

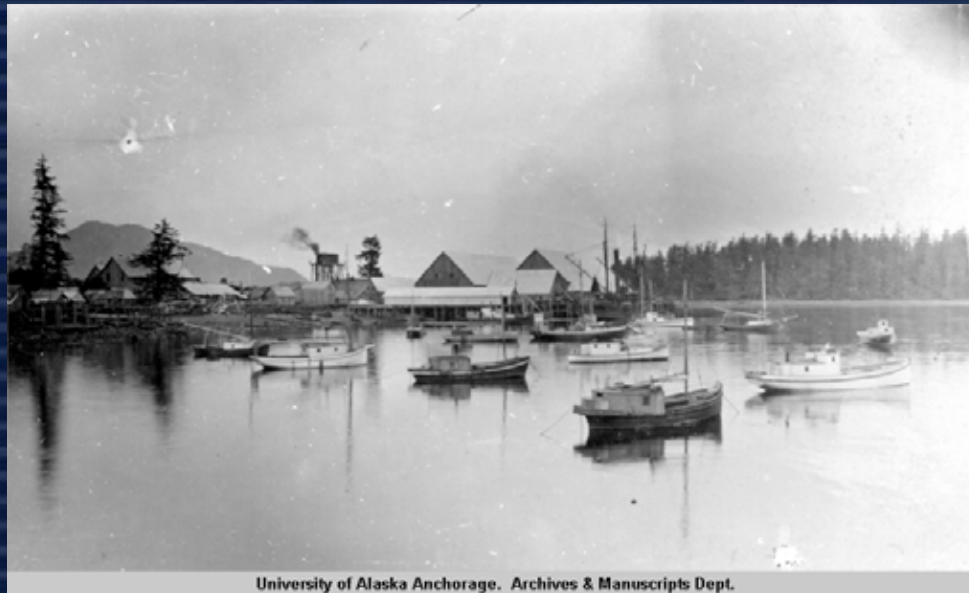
Community Quota Entity Program



Craig, Alaska and the
Prince of Wales Island Community
Holding Corporation

History of Craig and the COE Program

- A strong history of fishing
- A developing community
- City Government Support
- City Participation in Industry Groups



University of Alaska Anchorage. Archives & Manuscripts Dept.

Planning for Entry Into the CQE Program

- Economic Planning
 - Fisheries and the CQE program part of long term economic development planning
 - CQE program just a part of overall fisheries strategy
- Comprehensive Planning
 - Fisheries Infrastructure Support
 - Strong Support from City Council



Entry Into The Program

- Strong Support from AK DCCED and NMFS throughout process
- Strong Support from City of Craig
 - Program buy-in by Mayor, City Council and City Administrator
 - City made staff available to complete application and to administer the CQE
 - Early discussions of financial support

Entry Into the Program (Cont)

- Board of Directors Formation
 - City Council Represented (Strong tie between city government and CQE)
 - Economic Development Committee Represented (Strong tie between economic development committee and CQE)
 - Fishing Community Represented
 - Board Members Appointed by Craig City Council

Entry Into the Program (Cont)

- Program Goals
 - Support direct economic development (more fish = more dollars)
 - Support the training, eligibility and startup of the next generation of fishermen
 - _ of available IFQ will be reserved for eligible fishermen who hold less than 1,000 lbs of IFQ
 - Leasing fishermen will be encouraged/rewarded for hiring local crewmembers working toward TEC eligibility

Current Participation

Corporation Formed and Approved

- Corporation Designed for Multiple Communities
- All Draft Documents Complete
- Staffing Provided Through an MOA
- Corporate Board Continues to Review Draft Documents in Preparation for Leasing IFQ
- Board and Staff Looking for Funding

Funding

- A Predetermined Mix of Grant and Loan Funds have been established
 - Combination of grant and loan funds should not exceed \$1 - \$1.25 per pound of held IFQ to make debt repayment
- This ensures that the corporation will have the ability to repay debt, survive downward fluctuation in dock price and allow for lease levels that will pay for administration and reinvestment

Funding Example

- 10,000 pounds of Area 2C Halibut Quota purchased at \$18.00 per pound
 - Loan Funding (total debt overhead) Repayment should not exceed \$10,000 - \$12,500 per year (all funded at 6% for 15 years = \$18,500 per year debt repayment, or \$1.85 per pound debt repayment)
 - Craig's model shows that IFQ will be leased at \$1.40 - \$1.50 per pound (contingent on a dock price of \$3.00 per pound)
 - This allows some funds for administration and reinvestment or for a decreased dock price

Conclusion

- Three keys to successful CQE formation
 - Planning
 - Planning
 - Planning
- Know where the program fits in your plans
- Have clear goals and financial benchmarks
- Follow the plan that you have set out

For More Information

- Contact Craig City Planner (Brian Templin)
 - Email: planner@craigak.com
 - Phone: (907)826-3275
 - Website: www.craigak.com
 - You can access the City Planner's page or the Prince of Wales Island Community Holding Corporation page at this website. Draft documents are available on the website or by email.

