

PETERSBURG Comprehensive Plan - 1984

community at-large, as approximately one-half of its residents depend on the fish processing industry for their livelihood.

Forest Products

The forest products industry in Petersburg logs and processes U.S. Forest Service timber almost exclusively. The USFS has existing, long term sales contracts with the two pulp mills in southeastern Alaska, and much of the cut in the Petersburg area has been to satisfy these obligations. Sawmill grade logs, which under USFS regulations must at least be squared off (cut into "cants") prior to export, are sold to small or medium-sized sawmills, including Petersburg's Mitkof Lumber Company.

Mitkof Lumber's main markets are in foreign countries such as Japan. The Mitkof facility in Petersburg is outdated, and the company is planning extensive modernizations of the mill and offices. The mill is hampered, however, by its inability to service the deeper draft oceangoing vessels which transport cants and lumber to Pacific Rim nations. The mill currently barges its product to Wrangell for loading aboard such ships because Petersburg lacks a deep water port. To reduce costs, Mitkof officials would like to have a facility in Petersburg where large ships could dock and take their product to markets in Japan, Korea and Seattle.

To remain competitive with other communities, the City of Petersburg should encourage the development of a deep water port by private enterprise. This should include deepening of the berthing area and improvements to the existing dock at the mill in Scow Bay. Deep draft vessels could reach Scow Bay if several areas at the north end of Wrangell Narrows were deepened by dredging.

The USFS has lost southeastern acreage under terms of the Alaska National Interest Lands Conservation Act of 1980 and the Alaska Native Claims Settlement Act of 1971. Due to these acreage reductions and the need to satisfy existing sales agreements, regional (i.e., Stikine District) logging activity may increase somewhat during the coming decade. Petersburg, however, is not expected to be much affected by this activity, and no increase in local harvests is expected. Other than the modernization of Mitkof's facilities, no forest products expansion is anticipated in Petersburg, since existing southeastern mills are capable of accomodating projected harvests.



Tourism

Visitor trade has become increasingly important to Petersburg. Visitors arrive by ferry, plane and pleasure boat, with most of the activity concentrated from May through September. Across Alaska, tourism has been increasing by about 10 percent per year. Petersburg has shared in some of this growth, as evidenced by moderate increases in its summer ferry and commercial airline passenger traffic. Only

limited passenger and vehicle space is now available on state ferries during peak visitor periods, and increased ferry service during summer months would probably enhance tourism throughout southeastern Alaska, including Petersburg.

Petersburg's opportunities for increasing tourist trade are dependent upon improved transportation systems and marketing of the Southeast area's unique characteristics. Deep draft cruise ships are now precluded because of the lack of docking facilities and the shallowness of Wrangell Narrows. Smaller cruise ships stop by the town several times a week, but the lack of a convenient port facility is not conducive to steady growth. Other than the potential for hydrofoil service, no major expansions are planned for the ferry system in the near future. Encouragement of the tourist ship trade needs to be coupled with a port development plan which would include docking facilities as well as other visitor amenities. Large cruise ship trade would require the deepening of several areas at the north end of Wrangell Narrows; hence dredging done in conjunction with a deep water port at Scow Bay would be of benefit to the tourism industry as well as the local lumber mill.

In addition to a port facility, Petersburg could endeavor to enhance its existing features to encourage tourists to spend more time in the community. Once visitors arrive in town, they need something to do. Besides shopping and sightseeing in the harbor, tourists might enjoy a cannery tour, a walk along a beach or through the Sing Lee Alley and Hammer Slough area, or recreational hiking or fishing. The Chamber of Commerce now promotes tourism in Petersburg on the basis of its existing character and amenities via visitor oriented publications and coordination with travel bureaus, local hotels, the Alaska Visitor's Association, and the Alaska State Division of Tourism and Economic Development.

Implementation of the downtown, recreational, and pedestrian improvements called for in other elements of the comprehensive plan should help to make Petersburg more attractive for tourists. If a port facility suitable for cruise ships were developed, it is anticipated that civic groups and private enterprise would respond with appropriate projects to take advantage of the potential market and further promote tourism.

Mining

Mining holds some promise for Petersburg's future economic growth. Until recently, barite (used for drilling mud in oil and gas wells) was mined in Duncan Canal. The deposit was worked until it was no longer commercially viable, and the mine appears unlikely to reopen. There are numerous mining claims filed in the region, many of which are for deposits of strategic minerals currently imported by the United States from Third World nations. Although most of these claims do not appear to be of high enough quality or extensive enough for development in the near future, a few operations might eventually