Application City and Borough of Sitka Fisheries Enhancement Fund

Sitka Sound Science Center

2015

The Sitka Sound Science Center's respectfully requests the City and Borough of Sitka consider providing the Sheldon Jackson Salmon Hatchery $39,700 from the Fisheries Enhancement Fund. The SJ salmon hatchery is one of the oldest salmon production facilities in the State of Alaska. Our facility is permitted for 12 million chums, 3 million pink and 250,000 Coho eggs. The Sitka Sound Science Center produces these fish for the commercial, sport and subsistence harvest in Sitka Sound and Deep Inlet. We have a strong partnership with the Northern Southeast Regional Aquaculture, for whom we provide 9 million chum eggs which has returned $4.3 million total value to the fishing fleets of Sitka in the past five years.

History of the Organization: Sitka Sound Science Center

The Sitka Sound Science Center is a non-profit 501c3 organization formed in 2007. The Sitka Sound Science Center is dedicated to increasing understanding and awareness of terrestrial and aquatic ecosystems of Alaska through education and research. Our vision is to build on Sitka's legacy and potential as an educational and scientific community. We have 14 year round staff members and 14 additional summer employees. We own the 1929-era Sage building that at one time housed the Sheldon Jackson college science classrooms and laboratories. Today we operate the Molly O. Ahlgren Aquarium and the Sheldon Jackson Salmon Hatchery. Our hatchery contributes to the Sitka Sound common property fishery, the Deep Inlet chum fishery and towards training people in the UAS Fisheries Technology Training Program. These students are the future of salmon enhancement and fisheries management. For example this year, Richard Shafran, a 2015 graduate of the UAS Fisheries Technology Program, and recipient of the UAS Sitka Outstanding Student Award was an intern at our hatchery throughout his time at UAS, and has now been offered a full time job in the aquaculture industry.

The Sheldon Jackson Salmon Hatchery was one the first hatcheries permitted in the State of Alaska. The hatchery was a production facility and a training location where students learned fisheries biology, natural resource management and fisheries enhancement techniques. Graduates from the fisheries program at Sheldon Jackson College from 1975 to 2007 are now professionals and leaders in fisheries enhancement, management and policy around the State of Alaska. When the Science Center took over operation of the hatchery in 2007, our board remained committed to contributing to the common property fishery and continuation of the unique training program our location and facility affords.

Our programs:

Our hatchery facility

What's new? We recently completed a $1.3 million exterior renovation to the Sage Building that houses the Science Center. With funds from the Rasmuson Foundation, DIPAC, the Ahlgren Family Fund, a loan from the State of Alaska Revolving Loan Fund for Fisheries Enhancement, and private donations we replaced the windows, the roof and repaired the concrete exterior. These renovations raise the profile of our facility considerably in the community, and help improve the efficiency of the hatchery. Also this year we completed an upgrade to our freshwater intake system and upgrade electrical service to the building. This year we continued our strong partnerships with the University of Alaska Fish Tech program, NSRAA, Mt. Edgecumbe High School and the Alaska Longline Fishermen's Association and we built new partnerships with the Aleutian Pribilof Island Community Development Association, U.S. Coast Guard Academy, Moat Marine Laboratory, University of California and University of Washington. We now provide logistics support for Little Port Walter, the NOAA research facility on the east side of Baranof Island, laboratory space for the U.S. Forest Service and the U.S. Geologic Survey.

Enhancement

Sitka Sound Science Center is part of the almost $1billion aquaculture industry in Alaska. Southeast Alaska hatcheries contribute millions of pounds of fish to commercial, charter, sport, personal use and subsistence fisheries, resulting in the injection of millions of dollars into the Sitka economy. The McDowell study (May 2010) demonstrates how important hatcheries are to our community and regional economy. The SJ hatchery facility is permitted by the State for 12 million Chums, 3 million Pinks, and 250,000 Coho that return to Crescent Bay, providing important local sport, commercial and charter fishing opportunities near town. Our nonprofit organization provides 9 million chum eggs for the Deep Inlet remote release site. **The value of the SSSC's S.J. Hatchery contribution over the last seven years is estimated at $5.4 million in total value. Over $3.7 million of that value has gone to the common property fishery.** Because of our location our returning fish are easily accessible to recreational fishermen as well as commercial fishermen, including land based sport fishing. In addition, our organization is training people to work in fisheries enhancement. We have a formal Memorandum of Understanding with the University of Alaska Southeast to provide hands on training to people in the University of Alaska Fisheries Technology Program. We are the only working hatchery in the State of Alaska, and in most of the Pacific Northwest, to have such a training facility.

The Science Center coordinates and conducts scientific research related to enhancement. We are entering our third year working with the Prince William Sound Science Center on a multi-million State of Alaska project to investigate hatchery and wild salmon interactions.

We continue to conduct controlled research experiments for the hatchery feed company Skretting in which we are testing alternative fish food ingredients. Currently we are doing research in

partnership with University of Alaska Southeast, University of Alaska Fairbanks School of Fisheries, NSRAA and SeaGrant on humpback whales feeding on hatchery released smolt and fry. This is a growing problem for the common property fishery and hatcheries who are seeing enhanced salmon production literally swallowed up by marine mammals.

We conduct longline fishery research, funded by NOAA, and in partnership with Scripps Institution of Oceanography, the University of Alaska Southeast, the Central Bering Sea Fishermen's Cooperative, and the Alaska Longline Fishermen's Association. We are working with the National Marine Fisheries Service on an ocean acidification study and we are funded by NOAA and the Department of Environmental Conservation to conduct monitoring and clean-up of marine debris on the beaches around Sitka. We also conduct a number of projects for the National Oceanic and Atmospheric Administration (NOAA) including a RNA/DNA of black cod and outreach for the $18 million Gulf of Alaska Integrated Ecosystem Research (GOAIERP) project that is investigating fish recruitment of commercially important species.

The Sitka Sound Science Center has an important partnership with the University of Alaska Fisheries Technology Training Program to train students in aquaculture, fisheries and marine biology at our facility. This year UAS moved this program from Ketchikan to Sitka in part because of our strong partnership. We provide aquaculture instruction to a number of colleges and universities outside of Sitka that bring students to Sitka for field courses and research in marine-related sciences. These colleges include: Stanford University, University of San Francisco; Duke University, Knox College, and University of Alaska Fairbanks School of Fisheries.

Community Support

Sitka Sound Science Center has a wide breadth of community support as represented by our donation and inkind support from fish processors such as Silver Bay Seafoods, Seafood Producers Cooperative and Sitka Sound Seafoods; private foundations including the Sitka Permanent Charitable Trust, the Boat Company, Rasmuson Foundation, and a breadth of individual donations. We are also supported by Douglas Island Pink and Chum (DIPAC) and the Northern Southeast Regional Aquaculture Association (NSRAA). Our Board of Directors represents a cross section of Sitka. Our board members are: Trish White (vice chair, owner, White's Pharmacy); Heather Woody (treasurer, Southeast Regional Health Consortium); Kitty LaBounty (secretary, UAS); Justin Penny (Wells Fargo), Linda Waller(chair, Sitka Sound Seafoods); Nancy LeClerc-Davidson (retired); Rob Allen (Sitka Community Hospital administrator), and Steve Clayton (building contractor).

Dollars Requested: Sitka Sound Science Center respectfully requests the balance of the fisheries enhancement fund $39,700.

Statement of what will be achieved with the funding: Fisheries Enhancement funding will enable Sitka Sound Science Center to continue building its hatchery production and enhancement

operations. The monies from the Fisheries Enhancement Fund will go directly into supporting hatchery operations and funding our hatchery technician. This position is responsible for feeding fish, tagging fish, water quality monitoring and other essential hatchery tasks that support strong, healthy fish releases.

Explanation of how this will enhance the fisheries within the City and Borough of Sitka: Sitka Sound Science Center provides fisheries enhancement in many ways. We directly contribute to salmon fishing opportunities for all users in Sitka by:

- Enhance the quantity of fish stocks returning to Sitka Sound by releasing 250,000 Coho, 3 million Chum and 3 million Pink salmon that return to Crescent Bay.

- Enhance and contribute to the Deep Inlet terminal fishery in partnership with NSRAA to release 9 million Chum salmon.

Additionally we ensure fisheries enhancement into the future by:

- Train adults and students to become competent aquaculture technicians for work at NSRAA or other hatcheries/salmon enhancement projects through on-the-job training and UAS Fisheries Technology class laboratories.

- Introduce K-12 students to fisheries enhancement, science and other marine related disciplines as options for their future careers by providing hands-on laboratories and supporting science curriculum at all Sitka Schools.

- Educate visitors about hatcheries and how salmon enhancement works in conjunction with wild salmon management and conservation in Southeast Alaska

- Educate visitors and residents about the important role of commercial, sport and subsistence fishing to Sitka's economy, lifestyle and culture.

- Provide internship opportunities for college students studying science and to work in science education and hatchery operations during the summer.

- Provide summer employment opportunities for Sitka High School students to work in science education and hatchery operations.

ATTACHED:

Letters of Support from NSRAA and Silver Bay Seafoods

Hatchery Pro Forma

2014 SSSC Balance Sheet

SJ Hatchery Proforma

PROJECTED FINANCIAL STATUS					
RETURN YEAR	2014	2015	2016	2017	2018
FISCAL YEAR	2014	2015	2016	2017	2018
INCOME:					
PINK GROSS REVENUES	$ 32,814		$ 64,882	$ 65,097	$ 66,725
CHUM GROSS REVENUES	$ 3,014	$ 10,644	$ 6,952	$ 16,882	$ 46,706
COHO GROSS REVENUES	$827	$0	$4,050	$25,522	$26,161
CHINOOK GROSS REVENUES	$0	$0	$0	$0	$0
Grants	$33,900	$39,700	$35,000	$35,000	$35,000
Loans	$0	$0	$0	$0	$0
Education & Research (NOAA, ADF&G,etc)	$0	$20,000	$25,000	$25,000	$25,000
NSRAA agreement	$130,000	$160,400	$167,272	$172,290	$177,459
TOTAL REVENUE	***$ 200,555***	***$ 230,744***	***$ 303,156***	***$ 339,792***	***$ 377,050***
EXPENSES:					
OPERATING	$260,864	$267,386	$274,070	$280,922	$287,945
– FISH FOOD	$41,000	$42,025	$43,076	$44,153	$45,256
CAPTIAL IMPROVEMENTS	$0	$26,837	$0	$0	$10,000
LOAN PAYMENT					
TOTAL EXPENSES	***$301,864***	***$336,248***	***$317,146***	***$325,075***	***$343,201***
NET INCOME	***($101,309)***	***($105,504)***	***($13,990)***	***$14,718***	***$33,849***

Sitka Sound Science Center
Balance Sheet
As of December 31, 2014

	Dec 31, 14
ASSETS	
Current Assets	
Checking/Savings	906,181.47
Accounts Receivable	148,905.44
Other Current Assets	8,638.62
Total Current Assets	1,063,725.53
Fixed Assets	
15000 · Sage Building	1,283,946.59
15001 · Lincoln Street Land	377,000.00
15500 · Equipment Capitalized	129,344.58
15555 · Accumulated Depreciation	-20,674.00
Total Fixed Assets	1,769,617.17
TOTAL ASSETS	**2,833,342.70**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	97,136.14
Long Term Liabilities	635,109.67
Total Liabilities	732,245.81
Equity	
32000 · Retained Earnings	1,178,576.35
Net Income	922,520.54
Total Equity	2,101,096.89
TOTAL LIABILITIES & EQUITY	**2,833,342.70**

NORTHERN SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION, INC.

(907) 747-6850
FAX (907) 747-1470
steve_reifenstuhl@nsraa.org

1308 Sawmill Creek Road Sitka, Alaska 99835

May 14, 2015

RE: Support for Sitka Sound Science Center 2015 Fish Box Tax Request

Dear Mayor McConnell & Sitka Assembly,

The Sitka Sound Science Center through its operation of the Sheldon Jackson Hatchery fully meets the criteria for receiving the 2014 Fish Box Tax funds in the category for salmon enhancement. SSSC conducts and is committed to salmon enhancement programs that benefit common property fisheries in Sitka. No other entity in Sitka, applying for the funds, fulfills that mission. In addition, SSSC provides several functions that support enhancement programs in important and fundamental ways, including educating students from kindergarten to college in science, aquaculture research, and providing student/employee salmon hatchery training.

Commercial fishermen have benefited directly from the 12 million chum eggs (increased from 10 million in 2013) associated with the Sheldon Jackson Hatchery permit. If it were not for SSSC operating the hatchery there would be 200,000 fewer adult chum salmon to catch in Sitka Sound each year. The total value of the SJ hatchery chum caught in Deep Inlet by the commercial fleet from 2006 to 2014 is $4,300,000. These dollars flow through Sitka's economy.

NSRAA is a private non-profit fisheries enhancement organization based in Sitka. We have several large salmon production facilities that benefit commercial, sport, subsistence, and personal use fishermen in the region. The NSRAA board is comprised of 15 commercial fishermen representing the three salmon gear groups, one crew seat, and 9 non-commercial seats including subsistence, conservation, municipality, Native organization, and sport fishermen. NSRAA has a strong partnership with Sitka Sound Science Center that began at its inception. NSRAA believes SSSC is ideally suited for receipt of the fish box tax, and wholly deserves the funds.

The SJ hatchery was one of the very first permitted enhancement facilities in the State of Alaska. It has been producing salmon for common property fisheries in Sitka Sound since 1975. Importantly, SSSC has improved the hatchery infrastructure, staff, and programs. Fishermen depend on SSSC's 12 million permitted chum eggs which provide a meaningful common property contribution.

Please support this important enhancement operation in Sitka.

Sincerely,

Steve Reifenstuhl, General Manager
Northern Southeast Regional Aquaculture Association

Silver Bay SEAFOODS

208 Lake St. Suite 2E Sitka, Alaska 99835

Phone: 907.966.3110 Fax: 907.966.3115

Sitka ✦ Craig ✦ Valdez ✦ Naknek ✦ Metlakatla

May 14, 2015

Mayor Mim McConnell and
Members of the Assembly
City and Borough of Sitka
100 Lincoln St.
Sitka, AK 99835

Dear Mayor McConnell and Members of the Assembly,

On behalf of Silver Bay Seafoods, I join the Sitka community in strongly endorsing the Sitka Sound Science Center (SSSC) to receive the fish box tax money from the City of Sitka. Silver Bay Seafoods believes in the work of the Science Center – both in its mission of scientific research and science education and as a salmon production facility.

Silver Bay has a long-term contract with the Science Center for cost recovery and fish processing. We are supportive of the contributions that the Science Center makes to the common property fishery in Sitka Sound, enhancing commercial, sport and subsistence fishing. While SSSC is not a large production facility, it has a long and important history in Sitka and in Alaska. It was one of the original hatcheries permitted by the State of Alaska in 1972 (it holds permit number 3 issued by the State) and holds a long and important legacy of salmon enhancement for the State of Alaska.

We are grateful that the hatchery was stabilized by Sitka Sound Science Center after Sheldon Jackson College shut down in 2007. As a non-profit, SSSC has done a good job in diversifying its revenue sources. The developing non-profit is showing great promise for helping our local economy in a number of ways and we believe it well deserves to receive the City and Borough of Sitka Fish Box tax money this year.

Thank you for your support.

Sincerely,

Richard A. Riggs, CEO