

**KENAI PENINSULA BOROUGH**  
Community & Fiscal Projects

---

**MEMORANDIUM**

**TO:** Charlie Pierce, Mayor  
**FROM:** Brenda Ahlberg, Community & Fiscal Projects Manager   
**DATE:** January 23, 2019  
**SUBJECT:** **FY19-2Q Economic Development Grant Reports**

---

Attached are the grant reports for the following entities:

KPEDD – Kenai Peninsula Economic Development District

KPTMC - Kenai Peninsula Tourism Marketing Council

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, 2019

## 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:** 1/11/2019  
**Report No.:** 2 of 4  
**Quarter From:** 10/01/18  
**To:** 12/31/2018

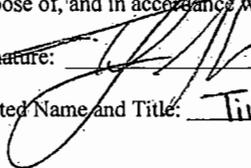
### FINANCIAL REPORT: FINAL REPORT DUE ON OR BEFORE 07/10/2019

| 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        |
| Travel          |                      | -                             | -                        | -                          | \$ -                |
| Contractual     |                      | -                             | -                        | -                          | \$ -                |
| Supplies        |                      | -                             | -                        | -                          | \$ -                |
| Equipment       |                      | -                             | -                        | -                          | \$ -                |
|                 |                      | -                             | -                        | -                          | \$ -                |
| <b>TOTALS</b>   | <b>\$ 100,000.00</b> | <b>25,000.00</b>              | <b>\$ 25,000.00</b>      | <b>\$ 50,000.00</b>        | <b>\$ 50,000.00</b> |
| 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 the attached mid-year 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:  Date: January 11, 2019

Printed Name and Title: Tim Dillon, Executive Director



14896 Kenai Spur Highway, Suite 103-A • Kenai, AK 99611

Phone: (907) 283-3335 • Fax: (907) 283-3913

www.kpedd.org

*Leadership to enhance, foster and promote economic development*

**Kenai Peninsula Economic Development District, Inc.**  
**Kenai Peninsula Borough Grant**  
**FY19 Mid-Year Report**

1. During the previous quarter, the Kenai Peninsula Economic Development District (KPEDD) prepared for the Industry Outlook Forum on January 9th in Homer. The forum is used to inform communities and businesses of upcoming projects, programs, partnership opportunities, and current obstacles. Speakers included the Alaska Department of Commerce, Tyonek Native Corporation, South Peninsula Hospital, Alaska Travel Industry Association, Blue Pipeline, Hilcorp, the Pebble Partnership, Alaska Gasline Development Corporation, Alaska Oil and Gas Association, Seldovia Village Tribe, UAA Center for Economic Development, Alaska Salt Company, Alaska Stems Farm, Bay Weld Boats, as well as presentations on KPEDD's workforce development project, disaster planning survey, and a Borough update.
2. KPEDD continued discussions with NUTRIEN for reopening of the fertilizer plant in Nikiski. Nutrien would require a two-year tax break and a stable price-fixed supply of fuel to begin work. KPEDD continued these discussions with the State, Borough, and Nutrien.
3. KPEDD held a Borough-wide city manager meeting during the second quarter to discuss LNG impacts, workforce development, funding and partnership opportunities, and Borough land designation for agricultural development.
4. In August, KPEDD hosted a workforce development planning meeting with Senator Lisa Murkowski's office, Alaska Department of Labor, Kenai Peninsula Borough, Kenaitze Indian Tribe, Alaska Gasline Development Corporation, Wells Fargo, AVTEC Technical Center, KPBSD, Kenai Peninsula College, Challenger Center, Kenai Peninsula Driving Instruction, Alaska Petroleum Academy, and the Kenai Peninsula Construction Academy to create a Borough-wide program similar to EXCEL Alaska's. Focused on training local students in skilled trades, the workforce program would utilize local labor for LNG's direct and indirect needs. The discussed plan focused on training in the areas of welding, carpentry, pipe-fitting, heavy equipment operation, electrical, process technology, emergency trauma training, CPR, petroleum training service, NSTC certifications, Cook Inlet Safety Training, commercial driver training, Class D drivers licenses, small engine repair, bookkeeping, insulation mechanics, management courses, marine trades (such as tug boat captains), ironworkers, cooks, industrial painters, as well as SAT/ACT prep and exams, College application assistance, GED prep and testing, and courses in personal finance.



Alaska Regional Development Organization (ARDOR)  
The State of Alaska Department of Commerce, Community  
and Economic Development certified KPEDD as an  
ARDOR in 1989.



Economic Development District (EDD)  
The U.S. Department of Commerce, Economic  
Development Administration (EDA) recognized KPEDD  
as an Economic Development District in 1988.

The proposal has been submitted to the Economic Development Administration with match funding assistance provided from the Denali Commission and Borough.

5. KPEDD Finalized the disaster preparedness survey during the second quarter. The online survey, which will be available in January to the public, lists (20) questions business need to address before the next natural disaster. Each question was designed to quickly re-open business doors and reduce down-time, lost revenue, and unemployment.

6. Staff continued to search for funding opportunities for the Kachemak Shellfish Mariculture Association's (KSMA) oyster growing equipment. In November, an application proposal was submitted for review to the Economic Development Administration for \$325,000. KPEDD also assisted KSMA to identify match funders, including the USDA. Grant assistance is ongoing.

7. Tim Dillon, KPEDD's Executive Director, also served as co-chair for the Soldotna Sport's Center Expansion project during this period. The project board has completed the design phase and is preparing for public vote in the March 5th ballot. The expansion, which would include a basketball courts, wrestling area, soccer field and running track, would provide a space for residents to exercise during the winter. The expansion would also allow a space for athletic teams to compete locally.

8. Presentations were delivered in Homer, Seward, Kenai, Soldotna, and Seldovia to update communities on projects, programs, and current community-specific demographics. This opportunity encouraged residents to provide comment for area-specific needs and ideas.

9. KPEDD provided nearly 50 Borough-wide businesses with information on capital investment opportunities, available grant funding options, personalized business assistance, and partnership opportunities.

10. Through a partnership with the Alaska Department of Commerce, Community, and Economic Development as well as the City of Soldotna, and local small businesses, KPEDD hosted an entrepreneurial startup week to connect local entrepreneurs and existing local businesses with needed resources. Roughly 130 attendees registered for the community event.

11. KPEDD had one outstanding Microloan as of December 31<sup>st</sup>. The KPEDD Board of Directors will continue to review applications as they are submitted. Microloans can be used for start-up capital, equipment purchases, bridge funding to extend seasonal operations, or expansion.



# Community & Fiscal Projects

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2150 • (907) 714-2377

## KPB GRANT NARRATIVE/FISCAL REPORT FORM

**FROM:** KPTMC  
**Account:** 100.94900.KPTMC.43021

**Award Amount:** \$100,000  
**Ending:** June 30, 2019

**Submit Report To:**  
 Brenda Ahlberg, Community & Fiscal Projects  
 bahlberg@kpb.us  
 Kenai Peninsula Borough  
 144 N. Binkley St., Soldotna, AK 99669

**Period of Performance for this Report:**  
**Start Date:** October 1, 2018  
**End Date:** December 31, 2018

**FINAL REPORT IS DUE BEFORE 07/10/19**

<< DOUBLE-CLICK THE SPREADSHEET. FILL IN THE BUDGET COLUMN TO ACTIVATE THE EMBEDDED FORMULAS >>

| Cost Category                                 | Authorized budget    | Total expenditures from ALL prior reports | Expenditures to reimburse this period | Total expenditures to date | Balance of Funds    |
|---|----------------------|---|---------------------------------------|----------------------------|---------------------|
| Contractual                                   | \$ 82,795.00         | \$ -                                      | \$ 13,643.79                          | \$ 13,643.79               | \$ 69,151.21        |
| Personnel/Fringe                              | \$ 17,205.00         | \$ -                                      | \$ 5,444.62                           | \$ 5,444.62                | \$ 11,760.38        |
|   | \$ -                 | \$ -                                      | \$ -                                  | \$ -                       | \$ -                |
| <b>TOTALS</b>                                 | <b>\$ 100,000.00</b> | <b>-</b>                                  | <b>\$ 19,088.41</b>                   | <b>\$ 19,088.41</b>        | <b>\$ 80,911.59</b> |
| Expenditures this period to be reimbursed >>> |                      |   |                                       |                            | \$ 19,088.41        |

**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.

Quarter 2, Fiscal Year 2018 / 2019

Dennis Meadows, appointed as Interim Executive Director, to ensure ongoing leadership and direction to the organization.

KPTMC first quarter activities fell outside the scope of the borough agreement. These included: finding balance to staff reduction,, maintaining commitments and expectations to membership, and completing the 2019 Guidebook production.

Within the KPTMC / Borough partnership, the focus has been to identify strong opportunity and direction to on-line and social media channels.

Within these guidelines, we have chosen strategies which illustrate value together with a strong ROI to the Borough's commitment, rather than to simply invest to invest, without vision. That somewhat quantifies where we are currently with Grant reimbursable expenditures', having utilized approximately 20% upon conclusion of two quarters.

Facebook postings occur daily, seven days a week, resulting to increases in both likes and followings. Both continue a solid upward trend (176,000 currently)

We have, and will continue, boosting posts. It increases: reach, shares, and post engagements. Additionally, it allows for specific targeting of audience, which can further the effectiveness of a particular post, again, broadening our market reach, and adding value, through shares and post engagements.

VR project is complete, as we await the final, edited version, which should deliver in the near future. We look forward to sharing with the Assembly and Borough administration, this product.

Community engagement will continue through event posting, and features. These are not pay to play advertisements, rather, a utilization of our large social media audience to showcase our communities through the events and activities which occur within them. It carries strong return value, both through localized interest and participation, and, to a much broader global audience, as it continues to highlight our communities.

We continue to generate quality leads through the website. While not currently autonomous, leads are filtered by requested information. Guidebooks mailed to those whom request them, and leads forwarded accordingly. The website on a few occasions has seen potential for compromise. It does in its' current state require effort and energy to maintain certificates and monitor status. Fortunately, to date, no negative issues have resulted.

KPTMC has determined and outlined multiple courses of action going into Q-3, which will ensure we remain in line with our mission, to promote, develop, and coordinate visitation to the Kenai Peninsula.

- Redevelop and Deploy Alaska's Playground website – Current Drupal platform is large, unstable, and relatively static in the sense it offers no back end portal for users to self-manage content, which creates a large internal labor burden.
- Utilize our Facebook audience ( 176,000+) Followers, to maximize community engagement. Promote community events, and activities to promote a broader interest and understanding of breadth and diversity to the Peninsula.
- Re-deploy Alaska's Playground Instagram, Blog, and E-Newsletter, as viable channels to communicate to, and share from within, our demographic.
- Utilize Google AdWords to drive and maintain SEO (Search Engine Optimization) Analytics within Google allow us to monitor effectiveness, graph data, plan forward accordingly, and change conditionally.

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

Signature: 

Date: January 15, 2019

Printed Name and Title: Dennis Meadows – Executive Director, KPTMC



**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 2019  
Second Quarter Report  
September 1, 2018 through December 31, 2018**

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

During the second quarter FY 2019, the Kenai Peninsula Center provided an increase in advising hours as clients tucked in for the winter. The top industries this quarter were accomodation and food service, manufacturing, and arts and entertainment. While we typically use this opportunity to review our most recent accomplishments, such as creating a local business advisor position in Seward or positioning the Kenai bowling alley for a loan that will modernize and reopen the facility, with the close of the 2018 calendar year it seems a good time to reflect on what's most important: people. Here are some updates on the people behind the Kenai Peninsula Center.

On March 20, 2018, Soldotna Business Advisor Cliff Cochran and his wife welcomed their first child, Alexander. Baby Alex has yet to sleep longer than three hours, which has resulted in two deeply blessed but exhausted parents. Already on the move removing door stops, checking electrical outlets, and disassembling the air purifier, this little man has a future as an SBDC client in construction.

in July 2018, shortly after meeting with Borough Mayor Charlie Pierce to discuss Alaska SBDC projects, we discovered Kenai Peninsula Regional Director Bryan Zak would be taking a leave of absence from the Alaska SBDC for an undetermined length of time to address an illness. Zak has been a pillar of the Alaska SBDC and we have greatly missed him.

During Zak's absence, we filled the Seward Business Advisor position with Justin Sternberg. In addition to his role as Seward SBDC advisor, he has also worked to start the first maritime industry incubator in Alaska. His office is now up and running and he has been working closely with entrepreneurs in Seward.

While we have faced some significant challenges this past year, the Kenai Peninsula Center has also produced some of its greatest results. We are excited for what 2019 has in store as we enter our busy season, with business owners and entrepreneurs gearing up for summer tourist season.

**At a Glance: Kenai Peninsula FY2019 Q2 (Sept. 1, 2018 - Dec. 31, 2018)**

**Number of Clients advised:**

Current Quarter: 68

FY 2019\*: 115

**Jobs Created by Clients**

Current Quarter: 12

FY 2019\*: 26

**Business Starts**

Current Quarter: 7

FY 2019\*: 15

**Capital Infusion**

Current Quarter: \$300,350

● SBA Loans: \$0

● Non-SBA: \$300,000

● Non-Debt Financing: \$350

FY 2019\*: \$1,771,050

**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. FY2018 Q1 through FY2019 Q1 all represent the old methodology (in gray), while FY2019 Q2 represents the new methodology.

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

|                                | FY 2018<br>Q1<br>7/1/17 -<br>9/30/17 | FY 2018<br>Q2<br>10/1/17 -<br>12/30/17 | FY 2018<br>Q3<br>1/1/18 -<br>3/31/18 | FY 2018<br>Q4<br>4/1/18 -<br>6/30/18 | FY 2019<br>Q1<br>7/1/18 -<br>9/30/18 | FY 2019<br>Q2<br>10/1/18 -<br>12/31/18 |
|--------------------------------|--------------------------------------|--|--------------------------------------|--------------------------------------|--------------------------------------|--|
| New business created           | 15                                   | 3                                      | 3                                    | 12                                   | 8                                    | 7                                      |
| Jobs created                   | 35                                   | 34                                     | 5                                    | 32                                   | 31                                   | 12                                     |
| Loans (in dollars)             | \$3,105,000                          | \$325,000                              | \$390,000                            | \$488,400                            | \$945,275                            | \$300,000                              |
| Total capital (loans + equity) | \$3,746,479                          | \$937,050                              | \$515,350                            | \$758,400                            | \$1,470,700                          | \$300,350                              |
| New clients                    | 21                                   | 30                                     | 35                                   | 30                                   | 29                                   | 22                                     |
| Total clients                  | 97                                   | 81                                     | 91                                   | 85                                   | 72                                   | 68                                     |
| Total advising hours           | 260.98                               | 391.57                                 | 525.32                               | 358.41                               | 299.92                               | 421.25                                 |

Alaska SBDC FY 2019 Q2

**Services**

**Clients by Lifecycle**

Pre-venture: 27  
 Startups: 14  
 In-business: 27

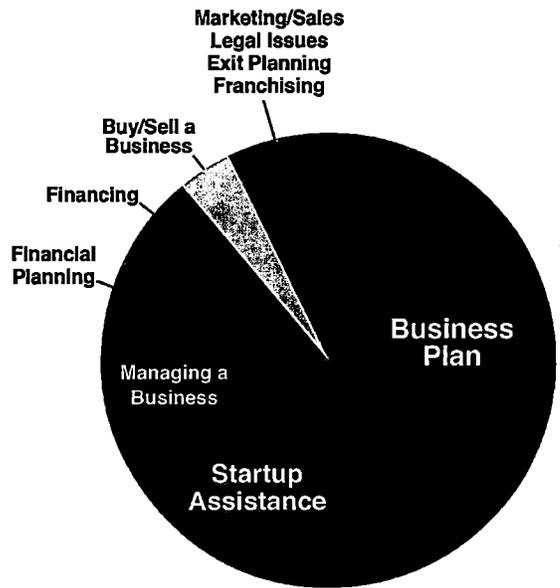
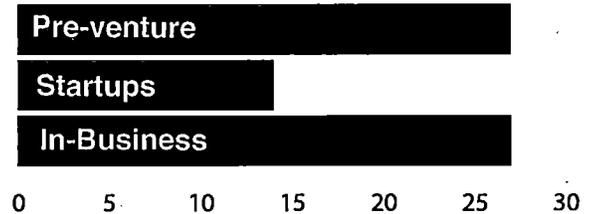
**Clients by Industry**

Accommodation/Food Service = 10 clients  
 Manufacturer/Producer = 10 clients  
 Arts and Entertainment = 9 clients  
 Service = 8 clients  
 Construction = 6 client  
 Professional/Technical = 6 clients  
 Health Care = 5 clients  
 Transportation/Warehousing = 4 clients  
 Agriculture = 3 clients  
 Tourism = 3 client  
 Administrative/Support = 1 client  
 Retail = 1 client  
 Real Estate = 1 client  
 Wholesale = 1 clients

**Areas of Advising**

Business plan = 204 hours  
 Startup Assistance = 72 hours  
 Managing a Business = 45 hours  
 Financial Planning = 27 hours  
 Financing = 23 hours  
 Buy/sell a business = 17 hours  
 Marketing/Sales = 13 hours  
 Legal Issues = 8 hours  
 Exit Planning = 5 hours  
 Franchising = 3 hours

**FY2019 Q2 Kenai Peninsula Clients by Lifecycle**



**FY2019 Q2 Kenai Peninsula Areas of Advising**

**Summary:**

Of the 68 entrepreneurs who received advising assistance during the second quarter of FY 2019, 26 were in the pre-venture phase, 14 were startups, and 27 were already in business. Of these, the largest number of clients fell within in the accommodation & food service (10) and manufacturer/producer (10) industries, while the arts & entertainment (9) and service (8) industries were also strongly represented.

## New Jobs

### New jobs breakdown

12 new jobs  
8 clients

### New Jobs by Industry

Healthcare = 2 clients = 5 jobs  
Arts/Entertainment = 1 client = 2 jobs  
Accommodation/Food = 1 client = 1 job  
Professional/Technical = 1 client = 1 job  
Manufacturer/Producer = 1 client = 1 job  
Construction = 1 client = 1 job  
Real Estate = 1 client = 1 job

### Summary:

During the second quarter of FY 2019, eight clients reported the creation of 12 new jobs in the Kenai Peninsula region. The largest number of jobs fell within the healthcare (5) and arts & entertainment (2) industries.

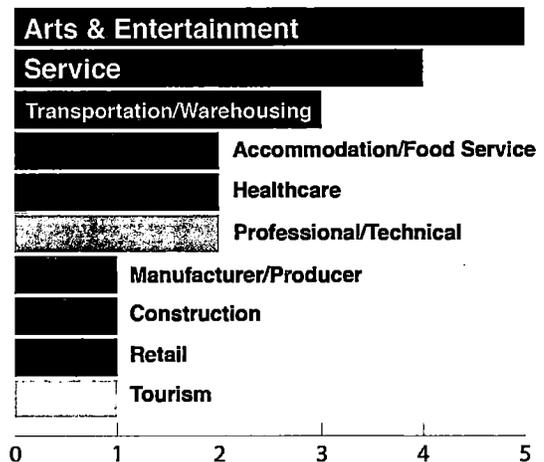
## New clients

### 22 New Clients by Stage

Pre-ventures: 15  
Startups: 2  
In-business: 5

### New Clients by Industry

Arts & Entertainment = 5 clients  
Service = 4 clients  
Transportation/Warehousing = 3 clients  
Accommodation/Food Service = 2 clients  
Healthcare = 2 clients  
Professional/Technical = 2 clients  
Manufacturer/Producer = 1 client  
Construction = 1 client  
Retail = 1 client  
Tourism = 1 client



FY2019 Q2 Kenai Peninsula  
New Clients by Industry

### Summary:

The Alaska SBDC Kenai Peninsula Center on-boarded 22 new clients during the second quarter of FY 2019.

## New Businesses

### 7 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 FY2019, seven clients reported the creation of business starts within the arts & entertainment, construction, healthcare, manufacturer & producer, and professional & technical sectors.

## Community Outreach Activities

#### Summary:

Alaska SBDC workshops were attended by 12 Kenai Peninsula residents. These classes, offered in both in-person and online formats, covered a wide array of subjects and harnessed both in-house expertise and professional adjuncts.

## Seward Expansion



A new blended position is now providing business advising in Seward.

Thanks to a partnership between the City of Seward, Seward Chamber of Commerce, Alaska SBDC and Alaska Ocean Cluster Initiative, a blended position has been created to manage the Blue Pipeline Incubator (BPI) program and serve as an advisor to local small businesses.

We are excited to welcome Justin Sternberg, who will be serving the Seward community as both BPI manager and Alaska SBDC business advisor. Sternberg is an entrepreneur with a history of working with clean energy and ocean technology companies. Contact Justin Sternberg at [justin.sternberg@aksbdc.org](mailto:justin.sternberg@aksbdc.org).