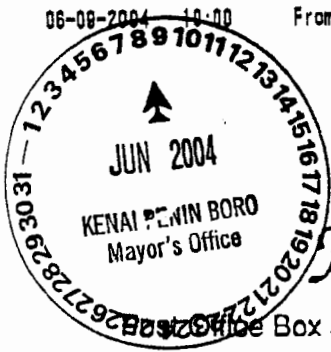


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Homer Chamber of Commerce

Post Office Box 541

Homer, Alaska 99603

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- Clerk
- Assembly
- Legal
- Finance
- Assessing
- Planning
- Roads
- SBB
- Purchasing

Date: 6-9-04

(907) 235-7740
FAX (907) 235-8766

June 9, 2004

Honorable Borough Mayor Dale Bagley
Members of the Kenai Peninsula Borough

Dear Mayor and Assembly Members,

The Homer Chamber of Commerce thanks you for your consideration on the proposal to expand your investment in the Kenai Peninsula Small Business Development Center.

It's no secret that there has been great return on this investment over the past several years borough-wide. However it might be a secret how useful and in-demand the service is in the Homer area. Not a day goes by that the staff of the Homer Chamber of Commerce does not give out the SBDC phone number in Soldotna to make an appointment with SBDC business counselor Mark Gregory. It is absolutely impossible for Mark to serve every person whom we've referred from the Chamber as he has the responsibility to serve all the communities on the Peninsula.

A little different from the other communities on the Peninsula, Homer is in a rapid growth period. Sales tax records, building permits, landing totals and airport traffic are just a few of the numbers the Borough tracks in its Key Economic Indicators which show that for the last three years Homer and the southern peninsula is growing leaps and bounds faster than the other areas of the Peninsula. In addition, the Homer area has just gone through a transition stage, where traditional commercial fishing businesses are diversifying to stay in business, or changing careers, both perfect examples of the need for business counseling services.

The Homer Chamber of Commerce encourages the Borough to expand this service now while the need is there. As any good business plan will prove, the market is the driving force in a successful business. Waiting a few more years and offering the expanded service when the market is not hot will provide little return compared to doing it now while the customers are knocking at the door.

The Homer Chamber of Commerce serves as a partner in this service, providing private office space, conference room, telephone, copy, and office support and staff serving as reception on the days counseling and seminar services are offered. In addition we do extensive promotion of these services, allowing the SBDC to focus on providing the service rather than promoting it.

Please contact me if I can provide additional information which may help you in making a decision. The Homer Chamber of Commerce thanks you for your consideration on this matter.

Sincerely,

Derotha Ferraro
Derotha Ferraro
Executive Director

'Halibut Fishing Capital of the World'

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JUN 4, 2004



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- Roads
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- Purchasing
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Date: 6-9-04

To the Honorable Borough Mayor Dale Bagley and Kenai Peninsula Borough Assembly Members.

Thank you for your consideration of the proposal by the Alaska Small Business Development Center to expand their presence in Homer.

The partnership between the Homer Chamber of Commerce and the KPSBDC provides a valuable service to our local small business community. I refer a significant amount of clients to the business counselor. I refer clients who are planning/evaluating new business endeavors, clients who are expanding existing businesses, and clients who desire to improve their business operations and management skills.

My evaluation of the service is measured primarily by responses from the candidates who I refer, and by reviewing business plans, and pro-forma financial statements that are created through the counseling process. I always ask clients to provide feedback to me regarding the benefits of the counseling service. I receive consistently strong remarks from clients. It is clear to me from conversations with and submittals from clients post-counseling that there is a valuable education that occurs in the process. I have no doubt that business owners have a greater success rate, and improved likelihood of obtaining financing after concluding the counseling process. Another result that should be considered similarly valuable rests in the identification of business plans that have minimal probability of success. I have worked with clients who have refocused their plan significantly after concluding the counseling process.

I thank you again for your consideration of the request submitted by the KPSBDC.

Sincerely,

Michael Dye
 Michael Dye
 Vice President &
 Branch Manager
 Homer Branch
 First National Bank Alaska

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