



CITY AND BOROUGH OF SITKA

Minutes - Final

Planning Commission

Wednesday, March 17, 2021

7:00 PM

Harrigan Centennial Hall

I. CALL TO ORDER AND ROLL CALL

Present: Chris Spivey (Chair), Darrell Windsor, Stacy Mudry, Katie Riley, Wendy Alderson, Thor Christianson (assembly liaison)

Absent: None

Staff: Amy Ainslie, Ben Mejia

Public: Scott Saline, Rachel Roy, Joel Hanson, Kent Barkhou, Laurie Booyse, Ariadne Will (Sitka Sentinel)

Chair Spivey called the meeting to order at 7:11pm.

II. CONSIDERATION OF THE AGENDA

III. CONSIDERATION OF THE MINUTES

A [PM 21-04](#) Approve the March 3, 2021 minutes.

Attachments: [4-March 3 2021 DRAFT](#)

M-Riley/S-Mudry moved to approve the March 3, 2021 minutes. Motion passed 5-0 by voice vote.

IV. PERSONS TO BE HEARD

The Planning Commission opened the floor for persons to be heard for all items not on the agenda as well as public comment on the tourism master plan.

Joel Hanson spoke regarding the tourism master plan and voiced his concern about increased emissions and downtown congestion. Scott Saline discussed previous tourism planning conducted for the 2007 Sitka Visitor Industry Plan and suggested that the research from the 2007 plan be utilized.

Rachel Roy, executive director of the Chamber of Commerce and Visit Sitka, introduced herself and offered support to the Commission on the tourism master plan. Roy stated that the Chamber of Commerce had intended to establish tourism best management practices to facilitate communication between the tourism industry and citizens. Laurie Booyse, director of Visit Sitka, shared copies of the 2021 printing of Visit Sitka as well as the 2021-22 cruise ship calendars and Visit Sitka downtown maps with staff. Booyse mentioned that Visit Sitka had been participating in a state-wide return-to-cruising panel as well as a local group interested in the return of the cruise industry when COVID restrictions allow. Booyse noted that the 2022 season anticipated approximately 400,000 passengers which represented an 87% increase from the last full season in 2019. Booyse mentioned that the group had been

discussing the need for infrastructure to support the increase in tourism.

Kent Barkau expressed his concern about the increase in energy use and emissions that would result from substantial increase in cruise tourism.

V. PLANNING DIRECTOR'S REPORT

Ainslie reported that the first Town Hall event for the Sitka Community Hospital had taken place the night before with another scheduled for Tuesday March 30th at 6pm in Harrigan Centennial Hall. Ainslie noted that an online survey was available on the city of Sitka homepage.

[MISC 21-05](#)

Tourism Master Plan - Assembly Request

Attachments: [MISC 21-02 Tourism Master Plan - Assembly Request Memo](#)

Ainslie introduced the request from the assembly to create a tourism master plan. Ainslie provided context to the request and explained that the impetus for the tourism master plan was the prospect of a substantial increase to expected cruise ship visitation in 2022 to 400,000 passengers. Ainslie noted that the Assembly was interested in using the planning process to address the logistical challenges associated with increased tourism. Ainslie told the Commission that the details of the master plan had yet to be decided and that a joint work session between the Assembly and Planning Commission would be appropriate to establish the scope of work and process required. Ainslie noted that Tuesday, April 13th at 5pm was the next available date to schedule the joint work session.

Christianson explained that the request was primarily to focus on actions the city could take to prepare for a substantial increase in passengers.

Riley expressed concern regarding the scope of the plan and noted that the impacts of increased cruise tourism went beyond transportation and dispersal.

VI. REPORTS

B [MISC 21-04](#)

2020 Annual Short-term Rental Report

Attachments: [2020 Annual Short-Term Rental Report](#)
[2nd Address Report](#)
[Short-Term Rental Distribution Maps](#)
[Rental Statistics from the Department of Labor](#)

Ainslie detailed the findings of the 2020 short-term rental (STR) annual report, and noted that the information included in the report was specific to short-term rentals that required a conditional use permit to operate. Ainslie reminded the Commission that due to the impacts of COVID-19 on the STR market, the Commission had approved an exemption to the requirement that STRs be utilized within a 12 month period to maintain their permit as active.

Ainslie reported that the number of permits held in the 2020 report were 64, an increase from 58 permits held in 2019. Ainslie noted that of the 64 permits, 53 were

considered "active". Of the active permits, 24 had reported 0 nights rented due to COVID-19 impacts while 29 had at least 1 night rented. Ainslie explained that most data points collected had been heavily impacted by COVID-19, with total nights rented down by 44% and bed tax remittance decreased by nearly half. Ainslie noted that the reduction of the most nights rented and the highest bed tax remittance suggested that COVID-19 impacted all rentals. Ainslie noted an estimated revenue of approximately \$9,800.00 per permit that rented in 2020, approximately \$6,700 per permit of all permit holders.

Ainslie noted that 68% of permit holders reported the rental property as their primary residence, approximately 55% reported being on-site during rentals, and 79% of units were reported as independent dwelling units.

Ainslie described the marketing platforms used by permit holders, and noted that Airbnb was the most popular platform, followed by VRBO and the local site, Sitka Travel. Ainslie stated that 30% of permit holders reported using a property manager.

Staff displayed the distribution maps provided in the report. Mejia explained that the maps indicated no significant clustering of STR permits and there were no meaningful spatial patterns in the data regarding whether the property was a primary residence or if the owner was on-site to suggest STRs were contributing to "dark neighborhoods" where a concentration of rental properties that are vacant except when rented had formed. Mejia noted that permits with higher numbers of nights rented were more densely concentrated in the downtown area which suggested renter preference for downtown access in 2020.

Ainslie summarized the annual rental statistics from Alaska Department of Labor and Workforce Development, in which it was reported that Sitka had made its largest jump in rental vacancy from 8.3% to 13.8% although Ainslie pointed out that the survey was taken the second week of March 2020 and uncertainty regarding COVID-19 may have played a role in the increase vacancy. Ainslie indicated that the Commission would need to discuss whether to continue the exemption for permit holders to use the rental within a 12 month period.

Alderson expressed surprise by the increased long-term rental vacancy. Alderson explained that in communications with members of the public looking for rentals, it was apparent that there was a lack of supply in long-term rentals. Alderson asked if the March survey period had captured a period of turnover from long term renters to seasonal and short-term renters. Riley responded that those market pressures existed in previous years as well.

The Commission asked if there were means for staff to find the number of STRs operating that did not require a permit. Ainslie explained that there were no reliable means for staff to determine the number of STRs in operation that did not require a conditional use permit.

Riley discussed the possibility of adding a condition of approval for STRs to limit permits to properties that are the primary residence of the owner.

Christianson excused himself at 8:14pm.

Ainslie read written public comment from Robert Schell, in which Schell expressed concern regarding the effect of availability and cost of long-term rentals and the impact they may have on residential neighborhoods.

VII. THE EVENING BUSINESS

C [MISC 21-02](#) 2021 Commission Visioning and Comprehensive Plan Review Session

- Attachments:** [MISC 21-02 Visioning and Comp Plan Review Staff Memo](#)
 [MISC 21-02 Comp Plan Actions Short-List Ver After 3.17.21](#)
 [MISC 21-02 Visioning and Comp Plan Review Comp Plan Actions Only](#)

Ainslie read the actions listed in the Transportation section, the Parks, Trails and Recreation section, and the Land Use and Future Growth section of the Comprehensive Plan. The Commission identified action item PTR 6.1 for inclusion in the annual priority list.

The Commission opened the floor to public comment. Joel Hanson explained that the Health Needs and Human Services Commission had identified food security as a top priority of their commission and thanked the Commission for aligning their priorities to address the same concerns through consideration of community gardens in undeveloped municipal park space. Hanson also noted that the increase of allowable livestock animals from 5 to 20 would be another means to address food security and provide economic opportunities.

Ainslie read public comment submitted by Adrienne Wilbur. Wilbur voiced support for actions that addressed the impact STRs have on the rental and housing market and requested that the Commission consider actions to mitigate the impacts of climate change in the tourism master plan. Wilbur noted that dock space is limited and there was a need to protect the city's waterfront for maritime use. Wilbur also requested that the Commission consider an increase to the number of animals allowed for food.

The Commission took a recess from 8:34pm to 8:43pm.

D [MISC 21-03](#) Review of Use Tables in SGC 22.16.015

- Attachments:** [Table 22.16.015-1 Residential Uses](#)
 [Table 22.16.015-2 Cultural & Recreational Uses](#)

Chair Spivey opened the floor to public comment. Mejia read public comment submitted by Barth Hamberg. Hamberg voiced support for expanding Accessory Dwelling Units (ADU) to be allowable in Single Family and Single Family Low Density districts.

Commissioners reviewed the Residential Use Table (SGC 22.16.015-1) and discussed each item listed in the table. Staff made notes on possible additions, changes, and clarifications. The Commission discussed appropriate zones for single manufactured home on an individual lot, assisted living, and bunkhouse uses. The Commission discussed adding language similar to the ADU guidelines for manufactured homes and requiring all ADUs receive a Conditional Use Permit. Staff noted that definitions would need to be added to the assisted living and bunkhouse uses.

The Commission moved to postpone the review of temporary lodging at 9:45pm.

M-Windsor/S-Riley moved to postpone review of the use table regarding

temporary lodging at 9:45pm. Motion passed 5-0 by voice vote.

VIII. ADJOURNMENT

Seeing no objections, Chair Spivey adjourned the meeting at 9:45pm.