McKINLEY RESEARCH
GROUP, LLC

Formerly McDowell Group

CAP SANTE MARINA T DOCK

Economic Profile

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PREPARED FOR:

Port of Anacortes

TABLE OF CONTENTS

Executive Summary **1**
Introduction and Methodology **2**
Commercial Activity Analysis **3**
Commercial Fishing Landings at T Dock 3
Commercial Marine T Dock Users 8

Executive Summary

The Port of Anacortes contracted with McKinley Research Group to study the amount of commercial activity facilitated by the Cap Sante Marina T Dock, which was built in 1977 and requires replacement. Sources included interviews with T Dock users, Port records, and seafood landing data. Following are key findings of the study.

T Dock Users

- Commercial fishing
- Logistics/launch services
- Oil spill prevention/response

Seafood Species Landed

- Dungeness crab
- Shrimp (spot prawns, coon stripe shrimp, pink shrimp, side stripe shrimp)
- Sea urchins
- Sea cucumbers
- Salmon
- Geoduck clams
- Other fish and shellfish

Importance of T Dock to Seafood Industry

More than 80% of all Anacortes seafood landings are attributable to T Dock

T Dock Seafood Landings

VALUE
$10 million +
(Average annual 2017-2021)

VOLUME
2 million pounds +
(Average annual 2017-2021)

Tribes Using T Dock

- Lummi Nation
- Jamestown S'Klallam Tribe
- Port Gable S'Klallam Tribe
- Suquamish Tribe
- Swinomish Indian Tribal Community
- Tulalip Tribes

Commerical Maritime Workers

More than 30 Anacortes-based employees work for commercial maritime T Dock users*

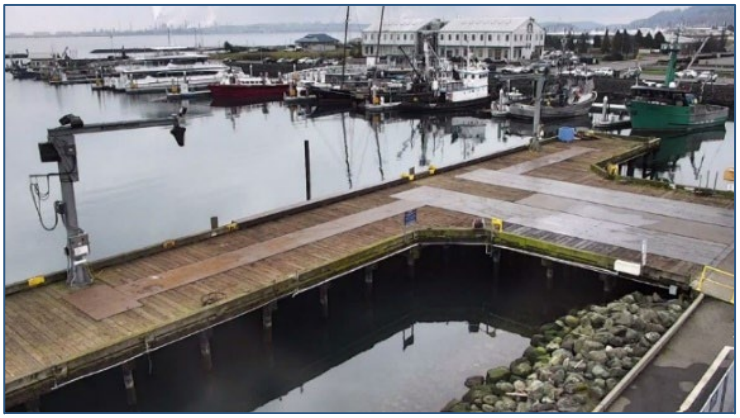
*not including seafood industry workers

Total Commercial Activity

T Dock facilitates $14 million in economic activity in Anacortes

Introduction and Methodology

The Port of Anacortes' T Dock is a free, publicly accessible drive-down pier located in the Cap Sante Marina in Anacortes. T Dock and its two electric lifts (available to users for a nominal fee) are widely used for loading and unloading fishing boats as well as vessels that support Anacortes' two oil refineries and wider maritime economy. It is the only facility of its type on Fidalgo Island.



The Cap Sante Marina T Dock on a quiet day. Port of Anacortes photo.

T Dock was built in 1977 and is approaching the end of its useful life. A recent engineering study showed that T Dock can only support one-third of its original load capacity.

In March 2022, the Port Commission voted to pursue a replacement for T Dock that will cost an estimated $7.3 million to complete. The new proposed dock will be rectangular and 14,250 square feet, the largest option among three replacements considered.

To better understand the economic value of T Dock, the Port of Anacortes contracted with McKinley Research Group to describe and measure the commercial activity associated with the facility.

Sources for this report included the following:

- The Washington Department of Fish and Wildlife (WDFW) provided Anacortes-specific data for the volume and value of commercial fishing landings.
- The project team conducted 11 interviews to detail the nature of commercial fishing and other maritime business uses of T Dock.

Infrastructure like T Dock boosts the productivity of businesses in ways that are difficult to measure. Viewed through a wide lens, T Dock can be said to facilitate a broader section of the Puget Sound economy including the downstream (wholesale and retail) sales of the seafood landed at T Dock and the sale of crude oil from tankers that receive supplies from Cap Sante-based boats. For purposes of this report, this broader economic activity is described qualitatively.

Commercial Activity Analysis

This report shows how the Cap Sante Marina T Dock facilitates an estimated $14 million in commercial activity each year including:

- $10 million in commercial fishing revenue
- $4 million in commercial maritime revenue

This is the estimated annual sum of the value of seafood products landed at T Dock and the Anacortes-related revenue of four of the dock's main commercial maritime users.

Commercial Fishing Landings at T Dock

The Cap Sante Marina T Dock is the primary location used to unload commercial seafood landed in Anacortes. Study findings indicate that more than 80% of commercial landings are unloaded over this dock, conservatively.

This finding is somewhat counterintuitive. As seen in the map below, the three primary Anacortes-based seafood purchasing businesses – M&M Fish Company, Pacific Dream Seafood, and Wildcatch Seafood Products – all have access to docks along the north coast of Anacortes that are closer to their facilities than T Dock.

Figure 1. Location of T Dock in Relation to Anacortes Seafood Buyers

Source: OpenStreetMap data, McKinley Research Group graphic.

However, interviews indicate most landings take place at T Dock for several reasons including:

- No dockage charges for use of T Dock
- Less large vessel traffic at T Dock
- Availability of hoists
- The protected harbor, compared to the exposed north side of Fidalgo Island where winds and tides can complicate unloading small boats.

Almost all Anacortes landings purchased by Pacific Dream and M&M Fish are landed at T Dock, according to business interviews. Likewise, most Anacortes seafood sales to non-Anacortes buyers take place over T Dock. These buyers drive trucks to meet fishing vessels in Anacortes and rely on T Dock for unloading.

A third Anacortes-based seafood buyer – Wildcatch Seafood Products – makes about half of its Anacortes purchases at T Dock, despite owning its own dock and hoist at the historic Sebastian Stuart Fish Co. cannery.

T Dock is unique in Anacortes for being a publicly available dock with cranes for loading and unloading cargo. The Port does not charge a dockage fee for use of the dock, although it does a charge a nominal fee for the use of its cranes. T Dock is one of a handful of facilities with these attributes in the wider region.

Value of Anacortes Seafood Landings

Commercial seafood landings specifically at T Dock had an estimated average annual value of more than $10 million between 2017 and 2021. The estimated annual average volume is more than 2 million pounds.

Data below from WDFW show the value of *all* Anacortes commercial seafood landings. Because specific T Dock data is not available, estimates are based on the 80% figure noted above.

Dungeness crab, WDFW photo.

WDFW data for the Port of Anacortes commercial landings includes both commercial fisheries managed by the State of Washington and fisheries managed by Native tribal governments in the area. Tribal landings may be undercounted in this data because regulations do not require buyers to enter port information when purchasing seafood from tribally regulated fisheries.

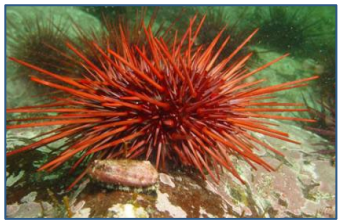
These combined state landings data complement federal data from the National Oceanic and Atmospheric Administration (NOAA), which follow similar patterns but are less granular because they combine Anacortes landings with landings in nearby La Conner.

Dungeness crab is by far the most important seafood product landed in Anacortes by volume and value. In 2021, the average ex-vessel value per pound of Dungeness crab spiked at a particularly high level, driving the estimated ex-vessel value above $11 million.

In recent years, most Dungeness crab landed in Anacortes has been sold as a live product. Dungeness crab is also sometimes cooked and frozen, but frozen product sells for a lower price. China was historically an important market for live Dungeness crab landed in Anacortes; however, COVID-19 restrictions and delays have made this market largely unavailable.

Spot shrimp, also known as a spot prawn, WDFW photo.

In addition to crab, seafood harvesters land several types of shrimp in Anacortes, the most valuable of which is spot prawns. Sea urchins have been the next-most valuable commodity in recent years. Fishermen land both red and green sea urchins in Anacortes.



Red sea urchin, WDFW photo.

The "other" category in the table below includes a wide variety of small-scale fisheries including sea cucumbers, geoduck clams, and various species of salmon as well as occasional small harvests of razor clams, halibut, skates, rockfish, and steelhead trout.

Anacortes was historically a large port for salmon fishing, but harvests have declined due to limited fish stocks.

Table 1. Ex-Vessel Value of Commercial Seafood Landings at Anacortes Docks, 2012-2021 ($millions)

	Dungeness Crab	Shrimp	Sea Urchin	Other	Total
2012	$4.0	$0.6	$0.0	$0.9	**$5.6**
2013	$5.7	$0.8	$0.1	$0.5	**$7.0**
2014	$5.1	$0.8	$0.1	$1.2	**$7.2**
2015	$6.8	$0.7	$0.3	$1.2	**$9.0**
2016	$9.9	$0.9	$0.5	$1.5	**$12.8**
2017	$14.6	$1.1	$0.8	$0.9	**$17.5**
2018	$9.5	$0.9	$0.2	$0.5	**$11.1**
2019	$11.0	$1.0	$0.5	$0.6	**$13.1**
2020	$7.8	$1.1	$0.4	$0.2	**$9.6**
2021	$11.1	$1.2	$0.6	$0.4	**$13.3**

Source: Washington Department of Fish and Wildlife.

Main T Dock Commercial Fishery Users

T Dock is used by commercial fishing boats based in Anacortes and by boats from the wider Pacific Northwest Dungeness crab fleet, including open ocean crab boats from as far away as Crescent City, California and Petersburg, Alaska. Participants in both state-managed and tribal government-managed commercial fisheries unload their catch at T Dock.

TRIBAL FISHERIES AT T DOCK

Half of the fishing quota in Washington belongs to tribes in the region, under the tribes' treaty rights. The remaining half is managed by the state government for both commercial and recreational fishing.

Tribal member uses for seafood include commercial harvest (selling seafood), ceremonial use, and subsistence. Interviews with tribal fisheries managers and seafood buyers indicate the following six tribal nations have used the Anacortes T Dock to land seafood in recent years:

- Lummi Nation
- Swinomish Indian Tribal Community
- Tulalip Tribes
- Jamestown S'Klallam Tribe
- Port Gable S'Klallam Tribe
- Suquamish Tribe

As seen in the accompanying map, the Anacortes T Dock is centrally located in the San Juan Islands region, providing tribes as far north as the Lummi Nation and as far south the Suquamish Tribe a convenient place to land crab and other seafood products.

Figure 2. Location of T Dock in Relation to the Government Offices of Tribal Users

Source: OpenStreetMap data, McKinley Research Group graphic.

The extent of tribal fishing areas, known by the legal term of "usual and accustomed grounds" vary among tribes. These fishing grounds generally overlap with and extend beyond reservation lands. Figure 2 shows the location of tribal government offices to indicate the approximate direction (but not extent) of each tribe's usual and accustomed fishing grounds.

Fishery managers from several tribes report that T Dock is an important resource for tribal fisheries. Some tribes have nearby alternatives; for example, the Swinomish Indian Tribal

Community owns a dock on reservation land outside of La Conner. Other fishery managers indicate that the absence of T Dock would be a significant hardship for tribal fisheries because the next closest usable docks to their fishing grounds are the more distant ports of Sequim, Port Angeles, Bellingham, or even Blaine near the Canada border.

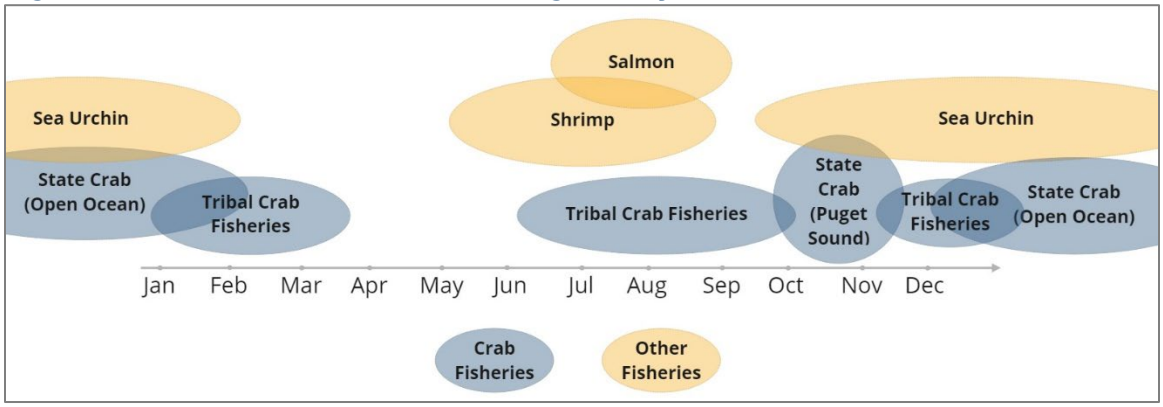
The importance of T Dock to tribal and other commercial fishing harvesters may increase if the long-term trend of Puget Sound waterfronts transitioning away from commercial uses continues.

THE COMMERCIAL FISHING CALENDAR

Commercial crabbing can take place during much of the year if harvesters have not yet exhausted their quota, with the exception of a period in late spring when crab molt. Sea urchin harvesting takes place in the fall and winter, while shrimping occurs in the summer. Salmon harvesting takes place only in the summer when adult salmon return from the ocean to freshwater streams to spawn.

The figure below provides a generalized description of peak seafood landing periods at T Dock based on interviews with seafood buyers and managers. Activity can fluctuate significantly year-to-year based on factors including the size of quotas, changes to season openings, and the success rate of harvesters. Numerous distinct fishing seasons take place around Anacortes, as managed by the State of Washington and tribal governments.

Figure 3. Peak Periods of Seafood Landing Activity at the Anacortes T Dock



Source: Washington Department of Fish and Wildlife and industry interviews.

The October opening of the state-managed Dungeness crab fishery in Puget Sound is a key fishery for Anacortes-based fishing boats. Fall season is a particularly busy time at T Dock.

Another state crab season for coastal waters outside of Puget Sound usually begins in December, although issues with toxins from algal blooms have delayed the start in recent years. While permit-holders in this larger coastal state crab fishery are often larger boats homeported outside of Puget Sound, some deliver to Anacortes.

Tribal governments have different commercial harvest regulations and seasons. In general, tribal openings often take place when state fishing is closed, especially in the summer and late fall.

Commercial Marine T Dock Users

Outside of commercial fishermen and buyers, the other primary users of T Dock fall into two main groups: logistics/launch services and oil spill prevention and response.

Logistics/Launch Services

The largest single user of T Dock is Arrow Marine Group, a marine logistics and launch services company. Arrow Marine Group operates at least four boats out of Anacortes. Each of these boats is at least 65 feet in length. Arrow maintains an Anacortes-based staff of 10 or more

Arrow's vessels move personnel and gear (such as spare parts and food) between Anacortes and vessels around the Puget Sound region. This includes vessels that are underway, anchored, or at port.

Arrow Marine Group boats.
Arrow Marine Group photo.

Logistics services help facilitate Anacortes' larger economy, which includes the Marathon and HF Sinclair oil refineries located across the Cap Sante waterway from T Dock. Logistics services are especially important to oil tankers that require deliveries when they are anchored or underway. Tankers cannot take deliveries when they reach refinery docks because they are encumbered by booms (temporary floating barriers that prevent oil spills from spreading).

Anacortes receives well over 600 port calls per year from oil tankers, in addition to port calls from other large ships including container ships and bulk carriers that move sulfur and petroleum coke, two byproducts from the refineries.

Arrow's services are a regulated utility similar to electrical, natural gas, and ferry service providers. Because logistics/launch services are an essential maritime service and a natural monopoly (due to the capital required to establish and maintain a fleet), the Washington Utilities and Transportation Commission requires the company to provide minimum capabilities (including 24-hour availability) and caps profits at 7%.

Arrow relies on T Dock to load cargo and uses the dock every day. The company uses its own boom truck and vessel cranes to load cargo rather than T Dock's public hoists. Without T Dock, Arrow would use Curtis Wharf to load vessels or would service customers from other Puget Sound ports such as Port Angeles.

Oil Spill Prevention and Response

Three oil spill prevention and response companies/organizations use T Dock:

- National Response Corporation (NRC)
- Global Diving & Salvage (Global)
- Marine Spill Response Corporation (MSRC)

Combined, these three oil spill prevention and response service providers have an Anacortes-based workforce of about 20, with a larger pool of workers available on stand-by at any time to respond to a spill.

The three organizations use T Dock for loading equipment, some as part of regular operations, others as part of periodic equipment and maintenance. All would use T Dock to mobilize equipment in the event of an emergency. In addition to T Dock, the east side of Pier 2 is another location in Anacortes used for loading oil spill response booms onto boats.

NRC is the oil spill response contractor for the HollyFrontier refinery, while Global is Marathon's contractor. Operations for these contractors include having equipment prepared to respond to a spill and meeting oil tankers outside the refinery to deploy preventative booms.

Global removes the sunken MV Chilkat in Anacortes in January, 2021. The Chilkat was the first Alaska Marine Highway System ferry. Global Diving and Salvage photo.

In addition to its work related to the Marathon refinery, Global conducts diving operations in Anacortes, using T Dock to load dive boats about once a month.

MSRC is a non-profit organization owned by oil and gas companies that is a dedicated Oil Spill Removal Organization, meaning it has core response equipment and capabilities that are defined by Coast Guard requirements. MSRC operates seven oil spill response vessels from the Cap Sante Marina A Dock, which is adjacent to T Dock.

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