

**Petersburg Borough, Alaska
RESOLUTION 2026-04**

**A RESOLUTION EXTENDING THE PETERSBURG ECONOMIC DEVELOPMENT
COUNCIL'S (PEDC) LEASE FOR THE COMMUNITY COLD STORAGE PROPERTY
FOR ANOTHER FIVE (5) YEARS AND INCLUDING CERTAIN SEAFOOD
PROCESSING AS A PERMITTED USE**

WHEREAS, the then-City of Petersburg and PEDC entered into a long-term lease agreement in February, 2006 for the construction and operation of a community cold storage/freight consolidation and expediting facility; and,

WHEREAS, the original terms of the lease allowed for PEDC to pay \$1.00 as the rental fee for the property for the first five years of the lease, and the Assembly has, at each five year interval since, maintained that rate due to the fluctuations in the need for blast-freezing services by local processors; and,

WHEREAS, the Cold Storage is a community facility made available to the general public by payment of fees; and,

WHEREAS the seafood industry has faced unprecedented changes over the last few years and partnering with a local high-volume processor for blast freezing services is no longer a viable option; and,

WHEREAS, in order to remain open for small volume direct marketers, restaurants, sport fishermen and hunters, residents needing secure freezer space, and to provide quality ice to residents, the Cold Storage requires an anchor tenant who can provide steady, reliable income; and,

WHEREAS, the anchor tenant is a small-scale seafood processor who primarily provides custom processing for direct marketers and the public.

THEREFORE, BE IT RESOLVED, the Petersburg Borough Assembly hereby agrees to 1) extend the current rental rate of \$1.00/year in Article 3 (Rent) of the Tidelands Lease Agreement, dated February 1, 2006, for another five (5) years (this 5 year term will expire January 31, 2031); and 2) amend paragraphs 4.1, *Use of Premises*, and 4.3, *Prohibited Uses*, of the Lease as follows (the new language is in bold and underlined, and the language proposed for deletion is in brackets and struck through):

SECTION 4.1 – Use of Premises. The demised premises are to be used only for: cold storage with blast freezers; freight consolidating/expediting; **processing by direct-marketers, value-added and custom processors; ice manufacturing;** and limited retail sales.

SECTION 4.3 – Prohibited Uses. ~~[The premises shall not be used for the primary processing of seafood and Lessee shall not incorporate any use on the premises that competes with private enterprise.]~~ Lease grants to Lessee(s) only the surface use of the demised premises. Lessee(s) shall not use or permit any of the demised premises, or any part thereof, to be used for any purpose or purposes for which the demised premises are hereby leased; and no use shall be permitted to be made of the demised premises, or acts done which may be considered ultrahazardous on account of fire or otherwise.

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Any use not authorized by the lease shall constitute a trespass against the Lessor. No fuel shall be allowed on the demised premises other than in approved fuel tanks.

Passed and Approved by the Petersburg Borough Assembly on March 16, 2026.

Robert Lynn, Mayor

ATTEST:

Rebecca Regula, Borough Clerk