

Sitka Long-Range Tourism Plan Collaborative Process
Stakeholder Meeting #8
April 22, 2006 9:30a.m. - 1:30 p.m.
Centennial Hall Exhibit Room

Summary:

The Stakeholders hear the first round of information presentations on the following topics:

- Do visitor numbers impact rural status?
- Will the visitor industry affect rural status?
- Does Sitka have enough services/resources for visitor accommodations, and does it (visitor infrastructure) jeopardize rural status?
- What are ordinances on noise?
- Visitor traffic pattern studies
- Zoning laws as they relate to businesses
- Is it legal/possible for local government to not allow shops to close in the winter – can we limit # of types of shops, i.e. jewelry/fur, etc.; What tools are available to address these issues and what has worked in other places?
- Do non-local businesses that leave/close before 12/31 contribute to property taxes and/or inventory taxes in Sitka?
- Where money comes from for visitor services and expenses
- Current tax structure where it may relate to visitors

In processing the presentations on these topics, the group develops a clearer structure for debriefing the presentation and reaching consensus on it.

The Stakeholders reach consensus on the information provided for the first topic, but all others are returned to committee for further information.

The group also determines a summer meeting schedule.

In attendance:

Wendy Alderson, Linda Behnken, Harvey Brandt, Lisa Brendle, Jeff Budd, David Clarke, Raine Clarke, Ken Corson, Greg Dudgeon, Janet Eddy, Dorrie Farrell, Jeff Farvour, Angela Filler, Peter Gorman, Dustin Hack, Mike Litman, Bill Marx, Mim McConnell, Liz McKenzie, Mary Jo McNally, Tina McNamee, Brian McNitt, Karen Meizner, Mary Beth Nelson, Richard Nelson, Mike Nurco, Judy Ozment, Ken Rear, Darryl Rehkopf, Scott Saline, Linda Speerstra, Andrew Thoms, Floyd Tomkins, Chuch Trierschild

Steering Committee: Hugh Bevan, Cleo Brylinsky, Brian McNitt, Julia Smith, Stef Steffen

Facilitators: Matthew Turner, Kayla Boettcher

Agenda:

Information committees meet as small groups – 30 min

Quick review – information management, ground rules

Presentations – 45 min per committee

Discussion on future schedule – summer, fall

Ground rules for moving through this phase:

Matthew reminds the Stakeholders that the goal for this phase is to come to a common understanding of what is currently happening with regard to visitors in Sitka, not what we should do, not who's right or wrong, just what's happening. In theory, there should be objective measures in these presentations and discussions.

After people present, we're going to ask three sets of questions:

- Clarifying – do people understand what’s been presented?
- What do we need to retain in order to do our work? (keeping track of the take-home points for the specific question that’s being answered)
- Has this brought up other questions that need to be addressed, or other information we need?

If at any part of this stage there is a lot of extra discussion, we’re going to put it back to the committee – if we get into too many concerns about we’re we seeing here, Matthew will stop the conversation before it gets too far and send it back to committee. The Stakeholders will be able to write down concerns on half-sheets to give to the committee.

Matthew also reviews the criteria for presenting data that the Stakeholders proposed at the last meeting, especially reminding them of the group’s wish to have info available for them to look at.

Info management:

In order to help the facilitators keep track of all the bits of information that are being presented over the course of this phase, Matthew asks that they bring their salmon-colored “cover sheet” [the sheet that has an individual information request printed on it] with them when they present. They should put up the cover sheet on the sticky wall, making it clear that the presentation goes with that piece. When the group has closed on that issue, the presenter will write any web resources they used on the cover page, and include hard copies of what info has been used. This will help everyone track what we learned from that presentation all the way into the fall when we open these all back up for discussion and strategizing.

The facilitators have made a giant wall grid of the 8 areas of concerns and each requested piece of information is listed with its category of concern. Right now, every piece of information that someone is working has a green dot on it. Green dots mean a committee is looking into it. When the Stakeholders agree that they’ve closed a piece of info, we’ll put a red dot on it.

Greg Dudgeon – environment subcommittee; presentation on rural status

1. Do visitor numbers impact rural status? (resources and environment category)
2. Will the visitor industry affect rural status? (visitor experience category)
3. Does Sitka have enough services/resources for visitor accommodations, and does it (visitor infrastructure) jeopardize rural status? (community issues category)

[see handout on rural status to accompany the following notes]

- Under federal regs, community population is important – needs unique characteristics to be rural
- Every 10 years, the board looks at communities to see if there are any changes.
- Info based on census, and characteristics
- There was a push to see Sitka go non-rural; Mayor and others testified, did a phenomenal job talking about rural characteristics, to be non-rural doesn’t work.

- In handout – reasons board kept Sitka rural: island, community hasn't changed much in terms of rural characteristics, cost of living, customary use of subsistence; also mentioned sawmill closure – high paying jobs gone;
- In another 4 years, Sitka will once again be under review: looking at personal use of fish/wildlife, infrastructure, education institutions, etc.
- Early 2000 – subsistence halibut, the board looked at what fed subsistence board – if a community was to change status, halibut status would change too.

Answers to questions: [from handout]

1. Do visitor numbers impact rural status (for subsistence purposes)? **No. Rural/nonrural status designation is dependant on an aggregate of community characteristics, including resident population. Visitation and tourism have no bearing on Board determinations.**

2. Will the visitor industry affect rural status? **Not directly. However, the Senate Committee on Energy and Natural Resources emphasized that the rural status of communities is not static, and could change over time, as a community gains or loses population (Senate Report 96-413:233). A combination of potential outcomes from increased visitor industry and related activities including population growth, greater economic diversity, enhanced infrastructure and improved access could lead to Sitka losing its rural designation.**

3. Does Sitka have enough services/resources for visitor accommodations, and does it (visitor infrastructure) jeopardize rural status? **Whether Sitka offers enough services and infrastructure to provide for the levels and types of tourism residents support depends on the respondent. Current information on available visitor accommodations and infrastructure is largely anecdotal. For example, the COB of Sitka has not determined how many short term rentals or bed and breakfast establishments are operating in the community at this time.**

Regarding Federal subsistence, growth in visitor accommodations, services and resources could have a cumulative impact on Sitka's rural designation. As described previously, changes to the current (resident) population and community characteristics that helped Sitka retain its rural status in 2005 have the potential to alter the Federal Subsistence Board's rural designation in the future.

Questions for Greg:

Q: There's a presumption that as the economy becomes more mainstream, non-isolated, the possibility/probability of rural lifestyle diminishes?

A: Fed looks at those things as well. Yes.

Q: In terms of population, do you think the board who designates looks at temporary residents v. permanent?

A: No – very clear they're looking at permanent residence.

Q: Does it look at percentages of how the economy is split to make a decision?

A: There's not really an answer to that – they look at prevailing direction, what's in existence now, what's changed, how things have evolved, what are the trends – can't look at particular cap or measurement.

Q: But if # of cruise ships stays the same – does that make a difference?

A: Don't want to speak to that. But I did ask about dock – it probably doesn't make a difference whether we have a dock or not, but if the dock leads to more changes and additions, that might. Ketch has tried to get rural status – but with a population of 15000 people, and being in the service sector in such a large way, they probably won't ever get rural designation

Q: It seems they're looking at the need of the community to remain rural so we have access to resources. Is our subsistence usage being tracked? If the nature of the community changes and people aren't using subsistence as much...are they looking at that at all?

A: F&G does a lot of that, and Forest service too. That does play a role; we should encourage our community to keep up their permits. STA also tracks subsistence closely and keeps records.

SH comment: Everybody places high importance on rural status; subsistence permits are much more liberal than other fishery resources, but things can be depleted; we need to think about what the resources around us can support.

Q: The mill being open versus closed – did you say that helped or hindered?

A: Mill brought industrial characteristics, but the community was also smaller. The mill closing actually helped Sitka's rural status; if we were to open another industry, that could also affect status.

Q: Do you get a feel for what factors they put an emphasis on in making decisions?

A: In handout – since these points were made by the board, these are the sorts of things that carried the day. But the decisions are based on collective aggregate – there's no one right answer.

SH comment: John Littlefield knows this topic inside and out – sits on local advisory board, most knowledgeable – if the group wanted to know more, we could approach him.

Q: Do you have any sense that subsistence might go away?

I don't think in our lifetimes. But in 30 years, imagine what Anchorage could be like – the whole definition of rural could change, relative to what else is happening around the state.

Point of clarification – the way the subsistence law works – subsistence users take priorities. If there's overuse of any resource, subsistence is the last to go; all other types of fishing/hunting will drop out before subsistence.

Subsistence was supposed to be instituted by the state – 15 yrs from when law passed they still hadn't implemented, so it was taken back to federal. Now the feds make the decision on federal public land and water.

Q: Is there a connection between subsistence use, rural status and the high volume of competing user groups?

A: When wildlife managers step in and say we have a problem, such as a diminished or depleted species, there's a hierarchy of who drops out – subsistence is last. If subsistence ends, that means that species has reached rock bottom – no one else is fishing it either.

Q: What's the time lapse?

A: Every 10 years rural status is reviewed, but fish and wildlife managers track fish and wildlife levels all the time, as do the local boards. If someone from Sitka says there's a problem with a species, they bring that to the attention of the board – decisions can be made at any time.

Processing the presentation

Matthew gives the Stakeholders 3 minutes to write down individual answers to: “what do we need to retain of this information to do our work?” In response to their questions, he reminds everyone that we will probably close this topic for now, but will need to open it up

again in the fall, so we need to make note of what will we need to remember about it in the fall.

The group experiences some confusion during this exercise. Several Stakeholders said the whole report should be accepted and we should move on. Others provided responses such as these:

- Fulcrum point – when you put this aside for next fall, this will obviously be key information for the decision-making
- Dock would probably not affect the rural status – that makes it still a grey area,
- Tourism industry does not affect rural status more than other service type sectors of our economy – economic diversity can come from lots of parts of our economy, other things

At the point when this final statement was put on the board, the following comment was made in response: Cruise ships are not a mode of transportation – they are a tourism vehicle; building a cruise ship dock does not have any impact on our transportation.

At this point, the group had begun to spin off topic and express more frustration about what they were supposed to be doing, why can't we just accept Greg's report and move on, and not understanding what Matthew was asking them to do.

Matthew calls "time out" and says the following to help refocus the group on what we're doing today:

We have spent over 24 hours together. You identified areas of concern, then you grouped those areas of concern into 8 categories. Then you identified the information you need to have to make good decisions about your areas of concern. You came up with 160 pieces of information that we need to learn about and come to consensus on. Once you have that information, you can make good decisions on your areas of concern. Last week you began the process of finding that information by dividing into committees and starting to find that information. Now you're taking those pieces of information and presenting the information you've found. For each piece you're asking "is the information good enough?" If yes, then "what do we need to take from this information to go back to areas of concern and make good decisions on them?" You can see how easy it is to expand and go beyond the topic at hand. There is a lot of information to go through. The process is to take small pieces, move the mountain by picking up small rocks. The first rocks to carry are these three questions that Greg addressed on rural status. We can come to consensus about what we've learned on this topic today.

Then Matthew asks the group: "Did we get enough information to answer these questions?" There seems to be agreement that they did.

Then he asks, "What do we need to take away from the report?" At this point, several people again ask, "Why can't we just reach consensus on this whole report?" There are some comments about how we already took so much time on this one small item, and now we're wasting more time by trying to break down the report.

So Matthew asks the group, "Can we accept this report *carte blanche*?" And some Stakeholders replied that they didn't feel it was concise enough, and others point out that questions were asked of the presenter that weren't in the report but need to be included.

After a break to regroup, the conversation about how to process this presentation continues. One Stakeholder comments that he understands why there is frustration – we have a limited

time to accomplish a lot of work. Perhaps there should be some structure on how long the speaker speaks, how long each of the debriefing questions have, and also maybe we should take one piece of information at a time and answer them (instead of tackling 3 at once, as was the case in this presentation, since three items were combined into one presentation). The Stakeholders continue to discuss better ways to process presentations, and the following structure suggestions were made:

- Limit presenter time
- Everybody writes down key things to retain from the report first, before questions – this may help in asking articulate questions, and also reduce the number of questions and getting off track.
- More time in small groups to discuss
- When asking questions, address specifically to the information piece

Another way to streamline would be if each group does a good job of summarizing data and has a handout that includes key points.

Q: Isn't this whole process a triage at this point – this has to go into a packet that we'll re-examine in the fall...

A: Matthew walks through the answer to that question – an information request originally came from one of the 8 categories, e.g. Resources and Environment; the day will come that we'll have to go back to R&E, and there's 18 individual bits of info in that category. So we'll have "R&E Day" when we spread everything we've learned in that category all around the room. When we get to rural status part, we'll want to know that the SH agreed on these key points, that we have info on these other points but the whole group didn't agree on it, then there's a bunch of stuff we don't have enough info or unclear info about.

Now the group is ready to go through the three pieces of information at hand. Matthew presents them one at a time.

Question 1: Do visitor numbers affect rural status?

Does everyone understand what was presented on this topic? Yes.

Anything we should not retain from Greg's report on this topic? No.

Are there any other questions or more information needed? No.

The group has reached consensus on this item, and a red dot is placed on that card in the R&E category. There is much cheering and jubilation.

Next question: Will visitor industry affect rural status?

Does everyone understand what was presented on this topic? Yes.

Anything we should not retain from Greg's report on this topic? No.

Are there any other questions or more information needed?

- It was said that infrastructure related to the visitor industry may affect our rural status – I'd like to know what kind of infrastructure they're talking about.
- Also under development of economy – tourism is already part of our economy– how could tourism make our economy more or less diverse and make it shift?
 - Someone comments that those questions were answered in the report, and that we don't really know how the board would rule on those things.

But because there are still questions on this topic, this item is taken back to the committee for one more week to try to find the answer to those questions.

Final question: Does Sitka have enough services/resources for visitor accommodations, and does it (visitor infrastructure) jeopardize rural status?

Does everyone understand what was presented on this topic? Yes.

Anything we should not retain from Greg's report on this topic? No.

Are there any other questions or more information needed?

- Part A of question, which is also being worked on by business committee
- Part B of committee will go to John Littlefield to clarify by environment committee.

Presentation from Jeff Budd – City group: Noise Ordinance

Requested information: What are ordinances on noise? (business category)

The only ordinance is within parks and rec, e.g. if you go to the ballpark can't make noise after certain hours. You may be asked at some point to not be obnoxious, but it's only on case-by-case basis. If you decide to have a band and someone complained, the police would come and check it out, but there's no specifics, only when someone complains.

Q: Is that ordinance up for review – any changes, prospective changes?

A: It would be a matter of bringing it up to city council and having them vote to change it.

Q: What about on boat harbors? Harbor dept has asked me to shut generator off...

A: the City said this Parks and Rec one was the only ordinance.

The Stakeholders find nothing to strike from report. However, there are unfinished questions about noise and the harbor department, so it goes back to committee to find out.

Presentation from Jeff Budd – City group: Visitor traffic pattern studies

Requested information: Visitor traffic pattern studies (planning category)

Jeff called the DOT, but they haven't returned the call yet.

The Gateway Plan from the National Park Service includes some recommendations for traffic patterns.

Someone suggests that Jeff review the non-motorized transportation study done by the city, which focuses on bicycles and other foot traffic.

Since Jeff is still waiting for info from DOT, this topic goes back to committee for a more complete answer.

Presentation from Jeff Budd – City group: Zoning laws as they relate to businesses and Legalities of keeping businesses open in the winter

Requested information:

- Zoning laws as they relate to businesses (business category)
- Is it legal/possible for local government to not allow shops to close in the winter – can we limit # of types of shops, i.e. jewelry/fur, etc.; What tools are available to address these issues and what has worked in other places? (visitor experience category)

Jeff talked to Wells Williams, who said it would be politically difficult and highly unlikely that zoning could dictate what type of stores go where. Zoning laws go way back – you start really getting into issue of free enterprise. But in some communities they have outlawed certain kind of stores. If this group decided to address these issues, we could make some recommendations to city.

Q: Do current regs demark where businesses are and would be for tourists

A: No - in general it's downtown business and residential

Wendy A volunteers to do more research on zoning laws and give a presentation later.

Re: is it legal to not allow shops to close in the winter?

Jeff reads from an email he has with correspondence between Wells Williams and John Stein. Jeff believes it would be hard to do but possible thru elected officials.

Someone else comments that there are other ways other than zoning that can control – e.g. historic district determination;

Someone points out that part of the question is “what tools are available?”

So this requested information bit is not answered – the SH needs a list of the tools that are available to do such things.

Presentation from Wendy Alderson – City group: Seasonal business contribution to property/inventory taxes

Requested information: Do non-local businesses that leave/close before 12/31 contribute to property taxes and/or inventory taxes in Sitka? (business category)

Property taxes on inventory collected on any business that have anything but empty store on 12/31. They do pay taxes on storefront, computers, fixtures, whatever’s left in the building after they close, but they’re not paying taxes on their inventory.

Processing the presentation:

Anything that needs to be stricken for consensus? No.

Any other questions/more info needed?

- How much money are we losing (“Leakage” questions already being addressed; this is added to them)
- How many stores fall into that category?
- Who owns those stores?

Topic goes back to committee.

Presentation from Wendy Alderson – City group:

Requested information: Where money comes from for visitor services and expenses (Visitor experience category)

[see budget tourism handout]

Wendy presents on the public tax portion of this question, and has retrieved general fund information from the City. She tells the group that our tax money goes into the general fund, and the general fund supports the infrastructure, which in some ways is related to visitor services. She acknowledges that the report is not complete – to have a full understanding, the numbers need to be broken down into %, and we should look at all the other areas that money comes from, but she chose the taxes to start with because that’s public money. She indicates that she has all the line items from the City and it could be broken down into very specific expenditures.

Q: These numbers have to do with operation, not capital expenditure; did you look at money spent on new things, building?

A: no, did not go into that,

Q: did you look at cruise donations?

A: no. Money also comes from a lot of private memberships, I started with where it came from for all of us.

Does everyone understand? Yes.

Anything we need to strike? The 2nd Centennial Hall reference (it was included in the report twice)

Other questions/ more info?

- Look at other sources beyond city
- Is there a simple math we could do to figure out the increase in infra expenses during heavy tour months, give us some idea of how much that costs – compare to sales tax between seasons if the taxes offset the extra expenses
- City of Sitka code – any other organizations under library, SCVB didn't want to give up info on other funds – public info?
- Also look at differences between revenue created and expenditures; i.e. does hospital make money in the summer?
- Capital investments – trends over last 5 years
- Value of exclusion of certain areas because of use by tourists (i.e. CH parking lot) – this is another identified piece of information that hasn't been picked up.

Topic goes back to committee

Presentation from Wendy Alderson – City group:

Requested information: Current tax structure where it may relate to visitors

[same handout as above topic]

Sitka Convention and visitors Bureau (SCVB) receives most of the bed tax – provided from SCVB; FY 06 projected bed tax is 320,00 – SCVB budget is 321,000

Bed tax goes into general fund – 320,000 out of general goes to SCVB

Can look at FY 05 – actual numbers – SCVB did not receive 61,780 of bed tax – that stays in general fund

Visitors pay 6% in bed tax, on top of sales tax

Q: so bed tax and increased sales tax are the only taxes focused on visitors?

A: don't know if they're the only

SEDA also funded by general fund –

Rental car tax, airport tax are also visitor industry taxes; there are others

Everyone understand what's been presented?

- When you look at these numbers, i.e. ambulance – should be a column next to it that show revenues next to expenses – keep an open mind about costs and expenses

Strike anything from the report?

- Update some of the SEDA numbers

Other question/ more info?

- Want to see data from other communities that focus on tourists – what do they collect for taxes on some of these things – are we in the ballpark?
- % of bed tax that SCVB gets, what goes into general fund –

- no set % has been decided for year-to-year between assembly and SCVB; SCVB would like to propose that they give the SCVB the prior year's collected amount – not set in stone
- possible to get an average – that's in Wendy's report
- know what people are paying for access to infrastructure – i.e. what tour businesses are paying in user fees – in another
- we should include the current tax cap
- how much revenue falls outside of the tax cap

Topic goes back to committee

Scheduling for summer meeting schedule

Stef and Cleo talk with the group about whether to schedule summer Stakeholder meeting and if so, when. Stef expressed the Steering Committee's hope that there would at least be monthly meeting, to continue with the information stage and maybe even get to the strategy stage. The Stakeholders agree that some summer meetings could work.

The propose meeting once a month, and tell the Stakeholders they've looked at the cruise ship schedule and the Centennial Hall building availability. Based on those things, they make the following recommendation:

- June 19
- July 17
- August 14
- back into intensive weekly work Sept 11 – Oct 31.

There is some discussion about meeting another time in May – the group agrees on May 22.

A Stakeholder asks if there's been any discussion about continuing weekly through the summer. Stef responds that a number of people felt they'd have to reduce their involvement in the summer. Several other Stakeholders agree.

Sorting the information topics

The Steering Committee has also done some sorting work on the requested information topics. They propose that some of the sheets be put aside for various reasons. Some have been pulled because they are actually process/strategy/solutions questions, which is inappropriate for this stage of the process. They feel others are things that will come out from research that's already being done – they encourage the SH to take topics that may be closely related to topics they're already researching.

“How can we get facts on cruise ship industry” is tossed because facts on the cruise industry are already being researched.

The full list of topics is below.

A Stakeholder strongly encourages the Steering Committee to publicize the items that are being put aside in case a Stakeholder that isn't here right now really feels strongly about that topic.

Upcoming schedules:

First to present on Monday will be folks that were prepared to present today but didn't; also Harvey Brandt will present.

Monday, May 1 – fisheries data could be presented by experts; also tried to get someone to do subsistence, but they can't until fall.

Information shuffle:

Steering committee set aside as currently unavailable

- What is the market for made in AK (culture)
- Assess community to determine what resources are over/under utilized (culture)
- What is the tipping points (community issues)
- What are neg. culture/physical impacts (culture)
- What are effects of no dock (planning)
- What is impact with two cruise sties (cruise)
- What is impact of dock (cruise)
- Economic impact of dock (economy)
- Costs to maintain access to resources (R&E)
- How many visitors become residents (VE)
- p-t residents v. FT residents involvement (community issues)
- at what point does Sitka price itself out of visitor (VE)
- what are transportation needs for independent traveler (culture)
- pros/cons of dock – cost/benefit analysis (community issues)

Darryl joins business group, takes these questions:

- Lightering costs v. docking fees – compare (find that salmon sheet!)
- Economic value of non-tangible assets

Business group takes from “other”:

- Visitor statistics: numbers month by month
- Good demographics and stats on Sitka’s visitors
- Separate stats on independent vs. cruise ship visitors

Cruise ship group:

- # of wildeness tours in CBS (Andrew)