



**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:** 09 November 2016  
**SUBJECT:** **FY17-1Q Non-department Grant Reports**

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Attached are the FY17-1Q grant reports for non-departmental awards.

KPEDD – Kenai Peninsula Economic Development District  
KPTMC – Kenai Peninsula Tourism Marketing Council

The borough is waiting for the Small Business Development Center (SBDC) representatives to sign the FY17 agreement. The delay is due in part to the signature authorization and certification of insurance processes that must be completed at through the University of Alaska Anchorage.

The SBDC continues to provide regular updates, and I will submit the agreement for your signature as soon as the agreement packet has been completed by the grantee.



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

**GRANTS**  
 SEP 23 2016  
**RECEIVED**

FROM: KPEDD  
 KPB ACCOUNT: 100.94900.KPEDD.43009

Contract Amount: \$67,500  
 Ending: June 30, 2017

**Financial / Progress Report** *P063227*

**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:** 09/23/16  
**Report No.:** 1 of 4  
**Quarter From:** 07/01/16  
**To:** 09/30/16

**FINANCIAL REPORT: FINAL REPORT DUE ON OR BEFORE 07/10/2017**

Cost Category	Authorized Budget	Expenditures from Last Report	Expenditures This Period	Total Expenditures to Date	Balance of Funds
Personnel	67,500	-	16,875.00	16,875.00	\$ 50,625.00
Travel		-	-	-	\$ -
Contractual		-	-	-	\$ -
Supplies		-	-	-	\$ -
Equipment		-	-	-	\$ -
		-	-	-	\$ -
<b>TOTALS</b>	<b>\$ 67,500.00</b>	<b>-</b>	<b>\$ 16,875.00</b>	<b>\$ 16,875.00</b>	<b>\$ 50,625.00</b>
<b>Payment Request</b>					<b>\$ 16,875.00</b>

**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 is beginning work for the 2017 Situations and Prospects report and working to upload the current individual data sets from the 2016 report onto kpedd.org. KPEDD will also be using the data to begin work on the 2017 annual Comprehensive Economic Development Strategy update for the Kenai Peninsula Borough region. Staff will focus primarily on disbursing electronic copies of both the S&P as well as the CEDS report rather than printed versions, which will be far more cost effective. Tim Dillon, Executive Director, will also be giving the quarterly KPEDD update to the Borough Assembly in October.

**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: 09/23/16

Printed Name and Title: Tim Dillon, Executive Director

*Initials*



# KENAI PENINSULA BOROUGH

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 PHONE: (907) 714-2153 • FAX: (907) 714-2377  
 EMAIL: bahlberg@kpb.us

GRANTS

10/14/16  
 RECEIVED

FROM: KPTMC  
 KPB ACCOUNT: 100.94900.KPTMC.43021

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

## Financial / Progress Report

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

**Project Name:** Tourism Marketing/Peninsula Promotion  
**Date:** October 14, 2016  
**Report No.:** 1  
**Quarter From:** July 1, 2016  
**To:** September 30, 2016

### 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	\$ -	\$ 14,359.97	\$ 14,359.97	\$ 42,873.03
Travel	\$ 15,700.00	\$ -	\$ 2,423.90	\$ 2,423.90	\$ 13,276.10
Adv/Marketing	\$ 267,067.00	\$ -	\$ 94,166.58	\$ 94,166.58	\$ 172,900.42
<b>TOTALS</b>	<b>\$ 340,000.00</b>	<b>\$ -</b>	<b>\$ 110,950.45</b>	<b>\$ 110,950.45</b>	<b>\$ 229,049.55</b>
<b>Payment Request</b>					<b>\$ 110,950.45</b>

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:

##### Alaska Tourism Continues to Grow

Preliminary statistics show 2016 will be another record year for the tourism in Alaska, breaking 2 million visitors for the first time in history. The Kenai Peninsula almost certainly saw record numbers of visitors as well. KPB sales tax figures for the 3<sup>rd</sup> quarter are not yet available, but all indicators are pointing to a continued visitor boom. Eric Veach, superintendent of Kenai Fjord National Park, reports that visitors to the park were up 14% over the previous year. This number mirrors reports from the McDowell Group who just released preliminary State of



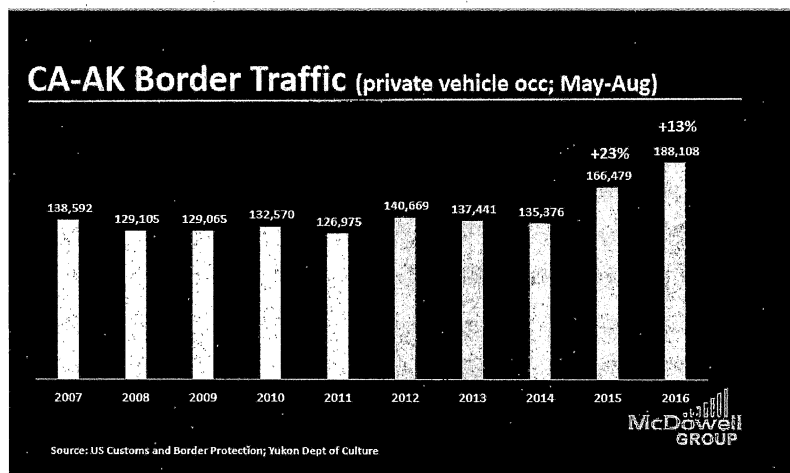
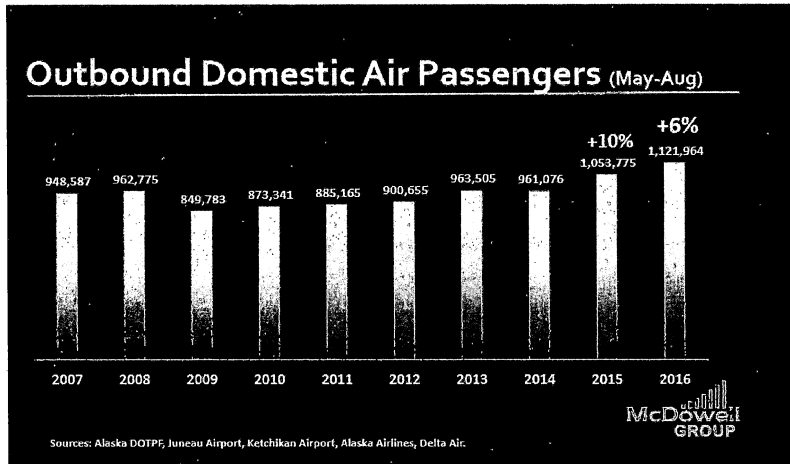
Alaska visitor numbers for 2016. Border crossings between Alaska and Canada were up 13% this year over 2015. This follows a 7% increase in 2015 over 2014. Outbound domestic air passengers increased 6%, following a 10% increase in 2015. Air & Highway visitors combined total 51% of Alaska's total visitors, edging out cruise ship passengers.

While the tourism industry has been enjoying this upward trend in visitation for the past several years, there is cause for concern for the future. With

the state facing a major budget deficit, the Governor slashed marketing funds for the tourism industry to \$1.5 million, down from over \$17 million just a few years ago. Leaders in the industry are adamant this level of funding is not enough for the state to compete effectively in the global market.

The Alaska State legislature has tasked the visitor industry with developing a plan to raise revenue within the industry to support a marketing program. As a result, the Alaska Travel Industry Association is proposing to form an "All Alaska" Tourism Improvement District. Tourism

Improvement Districts (TIDs) are a type of business improvement district; a public-private partnership formed by the local government at the request and/or with the approval of businesses in an area, with the aim of increasing the number of visitors to that area. The goal of this TID would be to raise \$20 million dollars for state marketing. A first draft of the plan is expected to be in the hands of lawmakers by Nov. 1, 2016.



#### 2016 Passport and Discovery Guide Distribution:

Our Passport to Adventure on the Kenai distribution was completed in August and 2016 Discovery Guide distribution will be completed in October.

2016 Kenai Peninsula Passport Distribution Summary	
Source	# of Guides
Website Requests	297
Business Distribution	2,400
Visitor Centers & Conventions	13,250
<b>Total</b>	<b>15,947</b>

2016 Kenai Peninsula Discovery Guide DISTRIBUTION SUMMARY	
Source	# of Guides
Website Requests	2,478
State of Alaska Leads	80,000
Phone Requests	258
Mail Requests	11
Visitor Centers	12,600
Anchorage Brochure Distribution	24,000
KPTMC Members	2,511
Conventions	2,100
<b>Total</b>	<b>123,956</b>

**2016 KPTMC Membership Campaign Overview:**

KPTMC's membership year runs from October to October, in conjunction with sales in the Discovery Guide. In March of this year the KPTMC BOD voted to increase membership dues from \$150 to \$225 to better reflect the additional services our members would be receiving when the new kenaipeninsula.org website launched.

**2017 Membership To Date: 286 (413 Listings)**  
 37 non-renewals  
 32 new businesses

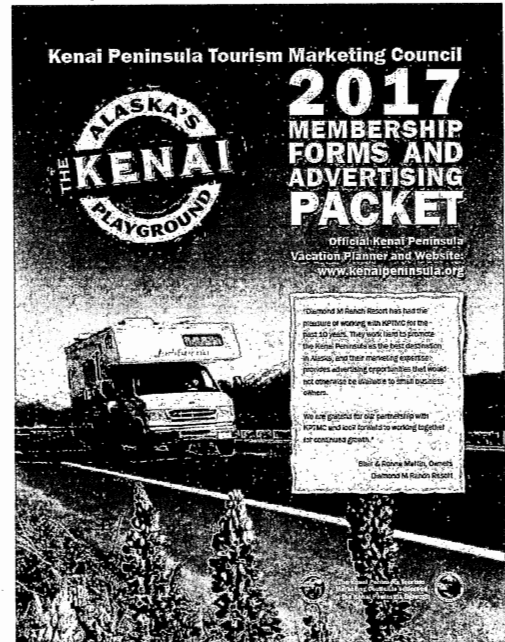
**2017 Membership Revenue Overview:**  
 2017 Membership: \$53,550.00  
 2016 Membership: \$36,600.00

**2017 KPTMC Discovery Guide Sales Overview:**

Sales in the 2017 Discovery Guide closed September 30<sup>th</sup>.

2017 Guide Sales: \$157,476.00  
 2016 Guide Sales: \$143,985.75

The 2017 Discovery Guide will arrive for distribution in mid-November, 2016.



**WWW.KENAIPENINSULA.ORG**

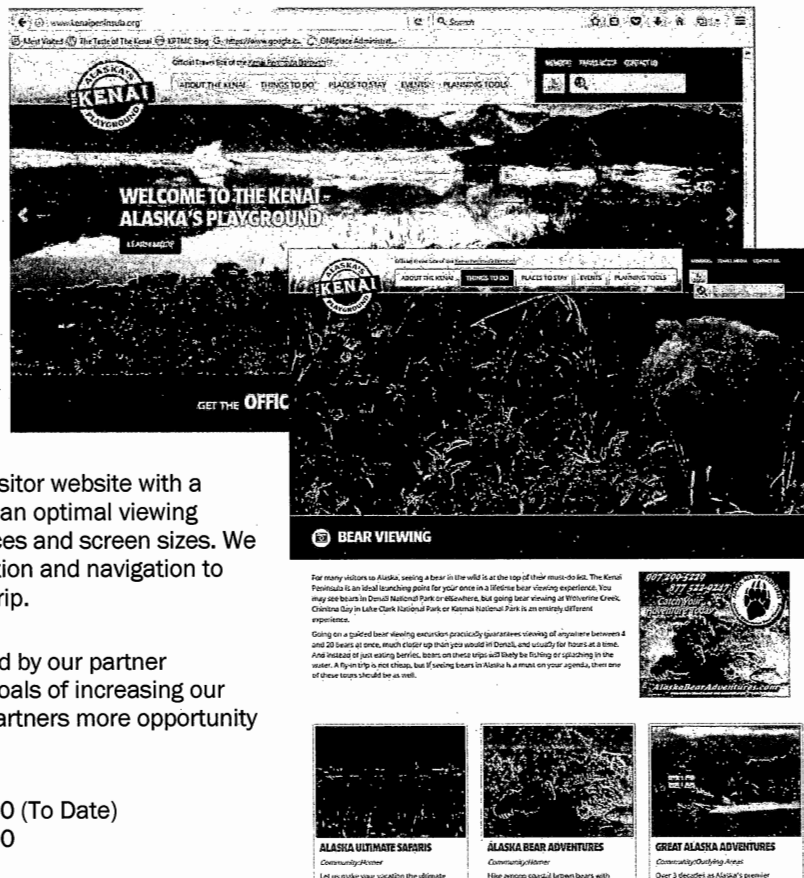
KPTMC is thrilled to announce the launch of our new, mobile-responsive [www.kenaipeninsula.org](http://www.kenaipeninsula.org) website!

This new site beautifully highlights the up-close and personal experience our visitors will have on The Kenai, with a focus on content and imagery that builds on our brand: The Kenai, Alaska's Playground.

With smartphone and tablet internet usage dominating the landscape, it was critical that the Peninsula have a visitor website with a mobile-responsive design that provides an optimal viewing experience across a wide range of devices and screen sizes. We also worked to have improved organization and navigation to make it easier for visitors to plan their trip.

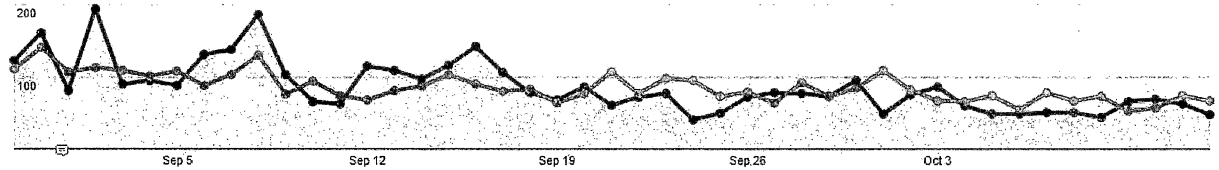
The new site has been very well received by our partner businesses, accomplishing one of our goals of increasing our online revenue stream and giving our partners more opportunity to advertise on the site.

2016 Website Sales: \$34,400.00 (To Date)  
 2015 Website Sales: \$18,100.00



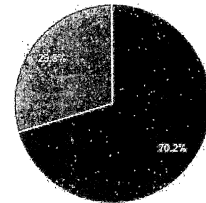
Site visits to [kenaipeninsula.org](http://kenaipeninsula.org) are down 10% when compared to the same period last year. We expected to see a small drop off in visits immediately following the launch of the new site. It takes search engines time to re-map new sites and it is common for search engine optimization to take a month or two to rebound. All other indications are that the site is performing very well. Our bounce rate, time on site and page views are all showing substantial improvement.

Aug 30, 2016 - Oct 13, 2016: ● Sessions  
 Aug 30, 2015 - Oct 13, 2015: ○ Sessions



<b>Sessions</b> 1.04% 3,892 vs 3,852	<b>Users</b> -10.15% 2,886 vs 3,212	<b>Pageviews</b> 29.99% 14,081 vs 10,832
<b>Pages / Session</b> 28.66% 3.62 vs 2.81	<b>Avg. Session Duration</b> 68.79% 00:05:01 vs 00:02:58	<b>Bounce Rate</b> -6.91% 48.82% vs 52.44%

■ New Visitor □ Returning Visitor  
 Aug 30, 2016 - Oct 13, 2016



**Social Media:**

In the last quarter “likes” on The Kenai’s Facebook page have grown by 4,826 for a total of 41,694 fans. In the past month we had a reach of 2,288,205 people and post engagement of 282,281.

In addition, we have posted 8 blogs and sent out 2 visitor newsletters to over 7,000 subscribers in the past quarter. You can check out our bi-weekly blog at: <http://thekenai.wordpress.com/>

We also concluded our 2016 “Keen Eye” photo contest. We had 159 entries submitted.

**1st Place: Melaney Cross**

**2nd Place: Sabine Simmons**

**3rd Place: Keith Barker**

**People’s Choice: Joe Ann Hall**



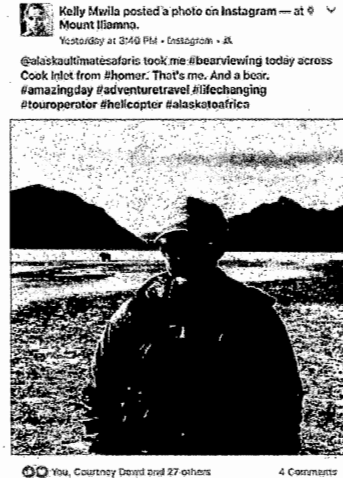
**Adventure Travel World Summit:**

Visit Anchorage hosted The Adventure Travel Trade Association (ATTA) annual convention in Anchorage September 19<sup>th</sup> - 22<sup>nd</sup>. This was a gathering of over 800 adventure travel-focused business leaders. It's the first time the group's Adventure Travel World Summit has been held in North America.

ATTA members came to Alaska looking for Alaska product for their own clients. This was a chance for Alaska tourism businesses and communities to build their own offerings in a growing segment. KPTMC partnered with Visit Anchorage to highlight The Kenai. We hosted one tour operator and four media on full familiarization tours that highlighted the Peninsula from Hope to Homer. We also hosted 19 operators and media on 3 different Day Of Adventure (DOA) trips throughout The Kenai.

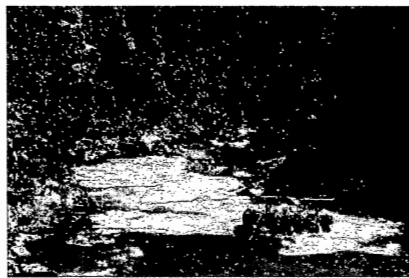
**FAM Participants:**

- Kelly Mwila, CEO - Alaska to Africa Travel, LLC
- Mary Stein and Stephanie Lee, both with Host Agency Review, Travel Trade
- Madhuri Chowdhury and Himraj Soin, both with The Outdoor Journal/USA and India



**DOA #1 - Cook Inlet Bear Viewing** – This group of 7 is flew over to Bear Mountain Lodge in Chinitna Bay for a day of late season bear viewing.

- |                    |                                 |
|--------------------|---------------------------------|
| Jake Hauptert      | Evergreen Escapes International |
| Jamie Sweeting     | Planeterra Foundation           |
| Kristian Jorgensen | NCE Tourism- Fjord Norway       |
| Kurt Kutay         | Wildland Adventures             |
| Michael Bennett    | Muddy Shoe Adventures           |
| Chunnie Wright     | Law Office of Chun T. Wright    |
| Don Mankin         | Adventure Transformations       |



**DOA #2 - Six Mile Creek Rafting** – This group of 8 went with Chugach Outdoor Center for the ride of their life on Six Mile Creek!

- |                   |  |
|-------------------|--|
| Matthew Humphreys | HF Holidays                              |
| Hugues Ouellet    | Equinox Aventure                         |
| Jeremy Saum       | AFAR                                     |
| Annika Hipple     | Freelance                                |
| Kerstin Swanvall  | Äventyrsresor                            |
| Paul Easto        | The Wilderness Collective - UK & Ireland |
| Marco Barneveld   | Freelance                                |
| Cameron Wood      | Travel Alberta                           |



**DOA #3 - Silver Salmon Fishing** – This group of 4 flew down to Kenai for Silver Fishing on the Kenai River.

- |                |                  |
|----------------|------------------|
| Perry Lungmus  | Travel Leaders   |
| Jen Murphy     | Jen Murphy       |
| Chris Cohen    | Outside magazine |
| Everett Potter | USA Today        |

**Alaska Travel Industry Association Convention:**

The Annual ATIA Convention was held in Anchorage October 3<sup>rd</sup> – 6<sup>th</sup>. KPTMC partnered with the communities of Seward, Homer, Soldotna and Kenai as well as member businesses from the Peninsula and Visit Anchorage and the MatSu Convention Bureau to host a “Community Night” event on the Alaska Railroad on October 5th.

The Kenai’s team decorated three train cars in a Kenai Peninsula theme. We served 300 industry leaders Kachemak Bay oysters, mini bread bowls with raspberry salmon bisque from Kenai Catering, smoked salmon appetizers from the Breeze Inn in Seward and Bear Creek Winery wine from Homer. We also had a scavenger hunt on the train and awarded three lucky winners with donated overnight stays and activities from Seward, Soldotna/Kenai and Homer.

# WELCOME TO THE KENAI

PROUD SPONSORS OF ATIA’S 2016 COMMUNITY NIGHT:





**KPTMC BOARD DEVELOPMENT:**

KPTMC is in the process of recruiting industry stakeholders and leaders to volunteer for the 2017 BOD. Prospective board members must have been a member of KPTMC for a minimum of six months and support the Council's mission: "To promote, develop and coordinate visitation to the Kenai Peninsula, and create an awareness and understanding of tourism's effect on, and enhancement of, the local economy and resident's quality of life."

At the September 16<sup>th</sup> KPTMC board meeting the BOD voted to change the organizational by-laws to include a member of the Kenai Peninsula Borough Assembly as an appointed position on our Board. The staff and board of KPTMC is looking forward to having the new representative in place beginning with the first meeting of 2017.

**2016 KPTMC BOD:**

**EASTERN REGION:**

Danny Seavey, Seavey's Iditarde  
George Heim, Alaska River Adventures

**CENTRAL REGION:**

Eric Dahlman, Sportsmans Warehouse  
Bill Sadler, Soldotna B&B Lodge

**SOUTHERN REGION:**

Laurel Hiits, 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

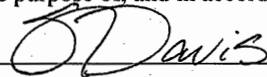
**BOROUGH WIDE REPRESENTATIVES:**

Michelle Glaves, Bear Mountain Lodge

Jason Young, Diamond M Ranch

**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: October 14, 2016

Printed Name and Title: Shanon Davis, Executive Director