

CCML

CEI Capital

KŌKATAT, INC.

*\$21.1MM Total Project
\$14.6MM CEI Capital NMTC financing
Closed April 2025*

Arcata, California



Established in 1971 to make high performance outdoor recreational gear, **Kōkatat, Inc.** has innovated and evolved over five decades to become a global leader in paddle sports apparel and durable gear manufacturing. By consistently pursuing new challenges to meet extreme conditions the company develops high-performance apparel and accessories, expanding its customer base from water sport enthusiasts like rugged sea kayakers to other highly specialized uses including water rescue and military applications. Today, Kōkatat's manufacturing plant in Arcata, California is certified for highly specialized manufacturing processes that few others in the U.S. can perform.

With increased demand for its products and a new multi-year custom suit contract, Kōkatat is scaling up production, purchasing new equipment, refurbishing legacy equipment, and adding to its workforce. This new capacity and working capital financing are expected to create over 40 new jobs and retain 106 positions, critical employment in the heart of Humboldt County.

“Kōkatat exemplifies how a business understands that investing in its growth is also an investment that supports its employees, the community and the local economy.”

**- Traci Vaine
CEO, CEI Capital**

However, by the 1960s, lumber-based employment began to decline, replaced by growth in the services sector, which now contributes nearly one-fourth of the county's income. The last decade has been one of economic stagnation for Humboldt relative to the broader growth across California.

Located on the far north California coast, Humboldt County has a history of fluctuating employment. During the 1950s, the lumber industry accounted for nearly half of all jobs and most of the county's income, leading to prosperity comparable to state and national levels.

KEY BENEFITS

- Creation of 40 new full-time equivalent positions and supports 106 existing jobs with robust benefits.
- 97% of positions are production or production support roles accessible to people with a high school diploma or less, and the company has a strong track record of providing training opportunities and promoting from within.
- Employees receive specialized training through a partnership with the California Workforce Association to help them succeed and learn skills that position them for promotions and wage increases.

KŌKATAT, INC.

Yet Kōkatat remains committed to its community. While most of its competitors manufacture overseas, 90 percent of Kōkatat's products are made in the U.S., significantly reducing supply chain impacts and contributing to the local economy. Over the years the company has developed strong local relationships that yield a pipeline of prospective employees from the community, working with the local high school and community college to source and train candidates.

The Company offers competitive wages, provides a robust suite of benefits including, health and dental insurance, 401k with company match, paid time off, and career advancement training. Kōkatat also has instituted family-friendly policies, including flexible start and end times.

Without financing through the New Markets Tax Credit program, Kōkatat would face significant cash flow challenges in making the necessary up front purchases necessary to effectively and efficiently meet new contract requirements. NMTC financing enables the business to cover workforce expenses that traditional lenders do not finance.

NEW MARKETS PROGRAM ELIGIBILITY

- Non-metropolitan county
- Unemployment Rate: 15.2% (2.81x average)
- Poverty Rate 25.2%

FINANCING PARTNERS

Investor: U.S. Bancorp Impact Finance

Investment Consultant: Hope Community Capital

** Unless otherwise noted, all jobs and impact data contained herein is taken directly from the Transactional Level Reports submitted by CCML to the US Treasury's CDFI Fund. All jobs data is reported by the project Borrower and is not independently verified by CCML.*

FOR MORE INFORMATION

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ABOUT CEI CAPITAL MANAGEMENT LLC

CEI Capital Management LLC works nationally to connect new and existing rural manufacturing companies with flexible capital through the federal New Markets Tax Credit and Maine New Markets Capital Investment Tax Credit programs. CEI Capital invests in companies committed to building accessible good jobs that provide living wages, comprehensive benefits and opportunities for training and advancement in alignment with CEI's Good Jobs Framework. Since 2004, CEI Capital Management has placed over \$1.12 billion in over 105 different projects across the U.S.

CCML is a wholly owned subsidiary of Coastal Enterprises, Inc. (CEI), a Maine-based nonprofit community development financial institution.

CCML is an equal opportunity provider.