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Petersburg Economic Development Council

October 18, 2011

Mr. Brent Williams
Department of Community, Commerce, and Economic Development
550 West Seventh Avenue, Suite 1770
Anchorage, AK 99501-3510
Sent via email: LBC@alaska.gov

Dear Mr. Williams,

We are writing in support of the formation of the Petersburg Borough.

As the economic development organization in this region, we believe borough formation gives our community a stronger and more cohesive voice on activities and development in our area. Formation of the Petersburg Borough will allow us greater involvement in federal and state land decisions, allowing us to maintain the character of our region in a manner consistent with our wishes.

Area residents have a history of economic connections to the land and waters of the proposed borough. Petersburg's economy is based on commercial fishing and seafood processing. The Petersburg-based fleet comprises 540 vessels and over 1,200 commercial permits. The fleet harvests salmon, halibut, crab, shrimp, other shellfish, and herring roe throughout the area, including the waters north of Petersburg to Holkham Bay. The Alaska Department of Fish and Game's Division of Commercial Fisheries includes these waters in the Petersburg Management Area for good reason: Petersburg based fishermen constitute the majority of fishery participants in this district. In 2009, for example, 80.9% of the salmon landings were by Petersburg residents and over 70% of shellfish landings were made by permit holders from Petersburg. Clearly, Petersburg area residents have an economic connection and dependence on these waters that overrides interest from neighboring communities, and therefore, have a vested interest in activities occurring in the bays, streams, and on surrounding lands.

While the seafood industry is the mainstay of our economy, we are also interested in diversifying our economy and the proposed borough boundaries are conducive to that purpose. Petersburg would be an ideal support center for any mining, hydro, tourism, and timber

development in the surrounding area. The proposed boundaries are economically important to our future success as a borough.

The proposed borough would result in some property taxation, which is fair as these residents and properties benefit from the existence of the City of Petersburg and the businesses and commerce it supports. In addition, some residents of outlying areas have stated they will not receive any direct services or benefits for their 4 mil property tax. The 4 mil property tax is slated to be used to support the school district. As a society, we have agreed to provide and pay for public education for our children, regardless of whether we have children enrolled in the school district, because it benefits our entire community. The value of a literate, educated population cannot be measured, but it will certainly constitute a direct benefit to everyone living within in the borough. Lastly, while the proposed borough is of similar size to other Southeast Alaska boroughs, the 4 mil property tax rate outside the Service Area is lower than many other Alaskan boroughs for rural properties not connected by road to the borough seat.

If you have any questions or require additional information, please contact me at 772.4042 or pedc@gci.net.

Thank you for this opportunity to express our support for this action.

Sincerely,

A handwritten signature in blue ink that reads "Liz Cabrera". The signature is written in a cursive style with a long, sweeping underline.

Liz Cabrera
Coordinator