



2022-2026 Fairbanks North Star Borough Comprehensive Economic Development Strategy (CEDS)

Small Business Development & Entrepreneurship Summary – **DRAFT**

Includes: Strengths, Weaknesses, Opportunities, Threats | Targets | Goals | Strategies & Actions | Relevant Plans

<p>Strengths <i>Internal attributes that contribute to success</i></p> <ul style="list-style-type: none"> • Many local restaurants and breweries • FNSB is a veteran-friendly community, with many military households choosing to stay in the community after active duty service • Strong local business- focused organizations including the Fairbanks Chamber of Commerce and Fairbanks Economic Development Corporation (FEDCo) • Thread offers pre-training for new child care employees, reducing costs for small child care businesses • Growth and success of local cannabis industry 	<p>Weaknesses <i>Internal barriers to success</i></p> <ul style="list-style-type: none"> • High costs for shipping materials, construction, energy result in higher start-up and operating costs • Lack of a child care licensing specialist in Fairbanks causes delays for new providers who are trying to open new businesses, and for current providers to renew current licenses
<p>Opportunities <i>External forces that contribute to success</i></p> <ul style="list-style-type: none"> • Strategic Arctic location presents unique economic and entrepreneurial opportunities • Barriers to military licensing for Family Child Care (FCC) homes have been removed, resulting in an increase in certified homes in the region able to provide care for military families • State of Alaska actions that eliminate startup barriers including reducing LLC fees and business license costs • Cares and American Rescue Plan Acts and other stimulus funding helped businesses weather pandemic impacts 	<p>Threats <i>External forces that could be barriers to success</i></p> <ul style="list-style-type: none"> • Low Department of Defense reimbursement rates for child care that do not reflect local costs • Ongoing supply chain disruptions due to the pandemic and workforce shortages; in a January 2022 FEDC business survey, 69% of businesses responding they are still experiencing hardships from the COVID-19 pandemic • Banking regulations, employee requirements and other challenges for cannabis growers/retailers • Federal marijuana legalization could result in larger out-of-state retailers flooding the local market and outcompeting local cannabis companies

Where We Are	What measurements can we use to track progress? Where do we want to be in 5 years?	2026 Targets
69% (2022)	FNSB Businesses Experiencing Hardship from COVID-19 – Based on a survey of 35 businesses conducted by FEDC, January 2022	0%
2,438 (2019)	Number of Small Businesses in FNSB – Total number of business establishments with 49 or fewer employees in FNSB; more than half of these businesses have fewer than 5 employees <i>This represents 97% of all businesses in FNSB</i>	2,560
5,992 (2018)	Self-Employed Individuals – Based on nonemployer statistics that count businesses with no employees; these businesses generated a combined \$236 M in receipts in 2018 <i>This represents a 3% increase from 2016, with 5,802 nonemployment in 2018</i>	6,292

Sources: Business Hardship from FEDC’s Annual Business Survey, January 2022; Businesses in FNSB from the U.S. Bureau of Labor Statistics, Quarterly Census of Employment Wages; Self-Employed Individuals from the U.S. Census

Small Business Development & Entrepreneurship Goals – long term improvements and changes we

want to see in five years or more



1. The Fairbanks North Star Borough is a business-friendly community, offering an environment where small businesses grow and thrive.
2. Entrepreneurs have access to the resources and information they need to successfully launch businesses and related efforts that fill a unique economic development niche.

Strategies & Actions – the activities we will implement over the next 5 years to accomplish goals & targets and who will lead them	Lead
<p>1. Promote Local – Expand promotion and marketing of local businesses and products. <i>(Goal 1)</i></p> <ol style="list-style-type: none"> a. Encourage Interior Alaska businesses to join BuyAlaska.com. b. Assist local businesses with trainings on digital and online effectiveness and networking topics. c. Increase events, advertising, and services associated with the Fairbanks First: Shop Local program to encourage greater business participation. 	
<p>2. Build Knowledge & Capacity – Connect business owners and entrepreneurs with information and training. <i>(Goals 1, 2)</i></p> <ol style="list-style-type: none"> a. Promote existing online resources, including the extensive existing library of online workshops from the Alaska Small Business Development Center and Alaska Manufacturers Extension Partnership. b. Encourage those interested in starting a small business to connect with advisors at the Small Business Development Center and Fairbanks Economic Development Corporation. 	
<p>3. Address Barriers – Identify and address barriers to small business success. <i>(Goals 1, 2)</i></p> <ol style="list-style-type: none"> a. Address challenges in the child care sector, including advocating for a child care licensing specialist in Fairbanks and for child care providers to use alternative (non-state) services for background checks for new employees. b. Reduce barriers in the marijuana industry, including supporting statewide tax reform, revision of license caps, address banking challenges, and revisiting prohibition of children at retail sites. 	
<p>4. Fund Entrepreneurs – Connect entrepreneurs with startup funding. <i>(Goal 2)</i></p> <ol style="list-style-type: none"> a. Better promote and utilize the KIVA crowd-funded microfinance program (FEDC as Trustee). b. Continue to advocate for relief funding for businesses impacted by the pandemic. 	
<p>5. Identify Opportunities – Promote and encourage small business opportunities for services and goods with high demand and unmet needs in the community. <i>(Goal 2)</i></p> <ol style="list-style-type: none"> a. Identify areas where existing businesses are not meeting community needs and promote small business development opportunities. 	

Other Relevant Resources

- **Greater Fairbanks Chamber of Commerce:** [Website.](#)
- **Fairbanks Economic Development Corporation:** [Website.](#)
- **Small Business Development Center:** [Website.](#)



Interior Alaska Economic Summit, February 22-23, 2022

Small Business Development & Entrepreneurship Breakout: Discussion Summary (02-22-22)

To view results from the other sessions, visit <https://fnsbcds.com/> (results will be posted by March 11th)

This document compiles feedback and notes from the breakout session. The other tools that were used to guide the discussion include:

- An economic cluster/influencer one-pager that identified a preliminary SWOT analysis, goals, strategies, actions, and measures of success
- A worksheet identifying a proposed economic vision statement and guiding questions for each of the activities. The guiding questions have been copied into this document for reference. The feedback on the economic vision statement was compiled separately and will be released by March 11th.

Participants *(alphabetical by first name, based on sign in sheet)*

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Facilitated by Evan Wilken, Fairbanks Economic Development Corporation

RSVPs: 31 participants

Feedback on the Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis

Guiding Questions:

1. What did we get right?
2. What's missing?
3. What would you change?
4. What's the most important item in each quadrant?

Discussion Notes:

Color Key: **Blue** = proposed revision | **red** = proposed deletion | **green** = proposed addition

Strengths	Weaknesses
<ul style="list-style-type: none"> • Add: Many small businesses • Add: Add agricultural strengths • Add: Innovations with COVID with individuals starting businesses to address supply chain issues • Add: University of Alaska Fairbanks • Add: Alaska Angel Investors • Add: No borough tax • Add: Education • Add: Explore Fairbanks • Add: Artists • Add: Military bases • Add: Cannabis industry • Add: Restaurants • Add: Breweries • Add: Academic training @ CTC 	<ul style="list-style-type: none"> • Add: Military is isolated • Add: Breweries are hampered by alcohol laws • Add: Marijuana industry says its over taxed • Add: Inability to get liquor license • Add: Processing facilities • Add: Shipping prices • Add: High electrical price • Add: Small market/population • Add: COVID funding limited to storefront businesses • Add: Small business advertisement (First Friday) • Add: Amazon • Add: USPS • Add: Building material costs • Add: Lack of advertising • Add: COVID-19 • Add: Lack of housing • Add: Liquor license regulations • Add: Labor shortage • Add: Lack of manufacturing and production • Add: Lack of access to venture capital funding • Add: Limited local manufacturing • Add: Lack of students attending UAF • Add: Transportation
Opportunities	Threats
<ul style="list-style-type: none"> • Add: North Star Wellness and Athletic Center has great potential • Add: Specialization • Add: Infrastructure bill • Add: Military growth • Add: Community Center • Add: Angel Conference • Add: 49th State Angel Fund • Add: Startup week • Add: Job fair for small businesses • Add: Quarterly social gathering for early-stage businesses • Add: Federal funding for large-scale projects 	<ul style="list-style-type: none"> • Add: Label for local vegetables has to go to Anchorage and is very difficult to get product into big corporations in Fairbanks • Add: Alaska is struggling with background checks, which delays child care facilities from opening • Add: Box chains • Add: Lack of training • Add: COVID • Add: Amazon • Add: Lack of competition • Add: Price Gouging • Add: High prices of goods

Goals, Strategies, Actions Discussion Questions

Guiding Questions:

1. What did we get right?
2. What would you change?
3. What's missing?
4. Who will lead each of the strategies? What do you see as you/your organization's role?
5. Which of the strategies is most important for us to focus on over the next year?

Discussion Notes:

- Goals
 - No discussion
- Strategy 1: Promote Local
 - Add: Advertise small businesses more through radio, social media, coupon books, etc.
- Strategy 2: Build Knowledge & Capacity
 - Add: Hold training and job fairs
 - Add: Better advertise the Job Training Center
 - Add: Assistance with trademark/copyright process
 - Add: Programming to give small business knowledge of state of the art tech to promote and grow
 - Add: One-stop shop for resources (funding, links, etc.)
 - Add: Partner with VA to promote opportunities for vets
 - Add: Collaboration between agencies providing resources to go for long-term funding support with end user input
 - Add: Add a military coupon booklet for First Friday
 - Revise: 2C: Build training programs with long-term funding
 - Revise: 2D: One-stop platform for small business resources
 - Revise: 2E: Programming to give small businesses knowledge and state-of-the-art tech to promote growth
- Strategy 3: Address Barriers
 - Add: Add housing
 - Add: Regulatory restrictions especially with liquor licenses
 - Add: Increase child care options
- Strategy 4: Fund Entrepreneurs
 - Add: Investing opportunities/training/networking/connecting businesses with investors
 - Add: Local investment
 - Add: 4C: Pool high profile/high earners who could invest in small businesses
- Strategy 5: Identify Opportunities
 - Add: Annual or bi-annual job fair specifically for small businesses

Measures of Success Discussion Questions

Guiding Questions:

1. What did we get right?
2. What's missing?
3. What would you change?
4. Which of these indicators will be the most effective at measuring our success?

Discussion Notes:

- Add: Number of BIPOC and age dimorphism in small business owners
- Add: Number of young Alaskans who own businesses
- Add: Track unemployment or reported wages
- Add: Add measurement for child care
- Add: Calculate the number of people working in small business
- Add: How many agencies advertise for local businesses?
- Add: Track the state unemployment rate
- Add: Track city business licenses
- General comment: don't call out specific industries, but focus on organizations that support innovators and small businesses
- General comment: Why doesn't FEDCO have a seat on the FNSB Economic Development Commission?
- General comment: Borough can control the employee pool and supply chain issues but not the COVID-19 spread