

# Metlakatla

Indian Community

Annette Island, Alaska



# Greetings



On behalf of the Metlakatla Indian Community, I am pleased to introduce you to our community and present development opportunities on our lands. On the following pages, you will learn about our people, the history of the Community, and our strong commitment to economic development.

We look forward to meeting with you and learning about your organization and future plans. Should you feel that our Community and business ideas match with your plans, we would welcome the opportunity to explore the possibilities of long-term business relationships.

Sincerely,

*Arthur Fawcett*

Arthur Fawcett, Mayor  
Metlakatla Indian Community



# Business Advantages

- Significant tax advantages: no sales or property taxes
- Protected, all weather deep water port proximity
- Fully operational hydroelectric power plants
- Paved runway
- Business-oriented tribe; timber, fishing, packing plant, bottled water operation(s)
- Inexpensive power
- Labor force available

## Introduction

The Metlakatla Indian Community of Annette Islands Reserve, Alaska is pleased to present this overview of business opportunities. The Community is seeking business partners that would like to operate on a zoned industrial location that offers inexpensive renewable hydro-electric power, an established labor force, and beautiful natural scenery unique only to southeast Alaska. Golden opportunities are available for companies willing to do business with a tribe that prides itself on having a long standing business tradition.

Annette Islands Reserve is the only Indian reservation in the state of Alaska. All other native lands are either held by Native American Corporations (Regional or Village) or are allotments held by individuals or families. Due to the federal trust status of Annette Islands Reserve, a company would be able to take advantage of significant taxation benefits and contracting preferences exclusive to federal Indian Trust Lands.

## Location and Climate

The town of Metlakatla on Annette Island is located 15 miles south of the city of Ketchikan and approximately 650 miles north of Seattle, Washington (See Figure 1). The Community has jurisdiction over a 130 square mile reservation and out to 3,000 feet of surrounding coastal waters.

Annette Island has a maritime climate with comparatively mild temperatures for an Alaskan island. In winter, temperatures rarely dip below freezing and summer temperatures average 70°F.



Figure 1: Annette Island location

Rain, even in the winter months, comprises the largest amount of precipitation. The total annual average precipitation, including snow, is approximately 109 inches. Some snow mixed with rain may arrive as early as October. Appreciable snowfall seldom occurs. Accumulated snow depths of a foot or more are infrequent and, because of moderate temperatures, snow cover seldom persists more than a week or two.



## Power Generation

Power on Annette Island is supplied by the Metlakatla Power and Light Company (MPL), which is owned and operated by the Community. The current total utility capacity of MPL is 9.5 MW and consists of two hydroelectric dams and generation plants with capacities of 3.9 and 1.1 MW respectively, a 3.3 MW diesel generator, and a 1.2 MW battery energy storage system. The battery storage system was installed to accommodate power surges when the sawmill was in operation. The 3.9 MW Purple Lake Plant is shown in Figure 2.

Since the closing of the sawmill in 1999, there has been significant excess power capacity, estimated at 10,000 MW-hours per year. Additionally, an engineering study has shown that the Chester Lake hydro plant could easily be expanded from the existing 1.1 MW to 3.0 MW by installing a larger generator. MPL provides an extremely cheap and stable “green” power supply to proposed industrial zones.

## Port Chester

Port Chester is a deep water port located 650 miles from Seattle, Washington, 5856 miles from Hong Kong, and 4200 miles from Japan. Port Chester and the town of Metlakatla are shown in Figure 3

Port Chester was used by the Ketchikan Pulp Company (KPC) Sawmill, located adjacent to Port Chester. KPC began operations in 1979 and ended in 1999 due to the federal government’s ceasing of logging operations in the Tongass National Forest (not due to operational or market deficiencies). The port was utilized by KPC to ship wood products to locations as far away as Japan. The depth at the ship/barge loadout site is about 18 fathoms (108 feet), which is more than sufficient for Panamax-class ships.

Bathymetry measurements for Port Chester are shown in Figure 4.

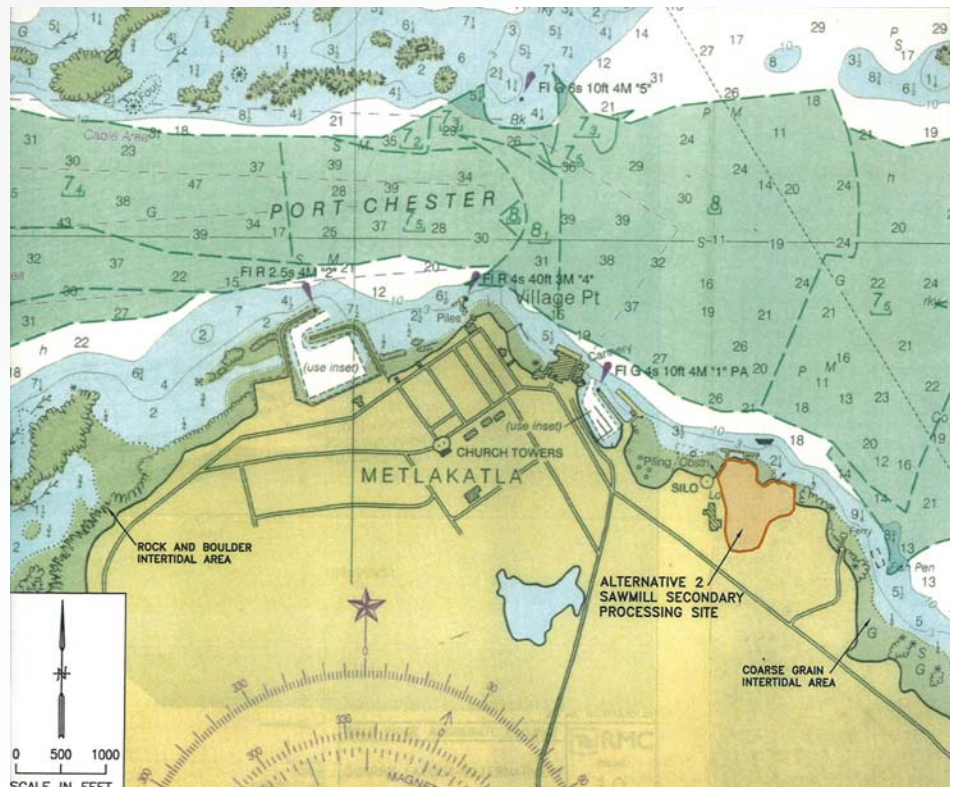
Figure 4 (Right): Port Chester Bathymetry - Chart from: “Harbors in Clarence Strait” published by the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Ocean Service, Coast Survey, 16th Ed., July 31, 1999.



Figure 2: Purple Lake Hydroelectric Plant



Figure 3: Port Chester



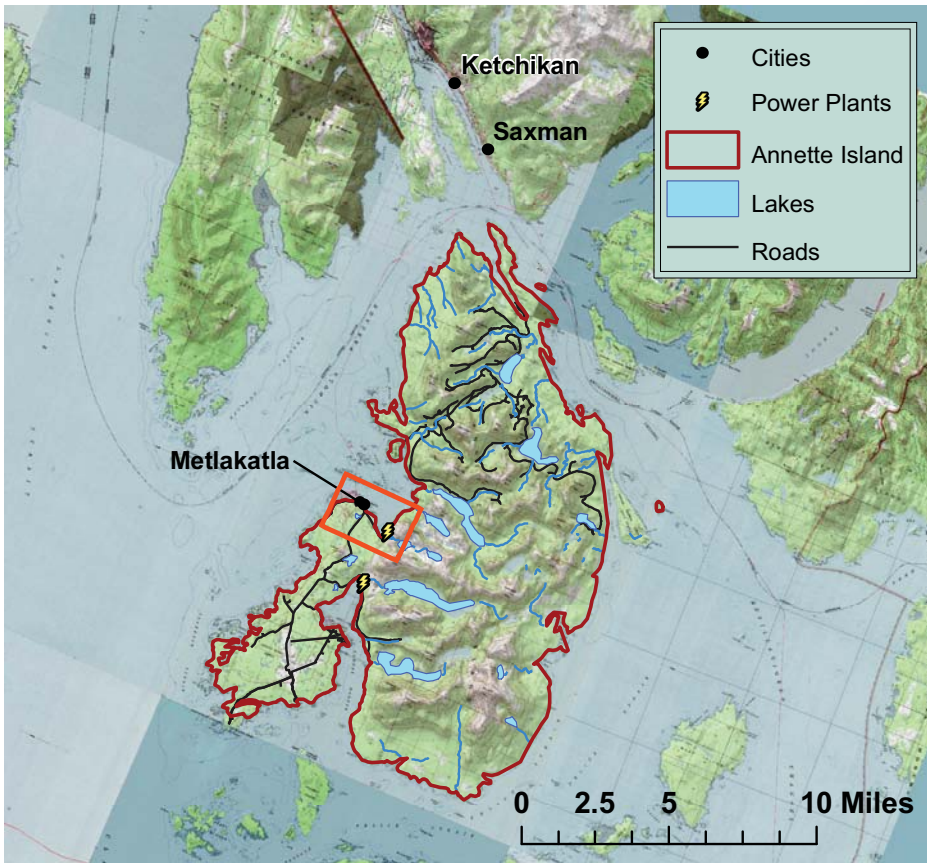


Figure 5: Location of industrial zoned sites.

## Industrial Sites

There are a number of potential industrial sites on Annette Island. The Skaters Lake Industrial Park is prime for development, and has access to all the available infrastructure, power, and community services. This is a level, 10-acre site that has been set aside for light industry and/or warehousing (See Figures 5, 6 and 7).

There are also a couple of potential sites to the south of Port Chester, previously used for military operations and air travel.

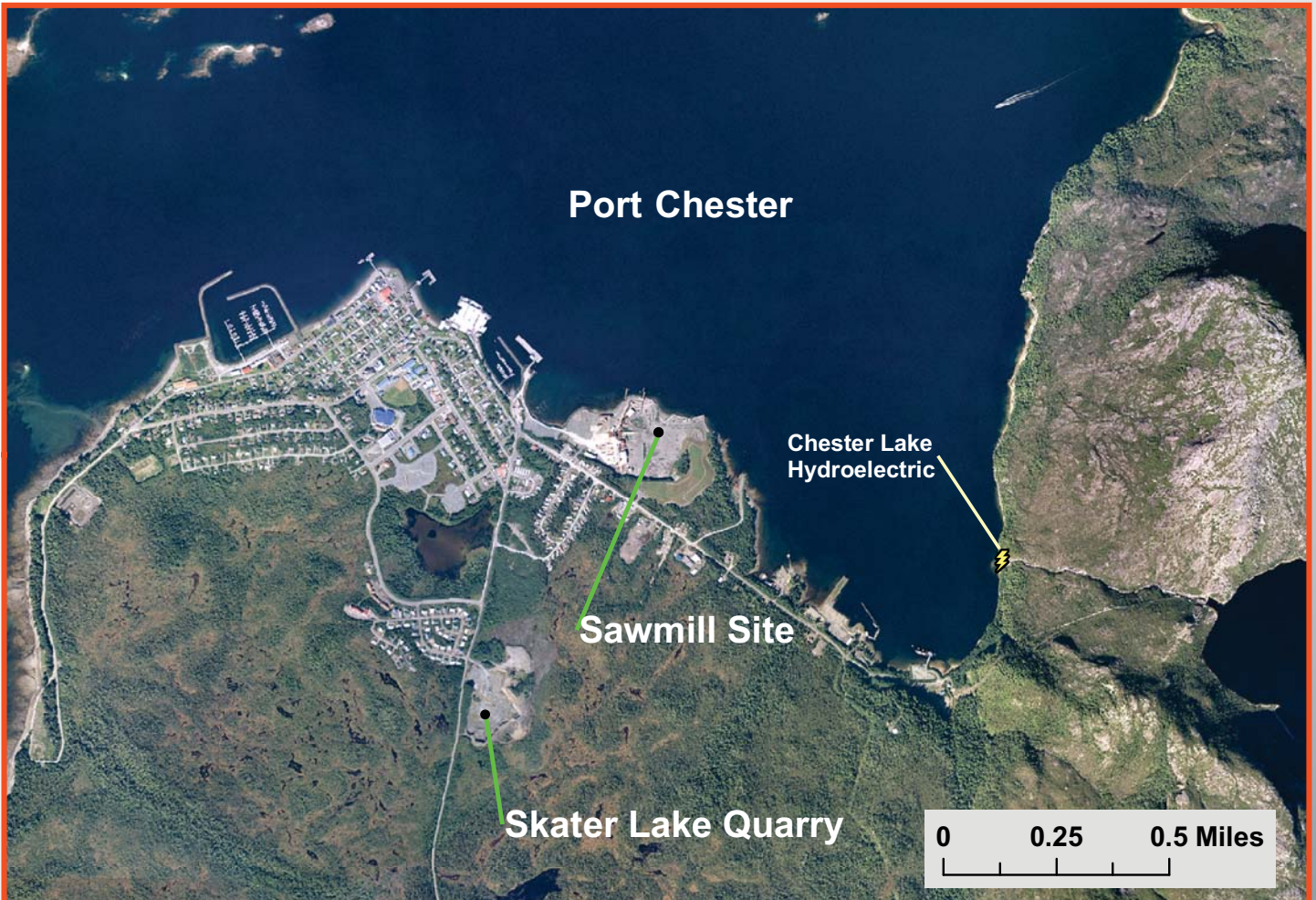


Figure 6: Location of industrial zoned sites.



Figure 7: Skaters Lake Quarry

## Transportation

Ferry services out of Port Chester operate twice daily, five days a week between Metlakatla and Ketchikan, transporting cars and trucks as well as passengers. The ferry is shown in Figure 8. There are also two small boat harbors and a barge dock. A floatplane dock is used by companies that operate scheduled flights between Ketchikan and Metlakatla.

At one time, a former Air Force base with a 7,500-foot paved runway and a 5,700-foot gravel crosswind runway was used as the airport for Ketchikan.

Streets in and around Metlakatla are paved. Major roads, such as the one that connects Metlakatla to the former airport, are also paved.



Figure 8: Metlakatla-Ketchikan Ferry. Photo courtesy: Dawn Pringle

A 14.5 mile road, Walden Point Road, from the town of Metlakatla to the northern end of the island is finished to rough grade and awaiting pavement. Plans are underway to construct a new ferry dock at the end of the road, which will shorten the sea travel time to and from Ketchikan from the current hour and a half to about 15 minutes.

## Community Services

Community services include water, sewage, trash removal, telephone, internet and television. Metlakatla also has a medical center, schools, a police department, and a volunteer fire department.

## The People of Metlakatla

Metlakatla was founded by Tsimshian people who followed an Anglican missionary from British Columbia to Alaska. The United States Congress granted recognition to the new community in 1891 by creating the Annette Islands Reserve, a federal Indian reservation. The population of Metlakatla is approximately 1,400.

Today, Metlakatla is an incorporated entity named Metlakatla Indian Community. It is governed by an elected 12-member tribal council, a mayor, a secretary, and a treasurer. A number of committees and boards assist elected officials in managing facilities and services in the Community.

The Metlakatla people are business-oriented. For 20 years, from 1979 to 1999, Louisiana-Pacific operated a sawmill under lease from the Community, employing nearly 60 people from the tribe. The main industries today are fishing (salmon, halibut, cod, and herring), a salmon hatchery, a fish packing plant, a bottled water operation, retail stores, tourism, and the Annette Island Packing company which has been Tribally owned for over 110 years.



## **Business Advantages**

### **HUBZone Status**

A Small Business Administration program known as Historically Underutilized Business Zones, or HUBZones, provides contracting assistance to small businesses located in economically distressed communities. The goal is to promote job growth, capital investment and economic development in these areas, including all federally recognized Indian Reservations, including Annette Island.

The Federal government plans to award three percent of all dollars for Federal prime contracts to HUBZone-certified companies.

### **Accelerated Depreciation**

Businesses located on reservation property may be eligible to depreciate assets quicker than is allowed outside the reservation. This can result in tax advantages if applicable.

Regardless of whether or not this provision is incorporated into current tax law, the Metlakatla Tribe has the ability to pass on these tax savings to non-Indian owners when they are involved in a joint venture entity with the Tribe.

The advantages of locating a business within tribal jurisdiction depend on the type of business and corporate structure. Consult your tax professional to help determine the actual benefits available to your organization.

### **Tax Advantages**

There are numerous tax advantages to businesses operating on federal tribal trust lands. Property and sales taxes are not applicable on Trust lands, under certain conditions, and depending on the form of business ownership, exemptions from Federal, state, and local taxes could also occur. Accelerated depreciation schedules also serve to decrease taxation for firms with a tax appetite.

## **Possible Business Agreements**

The Community will consider any business arrangement that can be beneficial for all parties. Some possibilities are:

- Lease of land
- Joint venture
- A Metlakatla Indian Community corporation as project owner with partner as contract operator (operation would not be subject to federal income tax)



# Contact Information

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