

New Markets Tax Credit

ALASKA



Goodnews Bay Regional Plant

The Coastal Villages Region Fund (CVRF) is the largest owner operator seafood company headquartered in Alaska. CVRF works to support growth in commercial fishing as well as Alaskan fishing communities by creating sensible, tangible, and long-term opportunities for people who want to fish and work.

In 2009 CVRF (through its subsidiary Goodnews Bay Seafoods LLC) opened a fish processing plant in the tiny village of Platinum, Alaska, population 61. This new facility had three important economic benefits. First, by creating additional capacity it expanded the amount of fish local fisherman could catch and deliver for processing and eventual sale. Second, construction of the plant created 325 construction jobs and 125 permanent season jobs. Third, the plant supports a network of almost 600 local fishermen in a remote region along the Bering Sea that has a 25% poverty rate and an 18% unemployment rate

The total cost of developing the new CVRF facility was \$42 million and the plant's potential impact on an extremely rural area attracted several New Markets Tax Credit (NMTC) investments. These investments included a NCB Capital Impact NMTC loan of \$13.7 million and an additional \$26.3 million in financing from Travois New Markets, a Community Development Entity based in Missouri, and Waveland Ventures, a Community Development Entity based in Texas. These NMTC investments financed construction of the plant, infrastructure improvements, roads to transport the fish to a nearby airstrip, and the of purchase of the processing equipment, including machines, belts, and freezers.

The newly constructed 37,800 sq. ft. facility includes a salmon processing building; a maintenance building; a dock, camp and dining facilities for 130 people; and on-site utilities, including power generation, water treatment, septic systems, and a tank farm. The new plant clears out a processing bottleneck caused by lack of capacity, and makes it more cost effective for the fishermen to have their hand-caught salmon processed and shipped to high-end and natural food stores across the country.

NMTC ALLOCATEE

NCB Capital Impact

Arlington, VA

Scott Sporte

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COMMUNITY PROFILE

- Platinum, AK
- 18% unemployment rate
- 25% poverty rate

PROJECT HIGHLIGHTS

- Salmon processing plant
- Total Project Cost: \$42 million
- NMTC: \$ 40 million
- Investor: U.S. Bancorp Community Development Corporation
- Co-Allocatees: Travois New Markets, Waveland Ventures LLC
- Jobs: 325 construction, 225 permanent seasonal, 596 supported fishermen



Top: Goodnews Bay Seafoods fish processing in Platinum, AK

Bottom: Goodnews Bay Regional Plant