



CITY AND BOROUGH OF WRANGELL  
INCORPORATED MAY 30, 2008

Office of the Borough Mayor

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March 1, 2017

Representative Dan Ortiz  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801  
[Rep.Daniel.Ortiz@akleg.gov](mailto:Rep.Daniel.Ortiz@akleg.gov)

**Re: Support for HB 76 – Mariculture Revolving Loan Fund**

Dear Representative Ortiz:

On behalf of the City and Borough of Wrangell, I would like to express support for HB 76 which alters the Mariculture Revolving Loan Fund (Fund) in order to more effectively and fully deploy this state asset to develop the mariculture industry by addressing bottlenecks in seed supply.

In 2015, the Wrangell Assembly adopted Resolution No. 10-15-1333. With that Resolution, the assembly urged the State of Alaska to amend the statutory requirements for the mariculture revolving loan fund. I have attached that Resolution to this letter for you.


Shellfish and seaweed hatcheries are critical pieces of infrastructure necessary for the development of mariculture in Alaska. However, the financial support of these operations is difficult during the developmental stage when the industry is too small to financially support these operations entirely through seed sales. Providing access to the Mariculture Revolving Loan Fund will help to break the chicken-or-egg stage of the industry and provide the support necessary to help the industry grow past this stage.

Seed security has been identified as a top priority by aquatic farmers in Alaska for over 10 years. If farmers do not have a consistent source of seed to purchase, it is difficult to impossible for them to grow and expand their businesses. Altering the fund to provide access to 40% of the fund to hatcheries will help to provide better seed security for farmers.

Another benefit of developing mariculture in Alaska is the important role that shellfish and seaweed hatcheries can play in adapting to ocean changes and acidification, and the ecoservices that shellfish and seaweed provide to our marine environments.

Thank you for sponsoring this important legislation. The City and Borough of Wrangell Assembly supports HB 76 and appreciates your work to bring economic opportunities to Alaska.

Sincerely,

  
Dave Jack  
Mayor

Attachments: Resolution No. 10-15-1333

cc: Governor Bill Walker  
NRC Alaska  
Alaska Fisheries Development Foundation, Inc. (AFDF)  
Alaska Maritime Task Force (AMTF)  
Representative Louise Stutes, Chair, House Fisheries Committee

CITY AND BOROUGH OF WRANGELL

RESOLUTION No. 10-15-1333

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, URGING THE STATE OF ALASKA TO AMEND THE STATUTORY REQUIREMENTS FOR THE MARICULTURE REVOLVING LOAN FUND

- A. **WHEREAS**, the Mariculture Revolving Loan Fund was established by AS 16.10.900-945 and 3 AAC 80.410-480 to make loans for the purpose of planning, construction , and operation of a mariculture business; and
- B. **WHEREAS**, under AS 16.10.910 eligible applicants for a loan must have a permitted mariculture farm located within the State of Alaska; and
- C. **WHEREAS**, AS 16.10.915 limits the loan amount to \$100,000 a year, not to exceed a total loan of \$300,000; and
- D. **WHEREAS**, shellfish and aquatic plant seed (i.e. oyster and geoduck) are needed for mariculture farms to succeed and therefore, hatcheries are vital component for the industry to succeed within the State of Alaska; and
- E. **WHEREAS**, per Alaska Department of Fish and Game, all species of native shellfish and aquatic plant seed are required to be produced within the State of Alaska (oyster is the only exception to this requirement); and
- F. **WHEREAS**, the Assembly believes that the State of Alaska Mariculture Revolving Loan Fund is an appropriate mechanism for funding mariculture hatcheries as well as farms within the state; and
- G. **WHEREAS**, the current revolving loan fund needs to be amended to allow non-profit shellfish hatcheries to apply for loans with the state following a similar administrative model as Alaska's salmon hatcheries which utilize the Fisheries Enhancement Revolving Loan Fund; and
- H. **WHEREAS**, the Assembly believes that it is in the best interest of the State of Alaska and the mariculture industry that non-profit shellfish hatcheries be eligible to utilize the fund in an amount not to exceed up to \$2 million of the principle of the fund as an efficient and effective way to encourage economic development in communities.

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL that:**

**Section 1.** The Assembly supports, and urges AML to support, a change to Alaska law that would statutorily amend the existing Mariculture Revolving Loan Fund to allow for non-profit shellfish hatcheries to also utilize the fund in an amount not to exceed up to \$2 million of the principle of the fund.

**Section 2.** The Borough Clerk is directed to forward this resolution to the AML with the request that the draft AML Resolution which is included, to be considered at the 2015 AML Annual Local Government Conference.

**Effective Date.** This resolution shall be effective upon adoption.

ADOPTED: October 13, 2015

ATTEST: Kim Lane  
Kim Lane, MMC, Borough Clerk

David L. Jack  
David L. Jack, Mayor

