



MEMORANDUM

CC-26-150

Resolution 26-053, A Resolution of the City Council of Homer, Alaska Approving a Lease Assignment by OBI Seafoods, LLC to Silver Bay Seafoods-Valdez, LLC; Approving, Retroactively, a Prior Related Change of Control of OBI Seafoods, LLC; and Authorizing the City Manager to sign the Appropriate Documents in Connection with Assignment of the Current Twenty Year Ground Lease with a term ending December 31, 2036, with Options for two Consecutive Five-Year Extensions, for Lots 41 & 42 Homer Spit Amended, at an Initial Annual Base Rent of \$69,876.96.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: August 3, 2026
From: Melissa Jacobsen, City Manager

Purpose: This memorandum provides an overview of the lease history for Lots 41 and 42 Homer Spit Sub. Amended, and recommends approval of the application for assignment of the lease to Silver Bay Seafoods-Valdez, LLC.

Background: The City originally leased Lots 41 and 42 to Icicle Seafoods, Inc. under a lease agreement executed in January 2017 and then amended in 2018. In May 2020, the City approved assignment of the lease from Icicle Seafoods to OBI Seafoods, LLC through Resolution 20-043. The assignment was effective June 1, 2020. In March 2025, Icicle also conveyed any remaining interest in the improvements and fixtures on the property to OBI through a recorded quitclaim deed. As a result, OBI Seafoods, LLC is currently the authorized lessee and owner of the improvements on the premises.

Lease Assignment Request: Silver Bay Seafoods began discussions with the City regarding a lease assignment in 2025. An initial request was submitted by SBS Vessel Company, LLC on October 30, 2025.

The Port Leasing Team worked with the JDO team to review several matters related to the transfer of ownership from OBI to Silver Bay Seafood, and Silver Bay Seafoods-Valdez, LLC, the intended operating entity.

Silver Bay Seafoods operates through a regional LLC structure across Alaska. According to information provided by the company and verified through public records, operations are organized through regional entities including:

- Silver Bay Seafoods-False Pass, LLC
- Silver Bay Seafoods-Kodiak, LLC
- Silver Bay Seafoods-Metlakatla, LLC
- Silver Bay Seafoods-Naknek, LLC
- Silver Bay Seafoods-Southeast, LLC
- Silver Bay Seafoods-Valdez, LLC
- Silver Bay Seafoods-Ventura, LLC

Silver Bay Seafoods-Valdez, LLC currently owns and operates facilities in Homer, Seward, Cordova, and Valdez.

The JDO team worked with the Silver Bay Seafood legal team and City Staff to ensure all ownership records and financial information is complete and accurate before bringing this lease assignment to Council for approval.

Recommendation: Adopt a resolution approving the lease assignment to Silver Bay Seafoods-Valdez.