



**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: May 03, 2017
SUBJECT: **FY17-3Q Non-department Grant Reports**

Attached are the FY17-3Q grant reports for non-departmental awards.

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@borough.kenai.ak.us

FROM: Kenai Peninsula Economic Development District **Contract Amount:** \$67,500.00
KPB ACCOUNT: 100.94910.KPRDD.43009 **Ending:** 6/30/17

Financial / Progress Report

Submit Report To:	Project Name: Kenai Peninsula Economic Development District	
Brenda Ahlberg	Date: 04/06/2017	
Community & Fiscal Projects Manager	Report No.: 3 of 4	
Kenai Peninsula Borough	Quarter From: 01/01/2017	
144 N. Binkley St., Soldotna, AK 99669	To: 03/31/2017	

GRANTS
 APR 12 2017
RECEIVED

FINANCIAL REPORT:

Cost Category	Authorized Budget	Expenditures from Last Report	Expenditures This Period	Total Expenditures to Date	Balance of Funds
Personnel	\$ 67,500.00	33,750.00	16,875.00	50,625.00	\$ 16,875.00
Travel		-	-	-	\$ -
Contractual					\$ -
Supplies		-	-	-	\$ -
Equipment		-	-	-	\$ -
		-			
TOTALS	\$ 67,500.00	33,750.00	\$ 16,875.00	\$ 50,625.00	\$ 16,875.00

Advance funding	\$ -
Expenditures applied to advance	-
Remaining Advance Balance	\$ -

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.

In the 2017 3rd quarter presentations comprised of Borough-specific data were made to the Kenai and Soldotna Chambers of Commerce and the Borough Assembly. All data was also uploaded to the KPEDD website for community access. Both the 2017 Situations and Prospects report and the 2017 annual CEDS update are underway and are expected to be completed closer to June. KPEDD staff were also involved in the Dome project, Kenai Young Professionals, Kenai Future Professionals, Junior Achievement, Job Shadow, Airport Authority discussions, and assisting the State and Borough with their CEDS plans. KPEDD also successfully held the 2017 Industry Outlook Forum in Kenai.

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: 04/06/2017

Printed Name and Title: Tim Dillon Executive Director



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



FROM: KPTMC
 KPB ACCOUNT: 100.94900.KPTMC.43021

Contract Amount: \$340,000
 Ending: June 30, 2017

Financial / Progress Report

Submit Report To:	Project Name: Tourism Marketing/Peninsula Promotion
Brenda Ahlberg	Date: April 13, 2017
Community & Fiscal Projects Manager	Report No.: 3
Kenai Peninsula Borough	Quarter From: January 1, 2017
144 N. Binkley St., Soldotna, AK 99669	To: March 31, 2017

FINANCIAL REPORT: FINAL REPORT DUE ON OR BEFORE 10 JULY 2017

Cost Category	Authorized Budget	Expenditures from Last Report	Expenditures This Period	Total Expenditures to Date	Balance of Funds
Personnel	\$ 57,233.00	\$ 28,316.01	\$ 20,133.49	\$ 48,449.50	\$ 8,783.50
Travel	\$ 15,700.00	\$ 5,481.28	\$ 4,613.37	\$ 10,094.65	\$ 5,605.35
Adv/Marketing	\$ 267,067.00	\$ 173,280.10	\$ 43,217.74	\$ 216,497.84	\$ 50,569.16
TOTALS	\$ 340,000.00	\$ 207,077.39	\$ 67,964.60	\$ 275,041.99	\$ 64,958.01
Payment Request					\$ 67,964.60

See attached "Cash Match Summary" (if applicable this quarter).

The award increase of \$40,000 will be paid on actual cash outlays totaling \$20,000 on a pro-rata basis, which may be reported quarterly or lump sum.

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:

Visitation to Alaska remains strong and we are anticipating another growth year for tourism on The Kenai in 2017, following a record breaking year in 2016.

Analyzing how the industry did last year, we look at 2nd and 3rd quarter primary tourism taxable sales in the KPB. In order to segment primary tourism taxable sales, we look at businesses that register under the following NAICS codes:

- Guided Land
- Guided Water
- Car Rental

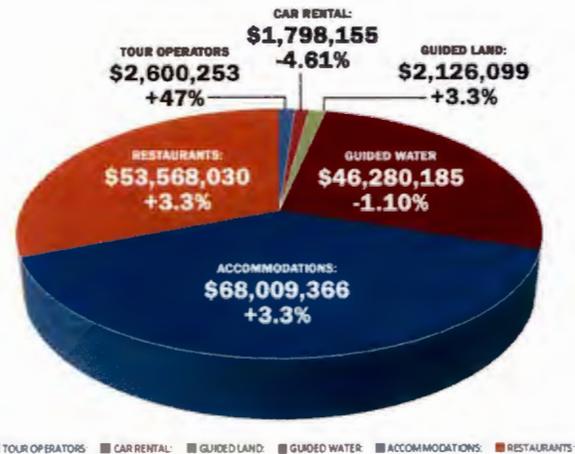


- Tour Operators
- Restaurants
- Accommodations

According to data provided by the KPB Finance Department, these tourism businesses on The Kenai brought in \$175 Million in taxable sales during this period, an increase of 1.7% in 2016 over 15.

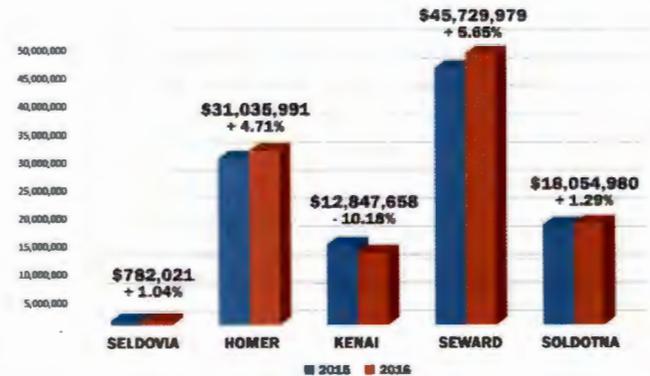
Looking at how that money breaks down:

- Accommodations are our largest segment - \$68 million - up 3.3% over last year
- Restaurants are next with \$53.5 million - also up 3.3%
- Guided water (including sightseeing tours and fishing) brought in \$46 million - this sector was down 1.1%, most likely in relation to fisheries regulations that have cut back on available angler days for halibut.
- Guided land tours were up 3.3% in direct correlation to the accommodations and restaurant numbers. This segment has a lot of room for growth.
- Car rentals were down 4.6%, most likely related to recession of the oil industry and the L&G project.
- While it is a small amount compared to the whole, Tour operators were actually up 47% over last year, leaving us optimistic that we will continue to see growth in this area.



Looking at revenue by community, Seldovia saw a very slight increase, just 1%, but we are happy to see them moving in a positive direction.

- Seward remains our top producing tourism revenue community, they brought in close to \$46 million with a 5.6% increase over last year
- Homer was up 4.7% and brought in \$31 million
- Soldotna followed with \$18 million and a 1.2% increase
- The city of Kenai saw a 10% decrease bringing in almost \$13 million, but I should note that Kenai saw a 45% increase last year with all of the gas line activity, so this correction was expected and is actually less than anticipated.



While some industries in Alaska and on the Peninsula are experiencing a retraction, the tourism industry is healthy and growing.

At the State level, Alaska Tourism Improvement District Legislation has been introduced in the Senate. Senate Bill (SB) 110 championed by Senator Mia Costello (R) of Anchorage, was introduced April 7, 2017 through the Senate Labor and Commerce Committee as an act establishing the Travel Alaska Board and relating to a tourism marketing assessment and establishing a tourism marketing fund.

Introduction of Senate Bill 110 follows several months of discussion within industry at Alaska Travel Industry Association (ATIA) Board of Directors and Alaska Tourism Marketing Board (ATMB) meetings. Alaska's tourism industry is wrestling with just how to provide stable funding for statewide destination marketing in order to remain competitive among other traveler destinations around the world.

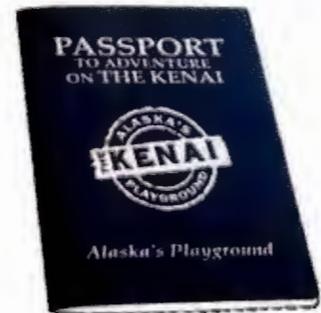
The introduction of SB110 marks just one step in the process toward a sustainable tourism marketing funding model. Legislation does not commit industry to any tax, fee or assessment. SB110 - the Travel Alaska Act -

describes a framework or tool for a voting and board election process if industry decides to vote for an assessment and includes a way to terminate any assessment. The overall goal for ATIA and industry leaders is to have a strong and competitive destination marketing program for Alaska.

Passport to the Kenai:

The 2017 Passport to Adventure on the Kenai has been printed and distribution has begun, with thousands already in consumer hands.

KPTMC will distribute 20,000 Passports again this year. The Passport targets travelers who are traveling The Kenai this season specifically and encourages them to visit all of our communities on the Kenai Peninsula, rather than just passing through. This works especially well for our smaller communities such as Hope, Moose Pass, Anchor Point and Seldovia. By collecting stamps in 10 of 13 communities, participants are entered to win a week-long vacation package spanning from Seward to Homer.



In addition to the fold-out map and community pages, the Passport contains 40 coupons for activities, accommodations, restaurants and other products. One of the great things about this program is that the coupons are easy for advertisers to track in order to gauge their return on investment.

Taste of The Kenai

KPTMC held our 6th Annual Taste of the Kenai Food and Spirit Tasting Event Saturday, February 13th at the Soldotna Sports Center. The event sold out 350 tickets three weeks in advance.

We had a record 27 food and spirit vendors, 86 businesses who provided donations and 27 volunteers working the event. Alaska Airlines and Sportsman's Warehouse were our Sous Chef and Executive Chef Sponsors.

"The Taste" netted more than \$35,000 to support KPTMC's mission to promote the Kenai Peninsula as a world class vacation destination. A great place to visit is a great place to live, work and do business.



Consumer Shows:

It's show season! We kicked things off with our big out of state show in Long Beach. We distributed many rack cards for participating member businesses, over 1,000 Kenai Peninsula Discovery Guides and about an equal number of community guides.

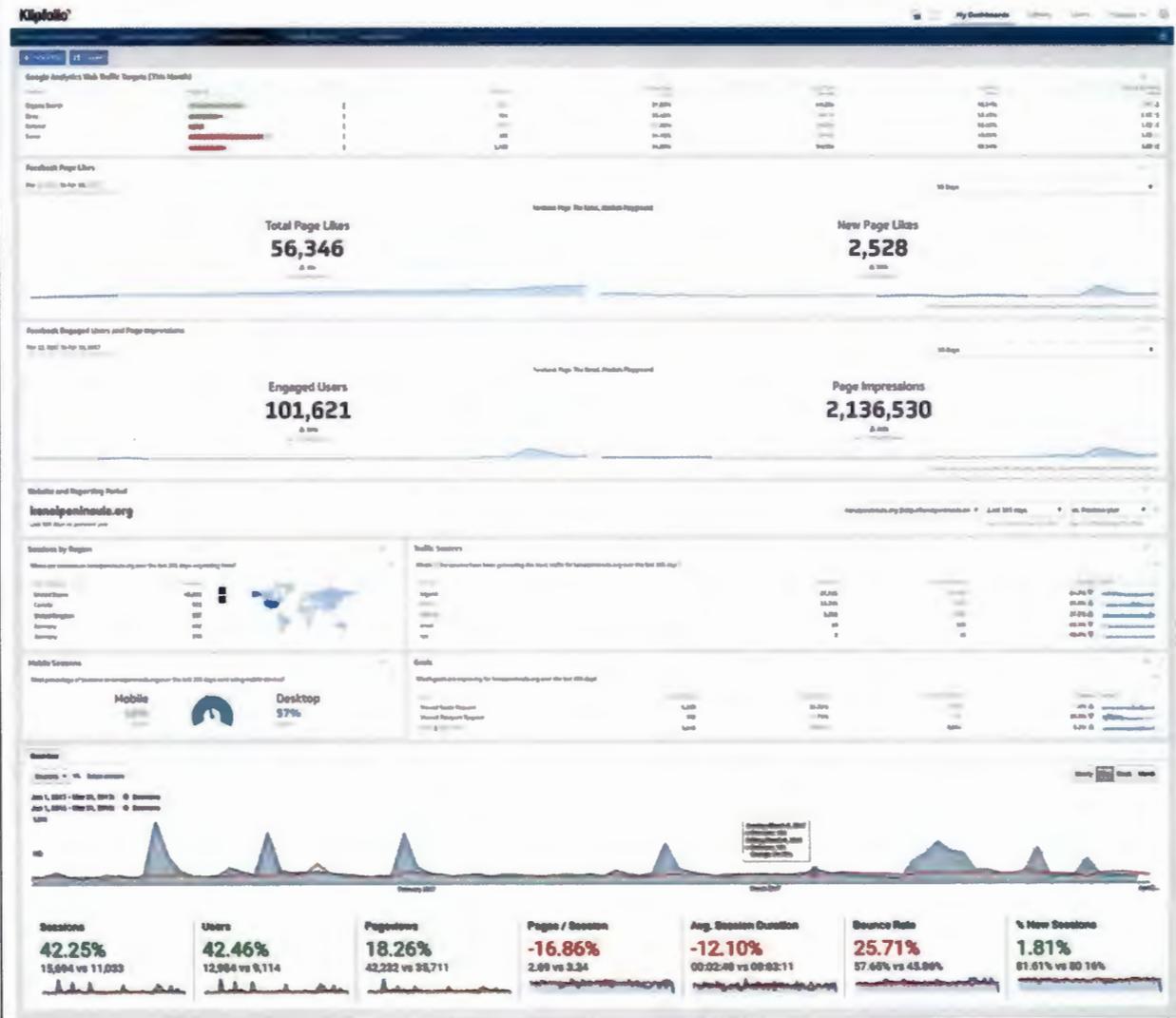
We also attended the Mat-Su Outdoorsman Show, the Fairbanks Outdoorsman show and the Great Alaska Sportsman Show, handing out our print materials, bags, and member brochures. Next up is the Soldotna Sport Rec and Travel Show, wrapping up our circuit for 2017.

SOCIAL MEDIA AND WEB ANALYTICS:

In the last quarter, “likes” on The Kenai’s Facebook page have grown by 4,937 for a total of 56,346 fans. In the past 30 days alone the page has had more than 100,000 engaged users and over 2 million page impressions. In addition, we have posted 5 blogs and sent out 3 visitor newsletters to over 9,000 subscribers in the last quarter.

Traffic to our website, KenaiPeninsula.org, has been consistently increasing in direct relation to additional online advertising we have been placing.

Sessions and users have both increased by 42% this quarter over the same period last year. We have also seen a nice increase in the goals we track: visitors who viewed our guide request have increased 7.4% and those who stayed on the site longer than 3.5 minutes increased 6.2%.



2017 KPTMC BOD:

KPTMC is very pleased to announce the appointment of two new board members, Travis Taylor with Premier Alaska Tours, and Dale Bagley, our new representative from the KPB Assembly.

EASTERN REGION:
Danny Seavey, Seavey's Iddaride
George Heim, Alaska River Adventures

CENTRAL REGION:
Eric Dahlman
Bill Sadler, Soldotna B&B Lodge

SOUTHERN REGION:
Laurel Hilts, Seldovia Village Tribe
Mike Warburton, The Ocean Shores

INCORPORATED COMMUNITY REPRESENTATIVES:

Cindy Clock,
Seward Chamber of
Commerce

Tami Murray,
Soldotna Chamber of
Commerce

Johna Beech,
Kenai Chamber of Commerce
and Visitor Center

Karen Zak,
Homer Chamber of
Commerce

BOROUGH WIDE REPRESENTATIVES:

Michelle Graves,
Bear Mountain Lodge

Dale Bagley, Kenai Peninsula
Borough Assembly

Travis Taylor,
Premier Alaska Tours

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: Shanon Davis Date: 4-14-17

Printed Name and Title: Shanon Davis, Executive Director



Alaska Small Business Development Center

UNIVERSITY of ALASKA ANCHORAGE

April 15, 2017

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 (SBDC) report for your review. Third quarter results from the Southwest Region are as follows:

- Total # of clients counseled: 105
- New clients counseled: 27
- New businesses: 10
- Jobs induced: 23
- Capital infusion: \$301,000

During the third quarter, both Kenai Peninsula SBDC staff members provided a positively acclaimed Starting a Business workshop on March 22nd for National SBDC Day. In addition, we submitted our Pacific Northwest Performance Excellence Award full application and received notice that we have scored at a high enough level to receive a site visit. We are also preparing for our summer of 2017 accreditation visit from the Association of Small Business Development Centers (ASBDC).

The strategic focus of the SBDC is on existing businesses that are looking to grow. In order to provide these businesses with the latest research and financial data, the SBDC gives clients access to industry reports from IBISWorld and financial analysis tools from ProfitCents. IBISWorld provides current reports specific to each industry, while ProfitCents compares business financials with hundreds of others in the same industry. IBISWorld and ProfitCents reports, a combined \$4,250 value, are available for no-cost through the SBDC, and have become very popular with clients.

Thank you for your ongoing support as we serve the business owners throughout the Kenai Peninsula.

Sincerely,

Clifford D. Cochran, MBA
Business Advisor, Southwest 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) 260-5643**

**Third Quarter Report
FY2017
January 1, 2017 through March 31, 2017**

Presented to:

**Kenai Peninsula Borough
Mayor Mike Navarre
144 North Binkley Street
Soldotna, AK 99669**

April 15, 2017

Our mission at the Alaska Small Business Development Center (SBDC) is to spark the amazing in Alaska - one idea, one business, one community at a time. Our hallmark service is no-cost, one-on-one, confidential business 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, financial projections, cash flow analysis, marketing, bookkeeping, loan packaging, licensing and permitting, to name a few.

The strategic focus of the SBDC is to create sustainable impact in the Alaska Economy by focusing on existing businesses that are looking to grow. To meet the needs of growing businesses, the SBDC offers a powerful suite of tools and resources at no cost (when used as a part of counseling services with an SBDC advisor). IBIS World and ProfitCents are two such tools.

IBISWorld, a critical tool in business plan development researches over 700 industries in the United States and provides current reports specific to each industry. Reports include an industry overview, products and markets information, competitive landscape, operating conditions, and key statistics on the industry. These reports are updated every 6-12 months, and provide small businesses with the pulse of their industry.

ProfitCents is a suite of web-based financial analysis tools that thousands of accountants and business consultants use nationwide. These tools when used with an SBDC advisor enables clients to take data based approaches to their strategic decision making. ProfitCents generates a 5 year set of financial projections based on a business' financial statements which can be used to evaluate any "what if" scenarios before strategic decisions are made. In conjunction with financial analysis through ProfitCents, advisors also deliver narrative reports which provide clients with a deeper understanding of their financial health. An individual not working with an SBDC advisor would have to pay a combined value of **\$4,250** to access these tools directly from the vendors). This is one example of the value the SBDC brings to our clients.

The State office continues to provide centralized marketing of workshops, client profiles of our successful clients, as well as specific new opportunity developments such as a focus on our assistance for energy related businesses. Metrics are kept that include social media connections, web page and video usage as well as document downloads and workshop attendance. All metrics indicate a steady trend in our ability to reach and serve our clients. Students Research was also provided to SBDC clients through our formal research request process.

The SBDC offers further assistance through each of our partner programs. Other available resources include a robust set of business tools at www.aksbdc.org, ongoing live webinars, access to market research, and a statewide network of knowledgeable staff.

Kenai Peninsula Center Updates

This quarter the SBDC was involved in several activities of interest, including:

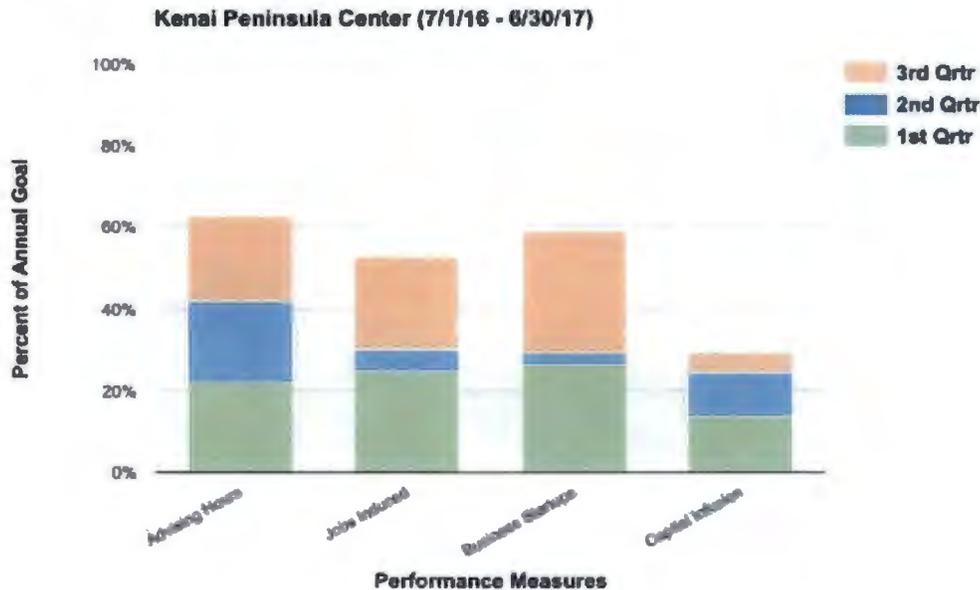
- Director and Business Advisor each presented a Starting a Business workshop for SBDC Day on March 22. Director offered the class in Homer and the Business Advisor offered the class in Soldotna.
- Director has led weekly Accreditation meetings in preparation for our review in July 2017.
- Director participated as in the role of Team Leader of an Exam Team for the Pacific

Northwest Quality Award (140 hours).

- Business Advisor completed about 20% revision of Alaska SBDC's financial projection model in Excel.
- Business Advisor met with a business banker from Wells Fargo to talk about SBDC programs and services and how we can work together to assist clients.
- Business Advisor has maintained contact with Soldotna, Kenai, and Seward chamber of commerces to reach out to prospective clients

Performance Indicators and Progress To-Date

The regional SBDC performance measures for FY17 (7/01/2016 through 6/30/17) are listed below with progress for the year-to-date (YTD).



Number of Clients advised Current Quarter: 105
YTD: 176 unique clients

During the third quarter, 105 clients received advising assistance. This represents 314.24 hours spent with clients in the quarter. Of clients that are currently in business, 40% are women-owned businesses, 31% are male-owned and 29% have two or more owners. 55% of clients receiving assistance this quarter were already in business.

Our no-cost, confidential advising is offered to all individuals seeking assistance. Due to the volume of requests for advising, the SBDC has segmented its clients into the following stages within the business lifecycle: Think, Launch, Grow, Reinvent and Exit. During the third quarter, 62% of clients advised were in the Think or Launch stages, while 38% were in the Grow, Reinvent or Exit stages. By understanding the stage of a client's business, both the client and the advisor 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.

Jobs Induced
Current Quarter: 23
YTD: 53

During the third quarter, 10 clients reported the induction of 23 new jobs within the accommodation/food service, arts and entertainment, construction, professional/technical, service, and waste management sectors.

Business Starts

Current Quarter: 10

YTD: 20

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 third quarter, clients reported the creation of 10 new business start within the accommodation/food service, arts and entertainment, construction, professional/technical, service, and waste management sectors.

Capital Infusion

Current Quarter: \$301,000

YTD: \$1,152,300

The SBDC 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.

This quarter, clients reported \$301,000 in capital infusion, to include the following:

SBA Loans: \$0

Non-SBA: \$0

Non-Debt Financing: \$301,000

Training Events & Attendees

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

We anticipate many improvements over the next fiscal year for workshops, as we continue to transition to offering all of our core workshops via the web. It is our pleasure to keep you informed 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 during the Third Quarter FY17.



Clifford D. Cochran, MBA

April 15, 2017



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University of Alaska
UAA Grants & Contracts
PO Box 141628
Anchorage AK 99514-1628

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APR 25 2017
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25-Apr-17

Kenai Peninsula Borough
144 N. Binkley
Soldotna, AK 99669

Project Title: FY17 Kenai Peninsula Borough AKSBSC
Analysis of costs rendered under award 100.94910.UAA#1.43011
in the amount of \$105,000 from 01-JAN-2017 to 31-MAR-2017

Voucher No: 2

	Previous Bill Amount	Current Amount Due	Cumulative Bill Amount
Salaries	\$27,273.89	\$11,022.11	\$38,296.00
Staff Benefits	\$12,655.16	\$5,114.27	\$17,769.43
Domestic Travel	\$105.84	\$1,140.42	\$1,246.26
Services	\$165.00	\$4,100.00	\$4,265.00
F & A Costs	\$4,020.01	\$1,747.67	\$5,767.68
Services w/o F & A	\$9,100.00	\$0.00	\$9,100.00
Grant Total	\$53,319.90	\$23,124.47	\$76,444.37

by signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

CERTIFIED CORRECT

Tana Myrstol
Director, Sponsored Programs

CC: G00010959
Federal Tax ID: 92-6000147

Please attach a copy of this invoice with your remittance.

For questions about this invoice, please contact Elizabeth Dickinson (esdickinson@uaa.alaska.edu / 907-786-1777).

If this is a negative bill, the credit will be applied to your next invoice.



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25-Apr-17

Kenai Peninsula Borough
144 N. Binkley
Soldotna, AK 99669

Voucher No: 2

Grant Code: G00010959
Fund Code: 243745
Title: FY17 Kenai Peninsula Borough AKSBSC

<u>Account Code</u>	<u>Title</u>	<u>Transaction Amt</u>
1251	APT	\$9,041.93
1811	Annual Leave Charge	\$954.83
1831	Sick Leave Charge	\$504.55
1841	Holiday/Other Leave Charge	\$520.80
1970	Staff Benefits Expense	\$5,114.27
2502	TEM - Lodging	\$383.64
2503	TEM - Meals/perdiem	\$398.50
2506	TEM - Local/mileage	\$358.28
3115	Facilities Rental L/T	\$3,900.00
3662	Dues/Memberships	\$200.00
7811	Indirect Costs	\$1,747.67
Total		\$23,124.47
Retainage		\$0.00
Fund Total		\$23,124.47

Please attach a copy of this invoice with your remittance.

For questions about this invoice, please contact Elizabeth Dickinson (esdickinson@uaa.alaska.edu / 907-786-1777).

If this is a negative bill, the credit will be applied to your next invoice.