

CITY AND BOROUGH OF SITKA

TOURISM TASK FORCE RECOMMENDATIONS

Tourism Task Force Established by Resolution 2023-11
Final Recommendations Approved on April 30, 2024
Assembly Adoption May 16, 2024

Members:

- Jim Michener, Chair, Downtown Business Corridor Category
- Rich McClear, Vice Chair, Community At-Large Category
- Camille Ferguson, Sheet'ka Kwáan Sitka Tribe of Alaska Appointee Category
- Scott Wagner, Ports and Harbors Commission Appointee Category
- Barbara Bingham, Sustainability Commission Appointee Category
- Jeremy Plank, Tours and Attractions Category
- Cambria Holmes, Business in General Category
- Chris McGraw, Sitka Sound Cruise Terminal Category
- Ryan Gluth, Community At-Large Category
- Rachel Roy, Ex-Officio, Visit Sitka
- Amy Ainslie, Ex-Officio, CBS Planning & Community Development
- Jessica Earnshaw, CBS Staff Liaison
- JJ Carlson, CBS Assembly Liaison
- Chris Ystad, CBS Assembly Liaison

Former Members:

- Phyllis Hackett, Chair, Community At-Large
- Laurie Booyse, Ex-Officio, Visit Sitka

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TOURISM TASK FORCE ESTABLISHMENT AND DIRECTIVES

The Tourism Task Force was established on March 14, 2023, by the passage of Resolution 2023-11 (“the establishing resolution”). The establishing resolution created the Tourism Task Force (“the Task Force”) with the intent to facilitate the City and Borough of Sitka’s (CBS) transition from short-term management of cruise tourism into a long-term perspective. It is notable that through the language of the establishing resolution and the initial joint-work session between the Assembly and Task Force that the focus of the directives and recommendations was to be on cruise visitation rather than the broader visitor industry.

The establishing resolution designated the following seats by category. All members were appointed by the Assembly.

- One seat filled by a member recommended by the Sheet’ka Kwáan Sitka Tribe of Alaska
- One seat filled by a member recommended by the Ports and Harbors Commission
- One seat filled by a member recommended by the Sustainability Commission
- One seat representing the downtown business corridor
- One seat representing tours and attractions
- One seat representing business in general
- One seating representing the Sitka Sound Cruise Terminal
- Two seats representing the community at-large

The establishing resolution also designated the following non-voting seats:

- Visit Sitka representative, ex-officio
- Planning and Community Development Director (or designee), ex-officio
- Staff Liaison
- Assembly Liaison

The establishing resolution gave the Tourism Task Force five main directives to explore and make recommendations on:

1. Levels of tourism in Sitka
2. Annual review cycle of CBS operations and tourism funding
3. Assisting in the development of a Tourism Management Best Practices (TBMP) program
4. Land use regulations and waterfront development policies
5. Regional strategies to advance Sitka’s interests regarding cruise tourism

Initial appointments were made on April 25, 2023. The establishing resolution required that the Task Force make its final recommendations to the Assembly no later than April 30, 2024.

MEETINGS AND PUBLIC ENGAGEMENT

All meetings of the Task Force were open to the public.

- April 27, 2023: Assembly and Tourism Task Force Joint Work Session
- May 31, 2023: Work Session
- July 12, 2023: Regular Meeting
- August 9, 2023: Work Session
- September 6, 2023: Work Session
- September 28, 2023: Work Session
- November 1, 2023: Work Session
- November 27, 2023: Work Session
- December 6, 2023: Work Session
- December 13, 2023: Work Session
- January 4, 2024: Work Session
- January 25, 2024: Regular Meeting
- February 7, 2024: Work Session
- February 26, 2024: Work Session
- March 18, 2024: Work Session
- April 8, 2024: Work Session
- April 30, 2024: Regular Meeting

Public engagement events:

- October 11 – November 1, 2023: Survey on Draft TBMP
- November 13, 2023: Town Hall Meeting
- December 7, 2023: Town Hall Meeting
- December 20, 2023 – January 15, 2024: Survey on Level of Cruise Tourism for Sitka
- January 16, 2024: Town Hall Meeting
- February 12, 2024: Attractions Focus Group

Throughout the process, the public regularly contacted task force members via email, letters, phone calls, and in-person conversation. Given the importance of the topic, and broad membership of the task force, members regularly reported upon the stories, concerns, and feedback received from the public through these channels.

DIRECTIVE ONE: LEVELS OF TOURISM IN SITKA

A. Findings

The first directive was of most interest and importance to the public, and the “right” level of cruise tourism continues to be the most prominent topic of community concern and debate. For more detailed results/analysis of the public feedback on this directive, please review Appendices A – C which contain the results from two town hall meetings and the community survey. The following is a very abbreviated summary of findings, but aims to provide the key takeaways regarding levels of cruise tourism in Sitka.

Community Importance

This topic carries incredible emotional weight for the community. Concerns about personal livelihoods, community character, Sitka’s unique lifestyle, economic sustainability, environmental impact, social justice and cohesion, and health/safety are all intertwined in the consideration of what the “right” level of cruise tourism is for Sitka. This finding is highlighted to emphasize the care and reverence needed in continuing conversation and deliberation on cruise tourism.

This topic is also very polarized, with strong opinions voiced in favor of both drastic reduction as well as continued/increased levels of cruise tourism. Finding a “middle” or “balance” point is challenging given the polarization.

Difficulties of a Quantitative Approach

A quantitative approach to determining the “carrying capacity” of Sitka for cruise visitation levels was not determined to be feasible (in the time given and without making significant assumptions that could invalidate the analysis) because there aren’t strict space constraints in evaluating the carrying capacity of the entire community. Carrying capacity analyses are usually performed in relation to more specific locations like a historic site, downtown/townsite, or park. Carrying capacity analyses have been performed within the independent traveler market which is possible due to its fixed constraints such as number of hotel rooms, rental cars, and daily airline capacities. Sitka’s capacity for cruise visitors is highly dependent on the variables of dispersion and the capacity of new tours and attractions, factors that will inevitably change over time.

Considering Community Impacts

A helpful framework for considering how the community is impacted by cruise tourism is a question asked at the first town hall meeting, “What makes Sitka a great place to live, and why do you choose to live here?”. By knowing what makes Sitka a great and desirable place to live, we can consider cruise visitation impacts on these grounds. The top themes were:

- Community and small-town feel: close knit community, familiar faces, caring neighbors, safety, and small-town atmosphere
- Access to nature/outdoor recreation: Natural beauty, wilderness, pristine environment, access to recreation and subsistence activities
- Pace of life: slower pace of life, lack of “hustle and bustle”, and peaceful, quiet, and relaxed lifestyles

Given the above, it follows that the biggest concerns raised in terms of community impact from growth in cruise numbers were those listed below. This feedback was also incorporated into recommendations for TBMP and land use regulations.

- Loss of small-town feel during the cruise season
- Fear of losing community character/uniqueness, becoming a seasonal community
- Safety issues experienced (particularly those related to transportation)
- Congestion (both vehicular and pedestrian)
- Overcrowding of recreational and subsistence sites
- Environmental impacts including emissions, noise, and litter

Financial and Economic Impacts

The financial and economic impacts of cruise tourism were prominent points in public discussions regarding levels of cruise tourism. Following strong interest voiced by the community in learning more, significant time on the part of the task force was spent on pulling together, sharing, and explaining how cruise visitation impacts the municipal budget.

Two-thirds of respondents at the November 13th town hall meeting cited economic benefit from the cruise industry in the form of direct benefits through jobs/businesses in the industry for themselves or family members, increased tax revenue, and benefits to the general economy.

There was broad recognition that the visitor industry as a whole is currently a critical industry for Sitka’s economy. At the December 7th town hall:

- 90% of respondents agreed with the statement, “I recognize that some of my friends, neighbors, and/or fellow community members rely on cruise tourism to make a living in Sitka.”
- 75% agreed that at least some level of cruise tourism is necessary for Sitka.

- Public comments that cited the economic benefits of cruise tourism most commonly shared considerations for young Sitka residents and their opportunities to work in, or own a business related to, the cruise industry.

From a tax revenue perspective, the key findings were:

- Sales tax revenue, equalizing for inflation and new tax collection for online sales, has experienced significant growth from pre-pandemic levels to present. New and improved municipal services have been made available, and substantial contributions to public infrastructure have been made as a result.

It is also notable that many felt that the financial and economic considerations had an outsized impact on the discussions regarding levels of cruise tourism. Almost two-thirds of respondents at the December 7th town hall disagreed that the economic benefits of cruise tourism should be the most important factor in determining the right level of cruise tourism for Sitka.

Public Input on the “Right” Level of Cruise Tourism in terms of Numbers

It was encouraging to see that 80% of respondents at the December 7th town hall meeting wanted the community to reach common ground so that Sitka can find a balance when it comes to cruise tourism. Another 70% agreed that the ideal number of cruise tourists for Sitka balances economic opportunities and benefits with preserving quality of life. In the community survey, 60% of respondents stated that they believe CBS should take an active role in determining the number of cruise visitors that come to Sitka. However, the “balanced” number was difficult to discern from the input received.

Daily Numbers

As a starting point, participants at the November 13th town hall identified that their top priority for managing cruise levels, by a wide margin, was the daily number cruise visitors. At that same meeting, 30% responded to what they thought the “right” level of cruise tourism is in the form of a daily number; the highest number of these responses (38%) cited a daily number of cruise daily passengers in the 5,000 – 5,999 range. The next highest priority was related – the days per week with “large ships”, the those with 4,000+ passenger capacity.

Somewhat polarized responses regarding daily numbers were received at the December 7th town hall:

- In response to the question, “On average, how many days per week in 2023 felt too congested?”, the highest responses were for zero and five days a week, with noticeably lower responses dispersed across one-four and six-seven days per week.
- In response to the question, “Going forward, what is the maximum days per week Sitka should have 7,000 or more passengers?”, the highest responses were for zero and seven days a week, with significantly lower responses dispersed fairly evenly across one-six days per week.

In the community survey, the following data points were collected regarding daily numbers of visitors:

- For those who felt there should be a maximum number of daily cruise passengers (81%), the average reported (less statistical outliers) was 5,484, and the median was 5,000.
- When asked to narrow their choice of maximum number of daily cruise passengers to the options of 3,000 – 7,000, the largest response was for 7,000 passengers (34%), followed by 3,000 (23%), 5,000 (18%), 4,000 (16%), 6,000 (9%), and 6% skipped the question.
- There was not strong consensus around how many days per week there should be large ships in town. Seven days per week had the highest response with 20%, followed by 15% for five days, and 14% for zero days.

Questions also arose concerning emergency/health service impacts in relation to daily numbers. Ultimately, the information found did not highlight a clear correlation. Reports from the CBS Fire/EMS as well as SEARHC did not indicate that volumes correlated to high-passenger count days. In fact, some of the peak volumes for emergency and health services correlated to low-passenger days, citing that the smaller cruise vessels have less capacity on-ship for health/medical attention.

A focus-group meeting was held with representatives from attraction sites, and daily passenger numbers were a strong topic of discussion. Fortress of the Bear, the Sitka Sound Science Center, and the Raptor Center had to institute their own daily limits (most consistently ~5,000/day) to appropriately manage congestion in their facilities as well as the stress put on animals at these facilities. Despite the significant growth in cruise visitation to Sitka between 2022 and 2023, visitor numbers at these facilities were similar between the two seasons due to their facility constraints.

Season Total

While a lesser priority as identified at the November 13th town hall, the season total of cruise passengers was continually discussed in public engagement. At that same meeting:

- 31% of respondents responded to what they thought was the “right” level of cruise tourism for Sitka in the form of a season total. The season totals shared as the “right” level did not have a strong lead response; 21% said 451k – 550k, 20% said 151k-250k, and 18% said 251-350k.
- 15% of respondents responded to what they thought was the “right” level of cruise tourism for Sitka in the form of an era/time period, with 52% citing 2023 levels and 44% citing pre-pandemic levels.

In the community survey, the following data points were collected regarding the season total of cruise passengers in Sitka:

- 55% of respondents stated that going forward, cruise tourism levels should be less than 2023 levels, and 44% felt it should be the same or more than 2023.
- For those who felt there should be a maximum number of cruise passengers per season (66%), the average (less statistical outliers) was 376,715, with a median of 350,000. The most common response (the mode) was 300,000. However, it’s important to note that this question had a high number of “skipped” responses, presumably because they did not believe there should be a season maximum.
- When asked to narrow their choice of season total maximum to 250,000 – 550,000, the highest selected option was 550,000 (38%), followed by 250,000 (27%), 350,000 (22%), 450,000 (13%), and 9% skipped the question.

Length of Cruise Season

While the public generally did not indicate that the length of the cruise season was a strong priority for cruise management, it was a strong priority raised in the attractions focus group. They voiced the enormous strain the lengthening of the cruise season (the introduction of ships in April - early May and late September - October) had put on their organizations and staff. They all cited the near impossibility of finding seasonal staff for these shoulder months, and the stress put upon year-round staff to fill those holes. The visitors’ experience during these shoulder months was also reported to be largely negative, citing factors such as bears being in hibernation and poor weather conditions.

Mitigations

Several “mitigations” to higher levels of cruise visitation were explored during the process. The most popular idea was for “designated quiet days”, which came from public comments at the November 13th town hall. Designated quiet days were proposed as consistent day(s) of the week throughout the whole season with minimal cruise ship visitors (which the task force defined as 1,000 passengers or less), such as the example of “No Ship Saturdays”. Having designated quiet day(s) would provide community members with more consistency and certainty as they plan errands, shopping, recreation, and other events/activities.

- At the December 7th town hall, participants identified Saturdays and Sundays as their top choices for designated quiet days.
- In the community survey, 59% stated that CBS should advocate for designated quiet day(s), with 44% preferring two per week, 29% preferring one per week (27% skipped the question, presumably because they did not believe CBS should advocate for designated quiet days).
- Participants at the attractions focus group also advocated for a designated quiet day(s), as it would provide them with more certainty and consistency for operations planning such as staff scheduling.

This and other mitigations considered at the December 7th town hall had low-to-moderate levels of potential effectiveness as reported by participants. Participants were asked whether they would support 2023 levels of cruise tourism going forward if:

- Passengers were more dispersed throughout town, meaning fewer came downtown at once: 45% agreed, 45% disagreed
- There was less noise and/or air pollution from shuttle buses: 33% agreed, 45% disagreed
- There was less pedestrian crowding and jaywalking around Harrigan and the nearby traffic light: 33% agreed, 45% disagreed
- There were 1-2 quiet days per week: 35% agreed, 55% disagreed

When asked whether participants would support limiting cruise ships at city docks to reach a more balanced level of cruise tourism, 30% agreed and almost 60% disagreed.

B. Recommendations

As evidenced through the findings, making a quantitative recommendation on the “right” level of cruise tourism in Sitka that is representative of overall community needs and desires is a difficult task, to say the least. Given the emotional weight of the topic, polarity of data collected, limitations on quantitative approaches to answer the question, and lack of data on what economic impacts would be experienced at different levels of cruise tourism, the task force was not prepared to make a recommendation on singular numbers defining the right level of cruise tourism. However, the task force does offer the following recommendations:

1. Pursue mutual agreements with the industry

Following the examples of other communities in Alaska and nationwide, CBS should pursue mutual agreements (preferably through Memorandums of Understanding) to advocate for community goals related to cruise visitation. Specific points of advocacy are outlined in the recommendations that follow.

2. Flatten the curve

While maintaining current levels of cruise tourism will not satisfy those in the community who would like significant reductions from current levels, ensuring that, at a minimum, Sitka does not experience continued exponential growth such as that seen in 2022 and 2023 would ease the anxiety of many residents regarding future growth.

3. Take out the peak

As the public's top priority for visitor number management was the daily number, and most impacts cited were in relation to large visitor days (congestion, safety concerns, telecommunication challenges), CBS should advocate to reduce "peak" days in the cruise ship schedule. This should include limiting "large ships", the neopanamax ships with 4,000+ passenger capacity, to one per day. Also consider limiting their visitation on a weekly basis, with a potential range of two to four days per week. Based on the results of the community survey, it appears that a daily limit between 5,000 – 7,000 cruise passengers is most agreeable; that comes with the significant caveat that the range of responses was vast and lacked a clear majority consensus. Another element of "taking out the peak" includes operational considerations. The disbursement of visitors throughout town and staggering of ship arrivals can also reduce congestion on peak days.

As CBS has direct control over its lightering facilities, consideration should be given to the role they play in contributing to peak days. The task force recommends the development and implementation of a lightering policy that would limit the size of ships (particularly those with lower berth capacities over 900 passengers) utilizing CBS lightering facilities on days when 5,000 or more visitors are expected at the Sitka Sound Cruise Terminal and other docks.

4. Designated quiet days

CBS should advocate to designate one to two quiet days per week, with preferences from the community for Fridays, Saturdays, and/or Sundays. Based on the 2024 cruise ship schedule, it appears that Saturdays may be the most achievable in a negotiated agreement as it would affect the least number of sailings.

5. Shorten the length of the season

CBS should advocate to limit sailings in April – early May, as well as late September – October. Maintaining the historic, standard season of mid-May through mid-September would reduce the strain and burnout experienced by local businesses and the public generally, as well as protect the visitor experience cruise passengers have in Sitka that may encourage them to return as independent travelers.

6. Continue collecting data

Continuous data collection from the community, industry trends, evaluation methodologies for sustainable tourism, and economic data should be prioritized to inform future MOUs or MOAs as discussed in Recommendation #1. Additional community surveys, impact studies, and economic impact studies should be commissioned and funded.

7. Prioritize initiatives that enhance and protect Sitka’s character and quality of life

Many of the recommendations made under the other directives speak to potential priority actions and projects that would enhance and protect both Sitka’s character and quality of life. In addition to those recommendations made under directives three and four, the following should also be considered:

- Continue to invest tax revenues gained through cruise tourism in services and infrastructure that promote quality of life. Improve communication to residents about how the revenue and services/infrastructure are related.
- Promote and foster other industries, particularly those that operate year-round or in the winter months to keep Sitka a vibrant, year-round community with diverse economic pillars.
- Protect local enjoyment of holidays such as the 4th of July, and protect use of public facilities for important events such as voting by reducing conflict with cruise visitation. Advocate for changes in the cruise ship schedule and/or traffic re-routing to achieve this.
- Protect and maintain Sitka’s federally designated Rural Status.

**DIRECTIVE TWO:
ANNUAL REVIEW CYCLE OF CBS OPERATIONS AND TOURISM FUNDING**

The rapid growth of cruise tourism in Sitka has necessitated the mobilization of new CBS operations, budgetary considerations, and the need for continued public input regarding tourism management. The establishing resolution noted that based on a recommendation by the task force, a Tourism Commission may be pursued in order to have a permanent body that advises the Assembly on tourism-related issues. The task force makes the following recommendations:

8. Establish a tourism commission

A permanent body is needed to continue the work done by the Planning Commission on the Short-Term Tourism Plan, the recommendations of the task force, and additional tourism-related issues currently at hand and those that will undoubtedly arise in the future. A permanent commission is also the best way to facilitate a consistent annual review cycle. This commission could operate year-round, or could follow the seasonal structure currently utilized by the Ports and Harbors Commission (which does not meet in June, July, and August).

9. Establish an annual review cycle

The seasonality of the visitor industry will largely guide the annual review cycle. Additionally, Ordinance 23-17 established an annual process to consider public proposals for use of commercial passenger vessel (CPV) excise tax contingent on Assembly authorization to call for such proposals each year. The following annual review schedule is proposed, starting at the beginning of the fiscal year:

- July – August (if meeting over summer)
 - Promote the availability of the public proposal process for CPV funds
 - Monitor CBS operations
 - Monitor public input received through community feedback line/TBMP feedback line
 - Continue work on near-term and on-going action items
- August - September
 - Review public proposals made for CPV funds
 - Provide recommendations on public proposals made for CPV funds to the Administrator for presentation to the Assembly
- October
 - Solicit community feedback on the most recent visitor season
 - Review TBMP data

- November – December
 - Using community feedback and other data/input, and consider potential recommendations for funding, regulation/land use provisions, changes or additions to CBS operations, and changes to TBMP provisions.
 - Prepare an annual report to the Assembly on input collected and recommendations. Identify immediate actions to be taken before the next visitor season, near-term actions (those to be addressed over the course of the next 12 months), and long-term/ongoing actions
- January
 - Present annual report to the Assembly, seek approval for action items to be prioritized by the Commission
- February – April
 - Prioritize work on immediate actions
 - Continue work on near-term and long-term actions
- May – July (if meeting over summer)
 - Promote the availability of the public proposal process for CPV funds, help provide education to the public on appropriate usage of CPV funds
 - Monitor CBS operations
 - Monitor public input received through community feedback line/TBMP feedback line
 - Continue work on near-term and on-going action items

**DIRECTIVE THREE:
ASSIST IN THE DEVELOPMENT OF A TOURISM MANAGEMENT BEST
PRACTICES (TBMP) PROGRAM**

A Tourism Management Best Practices (TBMP) program is intended to service as a voluntary compliance structure that establishes the best practices for tourism related businesses to provide high quality visitor experiences, reduce the potential for conflict between businesses, and promote community interests related to tourism business operations. A successful TBMP program will have stated goals with a concise framework for administration, communication, training, monitoring and evaluation. Its recommended practices will be practical, adequate for desired outcomes and supported by member partners. It will also fairly and satisfactorily address concerns voiced by the wider community so as to gain broad support.

The initial draft provisions of a TBMP program are included in Appendix D. It was largely based on Juneau’s program, and edited to fit Sitka through industry review and contributions from a community-wide survey.

Overall, the task force is very supportive of a TBMP program in Sitka and is optimistic about the benefits it could bring. The task force makes the following recommendations regarding TBMP:

10. Determine program administration

The program must be administered by an organization with the capacity to manage the myriad responsibilities that come with the program including enrollment, monitoring, compliance, reception and dissemination of community feedback, and continuous improvement. This could potentially be included as a responsibility in the Visit Sitka contract, or by soliciting feedback from other interested organizations.

11. Implementation

The task force recommends a “soft launch” for the 2024 season to promote awareness of the program and some limited enrollment to trial provisions/processes. For the last two summers, a “community feedback line” has been operated by Visit Sitka; this should continue in 2024 and become part of the TBMP program. A complete launch should take place for the 2025 season.

12. Maximize participation and compliance

The program administrator should compile and continuously update a list of tourism related businesses to maximize outreach. The CBS sales tax registration process could be used to identify and do outreach with new businesses to make them aware of the program.

In Juneau, certain municipal permits require participation in the TBMP program. This should be considered in Sitka to bolster the effectiveness of the program.

A “Preferred Providers Program” should be developed to identify and reward program members for meeting and exceeding applicable guidelines potentially in the form of a Gold, Silver, and Bronze status system. This part of the program would require further development to define actions and standards for each status which could include provisions for documented employee training, collaboration with other program members, good reviews, responsiveness to reported problems/complaints, etc. Status in the Preferred Providers Program could come with identification in marketing materials and at their business.

13. Training is key

With many employees new to Sitka every year in the tourism industry, accessible training for TBMP members and their employees is key to ensuring familiarity and compliance with TBMP provisions. Training materials should be developed by the program administrator in conjunction with members and updated as needed. Track training completed, and consider mid-season training/check-ins to ensure program compliance.

14. Centralize information sharing

A searchable inventory of resources such as existing regulations and requirements for tour businesses, responsible tourism guidelines such as Whale Sense, Adventure Green Practices, health and safety practices, tool-kits, and printable signs should be established as a resource along with the TBMP program.

The program administrator should also serve as a centralized disseminator of information to program members and the public regarding the cruise ship schedule and changes, traffic disruptions, events, etc.

Additionally, guidelines for visitors should be provided regarding transportation, traffic safety, littering, smoking, and general courteousness that Sitkans ask of its visitors such as respect for indigenous culture, language, artwork, and sites, historical sites, the local ecosystem, trail etiquette, etc.

**DIRECTIVE FOUR:
LAND USE REGULATIONS AND WATERFRONT DEVELOPMENT POLICIES**

Encompassing a wide variety of issues, findings and recommendations under this directive are organized by topic below.

A. E-Bikes

Through our public engagement efforts, the task force found that a top concern among residents is transportation-related safety issues on roads, sidewalks, and recreational trails resulting from e-bikes rented by visitors. The task force makes the following recommendations:

15. Classify e-bikes as motorized vehicles

This would better define their use, and ensure that they are regulated similarly to other vehicles in terms of traffic laws. A primary concern to address through this action would be ensuring that e-bikes are not used on pedestrian sidewalks.

16. Identify multi-use paths to be used by rental e-bikes

Determine which multi-use paths in Sitka should allow rental e-bikes and work with operators in the proposed TBMP program to inform their renters. Also consider whether a regulatory process such as a permitting requirement for e-bike rentals could be implemented to enforce multi-use path restrictions. A regulatory solution is included as an option rather than a definitive solution because of the potential challenges associated with regulatory differentiation between rented versus owned e-bike utilization of multi-use paths.

If a Tourism Commission is created, we recommend that they work in conjunction with the Parks and Recreation Committee as well as other land holders such as the U.S. Forest Service, State of Alaska Parks, and the Alaska Mental Health Trust to identify desirable/undesirable trails and multi-use paths for use by rental e-bikes.

17. Require equipment on rental e-bikes

Require operators to install bells on rental e-bikes. E-bikes can move at considerable speed, but are very quiet. The installation and use of a bell can help alert other pedestrians, rollers, or bikers that they intend to pass.

Require rental e-bike operators to install a GPS tracking system on their rentals to determine if e-bikes are being used in areas “off limits” as established through regulation and/or TBMP. This will also collect data to see use patterns for better future planning. An additional option would be to have “geofencing,” a virtual fence or perimeter, as part of the GPS system which would disable the motorization component of the e-bike if taken to areas not allowed for rental e-bike use.

B. Commercial recreational use permits

Closely related to the concerns related to e-bike use on multi-use paths, there were broad concerns raised by the public regarding overcrowding at recreational sites and on trails. CBS currently requires a “commercial recreational use permit” for those wishing to guide, outfit/rent equipment, or provide transportation services using municipal lands. The provisions for this permit and its administration are outlined in SGC Chapter 14.10. Currently, the Parks and Recreation Committee reviews all applications, and makes recommendations to the Administrator for their approval. The task force makes the following recommendation:

18. Identify and protect priority recreation sites

The task force gathered some preliminary information about priority recreational sites for residents at its November 13th town hall meeting. This information should be used as a starting point to more definitively identify priority sites, and establish acceptable levels of use at all sites by commercial recreational use permittees. An ordinance may be needed to adjust the permit regulations/administration to incorporate these findings. Additionally, TBMP should also be used as a tool to protect priority recreational sites.

If a Tourism Commission is created, we recommend that they work in conjunction with the Parks and Recreation Committee, and other agencies that are recreational land holders, on this action.

C. Permit Administration

CBS has six departments which issue various permits related to the tourism industry. Public comments have indicated that the community and industry would benefit from a streamlining/centralizing these permits within CBS. In addition to making the permitting process more understandable and accessible to potential permittees, streamlining/centralizing tourism related permits would enable more responsive review/revision of the permit regulations and better ensure consistency of requirements, fees, and enforcement since the administration of said permits would be less dispersed throughout CBS. The task force makes the following recommendations:

19. Create a designated tourism position within CBS

Create a CBS position that would coordinate permit requirements for businesses engaged in the tourism industry. There currently is a dedicated tourism position in the Administrator's Draft FY25 budget which could potentially perform this role. The position would administer the application processes and also assess ongoing compliance with permits.

20. Food cart permits

Relocate the administration of the "mobile, nonmotorized food cart" permits established in SGC 6.20.015 from within the CBS Police Department to a more appropriate department.

D. CBS Harbors and GPIIP Policies Related to Tourism

Due to the existing organizational structure, berthing policies and fees for municipal harbors and the deepwater dock at the Gary Paxton Industrial Park (GPIP) are managed separately, meaning that there isn't consistency between these facilities. Additionally, GPIIP is experiencing increasing tourism-related traffic in the park and currently lacks traffic/parking regulations such as those in place for Crescent Harbor. The task force makes the following recommendation:

21. Align berthing policies and fees

If these facilities continue to be under separate management, alignment may be achieved in the short-term, but will likely diverge in the future. A new management structure which brings these facilities together is recommended. This may require forming a Port Authority or Port Director position which could encompass CBS Harbors, GPIIP, the CBS float plane facility and the CBS Rocky Guterrez Airport. A particular priority should be standardizing CBS head tax fees and collection.

22. Address tourism-related traffic at GPIIP

Given the busy, industrial nature of the park, businesses within the park and the GPIIP Board have raised concerns regarding increased tourism-related vehicle and pedestrian traffic that has been observed over the last two visitor seasons. The GPIIP Board recommended adding provisions to the SGC that would regulate stopping, standing, and parking of buses and commercial passenger vehicles within the park. Regulation that protects pedestrian/traffic safety and the industrial uses of the park should be considered by the Assembly.

E. Zoning

The Planning and Community Development Department, Planning Commission, and Assembly should evaluate zoning changes necessary to manage the number of cruise passengers arriving in Sitka in the future. The task force makes the following recommendations:

23. Zoning for future cruise docks

Currently, the zoning code does not differentiate between types or sizes of commercial use docks. Commercial use docks are allowed by-right in the general commercial zones, the waterfront district, and the industrial district.

The task force recommends creating a separate use in the zoning code that would distinguish large docks that could berth cruise ships, and make that use conditional in all zones that currently allow commercial use docks. The definition could be based on the size of the dock, the size of vessel it can berth, and/or the number of passengers that could disembark from a vessel berthed at the dock. As a reference point, SGC 18.15.014 states that the Assembly may authorize an advisory vote that would authorize the sale or lease of municipal property for use of a dock or transfer facility that could be used by cruise ships exceeding 300 feet in length.

24. Zone Katlian Bay

While Katlian Bay and the uplands are in CBS jurisdiction, the area currently does not have a zoning designation which means that there are few, if any, zoning provisions that apply to land use in this area. With construction of the road to Katlian Bay by the State of Alaska, this area will become more accessible and more readily developable. The task force recommends that this area be zoned, and in particular, ensure that whatever zoning designation is applied makes development of another cruise ship dock not allowed by-right.

F. Pedestrian Safety

Overall, there has been tremendous concern from the public with congestion downtown on large cruise passenger days, and the resulting impacts to pedestrian safety. The task force makes the following recommendations:

25. Continue work with ADOT/PF to address critical areas

CBS should continue to advocate that ADOT/PF address pedestrian safety issues along their routes, with particular emphasis on Harbor Drive and on the section of Sawmill Creek Road near the National Historical Park and the Raptor Center. Potentially add or relocate crosswalks at these locations to reduce the local impact of vast pedestrian use by visitors and associated safety issues.

G. Downtown bathroom availability

A concern raised by the public were the lack of publicly available restrooms in the downtown area, and a desire to get away from use of the temporary restrooms currently in use during the Lincoln Street closures. The task force makes the following recommendation:

26. Identify locations for permanent public restrooms

With restrooms at HCH and the corner of Lake and Lincoln Streets, the west end of Lincoln Street is a priority area for a new, permanent public restroom. Totem Square could be an attractive option, however, it is owned by the State of Alaska which may preclude its use for this purpose. CBS could explore leasing an underutilized business location downtown to create a public restroom. CBS should also consider installation of a permanent restroom facility for the Crescent Harbor Playground, as it would serve residents utilizing the playground as well as visitors utilizing the Seawalk.

H. Lincoln Street Closures

The closure of Lincoln Street on busier cruise-ship days came up throughout the public engagement process. While there are still mixed opinions in the community regarding the closures, a sizable number of participants at public engagement events who voiced preference for a reduction in cruise visitation cited the Lincoln Street closures as a primary reason for why visitor numbers should be lower than current levels. The task force makes the following recommendation:

27. Lincoln Street closures

The task force recommends maintaining the current threshold in place for Lincoln Street closures. The Lincoln Street Repaving Project should be prioritized, taking into consideration the additional recommendations for enhancements as listed in Recommendation #29, as a design that expands pedestrian space on the street could greatly reduce (or eliminate) the need for street closures.

I. Downtown character and use

Another priority raised by the public was the character of our downtown. Highly valued for its unique, local feel, the public expressed concern with the number of vacant store fronts downtown, and fear that it will continue to decline in terms of year-round business and general vibrancy. The task force makes the following recommendations:

28. Addressing vacancy downtown

A proposal for a “vacancy tax” modeled on its use in other communities was considered. Ultimately, the task force was divided on making this recommendation. There was more agreement in favor of an incentive-based approach to address vacancy.

29. Downtown improvements

As noted above, the pending Lincoln Street Repaving Project should be prioritized to both enhance the function of downtown, as well as the aesthetics. Community members expressed interest in more amenities such as increased pedestrian walking space, benches, planters, lighting, and plaza/food vending spaces. These improvements would enhance both the local and visitor experience, and help make downtown feel more vibrant.

30. Smoking in the downtown area

Current smoking laws prohibit smoking within 25 feet of a business entrance. This makes a significant portion of Lincoln Street a non-smoking area, at least on sidewalks. Designating smoking areas will better enforce smoking laws by providing an opportunity to redirect those currently violating this law, and, with proper receptacles, prevent more smoking litter.

**DIRECTIVE FIVE:
REGIONAL STRATEGIES TO ADVANCE SITKA’S INTERESTS
REGARDING CRUISE TOURISM**

Regional collaboration with Southeast Alaska communities allows Sitka to participate in creating solutions for our community and engage with planning efforts while they are taking place. Cruising is a regional industry; changes at one port can have cascading effects for other ports in the region (as was experienced in 2022 when Skagway had to unexpectedly close certain dock facilities). Relationships that are forged through the following groups allow Sitka representatives to engage with other communities throughout the year, advance Sitka’s interests in regional tourism efforts, and have greater access to data, information, and best practices.

Regional Initiatives

Port Communities Working Group

Municipal staff from port communities in the region have been meeting informally since 2022 to share updates and information related to cruise tourism. These meetings have facilitated learning and collaboration between regional port communities on cruise-related issues. In future, this group could serve as a unique platform to advocate for the individual and shared needs of port communities. Given the interconnected nature of this regional industry, taking a regional approach to managing cruise tourism (particularly in terms of scheduling) could be highly advantageous and amplify Sitka’s voice on cruise management. The group is working to organize under the Alaska Municipal League; CBS has voiced interest in joining this effort, but has not yet made any commitments.

The Pacific Northwest to Alaska Green Corridor

The Pacific Northwest to Alaska Green Corridor project (“the Green Corridor project”) is a collaborative partnership between the major cruise lines, homeports, and several ports of call in the Alaska cruise market to work together to explore low and zero greenhouse gas (GHG) emission cruising from between Washington, British Columbia, and Alaska. Current partners include port communities, cruise lines, and industry associations. Sitka is a participating port community. 2024 priorities for the Green Corridor project include launching a green methanol feasibility study, exploring approaches to measuring and tracking GHG emissions, and coordinating across partners on policy engagement, funding, and early action opportunities.

Visitor Products Cluster Working Group

Juneau Economic Development Council (JEDC) leads the Southeast Alaska Cluster Initiative, this approach brings private sector firms together with federal, state and local agencies, university faculty, trade association representatives, economic development organizations, community leaders and other stakeholders into facilitated Cluster Working Groups. JEDC recently revived the Visitor Products Cluster Working Group (VPCWG) with funding from a five-year agreement with the U.S. Forest Service. The VPCWG has outlined seven “Action Initiatives”, each led by a private-sector business leader: Winter Tourism; Seasonal Workforce Housing; Staff Recruitment, Retention, and Development; Cultural Tourism (appropriate integration of Native heritage); Infrastructure and Access; Shared Value (includes Regenerative Tourism); and Outreach, Engagement, and Advocacy. Visit Sitka representatives regularly attended initial workgroup meetings on housing, staff recruitment, and infrastructure and access; it may be beneficial for a CBS staff member to participate in the future.

Cruise Industry Engagement

CLIA Northwest Cruise Symposium

Cruise Lines International Association’s (CLIA’s) first Pacific Northwest Symposium took place from January 31- 1 February 2024, in Seattle. The Symposium brought together CLIA’s cruise line members, executive partners, port communities, business and community partners, and special guests to discuss opportunities and topics that impact the cruise industry throughout the greater Pacific Northwest region, including Washington, Alaska, and British Columbia. CBS representatives attended the Symposium and reported that it was a unique opportunity to have more direct, individualized time with CLIA member lines and a distinct focus on cruise issues and opportunities in the Pacific Northwest.

Seatrade Cruise Global

Seatrade Cruise Global is held annually in Florida and brings together over 11,000 cruise professionals. ATIA and CLIA Alaska host destination education and connections with a tradeshow booth and a reception featuring Alaska seafood and spirits. Top decision makers in deployments, port excursions and marketing from all large cruise lines attend. Historically, Sitka representatives have attended, had in-person meetings with cruise leadership, hosted a podium or space within the Alaska Booth and supported the reception with a take-away gift branded to represent Sitka. With the advent of the Northwest Cruise Symposium, representatives from CBS and Visit Sitka did not attend in 2024, but the Sitka Sound Cruise Terminal was represented via reception sponsorship. If the Symposium does not take place in the future, attendance at SeaTrade should be re-evaluated.

Information Sharing and Professional Associations

Southeast Conference

Southeast Conference is the regional economic development organization. They have two meetings each year with keynote and panel discussions from the economic sectors of the region. Attending both meetings at Southeast Conference is an important tool for keeping abreast of economic trends and issues in Southeast Alaska and develops important partnerships regarding economic development. Sitka has been selected as a host of the Annual Conference, alternating years with Ketchikan. This gives us an opportunity to showcase our community particularly to key state and federal officials; this exposure and relationship building is critical for managing joint-jurisdictional issues and garnering support for new projects/initiatives. Both CBS and Visit Sitka have memberships and attend the meetings in person. Visit Sitka also participates in the Tourism, Economic Development, and Conference committees throughout the year.

The Alaska Travel Industry Association

The Alaska Travel Industry Association (ATIA) is the state's leading industry organization for travel-related businesses and supporters. Made up of about 600 members representing businesses both large and small across the state, ATIA works to increase the economic impact of tourism in Alaska. The ATIA Annual Convention & Trade Show is Alaska's largest annual gathering of tourism professionals. Network with tourism businesses – including tour operators, wholesalers, vendors, destination marketing organizations and elected officials – while learning the latest travel industry best practices and business skills. Visit Sitka's participation in the conference gives the team access to hundreds of travel industry professionals, advocates, and vendors for Alaska's Tourism Industry. Networking with other Alaska tourism professionals creates a strong network of advocates for Sitka.

DMO meetings are held on a monthly basis with attendees from visitor bureaus from large and small communities. These meetings are an opportunity to hear the latest updates on tourism developments throughout the state as they are in the planning stages. Visit Sitka maintains an annual membership to ATIA and leadership attends the convention and monthly meetings.

Southeast Alaska Tourism Council

The Southeast Alaska Tourism Council (SATC) is a nonprofit, cooperative marketing organization which represents the convention and visitors' bureaus of the Inside Passage (Sitka and Yakutat are also included/members of SATC). Participation with SATC allows communities to connect as a region and strategically plan with Destination Marketing Organizations (DMOs) to find solutions for challenges found across Southeast. One example of this is the creation of a pledge that we share with visitors who come in various modes that encourages sustainable actions during their time here. With SATC's collaboration, this pledge will be placed in strategic ways throughout the region so no matter where they first arrive, they'll read this message. Visit Sitka has a membership to SATC, and the Executive Director is the current Board President.

Heritage and Cultural Tourism Conference

The Sitka Tribe of Alaska hosts the Heritage and Cultural Tourism Conference in Sitka to facilitate learning, networking, and business building with tourism and cultural professionals from across the United States. This conference highlights the importance of authentic and respectful heritage and cultural tourism that promotes indigenous values, shares best practices, and provides entrepreneurs with training and networking opportunities. CBS and Visit Sitka have sponsored this conference, and representatives from both organizations attend and/or present at the conference.

The task force makes the following recommendations:

31. Continued engagement

CBS staff, officials, and visitor services should continue to engage with regional initiatives, cruise lines, professional associations, and conferences. This requires the commitment of financial and staff resources; this represents an investment in advancing Sitka's interests regarding cruise tourism by expanding access to information, collaboration, resources, and advocacy.

32. Enhanced engagement

CBS should enhance its engagement in regional strategies through two particular actions:

- a) Related to Recommendation #19, create a dedicated tourism position within CBS to increase staff availability to participate in regional strategies.
- b) Make a commitment to the Port Communities working group through the Alaska Municipal League, and begin exploring regional advocacy on ship scheduling (which is also related to Recommendation #1).

Tourism Task Force

Town Hall Results

November 13, 2023

Held at Harrigan Centennial Hall

Participants: Approx. 250

Data summary by: CBS Planning & Community Development Department

What makes Sitka a great place to live, and why do you choose to live here?

Top Themes*:

- Community & Small-Town Feel – 65%

Sitka being a close-knit community, familiar faces, caring neighbors, safety, and small-town atmosphere

- Access to Nature/Outdoor Recreation – 60%

Natural beauty, wilderness, pristine environment, and access to recreation and subsistence activities

- Pace of Life – 35%

Slower pace of life, lack of “hustle and bustle”, peaceful, quiet, and relaxed lifestyles

*Many comments mentioned multiple ideas or themes

How does the cruise calendar impact your daily life and routines?

Avoid going downtown or plan downtown visitation around cruise calendar	31%
Traffic, bike, and pedestrian safety concerns impact transportation habits/timing	19%
Avoiding recreation sites or activities	15%
Little to no impact cited, perhaps some minimal planning of commute times/errands	13%
Impacts to commute times, errands, access to services	11%
Noise and/or pollution impacts	9%
Impacts to telecommunication services	7%
Enjoy downtown on busy days, seeing energy/liveliness	4%
General comments on negative impacts	11%
General comments on economic benefits	8%

*129 total responses – some comments cited multiple impacts

What recreation sites are important to you to access? Where are you experiencing overcrowding or congestion?



Please identify locations of challenges or issues related to pollution, noise, or safety hazards:

Top Issues Cited	Description	% of Comments	Top Locations Cited
Safety/Traffic Issues	Congestion, bike and pedestrian safety	38%	HPR: 38% Downtown: 44% General: 22%
Pollution/Environmental Impacts	General pollution, emissions, waste/litter	20%	HPR: 16% Downtown: 22% General: 26%
Noise Complaints	Noise from buses, traffic, cruise dock	11%	HPR: 19% Downtown: 10% General: 13%

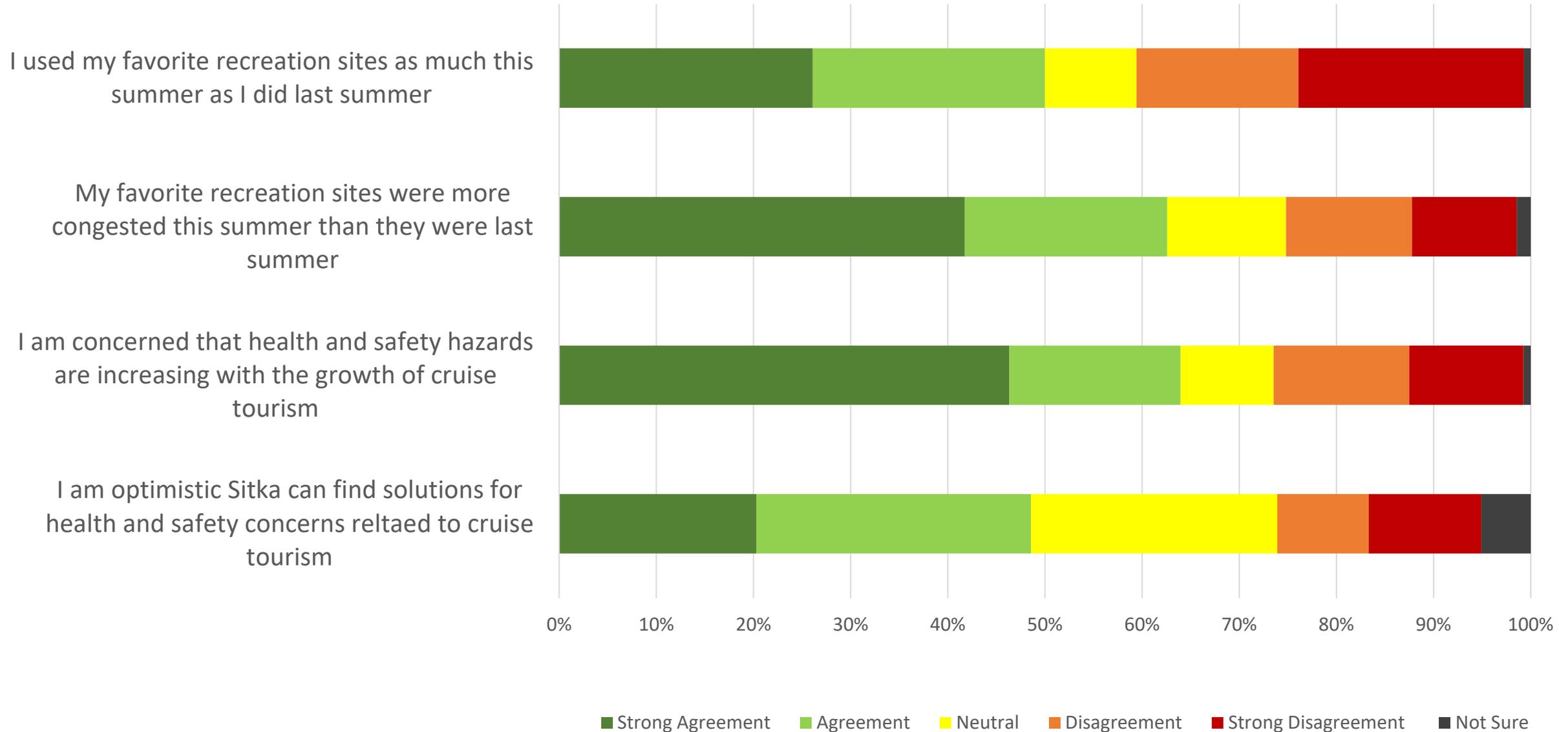
Other notable comments/themes:

- 28% note issues related to buses
- 7% reference the crossing at the Raptor Center and traffic along SMC
- 5% reference accessibility issues, downtown particularly
- 8% cite concerns about E-Bikes, with 44% of those comments focused on trails, and 56% focused on streets/sidewalks
- 8% of comments are about trails

Map anything else that concerns you or is important to you:

Top Issues Cited	Description	% of Comments	Top Locations Cited
Traffic/Congestion	Traffic flow, congestion, ability to get around	24%	Downtown: 50% Lincoln Street: 30% General: 20%
Tourism Infrastructure	Inadequate infrastructure to handle increased tourism, impact/wear & tear on existing infrastructure	17%	General: 55% HPR: 22% SMC: 22%
Safety Issues	Bike and pedestrian safety, e-bikes	15%	General: 58% Harbor Mountain: 17% HPR: 8% Downtown: 8% Trails: 8%
Access/Street Closures	Lincoln Street closures, general accessibility	15%	Lincoln Street: 73% General: 27%
Tourism Etiquette	Sharing trails, training for non-local tour operators	9%	General: 10%

Recreation, Health, & Safety Questions



How do you benefit economically from cruise tourism?

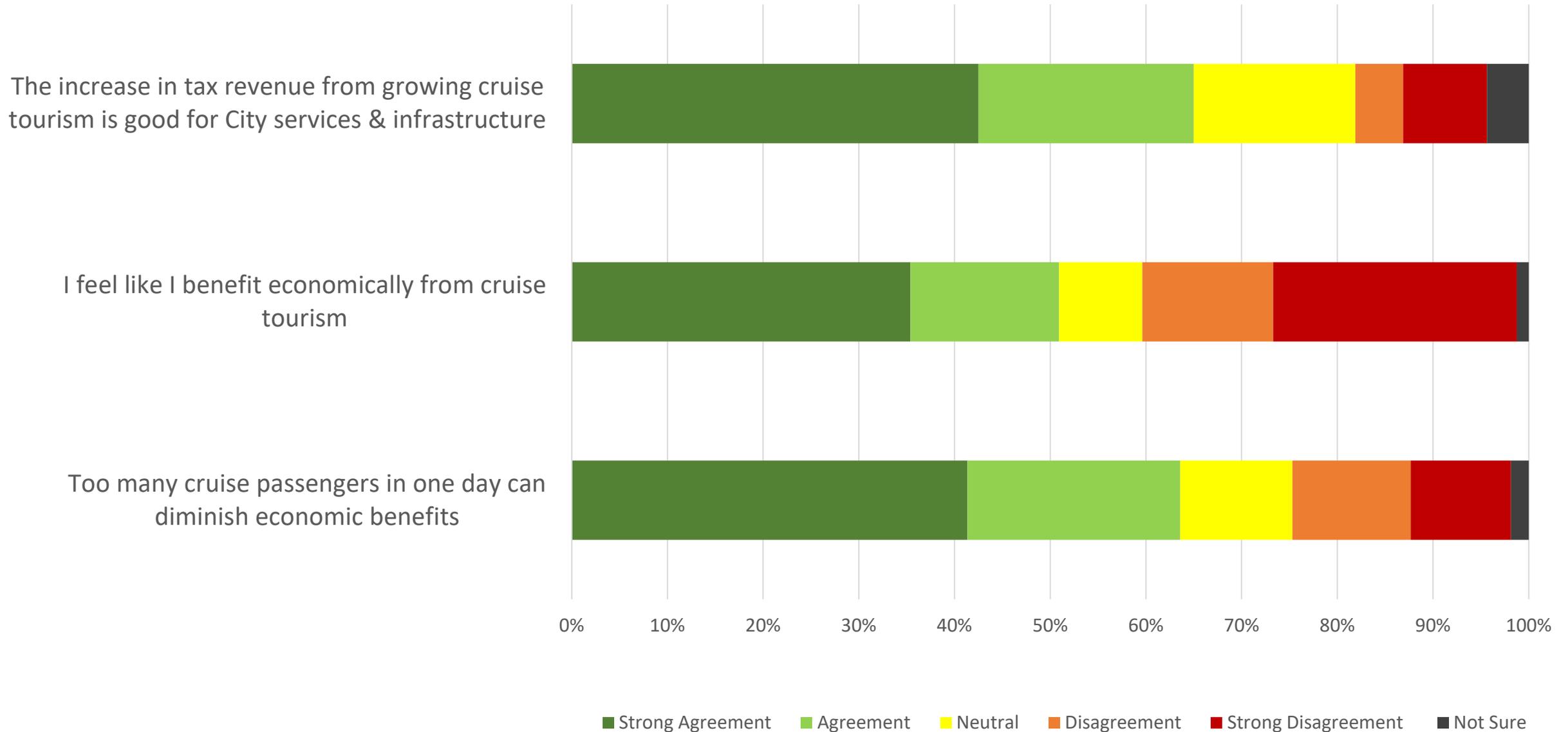
Benefit	Descriptions/Examples	% of Comments
Direct Benefits	Jobs for self or family members, owning/starting a tourism-related business, benefit to existing business, busking fundraisers	32%
No Benefit	"I Don't", own businesses that don't benefit from cruise tourism	28%
Increased Tax Revenue	Sales tax revenue to pay for schools, infrastructure/deferred maintenance, prevents need for new tax revenues	19%
Benefits to General Economy	New business opportunities, employment for young Sitkans, support for year-round businesses	15%
Other	Notable: Desire for more information about increased tax revenue and uses	6%

Can too many passengers in one day diminish economic benefits?

Observation	Description	% of Comments
Less Local Business	Locals avoiding downtown, leaving stores with long lines, fewer stores downtown with products for locals and/or open year-round	33%
Maxed Business Capacity	Businesses at capacity and turning customers away, visitors spending less (generally or because of store overcrowding), increased costs to provide more service, employee burnout	32%
No/Not Observed	No, personal shopping habits unchanged, tourism needed	13%
Seasonality	Fewer year-round businesses to provide jobs and services, empty storefronts, lack of local employment and locally-owned businesses, residents leaving Sitka due to tourism	11%
Infrastructure and Cost of Living	Impacts on infrastructure and services, increased costs for housing and goods	10%
Impact on Independent Travel	Diminished experience due to congestion decreases likelihood to return, difficulty accessing tours/attractions	4%
General Yes	Yes, town is overwhelmed	2%

*Some comments included multiple observations

Economy Questions



Economic Health:

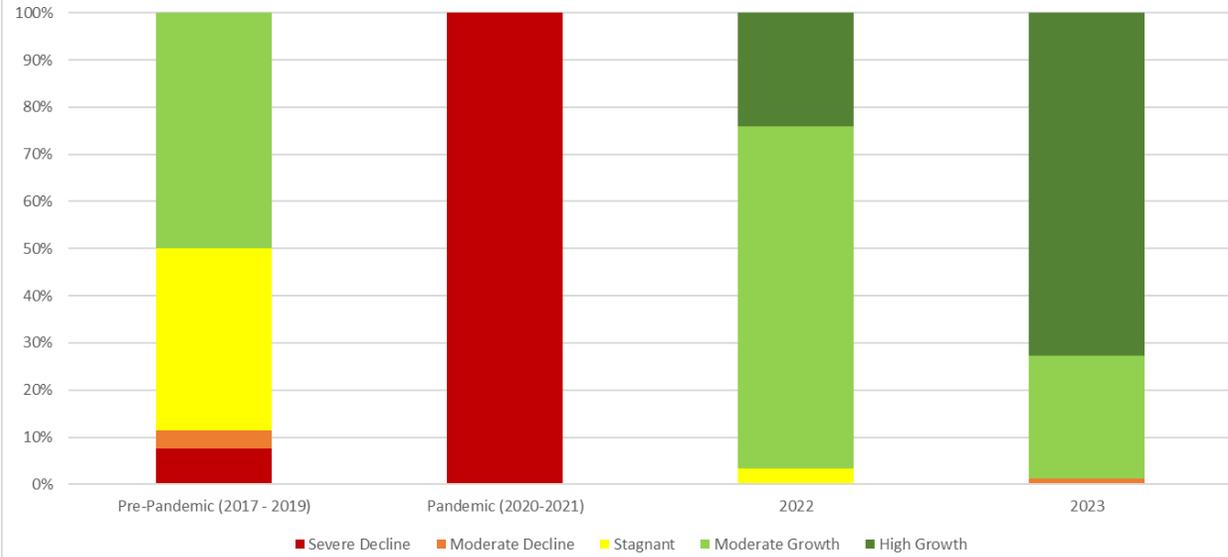
Rate the economic health of the following sectors
and how it has changed over time

Sectors:

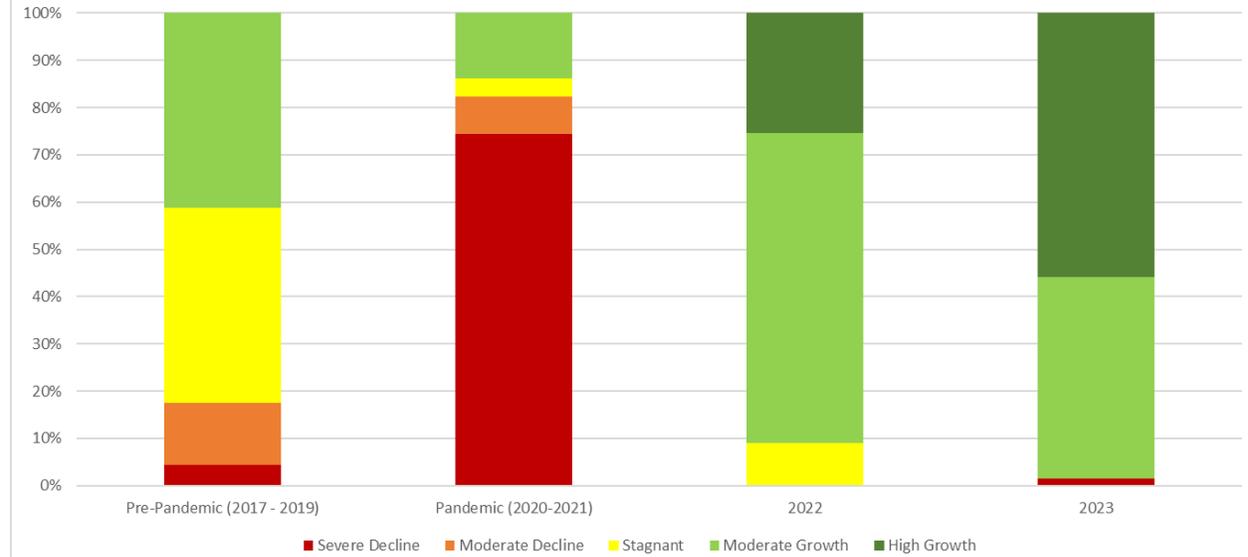
- Businesses with significant cruise customers
- Businesses without significant cruise customers
- New businesses
- Seasonal employment
- Year-round employment
- Maintaining/improving City services and infrastructure

Results are shown graphically on the following two slides.

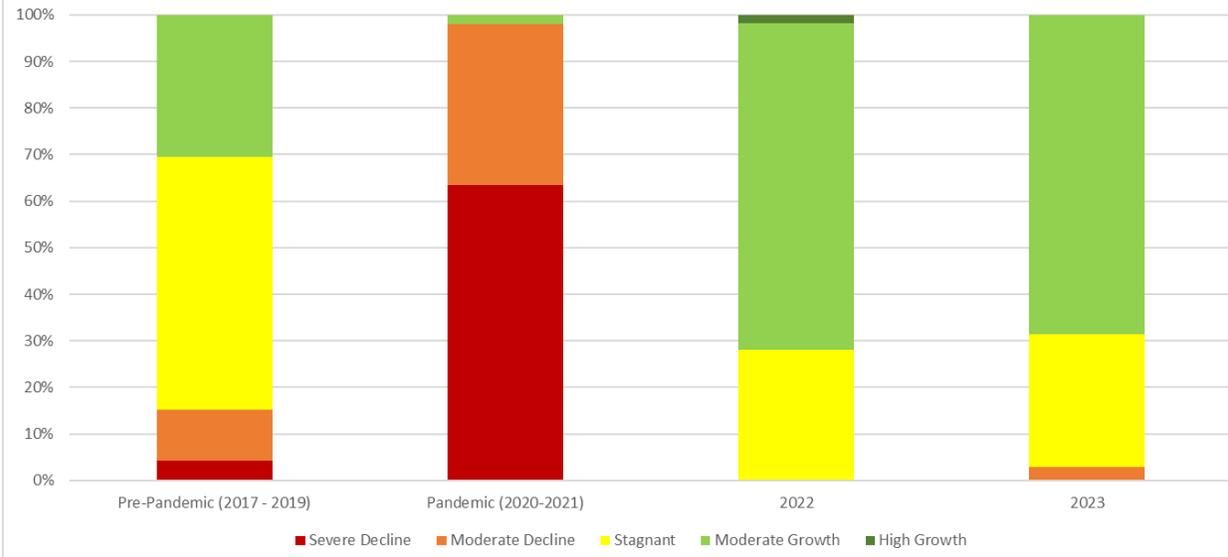
Economic Health: Businesses with significant cruise customers



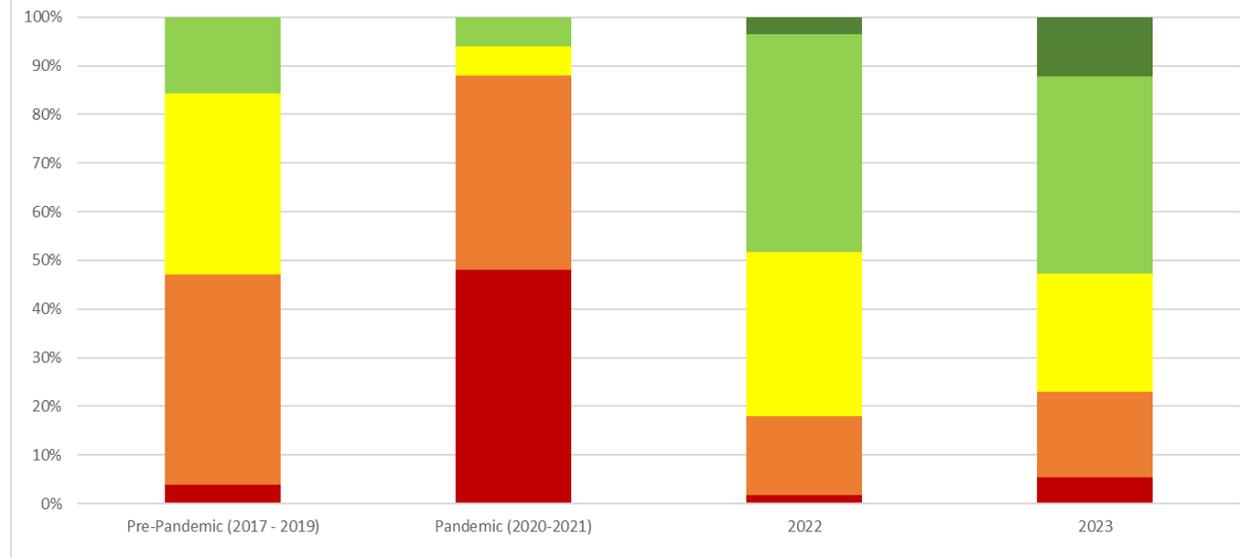
Economic Health: New Businesses



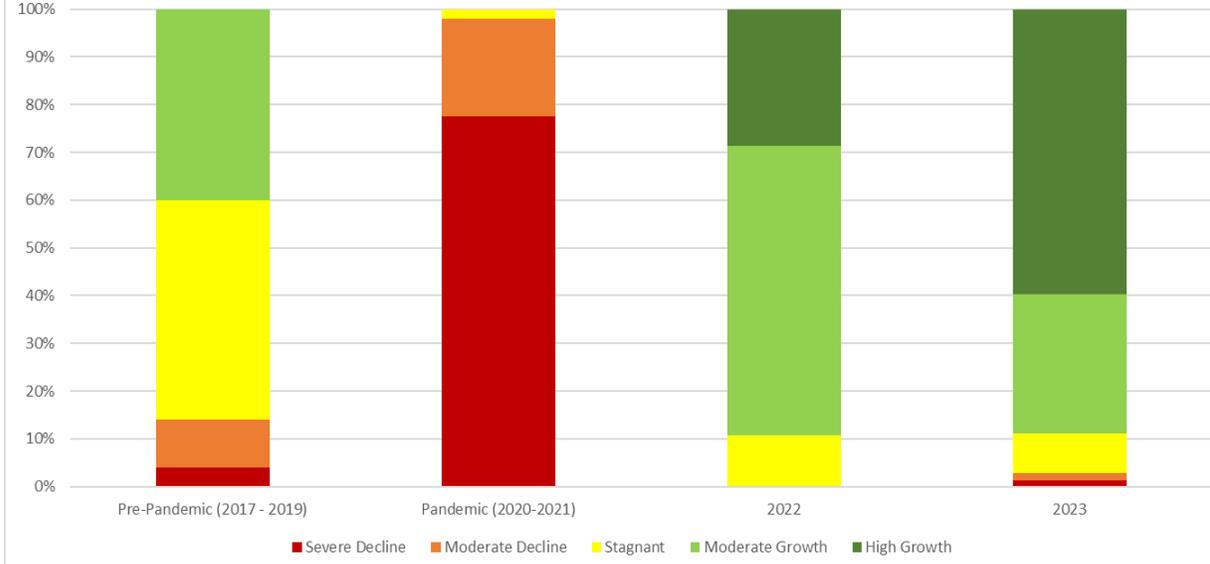
Economic Health: Businesses without significant cruise customers



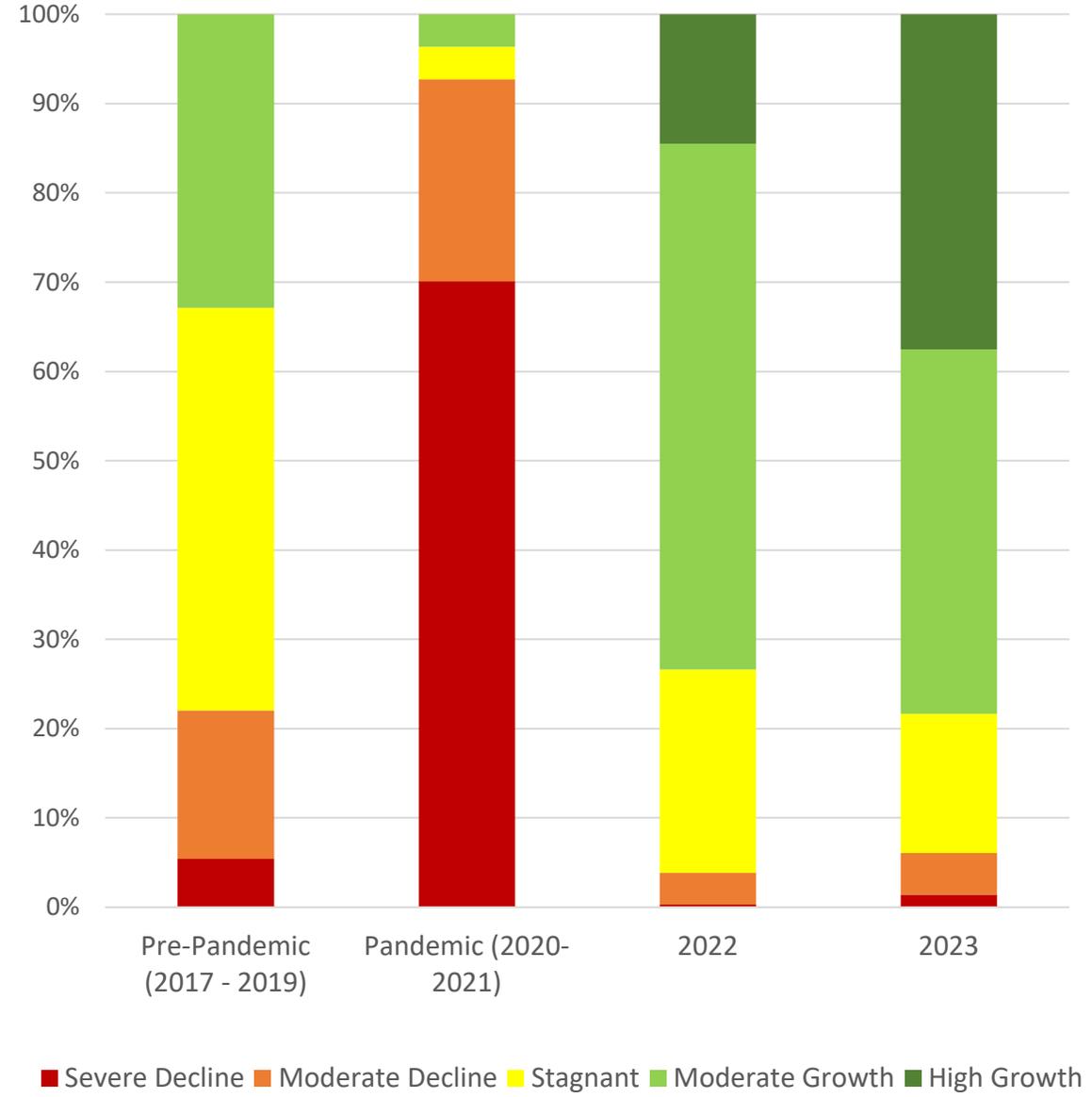
Economic Health: Maintaining and/or improving City services & infrastructure



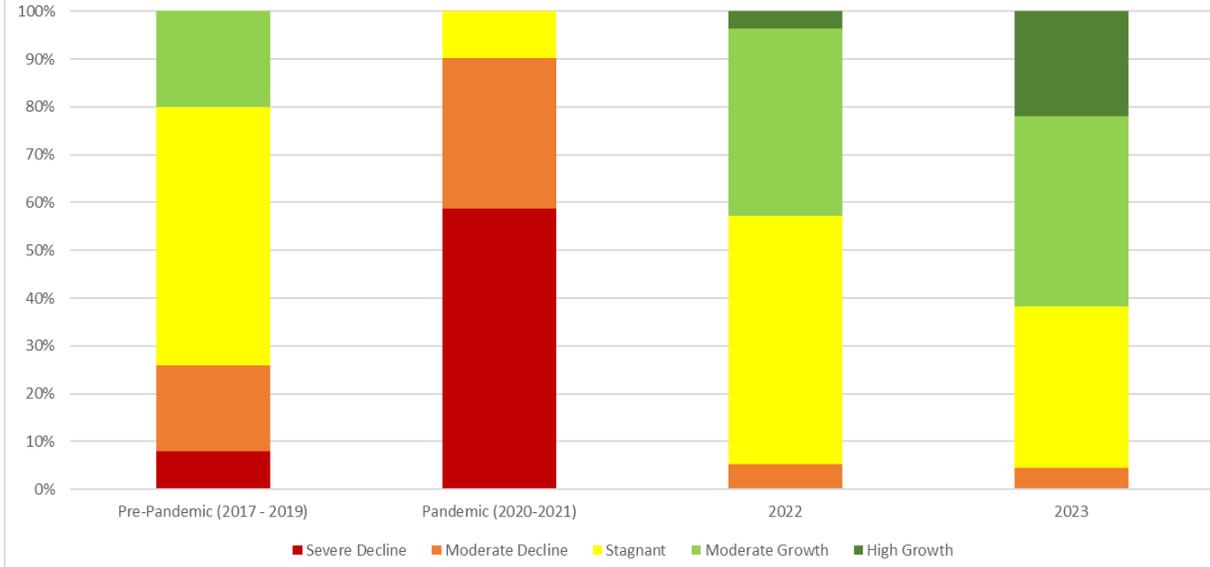
Economic Health: Seasonal employment



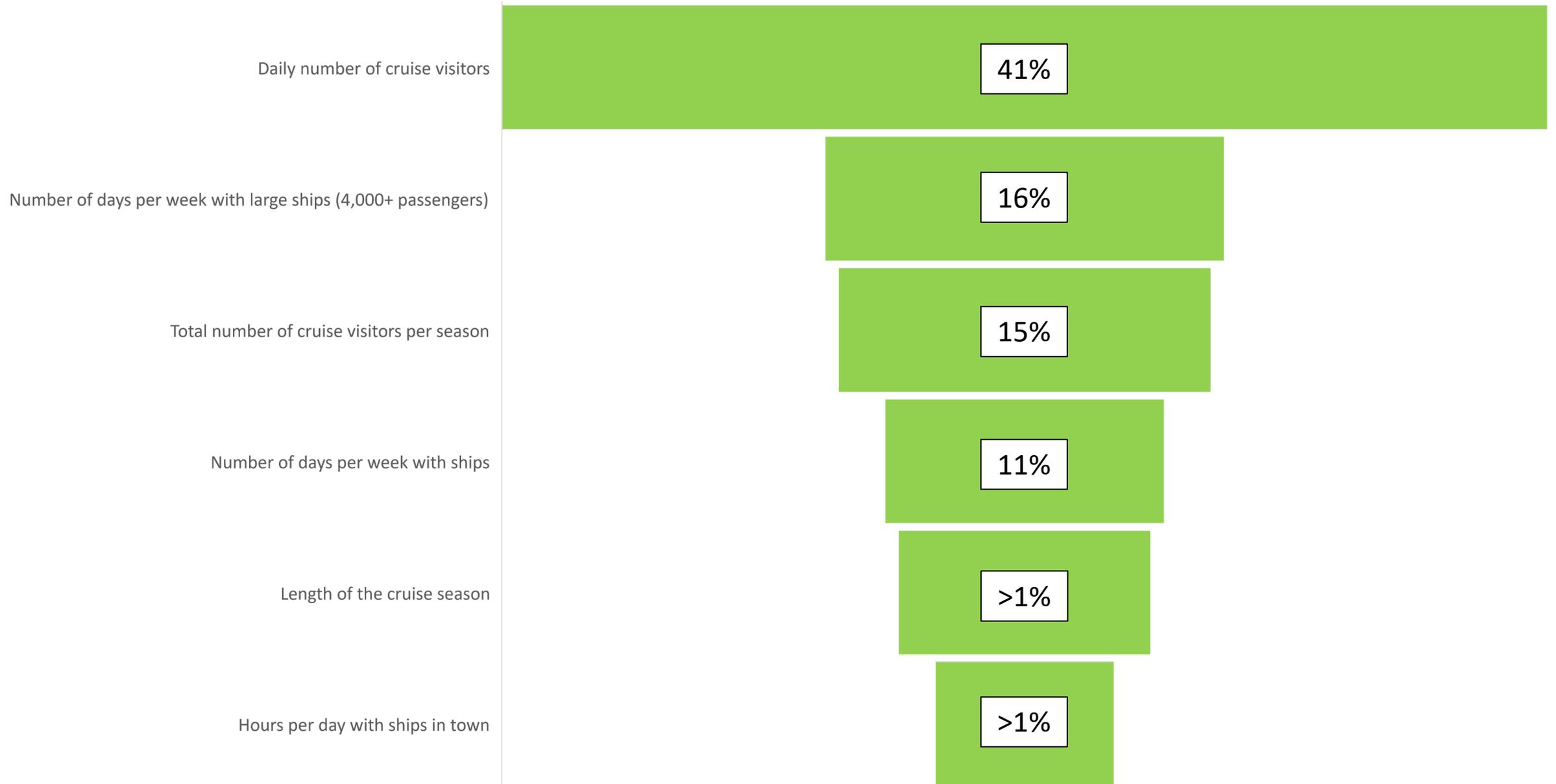
Economic Health: Summation of all Sectors



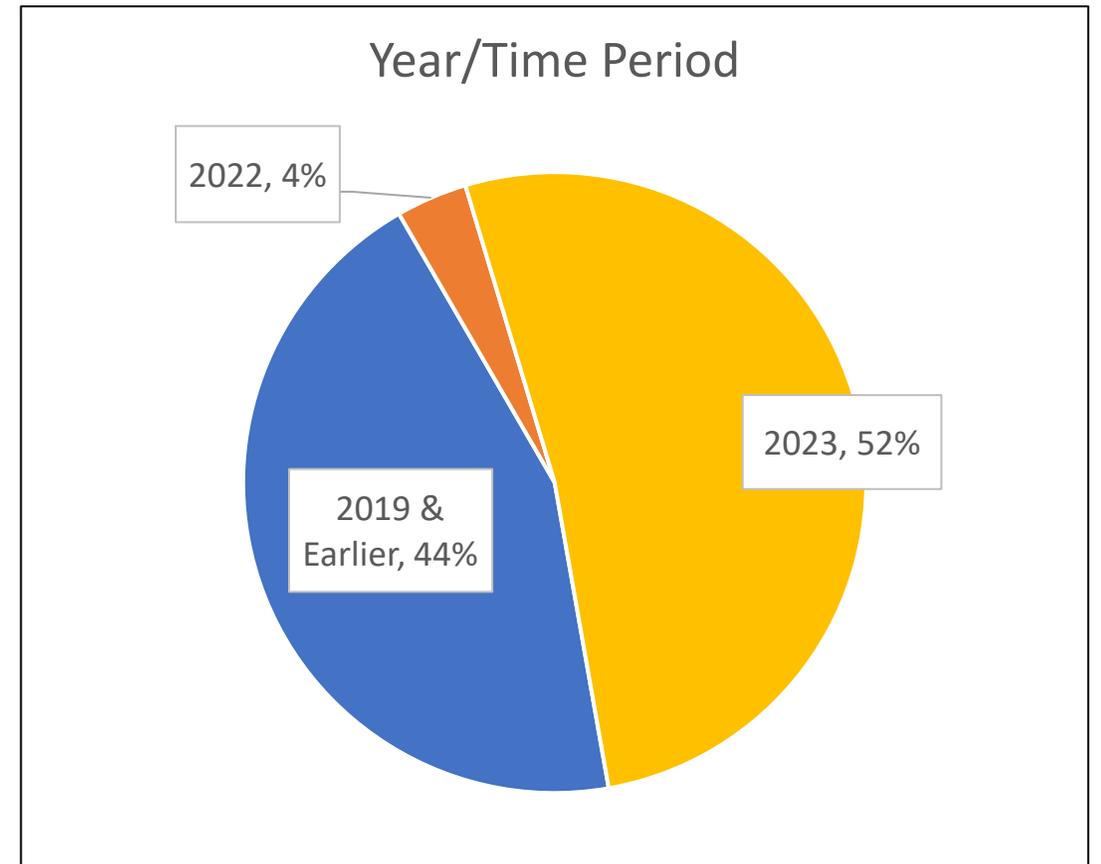
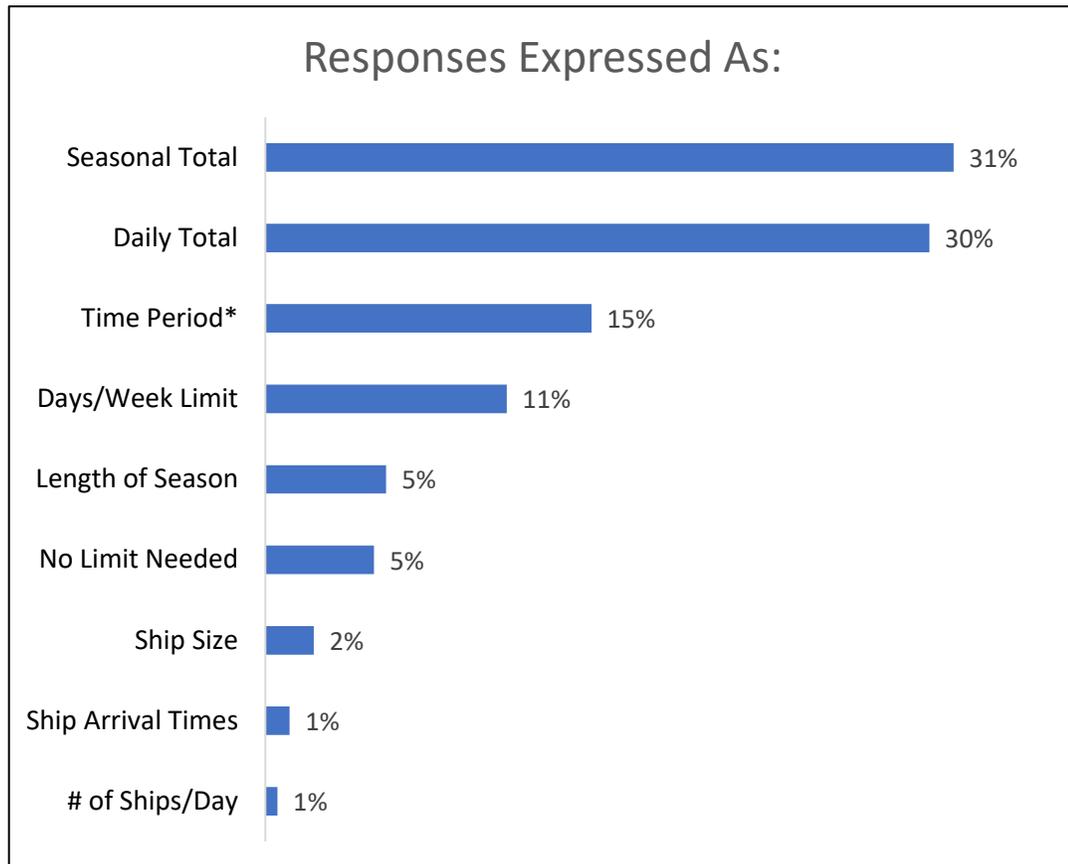
Economic Health: Year-round employment



What are your priorities for management of cruise numbers?

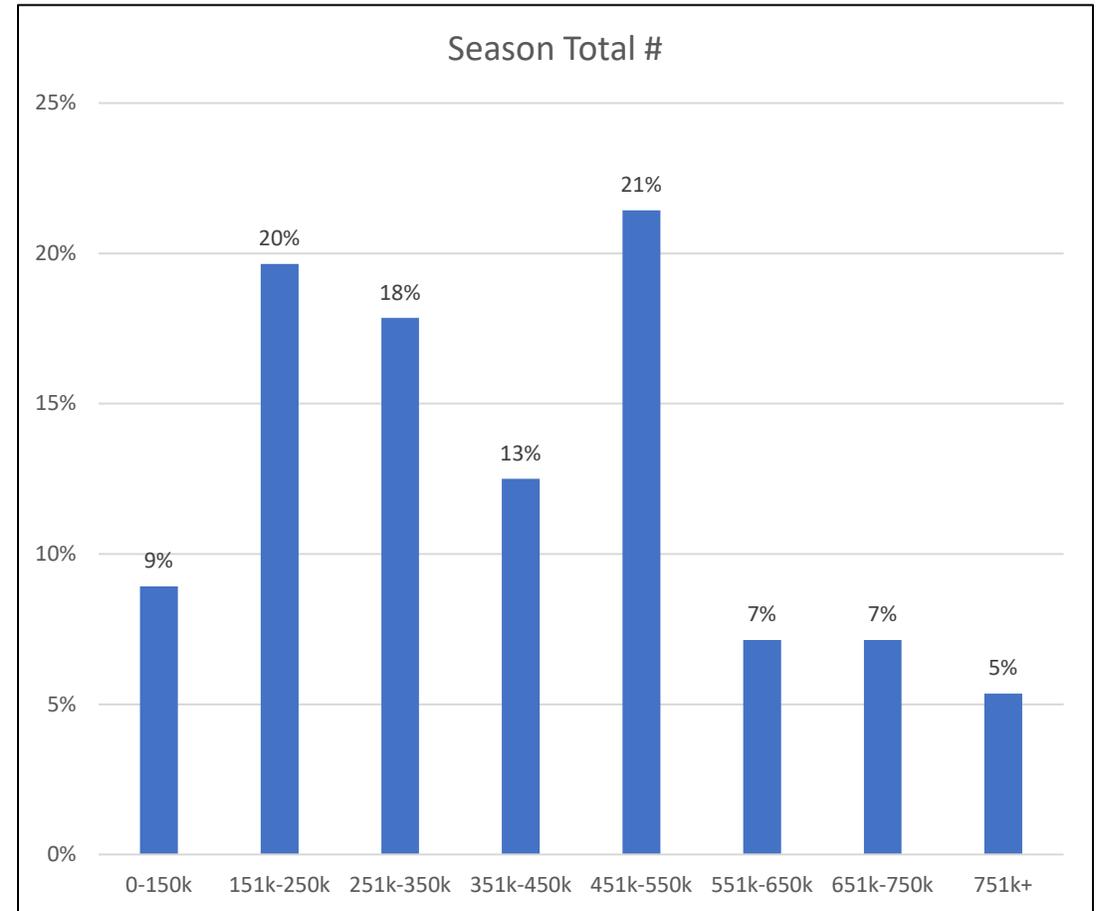
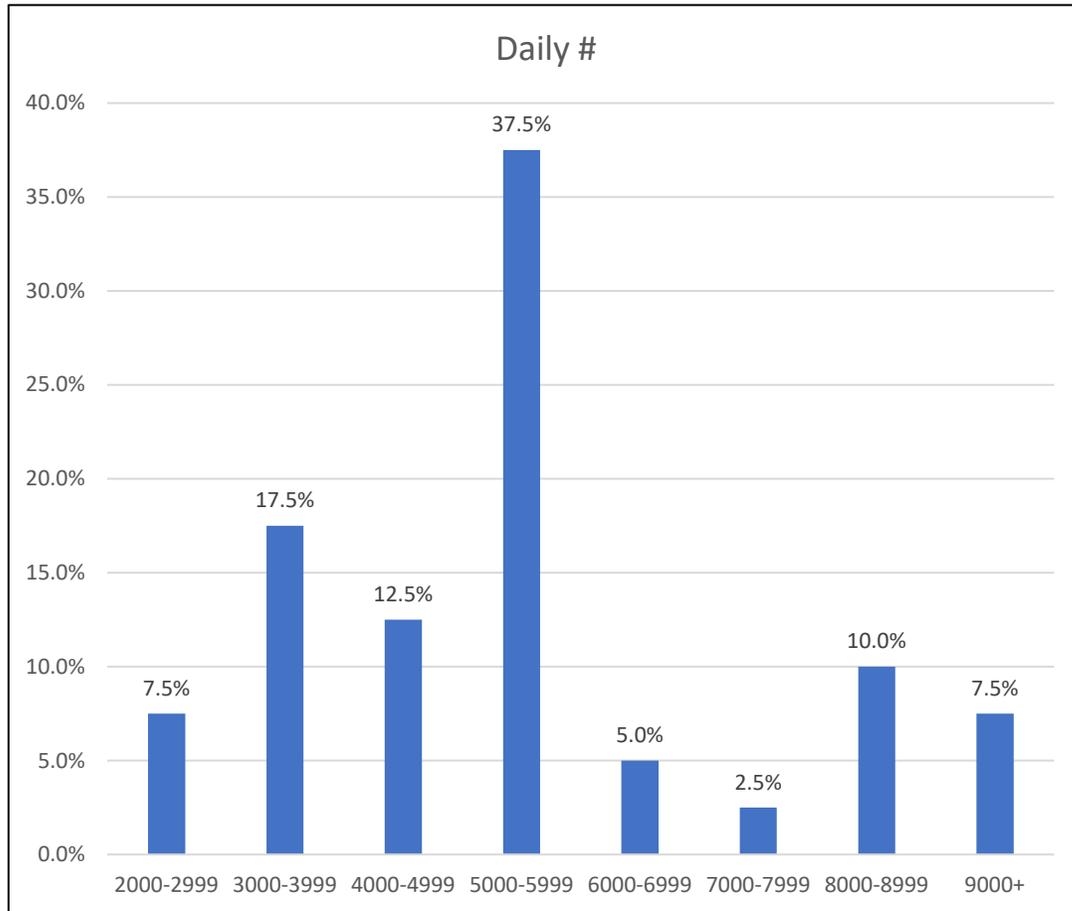


What do you think the right level of cruise tourism is for Sitka? (Open Answer)



*Time Period: Response expressed as "Pre-Pandemic" or by a specific year

What do you think the right level of cruise tourism is for Sitka? (Open Answer)



Tourism Task Force Town Hall Results December 7, 2023

Held at Harrigan Centennial Hall

Participants: Approx. 150

Data summary by: CBS Planning & Community Development Department

Quality of Life Impacts

At the first town hall, participants were asked, “What makes Sitka a great place to live? Why do you choose to live here?”. The top three themes that emerged were:

1. Community & Small-Town Feel
2. Access to Nature/Outdoor Recreation
3. Pace of Life

At this town hall, respondents were asked to describe the positive and negative effects of tourism on each theme.

Community & Small-Town Feel

Positives (30)

- Economic Benefits (32%): Job creation, tax revenue, business and income opportunities, supporting local economy.
- Sharing the Town & Culture (31%): Showcasing Sitka’s history, diversity, welcoming visitors, sharing way of life.
- Community Cohesion (25%): Sense of community, busyness of tourism season having positive social effects, small-town feel maintained even with large numbers of visitors.
- Other (12%)

Negatives (57)

- Overcrowding (31%): Busyness, congestion, too many tourists diminishing small-town feel.
- Environmental Impacts (28%): Pollution, noise, safety issues related to traffic.
- Loss of Community Identity (25%): Loss of small-town feel and community mindedness, more transactional interactions.
- Other (16%)

Access to Nature/Outdoor Recreation

Positives (26)

- Sharing Natural Beauty (60%): Allowing visitors to experience nature and beauty, sharing access to the outdoors.
- Economic Opportunities (40%): Job/income opportunities, funding to maintain parks/trails

Negatives (48)

- Overcrowding (51%): Trails, parks, and sidewalks too crowded and busy.
- Environment & Safety Issues (28%): Pollution, emissions, noise issues, dangers from vehicles and bikes to pedestrians.
- Loss of Access (21%): Inability to access or enjoy usual nature spots and trails, lack of solitude.

Pace of Life

Positives (32)

- Vibrancy and Excitement (48%): Lively, vibrant, bustling downtown and community life.
- Economic Opportunities (26%): Income, business opportunities especially for younger Sitkans, disposable income from visitors.
- Sharing the Community (17%): Enjoyment of welcoming visitors and sharing the town.
- Other (9%)

Negatives (43)

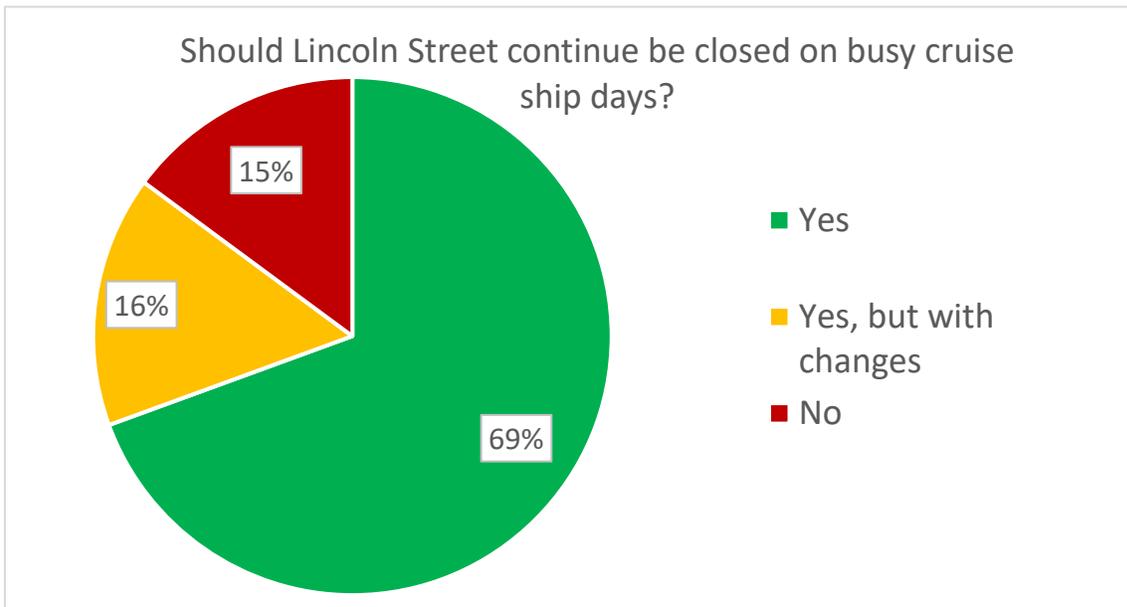
- Overcrowding (51%): Overcrowding on streets, parks/trails, general congestion detracts from sense of peace/serenity.
- Traffic Issues (24%): Frustration from traffic congestion, pedestrian/bike safety concerns, pollution.
- Loss of Usual Pace/Quality of Life (21%): Increased chaos, sense of urgency/franticness, less personal interaction.
- Other (4%)

Protecting Sitka's Character

"Other than changing the number of cruise visitors, what are other things the City can do to protect/enhance Sitka's character?" (132)

- Improve Infrastructure and other Social Supports (37%): Fix roads and sidewalks, improve downtown aesthetics (street scape, outdoor gather spaces, planters, banners, landscaping, painting, St. Michael's repairs, Castle Hill repairs, empty store fronts), signage and integration of Tlingit place names, more maintenance of parks and trails, address housing and childcare shortages, protecting Sitka's rural status.
- Manage Visitor Impacts (20%): More passenger dispersal, staggered ship arrivals, preserve recreation areas for locals.
- Transportation (21%): Address traffic issues, limit/mitigate diesel buses or electrify buses, regulating e-bikes.
- Regulation of Industry (14%): Environmental regulations, regulation of the cruise ship dock, regulation on growth, use zoning regulations to enforce.
- Other (8%)

Lincoln Street Closure

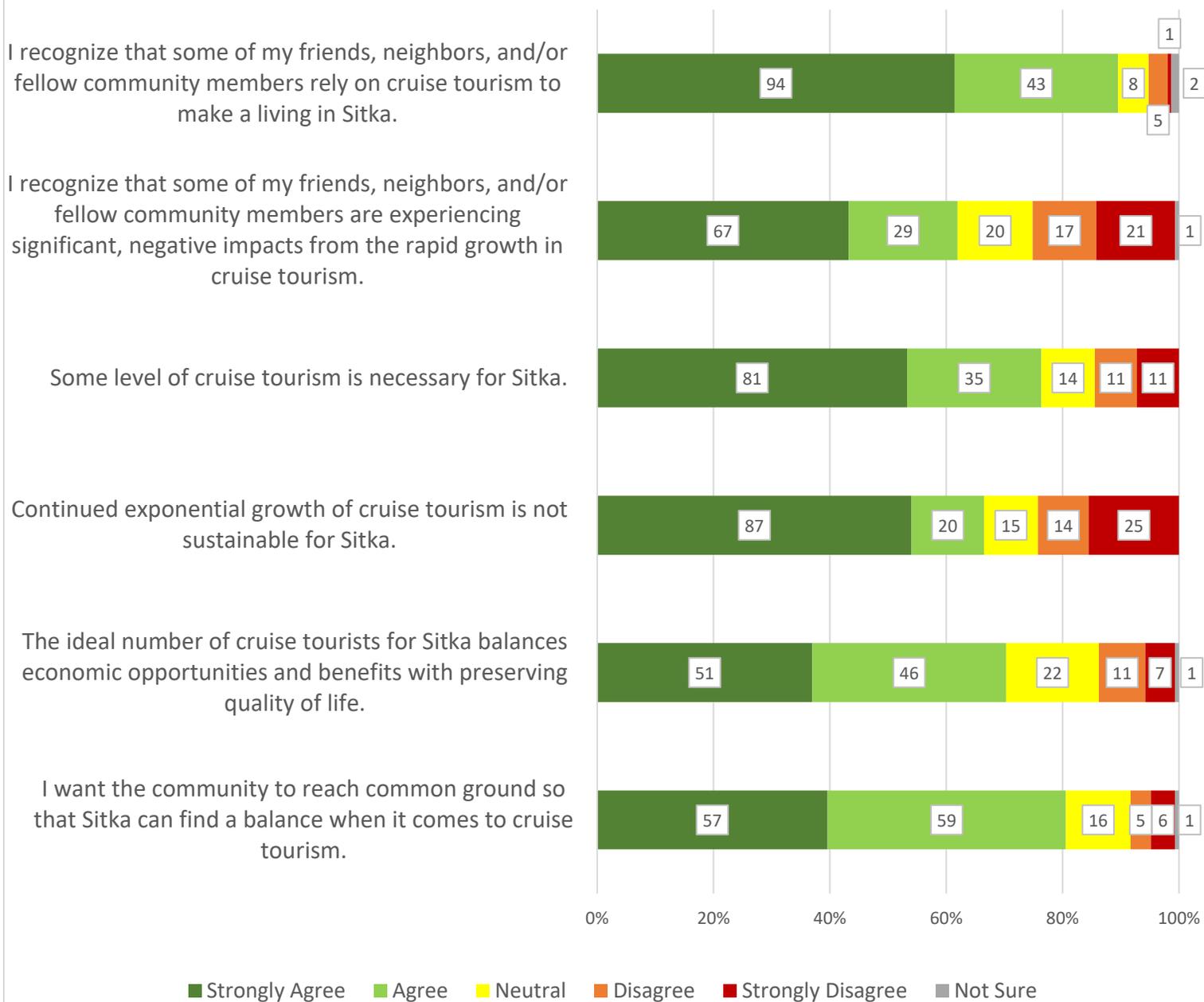


“Are there any changes you’d like to see with the Lincoln Street closures?” (85)

- Enhance Pedestrian Amenities & Aesthetics (28%): More benches/seating, tables, covered areas, food trucks, music, local art, planters, building maintenance, trash/cigarette receptacles, opportunities for locals to enjoy.
- Operational Changes (18%): More consistent schedule, better signage, different hours, movement of temporary restrooms, close west-end only, allow or limit bikes.
- Improve Facilities & Infrastructure (15%): Permanent conversion of Lincoln Street to one-way with wider sidewalks, more covered areas, power outlets for food vendors to eliminate generators, permanent bathroom facilities.
- Other Enhancements (10%): Better parking enforcement downtown, increased parking especially for handicapped/elderly, more wayfinding signage.
- Dislike Closures (13%): General dislike of closures, would like to see decline in passenger numbers necessitating closures.
- Like Closures (11%): General like/enjoyment of closures, would like to see permanent closure (3%)
- Other (4%)

Finding Common Ground

Finding Common Ground



Economics & City Budget

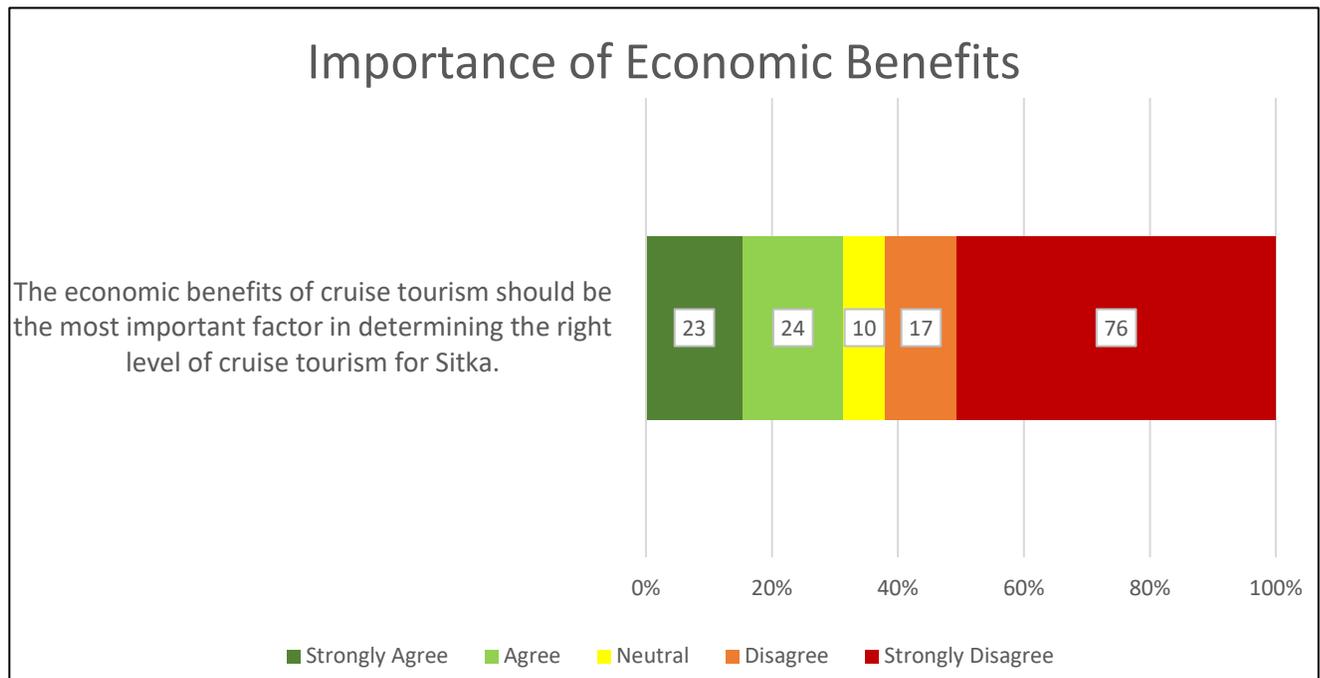
Seasonal Passenger Totals							
Predicted Revenues per Year*	0	150,000	250,000	350,000	450,000	550,000	650,000
Sales tax Revenue per Passenger	\$0	\$21.51	\$17.28	\$14.49	\$12.41	\$10.75	\$9.37
Total Sales Tax Revenue from Cruise Tourism	\$0	\$3.2M	\$4.3M	\$5.1M	\$5.6M	\$5.9M	\$6.1M
% of Current Year General Fund Budget	0%	8%	10%	12%	13%	14%	14%
Funding for School Buildings from Cruise Tourism**	\$0	\$540k	\$720k	\$850k	\$930k	\$990k	\$1M
Total CPV Tax Revenue***	\$0	\$800k	\$1.3M	\$1.8M	\$2.3M	\$2.8M	\$3.3M
Place a sticker in the column that balances the number of cruise visitors with available funding for City services & infrastructure****	3%	4%	32%	18%	4%	22%	17%

*See Appendix, Methodology for predicting sales tax revenues at different levels of cruise tourism

**1% of the 6% seasonal sales tax

***(\$5/passenger)

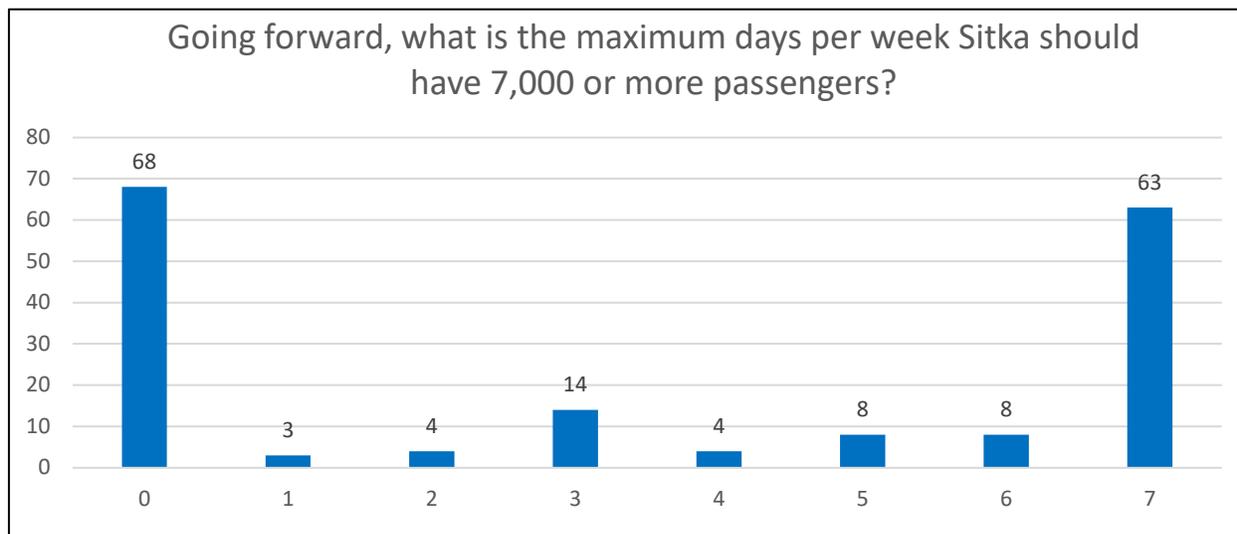
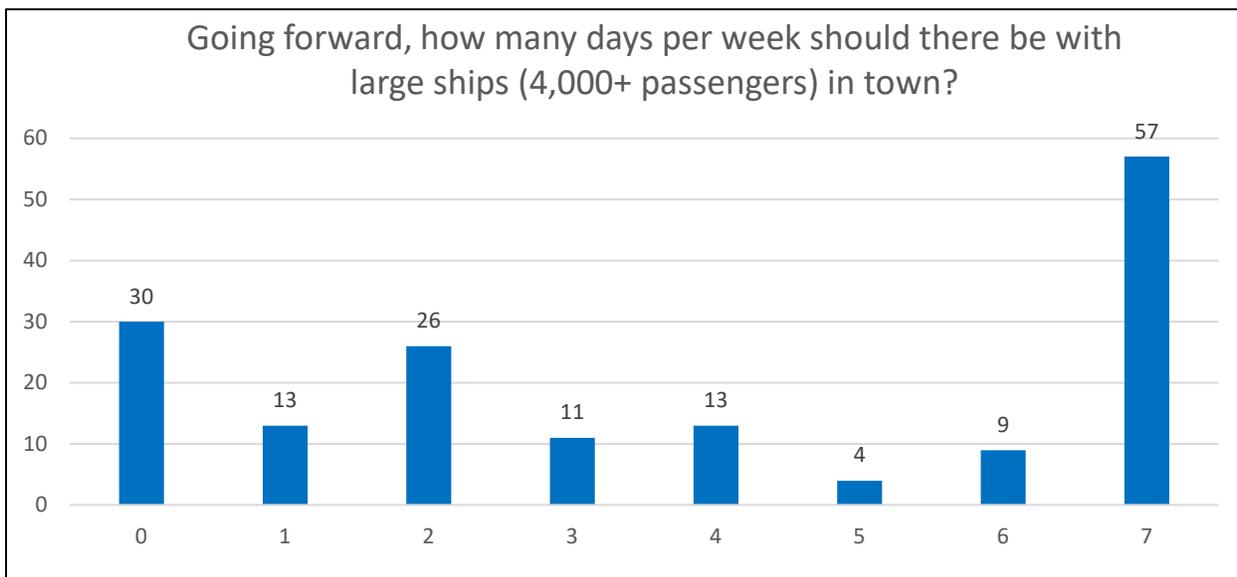
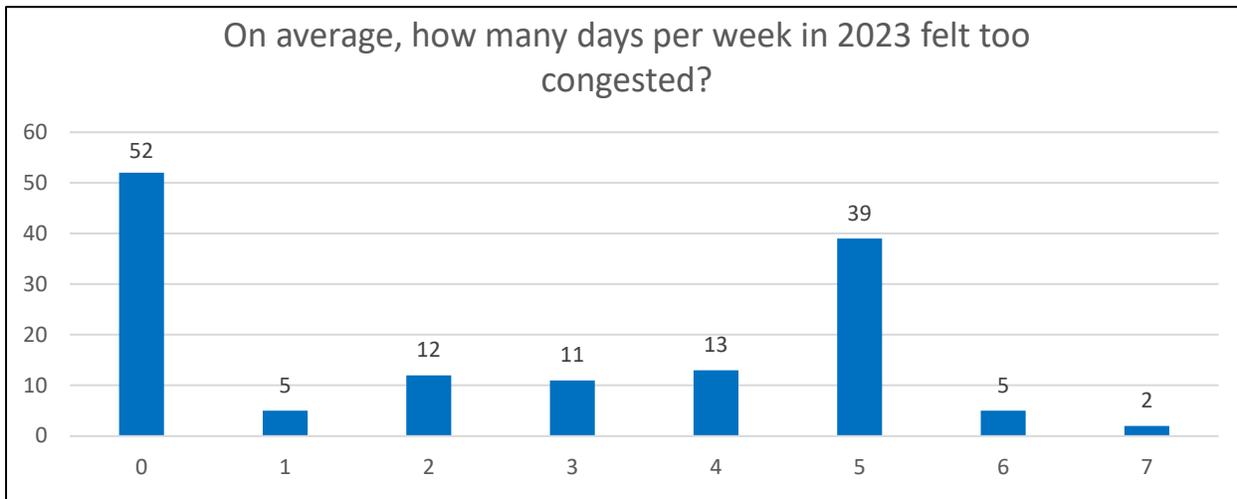
****Total responses: 72



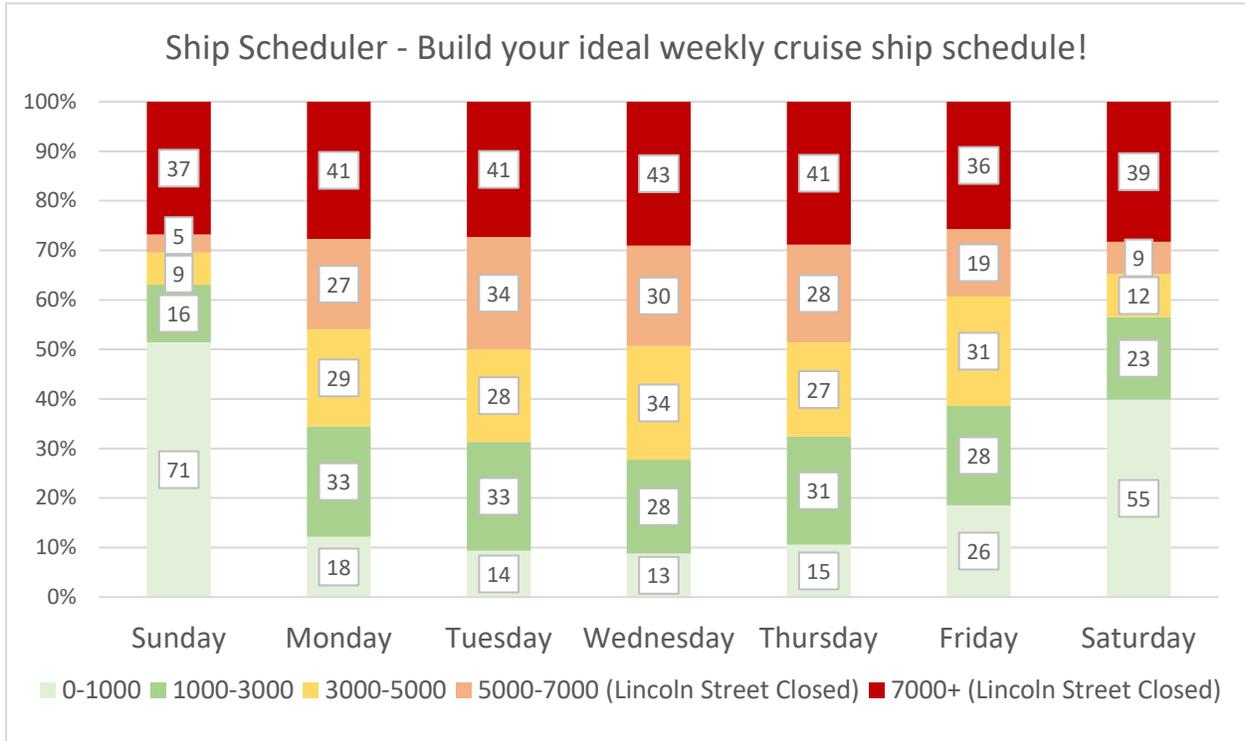
Did you notice any patterns or trends related to overcrowding on particular dates, days of the week, or with specific ships?

Observation	Description	% of Comments
Large/Neopanamax Ships	Days with large ships feel too crowded, passengers seem to have lower quality experience and less interest/local etiquette, more traffic and pollution issues on these days	22%
Busy Weekdays	Monday - Wednesday	2%
	Monday - Thursday	2%
Quiet Weekends	Friday	3%
	Friday - Sunday	2%
Specific Passenger Counts	3000+	5%
	4000+	3%
	5000+	6%
	7500+	2%
Staggered Arrivals	Congestion and tour operations are better when arrivals are staggered on multi-ship days	5%
General Negative Comments	Personally experienced impacts, general and/or consistent congestion, general observations about traffic and environment	32%
General Positive Comments	Busy days were well managed, lines moved quickly, did not feel overcrowded	9%

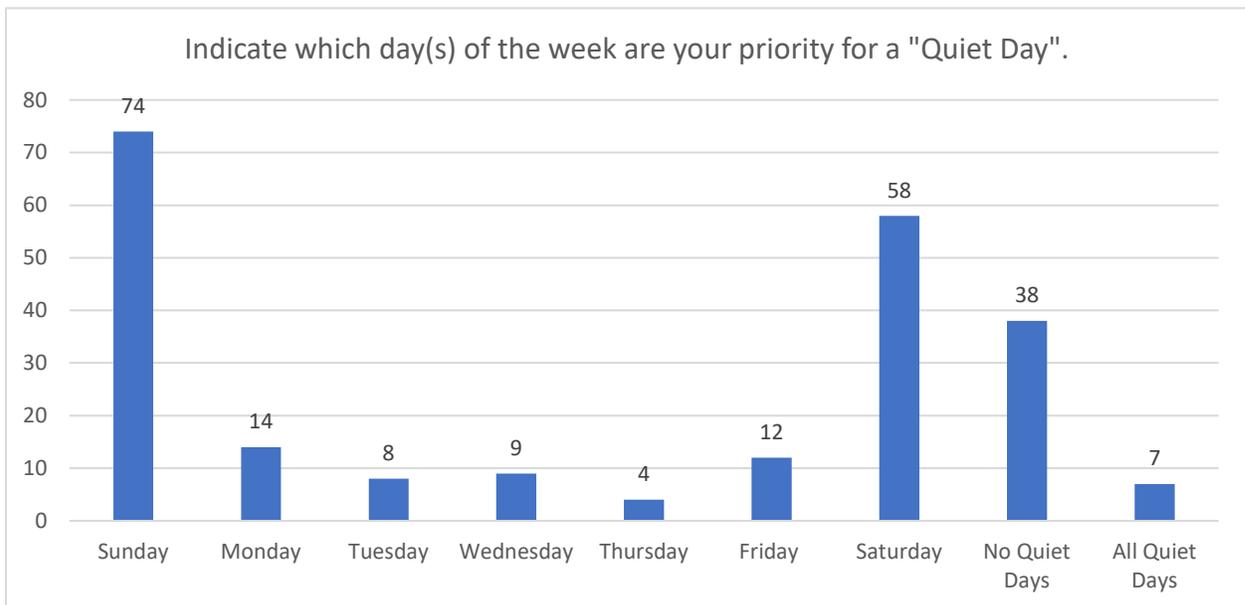
Days per Week Questions



Ship Scheduler

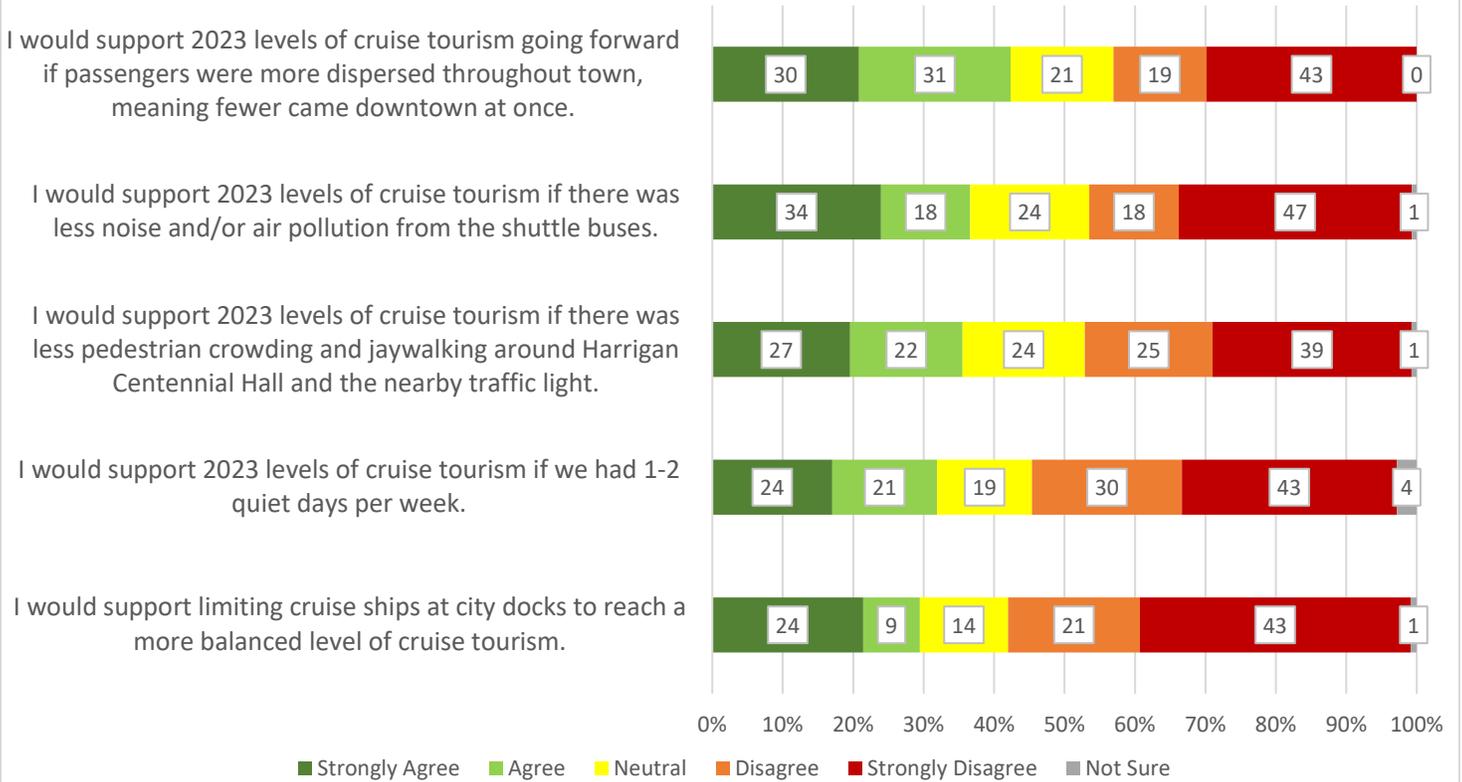


Quiet Days



Mitigations

Mitigations



Appendix

Informational Sheets:

- What does sales tax pay for?
- Methodology for predicting sales tax revenues at different levels of cruise tourism
- What is “Infrastructure Funding”?
- What is “Funding for School Buildings from Cruise Tourism” and “Infrastructure Funding from Cruise Tourism”?
- What is CPV, and how is it used?

WHAT DOES SALES TAX PAY FOR?

Sales tax revenue goes into the General Fund which pays for City operations such as:

- Fire Department
- Streets Maintenance
- Parks & Recreation
- Harrigan Centennial Hall
- Administration (Administrator, IT, HR)
- Clerk's Office
- Planning
- Building Officials
- Grants & Donations
- Police Department
- Parks & Building Maintenance
- Engineering & Project Management
- Supplemental School Funding
- City vehicles
- Library
- Legal
- Finance
- Assessing

Sales tax also pays for infrastructure such as municipal buildings, streets, sidewalks, and parks. A portion of sales tax is also transferred every year to our local permanent fund.

Sales tax revenue is “unrestricted”, which means that the funds can be used for any purpose the Assembly decides through the annual budget process.

This differs from other funds that are restricted such as **property taxes** which fund schools, **enterprise funds** which get their revenues from charging things such as utility rates, moorage, and other fees to pay for expenses, the **Commercial Passenger Vessel Excise Tax (CPV)** which pays for cruise-related expenses, and **Transient Lodging Tax (or “Bed Tax”)** which pays for visitor enhancement activities.

Limitations of Sales Tax Data

Businesses report total monthly sales, and the tax due based on those sales. This means that there is not a good way to track the sales to cruise ship passengers – trying to do so would overly burden business owners. So, extrapolations have to be made to estimate the sales tax that comes from cruise ship passengers.

Increased sales tax revenue provides for increased or additional services, more maintenance of our general infrastructure such as buildings, streets, and parks, new infrastructure, and more savings in the local permanent fund.

METHODOLOGY FOR PREDICTING SALES TAX REVENUES AT DIFFERENT LEVELS OF CRUISE TOURISM

In order to make predictions about sales tax revenue from cruise tourism, several assumptions had to be made. As with any modelling exercise, it's important to understand the assumptions made and the methodology used so that we can understand the results and their limitations.

Assumptions:

- Determining the amount of sales tax from cruise tourism:
 - We do not have sufficiently detailed data to know the amount of tax revenue that comes directly from sales made to cruise visitors. So, 2021 was used as a baseline for what our sales tax revenue would be without cruise tourism since this was a summer season that had negligible cruise tourism but strong independent traveler visitation.
 - Year-to-year changes in sales tax revenue can be influenced by other factors and industries, so this is an imperfect way to measure sales tax revenue from cruise tourism. However, this is the best way to approximate it given the available data.
- Sales tax attributed to cruise tourism is measured in the months of April – October.
- The Remote Sellers sales tax revenue (tax from online sales) was removed.
- Due to a change in our local taxation rules, the actual sales tax rate for July – September 2023 was 5% rather than the usual 6% summer sales tax. The summer sales tax rate will be 6% again starting next year as voted on by Sitkans in the 2023 local election. To predict future sales tax revenue more accurately, the 2023 sales tax revenue was adjusted to reflect what it would have been at 6%.
- All numbers were adjusted for inflation and are stated in 2023 dollars to make an “apples to apples” comparison between years.

Methodology Used:

- Additional sales tax revenue above the amount in 2021 for 2018, 2019, 2022, and 2023 is the amount attributed as sales tax revenue from cruise tourism in each year.
- Sales tax revenue per passenger was calculated by dividing the sales tax revenue from cruise tourism as explained above by actual passenger counts each year.
- Using the actual sales tax revenue per passenger as calculated above, a logarithmic function was used to create a mathematical model for predicting sales tax revenue per passenger.
- The resulting mathematical model was 97% accurate in predicting sales tax revenue per passenger for 2018, 2019, 2022, and 2023 which indicates that it is a very robust model that fits the actual results closely, meaning that it is a good model for making predictions given the assumptions made.
- The resulting predictions of total sales tax revenue from cruise visitation multiplies the model generated sales tax revenue per passenger by each level of cruise visitation (stated as a season passenger total).

WHAT IS “INFRASTRUCTURE FUNDING”?

Note: See the informational sheet titled, “What Does Sales Tax Pay For?” for important background information.

City Budget Process for Infrastructure

- Major repairs and replacements of general infrastructure, as well as new general infrastructure, are paid for primarily using sales tax revenue. Infrastructure related to an enterprise fund such as utilities, the harbors, the airport, etc., are paid for through the revenue raised through utility charges, moorage, and other fees.
- At the end of every fiscal year (which runs from July 1 – Jun 30), the budget is analyzed to see if there is a surplus in the General Fund, meaning that more revenue came in than was needed to cover operational expenses.
- If there is a surplus, some or all of the surplus is transferred to an account called the **Public Infrastructure Sinking Fund**. This is a pool of money that is available to fund repair and replacement of municipal buildings, streets, sidewalks, parking lots, and parks (“general infrastructure” for shorthand).
- The City maintains a “Capital Improvement Plan” which outlines all the upcoming capital needs including general infrastructure repairs and replacement. Every year, certain projects are prioritized and have a portion of the money needed to fund them set aside, so that over time the prioritized projects become fully funded.
- This means that additional sales tax revenue above operational expenses increases the funding available to keep general infrastructure in good shape, and decreases our need to cut services, borrow, or raise new revenue (i.e. taxes) to fund repairs/replacements, or simply forego repairing/replacing it.

How much do we need for infrastructure?

- The prioritized projects are in the current fiscal year Capital Projects list. This list generally costs about **\$30 million** per year. This year, the prioritized projects received \$3.4 million from the Public Infrastructure Sinking Fund and other surpluses. The remainder is funded through the process of saving-up year-by-year, and through \$10.3 million of grant funding. This list includes projects that are in progress, and will need additional money set aside for them in future years. This list includes all General Fund capital projects, including general infrastructure capital projects.
- The Mid-to-Long Range Capital Improvement Plan identifies projects with deferred funding. The capital needs for general infrastructure projects on this list for the next four years is approximately **\$39 million**, with an additional **\$57 million** identified for 2029 – 2040.
- The Capital Improvement Plan is intended to identify our known capital needs, but unforeseen needs do arise. Additionally, school buildings while owned and paid for by the City are maintained by the school district, and so the capital needs for school buildings are not reflected in our current Capital Improvement Plans.

WHAT IS “FUNDING FOR SCHOOL BUILDINGS FROM CRUISE TOURISM” AND “INFRASTRUCTURE FUNDING FROM CRUISE TOURISM”?

Funding for School Buildings from Cruise Tourism

- When the seasonal sales tax rate of 6% was reinstated in the 2023 local election, it identified that the extra 1% charged in the summer months would be dedicated to funding the maintenance, repair, replacement, and/or construction of school building infrastructure.
- This means that 1/6 of all sales tax revenue from cruise tourism is dedicated to funding school buildings.

Infrastructure Funding from Cruise Tourism

- As additional sales tax revenue is generated from cruise tourism spending, it can contribute to a surplus in the General Fund, which can then be transferred to the Public Infrastructure Sinking Fund.
- It's important to note that the visitor season straddles fiscal years, with April – June of any given year being in one fiscal year, and July – September being in the next. So, transfers to the fund, if any, are a blend of visitor seasons.
 - As an example, the transfer made this year of \$4.5 million was from July – September 2022, and April – June 2023.
 - This year, an additional \$1 million surplus was used for the community-wide utility subsidization, so the total surplus was \$5.5 million.

WHAT IS CPV, AND HOW IS IT USED?

CPV is an acronym for the Commercial Passenger Vessel Excise Tax Fund. It's also commonly referred to as "the head tax", and is also called "CPET" by some.

This is a tax charged by the State of Alaska on commercial passenger vessels that provide overnight accommodations in the State's waters. The State charges \$46 per passenger, and then gives \$5 to each community that passenger visited (although this is limited to the first five communities the passenger visited). Communities may not impose their own head tax in addition to the State's unless they opt out of the State's.

Limitations on Use

- Federal regulation on the use of funds such as CPV is defined under 33 U.S. Code 5(b), with principles rooted in the Commerce Clause and the Tonnage Clause of the U.S. Constitution.
- The State of Alaska also incorporated similar regulations to the federal regulations into Alaska State Statute (AS 43.52.230).
- The allowable uses under these regulations are:
 - **Improving port and harbor facilities and other services to properly provide for vessel or watercraft visits.**
 - **Enhancing the safety and efficiency of interstate and foreign commerce.**
- The State periodically audits our use of CPV funds to ensure they are used for allowable purposes under state law.

So, what do we use CPV for?

- **Operations:** CPV is used to pay for operational expenses related to cruise tourism such as the Lincoln Street closures, seasonal staff positions such as port security for our lightering facilities, building attendants at Harrigan Centennial Hall, streets crew, and additional positions for emergency services. It also pays for equipment and supplies needed to support cruise visitors such as signage and sanitation, including the temporary restroom facilities that have been staged downtown for the last two seasons. About \$1 million was spent for operations in 2022, which was a higher number due to the large purchases of equipment such as the restrooms, barricades, ATV ambulance, etc. 2023 was significantly lower at about \$500,000.
- **Infrastructure:** CPV is also used for some community infrastructure that is used directly by cruise passengers. As these facilities are utilized by both cruise passengers and the community, these projects are usually funded with a combination of funds such as sales tax revenue as well as CPV revenue. Notable projects that used CPV funds include the renovations of Harrigan Centennial and the Sitka Public Library, the Seawalk, portions of the Cross Trail, and the Wayfinding Signage Project. CPV funding has also been dedicated for upcoming projects such as Lincoln Street Repaving and the Crescent Harbor Bathroom Replacement.

Currently, all of the City's operations related to cruise tourism, especially those that came out of the Short-Term Tourism Plan, are wholly funded by CPV funds. Sales tax is not used to subsidize these expenses. While CPV uses are quite limited, they can be used to help provide amenities that the community also utilizes and enjoys.

LEVEL OF CRUISE TOURISM FOR SITKA SURVEY RESULTS

Open 12/21 – 1/15

Report by: CBS Planning & Community Development Department

Responses

- Total: 1,136
- Online: 1,124
- Paper: 12

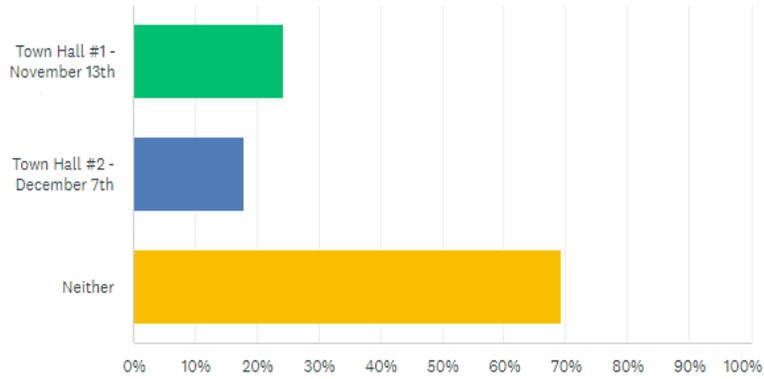
Demographics & Representation

Age Range	2022 American Community Survey*	Survey Results	Under/Over Representation Percentage
15-17	4%	>1%	-4%
18-24	10%	4%	-6%
25-34	17%	14%	-3%
35-44	17%	21%	4%
45-54	14%	19%	5%
55-64	18%	18%	0%
65+	19%	24%	5%

*The American Community Survey does not separately capture those who are age 14, but rather captures those who are 10-14. For the purpose of comparison, all survey respondents who marked age 14-17 are included as 15-17 here. The percentage of population is based on Sitka's population less those age 14 or younger.

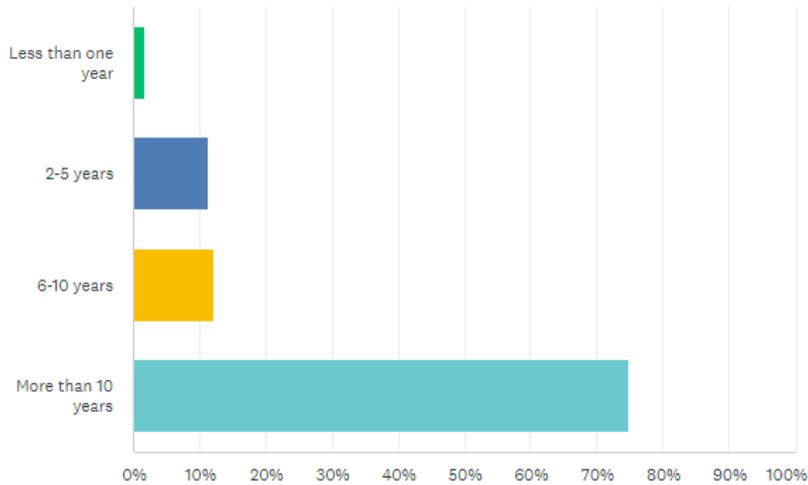
Did you attend any of the Tourism Town Hall meetings? (Check all that apply)

Answered: 1,136 Skipped: 0



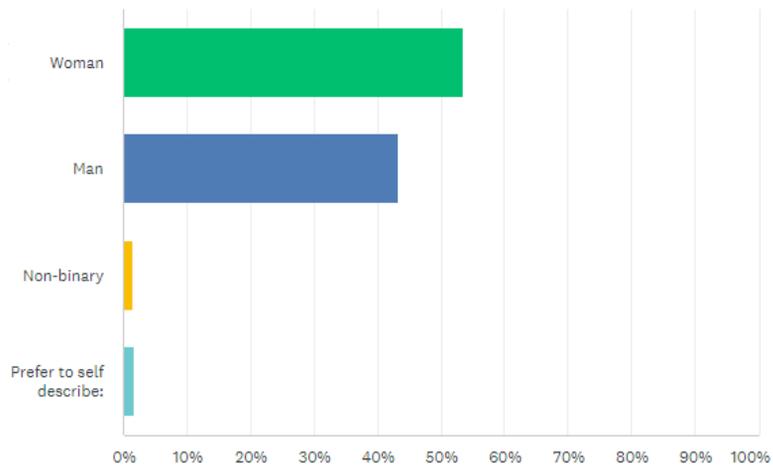
How long have you lived in Sitka?

Answered: 1,133 Skipped: 3



What is your gender?

Answered: 1,111 Skipped: 25



Race

Responses: 1029

Race – Alone or in Combination	2022 American Community Survey	Survey Results	Under/Over Representation Percentage
White or Caucasian	66%	75%	9%
American Indian or Alaska Native	17%	17%	0%
Asian or Asian American	9%	2%	-6%
Hispanic or Latino	5%	3%	-2%
Native Hawaiian or Other Pacific Islander	2%	1%	-1%
Black or African American	1%	1%	0%
Middle Eastern or North African	Not Available	1%	1%

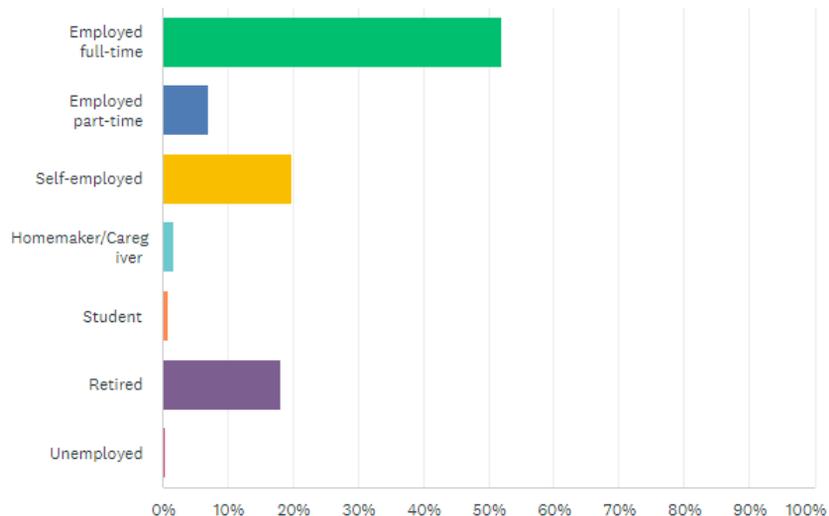
Housing Status

Responses: 1123

Housing Status	2022 American Community Survey	Survey Response	Under/Over Representation %
Homeowner	67%	75%	8%
Renter	30%	23%	-7%
Not-Specified	3%	2%	-1%

What is your primary occupational status?

Answered: 1,125 Skipped: 11



RESPONSE DATA

Do you believe CBS should take an active role in determining the number of cruise visitors that come to Sitka?

	% of Overall Respondents	Yes	No	Undecided	Skipped
Overall	100%	60%	32%	8%	<1%
Did Not Attend Townhalls	69%	62%	29%	10%	
Age					
18-24	4%	43%	53%	5%	
25-34	14%	62%	30%	8%	
35-44	21%	61%	32%	8%	
45-54	19%	55%	36%	10%	
55-64	18%	55%	34%	12%	
65+	24%	68%	25%	8%	
Employment					
Full Time Employment	52%	54%	37%	8%	
Part Time Employment	7%	66%	29%	5%	
Self-Employed	20%	65%	27%	8%	
Retired	18%	66%	24%	10%	
Length of Sitka Residency					
Less than one year	2%	65%	30%	5%	
2-5 years	11%	66%	26%	8%	
6-10 years	12%	70%	25%	5%	
More than 10 years	75%	57%	34%	9%	
Housing Status					
Homeowner	75%	59%	33%	8%	
Renter	23%	64%	28%	8%	

Going forward, cruise tourism levels should be:

	% of Overall Respondents	Significantly less than 2023	Somewhat less than 2023	Same as 2023	Somewhat more than 2023	Significantly more than 2023	Skipped
Overall	100%	36%	19%	18%	13%	13%	2%
Did Not Attend Townhalls	69%	35%	22%	18%	13%	12%	
Age							
18-24	4%	20%	20%	15%	15%	30%	
25-34	14%	28%	28%	18%	13%	12%	
35-44	21%	34%	21%	18%	15%	12%	
45-54	19%	37%	13%	17%	15%	18%	
55-64	18%	35%	20%	18%	14%	12%	
65+	24%	44%	18%	19%	11%	9%	
Employment							
Employed Full Time	52%	31%	20%	18%	14%	16%	
Employed Part Time	7%	33%	30%	18%	9%	11%	
Self-Employed	20%	39%	16%	19%	14%	12%	
Retired	18%	45%	18%	17%	12%	8%	
Length of Sitka Residency							
Less than one year	2%	15%	25%	30%	20%	10%	
2-5 years	11%	31%	29%	16%	12%	13%	
6-10 years	12%	40%	23%	12%	12%	13%	
More than 10 years	75%	36%	17%	19%	14%	14%	
Housing Status							
Homeowner	75%	36%	18%	19%	13%	13%	
Renter	23%	36%	24%	15%	14%	12%	

If you feel there should be a maximum number of cruise passengers that visit Sitka on any given day, what do you think that maximum should be?

	% of Overall Respondents	Average	Average Less Outliers	Median	Mode	Minimum	Maximum	Skipped %
Overall	100%	5,902	5,484	5,000	5,000	0	50,000	19%
Did Not Attend Townhalls	69%	5,788	5,336	5,000	5,000	0	50,000	21%
Age								
18-24	4%	7,797	7,150	8,000	10,000	2,500	20,000	18%
25-34	14%	6,566	5,895	5,000	5,000	10	36,000	18%
35-44	21%	6,185	5,711	5,000	5,000	2	40,000	16%
45-54	19%	6,577	5,634	5,000	5,000	0	50,000	29%
55-64	18%	5,501	5,443	5,000	5,000	5	15,000	17%
65+	24%	4,853	4,787	4,500	5,000	0	20,000	16%
Employment								
Employed Full Time	52%	6,099	5,591	5,000	5,000	5	40,000	21%
Employed Part Time	7%	5,278	4,910	4,999	5,000	1,000	20,000	16%
Self-Employed	20%	5,456	5,204	5,000	5,000	0	15,000	18%
Retired	18%	5,028	4,903	5,000	5,000	2	20,000	15%
Length of Sitka Residency								
Less than one year	2%	7,500	7,500	7,500	10,000	4,000	10,000	22%
2-5 years	11%	5,412	5,412	5,000	5,000	0	10,000	18%
6-10 years	12%	5,179	5,179	5,000	5,000	1,500	10,000	12%
More than 10 years	75%	5,810	5,297	5,000	5,000	2	40,000	20%
Housing Status								
Homeowner	75%	5,710	5,341	5,000	5,000	0	36,000	19%
Renter	23%	5,832	5,358	5,000	5,000	5	40,000	19%

Days per Week at Daily Max Indicated

Daily Max	% of Responses	1	2	3	4	5	6	7
0-1000	3%	12%	9%	12%	18%	6%	12%	27%
1001-2000	4%	0%	13%	21%	15%	21%	4%	23%
2001-3000	11%	6%	10%	23%	21%	28%	2%	9%
3001-4000	11%	6%	21%	26%	20%	19%	3%	6%
4001-5000	17%	6%	19%	26%	20%	16%	7%	7%
5001-6000	7%	5%	17%	15%	15%	28%	17%	3%
6001-7000	6%	3%	17%	11%	16%	23%	9%	20%
7001-8000	6%	3%	17%	12%	6%	20%	17%	26%
8001-9000	9%	4%	3%	7%	9%	17%	13%	46%
9001-10000	5%	2%	6%	4%	7%	33%	4%	44%
10001-11000	>1%	0%	0%	0%	33%	33%	0%	33%
11001-12000	1%	0%	0%	0%	0%	29%	14%	57%
12001-13000	>1%	0%	0%	0%	100%	0%	0%	0%
13001-14000	>1%	0%	0%	0%	0%	0%	0%	100%
>14,000 (Outliers)	2%	0%	4%	9%	0%	9%	4%	61%
Skipped	19%							

If you had to narrow down your choice of maximum cruise passengers per day to one of these options, what would be your preference?

	% of Overall Respondents	3,000	4,000	5,000	6,000	7,000	Skipped
Overall	100%	23%	16%	18%	9%	34%	6%
Did Not Attend Townhalls	69%	22%	16%	21%	9%	32%	
Age							
18-24	4%	10%	8%	21%	3%	59%	
25-34	14%	17%	11%	23%	10%	39%	
35-44	21%	21%	17%	19%	9%	34%	
45-54	19%	21%	14%	19%	7%	39%	
55-64	18%	23%	19%	13%	13%	32%	
65+	24%	31%	17%	18%	9%	25%	
Employment							
Employed Full Time	52%	18%	15%	19%	10%	38%	
Employed Part Time	7%	20%	16%	24%	11%	30%	
Self-Employed	20%	27%	17%	15%	5%	36%	
Retired	18%	31%	17%	16%	12%	23%	
Length of Sitka Residency							
Less than one year	2%	11%	17%	11%	17%	44%	
2-5 years	11%	20%	13%	25%	10%	31%	
6-10 years	12%	23%	15%	22%	8%	33%	
More than 10 years	75%	23%	16%	17%	9%	35%	
Housing Status							
Homeowner	75%	23%	16%	18%	9%	34%	
Renter	23%	23%	14%	19%	9%	35%	

How many days per week should there be large ships (those with 4,000+ capacity) in town?

	% of Overall Respondents	0	1	2	3	4	5	6	7	Skipped
Overall	100%	14%	9%	12%	12%	9%	15%	6%	20%	2%
Did Not Attend Townhalls	69%	15%	9%	13%	13%	10%	15%	4%	21%	
Age										
18-24	4%	10%	3%	8%	18%	5%	10%	8%	40%	
25-34	14%	6%	10%	17%	15%	12%	15%	4%	22%	
35-44	21%	17%	12%	9%	14%	8%	15%	7%	19%	
45-54	19%	16%	7%	13%	13%	9%	15%	4%	23%	
55-64	18%	12%	11%	13%	13%	9%	19%	6%	18%	
65+	24%	20%	10%	13%	9%	9%	15%	6%	17%	
Employment										
Employed Full Time	52%	11%	8%	12%	13%	11%	16%	6%	22%	
Employed Part Time	7%	14%	16%	18%	11%	12%	12%	4%	13%	
Self-Employed	20%	19%	8%	11%	13%	6%	16%	4%	23%	
Retired	18%	18%	12%	12%	12%	6%	16%	7%	17%	
Length of Sitka Residency										
Less than one year	2%	0%	5%	21%	5%	16%	16%	0%	37%	
2-5 years	11%	13%	13%	16%	15%	8%	17%	6%	10%	
6-10 years	12%	16%	10%	14%	10%	11%	21%	7%	12%	
More than 10 years	75%	15%	9%	12%	13%	9%	14%	6%	23%	
Housing Status										
Homeowner	75%	16%	8%	12%	12%	9%	15%	6%	21%	
Renter	23%	11%	14%	12%	14%	9%	16%	5%	19%	

		Should CBS advocate for designated quiet days(s)?				Quiet Day(s) per Week		
	% of Overall Respondents	Yes	No	Unsure	Skipped	1	2	Skipped
Overall	100%	59%	31%	10%	<1%	29%	44%	27%
Did Not Attend Townhalls	69%	61%	29%	10%		29%	44%	27%
Age								
18-24	4%	43%	48%	10%		31%	20%	49%
25-34	14%	65%	30%	4%		28%	47%	25%
35-44	21%	56%	32%	12%		30%	42%	28%
45-54	19%	53%	35%	11%		28%	41%	31%
55-64	18%	60%	32%	8%		27%	46%	26%
65+	24%	66%	24%	10%		30%	55%	15%
Employment								
Employed Full Time	52%	56%	34%	10%		29%	41%	29%
Employed Part Time	7%	68%	26%	6%		34%	47%	20%
Self-Employed	20%	57%	34%	9%		24%	44%	32%
Retired	18%	65%	24%	12%		30%	47%	23%
Length of Sitka Residency								
Less than one year	2%	50%	30%	20%		18%	44%	38%
2-5 years	11%	66%	26%	9%		34%	46%	20%
6-10 years	12%	65%	25%	10%		32%	50%	18%
More than 10 years	75%	58%	33%	10%		28%	42%	29%
Housing Status								
Homeowner	75%	59%	32%	9%		28%	43%	29%
Renter	23%	60%	28%	12%		30%	44%	26%

If you feel there should be maximum number of cruise passengers that visit Sitka within a season, what do you think that maximum should be?

	% of Overall Respondents	Average	Average Less Outliers	Median	Mode	Minimum	Maximum	Skipped %
Overall	100%	414,261	376,715	350,000	300,000	0	1,000,000	34%
Did Not Attend Townhalls	69%	397,767	360,371	350,000	300,000	0	1,000,000	37%
Age								
18-24	4%	568,733	437,478	500,000	1,000,000	12,000	1,000,000	22%
25-34	14%	430,313	395,787	400,000	300,000	385	1,000,000	33%
35-44	21%	447,257	397,968	400,000	300,000	10	1,000,000	29%
45-54	19%	412,617	373,174	350,000	300,000	0	1,000,000	36%
55-64	18%	417,981	388,387	400,000	300,000	300	1,000,000	38%
65+	24%	345,704	334,020	300,000	300,000	0	1,000,000	37%
Employment								
Employed Full Time	52%	428,532	383,665	400,000	300,000	0	1,000,000	34%
Employed Part Time	7%	391,285	301,106	350,000	450,000	350	1,000,000	31%
Self-Employed	20%	364,344	336,403	300,000	250,000	0	1,000,000	33%
Retired	18%	336,222	336,222	300,000	300,000	650	750,000	36%
Length of Sitka Residency								
Less than one year	2%	538,500	487,222	500,000	400,000	175,000	1,000,000	31%
2-5 years	11%	395,836	385,237	400,000	400,000	3	1,000,000	30%
6-10 years	12%	352,319	322,426	337,500	400,000	0	1,000,000	23%
More than 10 years	75%	401,514	15,870	350,000	300,000	0	1,000,000	37%
Housing Status								
Homeowner	75%	404,523	364,593	350,000	300,000	0	1,000,000	35%
Renter	23%	378,875	350,119	350,000	300,000	0	1,000,000	31%

If you had to narrow down your choice of maximum cruise passengers per season to one of these options, what would be your preference?

	% of Overall Respondents	250,000	350,000	450,000	550,000	Skipped
Overall	100%	27%	22%	13%	38%	9%
Did Not Attend Townhalls	69%	27%	24%	14%	35%	
Age						
18-24	4%	14%	23%	9%	54%	
25-34	14%	22%	23%	18%	37%	
35-44	21%	25%	23%	13%	39%	
45-54	19%	31%	16%	9%	44%	
55-64	18%	24%	22%	15%	39%	
65+	24%	35%	24%	13%	29%	
Employment						
Employed Full Time	52%	23%	22%	12%	42%	
Employed Part Time	7%	27%	19%	23%	32%	
Self-Employed	20%	29%	18%	11%	42%	
Retired	18%	35%	26%	14%	25%	
Length of Sitka Residency						
Less than one year	2%	11%	39%	11%	39%	
2-5 years	11%	29%	19%	14%	38%	
6-10 years	12%	26%	26%	13%	34%	
More than 10 years	75%	28%	21%	13%	38%	
Housing Status						
Homeowner	75%	27%	21%	14%	38%	
Renter	23%	28%	25%	11%	36%	

Sitka’s Draft Tourism Best Practices (TBMP) Program

PARTNER HANDBOOK AND PROGRAM GUIDELINES FOR SITKA’S VISITOR INDUSTRY

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Sitka's Tourism Best Management Practices (TBMP) Program

Introduction

Sitka and Baranof Island, Alaska is Lingít Aaní, ancestral homeland of the Tlingít people who have been practicing their culture and way of life on these lands and waters for over 10,000 years. Gunalchéesh to the Tlingít people for their stewardship of this land since time immemorial.

The Sitka Tourism Best Management Practices (TBMP) program is modeled after the TBMP program first established in Juneau, 25 years ago. Ketchikan and Skagway have also modeled their TBMPs after Juneau's program. The SitkaTBMP is a voluntary compliance program for partners and organizations in the City and Borough of Sitka. Our TBMP is intended to minimize the impacts of tourism in a manner which addresses both resident and industry concerns while maintaining our quality of life and enhancing the visitor experience in Sitka.

These guidelines do not replace applicable city, state, or federal regulations.

As Sitka's visitor industry has grown, so have concerns about impacts to the community. By actively participating in this voluntary program, participants demonstrate their commitment to address key community concerns.

Partners agree to implement appropriate best practices, including but not limited to the recommendations of the TBMP, in their own policies and training of their staff.

Partners also agree to address issues or concerns raised by other partners, community partners and/or the City and Borough and other governmental agencies within a timely manner.

Partners comprise anyone signing on to the plan, including all tour and attractions operators, retail businesses serving visitor clientele, restaurants, shuttle, van and taxi operators, cruise ship docking facilities and the cruise lines themselves.

TBD: Sitka's TBMP program is administered by ___?___ with oversight and support from the Tourism Commission and the municipality and is funded through cruise vessel passenger tax revenue.

TBMP participating partners and organizations who successfully complete implementation and training requirements will be listed on the TBMP website and included in brochures and other promotional materials. Decals will be issued to partners for placement on tour vehicles and storefronts. Partners may include the TBMP logo in their own promotion.

General Agreements for All TBMP Partners

Sitka TBMP partners strive to provide a positive experience for our visitors while minimizing impacts to our community. Partners, organizations and individuals who wish to be recognized as TBMP compliant will abide by the agreements and standards set forth in the handbook and/or posted on a Sitka TBMP website.

Partners will be expected to observe the following practices:

- Conduct business in a legal and ethical manner and not use business practices that damage others through association.
- Emulate the highest standard of customer service.
- Take responsibility to ensure that visitors and community partners are treated with courtesy and respect, in such a way as to leave a positive impression on them.
- Accurately describe our products and services to address any safety, health related, legal or physical restrictions that customers should be aware of and to provide complete information on pricing, duration and location of tours and activities.
- Recognize it is in all our best interests to serve the needs and desires of the customer; and if our product is not appropriate, direct them to the service that best meets their needs.
- Strive to be good ambassadors of the community with accurate knowledge of the locations of public amenities nearby such as post office, bus stops, museums, restrooms, and government buildings.

Training: Partners agree to train all employees on the program objectives and practices and to conduct periodic training sessions for employees hired mid-season. Partners will strive to conduct business in a manner which exhibits common courtesy throughout the season. Employees of participating partners will be required to sign a “**TBMP Employee Partnership Agreement**” certifying that the employee has read, understands and agrees to abide by the Tourism Best Management Practices guidelines applicable to his/her job description.

Cultural Protocols: All partners agree to take steps to ensure accuracy and respect regarding interpretation of Alaska Native culture and other cultural groups, such as our Filipino community by participating in a scheduled training class. This includes fact-based research from recognized sources for tour interpretation and disclosure of the origin of items in the sale of retail products.

Contact Name: Partners agree to provide the TBMP hotline administrator with a contact name, telephone number, fax number and email address.

Work Sessions: Partners agree to participate in periodic work sessions to discuss progress made in attaining program goals.

Community Meetings: All TBMP partners agree to send a representative to an annual preseason community meeting to:

- Identify problem areas where traffic and pedestrian congestion creates conflicts.
- Identify areas of concern to residents.
- Formulate strategies to mitigate or avoid conflicts in these areas and measure the effectiveness of the mitigation strategies.

Partners also agree to attend a postseason community meeting to review the summer and note opportunities for improvement.

Response to TBMP Hotline: Partners agree to respond within 3 business days to calls and emails received via the Tourism Best Management Practices Hotline. Partners will provide the TBMP Hotline Administrator with a summary of their response. Callers will be asked to communicate as much information as possible, including name of participant business and/or staff member, description of the aircraft, watercraft, or vehicle, vehicle number if applicable, and date and approximate time of observation. Callers will also be asked to leave a name, phone number, and/or email address so the partners may respond. Callers are also encouraged to provide positive feedback via the hotline to recognize partners who are making a difference by following the guidelines and operating their business in a courteous and neighborhood-friendly manner.

Self-monitoring: All partners agree to improve their self-monitoring efforts through collaboration and encourage other partners who may not be observing the TBMP guidelines to improve their own compliance. These actions honor the spirit of TBMP and ultimately help all companies reduce tourism impacts in the community.

Ongoing Training of Employees; Partners agree to provide periodic training and coaching for their employees, to reinforce compliance with the guidelines that pertain to their operations.

Litter and Recycling: All TBMP partners are expected to be familiar with and comply with the anti-litter ordinance detailed in Sitka's General Code, Chapter 9.12. Partners are strongly encouraged to commit to a recycling program which is effective for their individual size and type of business. The City and Borough of Sitka and commercial property owners are asked to ensure there are adequate receptacles throughout the community for proper disposal of smoking material and trash.

Cleaning and Sanitation Protocols: All TBMP partners agree to maintain and update as needed, procedures for staff and guests to maintain infection control and mitigate the potential transmission of highly contagious viral diseases such as Norovirus Gastroenteritis and COVID-19 coronavirus. Partners will train staff and monitor policy implementation and agree to comply with all applicable local, state and federal regulations.

Wildlife Protocols: All partners agree to:

- Dispose of and secure trash in a manner which does not attract wildlife.
- Report bear sightings to the police department.
- Not to feed or bait* wildlife of any form and comply with the Sitka General Code Chapter 8.08.050 Fighting or Baiting of Animals.
- To be observant and watch for signs of distress as recommended by Alaska Department of Fish and Game guidelines on wildlife harassment.

Alaska's Smoke Free Workplace Laws: All partners comply with state laws pertaining to smoking in and around the workplace.

Accessibility: To better serve the number of visitors arriving in Sitka each year with limited mobility and/or visual or hearing impairments, TBMP partners agree to establish "best

practice” objectives to provide these visitors with a quality experience. SAIL (SE Alaska Independent Living) provides the following suggestions:

- Consider how best to make accommodation for customers with limited mobility and/or a visual or hearing impairment, as appropriate to their operation.
- Include accessibility information in tour/activity descriptions and have it readily available for those seeking details (i.e. how many steps? How long a walk? Are necessary service companions given complimentary space?).
- Train all employees in accessibility awareness, with focus on how best to accommodate requests for various types of assistance (mobility, hearing, visual, etc.), how to provide good customer service to those with disabilities or impairments, and when to seek additional help in doing so.
- Ensure clearances for wheelchairs or walkers.

Privacy and Security: Partners will train staff to ensure that customer data including but not limited to personal identification, credit/debit card numbers and security codes and other sensitive materials are handled with care to minimize potential identity theft and to safeguard privacy.

Emergency Procedures: Partners will ensure staff are trained to aid customers in the event of an emergency and understand policies and procedures.

TBMP Program Contacts- TBD— Add contacts

Transportation and Vehicles

Commercial passenger vehicles are required to comply with Sitka Municipal Code ordinances, Alaska State Administrative Statutes and US DOT regulations that pertain to the operation of commercial vehicles on public roadways. For purposes of this program, vehicles include motor coaches, buses, mini-buses, limos, vans, trolleys, taxis, motorcycles, airporters. (Residents should remember that tour vehicles are sometimes used for non-tour activities, including charters, government service contracts, school field trips and charity work. While this program focuses on tour activities, operators agree to conduct all activities in a courteous manner and to emphasize these guidelines during pre-season training.

School Zone Safety Protocols: All companies agree to pay special attention to watching for children, when approaching crosswalks, encountering stopped school buses and observing school zone speed limits.

Downtown Traffic/Staging: All companies utilizing staging areas should be aware of times when congestion into and out of these lots will be at peak level. Dispatchers and drivers will assist in promoting efficient traffic flow in the area by managing vehicle movements in a courteous manner and by yielding to other vehicles and users as necessary.

Traffic Flow: Drivers agree not to impede normal traffic flow by slowing down or stopping for sightseeing opportunities except in designated turnouts and will not pull over on bike lanes or walking paths or on the shoulder of roads. Drivers will be especially attentive to not slow down or stop when transiting intersections.

Empty Tour Vehicles: Drivers agree to not park in designated loading zones unless they are loading or unloading guests on tour.

Vehicle fluids and Emissions: Drivers of ALL VEHICLES agree to monitor any engine oil and/or fluid leaks and excess emissions/ black smoke when operating throughout the road system. This includes monitoring at all staging/loading zones, docks and attractions, as well as venues. Should any vehicle exhibit a leak of a substantial nature or visible emissions in excess, the operator should be prepared to immediately pull the vehicle from service until repaired. Any vehicle exhibiting signs of a mechanical failure should pull over immediately at the next safe location for repairs. This is to ensure vehicle failures do not block public rights-of-way.

Engine Idling: Drivers of ALL VEHICLES agree to turn engines off at every reasonable opportunity when loading and unloading passengers and/or when staging in the various loading zones, staging areas and tour venues throughout Sitka. Vehicles should not sit with engines idling while actively loading, unloading, or waiting for passengers to arrive. Engines should be started only when the vehicle is ready to move, and thereafter, only when the vehicle is in motion or in traffic. Exceptions include safety related issues, including vehicles that may need to idle in order to defog windshields and windows, situations where vehicles

with air brakes may need to idle to build air pressure or when weather requires engines to remain on for guest comfort.

Noise Abatement: Drivers of ALL VEHICLES agree to NOT use Compression Braking (commonly known as Jake Braking, Engine Braking, etc.) in the City and Borough of Sitka, except in emergency situations.

Bells and Public Address (PA) systems should not be utilized in any tours unless the noise is restricted to the cabin of the vehicle.

Transiting Residential Neighborhoods: Drivers agree to avoid transiting residential neighborhoods within the City and Borough of Sitka unless conducting a specific pick-up or drop-off in the immediate vicinity, including Katlian and Jeff Davis Streets.

ADA Zones Not for Staging: Drivers utilizing equipment with a wheelchair lift will use the designated ADA zones only for active loading and unloading and not for staging of vehicles.

Safety Backing: All motor coaches, buses, mini-buses and vans will take special care when backing out of loading/unloading zones. When preparing to back, drivers should be aware of the backup beepers and the sound they make and should strive to spend as little time as possible in reverse. Drivers should only shift into reverse when they are ready to commence backing to minimize beeper sounds.

Safety on Roadways: Drivers will take caution when encountering pedestrians, cyclists, and animals on narrow roadways, bike lanes and school zones throughout the city and companies will take this into consideration during their driver training programs. Drivers should strive to operate in a manner which exhibits common courtesy throughout their daily travels. Extra caution when approaching crosswalks. All drivers should be trained on the changing/reduced speed limits throughout the downtown and highway areas. Operators are required to use headsets or Boom mics and NOT hand held microphones. By law and in the interest of safety, all operators agree to abide by Sitka's **no cell phone** policy when their drivers are operating a vehicle except in the case of an emergency.

Resource Scheduling: Operators agree to assign vehicles to scheduled tours and transfers in a manner which efficiently maximizes the use of all vehicles on duty. The number of vehicles and type of equipment will be assigned to a tour or transfer based on capacity needs on a given day. Operators will collaborate with partners/vendors to find opportunities to minimize the number of vehicles on the road whenever possible.

Training of Schedulers: Operators will train all schedulers to take advantage of synergies that are present in the Sitka tourism transportation industry. Schedulers should strive to better serve their constituents and community stakeholders by minimizing vehicles on the road whenever possible.

Crossing Guards: Crossing Guards may be positioned in strategic locations in order to promote safety and facilitate vehicle and pedestrian movement throughout the downtown corridor. TBMP members should be mindful of their presence and obey their instructions.

Identifiers for All Shuttle and Tour Vehicles: Operators agree to ensure all vehicles are easily identifiable with the company name clearly visible on both sides, from a reasonable distance and even while the vehicle is moving.

Local Recreation Areas: Drivers agree not to use **Sandy Beach, ___?___ and ___?___** as tour destinations. **Define potential local use only areas. See Recommendations.**

As always, Operators are responsible for abiding by Alaska State Statutes governing operation of vehicles on state roadways including but not limited to stopping, standing or parking on highways, unlawful obstruction or blocking traffic, and pedestrians on highways.

Flightseeing (Fixed Wing, Floatplanes & Helicopter):

Flightseeing operations are subject to Federal Aviation Administration (FAA) regulations and operational requirements. Mt. Edgecumbe landing trips are also subject to US Forest Service permit requirements. Although the following guidelines are designed to minimize noise, safety and flight operations take precedence over noise abatement procedures. Operators will conduct pre-season training in a manner which emphasizes these guidelines.

Routes and Aircraft Identifiers: Operators agree to provide the following to TBMP administrator who will make the information available to interested partners of the public:

- Established flight routes
- Common factors influencing route choice, such as weather, turbulence and traffic.
- Aircraft colors or other distinguishing characteristics useful in identifying individual operators.

Seaplane Floats: Commercial use is permitted from the seaplane float. Operations for commercial use of seaplane float is managed and regulated by the Sitka Harbor Department

Altitude: Operators follow voluntarily agreed upon routes for tour flights and maintain minimum altitudes of 1,500 feet for helicopters operating above residential areas, except during takeoff, landing or when deviations are required by weather or traffic.

Fly Neighborly: Helicopter operators agree to conduct flightseeing tours in accordance with the Helicopter Association International (HAI) Fly Neighborly Program. The Fly Neighborly Program is a voluntary noise reduction program designed to be implemented worldwide by local helicopter operators, large and small. Additional information on this program can be viewed on the HAI website— www.rotor.com

Operating Times: Operators agree not to schedule flightseeing tour departures before 7:30 a.m. or after 7:00 p.m. and to complete all tour flights by 8:00 p.m. Operators agree to

minimize tour support operations out-side of these hours. Operators agree to take the same care to minimize their impacts during non-tour flight operations.

Wildlife Viewing: Operators conducting air tours within the Sitka area agree to minimize impacts to backcountry users and wildlife. Operators will not circle, hover, harass or decrease altitude for wildlife viewing. Flightseeing operators also agree to avoid key mountain goat kidding areas.

Walking, Hiking, Bicycling Tours

Commercial use of public trails may be permitted on some municipal, State Parks, National Forest, and National Park lands. All commercial use of public land requires permitting.

Permitted use: Commercial operators are responsible for understanding public land ownership and obtaining permits from each agency. Operators agree to follow group size regulations and avoid crowding on trails.

Identifiers for Tour Guides: All operators agree to ensure tour guides are easily identifiable and that company names are visible on guides' attire and company vehicles.

Peer enforcement: All operators agree to report unpermitted commercial use to the appropriate public land manager. A list of permitted operators is available from each agency.

Trail Conditions & Maintenance: Operators agree to report trail conditions and trail abuse to appropriate regulatory agencies. Operators agree to educate guides on basics of trail maintenance standards to adequately detect emerging issues of erosion and damage. Operators using public trails agree to annually dedicate at least one paid day for at least one guide to support a trail maintenance project, led by the agency or Sitka Trail Works.

Noise Abatement: All tour operators agree to monitor the volume and use of their microphones and outside speakers in a manner which reduces their impact on others.

Resource Protection: Operators agree to protect the environment by encouraging clients do not litter, walk off trail, cut switchbacks, or otherwise damage vegetation and soils adjacent to trails. Operators agree to train guides in Leave No Trace principles and encourage an ethic of care for the land.

State Highways (Halibut Point Rd and Sawmill Creek Rd): Cycling guides agree to instruct clients to use bike lanes and ride single file to the right side of the right lane. A guide will always be in the lead to make sure that clients descend hills at a safe speed. Efforts will be made to keep groups as close together as safely possible.

Bikes and E-bikes: Operators agree to provide each bike rider with a card listing safety precautions and biking rules of the road, including hand signals for bikers. Operators agree to

install bells on ebikes to alert pedestrians and pets of their approach. Operators will encourage riders to use the bike lanes and travel on the right-hand side of the road. Operators will encourage bikers to wear helmets and other safety gear, such as bright colors or reflective clothing.

Safety on Roadways: Drivers will take caution when encountering pedestrians, cyclists, and animals on narrow roadways, bike lanes and school zones throughout the city and companies will take this into consideration during their driver training programs. Drivers should strive to operate in a manner which exhibits common courtesy throughout their daily travels, such as paying attention to biker hand signals, slowing down and giving at least three feet of space.

Trailhead Parking: Operators agree to use all trailhead parking in a courteous and responsible manner and to pay special attention to independent users.

Yield to Other Users: Guides agree to instruct clients to yield to all other users on commercially used trails.

Sitka National Historic Park: In order to keep the Park safe for all users, riding bikes or e-bikes on trails within Sitka National Park is expressly prohibited by Park rules.

Cruise Ships

Emission Standards: All cruise vessels agree to comply with the Marine Vessel Visible Emissions Standards (18 AAC 50-.070) and take all available and reasonable steps to minimize stack effluents on approach to, departure from and while in port in Sitka.

Southeast Alaska Voluntary Waterway Guide: All Cruise ships agree to follow the guidelines included in the Marine Safety Task Force's [Southeast Alaska Voluntary Waterway Guide](#).

P.A. Announcements, Signals and Outdoor Entertainment: Cruise Line Agencies of Alaska (CLAA), Cruise Line Industry Association-Alaska (CLIA Alaska) and individual cruise lines will work to minimize vessel announcements, whistle signals, and outdoor entertainment (movies and use of music, bands or DJ) while docked or anchored within the City of Sitka. Cruise ships are also asked to monitor their outside speakers, announcements and entertainment on approach to and departure from Sitka. Cruise Line Agencies and cruise lines will ensure that shipboard staff understand the importance of this specific guideline. Certain signals and announcements are necessary and required by the US Coast Guard or are necessary for safety reasons.

Courteous use of vessel floats: Cruise ship tender operators agree to use the designated floats at Crescent Harbor or at the bridge dock in a safe and responsible manner. Tender

operators also agree to minimize their wake on approach to and in the harbors, and to operate in a manner which exhibits common courtesy to all others.

Port No Wake Zone: Cruise ships and their lightering tenders over 23 feet in length are required to comply with No Wake requirements in 33 CFR Alaska; navigation. Operators are responsible for their wakes.

Marine Tour Operators, Fishing Charters, Water Taxis and Kayak Tours

Marine tour operators and charter/sportfishing operators will take all available and reasonable steps to minimize impacts to coastal residents and other vessel operators. Vessel operators will strive to minimize the impacts of their wake on other watercraft, docks and beaches throughout Sitka area coastal waterways, including popular crabbing and recreational boating grounds.

Rules of the Road: Marine tour operators agree to adhere to all applicable USCG rules of the road during operation.

Noise Abatement: Marine tour operators agree to monitor the volume and use of their onboard PA systems and outside speakers in a manner which reduces the impact on residents and recreational boaters.

Marine Mammal Viewing: Marine Operators will follow all applicable federal regulations regarding marine mammal viewing and actively participate in Whale Sense, whom establishes guidelines surrounding the viewing of marine mammals. To that regard, each operator will ensure the following:

- Become a member of the Whale Sense organization
- Ensure all licensed operators have conducted the required annual training as part of the whale sense program.
- Ensure all standard operating procedures are in line with the guidelines and regulations established by whale sense.

The link to whale sense is: <https://whalesense.org/>

Whale Sense's regulations are here: <https://www.govinfo.gov/content/pkg/FR-2016-09-08/pdf/2016-21278.pdf>

Port No Wake Zone: Marine sightseeing/tour vessels and charter fishing boats over 23 feet in length are required to comply with 33 CFR Alaska; navigation. Operators are responsible for their wakes.

Vessel Engine Idling: All marine vessel operators (including charter fishing captains) agree to minimize engine idling at every reasonable opportunity. This includes loading and unloading of passengers and/or when standing-by in vessel loading zones. In the interest of reducing emissions, whenever it is deemed safe and prudent by vessel captains, engines should be turned off. Engines should not be started until the vessel is ready to get underway.

Downtown & Retail Partners

All partners agree to comply with City of Sika Municipal Code Chapter 14.12 and 14.16 regarding commercial sign and advertising devices and obstruction of sidewalks, as applicable.

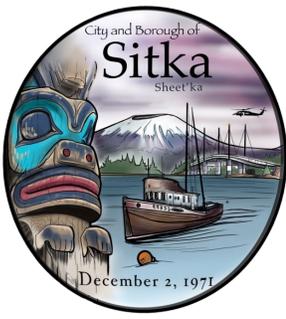
Buildings and Grounds: Merchants will be responsible for keeping their locations neat and welcoming, to include monitoring sidewalks immediately in front of their establishment, sweeping as needed and picking up and properly disposing of litter. Merchants will not place their business' accumulated daily refuse into street-side, public refuse containers.

Seasonal merchants: In order to promote safety and a welcoming feel to downtown during the winter months are asked to utilize ways to brighten up their storefronts in the off season when the business is shut down and refrain from covering windows with brown paper. Consider keeping display windows lit (LED lighting).

Sales Tactics: Merchants and their employees agree to:

- Cooperate with municipal employees including but not limited to police, downtown ambassadors, crossing guards, public works, planning department and revenue staff.
- Refrain from handing out flyers or leaflets outside of their place of business and not engaging in sidewalk hawking or any other disruptive or aggressive physical behavior in order to lure potential customers.
- Refrain from displaying misleading signage or advertising and agree not to post stickers or signage in their windows indicating “cruise ship preferred or guaranteed shopping venue.”
- Refrain from reproducing and displaying logos for any cruise line without the line's express written permission.
- Refrain from using false advertising (going out of business, closing soon, etc.) as a sales tactic.

Appendices- Resources TBD—add relevant resources, contacts and toolkits.



CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

Thru: John Leach, Municipal Administrator

From: Amy Ainslie, Planning & Community Development Director *AA*

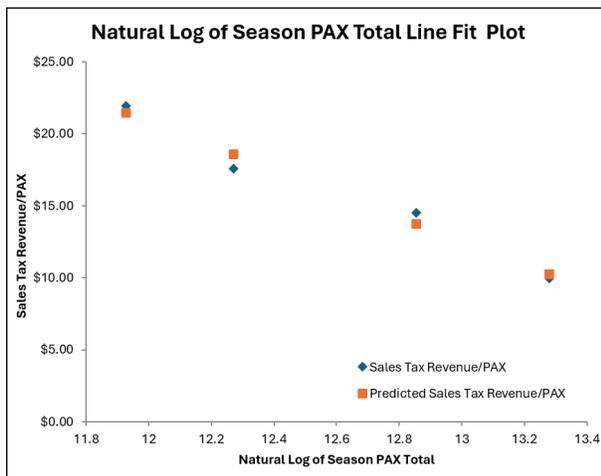
Date: May 16, 2024

Subject: Correction to Sales Tax Projections

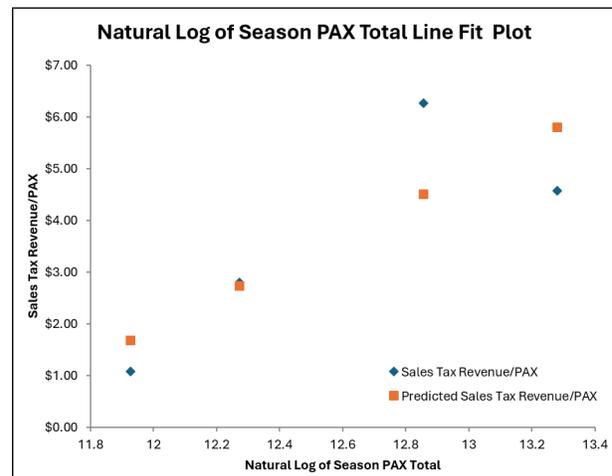
At the December 7th Tourism Task Force Town Hall, information was shared with the public regarding sales tax projections based on the number of cruise passengers per season. An explanation of the methodology used is included for reference.

Upon reviewing information in preparation for this meeting, a calculation error was discovered. Inadvertently, 2020 was used as the baseline year rather than 2021. The calculations have been re-run with this correction. The resulting model is less accurate in predicting sales tax revenue per passenger because the actual data is not as “uniform” in terms of a predictable relationship (such as a linear or logarithmic function). Instead of a 97% fit, the updated model has a 67% fit. Sales tax per passenger is also significantly lower. A comparison of the results is shown below:

2020 Baseline Results



2021 Baseline Results



Predicted Sales Tax Revenue based on Season Passenger (PAX) Total						
	2020 Baseline Results - Published December 7, 2023					
Season PAX Total	150,000	250,000	350,000	450,000	550,000	650,000
Sales Tax Revenue/PAX	\$21.51	\$17.28	\$14.49	\$12.41	\$10.75	\$9.37
Total Cruise Sales Tax Revenue (MM)	\$3.2	\$4.3	\$5.1	\$5.6	\$5.9	\$6.1
	2021 Baseline Results - Published May 16, 2024					
Season PAX Total	150,000	250,000	350,000	450,000	550,000	650,000
Sales Tax Revenue/PAX	\$1.65	\$3.21	\$4.23	\$5.00	\$5.61	\$6.12
Total Cruise Sales Tax Revenue (MM)	\$0.2	\$0.8	\$1.5	\$2.2	\$3.1	\$4.0

The spike in sales tax per passenger observed in 2022 makes the relationship between season passenger total and sales tax revenue per passenger less uniform, and therefore an overall trend is harder to describe.

This result was referenced on page 7 of the Tourism Task Force Recommendations:

From a tax revenue perspective, the key findings were:

- Sales tax revenue, equalizing for inflation and new tax collection for online sales, has experienced significant growth from pre-pandemic levels to present. New and improved municipal services have been made available, and substantial contributions to public infrastructure have been made as a result.
- However, sales tax returns appear to have “diminishing returns” in relation to the number of cruise visitors. Based on predictive analysis performed for the December 7th town hall meeting, the sales tax revenue per passenger declines as the total of passengers per passenger increases, meaning that as passenger numbers go up, the increase in total sales tax revenue goes up by a smaller and smaller amount.

It is recommended that the second bullet be struck entirely, and that this memorandum be included as Appendix E: Correction to Sales Tax Projections

This information was provided to the public based on interest in better understanding the relationship between cruise visitation and sales tax. While it was used as a discussion point and included as a finding, the information, in my opinion, did not directly inform any of the recommendations. I offer my most sincere apology for this error and wish to affirm that it was inadvertent and disclosed as soon as found.