

KENAI PENINSULA BOROUGH
Community & Fiscal Projects

MEMORANDIUM

TO: Charlie Pierce, Mayor
FROM: Brenda Ahlberg, Community & Fiscal Projects Manager 
DATE: October 26, 2021
SUBJECT: **FY22-1Q 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, 2022

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: 10/01/2021

Report No.: 1 of 4

Quarter From: 07/01/21

To: 09/30/21

FINANCIAL REPORT:

FINAL REPORT DUE ON OR BEFORE 07/09/22

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 2022:

- Presented opportunities and economic changes in the region at the Fairbank's Department of Defense Arctic Strategy Summit
- Finalized and formally approved the Comprehensive Economic Development Strategy
- Continued finalization of the new expanded Revolving Loan Fund program for Peninsula businesses.
- Continued program and tool development to increase economic resiliency through the EDA/KPB Resiliency project
- Assisted both incorporated and unincorporated communities to identify and apply for projects eligible for federal funding
- Hosted discussions between the Alaska Industrial Development Export Authority (AIDEA), Alaska Energy Authority, community point of contacts, and local businesses
- Completion of the Manufacturing Extension Program regional spotlight video
- Provided numerous letters of support for various regional projects
- Presented projects and economic updates to the Kenai Peninsula Borough Assembly, Kenai Peninsula Borough School District, Alaska Municipal League, Alaska Conference of Mayors, incorporated and unincorporated communities, and the chambers of commerce.
- In partnership with the Kenai Chamber of Commerce and the Alaska Department of Labor, KPEDD hosted the Kenai Peninsula Job Fair in September

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: 10/1/2021

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 2022

First Quarter Report

July 1, 2021 through September 30, 2021

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

The Kenai Peninsula Center for the Alaska SBDC completed its first quarter of FY 2022, providing assistance to businesses across the peninsula after a vigorous summer. Business advising hours dropped off in July, which is a good sign, as business owners stayed busy at the height of tourist season. Clients all across the peninsula reported some of their biggest years ever, the only complaint being a frustrating lack of labor. As the summer closed and fall shoulder season began, business advising picked up significantly and the SBDC is again buzzing with activity, providing reliable service to both old and new clients.

This quarter marked the first quarter since the COVID-19 pandemic began, where COVID-19 Support was not the top advising subject. It's very encouraging to see Startup Assistance retake its spot atop the list, since that is one of the areas we specialize in at the Alaska SBDC. The SBDC provided support for the AK-ARPA Business Relief Program, which launched during the quarter, getting timely information to business owners and helping them determine eligibility. We also handled inquiries regarding the SBA's Economic Injury Disaster Loan, a great vehicle to clean up credit card debt accumulated during the pandemic.

As demand for Alaska SBDC services has grown on the peninsula, so has our staff. We added Robert Green as a business advisor in Homer last summer, using funding from the CARES Act, and he has experienced success. During this quarter, the SBDC worked closely with the Seward Chamber of Commerce and City of Seward to secure funding for a new Seward business advisor. We are looking forward to partnering with the city and chamber in Seward for the next three years, and hopefully beyond, to provide a local business expert to more directly support Seward businesses. Since CARES Act funding is running out for the SBDC, we are planning to do the same with the city and chamber of commerce in Homer, in order to retain our business advisor position there. We appreciate the continued support from the Kenai Peninsula Borough to maintain the SBDC Center Director position in the central peninsula.

The Alaska SBDC continues to maintain our website with updated information on COVID related training and programs as well as our traditional tools and resources. In addition to COVID-19 relief material, the SBDC offered dozens of webinars on a wide array of subjects over the last year, harnessing both in-house expertise and professional adjuncts. SBDC has continued to develop and deploy on-demand workshops, offering over 70 this quarter. These on-demand topics include, but are not limited to, LLCs in Alaska, Engaging Social Media, Developing a Marketing Strategy, How to Get a Business License, and many more.

The need for business advising services is at an all-time high on the Kenai Peninsula and we are pleased to be at the center of it. We are actively working with small business owners and entrepreneurs in every part of the Kenai Peninsula, from parcels adjacent to the "Y" in Soldotna to the remote reaches of Halibut Cove. 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 FY22 Q1 (Jul 1, 2021 - Sep 30, 2021)**Number of Clients Advised**

Current Quarter: 78

FY 2022: 78

Jobs Created by Clients

Current Quarter: 9

FY 2022: 9

Business Starts

Current Quarter: 8

FY 2022: 8

Capital Infusion

Current Quarter: \$500,000

SBA Loans: \$400,000

Non-SBA Loans: \$0

Non-Debt Financing: \$100,000

FY 2022: \$500,000

Alaska SBDC Kenai Peninsula Center Activity – Historical Comparison

	FY 2020 Q4 4/1/20 - 6/30/20	FY 2021 Q1 7/1/20 - 9/30/20	FY 2021 Q2 10/1/20 - 12/31/20	FY 2021 Q3 1/1/21 - 3/31/21	FY 2021 Q4 4/1/21 - 6/30/21	FY 2022 Q1 7/1/21 - 9/30/21
New business created	4	7	5	8	8	8
Jobs created	17	8	89	6	14	9
Loans (in dollars)	\$4,517,588	\$4,193,063	\$150,000	\$2,566,977	\$530,567	\$400,000
Total capital (loans + equity)	\$4,631,308	\$4,590,563	\$1,054,225	\$3,453,728	\$830,567	\$500,000
New clients	20	13	14	30	32	22
Total clients	125	116	94	111	94	78
Total advising hours	288.37	169.23	180.48	400.73	298.09	299.93

COVID-19 Impact: Kenai Peninsula (Mar 9, 2020 - Sep 30, 2021)

Capital Infusion:

Current Quarter: \$0

Total: \$13,430,091

Clients Assisted:

Current Quarter: 21 clients

Total: 1,705 clients

Jobs Supported:

Current Quarter: 153 jobs

Total: 2,777 jobs

Advising Hours:

Current Quarter: 30 hours

Total: 740 hours

Top 5 Locations Advised:

Homer: 540 clients

Soldotna: 447 clients

Kenai: 304 clients

Seward: 111 clients

Sterling: 62 clients

Top 5 Industries Advised:

Service Establishment: 510 clients

Accommodation and Food Service: 191 clients

Retail: 150 clients

Manufacturer or Producer: 142 clients

Construction: 102 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 reached Alaska in March 2020. During the first quarter of FY 2022, the Center Director and Homer Business Advisor provided strong support to business owners across the Kenai Peninsula. In addition to business advising, the SBDC has continued to maintain our webpage which contains the latest information on COVID-19 relief options in Alaska. Due to changing demands, after 107 live webinars, the SBDC has shifted from scheduled weekly briefings to targeted videos, in order to better meet the needs of our viewers. 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 FY22 Q1 (Jul 1, 2021 - Sep 30, 2021)

78 Clients by Current Lifecycle

Pre-venture: 21 clients
Startups: 22 clients
In-business: 35 clients

Clients by Industry

Accommodation and Food Service: 15 clients
Retail: 9 clients
Construction: 7 clients
Healthcare and Social Assistance: 7 clients
Professional, Scientific and Technical: 7 clients
Service: 7 clients
Arts and Entertainment: 5 clients
Transportation/Warehousing: 5 clients
Manufacturer/Producer: 4 clients
Agriculture, Forestry, Fishing and Hunting: 3 clients
Real Estate, Rental and Leasing: 3 clients
Waste Management and Remediation: 2 clients
Administrative and Support: 1 client
Educational: 1 client
Mining: 1 client
Tourism: 1 client

Top Areas of Advising

Startup Assistance: 69 hours
Managing a Business: 67 hours
Business Plan: 51 hours
COVID-19 Support: 38 hours
Financing: 36 hours
Buy/Sell a Business: 23 hours

Summary:

Of the 78 entrepreneurs who received advising assistance during the first quarter of FY 2022, 21 were in the pre-venture phase, 22 were startups, and 35 were already in business. During the COVID-19 pandemic, the vast majority of businesses working with the SBDC were in-business enterprises, seeking economic relief. However, after a robust tourist season during the summer, the economy has experienced promising recovery, resulting in a return to first quarter trends. The first part of the quarter, July, is often quite slow, as business owners are busy with work and trying to enjoy fishing and the best of summer. Once the tourists leave and the weather begins to get cold, we see a boost in advising at the SBDC. Accommodation and food service businesses were the hardest hit by the pandemic, so they topped the list for a sixth straight quarter. We are pleased to announce that for the first time in six quarters, COVID-19 Support was not the top area of advising, dropping to fourth in the quarter. It's great to see Startup Assistance, what the SBDC specializes in, back on top as the number one area of advising.

Jobs at a Glance: Kenai Peninsula FY22 Q1 (Jul 1, 2021 - Sep 30, 2021)

New Jobs Overview

9 new jobs
8 clients

New Jobs by Industry

Construction: 3 clients (3 jobs)
Professional, Scientific and Technical: 1 client (1 job)
Real Estate, Rental and Leasing: 2 clients (3 jobs)
Retail: 1 client (1 job)
Waste Management and Remediation: 1 client (1 job)

Jobs Supported

249 jobs
58 clients

Summary:

During the first quarter of FY 2022, 8 clients reported the creation of 9 new jobs on the Kenai Peninsula. These businesses were located all across the borough, from Seward to Homer. While we enjoy serving the big name businesses across the peninsula, we certainly provide focused effort to the little guys, too. During the quarter, the Kenai Peninsula Center provided support to 249 jobs with 58 clients, located in every community on the peninsula. Many of these jobs were preserved through timely guidance on the Paycheck Protection Program (PPP). The SBDC has been active in aiding clients in their forgiveness applications, and has heard nothing but positive feedback on the impact the PPP had on businesses. One of those success stories is narrated at the end of this report.

New Clients at a Glance: Kenai Peninsula FY22 Q1 (Jul 1, 2021 - Sep 30, 2021)

22 New Clients by Initial Stage

Pre-ventures: 12 clients
Startups: 5 clients
In-business: 5 clients

22 New Clients by Industry

Accommodation and Food Service: 5 clients
Service: 4 clients
Health Care and Social Assistance: 3 client
Construction: 2 clients
Professional, Scientific and Technical: 2 clients
Transportation and Warehousing: 2 clients
Administrative and Support: 1 client
Arts and Entertainment: 1 client
Real Estate, Rental and Leasing: 1 client
Retail: 1 client

22 New Clients by Community

Homer: 7 clients
Soldotna: 7 clients
Seward: 3 clients
Kenai: 2 clients
Anchor Point: 1 client
Nikiski: 1 client
Ninilchik: 1 client

Summary:

The Alaska SBDC Kenai Peninsula Center on-boarded 22 new clients during the first quarter of FY 2022. For the fourth straight quarter, there were more new preventure clients than existing business clients. As the economy continues to recover from the COVID-19 pandemic and confidence grows, entrepreneurs from all sectors have been signing up with the Alaska SBDC for assistance. The COVID pandemic resulted in significant achievement by the SBDC on the Kenai Peninsula, and as a result, we have seen increased demand for our services from all areas of the borough. Homer Business Advisor, Robert Green, has taken an active role advising in the South Peninsula, so Homer has experienced an increase in advising. As a result, for the second straight quarter, Homer was atop the list of communities with new SBDC clients.

New Businesses at a Glance: Kenai Peninsula FY22 Q1 (Jul 1, 2021 - Sep 30, 2021)

Qualifying New-Business Starts: 8

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 2022, 8 clients reported the creation of business starts, including three from the construction sector, two from real estate/leasing, and one each from professional/technical, retail, and waste management/remediation services. These businesses were started in Homer, Kasilof, Kenai, Seward, and Soldotna, and confirmed their businesses had started during the quarter. As the economy continues to recover from the COVID-19 pandemic, we are expecting to confirm more businesses next quarter.

Workshops

Summary:

Alaska SBDC workshops were attended by 8 Kenai Peninsula residents during the first quarter. 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. In FY21, the SBDC Workshop Program focused more intentionally on developing and deploying on-demand workshops and currently offers 71 recorded options. These on-demand topics include, but are not limited to, COVID-19 specific resources and help, Starting a Business, Basic Bookkeeping for Entrepreneurs, LLCs in Alaska, Engaging Social Media, and How to Get a Business License.

Localz: Alaska Made Home Decor & Much More

Out north, in the Nikiski Mall, Localz is truly a gem for locally made gifts, souvenirs, bath and body supplies, jewelry, and much more. Launched in 2019 by local entrepreneur Angelique



Stanton, Localz has grown rapidly, now featuring items from over fifty Kenai Peninsula makers and artists. Now with over two thousand followers on Facebook, Localz has quickly become the most popular retail shop in Nikiski. With items coming from all parts of Southcentral Alaska, Localz is your one-stop shop for unique, one-of-a-kind treasures.

When you enter the shop at Localz, it's easy to see why this new business has gotten off to such a great start. Everything has been carefully organized and cleverly decorated, making both the space inviting and the items enticing. It can take a while for startups to gain traction, but that was not the case with Localz. But then, the coronavirus hit Alaska. Localz was mandated to close its doors in March 2020, uncertain whether or not they would open again. Angelique pivoted quickly to online only, with an already blossoming website, but with everyone waiting to see what would happen next, demand was gone.

That's when Angelique turned to the Alaska SBDC. With SBA Paycheck Protection Program funds quickly running out, she worked closely with Kenai Peninsula Center Director, Cliff Cochran, to secure a PPP, providing Localz with a lifeline from the impact of the coronavirus pandemic. Like many small business owners across the state, Angelique had great things to say about the assistance she received from the Alaska SBDC, sharing, *"Thank you for your advice and support. Without your*



knowledge and help from the PPP, our doors would most likely be closed. We are truly grateful."



After a rebound summer in 2021, Localz is thriving, nearly bursting at the seams in it's now crowded shop. Cliff Cochran had the opportunity to visit Localz in August and the impact was powerful. He said, *"It was so great to see one of my clients thriving as the result of the PPP. Not only did this program support Localz, but in turn the dozens of local artists, craftsmen and women, who sell their products in her store. The ripple effect of this one PPP is enormous for the community of Nikiski and I'm humbled to have been a part of it."*

If you're a local or find yourself on the Kenai Peninsula, the short drive out to Localz is well worth your time. In addition to newly stocked seasonal decor, you'll discover rich handmade soaps, tasty rubs and seasonings, hilarious coffee mugs, and mouth-watering chocolate, among other great items, all made locally.

Localz is located in the Nikiski Mall at 51775 Kenai Spur Hwy, Nikiski, AK 99635. Check them out on [Facebook](#) and browse their growing online store at www.localzak.com. With convenient options to pick up at the store or ship, Localz can deliver your next gift or treat anywhere.