

**SITKA SOUND  
SCIENCE CENTER**

834 Lincoln Street, Suite 200  
Sitka, Alaska 99835  
Admin Phone: 907.747.8878  
www.sitkascience.org



May 23, 2016

Dear City and Borough Assembly members,

It is a great pleasure to send this proposal request for the Fisheries Enhancement Fund on behalf of the Sitka Sound Science Center(SSSC). The voters approved the Enhancement Funds to be used in part for fisheries enhancement in the Sitka area. For the past several years, SSSC has utilized the dollars from this Fund to provide salmon to the common property fishery in Sitka Sound through its operation of the Sheldon Jackson Salmon Hatchery and increasing fishing opportunities near town. In addition, our organization has been able to train people to work in the salmon enhancement sector and provide support to the aquaculture industry.

We hope you agree that SSSC's work dovetails perfectly with the Funds's intended purpose.

Thank you for your past support and for helping us build an organization that is supporting the fishing sector of our community.

Thank you also for your careful consideration of this proposal.

All the best,

A handwritten signature in dark ink, appearing to read 'Lisa Busch', with a stylized flourish at the end.

Lisa Busch  
Executive Director  
Sitka Sound Science Center

## **Application City and Borough of Sitka Fisheries Enhancement Fund**

### **Sitka Sound Science Center**

**2016**

**The Sitka Sound Science Center's respectfully requests the City and Borough of Sitka consider providing the Sheldon Jackson Salmon Hatchery \$37,900 from the Fisheries Enhancement Fund. The SJ salmon hatchery work dovetails perfectly with the purpose of the Fisheries Enhancement Fund. 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 partnership with the Northern Southeast Regional Aquaculture, for whom we provide 9 million chum eggs which has returned \$5.5 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(SSSC) 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 15 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. Students in this program are the future of salmon enhancement and fisheries management. This year three of the student graduates of the UAS Fisheries Technology Program interned at the Sitka Sound Science Center. One of these interns is now working at Solomon Gulch Hatchery, another is working as a Creel surveyor for ADF&G and the third is still employed by SSSC.

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 the continuation of the unique training program our location and facility affords.

Today, SSSC delivers high quality science education programs and conducts collaborative research with a number of research institutions from around the nation. SSSC works in

partnership with fishing interests and works to conduct research that reflects Sitka's local scientific questions.

### **Our programs:**

**What's new?** With the large renovation of the Sage Building behind us SSSC has begun to make small improvements to the hatchery and our facility that allows it to operate more efficiently and safely. Occurring now is the first stages of re-vamping the back part of the Sage building to house a recirculation system and an improved saltwater pump and degassing complex as well as improving the safety of the entryway. SSSC has begun plans to make the hatchery more environmentally self-sustaining. For example, we are beginning research on making a locally-produced hatchery feed that utilizes fish waste. We are also in the spat collecting stage of beginning a small integrated shellfish mariculture program for saltwater fish waste recycling. Our research on kelp and abalone continues and we hosted Mote Marine Laboratory's research on the effect of sub lethal oil on salmon. This year we continued our strong partnerships with the University of Alaska Southeast Fish Tech program, NSRAA, Sitka School District, Alaska Longline Fishermen's Association, Mt. Edgecumbe High School, Stanford University, University of San Francisco, U.S. Coast Guard Academy, Mote Marine Laboratory, and the University of California Santa Cruz.

SSSC has a new partnership this year with Silver Bay Seafoods in which the Sitka-based processing company donates once cent to the Sitka Sound Science Center for every can of salmon it produces. The One Cent for Science program is promoted through the Science Center and highlights the company's interest and commitment to science while providing a sustainable revenue source to the non profit. Also this year, SSSC with help from Murray Pacific rents fishing poles so residents and visitors can better access fishing opportunities near town.

### *Enhancement*

Sitka Sound Science Center is part of the almost \$1 billion 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. Visitors target our fish when fishing near the sea walk and Sage Beach (adjacent to our facility). 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 \$5.5 million in total value. Over \$3.9 million of that value has gone to the common property fishery.** Because of our location, SSSC-reared salmon are easily accessible to commercial fishermen,

recreational and guided sport fishermen including land based sport fishing. In addition, SSSC 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 training facility hatchery in the State of Alaska, and one of only two in the Pacific Northwest.

The Science Center coordinates and conducts scientific research related to enhancement. We finished our third year working with the Prince William Sound Science Center on \$20 million State of Alaska and Aquaculture industry-funded project to investigate hatchery and wild salmon interactions.

SSSC continues 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.

SSSC conducts 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.

SSSC also provides 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 in-kind support from fish processors such as Silver Bay Seafoods, 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 (co-chair, owner, White's Pharmacy); Kitty LaBounty (co-chair, UAS); Justin Penny (Wells Fargo), Linda Waller (co-secretary, Sitka Sound Seafoods);

Nancy LeClerc-Davidson( co-secretary, 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 \$37,900

**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 go directly into supporting hatchery operations and funding our aquaculture director. This position is responsible for overseeing feeding fish, tagging fish, water quality monitoring, research operations, facility issues and other essential hatchery tasks that support strong, healthy fish releases. Because of the small size of our facility, low fish prices last year had a devastating impact on cost recovery. The funds provided by the fish box tax are vital for our organization.

**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:**

**Hatchery Pro Forma**

**SSSC recent Balance Sheet**

**Support Letter from Silver Bay Seafoods**

<b>PROJECTED FINANCIAL STATUS</b>											
<b>RETURN YEAR</b>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>FISCAL YEAR</b>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>INCOME:</b>											
PINK GROSS REVENUES	\$ 34,659	\$ 42,133	\$ 41,784	\$ 43,641	\$ 44,732	\$ 45,850	\$ 46,996	\$ 48,170	\$ 49,374	\$ 50,608	\$ 51,873
CHUM GROSS REVENUES	\$ 2,020	\$ 12,883	\$ 35,832	\$ 38,118	\$ 42,462	\$ 44,735	\$ 45,795	\$ 46,930	\$ 48,099	\$ 49,298	\$ 50,527
COHO GROSS REVENUES	\$0	\$6,767	\$39,004	\$3,731	\$44,804	\$45,918	\$47,060	\$48,231	\$49,431	\$50,661	\$51,921
CHINOOK GROSS REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants	\$37,900	\$37,900	\$35,000	\$35,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Education & Research (NOAA NSRAA agreement)	\$35,000	\$0	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
	\$160,400	\$167,272	\$172,290	\$177,459	\$182,783	\$188,266	\$193,914	\$199,732	\$205,723	\$211,895	\$218,252
<b>TOTAL REVENUE</b>	<b>\$ 269,978</b>	<b>\$ 266,955</b>	<b>\$ 348,910</b>	<b>\$ 322,949</b>	<b>\$ 349,781</b>	<b>\$ 359,769</b>	<b>\$ 368,766</b>	<b>\$ 378,063</b>	<b>\$ 387,628</b>	<b>\$ 397,462</b>	<b>\$ 407,573</b>
<b>EXPENSES:</b>											
OPERATING	\$252,345	\$218,873	\$224,345	\$229,953	\$235,702	\$241,595	\$247,635	\$253,826	\$260,171	\$266,675	\$273,342
- FISH FOOD	\$44,412	\$40,827	\$41,848	\$42,894	\$43,966	\$45,065	\$46,192	\$47,347	\$48,530	\$49,744	\$50,987
CAPTIAL IMPROVEMENTS	\$0	\$0	\$80,000	\$40,000	\$50,000		\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
LOAN PAYMENT					\$16,907	\$16,907	\$16,907	\$16,907	\$16,907	\$16,907	\$16,907
<b>TOTAL EXPENSES</b>	<b>\$296,757</b>	<b>\$259,700</b>	<b>\$346,193</b>	<b>\$312,847</b>	<b>\$346,575</b>	<b>\$303,567</b>	<b>\$320,734</b>	<b>\$328,079</b>	<b>\$335,609</b>	<b>\$343,326</b>	<b>\$351,237</b>
<b>NET INCOME</b>	<b>\$ (26,779)</b>	<b>\$7,255</b>	<b>\$2,718</b>	<b>\$10,102</b>	<b>\$3,205</b>	<b>\$56,202</b>	<b>\$48,032</b>	<b>\$49,983</b>	<b>\$52,019</b>	<b>\$54,136</b>	<b>\$56,336</b>
Principal pmt					\$ 5,780	\$ 6,069	\$ 6,372	\$ 6,691	\$ 7,025	\$ 7,377	\$ 7,745
STATE LOAN BALANCE	\$222,550	\$222,550	\$222,550	\$222,550	\$216,770	\$210,702	\$204,329	\$197,639	\$190,613	\$183,237	\$175,491

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05/18/16  
Accrual Basis

Sitka Sound Science Center  
**Balance Sheet**  
As of May 18, 2016

	<u>May 18, 16</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	669,429.07
Accounts Receivable	12,171.44
Other Current Assets	35,625.00
<b>Total Current Assets</b>	<u>717,225.51</u>
<b>Fixed Assets</b>	<u>1,972,070.17</u>
<b>TOTAL ASSETS</b>	<u><u>2,689,295.68</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	341.07
Credit Cards	25,276.64
Other Current Liabilities	35,177.89
<b>Total Current Liabilities</b>	<u>60,795.60</u>
Long Term Liabilities	635,109.67
<b>Total Liabilities</b>	<u>695,905.27</u>
<b>Equity</b>	<u>1,993,390.41</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>2,689,295.68</u></u>



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Phone: 907.966.3110 Fax: 907.966.3115

Sitka ♦ Craig ♦ Valdez ♦ Naknek ♦ Metlakatla

May 24, 2016

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 is supportive of the contributions that the Science Center makes to the common property fishery in Sitka Sound, enhancing commercial, sport and subsistence fishing. In 2015, Silver Bay made a long-term commitment to donate 1 cent to SSSC for every marketable can of salmon produced by SBS in the Sitka facility – all in support of SSSC's commitment to science, research and education as it pertains to the fisheries. Last year that commitment resulted in a donation of \$75,000 from Silver Bay to the SSSC.

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 joining us with your support.of the SSSC.

Sincerely,



Richard A. Riggs, CEO