

KENAI PENINSULA BOROUGH
Community & Fiscal Projects

MEMORANDIUM

TO: Charlie Pierce, Mayor
FROM: Brenda Ahlberg, Community & Fiscal Projects Manager
DATE: October 28, 2020
SUBJECT: **FY21-1Q 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 Tourism Marketing Council (KPTMC) FY21-1Q report was not available at the time this report was submitted.



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, 2021

Financial / Progress Report

Submit Report To:	Project Name: Non-Areawide KPB Economic Development
Brenda Ahlberg	Date: 10/09/2020
Community & Fiscal Projects Manager	Report No.: 1 of 4
Kenai Peninsula Borough	Quarter From: 07/01/20
144 N. Binkley St., Soldotna, AK 99669	To: 09/30/20

FINANCIAL REPORT: FINAL REPORT DUE ON OR BEFORE 07/09/21

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	\$ 75,000.00
		-		-	\$ -
TOTALS	\$ 100,000.00	-	\$ 25,000.00	\$ 25,000.00	\$ 75,000.00
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.

- KPEDD accomplished the following deliverables during the first quarter of fiscal year 2021:
- Gathered regional program and curriculum information for the development of the workforce development website
 - Hosted CENSUS meetings with community leaders to disburse relevant information, collaborate on media and community information dissemination locations, disbursed 20,000 informational cards at key locations around the Kenai Peninsula, hosted CENSUS enumerator training sessions in the building, and shared completion numbers to partners
 - Assisted 380 businesses applying for the State of Alaska CARES Act grant program through information disbursement, application assistance, and state-level advocacy for program regulation changes
 - Advocated for military spousal licensure recognition and reciprocity in the State of Alaska
 - Discussed outreach opportunities with the Manufacturing Extension Program to support manufacturers in the Kenai Peninsula
 - Restructured the current Revolving Loan Fund program in accordance with federal EDA guidelines to expand eligible applicants and loan ranges
 - Began structuring outline for the Regional Economic Resiliency plan
 - Worked with state and federal organizations to promote the use of marine services on the Peninsula

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: 10/9/2020
 Printed Name and Title: Tim Dillon, Executive Director



**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 2021

First Quarter Report

July 1, 2020 through September 30, 2020

www.AKSBC.org (907) 786-7201

1901 Bragaw Street, Suite 199, Anchorage, AK 99508

ALASKA SBDC CENTERS

Anchorage • Fairbanks • Juneau • Kenai Peninsula • Ketchikan • Mat-Su Valley

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

The Kenai Peninsula Center for the Alaska SBDC completed its first quarter of FY 2021, providing more invaluable assistance to small business owners facing economic hardship caused by the COVID-19 pandemic. We have worked hard to provide dependable assistance to business owners in need, and we are relieved to hear that everyone who took our advice is going to make it through the winter. While COVID-19 support was again the top topic for the quarter, we are noticing an increase in other areas of advising, which is encouraging.

As mentioned last quarter, the Kenai Peninsula Center was awarded the 2020 SBDC Excellence and Innovation Award for Alaska, and subsequently for Region X of the SBA. This award is given by the SBA to its top SBDC center and ranked the Kenai Peninsula Center above peers in Alaska, Washington, Oregon, and Idaho. This award stratified the Kenai Peninsula Center in the top ten of nearly 1,000 SBDC centers in the United States and its territories. During the first quarter, we received news that the center just missed out on the national award, but we are nonetheless proud of this achievement.

During the first quarter, the SBDC continued to provide strong support for business owners across the peninsula, as we navigated the COVID-19 pandemic and economic fallout. The SBDC worked closely with 96 business owners to preserve 777 jobs and secure another \$4.5 million in disaster assistance. The Kenai Peninsula Center Director also met 19 times with government leaders and lenders to ensure COVID-19 relief programs were efficiently and effectively administered. In addition to business advising, the Alaska SBDC has maintained an online COVID-19 Resource Center, where business owners can find the latest updates for CARES Act programs and more. The Alaska SBDC has hosted a series of free webinars with the latest updates on COVID-19 relief programs for small businesses in Alaska. We are joined by the SBA and The Foraker Group to answer questions asked by participants live. Special guests have included the SBA Office of Disaster Assistance, the Alaska Unemployment Office, the Alaska Department of Commerce, Community, and Economic Development, as well as many more.

The Alaska SBDC received additional funding through the CARES Act and decided to allocate part of it to hire a new business advisor for Homer. The SBDC office in Homer had been vacant for nearly two years, with longtime regional director Bryan Zak's retirement. The Alaska SBDC hired Robert Green as the new Homer Business Advisor at the end of last quarter, and he has been working hard to get ready. During the first quarter, the Kenai Peninsula Center Director provided 15 hours of familiarization training and 8 hours of on-the-job training to help get him ready. Robert has completed all training requirements and will be taking on Homer clients this next quarter. We are excited to have Robert on our team and to bring local SBDC support back to Homer.

We are actively working with clients in every part of the Kenai Peninsula, from the busiest part of the Sterling Highway in Soldotna, to the remote reaches of Hope and Seldovia. We will continue to work tirelessly to support local business owners through business advising, webinars, and no-cost resources.

At a Glance: Kenai Peninsula FY21 Q1 (Jul 1, 2020 - Sep 30, 2020)

Number of Clients Advised

Current Quarter: 116

FY 2021: 116

Jobs Created by Clients

Current Quarter: 8

FY 2021: 8

Business Starts

Current Quarter: 7

FY 2021: 7

Capital Infusion

Current Quarter: \$4,590,563

SBA Loans: \$110,000

Non-SBA: \$4,178,063

Non-Debt Financing: \$397,500

FY 2021: \$4,590,563

Alaska SBDC Kenai Peninsula Center Activity – Historical Comparison

	FY 2019 Q4 4/1/19 - 6/30/20	FY 2020 Q1 7/1/19 - 9/30/19	FY 2020 Q2 10/1/19 - 12/31/19	FY 2020 Q3 1/1/20 - 3/31/20	FY 2020 Q4 4/1/20 - 6/30/20	FY 2021 Q1 7/1/20 - 9/30/20
New business created	11	5	10	8	4	7
Jobs created	21	17	35	22	17	8
Loans (in dollars)	\$1,600,000	\$125,000	\$420,000	\$665,800	\$4,517,588	\$4,193,063
Total capital (loans + equity)	\$1,671,710	\$125,500	\$835,000	\$665,800	\$4,631,308	\$4,590,563
New clients	24	20	19	35	20	13
Total clients	83	69	69	96	125	116
Total advising hours	202.75	300.92	344.33	278.74	288.37	169.23

COVID-19 Impact: Kenai Peninsula (March 9, 2020 - September 30, 2020)

Capital Infusion:

Current Quarter: \$4,552,563

Total: \$8,898,871

Businesses Advised:

Current Quarter: 96 clients

Total: 153 clients

Jobs Supported:

Current Quarter: 647 jobs

Total: 777 jobs

Advising Hours:

Current Quarter: 97 hours

Total: 385 hours

Top 5 Locations Advised:

Soldotna: 52 clients

Homer: 32 clients

Kenai: 27 clients

Seward: 21 clients

Cooper Landing: 6 clients

Top 5 Industries Advised:

Accommodation and Food Service: 38 clients

Healthcare and Social Assistance: 20 clients

Arts and Entertainment: 15 clients

Retail: 15 clients

Agriculture, Forestry, Fishing & Hunting: 11 clients

Summary

This special section details COVID-19 support provided by the Alaska SBDC to businesses on the Kenai Peninsula, including figures from the current quarter and since the pandemic began in March 2020. During the first quarter of FY 2021, the Kenai Peninsula Center Director continued to provide strong support to business owners and local officials. The SBDC has served as a primary point of contact for local business owners looking for information to help with tough economic decisions. This assistance has resulted in \$8.8 million secured from various COVID-19 relief programs. In addition to business advising, the Alaska SBDC has continued to maintain an online COVID-19 Resource Center, which includes weekly webinars featuring the latest news for small businesses in Alaska. The Alaska SBDC prides itself on leading the COVID-19 recovery effort on the Kenai Peninsula and throughout Alaska, and we will continue to work closely with business

owners to ensure they receive the best service in their time of need.

Clients & Advising at a Glance: Kenai Peninsula FY21 Q1 (Jul 1, 2020 - Sep 30, 2020)

Clients by Current Lifecycle

Pre-venture: 10 clients
Startups: 27 clients
In-business: 79 clients

Clients by Industry

Accommodation and Food Service: 32 clients
Healthcare and Social Assistance: 20 clients
Arts and Entertainment: 9 clients
Manufacturer/Producer: 9 clients
Retail: 9 clients
Construction: 8 clients
Service: 8 clients
Agriculture, Forestry, Fishing and Hunting: 7 clients
Transportation/Warehousing: 5 clients
Professional, Scientific and Technical: 2 clients
Administrative and Support: 1 client
Educational Services: 1 client
Information: 1 client
Management Companies: 1 client
Real Estate, Rental and Leasing: 1 client
Research and Development: 1 client
Waste Management: 1 client

Areas of Advising

COVID-19 Support: 97 hours
Financing: 25 hours
Startup Assistance: 19 hours
Managing a Business: 17 hours
Legal Issues: 9 hours

Summary:

Of the 116 entrepreneurs who received advising assistance during the first quarter of FY 2021, 10 were in the pre-venture phase, 27 were startups, and 79 were already in business. Historically, the SBDC meets with nearly equal numbers of pre-venture/startups and firms already in business, but the COVID-19 pandemic has resulted in a record number of established business meetings. Accommodation and food service businesses were some of the hardest hit by the pandemic, so they topped the list for a third straight quarter. Healthcare and arts were also heavily impacted by COVID-19, so they were next on the list. As the economy has started to recover from the pandemic, we're noticing a shift in requested assistance. COVID-19 support decreased from 79%

of total advising time last quarter to 58% in the current quarter. Due to outstanding interest rates on commercial loans, as low as 2.21% fixed in August 2020, financing rose to the second area of advising in the quarter.

Jobs at a Glance: Kenai Peninsula FY21 Q1 (Jul 1, 2020 - Sep 30, 2020)

New Jobs Overview

8 new jobs

7 clients

New Jobs by Industry

Healthcare and Social Assistance: 3 clients (3 jobs)

Accommodation and Food Service: 1 client (2 jobs)

Manufacturer or Producer: 1 client (1 job)

Retail: 1 client (1 job)

Transportation and Warehousing: 1 client (1 job)

Jobs Supported

751 jobs

106 clients

Summary:

During the first quarter of FY 2021, 7 clients reported the creation of 8 new jobs on the Kenai Peninsula. The largest number of new jobs came from healthcare and social assistance. Most of these jobs were in the works prior to the COVID-19 pandemic, but due to complex internal reporting requirements, they were confirmed during the current quarter. The Kenai Peninsula Center again surpassed its record number of jobs supported in a quarter, due to the high volume of established businesses seeking assistance from the COVID-19 disaster. The SBDC has supported all sizes of small businesses, from firms with over 150 employees to owner-operator establishments. Many of the jobs supported by the SBDC were preserved through timely guidance on the Paycheck Protection Program. Now that the summer season has concluded, business owners who participated in COVID-19 relief programs have reported they will likely survive the winter and be ready for 2021.

New Clients at a Glance: Kenai Peninsula FY21 Q1 (Jul 1, 2020 - Sep 30, 2020)

New Clients by Initial Stage

Pre-ventures: 4 clients

Startups: 4 clients

In-business: 5 clients

New Clients by Industry

Health Care and Social Assistance: 5 clients

Accommodation and Food Service: 3 clients

Agriculture, Forestry, Fishing & Hunting: 1 client
Arts and Entertainment: 1 client
Educational Services: 1 client
Manufacturer or Producer: 1 client
Research and Development: 1 client

New Clients by Community

Homer: 4 clients
Soldotna: 4 clients
Kenai: 3 clients
Cooper Landing: 1 client
Kasilof: 1 client

Summary:

The Alaska SBDC Kenai Peninsula Center on-boarded 13 new clients during the first quarter of FY 2021. This quarter saw an even mix of clients from pre-venture, startup, and in-business stages. Healthcare and social assistance topped the list, with accommodation and food service coming in second. Homer received an increase in advising, as the new Homer Business Advisor, Robert Green, completed his training during the quarter. Robert is looking forward to providing much needed local SBDC support for small businesses in the South Peninsula.

New Businesses at a Glance: Kenai Peninsula FY21 Q4 (Jul 1, 2020 - Sep 30, 2020)

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 first quarter of FY 2021, 7 clients reported the creation of business starts within the accommodation and food service, healthcare and social assistance, manufacturer or producer, retail, and transportation and warehousing industry sectors, located in the communities of Homer, Kenai, Seward, and Soldotna. Owners for these businesses worked closely with the SBDC throughout the past year and have successfully launched, despite the harsh economic climate caused by the COVID-19 pandemic.

Workshops

Summary:

Alaska SBDC workshops were attended by 77 Kenai Peninsula residents. These classes, offered exclusively online during the COVID-19 pandemic, covered a wide array of subjects and harnessed both in-house expertise and professional adjuncts. The significant increase in workshop attendance from previous first quarters can be attributed to the briefings provided by the SBDC on COVID-19 relief programs. In addition to SBDC advisors, the briefings utilized subject matter experts on many topics, including representatives from the SBA Office of Disaster Assistance, the Alaska Unemployment Office, the Alaska Department of Commerce, Community, and Economic Development, as well as many more. The briefings were recorded and are made available on our

website to viewers who could not attend the live sessions. In response to the unique needs of small businesses during COVID-19, the SBDC developed several on-demand workshops specific to this situation. These topics include Engaging Social Media, Bringing a Brick and Mortar Business Online, Business Resiliency, Manage Your Business Remotely in Times of Uncertainty, and more. The on-demand workshops are available 24/7 and are able to be accessed as many times as needed.

Client Profiles

Little Alaskan, Big Impact

A children's store for trendy finds and gently loved items

The Little Alaskan boutique is family-owned and operated in Kenai, Alaska. Founded on the idea that children's clothing can be trendy, comfortable, and affordable, Little Alaskan strives for the intentional curation of unique toys, coveted baby items, meaningful accessories, and high-quality clothing from newborn to size 10. From day-to-day clothing, special occasions, and gifts, Little Alaskan offers pieces and toys created by local artists and vendors alike. Handmade clothing items compliment the secondhand selections, allowing you to choose both locally made and like-new clothing for your little Alaskan; enjoy 60-70% off the retail price of secondhand items and enjoy supporting local with uniquely Alaskan pieces.



Owners Shelby and Mike Oden are a strong team running a beautiful storefront and raising two children, Briar and Boone, the namesake of the first business they began in 2018, Briar&Boone. Since their market days, they realized the need for a local children's clothing store and got to work to locate the perfect retail space and open the doors for their community. Just two years later, Shelby runs the store, buys the clothing, and enjoys sewing dresses, bibs, blankets, and loveys through their exclusive Briar&Boone Handmade line. Not only are the Odens proud to be contributing to their community, but they are also pleased to be able to hire locally while providing excellent customer service.

In working with Kenai Peninsula Center Director and Business Advisor on the launch process Shelby shared, *"The Alaska Small Business Development Center gave us the knowledge and confidence to leap from a home-based business to a retail store. Cliff was invaluable in our small business journey. He helped us interpret studies and statistics to*

determine if our business made sense in our area. Without that, we never would have opened!"

Cliff in turn shared Shelby's entrepreneurial drive, *"Shelby has done a fantastic job bringing a big*

city business to our small community. The store is very well done, from decor to organization, and the product lines are fantastic. Little Alaskan already has over 1,700 followers on Facebook and has become an important part of the children's clothing industry on the Peninsula. This is a business I'm anticipating to grow."



Little Alaskan is located at 10809 Kenai Spur Highway in Kenai.

For those not local to the Kenai area, seamless online shopping experiences and swift shipping are waiting for you at <https://little-alaskan.com/>. You can also keep with the store and new items on [Facebook](#) and [Instagram](#).

Don't forget, after you shop, tag [@littalaskanstore](#), and hashtag [#littlealaskaninthewild](#) to share your favorite finds and outfitting styles from Little Alaskan!