

# DRAFT PROGRAM OVERVIEW

The City of Homer's Economic Development Commission (EDC) conducted its first Business Retention & Expansion survey in 2017 with the intent to

- develop and encourage communication with local businesses;
- obtain business owners' perspectives and ideas on Homer's business environment;
- identify business needs and concerns that may be addressed by the City;
- develop strategies and actions that will continue to support small business retention and expansion.

The EDC's BR&E initiative was motivated by the fact that local business' commitment to community and the jobs they create are critical components of a strong economy. Working with existing businesses is also an effective way to foster economic growth. Studies show that up to 76% of job growth and local economic investment comes from existing businesses, especially in rural areas.

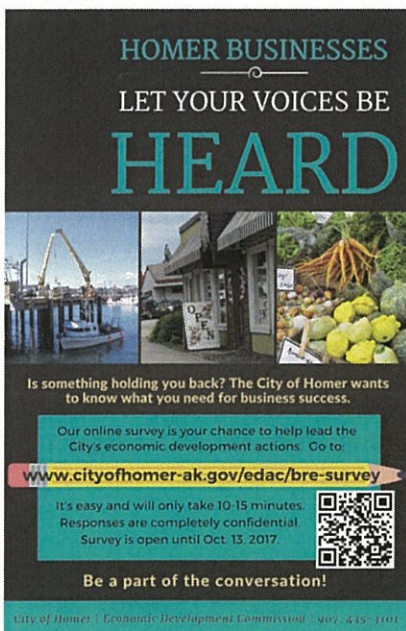
## METHODOLOGY

The EDC developed the BR&E survey in the spring of 2017 after a review of online resources and with guidance from the Kenai Peninsula Economic Development District who had recently conducted a State-initiated BRE survey within the Kenai Peninsula Borough.

The EDC launched its 54-question survey on July 1, 2017 using an online Google Form survey platform. The survey period ended October 13, 2017. Paper copies of the survey were also available; the responses from paper surveys were entered manually into the Google survey form by EDC staff. A copy of the complete BR&E survey is provided in Appendix 1.

To promote the survey and gather broad business representation, postcard advertisements went out to 1,680 area business license and commercial fishing permit holders.

Notices with a QR code link were displayed at City of Homer reception areas (City Clerks, City Hall Main Desk, Port & Harbor Office and Public Library) and on the City of Homer Website.



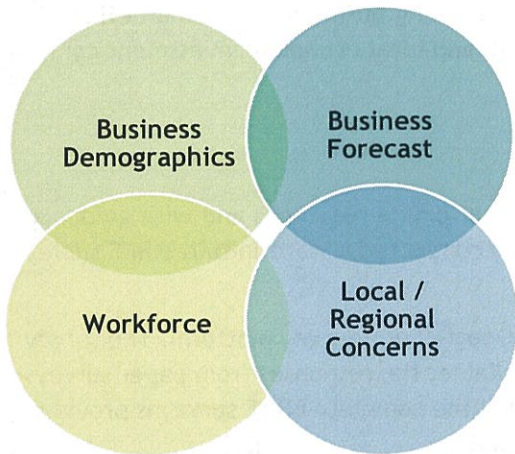
EDC Commissioners personally reached out to area businesses, distributed fliers to local businesses and bulletin boards and outreached to Rotary Clubs, the Homer Chamber of Commerce, Farm Bureau, Farmers Market, Board of Realtors, the Homer Marine Trades Association, National Pacific Fisherman's Association, the Health & Wellness Coalition and Bed and Breakfast Association. The BR&E effort was also featured in the Homer News and Tribune, and on KBBI and the Radio Realty radio program.

112 BR&E surveys were completed. Twenty-two respondents (21%) requested a follow-up interview. While the response rate (at 7%) is too small a sample size to draw comprehensive conclusions about the local business environment, the information provides good input to start building our local understanding, serves as an indicator of some business concerns and a basis for directions the EDC can pursue.

# EXECUTIVE SUMMARY

95% of the businesses that responded to the survey are locally owned and operated, with 80.4% located within City limits. While the EDC outreached to all business-license holders, and received feedback from 14 major industry types, 43% of respondents came from within the retail, tourism and arts & entertainment sectors. Some businesses reported they work across a couple industry categories, leading to 181 industries listed.

## Report Summarized in 4 KEY AREAS:



87.5% of survey respondents originally started their business in Homer. Quality of life and proximity to home topped the chart as the primary reasons respondents started or have kept their business in Homer, each mentioned by 54% of the respondents. Homer's recreational and entertainment opportunities were named by 29% of respondents, followed by quality of schools and to be near extended family each at 11%. This indicates that people started and continue their businesses in Homer because it is a place they are attracted to as a place to live.

Only 12% of respondents said they moved their already established business to Homer -- on average 17 years ago and for many of the same reasons businesses started up in Homer, quality of life.

Of the businesses responding, 75% utilize help to operate their business, primarily employees on payroll and casual laborers. The vast majority of employers report hiring one to three full-time, part-time and/or seasonal employees.

**Overall, 65% of respondents rated Homer as either a good or excellent place to do business. 91% rated Homer as either a good or excellent place to live.**

Survey responses indicate that businesses activity has been increasing. When asked to gauge change over the past three years, half the respondents reported increased numbers of customers and total revenues, with a quarter reporting no change and 18% reporting decreases. 40% reported an increase in profits in those three years. Businesses also reported a very slight increase overall in the number of employees in those three years.

Workforce issues emerged as a challenge for most businesses. 83% of businesses utilizing labor reported recruitment challenges, with poor work attitudes and inadequate labor skills rating the highest. While fewer survey-takers reported retention challenges (53%), the highest ranking retention challenge matches recruitment challenge: poor work attitudes among labor force. Many of the employers responding to the survey indicated a need for a larger pool of a better trained and more highly skilled local workforce and cited difficulty in finding and hiring professionals with highly specialized skills.

Knowing what contributes to the overall perceptions of a community's business climate, as well as other factors that could impact business retention and expansion are very important. They provide guidance for the City in both long-term planning and specific actions. To get at these perceptions, the survey asked a number of open-ended questions. Although the BR&E survey sample size was but a small representation of the entire Homer-area business community, responses to these questions show areas that the City and other government and business organizations might want to address as a starting place.

Broad themes were based on the assumption that the more frequently an answer came up, the more value it had to this group of respondents. Findings are summarized the following three graphs. Less frequent responses and insights gained during interviews were included in the EDC's discussions as well, leading to an initial list of topics the EDC proposes to begin their work to address business retention and expansion concerns.

**MOST MENTIONED IDEAS TO IMPROVE BUSINESS CLIMATE/QUALITY OF LIFE IN HOMER:**

10X	Walkable town with greenspace	•pedestrian-accessible town with trail connected business districts
7X	Town Appearance	•kept-up appearance, cleanliness and storefronts
7X	Environmental Efforts	•protect land and water resources; develop alternative energy

**MOST MENTIONED IDEAS TO MAKE IT EASIER TO EXPAND OR KEEP BUSINESS IN HOMER:**

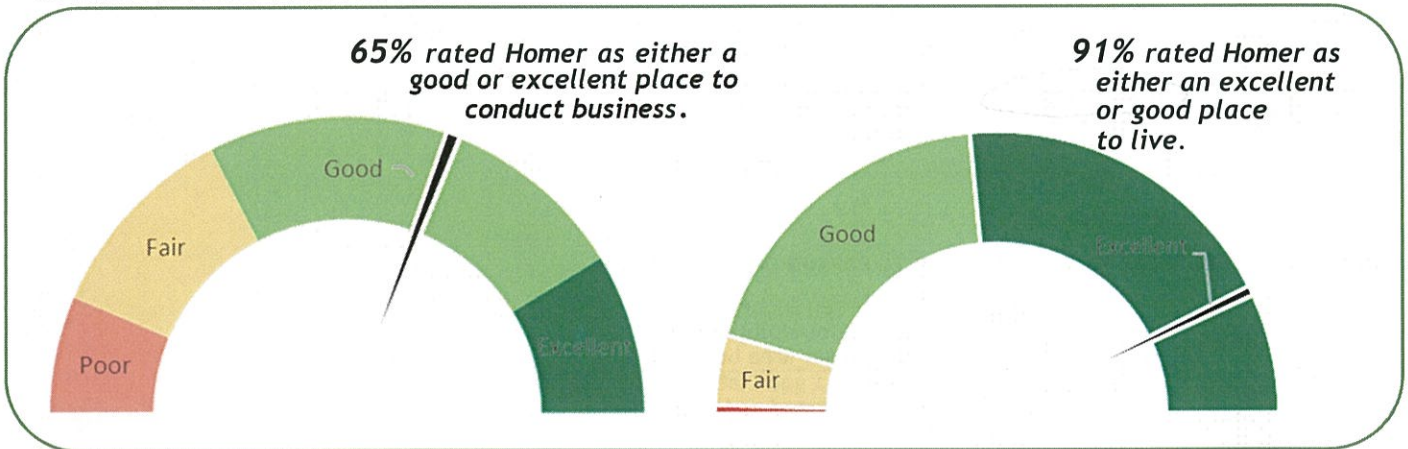
10X	Less or Stable Taxes	•Tax burden topped a longer list of affordability factors that impact area businesses.
10X	Good Labor Pool	•Access to a good labor supply was mentioned as frequently as tax rates.
7X	Pro-business City policies	•Take into account the implications of ordinances and policies for business.

**MOST MENTIONED SUGGESTIONS FOR CITY OF HOMER INFRASTRUCTURE & SERVICES:**

7X	Keep boat/marine business in Homer	•affordable harbor; large vessel harbor & haul out; fish processing incentives.
7X	Improve or Control Gov't Regulation	•better sign ordinance, building codes for safety & appearance; consistent enforcement.
7X	Road quality & infrastructure	•variety, including more paved roads, intersection sight lines & crosswalks; paved Spit parking.

# HIGHLIGHTS

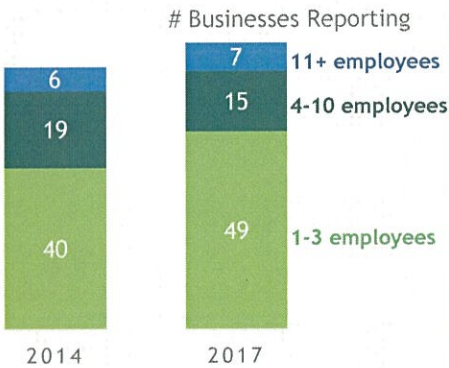
## SATISFACTION WITH HOMER



## WORKFORCE

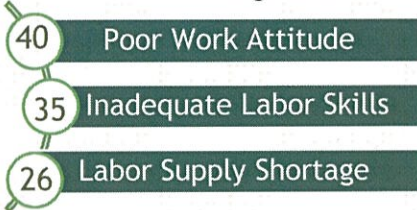
### STABLE HIRING

From the data collected, hiring has been relatively stable over last three years.



73% reported challenges with recruiting employees for positions.

### TOP recruiting issues:



## LOCAL ISSUES - WHAT WE HEARD

1. Maintaining the quality of life elements in Homer that attract residents, especially young families as well as visitors is important to improving the business climate.
2. Keeping the cost of doing business down, including limiting tax burden, improving the quality of the local workforce and access to a skilled labor increase the odds that local businesses will succeed.
3. Local government needs to have the reputation of responding to local business needs through review of zoning, sign ordinance, and other regulations (while keeping safety, town appearance and quality of life elements in the balance). Consistent enforcement also helps business.
4. Infrastructure to support our economy includes an affordable harbor with expanded infrastructure to support marine industry, including shipping, a large vessel haul-out and harbor. Road infrastructure and traffic planning is also important.

## BUSINESS FORECAST

### Over Past Three Years:

