

AP/AL: Appropriation **Project Type:** Economic Assistance
Category: Development **Recipient:** Various
Location: Statewide **House District:** Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40) **Contact:** Micaela Fowler
Estimated Project Dates: 07/01/2022 - 06/30/2027 **Contact Phone:** (907)465-2506

Brief Summary and Statement of Need:

An incentive program to scale up production to increase local market share. Grants and loans are the lifeblood to future development. Giving the Department of Commerce, Community, and Economic Development the ability to provide financial incentives, matching grants, and higher risk loans would allow more flexibility within the Mariculture industry and encourage expansion and development. Ultimately, this funding would allow the Department to supplement the revolving loan fund programs, and provide matching grant funds and financial incentives, which will support mariculture farmers.

Funding:	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	Total
1269	\$25,000,000						\$25,000,000
CSLFRF							
Total:	\$25,000,000	\$0	\$0	\$0	\$0	\$0	\$25,000,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> Ongoing
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

The State has two existing revolving loan programs, the Mariculture Revolving Loan Fund (MRLF) and the Agriculture Revolving Loan Fund (ARLF). Both funds can provide loans to mariculture farmers. Giving both programs the ability to grant funds would allow more flexibility within this growing mariculture industry and encourage development.

Project Description/Justification:

Grant funds would allow more flexibility within this growing mariculture industry and encourage development. Any entity that receives a loan under the MRLF or ARLF program would be eligible to receive matching grant funds. These grant funds at the State level will help encourage the growth of both large and small producers. Adding funds to benefit mariculture farmers providing matching grants to equal their loan application for qualified operators will be fundamental to industry advancement in its early stages of development.

Investments by new businesses in a developing industry carry more risk than established businesses in established industries. Traditional lenders typically do not lend to these businesses, which has been identified as a significant impediment to growth. Additionally, the coronavirus (COVID-19) has reduced tolerance for risk and the capital available for investment in the private sector. Investing in

this industry will help significantly increase production in Alaska.

This investment will expand an existing State program while altering the program to accommodate the following:

- Mariculture Farmers: provide grant funds to farmers for investments which expand operations or start new operations.
- Mariculture Hatcheries: provide matching grants for expansion of existing hatcheries or development of new hatcheries. Hatcheries that receive a loan or any entity that receives a loan under the program is eligible (e.g., mobile hatcheries).
- Mariculture Processors: provide matching grant funds for companies to purchase new mariculture processing equipment (e.g., mobile processing).