

AEDC Investment Capital Handbook

PRE-ANGEL FUNDING

1) **Launch: Alaska** – Pre-launch businesses

Launch: Alaska is a startup accelerator focused on delivering experiential entrepreneurial education for the good of the entrepreneurs they work with and in order to contribute to Alaska's private sector. The organization provides an intensive, 90-day process that takes early-stage businesses from both the local region and outside Alaska, and brings them together in a cohort to improve plan, product and investing potential.

Manager: Lance Ahern

Investment Range: Up to \$25,000 per company (equity)

Website: <http://www.launchalaska.com/>

Email: info@launchalaska.com

2) **Arctic Innovation Competition (AIC)** – Pre-launch businesses

Hosted by the UAF School of Management, AIC is Alaska's original idea contest that awards over \$28,000 in cash prizes. The Arctic Innovation Competition is open to anyone with an innovative idea. No prototype or business plan is necessary to enter; however, they are recommended.

Manager: Ping Lan

Investment Range: Top prize is \$10,000, total annual prize package is \$28,000 (not equity)

Website: <http://arcticinno.com/>

Email: aic@arcticinno.com

3) **Path to Prosperity Competition** – Pre-launch, early stage or existing businesses

Two winning entrepreneurs will receive an award of up to \$40,000 in seed funding for consulting/technical assistance to develop their business concept, along with support in finding investor funding. The competition aims to launch growth companies that will increase local employment, have a positive social and economic impact on their communities, promote sustainable use of local resources and increase entrepreneurial know-how and business leadership in Southeast Alaska. The competition is open to residents of Southeast Alaska: individuals, for-profit businesses and tribal entities that have or intend to have a significant operating presence in Alaska.

Manager: Paul Hackenmueller

Investment Range: Up to two \$40,000 awards (not equity)

Website: <http://p2pweb.org/>

Email: P2P@Sealaska.com

ANGEL FUNDING

1) 49th Fund – Growth stage businesses

A fund focused on financing high-growth businesses. Welcomes manufacturing, technology and import substitution opportunities; considers other sectors. Target portfolio companies are post revenue.

Managers: Jamie Kenworthy, Carol Howarth

Investment Range: \$200,000 – \$400,000 (equity)

Website: <http://www.49thfund.com/>

Email: jamiiek@49thfund.com and carolh@49thfund.com

2) 49th State Angel Fund (49SAF) – Fund of Funds

As of 2015, 49SAF only operates as a "fund of fund:" This means they work with the private sector in order to set up a local investment fund, which is run by private managers. 49SAF equity interest in that fund then means 49SAF has an indirect equity interest in the operating company. To date four funds have been created through the 49SAF and one direct business investment has been made.

Managers: Municipality of Anchorage

Investment Range: Depends on deal and matching funds. Roughly \$3 million remains in the program.

Website: <http://www.49saf.com/>

3) Alaska Accelerator Fund – Seed stage businesses

An early-stage fund that seeks to accelerate and add value to startups by leveraging the experience of managers, advisers and angel investors. Target portfolio companies are at the plan or prototype stage.

Managers: Al Hermann, Forrest Nabors, Ky Holland, Katherine Jernstrom, Brit Szymoniak

Investment Range: \$50,000 – \$340,000 (equity)

<http://www.akacceleratorfund.com/>

Email: fnabors@alyeskavm.com, kholland@alyeskavm.com, kjernstrom@alyeskavm.com

4) Anchorage Equity Partners – Expansion stage businesses

A flexibly structured fund that can invest in a wide variety of firms. Target portfolio companies are those with at least one full year of revenue history, or firms in need of capital raises in excess of \$1 million.

Managers: Neil Gunn, Paul Wiltse

Investment Range: \$250,000 – \$1,000,000+ (equity)

Website: N/A

Email: ngunn@venturenorthgroup.com and pwiltse@venturenorthgroup.com

5) Anchorage Opportunity Fund – Expansion stage businesses

A fund that increases financial capacity at proven firms seeking to expand operations. Target portfolio companies are more mature, with a preference for five years or more of operating history.

Managers: Mark Kroloff, Jonathan Rubini

Investment Range: \$200,000 – \$800,000 (equity)

Website: N/A

Email: mkroloff@firstalaskan.com

OTHER FUNDING OPTIONS

- 1) **Bristol Bay Development Fund (BBDF)** – Startups and existing business growth
BBDF is an investment fund and is a wholly owned subsidiary of Bristol Bay Native Corporation. It is primarily focused on investing in businesses located within the Bristol Bay region, but can also invest in businesses located outside the region that provide clear, tangible benefits to residents of the Bristol Bay region. Because BBDF offers both financial and non-financial capital, it is considered to be a “nurture” Capital fund. The Fund will focus on business startups and existing business growth.

Managers: Cameron Poindexter

Investment Range: \$20,000 - \$500,000 (equity)

Website: <http://www.bbdf.net>

Email: cpoindexter@bbdf.net

Phone: (907) 265-7836

- 2) **Alaska Growth Capital (AGC)** – Various
AGC is Alaska’s first Business and Industrial Development Corporation (BIDCO), which means that it is authorized specifically by state statute to provide loans, and in some cases equity investments, to businesses. It is a wholly owned subsidiary of Arctic Slope Regional Corporation (ASRC), Alaska’s largest regional native corporation. AGC’s focus is economic development finance and whose customer base consists primarily of growth companies within diverse industries and commercial divisions.

Managers: Chris McGee, Jesse Janssen

Investment Range: \$1 - \$10 million (Loan participation and sometimes equity)

Website: <http://alaskagrowth.com/>

Phone: (907) 339-6760

Email: info@alaskagrowth.com

- 3) **Pt Capital, LLC** - Various
Pt Capital, LLC is a private equity firm concentrating on investment opportunities in the Arctic, including Alaska, Iceland, Greenland and northern Canada.

Managers: Hugh Short, Mead Tredwell

Investment Range: Unknown

Website: <http://ptcapital.com/>

Email: info@PtCapital.com

Phone: (907) 433-6600

GOVERNMENT PROGRAMS

- 1) **Alaska Industrial Development and Export Authority (AIDEA)**

AIDEA provides a number of different programs aimed at financing business, nonprofit, and community projects that have meaningful economic development impacts. AIDEA’s programs are varied and provide different opportunities for funding and can be used for new businesses, business expansion, upgrades, capital projects, machinery and equipment and other business needs. AIDEA provides financing in areas of

Loan Participation, Bond Financing, Development Finance, Investment Financing and Loans Guarantee programs.

Contact: Mike Catsi

Investment Range: Varies depending on program and deal (loan participation and equity)

Website: <http://www.aidea.org/>

Email: MCatsi@aidea.org

Phone: (907) 771-3000

2) U.S. Small Business Administration (SBA) Alaska District Office

The SBA helps Americans start, build and grow businesses through in-person education/consulting and online resources as well as providing a number of financial assistance programs for small businesses that have been specifically designed to meet key financing needs, including debt financing, surety bonds, and equity financing. SBA does not provide grants for starting and expanding a business.

Contact: Sam Dickey

Investment Range: Varies depending on program and business type (loan participation and grant)

Website: <https://www.sba.gov/offices/district/ak/anchorage>

Email: sam.dickey@sba.gov

Phone: (907) 271-4022

CROWDFUNDING

1) Indiegogo

Crowdfunding is the backbone of Indiegogo. Indiegogo supports clients through the entire process of bringing new ideas to market and considers itself an all-in-one launch platform that provides funding choices, marketing and promotion, integrated analytics, perk options, fulfillment support and mobile management.

Website: https://www.indiegogo.com/how-it-works#/what_we_do

Starting a project: <https://www.indiegogo.com/choose-your-platform>

2) Kickstarter

Kickstarter is a Benefit Corporation that helps artists, musicians, filmmakers, designers and other creators find the resources and support they need to make their ideas a reality. Benefit Corporations are for-profit companies that are obligated to consider the impact of their decisions on society, not only shareholders. Kickstarter's mission is to help bring creative projects to life. Kickstarter measures success as a company by how well it achieves that mission, not by the size of their profits.

Website: <https://www.kickstarter.com/about?ref=nav>

Start a project: <https://www.kickstarter.com/learn?ref=nav>