

**Agency: Commerce, Community and Economic Development**

**Grants to Municipalities (AS 37.05.315)**

**Grant Recipient: Yakutat**

**Project Title:**

## **Yakutat - Fuel Dock With Cruise Ship Platform**

**State Funding Requested: \$ 650,000**

**House District: 5 - C**

One-Time Need

### **Brief Project Description:**

CRUISE SHIP FUNDING SOURCE - Install a cruise ship platform on the fueling dock to allow for refueling of cruise ships.

### **Funding Plan:**

**Total Cost of Project: \$4,800,000**

	<u>Funding Secured</u>		<u>Other Pending Requests</u>		<u>Anticipated Future Need</u>	
	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>
Federal Funds	\$2,500,000					
Denali Commission	\$700,000					
Local Funds	\$800,000					
<b>Total</b>	<b>\$4,000,000</b>					

### **Detailed Project Description and Justification:**

THIS IS A CRUISE SHIP FUNDING SOURCE PROJECT

The Hubbard Glacier in the Yakutat Borough is a destination for more than 170 cruise ship voyages per year. The visits have a significant local impact on the local fisheries, sightseeing charters, harbor seal subsistence use and the medical facilities.

The Coast Guard has condemned the fueling dock which is the only fueling facility for nearly 400 miles. The proposed fuel dock will not only serve the local boating community but will also open up the possibility of selling fuel to cruise ships. The proposed cruise ship platform will allow for easy tie up and refueling which would give rise to possible port calls in the future which would benefit Yakutat. The cruise ship platform is a vital component of Yakutat's economic development plan.

### **Project Timeline:**

Funding would be secured in July of 2008 with construction to begin in the spring of 2009.

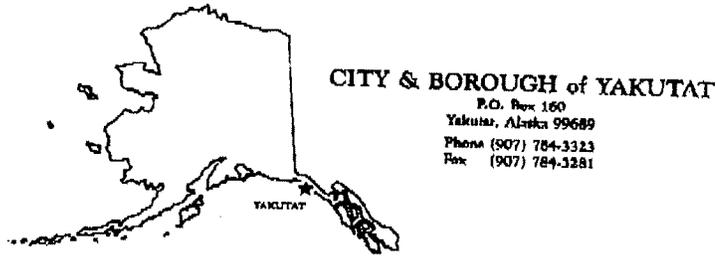
### **Entity Responsible for the Ongoing Operation and Maintenance of this Project:**

City and Borough of Yakutat

**Grant Recipient Contact Information:**

Contact Name: Skip Ryman, Borough Manager  
Phone Number: 907-784-3323  
Address: P.O. Box 160, Yakutat, AK 99689  
Email: bplanner@starband.net

Has this project been through a public review process at the local level and is it a community priority?  Yes  No



Cruise ship/Fuel Dock \$650,000.00

The Borough has acquired 2.6 million in funding from the EDA, 0.7 million from the Denali Commission and has dedicated another 0.8 million of its own funds to the construction of a multipurpose dock that includes cruise ship landing and lightering capabilities. Increasing costs associated with materials and transportation require that we seek additional funding of 0.65 million to insure completion of the cruise ship segment of the project.

**U.S. DEPARTMENT OF COMMERCE**

Economic Development Administration  
Jackson Federal Building, Room 1890  
915 Second Avenue  
Seattle, Washington 98174  
Fax: (206) 220-7669

(206) 220-7660

SEP 21 2004

In reply refer to:  
Investment No. 07-79-05573

Mr. Steve Henry, Borough Manager  
City and Borough of Yakutat  
P.O. Box 160  
Yakutat, AK 99689

OCT 4 2004

Dear Mr. Henry:

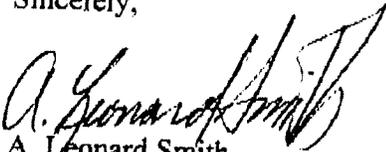
We are pleased to inform you that the Economic Development Administration (EDA) has approved a Financial Assistance Award in an amount not to exceed \$2,456,365 in response to your application for federal assistance. These funds are to be used to replace a condemned fuel dock with a multi-purpose facility of 26,000 square feet of open cell dock with float and ramp.

The total project cost is \$3,071,740 which is based on the line item estimates contained in Attachment No. 1.

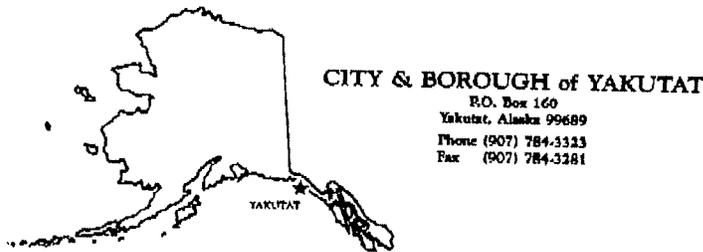
Enclosed are three signed copies of the Financial Assistance Award. Your agreement to the terms and conditions of the award should be indicated by the signature of your principal official on all three of the signed copies of the Financial Assistance Award. Two of the executed copies should be returned to the Director, Seattle Regional Office, Economic Development Administration, Jackson Federal Building, Room 1890, 915 Second Avenue, Seattle, Washington 98174.

You are cautioned not to make any commitments in reliance on this award, nor to enter into negotiations relative hereto, until you have carefully reviewed the terms and conditions and have determined that you are in compliance or that you can comply therewith. Any commitments or undertakings entered into prior to obtaining the approval of the Government in accordance with its regulations and requirements will be at your own risk.

Sincerely,

  
A. Leonard Smith  
Regional Director

Enclosures



## Investment (Project) Area

### Identify the project area.

The project is located in the tidelands of the Southeastern shore of Monti Bay within the boundaries of the City and Borough of Yakutat, Alaska. Monti Bay represents the only deep-water port along a four hundred mile stretch of the Alaskan Gulf Coast. It is an arm of the larger Yakutat Bay situated approximately midway between Cape Spencer and Cordova. Offering shelter and services to mariners who traverse the Gulf of Alaska, Monti Bay represents the only seaport for the Borough and its 900 residents. The proposed facility is a public, multi-purpose dock that will;

- a) Serve as a fuelling station for Gulf mariners as well as the bulk fuel delivery point for the Borough.
- b) Provide expanded work area and moorage for the only privately operated seafood processing facility serving the Yakutat commercial fishing industry.
- c) Provide a loading dock for commercial fishing and sightseeing charters.
- d) Provide a facility suitable to loading gravel barges supporting a new gravel exportation industry and guaranteeing the backhaul necessary to maintain continued regular inbound surface freight for Borough businesses and construction projects.

The seafood processing facility alone represents approximately 50 full time employees and another 50 part time. The fuel company another four full time and one part time position. Over 183 commercial fishermen need a place to purchase fuel for their vessels and a dock from which to offload their product. The facility will also represent the only source of bulk fossil fuel necessary in the operation of every business in the Borough. Among others, these business include eight charter boat operators (23 employees), thirteen hotels, lodges and B&Bs (36 employees), three car rental agencies (7 employees), one taxicab business 2 employees), two air taxis 5 employees), a major airlines (22 local employees) and four construction companies 14 fulltime and 24 part time employees).

The geology of the Yakutat area is characterized as glacial moraine and glacial outwash. As a raw material, the unlimited supply of subsurface gravel in Yakutat can be used for roadbeds and other construction projects with almost no refining. Minimum refining is required for the production of finer products required in certain concrete and road surfacing jobs. Sealaska, the State of Alaska and the Yakutat Borough all own significant subsurface quantities of this raw material. A dock, close to current inbound freight facilities is necessary to facilitate this exciting new opportunity for business growth in the Borough. The location selected offers such an opportunity.

## Investment (Project) Description

**Briefly describe the components of the project. For construction investments attach an original or clear copy of a USGS topographic map clearly showing the location of the project.**

The EDA investment would fund engineering design and permitting, removal of the existing facility, the purchase of sheet pile bulkhead, approximately 20,000 cubic yards of gravel fill, 1800 cubic yards of riprap, fuel pumps and pump house, cranes, electrical components, water, moorage hardware, fuel lines,

access road, gravel loading conveyor system, seafood receiving and grading facility, float for small to medium vessels, all construction costs and related labor.

**Provide a clear scope of work for the proposed EDA project**

This project proposes to remove the old dock and replace it with a 26,000 sq ft open cell dock and steel bulkhead sheet pilings. The facility would feature a float and ramp for fueling and servicing smaller vessels as well as an additional mooring dolphin to accommodate the larger commercial fishing boats, gravel barges and fuel tankers. The access road would need to be cleared, resurfaced, compacted and graded. Electrical lines, transformers and relays for the fuel pumps, cranes, lights, gravel conveyor system, lights and refrigeration outlets would need to be installed. Freeze resistant waterlines to aid seafood processing and charter boat activities will be installed.

Prior to the demolition of the condemned wooden dock, fuel delivery lines would need to be secured. An environmentally secure onshore, temporary connection port would be installed that would allow bulk fuel tankers utilizing flexible hoses from mooring dolphins to continue servicing the community's bulk fuel supply tanks during the construction phase.

## **Proponents Capability**

**Briefly describe the proponent's capability to administer, implement, and market the project**

The City and Borough of Yakutat and the Alaska Native Tribal Health Consortium is currently managing a 1.2 million dollar water project involving federal HIS and EPA funds together totaling eight hundred and ninety six thousand dollars (\$896,000). The balance of the 1.2 million is local contribution. The Borough successfully managed the recently concluded boat harbor upgrade project involving one hundred and fifty six thousand dollars (156,000) of federal contribution. This year, the Borough was awarded a nineteen thousand dollar (\$19,000) planning grant from the U.S. Forest Service and management of these funds is in progress. The Yakutat Borough represents one of thirty five Coastal Zones and receives federal funds through the State annually for the management of coastal issues.

The project will generate revenue that can be used to guarantee continued upkeep and improvements. The Borough is financially solvent and has an excellent credit history.

The proposed facility will be constructed on Borough owned tidclands and uplands. It will be a public use facility managed, operated and maintained by the Yakutat Borough. As a public use facility it will be available for participation in all practical commercial ventures. Fuel transfer pipeline infrastructure will be installed and owned by the Borough. Use will be regulated by written agreement and the Borough will be compensated for that use by a contracted fuel flow rate. Management fees in the form of royalties and rents will be put into place with gravel exporters, seafood processors and other commercial users.

**Explain when the project will start and end (proposed time schedule for the project).**

The present facility has been condemned by the Coast Guard and, unless an extension is granted, must be replaced or decommissioned this spring. Temporary arrangements for bulk fuel deliveries can be made and we will look for the project to begin immediately after funding is secured. The design and construction phase should take approximately four months.

## **Problem**

**Briefly describe the severity of the problems that are adversely affecting economic development in the community and how the project will address the problems and complement the community's planning process.**

The Coast Guard has condemned the facility slated for replacement and all use of it will be terminated this spring. The condemned dock represents the only fueling facility for almost four hundred miles of the

Alaska Gulf Coast and the only facility providing bulk fossil fuel to the Yakutat Borough. Without this project, the community will not possess the ability to receive and distribute reasonably priced fuel. The availability of reasonably priced fuel is vital to the following economic sectors of the community:

- A. **Electrical power generation.** The only electrical power plant in Yakutat utilizes diesel generators.
- B. **Air Transportation.** Surrounded by mountains, glaciers and the Gulf of Alaska, with no road corridors in or out, the only way to enter or leave Yakutat is by sea or the major airline offering daily large plane service (Boeing 737) to major Alaska communities as well as interstate destinations. Such major air service has been an integral part of Yakutat's economy since the mid 1950's. A thriving visitor industry has grown dependent upon its continued presence. A dependable supply of jet aircraft fuel is an important component in maintaining the airline's continued service as well as in keeping airfare and air cargo rates attractive. Two air taxis utilizing small single engine aircraft provide transportation to otherwise inaccessible parts of the Borough. The air taxis transport loggers, commercial fishermen, hunting and fishing guides and clients, emergency medical personnel and patients, sightseers, government representatives, law enforcement personnel, miners, petroleum exploration personnel, teachers, communications personnel, etc in much the same way busses or commercial land vehicles would operate in other communities. Fuel costs are the highest single expense to air taxis and delivery disruption or price increases will have a direct negative effect on virtually every commercial operation in the community.
- C. **Retail Service Stations.** Three retail service stations dispense gasoline and diesel fuel to the general population, the local taxicab and the four auto rental agencies.
- D. **Seafood Processing.** Combining the facility's function with that of the only major seafood processing facility will bolster the sagging local seafood industry. Overhead costs associated with seafood processing are high in Yakutat. Extreme distances and low volume drive the cost of doing business beyond the community's ability to compete. In order to guarantee profitability, a major processor in Yakutat must produce seven to nine million pounds annually. Local salmon and offshore fisheries produce less than half that quantity. Additional volume can only be obtained from transient offshore deep-water fishermen. Yakutat must have a modern, safe multipurpose dock to service the offshore fleet and insure continued delivery of their product. Fish processors must be able to offer inexpensive fuel if they are to entice deliveries from the transient offshore fleet.
- E. **Private offshore charter operations.** Eight offshore halibut and salmon charter operators representing more than a dozen vessels need a dependable fueling and loading facility. With nearby Hubbard Glacier drawing increasing attention, sightseeing interest is growing and facilities are required to support the expected industry growth.

Virtually every business in the Borough is dependent on fossil fuel products for heat, lights and transportation. The guarantee of efficient, safe and continuous delivery of those products requires the facility proposed herein.

Yakutat is a fishing community. Competition from foreign importation of farmed salmon threatens to dismantle the core economy of the Borough. One of the two private processors declined to renew their lease and, after fourteen years, closed their doors and left the community after the 2002 season. That processor paid almost seven million dollars annually into the local economy in the form of wages, retail purchases, seafood purchases, repairs and maintenance and utilities. The one remaining processor that will benefit from this project continues to struggle to find markets and fishermen wanting to stay in the business. Our unemployment is well above the national average.

Gravel exportation is seen as a long-term growth industry that will add stable employment of local heavy equipment operators and construction company personnel. Gravel is expected to become a dependable and continuous "backhaul" load that will guarantee regular barge service in support of all community commercial activities. Yakutat needs a modern, efficient means to load gravel barges if we are to enter this market.

**Briefly describe how the project will address the goals and objectives of the Comprehensive Economic Development Strategy for the area (if allocable).**

The Yakutat Borough Comprehensive Development Plan Policies state in part;

“Maintain and improve public infrastructure, such as dock, port facilities, shore-side facilities.....”

The policies go on to state;

“Support development opportunities that complement the highly seasonal salmon fishery.”

## **Project Impact**

**Briefly describe the expected impacts from the project on the community and how the unemployed, underemployed, dislocated or low-income workers will benefit from the project.**

The multi-purpose character of the facility will provide a facility for individual commercial fishermen to market their products directly through smaller “fresh sales” and value added commodities. The one hundred and eighty three commercial fishing permit holders affected will have a stable market for their products. The “multi-purpose” character of the dock offers an opportunity to establish a small “fisherman’s marketplace” where product can be directly marketed to the visitor industry and local consumers. Charter operations will have a facility that will allow them to explore the purchase and operation of larger sightseeing charter vessels. New water dependent businesses such as kayak rentals, boat rentals, surfing enthusiasts and others will have a facility from which to operate. Marine research groups, mariculture and aquaculture programs exploring new business opportunities will also have a “platform” from which to operate.

The salmon industry of the Yakutat Borough like all wild salmon fisheries is seasonal. Tying the fueling facility with the major seafood processing plant will encourage the boats involved in the offshore fisheries of cod, halibut, crab, scallops and others to make year round deliveries thereby extending the season and the yearly length of employment for plant employees. It would also provide the production poundage necessary to guarantee plant profitability. The seafood processing business creates a wide range of employment opportunities. The approximately one hundred and twenty seafood processing related jobs range from low-level entry positions to higher-level management and professional career positions. Lengthening and stabilizing seafood processing will provide an environment wherein low-level employees will have an opportunity to grow individually and advance within the industry.

A dependable and efficient fuel delivery system will help keep fuel costs, a major expense to every business in the Borough, at a minimum. Keeping major business expenses reasonable will allow for the development of new industry and the expansion of employment opportunities within current commercial activity.

**Include estimates for job creation/retention and provide sector investment expected to result from this project.**

The construction of a gravel exportation platform will allow Sealaska and others to invest in the personnel and equipment necessary to excavate and transport pit-run and screened gravel products. The crusher, screener and transportation aspects alone will result in a minimum direct investment of five hundred thousands dollars per participant. Sealaska, a private corporation, owns subsurface gravel and is expected to operate independently. The Borough and State own their respective subsurface gravel and will be in position to lease pits to multiple operators. Two companies in addition to Sealaska who have expressed interest are Pate Construction and SeaCon Inc. The gravel contingency of the facility will provide eighteen immediate new jobs for the community with potential for twice that many in the near future. Gravel pit operations and related equipment maintenance will provide six fulltime positions per operator. Equipment operation and maintenance are favored vocational choices of local high school graduates who will mesh comfortably with the expanding opportunities.

One hundred and eighty three (183) local commercial fishermen are directly dependent upon a Yakutat based processor. The introduction of large quantities of foreign farm fish into the United States seafood

markets has made the local plant's continued operation doubtful. Borough support of the current processor through capital investments in facilities is essential to insure its continued operation.

The project is expected to create approximately sixty-seven annualized new jobs in the seafood industry and another five in the fuel delivery sector. Increased poundage will support the current processor's ability to lease facilities from the Borough. The lease of these facilities will result in an investment of an additional \$250,000.00 annually. A healthy seafood industry will invest over \$500,000.00 annually in capital upgrades, facility and equipment maintenance.

Private sector capital investment from Delta Western Fuel is will be approximately \$50,000.

Larger vessels conducting sightseeing tours will add seven new jobs. Miscellaneous investments from other commercial activities in the visitor industry are expected to create an additional six new jobs. Sightseeing vessels capable of carrying 45 passengers cost approximately 1.5 million dollars each. Two Alaskan companies have expressed interest in operating Hubbard Glacier tours. One, Kenai Fiord Tours, has run a pilot project and needs only the loading facility this project will offer.

#### **Identify other competitive selection criteria addressed by the project.**

##### **Market Based Characteristics**

The project is market based and looks toward bolstering the seafood industry by encouraging the development of new markets and products while increasing the production of currently produced commodities. The seafood market is moving away from whole fish and toward value added fillets and individually packaged portions. The multi-purpose characteristics of this project will give the 183 individual commercial fishermen an opportunity to enter the diverse value added marketplace. Potential markets for Yakutat gravel have been identified in the Pacific coastal States, Hawaii and Asia. This facility is necessary to develop those markets.

##### **Proactive Participation**

Borough ownership of hundreds of acres of land with marketable subsurface gravel rights combined with management of loading infrastructure gives the Borough the opportunity to lease gravel pits to any qualified contractor with a market for quality gravel. Direct involvement in the fossil fuel delivery gives the Borough an opportunity to improve the efficiency of fuel delivery and sales reducing business overhead and consumer costs. The potential for reduced fuel costs will attract more offshore commercial fish deliveries to the Borough while reducing the length of the "run to market" by the boats fishing offshore Yakutat.

##### **Looking Beyond the Horizon and Diversifying the Economy**

A multi-purpose dock will provide the platform necessary to enter the new business of gravel exportation. It provides necessary infrastructure investment in the seafood industry so local fishermen can participate in the changing nature of their industry. The proposal's encouragement of gravel exportation and the visitor industry related enhancements adding medium sized tour operator and sportfish charter facilities diversify and strengthen the local economy. Yakutat waters have been identified as excellent for the farming of scallop spat and for raising certain shellfish. The presence of a modern, efficient facility could attract Mari culture and aquaculture projects that would work with the local fish processor.

##### **Maximization of Private Sector Investment Dependent Upon EDA Involvement**

Without a facility from which to offload, grade and prepare their catch, local fishermen would be unable to participate in the independent, value added markets. Without a facility from which to load gravel, gravel pit permit holders are limited to local sales only. Medium sized tour ship operators cannot operate without a passenger loading and unloading facility.

##### **Likelihood of Success**

Disenchantment Bay and the Hubbard Glacier located in the Yakutat Borough attract thousand of tourists on more than 130 annual visits of large cruise ships operated by Norwegian Cruiselines, Princess, Celebrity and others. Smaller tour vessels belonging to Kenai Tours and Allan Marine have expressed an interest in taking smaller groups of tourists to see this proven attraction but are unable to do so because of the lack of

appropriate facilities. This project would provide those facilities. Thousands of cubic yards of gravel are trucked into the United States from Canada and used for Pacific Coast projects. Yakutat's unique geology offers not only the product to compete but the deep water port from which to transport large quantities at competitive prices. Sealaska Corporation is simply waiting for appropriate loading facilities to initiate their involvement. Select Fish and Whole Foods, the largest outlet for organic food products have offered to buy 100% of Yakutat's seafood production. The recently condemned fuel related infrastructure has been operating successfully since 1942.

#### **Higher Skilled, Higher Wage Jobs**

Seasonal cannery workers would have the opportunity to graduate from "H&G" processing (head and gut) slimelines to value added smokers, advanced processing machinery such as fillet and packaging units which utilize computer and laser technology. Part time positions would become fulltime career positions with upward advancement possibilities. High paying equipment operator and mechanic positions would be created within the new gravel exportation enterprise. There would be the opportunity for small boat operators to graduate to larger vessels that carry more passengers. "More passengers" mean "more visitors" who would utilize lodges, hotels, car rentals, air taxis, restaurants, etc.

#### **Maximized Return on Taxpayer Investment**

Federal, State and local projects dependent on foreign gravel sources would have a dependable domestic supplier. Value added domestic seafood would offer competition to imported farm fish products.

## **Project Beneficiaries**

#### **Identify employers who will benefit from this project**

<b>Company</b>	<b>Products and Services</b>	<b>Jobs Saved</b>	<b>New Jobs</b>	<b>Private Sector Investment</b>	<b>Committed or Interest only</b>
YKI Inc	Seafood	52	15	\$2 mil	Committed
Delta Western	Fuel	5		\$175,000	Committed
183 Com. Fishermen		183		\$8,000,000	Committed
Misc const Co.	Gravel		18	\$1,500,000	Interest
Charter Boats	Tourism		15	\$3,000,000	Interest

## **Civil Rights Issues**

**If the proponent and/or employers identified above have been the subject of any unresolved issues or negative determinations, arising from civil rights compliance reviews, complaints, lawsuits or other allegations of discrimination on the basis of race, color, national origin, sex, disability or age within the past two years, briefly describe the issues and the status thereof.**

NONE

**Does the applicant and any identified "Other Parties" understand and agree to the EDA civil Rights requirements for the signed assurances, employment data, and any other information which may be needed to determine compliance?**

Applicant YES

"Other Parties" YES

## Funding

<b>Construction Project Estimate</b>	
Administrative Expense	\$35,000
Land, Structure, ROW, Easements	\$25,000
Relocation and incidental Costs to Acquisition	\$10,000
A/E Fees & Inspection	\$80,000
Site Work	\$420,000
Construction and Demolition	\$850,000
Equipment	\$960,000
	Gravel conveyor 300,000
	Refrig elect 160,000
	Waterline 50,000
	Fuel line/pumps 200,000
	Cranes 70,000
	Mooring hdwr 80,000
	Elec lighting 100,000
Contingencies	\$72,000
<b>Total cost</b>	<b>\$2,452,000</b>

## Identify Sources of Non-EDA Funding

### Provide information on the sources and timing of all funding commitments

The Yakutat Borough proposes to provide \$500,000 toward funding the project. Funds could be direct cash contributions from the TERF fund maintained by the Borough for "in kind" administrative expenses and material. The approx 21800 cubic yards of fill material could be provided from existing Borough gravel pits.

## Title/Ownership/Operation and Maintenance (Construction Projects)

### Briefly describe plans for property management

The proposed facility will be constructed on Borough owned tideland and uplands. This public use facility will be managed and maintained by the Yakutat Borough. The entire facility including fuel transfer pipelines, pump houses, cranes, waterlines, electrical delivery systems and the seafood receiving station will be owned by the Borough. Use will be regulated by written agreement and the Borough will be compensated for that use. The major privately owned seafood processing facility occupies adjacent tidelands leased from the Borough. Construction economics make it practical for the dock to partially occupy tidelands under lease to the seafood processor. Their use of the facility will be by written agreement in addition the conditions of their current lease.

### Will the properties funded by EDA be owned, operated and/or maintained by an entity other than the proponent? If yes, identify.

The facility will be owned and maintained by the proponent, the City and Borough of Yakutat.

### Will the property to be improved, or the facilities funded, by EDA be mortgaged or used as collateral for any financing and/or is any real property to be used for this project currently mortgaged or being used for collateral? If yes, explain.

NO

**If the facilities funded by EDA will include acquisition, construction, or improvement of a building or acquisition or improvement of significant items of tangible personal property, can the proponent provide a security interest to EDA? If no, explain.**

N/A

## **Economic Development Need**

**Briefly describe the economic development need for the EDA investment and how it addresses the goals and objectives of the comprehensive Economic Development Strategy (CDES) for the area (if applicable).**

Providing a facility that promotes value added seafood products helps Yakutat compete with a foreign farm fish industry. Giving individual commercial fishermen an opportunity and facility to directly market their catch will invigorate the industry through competitive stimuli and open new marketing opportunities.

The community needs a safe passenger loading and unloading platform for sport fish and sightseeing charters.

Overhead costs associated with seafood processing are high in Yakutat. Extreme distances and low volume drive the cost of doing business beyond the community's ability to compete. In order to guarantee profitability, a major processor in Yakutat must produce seven to nine million pounds annually. Local salmon and offshore fisheries produce less than half that quantity. Additional volume can only be obtained from transient offshore deep-water fishermen. Yakutat must have a modern, safe multipurpose dock to service the offshore fleet and insure continued delivery of their product.

A multipurpose public facility will provide a vehicle by which the Borough can address new entrepreneurial opportunities involving the large-scale exportation of timber, mineral and other natural resource products.

Virtually every business in the Borough is dependent on fossil fuel products for heat, lights and transportation. The guarantee of efficient, safe and continuous delivery of those products requires the facility proposed herein.

Clean gravel is a construction material much in demand. The gravel loading portion of the project allows Yakutat to build a new industry providing jobs and stabilizing the surface transportation network for the entire Borough.

The Yakutat Borough Comprehensive Development Plan Policies state in part;

“Maintain and improve public infrastructure, such as dock, port facilities, shore-side facilities.....”

The policies go on to state;

“Support development opportunities that complement the highly seasonal salmon fishery.”

**Briefly describe the economic conditions of the area, the economic adjustment problem, or the severity of the economic dislocation the area has experienced (or is about to experience) and how the economic development of the area is being (or will be) affected. Provide justification for the area's eligibility for EDA assistance (if applicable) and its grant rate eligibility (see Exhibits A and B and 13 CFR Part 301).**

Yakutat is a fishing community. Competition from foreign importation of farmed salmon threatens to dismantle the core economy of the Borough. One of the two private processors declined to renew their lease and, after fourteen years, closed their doors and left the community after the 2002 season. This processor paid almost seven million dollars annually into the local economy in the form of wages, retail purchases, seafood purchases, maintenance and utilities. The one remaining processor that will benefit from this project is struggling to find markets. The fishermen themselves are finding it difficult to stay in

the business. Our unemployment is well above the national average and commercial fishermen desiring alternative employment have been unsuccessful in finding any.

## **Title/Ownership/Operation/Maintenance and Management (Construction Projects)**

**Briefly describe plans for the ownership, operation, maintenance and management of the project facilities, including any land, improved land, structures, and appurtenances thereto, or other improvements, including any personal property.**

The proposed facility will be constructed on Borough owned tideland and uplands. It will be a public use facility managed, operated and maintained by the Yakutat Borough. Fuel transfer pipeline infrastructure will be installed and owned by the Borough. Use will be regulated by written agreement and the Borough will be compensated for that use by a contracted fuel flow rate. The major privately owned seafood processing facility occupies adjacent tidelands, which they lease from the Borough. Construction economics make it practical for the dock to partially occupy tidelands under lease to the seafood processor. The seafood processor as an extension of their current lease will utilize the facility.

**Will the facilities funded by the EDA be owned, operated and/or maintained by an entity other than the proponent?**

The facility, the land on which it is constructed and its uplands access will be owned by the proponent, which is the City and Borough of Yakutat. Bulk fuel wholesalers will operate and maintain certain aspects of the fuel delivery infrastructure and control aspects of their operation that will concern fuel related safety and environmental protection functions.

**Will the real property to be improved or the facilities funded by the EDA investment, including any industrial or commercial park acreage, be mortgaged or used as collateral for any financing and/or is any real property to be used for this project currently mortgaged or being used for collateral?**

No.

**Can the proponent provide a security interest in the real property or significant items of tangible personal property to the EDA?**

Yes. Law may dictate the extent and manner to which such guarantees can be made. For instance, certain matters of the Borough related to debt and property require voter concurrence.

**If the EDA investment will be used to develop or improve an industrial or commercial park, identify the owner(s) of the park acreage and estimate the number of acres benefiting from this investment.**

Not applicable

**Discuss plans for the sale or lease of the real property improved by the EDA investment. For privately owned land, is the private owner of the vacant acreage willing to enter into an agreement to limit the sales price of the improved land for a reasonable period of time to the fair market value of the land before the improvements?**

The property will not be sold. Fuel delivery pipelines and related infrastructure will be leased on a "flow rate" basis. The flow rate will be established by ordinance of the Borough Assembly and will be related to overall maintenance costs of the dock. Other fees such as incidental moorage and seafood royalties will also be established by ordinance. Methods of collection will be in accordance with established written procedures. No privately owned land is included in the project.

## **Environmental Issues (Construction Projects)**

**Provide a brief physical description of the project site noting topography, vegetation, water bodies, and location and condition of any manmade structures or buildings. If available, provide a GIS analysis of the sensitive environmental areas, including contaminated sites, archeological sites, National Register places and sites, and wetlands that are within a two-mile radius of the project site.**

The proposal is for an "open cell" dock constructed on Borough owned tidelands located along the southern shore of Monti Bay between the present location of the condemned facility (to be removed) and the operating seafood processing pier owned by the local native corporation. The depth at the face of the dock will be approximately six fathoms. Upland access is characterized by a small rise in terrain approximately thirty feet above the beach line. The tidelands between the two facilities is the most desirable because it rises less steeply from the face depth of six fathoms and will require less fill and sheet piling. The upland vegetation is native willow and alder with an occasional small stand of mixed spruce and hemlock. The site is located within several hundred feet of the seafood processing facility and roughly one thousand feet from the community's bulk fuel storage tank farm owned by Delta Western Inc. The existing dock sits on a site originally utilized by the U.S. Armed Forces during World War II and some minor soil contamination has been identified as a result of their activities. The contaminated sites are well upland of the proposed project and not a factor. Wetlands too exist within a two-mile radius of the project but again will not be a factor. No archeological or National register places or sites exist within a two-mile radius.

**If yes to any question, briefly explain.**

**1. Will the project be located in or adjacent to a floodplain or wetland area?**

The project will involve damming and filling over 25,600 sq feet of submerged tidal lands of Monti Bay.

Questions two through five "No" question 6 is inapplicable.

seats they provide are limited by their seasonal need to carry cargo. While we are appreciative of their presence and their efforts, growth in our tourist industry is stunted until we can increase capacity. Scheduled stops by the ocean going arm of the Alaska Marine Highway system has promised to provide just such a growth opportunity but the uncertainty of continued service keeps us from taking advantage. We understand the need to conserve and we appreciate the high cost of the system. But, recent attempts to trim the budget, while simply reducing service elsewhere, have threatened to completely eliminate all service to Yakutat. We respectfully submit that locations such as Yakutat are precisely the reason for the existence of the Marine Highway System. Again, we understand the occasional need to reduce service but we cannot begin to "carry our weight" until we are guaranteed some level of monthly Service.

### **CRUISESHIP TAX**

While cruiship passengers do not disembark in Yakutat, the Hubbard Glacier in our Borough is a destination for more than 170 voyages per year. These visits do have a significant local impact on our fisheries, our sightseeing charters, harbor seal subsistence use and our medical facilities.

Patients are routinely medevaced from these ships to the Yakutat Airport. Our clinic is staffed by PA's and we do not have access to medical doctors such as those on board the ships. Since law forbids a patient be transferred to a lower classification of care, these people often wait in the ambulance unattended until their medevac plane and attendants arrive. We need funds to pay for a medical Doctor to be on staff at least seasonally. We feel this is an obvious advantage to the industry and clearly meets the requirements required to share in the tax distribution. Our EMT/EMS ambulance service is entirely volunteer and do not have a centralized facility from which to operate or house their vehicles. The attached Capitol improvement List identifies the need for such a facility and places the cost around 700,000.00. The EMT/EMS portion of such a facility would be about 200,000.00 and we propose funding that portion of its construction from the tax.

We intend to construct and operate a field research laboratory which, among other things would expand scientific studies in the local area and northern gulf addressing issues such as marine mammal disturbance and glacial movements of the Hubbard. Both areas of study would benefit the industry by providing a guide to better management practices and safety issues during those times the Hubbard closes the fjord.

A conservative calculation of Yakutat's share of the tax, considering time spent in our borough would be in excess of 1.6 million dollars. The programs we are offering to provide ask for about 500,000.00 or, less than one third of the amount we feel could be supported.

### **MAX ITALIO DRIVE**

We have been talking with the State DOT for the last three years regarding the paving of Max Italio Drive, a state maintained road that runs the entire length of the original village site and services a majority of residents. The project has been surveyed and we have been assured that the funds are available yet the job never seemed to get to bid and we are now told the funds are no longer there. We need an explanation for the people who expected this project to be completed by now.