



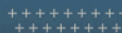
WHAT DOES IT TAKE TO BUILD A HEALTHY & SUSTAINABLE ECONOMY?

Joe Beedle, Chairman Northrim Bank



Northrim Bank

ACHIEVE MORE.



WINDS OF CHANGE – NATIONAL OPPORTUNITY? OFFSET HEADWIND?

- A little luck in elections, markets, regulations, resource price
- Major Paradigm Shift via Trump
 - But Presidents have limited power, checks & balances
- Alignment: Congress – Executive - Courts
- Fits Alaska Brand...DNA...less regulation - more enterprise 70% AK support exists for resource development! No poll required!
- U.S. consumer 70% U.S. Econ, 12% World Econ, 4% growth?
- Federal lands - regulation relief could be big – how earn support
- Investment climate – DOW - APFC \$55B - improved



WINDS OF CHANGE - CONTINUED

- Growing U.S. economy helps AK, our resources, visitors...
- Federal initiatives list – might grow – name your idea
- Strong AK delegation – aligned for quick, early moves
- International Trade – mixed but possibly some quid pro quo
- Russia to AK – may not be all evil on econ – military investment
- Alaska vs Canada – Trudeau environmentalism/socialism
- Cautious optimist - A new federal paradigm
- Early AK support to capitalize upon
- But debilitating Fed signal AK LNG FERC feedback 266 pages!
- Entrenched core Fed bureaucrats hard to change....help w/logic!



NEED A PLAN: STATEWIDE CEDS PROJECT

- Comprehensive **E**conomic Development Strategy
- **N**orthern **O**pportunity: Alaska's Economic Strategy
- Project has value – meaningful size – align w ARDORS
- Anchorage must update/complete its own CEDS
- Opportunity should include resource extraction & industry
- Not mush – need material meaningful employment/investment
- Think federal sea change – core/base industry again
- Entrepreneurial Investment – Grow Economic Wealth
- Focus growth entrepreneurs (#10-99) job creators, investors
- More focus on 2nd stage, existing/new, less on start-ups/micro
- Align permitting – simplify – coordinate; intro networking



GOVERNMENT ASSETS & LAND

- Must leverage State, Fed, ANC land
- Election observations as they relate to assets and land – dispose of lands and surplus assets
- Making available – in creative formations/uses
- Inventory, mapping, cataloging, land use
- Mental Health Trust/Land Trust Office
- More progressive local government land availability
- Mitigation banks!



MITIGATION IMPACTS - DEVELOPMENT

- Establish overarching 'Mitigation Bank' and network formula/metric – \$ denominated payment
- Mitigation is a limiting factor to permitting
- Rules must be followed, but ability to move forward and be helpful for development
- Predictable & Fair! Currently not clear!
- Factor relative values; habitat, species, geography
- Unite agencies (USACE, DNR, DEC,..) define
- Middle person – broker – entity – quantify – escrow
- Prime project/manger/permits; dup. in mitigation process



OIL REALITIES AND NEWS

- Oil Still Rules our economy – will not change
- Oil still efficient energy via transport & hold vs LNG and alternative energy
- Existing infrastructure/pipeline – use it!
- Oil companies focus on lower risk, accept lower returns more accessible prospects
- ANC's – expected to play a role, support them
- Alaska must remain competitive
- Pay earned tax credits! – IRS pays refunds!



NATURAL GAS

- Economic/investment challenges AGDC/AK LNG
- Gas to liquids into TAPS more likely?
- Agrium – real potential to open plant
- ANC gas – middle earth opportunities – bush?
- Cook Inlet continued optimism
- Cleaner energy
- Mine equalizer?
- Monetize challenge when stranded



STATE FISCAL & FINANCIAL ISSUES

- Tax credits – must be paid – otherwise accommodated
- Fiscal certainty
 - Must modify revenue stream and must do all options at once
- Prioritize spend/invest for economy, growth, seed, returns
- APFC prudent investment options AK; co-investment
- Alaska Business Monthly Editorial October Issue
 - AKBizmag.com by Joe B and Joe S ‘Brexit/AKit’
- No leverage/borrow unless unrestricted revenue!
- Time for fiscal plan, legislative joint special committee



ALASKA CAPITAL INVESTMENT

- Create strategy for disciplined communications
 - Do not hype projects before their time
- How do we attract capital – the old fashioned way – prove it!
- Fiscal and regulatory certainty – improved certainty
- Politically more aligned now with federal administration
- AIDEA, ANC'S, large players, investment returns,
- Leverage AIDEA even more – 'entrepreneurial capital'
- Real asset investments – be willing to give up autonomy/control – less emotional attachment
- FYI – new FASB rules leasing booked as liability – significant impacts – effective dates/cautions



ALASKA NATIVE ORGANIZATIONS

- How can AK Native Organizations help?
 - Engage in public policy
 - Political leverage
 - Develop/leverage property – license others
 - Support mitigation
 - Investment capital
- Not restricted to Native “C” Corporations
 - Associations/consortia/non-profits/tribes
- ANC collective aligned support – our backing!



OFFSETTING COST DRIVERS

- Trans: Airship/helium/lift capacity little infrastructure
- Overcapacity on trains/truck/transport vessels
- Impact mitigation strategies – standardize – ‘bank’
- Regulation – new administration improvements
- Permitting support – at all government levels
- Fiscal certainty agreements – PILT – AGDC/LNG
- Construction contractors excess capacity
- CEDS outline sources of efficient conduits
- ‘Plug’ ‘SurThrival’ – Northrim ‘tools’



SURTHRIVAL

- Visit for resources
 - <http://www.northrim.com/home/business/financialpreparedness>
- Opportunities do exist
- Navigate through uncertainty to SurThrive
- Stay engaged in disciplined public policy
- Support/demand alignment – fracture defeats
- Don't waste a near perfect opportunity to fix now
- No 'secret sauce' mix of ingredients, heat, vessel, politics, alignment for healthy & sustainable economy – takes ALL

