

d. Grow Ketchikan – Q3 Grant Report

TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor & City Council

Initials:



FROM: Delilah A. Walsh, City Manager

File #: MGR24-711

DATE: November 12, 2024

Mtg. #: 11/21/24 FYId

RE: **Grow Ketchikan – Q3 Grant Report**

Attached for the City Council's information is the quarter-three grant report from Grow Ketchikan, a 2024 community agency grant recipient.

REPORT TO KETCHIKAN CITY COUNCIL
GROW KETCHIKAN GRANT ACTIVITIES
JULY 1 THROUGH SEPTEMBER 30, 2024

Grow Ketchikan is grateful for the City's grant support for our community-based quality of life and housing projects.

As a member of the Northwest Community Land Trust Coalition's (NWCLTC) Board of Directors, Ketchikan Community Land Trust President, Deborah Hayden, now serves on the Advocacy and Finance committees of the board. She participated in creating charters for both committees. The Advocacy committee will track and advocate for land trust interests in regard to policies, laws, and regulations that affect community land trusts and housing initiatives. Developments and NWCLTC resources are available at <https://www.nwcltc.org>. The Finance committee tracks and plans funds flows.

Deborah serves on the board of the Alaska Women's Business Center (AWBC). The connection has proved useful for access to resources for business development classes. AWBC is under the auspices of Business Impact Northwest headquartered in Seattle. Business Impact Northwest fosters Women's Business Centers in Washington and Oregon in addition to the one in Alaska. While we have access to Business Impact's classes and resources, we cannot be a direct counseling outlet here. Nelida Irvine, SBA Alaska Lender Relations Specialist and District International Trade Officer, visited Ketchikan recently and gave a presentation about many SBA programs. She supplied Grow Ketchikan with additional materials about starting an independent Women's Business Center in Ketchikan. Women's Business Centers may serve men and other genders as well as women. The SBA will fund up to \$150,000 annually for a center. This requires a 1:2 match. That is, if we request the entire \$150,000, we will need to match this with \$75,000. This in effect for the first three years. After that, it becomes a 1:1 match requirement. The concept is that the center would generate revenue through a loan fund and charging for business development classes.

Purpose of an SBA Women's Business Center:

Provide prospective entrepreneurs and existing small businesses with training, counseling, and specialized services. The services provided must relate to the formation, financing, management, and operation of small business enterprises.

♣ Provide training and counseling services that enhance a small business concern's ability to access capital, such as business plan development, financial statement preparation/analysis, and cash flow preparation/analysis.

Here is a link to more SBA programs and resources:

<https://www.dropbox.com/scl/fi/8xd5zdarykd8cdtryldyb/SBA-Programs-and-Services-Ketchikan-9-19-2024.pdf?rlkey=ayj6z45fg70xbvmi6rxyrggrn&st=km4ahitl&dl=0>

In September, Grow Ketchikan was a sponsor of Seagriculture, an international mariculture conference held in Ketchikan. Participants came from countries around the

world for presentations about the latest technologies in kelp, oyster, and other shellfish farming. Local kelp farmers made connections with funders who can help finance a kelp processing facility planned for next year in Ketchikan. We made connections with an institution that can provide loan guarantees for start-up kelp farms and the processing center. We continue counseling with Pacific Kelp which plans to build the processing center.

Also in September, Grow Ketchikan was a sponsor of Southeast Conference's Annual Meeting in Ketchikan. At this conference, we met with the Deputy Director of the Department of Natural Resources who gave us a contact for the DNR staff member who has since sent us the application for conveyance of the DNR lot through which we can bring road, water and sewer access to a lot on which we plan to build affordable housing in the Mountain Point Subdivision. During the conference, Deborah attended a meeting with the Department of Commerce Commissioner, the Director of AIDEA, the Manager of the Shipyard, our State Senator, the City and Borough Mayors, the City Manager, R&M Engineering, and others for a discussion of the Shipyard's need for employee housing that will enable it to expand its markets. Deborah supplied maps of possible building sites near the shipyard and has continued contacts with AIDEA staff and investigating the feasibility of the building sites.

PROJECTS:

Goal 1: Increase commercial activity, business revenues, individual incomes, and tax revenue through expanding existing businesses, creating new businesses, and housing construction.

a. Counseling/Business Expansion

During the quarter, Grow Ketchikan's Executive Director counseled clients on funding, incorporation strategies, market expansion, increasing public awareness, micro loans, and a business purchase. 10 hours counseling.

Some significant outcomes:

Obtained a business license for cleaning business that enabled it to maintain a contract essential to its business.

Obtained a business license and counseled a start-up painting business on how to get bonding and commercial insurance.

Counseled a local information business on a pricing structure that will keep it in business.

b. Housing:

Grow Ketchikan is a member of Ketchikan Wellness Coalition's Reentry Coalition. The Reentry Coalition assists those newly released from incarceration reintegrate into the community. The coalition provides temporary housing and counseling in its

Reentry House with a capacity for six residents. Statistics have shown that this housing option significantly reduces recidivism. There is need for a larger 12 to 14 unit reentry house. Grow Ketchikan is partnering with the Reentry Coalition in organizing construction of a new reentry house. To date, we have identified a possible site and are proceeding with estimating costs and gathering a development group that will consist of building, electrical, and plumbing contractors. The Reentry Coalition Coordinator has spoken with the Mental Health Trust about funding and has contacted a Seward Reentry organization for a building design. The project could be eligible for a Community Development Block Grant as well.

City Lots: The City has 37 surplus and foreclosed lots scattered from the Carlanna area to Downtown (see attached maps). Deborah has viewed 32 of them and identified several good candidates for multifamily housing. There is a need for researching the costs for sewer, water, and electric hookups, and construction costs. As we organize a development group for the Reentry house, the group will be helpful in estimating these costs. We can use the estimated in funding applications.

Rasmuson: Several months ago, two Rasmuson staff members came to Ketchikan and interviewed Deborah about the Ketchikan Community Land Trust and possible housing development. A recent contact with a Rasmuson representative indicated that a funding application to Rasmuson will be appropriate after we have completed the pre-development work of surveying and lot preparation. The Rasmuson Foundation funded \$500,000 to the Sitka Community Land Trust.

An individual who owns a one-acre lot in the Mountain Point subdivision plans to donate the lot to the Ketchikan Community Land Trust. We created a deed and transmitted it to the donor for signature. The lot does not currently have road, water, sewer, or electric access. All these are available on Roosevelt Drive and will require access across a lot belonging to the Department of Natural Resources (DNR). We have spoken with DNR staff and received a conveyance application form for transferring this lot to KCLT. We will pursue either this acquisition or an easement for access across the DNR lot. There is currently a road through the DNR lot that, with improvements meeting borough standards, will enable connection with Roosevelt Drive. We have spoken with contiguous property owners whose property will benefit from the road, and bringing sewer, water, and electricity to their lots. We can possibly share costs. KPU has given us an estimate of \$32-40,000 for installing power poles to our lot. There could be at least four houses on this lot depending on topography. A recent walk-through part of the lot was encouraging in that, while it has a slope, it is not too steep for building.

Denali Commission: Eric O'Brien of the Denali Commission spoke at length with Deborah about funding options for housing. The Denali Commission will receive USDA funds for conservation projects. This may be applicable to a hydrology assessment and mitigation plan for the Mountain Point lot and the general surrounding area.

Goal 2: Facilitate business expansion, housing construction, and home ownership through financing mechanisms such as an economic development authority that can issue tax exempt revenue bonds for industrial and housing projects and an economic development revolving loan fund.

The economic development authority legislation will become active in the next legislature. We explained previously that the 2024 version of the economic development authority bill was not workable and needed revision.

We have pursued forming an Intermediary Relending Program through the USDA. The USDA staff person for this program left the agency, and there has not been a replacement whom we have been able to contact. We contacted several IRP providers in Washington State about partnering with them. One has responded positively, and we will continue communication with them.

We now have a loan application process and documentation for a micro-loan program. Grow Ketchikan has set aside funds for the program. We expect to publicize the program and solicit applications within the next two months.