

KENAI PENINSULA BOROUGH
Community & Fiscal Projects

MEMORANDIUM

TO: Charlie Pierce, Mayor
FROM: Brenda Ahlberg, Community & Fiscal Projects Manager
DATE: October 23, 2019
SUBJECT: **FY20-1Q 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 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, 2020

Financial / Progress Report

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: 10/10/2019 Report No.: 1 of 4 Quarter From: July 1, 2019 To: September 30, 2019
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FINANCIAL REPORT: FINAL REPORT DUE ON OR BEFORE 07/10/20

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.

During the first quarter of 2019, KPEDD held three Complete Count Committee meetings to promote broader participation rates in the 2020 Census, moderated the Seward airport improvement project discussions, disseminated relevant data to the Borough Assembly and individual communities in the region, provided AGDC support during the Federal Energy Regulatory Commission's public comment period, provided support to Alaska Fish Nutrition in funding source identification and business consultation, hosted the annual Industry Appreciation Day event, assisted various businesses around the Kenai Peninsula, and worked in partnership with each of the communities and the federal Economic Development Administration to identify fundable community needs stemming from the November 2018 earthquake.

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: 10-10-2019
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 2020
First Quarter Report
July 1, 2019 through September 30, 2019**

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

The Kenai Peninsula Center for the Alaska SBDC started the new fiscal year on a high note, completing one of the busiest months in the history of the Soldotna center office. Now that tourist and construction seasons are winding down, business owners and entrepreneurs are looking to work on their business model or prepare to start a new business next year.

There has been an increase in existing businesses looking for assistance, as the Swan Lake Fire has significantly impacted the local economy. Many business owners have complained that all the negative press coverage for the fire deterred in-state tourists from making the trip down to Alaska's Playground. Even when the road was open and relatively safe, Anchorage and Mat-Su Valley residents stayed away, concerned the fire would spread and threaten the road. This caused many businesses to suffer decreases in revenues upwards of 25 percent. The SBA is expected to declare the Kenai Peninsula a disaster area due to economic injury in the next quarter and the SBDC will play an important role in guiding business owners through the process.

Accommodation and food service was again the most-advised industry this past quarter, followed closely by healthcare. With the closure of the MediCenter, due to having failed a Medicare fraud investigation, a number of displaced providers have obtained assistance from the SBDC as they look to start new practices. In another development, multiple clients have signed up and received business advising assistance on purchasing The Moose Is Loose bakery, a local icon and top-rated food service business on the Peninsula, according to Trip Advisor.

During the first quarter, 10 clients reported the creation of 17 new jobs in the Kenai Peninsula region. In addition to these new jobs, the SBDC is now keeping track of jobs supported through our advising efforts. During this quarter, the SBDC provided support to 179 jobs at 31 businesses, located in communities all over the Peninsula.

Workshops presented by the Alaska SBDC were attended by 16 Kenai Peninsula residents. These classes, offered live in-person and online, cover a wide array of subjects and harness both in-house expertise and professional adjuncts. In addition to the live workshops, 12 new on-demand workshops have been added, with topics ranging from legal advice to marketing. These workshops are available 24/7 and are able to be accessed as many times as needed.

The Alaska SBDC will be giving a presentation on our services and results to the Borough Assembly on November 5. I'm looking forward to seeing everyone, including the new members from Soldotna, Nikiski, and Kasilof.

At a Glance: Kenai Peninsula FY20 Q1 (Jul 1, 2019 - Sep 30, 2019)

Number of Clients Advised

Current Quarter: 69

FY 2020*: 69

Jobs Created by Clients

Current Quarter: 17

FY 2020*: 17

Business Starts

Current Quarter: 5

FY 2020*: 5

Capital Infusion

Current Quarter: \$125,500

- SBA Loans: \$0
- Non-SBA: \$125,000
- Non-Debt Financing: \$500

FY 2019*: \$125,000

Alaska SBDC Kenai Peninsula Center Activity – Historical Comparison*

*Note: Due to recent changes to federal SBA data collection and reporting protocols, previous data can no longer be effectively compared to current results. FY 2018 Q4 and FY 2019 Q1 all represent the old methodology (in gray), while FY 2019 Q2 - FY2020Q1 represent the new methodology.

Future reports will continue to feature comparison data by quarter using the new directives.

	FY 2018 Q4 4/1/18 - 6/30/18	FY 2019 Q1 7/1/18 - 9/30/18	FY 2019 Q2 10/1/18 - 12/31/18	FY 2019 Q3 1/1/19 - 3/31/19	FY 2019 Q4 4/1/19 - 6/30/19	FY 2020 Q1 7/1/19 - 9/30/19
New business created	12	8	7	6	11	5
Jobs created	32	31	12	14	21	17
Loans (in dollars)	\$488,400	\$945,275	\$300,000	\$283,500	\$1,600,000	\$125,000
Total capital (loans + equity)	\$758,400	\$1,470,700	\$300,350	\$638,050	\$1,671,710	\$125,500
New clients	30	29	22	32	24	20
Total clients	85	72	68	74	83	69
Total advising hours	358.41	299.92	421.25	312.17	202.75	300.92

Clients & Advising at a Glance: Kenai Peninsula FY20 Q1 (Jul 1, 2019 - Sep 30, 2019)

69 Clients by Current Lifecycle

Pre-venture: 28
Startups: 14
In-business: 27

Clients by Industry

Accommodation/Food Service: 13 clients
Healthcare: 12 clients
Service: 9 clients
Construction: 8 clients
Arts and Entertainment: 7 clients
Professional/Technical: 6 clients
Manufacturer/Producer: 4 clients
Retail: 3 clients
Agriculture: 2 clients
Transportation/Warehousing: 2 clients
Administrative/Support: 1 client
Real Estate: 1 client
Wholesale: 1 client

Areas of Advising

Startup Assistance: 89 hours
Managing a Business: 82 hours
Financing: 43 hours
Business Plan: 27 hours
Buy/Sell a business: 26 hours
Marketing/Sales: 12 hours
Legal Issues: 10 hours

Summary:

Of the 69 entrepreneurs who received advising assistance during the first quarter of FY 2020, 28 were in the pre-venture phase, 14 were startups, and 27 were already in business. Now that tourist and construction seasons are winding down, there has been a sharp increase in advising hours, as business owners and entrepreneurs look to make adjustments to their business models. The Swan Lake Fire caused massive impact to the Kenai Peninsula economy, with many small business owners reporting revenue decreases in excess of 25% from last year. The SBA is expected to declare the Kenai Peninsula a disaster area due to economic injury in the next quarter and the SBDC will play an important role in guiding business owners through the process. Accommodation and food service was again the most-advised industry this past quarter, followed closely by healthcare. With the closure of the MediCenter, due to having failed a Medicare fraud investigation, a number of displaced providers have obtained assistance as they look to start new practices. In another development, multiple clients have signed up and received business advising assistance on purchasing The Moose Is Loose bakery, a local icon and top-rated food service business on the Peninsula, according to Trip Advisor.

Jobs at a Glance: Kenai Peninsula FY20 Q1 (Jul 1, 2019 - Sep 30, 2019)

New Jobs Overview

17 new jobs
10 clients

New Jobs by Industry

Professional/Technical: 1 client (6 jobs)
Construction: 3 clients (3 jobs)
Accommodation/Food: 2 clients (3 jobs)
Service: 2 clients (2 jobs)
Retail: 1 client (2 jobs)
Healthcare: 1 client (1 job)

Jobs Supported

179 jobs
31 clients

Summary:

During the first quarter of FY 2020, 10 clients reported the creation of 17 new jobs in the Kenai Peninsula region. The largest number of jobs came from the professional/technical industry, with six jobs created this quarter from an educational business. Next was construction, with three businesses reporting one new job each, and accommodation/food service, with two clients able to create three jobs. The SBDC is also now tracking jobs supported, which is a metric that shows total SBDC impact to jobs around the peninsula. During the first quarter, 179 jobs from 31 small businesses were supported by advising through the SBDC.

New Clients at a Glance: Kenai Peninsula FY20 Q1 (Jul 1, 2019 - Sep 30, 2019)

20 New Clients by Initial Stage

Pre-ventures: 16
Startups: 3
In-business: 1

New Clients by Industry

Accommodation/Food Service: 5 clients
Healthcare: 3 clients
Construction: 2 clients
Professional/Technical: 2 clients
Retail: 2 clients
Service: 2 clients
Administrative/Support: 1 client
Agriculture: 1 client
Arts & Entertainment: 1 client
Real Estate: 1 client

New Clients by Community

Anchor Point: 1 client
Cooper Landing: 3 clients
Homer: 3 clients
Kenai: 6 clients
Moose Pass: 1 client
Seward: 2 clients
Soldotna: 3 clients
Sterling: 1 client

Summary:

The Alaska SBDC Kenai Peninsula Center on-boarded 20 new clients during the first quarter of FY 2020. Again, the overwhelming majority was from entrepreneurs looking to start new businesses. There was only one new client who owned their business for more than two years. Accommodation/food service topped the list, followed by healthcare, construction, retail and service. Impact from the SBDC was again felt around the peninsula, with new clients served from Seward to Homer, and nearly everywhere in between.

New Businesses at a Glance: Kenai Peninsula FY20 Q1 (Jul 1, 2019 - Sep 30, 2019)

5 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 2020, five clients reported the creation of business starts within the accommodation & food service, construction, and service sectors. These were located in the communities of Kenai, Homer, and Seward, with four startups and one business purchase.

Workshops

Summary:

Alaska SBDC workshops were attended by 16 Kenai Peninsula residents. These classes, offered in both in-person and webinar formats, covered a wide array of subjects and harnessed both in-house expertise and professional adjuncts. Over the last year, the SBDC workshop program focused on growing the workshop offerings and ensuring any content is up-to-date and relevant to Alaska's small businesses. In addition to the live workshops (offered both in-person and via webinar), 12 new on-demand workshops were added to the workshop listing over the past year. The topics of these new on-demand workshops range from digital media to business insurance to creating financial projections and more. These workshops are available 24/7 and are able to be accessed as many times as needed.

Spread Love & Cream Cheese with Everything Bagels

Crafting the best hand-rolled bagels and handcrafted spreads since 2016, Everything Bagels proudly serves delicious breakfast and lunch sandwiches, soups, salads, and coffees, making them well-known as the premier bagel restaurant on the Kenai Peninsula.



It all began as a craving on a cold winter's morning. The need for a fresh, crunchy-on-the-outside, soft-on-the-inside, New York style bagel in the heart of the Peninsula. That led Pamela and Matthew Parker to roll up their sleeves and try their hand at bagel artistry. Cravings satisfied and pleasantly surprised by the outcome and adoration of friends and fans, the self-proclaimed, "Bagel People," have since opened their first bagel restaurant and are sharing their tasty creations with their community.

What sets Everything Bagels apart is not only the extraordinary outer crunch, natural ingredients, and quality spreads, but also that the Parkers believe there are no shortcuts in creating a delightful product or a memorable experience for their customers. With a mission baked in the local community that they should "never stop rising," and to "keep on rolling," Everything Bagels delivers on providing fresh and high-quality ingredients coupled with artisan recipes.

To plan their launch, Pamela worked with the Alaska Small Business Development Center (Alaska SBDC) in Soldotna to get started off on the right track. About her entrepreneurial experience, she shared:

"It feels like the Alaska SBDC has been with our business from the very beginning. After landing on the idea to start Everything Bagels in early 2016, we met with an advisor to go over our initial business model. This was a great opportunity to ask questions, explore available resources, and fine-tune our business plan. A few years down the road, when it was time to look at expanding our business, we again turned to Alaska SBDC for help with market research and exploring the viability of our growth opportunity. We have since used their advice, data, and resources to help Everything Bagels get our product into more local coffee shops."

Cliff Cochran, Kenai Peninsula Center Director for the Alaska SBDC, went on about his experience advising Everything Bagels, adding, *"It has been fantastic working with Pamela as she continues to grow Everything Bagels. She is a true first mover, having successfully launched the first-ever specialty bagel shop in the Central Kenai Peninsula. Her leadership with Startup Week has opened doors for others looking to start a small business here and expand the local economy. I'm looking forward to working with her for years to come and excited to see what the future holds for Everything Bagels."*



Since launching the bagel shop, Pamela added a second business, Snappy Turtle Photobooths, and has become an active member of the business community. She is the current president-elect of the Soldotna Chamber of Commerce board and has served as treasurer and president of the Kenai Peninsula Tourism Marketing Council board. For the past two years, she has led the local Startup Week committee, a statewide event in November dedicated to providing resources to entrepreneurs, like herself, to launch businesses in their communities. She is currently running for a seat on the Soldotna City Council, further striving to make the area a great place to work and live.

Everything Bagels is open Monday-Friday, 6:30am - 2:00pm and Saturday, 7:30am - 3:00pm. Call your order ahead at (907) 252-8135 and swing by 35251 Kenai Spur Hwy in Soldotna to spread love and cream cheese! Review their menu at <http://www.everythingbagelsak.com/> and visit them on [Facebook](#) and [Instagram](#)!

Design Your Dream Home with Draft Alaska, LLC

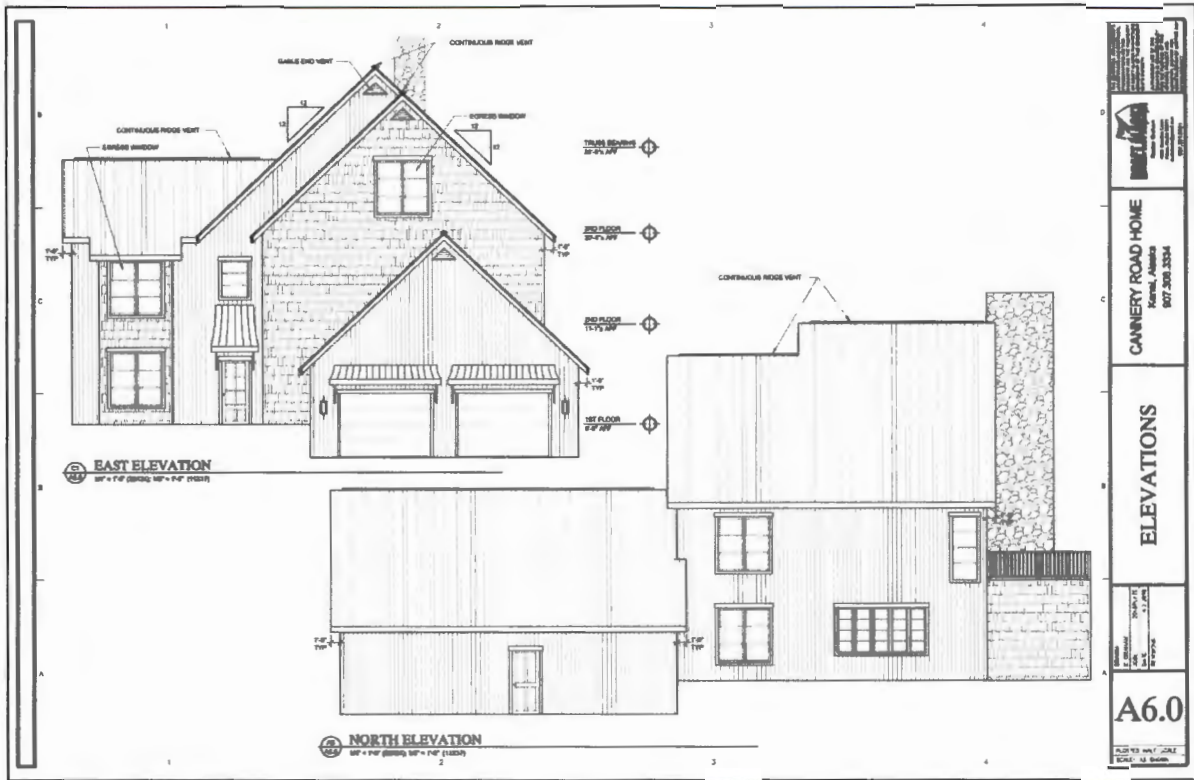
Kimber Graham took her background in architectural engineering and interior design and coupled it with her passion for building and renovating homes to create her own custom home drafting business, Draft Alaska, LLC.



Kimber worked with the Alaska Small Business Development Center (Alaska SBDC) in Soldotna to put her plans in motion for building her own business. She worked closely with business advisor Cliff Cochran on financial projections to ensure she would start out competitive. *“The SBDC was just what I needed to give my business a kickstart. They even provided me with a list of companies to promote myself to. I can’t explain the confidence I had when walking out of the SBDC office. Many thanks for the boost.”*

After working with Kimber for the past two years, her business advisor shared, *“It’s been great working with Kimber to help her launch Draft Alaska, and now exciting to see her business grow. In just over a year, she’s already recognized as the top professional drafter on the Kenai Peninsula. Her rapidly expanding portfolio is impressive, with projects ranging from cozy cabins to massive lakefront dream homes. It’s fantastic to see a client succeed so quickly and significantly outperform initial expectations.”*

As someone who understands the planning process and multiple changes to the implemented process, Kimber is the perfect professional to help you with your own plans. You know the ones that you’ve dreamed about for years or even started to put to paper with questions and decisions to be made arising with each stage.



With more than ten years of drafting experience, Draft Alaska will help you work through those questions and options, no matter how many changes pop up.

Give Draft Alaska a call and connect with Kimber at (907) 201-0931 or via [email](#).

Killing it on the Peninsula: Kenai Kombucha

If you haven't yet tried the refreshing and delightful selections from Kenai Kombucha, you are in for a treat. Veteran owned, women-owned, and made in Alaska, owner Devon Gonzalez is busy serving up fresh and locally brewed kombucha!

Already featured at two breweries, St Elias and Kenai River Brewing Company respectively, in addition to Everything Bagels, and True Blue Drive-Thru, Kenai Kombucha is establishing a name for themselves on the Kenai Peninsula.

Devon worked with the Alaska SBDC to get a running start on her business launch. She said, *"The Alaska SBDC has been a great resource for my husband and I in starting our business. They helped answer any questions we had. We have hit the ground running and we are not looking back. Thank you to the SBDC for helping us get the ball rolling."*



Alaska SBDC business advisor, Cliff Cochran, has raved of her determination and business savviness.

He shared, *"Devon and Brian have done a great job starting Kenai Kombucha from scratch. They've given thoughtful consideration for everything, and it really shows in the quality of their products. Within just three months, they've suddenly become one of the best food and beverage hits at the local markets this summer. They have a fantastic tasting product and know exactly how to market it. I would not be surprised to see them grow outside of Alaska very soon."*

Check out Kenai Kombucha on [Facebook](#) and [Instagram](#) and snag a great hoodie, hat, or t-shirt with your next growler!



Jumpin' Junction Family Fun Center Where Fun and Families Come Together

Just two years ago, Kevin Miller identified an opportunity to purchase a local business for sale and worked diligently to make his dream of small business ownership a reality. After working with the Alaska Small Business Development Center (Alaska SBDC) in Soldotna on the purchase, he has since focused on updating and expanding the business to meet the needs of his local community.



Jumpin' Junction Family Fun Center is 12,000 sq ft packed with blacklight mini-golf, a video arcade, a delicious “grub hub,” and a new virtual reality gaming room by Virtuix Omniverse. The VR gaming attraction is the first of its kind on the Kenai Peninsula, bringing an exciting new entertainment for all ages. The Inflatable Play Center features bounce houses and an 18 ft slide, making Jumpin' Junction fun for the entire family. Kids under the age of one can play for free!

On working with the Alaska SBDC they shared, "When my wife and I considered purchasing Jumpin' Junction, our first phone call was to the Alaska SBDC office. Cliff Cochran of the Soldotna office was incredibly helpful. Not only did he assist with advice on lenders, financing options, paperwork requirements, local regulations, and general business practices. But he was a wealth of information regarding local information, marketing options, demographics, and navigating local competition. This

community is built on small locally owned business and the Alaska SBDC office is a vital tool in our success."

Kenai Peninsula Center Director, Cliff Cochran, shared about the progress, *"Kevin has done a great job taking over Jumpin' Junction during the recession and expanding its customer base from kids to include teens and adults. I've tried their new VR gaming system and it is a blast to play, as well as being a great way to burn serious calories. They also have one of the coolest miniature golf courses in Alaska, some great arcade games, and of course, the bouncy structures. I'm excited to see this business continue to grow and provide a place for everyone to have fun."*



The virtual gaming system added this past summer brings a new dimension to Jumpin' Junction, catering specifically to teens and adults of all ages. Users are able to play solo or multiplayer and experience endless VR worlds. One of the most popular is Omni Arena, a high-energy, four-player esports attraction, where participants run through an obstacle course gathering weapons to defeat opposing robots. This state-of-the-art gaming system brings a whole new level of entertainment to the Peninsula.

In addition to providing a safe space for children and families to connect, exercise, and play, Jumpin' Junction also offers hot plates like corn dogs, chicken fingers, and Papa Murphy's pizza alongside sweets, drinks and coffees, and packaged snacks like chips, fruit cups, and fruit strips.

Be sure to follow Jumpin' Junction on Facebook and Instagram to be the first to know about special offers and discounts! Call Jumpin' Junction at (907) 420-0566 to schedule an event or book a private party and use *#jumpinjunction* on social media to share your experience!

Mutts About Tundra Tails Pet Sitting

Fellow pet-owners know that finding trustworthy and affordable pet care can be a challenge. Whether you are looking for in-home care or a boarding facility, Hanah Burrell of Tundra Tails Pet Sitting believes that having peace of mind while away from home or traveling is essential.

Especially in pet-related businesses, real passion, patience, and understanding make the difference in trusting someone with the furry member of your family. Hanah grew up in a family of animal-lovers on the Kenai Peninsula and has taken her love and appreciation for animals and created her own business. With four dogs of her own and experience with almost every kind of pet, Hanah also has experience with those with varying temperaments, ages, and needs.

Hanah is certified in Canine/Feline CPR and First Aid, making Tundra Tails Pet Sitting an exceptional pet-care provider on the Peninsula. The reviews and referrals speak for themselves, next time you are looking for reliable pet-care, reach out to Tundra Tails Pet Sitting!



Hanah worked closely with Kenai Peninsula Center Director Cliff Cochran when planning for and launching her new business. Recounting her experience, she said, “*The Alaska Small*

Business Development Center has been supportive of my small business goals since the beginning of its fruition. Cliff Cochran's expert insight on licensing and possible lending options along with referrals to potential contractors for when Tundra Tails expands to include a boarding facility has been extremely helpful.”



Connect with Hanah on [Facebook](#) and [Instagram](#) - where you'll be treated to real reviews, pet selfies, and humor! Be sure to stay tuned for Tundra Tails Pet Sitting expanding with new boarding services.

Integrated Robotics Imaging Systems, Inc

John Parker started Integrated Robotics Imaging Systems (IRIS) in 2012 to find a solution to clean up debris along the coast of Alaska from the Tohoku, Japan tsunami in 2011. Parker developed drones to be able to conduct missions off ships, plying Alaska's shorelines, to identify areas where cleanup needed to be performed. He met with Alaska SBDC advisor Bryan Zak in 2013 to refine his business plan.

In 2016, shortly after the devastating urban fires in Northern California, the Eyak Corporation asked Parker to begin research to develop a reliable wildfire detection system for Alaska. The system he developed, with proven technology from Spain, uses thermographic cameras to detect four types of fire morphology. This reduces the industry-standard false-positive rate of around 30% to less than 2%. Parker's system can detect a one square meter fire at a distance of five kilometers (3.1 miles). With the collaboration of Mike Messick, of Deep Forest Security Consulting, Parker's system was recently installed on the eastern edge of Anchorage to protect the city from wildfires blazing down the slopes of the Chugach Mountains.



Cliff Cochran, Alaska SBDC Kenai Peninsula Center Director and Business Advisor shared of Parker's vision, *"It's been great to see the impact that IRIS's technology is having across our state and country. This is especially near and dear to my heart, as my brother-in-law lost his home and all of his possessions in 2015, when the Tubbs Fire devastated Santa Rosa, California, and surrounding areas. Sonoma County is still seeing the impacts of the fire today, and the effects could have been significantly lessened with the technology that John has developed."*

For more information and to connect, visit Integrated Robotics Imaging Systems online at <https://www.uav-alaska.com/>