

Kenai Peninsula Borough
Grants Administration

MEMORANDUM

TO: Peter A. Micciche, Mayor

FROM: Elizabeth Hardie, Grants Administrator & Community Liaison

DATE: July 16, 2024

RE: FY24 – 4th Quarter/Final Alaska Small Business Development Center Grant report

The FY24-4th Quarter narrative grant report has been submitted for the Alaska Small Business Development Center. SBDC's 3rd Quarter financial report represented expenditure of all FY24 funds.



**Alaska Small Business
Development Center**

UAA BUSINESS ENTERPRISE INSTITUTE

Kenai Peninsula

**Alaska Small Business Development Center
1901 Bragaw St., Ste. 199
Anchorage, AK 99508
(907) 786-7201**

FY 2024

Fourth Quarter Report

April 1, 2024 through June 30, 2024

Award 242.78090.KPCC.43023

UAA G-17791

Note from the Center Director: Cliff Cochran, Kenai Peninsula Center

The Kenai Peninsula Center for the Alaska SBDC completed the fourth quarter of FY 2024 with an impressive milestone. The peninsula team ended the year with \$22.9 million in capital infusion, which includes clients obtaining loans, grants, and equity investments. This exceeded the SBA's goal for the entire Alaska SBDC and set the record for capital infusion in a center during a fiscal year. We're working hard to ensure clients on the Kenai Peninsula receive the best support and it shows.

With business advisors providing service in each of the main cities on the Kenai Peninsula, the SBDC is meeting the needs of business owners and entrepreneurs across the region. Our model features one full-time center director based between Kenai and Soldotna, with part-time SBDC advisors in Homer and Seward, designed to best meet demands for our services on the peninsula. This has worked quite well, with Kenai Peninsula advisors logging an impressive 98% client satisfaction rating on surveys the past year, a testament to our knowledgeable and dedicated staff. This quarter was a little different, with the center director out for a large part of the quarter due to the birth of a child. Advisors in Seward and Homer did an outstanding job picking up the slack, ensuring the SBDC did not miss a beat.

During the quarter, the Alaska SBDC on the Kenai Peninsula provided significantly more advising to pre-ventures and startups than the previous quarter. Regarding industries supported, accommodation and food services remained in the top spot for a second consecutive quarter. There was significant industry diversity in entrepreneurs coming to the Alaska SBDC for assistance, with new clients on the Kenai Peninsula spread across 15 of the 20 industry sectors. The Alaska SBDC saw an influx in clients coming from the Homer area, with more new clients coming from Homer than any other community during FY24. Despite its population size, Seward was in the second spot, just behind Homer. Aside from startup assistance, the Alaska SBDC provided a significant amount of advising on financing, business buy/sells, and legal issues.

The Alaska SBDC has had a number of transitions within the organization but has achieved stability in the Kenai Peninsula Center, with all three staff fully trained and performing at high levels for over two years. With advisors located in Kenai/Soldotna, Homer, and Seward, we're doing our part to provide the best local business support to entrepreneurs on the Kenai. We greatly appreciate the support provided by the Kenai Peninsula Borough, and we will continually strive to be an outstanding resource for business owners across the peninsula.

At a Glance: Kenai Peninsula FY24 Q4 (Apr 1, 2024 - Jun 30, 2024)

Number of Clients Advised

Current Quarter: 105
 FY 2024: 316

Jobs Supported

Current Quarter: 371
 FY 2024: 913

Business Starts

Current Quarter: 14
 FY 2024: 38

Capital Infusion

Current Quarter: \$3,261,561
 Small Business Loans: \$1,593,000
 Non-Debt Financing: \$1,668,561
 FY 2024: \$22,987,383

Alaska SBDC Kenai Peninsula Center Activity – Historical Comparison

	FY 2023 Q3 1/1/23 - 3/31/23	FY 2023 Q4 4/1/23 - 6/30/23	FY 2024 Q1 7/1/23 - 9/30/23	FY2024 Q2 10/1/23 - 12/31/23	FY2024 Q3 1/1/24 - 3/31/24	FY2024 Q4 4/1/24 - 6/30/24
New business created	5	13	10	10	4	14
Jobs supported	449	316	313	234	452	371
Loans	\$3,682,000	\$1,546,584	\$830,000	\$8,791,024	\$6,962,500	\$1,593,000
Total capital	\$3,980,000	\$1,996,584	\$940,000	\$9,874,782	\$8,911,040	\$3,261,561
New clients	51	42	26	30	55	29
Total clients	112	113	108	118	129	105
Total advising hours	533.08	427.92	365.50	374.24	461.66	287.50

105 Clients by Current Lifecycle

Pre-venture: 43 clients
Startups: 25 clients
In-business: 35 clients

Clients by Industry

Accommodation and Food Services: 34 clients
Healthcare and Social Assistance: 9 clients
Manufacturer/Producer: 8 clients
Retail: 8 clients
Construction: 7 clients
Professional, Scientific and Technical: 7 clients
Services: 7 clients
Administrative and Support: 4 clients
Arts and Entertainment: 4 clients
Real Estate, Rental and Leasing: 3 clients
Transportation/Warehousing: 3 clients
Agriculture, Forestry, Fishing, and Hunting: 2 clients
Educational: 2 clients
Information: 2 clients
Mining: 2 clients
Film: 1 client
Waste Management and Remediation: 1 clients
Wholesale Trade: 1 client

Top Areas of Advising

Startup Assistance: 121 hours
Buy/Sell a Business: 48 hours
Financing: 40 hours
Managing a Business: 13 hours
Business Plan: 8 hours
Legal Issues: 8 hours

Summary:

During the fourth quarter of FY 2024, the Alaska SBDC on the Kenai Peninsula again provided more advising to pre-ventures and startups. Many of these clients were looking to start new businesses just ahead of the upcoming summer tourist season. Regarding industries supported, accommodation and food services remained in the top spot, by a wide margin, followed by healthcare, manufacturing, and retail. Aside from startup assistance, the Alaska SBDC provided a significant amount of advising on business buy/sells and financing for the second straight quarter. SBDC advisors logged 8 hours of business plan guidance, but much of the startup assistance was related to business planning, so that number is low. The Alaska SBDC also provided support for several legal issues. While our staff are not qualified to provide legal advice, we frequently identify when legal aid is needed to ensure business owners and entrepreneurs do things right and are set up for success.

New Clients at a Glance: Kenai Peninsula FY24 Q4 (Apr 1, 2024 - Jun 30, 2024)

29 New Clients by Initial Stage

Pre-ventures: 21 clients
Startups: 3 clients
In-business: 5 clients

New Clients by Industry

Accommodation and Food Services: 10 clients
Professional, Scientific & Technical: 4 clients
Real Estate, Rental and Leasing: 2 clients
Retail: 2 clients
Agriculture, Forestry, Fishing & Hunting: 1 client
Arts and Entertainment: 1 client
Construction: 1 client
Healthcare: 1 client
Information: 1 client
Administrative and Support: 1 client
Educational Services: 1 client
Film: 1 client
Mining: 1 client
Transportation and Warehousing: 1 client
Wholesale Trade: 1 client

New Clients by Community

Homer: 9 clients
Seward: 7 clients
Kenai: 5 clients
Soldotna: 4 clients
Kasilof: 2 clients
Anchor Point: 1 client
Whittier: 1 client

Summary:

The Alaska SBDC Kenai Peninsula Center on-boarded 29 new clients during the fourth quarter of FY 2024. This quarter again saw an overwhelming proportion of entrepreneurs sign up with the Alaska SBDC looking to start new businesses. There was also significant industry diversity in entrepreneurs coming to the Alaska SBDC for assistance, with new clients spread across 15 of the 20 industry sectors for the second straight quarter. Accommodation and food services were again atop the list of industries, followed by professional services. Homer was again atop the list for the second consecutive quarter for new clients, with a lot of interest in SBDC support from the community. Seward was next on the list just under Homer for the quarter and past year.

New Businesses & Jobs at a Glance: Kenai Peninsula FY24 Q4 (Apr 1, 2024 - Jun 30, 2024)

Qualifying New-Business Starts: 14

Jobs Supported: 371

Summary:

An enterprise is considered “in-business” when all required licensing/permitting is acquired, has payroll, acquired debt or equity capital, incurred business expenses, and/or created sales. Jobs supported are calculated using a formula that includes the total number of full and part-time employees of a unique client receiving Alaska SBDC services. In addition, the Alaska SBDC must receive written confirmation from the client that these milestones occurred.

During the fourth quarter of FY 2024, clients reported establishing 14 new businesses on the Kenai Peninsula. The new businesses were started in Seward (8), Soldotna (4), and Kenai (2). Alaska SBDC work during the quarter directly supported 371 jobs scattered across the Kenai Peninsula Borough from Fox River to Lowell Point.

Workshops at a Glance: Kenai Peninsula FY24

In FY24, 78 Kenai Peninsula residents attended [Alaska SBDC workshops](#). These classes are offered online via live webinars and on-demand videos and live in the classroom. Topics cover a wide array of subjects and harness both in-house expertise and professional adjuncts.

During the fourth quarter, the Alaska SBDC offered 5 live webinar classes and 51 prerecorded options available on-demand. Topics available on-demand include various legal issues, FDA Regulations, Combating Fraud & Identity Theft, Disability Law, Bookkeeping Basics, LLCs in Alaska, QuickBooks Fundamentals, and many more.

Seward Yoga: Wellness Studio Comes to Downtown Seward

Downtown Seward's new studio, Seward Yoga, offers a variety of public classes combining traditional yoga and pilates methods with a focus on mindful movement. Co-owners Carly Locke and Sarah Hermann have a dedicated team of instructors passionate about guiding members on their wellness journey, catering to different levels of interest, and fostering inclusivity and diversity within Seward's small year-round community.



Carly and Sarah renovated the perfect downtown space, beautifully designed to create an oasis for both locals and summer visitors to the community. For those traveling to Seward for a kayak trip or hike, why not add a stop at Seward Yoga to your summer itinerary? Seward Yoga offers the perfect balance to an outdoor-focused vacation, a place to unwind conveniently located on 4th Avenue downtown.

"Seward Yoga was born out of a collective desire for a space dedicated to yoga, pilates, and mindful movement in our community," says Carly. Both Carly and her partner, Sarah, share careers in wellness - Traditional Chinese Medicine and Massage Therapy, respectively. "We realized the need for holistic wellness, so we embarked on creating Seward Yoga to provide a welcoming environment for individuals seeking physical and mental well-being through these disciplines."



Carly and Sarah, although both well-versed in their own respective small businesses, came to Alaska SBDC to form their first multi-member LLC, run projections for their first joint venture, and secure funding for the perfect downtown studio space. "The Alaska SBDC and our Advisor, KellyAnn, provided invaluable support, helping us turn our vision for Seward Yoga into a reality. From a simple idea on paper, KellyAnn guided us through the steps to create a financial model and secure funding, with a detailed checklist of everything we needed to efficiently start a small business - taking the headache out of organization and crunching numbers," says Sarah.

After working with SBDC, Seward Yoga received financing for retrofitting the perfect curated space and opened its doors to the public in January 2024. Looking ahead, both Carly and Sarah are excited to expand classes and introduce new workshops and

events that delve deeper into holistic wellness, incorporating elements such as meditation, breathwork, sound healing, and nutrition. With a shared vision of self-betterment, Seward Yoga's goal is to continue evolving and offering innovative ways for the Seward community to thrive physically, mentally, and spiritually.

To book or gift a class at Seward Yoga with a schedule ranging from hatha, vinyasa, slow flow, pilates, and meditation, visit www.sewardyoga.com, connect on [Instagram](#), or visit 223 4th Avenue in Seward.

[Kenai Adventure Cabins: Your Gateway to Alaskan Bliss](#)

When the owners of Kenai Adventure Cabins first envisioned a unique lodging experience on the Kenai Peninsula, they knew they were embarking on an exciting journey. The goal was to offer visitors comfortable private cabins and a social gathering spot, Base Camp, as a hub for accessing some of the best fishing in the world, as well as the stunning natural beauty and adventure opportunities of the region. Mike Jones and Lori Fagan worked closely with Alaska SBDC advisor Cliff Cochran to bring the vision into reality.



Starting a new business can be risky, especially when it involves investment. Recognizing the potential of Kenai Adventure Cabins, Cochran worked closely with Jones and Fagan to establish a business plan. With Cliff's help, the owners developed a financial strategy and secured a commercial loan while ensuring the business would remain sustainable and profitable in the long term.

On their experience working with the Alaska SBDC, Mike said, "We couldn't have done it without Cliff and the SBDC. His guidance and expertise were crucial in securing the loan and setting up our business for success. We are now proud to welcome guests from all over the world to experience the beauty and adventure of the Kenai Peninsula."

Today, Kenai Adventure Cabins is thriving, offering guests a unique and immersive experience in one of Alaska's most stunning regions. Visitors can enjoy a range of outdoor activities nearby, from fishing and hiking to wildlife viewing and kayaking, all while staying in comfortable and well-equipped cabins. Guests have the option to choose from 2-bedroom/1-2 bath cabins with kitchen and washer/dryer in each unit, sleeping up to six, or bunk cabins, sleeping up to four, with use of Base Camp. Base Camp is a 1,600-square-foot facility featuring shared social, kitchen, laundry, and bathroom facilities, all included

in the booking price. Several of the units are dog-friendly, which is not common for this level of accommodation on the Kenai.



Reflecting on his work with Jones and Fagan, Cliff shared, “Working with brilliant and motivated entrepreneurs like Mike and Lori has been an absolute pleasure. Their vision, drive, and innovative spirit have made our collaboration not only productive but truly inspiring. It’s been a rewarding experience to support and witness their journey towards success.”

Kenai Adventure Cabins stands as a testament to the power of entrepreneurial spirit turning dreams into reality. With the help of the Alaska SBDC, the owners of Kenai Adventure Cabins have created a world-class retreat that enriches the local economy and offers unforgettable experiences to its guests. A recent guest posted a glowing review, saying, “An amazing experience, my husband and I were only here a couple of days, but we want to stay forever! The amenities are so thoughtful, and the Base Camp had everything you needed to feel at home. I would 100% stay here again!”

If you are interested in learning more about Kenai Adventure Cabins, including booking a stay, check out their website at kenaiadventurecabins.com or call (907) 252-6767.