



KETCHIKAN GATEWAY BOROUGH

1900 First Avenue, Suite 115, Ketchikan, Alaska 99901

• Telephone: (907) 228-6605 • Fax (907) 228-6697

Office of the Borough Mayor

March 1, 2017

Representative Dan Ortiz
Alaska State Legislature
State Capitol
Juneau, AK 99801
Rep.Daniel.Ortiz@akleg.gov

Re: Support for HB 76 – Mariculture Revolving Loan Fund

Dear Representative Ortiz:

As Mayor of the Ketchikan Gateway Borough, I am expressing support for HB 76 which amends the Mariculture Revolving Loan Fund to include provisions for mariculture hatcheries to participate in the fund for a loan of up to \$1,000,000 per year.

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. Under AS 16.10.910 eligible applicants for a loan must have a permitted mariculture farm located within the State of Alaska. AS 16.10.915 limits the loan amount to \$100,000 a year, not to exceed a total loan of \$300,000. 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.

The Ketchikan Gateway Borough understands the need for hatcheries and has provided a loan to OceansAlaska for the purpose of a shellfish hatchery to fill this void. 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. 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.

In October 2015, the Borough Assembly adopted Resolution 2621 urging the Alaska Municipal League to supports 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.

I look forward to your consideration of the Borough's concerns and proposal.

Cordially,

David Landis
Mayor

Enclosure: Borough Resolution 2621