



February 22, 2016

Petersburg Borough Assembly
PO Box 329
Petersburg, AK 99833

Dear Mayor Jensen and Members of the Assembly:

Thank you for the opportunity to comment on the proposed Island Ventures tidelands lease at the Scow Bay Turnaround. In general, PEDC has no opposition to the project and supports efforts to improve the functionality of the turnaround for existing users.

Our only concerns relate to issues of timing and our ability to have unimpeded access to the tidelands when funding or other opportunities present themselves. This could be in the form of grants or in-kind items, such as availability of beneficial fill. We request the Assembly structure any lease agreement with Island Ventures so as to allow the agreement be terminated 90 days after the Borough provides notice that the property is needed for a public purpose.

Further, there has been some discussion regarding removal or compensation for fill/gravel placed on the tidelands for the ramp. The PEDC would prefer that Island Ventures be given the opportunity to remove their leasehold improvements (i.e gravel, rock) from the site within 60 days' of termination of the lease. Project development is likely to be grant funded and any activity occurring prior to the execution of a grant agreement cannot be paid with grant dollars. In other words, compensation provided to Island Ventures for the improvements would need to come from the Borough or PEDC. We would prefer not to spend limited PEDC dollars on something that would normally be paid through a project grant.

We believe these terms are consistent with the current lease agreement held by Island Ventures LLC for land at Scow Bay.

If we can provide any additional information, please let us know.

Sincerely,

Casey Flint
President, PEDC Board