

# 2018 Homer Back to School Update

Tim Dillon, Executive Director

[www.kpedd.org](http://www.kpedd.org)

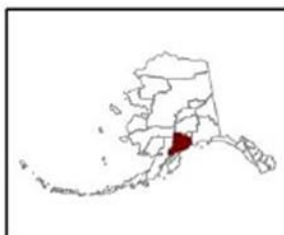
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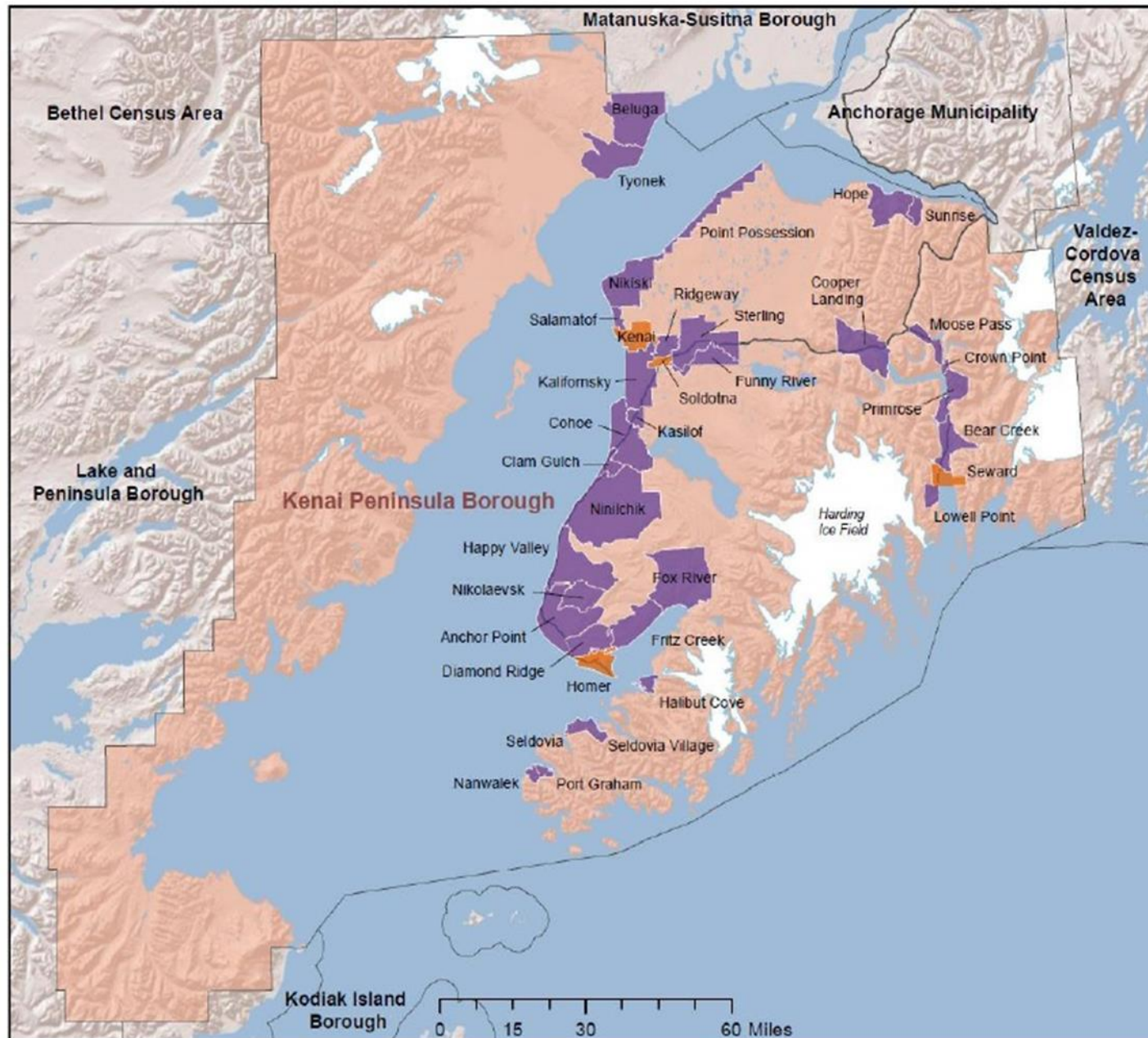
*Leadership to  
Foster, Enhance and  
Promote Economic  
Development*



# Kenai Peninsula Borough



Map Prepared by:  
Alaska Department of Labor  
& Workforce Development  
  
September 2011  
  
Source: US Census  
2010 TIGERline





K.P.E.D.D. - 501C(4)

# Non-Profit Regional Economic Development Organization

## Funding Sources

- Kenai Peninsula Borough
- US Dept. Commerce - Economic Development Administration
- Business Incubation Center





# Kenai Peninsula Opportunities 501 (C) (3)

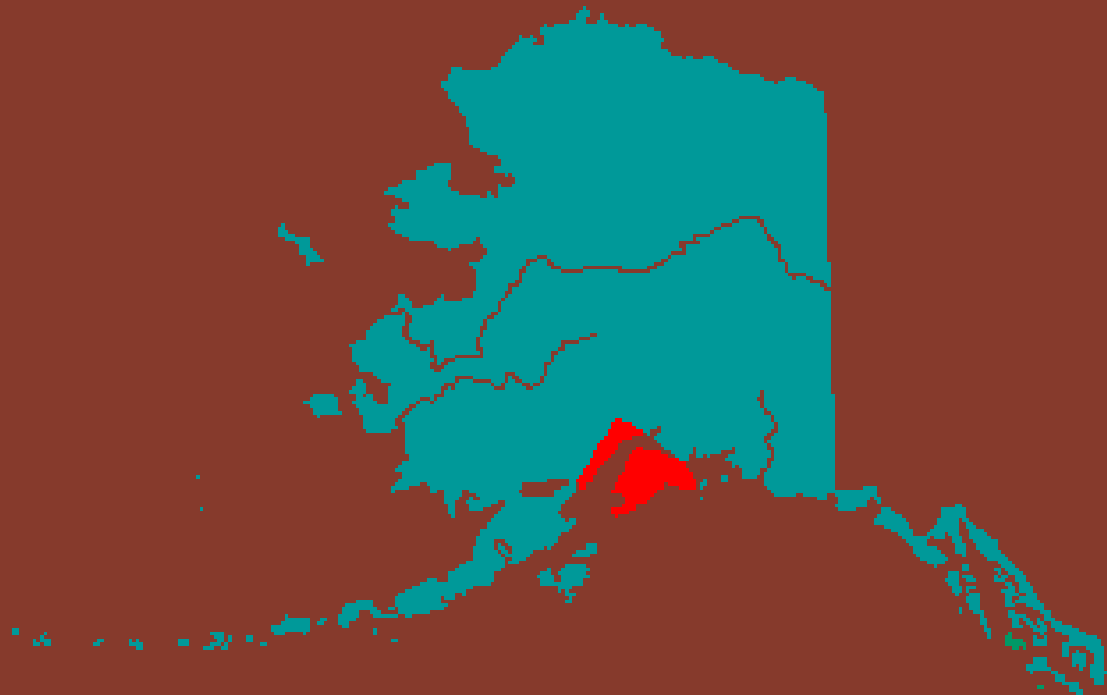
Grant Support  
for KPCA

Community  
Events



# Vision for Economic Stability and Growth

Kenai Peninsula Borough



Regional Partnerships

Infrastructure & Technology

Workforce & Human Capital

Business Climate &  
Entrepreneurship

Quality of Place

Knowledge Creation &  
Dissemination



# Projects, Programs & Partnerships

- Alaska LNG – Public Comment, Foreign Investors, Yamal Facility Tour
- AGDC Meetings – Russia, Community Meetings
- PRL Logistics - Blimps
- Kenai Peninsula Borough Land Management - Land Identified for Agricultural Use
- Homer Harbor Commission – Boat Haul Out
- 2019 Industry Outlook Forum - Homer
- Nutrien Fertilizer Plant (Agrium)
- Comprehensive Economic Development Strategies
- Kenai Peninsula Regional Airport Authority
- Student Training Program – KPEDD & EXCEL
- BR&E Disaster Planning Survey
- Presentations to Assembly, Councils, Chambers & Community Groups
- 2018 Industry Appreciation Day
- Outreach





Economic Overview  
Kenai Peninsula Borough, Alaska

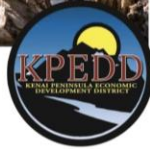


2<sup>nd</sup> Q  
Release D

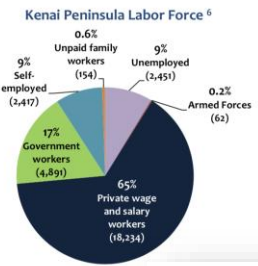
## 2018 Kenai Peninsula Situations & Prospects Report



Kenai Peninsula Economic Development District  
www.kpedd.org (907) 283-3335



	2017	2016
Population	56,024	58,049
No. of Permanent Fund Dividends <sup>1</sup>	52,127	51,418
PK-12 <sup>3</sup> Grade School Enrollment (all KPB schools, 2017/2018) <sup>3</sup>	9,027	9,141
<b>Housing</b>		
Number of Housing Units <sup>4</sup>	30,752	30,671
Number of Occupied Housing Units <sup>4</sup>	21,481	21,485
Median Value of Owner-Occupied Units <sup>4</sup>	\$229,200	\$219,100
Median Monthly Rent (includes utilities) <sup>5</sup>	\$987	\$992
<b>Income</b>		
Number of Households <sup>5</sup>	21,481	21,485
Median Household Income <sup>5</sup>	\$64,891	\$63,684
Mean Household Income <sup>5</sup>	\$80,661	\$78,318
Number of Households that Received: <sup>5</sup>		
Public Assistance / SNAP-Food Stamps	1,349 / 1,854	1,334 / 1,938
Number of Families <sup>5</sup>	13,701	13,746
Median Family Income <sup>5</sup>	\$82,242	\$78,668
Mean Family Income <sup>5</sup>	\$92,886	\$91,684
Per Capita Personal Income <sup>11</sup>	\$50,691	\$52,639



### The Kenai Peni

- During 2017, business sale Peninsula Borough total was up 6% compared to 2 two-year cycle of decline.
- Total wages to Kenai Pen dropped again between 2015 and 2017. The decline in total v about 5% since 2015 on th Anchorage, and statewide
- The cities of Seward and Kenai are two of the top 50 US ports for commercial fish volume
- While only about 8% of Alaska's population lives on the Peninsula, local residents are success who regularly land 14-15% of all pounds of commercial fish harvested by Alaskans, and earn commercial fishing gross earnings that Alaska residents make.<sup>10</sup>
- 776 homes sold in KPB in 2017 through the help of a realtor. The average sales price was \$2 number sold was flat but the average price increased 3% compared to 2016.<sup>12</sup>
- In 2017, marijuana cultivators on the Peninsula paid \$1.1 million in excise taxes to the state; months of 2018 the total paid was \$718,000. The \$170,300 in excise taxes that Peninsula cu the state in May 2018 is estimated to exceed \$1 million in retail sale, using reasonable assu

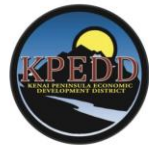
### KENAI PENINSULA BOROUGH TAX INFORMATION <sup>14</sup>

	Year	2017		2016	
		Rate	2017	Rate	2016
Sales Tax	Rate	3% Borough-wide			
	Tax Revenue to Borough	\$30,479,542	\$30,103,266		
	Mill Rate	4.5 mill Borough-wide			
Property Tax	Assessed Value (real & personal)	\$6,701,525,060	\$6,347,431,479	\$6,701,525,060	\$6,347,431,479
	Assessed Value (oil & gas)	\$1,468,599,690	\$1,415,096,180	\$1,468,599,690	\$1,415,096,180
	Tax Revenue to Borough	\$66,546,525	\$62,078,842	\$66,546,525	\$62,078,842

## Kenai Peninsula Borough Comprehensive Economic Development Strategy 2018

Kenai Peninsula Economic Development District

In Partnership with the University of Alaska Center for Economic Development





# 2018 2<sup>nd</sup> Quarter Report



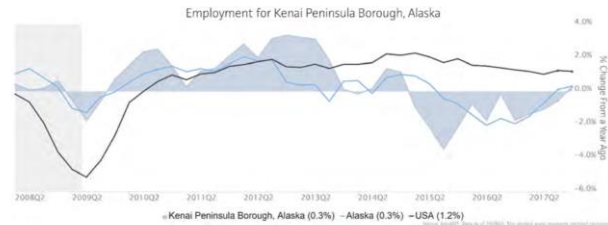
## Economic Overview Kenai Peninsula Borough, Alaska



2<sup>nd</sup> Quarter, 2018  
Release Date July 17, 2018

## Employment Trends

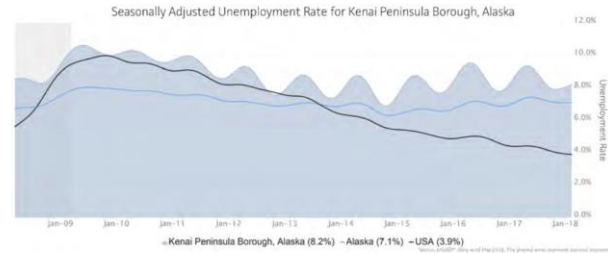
As of 2018Q1, total employment for Kenai Peninsula Borough, Alaska was 22,442 (based on a four-quarter moving average). Over the year ending 2018Q1, employment increased 0.3% in the region.



Employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2017Q3 with preliminary estimates updated to 2018Q1.

## Unemployment Rate

The seasonally adjusted unemployment rate for Kenai Peninsula Borough, Alaska was 8.2% as of May 2018. The regional unemployment rate was higher than the national rate of 3.9%. One year earlier, in May 2017, the unemployment rate in Kenai Peninsula Borough, Alaska was 8.8%.



Unemployment rate data are from the Local Area Unemployment Statistics, provided by the Bureau of Labor Statistics and updated through May 2018.

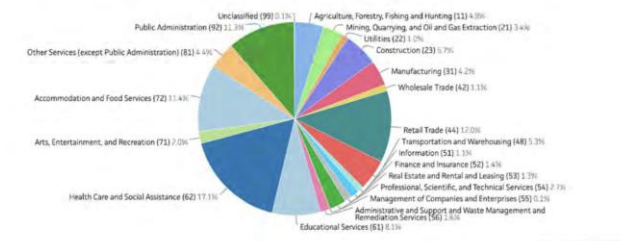
Source: JobsEQ®, <http://www.chmuraecon.com/jobseq>  
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## Industry Snapshot

The largest sector in Kenai Peninsula Borough, Alaska is Health Care and Social Assistance, employing 3,839 workers. The next-largest sectors in the region are Retail Trade (2,682 workers) and Accommodation and Food Services (2,548). High location quotients (LQs) indicate sectors in which a region has high concentrations of employment compared to the national average. The sectors with the largest LQs in the region are Mining, Quarrying, and Oil and Gas Extraction (LQ = 8.04), Agriculture, Forestry, Fishing and Hunting (3.50), and Public Administration (2.39).

Total Workers for Kenai Peninsula Borough, Alaska by Industry



Employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2017Q3 with preliminary estimates updated to 2018Q1.

Sectors in Kenai Peninsula Borough, Alaska with the highest average wages per worker are Mining, Quarrying, and Oil and Gas Extraction (\$113,303), Utilities (\$108,121), and Management of Companies and Enterprises (\$71,622). Regional sectors with the best job growth (or most moderate job losses) over the last 5 years are Health Care and Social Assistance (+250 jobs), Accommodation and Food Services (+130), and Agriculture, Forestry, Fishing and Hunting (+123).

Over the next 1 year, employment in Kenai Peninsula Borough, Alaska is projected to expand by 168 jobs. The fastest growing sector in the region is expected to be Mining, Quarrying, and Oil and Gas Extraction with a +1.9% year-over-year rate of growth. The strongest forecast by number of jobs over this period is expected for Health Care and Social Assistance (+71 jobs), Educational Services (+17), and Mining, Quarrying, and Oil and Gas Extraction (+15).

Source: JobsEQ®, <http://www.chmuraecon.com/jobseq>  
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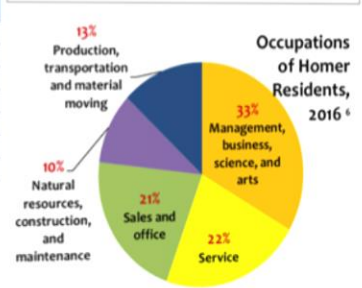
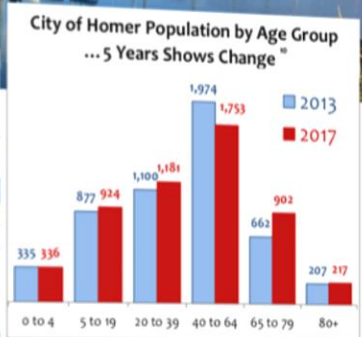




# 2018 Homer Report



Population	2017	2016
Population <sup>1</sup>	5,313	5,252
Permanent Fund Dividends (zip code 99603, which includes Homer, Halibut Cove, Kachemak, Fox River, Nanwalek, Port Graham, Fritz Creek, Diamond Ridge, Miller Landing) <sup>2</sup>	9,379	8,956
PK-12 <sup>th</sup> Grade School Enrollment (all borough schools in Homer, as of Oct 1) <sup>3</sup>	1,223	1,215
Housing <sup>4</sup>		
Total Housing Units	2,119	2,800
Occupied Housing Units	1,998	2,149
Median Value of Owner-Occupied Units	\$269,200	\$264,100
Median Monthly Gross Rent (For Renters)	\$970	\$932
Income <sup>5</sup>		
Total Households	2,149	2,090
Median Household Income	\$57,471	\$55,849
Mean Household Income	\$75,193	\$74,523
Total Families	1,316	1,254
Median Family Income	\$74,904	\$75,000
Mean Family Income	\$92,834	\$91,996
Per Capita Income	\$31,899	\$30,664



## Homer...

- Homer is a commercial fishing town. Homer residents, who account for less than 1/10<sup>th</sup> of a percent of Alaska's population, harvested 8% of the commercial fish pounds hauled in by Alaskan residents in 2016. 476 Homer residents landed 78 million pounds of fish in Alaska and earned an estimated gross of \$66 million in 2016.<sup>9</sup>
- Demand for houses in Homer was high in 2017. In 2017, the average sales price of a home in Homer was \$269,389, up close to 10% from 2016. 78 homes sold with the help of an agent in Homer in 2017, that's 34 more than in 2016. The number of days on the market dropped from 276 to 156.<sup>7</sup>
- Homer led in new home construction again. The number of new homes constructed in peninsula cities dropped by 15% (from 103 in 2016 to 88) in 2017. However, over half of those built were in Homer including 51 new homes (one tri-plex, 2 duplexes, and the rest were single family).<sup>8</sup>

Sources: 1 - ADOLWD, Population Estm; 2 - AK Dept. of Revenue; 3 - AK Dept of Education; 4, 5, 6 - US Census, ACS 2011-2015 and 2012-2016 5-year estimate; 7 - MLS c/o Redoubt Realty; 8 - AHFC/ADOLWD Housing Market Indicators; 9 - CFC; 10 - ADOLWD Pop By Age & Sex 2010-2017; 11 - Alaska Taxable reports; Photo courtesy of City of Homer

**GROSS BUSINESS SALES IN CITY OF HOMER**

Business Type	2017	2016	2013	1-Year Change (2016-2017)	5-Year Change (2013-2017)
<b>GRAND TOTAL</b>	<b>\$410,790,439</b>	<b>\$411,826,548</b>	<b>\$436,004,144</b>	<b>-\$1,036,109</b>	<b>-\$25,213,705</b>
1. Retail Trade	\$154,635,479	\$154,208,738	\$162,592,958	\$426,741	-\$7,957,479
2. Transportation, Warehousing	\$35,081,095	\$35,535,360	\$15,987,715	-\$454,265	\$19,093,380
3. Construction Contracting	\$32,370,893	\$29,289,000	\$39,967,523	\$3,081,893	-\$7,596,630
4. Services	\$28,821,102	\$25,547,463	\$24,813,277	\$3,273,639	\$4,007,825
5. Wholesale Trade	\$23,350,137	\$24,787,520	\$25,956,466	-\$1,437,383	-\$2,606,329
6. Restaurant/Bar	\$22,004,605	\$21,340,434	\$17,228,696	\$664,171	\$4,775,909
7. Hotel/Motel/B&B	\$17,596,065	\$17,609,323	\$14,419,305	-\$13,258	\$3,176,760
8. Utilities	\$14,987,997	\$13,829,523	\$49,357,700	\$1,158,474	-\$34,369,703
9. Rental Residential Prop	\$13,373,970	\$13,496,090	\$11,618,740	-\$122,120	\$1,755,230
10. Manufacturing	\$13,075,052	\$5,494,729	\$7,660,387	\$7,580,323	\$5,414,665
11. Guiding Water	\$12,550,040	\$11,951,000	\$11,353,487	\$599,040	\$1,196,553
12. Public Admin	\$8,649,251	\$8,820,467	\$5,264,625	-\$171,216	\$3,384,626
13. Prof, Scientific, Tech Svs	\$7,917,671	\$10,054,624	\$10,097,314	-\$2,136,953	-\$2,179,643
14. Health Care, Social Asst	\$5,290,158	\$4,477,232	\$5,376,320	\$812,926	-\$86,162
15. Information	\$5,219,786	\$5,914,410	\$6,735,161	-\$694,624	-\$1,515,375
16. Admin, Waste Mgmt	\$3,356,225	\$18,576,000	\$17,430,482	-\$15,219,775	-\$14,074,257
17. Arts + Entertainment	\$2,256,642	\$1,529,000	\$1,237,686	\$727,642	\$1,018,956
18. Rental Self-storage + Mini-warehouses	\$2,084,258	\$2,568,431	\$2,659,297	-\$484,173	-\$575,039
19. Rental Comm. Prop	\$2,003,968	\$1,260,066	\$934,614	\$743,902	\$1,069,354
20. Telecommunications	\$1,747,914	\$1,666,679	\$1,676,915	\$81,235	\$70,999
21. Rental Non-Res. Prop	\$1,693,335	\$1,516,571	\$1,181,063	\$176,764	\$512,272
22. Rental Personal Prop	\$918,522	\$968,711	\$874,832	-\$50,189	\$43,690
23. Ag. Forestry, Fishing, Hunt.	\$601,104	\$551,000	\$209,226	\$50,104	\$391,878
24. Educational Svs	\$469,503	\$282,000	\$273,694	\$187,503	\$195,809
25. Guiding Land	\$351,600	\$255,000	\$446,368	\$96,600	-\$94,768
26. Remediation Svs	\$216,679	\$188,501	\$516,259	\$28,178	-\$299,580
27. Finance + Insurance	\$127,298	\$108,000	\$98,911	\$19,298	\$28,387
28. Other	\$40,090				

Source: Kenai Peninsula Borough Finance Dept.  
NOTES: Part of 2016-2017 increase in Arts & Entertainment, Services, and Educational Services due to 2017 code change that requires more nonprofits to report sales, also new businesses in Education Services; decline in Admin & Waste Mgmt due to business closures; in Professional & Scientific part of 2017 decline is due to a 2015-2016 sales jump that was linked to government construction jobs those years.

**CITY OF HOMER TAX INFORMATION, 2017 <sup>11</sup>**

Sales Tax	Rate	Year			
		2017	2016	2013	
		City = 4.5%	Borough = 3%	Total in Homer = 7.5%	
		Tax Revenue to City (from city's 4.5%)	\$7,674,256	\$7,533,680	\$7,031,120
Property Tax	Rate	11.3 mill Total (includes 4.5 mill to boro + 4.5 mill to city + 2.3 mill to hospital)			
	Assessed Value (real + personal property)	\$759,641,672	\$699,797,998	\$644,259,434	
	Assessed Value (oil + gas property)	\$4,384,620	\$0	\$0	
		Tax Revenue to City	\$3,101,669	\$2,993,841	\$3,062,995



# Microloan Program



*Leadership to enhance, foster  
and promote economic development*

## Micro Loan Program Application

Kenai Peninsula Economic Development District, Inc. 14896 Kenai Spur Highway, Suite 103-A, Kenai, Alaska 99611-7014  
Phone: (907) 283-3335 Fax: (907) 283-3813 [www.kpedd.org](http://www.kpedd.org)  
Last updated: 12/2002

## KENAI PENINSULA ECONOMIC DEVELOPMENT DISTRICT, INC.

### KPEDD MICROLOAN PROGRAM

*Purpose: The intent of the program is to provide financing for small businesses for which other types of financing might not be available. This program is designed to identify the needs of applicants when traditional funding sources have been denied and help applicants become viable candidates for traditional commercial lending. The intent is not for hobbyists or other personal use. Loans from this program should help new and existing business create jobs, expand services, or operational capabilities that enhance, foster and promote responsible economic development, which is the mission of this organization.*

#### Who is Eligible?

##### Potential Borrowers Include:

Minority, Woman and Veteran owned businesses, and/or businesses located on the Kenai Peninsula Borough.

#### Loan Features:

- \* Loan amounts of \$2,500 - \$25,000
- \* 3- 4 year term – Fully amortized
- \* Collateral is required
- \* Interest Rate based on Wall Street Journal prime + 4.00%
- \* \$50 processing fee – deducted from loan proceeds.
- \* Annual servicing contribution will be required for all loans.
- \* Borrowers will pay all closing costs (filing fees, credit reports fees, titling fees, title insurance, etc) at closing.
- \* No prepayment penalty – 10-day payoff notification required.
- \* All borrowers with over 50% ownership must certify that they are not more than 60 days delinquent with regard to income tax and child support payments.
- \* Borrowers should inject a minimum of 10% equity (non-borrowed) investment into the business or project.
- \* Owners with 51% interest will be required to personally guarantee the loan.
- \* Technical Assistance Included

#### Eligibility Requirements:

Business must be physically located in the Kenai Peninsula Borough  
Business must be for-profit.  
Start-up businesses allowed.  
Loan proceeds for business acquisition not allowed  
Loan proceeds for businesses, which have defaulted on any Federal financing

#### Eligible Business:

Financial businesses primarily engaged in lending  
Insurance Companies  
Businesses engaged in liquidation or multi-level marketing plans.  
Businesses engaged in gambling activities.  
Businesses which limit the number of members for any reason other than capacity  
Government owned entities (except for businesses owned or controlled by a Native American Tribe).  
Consumer and marketing cooperatives  
Businesses with an applicant or co-applicant who have been convicted of a felony (exceptions may be made to this but must have strong and reasonable justification).  
Businesses which present live performances of prurient sexual nature; or the sale of products or services, or the presentation of any depictions or displays, of a prurient nature.  
Businesses engaged in political or lobbying activities.  
Businesses in which any of the following parties have an equity interest:  
Board Members of the KPEDD; Employees of KPEDD; Any of the relatives, by blood or marriage, of the employees of the KPEDD and members of the Finance Committee.

#### Application Process:

Completed application submitted by applicant.  
Business plan outline with an explanation of the purpose of the loan.  
Personal financial statements for applicants.  
Years of personal tax returns for all participants.  
Names for all owners and management  
3-5 years of business tax returns and financial statements (if applicable).  
Current interim financial statement for the business.  
Copy of licenses and permits  
Documents establishing authority (Articles of Incorporation, Articles of Organization, Partnership Agreement, etc.).  
Funding occurs once all executed documents are received.



# Workforce Development

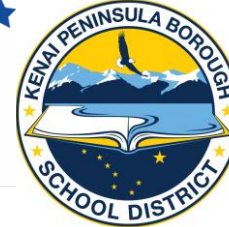
## WORKFORCE LUNCHEON PARTICIPANTS

KPEDD & EXCEL ALASKA

AUGUST 29<sup>th</sup>, 2018



NAME	AFFILIATION	TITLE
Joseph Thornton	Kenai College – Upstream Academy	Training & Conference Coordinator
Sean Dusek	KPBSD	Superintendent of Schools
Cathy LeCompte	AVTEC Technical Center	Director
Marnie Olcott	Challenger Center	CEO
Michelle Blackwell	Senator Murkowski's Office	Representative
Jacelle Zoubek	Dept. Labor & Workforce Development	Career Support & Training Services Supervisor
Alex Douthit	Kenai Peninsula Driving Instruction	Owner
Hal Smalley	Kenai Peninsula Borough & KPEDD	Assembly & Board Member
Mike Gallagher	Alaska Petroleum Academy	Owner
Charlie Pierce	Kenai Peninsula Borough	Mayor
John Quick	Kenai Peninsula Borough	Chief of Staff
Dawn Nelson	Kenaitze Indian Tribe	Interim Director
Tiffany Blanchard	Wells Fargo	Representative
Kathy Dunn	Alaska LNG Project	Director of Communications
Bob Hammer	Kenai Peninsula Construction Academy	Executive Director







# Industry Outlook Forum

January 9<sup>th</sup>, 2019 - Homer





Thank You

Tim Dillon, Executive Director

[tim@kpedd.org](mailto:tim@kpedd.org)

907-242-9709

