

## Category: Job Creation

### Project: Makah Commercial Fishing Dock

#### Project Location: 1091 Bay View Avenue, Neah Bay, WA

**Status:** In operation

**Cost:** \$13,737,980

**Description:** The Makah Indian Tribe used a combination of Tribal funds, an EDA grant and a NMTC allocation to reconstruct a badly damaged commercial fishing dock on tribal land in the Port of Neah Bay at the northwest tip of Washington state. Originally constructed in 1952 for use by commercial fishing vessels to offload their catch, the concrete and creosote dock had been in a state of significant disrepair and a recent failure had essentially shut it down for all activity. The dock is a major source of income for the Makah tribe, a community numbering fewer than 3,000 located on the remote coast of northwest Washington. It supports a diverse array of tribal and non-tribal businesses and a regional fish processing industry that includes some 90 different Small Businesses, mostly Minority Business Enterprises. The \$13.7M project involved demolishing and removing approximately 504 creosote-treated timber piles along with the 120 foot long dock and warehouse buildings and replacing them with new concrete and steel pilings, new causeway, several loading cranes and a new dock building with remote controlled ice loading capability. Construction involved a significant amount of in-water work on this remote coastal site which endures extreme winter weather from the Pacific. Permitting required the coordination of no fewer than six different federal, state and local agencies to ensure the protection of the fragile marine ecosystem during the process.

**Community Needs Addressed:** The Makah community is located in a high poverty census tract (27.3%) with even greater incidence of poverty among tribal members (nearly 1 in 2 households is unemployed with a poverty level income). Fishing is the major industry of the Makah Tribe and the Neah Bay location is critical given the remote nature of the reservation. Each vessel uses the dock to load their boats with ice before going out many miles into the Pacific to fish for halibut, salmon, tuna and other species. The boats return to offload their catch into waiting trucks for transport to distribution or processing facilities and for sale in local fish market throughout the region. From the time of the last major dock and warehouse repairs in 1976, high surf and wind exposure and rough weather conditions had eroded the structure to a dangerous level. Steel plates were periodically placed on the deck surface to fortify the decking in various locations where settling and cracking were observed. The dock was further damaged in August 2013 when a forklift fell through a portion of collapsed decking, resulting in the complete closure of the dock to motorized vehicles. Following that, crews were forced to load and unload their equipment and catch via small motorized carts or wheelbarrows. There are few other commercial fishing ports within the coastal area of Washington, the closest of which is 90 miles away, making other options extremely costly for fishermen.

**Benefits and Outcome:** The benefits to the tribal economy, the 90 small business enterprises and the more than 400 jobs they employ cannot be overstated. The Tribe is dependent on the operation of this facility as a key revenue generating activity for its tribal economy. Presently, some 8 million pounds of fish and shellfish valued at \$6.5-7 million cross the Neah Bay dock annually. The structurally upgraded dock and new ice house facility will benefit the tribe with reduced operating and maintenance costs and increased environmental sustainability. It will also benefit the small

businesses that use it with greatly increased efficiency, access to secure cold storage and improved wholesale facilities for their catch. In addition, the 90 different small business enterprises collectively provide more than 400 FTE jobs. The dock replacement project supplies new capacity and cost effectiveness to help the local area and region expand its fishing industry, create new jobs and increase the economic competitiveness of Pacific Northwest fisheries resources.

The primary advantages that the Neah Bay dock has over other ports in the region are its ideal location, its brand-ability and a more varied market demand. With respect to the location, Neah Bay is in close proximity to the Strait of Juan de Fuca which is an area of high activity for a variety of fish runs. The ability for fishing vessels to launch from here and return with their catch rather than driving boats 90 miles or more out of their way means significant fuel savings for the commercial vessels that harvest in this area. In addition, the Neah Bay caught varieties (in particular, troll caught Halibut and others) have developed a brand identify for their location that commands a premium price over fish off-loaded in other areas.

**Project Collaborators:** The Makah Tribe, led by the Economic Development office, was responsible for developing the financing package for the project, which involved Tribal cash, an EDA grant and NMTC allocation from National Development Council partnering with Wells Fargo as the investor. The Army Corps of Engineers led the project entitlement and permitting process, which was expedited because the remote coastal location meant exposure to severe weather during the winter months. A total of six different federal, state and local permits were obtained in a 90 day period so that construction could be completed in the narrow time frame that was available. To ensure no disruption to the fishing businesses, Manson Construction's marine construction unit complete the project in time for the opening of the fishing season the following year. The inclusion of New Markets Tax Credits required a complex ownership structure to be put in place, including long-term ground and aquatic leases to a newly created tribal entity and an operating agreement with the Port of Neah Bay to manage the new facility.

**What Makes Your Project Unique? :** This project was unique because it is very difficult for tribes to find ways to finance critical infrastructure. Leveraging limited tribal funds is a necessity but complicated by trust land challenges, the inability to leverage tribal assets, and finding compatible resources. The Makah Tribe applied for TIGER grant funds through the Department of Transportation for several years but was unsuccessful in part because it is such a limited resource. This project was critical to the tribe and its economy because although treaty commercial fishing brings in more than \$6 million of revenue to the Makah community more importantly fishing preserves Makah culture and the traditional ways of life that have been sustained by the Tribe for thousands of years.

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