



ALASKAN-IZING THE FLEET

Bringing the Coastal Villages Region Fund CDQ vessels home to Alaska

The Program

Coastal Villages Region Fund (CVRF) represents 20 Western Alaska communities, and with 35% of the total assets is the largest of the six Community Development Quota (CDQ) groups. Combined, the groups are a billion dollar business annually, employing 2300 people in wage and salary jobs paying \$32 million, with another \$25 million in ex-vessel payments to 1500 permit holders and 1700 crew.

CVRF harvests cod, pollock, crab, salmon and halibut in the Bering Sea and Aleutian Islands, and holds over \$300 million in CDQ assets.

The Project

Currently, the economic benefits of homeporting largely bypass Alaska in favor of Puget Sound. Given sufficient infrastructure choices ships will follow their owners. The CVRF fleet owners desire to bring their fleet home to Alaska, and have partnered with Seward to further develop the Seward Marine Industrial Center (SMIC) support facilities including:

- ◆ Breakwater to protect mooring basin
- ◆ 2500' of moorage
- ◆ 20,000 sq. ft. of warehouse
- ◆ 5,000 sq. ft. of office
- ◆ 5-10 acres fenced storage
- ◆ Private sector vendors for fuel, provisions, training and services across marine trades.

Why Seward?

- ◆ Year round ice-free port
- ◆ Road, rail and air access
- ◆ Fleet-capable drydock and ship repair
- ◆ History of fishing businesses
- ◆ AVTEC maritime licensing, training and certification
- ◆ Access to marine trades and services across all of South-Central Alaska
- ◆ Building onto \$30+ million of community bonded basic port infrastructure
- ◆ Regulatory process streamlined by adding onto currently permitted SMIC projects and activities
- ◆ Existing baseline geotechnical work

"No single port can meet all the fleet's service, supply and repair needs. Seward's location will serve as the ideal hub for access to Anchorage, Cook Inlet, Prince William Sound and Kodiak port resources for the vessels".

Cost and Funding

Initial total cost estimate is \$55 million including a 31% contingency, which will be refined and lowered as the design is further developed.

Given the size of the project and the economic importance of Alaskan-izing the CDQ fleet, Seward is pursuing a combination of grant funding and debt service options, including:

- ◆ State: AIDEA, Legislative appropriation, Statewide Port Bond Package, ADOT&PF Harbor program
- ◆ Federal: USACE, "TIGER" grant, EDA, USDA Rural
- ◆ Local bonding
- ◆ Private sector w'hse, offices, housing and vessel services

Benefits

In addition to construction jobs, the primary benefit is spending on vessel repair and maintenance and goods and services and jobs created and supported in Alaska rather than in WA.

Savings to CVRF are significant, including airfare to/from Seattle, and exemplified by average fuel savings of \$75,000 per vessel per round trip to Seward rather than Seattle. Savings will more than offset the sometimes higher cost of doing business in Alaska, and are expected to increase as economies and efficiencies of scale grow with the relocation.

The harbor improvements will be critical in attracting other new business to Alaska, including exploration and support vessels for Beaufort and Chukchi O&G.

The Future

The economic activity associated with homeporting the CVRF fleet will enable private sector development to existing, new, and new-to-Alaska businesses.

Sales and property taxes and fuel excise taxes will far outweigh moorage charges. These, together with lease fees, will support debt service and ongoing operations and maintenance of the public infrastructure so that future state and federal subsidies are avoided.

This project furthers the late Sen. Steven's vision in the Magnuson-Stevens Fisheries Act and CDQ amendments of achieving sustainable and diversified economies in Western Alaska, as well as bringing significant benefits to the state as a whole.

