions and a concise summary of the initial public work session.
- Handout summarizing baseline data incorporating easily understandable charts and graphics.
- Online survey, modified from the Haines resident telephone survey conducted during the assessment of baseline data.
- Discussion group summary, highlighting key themes from the student outreach and additional discussion groups (to be identified in coordination with HEDC).
- Draft and Final 5-Year Economic Development Plan. Final reports and plans will be provided in Microsoft Word and PDF on a flash drive. We have included 15 bound copies of the final plan in our project budget; additional copies will be billed at cost.
- A handout or brochure intended for broad public distribution that graphically summarizes the development plan objectives and strategies.
- Interim project documents will be provided via email and will be posted on the project website as appropriate.

Project Budget

McDowell Group's revised budget to prepare all elements of the *Haines Economic Development Plan* totals \$49,500. Our budget includes development and printing of two new documents summarizing project findings. The first document is a high-level summary of the baseline data, incorporating graphics and charts. The second document will provide a concise overview of the project process and development plan objectives and strategies. We will redirect staff time anticipated for coordination between contractors to these two new documents and to more robust public outreach, analysis, and plan development.

Our budget includes all staff time needed to conduct the research, analysis, and Plan development. The budget also includes direct travel expenses and production of deliverables as noted in our methodology. We anticipate using public venues where possible for community meetings, both to increase public participation and to minimize project expenses.