

Yakutat Regional Aquaculture Association  
9369 North Douglas Hwy  
Juneau, AK 99801

June 27, 2012

Alaska Dept. of Commerce, Community and Economic Development  
Division of Economic Development – Financing Section  
Mr Andy Macaulay, Lending Supervisor  
PO Box 34159  
Juneau, AK 99803

Dear Mr. Andy Macaulay,

The Yakutat Regional Aquaculture Association (YRAA) requests that the Commissioner of the Department of Commerce, Community and Economic Development (DCCED) authorize a \$100,000 grant for organizational and planning purposes under AS 16.10.510(8). The grant will be used for organizational and planning purposes and will allow our organization to accomplish the following goals and objectives.

1. Association, Office and Administrative set up \$30,000
2. Election for Tax Assessment \$20,000
3. Update/rewrite of the Yakutat Comprehensive Plan \$50,000

The Yakutat Regional Aquaculture Association was incorporated as a non-profit corporation by the Commissioner of DCCED on February 24, 2011, Certificate of Amendment filed on October 7, 2011 and was officially approved by the Commissioner of the Alaska Department of Fish and Game (ADF&G) on September 6, 2011. Enclosed with this letter are the following documents per 3AAC 81.012 (a):

- ADF&G Letter certifying our regional association status
- Certificate of Incorporation
- Articles of Incorporation
- Certificate of Amendment
- Amended Articles of Incorporation
- By-laws & Amended By-laws

- EIN Certificate
- Business License
- Brief resumes of officers and principal employees of association
- Proposed budget and disbursement schedule
- And the outdated Regional Comprehensive Salmon Plan for Yakutat can be viewed at:

[http://www.adfg.alaska.gov/static/fishing/PDFs/hatcheries/plans/yakutat\\_cp\\_3-1984.pdf](http://www.adfg.alaska.gov/static/fishing/PDFs/hatcheries/plans/yakutat_cp_3-1984.pdf) (copy also enclosed)

In a letter of support to the Commissioner of ADFG for the formation of the Yakutat Regional Aquaculture Association, Herb Holcomb, (a fisherman) wrote the following, *"I'm a second generation Yakutat fisherman. I've trolled and gillnetted the Yakutat area since I got out of High School 14 years ago. Last year due to the declining salmon runs in our area, I sold my Yakutat setnet permit and bought into a Southeast driftnet permit. This year two more local longtime (2<sup>nd</sup> generation) gillnet fishermen bought into areas that have serious salmon enhancement programs. Clint Ivers like myself bought into the Southeast driftnet fisheries, Seth Densmore bought into the Prince William Sound. Seth Densmore moved himself and his family permanently to Anchorage. There are several other local fishermen talking of selling out here and going to either Southeast or Prince William Sound, whether they do or not, I'm concerned for the future of Yakutat's fisheries, which is the lifeblood of our community. We desperately need this Aquaculture Association and through them an enhancement program in the Yakutat area."* This is a reflection of the sentiments expressed by Yakutat community residents and the need to change the Comprehensive Plan and move forward with enhancement activities that will affect the economic realities of the community fishermen. This grant will significantly move the new association forward on that path.

We respectfully ask for your assistance in processing this request. If you have any questions, please contact Kathy Hansen at 907-586-6652.

Sincerely,

Kathy Hansen  
Agent for Yakutat Regional Aquaculture Association

## Organizational & Planning Budget

### July 1, 2012 to June 30, 2012

#### Planning:

1/3 of Contract for re-write of Comprehensive Plan	\$50,000.00
Tax Assessment – Planning	\$ 5,000.00
Tax Assessment – Vote	<u>\$15,000.00</u>

**Total Planning** **\$70,000.00**

#### Organizational:

Board Election (commercial fishermen seats) for 2013	\$ 4,000.00
2 Board Meetings – Expenses	\$ 500.00
Filing Fees – IRS Tax Exemption (reimbursement)	\$ 850.00
Filing Fees – Business License (reimbursement \$50)	\$ 100.00
Set up Accounting System, basic reporting & internal controls	\$ 1,000.00
File Yearly IRS 990 & State Corporation Returns	\$ 1,500.00
Set up Checking Account (reimbursement)	\$ 500.00
Misc. Office Expenses	<u>\$ 2,324.00</u>

**Total Organizational** **\$ 11,450.00**

#### Consultant Fees:

Reimbursements for Labor for Organizational set up documents	\$ 10,000.00
Reimbursement – Travel for annual meeting 4/30-5/1/12	\$ 1,226.00
Future Consultant Work	<u>\$ 8,000.00</u>

**Total Consultation Fees** **\$ 19,226.00**

**TOTAL GRANT BUDGET** **\$100,000.00**

## Budget Disbursement Schedule

July 1, 2012 to June 30, 2013

Funds to be disbursed in four payments as follows:

July 1<sup>st</sup> (or as soon as possible after grant request is accepted) to October 31, 2012

Planning	\$ 2,000.00	(tax assessment planning)
Organizational	\$ 2,400.00	(\$1K misc office; \$500 Checking account; \$50 business license; \$850 IRS application)
Consultation Fees	\$13,226.00	(\$11,226.00 reimbursement; \$2K future work)
<b>TOTAL 1<sup>st</sup> DISBURSEMENT</b>	<b>\$17,626.00</b>	

November 1, 2012 to February 15, 2013

Planning	\$18,000.00	(\$3K Tax assessment planning, \$15 vote)
Organizational	\$ 5,250.00	(\$4K Board Election; \$250 board meeting; \$1K Misc. office expenses)
Consultation Fees	\$ 3,000.00	( future consultation work)
<b>TOTAL 2<sup>ND</sup> DISBURSEMENT</b>	<b>\$26,250.00</b>	

February 16 to June 30, 2013

Planning	\$	
Organizational	\$ 3,124.00	(\$50 business license; \$250 board meeting; \$1,000 Accounting system; \$1500 Yearly filings; \$324 misc. office expenses)
Consultation Fees	\$ 3,000.00	
<b>TOTAL 3<sup>RD</sup> DISBURSEMENT</b>	<b>\$6,124.00</b>	

**4<sup>TH</sup> DISBURSEMENT OF \$50,000.00 For Comprehensive Plan upon notification of contract conditions being met and in coordination with City of Yakutat Grant process which is still being determined.**

## Budget Narrative

### **PLANNING:**

#### ***Comprehensive Plan:***

The YRAA has entered into a contract for the rewrite of the Yakutat Regional Comprehensive Plan in three stages of \$50,000 each. \$50,000 to be paid for the first stage after research and completion of 1<sup>st</sup> draft for review, \$50,000 to be paid for the second stage after conducting public and Yakutat regional planning team review and the third installment to be paid after the completion of the plan being signed by the Commissioner of ADFG. (The City of Yakutat has received funds from a Corp of Engineers grant and State of Alaska Legislative funding which has as part of the package for a chum remote release project, \$50,000.00 for funding for the Comprehensive Plan update. Funding for an additional \$50,000.00 needs to be found for the Comprehensive Plan update.)

*(Note: current outdated comprehensive plan on page 5 states "the plan assumes that no major supplemental production i.e hatcheries, will occur" and instead the plan relies on habitat protection, management and rehabilitation of wild stocks. This is a barrier to moving forward with remote release projects as desired at this time by the community.)*

#### ***Tax Assessment - Planning:***

The goal of this category is to produce the materials necessary for a presentation to the Yakutat City Assembly to discuss the repeal of the current local 1% salmon tax to be replaced by a State of Alaska salmon enhancement assessment and also to build on these materials for the public hearing and mailings to the permit holders about the tax assessment. This will require data requests and compilation of materials for the audience and venue being used to discuss the tax assessment.

#### ***Tax Assessment – Election/Vote***

This category contains the estimated funding to develop materials for and conduct an election for a tax assessment. The Board estimated that with the procedure to follow outlined in regulation Sec. 43.76.015 there would need to be three mailings and publication notices that would run at about \$4,000 each mailing (2,117 pieces), and costs for certifying the mailings and election at about \$3,000.

### **ORGANIZATIONAL:**

#### ***Board Election:***

The goal of this category is to pay the costs to conduct a certified election for the commercial fishermen seats up for election. This requires two mailings of 2,117 pieces each.

#### ***Board Meetings:***

Category covers costs of room rentals, photocopies necessary and other meeting supplies for two meetings one this fall and one next spring.

#### ***Filing Fees:***

Reimbursement of the filing fee for a 2012 Business license and the IRS Tax Exemption Application

***Accounting System:***

Consultation with a CPA on the development of an accounting system, basic reporting and internal controls for management of funds.

***Yearly Returns:***

Estimated fee for an accountant to file the yearly IRS 990 form and State Corporation Returns.

***Checking Account:***

Reimbursement of \$500 paid to set up a checking account in preparation of receiving this grant

***Misc. Office Expenses:***

This category will serve a variety of purposes including basic office supplies as necessary, letterhead, photocopies and post office box. If funding is available in this category towards the end of the year possible uses will extend to development of a basic website, development of a logo, and basic computer for YRAA records.

**CONSULTATION FEES:**

***Reimbursement for Organizational/set up documents:***

This category will reimburse Kathy Hansen who was hired as a consultant to help the Yakutat fishermen, develop a regional aquaculture association, including developing & filing Articles of Corporation, Bylaws, Attending teleconferences and providing minutes for several of the meetings, conduct a certified election for the commercial fishermen seats on the Board of Directors, petition the Commissioner of ADFG for recognition as the Regional Aquaculture Association, plan and attend the first annual board meeting April 30<sup>th</sup> & May 1<sup>st</sup> and attend and provide information/guidance at the first Yakutat RPT meeting, File 2012 State of Alaska Corporation report & IRS 990 report, discussions with fishermen about YRAA, processes etc. (More details or documentation can be provided if necessary)

***Reimbursement for Travel for Annual Meeting:***

Reimbursement of expenses for travel from Juneau to Yakutat for Kathy & Ed Hansen for help/consultation of the April 30 – May 1<sup>st</sup>, 2012 Annual Board meeting (Airfare, Lodging and Meals)

***Future Consultation Work:***

Over the course of the next year, the YRAA Board has requested help with developing this grant package, the IRS tax exemption application, minutes from the annual meeting, apply for business license, set up a checking account, preparation of materials for the next two board meetings and any other additional meetings that may be necessary, possible development of a pre-feasibility application for a chum project and other tasks as assigned by the Board of Directors. Look for funding opportunities for final stage of Comprehensive Plan.

*(Note: The Board of Directors passed a motion on April 30, 2012 for the budget outlined above.)*