

***City of Houston  
Economic Development Opportunities:  
Perspectives of Community Stakeholders***

Draft Report

*Prepared for:*  
**City of Houston**



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The process to update the City of Houston’s Comprehensive Plan is currently underway. Additionally, a Community Impact Assessment is being conducted to evaluate the economic growth potential of several infrastructure projects in progress within or adjacent to the city’s boundaries. Examples of these projects include the Port MacKenzie Rail Extension, the Parks Highway MP44-52 upgrade, future Parks Highway segment upgrades, Parks Highway Alternative Corridor, and the annexation of Knikatnu-owned land into City of Houston’s boundaries. As part of this assessment, stakeholders with an interest in economic, business, and industrial development in Houston were interviewed. They were asked about the potential of various infrastructure and business opportunities to create employment, generate City revenue, improve community assets, and Houston’s vision to respond to growth and change.

## Methodology

Working closely with the City of Houston Comprehensive Impact Assessment and Comprehensive Plan Revision Steering Committee, McDowell Group developed a list of contacts that represented a cross-section of business and community groups and interests related to Houston, including tribal organizations, nonprofits, business leaders, school district officials, utility representatives, and others. Below is a list of the 19 stakeholders interviewed. An interview protocol was designed and adjusted to best capture the interests, experience, and expertise of individual stakeholders.

<b>Name</b>	<b>Title</b>	<b>Organization/Affiliation</b>
Lisa Byrd	Site Manager	Mid-Valley Senior Housing
Rick Dilley	Owner	Cozy Coal
	Director of Public	
Julie Estay	Relations	Matanuska Electric Association
Gary Fandrei	Executive Director	Cook Inlet Aquaculture Association
Robert Hall	Owner	Gorilla Fireworks
Tom Harris	Chief Executive Officer	Knikatnu, Inc.
Thomas Hood	Fire Chief	Houston Fire Department
Jimmy Hudson	Facility Manager	Spensard Builders Supply
Marty Metiva	Executive Director	Mat-Su Resources Conservation and Development
Deven Mitchell	Executive Director	Municipal Bond Bank
Richard Porter	Executive Director	Knik Tribal Council
	Past Houston	
Roger Purcell	Mayor/General Manager	A to Z Realty
Chad Rice	Teacher	Houston High School
	Pastor/Fire Department	
Kevin Shumway	Chaplin	Hilltop Assembly of God/Houston Fire Department
Tim Sullivan	External Affairs Manager	Alaska Railroad Corporation
Marc Van Dongen	Port Director	Port MacKenzie
Marsha VonEhr	Document Specialist	Mat-Su Borough
	Network Account	
Dee Williams	Executive	Matanuska Telephone Association
Bruce Zmuda	Marketing Representative	Enstar

# Perceived Community Strengths and Weaknesses

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## What are the City of Houston's strengths and weaknesses?

Stakeholders were each asked what they believed were Houston's core community strengths and weaknesses to attract economic and business development opportunities. Some community attributes were considered both an advantage and a disadvantage when considering opportunities for growth.

### Rural Lifestyle

Houston's rural setting emerged as both a strength and weakness. Quick access to the wilderness, a tight-knit community, lack of pollution and development, and privacy were a few factors mentioned as strengths. Stakeholders spoke of a "homestead spirit" prevalent in the area. "There is an attitude in Houston," one resident noted, "that if you are not bothering anyone, you should be left alone." "Last year, our neighbor bought a piece of land and is building a home out-of-pocket," a stakeholder stated, adding "This can be great for a young family that might not be able to get financing. And this contributes to the do-it-yourself attitude of Houston."

While these factors were noted as positive attributes, the same may also detract from residents' satisfaction with Houston's quality of life. As noted by several stakeholders, the "hands-off" attitude has resulted in homes of varying degrees of completion, properties full of old cars and trash, dogs being allowed to run around, and a general lack of consideration for other residents. Yet, some stakeholders noted they see improvement over time: "In the 15 years I have been in Houston, I have seen slow improvement. People seem to be taking better care of their homes and are just having more consideration for others in the community."

The benefit of being able to maintain a rural lifestyle while having access to shopping, services, and healthcare in the Mat-Su Borough and Anchorage was noted by a number of stakeholders. At the same time, some felt the distance from these amenities and services was limiting, especially for employment opportunities. "There are not many jobs locally," a resident said, adding "Many people have to drive into Wasilla to get a decent job, a round-trip commute that can easily be an hour."

### Land Availability

Many stakeholders recognized there are significant amounts of developable land available in Houston while others noted the counter-effects of low population density. Both residential and commercial land in Houston is considered relatively inexpensive when compared to other places in the Mat-Su Borough or Anchorage. "This really is an advantage for us," said one interviewee, "we have the ability to grow and maybe attract businesses

because of the room available in Houston. We already see some manufacturing in Big Lake. Maybe Houston can do the same thing.”

The supply of land for residential development also appears to be sufficient and affordable. “While residential land prices have increased recently, our prices are still pretty low compared to other areas in the Borough,” a stakeholder familiar with the local real estate market stated.

While land may be plentiful, the downside is the low penetration of utilities throughout the community. While there are opportunities to develop relatively large lots that offer privacy, the cost of extending natural gas and electricity utilities can be prohibitive. For this reason, natural gas is unavailable to many residential homes, underlying the reliance on expensive heating oil or wood-burning stoves.

## **Local Government Leadership**

Viewpoints about city government were polarizing. Supporters cited stability, pragmatism, low taxes, and a willingness to hear new ideas, and new and enforced codes and zoning laws to improve the aesthetics of the community and manage growth. Critics felt City leaders was short-sighted; they also wanted to see a local police force funded.

The proposed annexation of land owned by Knikatnu Inc., an Alaska Native village corporation, into the City of Houston is due, in part, to favorable attitude of City leaders. A Knikatnu representative felt they would be treated fairly by the City, saying “We view the City of Houston as a stable local government that will provide value to our organization as we plan for future development.”

## **Local Road Conditions**

The condition of local roads was a concern expressed by several stakeholders. With many of Houston’s residential areas accessed on dirt roads, some felt the low quality of the roads was slowing residential growth. “People don’t want to drive miles and miles on a bumpy, washed-out dirt road. There is good quality residential land that could be developed if it was not for some of the bad roads in Houston,” said an interviewee.

One stakeholder in particular thought the City should be more forceful with the Mat-Su Borough on the issue of road maintenance. “Years ago, the Borough built roads in Houston that simply cannot be maintained properly. Now we have to deal with the Borough’s bad decisions. I think the City should send the Borough a bill for all our road problems.”

While many roads are currently dirt, the recent paving of some local roads, particularly Hawk Lane, was noted as a positive development. “I’m lucky to be able to drive nearly all the way to my house,” said one stakeholder. “I hope we see more paving done in Houston as it helps increase home values and allows for easier commutes.”

## **Parks Highway Access**

With the Parks Highway bisecting the City of Houston, its effect was a common theme heard. Most individuals thought the Highway was a significant benefit to the community, even with growing congestion.

A number of interviewees mentioned they thought Houston could take better advantage of the many vehicles traveling through Houston. “Houston has two rivers—the Little Susitna and the Parks Highway, which is a river of money; we just need to get a few dollars from every vehicle and we will be doing fine,” stated one local business leader. “With thousands of vehicles traveling through Houston every day on the Highway, the small number of businesses along the highway benefit from purchases of snacks, meals, and other supplies.”

Several stakeholders mentioned a significant increase in traffic in recent years, resulting in longer commute times to Wasilla or Anchorage, and more potential for traffic accidents. “Today, if you do not time a run into Wasilla correctly you could be stuck in traffic on the Parks for 20 minutes or more,” mentioned one resident. “This is not something we dealt with in the past. And with all the traffic on the highway we need to be careful when we are just going to a friend’s house. Transitioning from a slow dirt road to a highway with people driving 70 miles per hour can be dangerous.”

## **Improved Fire Safety**

A few interviewees pointed to the leadership of the fire department, a new fire station, better training, and improved equipment as factors as major steps to improve community safety, leading to a decrease in the cost of fire insurance paid by homeowners and businesses.

## **Lack of Local Amenities**

The lack of amenities, such as a gas station, grocery store, medical clinic, and public transportation were mentioned as weaknesses faced by the residents of Houston. Interviewees noted it would be preferable to support local businesses and organizations instead of traveling to Willow, Talkeetna, Big Lake, and Wasilla. “There is plenty of demand for a gas station or small grocery store but everyone drives out of Houston for basically all their needs,” said one stakeholder, adding “If we could start supporting Houston businesses, we might be able to grow our economy.”

## **What does Houston currently have that attracts tourists? What should be developed to increase tourism?”**

### **Little Susitna River**

The Little Susitna River (Little Su) runs through Houston City limits and is perhaps the most significant tourism asset in the area, according to most stakeholders. Salmon and trout fishing, rafting, camping, and wildlife viewing make the Little Su a visitor destination. While most activity takes place in the summer, snowmachining, cross-country skiing, and snowshoeing were mentioned as winter-time activities available on the Little Su.

Two limiting factors for growth, however, are access and reduced salmon runs. A number of interviewees mentioned there is no formal boat launch; boaters currently use a number of ad-hoc launches along the Parks Highway. A common one- or two-day trip is to put-in at Houston and take-out at Burma Landing. Reduced salmon runs on the Little Su have resulted in reduced fishing originating in Houston. An interviewee that had lived in the area 30 years noted there are fewer guides offering their services on the Little Su: “Back in the 80s and 90s, there were at least ten guides working on the Little Susitna. Today there are maybe one or two. In my view, this is a result of lower salmon runs.”

### **Other Attractions**

In addition to the Little Su, interviewees noted a variety of other tourism activities and assets Houston has to offer:

#### **LAKES**

Visitors can engage in a variety of activities on Houston’s six larger lakes, including fishing in the summer and winter and canoeing or rafting. Three lakes are stocked annually by Alaska Department of Fish & Game with chinook and coho salmon, and rainbow trout. Limited public access to lakes may be preventing visitors from frequenting these water bodies at a higher rate.

#### **WINTER MULTI-USE TRAILS**

Houston offers access to trails frequented by dogmushers, cross-country skiers, and snowmachiners. Interviewees noted that Houston’s proximity to the Talkeetna Mountains make the area a good staging area. “We are 30 minutes away from world-class snowmachining and backcountry skiing,” mentioned a stakeholder who was hoping to build some cabins to cater to winter tourists.

## TOWN CENTER

The concept of a developed town center was raised by a few stakeholders. Noting the proximity of the Little Su, some thought Houston could become a “destination” through development of waterside boardwalks, small shops, restaurants, and art galleries. “The setting is perfect,” one individual noted. “People could come out from Wasilla, Palmer, or Anchorage to have a relaxing evening along the Little Susitna.”

The possibility of music and art festivals, a brewery, or even a convention center being built in Houston were also mentioned.

## Is access to utilities an issue for Houston residents and businesses?

### Natural Gas

Stakeholders indicated lack of access to natural gas has led to higher heating costs and stifled economic development for Houston and its residents. While stakeholders report the majority of commercial properties have access to natural gas, many residential homes rely on heating oil (51 percent), wood (23 percent), and electricity (9 percent) for their primary space heating source instead of natural gas (14 percent) (*see table below*). This contrasts with Wasilla and the rest of Mat-Su Valley where 90 percent and 70 percent of homes use natural gas, respectively. Natural gas is traditionally a cheaper energy source than heating oil or electricity.

**Primary Source of Space Heating by Source, 2013**

	City of Houston	City of Wasilla	Mat-Su Borough
Heating Oil	51%	5%	15%
Wood	23	1	7
Natural Gas	14	90	70
Electricity	9	5	6
Other	4	<1	2
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: United States Census Bureau, American Community Survey 5-Year Estimates, 2014.

Note: Some columns may not sum due to rounding.

Many stakeholders expressed improved access to natural gas would allow for more business and residential growth by reducing energy costs. This perspective was summed up by an interviewee: “If we could combine the land we have that is available with natural gas, businesses in Wasilla or even Anchorage might move out here. It really comes down to lower costs; if people can save money, they will come out here.”

Other interviewees spoke about the impact natural gas could have on space-heating costs at the residential level. “Houston can be cold in the winter,” a resident said. “It is not uncommon for us to experience weeks of below zero [temperatures]. Many of us use heating oil and supplement our energy needs with wood. If we could access natural gas, a fuel that could be more than 30 percent cheaper, this would be huge for the community.”

A representative from Enstar, the natural gas utility serving the area, stated population density was the most significant factor reducing availability of natural gas in Houston, especially for residential customers. Houston’s relatively large lot sizes, dispersed residential zoning, and lack of anchor tenants contribute to the situation.

For many homeowners, transitioning to natural gas is cost-prohibitive if the installation costs cannot be shared with others. Enstar can credit a percent of future annual revenue from the customer, typically \$600 for a residential home. The cost of extending natural gas lines to a home begins at \$22.56 per foot and rises quickly when streams need to be crossed or larger pipe is needed.

Enstar reports they have been slowly expanding natural gas distribution lines in Houston. Currently, lines extend down Hawk Lane to Houston High School and Middle School, and from the west along King Arthur Drive. According to the Enstar, continued expansion is expected to be slow.

## **Electricity**

An Matanuska Electric Association (MEA) representative reported the same factors limiting the expansion of natural gas also apply to electricity: low population density, difficulty in obtaining right of way easements, customers not wanting trees cut down, road alignment, and the cost of running power lines being the most significant.

The cost to extend power lines are approximately \$30 per foot or \$160,000 per mile, with costs rising as more poles are needed. For the average homeowner, this makes connecting to the electric grid cost-prohibitive and results in the use of generators or other means to generate electricity.

## **Strategies for Supporting Utility Expansion**

Interviewees noted a variety of approaches the City of Houston could consider if expansion of utilities becomes a community priority, including:

### **LOCAL TAXATION**

The City of Houston has authority to raise revenue through a variety of taxes which could be used to help finance expansion of utilities.

### **BONDING**

Revenue could be leveraged through bonding with the Alaska Municipal Bond Bank, a public corporation that helps provide communities with more favorable interest rates than they might be able to obtain on their own.

### **STATE FUNDING**

Precedent exists for state funding to support development of utilities. Current examples include the expansion of natural gas distribution in Homer and Fairbanks.

## **PARTNERING WITH A TRIBAL ORGANIZATION**

The City of Houston may be able to partner with local tribal organizations to encourage expansion of utilities. The Knik Tribal Council (KTC) and the City of Houston have entered into a pilot project that would transfer responsibility of maintenance for some roads to KTC. Because KTC is a federally recognized tribe, they qualify for programs and funding unique to tribal entities. In addition to road maintenance, KTC also intends to provide 76 LED streetlights near Houston High School and Middle School as a demonstration of this partnership. This model of cooperation between the City of Houston and KTC, a number of interviewees mentioned, could be an additional strategy to increase utility expansion in the area.

## **IMPROVEMENT DISTRICTS**

Designation of an “improvement district” would allow Houston to pay for the cost of utilities expansion and effectively finance this expense through a special assessment paid by residents over time.<sup>1</sup> The City of Homer used this approach to increase access to natural gas by charging property owners a fixed amount upfront or financing the development expense at approximately 4 percent over ten years.

Discussions with the Mat-Su Borough reveal this is a common strategy for a wide variety of infrastructure projects. There are currently 68 improvement districts throughout the Borough. Two main types of improvement districts are used:

- *Contiguous improvement district* that requires at least 50 percent of a group of homeowners in a defined area to support an infrastructure project for it to be approved.
- *Non-contiguous improvement district* that only includes homeowners that support the project in question.

A representative from the Mat-Su Borough reported the former type of improvement district may be appropriate for Houston’s unique situation.

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<sup>1</sup> Section 4.18.010 of the Houston Municipal Code authorizes improvement districts.

# Port MacKenzie Impacts

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## How will growth at Port MacKenzie impact Houston?

Port MacKenzie, located 42 road-miles from Houston, has the potential to impact Houston development. The Port is located on the west side of Cook Inlet, 3.5 miles from downtown Anchorage. Among other ideas, the Port could host a rail-loading or LNG export facility; facilitate export of coal, gravel, timber, and other natural resources; or serve as a staging area for movement of construction materials for oil and gas projects, or other major infrastructure projects (such as the Susitna-Watana Hydroelectric Project).

While the Port currently offers minimal infrastructure and associated economic activity, stakeholders were cautiously optimistic about future development and what it could mean for Houston and its residents. Many viewed the Port as one part of the broad development trajectory the area is on. Combined with investment in rail access, a possible gas pipeline, and additional private investment, the Port is viewed as a positive factor impacting the entire region.

## How will the rail extension from existing rail lines to Port MacKenzie impact Houston?

The 32-mile construction of a rail extending from Port MacKenzie to existing rail in Houston is viewed by many as an opportunity for the area. This extension could decrease transportation costs between Southcentral and the Interior of Alaska, in turn encouraging development of mineral resources and other projects. A report commissioned by the Mat-Su Borough that examined the benefits of a similar rail extension concluded:

*The quantifiable benefits from the Port MacKenzie to Willow rail link with respect to resource development can be divided into the following two major categories:*

- *Benefits in the form of rail freight savings derived from the reduced haulage distances from natural resource production sites to tidewater at Port MacKenzie relative to the Ports of Anchorage, Whittier, and Seward.*
- *Benefits to the Rail Belt communities in the form of enhanced economic diversification and economic development as a consequent of increases in natural resource production.<sup>2</sup>*

Interviewees saw great potential in having the “Y” (the connection between the new and existing rail lines) located in Houston. The extension was viewed as a factor increasing the likelihood of manufacturing, mineral export, or transportation activity taking place in Houston.

“Here we are,” a local business owner stated, “located at the cross roads of the Alaska Railroad. We have land, access to natural gas is improving, some existing manufacturing, and are positioned between the Interior and Southcentral. It is sure to benefit the area.” Other individuals echoed this perspective, pointing to resources locally such as coal, gravel, or timber that could be developed as a result of easier access to rail transportation.

Another stakeholder said Houston would need to be conscious of what is being moved through Houston as a result of the rail extension. “We don’t want to be in a situation where the railroad is moving dangerous cargo through our City without the fire department being prepared for an accident.” Asked about these concerns, a representative of the Alaska Railroad Corporation (ARRC) stated they regularly engage with local governments and first responders when moving new types of cargo through an area. The representative also noted ARRC has a long history of moving volatile cargo such as refined petroleum products and a variety of chemicals.

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<sup>2</sup> Metz, Paul A., Economic Analysis of Rail Link, Port MacKenzie to Willow, Alaska, Prepared for the Matanuska Susitna Borough, 2007.

While many interviewees were optimistic about the long-term effects of the rail extension, ARRC indicated there are few marketable ideas in the short- to near-term that would warrant additional investment. “There really needs to be a reason for us to build anything beyond just the new tracks,” an ARRC representative said. “If it is clear a loading facility or other infrastructure is needed in the future, we will deal with that then. Until that happens, we see minimal impact on Houston and its economy.”

## What other concepts have implications for economic development for Houston?

### Energy

Several ideas or concepts involving or requiring natural gas were offered. One of the main assumptions accompanying these ideas was that more natural gas in Houston, whether by a pipeline from the North Slope or if existing utilities are expanded, would reduce the price of energy. Once the cost of energy was reduced, many interviewees stated, projects and ideas previously cost-prohibitive could move forward. The concept of “cheap energy” was mentioned a number of times while discussing potential projects that could impact Houston. The following is a brief overview of the natural gas-related ideas mentioned.

#### NATURAL GAS BY RAIL

While the Federal Railroad Administration currently restricts the movement of liquefied natural gas (LNG) by rail, ARRC has applied for permission and reports they are confident approval will be granted. Interviewees pointed to two ideas which would transport LNG to the Interior using rail and potential could impact Houston:

- An LNG plant could be built in Houston to convert Cook Inlet natural gas to LNG that would be transported by rail to the Interior. While a number of locations are being considered, ARRC points to three main reasons Houston is a preferred location: (1) Houston is optimally located between the Interior and Southcentral; (2) 10,000 feet of track space is already available; and (3) rail near Houston would require minimal site preparation to support loading and unloading of LNG containers.<sup>3</sup>
- Instead of constructing a new liquefaction plant in Houston, containers could be filled at the existing LNG liquefaction facility in Big Lake and transshipped by truck onto northbound rail cars in Houston. This concept would require minimal capital investment for ARRC and would be considered an interim solution for Fairbanks in its early stages of natural gas expansion.

#### NATURAL GAS POWER PLANT

The possibility of a natural gas-fired power plant being built in Houston was mentioned by a few stakeholders. Three factors supporting this perspective were raised: (1) the City’s location along the Railbelt would allow a local power plant to provide electricity both to the Interior and Southcentral; (2) land is available; and (3) natural gas is nearby.

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<sup>3</sup> <http://www.akrdc.org/membership/events/breakfast/1415/wade.pdf>

## INDUSTRIAL GREENHOUSES

An idea that necessitates access to “cheap energy” includes industrial greenhouses, according to one interviewee. “We ship virtually all our food up to Alaska. Maybe we should focus on building greenhouses and try to be more self-sufficient...Natural gas would be used to provide heat and existing agricultural zoning in Houston could be used,” mentioned the stakeholder.

## SEPTAGE PLANT

The possibility of a wastewater treatment site in Houston was proposed to provide local economic activity and solve the existing septage problems faced by the Mat-Su Valley.<sup>4</sup> Septage from residential homes in the Mat-Su Valley is currently trucked to Anchorage where it undergoes treatment before discharge into Cook Inlet. This practice is expected to end in the near-term because of Anchorage’s lack of capacity to process the waste. Some stakeholders supported development of a facility in Houston to not only benefit Houston residents, but the broader Mat-Su Valley as well.

A couple stakeholders mentioned Houston’s septage treatment plant built in the 80s. After five years of operation, the facility closed due to groundwater concerns. While this precedent could mean Houston is a possible candidate for a facility, the Mat-Su Borough has already identified a location near the Borough landfill for a new treatment plant.<sup>5</sup>

## MINING/MINERAL RESOURCES

Houston’s legacy as a mining town was mentioned by a small but passionate number of stakeholders. Both the nearby coal that was mined until the mid-20<sup>th</sup> Century and extensive gravel resources were noted as opportunities to be developed. “We could start mining coal and export it through Port MacKenzie. This would represent the closet coal mine to the export facility.” One contact added, “And there is enough coal that we could build a coal power plant and sell power to the Railbelt.”

Gravel was also mentioned as a valuable resource that could be developed. One stakeholder stated, “With all the road construction that is going on in the proximity of Houston, we should be selling our gravel to all these projects.”

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<sup>4</sup> Septage is the liquid and solid material that comes from septic tanks.

<sup>5</sup> [http://www.frontiersman.com/news/soil-testing-narrows-septage-sites/article\\_de608c9c-db3f-11e4-8f71-676ca4d023d7.html?mode=story](http://www.frontiersman.com/news/soil-testing-narrows-septage-sites/article_de608c9c-db3f-11e4-8f71-676ca4d023d7.html?mode=story)

## **RETAIL**

A desire for more local retail businesses, specifically a grocery store and gas station, was expressed by interviewees. While no formal plans to locate a grocery store in or close to Houston were identified, two interviewees mentioned they had heard rumors that a gas station is being considered. Two locations were noted as possibilities: the Big Lake Road and Parks Highway intersection, and the gravel pit area across the Parks Highway from Millers Market.

One of the main issues slowing the development of a gas station in Houston, one stakeholder reports, was the 2 percent sales tax that would be paid on gas and diesel. "People are very price sensitive to the cost of gasoline and diesel. If they can save a few cents per gallon, they may avoid a gas station that has to pay a tax." This same stakeholder suggested the City to change the municipal code to exclude gasoline sales from the sales tax.

## **MARIJUANA BUSINESSES**

With the passage of a ballot measure in the fall of 2014 legalizing marijuana in Alaska, a number of individuals noted the possibility of Houston becoming a center of both retail marijuana sales and wholesale growing and processing facilities. With municipalities, such as Wasilla and Anchorage, restricting the use and sale of marijuana, stakeholders thought Houston would benefit if it could position itself as the "go-to" spot for marijuana.

The City was approached in early 2015 by a two marijuana-related companies: one wanting to open a grow facility and another business interested in developing a testing facility. With regulations still being crafted at the state government level, Houston has been hesitant to permit any marijuana-related commerce.

While some viewed marijuana as a benefit to the community, a small number of interviewees thought the City should not encourage legal marijuana-related activity in Houston. Pointing to the possible social costs of drug use, these stakeholders said they would support restrictions on the sale and growing of marijuana locally.

## **FISH RESTORATION**

Efforts are underway to increase the annual salmon return on the Little Susitna River. Using a technique called moist air incubation, a number of organizations including the Knik Tribal Council and past Mayor of Houston Roger Purcell, are hoping revitalized salmon runs would benefit local residents and help support fishing-related tourism in the area.

## **LED ASSEMBLY FACILITY**

Knikatnu, Inc. has been exploring the possibility of assembling light-emitting diode (LED) streetlights in Houston. The group owns land in Houston and would build a new facility. "This is the type of low-impact development we would like to see on our land," a Knikatnu representative stated. "The LED facility is in very early stages of planning." The facility would import LEDs and assemble them for use lighting Alaska roads.

## Conclusion

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After completion of 19 executive interviews with a variety of Houston stakeholders, McDowell's research team noted the optimism expressed by nearly all contacted. Many individuals said they felt Houston was poised for expansion and had the right attributes to turn the community into a place that would attract residents, new businesses, and visitors. Many saw Houston being perfectly situated to benefit from a variety of large infrastructure projects such as development of Port MacKenzie and the accompanying rail extension, improvements to the Parks Highway, interim solutions to provide the Interior with natural gas, and the eventual construction of a natural gas pipeline from the North Slope. While ideas were plenty, concrete initiatives had not been developed beyond speculation.

While many stakeholders were optimistic, issues that could slow the growth of Houston were also raised. These included limited access to natural gas, a relatively small population, congestion on the Parks Highway, difficulties in attracting tourism and new businesses to the area, and the possibility that nearby large infrastructure projects may actually have minimal effect.