

Building the Future...

# The Bering Strait Comprehensive



**Economic  
Development  
Strategy  
2003-2008**



**Annual Update  
July 1, 2006 – June 30, 2007**

**Bering Strait Comprehensive Economic  
Development Strategy  
(CEDS) 2003 - 2008**

**Annual Report**  
**(7/1/06-6/30/07)**

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# TABLE OF CONTENTS

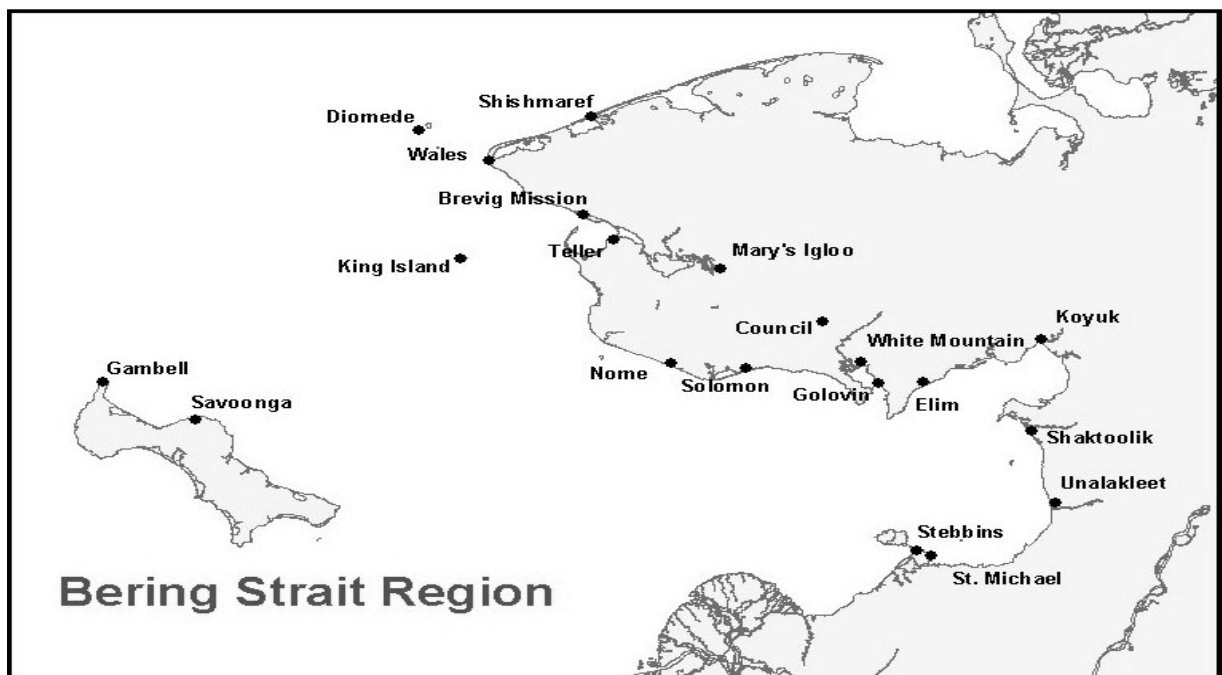
<b>I.</b>	<b>INTRODUCTION</b>	<b>4</b>
<b>II.</b>	<b>REGIONAL ECONOMIC OVERVIEW</b>	<b>5</b>
	1. Regional Economy	
	2. Changes in the Regional Economy	
<b>III.</b>	<b>ADJUSTMENTS MADE TO THE CEDS</b>	<b>6</b>
	1. Structural Changes to the Committee	
	2. Operational Changes to the Committee	
<b>IV.</b>	<b>2005-2006 ACTIVITIES AND ACCOMPLISHMENTS</b>	<b>7</b>
	1. Infrastructure Development	
	2. Workforce Development	
	3. Business Development	
	4. Quality of Life	
	5. Natural Resources	
<b>V.</b>	<b>CONTINUING DEVELOPMENT ACTIVITIES</b>	<b>15</b>
<b>VI.</b>	<b>UPCOMING OPPORTUNITIES</b>	<b>16</b>

## I. INTRODUCTION

This document is the third annual report summarizing progress made since the adoption, approval and implementation of the 2003-2008 Bering Strait Comprehensive Economic Development Strategy (CEDS). The goals in the 2003-2008 strategic plan focus on infrastructure, workforce, business development, the quality of life and natural resources. This report includes the accomplishments and activities performed between July 1, 2006 and June 30, 2007 to meet these goals.

Kawerak's Bering Strait Alaska Regional Development Organization (ARDOR) was formed on January 15, 1997 with representation from various economic sectors of the local economy, including fisheries, mining, transportation, finance, tourism, housing and health services, to address the region's economic concerns. The Bering Strait Development Council (BSDC) serves as the ARDOR committee, who is responsible for maintaining and supervising implementation of the CEDS. The BSDC has also been designated as the area's United States Department of Agriculture Resource Conservation and Development (RC&D) District Board.

The BSDC and Kawerak Community Planning & Development staff completed the CEDS in July of 2003 through planning grant assistance funds from the Economic Development Administration (EDA) and an annual ARDOR program grant from the Department of Commerce, Community and Economic Development (DCCED). The CEDS was officially approved March 31, 2004. The CEDS is an economic analysis and implementation plan for the Bering Strait region, which is also referred to as the Nome Census Area. The CEDS also serves as the Regional Economic Development Strategy (REDS) as required by the state's ARDOR program.



## II. REGIONAL ECONOMIC OVERVIEW

### Regional Economy

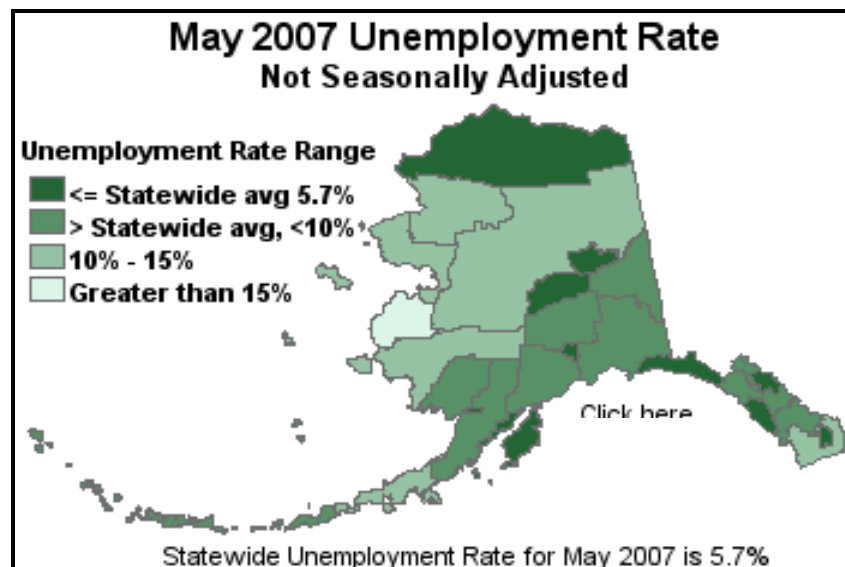
The economy of the Bering Strait region continues to be cash and subsistence based, unlike the dominant cash-credit-based economies of urban areas within Alaska and the lower 48 states. A mixed economy of subsistence combined with cash-based employment is common within Alaska's rural and/or coastal communities. Generally inaccessible by road, commercial goods are transported into the region by either airplane during the winter or barge during the summer, resulting in high freight costs and a higher cost of living. Subsistence hunting, fishing, and gathering help supplement the exorbitant price of groceries. This augmentation of prices, in addition to strong cultural traditions is the two main factors that continue to sustain the subsistence lifestyle.

Nome is the supply, service, and transportation center of the Bering Strait region. Approximately 40% of employment in Nome continues to be funded by local, state, and federal government agencies. Norton Sound Health Corporation (NSHC), the Nome School District, and Kawerak, Inc. are the major employers and provide health care, education, and social services. Bering Strait School District (BSSD), with the majority of job opportunities in any given village, has approximately 569 full and part-time employees, while NSHC has 428 employees both within Nome and in the surrounding smaller communities. Kawerak is the third largest employer with 217 regular employees. Retail and transportation services also provide year-round income. Construction, commercial fishing, and tourism provide seasonal employment.

There are also limited employment opportunities available in the villages with the IRA Councils, Village Corporations, City, village stores, or other small private enterprises. Nevertheless, unemployment continues to be high in the villages, sometimes as high as 75%.

### Changes in the Regional Economy

The Nome Census Area includes the City of Nome and 19 villages throughout the Seward Peninsula. The region's population has increased by 194 people between 2002 and 2006. The population in the hub city of Nome increased in this same period by 59 people.



The unemployment rate for the region appears to have remained consistent; 13.6% in April 2006, to 10% to 15% in May of 2007. In actuality these figures are much higher when taking into consideration the population eligible to work but not considered “officially unemployed” because they are not actively seeking employment because there are no jobs available.

Gold mining and commercial fisheries historically generated many jobs and revenue for the Bering Straits region, although employment in these industries was primarily seasonal. However, the development of the Rock Creek Gold Mine now offers year round employment and is expected to last through 2010.

Near record to record runs of chum, coho, pink and sockeye salmon occurred in many areas of Norton Sound in 2006. The commercial coho salmon harvest was a record, but there was no market interest in a chum or pink salmon directed fishery. Once again, the chinook salmon run was poor but no commercial fishing for chinook salmon was allowed.

The tourism industry continues to be down. Last year there were four cruise ships docking in Nome and the same are expected this season. In addition, two research vessels and one Coast Guard ship will also be docking in Nome this summer.

Without a year round basic industry, the region continues to struggle with high unemployment rates, lack of job opportunities, lack of properly trained professionals in the construction, technology or other highly skilled trades, and a high cost of living.

### **III. ADJUSTMENTS MADE TO THE CEDS**

#### **1. Structural Changes to the Committee**

The Bering Strait Development Council serves as the committee for the ARDOR and the Bering Strait RC & D District Board. The CEDS meets the requirements for a Resource Conservation and Development Area Plan as per the USDA-NRCS.

The Bering Strait Development Council currently has 16 seats with the following representation:

Transportation	Mining	Finance/Banking
Tourism	Housing	Health
Fisheries	Kawerak Board	City of Nome
South-central sub-regional villages	Southeast sub-regional villages	Northern sub-regional villages
Nome sub-region	St. Lawrence Island	Workforce Development
		Bering Straits Native Corporation

#### **2. Operational Changes in the Committee**

Funding for the Bering Strait Development Council is an ongoing issue. The State’s Department of Commerce, Community and Economic Development awarded the BSDC FY 07 funds in the amount of \$61,060. FY 08 funds are expected to drop to \$56,363. The Council continues to investigate

additional venues and resources for future funding to operate more effectively. The BSDC partners, via a Sub-recipient Agreement, with the Alaska Manufacturing Partnership Extension (AMEP). Through execution of this agreement, the BSDC can be awarded up to \$40,000 annually. Recently the BSDC has signed a Sub-recipient Agreement, effective September 2007 that will allow for up to \$60,000 per year. Specifically, BSDC will act as AMEP's representative in the region, and will be the lead coordinator for any AMEP projects in the region. BSDC will provide up to \$60,000 in non-federal in-kind contributions on a 1:1 match basis. The BSDC also will deliver the following services in the region: 1) Professional Business Advisor assistance to local manufacturers and 2) Promote e-commerce through a variety of channels, including a portal website.

#### **IV. 2006-2007 Activities and Accomplishments**

The goals in the 2003-2008 strategic plan focus on infrastructure, workforce and business development, the quality of life and natural resources. Investments and improvements in these areas will help increase economic productivity and competition, increase job opportunities and earnings among residents and help reduce cost of living expenses. Following are accomplishments and activities performed between July 1, 2006 and June 30, 2007 to achieve these goals.

##### **1. Infrastructure Development**

###### ***Grant Writer Assistance Program***

All communities in the Bering Strait region have the opportunity to apply for Grant Writer contracts twice a year through Kawerak's Community Planning and Development program. Contract periods run January 1 – May 1 and September 1 –December 31 and are awarded in the amount of \$10,214. The contracts are used to pay the wages of the IRA's grant writer to find funding to implement priority projects from their Local Economic Development Plans (LEPDs). There have been fourteen (14) contracts awarded to eight different communities totaling almost \$150,000.

More than ten (10) project proposals have been funded and one application is awaiting approval. Some of the projects that have been funded include planning for an Assisted Living Elder Facility that will be located in Unalakleet but provide services for Koyuk, Shatoolik, Stebbins and St. Michael, a Shaktoolik Health Clinic, language preservation, after school activities, youth courts, water/sewer improvements, shelter cabins, evacuation road feasibility study, erosion control, tribal courts, community building renovations and improving governance infrastructure.

Funding has been secured from the following agencies for projects: State of Alaska Mini Grants, Denali Commission, Corps of Engineers, Rasmuson Foundation, Indian General Assistance program, Norton Sound Economic Development Corporation, Administration for Native Americans and Indian Community Development Block Grant.

###### ***Grant Symposium***

The Annual Grant Writer Symposium was held in October 2006 and was very successful. There were more than 50 attendees over the three-day training event. Facilitators from Housing and Urban Development (HUD)/Indian Community Development Block Grant (ICDBG), Community Development Block Grant (CDBG), Office of Environmental Protection (OEP), Administration for Native Americans (ANA). General grant writer workshops facilitated by hired consultants were the

highlighted sessions. Tribal Coordinators as well as Symposium participants attended a joint session on tracking grant funds and accounting processes. Travel, lodging and per diem scholarships were available for 18 participants, up from 12 in 2005. For the October 2007 Symposium 20 scholarships are expected to be available.

### ***Local Economic Development Planning (LEDP) Program***

All communities in the Bering Strait region have a current 5-year Local Economic Development Plan. Community Planning & Development (CPD) staff has assisted four communities this fiscal year in updating their plans to include implementation strategies to accomplish their priority projects. Shaktoolik, Brevig Mission and King Island plans have been updated and posted on the Kawerak and State of Alaska's websties. Initial meetings are scheduled for White Mountain and Savoonga to establish and/or revise existing priorities for their LEDP updates.

Kawerak, Inc. continues to receive Economic Development Administration (EDA) Indian Planning Grants and works closely with EDA on several projects: continuation of providing business plan technical assistance to the eight funded EDA multi-purpose buildings as well as business development workshops, small business start-up workshops, updating the Local Economic Development Plans (LEDPs), and the CEDS Regional Plan update. EDA has requested a proposal from Kawerak's Community Planning and Development program to assist Shishmaref with general operations, business plan update and trainings for their newly constructed Tannery. A proposal has been developed and sent and we are waiting to hear back from EDA.

The following is a list of transportation projects scheduled to be undertaken this season that are listed in the communities LEDP.

#### **PLANNING:**

- Shaktoolik Evacuation Road
- Coordinate with AVEC to develop a plan and funding for decommissioning abandoned tank farms.
- Shishmaref village current location stabilization study
- Savoonga Small Boat Harbor

#### **DESIGN:**

- Diomed Community Boardwalk
- Diomed Harbor – Bathometric, environmental and geotechnical surveys
- Unalakleet Community Streets
- Brevig Mission Community Streets
- Gambell Evacuation Roads
- Stebbins Community Streets
- Nome Fort Davis Road

#### **CONSTRUCTION:**

- Unalakleet Community Streets – obtain materials (crushed rock) and develop subcontractor documents for 2008 construction.
- Shishmaref Sea Wall Project
- Trail Staking – Kougarok to Shishmaref

#### **MAINTENANCE:**

- Dust Control

- Cape Wooley Road – culvert replacement and road repair.
- Stebbins-Saint Michael Road – culvert replacement and road repair.
- Nome Fort Davis Road – culvert replacement and road repair
- Unalakleet Equipment Repair – motor grader

## 2. Workforce Development

### *Gold Mining*

NovaGold obtained the sub-surface rights from Bering Straits Native Corporation and has secured all permits necessary for operation. The Nome operation comprises two projects located near Nome: Rock Creek and Big Hurrah. NovaGold holds title to mining claims covering approximately 14,000 acres. The Rock Creek and Big Hurrah will be the first modern, open pit mines on the Seward Peninsula. Construction of the mine has begun and the first blast was in May of 2007. NovaGold will bring significant economic benefits to Nome. NovaGold also anticipates continued sales from its Nome sand and gravel and land businesses, which have contributed \$1-\$3 million in annual cash flow over the past six years.

NovaGold will achieve the transition from explorer to producer this summer at Rock Creek. The project is 7 miles from Nome. A newly constructed road provides access to Rock Creek. Highlights from 2006 include:

- Completed final detailed engineering for the Rock Creek project
- Obtained necessary permits and meeting conditions for Board approval of construction
- Construction was initiated August 22
- Completed NI 43-101 compliant resource updates for Rock Creek, Big Hurrah and Nome Gold
- Initiated a preliminary economic assessment for Nome Gold

2007 milestones include:

- First production at the Rock Creek mine targeted for Q3-2007, with commercial production by year end
- Complete the preliminary economic assessment for Nome Gold
- Complete 12,000 meters (39,350 feet) of expansion and exploration drilling

The Rock Creek mine will be developed as a 7,000 tonnes-per-day conventional open pit year round operations with approximately 100,000 ounces of gold per year at estimated total cash costs of \$260-\$285 per ounce. Testing at Rock Creek has shown more than 75% of the gold is recoverable using simple and inexpensive gravity methods. Cyanide is also being used at Rock Creek.

This project is expected to employ 135 skilled workers to handle operations at the mine and mill complex. To date there are 49 full time employees and 90% are from the Nome area, excluding management positions 94% are from the Nome area. Recruitment has been done in Shishmaref, Golovin, Elim and Koyuk this spring and other villages were visited last year for recruitment. There are 19 positions slotted for administration and recruitment is on-going for these. Most positions available are considered skilled; however, the haul truck operators and fuel lube mechanic positions are entry level.



May 2007 – First Blast at Rock Creek – Photo from NovaGold Website

### **3. Business Development**

#### *Tourism*

Tourism continues to be an important but declining industry in the region. There was a sharp decline of birding groups coming to Nome although there is a steady flow of groups that consistently frequent Nome each year. Colder and unusual weather, migration patterns and fears of bird flu were noted as a few reasons. For the 2007 tourism season more birding advertising and exposure on the Nome Visitor Center's website has been done. Since then there have been 722 requests for information about Nome birding. Nome is ranked #3, along with Gambell for the best birding spots in the U.S.

There has been a substantial decrease in available commercial beds for tourists. In January 2003 there were 447 beds, compared with January 2006 where there were only 318, down 128 beds. With the opening of Rock Creek mine, The Gold Company has secured most of the commercial beds available, leaving only 191 available to visiting tourists.

The continuing decline of commercial beds available is certain to affect tourism and large events that occur in Nome, increasing the need for overflow housing. During the Iditarod there were 105 requests for housing and 85 were able to be placed.

Bering Straits Native Corporation is looking to develop tourism in the Nome area. They are building three cabins at Pilgrim River this summer. The Nome Chamber of Commerce, in partnership with the Bering Straits Development Council, an Alaska Regional Development Organization (ARDOR), is also making efforts to increase tourism in the region. With funding received from Norton Sound Economic Development Corporation, the Nome Visitor Association, the City of Nome, the ARDOR and the Chamber of Commerce, are producing an educational DVD, and virtual tour links will be

developed this summer. This project is geared at enticing cruise ships to home port in Nome and visit Gambell, Savoonga, Diomedede and King Island. These efforts are expected to provide existing and new tourism businesses with increased sales and profitability to multiple communities, increase visibility of NSEDC's Seafood Plant and retail store's ability to provide fresh seafood to cruise ship galleys and passengers and to spur private investment and tourism employment.

Tourist information provided on the State of Alaska website state that 75% of Bering Strait visitors were traveling for vacation/pleasure purposes with 18% traveling to visit friends or relatives, and 8% traveling for business. The average length of stay in the Bering Strait region was 5.7 nights. Two-thirds of Bering Strait visitors reported spending at least one night in a hotel, another 39% reported staying in a private home and one-quarter camped.

Bering Strait visitors visited an average of 3.8 communities while in Alaska, more than the average among all rural visitors (2.7 communities). The vast majority of Bering Strait visitors (98%) overnights in the Far North region, including 71% who overnights in Nome. The most common destination, other than Nome, was Gambell and Teller. Wildlife viewing was the most popular activity among Bering Strait visitors, with 57% participating. This includes 25% who viewed birds. Other popular activities included cultural activities (47%), hiking (41%) and fishing (41%).

### ***Small Business Start-Up***

Alaska Marketplace is an exciting new initiative aimed at uncovering ideas for stimulating economic development in rural Alaska by tapping into the deep cultural knowledge and skills of Alaska residents. Applications for the second competition are due June 28, 2007. Potential entrepreneurs are invited to submit concept papers describing their original ideas of novel and innovative ways to create jobs and stimulate village economies. Two CPD staff were selected to review and score applications for the competition. Seed money will be awarded to each of the most promising entrepreneurs to assist in turning their ideas into action. The winning applicants will be awarded their start-up funds at the Alaska Federation of Natives conference in Fairbanks, October 2007. As a part of the ARDOR work plan, CPD staff worked with more than 15 candidates from the region on their concept papers and business plans.

Small Business Start-up workshops are held in communities for those interested in starting a small business in rural Alaska. To expand efforts to educate younger community members about starting a business, workshops are also held at the high schools for students. Students from around the region participating in the Northwest Arctic Career & Technology Center (NACTEC) program at Nome Beltz High School Campus also participate in these workshops.



NACTEC Students

Photo taken by Gina Appolloni

### ***E-Commerce Center Start-Up***

The Bering Strait Development Council (BSDC), who serves as the Alaska Regional Development Organization (ARDOR) for the Bering Strait/Nome region continues to partner with Alaska Manufacturing Extension Partnership. The ARDOR FY '07 Work Plan goals of the BSDC include support of entrepreneurship and small business development in the region, assisting small business owners and promoting E-commerce. These goals are consistent with AMEP's goals and our partnership will assist in improving our ability to provide these services.

To date E-Commerce Centers have been set up in Nome, Golovin, Elim, Savoonga, Unalakleet, Brevig Mission, Stebbins and Gambell. Three week long training sessions were held in Anchorage and were attended by volunteers from each community with an E-Commerce Center. These volunteers have gone back to their communities and trained others. Artist portfolios continue to be developed and updated. We have 27 artists who have portfolios, with most including résumé's, artist's statements and bios and multiple photos of art work. There has been a steady increase of users at the Centers. This reporting period more than 170 community members have signed in to use the Centers, up from about 120 last year.

Technical assistance is provided to all of the established E-Commerce centers through Nome's *Bering Strait E-Commerce and Business Research Center*. This assistance includes how to sell on E-bay, how to set up an e-mail account, digital camera questions, presentation of photos and cultural stories to increase the value of an item for sale, in-home manufacturing assistance, marketing, general keyboard and computer training, etc.

Photos taken by Colleen Odden



Brevig Mission E-Commerce Center

Stebbins E-Commerce Center

## **4. Quality of Life**

### ***Regional Conference***

The annual Regional Conference will be held September 25-27, 2007. The theme for this year's conference is *Living and Learning in Today's Changing Tides*. Planning has started for keynote speakers and workshop facilitators. Participant counts remain consistent annually with from 200-300 community members from the region attending. The Conference will provide three tracks and multiple workshops. This year the workshops will be geared to be youth friendly.

### ***Wellness***

The position of a Wellness Coordinator that assists the Regional Wellness Forum (RWF) remains within the Community Planning & Development program and was instrumental in completing a region wide youth survey to determine what programs are available for youth and what programs are needed. This survey was funded by the Rasmuson Foundation. The outcome of the survey shows that some of our villages are very engaged in working with their youth – others are not.

The Bering Strait Regional Housing Authority (BSRHA) has authorized \$10,000 for each community to supplement funding wellness activities. Communities are required to submit an activity plan to BSRHA in order to qualify for the funds. The Wellness Coordinator is assisting communities to establish these wellness plans and to research additional funding to implement these plans. BSRHA funds are expected to be distributed in July 2007.

## **5. Natural Resources**

### ***Commercial Fisheries***

The first commercial fishing period occurred in the Shaktoolik and Unalakleet sub-districts on July 21, 2006. The first two commercial fishing periods were only 24 hours as the buyer was concerned about the incidental catch of chum salmon. Coho salmon catches were well above average and the department opened the Shaktoolik and Unalakleet sub-districts for the regular twice weekly 48 hour commercial fishing periods beginning July 26. Record catches of coho salmon in the commercial fishery and record catches at the test net allowed for commercial fishing to continue on the normal schedule through August. In September, the commercial fishing season was extended another week beyond the September 7 closure date because of continued record commercial and test net catches.

The combined commercial harvest of all salmon species ranked third in the last 10 seasons in Norton Sound and ranked first with pink salmon harvest excluded. The number of commercial permits fished (61) was the second highest in the 2000s, but seventh lowest on record. The 2006 fishery value to the fishers of \$389,707 was above the 10-year average of \$173,974. The average value per permit was \$6,389 and was fourth best on record without adjusting for inflation.

The coho salmon harvest of 130,808 was nearly 400% above the recent 10-year (1996-2005) average. There were no chum salmon directed periods and harvest of chum salmon was incidental during the coho salmon fishery. Though the pink salmon run was near record to record breaking in many areas, there was no market interest. The Unalakleet River test net had record catches of pink and coho salmon, and the chum salmon catch ranked second highest. The 61 permit holders participating in the commercial fishery was an increase of over 50% from the last season. The previous 10-year average was 58 permits fished. The average price per pound paid was \$1.49 for chinook salmon, \$0.45 for sockeye salmon and \$0.14 for chum salmon.

### ***Erosion***

Many of the Bering Strait coastal communities are facing erosion; the Native Village of Shishmaref's erosion continues to be the worst in the region. For the last 50 years Shishmaref has been dealing with shoreline beach erosion. This continues to be the number one concern for the future of the community. Requests for complete protection from beach erosion have been made since the early 1970's. There is still not adequate beachfront protection. The situation has become so dire that the Shishmaref is requesting assistance to relocate the entire community.



Many projects have been implemented to mitigate the problems caused by beachfront erosion:

- 2004 Kawerak Seawall constructed along the west end of town. This \$2.2 million project was funded through the BIA/IRR roads program.
- 2005 Construction of seawall by the city, Bering Straits School District (BSSD) and the Corps of Engineers Section 14 program, totaling \$1.85 million.
- 2005 Legislative funding \$2 Million, \$400,000.00 used to match BSSD section 14 project
- 2005 HUD \$500,000.00 appropriated for the city for construction of barriers.
- 2005 USDA-NRCS completed depth sounding of port and gravel fill needs for Tin Creek site
- 2005 Funding received by the Corps of Engineers of design of shoreline protection for the entire community. \$2 million of the estimated \$16 Million project to be constructed in 2006. Source for remaining \$14 million needed has not yet been identified.
- 2005 Funding received in the transportation bill to start construction of the relocation road. \$4.25 million appropriated in SAFETEA-LU.
- 2006 ADOT- planning a two-stage Airport Master Plan. Wind study will be completed at the same time.
- 2007 – Construction of a 625 foot expansion of the sea. This is a joint venture project with Bering Strait Native Corporation and Tumet Industries, a subsidiary of Kawerak.

### ***Energy***

Kawerak's Community Planning & Development program applied to RurAL CAP to secure an Americorp VISTA volunteer. Ten volunteer positions were available and Kawerak was chosen to house one position in Nome. The VISTA volunteer is working with all communities in the Bering Strait region to develop individual Energy Plans. Initial surveys have been completed to determine what resources each community has available to develop potential alternative energy. Contact persons for each community have been identified and the VISTA will be attending monthly meetings to further initiate the energy plan process. Funding sources are being researched and will be a part

of the Energy Plan document. Wind, hydroelectric and wood have been the most identified resources available. This project is slated to last through April 2008. Additionally, a full day of alternative energy workshops will be held during the Regional Conference.

A wind energy feasibility study is underway in Nome, and, if implemented, has the potential to provide significant savings to electricity consumers in Nome. Nome Joint Utilities System (NJUS) is looking at two possible locations for a wind farm; the first is on the Snake River and the second is on Anvil Mountain. Preliminary indications are that both sites would be viable; the Snake River site would require less maintenance, while the Anvil Mountain site has stronger winds but also has icing problems. The wind study should be completed by the end of June 2007 and a final draft will be reviewed this summer.

## V. Continuing Development Activities

Kawerak's Community Planning & Development program and the Bering Strait Development Council continue to perform the following activities.

- Track changes to the regional economy.
- Develop implementation strategies for the CEDS.
- Conduct planning work sessions and public meetings in Bering Strait communities to update their Local Economic Development Plans and top priorities and provide implementation strategies.
- Conduct quarterly BSDC/ARDOR Board meetings to review progress of planning and implementation of CEDS projects, update activities and work plans, and make appropriate changes to the CEDS.
- Inventory projects funded by EDA that contribute to economic development in the region. Provide assistance to communities on submitting their applications to EDA for financial support to develop and construct infrastructure projects.
- Provide outreach and technical assistance to potential entrepreneurs, hold workshops, and perform feasibility analysis for business plans. Facilitate business-training workshops for entrepreneurs.
- Coordinate efforts to improve markets and locate new market opportunities for regional entrepreneurs and artists. Promote e-commerce through out the region.
- Coordinate with state and federal agencies, and with the private sector to develop marketing strategies for expanding the arts and crafts industry through Internet based marketing.
- Work with the faculty at Northwest Campus, University of Alaska, and Kawerak's Education, Employment and Training Division to develop educational programs that will help increase job skill, encourage new entrepreneurship, and promote economic development.
- Respond to requests for various infrastructure projects on an ongoing basis; work with the state EDA office and other public agencies to help communities secure funding.
- Assist with reviewing business plans for the multi-purpose community buildings in the region so that they remain sustainable.

## **V. UPCOMING OPPORTUNITIES IN THE REGION**

The Bering Strait Development Council is monitoring the following projects closely, as these projects have the potential to stimulate the local economy.

### ***Rock Creek Gold Deposit***

The Alaska Gold Company, a wholly owned subsidiary of NovaGold, is currently developing a mining operation seven miles north of Nome along the Glacier Creak Road. Development of the deposit will greatly diversify and enhance the economy of Nome and the surrounding region.

NovaGold expects to mine approximately 100,000 ounces of gold per year, from the Rock Creek mine, for the next several years. Nova Gold, will hire approximately 135 employees with a \$9.1 million payroll. They expect spending about \$50 million a year, with \$30 million in expenditures and the remaining \$20 million in consumables. NovaGold is also constructing a smaller mine near Nome, at Big Hurrah. The impacts of these activities have the potential to improve the regional economy. Both mining operations are expected to last at least through 2010.