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KPEDD
KENAI PENINSULA ECONOMIC
DEVELOPMENT DISTRICT

*Leadership to enhance, foster
and promote economic development*

Kenai Peninsula Economic Development District, Inc.

BUSINESS INNOVATION CENTER

March 18th, 2009

Assembly Member Fischer
Kenai Peninsula Borough

Attached please find the budget request that the Kenai Peninsula Economic Development District presented to the Administration for fiscal year 2010.

Enclosed please find:

1. List of Current Board Members
2. Strategic Plan
3. Grant revenues from all sources
4. Kenai Borough Mid Year Grant Report
5. FY 2010 Budget
6. Budget request

Thank you for considering our request.

John Torgerson
Executive Director

14896 KENAI SPUR HWY, SUITE 103-A, KENAI, AK 99611-7014
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BOARD OF DIRECTORS PLEASE REVIEW YOUR INFORMATION FOR ACCURACY

KENAI PENINSULA
ECONOMIC DEVELOPMENT DISTRICT, INC.
BOARD OF DIRECTORS

Meeting Date: May 21st, 2009 @ 12 Noon

Seward

Meet me # **1-800-315-6338** Code **3335**

Updated: 05/06/2009

Person / Phone

PRESENT / TELE

1	VACANT Treasurer	KPEDD Appointee (Minority Rep.) (12/31/2011)				
2	Durham, Dave <i>Appointed</i> 07/24/2008	KPEDD Appointee (Minority Rep.) 12/31/2011	David.c.durham@wellsfargo.com	262-5081 x3W 260-8034 F 394-8876 C		
3	Eldridge, Barry 01/2007	City of Kenai Official (Replace Jason Steen) (12/31/2009)	barry_eldridge@yahoo.com 2679 Bowpicker Lane, Kenai 99611	283-7152 H 283-8240 W 283-3014 F		
4	Esposito, Fred	KPEDD Appointee Seward (replace Hugh Darling (12/31/12)	Fred.Esposito@alaska.gov	800-478-5389 W 907-224-6150 W 907-224-4401 F 907-491-3127 C		
5	Dillon, Tim	Seldovia City Official (Replaces R. Haynes) (12/31/09)	citymanager@cityofseldovia.com	Work 234-7643		
6	Holdridge, Kristine President <i>Appointed</i> 10/26/05	Soldotna Appointee (12/31/11)	k.holdridge@alaskausa.org (Replaces Brandii O'Reagan)	714-4328 W		
7	Holen, Anne Marie 01/2007	Homer City Official (12/31/09)	amholen@ci.homer.ak.us	235-8121x2246 W 235-3148 F 235-0730 H		
8	Long, Ron	Borough Official (Seward) (12/31/2010)	rlms@ptialaska.net ron@tmtalaska.com	224-5391 W 224-7068 H 224-5900 F 362-1107 C		
9	Micciche, Peter Vice President	Soldotna City Official (12/31/2010)	pmicciche@ci.soldotna.ak.us peter.a.micciche@conocophillips.com	262-6165 H 252-6759 C 918-662-5438 F		
10	Mattero, Sal <i>Secretary</i> <i>appointed</i> 07/24/2008	KPEDD Appointee (12/31/11)	smattero@acsalaska.net	283-2869 H 252-7118 C 283-2809 F		
11	Smalley, Hal	Borough Official (12/31/11) (Replaces P. Fischer)	hvsmalley@yahoo.com	283-7469 H		
12	Smith, Tom	Seward City Official (replaces Bob Valdatta) (12/31/10)	Tom.smith62@gci.net	907-224-7244 H Fax Cell		
13	Spann, Diana	KPEDD Appointee (Under/Unemployed) (Replace Blake Johnson) (12/31/12)	Diana.spann@alaska.gov	283-2957 W 283-3544 F 283-8441 H 398-2200 C		
14	VACANT	Homer Appointee (12/31/10)				
15	VACANT	Borough Official (12/31/10)				
16	VACANT	Kachemak City Official (Replace Michael Haines) (12/31/12)				

Kenai Peninsula Economic Development District
STRATEGIC PLAN
May 2008

Vision A vibrant economy and beautiful environment of the Kenai Peninsula offering families and businesses diverse opportunities for work and play.

Values -Integrity
 -Cooperation
 -Dedication

Mission To provide leadership in enhancing, fostering, and promoting responsible and sustainable economic development.

Long-Term Goal Promote continued growth of year-round, sustainable, and diversified economic development measured by:

- Success rates of start up businesses
- Taxable sales
- Real Property tax assessed values
- Per capita income
- Private sector vs. government sector employment
- Unemployment rate

Short-Term Goals 1. Revitalize the Board of Directors
2. Develop and implement a KPEDD marketing plan
3. Identify and support opportunities to ensure a skilled, local workforce
4. Keep the financial, human, and real assets of the organization fully employed
5. Seek out and support emerging entrepreneurs

Action Plan 1. Form standing Board Development Committee
2. Form temporary Marketing Committee
3. Task staff with compiling list of training/education facilities
4. a.) Establish standing Finance Committee
 b.) Staff to utilize repairman for building maintenance
 c.) No new loans until write up reviewed by board
 d.) Board to meet monthly until short-term goals met
5. a.) Task staff with marketing to and for entrepreneurs
 b.) Board members to actively market and seek entrepreneurs

KPEDD GRANT REVENUE

Grantor: **Kenai Peninsula Borough**
Project Title: **Non-Areawide KPB Economic Development**
Grant Award: \$50,000
Scope of Work: **Economic Development Planning.** Create jobs & encourage a diversified economy.
Administer Revolving Loan Fund. Provide working capital, in partnership with local financial institutions.
Provide Small Business Assistance. Promote business development in areas of the borough outside the cities and operate the Business Innovation Center

Grantor: **Economic Development Administration**
Project Title: **Economic Development Support for Planning Organizations**
Grant Award: \$59,000
Scope of Work: **1) Economic Development Planning.** Broaden & diversify economy,
2) Form & promote collaborative partnerships to achieve desired economic development,
3) Support existing economic sectors and new initiatives
4) Produce the CEDS (Community Economic Development Strategy).

Grantor: **Department of Commerce, Community and Economic Development**
Project Title: **ARDOR Program (Alaska Regional Economic Development Organization)**
Grant Award: \$51,666
Scope of Work: **Support the production of the CEDS (Community Economic Development Strategy) Document**

TOTAL: **\$160,666**

KPBorough Mid Year Report FY09

Report Period 07/01/08 – 12/31/08

<u>Scope of Work Item</u>	<u>Associated Activity</u>	
Economic Development Planning	<ul style="list-style-type: none"> • KPEDD has completed a new CEDS this fiscal year • KPEDD held a Community Opportunities Forum in October 08. • KPEDD is taking the lead on starting the Kenai Municipal Conference; bring local governments, native corporations, and business together for planning. 	<ul style="list-style-type: none"> • CEDS update completed in November, 2008 • Over 100 residents of the Borough attended • Organizational meeting held on January 6th, 2009. Follow-up Organizational meetings are planned
Administer Revolving Loan Fund	<ul style="list-style-type: none"> • EDA has issued new guidelines for administering it's revolving loan fund. • KPEDD has offered Micro loan applications to 5 separate business and EDA RLF to 5 separate individuals. 	<ul style="list-style-type: none"> • Will be attending EDA RLF meeting on new RLF Procedures • Potential loans pending
Provide Small Business Assistance	<ul style="list-style-type: none"> • Technical assistance, mentoring & coaching provided to small businesses clients on an as-needed basis • KPEDD continues to support/assistance the Kachemak Shellfish Mariculture Association • Continue to work with Business Clients in the BIC • KPEDD continues to upgrade the infrastructure for its tenants the completion of a covered walkway into the BIC 	<ul style="list-style-type: none"> • Business services provided to clients on an as-needed and as-requested basis • Building is almost complete. Next phase is opening and start Up of the facility. • The BIC is at 90% occupancy • Insulation project implemented in main building to mitigate increased energy costs

KPBorough Mid Year Report FY09 Report Period 07/01/08 – 12/31/08

<p>Assistance to KPB Mayor and/or representative</p>	<ul style="list-style-type: none"> • KPEDD provides space to our tenants for workforce development • KPEDD has taken the lead on exploring the possibilities of a Vocational Education Center 	<ul style="list-style-type: none"> • Two class-rooms are made available for training. • KPEDD has arranged several meetings with the Mayor and the Commissioner of Labor, and is in the process of a needs study.
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Certification: I certify, to the best of my knowledge and belief, the information above is correct and activities were performed in accordance with the grant agreement terms and conditions.

John Torgerson
 Person authorized to sign on behalf of the Grantee

Executive Director
 Title

January 28, 2009
 Date

KENAI PENINSULA ECONOMIC DEVELOPMENT DISTRICT, INC.
 BOARD OF DIRECTORS WORK SESSION
 March 11, 2009

DRAFT
 BUDGET
 FY-10

INCOME

Grant Admin	-
Grant Revenue	160,666
Interest -Banks	1,356
Interest -Loans	4,384
Other Income	5,000
Rental Income	46,536
TOTAL	<u>217,942</u>

EXPENSES

Professional Fees	7,200
Advertisement	500
Insurance	6,804
Maintenance	17,000
Office Expense	9,631
Forum	5,000
Payroll Expense	150,482
Travel & Subsistence/Board	3,100
Travel & Subsistence/Staff	13,000
Utilities	19,500
TOTAL	<u>232,217</u>
NET	<u><u>(14,275)</u></u>

NOTES:

Capital Expense recommendations	
BIC Arctic Entry	20,000
Accounting Software	7,301

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Kenai Peninsula Economic Development District, Inc.

BUSINESS INNOVATION CENTER

February 17, 2009

Millie Martin
Assembly President

John Torgerson, Executive Director
Kenai Peninsula
Economic Development District

Funding Request: \$87,400.00 (one-year)

Wages	\$48,000.00
Payroll Taxes	\$ 4,600.00
401(k)	\$ 4,800.00
Insurance	\$15,000.00
Other	\$15,000.00

Purpose: Hire Technical Assistant/Researcher/Economic Planner

Overview: Adding one additional staff member will allow the KPEDD the ability to track, monitor and report to the Assembly and the Administration on the following projects:

Workforce Development and Adult Vocational Education Center:

KPEDD has a lead role in facilitating the discussion between the State Department of Labor and Workforce Development and the Kenai Peninsula Borough Mayor.

In co-operation with researchers and economist within the Department of Labor and Workforce Development, KPEDD has completed a needs study producing an interactive spread sheet showing occupations and the job market for the next ten years, which are gas line jobs, and what level of education is required for each occupation.

It is our hope that this needs study will show enough support for a direct appropriation from the Department of Labor, or the Legislature for the funds necessary for a feasibility study.

Completion date of the feasibility study would be December 31st, 2009.

Pebble Mine

One of the largest mining operations in the State of Alaska's History would be the Pebble Mine, located across Cook Inlet, partially within the Kenai Borough.

This Mine is very controversial as it will test the State, Federal and Local Governments permitting processes, and their ability to protect other resources, such as the fisheries, while considering the permitting of the mine to start up operations.

If the mine proceeds, the impacts and the opportunities to the Kenai Borough will be great. KPEDD will tract, monitor and report on the status of this operation.

Alaska Natural Gas Development Authority, Alaska Gas lines Proposals, Port Authority Proposal and Enstar Bullet line Proposal:

Of great interest to our Borough residents and to our industrial base, is access to Natural Gas for the Cook Inlet Basin.

The hopes for in-state gas are engrossed within the Trans Canada and Denali Gas lines, and the ANGDA's mandate to supply the entire State with Natural gas.

Meetings are held all over the State, as well as Washington DC.

KPEDD would track monitor and report on the progress of all of these proposals.

Cook Inlet Oil and Gas Production

Work with, as needed, Conoco-Phillips, Marathon, and other oil and gas producers on the Kenai Peninsula.

Work with Rep Seaton, Senator Gary Stevens and Armstrong Oil and Gas for the delivery of gas to the Anchor Point and Homer areas.

Track, monitor and report on the progress of the jack-up rig for Cook Inlet.

West Side of the Inlet Development:

KPEDD is currently monitoring the proposed projects that might occur on the West Side of Cook Inlet. Mentioned projects are the Coal power plants, coal to gas liquidation plant, Geo-thermal energy at Mount Spur, proposed railroad spur to point Mackenzie, Export coal loading facility, and the on going logging operations.

Tyonek Native Village has partnered with industry and business companies on many of these projects.

KPEDD has agreed to partner with Tyonek Corporation to submit grants for some of the transportation needs.

Creation of the Kenai Municipal Conference:

KPEDD will prepare and file the Articles of Incorporation and the Bylaws of the Corporation. At least two public meetings, and attendance and presentations at the Assembly and City Councils should be expected prior to each Government accepting membership.

The first organization meeting has been held, and a subcommittee for the drafting of the by-laws has met and the proposed by-laws are being drafted.

Oyster Growers, Homer

Continue working with the Oyster growers on the opening of their new retail and wholesale plant on the Homer Spit. The group continues to have funding issues for the start up of the facility.

Economic Stimulus Program

Review and prepare appropriate grant programs that would be available to the Kenai Peninsula

Situation and Prospects:

Funding Request: \$75,000.00 (one year)

Purpose: Hire technical personnel to prepare the Situation and Prospect:

Overview:

Prepare this annual document of statistical information to report the economic conditions and trends with the Kenai Peninsula Borough. This information is heavily supported by and in co-operation with the Kenai Borough, the Cities, business operating within our Borough, as well as the State and Federal agencies.