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Leadership to enhance, foster and promote economic development

March 20, 2018

Tim

Dear Senator Costello,

The Kenai Peninsula Economic Development District (KPEDD) supports the revolving loan fund changes suggested in SB157. These adjustments will better structure the program by increasing the maximum loan term from 6 years to 15 years, bring the interest rate in line with similar state loan programs, and administratively define and correct references to the dollar amount defining the two tiers of loans under the program by amending the ceiling loan amount required for a bank denial from \$34,999 to \$35,000.

New businesses are responsible for 80% of all new jobs created in the US. By finding ways to support and incentivize new business growth the state can begin to fill the economic gaps created by the downturn in the oil industry and reduced state spending. Small scale startups and businesses have difficulty securing funding, especially if they do not fit the profile of high growth potential businesses. Having an effective microloan program that focuses on the “Lifestyle” business, particularly those in rural Alaskans, could unlock a large number of new businesses that could serve as economic anchors for their communities.

The proposed legislation improves the existing Alaska Microloan Revolving Loan Fund to make desperately needed capital more accessible to small businesses and entrepreneurs throughout Alaska. The improvements will bring the loans program’s terms in line with other existing programs and provide for patient capital to encourage entrepreneurs and small businesses to take the risks that help create Alaskan jobs through small business enterprise. Your support in passing this bill would be greatly appreciated.

Thank you for your time and consideration.

Respectfully,

Tim

Tim Dillon
Executive Director
Kenai Peninsula Economic Development District

Thank you



Alaska Regional Development Organization (ARDOR)
The State of Alaska Department of Commerce, Community and Economic Development certified KPEDD as an ARDOR in 1989.



Economic Development District (EDD)
The U.S. Department of Commerce, Economic Development Administration (EDA) recognized KPEDD as an Economic Development District in 1988.