

KENAI PENINSULA BOROUGH GRANTS MANAGEMENT

M E M O R A N D U M

TO:

Mike Navarre, Mayor

FROM:

Brenda Ahlberg, Community & Fiscal Projects Manager

DATE:

20 July 2015

SUBJECT:

FY15-4Q Non-department Grant Reports

Attached are the FY15 fourth quarter grant reports for non-departmental awards.

CARTS – Central Area Rural Transit System

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

To: 06/30/15

FROM: CARTS

KPB ACCOUNT: 100.94910.CARTS.43010

Contract Amount: \$50,000 Ending: June 30, 2015

Financi	al / Progre	ess Report =	
Brenda Ahlberg	Date:	07/10/15	•
Community & Fiscal Projects Manager	Report No.:	4	CDANTS
Kenai Peninsula Borough	Quarter From:	04/01/15	GRANTS

FINANCIAL REPORT:

144 N. Binkley St., Soldotna, AK 99669

Cost Category	Authorized Budget		from Last Expenditure Report Expenditure		Total Expenditures to Date	Balance of Funds		
Personnel	\$	20,868.00	20,868.00	· <u></u>	20,868.00	\$		
Travel			-	· -	-	\$	-	
Contractual	\$	21,132.00	6,191.44	14,940.56	21,132.00	\$		
Supplies	\$	8,000.00	8,000.00		8,000.00	\$		
Equipment		,	-	-	,	\$		
* * * * * * * * * * * * * * * * * * * *			_		- ,	\$	-:	
TOTALS	\$	50,000.00	35,059.44	\$ 14,940.56	\$ 50,000.00	\$.=	

Payment Request 14,940.56

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.

CARTS delivered 12,318 (again with some data still not received) one way trips this reporting period. Ride numbers continue to be pretty steady and consistent with prior years.

CARTS continues work to increase service in Homer and surrounding areas, as well as implementation of services in Seward.

During this quarter the Community & Public Transportation Advisory Board met in the Kenai area and heard from local human service agencies and transportation providers regarding the barriers to coordination. CARTS presented on the panel as well as participates as a member of the board. Hopefully the information gleaned at the 2 day meeting will assist the board in recommending policy changes that will result in more efficient delivery of

made for the purpose of, and in accordance with, applicable a	grant agr	eement terms and conditions.	
Signature: Demile Richmann	Date:	07/10/15	
Signature: Jennifer Beckmann, Executive Di	rector		

Grantee Certification: I certify that the above information is true and correct, and that expenditures have been



KENAI PENINSULA BOROUGH

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

GRANTS

JUL 06 2015

RECEIVED

FROM:	Kenai P	'eninsula	Economic	Development	District	

KPB ACCOUNT: 100.94910.KPRDD.43009

Contract Amount: \$50,000.00

Ending:

6/30/15

	Enging. Good to					
Financi	al / Progre	ess Report ———				
Submit Report To:	Project Name: Kenai Peninsula Economic Development District					
Brenda Ahlberg	Date:					
Community & Fiscal Projects Manager	Report No.:	4 of 4				
Kenai Peninsula Borough	Quarter From:	03/01/2015				
144 N. Binkley St., Soldotna, AK 99669	To: 06/30/15					

FINANCIAL REPORT

Cost Category	Authorized Budget	Expenditures from Last Report	Expenditures This Period	Total Expenditures to Date	Balance of Funds
Personnel	\$ 50,000.00	37,500.00	12,500.00	50,000.00	\$ -
Travel		_	•	-	\$
Contractual					\$ ~
Supplies		-	· •	•	\$.
Equipment		•			\$,
TOTALS	\$ 50,800.00	37,500.00	\$ 12,500.00	\$ 50,000.00	\$ -

Advance funding	3.	·. ·	\$ -
Expenditures applied to advance		•	 <u>.</u>
Remaining Advance Balance			\$ -

PROGRESS REPORT: Describe activities that have occurred during this reporting period. Describe any challenges you may have experienced, any forescen problems, and/or any special requests. Attach additional pages.										
See Attached	may nave	expenencea	any foreseen pro	olems, and/or	any special req	uesis. Attaci	n andmonar pages	i <u>a</u>		
,										

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:	E Mune	Date:
Printed Name and Title:	Rick Roeske Executive Di	rector



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 FY 2015 Year End Report

2015 Highlights

Situation and Prospects

Kenai Peninsula Economic Development District, KPEDD, has started a multiyear revival for the S&P report. It has recreated the economic facts and figures for various areas of interest to elected officials, decision makers, influencers and grant writers, etc. Since the last hardbound edition in 2009 there had been requests to the Kenai Peninsula Borough to resurrect this document. Released in the spring of 2015 it has received great support and review. The effort will become better sustained in future years on reduced costs associated with becoming a web-based project. Hardbound copy costs will be phased out beyond the first year. Being web based will reduce inaccuracies and inconsistencies, removed and updated as they become noted to KPEDD staff. These costs will be used to further areas of economic growth and interest not included into the 2009 version. Distribution of the hardbound version has included asking recipients to give suggestions for corrections and additional areas of inclusion into future editions. Web based presentation software was purchased to give KPEDD the graphics capability for meaningful display of pertinent information. Data download will become available after the website is dedicated and online. Long term, this project will become a cornerstone of the KPEDD suite of offered information to the community.

Industry Outlook Forum

Industry Outlook Forum, (IOF), continues to become more important to KPEDD in it's efforts to bring Industry, Members of the Public, influencers and decision makers into a two day environment that engages discussion and dialog in an informal atmosphere. KPEDD last year decided to engage a new venue and new date, which provided challenges and opportunities. Challenges included but were not limited to operational issues associated with the venue, staffing challenges and a change of leadership at the





State of Alaska. With the lessons learned KPEDD would this January move into a newer phase based on positive feedback from the 2015 event. KPEDD received feedback that the networking opportunities, incorporating new areas of discussion were excellent. Venue issues will be worked out prior to engagement of the facility, given there is discussion that this venue might become permanent a conference center. The focus for 2016 will be the continued economic sectors driving growth on the Kenai Peninsula. Possible areas of interest will be the medical components driving growth, hospitals, and nonprofits within the area. Last year included the Kenaitze Indian Tribe Executive Director giving and update on the Dena'ina Wellness Center.

KPEDD Strategic Planning

March of 2015 KPEDD went through and intensive one day Strategic Planning session that was fully attended by all Board of Directors and staff. Key issues, past and present, were identified, discussed, prioritized and either included or discarded in the final blueprint for future efforts. This effort was facilitated by the UA Center for Economic Development, facilitated by Nolan Klouda. The end product gave everyone input and agreed direction for the agency as well as a documented timeline for completion, responsibilities and methodologies for strategies for continual improvement and agency adaptation to external and internal changes in environment. Past efforts and issues were discussed and direction for 2016 and beyond was discussed and adopted by the BOD.

Strategic Partnerships

One major identified deficiency was the lack of sustained Strategic Partnerships and the setting of outcomes and metrics for this area going forward. With the State of Alaska having a long-term fiscal issue, it is critical that the Kenai Peninsula entitles work in a more collaborative manner than have in the past. Monetary issues will be changing the support network that has existed on the Peninsula and better cooperation will be demanded from funding agencies in the future. KPEDD will be assisting and facilitating discussions to enhance returns to the communities for monies invested. KPEDD will also be using the remaining years prior to the AKLNG project decision to proceed, the Go or No Go decision, to prepare communities and partners for possible outcomes and impacts.

BR&E, Business Retention and Expansion is one such partnership that will be used by KPEDD in the next two years. KPEDD has engaged partners in this effort that is initially funded by the State of Alaska but will ultimately reside with KPEDD. This three year SOA project focuses on interviewing businesses on the Kenai Peninsula, making responses anonymous in a database, and using data analytics to interpret results. Area results within the Peninsula as well as peninsula wide data compared to the entire State of Alaska will give a business climate report to SOA, KPEDD and it's partners. BR&E

has successfully been used in Canada and the Continential United States for over 25 years with excellent results.

The concept involves developing relationships with the local businesses, finding critical issues for their survivability, identifying "hot button" issues critical to their continued success and creating the inputs into software so that local businesses survive. Key to the economic statistics is the ability of these companies to hire additional staff, giving the local economy increased robustnessand currency turnover that promotes sales in the area.

KPEDD is using this program to enhance partnership building, giving each partner access to anonymous data for their areas to compare against other regions on the Kenai Peninsula as well as the State of Alaska data map being assembled. KPEDD is the only ARDOR to have assembled an area wide partnership team. KPEDD and its partners look to start showing results by spring of 2016. KPEDD will share assembled data with KPB as needed and when requested.

New staff and viable established partners, including two city teams, three chambers of commerce's and the Small Business Development Center will ensure that broad data acquisition is achieved. This works to assist KPEDD in strategic partnerships, working on it's rebranding efforts and gives valuable information to policy and decision makers.

Personnel Changes

Staffing changes occurred with the resignation of the past Programs Manager position. That position remained vacant for eight months of the fiscal year while an internal reorganization took place. Current hiring for a newly created position, Economic Development Specialist will be filled at the beginning of the 2016 fiscal year. This staffing change and the new direction was identified in the Strategic Planning meeting. As KPEDD moves forward into a data reporting and peninsula educational component this position will require a structured and degreed person in Economics to facilitate the areas like Situation and Prospects, (S&P), Business Retention and Expansion, (BR&E), etc. KPEDD will be changing its brand to reflect a broader peninsula wide data collection and repository of economic information, available to be used by others.

New Proposals

KPEDD will concentrate itself on refocused efforts for the Fiscal year 2016. Current efforts to include the Situation and Prospects for 2016, increasing it's web based content and delivery for S&P, BR&E data collection and presentation to the public will be the main focus.



KENAI PENINSULA BOROUGH

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PHONE: (907) 714-2153 • FAX: (907) 714-2377

EMAIL: bahlberg@borough.kenai.ak.us

JUL-1 5 2015

GRANTS

FROM: KPTMC

KPB ACCOUNT: 100.94910.KPTMC.43021

Contract Amount: \$300,000

Ending: June 30, 2015

RECEIVED

Financial / Progress Report

Submit Report To:

Project Name: Tourism Marketing/Peninsula Promotion

Brenda Ahlberg

Date: July 15, 2015

Community & Fiscal Projects Manager

Report No.: 4

Kenai Peninsula Borough

Quarter From: April 1, 2015

144 N. Binkley St., Soldotna, AK 99669

To: June 30, 2015

FINANCIAL REPORT

Cost Category	A	uthorized Budget	Ē	xpenditures from Last Report	xpenditures This Period	Ex	Total penditures to Date	Bala	nce of Funds
		7 .		,				Ī	
Personnel	\$	42,200.00	\$	27,046.61	\$ 6,919.08	\$	33,965.69	\$	8,234.31
Travel	\$	15,200.00		\$13,063.92	\$ 2,765.98	\$	15,829.90	\$	(629.90)
Adv/Marketing	\$	242,600.00		\$220,574.55	\$ 27,723.31	\$	248,297.86	\$	(5,697.86)
	T	,	П	- 11		Γ		\$	
TOTALS			\$	260,685.08	\$ 37,408.37	\$	298,093.45	\$	1,906.55

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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.

Situation Analysis: Positive Outlook for Tourism in 2015

Tourism is a bright spot in the Alaska economy right now, bringing in \$100 million in tax dollars to the state. We are hearing that 2015 domestic sales are up and trending strong. In fact, the next three years look bright. International travel is less robust, likely reflecting a strong U.S. dollar and concerns about safety and stability in international travel.

Nationally, domestic travel is up 3.6 percent and Alaska remains a high-demand destination. Airlift is up, hotel rooms are hard to find on peak dates and overall tourism sales are strong.

2015 looks great, and 2016 looks robust for travel in Alaska. This is the result in large part of past years' strong marketing for the state. Unfortunately the tourism industry did take a hit this year due to Alaska's budget crisis. The tourism marketing program received a 40 percent reduction in funding. Between the industry contribution (through participation in cooperative marketing programs) and the reinvestment by the State, the budget for next year will be \$10.2 million.

Alaska Marine Highway System - Scheduled ferry service for this summer will continue with a final funding level that did not eliminate significant amounts of service. However, the MV Taku remains offline indefinitely due to capital budget shortfalls.

Film Subsidy Program - SB39, the bill that eliminated the film tax subsidy program, was signed into law by Governor Bill Walker.

Membership and Advertising Sales:

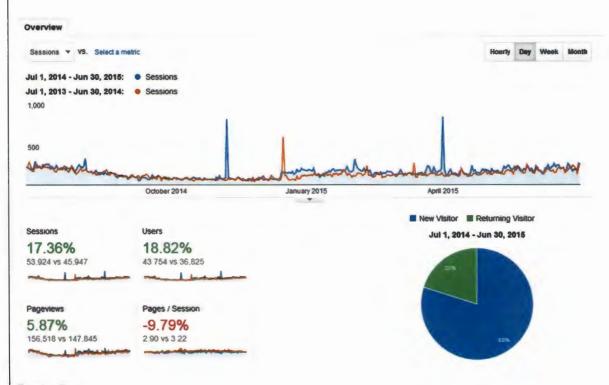
We have launched our sales efforts for the 2016 membership year and Discovery Guide. Our membership year runs October through October.

- 2016 Membership Revenue YTD: \$20,700.00
- 2016 Guide Revenue YTD: \$104,450.50
- 2016 Web & Social Media Services Revenue YTD: \$14,985.00



Website Statistics:

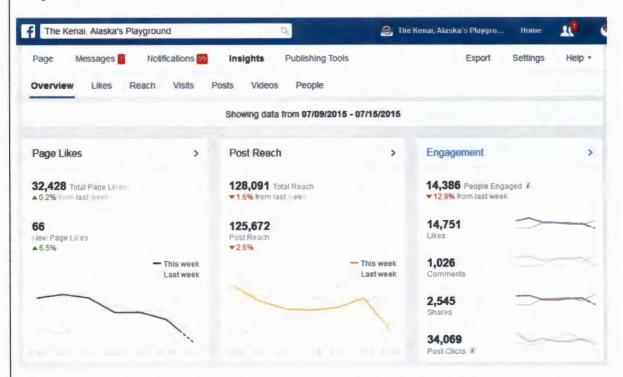
Web traffic to www.kenaipeninsula.org for the 2015 grant period totalled 53,924 visitors, up 17% over the previous year. Users were up almost 19%. Average time spent on the site has declined almost 10%, a reflection of the need to convert to responsive site that is mobile friendly. KPTMC has an active website task force that is in the early stages of planning for a new site design. The goal is to have it launched by summer of 2016.



Facebook:

Our Facebook performance continues to be outstanding. We have grown by over 13,000 fans in FY15, for a total fan base over 32,000. Our engagement continues to be very impressive, rivalling all other community

Facebook pages in Alaska. During the last week alone we had a post reach of 128,091 Facebook users. We also do bi-monthly blogs posts on http://thekenai.wordpress.com/ and monthly visitor newsletters that are being emailed to a list of over 10,000 subscribers.



Tri The Kenai:



KPTMC is a major sponsor of the Tri The Kenai Triathlon event and acts as the umbrella non-profit for the group. This year's Tri the Kenai was held on June 14, 2015. The event included USAT sanctioned sprint, intermediate distance and youth races. We had 183 participants this year, the youngest was 7 years old and the oldest 74. We had national participants from as far as Florida, and one international participant from American Samoa.

Consumer Shows:

We distributed over a thousand member rack cards and Passports to Adventure on the Kenai, along with over 4,000 Kenai Peninsula Discovery Guides and other Kenai Peninsula information at the following consumer shows in April and May:

- Great Alaska Sportsman Show
- Fairbanks Outdoorsman show
- Soldotna Sport Rec and Travel Show



International Pow Wow (IPW):

KPTMC continues to partner with the Mat-Su and Valdez CVB's in a venture we call "Authentic Alaska" at the International POW WOW (IPW) Convention, held in Orlando in June this year. We had 44 pre-scheduled appointments with international tour operators. We distributed materials on our own regions, as well as itineraries for 8-10 days or 12-15 days that highlight how independent travellers can link our three regions together. Interest in Alaska from international tour operators is at an all-time high.

U.S. Travel Association's IPW is the travel industry's premier international marketplace and the largest generator of travel to the U.S. In just three days of intensive prescheduled business appointments, more than 1,000 U.S. travel organizations from every region of the USA, and more than 1,200 international and domestic buyers from more than 70 countries conduct business negotiations that result in the generation of more than \$4.7 billion in future Visit USA travel. At IPW, buyers and sellers are able to conduct business that would otherwise be generated only through an exhaustive number of around-the-world trips.



Product Development:

KPTMC assisted Korean Tour Operator Sanggu Jung, President of DriveTravel, with a FAM tour that included the Alaska Railroad, Seward and a Harding Ice Field helicopter tour and hike.

KPTMC assisted travel writer Kurt Ohlhoff from Germany with an

extensive FAM that included all regions of the Kenai, including across the inlet and Halibut Cove. Kurt writes for what is the German equivalent of The Milepost, covering the Yukon and Alaska. The new book will be published in October of 2015 and will include 4 new pages covering The Kenai.

Meetings & Presentations Attended:

- Alaska Travel Industry Association BOD Meeting May 5th in Anchorage
- Visit Anchorage Front Line Trade Show May 7th in Anchorage
- Alaska Travel Industry Association Membership Meeting May 14th in Anchorage
- Visit Anchorage Member Appreciation Event in Kenai May 27th
- Chair of the Awards Committee for Industry Appreciation Day
- Chair of the Conference Center Expansion Committee for the SRCC



July 15, 2015

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Mayor Mike Navarre Kenai Peninsula Borough 144 N. Binkley Street Soldotna, AK. 99669

Dear Mayor Navarre:

I'm pleased to offer the attached Alaska Small Business Development Center South West Region (SBDC-SW) report for your review. Fourth quarter results are as follows:

• Total # of clients counseled: 90

New clients counseled: 37°

New businesses: 7Jobs created: 10

Capital infusion: \$1,167,855

During the fourth Quarter the SBDC-SW hosted Cynthia Torres from the U.S. Department of Commerce with the objective of visiting existing business owners and providing export assistance. Four individual businesses were visited and information was shared about everything from export loan assistance, marketing assistance, upcoming Pacific Rim conferences to bring buyers and sellers together, as well as capital financing. In addition I attended the Spring SBDC conference in Anchorage, where I learned more about the family of the Business Enterprise Institute under the University of Alaska of which the AKSBDC is now a member of. At the conference I networked with other directors from around the state sharing best practices and success stories.

The KPB Assembly approved continued support and funding for the SW-AKSBDC at their meeting on Tuesday, June 2, 2015. The KPB and the SBDC have maintained a strong partnering relationship providing fifteen years of continuous service to business owners on the Kenai Peninsula and we thank you so much for your long-term support as our mayor.

Sincefely,

Assistant State Directory Alaska SBDC - South West Region

43335 Kalifornsky Beach Road, Suite 12

Soldotna, AK 99669



Alaska Small Business Development Center - Southwest Region 43335 Kalifornsky Beach Rd., Suite 12 Soldotna, AK 99669 (907)260-5629

> Fourth Quarter Report FY2015 April 1, 2015 through June 30, 2015

> > Presented to:
> > Kenai Peninsula Borough
> > Mayor Mike Navarre
> > 144 North Binkley Street
> > Soldotna, AK 99669

July 15, 2015

The strategic focus of the Alaska Small Business Development Center Southwest Region (SBDC-SW) is on existing businesses that are looking to grow, although we offer our services to all current and future business owners on the Kenai Peninsula.

Our mission is to advance small businesses in Alaska, and our vision is that our streamlined network of interactive tools and resources makes us the business community partner of choice helping businesses thrive and create a lasting impact. The hallmark to our services is the free, one-on-one, confidential advising to meet each client's needs. An advising session may cover a myriad of topics related to business, including business plan development and review, business projections, cash flow analysis, marketing, bookkeeping, loan packaging, licensing and permitting, to name a few.

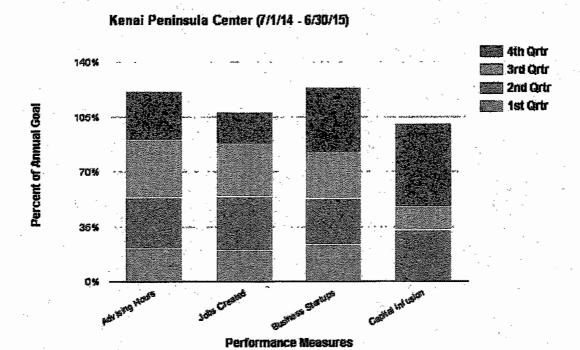
The SBDC-SW also provides entrepreneurs access to business libraries at AVTEC in Seward, and at the SBDC offices in Soldotna and Homer. Additionally, computers with internet connections are available for conducting research, and business training is provided through no-and low-cost seminars, workshops, and webinars. The Offices in Soldotna, Homer, and Seward offer further assistance through SBDC-SW's partner program PTAC, which provides assistance with state, federal and local government procurement opportunities. Other available resources include a set of business tools at www.aksbdc.org, access to market research, and a statewide network of knowledgeable staff.

During the fourth Quarter the SBDC-SW hosted Cynthia Torres from the U.S. Department of Commerce with the objective of visiting existing business owners and providing export assistance. Four individual businesses were visited and information was shared about everything from export loan assistance, marketing assistance, upcoming Pacific Rim conferences to bring buyers and sellers together, as well as capital financing. In addition the director attended the Spring SBDC conference in Anchorage, where he learned more about the family of the Business Enterprise Institute under the University of Alaska of which the AKSBDC is now a member of. At the conference the director networked with other directors from around the State sharing best practices and success stories.

The director presented to the Kenai Peninsula Borough the results from the KPB funding of 105K from FY14. The KPB Assembly approved continued support and funding for the SW-AKSBDC at their meeting on Tuesday, June 2nd 2015. The KPB and the AKSBDC have maintained a strong partnering relationship providing fifteen years of continuous service to business owners on the Kenai Peninsula.

Performance Indicators and Progress To-Date

The SBDC-SW performance measures for FY15 (7/01/2014 through 6/30/15) are listed below with progress for the year-to-date (YTD).



Number of Clients advised Current Quarter: 90 YTD: 232 unique clients

During the fourth quarter, 90 clients received advising assistance. This represents 229.80 hours spent with clients in the quarter. Since the beginning of the fiscal year (YTD), 232 individual clients met with a business advisor one or more times. Of clients that are currently in business, 67 are women-owned businesses, 85 are male-owned and 49 have two or more owners.

Our free, confidential advising is offered to all individuals seeking assistance. Due to the volume of requests for advising, the SBDC-SW has segmented its clients into the following stages within the business lifecycle: Think, Launch, Grow, Reinvent and Exit. By understanding the stage of a client's business, both the client and the counselor work more efficiently and produce results more effectively.

In order to be considered a reportable advising session the client's initial advising session must be no less than one hour with the business advisor. Follow-up advising sessions can be any length of time. Although the Business Advisor offers information and advice to clients on an ongoing regular basis via telephone, email or in person, only the reportable sessions are listed.

The regional results reported below represent the SBDC-SW's Key Performance Indicators

(KPI's) which are each tied to our Key Performance Measures. The trend for all KPI's continue to indicate a steady upward trend and we attribute this to our organization's Baldrige journey to achieve performance excellence.

Jobs Created

Current Quarter: 10

YTD: 54

During the fourth quarter, clients reported the creation of 10 new jobs within the accommodation/food service, administrative, manufacturer/producer, professional, and service sectors.

Business Starts Current Quarter: 7

YTD: 21

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, clients reported the creation of 7 new business starts in the accommodation/food service, administrative, manufacturer/producer, professional, retail and service sectors.

Capital Infusion

Current Quarter: \$1,167,855

YTD: \$2,257,630

The SBDC-SW tracks the amount of money infused into the region in the form of business loans and investments. Capital infusion includes all loans, lines of credit, and owner-investments (non-debt financing) which clients have contributed to their business. All of this quarter's capital infusion came from existing businesses.

This quarter, clients reported \$1,167,855 in capital infusion, to include the following:

SBA Loans: \$0 Non-SBA: \$907,000

Non-Debt Financing: \$260,855

Training Events & Attendees

YTD Events: 6
YTD Attendees: 27

Training events, in the form of workshops and classes, are available through the SBDC-SW office. These trainings may be provided by the business advisor or other professionals. Many of our workshops remain offered through the AKSBDC office in Anchorage via webinar, are available to anyone with a computer, internet connection, and a phone line.

We anticipate many new improvements over the next fiscal year for workshops as we begin to move forward with offering all of our core workshops via the web. It is our pleasure to keep you posted on new developments and technology that will better assist business start-ups and growth.

We appreciate your ongoing support of small businesses on the Kenai Peninsula.

I certify that to the best of my knowledge, the information contained herein is accurate and reflects the activities executed by the SBDC-SW during the Fourth Quarter FY15.

Bryan Zak

July 1, 2015