

# 2023 UPDATE

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## Comprehensive Economic Development Strategy



**KENAI PENINSULA ECONOMIC  
DEVELOPMENT DISTRICT**

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

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

# Executive Summary

The Kenai Peninsula Economic Development District (KPEDD), in partnership with the University of Alaska Center for Economic Development (UAA CED); Economic Development Administration (EDA); Kenai Peninsula Borough; incorporated and unincorporated communities; Tribes; industry leaders; non-profit resource providers; and residents, develops the Comprehensive Economic Development Strategy (CEDS) every five years to provide strategic direction for the economic development of the region. Annual updates provide essential progress updates, insight into the changing economic landscape of the region, efforts to meet identified goals, and incorporate new partners and their respective roles. This plan also seeks to unite regional efforts, mitigating redundancies and waste.

The 2023 annual update incorporates and summarizes the major components of the 2021 full CEDS plan, and focuses on adjustments to the initial strategy, reports on economic development activities, identifies goals for the upcoming fiscal year, and ranks investment priorities in the region – all through the lens of economic resiliency.

For a copy of the full 2021 report – which includes data on the geography and climate, human capital, cost of living, quality of life indicators, infrastructure and transportation; an expanded SWOT analysis by industry, infrastructure, and human capital; resiliency threats and action plan; goals, and business survey results – please visit our website at [www.kpedd.org](http://www.kpedd.org)



**The CEDS plan encompasses an economically, geographically, and culturally diverse region, incorporating the projects and ideas of our communities. This plan is critical to the strategic and sustainable growth of the Kenai Peninsula Borough.**

**Tim Dillon, Executive Director**



# Introduction

## Kenai Peninsula Economic Development District Overview

The Kenai Peninsula Economic Development District (KPEDD) is a 501(c)(4) non-profit regional economic development organization. Established in 1988, KPEDD serves the residents and communities of the Kenai Peninsula Borough (KPB) in Southcentral Alaska.

As the first federal Economic Development District designated in Alaska, as well as the first Alaska Regional Development Organization or ARDOR, KPEDD has actively pursued development opportunities for the region. Over its lifetime, KPEDD has been involved in a variety of projects including public works advocacy, shellfish industry development, international trade, promotion of a North Slope Natural Gas Pipeline to Cook Inlet, building infrastructure, industry recruitment, and business retention and expansion (BR&E).

KPEDD, with funding provided by the KPB and U.S. Economic Development Administration, compiles and publishes the Kenai Peninsula Borough Comprehensive Economic Development Strategy (CEDS), and this document represents the most recent update, replacing the previous 2016 document.

## CEDS Strategy Committee

The KPEDD staff and the University of Alaska Center for Economic Development (UA CED) conducted the CEDS process, under the general direction and guidance of the KPEDD Board of Directors. The board consisted of the following individuals:

### Current KPEDD Board Members:

- Rusty Swan (President), KPB At Large
- Liz DeMoss, (Vice President) City of Seward
- Chris Hough (Secretary), KPB At Large
- Karin Marks (Treasurer), Homer
- Todd Smith, Kenai;
- Bruce Richards, Soldotna
- John Czarnezki, City of Soldotna;
- Brad Anderson, Homer;
- Jan Yaeger, City of Seldovia;
- Sara Bieber, City of Kenai;
- Jeff Hetrick, Seward;
- Randi Broyles, City of Kenai
- Tim Redder, KPB At Large; and,
- Tyson Cox, City of Soldotna.

### KPEDD Staff:

- Tim Dillon, Executive Director;
- Cassidi Cameron, Special Projects Manager
- Caitlin Coreson, Program Manager; and
- Abby Dial, Research Assistant.



# Our Process

KPEDD's CEDS was developed in accordance with the U.S. Economic Development Administration's guidelines, with Executive Director Tim Dillon overseeing its completion. UAA CED conducted the initial plan's background research, coordination of public process, facilitation and creation of the action plan, and drafting of the document itself. Wherever possible and practical, the Executive Director and Board members participated in community forums and industry focus groups and provided extensive feedback and input on various drafts of the document.

The relationship with the UAA CED began in Fall 2020, with work continuing into the winter and then the final draft and publication occurred spring of 2021. Subsequent annual updates were created in house, documenting milestones, implementation, and additional key partnership created during the period. Key milestones in the CEDS outreach include:

|                 |                           |                    |                                    |
|-----------------|---------------------------|--------------------|------------------------------------|
| July 1, 2022    | Homer Chamber             | August 23, 2022    | Broadband Outreach                 |
| July 5, 2022    | Nikiski Senior Center     | August 24, 2022    | Borough Assembly                   |
| July 6, 2022    | Kenai Chamber             | August 25, 2022    | City of Soldotna                   |
| July 7, 2022    | Homer Legislative Update  | August 31, 2022    | City of Seward                     |
| July 8, 2022    | Broadband Taskforce       | September 6, 2022  | Homer Transportation & Housing     |
| July 12, 2022   | Kenai Peninsula College   | September 13, 2022 | Borough Assembly                   |
| July 15, 2022   | Seward Chamber            | September 21, 2022 | Southeast Conference               |
| July 22, 2022   | The Alliance              | September 29, 2022 | Alaska Travel Industry Alliance    |
| July 25, 2022   | Homer Transportation      | October 11, 2022   | Regional Transportation            |
| July 27, 2022   | City of Soldotna          | October 19, 2022   | Alaska Travel industry Alliance    |
| August 1, 2022  | Broadband Taskforce       | October 21, 2022   | City of Seward                     |
| August 3, 2022  | Alaska Regional Dev. Org. | October 24, 2022   | U.S. Census Bureau                 |
| August 4, 2022  | City Managers             | November 2, 2022   | City of Homer                      |
| August 10, 2022 | Alaska Municipal League   | November 14, 2022  | Resource Development Council       |
| August 17, 2022 | AK LNG                    | November 28, 2022  | Homer Chamber                      |
| August 19, 2022 | Community of Sterling     | December 7, 2022   | City of Seward                     |
| August 22, 2022 | Broadband Outreach        | December 8, 2022   | Alaska Municipal League            |
|                 |                           | January 5, 2023    | Coastal Caucus                     |
|                 |                           | January 11, 2023   | Industry Outlook Forum             |
|                 |                           | January 12, 2023   | Broadband Taskforce                |
|                 |                           | January 16, 2023   | Alaska Mariculture Alliance        |
|                 |                           | January 20, 2023   | Homer Harbor Council               |
|                 |                           | January 24, 2023   | Kenai Peninsula Borough            |
|                 |                           | February 28, 2023  | City of Seward                     |
|                 |                           | March 28, 2023     | City of Homer                      |
|                 |                           | March 29, 2023     | Soldotna Riverfront Advisory       |
|                 |                           | May 15, 2021       | Alaska Municipal Management Assoc  |
|                 |                           | June 15, 2021      | Draft CEDS 30-day comment period;  |
|                 |                           | June 15, 2021      | Draft finalized                    |
|                 |                           |                    | KPEDD Board reviews final document |

Looking for the full  
CEDS report and  
research?

Visit  
[www.kpedd.org](http://www.kpedd.org) for  
the full plan

# SWOT Analysis

A SWOT analysis (strengths, weaknesses, opportunities, and threats) is a framework that allows regions to evaluate the position of their local economies. Factors affecting the region may be beneficial or harmful, and internal or external. Strengths are positive elements that are internal to the region, while weaknesses are negative internal factors. Opportunities and threats are external drivers the state's economy and national economic influences, for example. This section provides an overview SWOT of the Kenai Peninsula economy, its industries and business climate, infrastructure, and human capital; this matrix is intended to provide a deeper analysis of what factors are influencing our economic health on the Kenai Peninsula.

| STRENGTHS  | WEAKNESSES  |
|--|---|
| <ul style="list-style-type: none"><li>• Education</li><li>• Government, Business, and Non-Profit Resources</li><li>• Housing</li><li>• Crime Rates</li><li>• Transportation and Accessibility</li><li>• Access to Affordable Energy</li><li>• Natural Resources</li><li>• Health Care</li><li>• Leadership</li></ul> | <ul style="list-style-type: none"><li>• Population Decline</li><li>• Dependence on government revenues for essential services</li><li>• Declining School Enrollment</li><li>• Cost and Availability of Goods and Services</li><li>• Instability in Tourism Sector</li><li>• Changes to Fishery Policies</li><li>• Oil and Gas Production</li><li>• Cost of Energy</li><li>• Housing Availability</li><li>• Broadband and Wireless Communications</li><li>• Public Transportation</li><li>• Aging Infrastructure</li></ul> |
| OPPORTUNITIES  | THREATS   |
| <ul style="list-style-type: none"><li>• Employment Opportunities</li><li>• Access to Health Care</li></ul>   | <ul style="list-style-type: none"><li>• Oil and Gas Instability</li><li>• Changes to Seafood Harvests</li></ul>   |

- New Industry Growth
- Coast Guard Expansion
- Land and Housing Development
- Quality of Life
- Access to Education
- Transportation
- Government Accessibility
- Economic Resiliency Planning
- Disruptions to Marine and Air Travel
- State Government Budget
- Early Childhood and Pre-Kindergarten Education
- COVID-19 Pandemic Impacts
- High Unemployment
- Out-Migration

## **Strengths– Expanded analysis**

**Mature, diverse base industries.** While some regions of Alaska depend heavily on one industry—oil and gas for the North Slope, commercial salmon for Bristol Bay—the Kenai Peninsula has a relatively diverse industry mix. The region has three primary ‘base’ industries, which attract money from outside the Borough: Seafood, oil and gas, and recreation and tourism. These three sectors provide the underpinnings for a variety of other industries like health care, retail, construction, nonprofits, and others.

**Fisheries and seafood.** The Kenai Peninsula’s freshwater and marine environments support productive commercial and sport fisheries. In 2019, the ports of Homer, Kenai, and Seward landed almost 73 million pounds of seafood, with an ex-vessel value of \$72 million. Seward ranked 22nd in the nation in terms of commercial landings by weight, with Kenai coming in at 28th.[i] In 2018, nearly 1,600 Peninsula residents held commercial fisheries permits.[ii] The major commercially-targeted species are sockeye salmon, pink salmon, halibut, and sablefish.

**Oil and gas.** The Cook Inlet Basin produces oil and gas, most of which is refined, stored, and consumed in-region. In 2019, there were over 1,200 jobs on the Kenai Peninsula in oil and gas, utilities, and refining.[iii] The basin produced 12,000 barrels per day of oil and 215,000 MCF of gas in 2020. Cook Inlet natural gas meets the heating needs of most Southcentral Alaskans, and provides power to all of Alaska’s Railbelt utilities.

**Tourism and recreation.** Tourists are attracted to the Peninsula’s wildlife, sport fishing, and scenery. Ports like Seward and Homer receive cruise ships during the summer, but the region also attracts independent travelers. The visitor industry suffered a sharp drop in visitation in 2020 and 2021 due to the COVID-19 pandemic. In 2016, over 700,000 tourists from outside of Alaska visited the region, including about 200,000 cruise ship passengers.[iv] One stabilizing feature of this sector is the large number of in-state visitors who come to the Peninsula to recreate. During the COVID-19 pandemic, in-state visitors (predominantly from Southcentral Alaska) continued to visit the region and spend money in local businesses.

**Health care.** Health care has been a growth sector for several years, creating jobs at hospitals and clinics while meeting the local population’s needs. Hospitals in Seward, Soldotna, and Homer minimize the need to leave the region to receive care. The Peninsula’s health care sector employed 3,202 individuals in 2019, or about five percent of the population.[v] A thriving health care sector enables retirees and families to settle in the area.

## **Weaknesses– Expanded analysis**

**Regulatory barriers/development costs.** Responsible mineral, oil, and gas development all require extensive permitting processes and regulatory hurdles that raise development costs that are already high. This inhibits new investment to a degree, especially in Cook Inlet oil and gas development along with mining prospects on the west side of the inlet.

**High operating costs.** Although some parts of Alaska have much higher costs for real estate, energy, labor, and freight, operating costs on the Peninsula are still generally much higher than in the Lower 48.

**Workforce limitations.** Despite the presence of University of Alaska satellite campuses and AVTEC, employers site limited workforce availability as a major obstacle to business expansion.

## **Opportunities – Expanded analysis**

**Emerging sectors.** Outside of the mature base industries, the Kenai Peninsula hosts a number of emerging sectors, or small industries with high growth potential. These include mariculture, marine services, natural resource development and farming/agriculture.

**Mariculture.** Oyster and shellfish farms already exist in Kachemak and Resurrection bays, and expansion potential is high. Additional shellfish species like geoducks could be farmed, greatly increasing the value of output. Experimental kelp farming is also taking place in Alaska waters, and offers possibilities to marine communities on the Peninsula.

**Marine services.** Seward and Homer both host vessel fabrication and repair facilities and infrastructure. With a large (and aging) in-state fleet, research indicates that there is an opportunity to capture more of the repair and service market from Washington State. Commercial and recreational boats made in Homer are sold both in-state and in the Lower 48. SMIC features the largest marine lift in the state and several private maintenance/repair providers.

**Agriculture.** According to the USDA, the Kenai Peninsula is the fastest-growing agricultural region in the state.[i] There are at least five farmers markets on the Peninsula, found in Soldotna, Anchor Point, and Homer. Agricultural products include potatoes, leafy greens, beef, pork, and peonies. New visitor markets. While there is no shortage of visitors most years (COVID aside), significant potential exists to cultivate and expand new tourism segments. These niches include winter and shoulder-season visitation, ecotourism, and cultural tourism. Expanding these segments could grow and broaden visitor spending to create more business opportunities, jobs, and local government revenue.

**Liquefied Natural Gas.** Nikiski is the most likely place for an export-focused LNG plant if a gas line is constructed between the North Slope and Southcentral Alaska.



## **Threats – Expanded analysis**

**COVID-19 pandemic.** As with the rest of the world, the global pandemic has been a sharply negative shock to the economy of the Kenai Peninsula. It caused businesses to close, both temporarily and permanently, with a large majority citing a strongly negative effect. Job losses related to the pandemic have been especially pronounced in tourism, retail, construction, and health care.

**Commodity prices.** A significant share of the Kenai Peninsula economy rests the export of commodities to region's outside of the borough—chiefly, oil, gas, and seafood. The prices for all of these valuable products depend on global market forces well outside of local control. This contributes to volatility and price cycles with a heavy influence on the local economy in terms of business success and employment.

**State fiscal uncertainty.** Many business owners cite the state fiscal situation—a lack of resolution on spending, revenues, and Permanent Fund Dividends—as an obstacle to growth and new investment.[i] Potential cuts to state services could threaten public safety and education in the region, and new state taxes could dampen business success and investment.

## **The Kenai Peninsula's Resiliency Outlook**

In recent years, the Kenai Peninsula economy has been challenged by a series of unanticipated shocks that ultimately impacted all households and employers in the region in some way. Of greatest magnitude naturally is the COVID-19 pandemic beginning in early 2020. The COVID-19 recession likely led to more job losses and business closures than any prior economic downturn in the Peninsula's history. Yet, COVID-19 is only the most recent of multiple natural disasters to impact the region. In November 2018, a 7.1 magnitude earthquake hit Southcentral Alaska, including the Peninsula, causing uncounted millions in property damage around the state. In 2019, the Swan Lake Fire raged between Sterling and Cooper Landing from June through September, causing public health warnings, loss of private property, disrupting visitation, and forcing the closure of popular recreation sites.

Even without these natural disasters, the Kenai Peninsula was not immune to broader forces weakening the statewide economy. Two headwinds in particular have been the volatility of oil prices, and the unresolved budget deficit in state government finances. Together, these two forces caused a three-year statewide recession, from 2015 to 2018, that destroyed thousands of Kenai Peninsula jobs. The fact that the state (and regional) economies were somewhat weak at the outset of the COVID-19 pandemic could potentially mean a slower economic recovery compared to other parts of the US.

### **Resiliency Threats**

COVID-19. Much of this CEDS document has discussed the economic damage caused by the COVID-19 pandemic. On the Kenai Peninsula, the viral outbreak caused peak summer employment to fall by nine percent,[i] taxable sales by 12 percent,[ii] and a massively diminished visitor season in 2020. As of May 2021, the Borough had reported nearly 4,500 cases of COVID-19, over 100 hospitalizations, and 22 deaths.[iii] The rollout of vaccines in the spring of 2021 improved optimism about a return to normalcy. However, the cruise ship season in 2021 appeared to face formidable obstacles as of the writing of this document, as the ships were disallowed to enter Canadian waters.



# Resiliency Action Plan

Recognizing the very real danger posed by unexpected negative shocks, KPEDD has taken the lead in anticipating—and responding to—resiliency challenges. In cooperation with partner organizations, KPEDD lays out the following framework for resiliency.

**Pre-Disaster Planning.** Careful coordination and planning for potential disasters ahead of time can pay off when a negative event occurs. A pre-disaster recovery plan being spearheaded by KPEDD will describe key stakeholders, roles, actions, and responsibilities in the event of a natural disaster. The major stakeholders include KPB, municipal governments, tribes, chambers of commerce, industry associations, and others. As it has during COVID-19, KPEDD can be the primary coordinating role among these groups in promoting economic recovery. The pre-disaster recovery plan will also include a collection of resources and tools for business recovery, such as sources of funding.

**Activating Information Networks.** The flow of timely and accurate information between governments, business groups, and residents is essential during a disaster. KPEDD is utilizing a network of partner organizations, detailed web resources, access to media outlets, and a large business distribution list to maintain the flow of information. Maintaining close contact with federal funding agencies, the State Legislature, and state agencies is also essential. During a prolonged downturn, business surveys can relay vital information to decisionmakers about near-term needs for policy fixes and financial resources. KPEDD's frequent business surveys function as an early-warning indicator as well, flagging concerns that can lead to large-scale layoffs or closures, as well as to facilitate business retention and expansion (BRE) activities.

**Ensuring Access to Capital.** Disasters often cause businesses to experience sudden revenue shortfalls, often forcing them lay off workers, reduce hours, or close their operations entirely. KPEDD has operated a revolving loan fund for more than a decade, and is currently working to restructure the fund as a source of emergency capital to respond to resiliency shocks. In addition to its own capital sources, helping business access other financial resources will play a key role in future disasters, should they occur. In 2020, KPEDD executed a contract with the State of Alaska to promote the AK CARES business grant program, resulting in \$50 million being distributed to over 1,000 COVID-impacted businesses—proportionately more than any other region of the state. Other government capital programs like the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) were critical resources, but businesses often required the assistance of organizations like KPEDD and the Alaska Small Business Development Center. KPEDD will reprise its role as both a facilitator and provider of capital during future events.

**Improve Broadband Access and Affordability.** Broadband is critical infrastructure in today's global economy. The pandemic resulted in roughly 40 percent of Alaska workers being forced to work from home for extended periods during 2020 and 2021. The education system, from K-12 through college, also had to utilize videoconferencing services to function. For households without affordable, high-speed internet, remote education and work were not feasible. In addition, many businesses also had to transition to selling their products or services online, such as restaurants using mobile apps for take-out and delivery. Although these pandemic conditions are not permanent, they made clear the central role broadband access plays in economic life. In the Kenai Peninsula, less than half of households have access to speeds of 100 MBPS, compared to almost 99 percent in Anchorage. Some smaller communities, such as Hope, lack access to speeds greater than 25 MBPS. To improve broadband access, KPEDD is committed to advocating for federal funds to build middle-mile and last-mile satellite and fiber infrastructure.

**Streamlining Job Access.** Job loss is one of the most feared outcomes from any sort of resiliency shock. Declining revenues cause employers to lay off workers, but when conditions improve, employers often struggle to find qualified workers. Both challenges have been apparent during the COVID recession. At the same time, workforce readiness is a persistent challenge for businesses, who are often forced to hire non-locals when faced with high seasonal demand. With all of these in mind, KPEDD launched the Kenai Peninsula Workforce website as an extensive resource hub for jobseekers, employers, and training programs. The website provides detailed information about high-demand occupations in the region, including average salaries, qualifications, and associated training programs. It also links to job postings, scholarships, apprenticeships, and jobseeker tools like a resume builder.

**Ensure Transportation Reliability.** Transportation infrastructure is a potential vulnerability for the Kenai Peninsula. The Seward and Sterling Highways connect the Borough communities to each other and to Anchorage, and suffer frequent shutdowns due to fatal traffic accidents and, periodically, avalanches. Poor maintenance conditions in the winter can also sever this key artery. The Alaska Marine Highway System (AMHS), which has suffered from budget cuts, is another area of transportation concern. AMHS serves Homer and Seldovia but has been forced to reduce the frequency of sailings, disrupting an affordable means to moving people and goods. Seldovia is particularly dependent on AMHS, as it lacks highway access. KPEDD advocates for ongoing support for highway maintenance and safety improvements, and continuing state funding for AMHS.

**Efficient Land Use.** Although the Kenai Peninsula is vast in size, relatively little land is available for residential and commercial use. Between the Kenai National Wildlife Refuge and the Chugach National Forest, private ownership is primarily limited to lands adjacent to the highway system. Efficient use of land to maximize economic benefit is therefore critically important. One protective measure to do so is erosion control and mitigation. As mentioned previously, lands in Homer, Kenai, and Seward, as well as other areas threatened by erosion will require mitigation and protection measures. Without flood and erosion control, private investment will not occur in certain areas like Downtown Kenai. Other sites formerly used for mining or another purpose can also be reused, such as Red Mountain near Seldovia, a former mine proposed for use as a recreational area.

**A Focus on Emerging Industries.** One way to ensure a prosperous economic future amid uncertainty is to diversify the regional economy by promoting emerging industries. On the Kenai Peninsula, this includes shellfish farming, marine trades, agriculture, seafood byproduct utilization, and others. KPEDD assists these emerging sectors through business advising, project funding, workforce development, and lending activities. Emerging sectors often require specialized types of infrastructure to thrive. For example, the marine trades require ports and harbors, vessel hall outs, and specialized buildings. Both agriculture and seafood depend on cold storage. KPEDD and partner organizations work to source funding for these types of projects wherever possible.



# Goals

The regionally-driven goals are selected based on relevant data in the final 2021 Comprehensive Economic Development Strategy.

The overarching accepted goal of maintaining and cultivating the high Quality of Living/Place on the Kenai Peninsula. This includes continuing to develop the Kenai Peninsula "brand" for residents, visitors, and businesses, and promoting expansion of recreational amenities and public access. Within the overarching goal, five complimentary goals were developed as indicators of success for KPEDD to concentrate our efforts on throughout the lifecycle of the 2021 CEDS.

01

## Technology & Telecommunications

- Expanded broadband access across the Borough

02

## Workforce & Human Capital

- Industry partnerships and VOC-tech
- Attract, retain, and train a qualified workforce

03

## Infrastructure & Land Use

- Industry-focused infrastructure
- Stability and resiliency in transportation infrastructure
- Mitigation/responsible use of lands

## 04

### Business Climate & Entrepreneurship

- Outreach, education, and information sharing with government in support of businesses
- Promote responsible development of natural resources
- Develop and support entrepreneurship
- Create incentives to bring new businesses to the area

## 05

### Regional Partnerships

- Coordinate with industry
- Coordinate with municipalities, communities, and non-profits

The complimentary goals succinctly align with the U.S. Department of Commerce, Economic Development Administration's national investment priorities. EDA's investment priorities provide an overarching framework to ensure its grant investment portfolio – ranging from planning to infrastructure construction -- contributes to local efforts to build, improve, or better leverage economic assets that allow businesses to succeed and regional economies to prosper and become more resilient.

- **Equity:** Economic development planning or implementation projects that advance equity across America through investments that directly benefit 1) one or more traditionally underserved populations, or 2) underserved communities within geographies that have been systemically and/or systematically denied a full opportunity to participate in aspects of economic prosperity.
- **Recovery & Resilience:** Economic development planning or implementation projects that build economic resilience to and long-term recovery from economic shocks that may benefit from economic diversification-focused resilience.
- **Workforce Development:** Economic development planning or implementation projects that support workforce education and skills training activities directly connected to the hiring and skills needs of the business community and that result in well-paying, quality jobs.
- **Manufacturing:** Economic development planning or implementation projects that encourage job creation, business expansion, technology and capital upgrades, and productivity growth in manufacturing, including efforts that contribute to the competitiveness and growth of domestic suppliers or to the domestic production of innovative, high-value products and production technologies.



- **Technology-Based Economic Development:** Economic development planning or implementation projects that foster regional knowledge ecosystems that support entrepreneurs and startups, including the commercialization of new technologies, that are creating technology-driven businesses and high-skilled, well-paying jobs of the future.
- **Environmentally-Sustainable Development:** Economic development planning or implementation projects that help address the climate crisis including through the development and implementation of green products (PDF), green processes (PDF) (including green infrastructure), green places (PDF), and green buildings (PDF).
- **Exports & FDI:** Economic development planning or implementation projects that enhance or build community assets to support growth in US exports or increased foreign direct investment.

# Action Plan

Overarching Goal: Quality of Place/Quality of Living on the Kenai Peninsula

| Objective   | Strategies and Actions  | Metrics/Impacts  | Key Partners   |
|---|---|--|--|
| 0.1 Develop the Kenai Peninsula “brand” for residents, visitors, and businesses | <ul style="list-style-type: none"> <li>• Initiate a promotion campaign to attract families to relocate to the Kenai Peninsula.</li> <li>• Support telework/remote work opportunities.</li> <li>• Sustain and enhance visitor marketing efforts to attract more shoulder-season and independent visitors.</li> <li>• Promote the Kenai Peninsula as a safe destination during COVID-19 with high vaccination rates and minimal crowds.</li> <li>• Support arts and cultural programming at the local level.</li> </ul> | <ul style="list-style-type: none"> <li>• Above average tourism rates, increase in visitors to region, sales tax revenues, gross sales increases.</li> <li>• Increase in fishing license sales (ADFG).</li> <li>• Hashtags, locations shared on social media platform, increase in website visits.</li> </ul> | <ul style="list-style-type: none"> <li>• Alaska Travel Industry Association (ATIA)</li> <li>• Chambers of Commerce</li> <li>• Alaska State Parks</li> <li>• Municipal governments</li> </ul> |
| 0.2 Promote expansion of recreational amenities and public access               | <ul style="list-style-type: none"> <li>• Fund, develop, and construct the Soldotna Fieldhouse.</li> <li>• Fund, develop, and construct the Soldotna Riverfront Redevelopment Project</li> <li>• Advance the Seward to Fairbanks trail concept.</li> <li>• Solicit additional recreational projects for federal funding.</li> </ul>  | <ul style="list-style-type: none"> <li>• Increased platforms to share project information.</li> <li>• Project approvals/votes.</li> <li>• Funding opportunities.</li> <li>• Increased number of handicap accessible amenities</li> </ul>   | <ul style="list-style-type: none"> <li>• Economic Development Administration (EDA)</li> <li>• Municipal government</li> </ul>  |

## Goal 1: Technology & Telecommunications

| Objective   | Strategies and Actions   | Metrics/Impacts  | Key Partners   |
|---|--|--|--|
| 1.1 Expand broadband access across the borough                  | <ul style="list-style-type: none"> <li>• Create regional Broadband Taskforce to identify specific needs</li> <li>• Secure federal or other funds to build or expand fiber optics lines or satellite internet access to all communities to improve speeds and costs.</li> </ul>   | <ul style="list-style-type: none"> <li>• Average speeds.</li> <li>• Monthly costs.</li> <li>• Percent of households with access.</li> <li>• Level of community investment</li> </ul>         | <ul style="list-style-type: none"> <li>• Denali Commission</li> <li>• Economic Development Administration (EDA)</li> <li>• Tribes and Municipal Government</li> <li>• Large employers</li> </ul>   |
| 1.2 Improve digital infrastructure to advance economic activity | <ul style="list-style-type: none"> <li>• Improve access to videoconferencing services at public facilities such as libraries, civic buildings, and schools.</li> <li>• Encourage development of businesses related to information technology.</li> <li>• Enable hospitals and clinics to make better use of telemedicine.</li> <li>• Provide communities and residents with greater access to education through distance learning.</li> <li>• Make the Kenai Peninsula more attractive to technology driven businesses and corporations. <ul style="list-style-type: none"> <li>◦ Enhance Public safety and emergency response systems.</li> </ul> </li> <li>• Encourage and promote the use of distance delivery for business workshops and workforce trainings.</li> </ul> | <ul style="list-style-type: none"> <li>• Number of technology startups.</li> <li>• Number of public buildings with videoconferencing services.</li> <li>• Virtual trainings held.</li> </ul> | <ul style="list-style-type: none"> <li>• USDA</li> <li>• State of Alaska (DCCED, Alaska Development Team)</li> <li>• Regional Tribes</li> <li>• Educational Institutions</li> <li>• Regional Public Service Providers such as Libraries</li> <li>• Cook Inlet Region, Inc. (CIRI)</li> <li>• Cook Inlet Tribal Council</li> <li>• Chugach Regional Resources Commission</li> <li>• Incorporated and Unincorporated Community Representatives</li> <li>• Utility and Service Providers</li> </ul> |



## Goal 2: Workforce & Human Capital

| Objective   | Strategies and Actions  | Metrics/Impacts  | Key Partners  |
|---|---|--|---|
| 2.1 Build stronger industry partnerships for K-12, voc-tech., secondary, post-secondary, and adult education. | <ul style="list-style-type: none"> <li>Create partnerships between industry and K-12 programs as a gateway and pipeline to facilitate career exploration and to build awareness of potential careers.</li> <li>Support apprenticeship or engaged learning opportunities that provide actual workforce readiness.</li> <li>Collaborate to start an agricultural training program for students to work on farms during the summer.</li> <li>Develop and implement Tyonek tribal workforce plan</li> </ul>   | <ul style="list-style-type: none"> <li>Increased apprenticeship program enrollment numbers</li> <li>Student outreach numbers</li> <li>Employer outreach surveys</li> </ul> | <ul style="list-style-type: none"> <li>AVTEC</li> <li>University of Alaska</li> <li>Employers</li> <li>School districts &amp; home school programs</li> <li>Tribal governments</li> <li>Alutiiq Pride Marine Institute</li> </ul>   |
| 2.2 Attract, train, and retain a qualified workforce.   | <ul style="list-style-type: none"> <li>Expand on “attraction” campaigns to show off that this is a great place to live. Highlight remote work opportunities.</li> <li>Targeted outreach for specific community groups (veterans, adult learners, at risk/recovery population) focused on entering the workforce and accessing training.</li> <li>Provide online training opportunities including re-skilling or up-skilling programs. Including credit and non-credit options.</li> <li>Identify the need for new programs and certificates based on industry feedback; including training around new/emerging technology.</li> </ul> | <ul style="list-style-type: none"> <li>Greater application rates</li> <li>Increased enrollment in colleges</li> <li>Increased apprenticeship applications</li> </ul>       | <ul style="list-style-type: none"> <li>Alaska Department of Labor</li> <li>Young Professionals Group</li> <li>Veterans’ groups</li> <li>AVTEC (or provider of re-skilling/up-skilling training)</li> <li>University</li> <li>KPEDD; Workforce Development Website</li> <li>Kenai Peninsula School District</li> </ul> |
|   | <ul style="list-style-type: none"> <li>Support affordable housing efforts/programs in the Kenai Peninsula through public/private partnerships</li> </ul>  |  |   |
| 2.3 Connect job-seekers to employers and training opportunities.  | <ul style="list-style-type: none"> <li>Maintain and grow the Kenai Peninsula Workforce website as a hub for employers, educators, trainers, and job-seekers.</li> <li>Develop an ongoing assessment of workforce needs for each industry.</li> </ul>  | <ul style="list-style-type: none"> <li>Increased website traffic and clicks.</li> <li>Number of employer engagements.</li> </ul>   | <ul style="list-style-type: none"> <li>Local/borough employers</li> <li>Vocational/technical programs</li> <li>Kenai Peninsula Borough School District</li> <li>UAA Kenai Peninsula College</li> </ul>  |



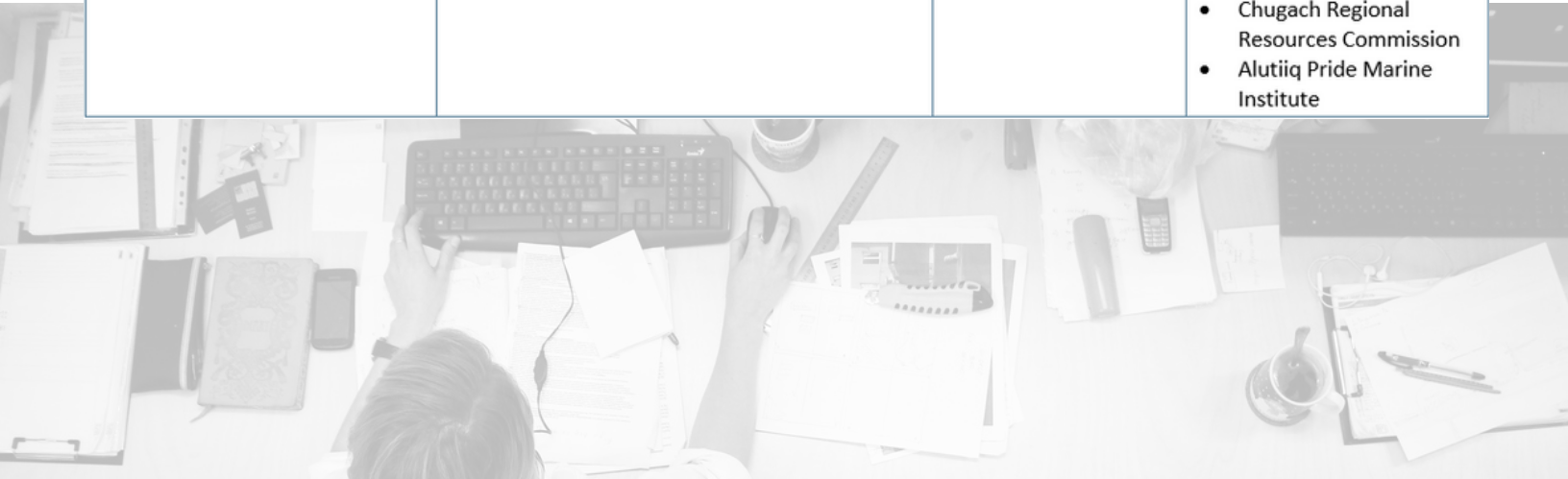
## Goal 3: Infrastructure, Land Use & Natural Resources

| Objective   | Strategies and Actions   | Metrics/Impacts  | Key Partners   |
|---|--|--|--|
| 3.1 Develop industry-specific infrastructure                          | <ul style="list-style-type: none"> <li>• Complete the Seward Dock and Rail project.</li> <li>• Fund and develop the Alutiiq Pride Visitor Center in Seward.</li> <li>• Develop cold storage capacity to grow the agricultural sector.</li> <li>• Advocate and seek funding for port and harbor expansions in Homer, Kenai, Seldovia, and Seward.</li> <li>• Develop and expand shoreside infrastructure to support the seafood, oil and gas, and marine trade sectors.</li> <li>• Develop the "KPEDD innovation campus" concept with commercial kitchen.</li> </ul>  | <ul style="list-style-type: none"> <li>• Project dollars secured (public and private)</li> <li>• Complete implementation and completion of projects</li> </ul> | <ul style="list-style-type: none"> <li>• Alaska Railroad</li> <li>• Farming groups</li> <li>• Agrium USA Inc.</li> <li>• University</li> <li>• AVTEC</li> <li>• Chugach Regional Resources Commission</li> <li>• Alutiiq Pride Marine Institute</li> </ul> |
| 3.2 Advance stability and resiliency in transportation infrastructure | <ul style="list-style-type: none"> <li>• Advocate for stable funding for the Alaska Marine Highway System (AMHS) to maintain or improve service to Peninsula communities.</li> <li>• Assess impacts of reduced AMHS service for affected communities.</li> <li>• Advocate for year-round maintenance of the Seward and Sterling Highways to maintain access and safety at all times.</li> <li>• Advocate for ongoing state support to improve and maintain airports.</li> <li>• Identify and advocate for other needed improvements in road, marine, rail, and air transportation.</li> </ul>                                | <ul style="list-style-type: none"> <li>• Number of advocacy engagements.</li> </ul>  | <ul style="list-style-type: none"> <li>• AMHS</li> <li>• ARDORs</li> <li>• Alaska Department of Transportation and Public Facilities (DOT&amp;PF)</li> </ul>   |
| 3.3 Mitigation & responsible use of lands                             | <ul style="list-style-type: none"> <li>• Complete erosion mitigation projects in Kenai and Homer to enable continued development.</li> <li>• Assess the reuse/redevelopment of former gravel pits for new uses (such as recreation sites).</li> <li>• Identify and assess the need for zoning improvements between municipal and borough governments.</li> <li>• Reclaim and redevelop the former Red Mountain Mine site in Kachemak Bay into a recreation area with access and trails.</li> <li>• Mitigate spruce beetle damage by removing dead trees and milling the lumber for commercial or residential use.</li> </ul> | <ul style="list-style-type: none"> <li>• Dollar value of public and private investment.</li> </ul>   | <ul style="list-style-type: none"> <li>• US Forest Service</li> <li>• US Fish and Wildlife Service</li> <li>• Alaska Division of Parks and Outdoor Recreation</li> </ul>   |
| 3.4 Promote responsible development of natural resources              | <ul style="list-style-type: none"> <li>• Advocate for a stable and predictable tax structure for mining, oil, and gas operations at state and local level.</li> <li>• Advocate for ongoing incentives to encourage oil and gas exploration in Cook Inlet to secure energy supplies.</li> <li>• Support responsible mining projects that create local jobs and revenues.</li> </ul>   | <ul style="list-style-type: none"> <li>• Number of advocacy engagements.</li> </ul>  | <ul style="list-style-type: none"> <li>• State of Alaska</li> <li>• Kenai Peninsula Borough</li> <li>• Chugach Regional Resources Commission</li> <li>• Industry Groups</li> </ul>   |



## Goal 4: Business Climate & Entrepreneurship

| Objective  | Strategies and Actions   | Metrics/Impacts   | Key Partners  |
|--|--|---|---|
| 4.1 Outreach, education, and information sharing in support of businesses resiliency | <ul style="list-style-type: none"> <li>Continue business retention and expansion (BRE) activities to determine health of businesses and ways to assist with pandemic recovery.</li> <li>Promote buy local program</li> <li>Help businesses access other support services such as the Small Business Development Center.</li> <li>Conduct surveys of businesses to evaluate ongoing needs and areas of assistance needed.</li> <li>Provide updates on the regional economy and business climate to chambers, local governments, and industry groups.</li> </ul> | <ul style="list-style-type: none"> <li>Number of surveys completed.</li> <li>Number of businesses provided with assistance.</li> <li>Number of businesses reporting favorable views of business climate.</li> </ul> | <ul style="list-style-type: none"> <li>Alaska Small Business Center (SBDC)</li> <li>Small Business Administration. (SBA)</li> </ul>   |
| 4.2 Improve access to capital for businesses   | <ul style="list-style-type: none"> <li>Restructure KPEDD's revolving loan fund to meet needs during an economic downturn or natural disaster.</li> <li>Assist businesses with obtaining relief funding through federal, state, and local assistance programs.</li> <li>Assess the use of financial incentives such as tax credits and abatements to attract new businesses to the region or help existing businesses expand.</li> </ul>  | <ul style="list-style-type: none"> <li>Funding dollars awarded to businesses.</li> <li>Number of businesses assisted.</li> </ul>  | <ul style="list-style-type: none"> <li>Alaska Industrial Development and Export Authority (AIDEA)</li> <li>Small Business Administration (SBA)</li> <li>Economic Development Administration (EDA)</li> <li>Private lenders</li> </ul>   |
| 4.3 Develop and support entrepreneurship and new business formation                  | <ul style="list-style-type: none"> <li>Host entrepreneurship workshops for individuals starting businesses.</li> <li>Assist in running Startup Weekend on the Kenai Peninsula every November.</li> <li><u>Advise</u> and counsel startup businesses.</li> </ul>  | <ul style="list-style-type: none"> <li>Number of workshops hosted.</li> <li>Number of businesses assisted.</li> </ul>   | <ul style="list-style-type: none"> <li>Chambers of Commerce</li> <li>UA Center for Economic Development (UA CED)</li> <li>Alaska Small Business Development Center (SBDC)</li> </ul>  |
|  | <ul style="list-style-type: none"> <li>Promote Central Peninsula Small Business Week</li> </ul>  |   |   |
| 4.4 Support emerging sectors with high growth potential                              | <ul style="list-style-type: none"> <li>Assist mariculture operations in meeting capital and expansion needs.</li> <li>Counsel and assist industrial maritime businesses such as ship builders and repair operations.</li> <li>Initiate a pilot project to develop seafood byproducts into marketable products.</li> <li>Counsel and assist manufacturing businesses.</li> </ul>  | <ul style="list-style-type: none"> <li>Number of marine focused businesses assisted.</li> </ul>   | <ul style="list-style-type: none"> <li>Alaska MEP Center</li> <li>Alaska Small Business Development Center (SBDC)</li> <li>Alaska Mariculture Alliance</li> <li>ARDORs</li> <li>Alaska Department of Commerce</li> <li>Chugach Regional Resources Commission</li> <li>Alutiiq Pride Marine Institute</li> </ul> |



## Goal 5: Build & Grow Regional Partnerships for Resiliency

| Objective  | Strategies and Actions   | Metrics/Impacts   | Key Partners   |
|--|--|---|--|
| 5.1 Proactively coordinate roles for economic resiliency | <ul style="list-style-type: none"> <li>Align and streamline assistance roles between funding agencies and resource partners in the event of an economic disaster.</li> <li>Promote, and expand current processes for regular communication, monitoring and updating business community needs and issues to be used post-event.</li> </ul>                        | <ul style="list-style-type: none"> <li>Complete KPEDD resiliency toolkit</li> </ul> | <ul style="list-style-type: none"> <li>Funding agencies</li> <li>Borough government</li> <li>Municipal governments</li> <li>Tribal entities &amp; Native Organizations</li> <li>Chambers of Commerce</li> <li>Industry groups</li> <li>Nonprofits</li> </ul> |
| 5.2 Produce pre-disaster recovery plan                   | <ul style="list-style-type: none"> <li>Create a collection of resources (especially financial resources) of private, local, state, and federal tools for economic recovery for residents, businesses, and communities.</li> <li>Generate a plan describing key stakeholders, roles, actions, and responsibilities in the event of a natural disaster.</li> </ul> | <ul style="list-style-type: none"> <li>Complete KPEDD resiliency toolkit</li> </ul> | <ul style="list-style-type: none"> <li>Funding agencies</li> <li>Borough government</li> <li>Municipal governments</li> <li>Tribal entities &amp; Native Organizations</li> <li>Chambers of Commerce</li> <li>Industry groups</li> <li>Nonprofits</li> </ul> |



# FY23 Efforts Based on CEDS Goals

## 1. TECHNOLOGY & TELECOMMUNICATIONS

Leading broadband infrastructure development through a broadly represented the Broadband Taskforce that includes IT professionals and communication liaisons for major user groups (i.e. hospital, utility providers, school district, government, tribes, and industry)

## 2. WORKFORCE & HUMAN CAPITAL

Supporting educational institutions, industry, and the Department of Labor by providing up-to-date information on leading employment opportunities, training requirements, wage data, scholarship opportunities, changes in state and federal regulation, changing and emerging industries, and economic forecasts for the region.

## 3. INFRASTRUCTURE & LAND USE

Supporting sustainable development of both emerging industries and recreational opportunities by working with state and federal partners to grow mariculture farming and connect existing trail systems to support greater outdoor opportunities for resident and tourists

## 4. BUSINESS CLIMATE & ENTREPRENEURSHIP

Connecting and providing new and existing businesses with financial and planning resources through one-on-one consultation, the development of a toolkit, and connecting businesses with partners and investors with the ultimate goal of reinforcing regional resiliency

## 5. REGIONAL PARTNERSHIPS

Leading regional discussions and coordination efforts between Industry, municipalities, incorporated and unincorporated communities, educators, and non-profits by providing platforms for discussion and disbursing information to regional stakeholders

# FY24 Projects Based on CEDS Goals

## 1. TECHNOLOGY & TELECOMMUNICATIONS

Continue leading broadband infrastructure development through the Broadband Taskforce; providing a platform for regular communication between federal and state funding agencies, providers, and consumers to ensure regional needs are met - including challenging fabric maps, prioritizing buildout locations, public outreach, stakeholder identification, and advocating at state and federal levels

## 2. WORKFORCE & HUMAN CAPITAL

Coordination of Transportation, housing, and childcare access by connecting funding agencies and private investors with community advocacy groups, existing providers, and incorporated and unincorporated communities to fill gaps in resources, adjust existing services as needed, and identify funding opportunities to expand current infrastructure.

## 2. WORKFORCE & HUMAN CAPITAL

Upgrading and expanding both [www.kpeddd.org](http://www.kpeddd.org) and [www.kenaipeninsulaworkforce.org](http://www.kenaipeninsulaworkforce.org) sites with current infographic statistics, incorporating emerging industry clusters, adding new resources and layered GIS maps, stronger marketing strategies, and improving integration between the two platforms.

## 3. INFRASTRUCTURE & LAND USE

Continue developing a viable and sustainable mariculture industry producing shellfish and aquatic plants, increase mariculture-related manufacturing, and supporting industries in the region. This will be a four-year industry-lead, coordinated effort with a long-term goal to grow the industry to \$100 million annually over the next 20 years producing a significant amount of tax revenue for the Kenai Peninsula Borough. This effort will utilize private partnerships that encourage private investment into local economies, increase food security, create jobs, reduce carbon dioxide in coastal waters, and increase revenue for state and local government.



#### 4. BUSINESS CLIMATE & ENTREPRENEURSHIP

Restructure the existing Microloan Program to allow for larger loans caps, measure private investment and job growth, decrease interest rates, utilize unused capacity, and mitigate unnecessary risk.

#### 5. REGIONAL PARTNERSHIPS

Design a structure and application checklist for entities pursuing foundation and philanthropic funding, creating a consistent application resource that assists entities constructing a formal proposal. Strengthening the strategy and application process will guide consistent and sustainable development in our most vulnerable communities. The foundation funding request structure would include: 1. sources of funding (programs available, Identification of “best fit” for categorical requests), 2. background research (Identifying community needs and vulnerabilities, regional assets), 3. package structure and presentation (effectively communicating goals, project needs, and anticipated outcomes), 4. gathering and gauging community support (Identifying stakeholders, letters of support, tracking match), 5. measuring success (measurable and reportable deliverables, methods of measurements).

#### 5. REGIONAL PARTNERSHIPS

Continue hosting regional discussions and leading coordination efforts between Industry, municipalities, incorporated and unincorporated communities, educators, and non-profits.

The 2024 Industry Outlook Forum and Tribal Economic Forum will continue to provide a platform for federal and state agencies, Tribes and Tribal Corporations, industry leaders, and resource providers to discuss project updates, economic projections, and changing regulations that effect the region.

Present updates quarterly to the Kenai Peninsula Borough Assembly, incorporated and unincorporated communities and stakeholder groups.

Want to get involved? Send  
us an email or call us!



## Acknowledgements

This strategic plan was developed in partnership with the University of Alaska Center for Economic Development (UAA CED); Economic Development Administration (EDA); Kenai Peninsula Borough; incorporated and unincorporated communities; Tribes; industry leaders; non-profit resource providers; and residents, develops the Comprehensive Economic Development Strategy (CEDS)

### **KENAI PENINSULA ECONOMIC DEVELOPMENT DISTRICT**

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