



2022-2026 Fairbanks North Star Borough Comprehensive Economic Development Strategy

# Small Business Development & Entrepreneurship Summary

## Strengths *Internal attributes that contribute to success*

### Businesses, Organizations, & Government

- Growth and success of local cannabis industry
- Many small businesses
- No state or borough sales tax
- Strong local business-focused organizations including the Greater Fairbanks Chamber of Commerce (GFCC) and Fairbanks Economic Development Corporation (FEDC)

### Education & Workforce

- FNSB is a veteran-friendly community, with many military households choosing to stay in the community after active-duty service
- Resources to support small businesses, including University of Alaska Fairbanks (UAF), Alaska Angel Investors, Explore Fairbanks, startup week
- thread offers pre-training for new child care employees, reducing costs for small child care businesses

## Opportunities *External forces that contribute to success*

### Education & Workforce

- Barriers to military licensing for Family Child Care homes have been removed, resulting in an increase in certified homes in the region

### Funding & Markets

- Coronavirus Aid, Relief, and Economic Security (CARES), American Rescue Plan (ARPA), and other stimulus funding helped businesses weather pandemic impacts
- State of Alaska actions that eliminate startup barriers including reducing fees and business license costs
- Strategic Arctic location presents unique economic and entrepreneurial opportunities

### Infrastructure

- Federal funding opportunities for new infrastructure

## Weaknesses *Internal barriers to success*

### Businesses, Organizations, & Government

- 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

### Education & Workforce

- Labor shortages

### Funding & Markets

- Breweries and marijuana dispensaries experience challenges with taxation, licensing, regulation
- High costs for shipping materials, construction, energy
- Limitations on the distribution of COVID-19 relief funding
- Limited access to venture capital funding
- Limited local manufacturing and production options
- Low density, small population create challenges to achieve economies of scale for business ventures
- Military households are isolated from town

## Threats *External forces that could be barriers to success*

### Businesses, Organizations, & Government

- Banking regulations, employee requirements, and other challenges for cannabis growers and retailers; federal marijuana legalization could result in out-of-state retailers flooding the market and outcompeting local companies

### Education & Workforce

- Slow processing of background checks for child care providers, delaying hiring and facility capacity

### Funding & Markets

- Low Department of Defense (DoD) reimbursement rates for child care that do not reflect local costs
- Competition with large chains and Amazon
- Ongoing supply chain disruptions and continued pandemic-related hardships

Where We Are	What measurements can we use to track progress? Where do we want to be in 5 years?	2026 Targets
69% (2022)	<b>FNSB Businesses Experiencing Hardship from COVID-19</b> – Based on a survey of 35 businesses conducted by FEDC, January 2022	0%
2,438 (2019)	<b>Number of Small Businesses in FNSB</b> – 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)	<b>Self-Employed Individuals</b> – 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



“The federal funding really helped small businesses. The State also did several things that made things easier, such as free business licenses. We need to continue to provide education and resources for owners and entrepreneurs.”

“I would like to see government better listen and act on the requests of business owners who spend time vocalizing their issues.”



## Small Business Development & Entrepreneurship Objectives – 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.

“FEDC is doing an awesome job. They’re keeping our community defense oriented, and working on issues like natural gas.”

“We have a not user-friendly downtown. Navigation is hard, parking is harder, there are no bike lanes, no public restrooms, no housing, etc.”

“We should expand advocacy to promote the entrepreneurial opportunity of becoming a state-licensed child care provider.”

### Strategies & Actions – Activities we will implement over the next five years to accomplish goals & targets

1. **Promote Local** – Expand promotion and marketing of local businesses and products. *(Objective 1)*
  - 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; expand military discount participation and promotion through Explore Fairbanks. 
  - d. Host a community event during the annual Small Business Saturday activities in November.
2. **Build Knowledge & Capacity** – Connect business owners and entrepreneurs with information and training. *(Objectives 1, 2)*
  - a. Promote existing online resources, including the extensive existing library of online workshops from the Alaska Small Business Development Center (SBDC) and Alaska Manufacturers Extension Partnership (MEP); create a one-stop shop for resources, trainings, and funding.
  - b. Encourage those interested in starting a small business to connect with advisors at the Small Business Development Center, Fairbanks Economic Development Corporation, and the Job Training Center.
  - c. Hold trainings and job fairs, including potentially a small business-focused job fair.
  - d. Assist small businesses with the trademark and copyright process, promotional tools.
  - e. Partner with the Veterans Administration to connect veterans with business startup resources.
  - f. Offer trainings to entrepreneurs on how to use Airbnb and other online tools to promote activities and tours.

See *Research and Innovation* section for related recommendations.
3. **Address Barriers** – Identify and address barriers to small business success. *(Objectives 1, 2)*
  - 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.
- c. Support regulatory updates and licensing improvements to reduce barriers for breweries, bars, and other establishments.

**4. Fund Entrepreneurs** – Connect entrepreneurs with startup funding. *(Objective 2)*

- 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.
- c. Facilitate networking and connections between investors and entrepreneurs (e.g., Alaska Angel Conference).

**5. Identify Opportunities** – Promote and encourage small business opportunities for services and goods with high demand and unmet needs in the community. *(Objective 2)*

- a. Identify areas where existing businesses are not meeting community needs and promote small business development opportunities.

Key	★	Priority (TBD)	🔧	Capital Project	📖	Military-related
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### Other Relevant Resources

- **Greater Fairbanks Chamber of Commerce:** [Website](#).
- **Fairbanks Economic Development Corporation:** [Website](#).
- **Alaska Small Business Development Center:** [Website](#).
- **Alaska Manufacturing Extension Partnership:** [Website](#).
- **Fairbanks Economic Development Corporation:** List of Small Business Resources. [Here](#).
- **Alaska Small Business Development Center:** Annual Business Survey. [Here](#).

# Small Business Development & Entrepreneurship

See Appendix A for a list of acronyms.

## Strategy #1: Promote Local – Expand promotion and marketing of local businesses and products.

Capital Project?	Action	Lead	Support	Estimated Resources	Target Completion
	<b>a.</b> Encourage Interior Alaska businesses to join BuyAlaska.com.	SBDC	FEDC	TBD	Ongoing
	<b>b.</b> Assist local businesses with trainings on digital and online effectiveness and networking topics.	SBDC	FEDC	TBD	Ongoing
	<b>c.</b> Increase events, advertising, and services associated with the Fairbanks First: Shop Local program to encourage greater business participation; expand military discount participation and promotion through Explore Fairbanks.	FEDC, Explore Fairbanks		TBD	Ongoing
	<b>d.</b> Host a community event during the annual Small Business Saturday activities in November.	SBDC	FEDC, GFCC	TBD	Ongoing

## Strategy #2: Build Knowledge & Capacity – Connect business owners and entrepreneurs with information and training.

Capital Project?	Action	Lead	Support	Estimated Resources	Target Completion
	<b>a.</b> Promote existing online resources, including the extensive existing library of online workshops from the SBDC and Alaska Manufacturers Extension Partnership (MEP); create a one-stop shop for resources, trainings, and funding.	BDC	FEDC, Alaska MEP, GFCC	TBD	Ongoing
	<b>b.</b> Encourage those interested in starting a small business to connect with advisors at the SBDC, FEDC, and the Job Training Center.	BDC, FEDC	Job Training Center, Center ICE	TBD	Ongoing
	<b>c.</b> Hold trainings and job fairs, including potentially a small business-focused job fair.	FEDC	SBDC	TBD	Ongoing
	<b>d.</b> Assist small businesses with the trademark and copyright process, promotional tools.	SBDC	FEDC, Center ICE	TBD	Ongoing
	<b>e.</b> Partner with the Veterans Administration (VA) to connect veterans with business startup resources.	FEDC	SBDC, VA, DoD	TBD	Ongoing
	<b>f.</b> Offer trainings to entrepreneurs on how to use AirBnB and other online tools to promote activities and tours.	Explore Fairbanks	FEDC, SBDC	TBD	Ongoing

### Strategy #3: Address Barriers – Identify and address barriers to small business success.

Capital Project?	Action	Lead	Support	Estimated Resources	Target Completion
	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.	Thrivalaska	Alaska Child Care Assistance Office, child care providers, state legislators	TBD	Ongoing
	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.	Alaska Marijuana Industry Association, Fairbanks Chapter	State legislators, Greater Fairbanks Chamber of Commerce	TBD	Ongoing
	c. Support regulatory updates and licensing improvements to reduce barriers for breweries, bars, and other establishments.	Alaska Cabaret, Hotel, Restaurant and Retailers Association	Local and state legislators, local businesses	TBD	Ongoing

### Strategy #4: Fund Entrepreneurs – Connect entrepreneurs with startup funding.

Capital Project?	Action	Lead	Support	Estimated Resources	Target Completion
	a. Better promote and utilize the Kiva crowd-funded microfinance program (FEDC as Trustee).	FEDC	SBDC, Center ICE	TBD	Ongoing
	b. Continue to advocate for relief funding for businesses impacted by the pandemic.	FEDC		TBD	Ongoing
	c. Facilitate networking and connections between investors and entrepreneurs (e.g., Alaska Angel Conference).	FEDC, SBDC	Center ICE	TBD	Ongoing

### Strategy #5: Identify Opportunities – Promote and encourage small business opportunities for services and goods with high demand and unmet needs in the community.

Capital Project?	Action	Lead	Support	Estimated Resources	Target Completion
	a. Identify areas where existing businesses are not meeting community needs and promote small business development opportunities.	UAF, Center ICE	SBDC, FEDC, Alaska MEP	TBD	Ongoing