

KENAI PENINSULA BOROUGH
Community & Fiscal Projects

MEMORANDIUM

TO: Charlie Pierce, Mayor
FROM: Brenda Ahlberg, Community & Fiscal Projects Manager
DATE: January 22, 2020
SUBJECT: **FY20-2Q Economic Development Grant Reports**

Attached are the grant reports for the following entities:

KPEDD – Kenai Peninsula Economic Development District

SBDC – Small Business Development Center



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7599
PHONE: (907) 714-2153 • FAX: (907) 714-2377
EMAIL: bahlberg@kpb.us

FROM: KPEDD
KPB ACCOUNT: 100.94900.KPEDD.43009

Contract Amount: \$100,000
Ending: June 30, 2020

Financial / Progress Report

Submit Report To: Brenda Ahlberg
Community & Fiscal Projects Manager
Kenai Peninsula Borough
144 N. Binkley St., Soldotna, AK 99669

Project Name: Non-Areawide KPB Economic Development
Date: 1/14/2020
Report No.: 2 of 4
Quarter From: October 1, 2019
To: December 31, 2019

FINANCIAL REPORT: FINAL REPORT DUE ON OR BEFORE 07/10/20

Cost Category	Authorized Budget	Expenditures from Last Report	Expenditures This Period	Total Expenditures to Date	Balance of Funds
Personnel	100,000	25,000.00	25,000.00	50,000.00	\$ 50,000.00
		-		-	\$ -
TOTALS	\$ 100,000.00	25,000.00	\$ 25,000.00	\$ 50,000.00	\$ 50,000.00
Payment Request					\$ 25,000.00

PROGRESS REPORT: Describe activities that have occurred during this reporting period. Describe any challenges you may have experienced, any foreseen problems, and/or any special requests. Attach additional pages.

Please see attached midyear report.

Grantee Certification: I certify that the above information is true and correct, and that expenditures have been made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.

Signature: [Signature] Date: January 15, 2020
Printed Name and Title: Tim Dillon, Executive Director

Kenai Peninsula Economic Development District, Inc.

FY2020 Midyear Report

- The Kenai Peninsula Economic Development District (KPEDD) hosted Complete Count Committee meetings in October, November, and December to prepare borough-wide communities for the upcoming Census. Topics this quarter included social media and community outreach, identified Census locations, and opportunities for increased participation.
- The quarterly City Manager meeting was held in November to discuss community specific issues and opportunities in each of the incorporated areas. Topics of discussion include quality of living improvements, taxes, land management, and marketing.
- KPEDD Executive Director, Tim Dillon, researched and discussed potential tourism opportunities for the Kenai Peninsula with the Governor's office and the Denali Commission.
- KPEDD worked with the Kenai Peninsula Borough and both the incorporated and unincorporated areas to identify applicable projects with ties to the November 2018 earthquake. KPEDD also worked on putting together an application for a disaster revolving loan fund to assist businesses in the event of another natural disaster. Applications are due March 27th, 2020 and approved projects will be eligible for EDA disaster funding.
- KPEDD, partnered with the Small Business Development Center and the Alaska Department of Commerce, hosted an entrepreneurial discussion in November to provide free consultation to current and prospective business owners.
- Staff continued to outline specific goals, partners and projects for the borough-wide workforce plan. This plan focuses on preparing the Kenai Peninsula Borough for rapid community growth and employment needs regarding the potential LNG project and other potential opportunities.
- KPEDD's progress and state-wide opportunities were presented throughout the reporting period to the Kenai Peninsula Borough and the cities of Kenai, Soldotna, Seward, Homer, and Seldovia.
- KPEDD partnered with the federal Denali Commission to identify ARDOR opportunities for workforce development, manufacturing, and state partnerships. KPEDD is currently working with the Denali Commission to identify eligible short term and long-term needs and projects. The first assigned ARDOR meeting will be held on February 6th, 2020.
- Tim Dillon has assisted the Alaska Gasline Development Corporation with Government outreach needs during this reporting period.
- KPEDD FY19 audit was successfully completed in December with no significant findings for the fourth consecutive year.



**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 2020
Second Quarter Report
October 1, 2019 through December 31, 2019**

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

The Kenai Peninsula Center for the Alaska SBDC continued its fast start to the fiscal year with a second consecutive strong quarter. With tourist and construction seasons over, the Soldotna office stayed busy advising clients coming off their active summer months. Business owners and entrepreneurs from all stages of the business life cycle, with revenues ranging from \$20K to \$1.7 million, worked closely with our office.

During the second quarter, the Kenai Peninsula Center provided over 20 hours of assistance to small business owners seeking help in wake of the Swan Lake Fire. A troubling trend has been identified in Cooper Landing and Sterling in relation to those fires. During the summer months which coincided with the fire, business owners saw 5%-20% reductions in revenue. However, once the tourists and firefighters left, and the remaining locals have become more frugal to get through the winter with less income, businesses have seen their revenues drop a further 10%-20%. We expect more disaster loan applications during the spring, as cash flows begin to get tight, and the SBDC will continue to play an important role in guiding business owners through the process.

In the second quarter, 19 clients reported the creation of 35 new jobs in the Kenai Peninsula region. The largest number of jobs came from the Professional, Scientific and Technical Services industry, with jobs coming from three consulting businesses, a website designer, and an oilfield inspection business. Impact from SBDC advising spanned the entire peninsula, with jobs created in Soldotna, Kenai, Homer, Seward, and Sterling. During the second quarter, SBDC advising provided support for 142 jobs from 44 small businesses, located in communities all over the peninsula.

Workshops presented by the Alaska SBDC were attended by 27 Kenai Peninsula residents. These classes, offered live in-person and online, cover a wide array of subjects and harness both in-house expertise and professional adjuncts. In addition to the live workshops, 14 new on-demand workshops were added to the workshop listing over the past two quarters for a total of 26. The topics of these new on-demand workshops include Marketing Basics, How to Get a Business License, Buyer's Guide to Franchise Ownership, and more. These workshops are available 24/7 and are able to be accessed as many times as needed.

The SBDC expects the next quarter to be just as busy as the current one, as business owners ramp up for what is anticipated to be a strong 2020 tourist season. We look forward to continuing to support business owners and entrepreneurs as we continue to lead our economy out of the recession.

At a Glance: Kenai Peninsula FY20 Q2 (Oct 1, 2019 - Dec 31, 2019)

Number of Clients Advised

Current Quarter: 69

FY 2020*: 113

Jobs Created by Clients

Current Quarter: 35

FY 2020*: 52

Business Starts

Current Quarter: 10

FY 2020*: 15

Capital Infusion

Current Quarter: \$835,000

- SBA Loans: \$420,000
- Non-SBA: \$0
- Non-Debt Financing: \$415,000

FY 2020*: \$960,500

Alaska SBDC Kenai Peninsula Center Activity – Historical Comparison*

*Note: Due to recent changes to federal SBA data collection and reporting protocols, previous data can no longer be effectively compared to current results. FY 2019 Q1 represent the old methodology (column in gray), while FY 2019 Q2 - FY2020Q2 represent the new methodology.

Future reports will continue to feature comparison data by quarter using the new directives.

	FY 2019 Q1 7/1/18 - 9/30/18	FY 2019 Q2 10/1/18 - 12/31/18	FY 2019 Q3 1/1/19 - 3/31/19	FY 2019 Q4 4/1/19 - 6/30/19	FY 2020 Q1 7/1/19 - 9/30/19	FY 2020 Q2 10/1/19- 12/31/19
New business created	8	7	6	11	5	10
Jobs created	31	12	14	21	17	35
Loans (in dollars)	\$945,275	\$300,000	\$283,500	\$1,600,000	\$125,000	\$420,000
Total capital (loans + equity)	\$1,470,700	\$300,350	\$638,050	\$1,671,710	\$125,500	\$835,000
New clients	29	22	32	24	20	19
Total clients	72	68	74	83	69	69
Total advising hours	299.92	421.25	312.17	202.75	300.92	344.33

Clients & Advising at a Glance: Kenai Peninsula FY20 Q2 (Oct 1, 2019 - Dec 31, 2019)

69 Clients by Current Lifecycle

Pre-venture: 25 clients
Startups: 19 clients
In-business: 25 clients

Clients by Industry

Accommodation and Food Service: 16 clients
Healthcare and Social Assistance: 10 clients
Professional, Scientific and Technical: 8 clients
Manufacturer/Producer: 6 clients
Arts and Entertainment: 5 clients
Retail: 5 clients
Real Estate, Rental and Leasing: 4 client
Service: 4 clients
Construction: 3 clients
Transportation/Warehousing: 3 clients
Administrative and Support: 2 client
Agriculture, Forestry, Fishing and Hunting: 1 clients
Film: 1 client
Research and Development: 1 client

Areas of Advising

Startup Assistance: 93 hours
Managing a Business: 77 hours
Financing: 53 hours
Buy/Sell a Business: 41 hours
Marketing/Sales: 11 hours
Business Plan: 9 hours
Disaster Recovery: 8 hours
Franchising: 7 hours
Legal Issues: 4 hours

Summary:

Of the 69 entrepreneurs who received advising assistance during the second quarter of FY 2020, 25 were in the pre-venture phase, 19 were startups, and 25 were already in business. With tourist and construction seasons over, the Soldotna office stayed busy advising clients from all stages of their business, from preventures to well-established businesses. While the SBDC typically requires registration for all individuals seeking assistance, the Soldotna office made exceptions this quarter for individuals needing assistance with disaster recovery from the Swan Lake Fire. In addition to the 8 hours reported above, another 12 hours of assistance was provided to individuals who needed immediate assistance to start their recovery. A number of businesses are now closing on SBA Disaster Loans, which will be reported next quarter. Much of that time was included in the Financing category above.

Jobs at a Glance: Kenai Peninsula FY20 Q2 (Oct 1, 2019 - Dec 31, 2019)

New Jobs Overview

35 new jobs

19 clients

New Jobs by Industry

Professional, Scientific and Technical: 5 clients (11 jobs)

Accommodation and Food Service: 2 clients (5 jobs)

Retail: 3 clients (5 jobs)

Healthcare and Social Assistance: 3 clients (4 jobs)

Educational Services: 2 clients (3 jobs)

Service: 3 clients (3 jobs)

Real Estate, Rental and Leasing: 1 client (2 jobs)

Arts and Entertainment: 1 client (1 job)

Construction: 1 client (1 job)

Jobs Supported

142 jobs

44 clients

Summary:

During the second quarter of FY 2020, 19 clients reported the creation of 35 new jobs in the Kenai Peninsula region. The largest number of jobs came from the Professional, Scientific and Technical Services industry, with jobs coming from three consulting businesses, a website designer, and an oilfield inspection business. Impact from SBDC advising spanned the entire peninsula, with 13 jobs created in Soldotna, 9 jobs in Kenai, 6 jobs in Homer, 6 in Seward, and 1 in Sterling. During the second quarter, SBDC advising provided support for 142 jobs from 44 small businesses on the Kenai Peninsula.

New Clients at a Glance: Kenai Peninsula FY20 Q2 (Oct 1, 2019 - Dec 31, 2019)

19 New Clients by Initial Stage

Pre-ventures: 17 clients

Startups: 9 clients

In-business: 15 clients

New Clients by Industry

Accommodation and Food Service: 3 clients

Healthcare and Social Assistance: 3 clients

Transportation and Warehousing: 3 clients

Retail: 2 clients

Professional, Scientific and Technical: 1 client

Administrative and Support: 1 client

Arts and Entertainment: 1 client

Construction: 1 client

Real Estate, Rental and Leasing: 1 client
Research and Development: 1 client
Service: 1 client

New Clients by Community

Soldotna: 9 clients
Kenai: 3 clients
Homer: 2 clients
Seward: 2 clients
Sterling: 2 clients
Anchor Point: 1 client

Summary:

The Alaska SBDC Kenai Peninsula Center on-boarded 19 new clients during the second quarter of FY 2020. This quarter, time was fairly evenly divided between owners of existing businesses and entrepreneurs looking to start new businesses. Accommodation/food service, healthcare, and transportation/warehousing topped the list. Impact from the SBDC was again felt around the peninsula, with new clients served from Seward to Homer.

New Businesses at a Glance: Kenai Peninsula FY20 Q2 (Oct 1, 2019 - Dec 31, 2019)

10 Qualifying New-Business Starts

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. During the second quarter of FY 2020, 10 clients reported the creation of business starts within the Arts and Entertainment, Healthcare and Social Assistance, Professional, Scientific and Technical, Real Estate, Rental and Leasing, Retail and Service industry sectors located in the communities of Kenai, Soldotna, Sterling, Cooper Landing, Homer, and Seward, with eight startups and two business purchases.

Workshops

Summary:

Alaska SBDC workshops were attended by 27 Kenai Peninsula residents. These classes, offered in both in-person and webinar formats, covered a wide array of subjects and harnessed both in-house expertise and professional adjuncts. Recently, the SBDC workshop program focused on growing the workshop on-demand offerings and ensuring any content is up-to-date and relevant to Alaska's small businesses. In addition to the live workshops (offered both in-person and via webinar), 14 new on-demand workshops were added to the workshop listing over the two quarters for a total of 26. The topics of these new on-demand workshops include Marketing Basics, How to Get a Business License, Buyer's Guide to Franchise Ownership, and more. These workshops are available 24/7 and are able to be accessed as many times as needed.

Client Profiles

Aspire Business Solutions

Inspired to serve small and medium-sized businesses and health care providers in Alaska, Aspire Business Solutions, LLC, is locally owned and operated by Deborah Nyquist, Winnie Wong, and Micha Savage. Deborah, Winnie, and Micha left their positions within tribal healthcare to fully actualize their skills in project management, tribal healthcare leadership, operational improvement, and informational technology optimization.

With more than 50 years of combined experience, they work to develop and maximize reimbursements, build their identity, and improve quality and service with a simple mission: To create adaptive solutions for individuals, businesses, and communities. The trailblazers envision the creation of successful and sustainable businesses, in turn, resulting in thriving communities throughout the state of Alaska.



Deborah, Winnie, and Micha worked with the Alaska Small Business Development Center (Alaska SBDC) in Soldotna to ensure they launched successfully. Their business advisor, Cliff Cochran shared about their dedication, “It has been a pleasure working with Deb, Winnie, and Micha. With their expertise in

management, operations, and IT, among other things, they have become a valuable business resource for our community. I’m looking forward to seeing the immediate and ripple effects of their great work across the peninsula.”

In discussing their journey, they shared, “When we met with Cliff in person at the SBDC office, we were reassured that we were on the right track in completing our startup tasks. We felt comfortable asking questions about our business plan. Cliff helped to demystify how to research our competition, develop our SWOT analysis and invited us to check back if and when we had questions. Cliff’s guidance on business loans and the process to obtain startup funding was informative and helpful. We appreciate that the SBDC website has a wealth of resources and links, but there is nothing like personalized and knowledgeable support at our local office.”

Opening for business in June 2019, Aspire Business Solutions is located at 609 Marine Ave, Suite 150 in Kenai, Alaska.

Aspire Business Solutions believes that each company, client, and community is unique and deserves customized solutions. Connect with Deborah, Winnie, and Micha via email, at (907) 513-9574, or on Facebook and Instagram. You can also register to book your complimentary initial consultation at www.aspiresolutions.org.