

# Kenai Peninsula Borough

Grants Administration

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## MEMORANDUM

**TO:** Peter A. Micciche, Mayor

**FROM:** Elizabeth Hardie, Grants Administrator & Community Liaison

**DATE:** January 22, 2024

**RE:** FY24 - 2<sup>nd</sup> Quarter Alaska Small Business Development Center Grant report

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The FY24-2Q narrative and financial grant reports have been submitted for the Alaska Small Business Development Center.



# UNIVERSITY of ALASKA ANCHORAGE

University of Alaska  
Officer of Sponsored Programs  
3211 Providence Drive  
Anchorage AK 99508-4614

4-Jan-23

Kenai Peninsula Borough  
114 North Binkley Street  
Soldotna, AK 99669

Project Title: FY24 KPB (SBDC)  
Analysis of costs rendered under Award 100.94900.00000.43011:02023-19  
in the amount of \$135,000.00 from 01-JUL-2023 to 31-DEC-2023.

Voucher No: 1

	Previous Bill Amount	Current Amount Due	Cumulative Bill Amount
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Salaries	\$0.00	\$30,581.43	\$30,581.43
Staff Benefits	\$0.00	\$12,599.47	\$12,599.47
Services	\$0.00	\$4,200.00	\$4,200.00
F & A Costs	\$0.00	\$4,318.08	\$4,318.08
Grant Total	\$0.00	\$51,698.98	\$51,698.98

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 (or non-Federal award, if applicable). 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

DocuSigned by:  
*Kelsie Sullivan*  
5F6D55DBAEFF463...

CC: G15761  
Federal Tax ID: 92-6000147

Kelsie Sullivan  
OSP Post Award Manager

***Please attach a copy of this invoice with your remittance.***

For questions about this invoice, please contact the Office of Sponsored Programs (uaa\_postaward@alaska.edu / 907-786-1569).

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



UNIVERSITY of ALASKA  
ANCHORAGE

4-Jan-23

Kenai Peninsula Borough  
114 North Binkley Street  
Soldotna, AK 99669

Voucher No: 1

Grant Code: G15761

Fund Code and Title: 246049 FY24 KPG (SBDC)

Account Code	Title	Transaction Amt
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1251	APT	\$25,149.18
1811	Annual Leave Charge	\$2,688.48
1831	Sick Leave Charge	\$1,252.44
1841	Holiday/Other Leave-Charge	\$1,491.33
1970	Staff Benefits Expense	\$12,599.47
3118	Facilities Rental S/T	\$4,200.00
7811	Indirect Costs	\$4,318.08
Total		\$51,698.98
Retainage		\$0.00
Fund Total		\$51,698.98
<hr/>		
Grant Total		\$51,698.98

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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**

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**FY 2024**

**Second Quarter Report**

**October 1, 2023 through December 31, 2023**

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

The Kenai Peninsula Center for the Alaska SBDC completed a strong second quarter of FY 2024. Despite the quarter being shortened with holidays, the business advisors on the Kenai Peninsula helped business owners and entrepreneurs close on \$8.8 million in loans, a quarterly record for the center, outside of the federal disaster loans during COVID. This was also more than the other Alaska SBDC advisors combined, indicating the quality of assistance provided by staff on the Kenai.

With business advisors providing service in each of the main cities on the Kenai Peninsula, the SBDC is meeting the needs of business owners and entrepreneurs across the region. Our present model features one full-time center director based between Kenai and Soldotna, with part-time SBDC advisors in Homer and Seward, designed to best meet demands for our services on the peninsula. This has worked quite well, with Kenai Peninsula advisors logging an impressive 100% client satisfaction rating on surveys the past year, a testament to our knowledgeable and dedicated staff.

During the quarter, retail surpassed accommodation and food services as the industry with the most advising, as the Alaska SBDC provided support to that sector relating to revenue issues. After 2022, the highest grossing year in the history of the borough, a number of retailers reported a very sluggish start to 2023. This caused many retailers to show less revenues in 2023 than 2022, but this appears to be a temporary market issue and not specific to one business or area. While start-up assistance was again our most common advising area this quarter, we also provided a significant amount of advising about business plans. The Alaska SBDC has developed tools using artificial intelligence (AI) to expeditiously create business plan templates that are nearly completed, enabling entrepreneurs to write professional business plans within ten hours versus the typical 80 hours or more. Our new AI business plan templates were part of the reason for the large loan total for the quarter and we anticipate this trend to continue.

The Alaska SBDC has had a number of transitions within the organization but has achieved a level of stability in the Kenai Peninsula Center, with all three staff fully trained and performing at high levels for two years now. With advisors located in Kenai/Soldotna, Homer, and Seward, we're doing our part to provide the best local business support to entrepreneurs on the Kenai. We greatly appreciate the support provided by the Kenai Peninsula Borough, and we will continually strive to be an outstanding resource for business owners across the peninsula.

**At a Glance: Kenai Peninsula FY24 Q2 (Oct 1, 2023 - Dec 31, 2023)**

**Number of Clients Advised**

Current Quarter: 118  
 FY 2024: 194

**Jobs Supported**

Current Quarter: 234  
 FY 2024: 471

**Business Starts**

Current Quarter: 10  
 FY 2024: 20

**Capital Infusion**

Current Quarter: \$9,874,782  
 Small Business Loans: \$8,761,024  
 Non-Debt Financing: \$1,083,758  
 FY 2024: \$10,814,782

**Alaska SBDC Kenai Peninsula Center Activity – Historical Comparison**

	<b>FY 2023 Q1 7/1/22 - 9/30/22</b>	<b>FY 2023 Q2 10/1/22 - 12/31/22</b>	<b>FY 2023 Q3 1/1/23 - 3/31/23</b>	<b>FY 2023 Q4 4/1/23 - 6/30/23</b>	<b>FY 2024 Q1 7/1/23 - 9/30/23</b>	<b>FY2024 Q2 10/1/23 - 12/31/23</b>
New business created	13	10	5	13	10	10
Jobs supported	456	243	449	316	313	234
Loans	\$1,515,000	\$3,633,906	\$3,682,000	\$1,546,584	\$830,000	\$8,791,024
Total capital	\$1,611,591	\$4,636,106	\$3,980,000	\$1,996,584	\$940,000	\$9,874,782
New clients	35	30	51	42	26	30
Total clients	101	86	112	113	108	118
Total advising hours	369.08	339.62	533.08	427.92	365.50	374.24

**118 Clients by Current Lifecycle**

Pre-venture: 42 clients  
Startups: 24 clients  
In-business: 51 clients

**Clients by Industry**

Retail: 39 clients  
Accommodation and Food Services: 21 clients  
Manufacturer/Producer: 11 clients  
Services: 9 clients  
Agriculture, Forestry, Fishing, and Hunting: 6 clients  
Arts and Entertainment: 6 clients  
Transportation/Warehousing: 5 clients  
Professional, Scientific and Technical: 4 clients  
Construction: 3 clients  
Healthcare and Social Assistance: 3 clients  
Tourism: 3 clients  
Waste Management and Remediation: 3 clients  
Administrative and Support: 2 clients  
Educational: 2 clients  
Real Estate, Rental and Leasing: 1 client

**Top Areas of Advising**

Startup Assistance: 141 hours  
Business Plan: 65 hours  
Buy/Sell a Business: 45 hours  
Managing a Business: 44 hours  
Financing: 41 hours  
Legal Issues: 15 hours

**Summary:**

During the second quarter of FY 2024, the Alaska SBDC on the Kenai Peninsula provided again somewhat balanced support to pre-ventures, start-ups, and existing businesses. Retail surpassed accommodation and food service businesses, as the Alaska SBDC provided support to that industry relating to revenue issues. After 2022, the highest grossing year in the history of the borough, a number of retailers reported a very sluggish start to 2023. This caused many retailers to show less revenues in 2023 than 2022, but this appears to be a temporary market issue and not specific to one business or area. Aside from startup assistance, the Alaska SBDC provided a significant amount of advising on business planning. The Alaska SBDC has developed tools using AI to expeditiously create business plan templates that are nearly completed, enabling entrepreneurs to write professional business plans within ten hours versus the typical 80 hours or more. The Alaska SBDC has also provided a significant amount of advising to business owners and entrepreneurs looking to buy or sell a business. There is a lot of opportunity on the Kenai Peninsula, and we're here to help entrepreneurs capitalize on it.

## New Clients at a Glance: Kenai Peninsula FY24 Q2 (Oct 1, 2023 - Dec 31, 2023)

### 30 New Clients by Initial Stage

Pre-ventures: 21 clients  
Startups: 3 clients  
In-business: 6 clients

### New Clients by Industry

Accommodation and Food Services: 6 clients  
Services: 5 clients  
Manufacturer or Producer: 4 clients  
Waste Management and Remediation: 4 clients  
Retail: 3 clients  
Arts and Entertainment: 2 clients  
Agriculture, Forestry, Fishing and Hunting: 2 clients  
Administrative and Support: 1 client  
Construction: 1 client  
Educational Services: 1 client

### New Clients by Community

Kenai: 9 clients  
Seward: 7 clients  
Homer: 6 clients  
Sterling: 3 clients  
Soldotna: 2 clients  
Anchor Point: 1 client  
Moose Pass: 1 client  
Kasilof: 1 client

### Summary:

The Alaska SBDC Kenai Peninsula Center on-boarded 30 new clients during the second quarter of FY 2024. This quarter again saw an overwhelming proportion of entrepreneurs sign up with the Alaska SBDC looking to start new businesses. There was also significant industry diversity in entrepreneurs coming to the Alaska SBDC for assistance, with new clients spread across 10 of the 20 industry sectors. Accommodation and food services were again atop the list of industries, followed by services and manufacturers. New clients were spread across the peninsula approximately proportionate to population, with the greatest number of new clients shifting back from Seward to Kenai. The SBDC has supported a number of projects from the Kenai KeyBank, from which a number of referrals came in the quarter. Overall, the SBDC provided onboarding for new clients in eight communities across the Kenai Peninsula.

## New Businesses & Jobs at a Glance: Kenai Peninsula FY24 Q2 (Oct 1, 2023 - Dec 31, 2023)

**Qualifying New-Business Starts:** 10

**Jobs Supported:** 240

### **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. Jobs supported are calculated using a formula that includes the total number of full and part-time employees of a unique client receiving Alaska SBDC services. In addition, the Alaska SBDC must receive written confirmation from the client that these milestones occurred.

During the second quarter of FY 2024, clients reported creating 10 new businesses on the Kenai Peninsula. The new businesses were started in Homer (4), Seward (2), Anchor Point (1), Cooper Landing (1), Hope (1) and Kenai (1). Alaska SBDC work during the quarter directly supported 240 jobs scattered across the Kenai Peninsula Borough from Fox River to Lowell Point.

### **Workshops**

[Alaska SBDC workshops](#) have been attended by 22 Kenai Peninsula residents so far this fiscal year. These classes are offered online via live webinar and on-demand videos and also live in the classroom. Topics cover a wide array of subjects and harness both in-house expertise and professional adjuncts.

During the second quarter, the Kenai Peninsula Center, in collaboration with the Seward Chamber of Commerce and in support of Alaska Start-up Week, offered 3 live workshops in Seward: Buying & Selling a Small Business, Meet Your Lenders: Funding Your Start-up on the Kenai Peninsula, and Creating Financial Projections for Your Start-up, resulting in a total of 26 attendees. The Alaska SBDC also offered 96 recorded options available on-demand. Those topics include Collaborate, Meet & Work Remotely; Five Biggest Social Media Myths; Creating Financial Projections; How to Read and Prepare Basic Financial Statements and many more.

## Kenai Freight Forwarders, LLC The Choice for “Does Not Ship to Alaska”

Kenai Freight Forwarders was born out of sheer necessity. Operating their children’s store, Little Alaskan, Mike and Shelby Oden grappled with shipping hurdles as more and more sellers in the Lower 48 began to stop shipping to Alaska. When their primary shipping service ceased operations, the Odens decided to take matters into their own hands, diving headfirst into the freight forwarding industry. In just its first year, Kenai Freight Forwarders has experienced tremendous growth, as local businesses and consumers have come to rely on it.

Kenai Freight Forwarders is not just another shipping company; they are a business built with others in mind. What really sets them apart is their unique offerings, which include a simple and transparent pricing structure, making it easy for clients to estimate shipping costs and a low minimum charge approach, making even small shipments feasible and cost-effective. Competitors have a minimum charge well over \$100, which does not make sense for smaller items, but Kenai Freight Forwarders is able to meet consumer requirements with a more agile pricing structure.

The road to success is seldom without challenges, but having a guiding hand can make all the difference. This is where the Alaska Small Business Development Center stepped in. The Odens worked with Kenai Peninsula Center Director, Cliff Cochran, from the very start, to ensure the best start for their newest business. Cliff didn't just offer generic business advice; he worked closely with the Odens to analyze the numbers, ensuring the feasibility of their idea. It wasn't about just starting a business; it was about laying the foundations of a successful, long-term venture. In the words of the Kenai Freight Forwarders team,



“It’s one thing to have an idea, but having someone like Cliff help us see the numbers and the reality was invaluable. His insights gave us the confidence to dive into this new venture headfirst.”

On his work with the Odens starting Kenai Freight Forwarders, Cliff shared, “This may have been one of the most exciting startups I’ve worked with recently, simply because there is such a need for this business model in our community. Working with entrepreneurs looking to become the first comers to the local market, we examine market size to determine feasibility. This business model applies to nearly everyone here, so it was just about helping Mike and Shelby determine the best configuration for both themselves and consumers. They’ve done a great job and I have personally found the service to be convenient and excellent.”

Off to a great start in 2023, Kenai Freight Forwarders is constantly innovating. Their plans for introducing a 24/7 pickup option for small items are underway, ensuring even greater convenience for the residents of the Kenai Peninsula. The business is expanding its horizons, accepting larger shipments for other Alaskan areas, and dreaming of setting up warehouses across Alaska. Their success hasn't just been about profits; KFF takes pride in giving back, supporting local organizations like the Kenai Little League and Kenai High Football Team, as well as sponsoring local events.



From the discouragement of items not shipped to Alaska to the start of a revolutionary freight forwarding company, Kenai Freight Forwarders' journey is a testament to innovation, resilience, and the power of strategic guidance. Their collaboration with the Alaska SBDC played a pivotal role, showcasing that with the right support, even the most challenging situations can be transformed into thriving success stories.

If you are interested in learning more about Kenai Freight Forwarders, check out their website at [www.kenaifreightforwarders.com](http://www.kenaifreightforwarders.com) or [@kenaifreightforwarders](https://www.instagram.com/kenaifreightforwarders).