

Agency: Commerce, Community and Economic Development**Grants to Municipalities (AS 37.05.315)****Grant Recipient: Seldovia****Federal Tax ID: 92-6000085****Project Title:****Project Type: New Construction and Land Acquisition**

Seldovia - Value Added Manufacturing Plant

State Funding Requested: \$440,000**House District: Kenai Areawide (33-35)**

One-Time Need

Brief Project Description:

The building of a 6000 square foot facility to support the development of Seldovia based jobs.

Funding Plan:

Total Project Cost:	\$1,005,000
Funding Already Secured:	(\$125,000)
FY2013 State Funding Request:	<u>(\$440,000)</u>
Project Deficit:	\$440,000

Funding Details:

We received 125k from the State in FY2012 that is assisting us with final preparations for us to build. We have been working with EDA on a 440k grant. Combined with the 440k we are requesting in FY2013 from the State we will be building in August of 2012.

Detailed Project Description and Justification:

The City of Seldovia seeks to further the economic welfare of its residents through economic development and infrastructure investment. The City of Seldovia and its residents recognize that community-based manufacturing and renewable resource industries are vital to facilitating employment opportunities. The proposed multi-use facility is strategically aligned with the city's economic plans to provide an efficient facility for local businesses to pursue high level value added processing of fish product. This facility will address the high demand for business space to lease in order for businesses to support long-term employment within the community. The inception of this project is derived from the desire to create jobs and a stronger, more diversified economy in Seldovia.

The number of Seldovia residents has been in decline since 1980. The decline is directly linked to the loss of employment opportunities due to the closure of the local cannery, October 1991. As typical, the loss in local population has negatively impacted the local Seldovia economy. Losses or declines in the following are visible: taxable sales; commercial fishing permit holders; fish processing operators; charter fish operators; retail establishments; and school enrollment. All of these have contributed to the further erosion of city government funding and state funding which have hand-in-hand contributed to further population declines.

Business Description

The City of Seldovia has proposed the development of a conservatively sized (6,000 square foot) facility to support private industry development of a value added fish processing/manufacturing facility and ice house. A key component of the facility will be a small training and lodging space (1,500 square foot) to encourage the incubation of other small businesses and ensure workforce development training can be provided onsite in Seldovia when relevant.

The primary objective of the City of Seldovia in pursuing this development is to encourage and increase the number of Seldovia based jobs. The custom processing facility operators anticipate 25 to 30 new jobs coming to the community. Further, by adding a locally owned processor the options and even season for selling for local fishers will be increased, fishermen will have an additional outlet to purchase their catch, and the number of fishing jobs within the community is anticipated to also increase. Developers of this project also anticipate the increase of service provider jobs (restaurant, cleaning, housing) to increase as a secondary benefit. As a result, Seldovia's economy will be strengthened. Additional key success factors associated with this development include: promoting economic growth through the increase of community cash flows, encouraging diversification of the local economy and supporting the increase of services throughout the Seldovia community.

 

Business Location

The City of Seldovia owns the waterfront property proposed for development. The subject property has a gross area of 109,294 square feet (2.51 acres) and an approximate usable area of 83,117 square feet (1.91 acres). The parcel has approximately 400 feet of waterfront. The property is bounded by Main Street to the east, Dock Street to the south, and Seldovia Bay to the west.

The property was formerly a cannery that contained a cannery complex and stationary dock. The cannery facilities have been removed with the exception of the concrete slab floor of the former cannery footprint and an existing electrical power transformer located at the southeast corner of the property. Buried and abandoned water and sewer utilities remain in place on the property. The eight onshore lots were appraised at a combined total value of \$498,000. The City will retain ownership of the subject property to ensure long term benefit for its residents is maintained.

Ownership/Management/Partners

The facility will be owned by the City of Seldovia. A key goal of the city is to ensure economic wealth creation and jobs are the result of any investment. The City will work with private industry partners to lease the facility. While management of the property will ultimately fall to the City of Seldovia, private industry tenants will be responsible for day to day operations within the facility.

The City of Seldovia has been engaged in a multi-year planning process that involved local entrepreneurs to determine what willing and able tenants are interested in running a private business from the space. Over the past year several stakeholders have been conferred with and several feasibility scenarios have been explored. These conversations have resulted in the development of a business plan to ensure agreements and a sustainable implementation strategy is in place.

A private industry partner, Seldovia Wild LLC, has been identified and closely involved throughout the business planning. Seldovia Wild LLC is already an established business and under contract to custom package all the product from Indian Valley Seafood sold by Wildcatch/Copper River Seafood. The resulting product lines have already been well received by the market as evidenced by contracts with Costco, Whole Foods, and Topco. A goal of Seldovia Wild LLC has been to move operations back to Seldovia if adequate space could be leased. Seldovia Wild LLC is excited to move its operations to Seldovia a place the business owners refer to as home.

Project Timeline:

We are currently working on plans, contracts and ground prep. If the State funding became available we would start in August of 2012.

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

The City of Seldovia

Grant Recipient Contact Information:

Name: Tim Dillon
Title: City Manager
Address: P O Box B
Seldovia, Alaska 99663
Phone Number: (907)234-7643
Email: citymanager@cityofseldovia.com

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

CITY OF SELDOVIA
Resolution 12-11
AMENDED

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELDOVIA, ALASKA
ADOPTING A LEGISLATIVE GRANT PRIORITIES LIST

WHEREAS, the City of Seldovia has specific needs that can only be met by outside sources of revenue;
and

WHEREAS, the City Council of the City of Seldovia has previously held workshops to discuss the needs
of the City; and

WHEREAS, the City Council of the City of Seldovia has decided on eight (8) specific needs and
prioritized them; and

WHEREAS, these Legislative grant priorities need to be placed in Resolution format to comply with
funding requirements.

NOW THEREFORE: BE IT RESOLVED THAT: the City Council of the City of Seldovia has
prioritized the following projects to be requested from the Alaska Governor and Legislature:

- | | |
|--|------------------|
| 1. City Owned Value Added Manufacturing Plant | 440,000 |
| 2. Heavy Equipment | 230,000 |
| 3. Survey of Seldovia Cemetery | 35,000 |
| 4. Sports Fishing Access Stairway | 125,000 |
| 5. Small Boat Harbor Repairs | 1,000,000 |
| 6. Development of Parks & Rec Areas | 135,000 |
| 7. Smolt Stocking | 65,000 |
| 8. Dusting of Roads with Calcium Chloride or
Suitable Alternative | 60,000 |

PASSED AND APPROVED by a duly constituted quorum of the City Council of the City of Seldovia,
Alaska on this 25th day of January, 2012.

APPROVED:



Mayor, Keith Gain

ATTEST:



City Clerk, Mary K. Klinger

