

Marine Industrial Parks – Marketing

Key points that successful MIP's share and use in their marketing

Location

- Strategic location / centrally located / conveniently located
- Access to trade routes for movement of products and materials: rail, national highway system, major ports
- Available workforce
- Businesses that take advantage of deep water port access

Infrastructure Provided

- Variable size of space available
- Infrastructure suited to manufacture: i.e. large freight elevators; structures with heavy floor loads;
- Deepwater berths
- Freight handling equipment
- Marina
- Lift capacity
- Floating dock space

Financial Incentives

- Low property tax
- Low corporate/business taxes
- Basic infrastructure provided to site: water, sewer, electricity, transportation access
- Tax credits for job creation
- Infrastructure provided (Federal/State/Local funding)

Target Businesses

- Fuel
- Marine Parts
- Ship's store with marine gear and clothing
- Repair & maintenance
- Boat Storage
- Seafood processors

Administration

- One-Stop Shop approach to business. One location with all services that a boat owner needs from storage to maintenance and repair.

Southeast Alaska Summary

Several communities want to develop a marine industry center. All feasibility studies assume their community's marine industry center will be serving the broader Southeast Alaska market. Essentially, these communities are all competing for the same business. Of all the communities working to develop a Marine Industrial Center, Hoonah is the closest to achieving the goal.

Hoonah Marine Industrial Center

Hoonah is the farthest along in development of a Marine Industrial Center.

- Phase I completed June of 2007: 95,000 cubic yards of tidelands filled
- Phase II completed: boat haul out pier, 220-ton travel lift, wash down pad, and utilities.
- Phase III \$2,760,000 funding requested, \$1,000,000 approved, in FY2011 capital budget for construction of boat yard maintenance and repair facilities.
- Funding secured to date (FY2006-FY2011): Federal \$3 million; State \$4 million; Denali Commission \$300k
- Commitments from Four Seasons Marine and Alaska Independent Tenderman's Association to use facility.

Funding (FY2006-FY2011)

Denali Commission \$300,000

City of Hoonah \$1 million

Economic Development Association (EDA) \$589,108

Federal \$3 million

State \$4 million (including \$1 million in FY2011 Capital Budget)

Wrangell Marine Services Center (MSC) - status Wrangell is also ahead of Sitka in development of a Marine Industrial Center, however, their plans may have stalled due to competition with Hoonah that affects feasibility.

- Proposed location at old Alaska Pulp Corporation mill site.
- The MSC would be owned and operated by the City and Borough of Wrangell.
- Wrangell has been working on a plan since 1995 with three feasibility studies completed.
- 2002 Feasibility Study (66 pages) available.
- 2004 Business Plan (55 pages) available.
- Business Plan was developed by Wrangell Harbor Department with the Wrangell Port Commission.
- Two feasibility studies completed prior to the Business Plan
- Business Plan is based on City ownership of the facility
- Marine Service Center included in 1995 Overall Economic Development Plan
- The feasibility study shows that a Marine Center would likely operate at a small net loss before depreciation; however additional economic activity and sales tax revenues would make the project feasible.
- Wrangell estimates a Marine Center would create 22 new full-time jobs.
- Wrangell has a variety of marine services already, most located on the inner harbor. The proposed Marine Center assumes many of these businesses would relocate. Note: the

relocation of existing businesses to the MSC does not create new jobs unless business expands or new businesses are developed.

Wrangell survey of yacht owners indicates most important factors in selecting a marine center for storage and repairs:

- Marine railway
- Support for purchase and installation of equipment
- Easy access to facility
- Moorage available before and after haulout
- Available supplies, parts, and knowledgeable, skilled service providers
- A clean yard in which to work

Considerations for size of a Travelift (from Wrangell feasibility study)

A Model 150 BFM Marine Travelift was recommended for Wrangell. This recommendation is based on trends in salmon and other fisheries, in which fewer boats are participating and the multipurpose boats are gradually growing in size.

- Optimum size of Marine Travel lift for Wrangell target market determined to be Model 100 BFM or Model 150 BFM to handle vessels up to 100 metric tons or 150 metric tons respectively. The 100 ton lift handles vessels up to 25' beam / 150 ton lift handles vessels up to 26' beam.
- Possible changes in salmon and other fisheries suggest need for a larger lift. 58' limit seiners are getting wider and require bigger lift.

Petersburg Boat Haul Out and Work Yard

- 2008 the Petersburg Economic Development Council (PEDC) started development of a vessel haul out and boat work yard.
- The Petersburg City Council has approved PEDC's conceptual plan and the design process has begun.
- The proposed facility will be located in Scow Bay with a 4,000 sq. Foot mooring float, adjacent to existing concrete boat launch ramp.
- In October 2009 a lease application by Island Ventures, LLC was approved (for operations of the facility?).
- As of December 2009, PEDC was holding public meetings regarding development details including management issues.
- As of May 2010 – Project submitted for Coastal Consistency review to State Dept. of Natural Resources.

Sitka

Suggested improvements – from 2003 meeting with Sitka Marine Industries

- Indoor work areas for fiberglass, sandblasting, painting
- Indoor space for general boat work
- New boat ramp on Sawmill Creek Road, closer to town than Herring Cove
- More skilled technicians to work on marine and 4x4 machines
- Fire training center (which has to be incorporated into the Basic Safety Training certification programs for commercial fishermen and crews)

Comments from SEDA's 2007 Marine Industry Survey

Nearly 31% of respondents to the survey stated that existing Sitka boat haul out is not adequate to fully service their vessel.

Nearly 32% of vessel owners use facilities in Washington State for repair and/or maintenance. 10.6% go to Juneau, 9.1% to Wrangell, 7.1% to Ketchikan, and 6.6% to Petersburg.

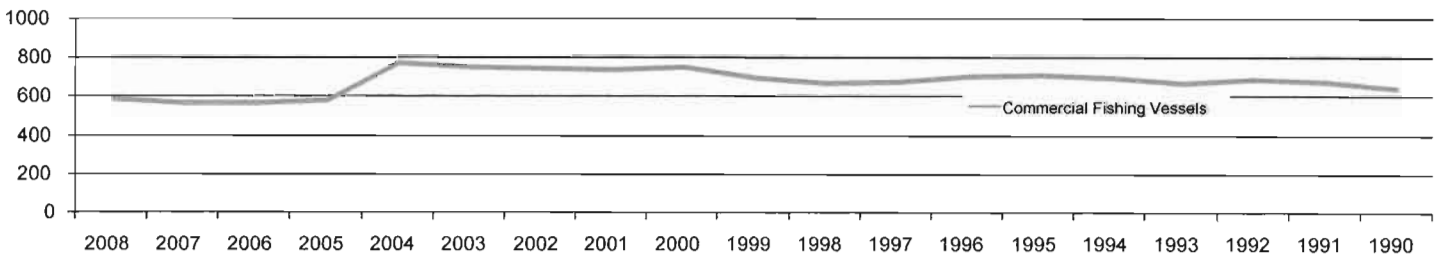
The general reasons for going outside for service is the quality, variety, and cost of services. Also boat storage space and working space availability.

Commercial Fishing Vessels Southeast Alaska - 2010

Southeast Alaska (SEAK)

- About 17% of vessels operating in SEAK are limit seiners. Roughly 32% of these are home ported outside Alaska.
- The Commercial Fisheries Entry Commission (CFEC) database analysis indicates about 7% of the vessels in Southeast Alaska are in the 100- to 150-ton size category.
- Increasing width of limit seiners operating in Southeast, many of the wider vessels may exceed the capacity of a 100-ton Travelift.
- Some yachts would require a lift with capacity larger than 100 tons. Generally yachts are about one ton per foot of length. However, those under 50' in length, tend to have a smaller displacement per foot of length.
- An estimated 10% of the commercial fishing boats from outside of Alaska are expected to be hauled out and stored in an Alaskan port for the winter.
- Approximately 1% of Southeast Alaska fishing boats are hauled out and stored over the winter.
- Vessels not hauled out for storage will normally be hauled out for maintenance and repair every other year.
- Average two gear types per vessel

Sitka's Commerical Fishing Fleet



- Fishing vessels typically use haul out, repair and maintenance services during winter months.
- Yachts generally use facilities during summer months.
- Locally owned pleasure craft peak time for repair and maintenance is spring, getting ready for summer.
- Lack of haul out facilities for wide hulled catamaran vessels

2008 registered commercial fishing vessels in Southeast Alaska

Haines = 81
Juneau = 316
Ketchikan = 303
Prince of Wales Island = 355
Sitka = 589
Skagway-Yakutat-Angoon = 329
Wrangell-Petersburg = 818
Residents of other States and Countries = 322

Total 3,1130

Note: Details are available on hull, engine, and gear type; vessel size and age.

Total Registered power boats – 2009

Juneau = 4,160
Ketchikan = 3,025
Sitka = 2,041
Haines = 481
Yakutat = 307
Cordova = 716
Craig = 491
Skagway = 101
Petersburg = 1,397
Wrangell = 834
Metlakatla = 173

Total 13,726