

CERTIFICATION OF RECORDS

This document is intended to meet the requirements set forth in
Alaska Rules of Evidence, Rule 803(6), and Sitka General Code. Section 1.25.010.

I swear or affirm that, to the best of my knowledge and belief, each of the following is true regarding the attached records:

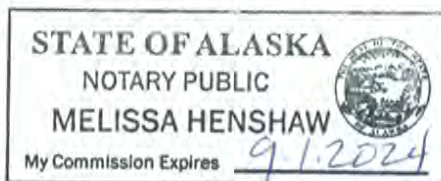
1. I am an employee of the City and Borough of Sitka, Alaska (the "Municipality") and the custodian of the attached records, Bates stamped-pages 001 through 281 or I am an employee familiar with the manner and process in which these records are created and maintained by virtue of my duties and responsibilities;
2. The attached records, Bates stamped-pages 001 through 281 is/are a true and correct copy/ies of records made by staff working for the Municipality at or near the time of, or from an individual with knowledge of, the business activity;
3. All of these records were kept in the course of regularly conducted business activities for the Municipality; and,
4. It was the regular practice of staff working in the Municipality to keep records of this nature in the normal course of business.

12-3-2020
Date

CITY & BOROUGH OF SITKA, ALASKA

Sara Peterson
By: Sara Peterson
Its: Municipal Clerk
100 Lincoln Street
Sitka, Alaska 99835
Telephone: 907-747-3294

Subscribed and sworn to before me, a Notary Public, this 3rd day of December, 2020.



Melissa Henshaw
Notary Public in and for the State of Alaska
My commission expires: 9.1.2024

Melissa Henshaw

From: Southeast Conference <arielle@seconference.ccsend.com> on behalf of Southeast Conference <info@seconference.org>
Sent: Tuesday, October 6, 2020 12:30 PM
To: Steven Eisenbeisz (Assembly)
Subject: SEC Annual Meeting -It's a Wrap!



2020 Annual Meeting - It's a Wrap!



Despite the unconventional format, the numbers point to a huge success for this year's Annual Meeting!

244 Registrants

41 Phenomenal
Panelists and Presenters

18 Incredible Sponsors



2 New SEC Board Members

\$12,000 raised for the UAS Scholarship + \$50 per tie received at the SEC office
(pledged by Senator Kiehl.
Thank you Senator!)

Thank you to all who registered, the SEC membership, Annual Meeting Sponsors, and Panelists and Speakers! Together, we will stay strong and come through this difficult economic season.

Access Annual Meeting Video Recordings and Presenter Materials

Southeast Alaska By The Numbers



Our own incredible Meilani Schjivens with Rain Coast Data has released Southeast Alaska By the Numbers 2020.

In addition to providing an overview of long-term trend analysis, Southeast Alaska by the Numbers also provides the most up to date 2020 indicator data. In many ways 2019 should have marked the region's return to a more prosperous and growing economy. Total jobs were up, along with overall wages. Tourism, seafood, mining, and health care jobs were all up, and timber jobs were up by 10%. Nearly every community in the region posted job gains. The number of school children in the region increased for just the 3rd time in 23 years. The number of cruise ship passengers that visited the region in 2019 increased by 14% over the year before as 1.33 million passengers sailed up the inside passage to spend their summer dollars across the region's larger port communities. The continued loss of government jobs was being offset by increases in other sectors, allowing the overall regional economy to return to a positive trajectory. On March 13th, schools across Alaska were closed until further notice, a clear signal that the COVID-19 epidemic

had arrived in Southeast. The virus would soon take the regional economy down with it. From April

through July the region lost nearly 7,000 jobs across every sector, but tourism was particularly devastated. The region has lost 17% of its jobs due to the pandemic so far, and is the most economically impacted area in Alaska. On top of COVID-19, Southeast Alaska is currently experiencing one of its worst fishing seasons on record.

Download your copy of Southeast Alaska By the Numbers 2020

SEC Welcomes Two New Board Members



Zakary Kirkpatrick
Corporate Director of Marketing & Public
Relations Allen Marine/Alaskan Dream Cruises

Kirkpatrick was born and raised in Juneau and developed a passion for showcasing his home state from a young age. Growing up in the capital city, he worked as a freshwater fishing guide, whale-watching deckhand/naturalist, and U.S. Forest Service Ranger at the Mendenhall Glacier. After graduating with a degree in Advertising from Brigham Young University, Zak determined to apply his education in the state and industry he loved. After six years in Sitka with Allen Marine/Alaskan Dream Cruises, he now serves on the organization's executive team as the Corporate Director of Marketing and Public Relations.



Kaitlyn Jared
Executive Director
Skagway Development Corporation

Mrs. Jared was born and raised in Skagway. In 2016, she received her BA in Business Administration with a minor in Economics from UAA and an Associates in Accounting in 2018. Additionally, Jared has completed post-graduate courses in Grant Development, Maritime Port Management and is currently pursuing her Master's in Public Administration. She began working for the Skagway Development Corporation in 2018 at which time she became involved with Southeast Conference. As the Executive Director, she supports economic and community development in Skagway by pursuing the goals outlined in Skagway's 2020 Comprehensive plan.

Upcoming Committee Meetings

Be Part of the Solution!

Stay informed and weigh-in on the issues facing the industries that matter the most to you! Join the conversation at the next Southeast Conference Committee meeting! All meetings take place via Zoom.

October		November	View the entire Upcoming Committee Calendar
Visitor's Industry - October 14		Timber - November 4	
Transportation - October 21		Mining - TBD	
Energy - October 28			

THANK YOU

TO OUR SPONSORS



[Unsubscribe assemblyeisenbeisz@cityofsitka.org](mailto:unsubscribe@assemblyeisenbeisz@cityofsitka.org)

[Update Profile](#) | [About our service provider](#)

Sent by info@seconference.org powered by



Melissa Henshaw

From: Linda Behnken <alfafishak@gmail.com>
Sent: Thursday, June 18, 2020 1:23 PM
To: Steven Eisenbeisz (Assembly); Richard Wein (Assembly); Kevin Knox (Assembly); Thor Christianson; Gary Paxton (Assembly); assemblymoser@cityofsitka.org
Subject: CARES Act distribution
Attachments: 6-18-20 Sitka_Nonprofit_memo_to_Assembly copy.pdf

Dear Members of the Assembly,

I am writing to express the support of our organization for the recommendation submitted to you from the sitka legacy foundation. I participated in the ad hoc group that generated the memo and fully support the contents. Establishing criteria to ensure relief funds are carefully allocated to meet Sitka's needs is in the best interest of the community both short and longterm.

Thank you-

Linda Behnken

Alaska Longline Fishermen's Association

PO Box 1229 Sitka, AK 99835

907 747.3400 office

907 738.3615 cell

www.alfafish.org

[Read our 2018 ALFA Annual Report](#)

2016 Champion of Change for Sustainable Seafood

To: City and Borough of Sitka Assembly
 From: Sitka nonprofits
 Re: Municipal CARES Act assistance to nonprofits
 Date: June 18, 2020

Cc: John Leach, City Administrator
 Sitka Municipal CARES Act funding working group

We have reviewed the CARES Act funding working group notes, and are very grateful to see funding for nonprofits included in the draft framework for distribution of municipal funds. We appreciate the Assembly's recognition of the importance of the services our organizations provide, and we concur with the need to design a program that will get CARES Act funds into the community quickly and with minimal burdens on both City staff and nonprofits. We are writing to provide suggestions on final program design. Specifically, we recommend:

- With respect to the purpose of the assistance, we believe that **nonprofit grants should be designed to maximize benefits to the community.**
- To allow for a different process and criteria for nonprofit and businesses grants, we recommend that the City **create a discrete allocation for nonprofit organizations** rather than one pool of funds to assist both nonprofit organizations and for-profit businesses. We suggest allocation of \$2 million to nonprofits out of the \$5 million recommended by the working group in Category 2.
- With respect to **guidelines for amount of assistance** to nonprofits, rather than awarding grants based on size of organization, we recommend consideration of some or all of the following criteria to take benefit to the community into account:
 - **Employment**, as measured by number of full-time employees and total payroll divided by number of employees for last complete fiscal year.
 - **Constituencies served**, with higher priority/more funding available for organizations that serve low income households, youth, elders, persons with disabilities and Sitkans who have experienced trauma
 - **Services provided**, with higher priority/more funding available for organizations that meet basic and essential needs, including but not limited to food, housing, health, safety and social services, childcare and summer or after school activities for youth
 - **Economic activity generated**, as measured by % of revenues from sources of funding outside of Sitka (e.g., grants, contracts, donors from outside town, earned income from tourism, etc.)

- **Community relationships**, as evidenced by providing programs or services in partnership with public entities (e.g., school district, Park Service, Forest Service, UAS), other nonprofits, or businesses in Sitka.
 - **Viability**, which could be addressed by asking a yes/no question about whether organizations have a financial and operational plan to sustain programs and services for the next 12 months
 - **Track record**, which could be addressed by asking for number of years in operation and whether organizations have a five-year history of clean audits (if audits are required based on size of the organization or its programs)
- With respect to eligibility, we do not recommend categorically excluding organizations with any past due liability to the City incurred after the pandemic began. We also recommend that the City require that nonprofits have been in existence for at least 12 months, be current with filing IRS Form 990 (if required) to be eligible, have written bylaws, and at least 75% of its board seats currently filled.
 - With respect to process, we fully understand and concur with the need to get CARES Act funding out quickly while minimizing the administrative burden on City staff and nonprofits. To that end, we recommend that the City delegate the application process and grant recommendations to one of Sitka's grantmaking organizations, or a committee of grantmakers, all of which would be ineligible to apply for funds. This entity would solicit and review applications in accordance with the criteria outlined above and make recommendations to the Assembly on funding within the total amount of CARES Act funds allocated to nonprofits. We believe that a structure and process could be established that would result in recommendations to the City prior to August 1.

Melissa Henshaw

From: Gary Paxton (Assembly)
Sent: Thursday, August 6, 2020 8:25 AM
To: Linda Behnken
Cc: Assembly; Willow Moore; Camille Ferguson; Stephen Rhoads; Tim Ryan; Chandler O'Connell; Hahlen Barkhau; Dan Falvey
Subject: Re: Sitka Seafood Distribution

Linda, et al, great work on a fundamentally critical issue, providing quality food to those who need it. God bless. Pax

Gary Paxton
 Mayor, City of Sitka

On Aug 5, 2020, at 4:58 PM, Linda Behnken <alfafishak@gmail.com> wrote:

Dear Members of the Assembly,

I was contacted yesterday by Camille Ferguson from the Sitka Tribe, who let me know you have tasked her with initiating a seafood distribution to meet need in Sitka. After talking to her I realized that you must not be aware of the Sitka seafood distribution program that **ALFA, in collaboration with Seafood Producers Cooperative, Sitka Sound Seafood, the Alaska Sustainable Fisheries Trust, and Sitka Mutual Aid** launched in late March. Please consider this email an update.

1) Since late March we have distributed 2,000 pounds of seafood fillets to Sitka individuals and families self-identified to Sitka's Mutual Aid Program as "in need." The seafood has been donated by fishermen, processed by SPC and Sitka Sound Seafoods either for free or at the minimal cost of \$1 per pound, and delivered WEEKLY to the door of families in need. Each week, **extra fish has been delivered to Sitka food pantries—Sitka Tribe of Alaska, Salvation Army, or the Sitka SAFV shelter.** We have funding from private donors, including Silver Bay Seafoods, and the Sitka Legacy Fund to continue this distribution through the remainder of the year and believe we are able to meet existing need.

2) We have facilitated delivery of 1,000 pounds of seafood fillets donated by fishermen or NSRAA and processed by Sitka Sound or SPC to the summer lunch program also facilitated by Sitka Mutual Aid. That seafood includes rockfish and king salmon; later this month we will also provide sablefish and additional salmon fillets to the summer lunch program. This sablefish was purchased with grant support from non-Sitka foundation.

3) We have purchased 40,000 pounds of sablefish and ling cod fillets for distribution to families in need in the Pacific Northwest. We have specifically targeted purchase of product that normally is sold to restaurants to help support the price Sitka processors can afford to pay to local fishermen. We have funding approved to purchase an additional 40,000 pounds of ling cod and sablefish fillets to distribute in Sitka (as mentioned above) and the lower 48. These two purchases have been funded by a private foundation. The first distribution of this fish in the lower 48 targeted Columbia River Tribes, and was coupled with locally purchased produce to meet need while stimulating the local economy. Some of the seafood was cooked and served from a food cart and other seafood was distributed in boxes with local produce.

4) Today we facilitated purchase of 45,000 pounds of Bristol Bay whole sockeye from a Sitka based company —Northline Seafoods— for distribution to families in need in Chignik Alaska and surrounding small communities. Sockeye runs largely failed in these communities to the extent that locals halted even their subsistence harvest. This purchase was also supported by outside funding.

5) Finally, we have access to one more substantial grant to purchase approximately 20,000 more pounds of seafood, likely salmon, to meet need in Sitka and Anchorage.

To summarize- ALFA and our partner organization the Alaska Sustainable Fisheries Trust have met need in Sitka with both donated and purchased seafood by working with local fishermen and local processors and we have the resources to continue distribution of donated seafood through the end of the year. We would happily expand this program to include a higher diversity of seafood if additional funding is available to purchase that seafood from local fishermen through local processors. We are confident that the grassroots, community supported program we are operating is providing seafood to the greatest number of Sitka's for the least money spent possible. It is an extremely efficient program; we are covering processing, delivery, and program logistic for \$2.54 per pound of seafood distributed. We have also secured one million dollars of foundation funding to purchase seafood, primarily from Sitka fishermen and all processed by Sitka processors, to support Sitka's economy and meet identified need in Alaska and the Pacific Northwest. In round pounds, we will have purchased or facilitated the delivery of 300,000 pounds of seafood to families in need.

We hope that any steps you take to fund a Sitka seafood distribution program supports, rather than duplicates, our work.

Thank you for taking time to read this report on our work. I would be happy to answer any questions you might have.

Linda Behnken

Alaska Longline Fishermen's Association

PO Box 1229 Sitka, AK 99835

907 747.3400 office

907 738.3615 cell

www.alfafish.org

[Read our 2018 ALFA Annual Report](#)

2016 Champion of Change for Sustainable Seafood

To: City and Borough of Sitka Assembly
 From: Sitka nonprofits
 Re: Municipal CARES Act assistance to nonprofits
 Date: June 18, 2020

Cc: John Leach, City Administrator
 Sitka Municipal CARES Act funding working group

We have reviewed the CARES Act funding working group notes, and are very grateful to see funding for nonprofits included in the draft framework for distribution of municipal funds. We appreciate the Assembly's recognition of the importance of the services our organizations provide, and we concur with the need to design a program that will get CARES Act funds into the community quickly and with minimal burdens on both City staff and nonprofits. We are writing to provide suggestions on final program design. Specifically, we recommend:

- With respect to the purpose of the assistance, we believe that **nonprofit grants should be designed to maximize benefits to the community.**
- To allow for a different process and criteria for nonprofit and businesses grants, we recommend that the City **create a discrete allocation for nonprofit organizations** rather than one pool of funds to assist both nonprofit organizations and for-profit businesses. We suggest allocation of \$2 million to nonprofits out of the \$5 million recommended by the working group in Category 2.
- With respect to **guidelines for amount of assistance** to nonprofits, rather than awarding grants based on size of organization, we recommend consideration of some or all of the following criteria to take benefit to the community into account:
 - **Employment**, as measured by number of full-time employees and total payroll divided by number of employees for last complete fiscal year.
 - **Constituencies served**, with higher priority/more funding available for organizations that serve low income households, youth, elders, persons with disabilities and Sitkans who have experienced trauma
 - **Services provided**, with higher priority/more funding available for organizations that meet basic and essential needs, including but not limited to food, housing, health, safety and social services, childcare and summer or after school activities for youth
 - **Economic activity generated**, as measured by % of revenues from sources of funding outside of Sitka (e.g., grants, contracts, donors from outside town, earned income from tourism, etc.)

- **Community relationships**, as evidenced by providing programs or services in partnership with public entities (e.g., school district, Park Service, Forest Service, UAS), other nonprofits, or businesses in Sitka.
 - **Viability**, which could be addressed by asking a yes/no question about whether organizations have a financial and operational plan to sustain programs and services for the next 12 months
 - **Track record**, which could be addressed by asking for number of years in operation and whether organizations have a five-year history of clean audits (if audits are required based on size of the organization or its programs)
- With respect to eligibility, we do not recommend categorically excluding organizations with any past due liability to the City incurred after the pandemic began. We also recommend that the City require that nonprofits have been in existence for at least 12 months, be current with filing IRS Form 990 (if required) to be eligible, have written bylaws, and at least 75% of its board seats currently filled.
 - With respect to process, we fully understand and concur with the need to get CARES Act funding out quickly while minimizing the administrative burden on City staff and nonprofits. To that end, we recommend that the City delegate the application process and grant recommendations to one of Sitka's grantmaking organizations, or a committee of grantmakers, all of which would be ineligible to apply for funds. This entity would solicit and review applications in accordance with the criteria outlined above and make recommendations to the Assembly on funding within the total amount of CARES Act funds allocated to nonprofits. We believe that a structure and process could be established that would result in recommendations to the City prior to August 1.

Melissa Henshaw

From: Garry White <garrywhite@gci.net>
Sent: Thursday, July 30, 2020 4:33 PM
To: Gary Paxton (Assembly); Kevin Knox (Assembly); Kevin Mosher (Assembly); Richard Wein (Assembly); Steven Eisenbeisz (Assembly); Valorie Nelson (Assembly); Thor Christianson
Cc: John Leach; John P. Sweeney; Melissa Haley; Michael Harmon; Amy Ainslie
Subject: Sitka Economic Profile 2020
Attachments: McDowell Group Sitka Economic Profile 2020 Final Report.pdf

Hello Assembly Members,

Attached is a report SEDA had completed by the McDowell Group on Sitka's general economic condition.

SEDA is currently investigating having the McDowell Group complete a separate report looking into the economic impacts of Covid on the community at the end of the calendar year.

Please feel free to contact me with any questions.

Thank You,

Garry White
Executive Director
Sitka Economic Development Association (SEDA)
329 Harbor Dr., Suite 202
Sitka, AK 99835
907-747-2660

www.sitka.net
www.sawmillcove.com
www.sitkamarine.com

July 2020

Sitka Economic Profile, 2020

Prepared for Sitka Economic Development Association



Sitka Economic Profile, 2020

PREPARED FOR:

Sitka Economic Development Association

July 2020

McDowell Group Anchorage Office

1400 W. Benson Blvd., Suite 510
Anchorage, Alaska 99503

McDowell Group Juneau Office

9360 Glacier Highway, Suite 201
Juneau, Alaska 99801

Website: www.mcdowellgroup.net

Table of Contents

Introduction.....	1
Summary	2
Demographics.....	3
Population	3
Births/Deaths.....	4
Migration	5
Age and Demographics.....	6
Population Projection	7
Economic Profile.....	8
Sitka's Economic Footprint.....	8
Employment Trends.....	9
Wage Trends	10
Wage/Salary Employment and Self-Employment.....	11
Labor Force/Unemployment	12
Nonresident Workers.....	14
Seasonality of Employment	15
Overall Seasonality.....	15
Seasonality by Sector	16
Personal Income.....	18
Key Industry Conditions and Trends	21
Seafood Industry.....	21
Seafood Processing	22
Hatchery Impacts.....	23
Visitor Industry.....	23
Health Care and Social Services.....	24
Federal Government.....	25
Other Economic Activity.....	26

Introduction

This document provides a high-level overview of the latest data available on key socioeconomic indicators for Sitka. Many of the economic effects of the COVID-19 pandemic are not yet evident in available data, which may have time lags of a month to more than a year. The observed or likely effects of COVID-19 are discussed where possible.

The information is presented in three segments:

- Demographics
- Economics
- Industry trends

For some key indicators, data for other communities or Alaska overall are provided for context.

Key sources of data include Alaska Department of Labor and Workforce Development (DOLWD), Alaska Department of Fish and Game (ADF&G), the federal Bureau of Economic Analysis (BEA), and various McDowell Group research publications. Where warranted, monetary values have been presented in both nominal and real (inflation-adjusted) dollars using the Bureau of Labor Statistics (BLS) Urban Alaska Consumer Price Index (CPI).

COVID-19 has dramatically changed the local, state, and national economic landscape. Economic losses have been severe, and the path to recovery is unclear.

As Sitka entered 2020, several underlying trends were evident in socioeconomic data:

- Sitka's economy is diverse, with important contributions from the seafood industry, tourism, health care, and "national interest" federal government, including the U.S. Coast Guard (USCG) and the U.S. Forest Service (USFS). This diversity provides a degree of economic resiliency.
- Sitka's economy has shown long-term stability, with employment fluctuating within a narrow band over the past decade. Sitka has largely been spared the losses Alaska suffered through the 2015-2018 recession driven by the 2014 oil price collapse.
- While employment and population have been generally flat, total and per-capita real (inflation-adjusted) income earned by Sitka residents has been growing through at least 2018 and probably into 2019.
- Recent population decline is of concern. With another year of decline in 2019, Sitka has experienced three consecutive years of population loss. Compared to 2014, Sitka's population has declined by a total of 534 residents, a 6% decrease. Based on demographic trends through 2019, Sitka's population is projected to continue slowly declining, slipping to 8,300 by 2030, about 250 fewer residents than in 2019.

The economic shutdown in March and April resulted in sharp declines in business sales and steep employment cuts. By April, unemployment in Sitka reached 12.8%, triple the March rate of 4.2%. More than 500 Sitka resident workers filed unemployment claims in April. May and June numbers showed some improvement, with unemployment at 12.4% and 11.7%, respectively. (The statewide unemployment rate in June was 12.3%, while the national rate was 11.2%.)

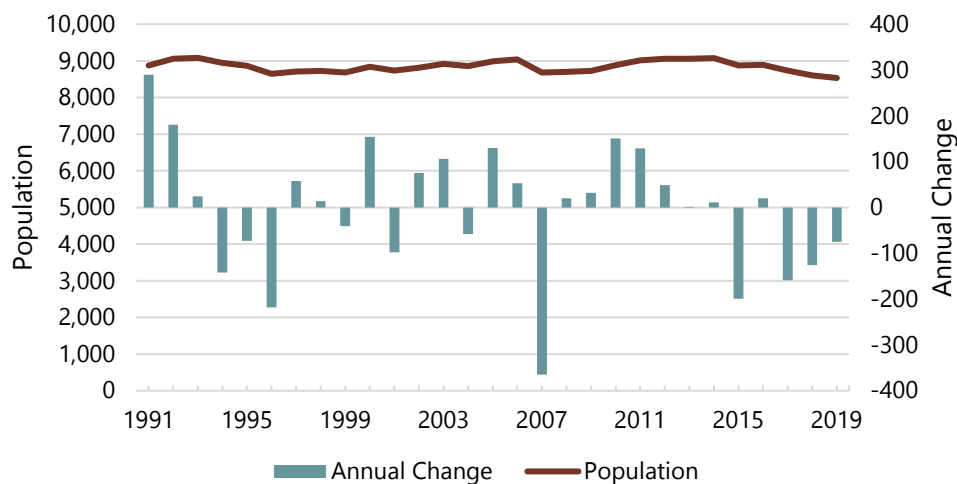
The economic damage associated with COVID-19 crosses many sectors of the economy, particularly restaurants and bars, hotels, retailers, and health care services. Further damage will unfold over the summer due to losses in the visitor industry, which could cost the Sitka economy more than \$30 million in direct visitor spending.

CARES Act funding, Payroll Protection Program (PPP) funding, Economic Impact Payments, expanded unemployment insurance payments, and other sources of federal funds have added (or will be adding) much needed cash (likely totaling more than \$40 million) to local residents, businesses, and other organizations. However, these are temporary infusions into an economy that could take several years to fully recover.

Population

- Sitka's population totaled 8,532 residents in 2019, down a little less than 1% from 2018. While the decline was small, it was the third consecutive annual decline. Since 2014, Sitka's population has dropped by a total of 534 residents, a 6% decrease.
- Sitka's population has been fairly steady over the last 30 years with total population cycling between highs of about 9,100 and lows of around 8,600. However, Sitka's population is now at its lowest point since the 1980s.

Figure 1. Sitka Population, 1991 to 2019



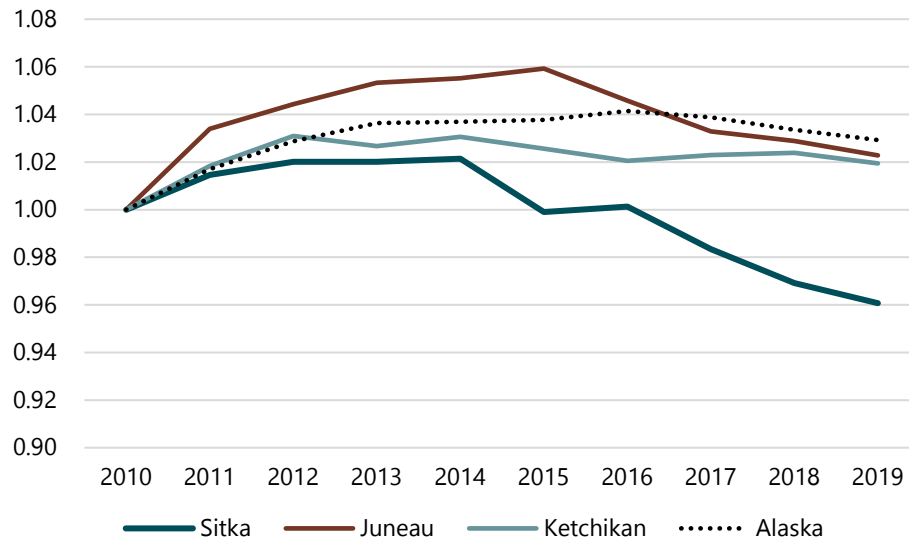
Source: DOLWD.

- The recent population decline in Sitka is greater than declines in other communities and in Alaska overall. While Sitka's population was down by 4.2% between 2016 and 2019, Alaska's was down 1.2%, Juneau's was down 2.2%, and Ketchikan's was down 0.1% over the same period.

Table 1. Population Trends in Sitka and Other Areas, 2010-2019

Year	Sitka	Juneau	Ketchikan	Alaska
2010	8,881	31,275	13,477	710,231
2011	9,018	32,331	13,722	722,159
2012	9,052	32,657	13,891	730,603
2013	9,054	32,941	13,836	736,071
2014	9,066	33,000	13,889	736,423
2015	8,899	33,128	13,820	737,022
2016	8,905	32,705	13,753	739,676
2017	8,748	32,302	13,782	737,847
2018	8,652	32,247	13,843	736,239
2019	8,532	31,986	13,739	731,007

Source: DOLWD.

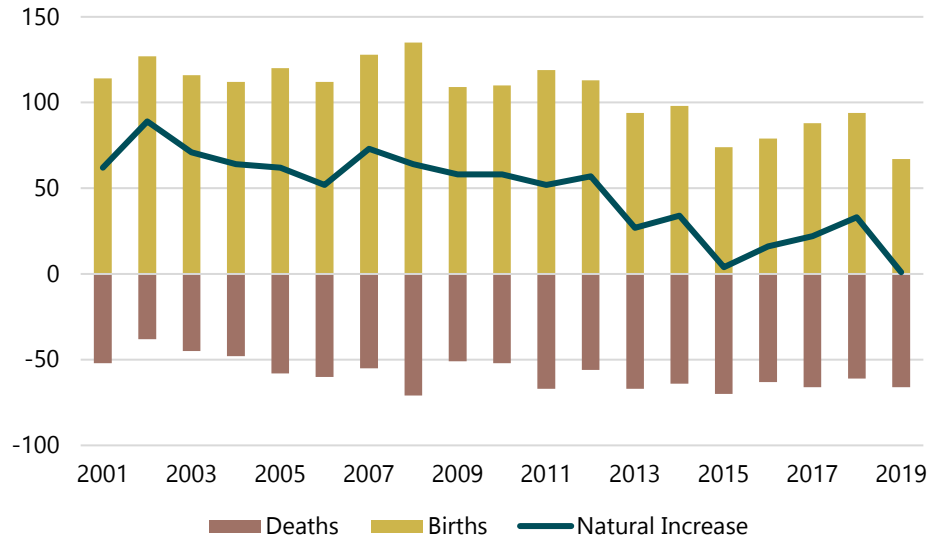
Figure 2. Population Change (2010 = 1.00)

Source: DOLWD.

- Declining school enrollment in Sitka reflects out-migration and other demographic shifts. School enrollment in 2019-20 (1,251 students) was at its lowest point since peaking in 2013-14 (1,421 students). Enrollment is down 12% over the 2013-14 to 2019-20 period.

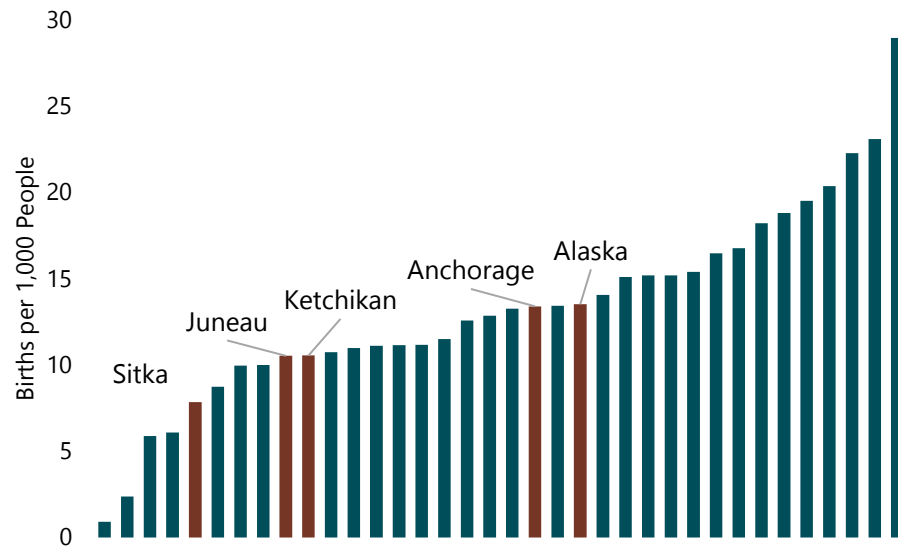
Births/Deaths

- Population change results from a combination of net migration and natural increase. Natural increase is the difference between the number of local deaths versus the number of births.
 - Sitka experienced a natural increase of one in 2019 with 67 births and 66 deaths.
 - The rate of Sitka's natural increase has been trending down over the last two decades as a result of both decreasing birth rates and increasing death rates.

Figure 3. Sitka Births, Deaths, and Natural Population Change

Source: DOLWD; McDowell Group calculations.

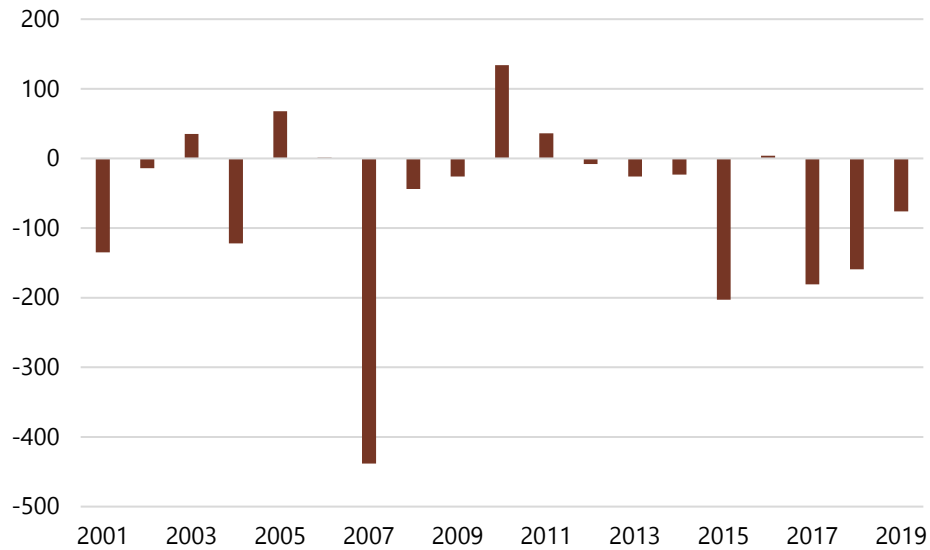
- Sitka has seen a steadily decreasing birth rate over the last 20 years. During the 2000s, Sitka's birth rate averaged 13.5 births per 1,000 people. Last year Sitka had a birth rate of just 7.9.
- Sitka's birth rate is now one of the lowest of any region in Alaska and is 42% lower than Alaska as a whole.

Figure 4. Birthrates for Alaska and Selected Communities, 2019

Source: DOLWD; McDowell Group calculations.

Migration

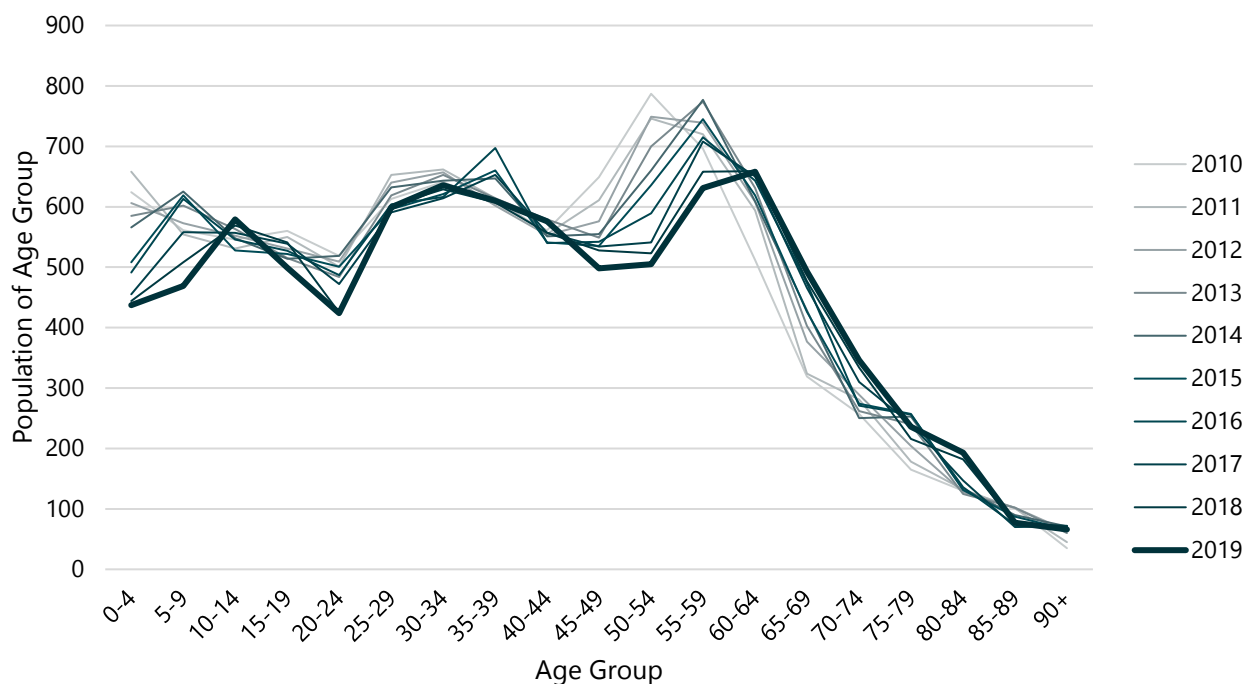
- In the last eight years, Sitka has only seen one year with positive net migration. In 2016, four more people moved to Sitka than left. Over the last four years alone, 615 more people moved away from Sitka than moved to Sitka.

Figure 5. Sitka Net Migration

Source: DOLWD; McDowell Group calculations.

Age and Demographics

- Sitka's population is getting older. The median age of a Sitka resident has grown from 38.1 to 40.1 over the last 10 years. This is significantly higher than the Alaska median age of 35.5 but similar to that of other Southeast communities. Of the 14 borough/census areas in Alaska with the highest median age, nine are in Southeast Alaska, led by Haines with a median age of 48.6.

Figure 6. Sitka Population by Age Group

Source: DOLWD; McDowell Group calculations.

- Sitka's population has three distinct age groups:
 - **Children age 10 to 19:** Ten years ago, there were 1,185 children aged 9 or under. Now, 10 years later, these children are aged 10 to 19. The current number of children aged 10 to 19 is 1,078, meaning that this cohort of children has declined by 9% over the last 10 years.
 - There are now only 906 children aged 9 and under, a 24% reduction from 10 years ago. This means that not only has the cohort of children currently aged 10 to 19 shrunk by 9%, the number of children replacing them has shrunk even further.
 - **Adults age 25 to 44:** The number of adults aged 25 to 44 in Sitka has been consistent over the last 10 years, staying between about 2,420 and 2,480. The size of this group holds steady while there are persistent reductions in age group populations on either side. This implies that some of this cohort moves to Sitka at around 25 and then slowly begins leaving Sitka starting at about 35.
 - **Adults age 55 to 64:** This age group represents the largest cohort in Sitka. Ten years ago, when these residents were age 45 to 54, they were by far the largest age group in Sitka. As they have aged, their population has decreased by about 9%.

Population Projection

- Sitka's population is projected to decrease to 8,300 by 2030 and to 7,500 by 2045, based on the trajectory of current migration and natural change trends.
- Sitka's projected 25-year decline, at 11.7%, is greater than Juneau's (-0.6%) and Ketchikan's (-8.2%) and in sharp contrast to the statewide growth projection (+14.6%) over the next 25 years.
- It is important to note that DOLWD population projections are not updated every year and may be adjusted in the future to reflect current population trends as well as economic events. These projections were prepared prior to the COVID-19 pandemic.

Table 2. Population Projections Through 2045

Year	Sitka	Juneau	Ketchikan	Alaska
2019	8,532	31,986	13,739	731,007
2020	8,609	32,242	13,620	746,582
2025	8,489	32,554	13,561	770,392
2030	8,312	32,640	13,418	790,777
2035	8,092	32,531	13,186	808,367
2040	7,829	32,240	12,919	823,771
2045	7,530	31,783	12,607	837,806
Total Change (%)	-11.7%	-0.6%	-8.2%	+14.6%

Source: DOLWD; McDowell Group calculations.

Sitka's Economic Footprint

There are various ways to describe the size of Sitka's economy.

- The Bureau of Economic Analysis measured Sitka's Gross Domestic Product (GDP) in 2018 at \$512 million, up from \$488 million in 2017. GDP is a measure of the market value of final goods and services produced in Sitka annually. In 2018, the private sector accounted for \$367 million (72%) of Sitka's total GDP.
- BEA estimated total earnings in Sitka at \$397 million in 2018, up from \$377 million in 2017. Total earnings is a measure of wages and self-employment income for residents and non-residents working in Sitka.
- Sitka residents' personal income totaled \$622 million in 2018, up from \$589 million in 2017. Total personal income is a measure of income from all sources earned by residents of Sitka. This measure does not include wages earned locally by nonresidents.
- Total gross business sales are a measure of local business activity and provides a good barometer of overall trajectory of the economy. According to City and Borough of Sitka data, gross sales totaled \$411 million in FY2018 and \$407 million in FY2019.

Employment Trends

- Sitka's economy included an average of 4,311 wage and salary jobs in 2019, according to DOLWD data. This measure of employment does not include self-employed fishermen, other self-employed people, or active duty military.
- Wage and salary employment in Sitka increased 1.7% (70 jobs) between 2018 and 2019. The significant decrease in local government employment (down 87 jobs, 12.8%) and the increase in health care jobs (up 82 jobs, 14.1%) are likely the result of SEARHC assuming control of Sitka Community Hospital.
- **COVID-19:** While specific data is not yet available, sectors hit hardest by the COVID-19 pandemic include leisure & hospitality, retail trade, transportation, and health care. Additional information about employment impacts of COVID-19 is provided in the labor force section of this report.

Table 1. Sitka Employment Trends, 2016-2019

Industry	2016	2017	2018	2019	2018-19 Change	2018-19 Change %
Government Sector						
Federal Government	126	120	113	108	-5	-4.0%
State Government	326	320	323	315	-8	-2.5%
Local Government	681	692	679	592	-87	-12.8%
Private Sector						
Construction	188	158	154	156	+2	+1.1%
Manufacturing	445	495	477	547	+70	+15.7%
Seafood Processing	363	411	393	462	+69	+19.0%
Retail	449	449	459	448	-11	-2.4%
Transportation	290	293	270	270	0	0.0%
Scenic & Sightseeing	145	140	113	125	+12	+8.3%
Financial Activities	125	119	117	116	-1	-0.8%
Professional & Business Services	173	177	187	203	+16	+9.2%
Educational and Health Services	664	678	688	771	+83	+12.5%
Educational Services	83	ND	78	80	+2	+2.4%
Health Care & Social Assistance	581	ND	609	691	+82	+14.1%
Leisure & Hospitality	521	522	518	521	+3	+0.6%
Accommodations	138	149	157	148	-9	-6.5%
Restaurants and Bars	357	341	332	343	+11	+3.1%
All Other	241	260	257	264	+7	+2.9%
Total Employment	4,229	4,283	4,241	4,311	+70	+1.7%

Source: QCEW, DOLWD.

Wage Trends

- Wages earned in Sitka in 2019 totaled \$208.7 million, up 6% from the 2018 total of \$196.6 million. The change included a drop in government wages and an increase in private sector wages, likely related to change in hospital management.
- The average monthly wage in Sitka in 2019 was \$4,033 (the equivalent of \$48,396 annually). The average was higher in the government sector (\$4,734; local, state, and federal combined) than in the private sector (\$3,818).
- Sitka's average monthly wage in 2019 was about 15% below the statewide average of \$4,748.

Table 4. Sitka Monthly Wage and Total Annual Wages Trends, 2014-2019

	2014	2015	2016	2017	2018	2019
Total Annual Wages (\$millions)						
Government	\$61.9	\$62.6	\$62.1	\$61.4	\$63.4	\$57.7
Private industry	\$137.0	\$133.1	\$121.7	\$124.1	\$133.2	\$151.0
All Sectors	\$199.0	\$195.6	\$183.7	\$185.5	\$196.6	\$208.7
Avg. Monthly Wages						
Government	\$4,382	\$4,433	\$4,565	\$4,521	\$4,739	\$4,734
Private industry	\$3,402	\$3,274	\$3,271	\$3,302	\$3,550	\$3,818
All Sectors	\$3,656	\$3,572	\$3,617	\$3,624	\$3,862	\$4,033

Source: QCEW, DOLWD.

Table 5. Average Monthly Wage, Statewide and Selected Communities, 2019

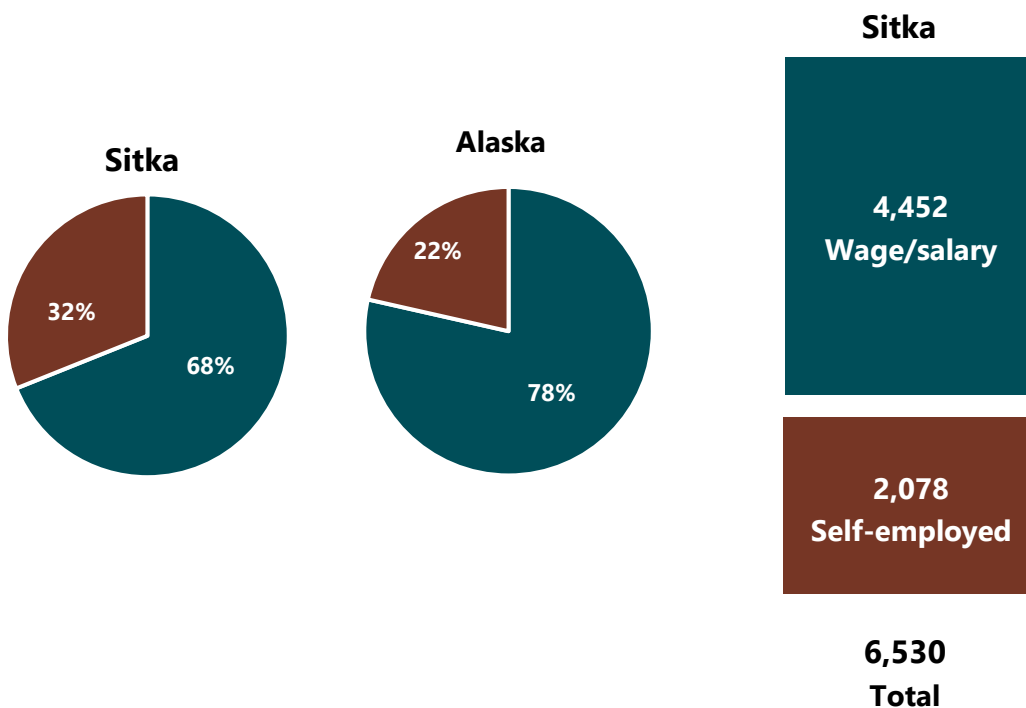
	Average Monthly Wage
Alaska	\$4,748
Anchorage	\$5,002
Juneau	\$4,397
Ketchikan	\$4,047
Sitka	\$4,033
Petersburg	\$3,576
Wrangell	\$3,546

Source: QCEW, ADOLWD.

Wage/Salary Employment and Self-Employment

- Wage and salary employment and self-employment together accounted for 6,530 jobs in Sitka in 2018, according to the latest available BEA data.
- Wage and salary employment accounted for 4,452 jobs, or 68% of all employment in Sitka in 2018. Self-employment accounted for 2,078 jobs (32%).
- Self-employment accounts for a larger share of jobs in Sitka (32%) than in Juneau (21%), Ketchikan (24%), and Alaska overall (22%); the discrepancy is likely attributable to Sitka's high number of commercial fishermen.

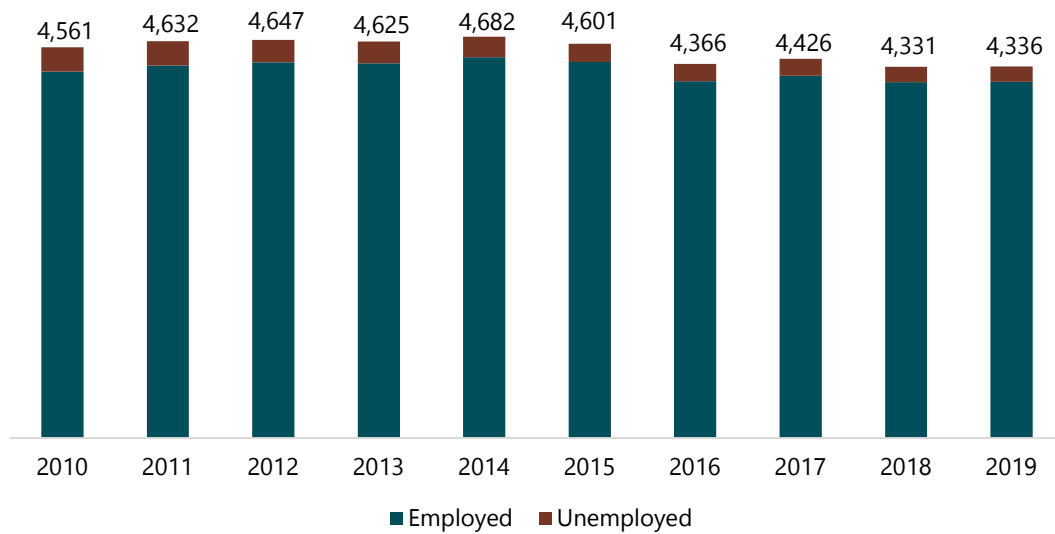
Figure 7. Wage and Salary Employment and Self-Employment, 2018



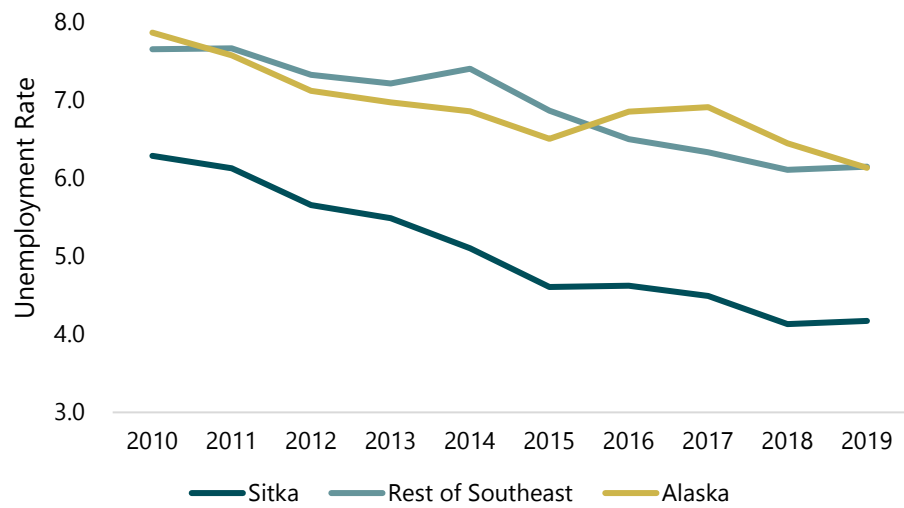
Labor Force/Unemployment

- Sitka's labor force averaged 4,336 workers in 2019, ranging from 3,879 in January to 5,012 in July. The labor force includes employed and unemployed (but seeking employment) residents. It does not include seasonal nonresident workers.
- Sitka's average annual unemployment rate had been declining steadily over the past eight years, until 2019.
- **COVID-19:** Labor force statistics provide the first measures of the economic impact of the pandemic.
 - Sitka's unemployment rate climbed to 12.8% in April, triple the March rate of 4.2%. In April, 519 Sitka resident workers were unemployed, out of the total resident labor force of 4,063. In a typical April, approximately 170 to 190 Sitka workers are unemployed.
 - The 505 Sitkans who received unemployment insurance payments in April 2020 received a total of \$1.31 million in benefits for the month, including the \$600 per-week federal supplement.

Figure 8. Sitka Labor Force, 2010-2019



Source: DOLWD.

Figure 9. Unemployment Rate (%), by Area, 2010-2019

Source: DOLWD.

Table 6. Unemployment Rates (%), by Area, 2010-2019

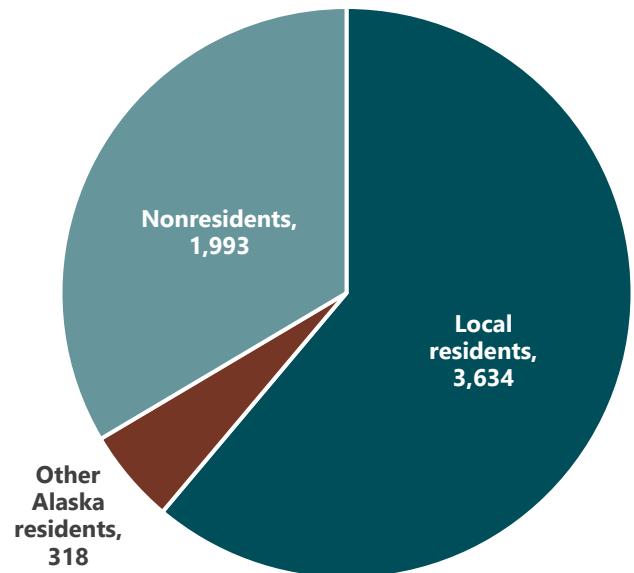
	Sitka	Rest of Southeast	Alaska
2010	6.3	7.7	7.9
2011	6.1	7.7	7.6
2012	5.7	7.3	7.1
2013	5.5	7.2	7.0
2014	5.1	7.4	6.9
2015	4.6	6.9	6.5
2016	4.6	6.5	6.9
2017	4.5	6.3	6.9
2018	4.1	6.1	6.5
2019	4.2	6.2	6.1

Source: DOLWD.

Nonresident Workers

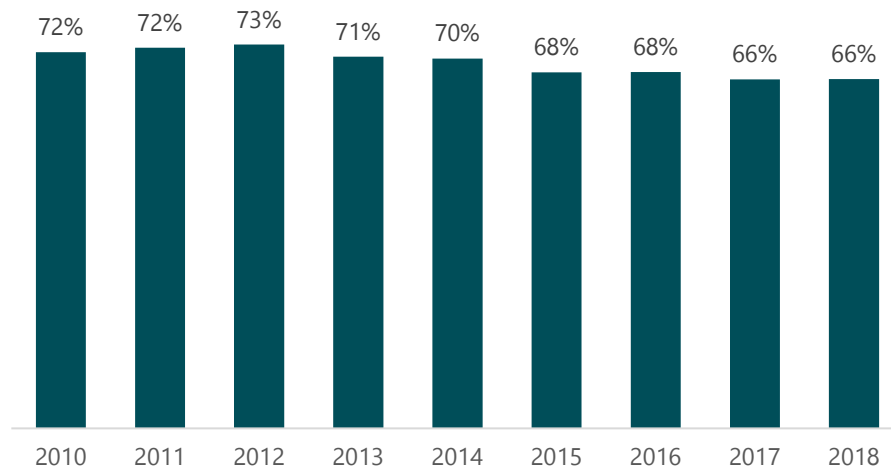
- In 2018, Sitka's workforce included 1,993 non-Alaska residents and 318 Alaskans from elsewhere in the state.
- Nonresidents are an important source of labor for Sitka employers. Non-Alaska residents accounted for 34% of the local workforce in 2018. Including Alaska residents from elsewhere in the state, 39% of the workforce was non-local.
- In the private sector, nonresidents represented 39% of the Sitka labor force in 2018. Those workers took home 26% of the private sector wages earned in Sitka.
- Sitka is more dependent on nonresident workers than Ketchikan and Juneau, as illustrated below.

Figure 10. Nonresidents in the Sitka Workforce, 2018

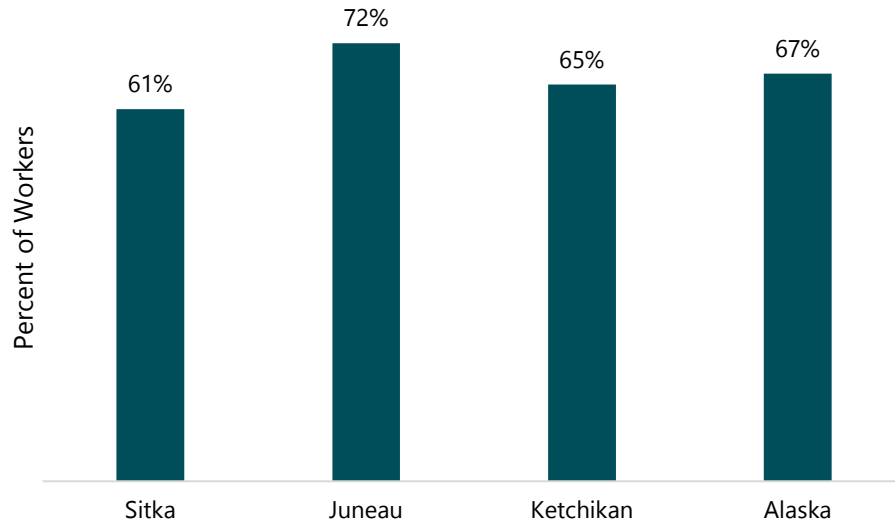


Source: ADOLWD.

Figure 11. Share of Alaska Residents in the Sitka Workforce, 2010 to 2018



Source: DOLWD.

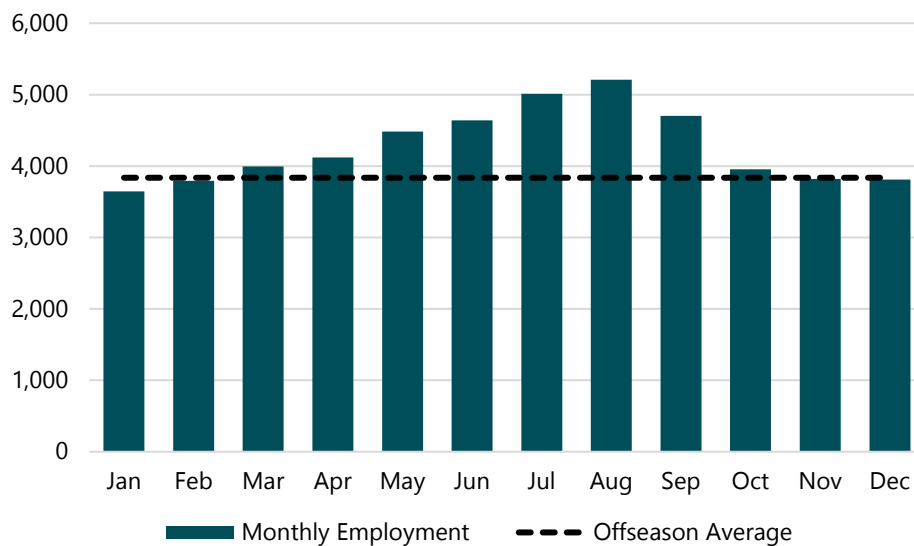
Figure 12. Share of Workers that are Local Residents

Source: DOLWD.

Seasonality of Employment

Overall Seasonality

- During the off-season months of October to March, Sitka has averaged 3,836 employees over the last four years. In the peak month of August, employment has averaged 5,209 over the same period, 36% higher than the off-season. This number does not include self-employment, such as commercial fishermen, or active duty military.

**Figure 13. Sitka Employment by Month
(Averages for Jan. 2016 – Sept. 2019)**

Source: QCEW, McDowell Group calculations.

Seasonality by Sector

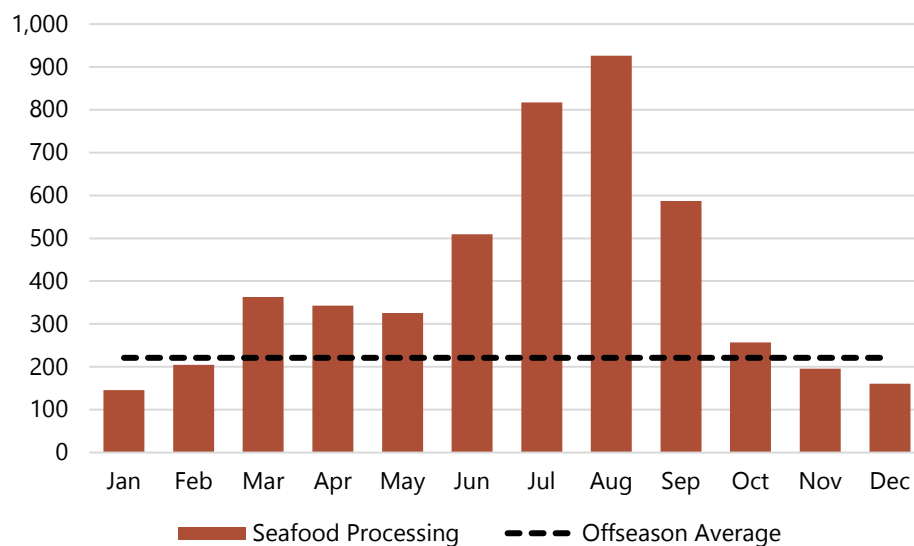
For the following analysis, Sitka employment is broken into four categories:

- Seafood processing employment
- Seasonal tourism-dependent employment
- Moderately seasonal tourism-influenced employment
- Non-seasonal employment.

SEAFOOD PROCESSING EMPLOYMENT

- Seafood processing is Sitka's most seasonal sector, peaking at more than 900 employees during the summer months and dropping below 200 in the winter.

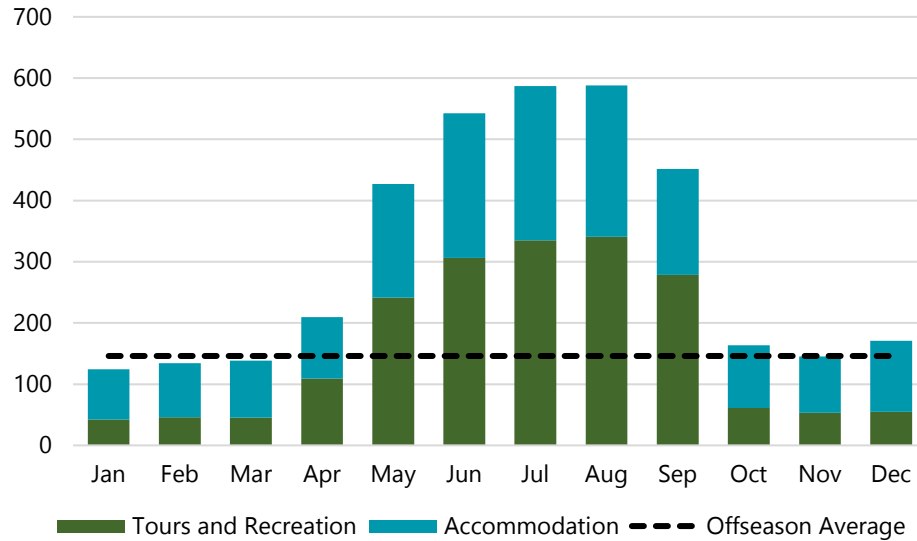
Figure 14. Average Monthly Seafood Employment in Sitka (Jan. 2016 – Sept. 2019)



Source: QCEW, McDowell Group calculations

EMPLOYMENT IN TOURISM-DEPENDENT SECTORS

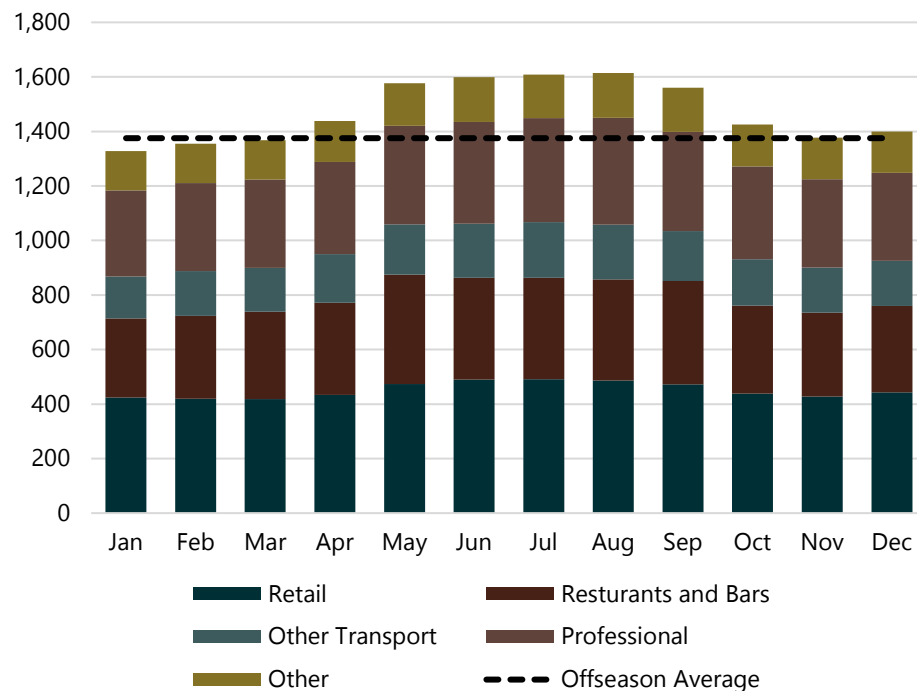
- The tourism-dependent sectors of tours and recreation and accommodation are highly seasonal, accounting for about 150 jobs in the winter months and almost 600 in July and August.

Figure 15. Average Highly Seasonal Industry Employment in Sitka (Jan. 2016 – Sept. 2019)

Source: QCEW, McDowell Group calculations.

EMPLOYMENT IN MODERATELY SEASONAL SECTORS

- A number of sectors are moderately dependent on tourism, increasing 15% to 30% during the summer months. These include retail, restaurants and bars, and other transportation. Other sectors are also somewhat seasonal, such as professional services. The winter average employment for these industries combined is 1,375 while the August peak climbs to more than 1,600.

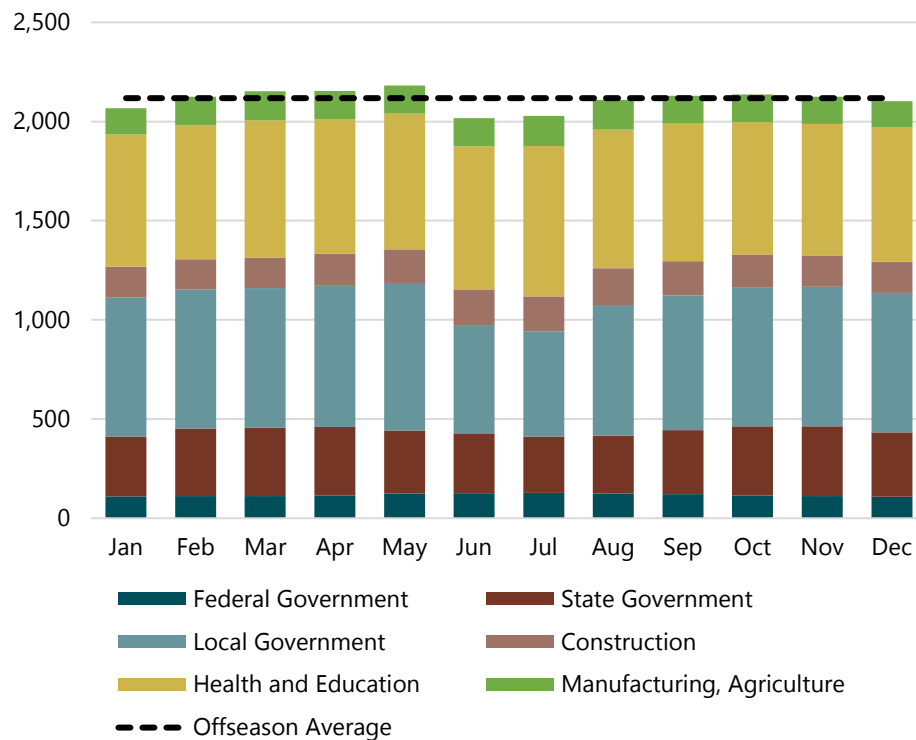
Figure 16. Average Moderately Seasonal Industry Employment in Sitka (Jan. 2016 – Sept. 2019)

Source: QCEW, McDowell Group calculations.

NON-SEAFOOD/TOURISM EMPLOYMENT

- Employment is generally consistent throughout the year for sectors not directly impacted by seafood or tourism. This includes local, state, and federal government, as well as health care. The slight dip in employment in June and July is related to school district employment.

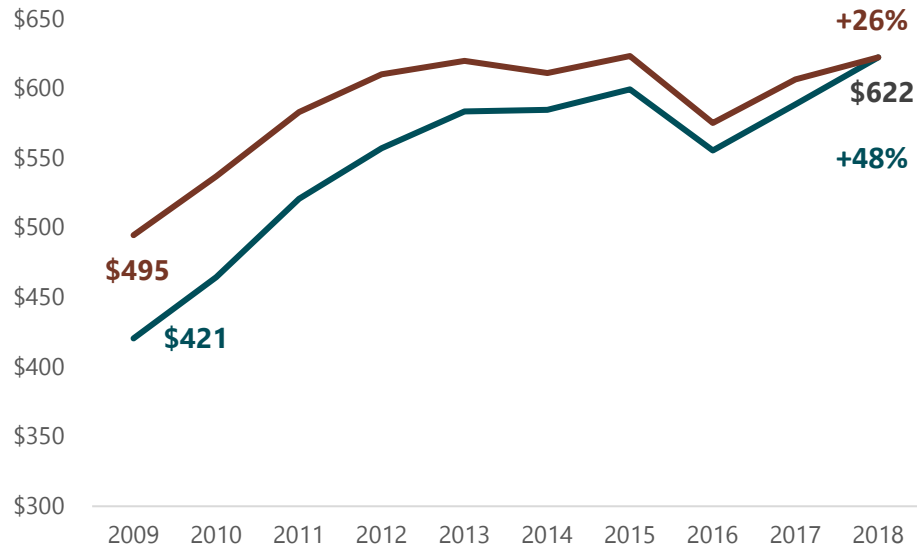
Figure 17. Non-Seafood/Tourism Employment in Sitka (Jan. 2016 – Sept. 2019)



Source: QCEW, McDowell Group calculations.

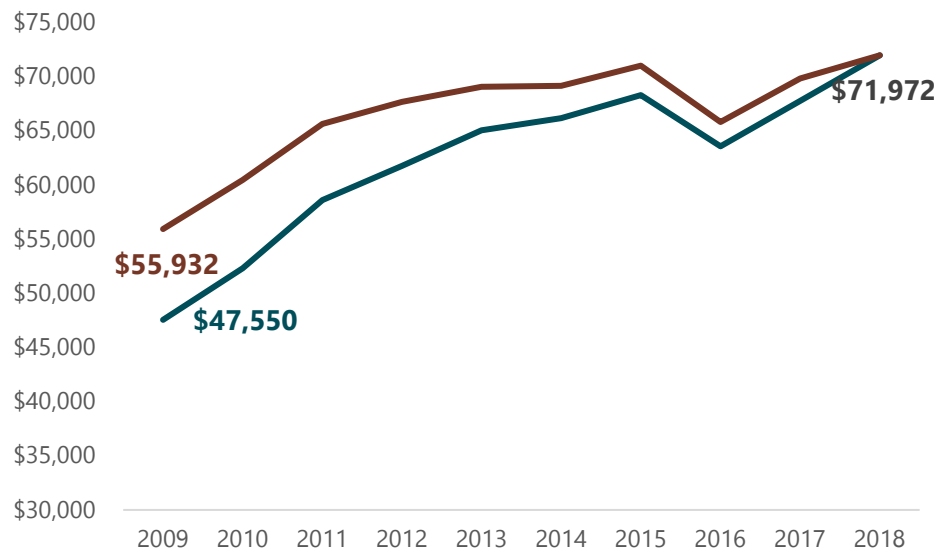
Personal Income

- Sitka residents earned \$622 million in total personal income in 2018. This is a measure of income from all sources, including from employment, investments, and transfers from government.
- Between 2009 and 2018, total personal income increased by 48% in nominal dollars and 26% in "real" (inflation-adjusted) dollars.

Figure 18. Sitka Total Personal Income, 2009-2018 (\$millions)

Source: BEA, DOLWD, CPI. Real values calculated by McDowell Group using the Urban Alaska CPI.

- Per capita income among Sitka residents was \$71,972 in 2018. Nominal per capita income in Sitka increased each year between 2009 and 2018, except in 2016.
- Per capita income increased 29% between 2009 and 2018, similar to the 26% growth in personal income.

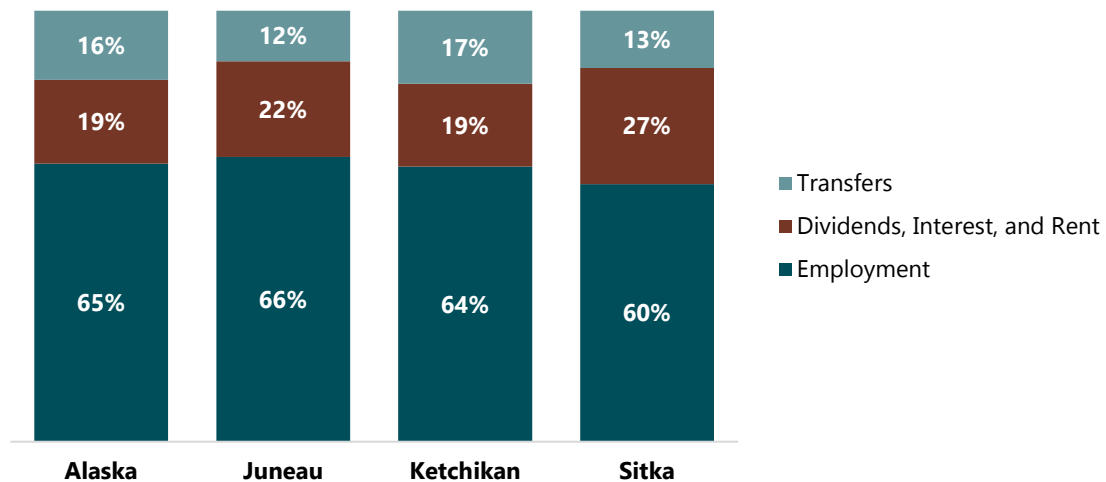
Figure 19. Sitka Per-Capita Personal Income. 2009-2018

Source: BEA, DOLWD, CPI. Real values calculated by McDowell Group using the Urban Alaska CPI.

- Employment income represents 60% of Sitka resident income; investments account for 27%; and transfer payments (from government to individuals) account for the balance. Employment income includes both wage and salary income and proprietor's income (including self-employed fishing).
- Over the last 10 years, investment income has grown faster than employment income and has accounted for more than half of the growth in real personal income in Sitka.

- The 27% of Sitka's income attributable to dividends, interest, and rent is higher than Ketchikan, Juneau, and the state as a whole. It has been a major driver of Sitka's income growth over the last 10 years and has helped make Sitka's per-capita income among the highest in the state.

Figure 20. Sitka Personal Income Sources by Area. 2018



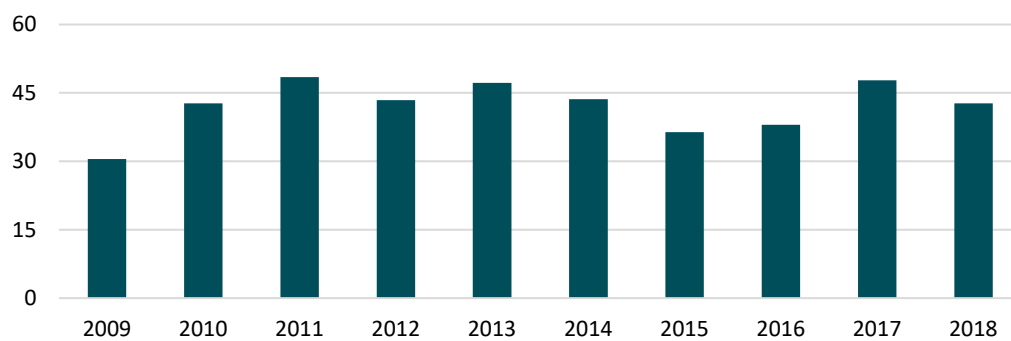
Source: BEA.

Key Industry Conditions and Trends

Seafood Industry

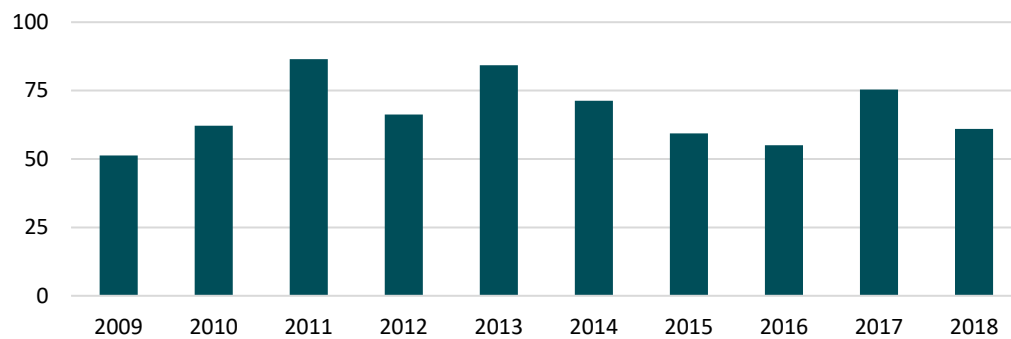
- The seafood industry is a key source of jobs, income, and tax revenue in Sitka. Based on preliminary Commercial Fisheries Entry Commission (CFEC) data, in 2019, 398 Sitka resident permit holders harvested 27.8 million pounds of fish with a total ex-vessel value of \$38.5 million.
- The ex-vessel value of all seafood landed (and processed) in Sitka in 2018 totaled \$61 million (2019 data is not yet available).

Figure 21. Sitka Resident Commercial Fishing Earnings, 2009-2018 (\$ Millions)



Source: CFEC

Figure 22. Estimated Seafood Landings Value in Sitka, 2009-2018 (\$ millions)



Source: CFEC

Table 10. Sitka Resident Participation, Harvest, and Earnings, Value of Sitka Landings, 2009-2019

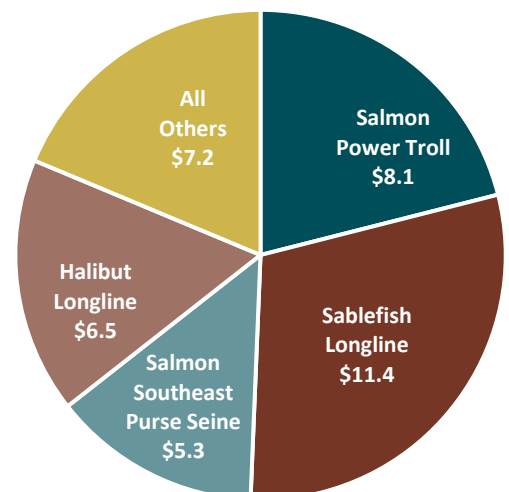
	Active Permit Holders	Total Pounds Harvested (millions)	Total Ex-vessel Earnings (\$ millions)	Estimated Sitka Landings Value (\$ millions)
2009	468	29.4	30.5	51.3
2010	458	33.9	42.7	62.2
2011	467	37.4	48.5	86.5
2012	481	25.5	43.4	66.2
2013	456	50.2	47.2	84.3
2014	456	35.7	43.6	71.3
2015	445	36.5	36.4	59.4
2016	450	24.3	38.0	55.0
2017	425	33.5	47.8	75.4
2018	414	23.9	42.7	61.0
2019 (prelim.)	398	27.8	38.5	na

Source: CFEC

- Sitka resident harvest of sablefish (black cod) accounted for more than \$11.4 million in ex-vessel income in 2019. Sitka power trollers earned \$8.1 million. Local halibut fishermen earned more than \$6.5 million in ex-vessel income, based on preliminary data. Seiners earned \$5.3 million.

Seafood Processing

- Seafood processing accounted for an annualized average of 462 jobs in Sitka in 2019. This includes peak monthly employment of 1,048 (August) and a monthly low of 170 (January).
- Sitka's seafood processing sector generated total wages of \$24.2 million in 2019.
- Seafood processing generated \$1.2 million in raw fish tax for the City and Borough of Sitka in FY2019.
- Sitka's largest property taxpayer and three of the top eight property taxpayers are seafood processors. Those three processors had a total combined assessed property valuation of \$33 million in 2019.¹

Figure 23. Sitka Fisherman Earnings (\$ millions) by Permit Type, 2019

¹ City and Borough of Sitka FY2019 Comprehensive Annual Financial Report.

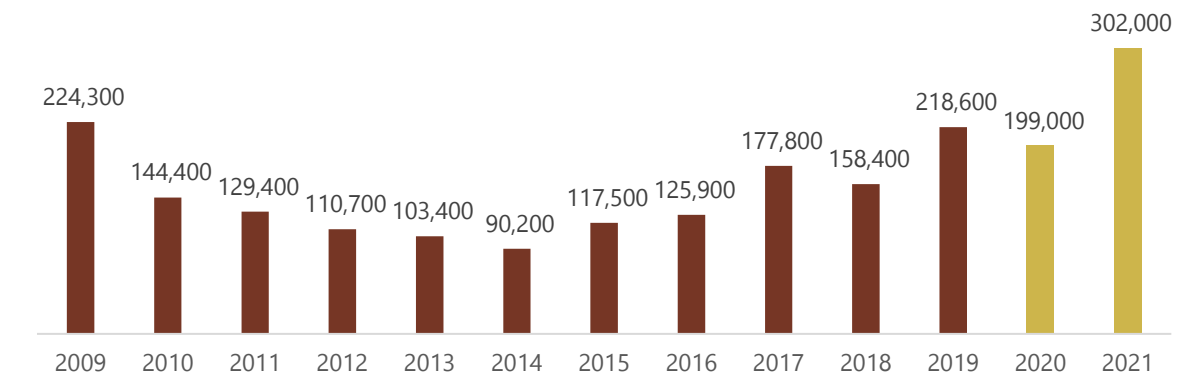
Hatchery Impacts

- Northern Southeast Regional Aquaculture Association (NSRAA), based in Sitka, produced commercially harvested salmon with a total ex-vessel value of \$16 million in 2019. The year 2018 was a record high, with total ex-vessel value of \$29 million.
- According to a recent McDowell Group study focusing on the 2012-17 period:
 - Hatchery salmon accounted for \$120 million in statewide ex-vessel value, representing 22% of total salmon value.
 - Hatchery salmon accounted for \$361 million in first wholesale value, representing 24% of the statewide total.
 - Southeast Alaska hatcheries accounted for 2,000 jobs and \$90 million in annual labor income
- NSRAA generates approximately 30% of the regional economic impact of salmon hatcheries.

Visitor Industry

- Sitka cruise ship traffic reached a 10-year high in 2019, when passenger volume totaled 218,600. Pre-COVID-19, the expectation for 2020 was just under 200,000 passengers. The 2020 cruise season has been essentially canceled due to COVID-19, although small cruise vessels are still planning some sailings in August and September.

Figure 24. Sitka Cruise Passenger Visitation, 2009-2019 Actuals, 2020 and 2021 (Pre-COVID-19 Forecasts)



Source: Cruise Lines Agencies of Alaska

Before COVID-19, cruise passenger traffic to Sitka was projected to reach slightly more than 300,000 passengers in 2021, topping Sitka's previous peak of 290,000 passengers in 2008.

- In 2019, Sitka captured 16% of Alaska's total cruise market of 1.36 million passengers.
- Though a large part of the local economy, there are no regularly published, comprehensive measures of the employment impact of Sitka's visitor industry, as it is spread across many sectors of the economy.

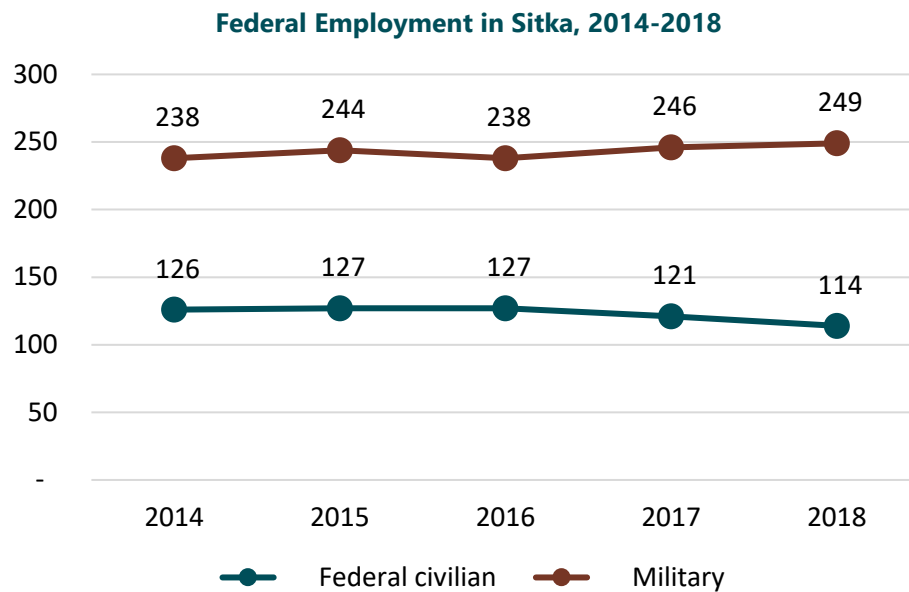
- In 2016 (the most recent analysis available), \$715 million in visitor spending generated 11,925 jobs and \$445 million in total annual labor income in Southeast Alaska, including all direct, indirect, and induced economic effects. Visitor spending in Sitka accounted for 8% of regional spending.

Health Care and Social Services

- DOLWD reported 691 private-sector jobs in Sitka in health care and social assistance in 2019. Workers in these jobs earned \$44.2 million in total annual wages in 2018. The significant increase over 2018 is due to Sitka Community Hospital, previously reported under local government employment, transitioning to SEARHC management.
- With approximately 500 employees, SEARHC is the single largest source of employment (and wages) in the community.
- DOLWD figures do not include the Pioneer Home, which is reported under state government employment.
- The health care sector's economic benefits to Sitka include year-round employment and comparatively high wages. Monthly wages are about one-third higher than average.
- This sector included 97 workers and \$2.6 million in annual wages associated with providing various forms of social assistance. There are 10 employers in this category, including the Center for Community, Sitka Counseling, and Youth Advocates of Sitka.
- Private out-patient care providers accounted for an average of 49 jobs and \$1.6 million in wages in 2019.

Federal Government

- The “national interest” sector is another important source of year-round employment and other economic activity in Sitka. BEA reported uniformed military employment in Sitka at 249 active duty and reservists in 2018, with \$22.6 million in total annual wages and benefits.
- Civilian federal government employment averaged 114 jobs and \$13.8 million in wages and benefits in 2018. The U.S. Forest Service is the largest component of federal employment in Sitka. Federal government workers earned a monthly average wage of \$6,978 (\$83,700 annually), making them among the highest paid workers in the community.
- Federal employment has declined by about 10% over the past two years.



Source: BEA.

Other Economic Activity

While seafood, health care, tourism, and federal government form the foundation of Sitka's economy, there are other important sources of economic activity.

- Organizations focused on Alaska Native affairs are a powerful economic force in Sitka. This includes SEARHC (Sitka's largest single employer), the region's Indian Health Service provider. Sitka Tribe of Alaska (STA) is the federally recognized government entity representing the interests of 4,000 tribal citizens residing in Sitka and elsewhere. STA provides a broad range of services and operates a variety of tribal enterprises. Shee Atiká is Sitka's urban corporation resulting from the Alaska Native Claims Settlement Act (ANCSA) and is the source of income, scholarships, and other benefits for local shareholders.
- Manufacturing is big business in Sitka, mainly in the form of seafood processing. However, there is other manufacturing activity creating jobs and income. In 2019, there were 85 jobs and \$4.7 million in wages in manufacturing (mainly boat building) not related to seafood.
- Sitka's Professional and Business Services sector accounted for 203 jobs and \$7.3 million in total wages in 2019. This sector includes a wide variety of occupations, such as attorneys, accountants, and engineers; science and technology professionals; and a range of administrative and facility management services. Employment in this sector averaged 187 jobs in 2018, with total annual wages of \$6.5 million.
- In 2019 employment in the retail sector averaged 448 jobs, with total annual wages of \$13.2 million. Fifty companies reported employment in the retail sector. Though a portion of this sector is visitor-related, retail employment is fairly steady over the year, ranging from a monthly low of 417 to a high of 484 workers. The retail sector saw some decline in employment between 2018 and 2019 (from 459 to 448 jobs); however, retail wages increased, from \$12.9 million to \$13.2 million.
- Construction employment in Sitka averaged 156 jobs in 2019, with total annual wages of \$12.5 million. These are high-wage jobs, averaging \$6,651 per month, or just over \$79,800 annually. Construction employment held steady between 2018 and 2019 (at 154 and 156 jobs, respectively), though total wages increased, from \$10.1 million to \$12.5 million.

Melissa Henshaw

From: Makena Hardwick <sedasitka@gmail.com>
Sent: Tuesday, July 28, 2020 6:43 PM
To: Camille Ferguson; Cory Baggen; Dumag, Adora; Garry White; Gary Paxton (Assembly); John Holst; John Leach; Jonathan Kreiss-Tomkins; Ken Cameron; Kevin Mosher (Assembly); Melissa Henshaw; Mike Venneberg; Nancy Davis; Renee Wheat; Rich Riggs; Richard Wein (Assembly); Roger Hames; Roger Higley; Tori Fleming; Trevor Harang; zallen@alaskandreamcruises.com
Subject: SEDA Board Meeting Packet (7/30/20)
Attachments: Board Meeting Packet July 30, 2020.pdf

Hello All,

Here is the packet for the upcoming SEDA Board Meeting at noon on Thursday, July 30th in the Centennial Hall Auditorium.

Best,

--

Makena Hardwick
Administrative Assistant
Sitka Economic Development Association
907-747-2660



AGENDA

Sitka Economic Development Association
July 30th, 2020

Start
Time
Noon

Call to Order

A. Roll Call & Recognition of Invited Participants



B. Approve meeting minutes of June 4th, 2020

C. Financial / Budget Report

- ❖ Monthly Financials
- ❖ Fund Raising

D. Correspondence & Other Information

E. Additions to Agenda

F. Reports

- ❖ SEDA President's Report
- ❖ STA Report
- ❖ CBS Report
- ❖ GPIIP Report

G. Unfinished Business

1. Wind Talker Innovations – Sitka Smart City

H. New Business

1. Letter of Support related to CPCN
2. GPIIP Haul Out
3. Sitka Economic Profile 2020

I. Board or Directors Comments

J. Executive Session

L. Adjourn

Sitka Economic Development Association
 329 Harbor Drive, Suite 202, Sitka, Alaska 99835
 June 4th, 2020
DRAFT MEETING MINUTES

Call to Order -12:04

A. Roll Call & Recognition of Invited Participants

Members Present: Nancy Davis, Mike Venneberg, Rich Riggs, Joe Williams, Cory Baggen, Ken Cameron, Adora Dumag, Roger Hames; Roger Higley

Absent: Trevor Harang

Staff: Garry White,

Other: Gary Paxton, John Leach, Camille Ferguson, Keith Perkins, John Holst, Zaide Allen, Mary Suminski

B. Approve meeting Minutes of March 12, 2020

MOTION: **M/S Baggen/Hames** moved to approve the minutes of March 12, 2020

ACTION: Motion PASSED (8/0) on a voice vote.

C. Financial/ Budget Report

Mr. White gave a financial report, stating that SEDA will end the year in the positive, due in part to no State of the Economy and altering work done by the McDowell Group. SEDA applied for the Disaster Relief loan and receive 2k.

D. Correspondence & Other Information

Mr. White also briefed the board on the current re-structuring analysis of the University of Alaska that would absorb UAS into the UAF or UAA system. Mr. White commented that this change would not be beneficial for the Sitka campus and would likely not make up the shortfall. SEDA provide a letter of support of UAS.

Mr. White provided a letter showing SEDA support for the CBS in an EDA grant for the secondary water system.

E. Additions to Agenda - NONE

F. Reports

SEDA President Report- Mr. Harang absent

STA Report- Camille Ferguson reported that STA is in the process of determining the best way to circulate CARES money to members of the community. She stated that STA is focusing on marketing for future years, working with SEDA to help develop community economic development, working on installing a community garden and improving high speed internet.

CBS – Mr. Gary Paxton made a brief thank you to Sara Peterson, John Leach & Chief Dave Miller for their consistent hard work & dedication during the COVID-19 epidemic.

John Leach reported that the CARES Act money has been main focus, stating that the budget framework looks good and the intent is that there is a good distribution, money must be used for COVID-19 economic recovery relief and cannot be used infrastructure. Mr. Leach also commented a potential new COVID case in Sitka.

GPIP – Mr. White gave a report on dock usage at GPIP, commenting that use is up and that there is interest from a small seafood company to use dock regularly. Mr. White stated that RFP for the haul out closed in March and that there were 2 responses, the winning proposal was WC Enterprise and that the proposal is currently being vetted.

Mr. White mentioned that the CBS hired a grant writer to apply for US DOT Built Grants. The haul out at GPIP grant application was scored a high cost benefit ratio (4.65) for port development/site. Mr. White was continuing to work on haul out & generate more public support. Bulk water remains of interest, Mr. White is in dialog with a company from the United Arab of Emirates discussing potential water agreements.

G. Unfinished Business

1. No Name Mountain / Granite Creek Master Plan

May 29, 2020 the CBS released that Master Plan for No Name Mountain, the CBS determined that the land would be suitable for housing, recreation/tourism, wetland mitigation but not suitable for a cruise ship dock and the CBS found that demand for rock was not currently high. Mr. White mentioned that public comments were generally not in favor of development, he plans to increase public knowledge stating that there is more value than walking trails, also commenting that housing could be placed along ridge according to CBS report. Mr. White will further vet the Master Plan.

H. New Business

1. SEDA Economic Resiliency Task Force

Mr. White gave introduction to the Economic Resiliency Task Force, stating that it was a group comprised of members from the community formed at the onset of COVID-19 to help the community navigate the process of receiving economical stimulus funds, work force connectivity, childcare, rent relief, mental healthcare and best practices post COVID-19. Of the 14 million dollars funneled into Sitka, 5 million will hopefully go to non-profits and small businesses. Once the funds are distributed, Mr. White foresees the task force disbanding.

A brief discussion was had over new travel restrictions starting June 6, 2020 (airport testing, state reporting).

2. SEDA FY 2021 Budget

Mr. White introduced the 2021 budget, noting that it is similar to past years, fundraising remains that same (35K), equity was 118k and is now 152k. Mr. White stated that the Community Profile was ready to print. Mr. White mentioned the future

of SEDA once there is a haul-out at GPIIP, SEDA could possibly market No Name Mtn. or other CBS properties.

I. Board or Directors Comments

Discussion about the cancelation of the 4th of July parade and fireworks.

J. Executive Session

MOTION: M/S Cameron/Venneberg moved to enter into Executive Session at 1:23pm.

ACTION: Motion PASSED (8/0) on a voice vote.

MOTION: M/S Baggen/Venneberg moved to come out of Executive Session at 1:49pm.

ACTION: Motion Passed (8/0) on a voice vote

MOTION: M/S Baggen/Venneberg moved to appoint Zaide Allen to the SEDA Board of Directors.

ACTION: Motion Passed (8/0) on a voice vote.

K. Adjourn M/S Baggen/Dumag 1:51pm

June 3, 2020

David Longtin, P.E.
City and Borough of Sitka
100 Lincoln Street
Sitka AK 99835

Re: Peterson Creek Fish Passage Improvements

Dear Mr. Longtin:

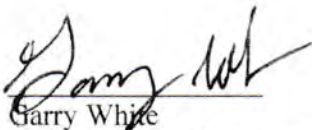
On behalf of our organizations we would like to express our support for the "Peterson Creek Fish Passage Improvements" proposal being submitted to the Alaska Sustainable Salmon Fund 2020 Call for Proposals. We are pleased the project applicants sought recognition from Sitka community members for this effort.

The project will replace a failing and undersized culvert under Peterson Street road right in the middle of Sitka and closely adjacent with our high school, trail head, and neighborhoods. We are extremely lucky to live in a town with salmon streams that run right through our community and it will be very good to replace this critical infrastructure with a culvert that is adequately sized for Peterson Creek. The new culvert is designed to pass both juvenile fish and floods. Once completed, the new crossing will benefit salmon runs while also providing safe resilient infrastructure for the community that will last many years into the future. The fact that it is in a neighborhood where people live who are involved in the commercial fishing sector and that having good salmon-friendly infrastructure in our community says a lot about who we are here in Sitka. We are extremely pleased that the City of Sitka has made this a priority and we are fully in support of the Alaska Sustainable Salmon Fund supporting this work and contributing to our efforts.

Healthy streams and salmon runs are highly valued by Sitka residents and help support the local economy. We support the aims of the proposed project that will make Sitka's streams healthier and roads more resilient for the future.

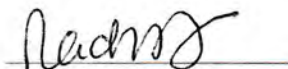
Thank you for your work on this important project.

Sincerely,



Garry White
Director, Sitka Economic
Development Association

6/10/2020
Date



Rachel Roy
Director, Sitka Chamber
of Commerce

6/10/20
Date



Andrew Thoms
Director, Sitka
Conservation Society

June 9, 2020
Date

President Jim Johnsen
University of Alaska System
ua.president@alaska.edu

University of Alaska Board of Regents
c/o Board of Regents Chair, Sheri Buretta
ua-bor@alaska.edu

Dear President Johnsen and the University of Alaska Board of Regents,

As the UAS Sitka Campus Advisory Council (SCAC), we are committed to supporting UAS and the Sitka Campus in fostering student learning “enhanced by faculty scholarship, undergraduate research...creative activities, community engagement, and the cultures and environment of Southeast Alaska.” We especially wish to see UAS recognized as a *destination of choice* for students seeking academic programs & learning opportunities that integrate the environment and cultures of Southeast Alaska.

We honor the values of excellence, diversity, access, collaboration, sustainability & stewardship, and would promote these values systemwide.

We have been closely following discussions preceding the “Board of Regents’ Amended Transformation Motion to study a structural option involving the merger of UAS and the University of Alaska Fairbanks (UAF), and to produce a conceptual plan by October 15, 2020.”

In contemplating the Board of Regents’ motion, we share many of the same concerns expressed by the Juneau Campus Advisory Council and the City and Borough of Sitka (CBS). On June 3, CBS wrote a letter opposing any options that would eliminate UAS as a separate university within the UA system. You have heard similar concerns from communities throughout Southeast and from UAS partner organizations who treasure the university and the economic driver it represents for our region and our state.

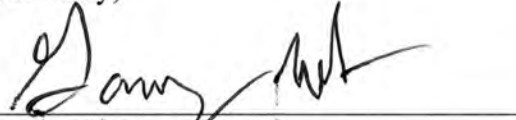
It thus came as a disappointment to see the concerns of Southeast Alaska communities seemingly ignored and rejected when the motion to explore a structural option passed on a vote of 7-to-4 at the June 4, 2020 UA Board of Regents meeting. As we understand it, the Board of Regents later stressed that the motion was made, not to eliminate UAS, but rather to seek opportunities to strengthen & enhance the UA system in Southeast Alaska.

The UAS SCAC respectfully requests that the Board of Regents include us *at every stage* in the exploration of UA structural options and the study/conceptual planning

outlined in the Amended Transformation Motion of June 4th, as well as ***any subsequent discussions and decision making*** that affect UAS and the UAS Sitka Campus.

We hope to be actively and equitably involved in exploring the many options that we believe can meet the UA Board of Regents' larger goals for the UA system. We are committed to working with the Board of Regents and other community advisory councils to help craft a future for the UA system and UAS that will ensure access to a high-quality university education in our region through a separately accredited university that has existed for more than 30 years.

Sincerely,



Garry White, Chair
On Behalf of the UAS Sitka Campus Advisory Council

cc:

UA Board of Regents
UAS Sitka Campus Advisory Council
City and Borough of Sitka Assembly
Sitka Tribe of Alaska
Sitka School District



329 Harbor Drive, Suite 212, Sitka, AK 99385
Phone: 907-747-2660

Tuesday, July 28, 2020

MEMORANDUM

TO: SEDA Board of Directors

FROM: Garry White, Director

SUBJECT: Gary Paxton Industrial Park (GPIP) Management Report

1. GPIP Dock

The GPIP Dock is open for business. The dock had a lot of traffic during the spring of 2019. Most use was related to the commercial fishing fleet with vessel moving nets and other fishing gear across the dock.

Security cameras were installed in April, which allows for better management and tracking of use.

Next steps are to continue to monitor uses and adjust the Port Tariff to accommodate users of the facility. Additionally, prepayment or pay for use electric meters are being investigating to allow for better management of electric use. **(05/06/2019)**

Dock Revenues: FY2018 - \$689, FY2019 - \$10,464, FY2020 (as of 10/9) - \$13,436 **(10/14/2019)**

The GPIP Dock continues to see a lot of use this summer. **(07/28/2020)**

2. Marine Services Industries at the GPIP.

The CBS is moving forward with design, engineering and permitting of an access ramp to support the marine service sector. **(03/27/2018)**

The Director is researching cost and management options for the storage of fishing gear on GPIP properties. **(07/24/2018)**

The GPIP Board held meetings on June 28th and July 26th to discuss the development of an access ramp at the GPIP to promote the marine service industry. PND Engineers of Juneau is under contract with the CBS to design, engineer and permit an access ramp. PND presented different concepts for the development of an access ramp. The consensus was to develop a ramp at an 8% grade to accommodate both barges and larger commercial vessels. The existing gravel ramp constructed by Northline Seafoods is

already at an 8% grade and could be improved to allow more use. PND engineers provided a cost estimate of \$6.7 million dollars to construct a fully operational concrete access ramp, EPA approved wash down pad, and all the associated upland improvement for a fully operational haul out yard. The Board is in the process of prioritizing development with current funds available. **(07/31/2018)**

The GPIIP Board met and set the priority order for the development of a haul out as the following recommended priorities phases:

1. EPA approved water treatment infrastructure.
 2. EPA approved wash down pad or water collection infrastructure.
 3. Ramp infrastructure improvements, including installing a concrete ramp.
 4. Upland improvements (Electric, water, lighting, etc.).
 5. Timber float.
 6. Potential CBS owned infrastructure to haul vessel (Hydraulic trailer or lift).
- (10/22/2018)**

The GPIIP Board and Assembly approved additional funding of \$22,000 for PND Engineers to provide detailed analysis for the phased development of the haul out facilities. **(05/06/2019)**

The Director has received word from CBS Administration that Halibut Point Marina will be transitioning out of the marine haul out business in the next few years. **(07/03/2019)**

The GPIIP Board reviewed and discussed the phase development estimates for the construction of an access ramp and associated infrastructure to construct a haul out facility at the park. Total project costs are estimated to be \$7.5mm. **(11/12/2019)**

The CBS received a proposal from the owners of Halibut Point Marina (HPM) stating that it will be reducing service within the next two years. HPM additionally submitted a proposal to the CBS to construct marine haul out infrastructure to include; haul out piers, an EPA approved wash down pad with a water treatment facility, and a 100 ton lift. HPM is requesting a trade of other CBS property to offset the cost of construction. The GPIIP Board has been unable to secure funding for the construction of haul out infrastructure to date.

The GPIIP Board held a meeting on December 4th to discuss the proposed haul out infrastructure. Discussion from the public and board focused on travel lift capacity, pier width, upland improvements needed, access, and future management. The Board recommended the Assembly move forward with negotiations with HPM for a facility that has a new 100 tons lift, piers that are 26' apart, infrastructure to include a float to help vessel navigate into the lift, a larger or additional wash down pad be included, and that infrastructure is added to allow people to exit vessels before being lifted. **(12/9/2019)**

Halibut Point Marina has withdrawn with its proposal to construct a vessel haul out at the GPIIP in exchange for other CBS property due to the CBS general code that requires CBS property to be disposed of via competitive bid. The CBS Assembly and GPIIP Board held a joint work session on January 30th to discuss next steps. The CBS Assembly directed the CBS Administrator to prepare and release a RFP for private sector development of vessel haul out at the GPIIP. **(02/10/2020)**

The GPIIP Board met on Feb. 28th and approved a draft RFP for CBS Administration approval to be released to the public for private sector development of a vessel haul out at the GPIIP. **(03/09/2020)**

The CBS received two proposals for development of a vessel haul out at the GPIIP. The GPIIP Board met via Zoom on April 27th and vetted the proposals as part of a selection committee, containing the 5 members of the Board, the CBS Administrator and Public Works Director. The Selection Committee scored a proposal from WC Enterprises as the best proposal. The RFP Scoring results were presented to the Assembly on May 12th. The Assembly gave direction to the CBS Administrator to work with WC Enterprises to develop a detailed agreement to move forward with the development of the haul out. The CBS Administrator, Public Works Director, and the GPIIP Director have been meeting twice a week with WC Enterprises on the agreement. **(06/01/2020)**

The CBS Assembly rejected the proposal by WC Enterprises due to substantial changes to WC request for financial support. The CBS is working on conceptual plans and design for a haul out at the GPIIP. **(07/28/2020)**

3. Bulk Water

The Director continues to work with entities interested in the export of Sitka's water. **(05/06/2019)**

The CBS Assembly met on April 30th to discuss needed repairs to the Raw Water delivery infrastructure. No funding or repair plan was determined. The CBS's ability to deliver water will need to be fixed before the bulk water export venture can move forward. The Assembly directed the GPIIP Director to continue to work with potential investors and exporters to find a funding solution to repair the system. The CBS does not believe that the infrastructure can be repaired until the penstock is shut down and dewatered. Estimate timeframe for penstock shut down is estimated to be the fall of 2021. **(06/03/2019)**

The Director met with Eckert Fine Beverage's engineering firm to finalize the design for the low volume water loading system. The goal is to have Eckert design, engineer, construct, and fund the water loading station. The water loading station will be strategically located on the GPIIP properties next to the Raw Water Meter building. The infrastructure will be turned over to the CBS upon completion for future use of all low volume water exporters. Eckert wishes to have a project completed this summer and start exporting water for vodka production. **(06/03/2019)**

The Director continues to receive inquiries from entities wishing to export Sitka's water. **(07/28/2020)**

4. Bottled Water

The Director continues to receive inquiries for bottled water. The Director has recently had conversations with entities from China, Costa Rica, and South Korea. **(11/12/2019)**

5. Public Industrial Water

The Director has met with both NSRAA and the Electric Department to find a way to ensure public industrial water is available to the park for economic development opportunities. **(06/03/2019)**

The CBS and NSRAA have come to an agreement on a water delivery agreement to allow NSRAA to use public industrial water for raising salmon. **(02/10/2020)**

6. Blue Lake Dam Expansion Project

The Blue Lake Dam Expansion Project has been completed. Evacuated rock from the project is still being stored on park property. Rock needs to be removed from the property for economic development to continue on the site. The CBS is still working on a solution. **(05/12/2015)**

The CBS Electrical Department intends to release a request for proposals of entities interested in purchasing rock stored at GPIP. **(06/29/2015)**

The CBS Electrical Department has recently investigated several plans to remove rock from the property. **(09/22/2015)**

Rock is actively leaving the park via contracts between the CBS Electric Department and various entities. **(07/11/2016)**

The Director is currently working with various groups to continue to remove rock from the industrial site and bring the industrial site condition back to leasable condition. **(05/31/2017)**

The CBS Electric Department reports that a contractor has purchase all the remaining rock left in the GPIP. The rock will be barged out of the park for use in a private waterfront development. The contractor anticipates that all rock will be removed from the park by the end of the calendar year. **(08/01/2017)**

A majority of the rock in the park has been removed. Rock remains on lots 15, 16b, 19, and 20. **(10/16/2017)**

More rock has left the park. Rock only remains on lots 16b, 19, & 20. The Assembly has approved funding to clean up the waterfront and interior lots to bring back to a usable state. **(01/18/2018)**

The GPIP Board met in September and agreed to allow the CBS another 6 months to store rock on lots 16b, 19, & 20. **(10/22/2018)**

The Assembly has approved a MOA between the GPIP and Electric Department to allow the GPIP to charge for use of Lots 16b and 20. Rock has been stored on these lots since

the Blue Lake Dam Expansion project. **(06/03/2019)**

7. GPIIP Dock Fuel Sales

Delta Western has received its build permit to establish a fueling operation on the GPIIP Dock. The fuel tanks will be relocated from the dock itself to the uplands above the dock. **(07/03/2019)**

Delta Western has completed its fuel delivery infrastructure on the GPIIP dock. **(11/12/2019)**



White Paper on Sitka as a Smart City by Wind Talker Innovations (WTI)

OSMOSIS™ NETWORK TECHNOLOGY

WTI is a Service-Disabled Veteran Owned Small Business pioneering network and data communications. The company has, over a three year span, developed *Osmosis*: a secure, self-healing, ad hoc mesh network that will provide connectivity to, and through, every single radio-enabled device. Utilizing WTI's proprietary, platform-agnostic *DirectPath™* technology, *Osmosis* seamlessly fuses any and all data and communication networks, by moving data from one path to another while maintaining constant connectivity. *Osmosis* is intended to function just like Bluetooth, WiFi or cellular service, with the functionality and benefits of all three combined. WTI's vision is to have a distinctive icon, just like those features do, that will be part of the phone, computer, tablet or other connected devices' services tray.

WTI's Mission:

WTI's mission is to turn all mobile devices into a global network of access points where users can connect directly with one another any-time, any-place, securely. WTI designed *Osmosis* as a downloadable software, to sit over-the-top of existing networks, seamlessly integrating into the nodes, and extending those networks, or to act as a stand-alone network when infrastructure is not available. The innovative design will collectively form a seamless, lightweight architecture from the devices themselves, utilizing this revolutionary framework to support edge computing, mobility, security and safety.

One of the key benefits of *Osmosis* is its ability to extend existing network boundaries, thereby mitigating the massive CapEx typically associated with new network infrastructures. *Osmosis* can act like a 5G enabler while reducing the footprint costs associated with 5G rollout. WTI has focused its initial efforts on software defining the utilization of four spectrums of implementation, combined with the beam-forming characteristics of 5G network implementation.

WTI has designed and patented several proprietary algorithms and protocols that operate in these spectrums, but are not limited to or by them, to solve the global issue of uneconomical network connectivity. *Osmosis* will be able to provide coverage beyond line-of-sight, connect seamlessly across all modes of transmission, and pass Gbps data-rates everywhere. Some of the overarching solutions that *Osmosis* provides are: 1) a self-healing, secure, ad-hoc mesh network in which every node is essentially a router, 2) support for the first persistent polar coverage ever, 3) support for multi-modal implementation through all forms of transportation - planes, trains, autos, ships, individual cargo containers, equipment & phones, 4) augmentation of cellular, air-to-ground, air-to-air & satellite coverages, 5) facilitation of the USDOT's "Road to Zero" initiative to reduce traffic fatalities and 6) enabling the next technology revolution, including full autonomy for automotive, aviation and drones.

WTI is developing cutting-edge network encryption (which will be NSA compliant) that allows for data to be passed inside of the *Osmosis*-secured pipe without visibility or detection of the encrypted data within. WTI's patented *Osmosis* technology enables communication to stay at the IP layer, meaning that any internet enabled device can access the network. This is key to enabling off-grid communication with *DirectPath* reach-back capability. With *Osmosis*, data can now be routed through disconnected network



nodes. *Osmosis* has near infinite vertical applications, but the first of many will be in the aviation, telecom, automotive, off-grid, national security and smart city sectors.

Wind Talker Innovations Team:

WTI's Co-founders are both United States Air Force combat veterans who have decades of experience in running businesses, hiring teams, building strategic roadmaps, executing program management and using WATERFALL, AGILE/SCRUM and LEAN principles. They have managed and led teams responsible for operations, logistics, maintenance, design, requirements, finances, development, test, quality assurance, fielding, standardization and life cycle management.

The Future:

Wind Talker Innovations is seeking commercial and government partners that are motivated to be part of the next generation of communication capabilities, and has been diligently developing relationships with select entities in each sphere. Some of those potential partners include:

Commercial: Comcast, Verizon, CTA (CES & CES Government), Delta Airlines, Alaska Airlines, Boeing & Raytheon

Government: DoD (USAF, USN), DARPA, Office of the Secretary of Defense, FAA, DHS, CBP, Tacoma, Washington, Mexico Beach, Florida, Lakeland, Florida and Anchorage, AK

Sitka as a Smart City:

The austere geography and lack of communications infrastructure within the City of Sitka and surrounding areas presents several challenges to providing reliable voice and data communications, regardless of provider. A solution to improve the reliability and range of service for cellular and emergency response communications is long overdue, and could relatively easily be satisfied by the deployment of *Osmosis*. Implementation will alleviate one of the greatest communications challenges faced by this community, which is excessive network load and degraded cellular signal, which becomes particularly evident when the population swells and there are one, two, or on some days now three cruise ships in port. *Osmosis* has the ability to leverage and benefit from this increased demand – turning limitations into solutions, *Osmosis* only gets faster as network load increases. By integrating the influx of new *Osmosis* nodes into the network, *Osmosis* will use this additional capacity to transform into an expanded and robust infrastructure with exponentially-multiplied supporting nodes available. *Osmosis* will also extend the range of current infrastructure to those areas where locals and tourists alike migrate to on a daily basis, and where coverage does not currently exist, which will instantly provide greater connectivity and instantly enhance personal and community safety.

The possibility of monetizing this service could generate a substantial new revenue stream for Sitka's economy through a variety of means that were never before possible or feasible. It would be mutually beneficial for WTI and the City of Sitka to explore options on how to best implement *Osmosis* to meet these challenges by designating Sitka as a Smart City pilot program, and ultimately building upon the successes that would be collectively realized through such a partnership.

**SITKA ECONOMIC DEVELOPMENT ASSOCIATION**

329 Harbor Drive, Suite 212 ★ Sitka, Alaska 99835 ★ (907) 747-2660 ★ fax (907) 747-7688 ★ www.sitka.net

Tuesday, July 28, 2020

MEMORANDUM

To: SEDA Board of Directors
From: Garry White - Director
Subject: Letter of Support related to CPCN

Introduction

I was asked if SEDA would consider writing a letter of support to help spur the development of private sector electric vehicle (EV) charging stations in Alaska.

In Alaska, a person (developer) may need a Certificate of Public Convenience and Necessity from the Regulatory Commission of Alaska (Commission) before beginning utility operations and receiving compensation for providing services to customers.

The regulation in place that requires a Certificate of Public Convenience and Necessity is outdated and does not allow sufficient revenue to be generated to make up for the installation costs of the EV charger. Therefore, businesses, tribes and local governments are choosing not to invest in EV chargers.

The attached letter of support asks for the Regulatory Commission to exempt EV charging stations.

Action

- SEDA Board approval of letter of support.



30 July, 2020

The purpose of this letter is to express Sitka Economic Development Association's support for exempting businesses wishing to resell energy to electric vehicles at charging stations from the State of Alaska requirement to obtain a Certificate of Public Convenience and Necessity. Sitka has excess electricity from our hydropower facilities Green Lake and Blue Lake, that when redistributed to the community in the form of electric vehicle chargers could create additional revenue while also supporting green energy initiatives. Sitka's environment and resources are optimal for a thriving electric vehicle community.

The addition of EV chargers in the downtown area will encourage local shopping, and promotes clean energy infrastructure use among small businesses. The added income from the use of the chargers will be an incentive for business owners to invest in the equipment. This can also support tourism growth and attract new residents, while retaining current Sitka locals.

The regulation in place that requires a Certificate of Public Convenience and Necessity is outdated and does not allow sufficient revenue to be generated to make up for the installation costs of the EV charger. Therefore, businesses, tribes and local governments are choosing not to invest in EV chargers.

The State of Alaska requires any entity which sells electricity to more than 10 customers a year to obtain a Certificate of Public Convenience and Necessity ("CPCN") from the State of Alaska. The cost of obtaining a CPCN is high enough that small businesses are not willing to put money into EV chargers. The regulations were put in place to prevent duplicate sets of expensive utility infrastructure to insure that energy costs remain low. The regulation was established before the increased interest in electric vehicles created a demand that can be easily met by utilizing excess power from the overproducing hydro plants. **The Sitka Economic Development Association recommends the Alaska legislature create an exemption from the CPCN requirement for businesses reselling electricity to electric vehicles at charging stations.**

As it stands, EV charging stations are giving electricity to their consumers for free. This is not an economically viable plan and therefore there is very little interest currently in creating these facilities for the community.

As society is evolving to meet the increased demand for energy efficient products, electric vehicles are gaining popularity and infrastructure must be put in place to support this new technology. The leaders of Sitka, and of our state, must take action to ensure that outdated barriers do not reduce our community's competitiveness, and economic growth opportunities.

Garry White, Executive Director

**SITKA ECONOMIC DEVELOPMENT ASSOCIATION**329 Harbor Drive, Suite 212 ★ Sitka, Alaska 99835 ★ (907) 747-2660 ★ fax (907) 747-7688 ★ www.sitka.net

Tuesday, July 28, 2020

MEMORANDUM

To: SEDA Board of Directors

From: Garry White - Director

Subject: GPIP Haul Out

Introduction

The CBS venture to have a vessel haul out facility constructed at the Gary Paxton Industrial Park (GPIP) has again shifted, with the CBS now again taking the lead to design and construct the facility.

Background

The GPIP Board has long recognized the importance of the fishing and maritime industry to the community of Sitka. The GPIP Board and CBS have been working on vessel haul out development concepts since the GPIP properties were acquired.

The GPIP Board hired consultants to provide conceptual design and cost of estimates for a haul out starting in the early 2000s. Haul out conceptual designs have shifted from traditional marine haul out piers, to an access ramp concept, and now back to the traditional marine haul out piers. Funding for a facility has always been an issue with getting the haul out constructed.

The public announcement in the fall of 2019, that Halibut Point Marina (HPM) will cease public haul out operations in the next few years has intensified the priority of establishing a marine haul out facility at the GPIP.

The GPIP Board and Assembly held a joint work session on January 30th, 2020 to discuss different concept regarding; ownership of facility and operations, infrastructure needed to support the fleet, and funding for the haul out construction and operations. The Assembly gave direction to develop a RFP to investigate private ownership and operations of a haul out.

The GPIP Board met on February 27th, 2020 to recommend approval of a RFP. The CBS Assembly met on March 10th, 2020 and approved the RFP for release. On March 11th, 2020, the City and Borough of Sitka (CBS) released a Request for Proposal (RFP) for the Construction and Operation of a Marine Haul Out and Shipyard. The RFP was open until April 15th, 2020. The CBS received two proposals from the RFP process.

The GPIP Board met on April 27th to discuss and score both proposal as part of the CBS RFP Selection Committee. The CBS Selection Committee scored the proposal from WC Enterprises (Now SIMS) with the highest score. The CBS Assembly accepted the GPIP Board's recommendation to move forward with negotiating terms to move forward on a haul out at the GPIP with WC/SIMS at its May 12th, 2020 meeting.

The CBS Administrator, Public Works Director, and myself met with the SIMS folks and negotiated a term sheet for SIMS to construct and operate the haul out. At the last minute, SIMS concluded that their financial predictions on the estimate construction costs were off and they could not build the haul out without a financial subsidy from the CBS. The substantial change in SIMS financing caused their proposal to fall outside of the RFP process and their proposal was not approved by the Assembly. The Assembly then directed the CBS Administrator to create a plan for the CBS to construct the haul out, mainly contingent on grant funding.

The CBS applied for a USDOT Build Grant and a Port Infrastructure Development Program Grant in May 2020. The CBS should find the results of the grant applications in fall 2020.

Additional Information

The CBS Assembly will be considering a proposal to allow for a \$100,000 budget to be established for the CBS Public Works Department to start planning for construction of a haul out at is 7/28/2020 meeting.

Action

- SEDA Board discussion on a CBS haul out at the GPIP.

**SITKA ECONOMIC DEVELOPMENT ASSOCIATION**329 Harbor Drive, Suite 212 ★ Sitka, Alaska 99835 ★ (907) 747-2660 ★ fax (907) 747-7688 ★ www.sitka.net

Tuesday, July 28, 2020

MEMORANDUM

To: SEDA Board of Directors

From: Garry White - Director

Subject: Sitka Economic Profile 2020

Introduction

Attached is the Sitka Economic Profile 2020 prepared for SEDA by the McDowell Group.

Last year was the first time since 2011 that SEDA hired the McDowell Group to research and present data for SEDA's State of the Sitka Economy presentation. SEDA made the decision in late 2018 to reinstate the State of the Sitka Economic presentation and written report.

Due to Covid issues, the 2020 State of the Sitka Economy presentation was canceled. I asked the McDowell Group to move forward with a written report. The presentation and written report has traditionally happened in April. I asked the McDowell group to hold off on the release of the report as to see if we could capture data related to the lockdowns due to Covid, which is addressed briefly in the report.

The profile will be sent to the community with a July Trends issue.

Action

- SEDA Board discussion on Sitka Economic Profile 2020.

July 2020

Sitka Economic Profile, 2020

**Prepared for Sitka Economic
Development Association**



Sitka Economic Profile, 2020

PREPARED FOR:

Sitka Economic Development Association

July 2020

McDowell Group Anchorage Office

1400 W. Benson Blvd., Suite 510
Anchorage, Alaska 99503

McDowell Group Juneau Office

9360 Glacier Highway, Suite 201
Juneau, Alaska 99801

Website: www.mcdowellgroup.net

Table of Contents

Introduction.....	1
Summary	2
Demographics.....	3
Population	3
Births/Deaths.....	4
Migration	5
Age and Demographics.....	6
Population Projection	7
Economic Profile.....	8
Sitka's Economic Footprint.....	8
Employment Trends.....	9
Wage Trends	10
Wage/Salary Employment and Self-Employment.....	11
Labor Force/Unemployment	12
Nonresident Workers.....	14
Seasonality of Employment	15
Overall Seasonality.....	15
Seasonality by Sector	16
Personal Income.....	18
Key Industry Conditions and Trends	21
Seafood Industry.....	21
Seafood Processing	22
Hatchery Impacts.....	23
Visitor Industry.....	23
Health Care and Social Services.....	24
Federal Government.....	25
Other Economic Activity.....	26

Introduction

This document provides a high-level overview of the latest data available on key socioeconomic indicators for Sitka. Many of the economic effects of the COVID-19 pandemic are not yet evident in available data, which may have time lags of a month to more than a year. The observed or likely effects of COVID-19 are discussed where possible.

The information is presented in three segments:

- Demographics
- Economics
- Industry trends

For some key indicators, data for other communities or Alaska overall are provided for context.

Key sources of data include Alaska Department of Labor and Workforce Development (DOLWD), Alaska Department of Fish and Game (ADF&G), the federal Bureau of Economic Analysis (BEA), and various McDowell Group research publications. Where warranted, monetary values have been presented in both nominal and real (inflation-adjusted) dollars using the Bureau of Labor Statistics (BLS) Urban Alaska Consumer Price Index (CPI).

COVID-19 has dramatically changed the local, state, and national economic landscape. Economic losses have been severe, and the path to recovery is unclear.

As Sitka entered 2020, several underlying trends were evident in socioeconomic data:

- Sitka's economy is diverse, with important contributions from the seafood industry, tourism, health care, and "national interest" federal government, including the U.S. Coast Guard (USCG) and the U.S. Forest Service (USFS). This diversity provides a degree of economic resiliency.
- Sitka's economy has shown long-term stability, with employment fluctuating within a narrow band over the past decade. Sitka has largely been spared the losses Alaska suffered through the 2015-2018 recession driven by the 2014 oil price collapse.
- While employment and population have been generally flat, total and per-capita real (inflation-adjusted) income earned by Sitka residents has been growing through at least 2018 and probably into 2019.
- Recent population decline is of concern. With another year of decline in 2019, Sitka has experienced three consecutive years of population loss. Compared to 2014, Sitka's population has declined by a total of 534 residents, a 6% decrease. Based on demographic trends through 2019, Sitka's population is projected to continue slowly declining, slipping to 8,300 by 2030, about 250 fewer residents than in 2019.

The economic shutdown in March and April resulted in sharp declines in business sales and steep employment cuts. By April, unemployment in Sitka reached 12.8%, triple the March rate of 4.2%. More than 500 Sitka resident workers filed unemployment claims in April. May and June numbers showed some improvement, with unemployment at 12.4% and 11.7%, respectively. (The statewide unemployment rate in June was 12.3%, while the national rate was 11.2%.)

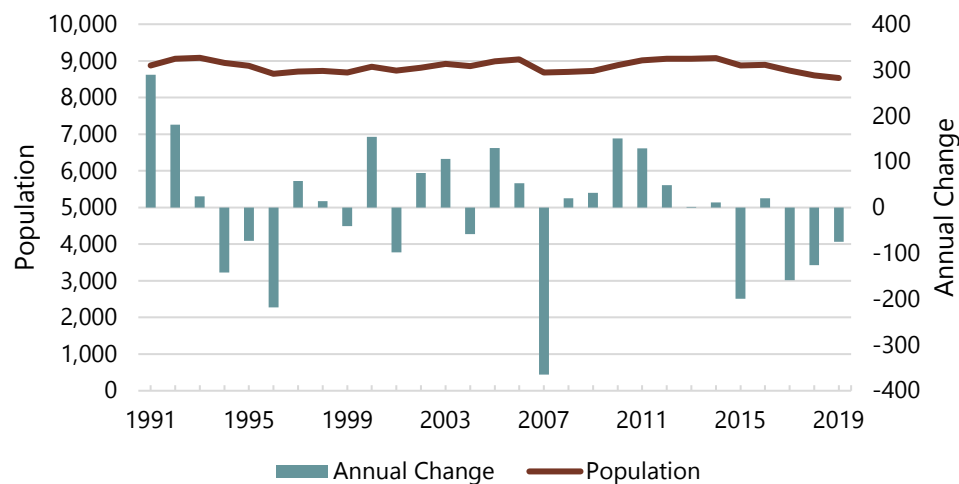
The economic damage associated with COVID-19 crosses many sectors of the economy, particularly restaurants and bars, hotels, retailers, and health care services. Further damage will unfold over the summer due to losses in the visitor industry, which could cost the Sitka economy more than \$30 million in direct visitor spending.

CARES Act funding, Payroll Protection Program (PPP) funding, Economic Impact Payments, expanded unemployment insurance payments, and other sources of federal funds have added (or will be adding) much needed cash (likely totaling more than \$40 million) to local residents, businesses, and other organizations. However, these are temporary infusions into an economy that could take several years to fully recover.

Population

- Sitka's population totaled 8,532 residents in 2019, down a little less than 1% from 2018. While the decline was small, it was the third consecutive annual decline. Since 2014, Sitka's population has dropped by a total of 534 residents, a 6% decrease.
- Sitka's population has been fairly steady over the last 30 years with total population cycling between highs of about 9,100 and lows of around 8,600. However, Sitka's population is now at its lowest point since the 1980s.

Figure 1. Sitka Population, 1991 to 2019



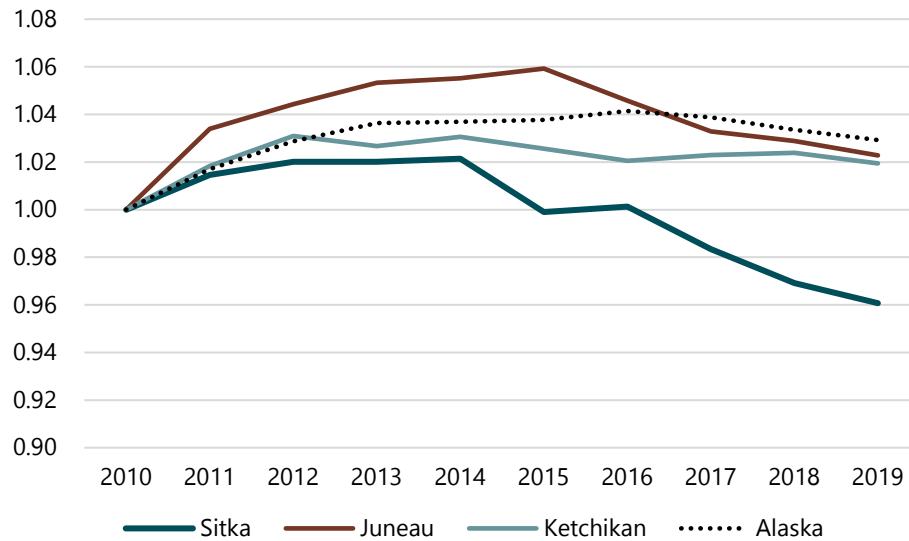
Source: DOLWD.

- The recent population decline in Sitka is greater than declines in other communities and in Alaska overall. While Sitka's population was down by 4.2% between 2016 and 2019, Alaska's was down 1.2%, Juneau's was down 2.2%, and Ketchikan's was down 0.1% over the same period.

Table 1. Population Trends in Sitka and Other Areas, 2010-2019

Year	Sitka	Juneau	Ketchikan	Alaska
2010	8,881	31,275	13,477	710,231
2011	9,018	32,331	13,722	722,159
2012	9,052	32,657	13,891	730,603
2013	9,054	32,941	13,836	736,071
2014	9,066	33,000	13,889	736,423
2015	8,899	33,128	13,820	737,022
2016	8,905	32,705	13,753	739,676
2017	8,748	32,302	13,782	737,847
2018	8,652	32,247	13,843	736,239
2019	8,532	31,986	13,739	731,007

Source: DOLWD.

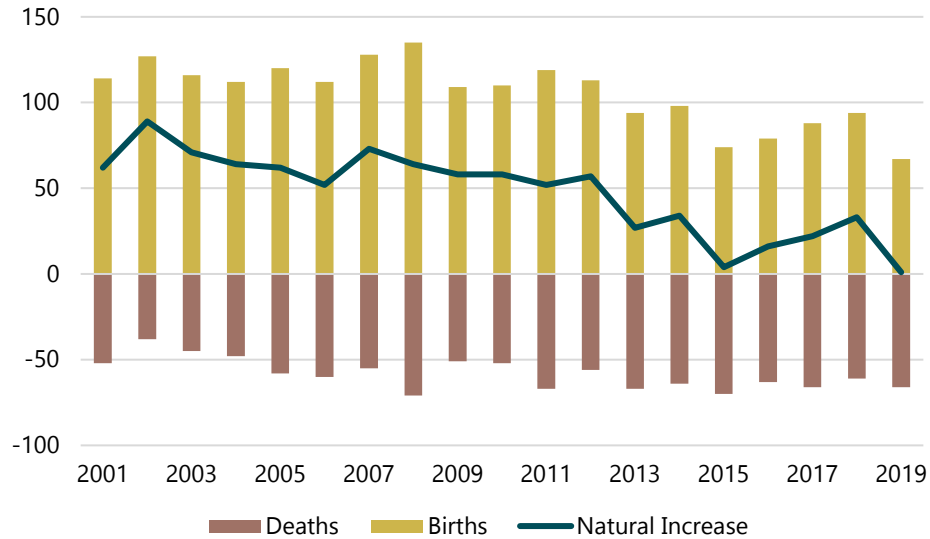
Figure 2. Population Change (2010 = 1.00)

Source: DOLWD.

- Declining school enrollment in Sitka reflects out-migration and other demographic shifts. School enrollment in 2019-20 (1,251 students) was at its lowest point since peaking in 2013-14 (1,421 students). Enrollment is down 12% over the 2013-14 to 2019-20 period.

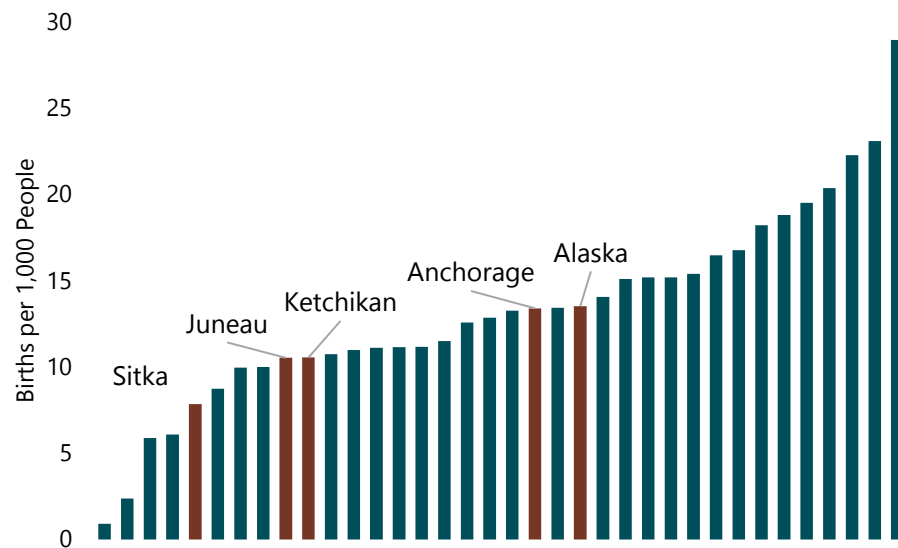
Births/Deaths

- Population change results from a combination of net migration and natural increase. Natural increase is the difference between the number of local deaths versus the number of births.
 - Sitka experienced a natural increase of one in 2019 with 67 births and 66 deaths.
 - The rate of Sitka's natural increase has been trending down over the last two decades as a result of both decreasing birth rates and increasing death rates.

Figure 3. Sitka Births, Deaths, and Natural Population Change

Source: DOLWD; McDowell Group calculations.

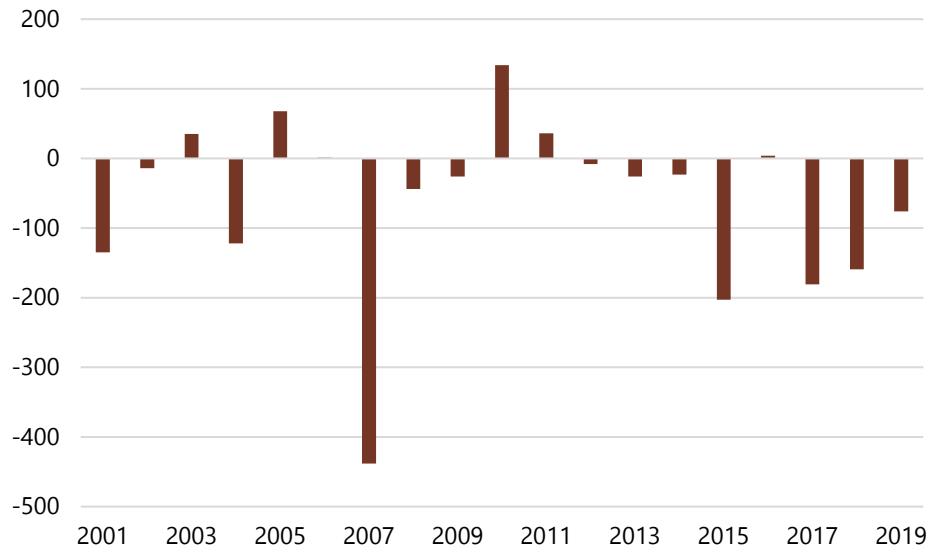
- Sitka has seen a steadily decreasing birth rate over the last 20 years. During the 2000s, Sitka's birth rate averaged 13.5 births per 1,000 people. Last year Sitka had a birth rate of just 7.9.
- Sitka's birth rate is now one of the lowest of any region in Alaska and is 42% lower than Alaska as a whole.

Figure 4. Birthrates for Alaska and Selected Communities, 2019

Source: DOLWD; McDowell Group calculations.

Migration

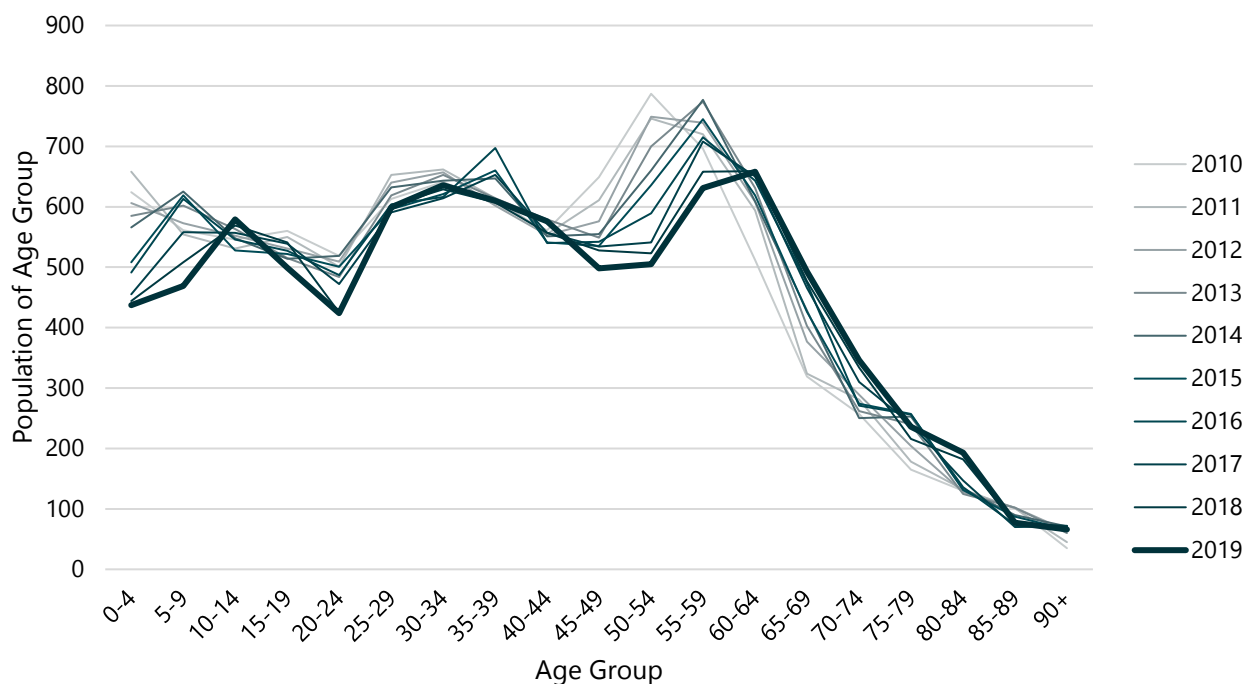
- In the last eight years, Sitka has only seen one year with positive net migration. In 2016, four more people moved to Sitka than left. Over the last four years alone, 615 more people moved away from Sitka than moved to Sitka.

Figure 5. Sitka Net Migration

Source: DOLWD; McDowell Group calculations.

Age and Demographics

- Sitka's population is getting older. The median age of a Sitka resident has grown from 38.1 to 40.1 over the last 10 years. This is significantly higher than the Alaska median age of 35.5 but similar to that of other Southeast communities. Of the 14 borough/census areas in Alaska with the highest median age, nine are in Southeast Alaska, led by Haines with a median age of 48.6.

Figure 6. Sitka Population by Age Group

Source: DOLWD; McDowell Group calculations.

- Sitka's population has three distinct age groups:
 - **Children age 10 to 19:** Ten years ago, there were 1,185 children aged 9 or under. Now, 10 years later, these children are aged 10 to 19. The current number of children aged 10 to 19 is 1,078, meaning that this cohort of children has declined by 9% over the last 10 years.
 - There are now only 906 children aged 9 and under, a 24% reduction from 10 years ago. This means that not only has the cohort of children currently aged 10 to 19 shrunk by 9%, the number of children replacing them has shrunk even further.
 - **Adults age 25 to 44:** The number of adults aged 25 to 44 in Sitka has been consistent over the last 10 years, staying between about 2,420 and 2,480. The size of this group holds steady while there are persistent reductions in age group populations on either side. This implies that some of this cohort moves to Sitka at around 25 and then slowly begins leaving Sitka starting at about 35.
 - **Adults age 55 to 64:** This age group represents the largest cohort in Sitka. Ten years ago, when these residents were age 45 to 54, they were by far the largest age group in Sitka. As they have aged, their population has decreased by about 9%.

Population Projection

- Sitka's population is projected to decrease to 8,300 by 2030 and to 7,500 by 2045, based on the trajectory of current migration and natural change trends.
- Sitka's projected 25-year decline, at 11.7%, is greater than Juneau's (-0.6%) and Ketchikan's (-8.2%) and in sharp contrast to the statewide growth projection (+14.6%) over the next 25 years.
- It is important to note that DOLWD population projections are not updated every year and may be adjusted in the future to reflect current population trends as well as economic events. These projections were prepared prior to the COVID-19 pandemic.

Table 2. Population Projections Through 2045

Year	Sitka	Juneau	Ketchikan	Alaska
2019	8,532	31,986	13,739	731,007
2020	8,609	32,242	13,620	746,582
2025	8,489	32,554	13,561	770,392
2030	8,312	32,640	13,418	790,777
2035	8,092	32,531	13,186	808,367
2040	7,829	32,240	12,919	823,771
2045	7,530	31,783	12,607	837,806
Total Change (%)	-11.7%	-0.6%	-8.2%	+14.6%

Source: DOLWD; McDowell Group calculations.

Sitka's Economic Footprint

There are various ways to describe the size of Sitka's economy.

- The Bureau of Economic Analysis measured Sitka's Gross Domestic Product (GDP) in 2018 at \$512 million, up from \$488 million in 2017. GDP is a measure of the market value of final goods and services produced in Sitka annually. In 2018, the private sector accounted for \$367 million (72%) of Sitka's total GDP.
- BEA estimated total earnings in Sitka at \$397 million in 2018, up from \$377 million in 2017. Total earnings is a measure of wages and self-employment income for residents and non-residents working in Sitka.
- Sitka residents' personal income totaled \$622 million in 2018, up from \$589 million in 2017. Total personal income is a measure of income from all sources earned by residents of Sitka. This measure does not include wages earned locally by nonresidents.
- Total gross business sales are a measure of local business activity and provides a good barometer of overall trajectory of the economy. According to City and Borough of Sitka data, gross sales totaled \$411 million in FY2018 and \$407 million in FY2019.

Employment Trends

- Sitka's economy included an average of 4,311 wage and salary jobs in 2019, according to DOLWD data. This measure of employment does not include self-employed fishermen, other self-employed people, or active duty military.
- Wage and salary employment in Sitka increased 1.7% (70 jobs) between 2018 and 2019. The significant decrease in local government employment (down 87 jobs, 12.8%) and the increase in health care jobs (up 82 jobs, 14.1%) are likely the result of SEARHC assuming control of Sitka Community Hospital.
- **COVID-19:** While specific data is not yet available, sectors hit hardest by the COVID-19 pandemic include leisure & hospitality, retail trade, transportation, and health care. Additional information about employment impacts of COVID-19 is provided in the labor force section of this report.

Table 1. Sitka Employment Trends, 2016-2019

Industry	2016	2017	2018	2019	2018-19 Change	2018-19 Change %
Government Sector						
Federal Government	126	120	113	108	-5	-4.0%
State Government	326	320	323	315	-8	-2.5%
Local Government	681	692	679	592	-87	-12.8%
Private Sector						
Construction	188	158	154	156	+2	+1.1%
Manufacturing	445	495	477	547	+70	+15.7%
Seafood Processing	363	411	393	462	+69	+19.0%
Retail	449	449	459	448	-11	-2.4%
Transportation	290	293	270	270	0	0.0%
Scenic & Sightseeing	145	140	113	125	+12	+8.3%
Financial Activities	125	119	117	116	-1	-0.8%
Professional & Business Services	173	177	187	203	+16	+9.2%
Educational and Health Services	664	678	688	771	+83	+12.5%
Educational Services	83	ND	78	80	+2	+2.4%
Health Care & Social Assistance	581	ND	609	691	+82	+14.1%
Leisure & Hospitality	521	522	518	521	+3	+0.6%
Accommodations	138	149	157	148	-9	-6.5%
Restaurants and Bars	357	341	332	343	+11	+3.1%
All Other	241	260	257	264	+7	+2.9%
Total Employment	4,229	4,283	4,241	4,311	+70	+1.7%

Source: QCEW, DOLWD.

Wage Trends

- Wages earned in Sitka in 2019 totaled \$208.7 million, up 6% from the 2018 total of \$196.6 million. The change included a drop in government wages and an increase in private sector wages, likely related to change in hospital management.
- The average monthly wage in Sitka in 2019 was \$4,033 (the equivalent of \$48,396 annually). The average was higher in the government sector (\$4,734; local, state, and federal combined) than in the private sector (\$3,818).
- Sitka's average monthly wage in 2019 was about 15% below the statewide average of \$4,748.

Table 4. Sitka Monthly Wage and Total Annual Wages Trends, 2014-2019

	2014	2015	2016	2017	2018	2019
Total Annual Wages (\$millions)						
Government	\$61.9	\$62.6	\$62.1	\$61.4	\$63.4	\$57.7
Private industry	\$137.0	\$133.1	\$121.7	\$124.1	\$133.2	\$151.0
All Sectors	\$199.0	\$195.6	\$183.7	\$185.5	\$196.6	\$208.7
Avg. Monthly Wages						
Government	\$4,382	\$4,433	\$4,565	\$4,521	\$4,739	\$4,734
Private industry	\$3,402	\$3,274	\$3,271	\$3,302	\$3,550	\$3,818
All Sectors	\$3,656	\$3,572	\$3,617	\$3,624	\$3,862	\$4,033

Source: QCEW, DOLWD.

Table 5. Average Monthly Wage, Statewide and Selected Communities, 2019

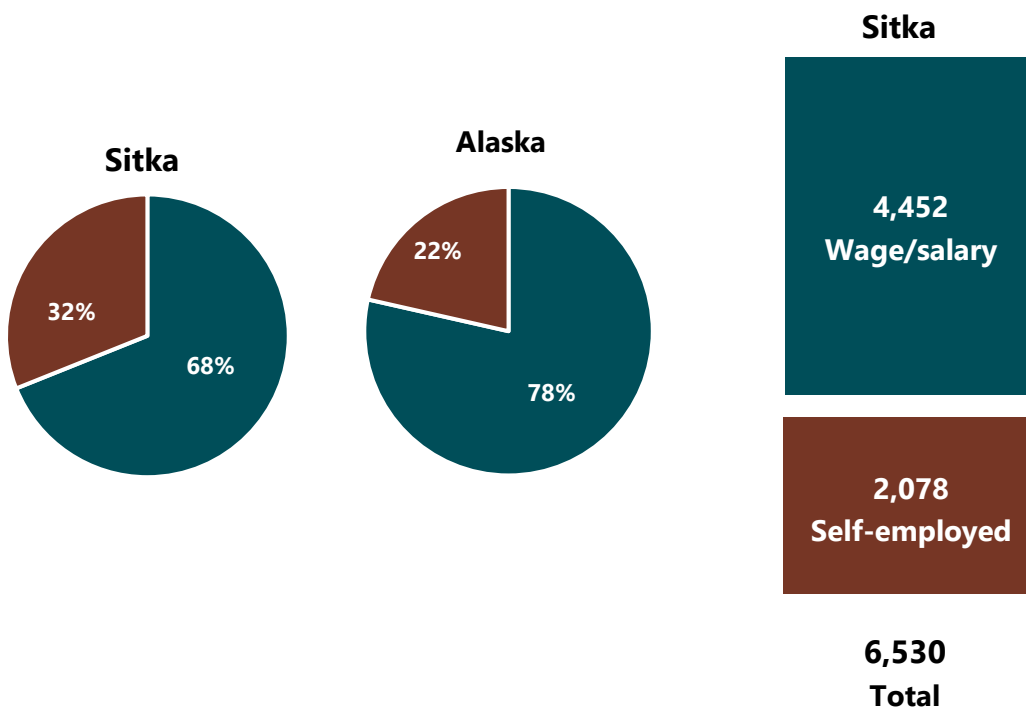
	Average Monthly Wage
Alaska	\$4,748
Anchorage	\$5,002
Juneau	\$4,397
Ketchikan	\$4,047
Sitka	\$4,033
Petersburg	\$3,576
Wrangell	\$3,546

Source: QCEW, ADOLWD.

Wage/Salary Employment and Self-Employment

- Wage and salary employment and self-employment together accounted for 6,530 jobs in Sitka in 2018, according to the latest available BEA data.
- Wage and salary employment accounted for 4,452 jobs, or 68% of all employment in Sitka in 2018. Self-employment accounted for 2,078 jobs (32%).
- Self-employment accounts for a larger share of jobs in Sitka (32%) than in Juneau (21%), Ketchikan (24%), and Alaska overall (22%); the discrepancy is likely attributable to Sitka's high number of commercial fishermen.

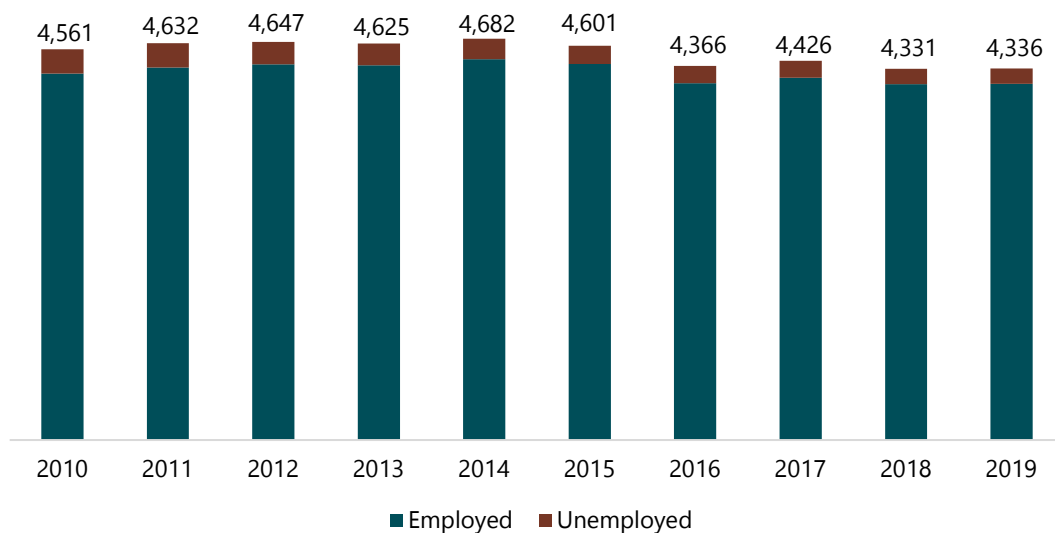
Figure 7. Wage and Salary Employment and Self-Employment, 2018



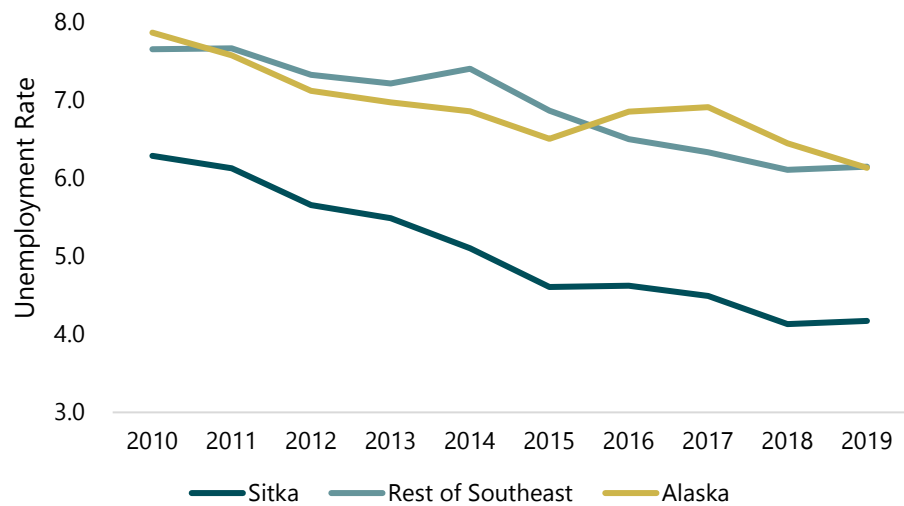
Labor Force/Unemployment

- Sitka's labor force averaged 4,336 workers in 2019, ranging from 3,879 in January to 5,012 in July. The labor force includes employed and unemployed (but seeking employment) residents. It does not include seasonal nonresident workers.
- Sitka's average annual unemployment rate had been declining steadily over the past eight years, until 2019.
- **COVID-19:** Labor force statistics provide the first measures of the economic impact of the pandemic.
 - Sitka's unemployment rate climbed to 12.8% in April, triple the March rate of 4.2%. In April, 519 Sitka resident workers were unemployed, out of the total resident labor force of 4,063. In a typical April, approximately 170 to 190 Sitka workers are unemployed.
 - The 505 Sitkans who received unemployment insurance payments in April 2020 received a total of \$1.31 million in benefits for the month, including the \$600 per-week federal supplement.

Figure 8. Sitka Labor Force, 2010-2019



Source: DOLWD.

Figure 9. Unemployment Rate (%), by Area, 2010-2019

Source: DOLWD.

Table 6. Unemployment Rates (%), by Area, 2010-2019

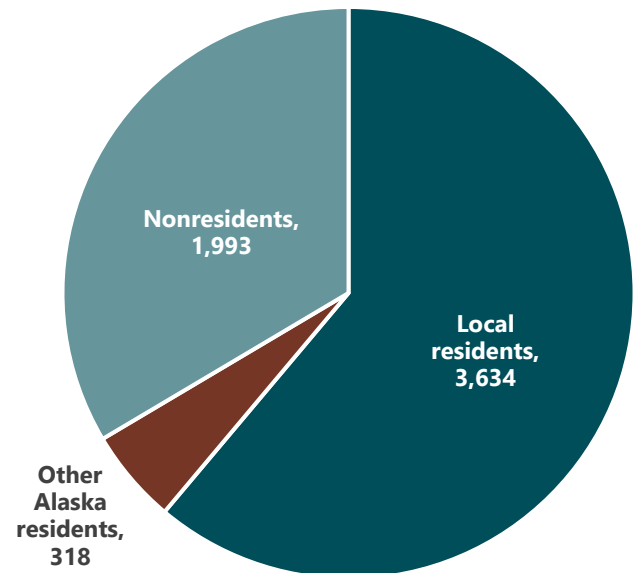
	Sitka	Rest of Southeast	Alaska
2010	6.3	7.7	7.9
2011	6.1	7.7	7.6
2012	5.7	7.3	7.1
2013	5.5	7.2	7.0
2014	5.1	7.4	6.9
2015	4.6	6.9	6.5
2016	4.6	6.5	6.9
2017	4.5	6.3	6.9
2018	4.1	6.1	6.5
2019	4.2	6.2	6.1

Source: DOLWD.

Nonresident Workers

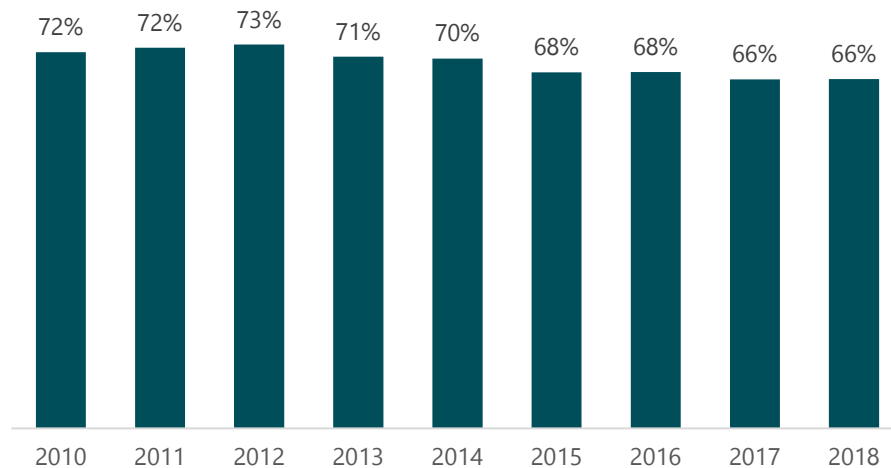
- In 2018, Sitka's workforce included 1,993 non-Alaska residents and 318 Alaskans from elsewhere in the state.
- Nonresidents are an important source of labor for Sitka employers. Non-Alaska residents accounted for 34% of the local workforce in 2018. Including Alaska residents from elsewhere in the state, 39% of the workforce was non-local.
- In the private sector, nonresidents represented 39% of the Sitka labor force in 2018. Those workers took home 26% of the private sector wages earned in Sitka.
- Sitka is more dependent on nonresident workers than Ketchikan and Juneau, as illustrated below.

Figure 10. Nonresidents in the Sitka Workforce, 2018

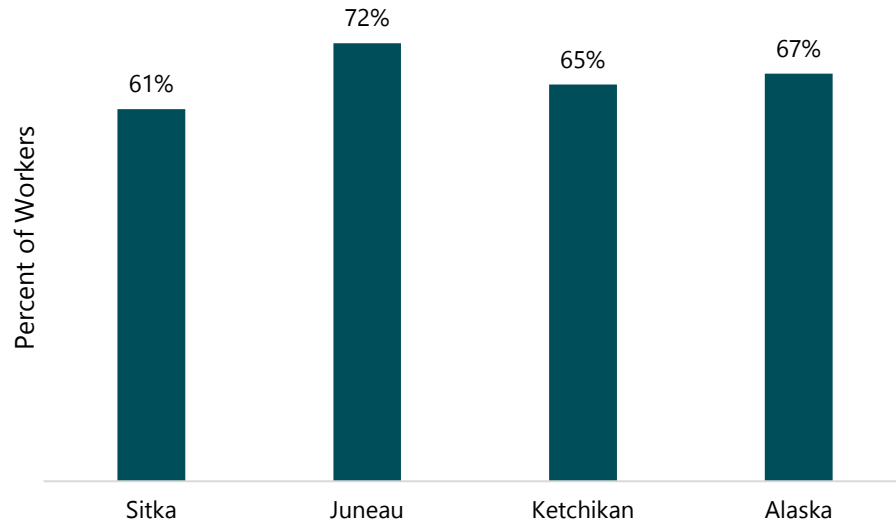


Source: ADOLWD.

Figure 11. Share of Alaska Residents in the Sitka Workforce, 2010 to 2018



Source: DOLWD.

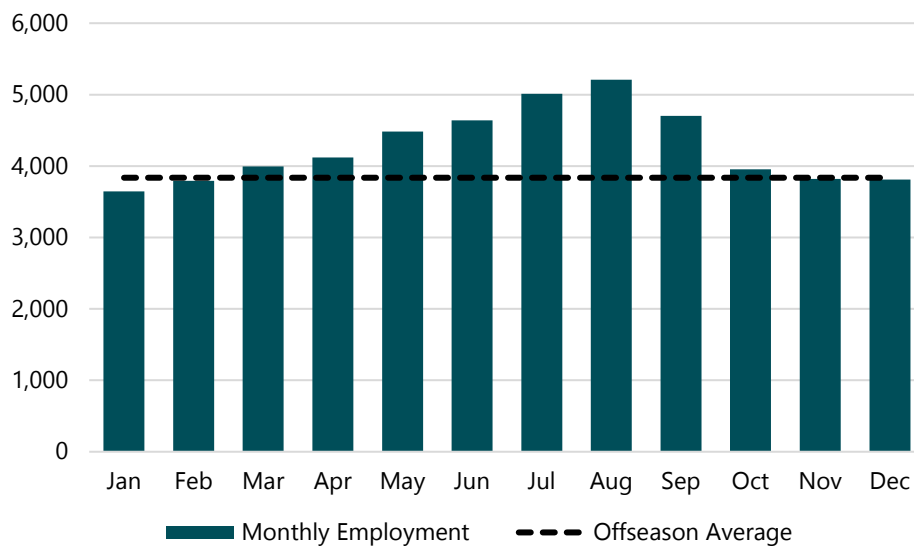
Figure 12. Share of Workers that are Local Residents

Source: DOLWD.

Seasonality of Employment

Overall Seasonality

- During the off-season months of October to March, Sitka has averaged 3,836 employees over the last four years. In the peak month of August, employment has averaged 5,209 over the same period, 36% higher than the off-season. This number does not include self-employment, such as commercial fishermen, or active duty military.

**Figure 13. Sitka Employment by Month
(Averages for Jan. 2016 – Sept. 2019)**

Source: QCEW, McDowell Group calculations.

Seasonality by Sector

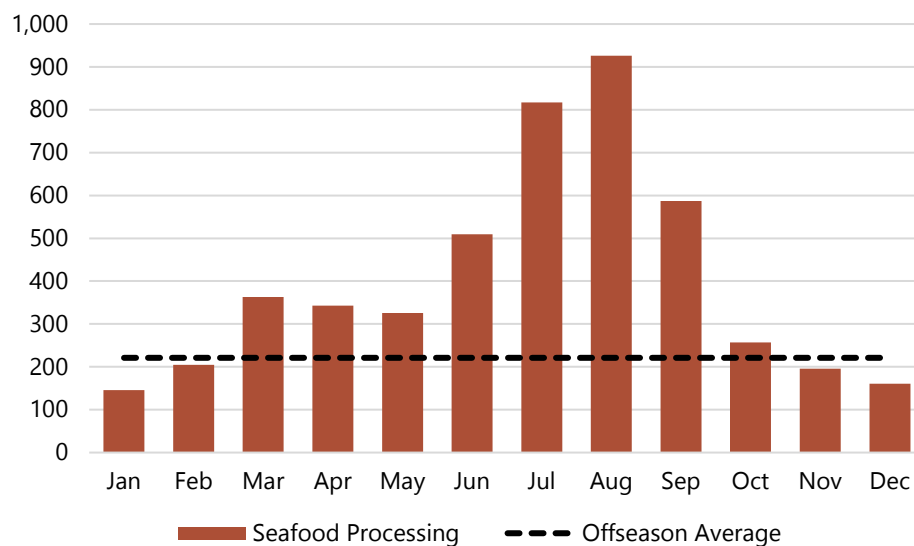
For the following analysis, Sitka employment is broken into four categories:

- Seafood processing employment
- Seasonal tourism-dependent employment
- Moderately seasonal tourism-influenced employment
- Non-seasonal employment.

SEAFOOD PROCESSING EMPLOYMENT

- Seafood processing is Sitka's most seasonal sector, peaking at more than 900 employees during the summer months and dropping below 200 in the winter.

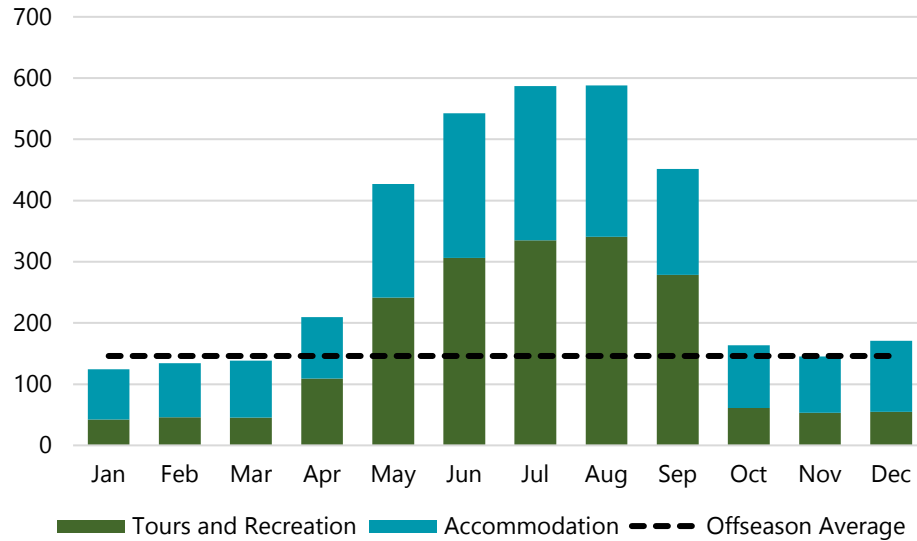
Figure 14. Average Monthly Seafood Employment in Sitka (Jan. 2016 – Sept. 2019)



Source: QCEW, McDowell Group calculations

EMPLOYMENT IN TOURISM-DEPENDENT SECTORS

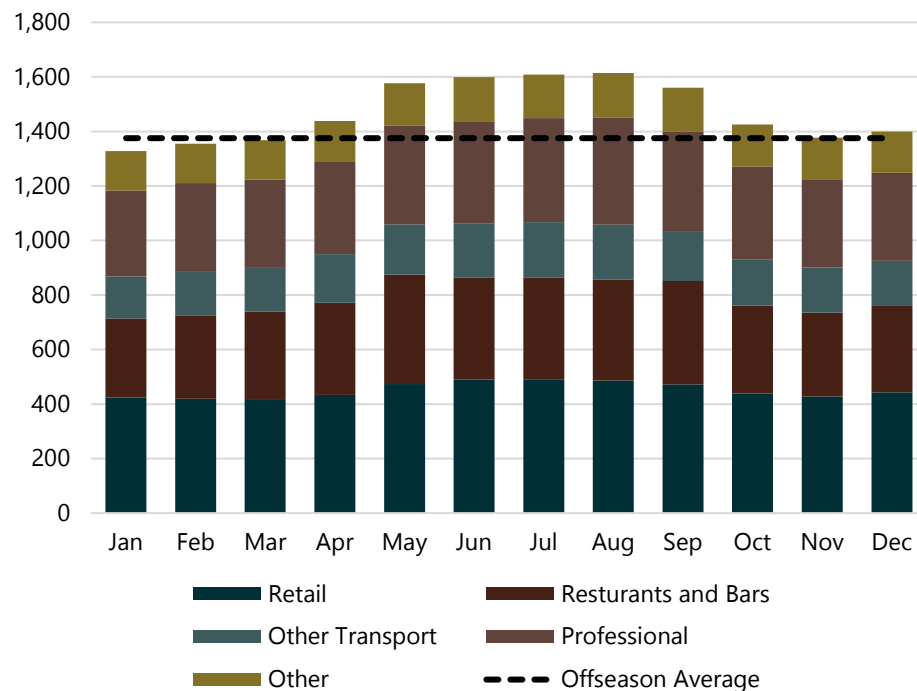
- The tourism-dependent sectors of tours and recreation and accommodation are highly seasonal, accounting for about 150 jobs in the winter months and almost 600 in July and August.

Figure 15. Average Highly Seasonal Industry Employment in Sitka (Jan. 2016 – Sept. 2019)

Source: QCEW, McDowell Group calculations.

EMPLOYMENT IN MODERATELY SEASONAL SECTORS

- A number of sectors are moderately dependent on tourism, increasing 15% to 30% during the summer months. These include retail, restaurants and bars, and other transportation. Other sectors are also somewhat seasonal, such as professional services. The winter average employment for these industries combined is 1,375 while the August peak climbs to more than 1,600.

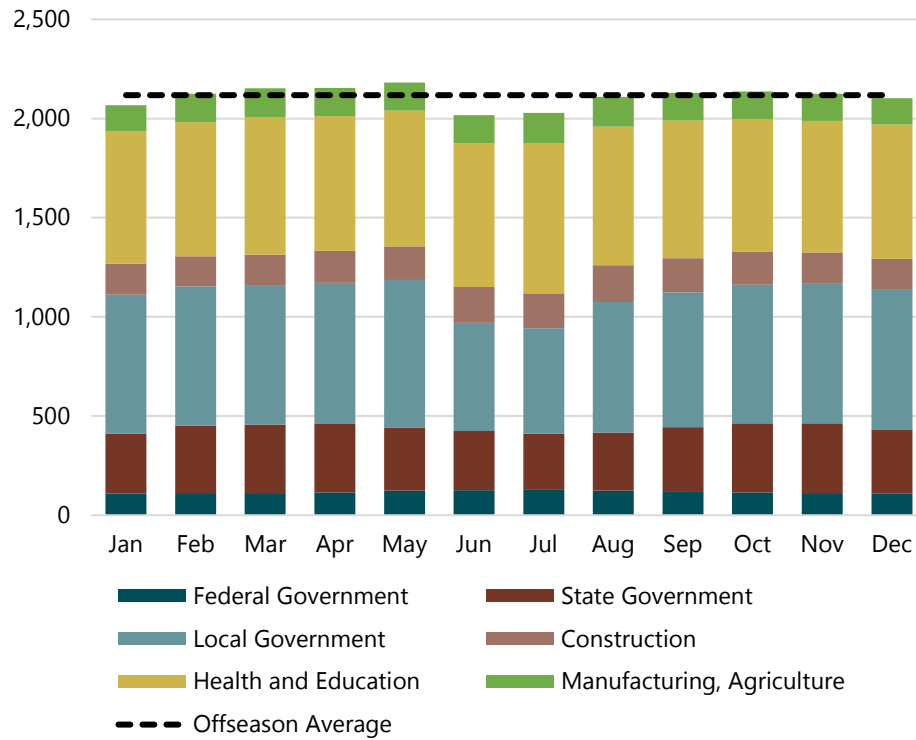
Figure 16. Average Moderately Seasonal Industry Employment in Sitka (Jan. 2016 – Sept. 2019)

Source: QCEW, McDowell Group calculations.

NON-SEAFOOD/TOURISM EMPLOYMENT

- Employment is generally consistent throughout the year for sectors not directly impacted by seafood or tourism. This includes local, state, and federal government, as well as health care. The slight dip in employment in June and July is related to school district employment.

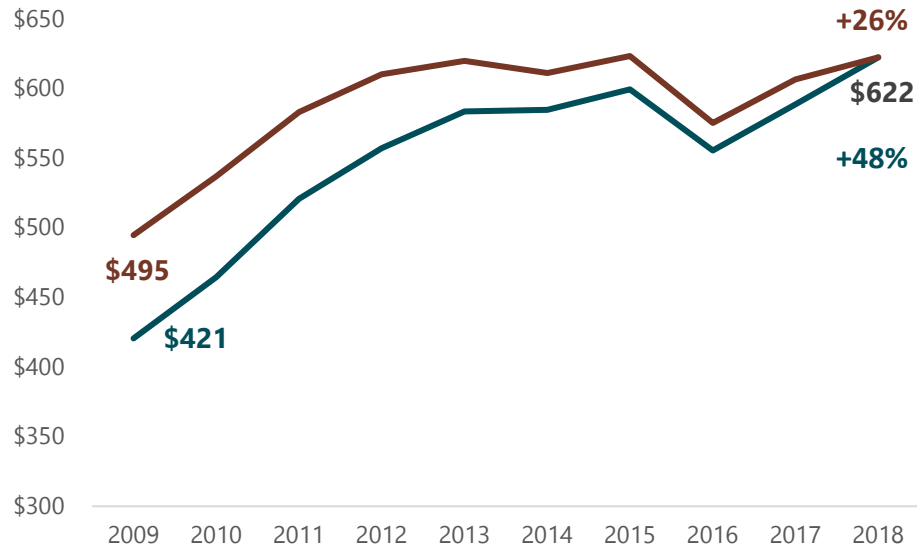
Figure 17. Non-Seafood/Tourism Employment in Sitka (Jan. 2016 – Sept. 2019)



Source: QCEW, McDowell Group calculations.

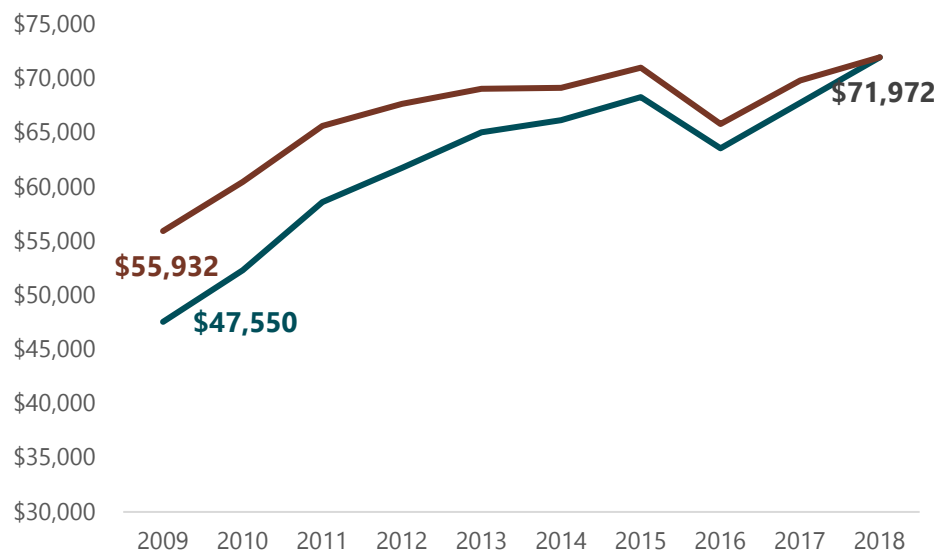
Personal Income

- Sitka residents earned \$622 million in total personal income in 2018. This is a measure of income from all sources, including from employment, investments, and transfers from government.
- Between 2009 and 2018, total personal income increased by 48% in nominal dollars and 26% in "real" (inflation-adjusted) dollars.

Figure 18. Sitka Total Personal Income, 2009-2018 (\$millions)

Source: BEA, DOLWD, CPI. Real values calculated by McDowell Group using the Urban Alaska CPI.

- Per capita income among Sitka residents was \$71,972 in 2018. Nominal per capita income in Sitka increased each year between 2009 and 2018, except in 2016.
- Per capita income increased 29% between 2009 and 2018, similar to the 26% growth in personal income.

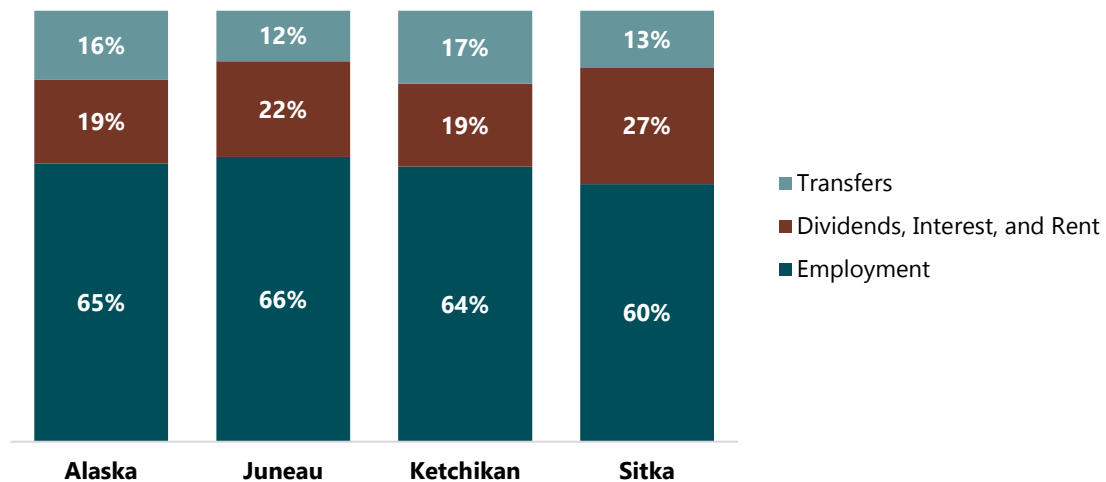
Figure 19. Sitka Per-Capita Personal Income. 2009-2018

Source: BEA, DOLWD, CPI. Real values calculated by McDowell Group using the Urban Alaska CPI.

- Employment income represents 60% of Sitka resident income; investments account for 27%; and transfer payments (from government to individuals) account for the balance. Employment income includes both wage and salary income and proprietor's income (including self-employed fishing).
- Over the last 10 years, investment income has grown faster than employment income and has accounted for more than half of the growth in real personal income in Sitka.

- The 27% of Sitka's income attributable to dividends, interest, and rent is higher than Ketchikan, Juneau, and the state as a whole. It has been a major driver of Sitka's income growth over the last 10 years and has helped make Sitka's per-capita income among the highest in the state.

Figure 20. Sitka Personal Income Sources by Area. 2018



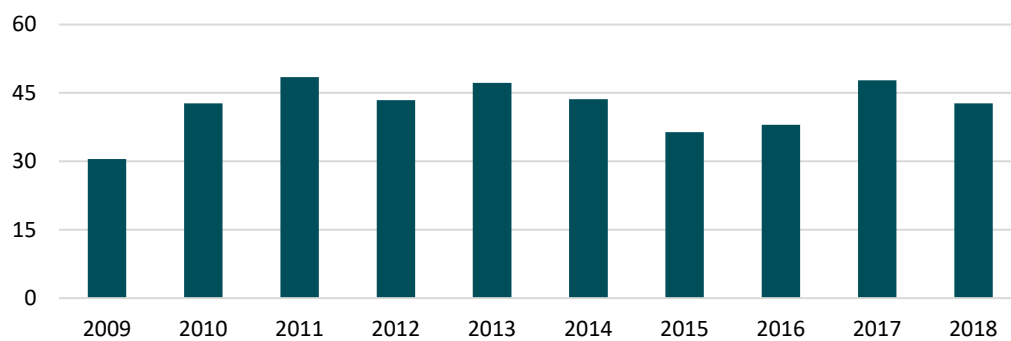
Source: BEA.

Key Industry Conditions and Trends

Seafood Industry

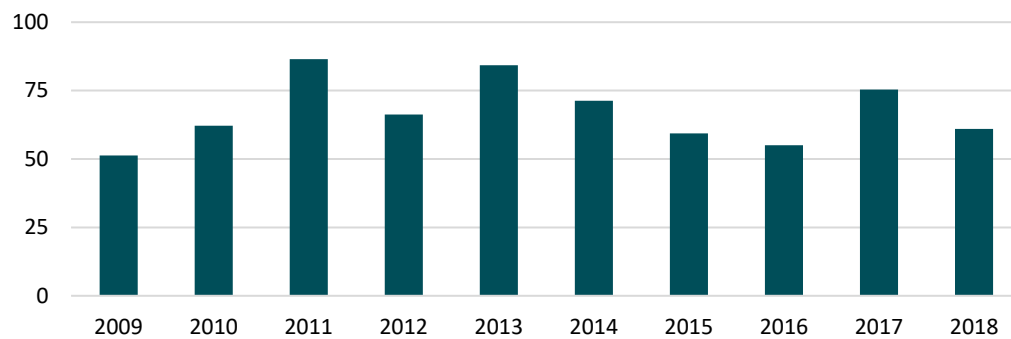
- The seafood industry is a key source of jobs, income, and tax revenue in Sitka. Based on preliminary Commercial Fisheries Entry Commission (CFEC) data, in 2019, 398 Sitka resident permit holders harvested 27.8 million pounds of fish with a total ex-vessel value of \$38.5 million.
- The ex-vessel value of all seafood landed (and processed) in Sitka in 2018 totaled \$61 million (2019 data is not yet available).

Figure 21. Sitka Resident Commercial Fishing Earnings, 2009-2018 (\$ Millions)



Source: CFEC

Figure 22. Estimated Seafood Landings Value in Sitka, 2009-2018 (\$ millions)



Source: CFEC

Table 10. Sitka Resident Participation, Harvest, and Earnings, Value of Sitka Landings, 2009-2019

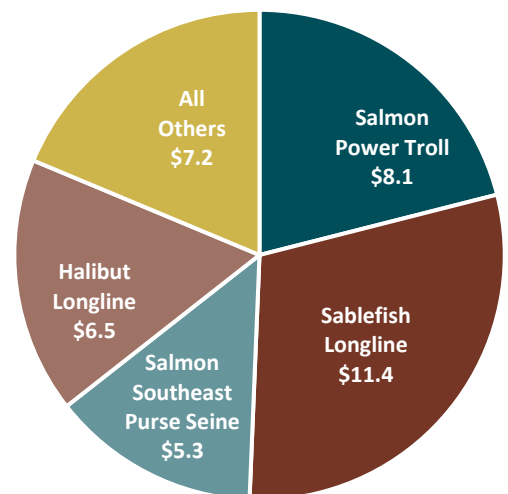
	Active Permit Holders	Total Pounds Harvested (millions)	Total Ex-vessel Earnings (\$ millions)	Estimated Sitka Landings Value (\$ millions)
2009	468	29.4	30.5	51.3
2010	458	33.9	42.7	62.2
2011	467	37.4	48.5	86.5
2012	481	25.5	43.4	66.2
2013	456	50.2	47.2	84.3
2014	456	35.7	43.6	71.3
2015	445	36.5	36.4	59.4
2016	450	24.3	38.0	55.0
2017	425	33.5	47.8	75.4
2018	414	23.9	42.7	61.0
2019 (prelim.)	398	27.8	38.5	na

Source: CFEC

- Sitka resident harvest of sablefish (black cod) accounted for more than \$11.4 million in ex-vessel income in 2019. Sitka power trollers earned \$8.1 million. Local halibut fishermen earned more than \$6.5 million in ex-vessel income, based on preliminary data. Seiners earned \$5.3 million.

Seafood Processing

- Seafood processing accounted for an annualized average of 462 jobs in Sitka in 2019. This includes peak monthly employment of 1,048 (August) and a monthly low of 170 (January).
- Sitka's seafood processing sector generated total wages of \$24.2 million in 2019.
- Seafood processing generated \$1.2 million in raw fish tax for the City and Borough of Sitka in FY2019.
- Sitka's largest property taxpayer and three of the top eight property taxpayers are seafood processors. Those three processors had a total combined assessed property valuation of \$33 million in 2019.¹

Figure 23. Sitka Fisherman Earnings (\$ millions) by Permit Type, 2019¹ City and Borough of Sitka FY2019 Comprehensive Annual Financial Report.

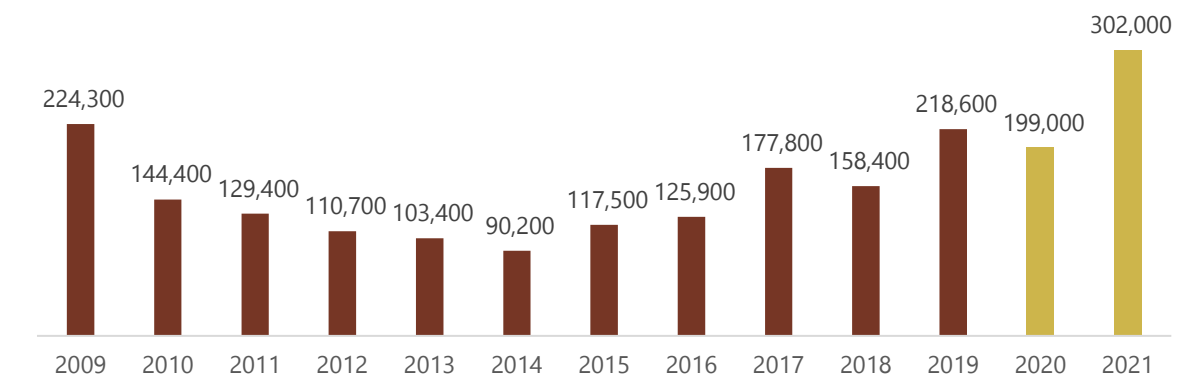
Hatchery Impacts

- Northern Southeast Regional Aquaculture Association (NSRAA), based in Sitka, produced commercially harvested salmon with a total ex-vessel value of \$16 million in 2019. The year 2018 was a record high, with total ex-vessel value of \$29 million.
- According to a recent McDowell Group study focusing on the 2012-17 period:
 - Hatchery salmon accounted for \$120 million in statewide ex-vessel value, representing 22% of total salmon value.
 - Hatchery salmon accounted for \$361 million in first wholesale value, representing 24% of the statewide total.
 - Southeast Alaska hatcheries accounted for 2,000 jobs and \$90 million in annual labor income
- NSRAA generates approximately 30% of the regional economic impact of salmon hatcheries.

Visitor Industry

- Sitka cruise ship traffic reached a 10-year high in 2019, when passenger volume totaled 218,600. Pre-COVID-19, the expectation for 2020 was just under 200,000 passengers. The 2020 cruise season has been essentially canceled due to COVID-19, although small cruise vessels are still planning some sailings in August and September.

Figure 24. Sitka Cruise Passenger Visitation, 2009-2019 Actuals, 2020 and 2021 (Pre-COVID-19 Forecasts)



Source: Cruise Lines Agencies of Alaska

Before COVID-19, cruise passenger traffic to Sitka was projected to reach slightly more than 300,000 passengers in 2021, topping Sitka's previous peak of 290,000 passengers in 2008.

- In 2019, Sitka captured 16% of Alaska's total cruise market of 1.36 million passengers.
- Though a large part of the local economy, there are no regularly published, comprehensive measures of the employment impact of Sitka's visitor industry, as it is spread across many sectors of the economy.

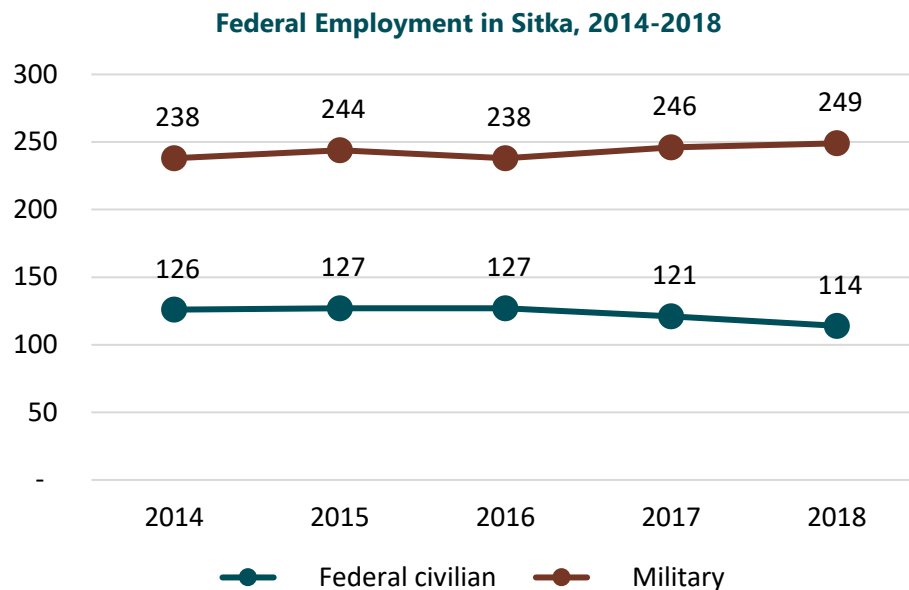
- In 2016 (the most recent analysis available), \$715 million in visitor spending generated 11,925 jobs and \$445 million in total annual labor income in Southeast Alaska, including all direct, indirect, and induced economic effects. Visitor spending in Sitka accounted for 8% of regional spending.

Health Care and Social Services

- DOLWD reported 691 private-sector jobs in Sitka in health care and social assistance in 2019. Workers in these jobs earned \$44.2 million in total annual wages in 2018. The significant increase over 2018 is due to Sitka Community Hospital, previously reported under local government employment, transitioning to SEARHC management.
- With approximately 500 employees, SEARHC is the single largest source of employment (and wages) in the community.
- DOLWD figures do not include the Pioneer Home, which is reported under state government employment.
- The health care sector's economic benefits to Sitka include year-round employment and comparatively high wages. Monthly wages are about one-third higher than average.
- This sector included 97 workers and \$2.6 million in annual wages associated with providing various forms of social assistance. There are 10 employers in this category, including the Center for Community, Sitka Counseling, and Youth Advocates of Sitka.
- Private out-patient care providers accounted for an average of 49 jobs and \$1.6 million in wages in 2019.

Federal Government

- The “national interest” sector is another important source of year-round employment and other economic activity in Sitka. BEA reported uniformed military employment in Sitka at 249 active duty and reservists in 2018, with \$22.6 million in total annual wages and benefits.
- Civilian federal government employment averaged 114 jobs and \$13.8 million in wages and benefits in 2018. The U.S. Forest Service is the largest component of federal employment in Sitka. Federal government workers earned a monthly average wage of \$6,978 (\$83,700 annually), making them among the highest paid workers in the community.
- Federal employment has declined by about 10% over the past two years.



Source: BEA.

Other Economic Activity

While seafood, health care, tourism, and federal government form the foundation of Sitka's economy, there are other important sources of economic activity.

- Organizations focused on Alaska Native affairs are a powerful economic force in Sitka. This includes SEARHC (Sitka's largest single employer), the region's Indian Health Service provider. Sitka Tribe of Alaska (STA) is the federally recognized government entity representing the interests of 4,000 tribal citizens residing in Sitka and elsewhere. STA provides a broad range of services and operates a variety of tribal enterprises. Shee Atiká is Sitka's urban corporation resulting from the Alaska Native Claims Settlement Act (ANCSA) and is the source of income, scholarships, and other benefits for local shareholders.
- Manufacturing is big business in Sitka, mainly in the form of seafood processing. However, there is other manufacturing activity creating jobs and income. In 2019, there were 85 jobs and \$4.7 million in wages in manufacturing (mainly boat building) not related to seafood.
- Sitka's Professional and Business Services sector accounted for 203 jobs and \$7.3 million in total wages in 2019. This sector includes a wide variety of occupations, such as attorneys, accountants, and engineers; science and technology professionals; and a range of administrative and facility management services. Employment in this sector averaged 187 jobs in 2018, with total annual wages of \$6.5 million.
- In 2019 employment in the retail sector averaged 448 jobs, with total annual wages of \$13.2 million. Fifty companies reported employment in the retail sector. Though a portion of this sector is visitor-related, retail employment is fairly steady over the year, ranging from a monthly low of 417 to a high of 484 workers. The retail sector saw some decline in employment between 2018 and 2019 (from 459 to 448 jobs); however, retail wages increased, from \$12.9 million to \$13.2 million.
- Construction employment in Sitka averaged 156 jobs in 2019, with total annual wages of \$12.5 million. These are high-wage jobs, averaging \$6,651 per month, or just over \$79,800 annually. Construction employment held steady between 2018 and 2019 (at 154 and 156 jobs, respectively), though total wages increased, from \$10.1 million to \$12.5 million.

Melissa Henshaw

From: Garry White <garrywhite@gci.net>
Sent: Wednesday, June 3, 2020 2:33 PM
To: Adora Dumag; Camille Ferguson; Camille Ferguson; Cory Baggen; Gary Paxton (Assembly); Joe Williams; John Holst; John Leach; Jonathan Kreiss-Tomkins; Kenneth Cameron; Kevin Mosher (Assembly); Mike Venneberg; Nancy Davis; Renee Wheat; Rich Riggs; Richard Wein (Assembly); Roger Higley; Roger L. Hames; Tori Fleming; Trevor Harang; Zaide Allen; 'Perkins, Keith - RD, Sitka, AK'
Subject: SEDA Packet information - June 4th
Attachments: June SEDA Packet 2020.pdf

Hello SEDA Board,

Please find the packet information for the meeting tomorrow, June 4th at noon in the Centennial Hall.

See you tomorrow.

Garry White
Executive Director
Sitka Economic Development Association (SEDA)
329 Harbor Dr., Suite 202
Sitka, AK 99835
907-747-2660

www.sitka.net
www.sawmillcove.com
www.sitkamarine.com



SITKA ECONOMIC DEVELOPMENT ASSOCIATION

329 Harbor Drive, Suite 212 ★ Sitka, Alaska 99835 ★ (907) 747-2660 ★ fax (907) 747-7688 ★ www.sitka.net

AGENDA

Sitka Economic Development Association
June 4th, 2020

Start
Time
Noon

Call to Order

A. Roll Call & Recognition of Invited Participants



B. Approve meeting minutes of March 12th, 2020

C. Financial / Budget Report

- ❖ Monthly Financials
- ❖ Fund Raising

D. Correspondence & Other Information

E. Additions to Agenda

F. Reports

- ❖ SEDA President's Report
- ❖ STA Report
- ❖ CBS Report
- ❖ GPIIP Report

G. Unfinished Business

1. No Named Mountain/Granite Creek Master Plan

H. New Business

1. SEDA Economic Resiliency Task Force
2. SEDA FY2021 Budget

I. Board or Directors Comments

J. Executive Session

L. Adjourn

Sitka Economic Development Association
329 Harbor Drive, Suite 202, Sitka, Alaska 99835
March 12, 2020

DRAFT MEETING MINUTES

CALL TO ORDER: The Chair, Trevor Harang, started the meeting 12:03pm.

A. ROLL CALL and Recognition of Invited Participants

Members Present: Trevor Harang, Nancy Davis, Rich Riggs, Joe Williams, Cory Baggen, Ken Cameron, Adora Dumag, Roger Hames

Absent: Mike Venneberg, Joe Williams

Staff: Garry White, Brigette Klakring

Other: Gary Paxton, John Leach, Richard Wein, John Holst, Zaide Allen

John Leach - Mr. Leach introduced himself to the Board and gave a brief background of his work history and connection to the community.

B. APPROVAL OF MINUTES – February 13, 2020

MOTION: M/S Davis/Dumag moved to approve the minutes of February 13, 2020

ACTION: Motion PASSED (8/0) on a voice vote.

C. FINANCIAL/BUDGET REPORT – Garry White

Mr. White reviewed the financials and fundraising which are all on track.

D. CORRESPONDENCE AND OTHER INFORMATION – Garry White

Mr. White announced the March Trends would be sent out next week with a highlight on the lack of childcare options in Sitka. He also updated the Board that a date of April 22 2020 at 3:00pm had been selected for the annual Sitka State of the Economy address.

E. ADDITIONS TO AGENDA – None

F. REPORTS

STA Report – None

CBS Report – John Leach

Mr. Leach explained the Haul Out RFP went live March 11, 2020 and will be advertised for 30 days both in and out of Sitka. He also ensured he would be addressing the coronavirus needs of our community as the situation progressed. The group was concerned about the economic loss for the community and Mr. Leach ensured the group he would tap into any federal or state funds that became available. Additionally, he would be utilizing the lobbyist to help advocate for access to said funds.

GPIP Report – Garry White

DOCK – The dock saw tremendous use this summer and continues to receive business even in the off-season. The fleet is continuing to utilize this addition. Revenues have been \$20,000 so far this fiscal year. In fact, as it sees more use we need to get more serious about booking 4 days in advance he mentioned.

MARINE SERVICES INDUSTRIES – GPIP Haul Out RFP is out.

BULK WATER – Mr. White reported entities continue to be interested in bulk water.

UTILITY DOCK – Mr. White reported Sitka Police were removing a car today that would allow a pillar to be driven into the ground completing the sale of this project.

DELTA WESTERN – Fuel services are successfully being implemented.

G. UNFINISHED BUSINESS –**1. No Name Mountain/Granite Creek Master Plan**

Mr. White asked for feedback on the draft letter stating SEDA's position on the No Name Mountain/Granite Creek Master Plan land use. Mr. White focused on the best return on property in a multi-use land suggestion. The letter includes utilizing the land for rock quarrying so long as it's profitable to CBS, using waterfront property for marine use, industrial use, commercial use, housing and/or recreation, and that CBS investigates Tax Increment Funding to support baseline infrastructure creation.

MOTION: M/S Hames/Baggen moved to approve the letter and send as is.

ACTION: Motion PASSED (8/0) on a voice vote.

H. NEW BUSINESS

1. SEDA Strategic Plan – Mr. White explained the board needed to revisit our 5 Year Strategic Plan as the last one was created in 2016. The board decided they would like to hire a facilitator again and to include \$6,000 in the FY2021 budget to account for this need. Mr. Hames suggested we consider Mr. Holst as a facilitator.

2. Alaska Seaweed Farming Opportunities – Mr. White recently attended an Alaska Seaweed Farming Start Up Training Program Workshop. He shared the potential economic opportunities for coastal Alaska as seaweed can be used as bio fuel, pharmaceuticals and further innovation. The approval process is super extensive and lengthy. As this potential opportunities grows he will keep us updated.

I. BOARD OF DIRECTOR COMMENTS - None**J. ACTION ITEMS – None****L. ADJOURN 1:21**

MOTION: M/S Harang/Hames

**SITKA ECONOMIC DEVELOPMENT ASSOCIATION**

329 Harbor Drive, Suite 212 ★ Sitka, Alaska 99835 ★ (907) 747-2660 ★ fax (907) 747-7688 ★ www.sitka.net

June 1st, 2020

Board of Regents
University of Alaska
PO Box 755300
Fairbanks, AK 99775

Dear Board of Regents;

The Sitka Economic Development Association (SEDA) respectfully objects to all options that would eliminate the University of Alaska Southeast (UAS) as a separate university within the UA system.

Southeast Alaska greatly benefits with the education and training opportunities offered by UAS.

The UAS Sitka Campus is an integral part of the Sitka community. Besides the campus being an economic driver to all of southeast, it is a vital to the education of young people and adults in Southeast Alaska. Educational programs offered by the UAS system are centered on local economic enterprises and helps allow these students to remain in Southeast Alaska and contribute to the local economies.

I currently serve as the Chair of the UAS Sitka Advisory Board of Directors. I volunteer on this board as I believe in the value of the UAS Sitka Campus and its mission to support our young people and the industries that support Southeast Alaska.

Thank you for your consideration.

Garry White
SEDA-Executive Director



June 1st, 2020

Economic Development Administration Grant Application

RE: City and Borough of Sitka – Construction of a Critical Water Supply Facility

To Whom It May Concern:

This letter is written on behalf of the City and Borough of Sitka (CBS) to provide documentation of our support for the construction of a Critical Secondary Water Supply (CSW) facility.

The Sitka Economic Development Association (SEDA) relies on the CBS water infrastructure system to maintain operations, safety and productive of our mission. The mission of the Sitka Economic Development Association is: Foster a business climate that is receptive and conducive to existing and new business; Help promote the creation of family wage jobs and enhance the quality of life for Sitkans.

We understand that the CBS is planning on constructing a secondary water supply so that when the existing hydropower penstock is out of service for inspection or maintenance, the CBS will continue to receive safe drinking water, and turbidity in the penstock water exceeds the maximums for filtration avoidance. Having reliable and fiscally affordable water delivery infrastructure is vital to the community and development of an economy in Sitka.

Please contact me at either 907-747-26600 or garrywhite@gci.net with any questions regarding SEDA's support for the CWSS Facility project.

Thank you for your consideration.

Garry White
SEDA-Executive Director

cc: Dave Longtin, P.E. City and Borough of Sitka, david.longtin@cityofsitka.org



329 Harbor Drive, Suite 212, Sitka, AK 99385
Phone: 907-747-2660

Monday, June 1, 2020

MEMORANDUM

TO: SEDA Board of Directors

FROM: Garry White, Director

SUBJECT: Gary Paxton Industrial Park (GPIP) Management Report

1. GPIP Dock

The GPIP Dock is open for business. The dock had a lot of traffic during the spring of 2019. Most use was related to the commercial fishing fleet with vessel moving nets and other fishing gear across the dock.

Security cameras were installed in April, which allows for better management and tracking of use.

Next steps are to continue to monitor uses and adjust the Port Tariff to accommodate users of the facility. Additionally, prepayment or pay for use electric meters are being investigating to allow for better management of electric use. **(05/06/2019)**

Dock Revenues: FY2018 - \$689, FY2019 - \$10,464, FY2020 (as of 10/9) - \$13,436
(10/14/2019)

2. Marine Services Industries at the GPIP.

The CBS is moving forward with design, engineering and permitting of an access ramp to support the marine service sector. **(03/27/2018)**

The Director is researching cost and management options for the storage of fishing gear on GPIP properties. **(07/24/2018)**

The GPIP Board held meetings on June 28th and July 26th to discuss the development of an access ramp at the GPIP to promote the marine service industry. PND Engineers of Juneau is under contract with the CBS to design, engineer and permit an access ramp. PND presented different concepts for the development of an access ramp. The consensus was to develop a ramp at an 8% grade to accommodate both barges and larger commercial vessels. The existing gravel ramp constructed by Northline Seafoods is already at an 8% grade and could be improved to allow more use. PND engineers provided a cost estimate of \$6.7 million dollars to construct a fully operational concrete

access ramp, EPA approved wash down pad, and all the associated upland improvement for a fully operational haul out yard. The Board is in the process of prioritizing development with current funds available. **(07/31/2018)**

The GPIIP Board met and set the priority order for the development of a haul out as the following recommended priorities phases:

1. EPA approved water treatment infrastructure.
2. EPA approved wash down pad or water collection infrastructure.
3. Ramp infrastructure improvements, including installing a concrete ramp.
4. Upland improvements (Electric, water, lighting, etc.).
5. Timber float.
6. Potential CBS owned infrastructure to haul vessel (Hydraulic trailer or lift). **(10/22/2018)**

The GPIIP Board and Assembly approved additional funding of \$22,000 for PND Engineers to provide detailed analysis for the phased development of the haul out facilities. **(05/06/2019)**

The Director has received word from CBS Administration that Halibut Point Marina will be transitioning out of the marine haul out business in the next few years. **(07/03/2019)**

The GPIIP Board reviewed and discussed the phase development estimates for the construction of an access ramp and associated infrastructure to construct a haul out facility at the park. Total project costs are estimated to be \$7.5mm. **(11/12/2019)**

The CBS received a proposal from the owners of Halibut Point Marina (HPM) stating that it will be reducing service within the next two years. HPM additionally submitted a proposal to the CBS to construct marine haul out infrastructure to include; haul out piers, an EPA approved wash down pad with a water treatment facility, and a 100 ton lift. HPM is requesting a trade of other CBS property to offset the cost of construction. The GPIIP Board has been unable to secure funding for the construction of haul out infrastructure to date.

The GPIIP Board held a meeting on December 4th to discuss the proposed haul out infrastructure. Discussion from the public and board focused on travel lift capacity, pier width, upland improvements needed, access, and future management. The Board recommended the Assembly move forward with negotiations with HPM for a facility that has a new 100 tons lift, piers that are 26' apart, infrastructure to include a float to help vessel navigate into the lift, a larger or additional wash down pad be included, and that infrastructure is added to allow people to exit vessels before being lifted. **(12/9/2019)**

Halibut Point Marina has withdrew with its proposal to construct a vessel haul out at the GPIIP in exchange for other CBS property due the CBS general code that requires CBS property to be disposed of via competitive bid. The CBS Assembly and GPIIP Board held

a joint work session on January 30th to discuss next steps. The CBS Assembly directed the CBS Administrator to prepare and release a RFP for private sector development of vessel haul out at the GPIP. **(02/10/2020)**

The GPIP Board met on Feb. 28th and approved a draft RFP for CBS Administration approval to be release to the public for private sector development of a vessel haul out at the GPIP. **(03/09/2020)**

The CBS received two proposals for development of a vessel haul out at the GPIP. The GPIP Board met via Zoom on April 27th and vetted the proposals as part of a selection committee, containing the 5 members of the Board, the CBS Administrator and Public Works Director. The Selection Committee scored a proposal from WC Enterprises as the best proposal. The RFP Scoring results were presented to the Assembly on May 12th. The Assembly gave direction to the CBS Administrator to work with WC Enterprises to develop a detailed agreement to move forward with the development of the haul out. The CBS Administrator, Public Works Director, and the GPIP Director have been meeting twice a week with WC Enterprises on the agreement. **(06/01/2020)**

3. Bulk Water

The Director continues to work with entities interested in the export of Sitka's water. **(05/06/2019)**

The CBS Assembly met on April 30th to discuss needed repairs to the Raw Water delivery infrastructure. No funding or repair plan was determined. The CBS's ability to delivery water will need to be fixed before the bulk water export venture can move forward. The Assembly directed the GPIP Director to continue to work with potential investors and exports to find a funding solution to repair the system. The CBS does not believe that the infrastructure can be repaired until the penstock is shut down and dewatered. Estimate timeframe for penstock shut down is estimated to be the fall of 2021. **(06/03/2019)**

The Director met with Eckert Fine Beverage's engineering firm to finalize the design for the low volume water loading system. The goal is to have Eckert design, engineer, construct, and fund the water loading station. The water loading station will be strategically located on the GPIP properties next to the Raw Water Meter building. The infrastructure will be turned over to the CBS upon completion for future use of all low volume water exporters. Eckert wishes to have a project completed this summer and start exporting water for vodka production. **(06/03/2019)**

4. Bottled Water

The Director continues to receive inquires for bottled water. The Director has recently had conversations with entities from China, Costa Rica, and South Korea. **(11/12/2019)**

5. Public Industrial Water

The Director has met with both NSRAA and the Electric Department to find a way to ensure public industrial water is available to the park for economic development opportunities. **(06/03/2019)**

The CBS and NSRAA have come to an agreement on a water delivery agreement to allow NSRAA to use public industrial water for raising salmon. **(02/10/2020)**

6. Blue Lake Dam Expansion Project

The Blue Lake Dam Expansion Project has been completed. Evacuated rock from the project is still being stored on park property. Rock needs to be removed from the property for economic development to continue on the site. The CBS is still working on a solution. **(05/12/2015)**

The CBS Electrical Department intends to release a request for proposals of entities interested in purchasing rock stored at GPIP. **(06/29/2015)**

The CBS Electrical Department has recently investigated several plans to remove rock from the property. **(09/22/2015)**

Rock is actively leaving the park via contracts between the CBS Electric Department and various entities. **(07/11/2016)**

The Director is currently working with various groups to continue to remove rock from the industrial site and bring the industrial site condition back to leasable condition. **(05/31/2017)**

The CBS Electric Department reports that a contractor has purchase all the remaining rock left in the GPIP. The rock will be barged out of the park for use in a private waterfront development. The contractor anticipates that all rock will be removed from the park by the end of the calendar year. **(08/01/2017)**

A majority of the rock in the park has been removed. Rock remains on lots 15, 16b, 19, and 20. **(10/16/2017)**

More rock has left the park. Rock only remains on lots 16b, 19, & 20. The Assembly has approved funding to clean up the waterfront and interior lots to bring back to a usable state. **(01/18/2018)**

The GPIP Board met in September and agreed to allow the CBS another 6 months to store rock on lots 16b, 19, & 20. **(10/22/2018)**

The Assembly has approved a MOA between the GPIP and Electric Department to allow the GPIP to charge for use of Lots 16b and 20. Rock has been stored on these lots since the Blue Lake Dam Expansion project. **(06/03/2019)**

7. Utility Dock

The CBS Assembly met on April 22, 2019 and voted to reverse the condemnation notice the CBS Building Official issued for the Utility Dock in January 2019. The Assembly directed staff to draft a purchase and sales agreement, using outside legal counsel, to include language specific to requiring Hanson Maritime to complete a conditional assessment of the facility and to repair for safe use of the facility. **(05/06/2019)**

The Director and CBS Attorney has met with outside counsel and is preparing a term sheet of contract details for the Assembly to approve on lieu of preparing a full purchase and sales agreement. **(06/03/2019)**

The Assembly approved a term sheet with Hanson Maritime at its August 27th meeting. A detailed purchase and sales agreement is being drafted for Assembly approval. Additionally, the process to subdivide the lot for sale is moving forward with CBS planning. **(09/03/2019)**

The Assembly approved a purchase agreement between the CBS and Hanson Maritime to purchase the Utility Dock at the GPIIP. **(02/10/2020)**

8. GPIIP Dock Fuel Sales

Delta Western has received its build permit to establish a fueling operation on the GPIIP Dock. The fuel tanks will be relocated from the dock itself to the uplands above the dock. **(07/03/2019)**

Delta Western has completed its fuel delivery infrastructure on the GPIIP dock. **(11/12/2019)**

Tuesday, June 2, 2020

MEMORANDUM

To: SEDA Board of Directors

From: Garry White - Director

Subject: No Named Mountain/Granite Creek Master Plan

Introduction

The SEDA Board heard a presentation from CBS Planning Department at its February 13th, 2020 meeting regarding the No Named Mountain/Granite Creek Master Plan. The Board discussed many development opportunities for this area and gave direction that a position paper be brought to the Board for further comment and direction.

The SEDA Board met in March and approved the attached letter to be submitted to the CBS regarding the development of the Master Plan.

There will a joint work session of the Assembly and Planning Commission on June 3rd to discuss next steps.

Attached is the Draft Master Plan.

Key Findings from Executive Summary

1. Due to high construction costs, housing development in study area is unlikely to contribute to the supply of affordable housing within the near term; however, portions of study area have potential for high-value residential view lots
2. Existing Sitka quarries (including Granite Creek) can meet foreseeable rock demand; however, some in the local construction community would like to open new quarries and/or modify City's quarry lease agreement
3. Development in the study area's wetlands will likely require expensive wetland mitigation and permitting; however, some wetlands could potentially be set aside as mitigation
4. Granite Creek Industrial Area can meet the demand for fleet storage and other commercial/industrial uses

5. The study area offers opportunities for recreational tourism activities and to disperse anticipated increase in cruise ship visitors
6. Development of waterfront parcel for new cruise ship dock or marine-related industry is inadvisable

Note: Page 58 of the Draft Master Plan summarize community survey results.

Action

- Board discussion of Draft No Named Mountain/Granite Creek Master Plan.



SITKA ECONOMIC DEVELOPMENT ASSOCIATION

329 Harbor Drive, Suite 212 ★ Sitka, Alaska 99835 ★ (907) 747-2660 ★ fax (907) 747-7688 ★ www.sitka.net

March 10th, 2020

Amy Ainslie, CBS Planning and Community Development Director
 Scott Brylinsky, CBS Special Projects Manager
 100 Lincoln St.
 Sitka, AK 99835

Dear Amy and Scott,

Thank you for attending and presenting information on the No Named Mountain/Granite Creek Master Plan at the February 13th, 2020 SEDA Board meeting. Please find the following comments from SEDA regarding the proposed development of this area.

The City and Borough of Sitka has a fiduciary responsibility to receive the best financial return on this community land asset to meet the needs and support all Sitkans.

The master plan for this 832 acre parcel of property had the ability to allow for multiple different types of use.

Granite Creek Rock Quarries

The land adjacent to the current CBS rock quarries on the southern end of the parcel appears to have potential for further expansion. Zoning issues and access need to be investigated and vetted by the community.

Additionally, there are reports that No Named Mountain has the potential for extracting high quality rock. This area should be investigated to analyze rock quality and quantity. Rock from this area has the ability to bring a financial return to the CBS and provide rock for future development of the parcel and the community overall.

No Named Mountain Waterfront Property

The waterfront property at the base of No Named Mountain has the potential for marine use, industrial use, commercial use, housing, and recreation. When considering development use of this high valued property, consideration should be taken to investigate the best return on asset to the community, including job creation and positive revenue to the CBS via property taxes and other revenue sources. The CBS could implement a multiple step request for proposal process to determine the interest from the private sector.

CBS Uplands adjacent to Halibut Point Road

The CBS lands adjacent to Halibut Point Road should be investigate for mixed use development. A mixed use of commercial and residential has the ability to allow for economic growth, while providing housing for business owners, employees and the general public.

No Named Mountain

The property of No Named Mountain proper has the potential for multiple uses. The ocean facing side should be investigate for mixed use development and/or residential. The parcels facing away from the ocean should be investigate for industrial (including rock quarrying), commercial, mixed use, and residential.

Upland property between No Named Mountain and Granite Creek

The flat upland property that runs between No Named Mountain and Granite Creek has the potential for residential, mixed use, industrial, and commercial use. The water facing parcels should be investigate for high end housing for the return to the community via property taxes. The inland properties should be investigated for mixed use and affordable, high density concepts in relation to the proposed Sitka trail network. Industrial and commercial use should additionally be looked for various pockets in this area.

Development Funding

Development of the proposed parcels will require funding for baseline infrastructure, including water, sewer, electric, roads, etc... The CBS should investigate funding by the private sector via the RFP process or public funding via grants, bonds, and other creative financing methods. The CBS might consider investigating Tax Increment Financing (TIF) for this proposed new development. The TIF tools has been used by multiple municipalities to fund new development projects in the past few years.

SEDA appreciates the ability to comment on the No Named Mountain/Granite Creek Master Plan.

Please let me know if you have any question or if we can be of help in any way.

Sincerely,

A handwritten signature in black ink, appearing to read 'Garry White', with a long horizontal flourish extending to the right.

Garry White, SEDA Executive Director



No Name Mountain / Granite Creek

LAND USE MASTER PLAN

DRAFT

ACKNOWLEDGMENTS

City and Borough of Sitka:

Gary Paxton, Mayor

Chris Spivey, Planning Commission Chair

John Leach, Municipal Administrator

Amy Ainslie, Director of Planning & Community Development

Scott Brylinsky, Special Projects Manager

Consultant Team:

Jones & Jones Architects and Landscape Architects | Seattle, WA

PND Engineers, Inc. | Juneau, AK

McDowell Group | Juneau, AK

Anderson Planning | Sitka, AK



TABLE OF CONTENTS

EXECUTIVE SUMMARY	I
1 INTRODUCTION	1
2 SITE ANALYSIS	7
3 MARKET ANALYSIS	27
4 ALTERNATIVE LAND USE SCHEMES	39
5 LAND USE RECOMMENDATIONS	61
APPENDIX	83

EXECUTIVE SUMMARY

This Land Use Master Plan was initiated by the City and Borough of Sitka to support economic growth in Sitka by considering land use and development opportunities for 830 acres of City-owned property known as the No Name Mountain/Granite Creek Area. The property (hereinafter referred to as “the study area”) currently contains industrial and commercial activity on its southern end at the Granite Creek Industrial Area. However, most of the site remains undeveloped and occupied by extensive wetlands and steep forested terrain. The study area previously has been evaluated for rock quarrying, a by-pass road to the State Ferry Terminal, and further industrial development. This master plan considers Sitka’s needs and the property’s suitability for various uses including housing, recreation, expanded rock quarrying, tourism-related development, light commercial/industrial activity, wetland impacts mitigation, and open space.

The recommendations in this report for land use and development are based on the study area’s existing conditions, Sitka’s economic needs, and the input of project stakeholders and local citizens. Upon talking with stakeholders and conducting a detailed *Site Analysis* and *Market Analysis* contained in this report, the following “key findings” were made:

- Due to anticipated high construction costs associated with challenging site conditions, residential development in the study area is unlikely to contribute to the supply of affordable housing in Sitka in the near future. However, portions of study area possess good potential for high-value residential view lots.
- Existing Sitka quarries can meet foreseeable rock demand, and the Granite Creek Industrial Area is suitable for expanded rock quarrying; however, some in the local construction community are interested in either opening new quarries or modifying the City’s quarry leasing structure to increase rock supply and competition, and reduce rock costs.

- Development in the study area’s extensive wetlands will require costly wetland permitting and mitigation and expensive construction measures, thus putting most wetland areas off-limits to building development. However, it may be possible to put large wetland areas into conservation easements as mitigation for modest development impacts to wetlands outside of the easement area.
- The study area offers an opportunity to meet the demand for outdoor recreational activities sought by cruise ship visitors, independent travelers, and local residents. Recreational activities and facilities for cruise ship visitors could be conveniently located near the Halibut Point Marine Cruise Ship Terminal, thereby reducing tour bus traffic on Halibut Point Road to and from downtown.
- Development of the study area’s waterfront parcel for a new cruise ship dock or for marine-related industry would be inadvisable as the demand for these uses can be met elsewhere for the foreseeable future.
- The Granite Creek Industrial Area can accommodate light commercial/industrial activity along Granite Creek Road and on exhausted quarry sites. Warehousing, light manufacturing, fleet storage, outdoor equipment storage, and other similar uses would be appropriate here.

In preparing this master plan, the study area was divided into seven geographic areas or zones based on the predominant site conditions of each zone, and each zone was given a name. Predicated on economic demand and viability, community input, and site conditions (terrain features, road and utility accessibility, etc.) the following land uses are recommended for the various zones:

- **Harbor Point:** *Residential* – high-end shoreline view homes with perhaps smaller homes and apartments on the site’s interior, OR *Recreational Tourism* – outdoor recreational activities and facilities oriented to cruise ship visitors and others.



- **No Name Mountain:** *Open Space* and *Passive Recreation*, OR *Recreational Tourism* – outdoor recreational activities and facilities oriented to cruise ship visitors and others.
- **No Name Creek Terrace:** *Residential* – single family detached homes.
- **Sound View Ridge:** *Residential* – mix of single-family detached homes and multi-family attached apartments/condominiums.
- **Granite Creek Industrial Area:** *Industrial* and *Commercial* – continued and expanded rock quarrying and light commercial and industrial activity.
- **Muskeg Wetlands:** *Open Space*, *Passive Recreation* and *Wetland Banking* – perpetuation of wetlands which are unsuited for building development, but suited for trails, subsistence gathering, wildlife, nature enjoyment, and mitigation for wetland impacts elsewhere.
- **Saddle Mountain (west side):** *Open Space* and *Passive Recreation* – perpetuation of steep forested terrain which is unsuited for building development, but suitable for trails, subsistence gathering, wildlife, and nature enjoyment.

This master plan provides *choices* and *options* for the *highest and best use* of land in the study area. Land use recommendations herein represent an informed assessment of what seems logical for a large site with conditions challenging to development and a community with challenging economic development needs. The master plan is intended to serve as a “living document” whereby its conclusions remain adaptable to changing conditions and viable for up to 15 years if necessary.

Next Steps

There are many moving parts to this master plan, and even more moving parts to actually developing portions of the study area. The following actions could be taken by the City in the short term to initiate project development:

- **Residential:** Verify whether the costs of utility infrastructure for new residential development would qualify for the USDA Rural Development Grant and Loan Program. Start with a small residential project with fewer site challenges, such as the area between Granite Creek and Harbor Mountain Road.
- **Recreational Tourism:** Begin negotiations with entities who may be interested in leasing City land on Harbor Point and/or No Name Mountain to develop facilities for outdoor recreational activities oriented to cruise ship visitors and others.
- **Quarrying, Commercial, Industrial:** Begin preparations to expand rock quarrying into Saddle Mountain; modify or restructure the City’s leasing agreement to allow more operators to quarry rock. Promote availability of land at Granite Creek Industrial Area for commercial and industrial uses.
- **Wetland Mitigation:** Begin discussions with permitting agencies to confirm whether large tracts of wetlands in the study area could be placed into permanent conservation easements as mitigation for development impacts to wetlands elsewhere.



1 | INTRODUCTION

Sitka: Yesterday Today and Tomorrow

Sitka is located on the west side of Baranof Island within the Alexander Archipelago in Southeast Alaska, at the northern end of the Pacific Northwest's famed Inside Passage. Here, land and water are interwoven with thousands of large and small coastal islands, straits, sounds, coves, bays, inlets and interconnecting channels that protect marine travel from the open Pacific Ocean. Southeast Alaska's high coastal mountains push heavy precipitation from the atmosphere, giving rise to lush temperate rainforests dominated by Sitka spruce and western hemlock. The mild oceanic climate, dense forests, profusion of creeks, rivers and wetlands, and nutrient-rich coastal waters contribute to varied coastal and upland ecosystems with abundant marine, aquatic, and terrestrial wildlife.

Ancestors of today's Tlingit People settled Sitka over 10,000 years ago. The ancient Tlingit village Shee At'ika eventually came under Russian control in the early 1800's as a trading and military outpost renamed New Archangel. Preceding and following Alaska's purchase by the U.S. as a territory in 1846, successive waves of Euro-Americans seeking seal and sea otter pelts, whales, gold, timber, fish, and other resources throughout the region transformed Sitka into southeast Alaska's largest settlement populated by people of many different nationalities. As a result, Sitka boasts a colorful history and rich cultural heritage derived from its Tlingit origins (and continued presence) infused with Russian, Swedish, Finnish, Asian, and other influences.

Today, Sitka remains existentially defined by its natural and scenic resources and cultural heritage. Although logging and timber processing have all but ceased around Sitka, the local commercial fishing industry remains strong, and hundreds of thousands of visitors travel annually to Sitka and other southeast Alaska communities to experience the incredible natural splendor, outdoor recreational opportunities, and unique frontier-town history and culture. With much of southeast Alaska managed and protected by federal and state agencies and native corporations, including large areas of Baranof Island in the Tongass National Forest surrounding Sitka, the wild, unspoiled natural beauty of the Sitka area and larger region seems reasonably assured.

With a population of just under 10,000 residents, and accessible only by airplane or boat, Sitka faces challenges not unlike those faced by other small remote communities formerly anchored by a natural resource-based or manufacturing economy that is transitioning to an economy tied to visitation, government, medical care, and other services. The changing economic and environmental climate can be difficult for any community. Sitka, however, will find continued longevity in its citizens' rugged individualism, self-reliance, entrepreneurial spirit, and resiliency coupled with their spirit of community cooperation and common cause. These values and traits have long distinguished Sitka and have enabled it to adapt to change; these values will continue to characterize Sitka's future. Sitka must draw from and bolster its attributes of a beautiful and healthy natural setting, small-town charm and character, cultural diversity and self-sufficiency, and community collaboration.



Land Use Master Plan Purpose and Goals

This Land Use Master Plan (interchangeably termed “Land Use Master Plan” and “Master Plan” throughout this report) is intended to support economic growth in Sitka by identifying viable land use options and development opportunities for 830 acres of City-owned property located along Halibut Point Road about 4 ½ miles north of the city center. Land use recommendations in this report are based on the property’s conditions and characteristics, Sitka’s economic climate and needs, and community input.

Development of the property is intended to:

- **Foster economic development and prosperity in Sitka**
- **Fit with site’s existing landscape characteristics**
- **Improve quality of life for Sitka residents**
- **Align with the City’s Comprehensive Plan**

The Master Plan will ideally work as a “living document” whereby its implementation may be carried out over a period of up to 15 years if necessary, with its recommendations remaining viable throughout this time. The plan is intended to remain flexible and responsive to changing conditions and situations. Importantly, the Master Plan provides a long-range blueprint for site development, helping to ensure that what happens on the site in the short term will work with what happens on the site in the future.

Master Plan Process, Tasks, and Organization

Preparation of this Land Use Master Plan involved both sequential and concurrent tasks over a six-month time frame. Following is a summary of the major tasks and steps in the planning process:

Data collection and analysis: Existing data and information were assembled and reviewed about the study area, larger setting, local demographics, and Sitka economy. Some of this information came from local and state agencies and other sources. Previously prepared plans, studies and reports relevant to the study area’s land use are discussed in the Site Analysis and Market Analysis sections of this report. This material informed decisions about appropriate types of development and land uses for the 830-acre study area.

Stakeholder engagement and input: Local business owners, building contractors, and staff with various local, state and federal agencies, were interviewed at the outset of the master plan project to gain their perspective on issues and conditions influencing potential use and development of the study area. The insights of several individuals, all of whom could be considered project stakeholders, contributed to determining options for how the study area might be used and developed. A list of interviewed stakeholders is contained in the Appendix of this report.

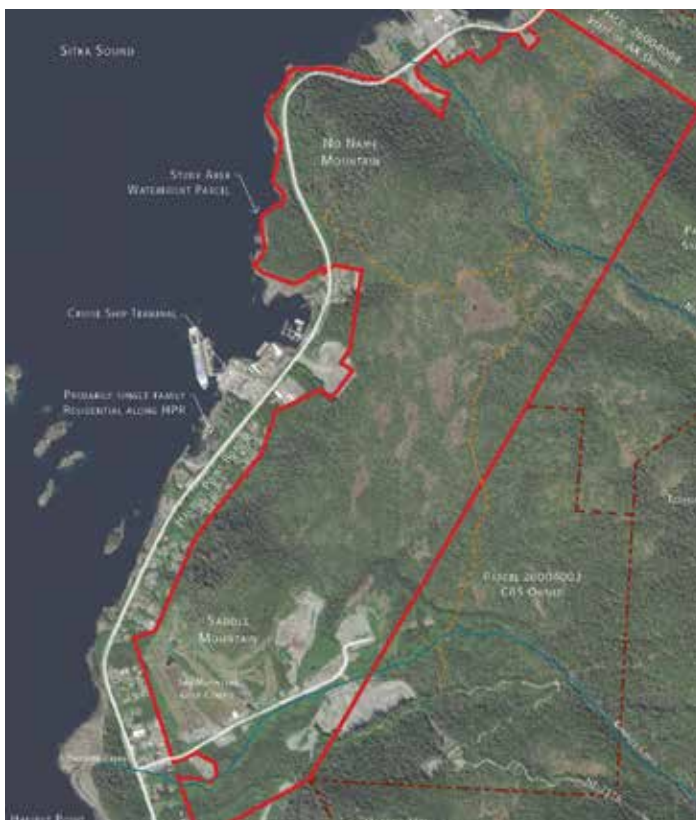


View of Study Area Site



Alternative land use schemes: Using information about the site and local economy, and from discussions with stakeholders, a range of potential land uses were identified for the study area. Because the study area is so large and varied, different land uses were attributed to different site zones or areas, with each zone having its own set of conditions and development potentials. The alternative land use schemes therefore show feasible land uses for separate distinct areas within the study area.

Public review and comment via website: Public meetings that had been planned to review and discuss the alternative land use schemes with Sitka residents had to be curtailed due to social distancing requirements related to the COVID-19 pandemic. Nevertheless, community ideas and input on how to develop and use the study area were considered crucial to the Master Plan's development. Consequently, a website was created, advertised, and posted to explain the project and obtain public input on land use options for the study area. The website remained active for 2 ½ weeks, and included an opinion survey for website viewers to register their preferences and ideas about site development and land use.



Study Area

Synthesis of Website Survey and Land Use Recommendations

Public comments and survey results from the project website were tabulated and reviewed to determine survey respondents' preferences on the alternative land use schemes and any other ideas about development in the study area. This information, together with the site analysis and market analysis, stakeholder input, review of previous studies, and the consultant team's best judgment, was used to formulate the recommendations for land use in the last chapter of this report.

Master Plan Organization

This Master Plan Report is organized by chapters, each dealing with different aspects of data research and findings and the subsequent formulation of land use options and recommendations. The plan's organization aligns with the performance of various tasks carried out in developing the plan. Thus, the second chapter of the Master Plan contains a Site Analysis discussion about the study area's existing conditions and characteristics. This is followed by a Market Analysis of Sitka's economy, including assessment of the site's economic development opportunities, which was performed more-or-less concurrently with the Site Analysis. The Site Analysis and Market Analysis inform the Alternative Land Use Schemes in the next chapter. Upon vetting alternative schemes with the community, specific recommendations for development and land use within the study area are provided in the last chapter. Detailed information from the data research, stakeholder interviews, etc. are contained in the Appendix for reference.

Review of Other Relevant Plans, Studies and Reports

Several plans and studies, some dating back 20 years, had been previously prepared for all or portions of the study area. These previous studies address rock quarrying, routing and impacts of the Cross Trail, industrial development, utility and road improvements, and other project proposals for the site. Other reports and studies were reviewed that are not specific to the study area; these studies contain information about Sitka's economy, tourism, local and regional land management and planning, etc. These earlier plans and studies were reviewed to glean information that could affect or influence the land use options and recommendations contained in this master plan. A list of these reports, studies, and other reviewed documents is contained in the Appendix.



The **Sitka 2030 Comprehensive Plan** addresses City-wide growth management and urban development. The following goals, objectives, and actions under various sections of the Comprehensive Plan may be relevant to land use and development on the study area site:

- **Economic Development**

- » Support growth in manufacturing and maritime businesses
- » Support growth and diversification of cruise-related and heritage tourism
- » Support public-private partnerships
- » Maintain a healthy natural environment
- » Maintain well-functioning infrastructure

- **Housing**

- » Expand range, affordability and quality of housing
- » Increase supply of affordable housing
- » Reduce allowed lot sizes and encourage higher density development
- » Provide clear standards for PUD's and cluster-home development

- **Historic, Cultural and Arts Resources**

- » Integrate Tlingit place-names into community facilities and places
- » Support visual and performing arts
- » Expand heritage and cultural tourism



- **Borough Facilities**

- » Provide community facilities and services in cost-effective manner
- » Maximize use of existing infrastructure before building new
- » Improve water, wastewater, and electrical systems
- » Implement low impact design, construction and operation techniques
- » Recognize sale of public land for housing will require major road/utility costs

- **Transportation**

- » Maximize use of existing roads before building new
- » Improve land-based transportation infrastructure
- » Implement a Complete Streets Policy and encourage public transit
- » Extend Halibut Point Road to Katlian Bay

- **Parks, Trails and Recreation**

- » Recognize the use and value of trails for recreation and secondary access routes
- » Provide for trails, recreational and open space in new subdivisions
- » Expand community use of parks, trails and recreation
- » Recognize the link between recreation, tourism and a strong economy

- **Land Use**

- » Avoid incompatible mixes of residential, commercial, and industrial uses
- » Consider best ways to address development in high risk areas
- » Address challenges of declining and aging population with residential development
- » Focus on urban infill versus sprawl, making efficient use of underutilized or open land

- **Future Growth and Focus Areas**

- » Granite Creek-No Name Mountain: Develop master plan to determine best uses and development, including utilization of rock resource; commercial/industrial uses will drive area development; between Old Harbor Mountain Road and Granite Creek Road support residential and small scale agricultural uses
- » Starrigavan and North: Work with USFS and State of Alaska to focus on access and recreational improvements
- » Greater Downtown: Focus on residential infill and higher densities
- » Indian River: Encourage residential uses and consider other uses
- » Jarvis/Smith/Price and Jamestown Bay Areas: Maintain/allow heavy commercial & industrial waterfront development
- » Gary Paxton Industrial Park: Continue economic development, capitalizing on deep water, utility, road and land access.



FIGURE 1—PROJECT AREA SETTING



2 | SITE ANALYSIS

Site Analysis Purpose and Objectives

Decisions about what to develop on a site must be informed by the current conditions of the site. The existing conditions and qualities of the No Name Mountain/Granite Creek study area, including its surroundings, are varied and complex. Gaining an understanding of this complexity requires a process of looking at existing conditions as a set of separate but inter-related features and characteristics. Although these conditions and characteristics are evaluated individually in this chapter, it is important to recognize these characteristics are always associated with one other, with certain conditions affecting or affected by others.

This chapter discusses the following existing conditions and characteristics of the study area:

- Study area location and setting
- Adjacent land use and development
- Site Geology and Surface Elevations
- Site Slopes and Gradients
- Site Plant Communities
- Site Wetlands and Creeks
- Site Utility Infrastructure
- Site Rock Quarrying
- Commercial and Industrial Site Uses



Study Area looking South with No Name Mountain in foreground

Study Area Location, Setting, and Land Use

The study area is located just east of Sitka Sound, about 4 ½ miles north of downtown Sitka. Most of the 830-acre site lies on the east side of Halibut Point Road, which travels along Sitka Sound and terminates about a quarter-mile north of the study area at the Starrigavan Recreation Area. A 17-acre portion of the study area occurs on the west side of Halibut Point Road; this parcel, referred to as Harbor Point, offers shoreline frontage on Sitka Sound. Except for active rock quarries, a small golf course, and light industrial activity on its south end, the study area remains undeveloped, and occupied by wetlands, creeks, and forest across rugged terrain.

As shown in Figure 2, land bordering the north and east sides of the site remain undeveloped forest and wetland within the Tongass National Forest or owned by the State. At the north end of the study area, the Starrigavan Recreation Area administered by the U.S. Forest Service offers hiking and nature trails, picnicking, camping, fishing and kayaking associated with Starrigavan Creek, Estuary and Bay. On the north side of Starrigavan Bay, the Old Sitka State Historical Park administered by Alaska State Parks commemorates the location of Sitka's original Russian settlement and fort. The Alaska Marine Highway Ferry Terminal occupies the south side of Starrigavan Bay at the north end of the study area.

A combination of industrial, commercial, and residential waterfront development along Halibut Point Road borders the western edge of the study area south of the above mentioned 17-acre waterfront parcel. Notably,

just south of the waterfront parcel, Halibut Point Marine Services operates a cruise ship terminal adjacent to a barge dock, container yard, and small boat marina. The cruise ship terminal is expanding to accommodate two large cruise ships. Disembarking ship passengers will be bused to downtown Sitka or other destinations via Halibut Point Road. A large exhausted rock quarry referred to as the S&S Pit occurs across the road from the cruise ship terminal.

South of the cruise ship terminal, development along Halibut Point Road consists of a mix single-family homes, mobile homes, and light commercial/industrial buildings either fronting the water or terraced into the lower slopes east of the road. Toward the south end of the study area on the west side of Halibut Point Road, Halibut Point State Recreation Site offers day-use picnicking, forest trails, and beach access on forty acres of State Parks land. Continuing southward, a mix of mostly residential and some light commercial/industrial development flank both sides of Halibut Point Road in a narrow band occupying the shoreline bench between Sitka Sound and the lower slopes of the Tongass National Forest.

As mentioned, the south end of the study area currently hosts commercial and industrial activity. The Granite Creek Industrial Area is accessed by Granite Creek Road off Halibut Point Road. The area includes exhausted and active rock quarries, a small nine-hole golf course, and light commercial/industrial activity.



Boardwalk at Starrigavan Recreation Area



Halibut Point Marine Cruise Ship Terminal



FIGURE 2—PROJECT SITE: ADJACENT LAND USES & DEVELOPMENT



View of Study Area looking South

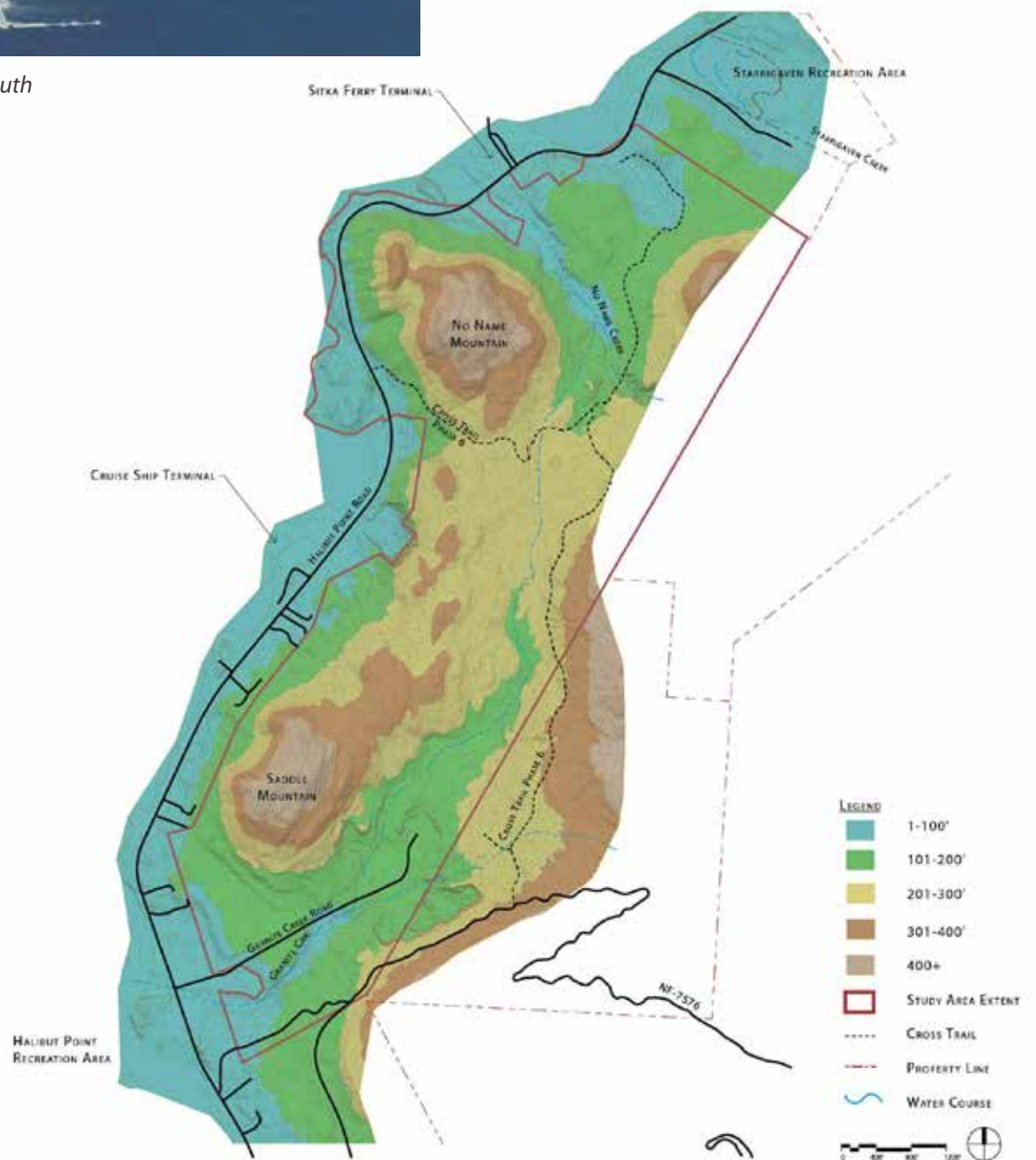


FIGURE 3—SITE ELEVATIONS

Site Geology and Elevations

The study area's geology is similar to the broader Sitka region. Typical bedrock consists of Sitka greywacke (metamorphosed sandstone), slate, conglomerate, and occasional felsic dikes (granitic intrusions). Bedrock is usually overlain by glacial till, alluvial deposits, volcanic ash, and organic peat. Glacial till deposits consist of mixtures of cobbles, gravel, sand, silt, and occasional boulders from 10 to 15 feet thick. Alluvial deposits (sandy gravel and cobbles) of 10 to 50 feet deep occur along creeks and waterways. Ash deposits, from now dormant Mt. Edgecumbe, can range from 1 to 20 feet deep across hills and knolls. Loamy surface soils overlie the till and/or ash substrata. Peat deposits, comprised of decomposing organic material and soil, can be anywhere from a few feet to 30 feet deep. Any of these soil horizons can be expected in the study area ranging from very thin lenses to thick deposits.

Volcanic ash and peat deposits are frequently found together and often overlie glacial till. Peat and soils with high organic content are considered inadequate foundation material for roads, buildings, or other structures. Sand and gravel deposits (glacial till), and underlying bedrock, are more favorable subgrade conditions for building development. For construction projects, the organic soil and peat layers, if present, usually must be stripped to expose suitable sand and gravel subgrade, or bedrock. Imported structural fill may be required to replace the stripped material. Depending on the depth of the peat layers, their excavation, removal, and replacement for a construction project can become prohibitively expensive.

The study area is characterized by two large steep knolls – No Name Mountain and Saddle Mountain – and a lower broad ridge, or “saddle”, running north-south between them. Lower lying wetlands and muskeg traversed by creeks occur on the east side or backside of the knolls and ridge.

As shown in Figure 3, areas along Halibut Point Road lie just a few dozen feet above sea level, while No Name Mountain and Saddle Mountain rise to well over 400 feet above sea level. In places where these abrupt elevation changes occur, lower elevation areas are generally easier to access with roads and utilities, while higher elevation areas are usually harder to service with infrastructure. This situation is usually due to the difficulty of construction on steep slopes (as discussed in the next section) and because existing road and utility infrastructure may currently be located in lower elevation areas, as is the case with Halibut Point Road and its associated utilities along the west side of the study area.

The dramatic elevation differences of the study area create compelling views and visual conditions. High elevation areas on No Name Mountain, Saddle Mountain, and the saddle-ridge between them offer panoramic views overlooking Sitka Sound to the west and Harbor Mountain and other Baranof Island mountains to the east. In addition, the high knolls are distinctive features themselves when seen from certain vantage points along Halibut Point Road and from boats on Sitka Sound. High terrain features like No Name Mountain typically command more attention than lower elevation features, thus becoming identifiable landmarks in the landscape.



Mt. Edgecumbe



View from saddle-ridge looking west

Site Slopes and Gradients

The study area contains rugged terrain consisting of flat to moderate slopes across uneven ground that transition to extremely steep slopes with widespread surface irregularities. As shown in Figure 4, the site's lower-lying areas, which are associated with wetlands and peat bogs, consist mostly of 0 – 20% slopes. However, upon moving onto the sides of No Name Mountain and Saddle Mountain, surface gradients quickly go from 20 – 40% slopes to grades of 40 – 100% or more. For reference, a 30% slope has a 17-degree angle above the horizontal plane, and a 100% grade has a 45-degree angle. An agile human may be able to climb straight up a 100% (45-degree) slope, but a typical car or truck would have difficulty climbing a 30% road gradient for any distance, and traveling a 30% gradient downhill by vehicle can be dangerous. The City of Sitka sets the maximum gradient for a residential access road at 12%.

When factoring only surface grades, the construction of roads and buildings on 0 – 20% slopes is usually straightforward and of average cost if there are no other limiting site conditions and constraints. Construction on 20 – 40% slopes is considered doable but more difficult and costly due to increased earthwork and grade stabilization requirements. Slopes greater than 40% are in many instances prone to soil sloughing, landslide,

and severe erosion. Consequently, construction on slopes greater than 40% becomes difficult and often prohibitively expensive due to requirements for special building foundations, extensive slope stabilization and drainage systems, and significant excavation and earthwork. Most city and county jurisdictions prohibit or sharply limit construction and development on slopes of 40% and greater, and construction of roads and buildings on slopes above 30% often require geotechnical engineering for foundations, roadbeds, retaining walls, and other built elements.

Traversing a 20 – 40% surface gradient with an access road usually requires a road alignment that travels at a skew to the direction of the slope to achieve an acceptable road gradient of no greater than 12 – 15%. This means the road may have to travel quite a distance at an angle across the slope, and even “switchback” up a slope, to reach a higher elevation. Similarly, underground utilities, which are often associated with roads for maintenance access, will require longer runs to reach higher elevations on or above steeper terrain. Longer travel distances for roads and utilities, coupled with the challenges of construction on steeper slopes, always translates into higher site development and construction costs.





View of Study Area looking South

NOTE ON LANDSLIDE RISK

- Evaluating landslide risk was not part of the scope of this study
- A site-specific landslide risk analysis will be required before any development project takes place

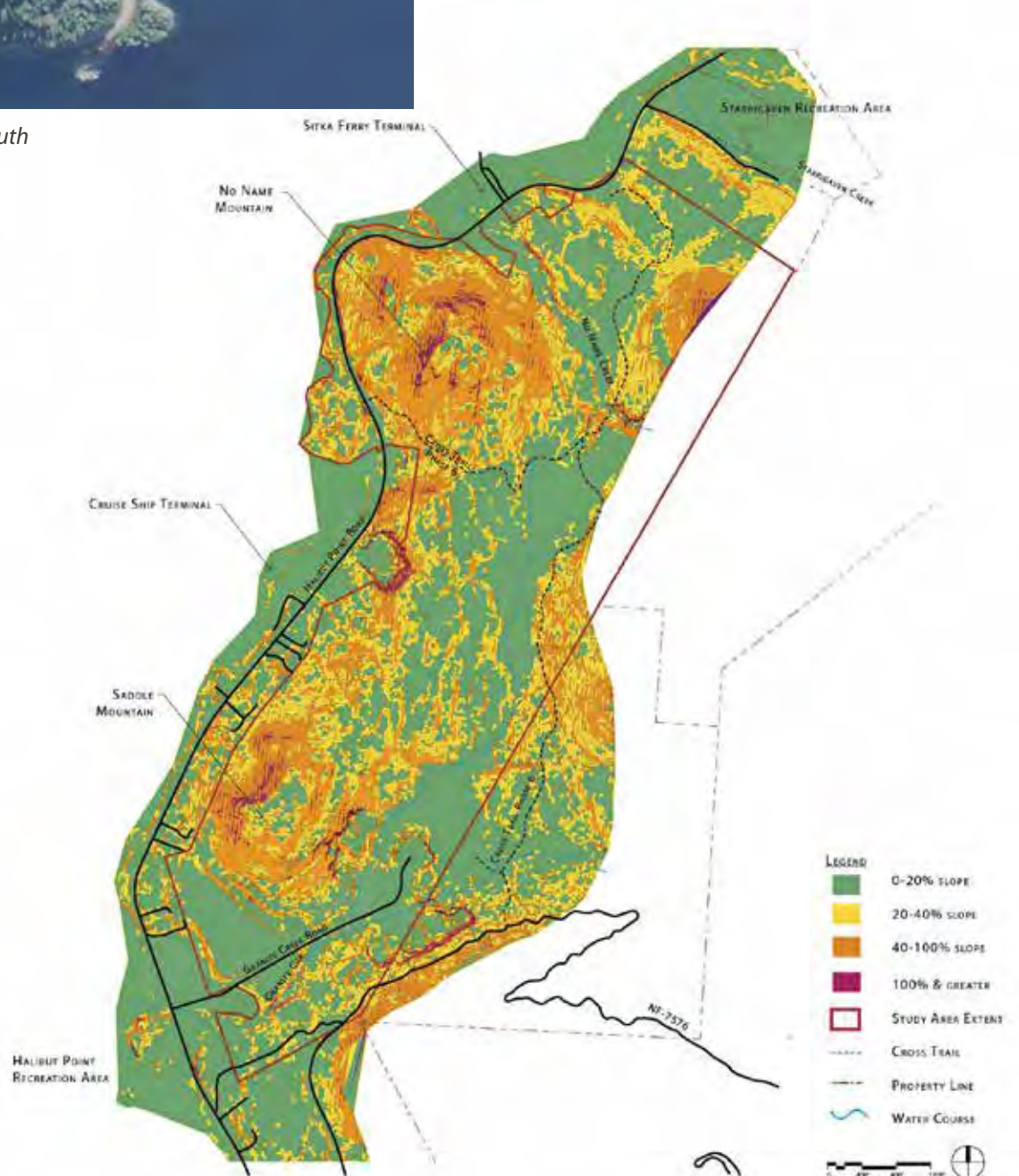


FIGURE 4—SITE SLOPES & GRADIENTS

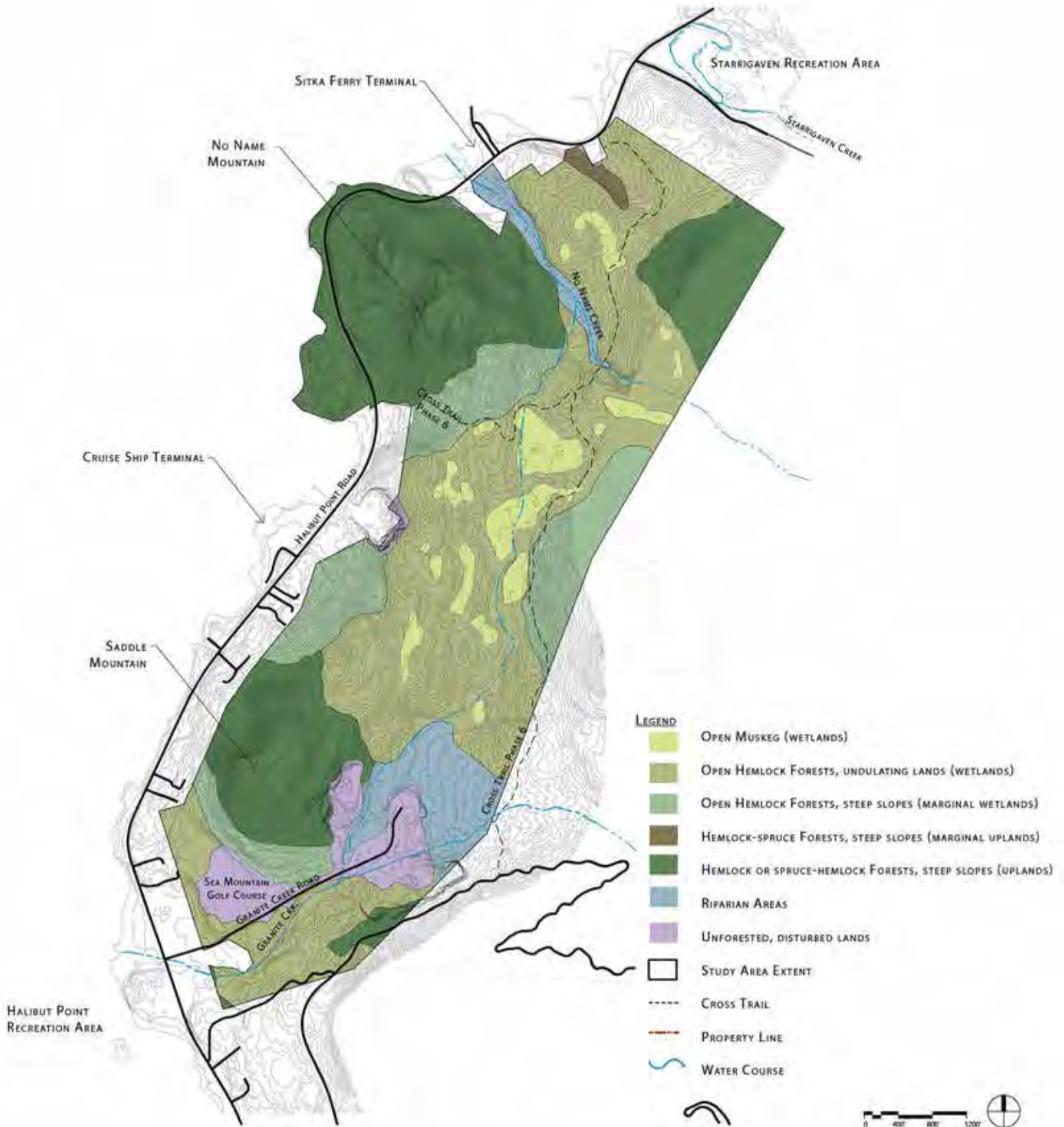


FIGURE 5—PLANT COMMUNITIES

Derived from "Granite Creek Soils Probe & Wetlands Investigation Report" (2000)



Site Plant Communities

A study conducted in 2000 identified six different biotic communities within the study area (Figure 5). Open muskeg wetlands occupy the lower-lying, flatter interior portions of the site. The larger muskegs are associated with a north-south branch of Granite Creek; however, pockets of muskeg are found on upper slopes. Muskegs are characterized by surface water and small ponds, deep peat and organic soils, sparse tree cover of shore pine, and dense ground cover of sedges and other wetland plants.

The muskegs are surrounded by or transition to open hemlock forest wetlands across undulating land and moderate slopes (of 20 – 45 %). These areas are generally characterized by shallow saturated organic soils and an open tree canopy of 40 to 50 foot tall hemlock (Western or mountain), shore pine, red and yellow cedar, and a dense understory dominated by tall blueberry and rusty menziesia. Open hemlock forest wetlands and muskeg wetlands occupy more than half of the 830-acre study area.

Lower steep slopes associated with No Name Mountain and Saddle Mountain support open hemlock forests

considered marginal wetlands. These areas support a vegetation community similar to the preceding open hemlock forest on undulating land, but steeper and higher slopes, less saturated soils, and other minor differences characterize these areas as marginal wetlands.

The high, steep slopes and uplands of No Name Mountain and Saddle Mountain are dominated by tall closed canopies of old-growth hemlock and spruce forest, with trees of up to 30 inches in diameter and 130 feet tall. This biotic community does not exhibit wetland hydrology or hydric soils due to higher and drier steep terrain.

Relatively small riparian areas associated with Granite Creek and No Name Creek are characterized by alluvial soils and a tree canopy of alder, hemlock and spruce, abutted by wetlands.

These plant communities provide wildlife habitat, scenery, soil stabilization, and places for subsistence gathering and outdoor recreation. The stability, diversity, and value of these ecosystems require consideration when exploring development options for the study area.



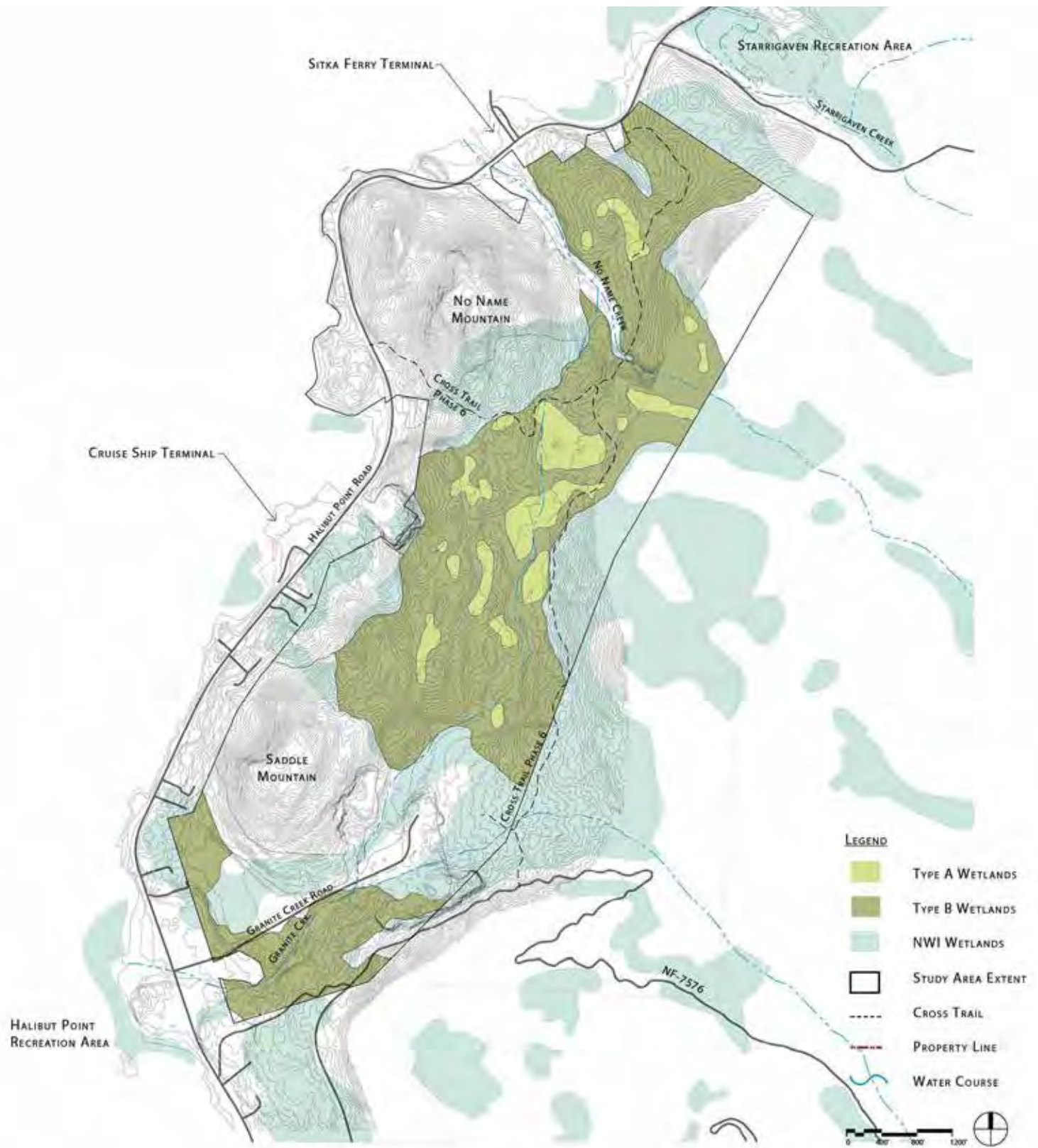


FIGURE 6—SITE WETLANDS

Derived from "Granite Creek Soils Probe & Wetlands Investigation Report" (2000)
& USFW National Wetlands Inventory (NWI)



Site Wetlands and Creeks

A review of earlier wetland analysis and mapping of the study area reveals that a significant portion of the site is comprised of wetlands (Figure 6). Wetlands fall into three general categories: Type A, Open Muskeg; Type B, Forested Wetland on Undulating Land; and Type C, Forested Wetland (Marginal) on Steep Slope. Wetlands tend to occupy lower-elevation, gently to moderately sloping parts of the site. However, wetlands do extend up the lower slopes of No Name Mountain and Saddle Mountain, with pockets of muskeg on the broad ridge between these two high knolls.

As the residents of Sitka know, wetlands are vital and productive natural ecosystems, and they contribute to Southeast Alaska's natural beauty. However, wetlands present challenges to development partly because they can be expensive to prepare in the construction of roads and buildings. Soils beneath a wetland's vegetation cover may consist of peat or other similar material with high organic content, which can be many feet deep. These organic "soft" soils are generally unsuitable as a base for buildings and roads, and must be excavated, hauled away, and replaced with good-quality fill material to accommodate structures and streets. One past study used a "peat probe" to estimate soft soil depths across the study area; areas of "deep peat" (or peat deposits greater than 4 feet) should be avoided if possible as they will likely be costly to develop from an earthwork and construction standpoint.

Beyond the physical challenges of building in wetlands, costly permitting and compensatory mitigation efforts are typically required to address development impacts to jurisdictional wetlands. Wetlands and certain other water resources are considered "jurisdictional waters" under the Clean Water Act, and they are therefore subject to federal

oversight and protection, usually by the U.S. Army Corps of Engineers. State and local agencies also regulate wetland resources.

Development in jurisdictional wetlands often require significant public agency involvement to delineate wetlands, determine wetland function and value, determine the extent and degree of development impacts, establish the level of compensatory mitigation, and settle on the means of compensatory mitigation. All these items are very site- and project-specific, and as such, building development in different wetland areas of the study area would likely have differing permitting and mitigation requirements based on the particular building activity, the wetland type, and the degree of adverse impact. Generally, the mitigation sequence consists of the following steps: avoidance of impacts to wetlands, minimization of unavoidable impacts, and lastly, if required, compensatory mitigation to offset significant unavoidable impacts. If residential, commercial, industrial, or quarry development in the study area's wetlands were to occur, it would likely result in adverse impacts that warrant compensatory mitigation.

Wetland delineations are usually the first step in determining whether a project will have any wetland impacts. Delineations are performed by qualified personnel and involve conducting soil, vegetation, and water observations within the project site along regular transects. Delineations are usually valid for three to five years after they are conducted. If three to five years have lapsed since the delineation and the project has not begun, another delineation may be required. Considering the age of existing wetland information for the study area, updated or new wetland delineations would be required for any development project proposed to occur in or near wetlands.



Muskeg wetland

Site Wetlands (Cont.)

Once the wetland delineation is complete and the project has progressed through the mitigation sequence, the actual project impacts are analyzed and a mitigation ratio is established. The ratio may be determined by the applicant in coordination with the Corps of Engineers or by a mitigation bank, depending on the type of mitigation and how the bank or in-lieu fee programs operate. The ratios are site- and project-specific, based on the existing wetland's type and function, and the project impacts. In Alaska, mitigation ratios typically range from 2:1 to 3:1, which means that for every acre of wetland removed or severely impacted, 2 to 3 acres must be mitigated, or 2 to 3 wetland credits must be purchased as discussed below. There are some instances where these ratios may be higher.

There are different options for compensatory mitigation; however, mitigation is generally required to be in-kind at the required ratio and within the impacted wetland's watershed. One option is applicant-led mitigation. In this scenario the applicant is responsible for developing and implementing a mitigation plan, which might consist of performing restorative activities to other wetland areas impacted by human activities. The U.S. Army Corps of Engineers ultimately makes the determination as to whether or not the applicant's proposed mitigation method is acceptable.

For public projects with wetland impacts on public land, it is often possible to provide mitigation on public land near the project site or on public land elsewhere

within the project watershed. In this scenario, mitigation activities must be based on restoring, enhancing, and/or protecting wetland functions that are over and above the wetland functions being impacted by the public project. For example, compensation credit could be generated by restoring or enhancing wetlands away from the project site where the off-site wetlands have been adversely affected by human activity. Or, this may be accomplished by providing additional levels of protection to publicly held wetland sites, such as by placing wetlands into a permanent conservation easements.

Another mitigation option is to purchase credits from a mitigation bank or to pay into an in-lieu fee program, sometimes administered by a land trust. These programs are implemented differently, but the process for the applicant is generally the same. Basically, the applicant selects a mitigation bank or in-lieu fee program and submits the project details to the mitigation bank or program administrator. This entity then analyzes the impacts of the project on wetlands to determine the cost of a credit. Monies paid into in-lieu fee programs or to purchase mitigation credits go towards other mitigation projects being pursued by the program administrator.

Several different mitigation banks currently operate in Southeast Alaska. Each has its own means of establishing credit cost, which can range from \$35,000 to \$75,000 per credit in the Sitka area. Costs could be significantly higher depending on various factors like wetland type and project impacts. Further, the use of in-lieu fees or mitigation banks is subject to the availability of credits. In some cases, credits may be unavailable, and applicant-sponsored mitigation will be required. The availability of credits fluctuates with the number and scale of project-related wetland impacts in the program's service area.

It is possible that unimpacted wetlands of comparable value and function within the study area could be placed into permanent conservation easements as mitigation for development impacts to other wetlands on the site. There is also the possibility of permanently conserving wetlands in the study area as mitigation for wetland impacts by projects on City-owned lands elsewhere. This approach has stipulations requiring further exploration, but it presents an intriguing way to potentially address both on-site and off-site wetland impacts by City projects.

Finally, two major creeks course through the study area. No Name Creek flows westerly to Sitka Sound across the north end of the site around the north base of No Name Mountain. No Name Creek flows under a bridge in Halibut Point Road before its channel broadens to about 60 feet wide toward its mouth. Granite Creek flows westerly across the south end of the study area through and near the Granite Creek Industrial Area before crossing under Halibut Point Road and emptying into Sitka Sound. Portions of the Granite Creek channel are braided, and it appears that a major branch or tributary of Granite Creek drains south through the site's low-lying muskegs and wetlands to join the main stem of Granite Creek in the industrial area. Granite Creek and its tributary are known to provide habitat for salmon and other fish. Any development affecting these critical areas will need to be considered in tandem with potential wetland impacts.

In summary, given the high costs associated with construction in wetlands coupled with the costs for permitting and mitigating impacts to wetlands, it is advisable to avoid new residential, commercial or industrial development in wetlands in the study area to the greatest extent possible. However, conserving large portions of the study area's extensive wetlands may offer opportunities to mitigate modest development impacts to wetlands both within the study area and at off-site City projects.



Granite Creek

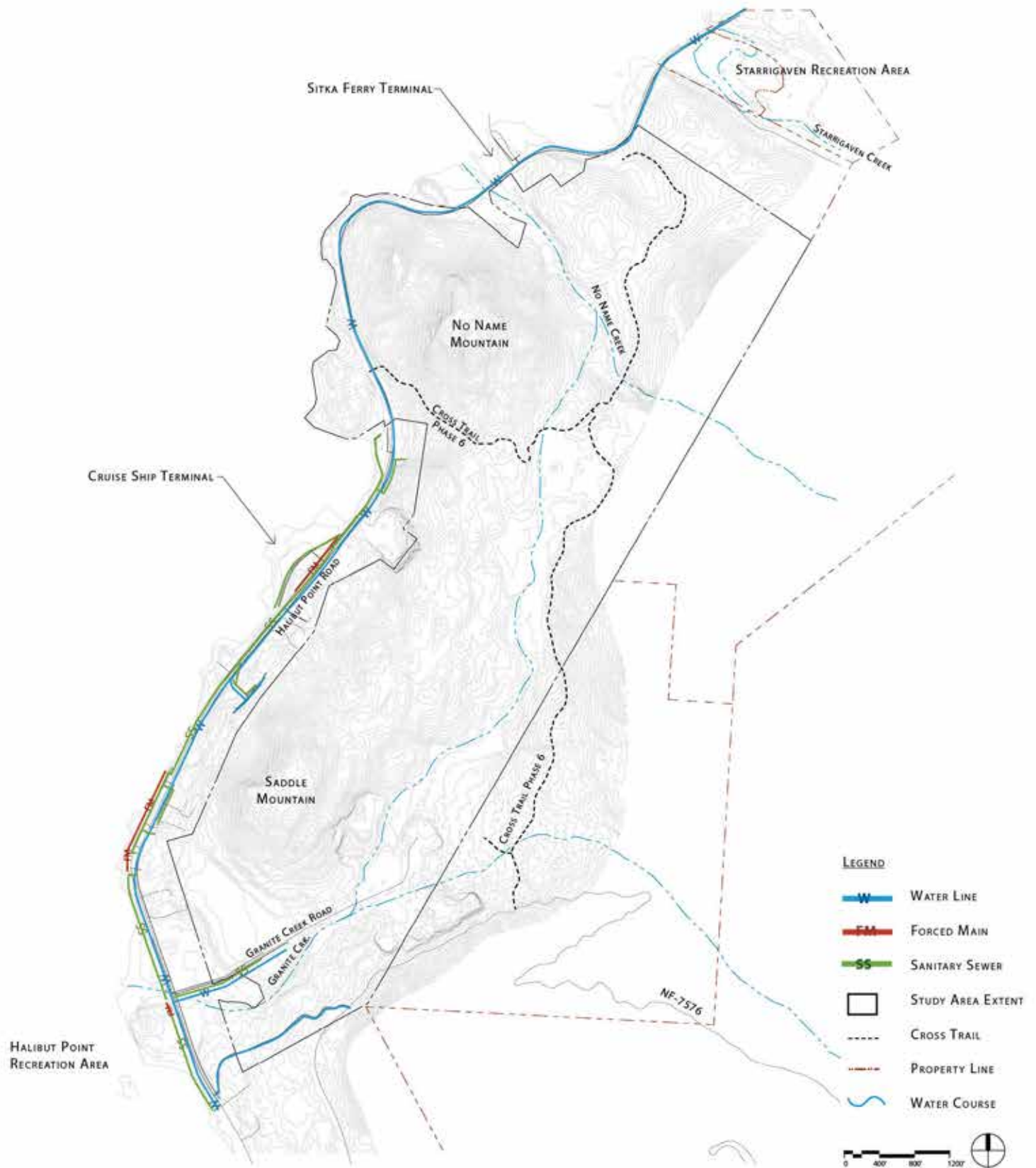


FIGURE 7—EXISTING SITE UTILITIES



Existing Utility Infrastructure

As shown in Figure 7, existing City-owned utilities occur in the Halibut Point Road corridor along the west side of the study area. Potable water is conveyed in a 12-inch diameter ductile iron pipe that reaches as far north as the State of Alaska Ferry Terminal. Wastewater is transferred in a network of gravity and forced mains generally consisting of 12-inch diameter pipe that only reaches as far north as Cove Marina. Utilities extending up Granite Creek Road consist of 8-inch diameter water and sewer lines. The 12-inch water main and sewer line in Halibut Point Road can support additional development in the study area with certain limitations and restrictions. However, the existing 8" water and sewer lines in Granite Creek Road would likely be undersized to support any significant new development.

Water pressure at a fire hydrant on Granite Creek Road, near the golf course and at about elevation 100 feet above MSL, was measured at 42 pounds per square inch. This is at the lower threshold for normal water pressure, and it would be inadequate for any development requiring a water supply much higher in elevation than 100 feet above MSL.

The capacity of the existing electrical infrastructure along Halibut Point Road just north of Kramer Avenue (roughly 2 miles southeast of the study area) becomes somewhat limited. The Sitka Electric Utility indicated that any more than 50-100 additional homes or any significant commercial development in the study area would put excess demand on the current electrical system that cannot be met, particularly during the winter months.



Beach at Halibut Point State Recreation Area

New residential, commercial, or industrial development in the study area will require water, sewer, and electrical infrastructure of some type, either from the City's integrated utility systems or by alternative means.

Extending City water lines for new development on the study area will need to be evaluated for capacity and pressure. As mentioned, running a new water line from the main in Halibut Point Road to any development above 100 feet in elevation (which constitutes much of the study area) will likely require supplemental water pressure. This can be achieved in a couple of ways: a booster pump could be installed at a water main tie-in, either on Granite Creek Road or Halibut Point Road, to boost flow and pressure to new development on the site; alternatively, an elevated high capacity water tank could be constructed at a high point on the site to supply adequate water volume and pressure to new development below it. This tank would need a water supply, presumably from the City water main in HPR via a small pump that keeps the tank filled. Or, there are alternative "decentralized" and less conventional water systems such as individual holding tanks requiring water delivery by truck or filling by an on-site water catchment system.

Wastewater lines will need to be extended into the study area if new development is to be connected to the municipal sewer system. This may require lift stations and forced-mains to transfer waste if the topography does not lend itself to a gravity flow system. A common alternative to a municipal sewer system are on-site septic systems. Soil and groundwater conditions in much of the study area are not favorable to typical buried septic systems; however, mound-type systems may work. An on-site "packaged" treatment plant may also prove a viable option depending on the size of the development. Packaged treatment plants operate very similar to a traditional central sewage treatment plant, albeit on a much smaller scale. Packaged plants typically discharge into a creek, river, or other agency-approved receiving water body. The level of effluent treatment can be tailored to the permitting requirements set by the jurisdictional agency. Waterfront properties have the option of private marine outfalls, a common system employed in Southeast Alaska.

Utility Infrastructure (Cont.)

Electrical service extensions to new development in the study area would require buried conductors and transformers. To reiterate, the existing municipal electrical system cannot support more than 50-100 new homes, or any significant new commercial development in the study area. If power demand for new development is found to be in excess of available supply, it may be necessary to install a new electrical substation at considerable cost. As an alternative, it may be worth considering supplemental energy options. However, economical detached electrical supply is difficult to implement in Southeast Alaska. Supplemental electric power generation, like solar-charged battery banks, may provide burden relief on the grid but are likely not viable as stand-alone systems since the adequacy of solar powered electrical systems in Southeast Alaska is questionable.

Existing utility infrastructure and methods for providing new utility service must be more thoroughly investigated prior to moving forward with any major development in the study area. There will likely be fairly high costs associated with providing utilities to significant development in the study area.

Cross Trail Phase 6

Sitka's Cross Trail Extension connects the City's Indian River area to the Starrigavan Recreation Area north of the study area. Phase 6 of this important multi-use trail travels north-south through the east side of the study area. Phase 6 of the Cross Trail is currently under construction.

Cultural Resources

Based on earlier reports and studies, it is possible that cultural and archeological resources could be present in the study area. These resources could include sites important to Alaska Natives as well as other historically relevant sites. As part of the initial planning of any building development or project in the study area, a thorough cultural resources investigation will need to be conducted to determine the presence of significant archeological or cultural resources.



Completed section of Sitka Cross Trail

Granite Creek Industrial Area

With access from Granite Creek Road, the Granite Creek Industrial Area at the south end of the study area contains the study area's only notable development. The industrial area is occupied by active and exhausted rock quarries owned by the City and leased by operators. One exhausted flat-floored quarry has been turned into a solid waste disposal site, and another is used to store construction materials and equipment. The industrial

area also includes the nine-hole Sea Mountain Golf Course across the lower slopes of Saddle Mountain. Small commercial/industrial facilities occur along Granite Creek Road. Granite Creek winds through the area, traversing forested wetlands between Granite Creek Road and Harbor Mountain Road, which travels along the study area's south boundary.

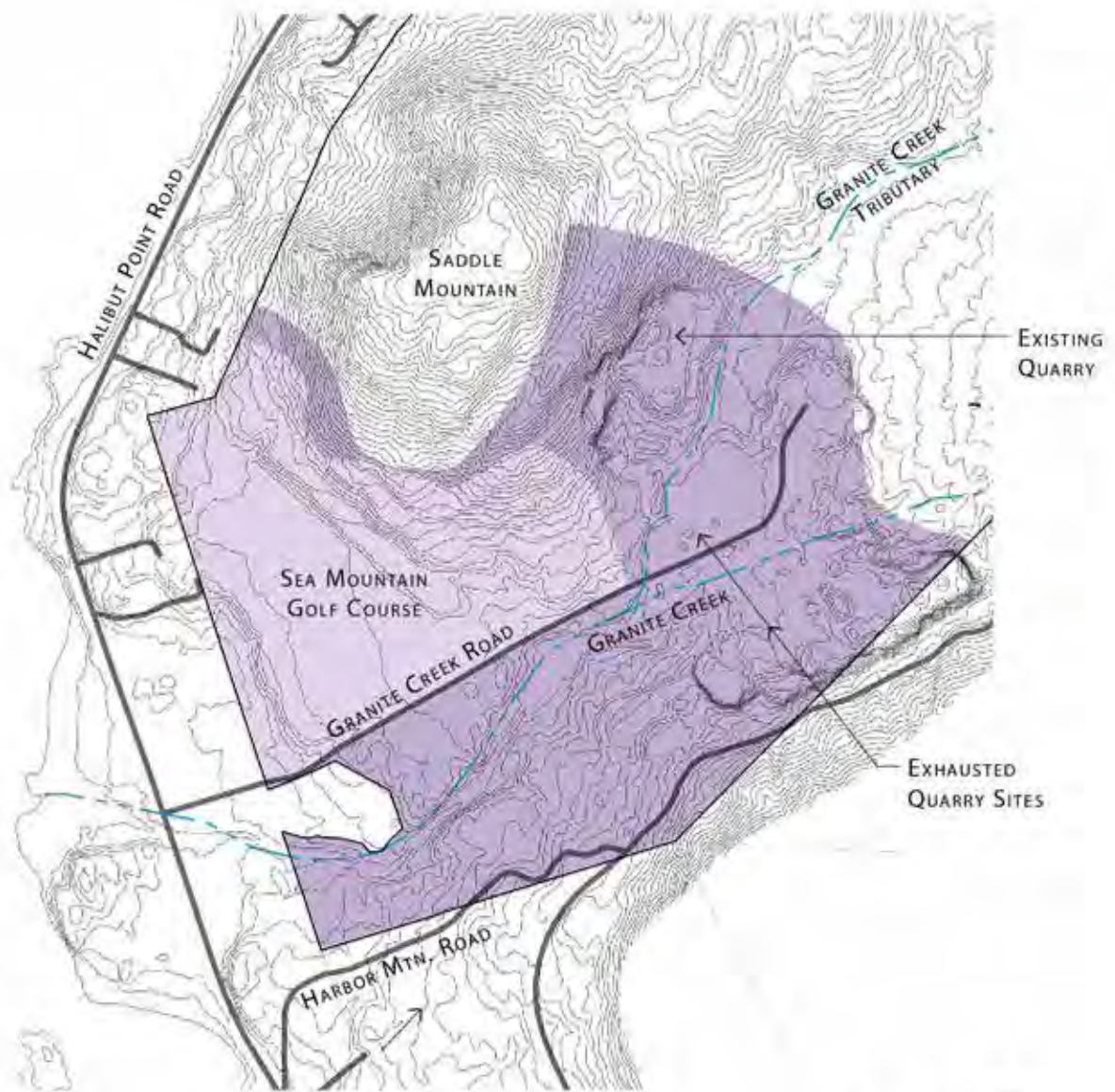


FIGURE 8—GRANITE CREEK INDUSTRIAL AREA

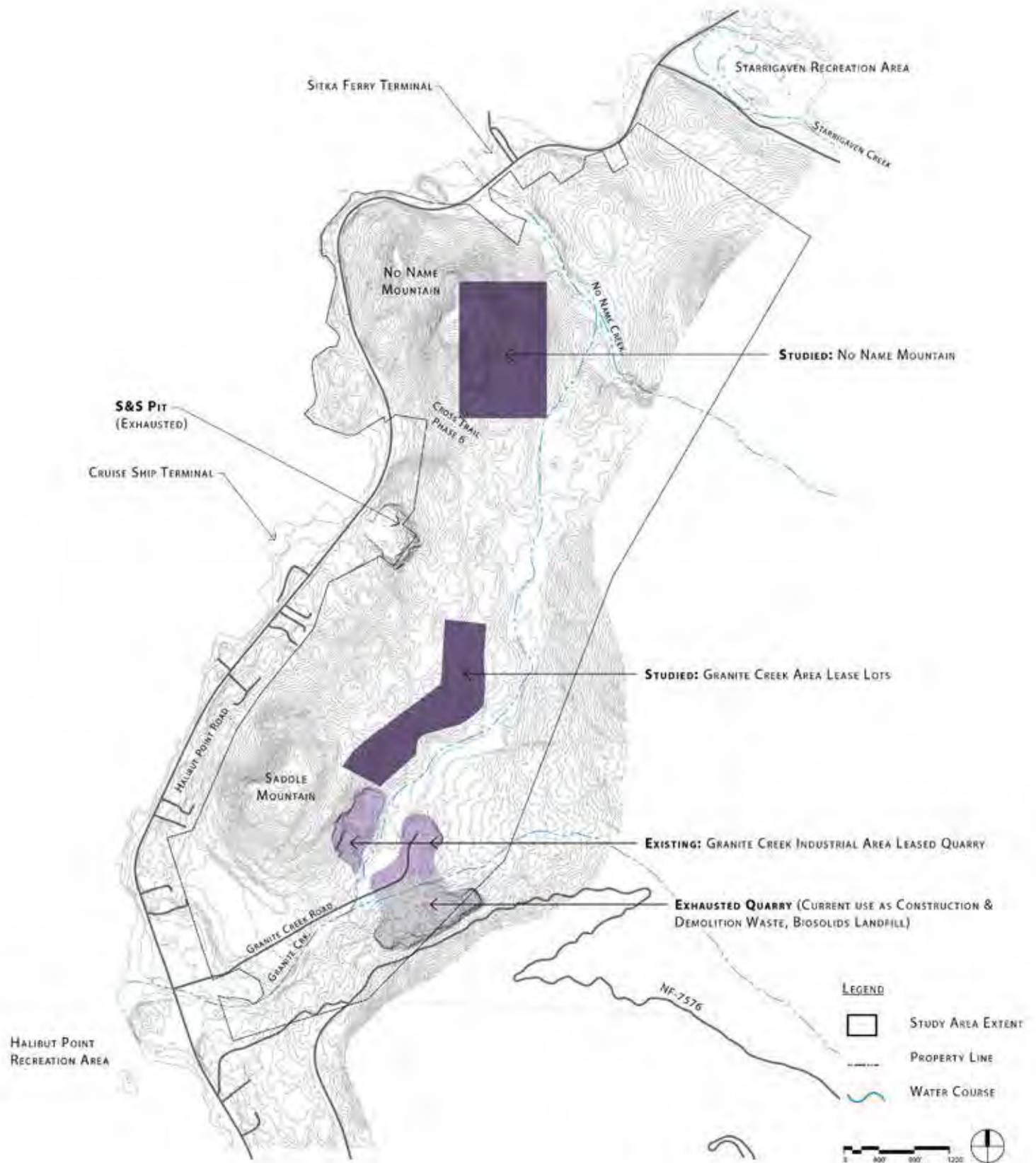


FIGURE 9—EXISTING & STUDIED QUARRY SITES



Existing and Studied Quarry Sites

The Granite Creek Industrial Area occupying the south end of the study area contains active and exhausted rock quarries that produce or have produced crushed rock for construction projects. Each quarry site is operated by a single user on a lease basis. Rock products sourced from Granite Creek have proven adequate for many construction projects in and around Sitka. However, the rock is not known to meet the criteria for “hard aggregate” as discussed in the Market Analysis. The remaining volume of extractable rock in the Granite Creek area, coupled with the Indian River Quarry owned by BIHA, can be expected to satisfy the general construction needs of Sitka for the foreseeable future.

Expanding the quarrying opportunities in the Granite Creek Industrial Area would seem to be a straightforward and cost-effective way for maintaining and increasing rock production. There appears to be significant remaining room and available rock for quarry expansion on the east and northeast sides of Saddle Mountain. Expanding quarry operations into Saddle Mountain would not impact site wetlands to any great degree based on existing mapping, although this will need to be verified prior to further expansion. Nearby exhausted quarries at Granite Creek could accept overburden stripped from the expanded quarry areas on Saddle Mountain. As discussed in the Market Analysis, alterations to the City’s quarry management and leasing protocol at Granite Creek quarries could spur competition and facilitate the expansion of rock production and supply.

The lease lots immediately north of the Granite Creek area shown in Figure 9 were identified in past studies as potential quarry sites. The cost to access and develop these lots has historically proven prohibitive due to wetland and stream impacts and associated mitigation costs.

No Name Mountain has also been examined for rock extraction in past studies. The studies generally conclude that rock extracted from No Name Mountain would be suitable for many uses on many projects. However, there currently is no road access to the potential quarry areas on the east side of No Name Mountain, nor is there any proximate infrastructure or overburden disposal sites.



Saddle Mountain rock quarry at Granite Creek Area

The potential for high-quality rock deposits of hard aggregate production at No Name Mountain, and ensuing region-wide export, was considered in one past study. However, this study did not perform one of the specific tests for hard aggregate determination. While there may be potential for hard aggregate in No Name Mountain, moving forward with quarrying intended to produce profitability from hard aggregate sales would be a significant gamble, particularly if the target is an export market. The data set of No Name Mountain rock samples tested to date is small, and comprehensive testing of these samples to qualify hard aggregate has not been performed. Further, the rock type encountered by prior investigations is not consistent with rock types typically associated with hard aggregate. In addition, a desktop study commissioned by DOT to identify potential hard aggregate sources across southern Alaska did not identify the Sitka area as a potential source based on geologic mapping and reconnaissance. Lastly, the demand for hard aggregate in Southeast Alaska is relatively low.

Quarrying at No Name Mountain may become more viable when other rock sources have been exhausted, or when road access into No Name Mountain is provided for other development discussed in this Master Plan. However, opening up a new quarry on the east side of No Name Mountain is not recommended to address Sitka’s rock material needs at this time.



Rock quarry at Granite Creek



Quarry overburden pile



Rock quarry at Granite Creek

3 | MARKET ANALYSIS

Purpose and Methodology

The purpose of this market analysis is to describe local economic and market conditions as related to potential development and use of the study area, with the objective of determining how development would benefit Sitka's business growth, job creation, and City revenues. The analysis focuses on four main areas based on initial input from the City as well as previous research: rock quarrying, housing development, tourism, and commercial/industrial uses.

Data informing this analysis was obtained from several sources:

- Site visit in January 2020, including a Planning Commission meeting
- Frequent discussions with project team and City staff
- Interviews with stakeholders and experts in housing, tourism, construction, quarrying, and Sitka's economy
- Compilation of data on local demographics, employment, housing, and tourism. Sources included the U.S. Census Bureau, Alaska Housing Finance Corporation, Sitka Assessor's Office, Bureau of Economic Analysis, and the Alaska Visitor Statistics Program, among others.

Rock Quarrying

Local demand for quarry rock in Sitka is driven by various types of public and private construction projects. Currently, the average annual demand for rock in Sitka is estimated to be between 10,000 to 20,000 tons per year. Actual annual rock consumption varies, with some years requiring significantly more rock than others depending on the number and size of construction projects.

There are currently two established, active local rock sources in Sitka: the Granite Creek Industrial Area, and the Indian River area. The Granite Creek Industrial Area, located at the south end of the study area, is City-owned and consists of several active and exhausted quarries. Each quarry is operated by a single user on a lease basis. The Indian River Quarry, located north of downtown Sitka, is owned by the Baranof Island Housing Authority and managed by a single private entity. This quarry is

located outside of the study area, but it was researched to gauge rock supply conditions in Sitka. Between the Granite Creek and Indian River quarry areas, there are likely hundreds of thousands of cubic yards of extractable rock remaining.

Long-term, single-user quarry leases may be hindering competition in Sitka's rock supply market. Alterations to the City's quarry management and leasing protocol at Granite Creek, such as allowing multiple users to operate in designated areas on an as-needed, project-specific basis, could create greater competition and increase rock production and supply. For example, Stabler's Point Quarry, owned and managed by the City and Borough of Juneau, allows multiple operators within the quarry on an as-needed, project-specific basis. Prospective contractors approach the City of Juneau with a project, estimated rock volume, and blast pattern, and are then assigned an area within the quarry to work. The quarry is open to both public and private projects in Juneau. However, even with changes to the City of Sitka's leasing structure at Granite Creek, expansion of the rock supply market in Sitka will still depend on investment by private operators in providing rock producing equipment.

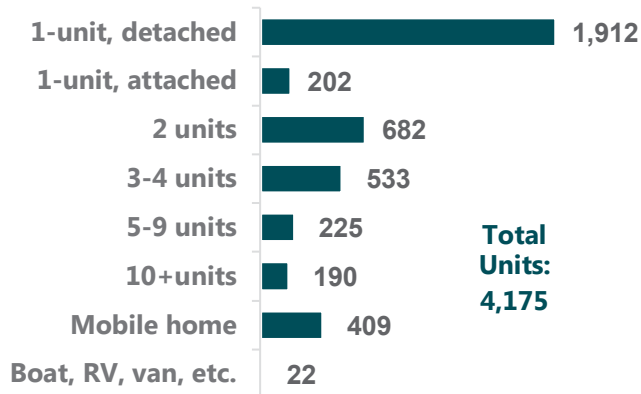
Quarried rock from the Granite Creek Industrial Area and Indian River Quarry is completely satisfactory for the vast majority of construction project around Sitka. However, the rock from these two sources is not known to meet the criteria of hard aggregate. Hard aggregate is a rock material with high durability meeting strict testing requirements specified by the Alaska Department of Transportation and Public Facilities (DOT). DOT typically specifies hard aggregate in the surface course of paving projects on roads with an average daily vehicle count greater than 5,000. Interviewed DOT personnel indicate that average annual demand for hard aggregate on DOT projects in Southeast Alaska totals approximately 2,000 tons per year. Most of the hard aggregate used on projects in Southeast Alaska is sourced from the Pacific Northwest where there is substantial processing and export infrastructure in place for providing a high-quality, reliable, and consistent product. Projects in other parts of Alaska frequently source from Cantwell, in Interior Alaska. The last DOT project in Southeast Alaska that sourced hard aggregate locally from Southeast Alaska had issues with quality and consistency.

Housing Market

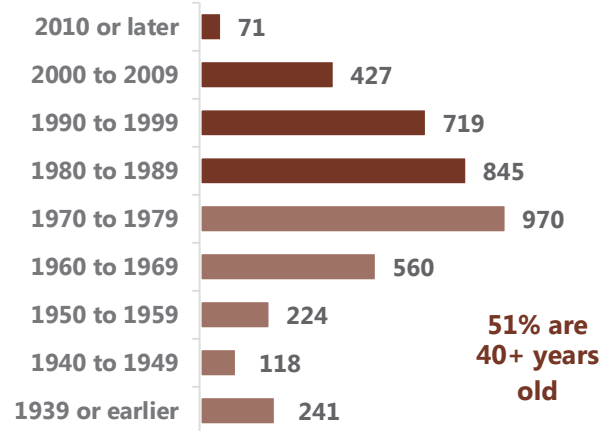
Housing Indicators

- About one-half of Sitka's housing stock (1,912 out of 4,175 units) is one-unit, detached.
- About one-half of Sitka's housing stock is over 40 years old.

Number of Units, by Type, 2014-2018



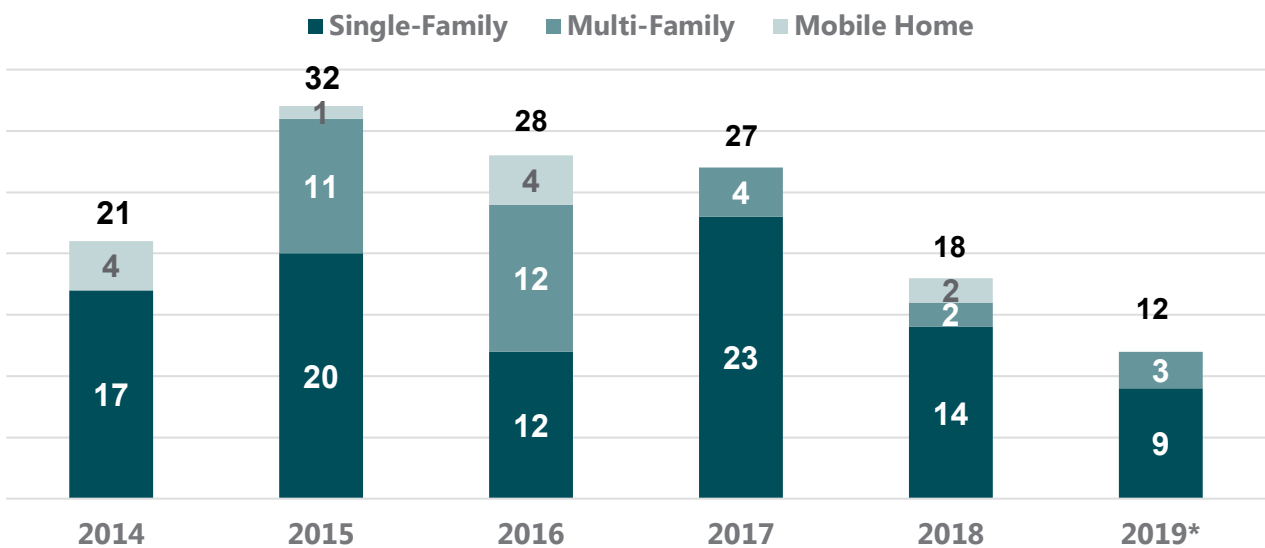
Year Structure Built



Source: American Community Survey, U.S. Census.

- Sitka's housing construction has been declining over the last five years. There were 32 units built in 2015, and only 12 in the first three-quarters of 2019. (The fourth quarter typically shows few units.)

New Housing Unit Construction, 2014-2019



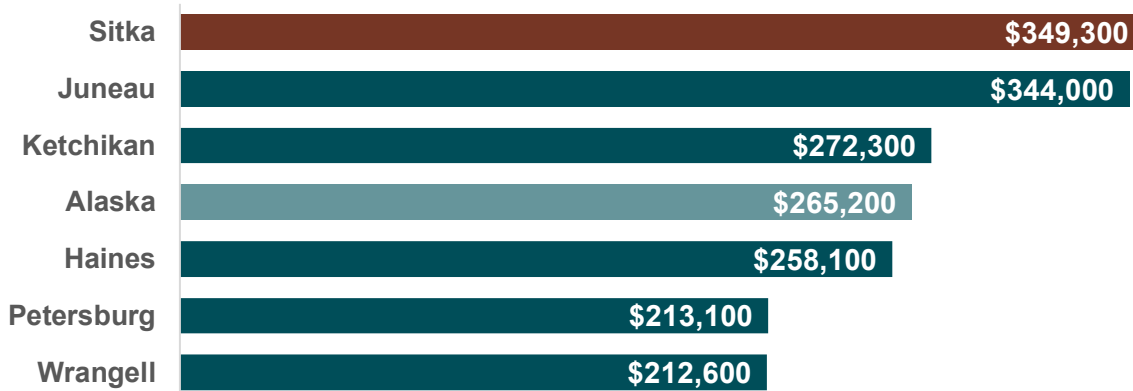
Source: Alaska Housing Finance Corporation.

*First three-quarters only.



- Sitka's average single-family home price in 2018 was \$425,100, up 17% from the 2016 average (\$362,100) (Sitka Assessor's Office).
- Sitka's median owner-occupied home value (\$349,300) is significantly higher than the statewide average (\$265,200), and among the highest in Southeast.
- Sitka's median rental costs were \$1,241 in 2019 (Alaska Housing Finance Corporation).

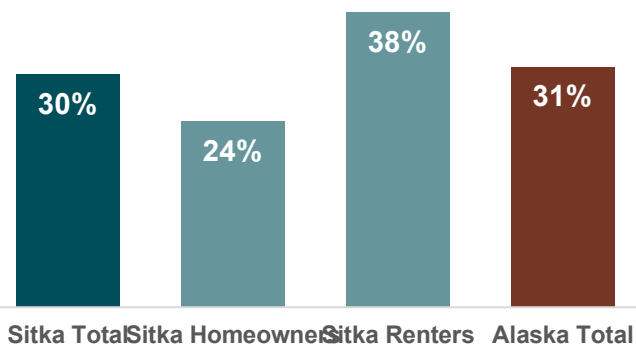
Median Owner-Occupied Home Value, 2014-2018



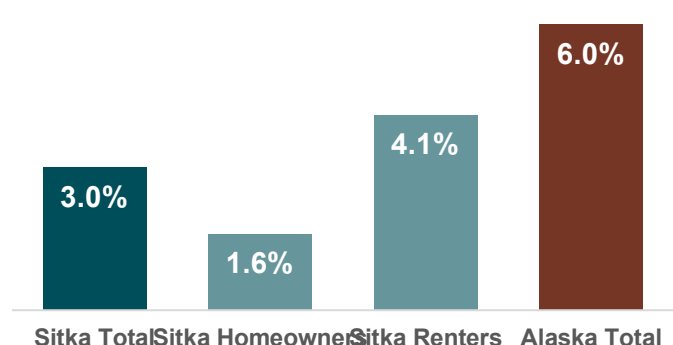
Source: American Community Survey, U.S. Census.

- Sitka's cost-burdened rate is about the same as the statewide rate (30% versus 31%). However, renters have a much higher cost-burdened rate than homeowners (38% versus 24%). (A cost-burdened household spends more than 30% of their income on housing.)
- Sitka's over-crowded rate is about half of the statewide rate (3.0% versus 6.0%). The rate among renters is higher than the rate among homeowners (4.1% versus 1.6%). (Over-crowded households have more than one person per room.)

Cost-Burdened Rates

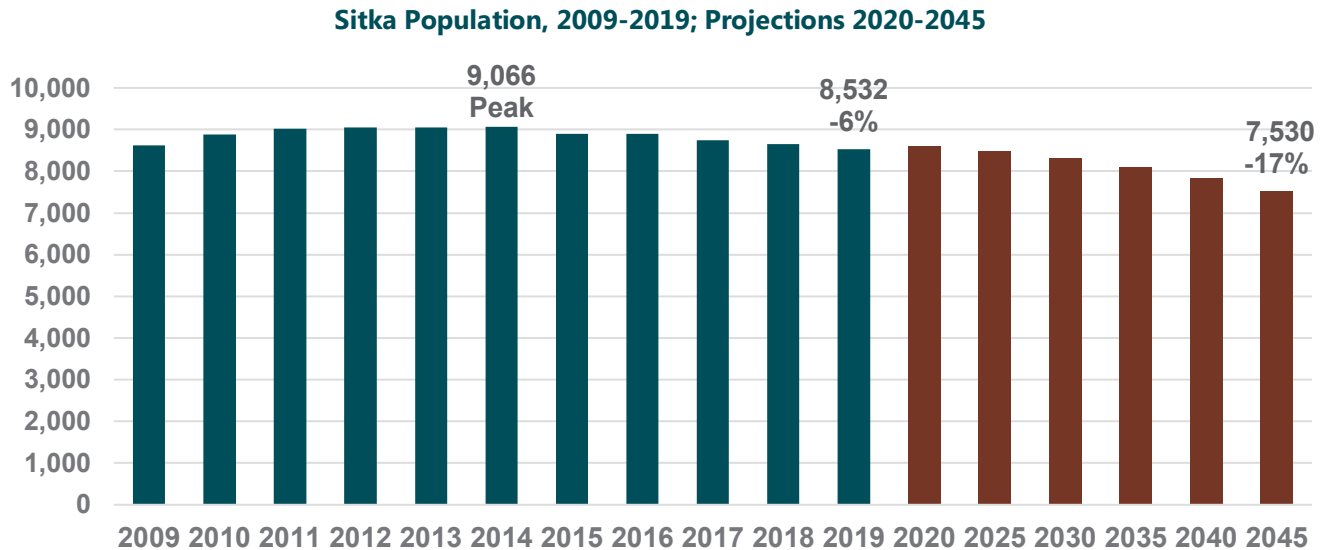


Over-Crowded Rates



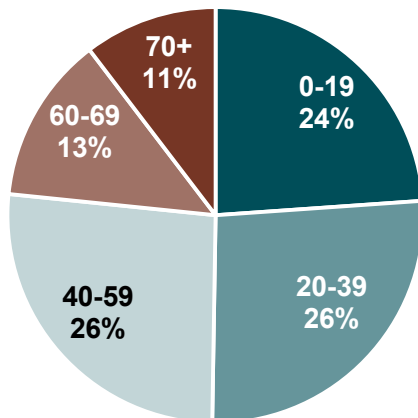
Demographic Indicators

- Sitka's population has been declining over the last five years, dropping 6% between 2014 and 2019.
- If current trends continue, Sitka's population is projected to decline another 17% between 2019 and 2045.

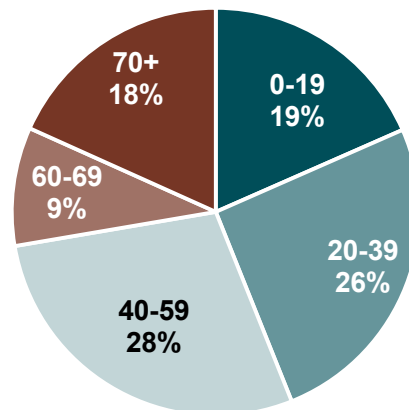


- Sitka's population is projected to age significantly in future years. The percentage of the population 70 and over will increase from 11% to 18% of the population between 2019 and 2035. Over that time period, median age will increase from 40.1 to 44.4. Whether older residents will be able to "age in place" will depend on the availability of appropriate housing. (Older Alaskans often need to move out of the state to find suitable housing as well as health care.)

Sitka Population by Age, 2019

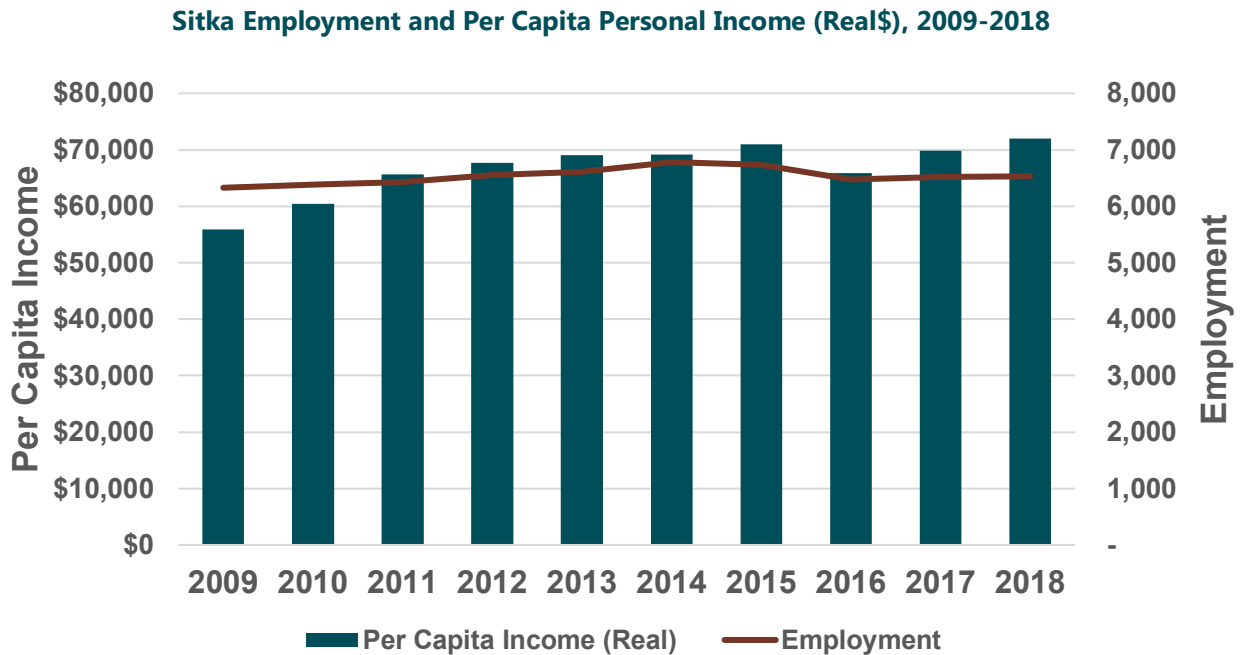


Sitka Population by Age, 2035



Economic Indicators

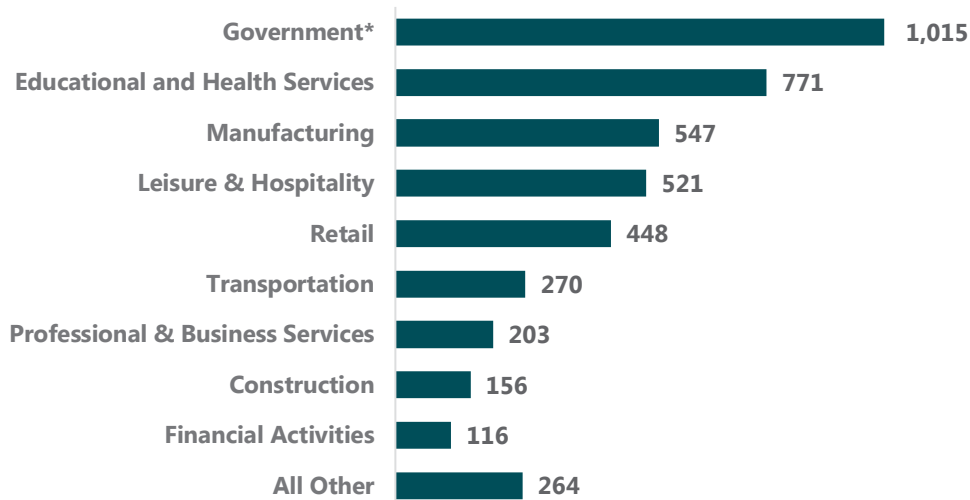
- Sitka employment has stayed fairly consistent over the last decade, fluctuating between a low of 6,328 in 2009 and a high of 6,782 in 2014. Employment in 2018 (6,530) marked the second consecutive year of growth, but gains were incremental (43 new jobs in 2017 and 14 new jobs in 2018).
- Per capita personal income fluctuated more than employment over the last 10 years, ranging from a low of \$56,000 in 2009 to a high of \$72,000 in 2018. The 2018 average represented an increase of 9% over a two-year period.



Source: Bureau of Economic Analysis.

- Nearly one-third of Sitka's non-agricultural wage and salary employment is attributable to government (1,015 out of 4,311; includes school district employment). Other prominent sectors include education and health services (771), manufacturing (547; includes seafood processing), and leisure and hospitality (521).
- Wage and salary employment data do not include self-employed workers, such as commercial fishermen, or active duty Coast Guard personnel. Both are important sources of jobs and income in Sitka. In 2018, 415 Sitka resident permit holders harvested 23.9 million pounds of fish with a total ex-vessel value of \$41 million, according to Commercial Fisheries Entry Commission data. Approximately 200 active duty Coast Guard personnel are stationed in Sitka.

Sitka Wage & Salary Employment by Sector, 2019



* Includes school district.
Source: QCEW, AKDOLWD.



- Between 2016 and 2019, Sitka's employment grew by 1.9%. The sectors showing the largest growth over that time period were seafood processing (+27%), and health care and social assistance (+19%). The sectors showing the largest declines were construction (-17%), federal government (-14%), and scenic and sightseeing transportation (-14%).

Sitka Wage & Salary Employment Trends, 2016-2019

Industry	2016	2017	2018	2019	2016 – 2019 Change	2016 – 2019 Change %
Government Sector						
Local Government*	681	692	679	592	-89	-13%
State Government	326	320	323	315	-11	-3%
Federal Government	126	120	113	108	-18	-14%
Private Sector						
Educational and Health Services	664	678	688	771	+107	+16%
Health Care & Social Assistance	581	nd	609	691	+110	+19%
Educational Services	83	nd	78	80	-3	-4%
Manufacturing	445	495	477	547	+102	+23%
Seafood Processing	363	411	393	462	+99	+27%
Leisure & Hospitality	521	522	518	521	0	-%
Restaurants and Bars	357	341	332	343	-14	-4%
Accommodations	138	149	157	148	+10	+7%
Retail	449	449	459	448	-1	-<1%
Transportation	290	293	270	270	-20	-7%
Scenic & Sightseeing	145	140	113	125	-20	-14%
Professional & Business Services	173	177	187	203	+30	+17%
Construction	188	158	154	156	-32	-17%
Financial Activities	125	119	117	116	-9	-7%
All Other	241	260	266	264	+23	+10%
Total employment	4,229	4,283	4,250	4,311	+82	+1.9%

Source: QCEW, AKDOLWD, McDowell Group calculations.

ND: Non-Disclosable

*Includes school district.

Additional Market Considerations

- There are current efforts to address Sitka's high housing costs. The following efforts may play a role in meeting some of Sitka's demand for affordable housing.
 - » BIHA is developing affordable housing on its Indian River Road property. Their current plan is for 14 units, but the site has significant additional capacity.
 - » Sitka Community Land Trust has plans to construct seven homes, with a goal of 14 total.
- SEARHC is applying for funding to construct a new facility on their campus. The scope of the facility, and any potential new residents that could result from new staffing, is uncertain and will not be known until their funding level is determined. Depending on new staffing needs, this development may increase housing demand, although the impact remains unknown at this time.
- The Coast Guard plans to station a new cutter in Sitka with delivery estimated in 2025. They are currently working on the infrastructure to accommodate the vessel. There will be 33 personnel associated with the vessel, with an associated impact on the housing market.



Implications for Study Area

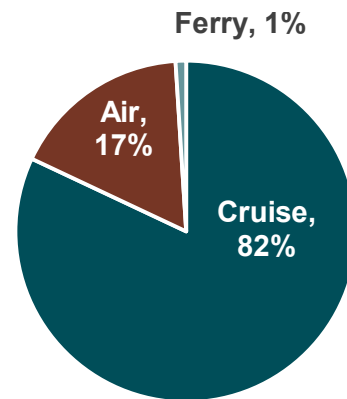
- **Sitka's declining population will limit housing demand over the next several years**, if current demographic trends continue.
- **The projected increase in older residents will increase demand for senior housing**, rather than single-family detached housing.
- **There is a need in Sitka for more affordable housing**, and there is interest in the study area providing the opportunity for development of affordable housing. However, the costs for constructing road access, utility infrastructure, and site prep within the study area could place the cost of homes well out of the "affordable" range unless less costly alternative infrastructure systems can be implemented.
- Tax increment financing (TIF) might be a tool that local government could use to support affordable housing development in the study area. This would involve creating a TIF district, issuing bonds to pay for infrastructure improvements, then repaying the bonds with property tax or other revenue derived from within the district.
- In terms of other housing that falls outside of the affordable range, there is potential for "high-end" residential development on the waterfront parcel of the study area. Waterfront, view lots are always going to be desirable and highly valued in Sitka regardless of housing trends, and residential view lots could represent a significant source of property tax revenue for the City.
- Certain upland areas and other small areas within the study area may be suitable for development of more "market-rate" housing to meet longer-term needs.



Tourism

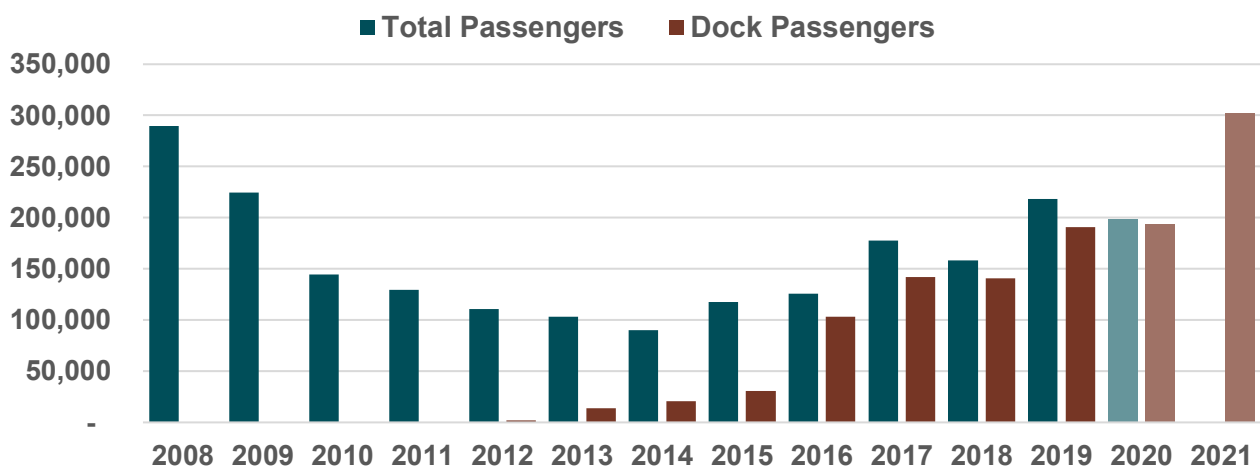
- Sitka welcomed 159,000 out-of-state visitors in summer 2016, the last season measured.
- Of these, 82% were cruise passengers, 17% had traveled to and from Alaska by air, and 1% had used a ferry.
- Among non-cruise visitors, fishing lodge guests represented 82%.
- Sitka visitors reported spending an average of \$353 per person in Sitka. The high average is attributable to the large sportfishing lodge contingent; not counting lodge packages, visitors spent \$137 per person.
- **Cruise passenger volume reached 218,600 in 2019, with 87% (191,000) of passengers disembarking at the Halibut Point Marine Cruise Ship Terminal** near the study area site. The 2019 total volume was more than double the low point of 2014 (90,200).
- Before COVID-19, passenger traffic at the Halibut Point Marine Cruise Ship Terminal was projected to grow to over 300,000 passengers by 2021. The Halibut Point Marine Terminal is being expanded to accommodate up to two large ships or one large ship and two smaller ships at the same time.

Sitka Visitors by Transportation Mode, Summer 2016



Source: AVSP 7.

Sitka Cruise Passenger Volume, 2008-2019; 2020 and 2021 Pre-COVID Projections



Sources: Cruise Line Agencies of Alaska, Halibut Point Marine.

Additional Market Considerations

- Unlike other cruise regions in the world, cruise lines are heavily invested in Alaska. They own hotels, buses, trains, and docks. Dock infrastructure is being expanded and/or upgraded in several Alaska ports (Hoonah/Icy Strait Point, Seward, Ketchikan, Juneau), some of these with direct cruise line investment. While COVID-19 will hit the industry hard this year with perhaps impacts for several more years, cruise lines are expected to return to Alaska at previous levels.
- Sitka's previous peak cruise traffic was in 2008, when nearly 300,000 passengers visited. Passengers were transported from their ship to downtown docks via lightering vessel, allowing them to disperse easily through the downtown area. With most future passengers likely to arrive via the Halibut Point Marine dock, passenger dispersal will present a challenge, as not all passengers can be transported at the same time on Halibut Point Road.
- Alaska cruise passengers have been seeking more outdoor/active experiences, leading to a growth in shore excursions that involve outdoor activities such as zip-lining, biking, kayaking, and rafting.
- While it may be physically feasible to construct a cruise ship dock at the study area's waterfront parcel, there is unlikely to be sufficient demand by cruise lines even in the long-term for this new dock. It will take years for the Halibut Point Marine docks to reach full capacity (particularly in light of COVID-19 impacts), and volume would likely need to double before an additional dock could be justified. In addition, the uplands area and road system may not be able to accommodate a significantly increased volume of passengers. If another cruise dock is needed, it is more likely to be constructed in the downtown area than near the current Halibut Point Marine dock, according to industry experts. Contacts further noted that cruise lines are more likely to increase port calls in communities where they have significant investments, like Ketchikan, Skagway, Icy Strait Point, and Juneau.



Halibut Point Marine Cruise Ship Terminal





Kayakers in Sitka Channel



Hoonah at Icy Point Strait



Gary Paxton Industrial Park

Implications for Study Area

- The waterfront parcel within the study area is well suited for cruise-related development, offering opportunities for passenger dispersal and “recreational tourism” activities such as kayaking, zip-lining, and hiking/trails.
- The type of recreation-related infrastructure on the waterfront parcel could vary in scope and investment level depending on the investor. For example, Icy Strait Point incorporates retail shops, restaurants, performance venue, zip-line, and a gondola at their cruise ship port. However, less intensive development at the waterfront parcel could consist of an “adventure park” with trails, an aerial ropes-course or climbing wall, a kayak launch site, and an outdoor salmon-bake/crab-feed venue.
- Generally, with more intensive development, there will be higher opportunity for local spending, as well as property and sales tax revenues.

Commercial / Industrial Uses

- With the recent development of the Gary Paxton Industrial Park that appears to have capacity for increased industrial activity, particularly water-related industry, there is no need for another major industrial-park development in Sitka.
- Stakeholders noted some need in Sitka for sites appropriate for light commercial usage (such as sheds and workshops) and fleet storage. It was observed that some of the commercial activity currently occurring in the area near Price Street/Hillside is not compatible with residential uses.
- Some light commercial activity occurs in the Granite Creek industrial area, and it has the capacity for more of this type of activity.
- Some industrial uses may not be compatible with visitor-related development, depending on proximity, noise level, and impacts on scenery.

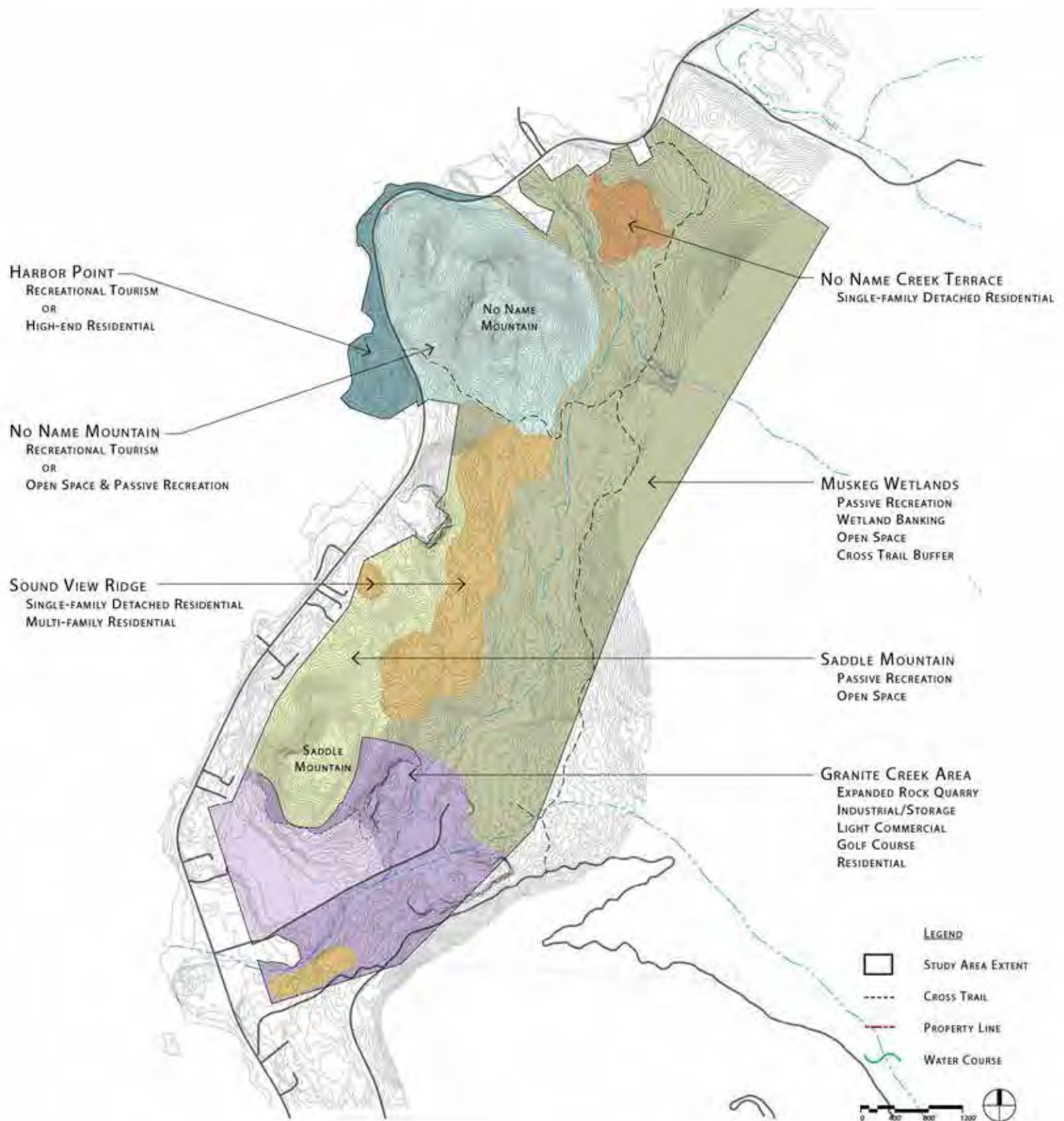


FIGURE 10—DEVELOPMENT SUITABILITY / POTENTIAL LAND USE ZONES



4 | ALTERNATIVE LAND USE SCHEMES

Development Suitability and Land Use

As discussed in Chapter 2 *Site Analysis*, large portions of the study area pose challenges to residential, commercial, or industrial development, as well as to opening new rock quarries. Development in the site's extensive wetlands, particularly in muskegs, and in areas along salmon-bearing creeks, will require expensive permitting and mitigation, not to mention costly construction measures to remedy wet, organic soils. Steep slopes on No Name Mountain and Saddle Mountain will also be expensive to build on due to soil stabilization, landslide risk, and other factors. In addition, certain steeply sloping areas and wetlands would be difficult to reach by roads and utilities.

However, some portions of the site appear marginally suitable for residential or commercial building development. These development-suitable areas tend to possess moderate to borderline steep slopes (10 – 40%) and fewer muskeg wetlands. The terrain in these areas may be rough, forested, or wet, but existing conditions are not as prohibitive to development as other steeply sloping or wetland areas of the site. Additionally, some development-suitable areas may be less difficult to access with new roads and utilities.

This is not to say areas deemed unsuitable for conventional residential, commercial, or industrial development are without value or use. Wetlands and steeply sloping forest lands provide important wildlife habitat. These places allow opportunities for subsistence gathering and hunting and for passive recreation such as hiking, wildlife viewing, and nature enjoyment. High value wetlands can be conserved as potential mitigation for development impacts to wetlands elsewhere. Some of these areas may also lend themselves to commercialized forms of recreation as discussed later in this chapter.

The Market Analysis in Chapter 3 suggests potential types of development for the study area based on Sitka's economic conditions and needs. Upon looking at areas deemed both suitable and unsuitable for building development, a picture begins to emerge of where the types of development and activities discussed in the Market Analysis could conceivably occur in the study area.

As shown on the plan in Figure 10, the study area has been divided into seven "land use zones", with each zone given a name reflecting its geographic setting or dominant landscape characteristic. The plan identifies the type of development or land use that might be appropriate or suitable for that zone based on its site conditions and the development needs and opportunities discussed in the Market Analysis. Per the plan, certain land use zones are shown to be suitable for two or more different land uses, and other zones can accommodate only one. The following sections of this chapter discuss alternative land uses for each zone, and what this land use might consist of.



Study area forest

Harbor Point

Harbor Point is the 17-acre parcel located along the waterfront side of Halibut Point Road (HPR). Harbor Point has shoreline frontage on its south, west, and north sides, and HPR frontage on its east side. The parcel is characterized by lower elevation, fairly rough terrain, but apart from shoreline areas, it contains no steep slopes. Much of the site is occupied by beautiful mature forest. The site is also close to a sanitary sewer line and water main in the HPR corridor. Harbor Point's shoreline setting, lower elevation, proximity to utilities, direct access from HPR, and great views of Sitka Sound all contribute to a property with relatively high development potential.

Two types of development are suggested for Harbor Point. For land use Option A (shown in Figure 11), the development of high-end, single family detached homes is proposed. The site's water access and views,

proximity to Halibut Point Road and utilities, and lower elevation would promote the development of shoreline and near-shore homes on this parcel. With residential development, City revenues would be increased through outright property sale and on-going property taxes, and new home building would bolster the local construction industry and jobs.

However, costs to develop this property will be moderately high, and local demand for high-end waterfront homes may fluctuate. Also, new high-end housing here will do little to address Sitka's need for affordable housing. One possibility in this respect would be to develop high-end homes along the parcel's shoreline and to build more affordable smaller homes and multi-family apartments or condominiums close to Halibut Point Road and on the property's interior.



Southeast Alaska waterfront home

Site Opportunities & Constraints

- + 17 acres with waterfront and beach access
- + Mature vegetation
- + Views to Sitka Sound
- + Water line available in Halibut Pt. Road
- May require sewer main extensions or marine out-falls
- Rugged topography, some steep slopes

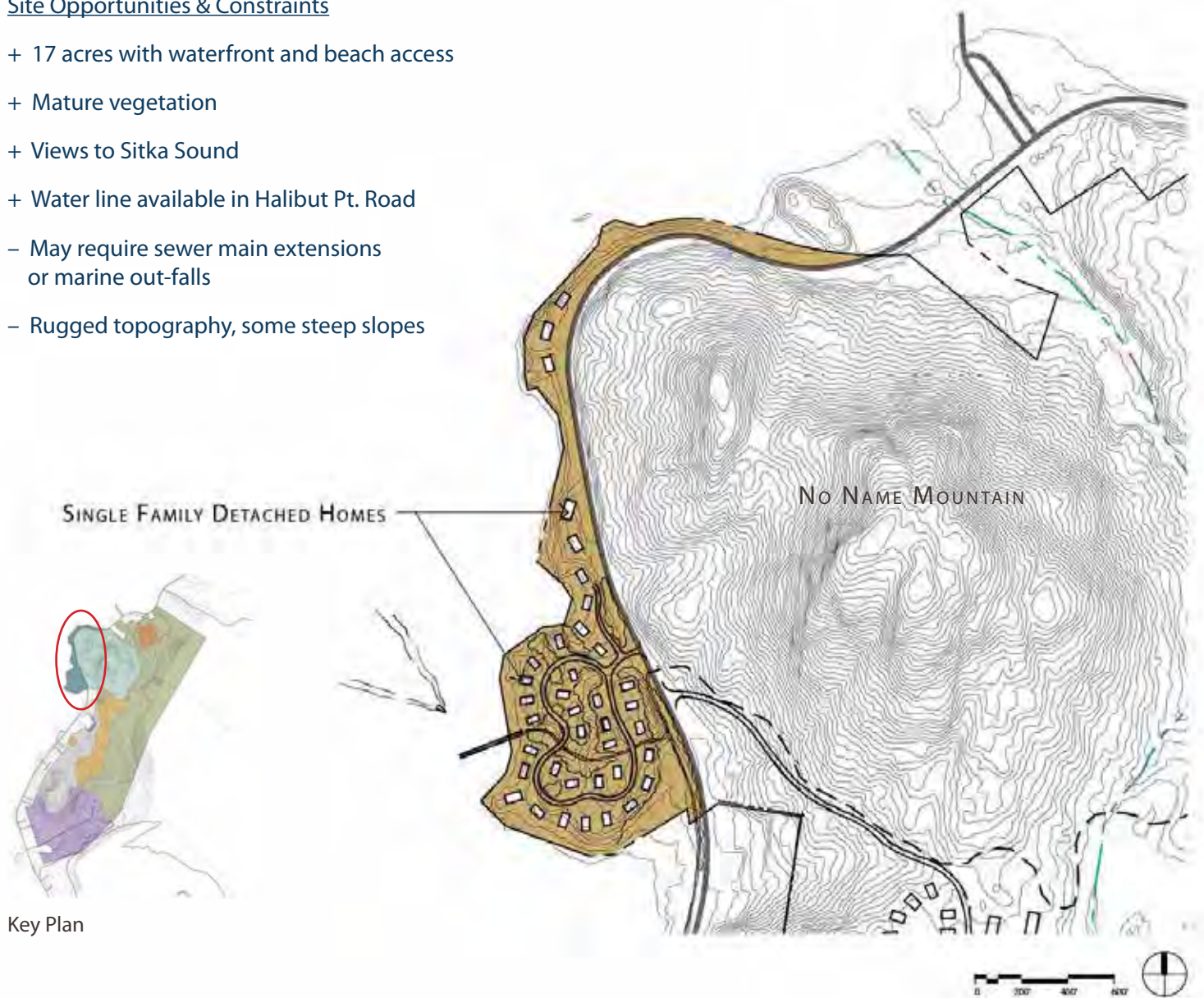


FIGURE 11 — HARBOR POINT: OPTION A

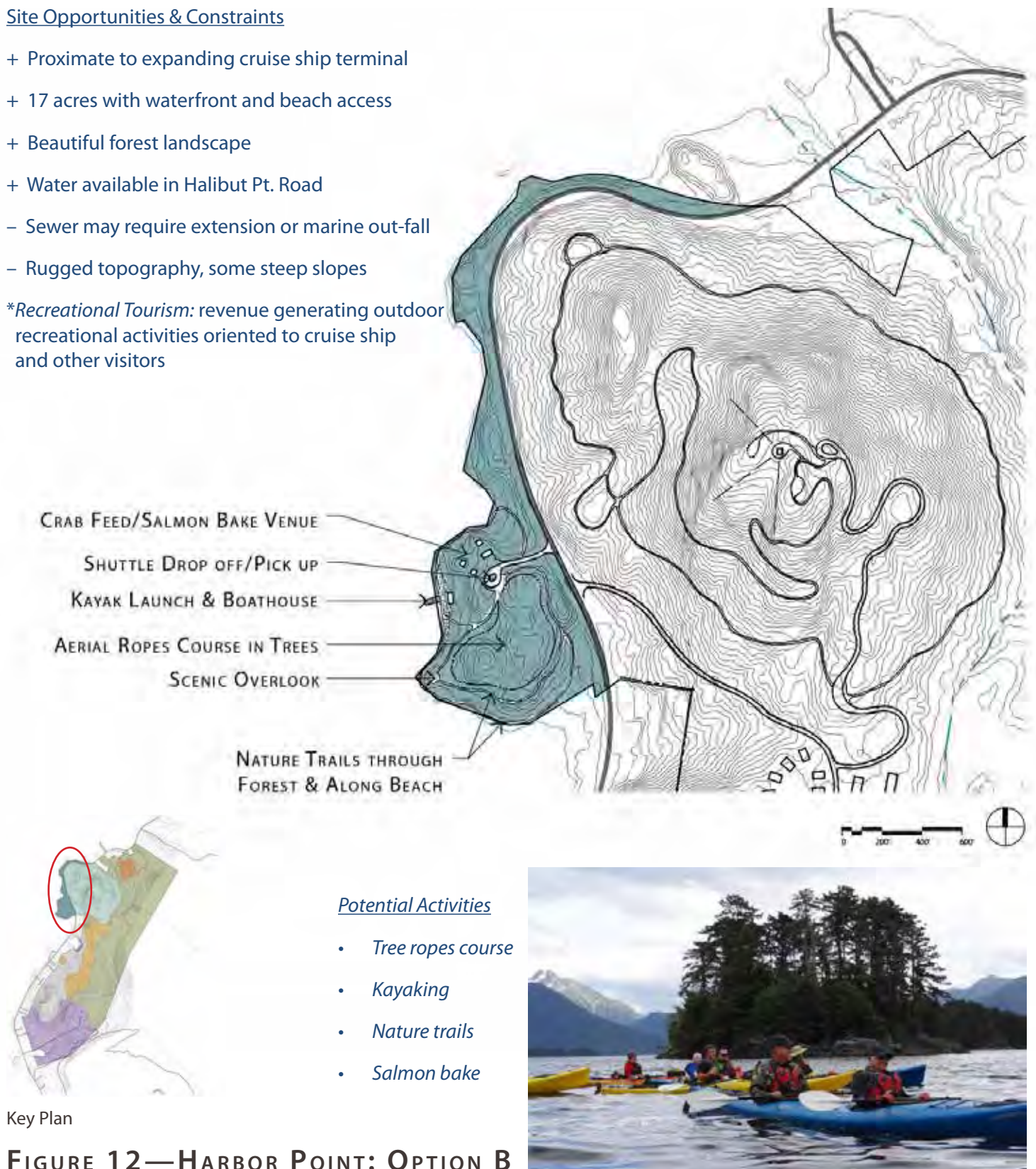
Potential Land Use: High-End Residential

4 | ALTERNATIVE LAND USE SCHEMES

Site Opportunities & Constraints

- + Proximate to expanding cruise ship terminal
- + 17 acres with waterfront and beach access
- + Beautiful forest landscape
- + Water available in Halibut Pt. Road
- Sewer may require extension or marine out-fall
- Rugged topography, some steep slopes

**Recreational Tourism:* revenue generating outdoor recreational activities oriented to cruise ship and other visitors



An alternative land use Option B for Harbor Point would be to develop it for recreational tourism. Recreational tourism is defined as revenue-generating outdoor recreational activities oriented to cruise ship visitors and other recreationists. Use of Harbor Point for recreational tourism would compliment the expanding cruise ship terminal nearby. Harbor Point's beautiful forested shoreline setting overlooking Sitka Sound could host a variety of outdoor recreational activities sought by cruise ship operators and visitors. A venue for outdoor activities here would also help to disperse cruise ship visitors to different attractions and destinations, thereby reducing bus traffic on Halibut Point Road to and from downtown. As shown in Figure 12, outdoor recreational

activities might include an aerial ropes course, nature trails, kayaking, salmon bake venue, and so on. These activities would fit with rather than damage the natural landscape. With Option B, the City would maintain ownership of Harbor Point and lease it for recreational tourism development by others.

As mentioned in the Market Analysis, the use of Harbor Point for marine-oriented industry appears inappropriate. Gary Paxton Industrial Park on the south side of Sitka has ample available waterfront area with deep water access. Also, Sawmill Creek Road, which extends from downtown Sitka to the industrial park, was recently improved and can handle increased commercial traffic better than Halibut Point Road.



Aerial ropes course in trees



Salmon bake (above), Mountain bike trail (below)

No Name Mountain

No Name Mountain, along the east side of Halibut Point Road just across from Harbor Point, occupies the northwest part of the study area. The rugged forested terrain of this large knoll rises to over 400 feet above sea level, offering sweeping westerly views of Sitka Sound and easterly views into the mountains of Baranof Island. The extremely steep slopes of No Name Mountain would be difficult and expensive to develop for homes, commercial/industrial use, and associated access roads and underground utilities.

However, per land use Option A, No Name Mountain could be used for activities and facilities associated with recreational tourism, such as mountain biking and nature trails, ziplines, scenic overlooks, and perhaps a single-lane tram road, funicular, or aerial cable car to the summit. These facilities and activities would generally require light infrastructure that works with the steep terrain. Recreational tourism activities on No Name Mountain would be near the expanding cruise ship terminal and would increase the range of recreational tourism activities proposed for Harbor Point - Option B, creating a large outdoor venue that offers a variety of recreational activities for cruise ship visitors and others. Essentially, No Name Mountain would allow cruise ship visitors to experience a little bit of wild Alaska upon

disembarking the boat. The land for recreational tourism activities and facilities on No Name Mountain could be leased from the City and developed by others for this use.

An alternative land use (Option B) for No Name Mountain would be to use it for passive recreation and open space, where it would remain largely undisturbed and natural. As such, the only facilities on No Name Mountain would be trails. Views of this impressive high green knoll for visitors arriving by cruise ship would be kept intact and unaltered.

As noted in Chapter 2 *Site Analysis*, a previous study explored the possibility of opening up a new rock quarry on the east side of No Name Mountain. Because foreseeable rock demand can be met by current quarries in Sitka, and the supply of hard aggregate in No Name Mountain is questionable, the costly development of a new rock quarry on the east side of No Name Mountain is not recommended. However, if rock demand in the distant future cannot be met by current quarries, then opening a new quarry on the east side of No Name Mountain could be reconsidered. The use of No Name Mountain for recreational tourism or passive recreation open space would not necessarily prohibit future quarrying.



Aerial cable car



Zipline

Site Opportunities & Constraints

- + Proximate to expanding cruise ship terminal (short travel distance by shuttle or tram)
- + Beautiful, rugged terrain and forest
- + Western waterfront-facing & Eastern range-facing
- Steep slopes
- No roads or utilities

Potential Activities

- *Mountain biking*
- *Zipline*
- *Nature trails*
- *Scenic overlook*
- *Tram to summit*



Key Plan

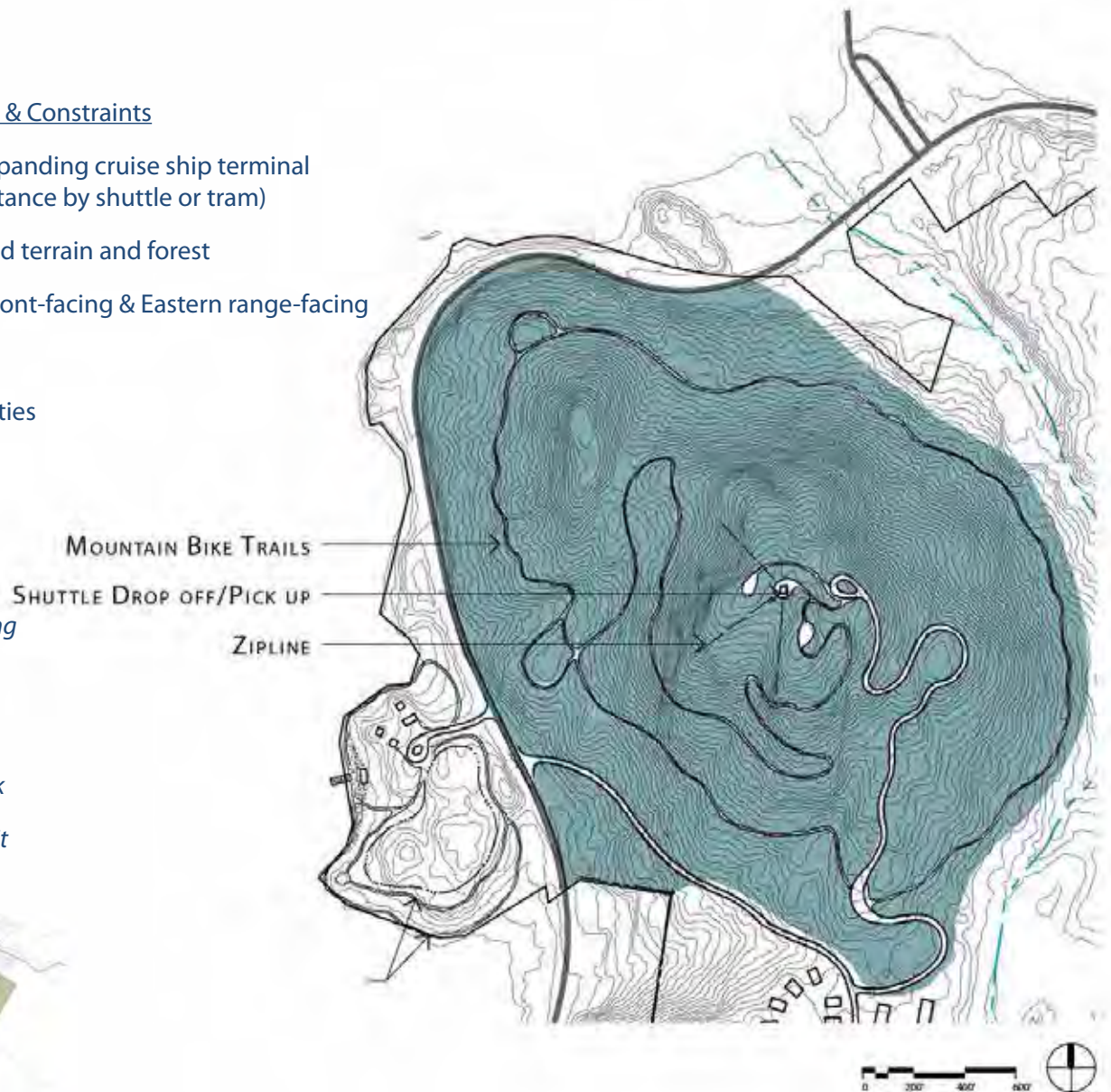


FIGURE 13—NO NAME MOUNTAIN: OPTION A

Potential Land Use: Recreational Tourism

Site Opportunities & Constraints

- + Proximate to expanding cruise ship terminal
- + Beautiful, rugged terrain and forest
- + Western waterfront-facing & Eastern range-facing
- + Views of undisturbed land from water
- Steep, unbuildable slopes
- Site interior lacks utility access



Key Plan



FIGURE 14—NO NAME MOUNTAIN: OPTION B

Potential Land Use: Recreation & Open Space

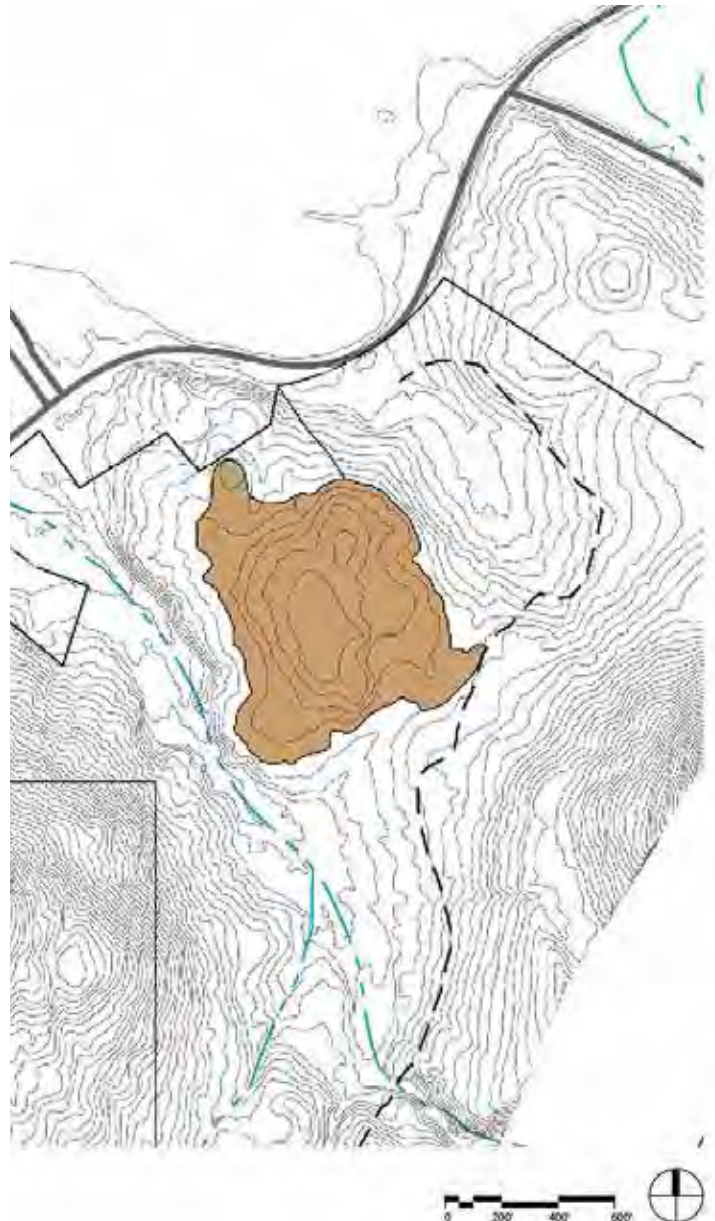


No Name Creek Terrace

No Name Creek Terrace is a moderately sloping, slightly elevated land area north of No Name Mountain and just a little south and east Halibut Point Road. Because of its lower elevation, moderate terrain, and proximity to Halibut Point Road and water line, the Creek Terrace may be less costly to access and develop for housing than Sound View Ridge discussed below. However, the Creek Terrace is occupied by wetlands for which development impacts would have to be mitigated. Also, residential development here may require individual septic systems, which could be problematic near wetlands. Finally, the area could be in the shadow of No Name Mountain during a few weeks in winter, and the location is somewhat distant from town and services.



Key Plan



Site Opportunities & Constraints

- + Moderate slopes
- + Proximate to Halibut Point Road & Cross Trail Phase 6 Trailhead
- + Proximate to existing water line, with extensions
- Costly to extend sewer service
- May require new electrical sub-station
- Distant from town and services

FIGURE 15—NO NAME CREEK TERRACE

Potential Land Use: Residential

Sound View Ridge

Sound View Ridge occupies the broad north-south ridge between No Name Mountain and Saddle Mountain. Lower than the adjoining high knolls, Sound View Ridge contains moderately sloping, irregular terrain and forested wetlands with pockets of muskeg. As its name implies, portions of Sound View Ridge offer sweeping westward views of Sitka Sound. Moderately sloping terrain across higher ground, limited muskeg wetlands, and great views make Sound View Ridge marginally more suitable for housing development than many other parts of the study area. Housing development on the ridge was suggested in a previous study that addressed the opening of a new rock quarry on the east side of No Name Mountain. Sound View Ridge could host mixed residential development consisting of single-family detached homes, apartments and condominiums (Figure 16).

However, road access and utility service for residential development on Sound View Ridge could prove costly. An access road from Halibut Point Road to the ridge would have to climb about 200 feet in elevation across steep terrain. An access road from the Granite Creek Industrial Area up to the ridge may be a less expensive alternative. The high cost of extending conventional City water and sewer utilities to residential development on Sound View Ridge could justify alternative utility systems, such as a package sewage treatment plant or individual septic systems for sewage, and individual holding tanks filled by water trucks or higher elevation community water tanks. Finally, development impacts to the forested wetlands on the ridge will require mitigation, perhaps accomplished by putting lower elevation muskeg wetlands and associated creeks into permanent conservation easements.

Due to potentially high development costs, Sound View Ridge may not provide much if any affordable housing. Also, at the present time there may be other more suitable locations in Sitka for new residential development. However, Sound View Ridge could accommodate future demand in the local housing market for higher-priced view properties and perhaps some moderately-priced apartments or condominiums.



Site Opportunities & Constraints

- + Undulating topography, moderate slopes
- + Higher elevation with views to Sitka Sound
- + Less wetland areas than other parts of study area
- Not proximate to existing utilities (water, sewer, electrical); high cost to bring utilities to site
- Not proximate to existing road infrastructure
- Distant from town and services



Key Plan

Other Considerations

- Other more suitable residential locations may exist in Sitka

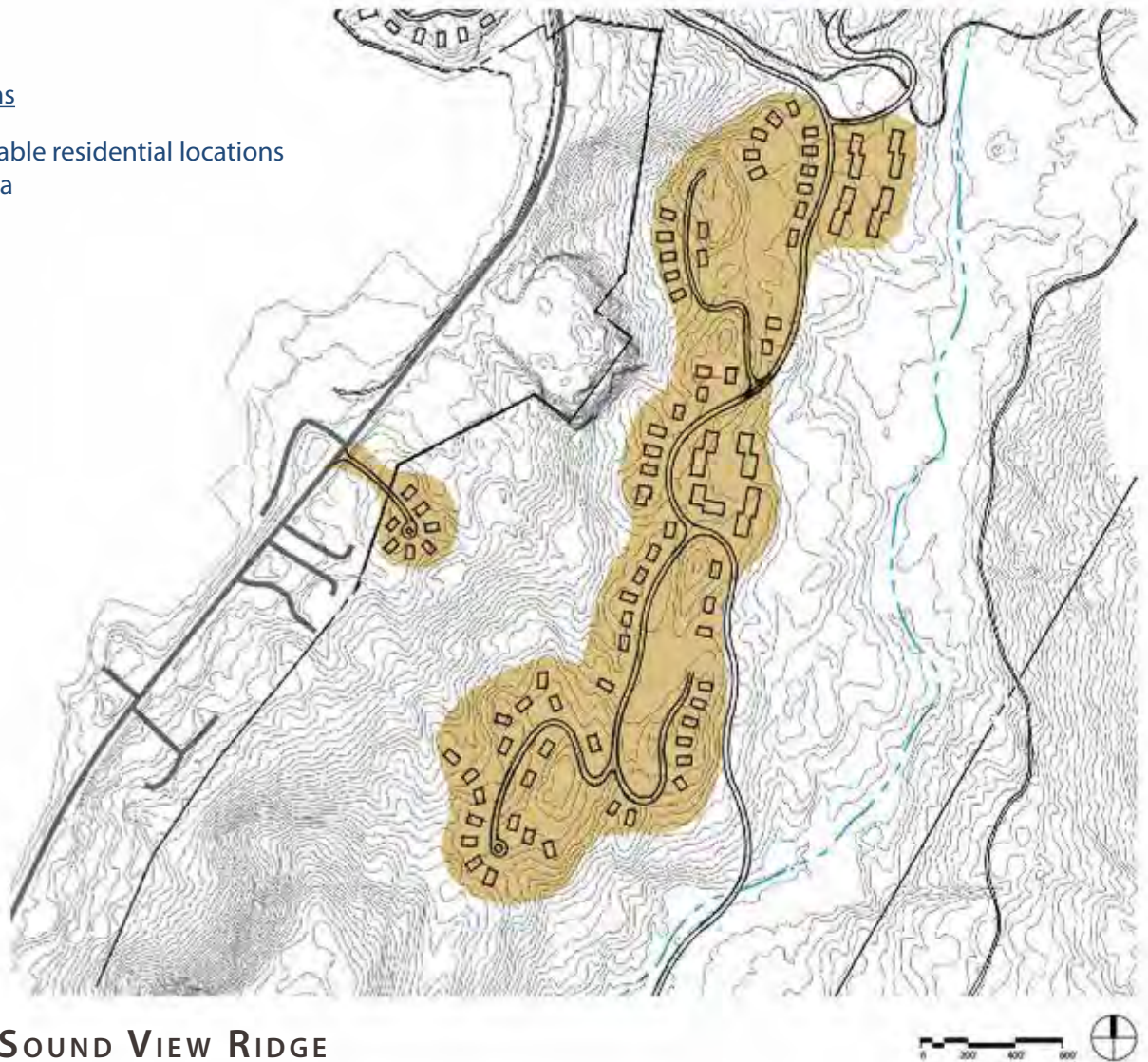


FIGURE 16—SOUND VIEW RIDGE

Potential Land Use: Mixed Residential (Single family detached homes, apartments, and/or condominiums)

Muskeg Wetlands

As mentioned in the Site Analysis, over half of the study area is occupied by various types of wetlands, including large muskegs which occur on flatter, low-lying site areas directly east of and below No Name Mountain and Sound View Ridge. A salmon-bearing tributary of Granite Creek flows southward through the muskegs. Due to their deep, saturated organic soils or peat, it is difficult to construct roads and structures in muskegs, and development impacts to muskeg wetlands are expensive to permit and mitigate. Therefore, it is suggested the muskegs and adjoining open hemlock wetlands be used for recreation and open space, and possibly set aside in a permanent conservation easement as mitigation for development impacts to wetlands elsewhere in the study area. The muskeg zone will also serve as a scenic natural buffer for the Cross Trail that travels through here.



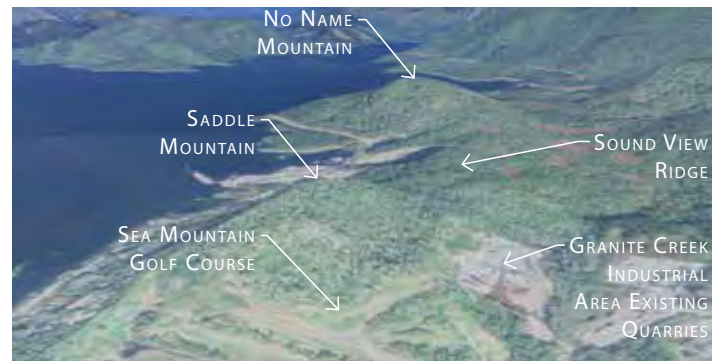
Key Plan

FIGURE 17—MUSKEG WETLANDS

Potential Land Use: Passive Recreation, Wetlands Banking, Open Space

Saddle Mountain (West Side)

The west side of Saddle Mountain and Sound View Ridge is made up of extremely steep forested terrain. It would be very expensive as well as inadvisable to develop and build in this steep rugged landscape. This area would be best suited for open space and passive recreation such as for trails and subsistence gathering. Additionally, these suggested uses would allow the waterfront-facing slopes to maintain their beautiful, natural visual character to visitors arriving by boat.



View of Study Area Facing North



Key Plan



FIGURE 18—SADDLE MOUNTAIN

Potential Land Use: Passive Recreation & Open Space

Granite Creek Industrial Area

With direct access off Halibut Point Road, the Granite Creek Industrial Area at the south end of the study area is already occupied by commercial and industrial land uses. Increased industrial and commercial activity is appropriate here. Rock quarrying can continue and expand into Saddle Mountain to meet Sitka's foreseeable rock demand. Exhausted quarry sites nearby will provide a convenient location to deposit overburden from expanded quarry operations. The flat floors of other exhausted quarry sites here can be leased for fleet storage and other light industrial or commercial uses.

The existing nine-hole Sea Mountain Golf Course could conceivably grow to eighteen holes up the south slopes of Saddle Mountain. The area between Granite Creek Road and Harbor Mountain Road at the south-most part of the site could also be developed for commercial, light industrial, or residential uses. However, development near or along Granite Creek, which flows through this southern-most area, will need to address potential impacts to wetlands and the salmon-bearing creek. Existing water and sewer infrastructure at the Granite Creek area will have to be improved and expanded with increased development.



Sea Mountain Golf Course



Granite Creek quarry

Site Opportunities & Constraints

- + Existing quarry & commercial activity
- + Adequate rock source for foreseeable future
- + Overburden area is proximate to quarry (minimizes trucking)
- + Area largely out of view from visitors arriving by ship
- + Existing golf course; could expand to 18-hole course
- + Ample flat land (former quarry)
- + Close to Halibut Pt. Road; existing access via Granite Creek Road
- Wetlands & Granite Creek are critical areas



Key Plan

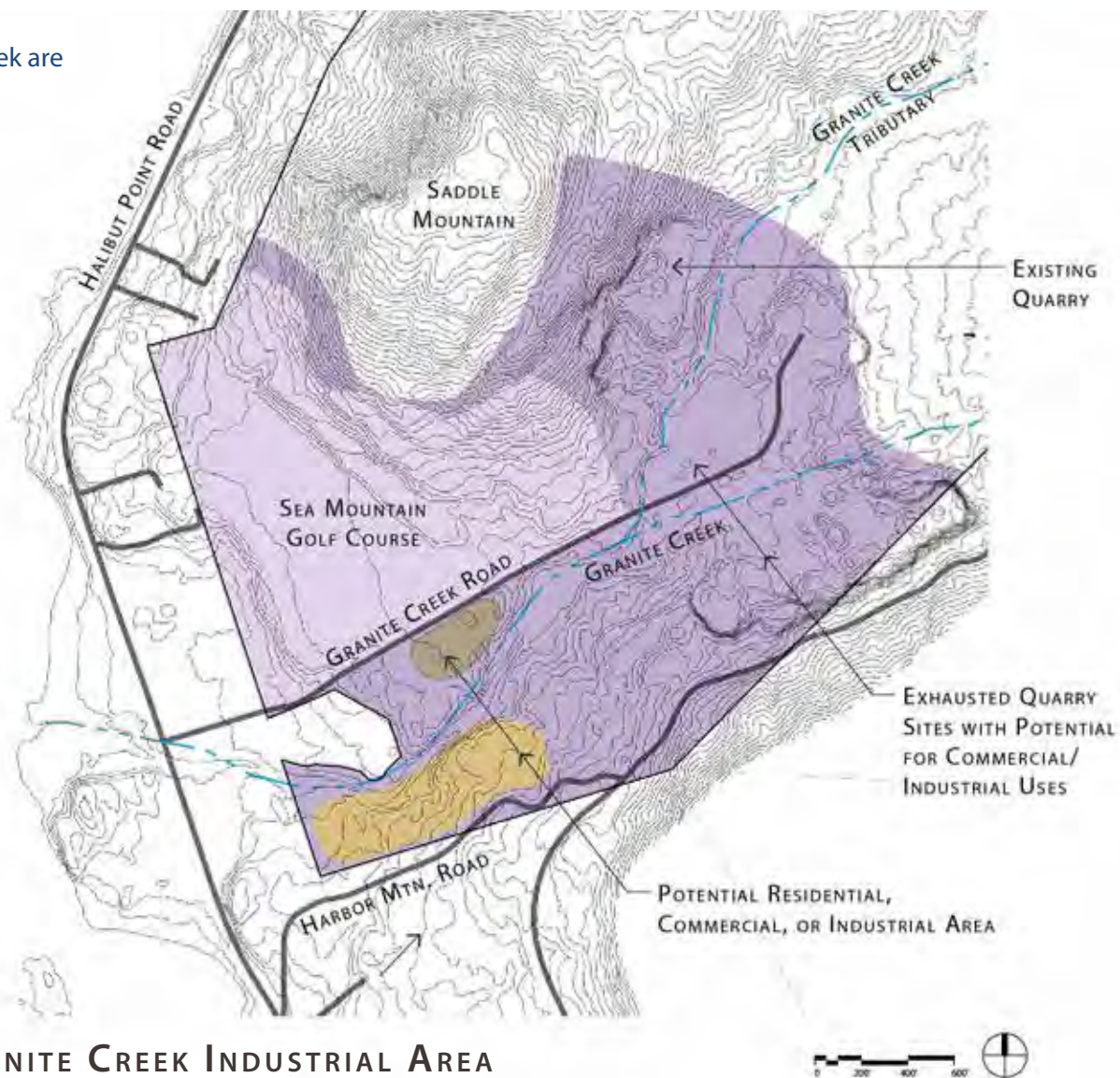


FIGURE 19—GRANITE CREEK INDUSTRIAL AREA

Potential Land Use: Rock Quarry, Storage, Light Industrial/Commercial, Expanded Golf Course, Residential

Land Use Schemes for Entire Site

Three alternative land use schemes were considered for the entire study area. These schemes explore different combinations of the land use options discussed above for the seven separate areas or zones. The three schemes for the overall site and the land use options for individual areas were vetted with the community via the project website discussed in the next section. The following three land use schemes A – C offer ideas on how the entire site could be developed by merging or bringing together the suggested land uses for the seven individual site areas discussed above.

Scheme A

Per Scheme A (Figure 20), intensive site development would be confined to the Granite Creek Industrial Area where commercial and industrial activity would continue and increase with expanded quarrying, fleet storage, and other light industry and commercial development. The Harbor Point and No Name Mountain zones would be developed to accommodate outdoor recreational tourism activities for cruise ship visitors and others. However, housing and other land uses in the study area would be limited to perhaps only small residential areas near Halibut Point Road. Financial return on the site would be obtained through land leased for recreational tourism and for continued and expanded commercial, industrial and quarrying activity at Granite Creek. Basically, Scheme A suggests most of the study area would remain undeveloped and used for open space and recreation.

Scheme B

Scheme B (Figure 21) suggests that areas deemed suitable for residential use – Harbor Point, Sound View Ridge, No Name Creek Terrace, and a small area at Granite Creek – all be developed for housing. Per this scheme, the light industrial, commercial, and quarrying activity at the Granite Creek Industrial Area would continue and expand. This scheme does not propose any recreational tourism development on the site; however, large areas of the site would remain for open space, passive recreation, and wetland banking. Financial return on the site would be obtained through continued and expanded industrial/commercial activity at Granite Creek, and through the sale of residential properties. However, high development costs and weak demand for housing could sharply diminish residential development and financial return on the site.

Scheme C

Scheme C (Figure 22) suggests a balanced combination of land uses for the study area. As with schemes A and B, the commercial, industrial, and quarrying activity at Granite Creek would continue and expand. Scheme C proposes Harbor Point and No Name Mountain be leased from the City for recreational tourism activities and uses. If the local demand for housing increases, and if development costs can be kept reasonable, then housing could be developed on Sound View Ridge and possibly at No Name Creek Terrace. Housing could also be developed in the distant future on Harbor Point since this area initially could be leased from the City for recreational tourism. The Muskeg Wetlands and Saddle Mountain areas would remain for open space, passive recreation, and wetlands banking as is shown with Schemes A and B. Financial return on the site would be generated by leasing land for recreational tourism and for ongoing and increased quarrying and industrial/commercial activity at the Granite Creek Industrial Area. The development and sale of residential property on Sound View Ridge might offer a future return.



- Keeps and expands industrial/commercial uses at Granite Creek area
- Maximizes recreational tourism land use
- Allows for minimal, dispersed residential land use
- Provides generous areas for open space, passive recreation Cross Trail buffering
- Provides large wetland banking areas

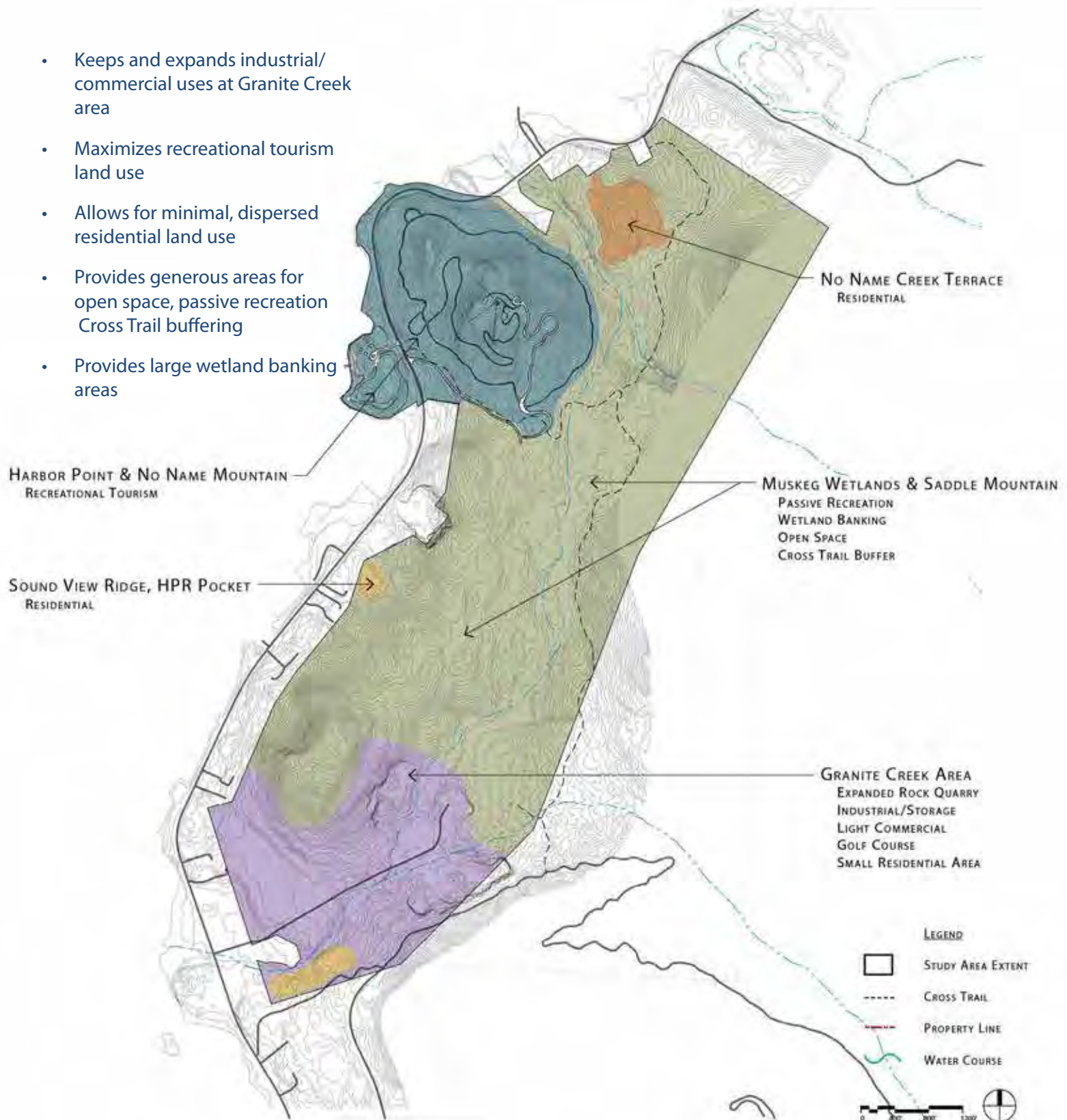


FIGURE 20—LAND USE SUITABILITY: SCHEME A

4 | ALTERNATIVE LAND USE SCHEMES

- Keeps and expands industrial/commercial uses at Granite Creek area
- Provides for no recreational tourism land use
- Maximizes residential development
- Provides areas for open space, passive recreation, wetland banking and Cross Trail buffering

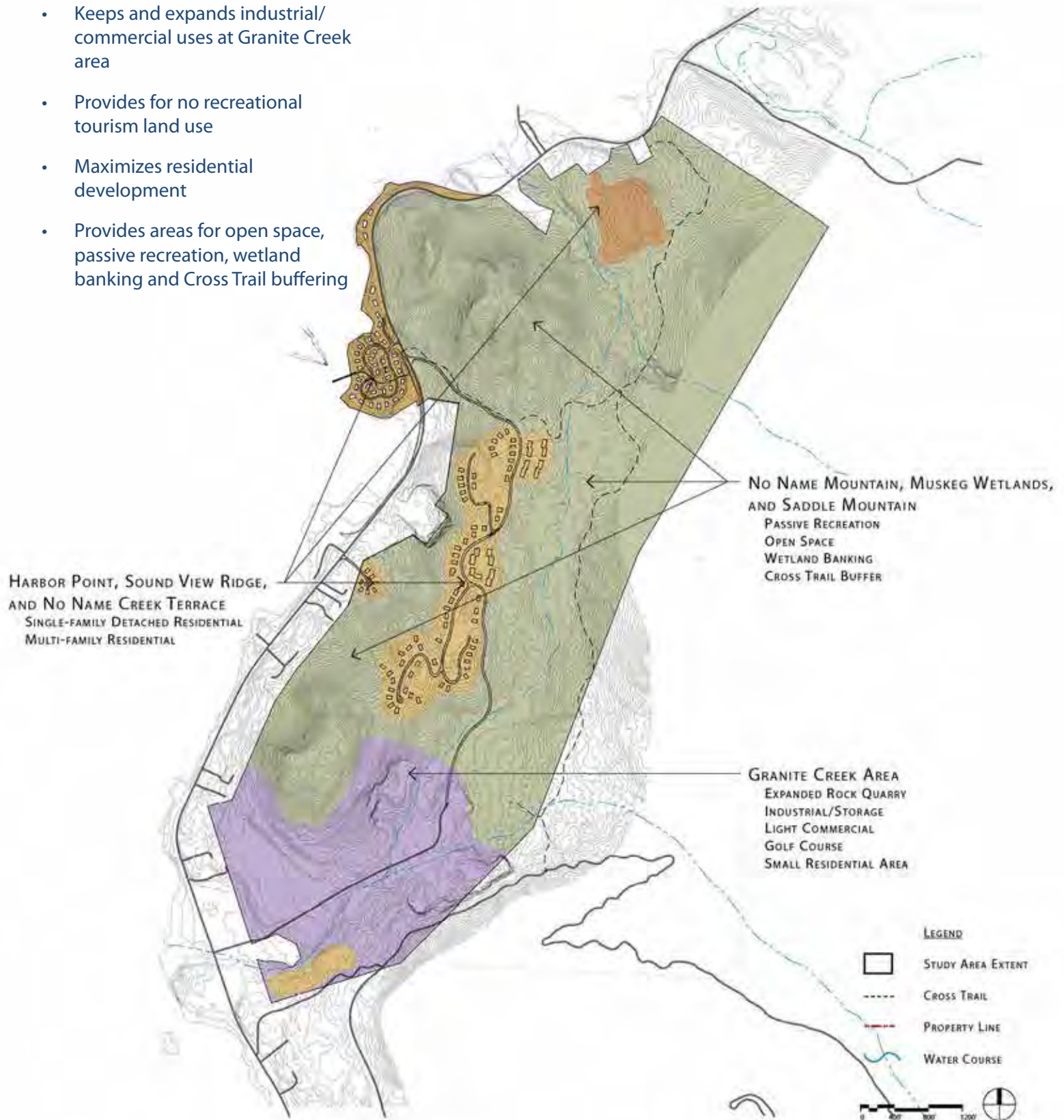


FIGURE 21—LAND USE SUITABILITY: SCHEME B



- Keeps and expands industrial/commercial uses at Granite Creek area
- Maximizes recreational tourism land use
- Maintains some residential land use
- Provides areas for open space, passive recreation, wetland banking & Cross Trail buffering

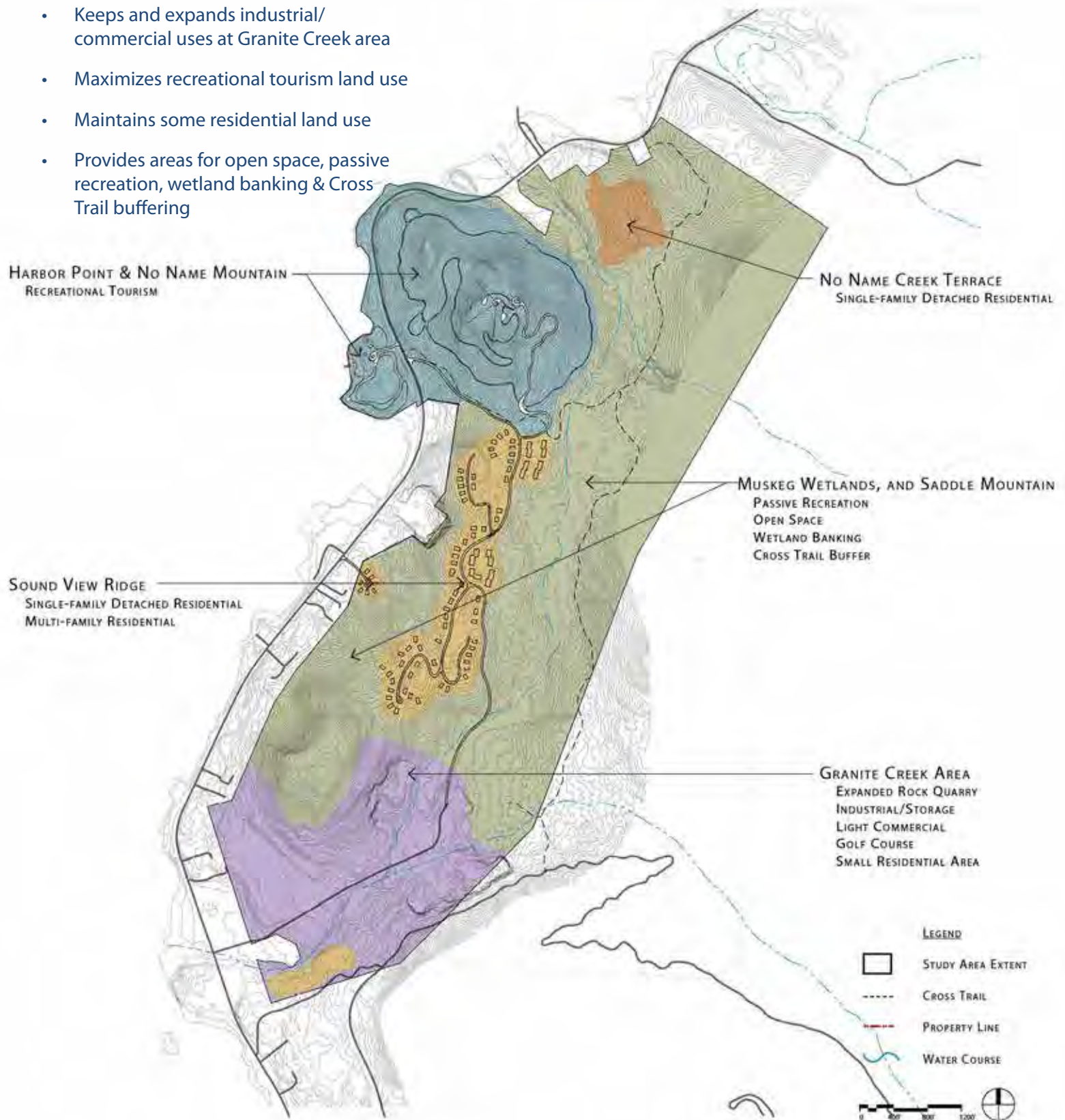


FIGURE 22—LAND USE SUITABILITY: SCHEME C

Project Website and Public Opinion Survey about Alternatives

This planning study began with the intention of directly engaging Sitka residents in discussions about their ideas and concerns for developing the study area. However, because of restrictions resulting from the COVID-19 pandemic, the originally planned public meetings and workshops could not be conducted. Instead, a project website was used to involve residents in decisions about land use and development on the study area site. The website remained active from April 29 through May 17, 2020. A link to the project website was provided on the City's website, and public notifications and announcements about the project website were provided through local public radio, the local newspaper, the City's Facebook account, direct emails to various Sitka residents, and buffer mailings to 200 addresses adjacent to the study area.

The website hosted a narrated video presentation discussing the site analysis and market analysis findings and the alternative land use schemes contained in this report. This video presentation provided information for the public to participate in an online survey, where viewers could register their preferences and opinions about the alternative land use schemes as well as on other land use issues and considerations. Eighty-eight Sitka residents viewed the website video and took the survey. The survey results are contained in the appendix and summarized as follows:

- A majority of respondents feel wetlands, particularly the low-lying muskegs on the east side of the study area, should be maintained for open space, passive recreation, cross trail buffer, and wetland banking.
- A substantial majority (59%) of respondents feel there is currently adequate supply of quarry rock in Sitka, and 47% indicated existing quarry sites should be expanded at the Granite Creek Industrial Area to meet demand. Some indicated that either new quarry sites should be opened in the study area, and/or that leasing agreements at current/expanding quarry sites should be modified to increase competition and reduce rock costs.
- Most respondents believe there is high demand for single family homes and multi-family apartments in Sitka.
- Only 25% of respondents support housing being developed on Harbor Point, while much of the remainder are either opposed (45%) or neutral (16%) about residential use of Harbor Point.
- A slight majority (51%) are supportive of housing development on Sound View Ridge.
- In light of the high cost of providing conventional (water and sewer) utilities, respondents are generally favorable to alternative utility systems for new housing development.
- A slight majority (51%) would support allowing land in the study area to be leased for recreational tourism.
- Just under 46% of respondents are in support of Harbor Point being used for recreational tourism.
- Respondents are almost evenly split on using No Name Mountain for recreational tourism (46%) or for open space and passive recreation (44%).
- A slight majority (51%) feel No Name Creek Terrace should be used for open space and passive recreation versus those who prefer residential development (44%) for this area.
- A majority (55%) favor mixed residential development (single-family houses and multi-family apartments and condominiums) on Sound View Ridge, while 41% feel the area should be used for open space and passive recreation.
- Respondents favor continued use of the Granite Creek Industrial Area for quarrying, light commercial and industrial/storage uses.
- A vast majority (85%) feel the steep west side Saddle Mountain should be kept as open space for passive recreation.
- Of the three overall land use schemes presented in the preceding section of this chapter, 35% favor scheme C, 27% prefer Scheme A, and 19% favor Scheme B.



Citizens' comments provided with the opinion survey covered a wide range of topics and suggestions. Several survey respondents commented on the issue of using portions of the study area for recreational tourism by cruise ship visitors. Respondents indicated that recreational activities and facilities should also be made available to locals and independent (non-cruise ship) visitors and travelers, and that recreational opportunities should be broader in scope, perhaps including year-round, winter-time activities, outdoor education, and cabins or camping. Some felt recreational activities in the study area for cruise ship visitors would take business away from downtown merchants, as well as be detrimental to other attractions in and near the downtown area. Others pointed out that catering to cruise ship visitors provides only seasonal jobs and financially rewards a select few, while some felt tourism boosts Sitka's economy and renown for the benefit of all.

The need for *affordable* housing in Sitka was reinforced by survey respondents' comments. Many felt that housing for lower-income individuals and families should be a priority, and if affordable housing cannot be developed in the study area, then it should be built someplace else where development costs will not put housing out of the price range of lower to middle income residents. Some indicated high-end housing on the waterfront parcel should be ruled out for various reasons. Other suggestions included providing senior housing in the study area, and using off-grid, sustainable utility systems to mitigate development costs.

Based on comments, there seemed to be consensus that the cost of quarry rock for construction projects is far too expensive in Sitka. Reasons provided for the high costs ranged from insufficient quarries and inadequate supply to a lack of competition among the few current rock suppliers in Sitka and a flawed leasing system at the City's Granite Creek quarries.

As supported by comments, survey respondents generally felt sensitive natural areas in the study area, such as wetlands, shorelines, and steep forested lands, should be kept in open space and used for recreation and nature enjoyment. However, a couple of folks indicated natural areas and nature are abundant around Sitka, and the *entire* study area should be developed, if possible, for maximum economic gain.





5 | LAND USE RECOMMENDATIONS

Overview

Information in the preceding chapters provide the basis for land use and development recommendations in this chapter. Generally, the land uses and types of development proposed for the study area site rest upon a foundation of the site's existing conditions, Sitka's economic and market conditions, consideration of potential alternative land uses, the local community's ideas and preferences, and finally the consultant team's professional judgment about what makes sense for development in the study area.

The consultant team's estimation of what is appropriate for the study area partly comes from the team's familiarity with land use policy and planning and with development practices and standards elsewhere. Traditional land use planning and zoning mandate that same or similar types of development be contained within designated geographical areas; for example, houses and apartments are to be built in areas designated "Residential", while factories and manufacturing plants are to be allowed only in areas zoned as "Industrial". This segregation or compartmentalization of different types of development helps to avoid issues that arise when dissimilar or incompatible land uses and activities occur in close proximity to one another, such as a foundry in the midst of a residential area. Traditional land use zoning also yields efficiencies in transportation and utility infrastructure and delivery of services.

Contemporary approaches to land planning emphasize denser, more concentrated development patterns than the sprawl-type development that sometimes results from traditional planning and zoning. Referred to as

smart growth, cluster development, new urbanism, transect-based planning, form-based code and other terms, the higher-density approach allows for a mixing of certain compatible land uses that may be discouraged by traditional planning and zoning. The value of higher densities coupled with mixing of compatible development types is found in more efficient land use, reduced costs for utility and road infrastructure, creation of a "walkable" environment, conservation of natural resources and farmland, and other benefits.

Importantly, there is no one-size-fits-all approach or system to land use and development for a specific site or an entire municipal jurisdiction. Every community and place are different, with different geographical, socio-economic, and environmental conditions that warrant unique, place-specific land use development plans, comprehensive plans, or zoning code and development standards. While examples of what has been done and practiced elsewhere are useful and valuable, often the more successful land use plans or comprehensive plans are those that are adapted to or spring from particular aspects of Place.

The recommendations for land use and development in this study borrow from both traditional and contemporary land use and planning practices; however, the recommendations are also tailored to the study area's site conditions, Sitka's economic conditions and needs, and the local community's ideas and preferences. Per the recommendations in this chapter, future development and land use in the study area are intended to have their own unique place-based character and qualities.

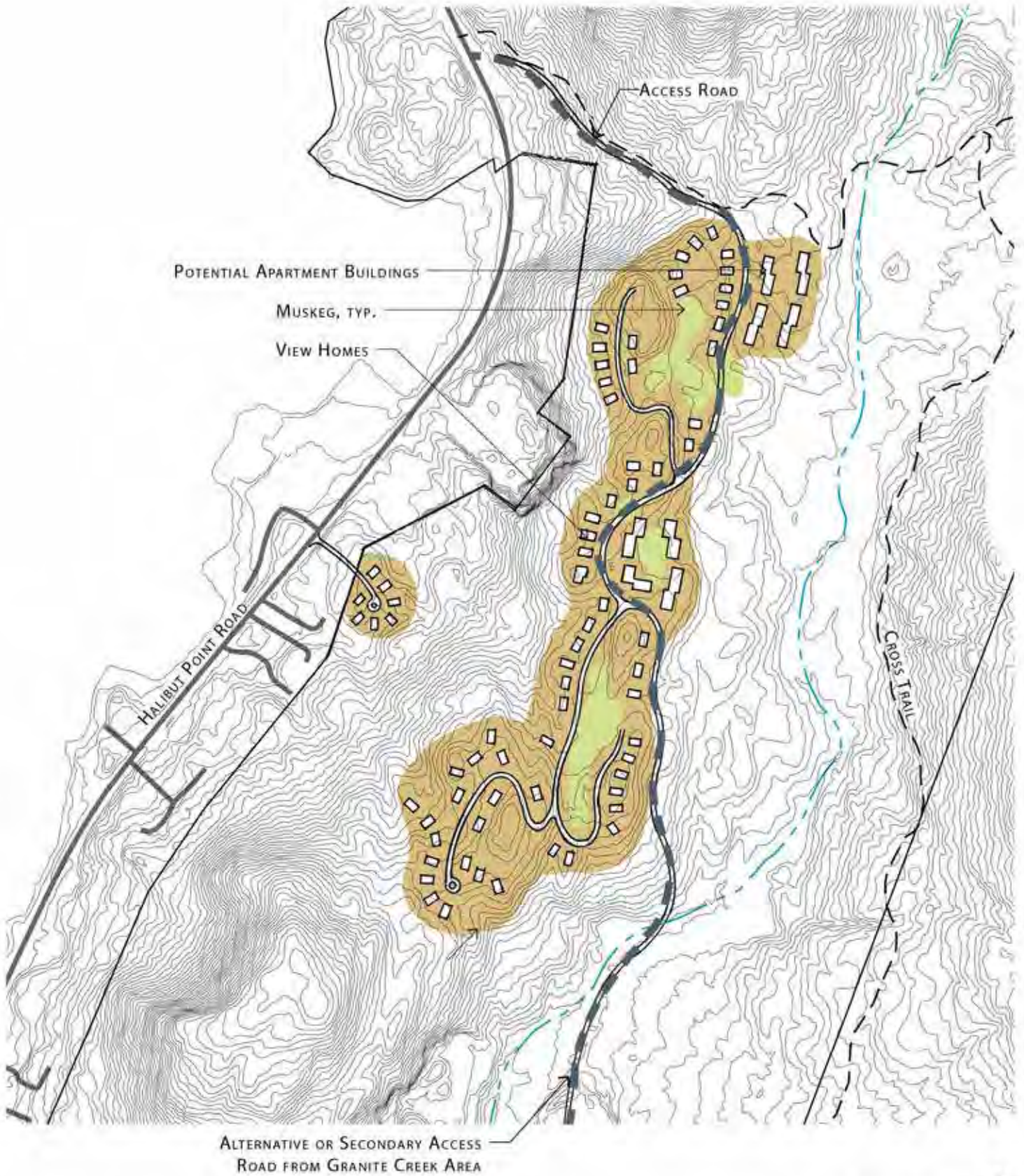


FIGURE 23—SOUND VIEW RIDGE RESIDENTIAL AREA



Residential Areas

As discussed in Chapter 4, much of the study area site poses challenges to building development due to steeply sloping, higher elevation terrain and extensive wetlands. However, certain areas may be marginally suited to housing development as described below.

Sound View Ridge

The broad north-south ridge between No Name Mountain and Saddle Mountain within the study area was named Sound View Ridge during the preparation of this master plan. Moderately sloping terrain across higher ground, fewer muskegs, relatively shallower organic soils, and sweeping views make Sound View Ridge conditionally better suited to residential development than many other areas within the study area. Single-family detached homes, apartments, and/or condominiums could potentially be developed on the ridge.

Per Figure 23, road access and utility service to Sound View Ridge could be brought in from Halibut Point Road via an access road that would climb about 200

feet in elevation across steep terrain. An alternative or secondary access road from the Granite Creek Industrial Area may also be possible. Underground water and sewer lines to the ridge could be routed along either road. However, constructing an access road and conventional water and sewer utilities to and along the ridge will be costly. Alternative water and wastewater systems could reduce construction costs for utilities, but construction costs for roads, drives, house foundations, etc. will invariably be higher due to organic soils and other site conditions that are typically encountered on development sites in and around Sitka. Permitting and mitigation required to address development impacts to wetlands on Sound View Ridge will also add cost.

Sound View Ridge may not supply much if any affordable housing due to higher development costs. There may also be other more suitable locations in Sitka for new residential development. However, future demand in the local housing market could make Sound View Ridge attractive for higher-priced view homes and perhaps moderately-priced apartments and condominiums.



Harbor Point

During the preparation of this master plan, the 17-acre parcel along the waterfront side of Halibut Point Road within the study area was named Harbor Point according to the area's designation on marine charts. Harbor Point has shoreline frontage on its south, west, and north sides, and it fronts Halibut Point Road (HPR) on its east side. The site's terrain is rough and irregular, but it does not contain any mapped wetlands or steep slopes other than rocky drop-offs at the shoreline. Mature forest covers much of the site, with views of the water obscured by vegetation nearly up to the shoreline. The site is bordered by a water main in HPR, and the City's sanitary sewer line in HPR ends just south of the site at Cove Marina.

Harbor Point's waterfront setting, lower elevation, proximity Halibut Point Road and utilities, lack of wetlands, and views of Sitka Sound all contribute to potential residential development of this waterfront parcel. High-end view-homes could be built on larger lots along and near the shoreline, while perhaps more affordable smaller homes on smaller lots, condominiums, or apartments could be developed on the property's interior and close to Halibut Point Road. Community trails and paths would allow all Harbor Point residents to access the beach, and potentially connect to the Cross Trail on the east side of HPR. City revenues would be increased through outright property sale and on-going residential property taxes, and new home building would bolster the local construction industry and jobs. However, costs to develop this property will be moderately high, and local demand for high-end waterfront homes may fluctuate.

No Name Creek Terrace

The area referred to as No Name Creek Terrace is located on slightly elevated land just north of No Name Creek and No Name Mountain, and just south and east of Halibut Point Road. Because of its lower elevation, moderately sloping terrain, and proximity to Halibut Point Road and water line, the Terrace may be less costly to access and develop for housing than Sound View Ridge. However, development impacts to wetlands over the entire Terrace area will require mitigation, and, due to the lack of a sewer line in the area, homes here may require individual septic systems which could be problematic near wetlands. Finally, the area may be partly in the shadow of No Name Mountain during a few weeks in winter, and the location is somewhat distant from town and services.



Harbor Point beach area

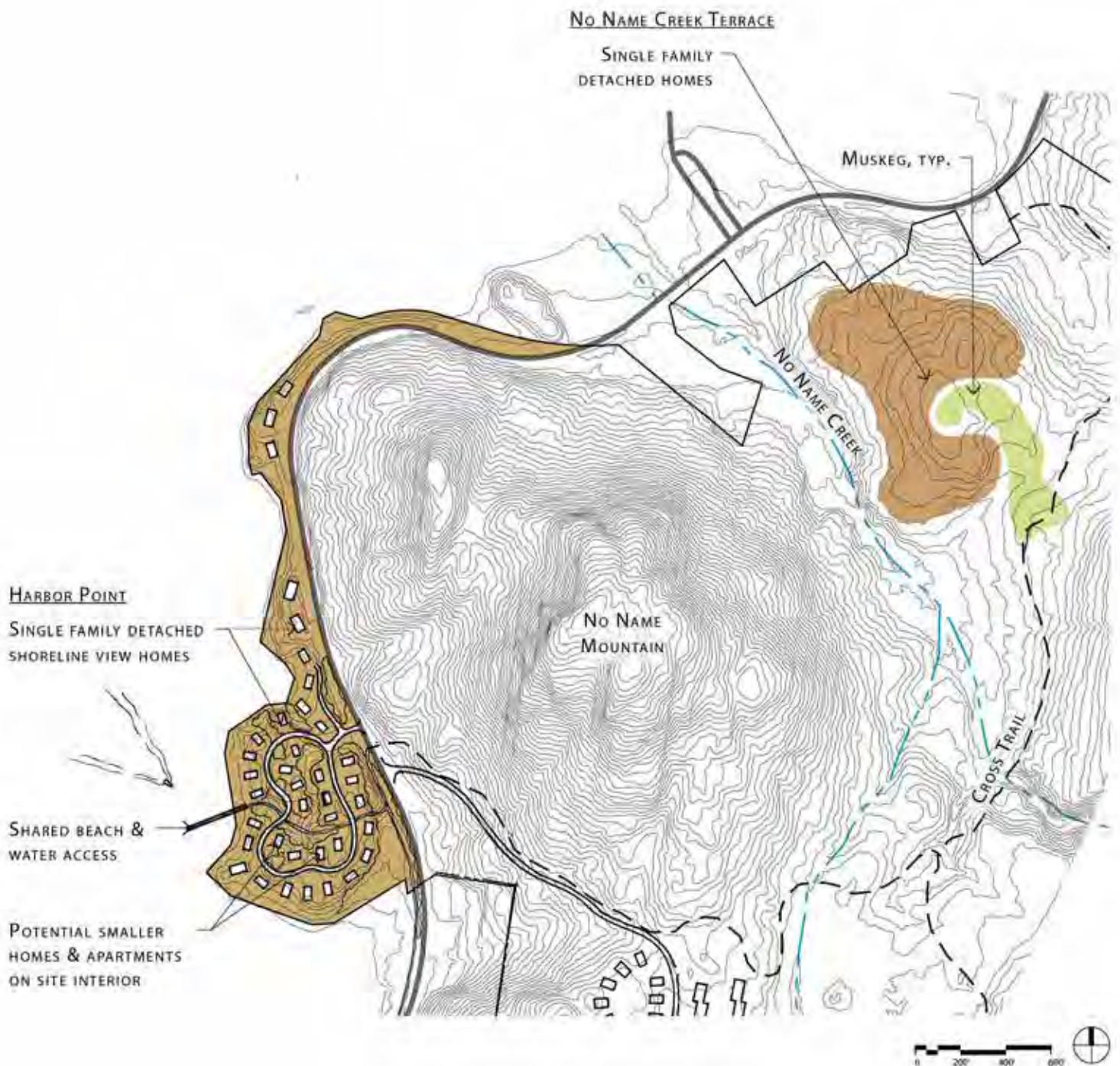


FIGURE 24—HARBOR POINT & NO NAME CREEK TERRACE RESIDENTIAL AREAS

Granite Creek Area

Sitka's 2030 Comprehensive Plan calls for residential development to be developed or infilled at the south end of the study area on property bordered by Halibut Point Road, Granite Creek Road and Old Harbor Mountain Road. Portions of this area outside of the study area are already occupied by residential development between Halibut Point Road and the study area's west boundary. Within the study area, there are perhaps small areas north and south of Granite Creek that could accommodate residential development. These areas are close to water and sewer utilities, and they are accessible from either Granite Creek Road or Harbor Mountain Road. However, these areas are occupied by wetlands, and a 60-foot building setback along Granite Creek will further limit developable area. In addition, much of the buildable area between Granite Creek Road and Granite Creek is currently occupied by the local electric utility, who may need on-going use of the area. However, a small, moderately sloping area between Granite Creek and Harbor Mountain Road may be suited to the development of a few new homes and apartment buildings.

As discussed in the section on the Granite Creek Industrial Area, the Sea Mountain Golf Course offers site conditions that are more suitable to residential (and commercial) development than most other locations in the study area.



Reducing Residential Development Costs

As mentioned, challenging site conditions throughout the study area will complicate the construction of roads, utilities, building foundations and other structures, thereby increasing development costs. High development costs will limit the ability to develop affordable housing within the study area. However, various strategies ranging from the utilization of alternative utility and building systems to financing options could be explored to reduce development and home ownership costs, perhaps putting some housing in the study area within reach of median- to low-income residents. Some of the following approaches may be appealing to younger, modest-income individuals and families who would like to remain in Sitka, and appealing to older fixed-income residents inclined to age in place:

Financing Strategies

The City and Borough of Sitka may want to consider pursuing the following programs and strategies to finance utility and road infrastructure for potential residential development in the study area:

- USDA Rural Development offers programs and services to promote economic development and improve quality of life in rural communities. Namely, the USDA's Water and Waste Disposal Loan and Grant Program makes available low-interest loans or provides outright grants to qualifying local governments, non-profits, and tribes to extend and improve water and sanitary sewer utilities to homes and businesses. Similarly, the Electric Infrastructure Loan and Loan Guarantee Program makes insured loans or loan guarantees to public agencies and other qualifying entities to finance construction of or improvements to electric distribution and transmission systems, including off-grid renewable energy systems.
- Tax Incentive Funding (TIF) is a mechanism that gives local jurisdictions (through state laws) the ability to partially fund site development or redevelopment, including infrastructure improvements, on the basis of future increases in property taxes resulting from said development and improvements. Variations in the TIF model allow jurisdictions to modify and adapt the financing structure to a particular situation or project.



Alternative Utility Systems

Bringing conventional buried water, sewer and electrical utilities to residential areas within the study area will be costly. As mentioned in Chapter 1, alternative utility systems could reduce construction and operation costs for utilities.

- **Wastewater disposal:** Individual, on-site septic systems or a community package sewage treatment plant could prove less expensive to build and operate than providing underground sewer lines (with lift stations and force-mains) to distant and dispersed residential areas. Other innovative approaches to sewage disposal and treatment such as individual composting toilets with grey-water recycling or on-site release have been permitted in some jurisdictions.
- **Potable water supply:** Constructing long-distance underground water mains to residential development on Sound View Ridge, coupled with likely pump stations or elevated water tanks to provide adequate water pressure, will be expensive. Less costly alternatives to supply water may include individual water tanks or cisterns supplied by roof or ground surface run-off or by water trucks. Although not necessarily cheap, individual water purification systems can convert residential gray water (from laundry, bathing, washing) into potable water, creating a nearly closed, water recycling system.
- **Electrical supply:** According to knowledgeable sources, solar-powered battery banks can supplement a home's electrical needs, but these systems are inadequate in supplying a typical home's entire electrical needs due to Southeast Alaska's cloudy weather and shorter periods of winter daylight. Conventional buried or overhead electrical service by the local utility provider will therefore be required to supply homes' electricity. In addition, a new electrical substation will be required at significant cost to supply electricity to any substantial new residential or commercial development in the study area. Although expensive, electrical infrastructure is typically less costly than conventional water and sewer mains, especially in rough terrain.

- **Total "off-grid":** There are myriad examples of comfortable, safe and healthy homes employing some combination of high-tech and low-tech alternative water, sewage, heat and power systems that enable self-sufficient, off-grid residences totally divorced from public utilities. For example, wood combustion is an ancient, low-tech, and efficient way to heat a home, and to even cook, while a combination of high-tech solar panels, wind or water-driven kinetic energy generators, and advanced battery storage systems can provide enough electricity to supply a few energy-efficient household devices even in areas where sunlight is scarce. Water supply and wastewater disposal can be as simple as taking water from the land and putting treated wastewater back into the land, or handled by a high-tech self-contained, closed-loop water treatment and recycling systems. Total "off-grid" residences could prove less costly than homes served by conventional utilities.



Off-grid house

"Intentional Community" Development

Every community is intentionally created, but the term "intentional community" applies to a type of planned community where residents are united by a common set of beliefs, philosophies, living standards, lifestyles, or interests. The physical form and operation of intentional communities embody or support their residents' societal, environmental, spiritual, or economic values. As such, these communities may be characterized by self-sufficiency, shared resources and facilities, alternative building and utility systems, resource and energy conservation, unique ownership structure, and almost always a focus on economical development to keep housing costs low or affordable for residents. Intentional communities can be composed of single-family detached homes and multi-family attached units. Following are examples of intentional communities that might be applicable to residential development at Sound View Ridge, Harbor Point, or Granite Creek:

- **Co-housing community:** Made up of residences closely clustered around or integrated with shared spaces and facilities, such as a communal house and kitchen, gardens, and recreation areas. These communities are intended to foster social interaction and cooperation. Co-housing residents collaborate on child and elder care, community meals, maintenance, events, celebrations, and entertainment, and even business and income ventures. Clustered housing and shared facilities tend to reduce development costs.
- **Housing cooperative:** Typically, a legally incorporated entity that owns, manages, and perhaps develops a residential community property. Residents are considered fee-paying shareholders in the cooperative corporation, with each shareholder

granted a right to occupy a residence in the co-op. Cooperatives enable members or shareholders to pool their resources, thus increasing their buying power and lowering an individual member's costs for home ownership. Operated as non-profit entities, housing co-ops have been around for a long time, and the co-op ownership structure is often applied to various types of intentional communities.

- **Ecovillage:** Cohousing with a strong emphasis on environmental stewardship and sustainability. Ecovillage residents are united by lifestyle and habitation having the least adverse effect on the natural environment. Ecovillage housing employs "sustainable", sometimes lower-cost, construction and utility technologies. Anti-consumerist attitudes compel eco-villagers to make-do for themselves and their community, for everything from growing their own food (through permaculture) and constructing their own dwellings to producing their own energy. Ecovillages are world-wide, and their members network and collaborate on making the eco-lifestyle more mainstream.
- Other types of intentional communities include commune, kibbutz, monastery, and even some assisted-living communities where residents share a set of values and principles manifested by both individual dwellings and the community's overall physical form.



Housing cooperative in Seattle, WA



Housing Type and Form

In developing an area for residential use, the type of housing will be an important consideration. Single-family detached homes, duplexes, multi-family attached apartments, attached condominiums and townhomes, mobile homes, tiny-houses, and assisted living centers are all housing types, each with their own spatial aspects, densities, ownership structure, and cost. Generally, costs for housing construction and occupancy decline with higher densities with smaller and closer units and improved efficiencies in land use, access, and utility infrastructure. Higher density housing types include apartments, condos, and townhomes. While certain housing types may be incompatible with each other, most can comfortably co-exist within close proximity or intermixed when elements of scale, massing, architectural style, and other issues are carefully considered. In the development of any of the potential residential locations in the study area, a mix of housing types should be considered to increase density and

reduce per unit development costs, perhaps putting some housing within reach of lower to middle income residents.

The siting, form and aesthetic quality of housing are also important considerations with economic implications. As discussed throughout this report, site conditions within the study area strongly influence where housing might be built. Within those residential areas, housing of any type should be integrated with existing site conditions to the greatest extent possible. Pockets of muskeg should be dodged, big trees or stands of trees should be preserved, streams and natural drainages should be kept intact, and other major terrain features should generally be respected, all with the goal of integrating housing with the intrinsic landscape rather than damaging or destroying it. Doing so will reduce construction costs and make residential areas and residences feel like they are an integral, harmonious part of the land. Attractive dwellings in natural settings will also command higher property values.



Ecovillage with multi-family attached units, Ithaca, NY



Granite Creek Industrial Area

The Granite Creek Industrial Area at the south end of the study area currently hosts commercial and industrial activity. Granite Creek Road provides convenient access from Halibut Point Road, and water and sewer lines in Granite Creek Road serve the area. The Granite Creek Industrial Area is occupied by active and exhausted rock quarries, storage areas for construction materials and equipment, a solid waste disposal site, and a nine-hole golf course across the south base of Saddle Mountain. Granite Creek, a salmon-bearing creek, meanders through the area.

Rock quarrying in the Granite Creek Industrial Area should continue and expand into Saddle Mountain to meet Sitka's ongoing needs for structural fill material for construction projects. The City's lease agreement should be modified to increase competition and production among contractors who are quarrying rock. Exhausted quarry sites nearby will provide a convenient location to deposit overburden from expanded quarry operations in Saddle Mountain, and the flat floors of other exhausted quarry sites can be leased for fleet or equipment storage and other light industrial or commercial uses.

Sea Mountain Golf Course, across the south base of Saddle Mountain, may not represent the "highest and best use" for this site in looking to the future. With its slightly sloping terrain, lower elevation, absence of wetlands and forest, and proximity to Halibut Point Road and utilities, the golf course site contains the most development-suitable land in the entire study area. The existing nine-hole golf course could conceivably be expanded from nine to eighteen holes by terracing additional fairways up the south slopes of Saddle Mountain. However, given the difficulty and high cost of developing other lands in the study area, the golf course site may need to be considered for housing and/or commercial development where the financial return on the site for these uses would be significantly higher than the revenue generated by the golf course lease. A broad open space zone could be created to buffer residential/commercial development on the south side of Saddle Mountain from continued rock quarrying on the east side of the Mountain.

Limited existing water and sewer infrastructure at the Granite Creek Industrial Area could limit development if utility capacity is not increased.



Sea Mountain Golf Course



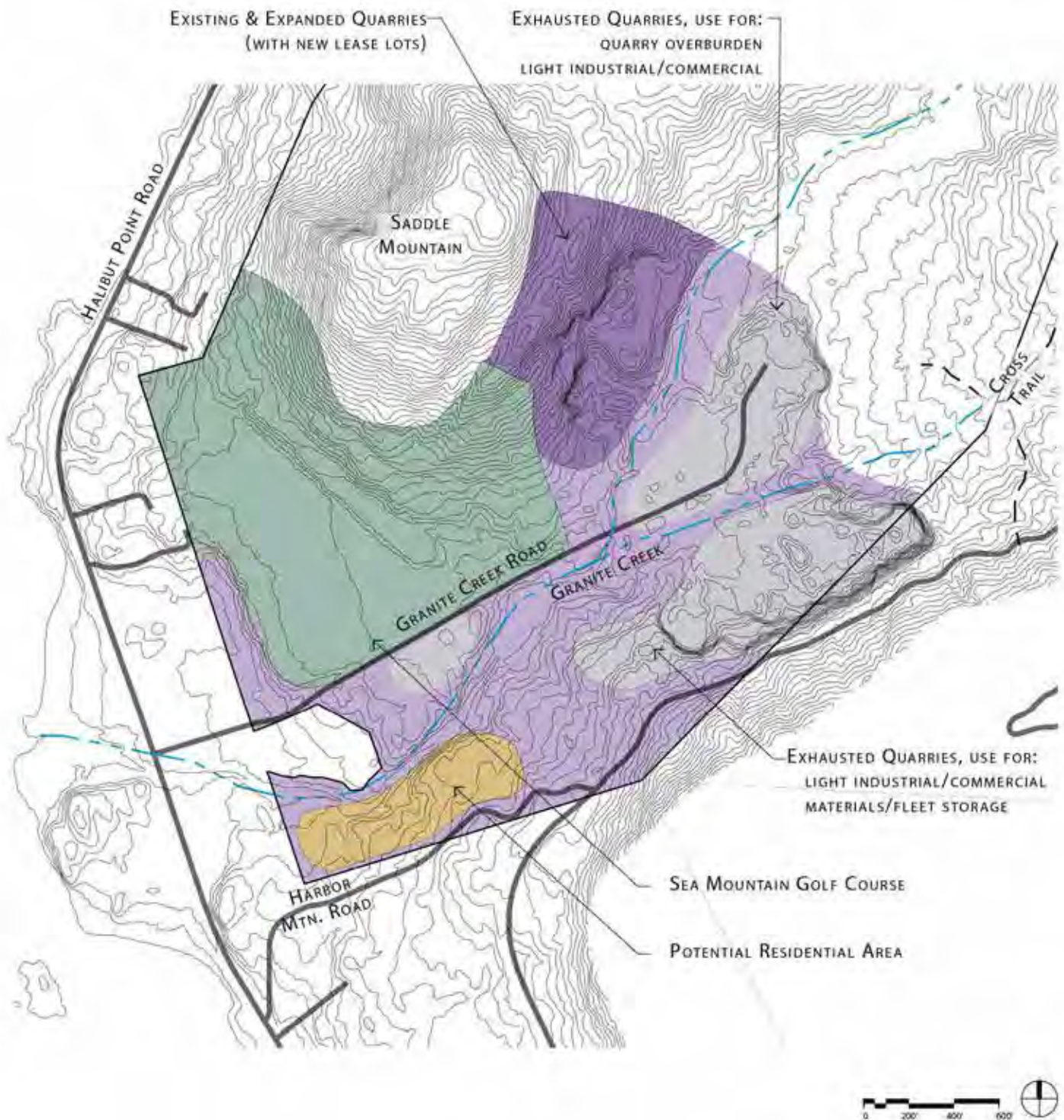


FIGURE 25—GRANITE CREEK INDUSTRIAL AREA

Recreational Tourism Areas

Recreational tourism is broadly defined as revenue-generating outdoor recreational activities oriented to cruise ship visitors and other recreationists. Recreational tourism activities are often set in a natural landscape and range from less intense to more physically demanding pursuits, including but not limited to the following:

- Hiking, nature, and mountain biking trails
- Water sports such as kayaking and fishing
- Zipline and/or aerial-ropes challenge course in trees
- Rock climbing and/or rappelling
- Tram, funicular, or aerial cable car up steep terrain to scenic promontory
- Gravity-coaster down through steep forested or open terrain
- Outdoor performances, educational talks, and local arts/crafts demonstrations
- Outdoor salmon bake/crab feed
- Nature-based “glamping” or cabin lodging

Instead of being developed for housing, Harbor Point’s beautiful forested shoreline setting overlooking Sitka Sound could host various recreational tourism activities that are being sought by cruise ship visitors and independent travelers. Outdoor recreational tourism activities on Harbor Point would be conveniently located near the current and expanding Halibut Point Marine Cruise Ship Terminal just south of Harbor Point. Bringing visitors to recreational activities at Harbor Point would therefore reduce bus traffic on Halibut Point Road to and from the downtown. Potential recreational activities and facilities (such as aerial-ropes course, kayaking, and salmon bake venue) at Harbor Point would generally fit with rather than damage the natural and scenic qualities of the site. Moreover, the City would maintain ownership of Harbor Point, leasing to others for development and operation.

Offering panoramic views of Sitka Sound and the Baranof Island mountains, No Name Mountain could also host activities and facilities associated with recreational tourism, such as mountain biking and nature trails, ziplines, scenic overlooks, and a tram road, funicular,

or aerial cable car to its summit. These facilities and activities would generally require lower impact, light-on-the-land infrastructure that would fit with the site’s steep, forested terrain. Recreational tourism activities on No Name Mountain would be near the expanding Halibut Point Marine Cruise Ship Terminal and would increase the range of activities proposed for Harbor Point. The land for recreational tourism activities and facilities on No Name Mountain would be leased from the City and developed by others for this use.

Recreational activities and facilities at Harbor Point and/or No Name Mountain should be made available and accessible to all Sitka residents and independent travelers, and not just limited to cruise ship visitors. By the same token, recreational activities and facilities for locals, such as the Cross Trail, should be accessible to visitors. In addition, providing *year-round* recreational opportunities in the study area would appeal to both locals and independent travelers. It’s important that recreational tourism areas and facilities in the study area do not take on the character of a theme park or amusement park. Instead, recreational facilities and activities should be carefully integrated with the natural landscape to enable a bit of wild Southeast Alaska to be experienced and enjoyed through recreational activities by locals and visitors alike.



Tree to tree aerial ropes course





FIGURE 26—POINT & NO NAME MOUNTAIN RECREATIONAL TOURISM AREAS



FIGURE 27—SADDLE MOUNTAIN & MUSKEG WETLANDS OPEN SPACE AREAS

Open Space, Passive Recreation, and Wetland Mitigation Areas

As discussed in Chapter 2, over half of the study area is occupied by different types of wetlands, including large muskegs that occur on the flatter, lower-lying site areas directly east of and below No Name Mountain and Sound View Ridge. A salmon-bearing tributary of Granite Creek drains southward through these muskegs. Due to their deep, organic soils and peat, it would be difficult and expensive to build roads and structures in muskegs, and development impacts to muskegs would be expensive to permit and mitigate. The muskegs and adjoining open hemlock wetlands should therefore be set aside for open space, passive recreation, and wildlife habitat. The muskeg and wetlands area shown in Figure 27 could be put into a permanent conservation easement as potential mitigation for development impacts to wetlands elsewhere in the study area or on other City owned properties off-site. The muskeg and wetlands area will also provide a scenic natural buffer for the Cross Trail that travels through here.

The west sides of Saddle Mountain and Sound View Ridge are characterized by extremely steep, forested terrain. Due to severe site conditions, including landslide risk, it would be expensive and inadvisable to develop and build in these areas. These areas should remain as open space to be used for passive recreation such as hiking trails and subsistence gathering. Maintained as open space, these waterfront-facing slopes will keep their beautiful, natural visual qualities for cruise ship visitors and local boaters on Sitka Sound.

No Name Mountain rises to over 400 feet above sea level on the northwest part of the study area. The extremely steep, forested slopes of No Name Mountain would also be difficult and expensive to develop for homes or commercial buildings. The high steep knoll should therefore remain undeveloped open space used for passive recreation and wildlife habitat. As such, views of this impressive high green knoll will be kept intact and unaltered for cruise ship visitors and locals out on Sitka Sound. However, as discussed in the previous section, No Name Mountain could also host more intensive or active outdoor recreational activities associated with recreational tourism.



Development Costs

High development costs or high construction costs are a recurring issue with respect to proposed land use and development in the study area. However, projecting actual costs for road and utility construction on the site, and for tangential items such as environmental permitting and engineering, is difficult. Specific site conditions (like depth to firm substrata) are unknown, the layout of roads and utilities is undetermined, and the location, density, and type of structures remain undecided. All these factors and others affect construction costs which can still be hard to estimate even when these things are better known or understood.

Nevertheless, “high costs” need a point of reference. The following rough order of magnitude (ROM) unit costs have been assembled to assist the City in considering construction costs for potential development in the study area. These ROM unit costs have been derived from recent public construction bids, correspondence with various suppliers and manufacturers, and experience with construction in the region. These costs represent what CBS may expect to receive from bidders if applicable aspects of any future development were put out to general solicitation.

Roads will provide access, and potentially utility corridors, to various types of development in different areas. Most of the undeveloped portions of the study area are overlain by organic peat and ash of various thickness. Neither of these materials are typically considered suitable subgrade for roads supporting vehicle traffic, and these unsuitable materials should be excavated and replaced with granular structural fill. Gravel roads are surfaced with surface course, while paved roads are capped with base course and, typically, asphalt concrete pavement. Paved roads may also be accompanied by concrete curb and gutter at the edge of pavement. All roads should be either elevated above the adjacent ground elevation, or have either ditches or curb and gutter to channel surface runoff away from the driving lanes. General illustrations of roadway typical sections can be found in the City and Borough of Sitka Standard Specifications and Drawings.

The following earthwork costs can be used as a starting point for estimating basic gravel road construction ROM estimates. These may also be useful in estimating other work items using similar materials, such as building pads and trails.

Item	Unit	Estimated Unit Cost
Unusable Excavation (disposed of nearby)	Cubic Yard	\$10
Usable Rock Excavation	Cubic Yard	\$30
Backfill (Subbase, Selected Material)	Cubic Yard	\$40
Surface Course	Cubic Yard	\$50

Utilities are frequently encapsulated in road corridors when servicing development projects. These include potable water, sanitary sewer, storm sewer, and electricity. Unit prices for conduits conveying these services varies substantially depending on size, material, depth of bury, and other factors. The table below presents common costs for a given utility. The costs include furnish and install efforts.

Item	Unit	Estimated Unit Cost
10-inch HDPE Potable Water Pipe	Linear Foot	\$100
10-inch HDPE Sanitary Sewer Pipe	Linear Foot	\$100
18-inch HDPE Storm Sewer Pipe	Linear Foot	\$75
Electrical Conduit and Conductors	Linear Foot	\$70



Utilities may have ancillary or supplemental components for proper operation. For example, providing City water to Sound View Ridge will require supplemental pressure such as from a booster pump station or elevated water tank. Sanitary sewer systems may require lift stations if the topography is not favorable for a strictly gravity system. Gravity sewer systems require manholes at horizontal turns, vertical grade breaks, and typically at regular intervals along straight runs. The electrical system will require a transformer per certain number of homes (a transformer can accommodate approximately 10 homes). If any proposed development consists of more than 50-100 homes, or any significant commercial development, a new electrical substation may be required. ROM unit costs for these items are presented below.

Item	Unit	Estimated Unit Cost
Water Booster Pump Station	Each	\$400k-500k
Sanitary Sewer Lift Station	Each	\$400k-600k
Sanitary Sewer Manhole	Each	\$10,000
Electrical Transformer	Each	\$6,000
Electrical Substation	Each	\$20M



Example Multi-Unit Package Treatment Plant
(Photo from: <http://www.purestream.com>)

Alternative utility systems may be worth exploring depending on the type and location of development. Many of these can fall on private property owners and include: individual septic systems or private marine outfalls for sanitary sewer, holding tanks with delivery and/or catchment systems for potable water, or solar arrays and battery banks for supplemental electricity. CBS would not likely be responsible for the costs of these systems and they will not be discussed further. However, a decentralized or “packaged” wastewater treatment plant may prove economical in providing municipal sanitary sewer collection to certain developments, particularly residences on Sound View Ridge. Packaged wastewater treatment plants operate similarly to a typical central treatment plant, although on a smaller scale. They are capable of meeting stringent treatment requirements for discharging into streams, rivers or other receiving water bodies. A quote from one supplier for providing equipment, system start-up and training services for a plant capable of supporting approximately 100 homes totaled approximately \$300,000. The actual installed construction cost, including site and electrical work, is expected to be 2-3 times this quote.

These ROM, budgetary-level unit costs represent a fraction of what is typically compiled on unit price construction bid schedules. Utility service connections, pavement, concrete hardscapes, street lighting and miscellaneous contractor work items like mobilization, erosion and sediment control, and traffic control, to name just a few, all contribute significantly to overall project costs. Publicly available construction bids are an excellent reference for project budgeting. Further, a healthy contingency should be applied to cost estimates at the concept level to account for the high number of unknowns yet to be resolved.

Planners should also consider professional services including pre-design (project scoping, topographic surveying, permitting, and geotechnical investigations), design and construction administration/inspection when budgeting for a project. Pre-design services are difficult to predict. Design services can usually be estimated as a percentage of the construction cost, which varies based on project size and complexity. These percentages are published by various professional entities, including the American Society of Civil Engineers.

Rough Order of Magnitude Costs for Sound View Ridge and Harbor Point Residential Areas

ROM cost projections for residential development of two areas within the study area have been prepared with some assumptions. These estimates are tailored to the costs that may be incurred by CBS based on past project experience, and generally consist of access and limited utility services to residential subdivisions. Estimates have not been prepared for areas dedicated to recreational tourism, light commercial/industrial, or quarrying as it is anticipated that these areas will be accessed and improved by future private landowners or lessees.

For the proposed Sound View Ridge residential area, the ROM estimate assumes the following:

- CBS will provide road access, electrical primary conductors/transformers, and potable water and sanitary sewer mains. Driveways, lot development and utility connections will be the responsibility of developers and individual property owners.
- Sanitary sewer and potable water connections will be at Granite Creek Road. (Alternatively, connections with the mains in Halibut Point Road near the north end of Sound View Ridge could be evaluated if the access road is to connect to the existing road system at the north and south ends.)

- Sanitary sewer within the housing development and approximately halfway to the connection point on Granite Creek Road will be gravity, with manholes at turns and spaced at 400 feet maximum along straight runs. One lift/pump station will be required to complete the connection to Granite Creek Road. (An alternative may be connecting to the Harbor Point subdivision sewer system, which could pump sewage to a connection with the existing gravity pipe near Cove Marina; this may be worth a cost/benefit analysis as pursuit of this master plan advances.)
- A 3-foot cut will be required to remove unsuitable soils and reach competent subgrade for the access road
- A 4.5-foot-thick backfill section capped with a 6-inch thick surface course will be the road structural section.
- Rock material will be sourced from the Granite Creek Area, and unusable excavation will be disposed of at the Granite Creek Area or wasted onsite.
- The road will have two lanes, each 12 feet wide with 1-foot wide shoulders, and a gravel surface
- A culvert will be required every 300 feet and the culverts will each be 30 feet long

By taking the Total Project ROM Design and Construction figure, and dividing it by the total length of road (approximately 10,000 linear feet), the **unit cost per linear foot of road and utilities is approximately \$1,100 per linear foot at Sound View Ridge.**



*Granite Area Sound View Ridge Estimated
Construction Costs for Utilities and Access Road*

Item No.	Item	Quantity	Unit	Unit Cost	Total Cost
1	Mobilization	All Req'd	Lump Sum	\$650,000	\$650,000
2	Clearing and Grubbing	All Req'd	Lump Sum	\$70,000	\$70,000
3	Unusable Excavation	30,000	Cubic Yard	\$10	\$300,000
4	Backfill	50,000	Cubic Yard	\$40	\$2,000,000
5	Surface Course	5,000	Cubic Yard	\$60	\$300,000
6	Storm Drain Culvert	1,000	Linear Feet	\$75	\$75,000
7	Water Pipe, 10-inch HDPE	8,000	Linear Feet	\$100	\$800,000
8	Water Booster Pump Station	1	Each	\$450,000	\$450,000
9	Sanitary Sewer Pipe, 10-inch HDPE	8,000	Linear Feet	\$100	\$800,000
10	Sanitary Sewer Manhole	30	Each	\$10,000	\$300,000
11	Sanitary Sewer Lift/Pump Station	1	Each	\$500,000	\$500,000
12	Electrical (Primary Conductor)	10,000	Linear Feet	\$70	\$700,000
13	Electrical Transformer	8	Each	\$6,000	\$48,000
14	Erosion and Sediment Control	All Req'd	Lump Sum	\$50,000	\$50,000
15	Traffic Control	All Req'd	Lump Sum	\$20,000	\$20,000
16	Construction Surveying	All Req'd	Lump Sum	\$85,000	\$85,000

Subtotal Construction Cost	\$7,148,000
Recommended Contingency (20%)	\$1,429,600
Total Construction Cost with Contingency (20%)	\$8,577,600

Professional Services

Pre-Design Services (5% of Total Construction) <i>Permitting, Surveying, Geotechnical</i>	\$428,880
Design Services (10% of Total Construction) <i>Final Design, Bid Phase Assistance</i>	\$857,760
Contract Administration/Construction Inspection (10% of Total Construction)	\$857,760
Total Project ROM Design and Construction Cost Estimate	\$10,722,000

*Does not include wetland mitigation costs

5 | LAND USE RECOMMENDATIONS

For the proposed Harbor Point residential area, the ROM estimate assumes that:

- CBS will provide road access, electrical primary conductors/transformers, and potable water and sanitary sewer mains. Driveways, lot development and utility connections will be the responsibility of developers and individual property owners.
- The potable water connection will be with the existing main in Halibut Point Road; an alternative connection may be a “spur service” outside of Halibut Point Road, near Cove Marina. Sanitary sewer will connect with an existing gravity main outside of Halibut Point Road near Cove Marina via a force main.
- Sanitary sewer within the housing development will be gravity, with manholes at turns and spaced at 400 feet maximum along straight runs. One lift/pump station will be required to complete the connection to Cove Marina.
- A 2-foot cut will be required to remove unsuitable soils and reach competent subgrade for the access road.
- Approximately 1,000 cubic yards of bedrock excavation will be necessary to achieve the desired road profile and alignment; the excavated bedrock will be re-used on site as fill.
- A 4.5-foot-thick backfill section capped with a 6-inch thick surface course will be the road structural section.
- Rock material will be sourced from the Granite Creek Area, and unusable excavation will be disposed of at the Granite Creek Area or wasted onsite.
- The road will have two lanes, each 12 feet wide with 1-foot wide shoulders, and a gravel surface
- Eight culvert crossings will be required, each 30 feet long.

Again, taking the Total Project ROM Design and Construction figure and dividing by the total length of road (approximately 2,500 linear feet), the **unit cost per linear foot of road and utilities is approximately \$1,400 per linear foot at Harbor Point.**

It should be noted that the combined new housing units of Sound View Ridge and Harbor Point in the proposed land use plan is likely near or exceeding the 50-100 new housing unit threshold before a new electrical substation may be required. The cost of a new substation has not been included in either construction estimate, and it will drive project costs up substantially. This should be carefully evaluated before proceeding with the recommendations and options in this land use plan.

These costs have been provided as ROM, budgetary-level tools to assist with broad-scale planning, and do not encompass all aspects of any given project.



*Harbor Point Estimated Construction Costs for
Utilities and Access Road*

Item No.	Item	Quantity	Unit	Unit Cost	Total Cost
1	Mobilization	All Req'd	Lump Sum	\$120,000	\$120,000
2	Clearing and Grubbing	2	Acre	\$10,000	\$20,000
3	Unusable Excavation	5,000	Cubic Yard	\$20	\$100,000
4	Usable Rock Excavation	1,000	Cubic Yard	\$10	\$10,000
5	Backfill	11,000	Cubic Yard	\$40	\$440,000
6	Surface Course	1,200	Cubic Yard	\$60	\$72,000
7	Concrete Road Patch, 8-inch Thick	30	Square Yard	\$200	\$6,000
8	Storm Drain Culvert	240	Linear Feet	\$75	\$18,000
9	Water Pipe, 10-inch HDPE	2,500	Linear Feet	\$100	\$250,000
10	Sanitary Sewer Pipe, 10-inch HDPE	2500	Linear Feet	\$100	\$250,000
11	Sanitary Sewer Manhole	16	Each	\$10,000	\$160,000
12	Sanitary Sewer Lift/Pump Station	1	Each	\$500,000	\$500,000
13	Electrical (Primary Conductor)	2500	Linear Feet	\$70	\$175,000
14	Electrical Transformer	4	Each	\$6,000	\$24,000
15	Erosion and Sediment Control	All Req'd	Lump Sum	\$20,000	\$20,000
16	Traffic Control	All Req'd	Lump Sum	\$20,000	\$20,000
17	Construction Surveying	All Req'd	Lump Sum	\$50,000	\$50,000
Subtotal Construction Cost					\$2,315,000
Recommended Contingency (20%)					\$463,000
Total Construction Cost with Contingency (20%)					\$2,778,000

Professional Services

Pre-Design Services (5% of Total Construction) <i>Permitting, Surveying, Geotechnical</i>	\$138,900
Design Services (10% of Total Construction) <i>Final Design, Bid Phase Assistance</i>	\$277,800
Contract Administration/Construction Inspection (10% of Total Construction)	\$277,800
Total Project ROM Design and Construction Cost Estimate	\$3,472,500

*Does not include wetland mitigation costs

CONCLUSION

This study's comprehensive approach to data gathering, community input, and collaborative planning has yielded a flexible and responsive Master Plan that will serve as a "living document" to guide development in the study area over the next 15 years. This land use study aims to resolve historic assumptions about the study area and its use by setting the stage for timely, appropriate, and environmentally sound development that contributes to Sitka's economic vitality. Based on the study area's existing conditions, Sitka's economic needs, and the contribution of project stakeholders and the public, the recommendations in this land use master plan will foster constructive activity in the study area for the near and distant future.

The Executive Summary of this report outlines "Next Steps" to be pursued in the short term to initiate development in parts of the study area. It is strongly suggested that initial efforts focus on the following two key actions:

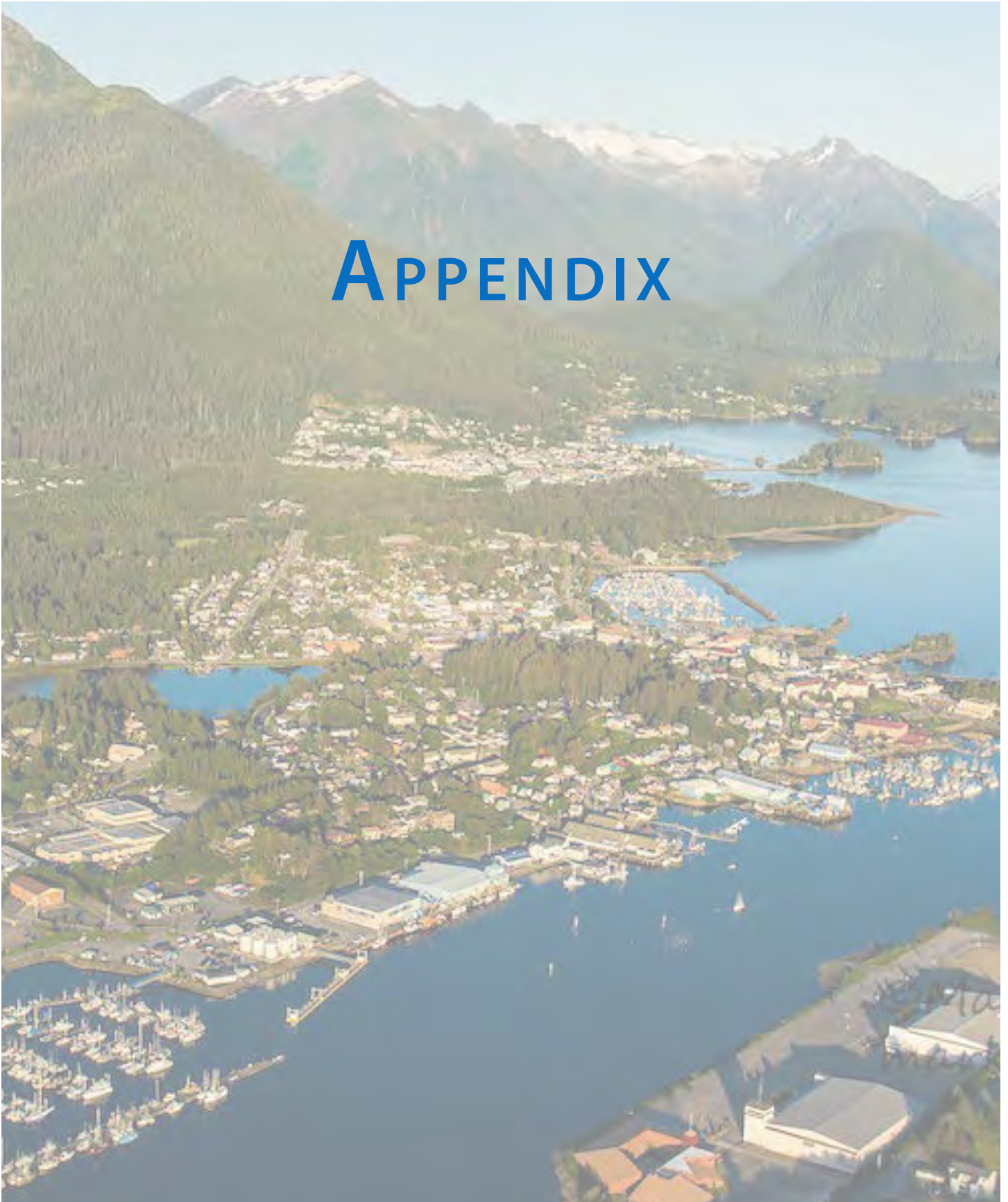
- **Recreational Tourism:** The City should prepare and issue a "Request for Proposals" to parties interested in leasing land and developing facilities in the study area (at Harbor Point and/or No Name Mountain) for outdoor recreational activities oriented to cruise ship visitors and others.
- **Quarrying, Commercial, and Industrial activity at Granite Creek:** The City should begin planning the expansion of rock quarrying into Saddle Mountain, in conjunction with modifying the City's quarry lease agreement to allow more operators to extract rock. The City should also promote availability of land at the Granite Creek Industrial Area for commercial and industrial uses.

In addition to the efforts discussed above, the City may want to pursue funding and development of a small residential area, such as at Granite Creek. Although small in scale, a residential project such as Granite Creek would need to address most of the same issues, from mitigation of wetland impacts to providing utility service, that would require resolution in the development of a larger residential area. Alternative housing and ownership structures could also be considered with the objective of providing affordable housing at Granite Creek.

Most of all, planning and development efforts within the study area should remain responsive to Sitka's economic needs and the community's input and preferences. Community support will be crucial to anything taking shape and happening in the No Name Mountain/Granite Creek area.



APPENDIX





Previous Studies Referenced

The planning team referenced the following studies and publications relating to the development of land in and around the study area:

Sitka Gravel Resource and Management Study (1982)

Evaluation of Solid Waste Landfill Alternatives for Kimsham Street & Granite Creek (1999)

Granite Creek Soils Probe and Wetlands Investigations Final Report (2000)

Map: Kean Study Composite Topography & Wetlands (2000)

Granite Creek Master Plan (2002)

Sitka Non-Motorized Transportation Plan (2002)

Sitka Trail Plan (2003)

Draft Geotechnical Report, Quarry Site Investigation (aka FAA Geotech Report) (2006)

Assembly presentation on quarries in Sitka (April 2008)

GCIS Overburden Sites Discussion (2008)

Request for Assembly Discussion and Direction re: Sale/Lease of Rock Quarry Sites (2008)

Rock quarry status memo (2009)

Sitka Multi-Hazard Mitigation Plan (2010)

Foundation Geology Report for Granite Creek Bridge and No Name Creek Bridge (2011)

Sitka Sustainable Outdoor Recreation Action Plan (2012)

Granite Creek Quarry Subdivision Wetlands Delineation (2012)

No Name Mountain Quarry Access - Preliminary Reconnaissance Report (2016)

Cross Trail Environmental Studies (2017/2018)

Sitka Economic Profile Report (2019)

2030 Sitka Comprehensive Plan & Technical Document

Map: Study Area DEM

Map: Locations to Access 3-Phase Power

Map: Water & Wastewater Utilities

City and Borough of Sitka GIS

Stakeholder Engagement

The planning team, including consultants and staff from the CBS Planning Department, conducted a comprehensive stakeholder engagement effort, including interviews and written comment. Stakeholders contacted included the following:

Stakeholder Interviewees

Mic Tisher, Tisher Construction

Adam McLeod, K&E

Joe Williams, K&E

Jeremy Twaddle, Island Enterprises

Pete Weiland, construction

Jason Keith, construction

Jim Way, construction

Marty Johnson, construction

Kris Karsunky, construction

Ron Davison, construction

Ron Waldron, construction

Sam Smith, construction

Scott McArthur, construction

Brian Schmidt, construction

Adam Chinalski, construction

Jamal Floate, construction

Troy Bayne, earthwork

Harry Greene, CBS Streets Superintendent, former earthwork contractor

Tim Eddy, earthwork

Chris McGraw, Halibut Point Marine

Chuck McGraw, Halibut Point Marine

Chuck McGraw, Jr, McGraw Construction

Chris Pearson, construction/earthwork

Connor Nelson, earthwork/construction

Garry White, SEDA

Keith Brady, realty

Mike LaGuire, realty

Candi Barger, realty

Travis Vaughn, realty

Trevor Harang, Arrowhead

Kerri O'Toole, Baranof Realty

Stacy Mudry, Ready Mix

Roger Hames, Hames Corporation

Marty Martin, construction and land owner

Mim McConnell, Sitka Community Land Trust

Roger Sudnikovich, former quarry operator, earthwork

Del Stengle, earthwork

Jerome Mahoskey, earthwork

Michael Eich, City and Borough of Juneau (Stabler's Point Quarry)

Jeff Wheeler, Sitka Electric Department

Brian Doyle, Sitka Wastewater Department

Joe Swain, Sitka Water Department

Bob Trousil, Alaska Department of Transportation and Public Facilities

Lynne Brandon, Sitka Trail Works

Rob Allen, formerly Allen Marine

Kirby Day, Princess Cruises

Mike Tibbles, Cruise Line Industry Association – Alaska

Lyle Kessler, United States Coast Guard

Maegan Bosak, SEARHC

Keith Perkins, USDA Rural Development

Richard Doland, construction

Perry Edwards, USFS

Lynne Brandon, Sitka Trail Works

James Poulson, Parks and Rec Committee

Charles Horan, Horan and Co Appraisals

Karl Potts, CEO Shee Atika

Ralph Vigilante, SECON

Michael Harmon, CBS



Organizations Contacted

Sitka Tribe of Alaska
 Sitka Tribal Enterprises
 Sitka Economic Development Association
 Sitka Golf Association
 Sitka Chamber of Commerce / Visit Sitka
 Sitka Community Land Trust
 Sitka Sound Science Center
 Allen Marine
 Shee Atika, Inc
 Sitka Water Dept
 Sitka Sewer Dept
 Sitka Electric Dept
 State of Alaska Dept. of Transportation and Public Facilities
 City and Borough of Juneau
 Southeast Alaska Land Trust
 Sealaska
 United States Army Corps of Engineers

Other Public Engagement Efforts

Meetings held/attended

Kickoff meeting – January 22, 2020
 SEDA
 Natural Resources Committee, Sitka Tribe of Alaska – March 10 and May 13

Public Service Announcements and/or Public Notice

Raven Radio – morning interview (Planning Director and Special Projects Manager)
 Raven Radio – public service announcement -2 weeks
 Sitka Sentinel – public notice ad – 8 dates
 Sitka Soup – full page display ad – 2 weeks
 Facebook – city page
 City website home page – notice and link to interactive website

Planning Department website home page – notice and link to interactive website

Letter to Editor – Sitka Sentinel

Survey Form Dropoffs*

Petro Marine
 Chocolate Moose
 Harry Race
 Silver Basin
 The Cellar
 Old Harbor Books
 Russells
 BIHA office
 LFS Marine
 Computer Store
 STA main office
 STA Healing House
 Wintersong Soap Company
 Galanin Gallery
 Artists Coop
 Tongass threads
 Sitka Public Library
 Ben Franklin (remaining small shop)
 Spenards
 True Value
 NAPA

Work and Rugged Gear Store

*Due to social distancing and business closures, not as many forms were filled out/returned as hoped.

Direct mailing

Approximately 200 addresses of properties adjacent to the study area received direct mail advising of project and requesting comment.

Public Comment Forms

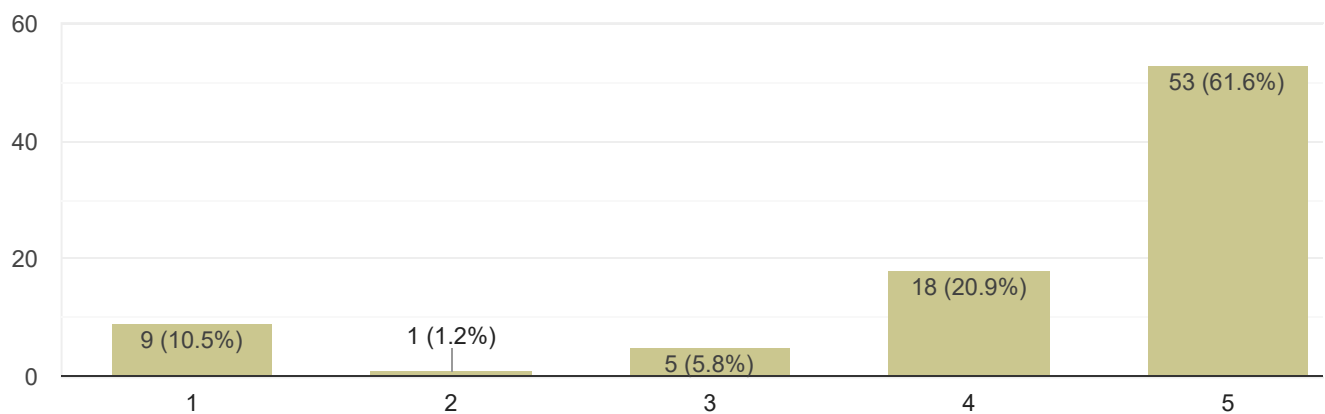
Public Comment forms were available in three locations at city hall, at the library, and online since February 2020.

Survey Results

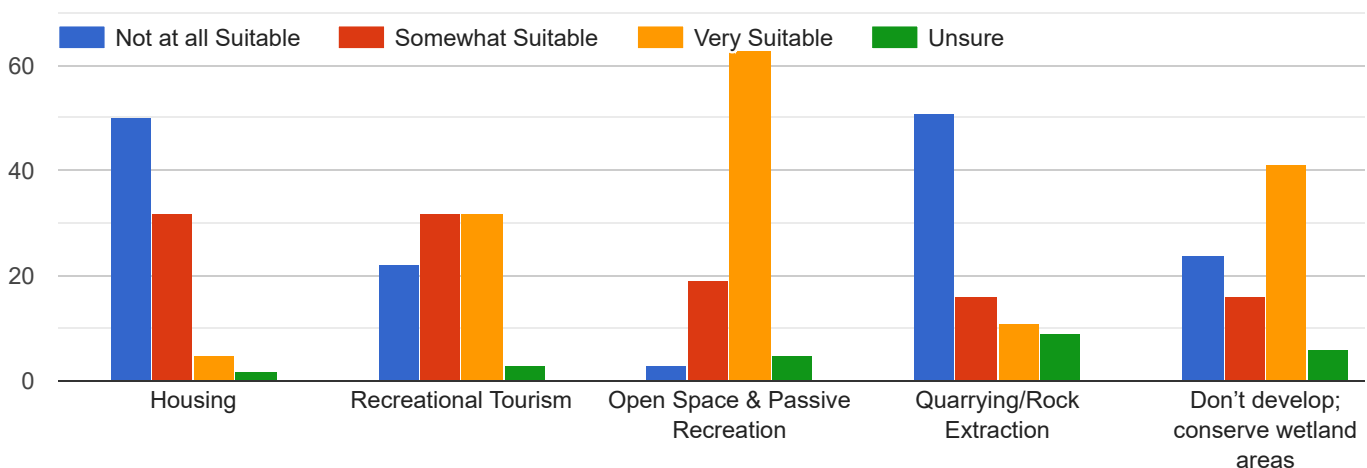
The below section includes the complete results of the online survey that was active from April 29 through May 17, 2020.

1. How important is it to keep parts of the site as open space for a Cross Trail buffer, passive recreation, and/or wildlife habitat?

36 responses

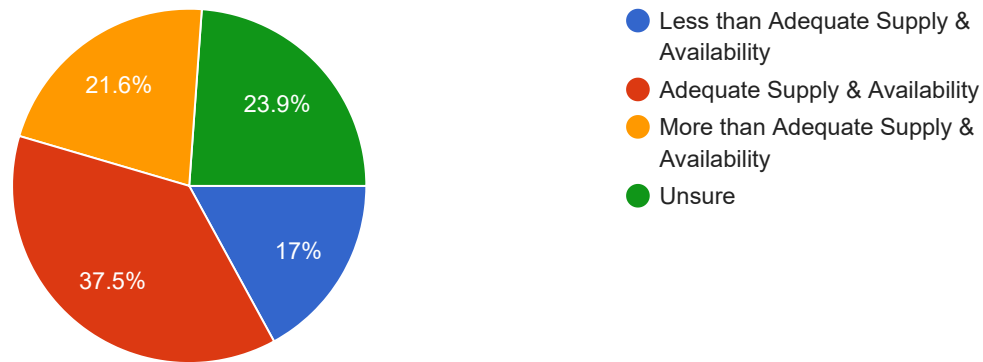


2. Given the costs and challenges of developing in wetlands, rank the suitability of using wetlands for the following activities or types of development:



3a. Do you think there is currently adequate supply and availability of quarry rock for construction projects in Sitka?

88 responses

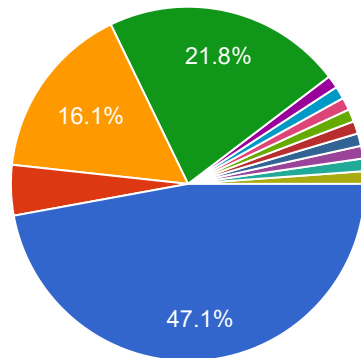


3b. If you answered "Less than Adequate Supply & Availability" above, please explain why below:

- There are no viable revenue generating sources left to the city, granite creek played out and the only other quarry is owned by biha and leases to K&E
- Prices for rock available now are too high!
- Less than if several future large projects
- The rock is there, but the process for obtaining leases needs to be streamlined and more leases granted to prevent periods of unavailability
- Too few providers cause shortages and drive up prices
- Expensive rock/ no competition
- There may be adequate supply, but a bit of a monopoly, which creates unreasonable costs for those needing it.
- Rock for home sites/driveways/roads is currently not allowed to be removed from Granite Creek area. Rock has not been removed from Saddle Mountain for years now. The operators of the Indian River pit may have told you they had plenty of rock because they have the only viable pit and will have a monopoly on rock if no other sources are developed.
- NO additional rock for out of town companies to develop or additional companies in town to develop if they are interested.
- We are barging rock into Sitka for at least road but probably building too.... We live on a rock.
- Need more choices and competition
- The cost for crushed aggregate has gone through the roof and all the contractors i have spoken with have said this is due to a continually reduced supply and increased demand
- Have spoken with folks in various industries that have concerns --very spendy to ship rock in and that is what has been happening recently
- Very hard to find "wall rock" and just not enough for larger projects.

4. What area should be developed for expanded quarry production?

87 responses



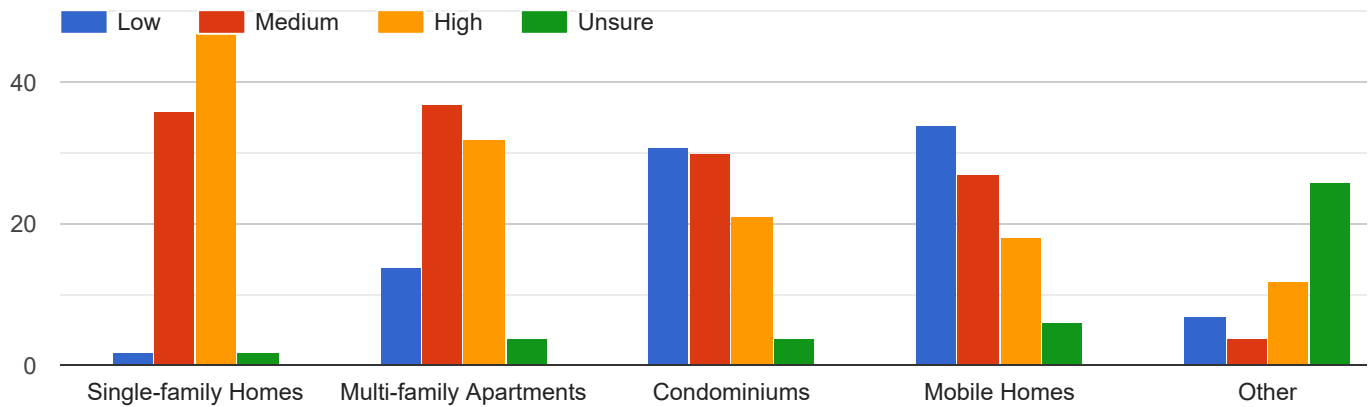
- Granite Creek Industrial Area - Expanded Lease Lots into Saddle Mountain
- No Name Mountain - New Quarry Development
- Granite Creek Lease Lots - New Quarry Development
- Unsure

Other:

- NONE
- I thought that the quarry operators said our rock supplies are adequate?
- No further development at this point
- Granite Creek Industrial area, but without expanding the lease lots into Saddle Mountain.
- I also think that while the rock pit at granite creek should be expanded. I also think that overburden should be relocated soon. Old rock pits could make a suitable area for residential development with a nice view from up there.
- Leave it alone. Why on earth are you bound and determined to DESTROY our town?
- No further development at this time.
- None
- Out Katlian Bay road

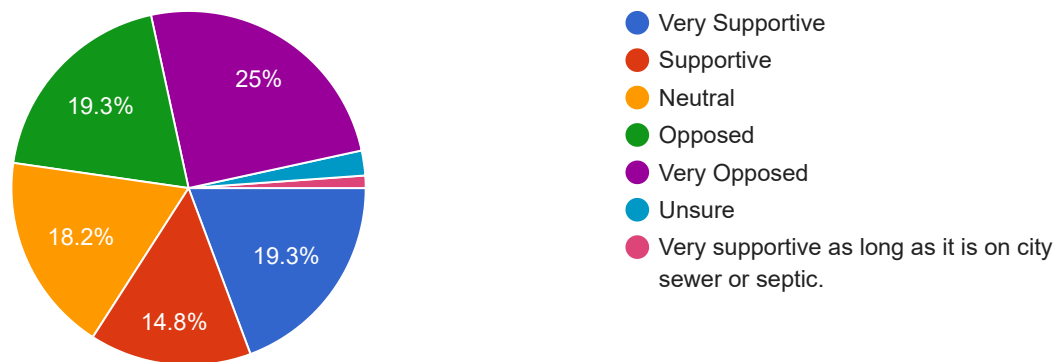


5. For each of the following types of housing, please indicate the level of demand you believe exists in Sitka:



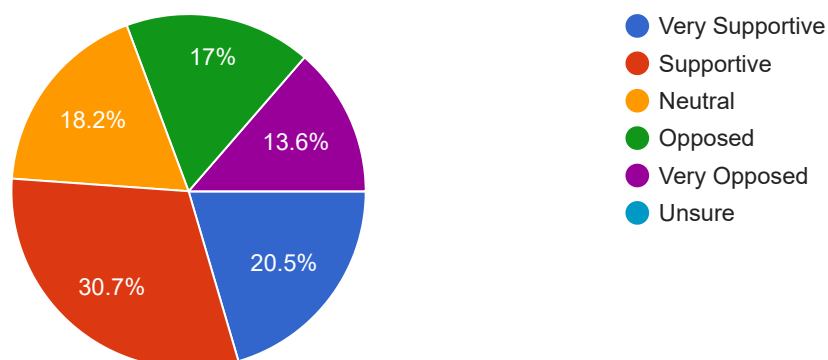
6. How supportive are you of allowing housing to be developed on the waterfront parcel of the site?

88 responses

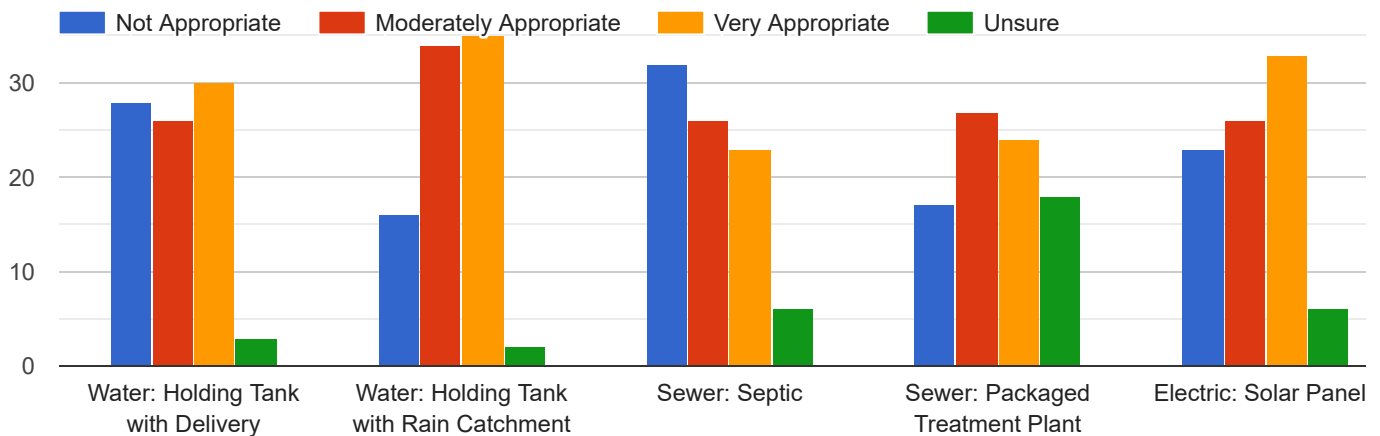


7. How supportive are you of allowing housing development on the Sound View Ridge upland area of the site?

88 responses

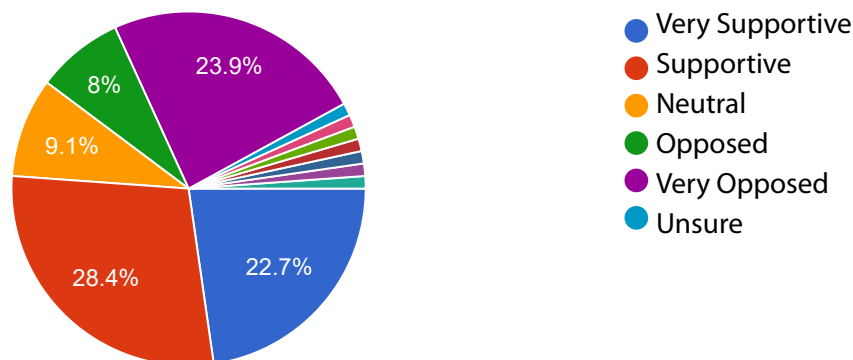


8. In light of the anticipated high costs of providing conventional utility service for new housing development, how appropriate are the alternative utility options below? (i.e. do you think they are reasonable and attractive options for new development Sitka?)



9. How supportive are you of allowing land to be leased for cruise visitor activities (i.e. recreational tourism) on the study area? (Note: the graphic below depicts a potential development scenario; cruise visitor activities could vary depending on the potential developer)

88 responses



Other:

- For God's sake!! Seriously?? Tourist entertainment?? Seriously appalling.
- Supportive but with restrictions. Low impact. E.g. no ziplines. Emphasis on trails
- Supportive if it was owned by the city and the use benefited the city financially. i.e. I don't think it should be sold to cruise companies.
- There should be a mix of high end housing and rec tourism
- Unclear what arrangement this would be who would develop etc.

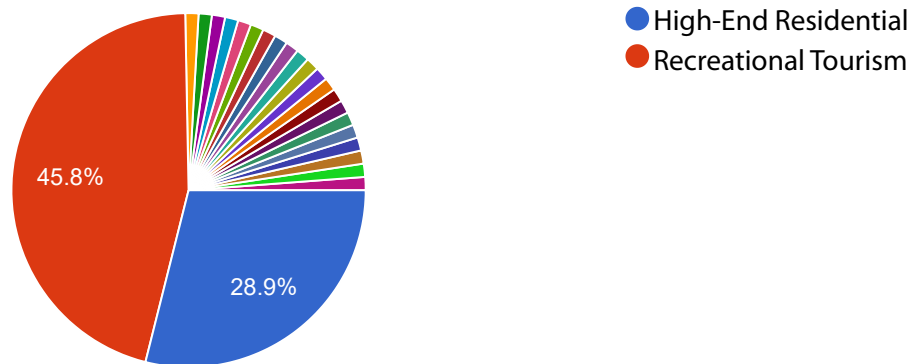


Question 9, "Other" continued:

- I think that the opportunities are boundless but feel that you are wrong in aiming at cruise ship visitors only. I think that industry will decline and you should be looking at pleasing independent travelers. Baby Boomers want cruises but what about the younger generations that want experiences? I think we need to rework Old Sitka and enhance it. A ghost town perhaps. Provide a place for tourists to buy or rent camping gear for the campgrounds so they can "sleep with the bears". Build more cabins in the campground so the tourists do not get eaten by the bears!. Make it easy to fly in and stay there. I think our future needs to support independent travelers that want to stay for a week or two. I also think that we need to be better than our SE neighbors, for example: Hoonah has the longest zipline in the world. Can we beat that? I think we can! Have you considered a ferris wheel on Japonski Island?
- Unsure

10. Which land use do you prefer for the Harbor Point area?

83 responses



Other:

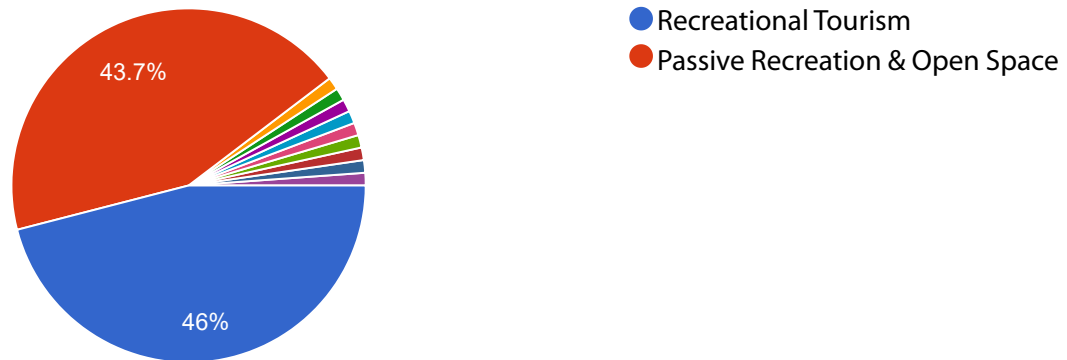
- 1) City owned barge dock to ship rock from No Name Mountain. 2) Lease/sell parcel to cruise ship line to build hotel.
- Again...ridiculousness. No. No. No.
- I think it should be used for recreational tourism but not just for cruise ship passengers as I believe that industry will never recover. You need to look at the next generation of tourism. They will want to stay for a week or two and learn things. Give them opportunities to volunteer at the Raptor Center, Sitka History Museum, Fortress of the Bears and Sheldon Jackson Museum!
- Leave alone
- Leave it alone
- Leave it alone.
- Leave it as is. People appreciate a taste of the real Alaska and this is the last undeveloped waterfront on HPR
- Leave it!
- Mix of both. Something for sitkans and the tourism
- Natural habitat
- New boat launch
- Park
- Passive recreation

Question 10, "Other" continued:

- Passive recreation use & scenery. No amusement adventure park or high-end residential development.
- Protected wildlife area; passive recreation.
- Public access to the beach areas, mixed use in the cove area, low density large lots upland .
- Public recreation
- Recreational tourism coupled with an oceanographic learning center and trails for electric ATV's
- Recreational, but not oriented toward cruise ship visitors
- Walk-in public use cabin(s) with waterfront access.
- Walking trails, picnic sites and fishing spots for locals

11. Which land use do you prefer for the No Name Mountain area?

87 responses



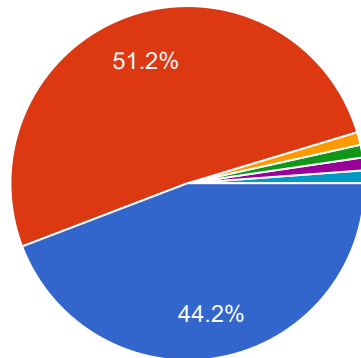
Other:

- Combination of the two options above (passive rec/open space & some rec tourism)
- Generate activities towards all visitors not just cruise ships
- I think it should be left as is for the tourists who want to see what our environment is really like. That might be passive recreation and open space, but I'm not really clear of your definitions of those areas.
- No. No. No. Greedy. Greedy. Greedy.
- Recreation, public use cabin(s). Trails for everyone.
- Recreational tourism is fine, but I don't think just focusing on cruise ship visitors is a good idea. This year is a good example of why. The waterfront property should be developed for high end residential which will provide Sitka property tax revenue for decades and the mountain can be developed for not only cruise ship visitors but Sitka really needs to explore year round tourism opportunities. Ski area with snow making capabilities? (We have plenty of water) Cross country skiing? Snow shoeing? Ice skating rink? There are some things that would be nice that were available for year round residents instead of forgetting about us and just focusing on summer tourists.
- Revenue generating Trap , Skeet and Sporting Clays park
- Rock extraction quarry
- Study said No Name Mountain would supply 100 year source of rock exportable to other locations in Alaska.



12. Do you think the No Name Creek Terrace area is suitable for residential development, or should it be used for passive recreation & open space?

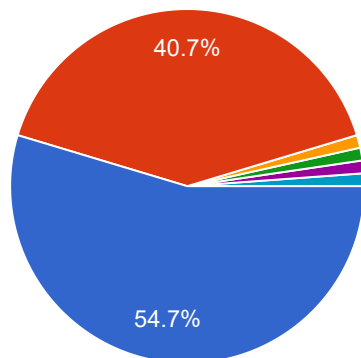
86 responses



- Single-family Detached Residential
- Passive Recreation & Open Space
- Commercial activity. Too far out, better residential opportunities closer to town
- Same thoughts as for the previous question.
- Leave it alone
- We really need single family homes but can it be mixed use?

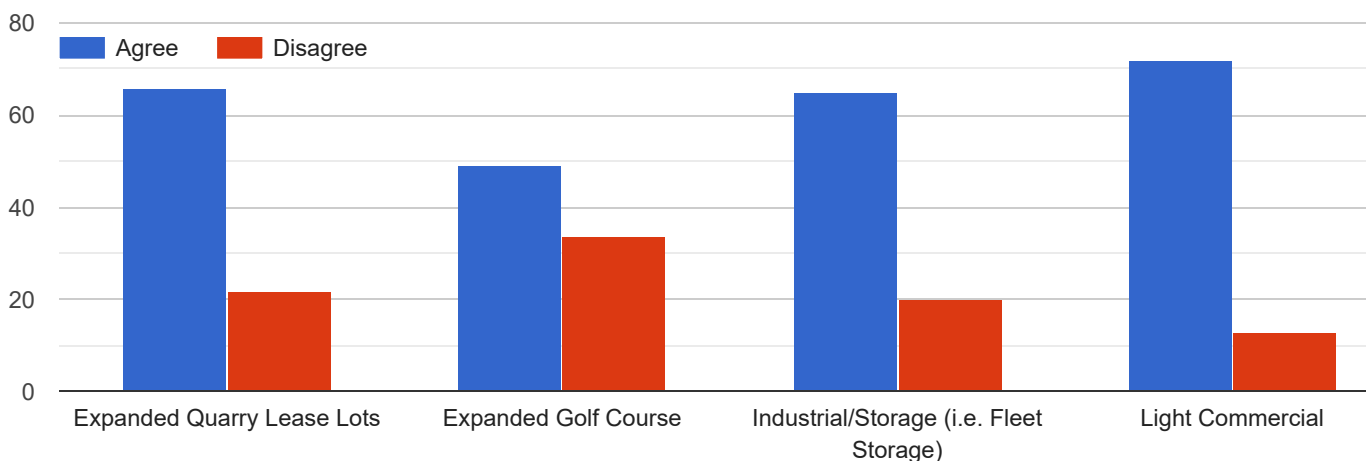
13. Which land use do you prefer for the Sound View Ridge area?

86 responses



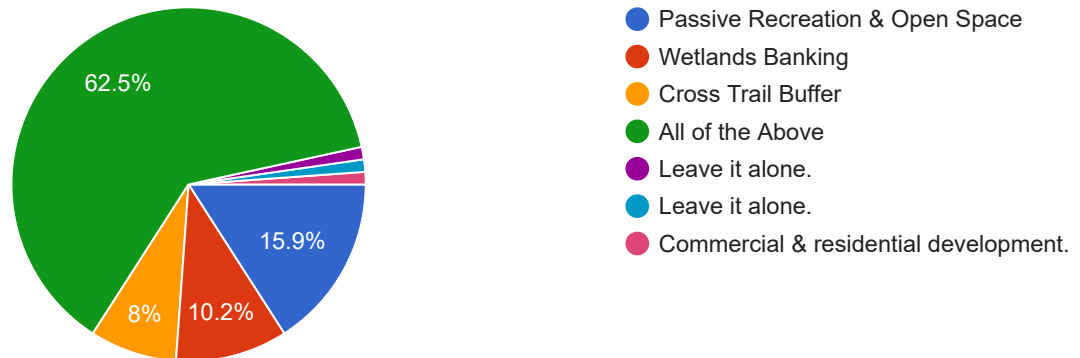
- Mixed Residential
- Passive Recreation & Open Space
- Single family homes. No condominiums or apartments. As an adjacent land owner I don't want my property value (I spent a LOT for this home) driven down by condo's or apartments. My next be...
- Both
- If feasible, low density housing
- both

14. Do agree or disagree with the proposed land uses for the Granite Creek Area?



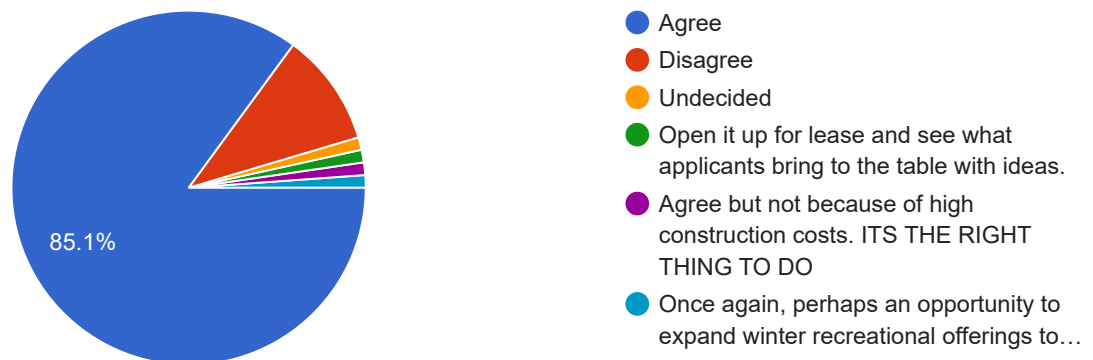
15. Which land use is most suitable for the Muskeg Wetlands area?

88 responses



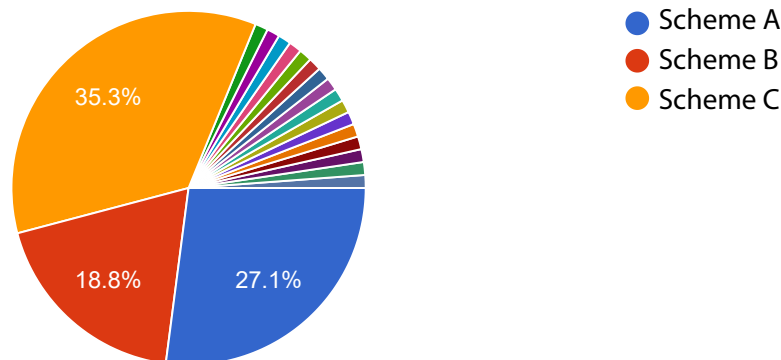
16. Considering the severe slopes and difficult construction conditions associated with the Saddle Mountain area, do you think this area should remain undeveloped and used for passive recreation/open space?

87 responses



17. Select which overall land use scheme you prefer for the entire study area site.

85 responses



Other:

- All of the land should be open for development. It's the best area in Sitka that is safe from landslides. If the city put a thousand residential lots on the market the utilities in the area would be developed. One thousand new homes would paying property taxes and for utility services would cover the cost of development.
- At this time and with the financial situation the city will be in after the events of 2020 I feel it best to shelve this whole project and focus on keeping the city solvent by keeping people here in Sitka and doing everything possible to create new full time jobs here in Sitka
- B is best but no housing at No Name and mixed high end waterfront property and recreational tourism
- Combination - harbor point residential use, mix of rec tourism & open for passive rec in suitable areas, develop granite creek area further for the listed objectives.
- Do not expand the golf course.
- I do not support any development of the waterfront area
- I like Scheme b with limited residential if at all on sound view ridge. Development costs for residential would be prohibitive in any case. Better to develop residential in other, more suitable areas
- I prefer a hybrid use option for Harbor point and no name mountain where harbor point is high end residential and the no name mountain is developed for tourism/local recreational use. This could include zip line, mountain bike trails, view points, etc. Tourism is only a 4 month activity in Sitka, but outdoor rec trail improvements on no name mountain could enhance quality of life for locals year round. look at HPR rec area! One of the residential lost could be set aside for public waterfront access and connect to the trails on no name mountain during the off season.
- Land use C with conditions. See other comments at the bottom.
- Leave it alone
- No development except quarry expansion in Granite Creek & some other light uses there. No golf course expansion.
- None of them.
- None. Stop sucking up to the greedy cruise cows.
- See above comments. I like A, but with waterfront single family home development, like in B, but I don't like the Sound ridge housing in B. With option C, again the waterfront should be single family housing and no Sound ridge housing. As with all, winter time recreational opportunities are being missed.
- These areas should remain undeveloped at this time.
- Why is this study ruling out quarrying no name mounting?!

Please share any other comments you would like the planning team to consider:

- Something that will generate revenue for this town besides tourism...
- The cost to properly set up water, sewer, and utilities now will be beneficial in the long run because housing without 21st century amenities will not draw as much interest. See housing in Fairbanks... prices for homes without water don't sell for much.
- Thank you for considering the opinions of those who live and work here.
- More recreation area. Leave wetlands alone. Thank you.
- As i get older (I am in my mid 70s) the idea of a condo becomes more attractive. That is one reason I picked option 3, because there could be some nicely sited condos that people who are selling larger homes can move into. Perhaps a senior campus that combines condos, assisted living and long term care in one location where people can move "up" as care needs change, on the Sound View Ridge. Many seniors can afford the development costs, especially if they sell their homes which have increased in value. That would free up their current homes. for instance, ours could easily be made into two apartments that may help alleviate median cost housing problems. // I think developing more high end waterfront residential property is not appropriate given the fall in population forecast. A better use would be for tourism development. The development of canopy walks, a tram, mountain bike trails, zip line would also provide recreational opportunities for residents as well as visitors. // What is the status of the proposed swap with McGraw, land for a haul-out. Allowing McGraw to expand the cruise facility may be the best use of that land and get us a haul-out, I think given the bids we got for the haul-out at the Paxton Park we may want to go back to that. // Support use of Granite creek for gravel, rock quarry and expansion of the golf course, if they want to. // One other option, could this land be swapped for land that may be appropriate for mobile home parks. Mobile homes seem to be a way to provide affordable housing. When we first moved here we had a mobile home. When we could afford it we moved "up" to a stick built view home. Affordable housing is still a need, even though it may not be appropriate for this site is there any way this site can be leveraged to provide for affordable housing elsewhere. This is one of the main obstacles to our kids moving back. (If we could get a nice view condo perhaps we could sell our house on very generous terms to our kids.) // Finally, thank you for the PDF. I found the video very difficult to work with. I could not move the cursor to where I wanted to look at something again. When I wanted to stop the video to look at a map there would be a YouTube pop up covering the map part i wanted to look at. I wish you had better highlighted the PDF at the top of the page for those of us who do not learn or absorb material well from video. I did not see it until after I had slogged through the video. // Thanks for the opportunity to go through this and comment.
- Consider taking cruise ship passengers via boat to mitigate Halibut Point Rd disintegration. If ground transportation is used, make transfer to Electric Vehicles a requirement.
- For Harbor Point—mixed combination of high end residential and tourism.
- I appreciate this thorough study. I do want to state that it would be a win-win for Sitka if we could create an activities area for cruise passengers. The caveat is that if we pursue this at harbor Point we need to control the traffic on HPR, and we need to move people without creating noise and air pollution for the residents. I suggest more water transport to the downtown area, and requiring the use of electric or hybrid buses as opposed to the outdated diesel rigs presently being used.
- Why on earth do we need to expand a golf course that is already underutilized? More tourism-related spaces? How about new ideas that create year-round jobs.
- I really like the video and the survey as a means of input for this planning decision. Good job!!



- The one critical aspect I think that was overlooked is that development of the Harbor Point and no-name mountain areas for tourism (option A?) means that the benefits of increased tourism only flow to the one or two businesses leasing the property. The remote location of this area from downtown and the fact that tourists may focus on the new areas and not enter downtown was never mentioned. The economic impact of diverting tourists from the downtown area where many local businesses benefit from their spending to a theme park out the road where a few businesses benefit was completely overlooked.
- For residential, I would prefer we look at pockets on Kramer Ave that are suitable as well as up Indian River. These are both much closer to town and utilities. I would hope that with expanding tourism out HPR, that we don't kill our downtown area.
- Easy does it on this one, We're just now opening this up with the continuation of the cross trail.
- If sound view rest ridge was kept off the grid and eco-friendly, that would be ideal. Internet availability would be helpful though. Seems like less need for high end housing than low end housing and economic funds to city a priority, if tourism continues.
- Leave it alone.
- Affordable homes is of prime importance, , there is all kinds of benefits, when people can afford their own place. Also I don't know for sure , but it seems that area wouldn't be a great site for solar, as it seems to be in the shade a lot of the year
- The city needs to stay out of the real estate business, the mill site management has been ridiculous, sell the land to the highest bidders and use the money to keep costs down. Stop spending resources on "planning".
- Natural green spaces make sitka better its not all about tourism or high end or expensive housing areas .
- What is needed in Sitka isn't more high-end residential, but affordable homes for small families and couples. // Consider adding in-stream hydropower for electricity in the area.
- Quarry the top of Saddle Mountain then turn that area into residential once quarrying was over with. Good view, sunny most of the year and close proximity to overburden sight and town.
- This seems like a piece of land that probably is most valuable remaining in the "bank," held for the future and well being of the environment.
- What would be the tragedy in leaving our little oasis alone? You are desperately trying to destroy Sitka and turn it into yet another ugly tourist garbage dump. The CHARM and DRAW of Sitka is that she is what she is! Destroy that and we are nothing more than another ugly tourist trap on the all important schedule. THAT would be the tragedy.
- There is a noticeable need for low priced single family dwellings.
- As I've mentioned earlier I feel that it is a big mistake to put all our eggs in the cruise ship tourism basket, with this year a prime example of why. I understand that tourism is a huge business that is here to stay, but this area has a prime opportunity to expand to year round tourism with the exploration of winter time outdoor activities. I understand that some of this study area may not be suitable for such things, but when you consider the possibilities of Harbor Mountain, other areas, along with this study area and there is opportunity here to have a more comprehensive plan for the whole area. I did like the Gondola idea early in the presentation. I have had more folks than I can mention from Outside ask me if Sitka has a winter recreation park, ski area, or other such attractions and I have to sadly tell them no. Plus, as a year round resident, it would be nice to have future development with an eye and ear to things that will stay open all year. It's frustrating and insulting that so many businesses just cater to the tourists and then give the residents the middle finger during the shoulder/off season. Just sayin'!....
- I'm not going to actively support any development until the city cleans up the old landfill/golf course water runoff to Granite Creek. This large ditch and down slope ponds are smelly, unsightly and has yet to be correctly sampled. We can't move forward if we are going to create more situations like this! The unsightly drainage issues are viewable

by going up to the golf course and observing the runoff to the west and south. I will actively (media exposure/ municipal assembly attendance/third party support) oppose any golf course/industrial expansion plans until we can see mitigation for existing runoff. For more information please call 907 414 0556.

- I Like the presentation. You should be proud of this planning effort. Amy and Scott did a great job. I also like at least 5 waterfront residential lots to defray costs.
- I really hope you will broaden your views and not bank our future on the profitability of cruise ship passengers. I was born at the end of the Boomer generation. Cruises were my parents dream. I want more adventure. You could not pay me enough to take a cruise on a large ship however I might consider an Alaskan Dream cruise. I truly think we could excel as a destination but you need to think about independent travelers. They may want cheap hostels, all inclusive campgrounds or luxury accommodations but they will all want experiences such as deck hands on a fishing boat for a week or the best zip line in the world or digging for clams. Maybe they want to be a volunteer at a museum or learn about SE flora and fauna. Think outside of the box people!
- I don't think Sitka needs more highly expensive, waterfront homes. Sitka does need more affordable housing and as far as recreational use for cruise ships it would be nice to keep traffic directed towards that side of town. The open spaces around the Cross Trail should be protected.
- I am concerned about the high growth of heavy vehicle traffic (buses and trucks) on HPR and the lack of enforceable rules as to speed and adequate containment of loads (have had auto windshield damaged repeatedly with gravel and no way to recoup replacement costs). I do think these issues need to be addressed and corrected. Also, just the "beating" the state highway takes from the heavy vehicles; there should be an equitable way to reimburse the city from businesses which depend on the route while still controlling use!
- I would also support overall land use suitability Scheme B as my second choice
- Other areas are better suited to these development ideas. please leave some undisturbed areas nearby for residents recreation. not everything has to be about making a buck.
- If you are going to develop, consider doing so in order to keep the housing market and job opportunities available for the younger generations. We would all love to make Sitka home, so we need more revenue and more affordable housing. I believe improving our tourism is key in creating more revenue. If housing is built, it MUST be suitable for a low-medium income family to purchase. Please, no more high-end residential areas until the housing problem is balanced.
- Scheme A is the best, but do not want residential development on Sound View Ridge.
- The city needs to create projects that will generate long term income rather than raising rates and taxes to meet their needs. No Name Mountain has already been identified by a study the city did a number of years ago as a 100 year source of hard rock that can be exported for state and federal jobs all over the state (breakwaters/shore protection). Rock for these projects is now being barged in from British Columbia, Canada so the City of Sitka could easily compete with them. // This study also leaves out the strip of land along the upland side of HPR (base of No Name Mountain) that could be used for high end residential home view lots and commercial development. Putting a road up into this area from HPR would be easy, and the development costs would be less the anywhere else. (That is if the city decides to sell the waterfront area for housing). Once the waterfront area is used for housing the city will never be able to extract rock from No Name Mountain. // Since this plan will affect this area for decades to come, remember that once Saddle Mountain has been leveled that level area will be suitable for commercial and industrial development. // I agree the population of Sitka is dropping, but you fail to consider the main reason for that is a lack of housing. Not just affordable housing, but housing in general. If the city would develop some of this land for housing people would move here. Rich folks would build expensive homes that would increase the city property tax base. Leaving this land locked up makes no sense if we are to grow.



- Sitka needs mountain biking. It's one of the very few towns in the USA that doesn't have ANY mountain bike single-track trails.
- Contiguous shoreline is a rare and precious commodity. Once subdivided, it will remain subdivided. Tourism may or may not be the best use of the land right now, but added to the equation must be the future potential of the property as a contiguous whole against future needs. // Private homes may be beneficial for the tax base, but so is economic activity. It will be a while before tourism reaches pre-coronavirus days, and during that time we will need to get as much from each tourist as possible. With Alaska's economic future profoundly challenged, it is likely the housing market will be soft at the same time every potential job will be precious.
- I'm all for many of the ideas presented here, but I think we can come up with better uses for land than golfing.
- This is NOT the time to be determining the fate of the study area and its parts. Set this development project aside; it arose only because the McGraw business wanted to acquire a parcel. The future of the cruise ship industry is highly questionable, contrary to the video. Post-Covid ridership is questionable, and globally the industry likely will have to greatly downsize to mitigate climate change. Don't mar this scenic asset of Sitka's for this unnecessary and likely ill-advised development. I CONTEST both the video's conclusion that, for the water front parcel, the 'highest and best use' is commercial or high-end residential development, and that no other explicit option was given for the related survey question. Concerning the high-end waterfront residential option, let's not continue widening the wealth gap in Sitka, especially with a development like this which most likely will just attract Lower-48 baby-boomer retirees, who after a year here won't pay sales tax or a big chunk of the property tax. Considering that parcel and the other potential residential parcels, the growth is unlikely to pay for its development costs - as has widely been true in much of the U.S. for decades. Sitka is at a point of crisis -- considering the high cost of living, the Covid shutdown which may recur, and uncertainties of climate change and ocean acidification on our economy -- such that we should be worrying about houses getting boarded up instead of trying to get yet more built in the proposed locations, must less for a clientele that mainly has yet to move here. I regret the study and its recommended options have prodded this negative reaction; however, I think my assessment is closer to the reality of the situation and what should be decided.
- I am open to any development that doesn't infringe on the current golf course.
- I am unclear on what the priority level of this proposed project is for the city. In the context of current overall development in the city, this doesn't seem like where the city should be putting its energy. It is not a viable area for "affordable" housing, and given that the city's population isn't growing, high end single family home development doesn't seem like it needs to be a high priority either. If the goal is economic development, the city would be better off developing a marine haulout and seeking to grab market share in the marine services sector. Regardless of the fact that we would be late entrants into that field, Sitka has a lot to offer. // This presentation doesn't talk about funding. If this is just going to be a giveaway of public lands to private entities in the hopes that there will be some trickledown positives for the city in the form of employment and tax receipts, this too seems ill conceived. Overall, unless by "long term development", you mean 100 years from now, I'm not seeing this as being a viable avenue of investigation for the city.
- Tourism will be a stable/necessary income source for Sitka again, but it may take a few years. - Keep the scenic view from a tour ship natural - The existing spent S&S rock quarry, upland from the deep water dock, is ugly from the water
- This site too expensive to develop for residential use - Others areas closer to town are still available
- Rock is necessary to develop building pads/site prep on the remaining steep sloped lands and as the existing 60+ year homes are demolished and new structures built - the granite creek rock source area can be expanded and should be kept hidden from the tourists/visitors view

- Sitka needs wetlands credits/bank for development of other city owned property closer to town with existing utilities/infrastructure close by
- These are uncertain times for Sitka and Sitkans. With the Covid-19 scare, the low price of a barrel of crude oil, the high bond debt for raising the blue lake hydro dam project, the aging infrastructure, etc., I think Sitkans will procrastinate on making any decisions and will let your group select the best use of the lands. // The existing utility diagram shows the CBS water main extending to Starrigavan - I think it stops at the Ferry terminal as stated in the verbiage
- I suggest to consider better utilization of quarry materials. Don't allow waterfront residential lots to fill in the ocean. Make lots big enough to suit the topography. Quarries should be better planned to avoid the huge eyesore like the one upland of the cove area. After a quarry is exhausted the land use should be set up for future uses, not a hazard for the surrounding land owners. // Thank you for Conducting this survey.
- Great form and format to provide info and get feedback. thanks
- Focus on keeping the main street store fronts open and employing citizens year round rather than such a strong focus on tourism which employs some locals but only part-time while the majority of those employed live out of Sitka and most out of state. So those wages have little to no multiplier effect on our economy. If our main street dies we soon will look like downtown Ketchikan, Skagway, or all the other cities in SE Alaska. The fact that we are a functional city and not just a main street of tourist trinket shops has been noted time after time by visitor surveys on which city is your favorite and why. I think this is a fine project to consider, but at this time we have much greater issues to plan for and this is currently not the time for this project.
- Hello, // Thank you for this comprehensive approach to a beautiful parcel of land on this island home. I have a lot to say about this moving forward so I'm attempting to keep this short... // Positives from a business standpoint I think development of additional "excursions" for our cruise ship passengers is always a plus-it adds depth to Sitka as an active, interesting port; and therefore more valuable to the cruise ship industry. It also will be fun for our local friends and neighbors (Zip line, hiking trails, etc) to have additional recreation opportunities. Concerns from a business standpoint include the health of our downtown. Not just the businesses but the history, the church, the museums, the ability to maintain a healthy community; whether you are a profit or non-profit entity. This may not seem to directly affect that concern however with the plan for expanded dock facilities it is a concern that "bussing" people in will not happen in the numbers previously realized. // As for housing opportunities it is hard to imagine that happening at any cost that would help our current housing situation. Investors/big money would have to be involved here and that would be great for our community if done so that it opens up real estate for everyone.. hard to imagine. // I will continue to keep up on this-after all we do have plans for an ice cream shop in this very neighborhood!
- I am confused by the "recreational tourism" development. Would it be to sell the land? But with restrictions to keep it mostly natural? or to lease it, but allow some permanent development? It seems like an option could be to develop an area as a public park, like the state parks and Forest Service, that would be public access, but would also allow commercial use by permit? // Was there any analysis of costs/revenues for zip lines etc. - it seems like that sort of thing could just as well happen upland, and not on the waterfront, and in any case, it seems like the value of the land should be put pretty high, as it is a vanishingly small resource in Sitka, undeveloped waterfront. // I recall seeing back when McGraw/Halibut Point Marine proposed trading the tract of waterfront Harbor Point in exchange for building a haul out at the Industrial Park, a map that showed how there was a condition on the property that there had to be a public easement to allow public access to the water. Is that the case? It seems like that would be very important no matter how it is developed. // I think the highest and best use of that Harbor Point waterfront would be public, just because there is so little available, and there are plenty of high end waterfront homes already. If they



did sell it for houses, there should be public access and the strip of waterfront/beach should all be public. I think that could make the entire development more valuable, if all the homes (or rental cabins, or zipline concession) had access to the shoreline. But I think it would be better as a park (that could be used for tourism) than as housing. // Another concern is cultural and archaeological, it seems likely that there are cultural sites there. // In general it looks like the best thing for Sitka is to let this place in general stay natural, the wetland bank idea is great, and to take great care in decisions on the waterfront, so that it is in best interests of the community - when Shee Atika developed Alice Island I think they missed an opportunity, to have all the houses have access to the shore. So if there was houses built at Harbor Point, they would be inland and the shore all around would be public access. // Then Granite Creek, seems like keeping industrial type activities focused. Golf course is great.

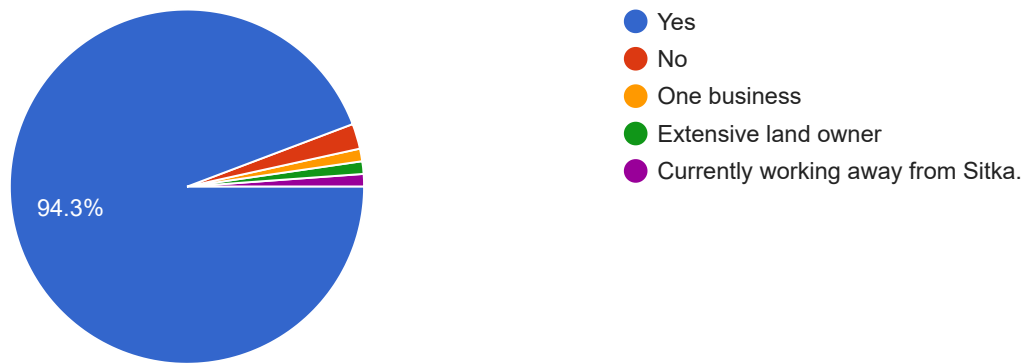
- We have open space - recreation everywhere around Sitka. We need more housing , more land to put on Tax role.
- Thank you for this comprehensive approach to a beautiful parcel of land on this island home. I have a lot to say about this moving forward so I'm attempting to keep this short. Positives from a business standpoint I think development of additional excursions for our cruise ship passengers is always a plus-it adds depth to Sitka as an active, interesting port; and therefore more valuable to the cruise ship industry. It also will be fun for our local friends and neighbors (Zip line, hiking trails, etc) to have additional recreation opportunities. Concerns from a business standpoint include the health of our downtown. Not just the businesses but the history, the church, the museums, the ability to maintain a healthy community; whether you are a profit or non-profit entity. This may not seem to directly affect that concern however with the plan for expanded dock facilities it is a concern that bussing people in will not happen in the numbers previously realized. As for housing opportunities it is hard to imagine that happening at any cost that would help our current housing situation. Investors/big money would have to be involved here and that would be great for our community if done so that it opens up real estate for everyone.. hard to imagine. I will continue to keep up on this-after all we do have plans for an ice cream shop in this very neighborhood!

Demographic Survey Responses

The following optional questions were provided at the end of the land use survey.

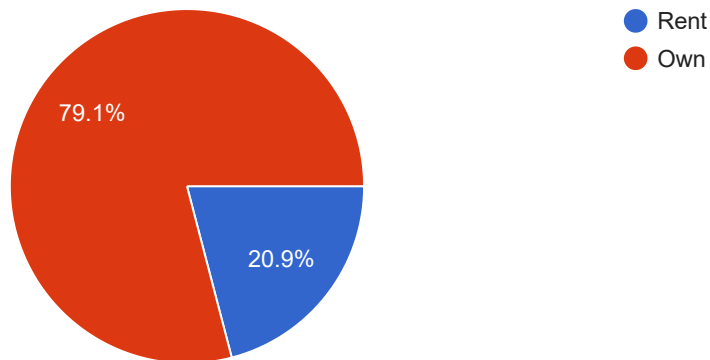
1. Are you a resident of Sitka?

87 responses



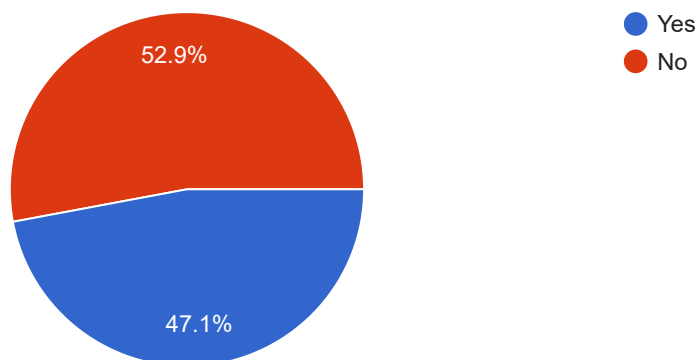
Do you rent or own your home?

86 responses



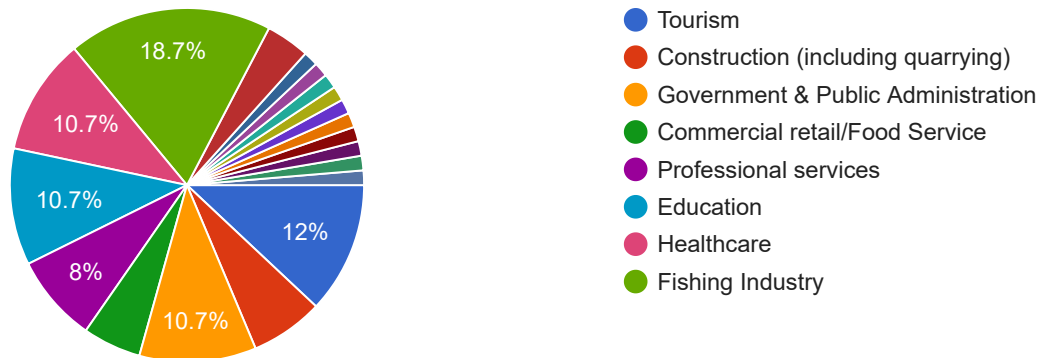
Do you own your own business?

85 responses



If you are employed, please specify the sector in which you work:

75 responses

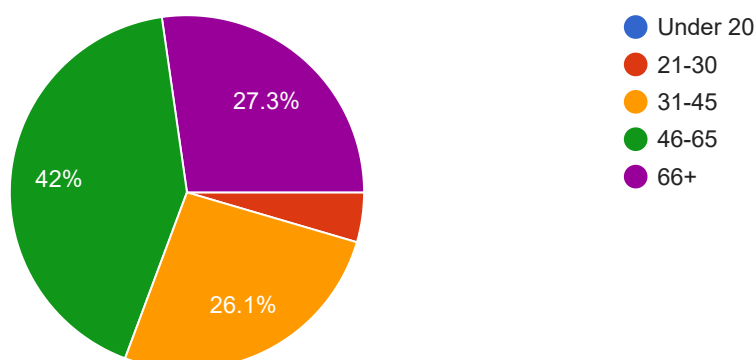


Other:

- Affordable housing, real estate, boat broker
- Art and writing
- Logistics
- Media consultant
- None of your business
- Non-profit - mixed animal welfare and tourism
- Retail community pharmacy with 30+ employees that are struggling to live and raise families in Sitka. We would like to start a frozen food business but cant see how with all the utility expenses and lack of a good labor pool
- Retired
- Retired
- Retired
- Retired, but still active in construction, fishing, and professional services
- Small business owner

Please specify your age range:

88 responses



Other Feedback

The following feedback was received during the open survey period, but separately from the web-based collection:

Respondent 1:

Contiguous shoreline is a rare and precious commodity. Once subdivided, it will remain subdivided. Tourism may or may not be the best use of the land right now, but added to the equation must be the future potential of the property as a contiguous whole against future needs. Keeping the shore property in city hands and leasing it (presumably for tourist interests) allows future choices.

Private homes may be beneficial for the tax base, but so is economic activity. It will be a while before tourism reaches pre-coronavirus days, and during that time we will need to get as much from each tourist as possible. With Alaska's economic future profoundly challenged, it is likely the housing market will be soft at the same time every potential job will be precious.

There appears to be a good size chunk of property along Sand View Ridge that might make a good senior citizen complex with a number of apartments or stand-alone homes for active folks, assisted living for folks who need some help, and a nursing home for folks who need more. Sitka appears to be "aging in place" so that such a facility will be appreciated by elders who don't need the large homes that they're currently living in, but don't want to leave Sitka and their friends and family who live here. This might give a living density that would justify the higher development cost and the need for some sort of transport into downtown (a loop of "the ride"? a van from the facility, whatever.)

Respondent 2:

1. First, I thought the on-line video presentation was an innovative way to present the project effort to date.

The drone footage was also interesting and flying the area when there was some snow on the ground helped create ground cover contrast that would not be visible if the flight was done during the summer.

2. Point #7 in the Key Concepts regarding the lack of water depth for a dock at Harbor Point confused me. The marine chart shows a 25 to 45 foot shelf immediately offshore that drops sharply to 100 feet of water. This is an ideal layout for a trestle dock that reaches deep water. I believe Harbor Point has great potential for a cruise ship terminal and that option was not discussed at all in the draft plan.

3. Another thing that is missing is the identification of a road corridor between Granite Creek and No Name Creek. Road access would open up the entire study area to tourism options as well as options for self sustained housing. Many, in fact, most of Sitka's island homes are self sustaining, so it is not a huge leap to create similar options within the study area. During one of my previous stints at CBS a Ketchikan logger proposed building a one-lane road with turnouts through the study area in return for rights to helicopter log cedar trees from CBS lands in the same area. I heard not long ago that he was still interested. He proposed doing the permitting as well for the road.

4. The draft plan states that adequate rock resources presently exist in Sitka which may be true. However, those resources are controlled by one or two companies which effectively cuts off small contractors. The lack of competition also drives up construction costs, both private and public. I believe the plan should identify a potential quarry site that could be developed for use by any party that has the capacity to operate in the quarry according to set safety standards. Petersburg does this, if I remember correctly.

5. As a general statement I liked Land Use Scheme A with the addition of a road corridor through the study area.

I would also support an RFP to sell Harbor Point for waterfront commercial activity that could include high end housing development in addition to a cruise terminal.



Open comment form responses – were available online, delivered to businesses/organizations, and available at City Hall and Library from early February – end of March:

Comments for Best Uses of Study Area:

1. Sell lots, make affordable housing/affordable lots
2. I think this area should remain as wilderness/recreational use. Keep the support for existing business/industry intact by not opening up more areas for development. With Sitka's financial struggles, let's put the infrastructure money into maintaining what we already have instead of creating more expenses.
3. Leave it alone for recreational use, no business!
4. Subdivide for affordable housing.
5. Sitka needs affordable housing and also more support services for boats. There is a lack of services for fishing boats such as life raft and survival suit inspections, we also need places more than one place for buying skiffs and motors, as well as more places that provide welding and machine shop services. It seems kind of pointless to have another rock quarry because once you dig it up the land is probably useless. Also, what can be done with the rock? Now that the airport expansion is completed is there really any use? We also need more stores for buying food in bulk.
6. Leave it be.
7. The SCLT would like to see some land set aside for a SCLT neighborhood, or even a lot here and there in a subdivision.
8. 1) Large waterfront section: city must retain ownership of this property. A large commercial dock should be built on this parcel of land. This dock would be used by large ocean going barges that haul away rock removed from No Name Mountain as well as cruise ships. These activities would generate revenues for the city for decades. 2) No Name Mountain: city needs to maintain ownership of this large rock source because it will generate revenue for the city for decades to come. The type of hard rock at this location would be exported all over the state for state and federal jobs such as harbors, breakwaters, shore protection, etc. 3) North Benchlands on town side: small lots of 5,000-7,500 sq. ft should be sold to the public by lottery drawing. LID would be used to construct homes. People would be allowed to build their own homes, cabins, tiny homes, or place manufactured homes on these lots. 4) Area near Granite Creek: should be used for commercial and industrial uses.
9. Really open to any possibilities for adding land and commerce to our community.
10. Set aside some industrial zoning area's in places with Quarry potential. Surround those areas with light commercial (smaller commercial lots) and then move into residential zones. The industrial areas should be surrounded by commercial areas to buffer the residential areas. Some greenbelt areas should also be disbursed throughout to create a natural buffer between zones. If possible, keep quarry sites further uphill away from the waterfront. Maybe use the greenbelts as easements for utilities where possible to eliminate any need to escheat those easements later from private owners. This end of town is our new first impression of our town. It's the first thing the tourists off the ships at the new dock will see. Keep the heavier commercial and industrial zones out of their view and create a more welcoming lighter commercial and residential zones closer to their view. Maybe even incorporate CCR's for facade's in direct sight of passengers. We have to remember that like it or not we rely on them to come back and tell others about our wonderful town. We need them to brag about us and their experience.
11. Housing development and rock quarry. I also want to note there should be a cultural resource survey done and part of the planning process for any development as there are known cultural resources in the project area.



March 10th, 2020

Amy Ainslie, CBS Planning and Community Development Director
 Scott Brylinsky, CBS Special Projects Manager
 100 Lincoln St.
 Sitka, AK 99835

Dear Amy and Scott,

Thank you for attending and presenting information on the No Named Mountain/Granite Creek Master Plan at the February 13th, 2020 SEDA Board meeting. Please find the following comments from SEDA regarding the proposed development of this area.

The City and Borough of Sitka has a fiduciary responsibility to receive the best financial return on this community land asset to meet the needs and support all Sitkans.

The master plan for this 832 acre parcel of property had the ability to allow for multiple different types of use.

Granite Creek Rock Quarries

The land adjacent to the current CBS rock quarries on the southern end of the parcel appears to have potential for further expansion. Zoning issues and access need to be investigated and vetted by the community.

Additionally, there are reports that No Named Mountain has the potential for extracting high quality rock. This area should be investigated to analyze rock quality and quantity. Rock from this area has the ability to bring a financial return to the CBS and provide rock for future development of the parcel and the community overall.

No Named Mountain Waterfront Property

The waterfront property at the base of No Named Mountain has the potential for marine use, industrial use, commercial use, housing, and recreation. When considering development use of this high valued property, consideration should be taken to investigate the best return on asset to the community, including job creation and positive revenue to the CBS via property taxes and other revenue sources. The CBS could implement a multiple step request for proposal process to determine the interest from the private sector.

CBS Uplands adjacent to Halibut Point Road

The CBS lands adjacent to Halibut Point Road should be investigate for mixed use development. A mixed use of commercial and residential has the ability to allow for economic growth, while providing housing for business owners, employees and the general public.



No Named Mountain

The property of No Named Mountain proper has the potential for multiple uses. The ocean facing side should be investigate for mixed use development and/or residential. The parcels facing away from the ocean should be investigate for industrial (including rock quarrying), commercial, mixed use, and residential.

Upland property between No Named Mountain and Granite Creek

The flat upland property that runs between No Named Mountain and Granite Creek has the potential for residential, mixed use, industrial, and commercial use. The water facing parcels should be investigate for high end housing for the return to the community via property taxes. The inland properties should be investigated for mixed use and affordable, high density concepts in relation to the proposed Sitka trail network. Industrial and commercial use should additionally be looked for various pockets in this area.

Development Funding

Development of the proposed parcels will require funding for baseline infrastructure, including water, sewer, electric, roads, etc.... The CBS should investigate funding by the private sector via the RFP process or public funding via grants, bonds, and other creative financing methods. The CBS might consider investigating Tax Increment Financing (TIF) for this proposed new development. The TIF tools has been used by multiple municipalities to fund new development projects in the past few years.

SEDA appreciates the ability to comment on the No Named Mountain/Granite Creek Master Plan.

Please let me know if you have any question or if we can be of help in any way.

Sincerely,



Garry White, SEDA Executive Director

Late Comments

Comments received after the close of the online survey period are included below:

Sitka Conservation Society
P.O. Box 6533
Sitka, AK, 99835
(907) 747-7509
info@sitkawild.org
www.sitkawild.org



*Protecting the natural
environment of the Tongass
while supporting the
development of sustainable
communities since 1967.*

May 20, 2020

To Planning Director Amy Ainslie and Special Projects Manager Scott Brylinski:

Thank you for the opportunity to comment on the No Name Mountain Master Land Use Plan. The Sitka Conservation Society is making these comments on behalf of our membership of over 300 Sitkans that use, depend on, and care about the integrity of the Sitka Community Use area and the No Name Mountain area. We would respectfully offer a few considerations and suggestions in regards to the city's proposal to find the best use of the No Name Mountain area. Out of the proposed schemes for the master land use plan, SCS supports scheme A. We hope that the comments below provide additional points of consideration that can be used to enhance the suitability of this scheme for the area.

- **Affordability:** It is clearly demonstrated and communicated that the area of study will not help with the home affordability crisis in Sitka. We do not believe that development of the waterfront area will increase affordability in Sitka and discourage the use of this area to provide more high-end housing that remains out of reach for so many Sitkans, while simultaneously increasing property value and rates around town to higher standards as well.
 - If any high-end housing development is to be pursued in any of the study area, the City should evaluate the costs of investment needed to develop the area by the City (including utilities, site prep, roads, etc.) in comparison with the long-term property tax revenue generated. Included in this calculation should be the assumption that any development or construction of high-end housing would most likely be done by an older population, and this population does not - or after a few years, will not - pay taxes on property because of state tax relief for Seniors and the sales tax exemption for seniors in Sitka. These tax relief breaks do not contribute to the community's overall financial needs.
 - One avenue for the City to address the affordable housing crisis in Sitka is to evaluate the potential development of the golf course area. This area is flat, has good materials underneath for building on, and is adjacent to roads and infrastructure (water, electric, sewer). Acquisition of the site would have to be pursued either as a purchase or trade. Sitka Conservation Society does not have an opinion on the golf course as a housing site right now, and respects that the property is private. Pursuit of this area for affordable housing is perhaps one of the more logical areas in Sitka, but this idea would need to be pursued by a discussion with the current property owners and with the community as a whole. This suggestion comes from a question raised by the consultant's report, where there is mention of expanding the golf course to be an 18 hole golf course. Where did the interest or demand for golf course expansion come from?
- **Economic Diversification:** Any plans pursued should consider economic diversification especially making sure that a variety of local business has opportunities in new tourism development. The ideas of the semi-industrial areas for workshops, boat storage, and light manufacturing may offer some opportunities.



- We are concerned that potential development of a recreational tourism operation by a large cruise ship corporation out Halibut Point Road would have negative impacts for local businesses in Sitka. Recreational tourism development should happen through an equitable process and ensure that a variety of *local* businesses have the ability to bid on and compete for development opportunities. The COVID19 crisis has demonstrated that cruise ship corporations are unreliable and do not consistently conform to high standards for human health, community and public engagement at large. Furthermore, cruise ship corporations are all registered in foreign countries where they can influence and corrupt local governments and avoid paying taxes that contribute to overall well-being in the United States. They have also demonstrated a proneness to litigation with local communities that they visit, as per the lawsuits that the city of Juneau has repeatedly been engaged with.
- In order to maximize local community benefits and return, we support leasing of city land rather than sale of parcels to individual tourism operators.
- **Wetlands Mitigation Banking:** The City of Sitka should look at setting aside wetlands that are not easily developed in a mitigation bank as a revenue-generating source. Mitigation banking is a way to offset ecological loss from development projects by compensating for the preservation and restoration of a different area. The City should assess whether the significant wetland acreage that is unsuitable for development in the area behind No Name and Saddle Mountain could be suitable in a mitigation banking program. This has the potential to provide the city with a much-needed revenue source.
- **Rock Pits:** Rather than developing new rock pits, we recommend that the utilization and expansion of existing rock pits should be considered. Development of a rock pit at No Name Mountain is completely infeasible due to development costs, infrastructure investment needs, and the already available alternative sources of rock. Local rock pit operators describe the proposal to develop a rock pit at No Name Mountain as “not worth the air spent talking about it”. We recommend that the City heed the recommendations of the consultants to expand the Granite Creek rock pit area.
 - Alternative sources of rock that should be developed include the rock pits along the Green Lake Road system. These areas are already adjacent to the road infrastructure and there are many “pocket-pits” that have already been developed for supply that could be expanded and meet current and future rock needs. Another alternative source is the Katlian Bay road project, which will create an ample rock supply from the road cut construction.

Sincerely,



Katie Riley
Policy Engagement Director



Andrew Thoms
Executive Director

Sitka Tribe of Alaska

Tribal Government for Sitka, Alaska

May 28, 2020

Scott Brylinsky, Special Projects Manager
City and Borough of Sitka
Planning Department
100 Lincoln St.
Sitka, AK 99835

RE: Sitka Tribe Comments on the No Name Mt./Granite Land Use Master Plan

Dear Mr. Brylinsky:

I write on behalf of Sitka Tribe of Alaska (STA), tribal government in Sitka, Alaska for over 4,000 tribal citizens. As a tribal government, STA is responsible for the health, welfare, safety, and culture of its citizens. STA respectfully submits the following comments on the No Name Mountain Granite Land Use Master Plan.

STA is opposed to the No Name Mountain Granite Creek Land Use Master Plan due to the impact the coronavirus and associated health mandates has had on the ability of elders and other tribal citizens to meet and review the plan and provide recommendations to Tribal Council. Even under ideal circumstances STA would have found it impossible to thoroughly vet and provide comments on the complex and dense Plan in the twenty-one-day public review and comment period.

STA requests the City postpone finalizing the No Name Mountain Granite Creek Land Use Master Plan until such time that elders and tribal citizens can safely meet in person, without fear of the coronavirus, to review and comment on the Plan. The areas under consideration for development require close review and consideration by our tribal elders and culture bearers and we must abide by public health guidance.

STA also requests the City provide the Tribe with any National Environmental Policy Act documents related to Phase 6 of the Cross Trail.

Sincerely,



Kathy Hope Erickson
Council Chair

(907) 747-3207 • Fax: (907) 747-4915 • 456 Katlian Street • Sitka, Alaska 99835





May 21, 2020

Dear Planning Department,

Our 240-member strong Sitka Cycling Club has prioritized building single-track mountain bike trails as a top goal. Currently, we are finishing a single-track trail near Sitka High School and are excited to work and ride on other bike trails in our community. In five years, we would love to develop a strong network of trails that can attract and be used by visitors while simultaneously benefiting the growing number of local cyclists.

Multiple studies demonstrate a significant economic impact of bicycle and trail tourism. In 2017 study from Outdoor Industry Association reported that bicycling participants spent \$83 billion on trip related sales (bicycle tourism). Sitka has the potential to tap into this market while providing tremendous health and quality of life benefits to the 8,700 residents who call Sitka home.

It was very exciting to see that bike trails are being considered for the No Name Mountain and Granite Creek master plan. Our club strongly supports developing bike trails in Sitka. Thank you for considering this request and the many benefits of having bike trails in the No Name Mountain and Granite Creek area.

For more background on the club visit our website at <https://sitkacycling.wordpress.com/> or call me at 738-8734.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Osborne", written over a light blue horizontal line.

Doug Osborne

President, Sitka Cycling Club



Sitka Trail Works, Inc

801 Halibut Point Road, Sitka AK 99835

Phone: 747- 7244 email: trail@sitkatrailworks.org

Lynne Brandon, Executive Director

May 26. 2020

RE: Granite Creek Master Plan

Dear Planning Department:

Sitka Trail Works' Board of Directors met on May 21 and discussed the information presented by the planning team for the future development of the Granite Creek area. Sitka Trail Works' mission is to work efficiently and supportively with our partners to create, maintain and promote a beautiful, diversified and accessible trail system. The Board appreciates the opportunity to comment on development which may affect public use of the Cross Trail.

The Board broadly stated that their priority for use of the area is for outdoor recreation and open space and for uses that clearly provide benefits to the community. This includes land uses that enhance local health, are multiuse and available year-round. Further improvements should be ADA accessible to the greatest extent possible and help people learn about and appreciate the outdoors. Development should be structured in a way that both visitors and locals can use. Trails and protection of the Cross Trail's viewshed are priorities.

Specific recommendations include the following: The economics of any land development seems impracticable for housing. No additional quarries should be developed until the need is proven. If additional rock is needed in the future this work should take place in the Granite Creek area.

Outdoor recreation-oriented land use is important since this will support health, contribute to a high quality of life and drive spending that helps business, creates jobs and generates tax revenue that pay for schools and other public services. Investing in outdoor infrastructure attracts employers, residents, retirees, and a skilled workforce, ensuring that Sitka will thrive economically and socially. Smart investments can further grow this dynamic sector; good planning will make sure we grow while maintaining the quality of our natural setting and community.

Regards,

Lynne C Brandon

Lynne Brandon, Executive Director
Sitka Trail Works, Inc.



PAGE INTENTIONALLY LEFT BLANK

THANK YOU

JONES  JONES

ARCHITECTS
LANDSCAPE ARCHITECTS
PLANNERS

105 SOUTH MAIN STREET, SUITE 300
SEATTLE, WA 98104
PHONE: 206 624 5702
www.jonesandjones.com



Wednesday, June 3, 2020

MEMORANDUM

To: SEDA Board of Directors

From: Garry White - Director

Subject: Sitka Economic Resiliency Task Force

Introduction

SEDA established and organized the Sitka Economic Resiliency Task Force (SERTF) in March 2020 when the projected economic realities due to the lock down measures to attempt to halt the spread of Covid-19 became apparent.

A diverse group has been established. Please see attached task force members list.

The goal of the task force is to help connect local business with Federal Stimulus funding and resources, investigate best practices in conducting business during the lock down and social distancing requirements, and to discuss other issues important to the community in the relation to Covid.

Action

- Board discussion on the SERTF and other Covid related issues.

Sitka Economic Resiliency Task Force

- Local Government – CBS Administrator or designee and STA General Manager or designee
 - Focused on funding streams for local government.
- Economic Development - Camille Ferguson (STA) and Garry White (SEDA)
 - Focused on funding streams for City/Tribal Economic Development Funding
- Health Care - Dirk White (White's) and Maegan Bosak (Searhc)
 - Focused on programs for health care.
- Workforce support - Fran Schwuchow (job center)
 - Focused on financial and employee support.
 - Provide data
- Education – Mary Wegner (SSD)/ Sitka Tribe of Alaska Education designee
 - Focused on funding for education.
- Fishing - Rich Riggs
 - Focused on programs to support fishermen.
- Tourism and Commerce- Rachel Roy (Chamber) and Laurie Booyse (Visit Sitka)
 - Sub-committee
 - Food and Beverage
 - Lodging accommodations
 - Charter fishing
 - Retail
 - Focused on programs to help businesses associated with tourism and commerce.
- Construction - Joe Williams (K&E)
 - Focused on programs and issues in the construction sector.
- Military - USCG/National Guard reps
 - Focused on programs to support military and families.
- Transportation - Cory Baggen
 - Focused on programs and issues in the transportation sector.
- Housing - Nancy Davis
 - Focused on programs and issues for homeowners.
- USDA - Keith Perkins
 - Provide information on USDA and other Federal funding program
- Non-Profit Sector – Robin Sherman
 - Focused on programs and issues for non-profits
- Banking – Shauna Thornton
 - Focused on stimulus money opportunities via lending.
- Youth – Cora Dow
 - Focused on youth perspective

Melissa Henshaw

From: Linda Behnken <alfafishak@gmail.com>
Sent: Tuesday, September 29, 2020 11:45 AM
To: John Leach
Cc: Gary Paxton (Assembly); Kevin Knox (Assembly); Alicia Gassman
Subject: Re: seafood distribution

All fine. ALFA and Mutual Aid will continue to work together to identify need and distribute seafood once per week. STA can carry on with their own program.

Linda Behnken

Alaska Longline Fishermen's Association

PO Box 1229 Sitka, AK 99835
 907 747.3400 office
 907 738.3615 cell

www.alfafish.org

[Read our 2018 ALFA Annual Report](#)

2016 Champion of Change for Sustainable Seafood

On Sep 29, 2020, at 8:53 AM, John Leach <john.leach@cityofsitka.org> wrote:

Mayor,

This was brought up in our CARES meetings as a concern, but our food program was not intended to duplicate any efforts when we entered the subrecipient agreement with STA. Approximately 50% of the granted funds went to purchasing seafood, and was meant to be an extension of current community efforts.

/r
 jml

From: Gary Paxton (Assembly) <assemblypaxton@cityofsitka.org>
Sent: Tuesday, September 29, 2020 7:53 AM
To: Linda Behnken <alfafishak@gmail.com>; John Leach <john.leach@cityofsitka.org>
Cc: Kevin Knox (Assembly) <assemblyknox@cityofsitka.org>
Subject: Re: seafood distribution

Linda, I think this is a by product of CARES funding process and the city getting other entities in distributing funds in category 3 which we used STA do food. John can we help? Pax

Gary Paxton
 Mayor, City of Sitka

On Sep 28, 2020, at 1:42 PM, Linda Behnken <alfafishak@gmail.com> wrote:

Gary and Kevin-

So- this is exactly what i was trying to head off when I sent you an email earlier this summer on seafood distributions. ALFA, SPC and SSS have been running a local seafood distribution program every week since April funded with outside grants and we have fish processed and in the cold storage to distribute through the winter. The fish was delivered to anyone who self identified as in need and extra fish was taken to STA. Now, with City money, STA has created a new distribution system for Sitka and bought additional seafood. I do not understand the decision to duplicate efforts, but I guess we will shut down what we are doing and send the fish we had purchased for Sitka to another community.

Unless you see a different solution? What am I missing ?

Linda Behnken

Alaska Longline Fishermen's Association

PO Box 1229 Sitka, AK 99835

907 747.3400 office

907 738.3615 cell

www.alfafish.org

[Read our 2018 ALFA Annual Report](#)

2016 Champion of Change for Sustainable Seafood

Begin forwarded message:

From: "Ferguson, Camille" <camille.ferguson@sitkatriben-sn.gov>

Subject: Re: seafood distribution

Date: September 28, 2020 at 8:46:35 AM AKDT

To: Linda Behnken <alfafishak@gmail.com>

Cc: "Gary Paxton (Assembly)"

<assemblypaxton@cityofsitka.org>, "Kevin Knox (Assembly)"

<assemblyknox@cityofsitka.org>, stephen Rhoads

<srhoads@spcsales.com>

Dear Linda,

An RFQ went out for processing the the seafood for distribution.

Outreach when out to processors in the Pacific Northwest and locally to Sitka Catch and Sitka Sound Seafoods. Part of the of the request and contract was to report monthly on who the local fish was purchased from, local employees retained and local additional employees hired. I can provide you that first report once I receive it as it will be what I report to the City of Sitka.

Sitka Catch. A local small business was awarded the processing and will be submitting who they purchase fish from. STE will be doing the

distribution. I have given your information to the owner of Sitka Catch as a resource .

Best regards,
Camille

On Sun, Sep 27, 2020 at 5:49 PM Linda Behnken
<alfafishak@gmail.com> wrote:

Thanks Camille. Will you please let me know who you are purchasing fish from? Sitka Sound Seafoods and Seafood Producers Cooperative have been deeply generous to Sitka in donating processing since March; I hope you will consider purchasing seafood from these plants now that City money is available.

Linda Behnken

Alaska Longline Fishermen's Association

PO Box 1229 Sitka, AK 99835
907 747.3400 office
907 738.3615 cell

www.alfafish.org

[Read our 2018 ALFA Annual Report](#)

2016 Champion of Change for Sustainable Seafood

On Sep 27, 2020, at 4:39 PM, Ferguson, Camille
<camille.ferguson@sitkatriben-sn.gov> wrote:

Hi Linda,
Let me check with Issaam and see if he had purchased what he needed to package for distribution and get back to you.
Best,
Camille

On Sun, Sep 27, 2020 at 11:49 AM Linda Behnken
<alfafishak@gmail.com> wrote:

Hi Camille-

I understand the City has given Sitka Tribe CARES Act funding to purchase and distribute seafood. We have 3000 pounds of coho and 2000 pounds of rockfish caught and processed by local fishermen/processors

that we had planned to distribute this fall/winter. Have you already purchased the fish you plan to distribute? If so, perhaps I will send some or all of this fish that we had purchased for Sitka to other communities in need. No sense in oversupplying Sitka when other communities have unmet need. If you have not yet purchased fish, perhaps we can work together to meet need here. Will you please let me know what you have purchased and from whom it was purchased?

Thank you! I hope you are staying safe and dry in this crazy storm!

Linda Behnken

Alaska Longline Fishermen's Association

PO Box 1229 Sitka, AK 99835

907 747.3400 office

907 738.3615 cell

www.alfafish.org

--

Gunałchéesh (Thank you)

~Camille

Camille Ferguson, Economic Development

Director

Sitka Tribe of [Alaska](#)

[456 Katlian Street, Sitka Alaska 99835](#)

Phone: 907-747-7394 / Fax: 907-747-4915

www.SITKATRIBE.org

www.AIANTA.org Representing At-Large Board of
Director

www.USTRAVEL.org Representing At- Large Board of
Director

www.ALASKATIA.org Board of Director

CONFIDENTIALITY NOTICE: This message and any attachments included are from the Sitka Tribe of Alaska and are for sole use by the intended recipient(s). The information contained herein may include

confidential or privileged information. Unauthorized review, forwarding, printing, copying, distributing or use of such information is strictly prohibited and may be unlawful. If you received this message in error, or have reason to believe you are not authorized to receive it, please contact the sender by reply email and destroy all copies of the original message.

--

Gunalchéesh (Thank you)

~Camille

Camille Ferguson, Economic Development Director
Sitka Tribe of Alaska
456 Katlian Street, Sitka Alaska 99835
Phone: 907-747-7394 / Fax: 907-747-4915

www.SITKATRIBE.org

www.AIANTA.org Representing At-Large Board of Director

www.USTRAVEL.org Representing At- Large Board of Director

www.ALASKATIA.org Board of Director

CONFIDENTIALITY NOTICE: This message and any attachments included are from the Sitka Tribe of Alaska and are for sole use by the intended recipient(s). The information contained herein may include confidential or privileged information. Unauthorized review, forwarding, printing, copying, distributing or use of such information is strictly prohibited and may be unlawful. If you received this message in error, or have reason to believe you are not authorized to receive it, please contact the sender by reply email and destroy all copies of the original message.

Melissa Henshaw

From: Kevin Mosher (Assembly)
Sent: Thursday, September 10, 2020 6:27 PM
To: Stephen Rhoads; Gary Paxton (Assembly); Linda Behnken
Cc: John Leach
Subject: Re: fisheries/ Government assistance / other

Linda & Stephen,

Thank you for all your information. It sounds like there are some federal programs, but that like anything right now, it's difficult sometimes to access, etc.

I don't know about a utility extension. However, I can tell you that I personally am supportive of a second round of grants, and feel that fisherman should be included in that.

And yes, I fully support a boat haul out. We are working diligently on that front.

John, it sounds like CJ is doing everything he can as far as letting people on capital hill know of our situation, and those of SE AK. Do you think a fisheries emergency declaration would help, its already being handled?

Get [Outlook for iOS](#)

From: Stephen Rhoads <srhoads@spcsales.com>
Sent: Thursday, September 10, 2020 12:35:00 PM
To: Gary Paxton (Assembly) <assemblypaxton@cityofsitka.org>; Linda Behnken <alfafishak@gmail.com>
Cc: John Leach <john.leach@cityofsitka.org>; Kevin Mosher (Assembly) <assemblymosher@cityofsitka.org>
Subject: RE: fisheries/ Government assistance / other

Mr Mayor,

The pink salmon fishery may be at a 60 year low. The coho fishery is at a 30+ year low. Hatchery chum runs are a fraction of the 5 year average. Sablefish markets have been crushed by tariffs and closure of restaurants. Millions of pounds of sablefish are being left in the water because boats can't break even after paying expenses. Sitka Sound isn't buying cucumbers this fall. Crab prices are half of last year. Zero sac roe herring fishery in Sitka this year. No directed rockfish fishery in February.

SPC is suffering lower volumes because of reduced participation. We have 40 fewer trollars at our plant this year over last year. These missing boats spend a lot of money in the community. I am sure the ancillary services in town feel it as well.

I don't want to be dramatic, but its pretty bad.

Slr

From: Gary Paxton (Assembly) <assemblypaxton@cityofsitka.org>
Sent: Thursday, September 10, 2020 12:29 PM
To: Linda Behnken <alfafishak@gmail.com>
Cc: John Leach <john.leach@cityofsitka.org>; Kevin Mosher (Assembly) <assemblymosher@cityofsitka.org>; Stephen

Rhoads <srhoads@spcsales.com>

Subject: Re: fisheries/ Government assistance / other

Kevin, thanks for your concern, Linda, thanks for your lifetime work/ contributions to our fishing industry. Rich Riggs mentioned the need for a disaster declaration for SE fisheries. What is your opinion an actions required? Pax

Gary Paxton

Mayor, City of Sitka

On Sep 10, 2020, at 11:02 AM, Linda Behnken <alfafishak@gmail.com> wrote:

John- Thank you for the connection, and Kevin—thank you for your concern.

Yes- the fleet is reeling right now. We are seeing the effects of the pandemic compounded by climate change. Historic low pink and chum runs, low/late coho returns—all are quite likely a result of the two year ocean "warm blob", high stream temps last year, etc. On top of that, with restaurants closed due to the pandemic, federal tariffs--and retaliatory tariffs on seafood—prices for most local species are down 40-60%. Tough year for sure.

As far as resources— we have a COVID page on our website that we have kept regularly updated to share with fishermen information on both state imposed industry requirements as well as federal and state support. We have regularly shared this information through emails and twice during the summer handouts/bulletins at the harbor. Seafood Producers Cooperative has also been very proactive in notifying the fleet of requirements and opportunities. Unfortunately, some of the federal programs were not initially workable for fishermen as designed; fortunately our Senators worked hard to course correct before all the federal funding was gone. The state is still deciding how to share the \$50 million disaster relief for fishermen but intends to have funding available this fall.

As I shared in an earlier email, ALFA/ASFT has accessed \$1.2 million in private foundation grant funds to purchase local seafood, provide price support to fishermen, and distribute the seafood to families in need both in Alaska and the lower 48. We have worked with Seafood Producers Cooperative and Northline Seafoods to determine what product had lost markets due to COVID and to target purchases of that product for distribution. We are currently working on one last purchase/distribution to Southeast Communities and are partnering in that effort with Sealaska. As part of that purchase, we are distributing SeaMart gift cards to trollers delivering to local processors, using a grant from the Alaska Community Foundation to provide that support to the fleet (trollers because we are purchasing troll caught fish for for both the distribution to Anchorage military bases and Southeast Alaska rural communities). We are also working through multiple channels to create new opportunity/support for fishermen and seafood through USDA programs so we can build on this work once the existing foundation support runs out.

All that said— fishermen are struggling and all support from the City will be appreciated. Highest priority is—still—a haul out/boatyard that efficiently serves the local fleet and provides quality work space for Sitka's marine trades sector. I expect quite a few fishermen missed the grant period for City breaks on utilities and moorage, due to the demands of the fishing season—if I am right on that I hope the City will consider allowing an additional application period for fishermen. Support from the City for additional funding in the federal emergency relief funding for fisheries would definitely be appreciated (the HEALS Act includes \$500 million but that has again stalled). As the fisheries wrap up for the season, I expect I will hear more from fishermen about the challenges they are facing with ideas and requests for assistance and I will certainly share those with the City.

Thanks again for your concern Kevin, and for connecting me to this conversation John. Our fishermen are resilient and managed to operate through the pandemic, but times are tough. Standing by to work with the City to help our fleet get through this.

Linda Behnken

Alaska Longline Fishermen's Association

PO Box 1229 Sitka, AK 99835

907 747.3400 office

907 738.3615 cell

www.alfafish.org

[Read our 2018 ALFA Annual Report](#)

2016 Champion of Change for Sustainable Seafood

On Sep 10, 2020, at 8:59 AM, John Leach <john.leach@cityofsitka.org> wrote:

Kevin,

We can talk at our WG meeting this morning, but I think we are doing all we can for the fleet.

Linda Behnken is a great contact, but I don't have her number readily available. I've cc'd her on this email.

I've also attached an email from Keith Perkins yesterday outlining a new FSA program that's available.

/r
jml

From: Kevin Mosher (Assembly) <assemblymosher@cityofsitka.org>

Sent: Thursday, September 10, 2020 8:45 AM

To: John Leach <john.leach@cityofsitka.org>; Gary Paxton (Assembly) <assemblypaxton@cityofsitka.org>

Subject: Blank Rome - Government assistance / other

Hello gentlemen,

I just wanted to share something with you both. I had a conversation with someone that just kind of shook me. I was speaking with a woman who is married to a fisherman, and she detailed to me how the majority of the fishing fleet is reeling right now. Most of the time at this point in the summer, they have gained a large nest egg that will get them through the winter.

That is not the case this time. Most fisherman have worked their butts off all summer, and have been paid hardly anything for their efforts. This will take a

huge emotional & financial toll on these people and the community at large. It just brought me back to reality a bit.

So my questions to you friends are this:

1. Is CJ at Blank Rome doing everything he can to make it known the need here in SE Alaska?
2. Do you know if there are any specific programs to assist the fishing fleet that I do not know about that are helping them?
3. John, what is the number for that lady who kind of represents the fleet? I might want to reach out to her, depending on what I find out from you guys...maybe they do have programs, I don't know. What I do know and saw from the look in this young woman's eyes was fear. And it shook me a little.

Thank you both for all your efforts. They are much appreciated!

Kevin Mosher
<Mail Attachment.eml>

Melissa Henshaw

From: John Leach
Sent: Thursday, September 10, 2020 8:59 AM
To: Kevin Mosher (Assembly); Gary Paxton (Assembly)
Cc: Linda Behnken
Subject: RE: Blank Rome - Government assistance / other
Attachments: FW: Seafood Trade Relief Program

Kevin,

We can talk at our WG meeting this morning, but I think we are doing all we can for the fleet.

Linda Behnken is a great contact, but I don't have her number readily available. I've cc'd her on this email.

I've also attached an email from Keith Perkins yesterday outlining a new FSA program that's available.

/r
 jml

From: Kevin Mosher (Assembly) <assemblymosher@cityofsitka.org>
Sent: Thursday, September 10, 2020 8:45 AM
To: John Leach <john.leach@cityofsitka.org>; Gary Paxton (Assembly) <assemblypaxton@cityofsitka.org>
Subject: Blank Rome - Government assistance / other

Hello gentlemen,

I just wanted to share something with you both. I had a conversation with someone that just kind of shook me. I was speaking with a woman who is married to a fisherman, and she detailed to me how the majority of the fishing fleet is reeling right now. Most of the time at this point in the summer, they have gained a large nest egg that will get them through the winter.

That is not the case this time. Most fisherman have worked their butts off all summer, and have been paid hardly anything for their efforts. This will take a huge emotional & financial toll on these people and the community at large. It just brought me back to reality a bit.

So my questions to you friends are this:

1. Is CJ at Blank Rome doing everything he can to make it known the need here in SE Alaska?
2. Do you know if there are any specific programs to assist the fishing fleet that I do not know about that are helping them?
3. John, what is the number for that lady who kind of represents the fleet? I might want to reach out to her, depending on what I find out from you guys...maybe they do have programs, I don't know. What I do know and saw from the look in this young woman's eyes was fear. And it shook me a little.

Thank you both for all your efforts. They are much appreciated!

Melissa Henshaw

From: Perkins, Keith - RD, Sitka, AK <keith.perkins@usda.gov>
Sent: Wednesday, September 9, 2020 1:58 PM
To: Garry White; John Leach
Subject: FW: Seafood Trade Relief Program

Some help for fishermen through USDA – different agency – Farm Service Agency. I shared this info with ALFA locally and I suspect the statewide seine organizations already have this as well.

Due to the current national situation, our SE Alaska Area Office staff will be working remotely from home. Please feel free to use the office number as it should reach us on our computers. If that has technical glitches, please call my agency cell phone at (907)229-2423.

Keith Perkins, Area Director
 SE Alaska Area Office - USDA Rural Development
 204 Siginaka Way, Suite B
 Sitka, Alaska 998935
 (907)747-3506 Phone / (855)711-9104 Fax
www.rd.usda.gov
www.rd.usda.gov/ak

“COMMITTED TO THE FUTURE OF RURAL COMMUNITIES”

USDA is an equal opportunity Provider, Employer, and Lender

From: Perkins, Keith - RD, Sitka, AK
Sent: Wednesday, September 9, 2020 1:55 PM
To: Linda Behnken <alfafishak@gmail.com>
Subject: Seafood Trade Relief Program

Hi Linda,

I got a few emails this afternoon from different fishermen on this topic – Seafood Trade Relief Program – from fishermen wanting to apply.

I had not heard of the program, did some digging, and found out that this program is inside USDA, funded by a USDA entity called the Commodity Credit Corporation, and will be managed by the Farm Service Agency whose state office is in Palmer. <https://www.fsa.usda.gov/state-offices/Alaska/index>

<https://www.farmers.gov/Seafood> - I was given this link by the Alaska Farm Service Agency staff (Erin Sturdevant). She related that they did not know about this program until 10:30am THIS MORNING 😊

They are scrambling to field calls. Looks like the online app will be available on 9/14 according the website that FSA has created for this program.

Wanted to share what I know at this point with you.

Cheers,

Due to the current national situation, our SE Alaska Area Office staff will be working remotely from home. Please feel free to use the office number as it should reach us on our computers. If that has technical glitches, please call my agency cell phone at (907)229-2423.

Keith Perkins, Area Director
SE Alaska Area Office - USDA Rural Development
204 Signaka Way, Suite B
Sitka, Alaska 998935
(907)747-3506 Phone / (855)711-9104 Fax
www.rd.usda.gov
www.rd.usda.gov/ak

“COMMITTED TO THE FUTURE OF RURAL COMMUNITIES”

USDA is an equal opportunity Provider, Employer, and Lender

This electronic message contains information generated by the USDA solely for the intended recipients. Any unauthorized interception of this message or the use or disclosure of the information it contains may violate the law and subject the violator to civil or criminal penalties. If you believe you have received this message in error, please notify the sender and delete the email immediately.

Melissa Henshaw

From: Gary Paxton (Assembly)
Sent: Sunday, July 26, 2020 1:01 PM
To: John Leach; Brian Hanson
Subject: Fwd: AG Opinion on Local Control of Face Covering Mandates

I believe I already sent this, I am just reviewing my emails. Pax

Gary Paxton
Mayor, City of Sitka

Begin forwarded message:

From: Nils Andreassen - AML <nils@akml.org>
Date: July 24, 2020 at 9:12:41 AM AKDT
To: "Gary Paxton (Assembly)" <assemblypaxton@cityofsitka.org>
Subject: **AG Opinion on Local Control of Face Covering Mandates**
Reply-To: nils@akml.org



Just the Messenger

The Governor asked me to join a call with the Attorney General and his legal team this week. The topic? Local government, local control, and COVID-19 - whether local governments have the ability to establish a mandate requiring face coverings and other mitigation measures during this public health emergency.

The Attorney General firmly believes that all classes of cities and boroughs have the ability to make such a determination, per both Title 29 - provision of police powers, and all other powers not otherwise prohibited by law - ; and Title 26 - provision to exercise all powers necessary under a declared emergency.

The case was made for local control – that a statewide mandate would impact all communities, including those that may not have cases, thereby unduly burdening those residents. It is clear that the Governor feels that local control means the ability to make this decision, or not, based on local input, under local authority.

I have asked for the Attorney General's opinion in writing and will forward subsequent documentation once we receive a response. We'll be following up with them today on some of the questions that we have.

Implications

Either way, local governments must grapple with the Administration's position that - as it stands - has placed responsibility for this decision on local government leaders. Ultimately, the State's position will increase public expectations for local decisions one way or another.

We see a number of scenarios playing out based on members' feedback:

- Your municipal attorney disputes the State's assertion, continuing to advise that the local government does not have that power, nor should it accept the liability that may come with enforcement;
- You accept the State's position, introducing an emergency ordinance under your current emergency declaration and/or referencing the State's current emergency declaration – it stands or does not based on public input and the Council's/Assembly's votes;
- You neither accept nor refute the State's assertion, and take no action; or
- At some point the Governor changes his position on a statewide mandate, and asserts one, potentially preempting local mandates.

To some extent, and I don't think this should be downplayed, this may be less a powers issue and more one of capacity. Ultimately, are local governments that don't currently have public health powers able to make public health decisions, based on what expertise or knowledge, and how are they to enforce them?

Support for Local Control

AML fundamentally supports whatever decision you make, recognizing local control in exactly these kinds of circumstances. At the same time, we want to make sure that you have the support you need depending on the choices you make.

Given there is little support needed for some of the scenarios provided, we then base our assistance on the capacity question. To make a public health decision you need 1) data, 2) assessment of data, and 3) options in response to data. Finally, 4) are there models to work from.

1. The State makes publicly available the data that they have - <https://coronavirus-response-alaska-dhss.hub.arcgis.com/>

•

2. Both the State and the CDC have provided an assessment of the data based on threat levels.

- Here is how DHSS categorizes threat levels - <http://dhss.alaska.gov/dph/Epi/id/Pages/COVID-19/alertlevels.aspx>
- CDC assessment provides the following to assess red or yellow zones –
 - Red Zone: Those core-based statistical areas (CBSAs) and boroughs that during the last week reported both new cases above 100 per 100,000 population, and a diagnostic test positivity result above 10%.
 - Yellow Zone: Those core-based statistical areas (CBSAs) and boroughs that during the last week reported both new cases between 10-100 per 100,000 population, and a diagnostic test positivity result between 5-10%, or one of those two conditions and one condition qualifying as being in the "Red Zone."
- The New York Times takes the State and CDC data and provides this information in a relatively straightforward way to use - <https://www.nytimes.com/interactive/2020/us/alaska-coronavirus-cases.html>

3. The CDC has provided guidance [here](#) as to what kinds of policy decisions could be made in response to different threat levels. The summary of recommendations include:

- Recommend cloth face coverings and maintaining 6 ft distancing for people outside of their homes. Emphasize mask wearing, especially in jurisdictions where cases are occurring.
- Mandate mask wearing in boroughs with increasing case counts.
- Continue testing program for seafood workers.
- Continue testing programs for nursing homes and long-term care facilities. Require all staff in nursing homes to wear face masks.
- Investigate outbreaks aggressively, and focus contact tracing efforts on known outbreaks.

4. The City of Dillingham and City and Borough of Juneau, among others, have passed mask mandates. Here are their ordinances, in case you are considering.

Dillingham

Juneau

Additional Resources

The CDC provides policy recommendations for cities and boroughs in the red and yellow zone. These are on page 4 of this document, provided to the states by the CDC via the White House Task Force on Coronavirus on July 14.

<https://www.cdc.gov/coronavirus/2019-ncov/community/community-mitigation.html>

Smart Start – here is what DEED/DHSS has developed for school districts. It gives you some sense of how to scale up or down in your community, and what actions might be taken in response to different threat levels.

<https://education.alaska.gov/news/COVID-19/Alaska%20Smart%20Start%202020%20Framework%20Guidance.pdf>. This is also a

Melissa Henshaw

From: Gary Paxton (Assembly)
Sent: Tuesday, May 26, 2020 6:03 AM
To: John Leach
Subject: Re: boatyard

Noted

Gary Paxton
Mayor, City of Sitka

On May 25, 2020, at 3:13 PM, John Leach <john.leach@cityofsitka.org> wrote:

Linda,

Thank you for your continued interest and willingness to assist in this project.

As we work through negotiations, we'll make every effort to ensure the needs of our fleet are met. We have no contract obligation with WC at this point, and nothing will be finalized until we ensure that the technical requirements can be met. If they can't be met, we'll go back to the drawing board.

The important thing to keep in mind is that we need to work through the current process first. I'm sure you are familiar, but if we advertise an RFP with a deadline for submission, receive a qualifying bid by the deadline, but then begin negotiating or strategizing other avenues without formally accepting or declining the bid based on advertised requirements, we open ourselves up to lawsuits and contract protests. If we determine there is a reason within the requirements of the RFP to reject all bids, we will do so in the best interests of the City, but that process needs to finish.

The City does not have an interest in operating a haul out or shipyard, however, we feel it is important to offer City land under lease terms to potential developers and operators since a service is so essential to Sitka's fleet. It is also not within the City's expertise to design or construct said haul out, which is why we preferred the private sector to do it. Any private bidder would be welcome and encouraged to solicit input and assistance from local experts to develop their own proposal for use of the property to serve Sitka's fleet.

Grant money cannot normally be "passed thru" to a private sector entity unless the grant specifically allows it and there is a subgrant agreement in place – it's a very complicated process. We are not seeking any fundraising or private sector investment, but we are willing to lease the property to a private developer with a competitive and qualifying bid to provide the service.

Please stay tuned as things progress. If it is determined that we need to resolicit, I'll look forward to other bids and contract offers to design, construct, and operate a marine haul out in Sitka. If grant money becomes a reality, and we can't reach an agreement with the current bidder, there is a potential that Sitka could design and construct the haulout, but contract the operation of the facility to the private sector.

Best,

From: Linda Behnken <alfafishak@gmail.com>

Date: Monday, May 25, 2020 at 2:39 PM

To: John Leach <john.leach@cityofsitka.org>

Cc: Jeff Farvour <jefarv@gmail.com>

Subject: boatyard

Hi John,

We are considering a fundraising strategy to support Sitka's haul out/boat yard. Before we go any farther, I wanted to ask you how a contribution from the private sector might complement your grant/fundraising efforts?

Happy to talk about ideas a time that works for you. I am fishing tomorrow and wednesday; around Friday.

Thanks-

Linda Behnken

Alaska Longline Fishermen's Association

PO Box 1229 Sitka, AK 99835

907 747.3400 office

907 738.3615 cell

www.alfafish.org

[Read our 2018 ALFA Annual Report](#)

2016 Champion of Change for Sustainable Seafood

good reference document throughout the school year, as each district develops their own plan based on this.

CDC Alaska Report

AML Advocacy

So, with all that said, we want to be clear about at least our next steps.

1. We will arrange a Zoom call with Dr. Zink to provide members with information about existing data, tools, and threat levels in your region
2. This communication today doesn't necessarily reflect our agreement with the legal opinion expressed by the State – we will collect responses from municipal attorneys that disagree, and work with the AG's office to address concerns that remain.
3. If requested by media, we will make public statements that support local control, while advocating for additional resources that should come from the State to augment knowledge and capacity at the local level. We will also be clear that many public health decisions remain the responsibility of the State, and that state-level leadership remains critical during this public health and economic crisis.

Again, we are not advocating for one position or another, or for you to make one decision over another. Our focus here is on how best to support you no matter where you stand; we'll stand with you.



AML | One Sealaska Plaza, Suite 200, Juneau, AK 99801

[Unsubscribe assemblypaxton@cityofsitka.org](mailto:assemblypaxton@cityofsitka.org)

[Update Profile](#) | [About our service provider](#)

Sent by nils@akml.org powered by



Try email marketing for free today!

Melissa Henshaw

From: Linda Behnken <alfafishak@gmail.com>
Sent: Wednesday, September 16, 2020 10:48 PM
To: Gary Paxton (Assembly); John Leach
Cc: alfastaff@gmail.com
Subject: Fwd: Compensation for US trade tariffs on seafood
Attachments: Seafood-Trade-Relief-Program-STRP-FAQs.pdf

FYI...also will have a summary on our website
 Linda Behnken

Alaska Longline Fishermen's Association

PO Box 1229 Sitka, AK 99835
 907 747.3400 office
 907 738.3615 cell

www.alfafish.org

[Read our 2018 ALFA Annual Report](#)

2016 Champion of Change for Sustainable Seafood

Begin forwarded message:

From: ALFA Staff <alfa.staff@gmail.com>
Subject: Compensation for US trade tariffs on seafood
Date: September 16, 2020 at 9:35:24 PM AKDT
To: Alfa Officeperson <alfastaff@gmail.com>

ALFA MEMBERS-

The U.S. Department of Agriculture Seafood Trade Relief Program has set aside \$530 million for commercial fishermen hurt by the U.S.-China trade war. Applicants can receive up to \$250,000. This is a great opportunity for eligible fishermen and is especially timely given the additional fallout from COVID-19.

Q: Who is eligible to participate in the Seafood Trade Relief Program (STRP)?

A: U.S. commercial fishermen who have a valid federal or state license or permit to catch seafood who bring their catch to shore and sell or transfer them to another party. That other party must be a legally permitted or licensed seafood dealer. Alternatively, the catch can be processed at sea and sold by the same legally permitted entity that harvested or processed



**Seafood Trade Relief Program
Frequently Asked Questions
September 9, 2020**

Eligibility

Q: Who is eligible to participate in the Seafood Trade Relief Program (STRP)?

A: U.S. commercial fishermen who have a valid federal or state license or permit to catch seafood who bring their catch to shore and sell or transfer them to another party. That other party must be a legally permitted or licensed seafood dealer. Alternatively, the catch can be processed at sea and sold by the same legally permitted entity that harvested or processed the product.

Q: I don't participate in any USDA programs. Can I apply for STRP?

A: Yes. Prior participation in USDA programs is not a prerequisite.

Q: Is there an Adjusted Gross Income (AGI) limit to participate in STRP?

A: Yes. To participate, a person or legal entity's AGI cannot exceed \$900,000 (using the average for the 2016, 2017, and 2018 tax years). However, the AGI limit does not apply if 75 percent or more of an eligible person's or legal entity's AGI comes from seafood production, farming, ranching, forestry, or related activities.

Eligible Seafood

Q: What seafood is eligible?

A: Eligible seafood species must have been subject to retaliatory tariffs and suffered more than \$5 million in retaliatory trade damages.

Eligible species are Atka mackerel, Dungeness crab, King crab, Snow crab, Southern Tanner crab, Flounder, Geoduck, Goosefish, Herring, Lobster, Pacific Cod, Pacific Ocean Perch, Pollock, Sablefish, Salmon, Sole, Squid, Tuna and Turbot.

Q: What aquaculture species are eligible under STRP?

A: In general, seafood grown in controlled conditions are not eligible for STRP. However, geoduck and salmon grown in controlled conditions are eligible.

Application

Q: When does STRP sign up start and end?

A: Program sign up will begin September 14, 2020 and ends December 14, 2020.

Q: Do all producers need to apply through the Farm Service Agency?

A: Yes. Producers of all eligible seafood must apply for assistance through their local USDA Farm Service Agency (FSA) Service Center. Fishermen can locate their Service Center, download application forms, and find additional information at farmers.gov/seafood.

Q: How can I prepare to apply for STRP?

A: If you are a new customer to USDA, your local FSA staff will work with you to apply for the program, and will ask for this type of information:

- Name and address
- Personal information, including your Tax Identification Number
- Farm operating structure
- Adjusted Gross Income compliance certification to ensure eligibility
- Direct deposit information to enable payment

Q: My local USDA Service Center is not open for walk-in service. How do I apply for STRP?

A: USDA Service Centers are open for business, including some that are open to visitors to conduct business in person by appointment only. All Service Center visitors wishing to conduct business with FSA should call ahead and schedule an appointment. While program delivery staff will continue to come into the office, they will be working with producers in office (where available), by phone and using online tools. You can find the phone number and the location of your local USDA Service Center at farmers.gov/seafood and view the status of your local Service Center at farmers.gov/coronavirus.

Q: Where can I get a STRP application?

A: Applicants can download application forms at farmers.gov/seafood starting September 14, 2020. Producers also have the option of signing and sharing their STRP applications using our new document signature solutions initiated by Service Center staff.

Q: Are STRP funds a loan that must be repaid? Is there a fee to apply?

A: No. STRP is not a loan program and there is no cost to apply.

Q: Is STRP a first-come, first-served program? Will the funds run out once a certain number of applications are received?

A: No, STRP is not a first-come, first-served program. The average domestic landings reported between 2017 and 2019 were used to determine payment rates per pound of eligible seafood commodities. The total amount of estimated damage was used to determine how much funding would be needed, and knowing payments are limited to \$250,000 for all seafood commodities combined per person or legal entity.

Payments

Q: How much is USDA spending to directly support fishermen negatively impacted by unfair retaliatory tariffs?

A: STRP will provide up to \$530 million in direct support for commercial fishermen.

Q: When are payments expected to begin?

A: Program approval is handled at the local level and FSA county offices process applications as they receive them. The timeline for this approval process, including required internal

controls and data validation, varies from county to county and applications are paid as they are approved.

Q: What are the payment limits for STRP?

A: There is a payment limitation of \$250,000 per person or entity for all seafood combined.

Funding and Payment Calculations

Q: How will STRP help commercial fishermen impacted by unfair retaliatory tariffs?

A: STRP will provide commercial fishermen with direct financial assistance that gives them the ability to absorb sales declines and increased marketing costs associated with retaliatory tariffs.

Q: How were payment rates determined?

A: Payment rates were calculated using USDA's assessment of the expected trade damage by the 2019 landings for each species.

For more information on the Seafood Trade Relief Program, visit farmers.gov/Seafood.

the product.

Q: What seafood is eligible?

A: Eligible seafood species must have been subject to retaliatory tariffs and suffered more than

\$5 million in retaliatory trade damages.

Eligible species are Atka mackerel, Dungeness crab, King crab, Snow crab, Southern

Tanner crab, Flounder, Geoduck, Goosefish, Herring, Lobster, Pacific Cod, Pacific Ocean

Perch, Pollock, Sablefish, Salmon, Sole, Squid, Tuna and Turbot.

[Here is the USDA page](#) where the application and instructions can be found. Applications opened on September 14 and will be open through December 14.

Attached is a fact sheet to help you understand the process

Call if you have questions!

Linda

--

ALFA Staff

304 Baranof St.

Sitka, AK 99835

[Read our 2018 ALFA Annual Report](#)

Melissa Henshaw

From: Linda Behnken <alfafishak@gmail.com>
Sent: Wednesday, September 16, 2020 9:29 PM
To: Gary Paxton (Assembly)
Cc: John Leach
Subject: Re: USDA Seafood Trade Relief Program

Thanks Gary. I have sent out one email about this to our members, as has SPC. We are about to send another now that the application period is open. All help sharing the info so fishermen know to apply would be helpful.
 Linda Behnken

Alaska Longline Fishermen's Association

PO Box 1229 Sitka, AK 99835
 907 747.3400 office
 907 738.3615 cell

www.alfafish.org

[Read our 2018 ALFA Annual Report](#)

2016 Champion of Change for Sustainable Seafood

On Sep 16, 2020, at 7:38 AM, Gary Paxton (Assembly) <assemblypaxton@cityofsitka.org> wrote:

Linda, I am sure you are on top of this, is there anything the city can do to help. Pax

Gary Paxton
 Mayor, City of Sitka

Begin forwarded message:

From: Kevin McGowan <Kevin.McGowan@akleg.gov>
Date: September 16, 2020 at 7:28:08 AM AKDT
To: Kevin McGowan <Kevin.McGowan@akleg.gov>
Subject: USDA Seafood Trade Relief Program

Hi District 35 leaders,

We're sending this to you as a heads up due to your roles in your respective communities. Please help spread the word to folks that it may help.

The U.S. Department of Agriculture Seafood Trade Relief Program has set aside \$530 million for commercial fishermen hurt by the U.S.-China trade war. Applicants can receive up to \$250,000. This is a great opportunity for eligible fishermen and is especially timely given the additional fallout from COVID-19.

Q: Who is eligible to participate in the Seafood Trade Relief Program (STRP)?

A: U.S. commercial fishermen who have a valid federal or state license or permit to catch seafood who bring their catch to shore and sell or transfer them to another party. That other party must be a legally permitted or licensed seafood dealer. Alternatively, the catch can be processed at sea and sold by the same legally permitted entity that harvested or processed the product.

Q: What seafood is eligible?

A: Eligible seafood species must have been subject to retaliatory tariffs and suffered more than \$5 million in retaliatory trade damages. Eligible species are Atka mackerel, Dungeness crab, King crab, Snow crab, Southern Tanner crab, Flounder, Geoduck, Goosefish, Herring, Lobster, Pacific Cod, Pacific Ocean Perch, Pollock, Sablefish, Salmon, Sole, Squid, Tuna and Turbot.

[Here is the USDA page](#) where the application and instructions can be found. Applications opened on September 14 and will be open through December 14.

I'm also attaching a FAQ sheet about the program.

Please let me know if you have any questions.

Best,

Kevin McGowan
Office of Rep. Kreiss-Tomkins
907.738.0942

<Seafood-Trade-Relief-Program-STRP-FAQs.pdf>

Melissa Henshaw

From: Nils Andreassen <nils@akml.org>
Sent: Monday, August 31, 2020 3:58 PM
To: mayor@cityofangoon.com; calvin.casipit@gustavus-ak.gov; jhill@haines.ak.us; mayor@cityofhoonah.org; beth.weldon@juneau.org; citymanager@cityofkake.org; mayor@ktn-ak.us; mayorweller@pelicanity.org; fvtwilight39094@gmail.com; Gary Paxton (Assembly); Andrew Cremata; citytke@gmail.com; stephenprysunka@gmail.com; mayor@cityofcordova.net; mayor@ci.homer.ak.us; joneil@valdezak.gov; joe.bereskin@akutanak.us; chignikcitymayor@gmail.com; administratorcoldbay@gci.net; mayor@falsepass.net; hmackmayor@gmail.com; oldharborcitycouncil@gmail.com; mayor@ouzinkie.us; cityofportlions@gmail.com; Rodneyd@kgbak.us; pbranson@city.kodiak.ak.us; reginald@metlakatla.com
Cc: rorie.watt@juneau.org; citymanager@cityofkake.org; karla@ktn-ak.us; 'connie@metlakatla.com'; cityhall@pelicanity.org; sgiesbrecht@petersburgak.gov; John Leach; Brad Ryan; citytke@gmail.com; lvonbargen@wrangell.com; manager@yakutatak.us; citymanager@cityofcordova.net; citymanager@cityofseldovia.com; mdetter@valdezak.gov; citymanager@whittieralaska.gov; tuna.scanlan@akutanak.us; chignikcitymayor@gmail.com; administratorcoldbay@gci.net; cityoffalsepass@ak.net; amberj@kingcoveak.org; oldharborcitycouncil@gmail.com; cityclerk@ouzinkie.org; cityofportlions@gmail.com; jkeeler@sandpointak.org; rubend@kgbak.us; mtvenge@city.kodiak.ak.us; Alekka Fullerton; Dianne Blumer; Heather Brakes; Portland Highbaugh; Robert Dumouchel
Subject: AMHS planning - next steps
Attachments: RES 08-20-1539 DECLARING AN ECONOMIC DISASTER.pdf

A month from now will be the day after the release of the final report and recommendations of the AMHS Reshaping Working Group.

I wonder if we should be planning to say something around that same time, and what we would say. “We” in this case not necessarily being AML, but municipal officials as part of a coordinated effort. There are a number of options to consider:

1. A press conference via Zoom where a number of you could make statements in response, and field questions by reporters. We’d recognize that there hadn’t been enough time to go over everything in detail, but here are our initial responses... This would be an efficient way to do it, and assumes we actually get a report on time.
2. A session we organize with a plan of our own, assuming we could come up with a plan. The goal here is to anticipate that not all options are recommended, and that a preferred municipal approach may counter the recommendations of the Working Group.

To this latter point, some of this is strategy. If we can offer a credible plan, it inserts a level of uncertainty into the overall process, which gives us room to advance municipal priorities. What would an alternative plan look like? Well, I’d like to talk about the following.

- I am interested in and think we could advance the idea for system-wide, locally driven regional transportation planning, through the establishment of an RTPO
 - See more here - https://www.planning.dot.gov/documents/RTPO_factsheet_master.pdf
- Even if we aren’t 100% committed to that, it gets us to a good point for articulating the need for municipal officials at the table, regional planning, plus brings in federal funds and processes
- Fitting within this structure there would be room for concepts of regional port authorities, where that’s been of interest, and the concept of moving AMHS to a corporation model – regional planning doesn’t take those things off the table
- This would continue to demonstrate our interest in collaborating, which is a good narrative to maintain

- It's – I think – an additional request of the State, and pushes back on DOT to some extent, on something they can't be against on the basis of budget
- We could meet a couple times over the next two weeks, if you're interested, to discuss and learn more, and develop more of a plan

Let me know if you are 1) interested in pursuing this RTPO idea at all or just have questions and want to discuss and 2) interested in something more like a press conference, or 3) either way, interested or not in some kind of next step. Looking forward to staying in touch on these issues.

On another note, I wanted to share the attached, from Wrangell, in case others are considering such a declaration.

Nils Andreassen

Executive Director, Alaska Municipal League

One Sealaska Plaza, Suite 200, Juneau, AK 99801

Direct (907) 790-5305 or Cell (907) 351-4982

"Strengthening Alaska Municipalities"

CITY AND BOROUGH OF WRANGELL

RESOLUTION NO. 08-20-1539

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA DECLARING AN ECONOMIC DISASTER IN THE CITY AND BOROUGH OF WRANGELL, ALASKA DUE TO COVID-19 AND POOR REGIONAL RETURNS OF ALL SALMON SPECIES

WHEREAS, Wrangell has two seafood processing plants which operate seasonally each year; and

WHEREAS, in January 2020 the City and Borough of Wrangell was notified by Trident Seafoods they would not be opening the Wrangell plant based on poor salmon return projections; and

WHEREAS, in response to federal and state disaster declarations, the City and Borough of Wrangell passed Ordinance No. 976 on March 17, 2020 declaring a COVID-19 Emergency in Wrangell; and

WHEREAS, on March 21, 2020 the President of the United States issued Disaster Declaration No. 16386, Disaster No. AK-00046, freeing up economic assistance through the Small Business Administration for businesses impacted by COVID-19; and

WHEREAS, numerous federal and state economic programs have been established for business assistance due to impacts from COVID-19; and

WHEREAS, the City and Borough of Wrangell has seven different grant programs for businesses and agencies to help mitigate the economic impacts of COVID-19; and

WHEREAS, the June 2020 Wrangell Business Climate and COVID-19 Impacts Survey revealed Wrangell business revenue was down 53% in 2020 through June, compared to the same period in 2019; and

WHEREAS, the June 2020 Wrangell Business Climate and COVID-19 Impacts Survey also revealed more than one-third (36%) of respondents said that they are at risk of closing permanently; and

WHEREAS, the June 2020 Wrangell Business Climate and COVID-19 Impacts Survey further revealed responding Wrangell employers have already laid off 28% of their total workforce due to the COVID-19 virus, and cancelled hiring an additional 124 workers. More than two-fifths of businesses (41%) expect to cut more staff; and

WHEREAS, the 2020 Southeast Jobs COVID Impacts Report, issued August 21, 2020 confirms Wrangell has a 10.8% unemployment rate as compared to 7.7% in 2019; and

WHEREAS, the 2020 Southeast Jobs COVID Impacts Report also outlines the regional change in Southeast Jobs from April to July 2020 compared to 2019 including a 50% drop in Transportation jobs; a 38% decline in Leisure and Hospitality jobs; and loss of 27% in Seafood Processing jobs; and an 11% reduction in Retail jobs; and

WHEREAS, Southeast Alaska, including Wrangell is enduring the complete cancellation of the summer cruise season, the impact of which to Wrangell is a loss of 21,000 visitors (based on 2019 numbers in the May 2020 Wrangell, Alaska Economic Conditions Report); and

WHEREAS, annual summer visitor spending in Wrangell exceeds \$5.16 million (based on 2018 numbers in the May 2020 Wrangell Alaska Economic Conditions Report) , including visitors arriving by cruise ship, ferry, yacht and air, all of which have seen catastrophic declines due to COVID-19; and

WHEREAS, though the fishing season has not yet concluded, reports from the Commercial Fishing Fleet indicate an abysmal year for salmon returns in the region, along with a significant drop in the prices paid to fishermen by processors; and

WHEREAS, the COVID-19 Pandemic and related economic impacts are expected to continue for the foreseeable future; and

WHEREAS, poor regional salmon returns suggest the fishing season could be worse than 2016 when a Presidential Disaster Declaration for the Pink Salmon fishery was issued.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, THAT:

SECTION 1. An Economic Disaster is hereby declared in the City and Borough of Wrangell due to COVID-19 and Poor Regional Returns of All Salmon Species.

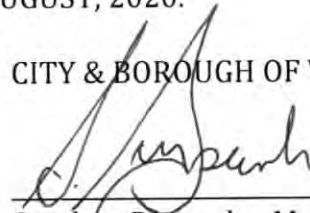
SECTION 2. The Assembly of the City and Borough of Wrangell, Alaska urges the State of Alaska and United States Secretary of Commerce to issue two Economic Disaster Declarations:

- A) 2020 Statewide Tourism Disaster resulting from the COVID-19 Pandemic;
- B) 2020 Southeast Alaska Salmon Fisheries Disaster resulting from poor returns and harvests of all salmon species.

SECTION 3. This resolution and Economic Disaster Declaration take effect immediately upon passage and approval.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF
WRANGELL, ALASKA THIS 25th DAY OF AUGUST, 2020.

CITY & BOROUGH OF WRANGELL



Stephen Prysunka, Mayor

ATTEST:


 Kim Lane, MMC, Borough Clerk


Melissa Henshaw

From: Gary Paxton (Assembly)
Sent: Tuesday, August 11, 2020 7:48 AM
To: Linda Behnken
Cc: John Leach
Subject: Re: Haul out work group

Linda, thanks for your input, sounds good to me. Regards, pax

Gary Paxton
Mayor, City of Sitka

On Aug 10, 2020, at 10:35 PM, Linda Behnken <alfafishak@gmail.com> wrote:

Dear Mayor Paxton and Members of the Assembly,

I am writing to support appointment of Kevin Knox and Thor Christianson to the Sitka haul out work group.

We have worked closely with Kevin on goals for the boatyard for some months and know him to be reasoned in his approach and willing to listen to input from Sitka's boat owners and support sector business owners. Thor has likewise demonstrated his commitment to finding a long-term solution that meets the needs of the local fleet. We support your decision to form a work group and the appointment of both Kevin and Thor to that work group. We ask that you also include in that work group members of the industry who have boatyard experience and expertise. The ad hoc haul out group that met throughout last winter includes a number of candidates with the vision, experience and deep commitment to this project.

As you know, ALFA considers the construction of a Sitka haul out and boatyard to be the highest priority for the Sitka fishing fleet. That said, to be successful the haul out must meet the needs of the local fishing fleet and provide a healthy work environment for Sitka's many talented support sector businesses. We urge the City to consider not only retaining the land on which the boatyard is built but also creating a boatyard manager job within the City to ensure the yard continues to maximize benefits to Sitka and Sitka's fishing fleet over time. We recognize current budget constraints make this a less favored option, but a well run boatyard has the potential to more than pay for itself through multi-level contributions to Sitka's economy. Please keep this option on the table as you move ahead.

Thank you for your attention to this important issue. Again, we support creation of a haul out work group and the appointment of Assembly Members Thor and Kevin to his work group.

Sincerely,
Linda Behnken

Alaska Longline Fishermen's Association
PO Box 1229 Sitka, AK 99835
907 747.3400 office
907 738.3615 cell

[Read our 2018 ALFA Annual Report](#)

2016 Champion of Change for Sustainable Seafood

Melissa Henshaw

From: Katie Riley <katie@sitkawild.org>
Sent: Monday, August 10, 2020 10:17 AM
To: Gary Paxton (Assembly)
Cc: John Leach; Renee Wheat; Chandler O'Connell; Cora Dow
Subject: Re: Invitation to tour the Summer Food Service Program

Mayor Paxton and Mr Leach:

Thank you for the prompt responses. We look forward to hosting you this Friday!
 Please meet me at the entrance to Sweetland Hall on the Sitka Fine Arts Campus at 7:30 AM. You can contact me at 907-209-2019 if you have any questions/concerns.

Best
 Katie Riley

On Mon, Aug 10, 2020 at 7:17 AM Gary Paxton (Assembly) <assemblypaxton@cityofsitka.org> wrote:
 Either Friday works for me, so. Let's do it on the 14th. Pax

Gary Paxton
 Mayor, City of Sitka

On Aug 9, 2020, at 8:47 PM, John Leach <john.leach@cityofsitka.org> wrote:

Thank you for the invitation, Katie.

I'm available either day, so I'll defer to the Mayor on his availability.

From: Katie Riley <katie@sitkawild.org>
Date: Friday, August 7, 2020 at 8:01 AM
To: "Gary Paxton (Assembly)" <assemblypaxton@cityofsitka.org>, Administrator <administrator@cityofsitka.org>
Cc: Renee Wheat <renee.wheat@cityofsitka.org>, Chandler O'Connell <chandler@sitkawild.org>
Subject: Invitation to tour the Summer Food Service Program

Hello Mayor Paxton and Mr. Leach,

I would like to extend an invite to tour Sitka's local USDA Summer Food Service Program that is being hosted by the Sitka Conservation Society in partnership with Kids Kupboard, the Sitka Tribe of Alaska, and Youth Advocates of Sitka. This program is a great example of community partners working together to meet the immediate needs of families and youth struggling with food security, while also working to add value to our community by serving local foods and creating employment opportunities for community members and youth. The Sitka School District was also extremely helpful in getting this program off the ground and creating a seamless transition so that we are able to keep Sitka's kids well-nourished over the summer months.

There is an amazing amount of time, effort, and collaboration that goes into distributing some 5600 meals a week and we would love for our Mayor and Administrator to be able to experience this example of community resilience in action. We distribute the meals on Tuesday and Friday mornings, and the best time to see how the program functions is between 7:30 and 8 AM. We would like to invite you to visit on a Friday if possible, so that you are able to see the menu special featuring local seafood provided by ALFA!

Please let me know if you are both available for a program tour on Friday, August 14th or Friday, August 21st from 7:30-8:15.

Best,

Katie Riley

--

Katie Riley

Policy Engagement Director

Sitka Conservation Society

katie@sitkawild.org

(907) 209-2019 (cell)

--

Katie Riley
Policy Engagement Director
Sitka Conservation Society
katie@sitkawild.org
(907) 209-2019 (cell)

Melissa Henshaw

From: Gary Paxton (Assembly)
Sent: Sunday, August 9, 2020 7:57 AM
To: Stephen Rhoads
Cc: John Leach
Subject: Re: local food needs draft

Stephen, thanks for your good work and suggestion on how to use sea food for those in need. Pax

Gary Paxton
Mayor, City of Sitka

On Aug 8, 2020, at 9:29 AM, Stephen Rhoads <srhoads@spcsales.com> wrote:

Mr Mayor and Members of the Assembly,

SPC and Sitka Sound Seafoods have quietly been supporting local charities and aid groups in Sitka for many years. It is hard to quantify how many fish tacos and fish chowders have been served over the year at local events. With the onset of the pandemic, the need for local food changed from fundraising to food insecurity in our community.

Sitka Mutual Aid and ALFA have been performing a critical role of managing the distribution on the fish. As a wholesale company, it is difficult to meet the needs of small volumes of fish for those in need. Alfa was awarded funding to complete this last critical step. We sent one of our employees out on one of the delivery runs in June. It was rewarding to see that the donations from SPC and our members were making it all the way to hungry Sitkans. As word of the program has spread, we have been donating fish to other organizations as well. Ricco Mulligan needs special mention. He has been connecting our fish donations to organizations that were not being reached at first. He personally has delivered fish to Sitka Elks Lodge, Sitka Catholic and Lutheran churches, and the Salvation army. Ricco's efforts are not a new thing. He has been volunteering his time for the benefit of others for most of his life.

Our program has revolved around getting the most people fed for the least spending. In March, there wasn't any federal or local funding available. We have been using rockfish overage that cannot enter commerce to fill the need. ALFA agreed to pay for our processing costs of \$1.00 per pound. We have not and do not intend to bill anyone for processing of fish that is going to the community.

If the City of Sitka decides to use any Cares act funding to purchase and distribute seafood caught in Sitka to the community, we encourage you to first help support the grassroots projects that are already in place. If there is momentum to expand fish donation programs to purchase fish from processors at wholesale prices, we encourage you to reach out to Sitka processors who have lead the way on this endeavor.

It has been my pleasure this year to work with Silver Bay Seafoods and Sitka Sound Seafoods in our efforts to prepare for and mitigate the effects of Covid-19. Our relationships have moved from friendly competitors to community advocates. The sharing of planning and resources has been generous from all parties. It is our hope that these relationships will benefit the fleet and Sitka past this pandemic.

Seafood Producers Cooperative looks forward to working with Sitka Tribe of Alaska, the City and Borough of Sitka and other organizations looking to meet the needs of our community throughout this pandemic.

Stephen Rhoads
Seafood Producers Cooperative
507 Katlian St
Sitka AK 99835
srhoads@spcsales.com
<http://www.spcsales.com/>
(907) 738-0128 Mobile

Melissa Henshaw

From: Gary Paxton (Assembly)
Sent: Tuesday, June 9, 2020 7:35 AM
To: Dan Cooper
Cc: John Leach; Garry White
Subject: Re: Shipyard at GPIIP

Dan, thanks for your detailed update of your haul out vision. I appreciate the hard work you and Kelly are doing on this important project. Pax

Gary Paxton
 Mayor, City of Sitka

On Jun 8, 2020, at 9:42 PM, Dan Cooper <sitkaindustrialmarineshipyard@gmail.com> wrote:

Dear Mr. Mayor ,

We wanted to write to you in an effort to bring you up to date on our work toward a new marine haul out facility here in Sitka. We also wanted to let you know that moving forward, WC Enterprises will be forming a new business referred to as Sitka Industrial Marine Shipyard or SIMS. This change has been made to better describe to the community who we are and what we are hoping to accomplish with this new marine haul out facility.

In order to provide our local fleet with a shipyard that they will be more comfortable with, we spoke with many boat owners and listened to what they would like to see in a new shipyard. We have shared with them our desire and plan as well as how and why we are moving in the direction we have chosen. We also wanted the opportunity to hear any and all concerns they may have. We found that almost across the board, everyone agreed that Sitka needs a new shipyard. We listened to many good ideas that we may incorporate to improve the end result.

We heard many good suggestions, received a lot of support, and listened to quite a few concerns. Because it is our desire is to build a new shipyard that's capable of providing a great experience for everyone, we take every good suggestion to heart and we have listened to all of the concerns, and will continue to do so. Being an Assembly member and most likely hearing a lot of these same concerns, we wanted to address a few of the larger issues and let you know what we are doing to try to alleviate them.

Below is a list of the most common concerns and how we are addressing them.

- **We have been accused of working to expand Silver Bay Seafoods**

We wanted to start with this complaint because it honestly has no merit. Kelly Warren has boats that do contract work for Silver Bay Seafoods but that is the extent of his involvement with the company. There is no question that Silver Bay Seafoods knew very well that they could have submitted a proposal for a marine shipyard if they had such a

desire. We have no hidden agenda, no plans to expand Silver Bay Seafood into the shipyard areas. The shipyard will need all of the space made available in the RFP to make it successful.

- **We have been criticized for the type of machine that will be available to haul the boats.**

Having limited funds to tackle such a project, we thought it best to use a machine capable of hauling boats that would utilize the existing ramp infrastructure. But try as we might the majority of the boat owners want to use a traditional boat slip and sling lift to haul their boats. Toward that end we have made a lot of progress in ways to build in that infrastructure and will continue our work in that direction in order to give the fleet what it desires.

- **It has been suggested that we will only have leasable space for our own Service Providers**

We heard a concern that we would only provide space for service providers that we liked or would benefit from financially. To be honest we don't know of a single business that would operate in such a way. This would exclude the very people and businesses that are needed most for this to succeed. You can rest assured that we won't turn away a service provider that wants to setup a shop to provide a service to Sitka's fleet. We have been trying to communicate this to as many people as we can and will continue talking to the service providers so they are aware of their importance in this undertaking. Space will be available to services and its availability will be on a first-come-first-serve basis.

We also heard concerns that we would charge outrageous fees for shop locations. We have maintained from the beginning that we have no intention on trying to profit from the businesses that provide a service to the fleet. Toward that end we have openly stated that we will not charge a service provider more than our cost for any leased space and will include such in every lease contract provided to any business owner that desires to setup a shop in the shipyard. This will help the fleet directly by reducing service provider operating costs which hopefully they will pass on to their customers.

- **Rumors were floated about the small and large size capabilities of the haul out machine, and not being able to haul smaller boats.**

There is a bit of concern that we are only interested in hauling larger boats because Kelly Warren has big boats and wants to haul them in Sitka. It is true that Kelly has bigger boats now but that has not always been the case. He started with a 38ft troller and has had several boats in the 40 to 50-foot range and knows all too well the need to be able to haul boats of all sizes.

We have been trying to communicate to the public that bigger boats only constitute a small percentage of the fleet, so to build a shipyard that can only haul out a small percentage of the fleet would be a huge mistake and a poor business strategy for any shipyard in a small town. Economically, it makes no sense and we will have no interest in providing a machine that does not have the capability to haul the smaller boats.

We have attached several links to boat lift videos to give an idea of the different options. Please understand that the videos are for reference only and the machine we end with may be a combination of several lift attributes.

We are hoping to have a Facebook page up soon so that we can hear from the public as well as provide information about us and what we are doing in our effort to provide Sitka with a great new shipyard facility. As soon our page is available, we will forward you the link so you can provide it to anyone who has questions or concerns.

We appreciate your time and hard work spent on this project and look forward to hear any feedback you may have for us.

Sincerely,
Dan Cooper
Kelly Warren
Sitka Industrial Marine Shipyard

Ascom 200 Ton Parallel Tire

<https://www.youtube.com/watch?v=Ahy8X-zKYJ8>

Boat Works 100 Ton

<https://www.youtube.com/watch?v=ICEyWtrh0q0>

Ascom 250 Ton Inline Tire

<https://www.youtube.com/watch?v=WjE02fiC3Yc>

Croc Lift 160 Ton Amphibious

<https://www.youtube.com/watch?v=mqn4UQdOF3U>

Crock Lift Amphibious Sling

<https://www.youtube.com/watch?v=gzrY760npzQ>

Melissa Henshaw

From: Gary Paxton (Assembly)
Sent: Tuesday, June 2, 2020 8:10 AM
To: John Leach
Subject: Fwd: Draft-GPIP boatyard stragic planning, comments for Special Meeting.docx

He is suffocating. Pax

Gary Paxton
 Mayor, City of Sitka

Begin forwarded message:

From: John Leach <john.leach@cityofsitka.org>
Date: June 1, 2020 at 8:18:31 AM AKDT
To: John Leach <john.leach@cityofsitka.org>
Subject: FW: Draft-GPIP boatyard stragic planning, comments for Special Meeting.docx

FYI if you're following along.

From: jeremy Serka <jserka@ak.net>
Sent: Sunday, May 31, 2020 9:00 PM
To: Administrator <administrator@cityofsitka.org>
Subject: Re: Draft-GPIP boatyard stragic planning, comments for Special Meeting.docx

Hi John,

I appreciate you're response and understand the workload. We too are very busy right now. All of the commercial fishing seasons are in full swing by July 1st so the month of June is always our busiest time of the year.

I would like to clarify my position and answer a few of you're questions.

First, as for the "contradictions" that I see in the WC proposal and the RFP:

. When you and the GPIP board graded the proposals, the WC proposal received what would be a C- and SSI got an F . Does the city think that a C- is as good as it gets?

. In the RFP request it states: " Section B. - " The goal of CBS is to create a **privately funded** and managed **marine service shipyard** at the GPIP." This is the first line of the RFP and the main reason it was put out in the first place. The city wanted a private company to fund the construction and operation of the yard. This is also the main reason that you didn't see a proposal from me or one of my affiliates. Also, in that same initial sentence of the RFP it asks for the management of a "marine service shipyard" . In my mind, " a marine service shipyard" is a place where tradesman work on boats, not simply a haul-out like HPM where there is no infrastructure to support the contractors who can repair the vessels.

Second, for the city " giving away " the land:

.Most of the GPIP property has been sold or leased out at exceptionally low rates. The center of what will become the “yard” for the boats was sold to Silverbay for how much?

.The best location for a haul -out pier for a travel lift was down the center of what is now Lee Hansen’s dock. Along with the dock, Lee Hansen has waterfront rights extending 20 feet off either side of the dock and 60 feet off the front of the dock. No matter what you do on that end of the property you will be infringing on his water rights, which includes the dirt ramp that WC and GPIP have proposed to use as a haul-out.

. The administration building was sold for 25,000\$ (what a great location to house Silverbay workers. Also I hear Trident is interested in it too)

. The land has been fragmented and subdivided. The payments hardly pay the administration costs. Does the city honestly think this land (which was once the epicenter of Sitka, the financial back-bone of this community) is worth only pennies ? The potential that this property creates for the welfare and sustainability of the city is huge.

John, I don’t know you but I’ve been told that you are an intelligent man with integrity. I wouldn’t waste my time explaining my position if I didn’t believe this to be true. I strive to run my house and business on honesty, intelligence and integrity. I understand that as the administrator of Sitka you have a duty to ensure that the city is not liable for any wrong doing. I respect and honor that, so I will explain my position so you aren’t left guessing.

1. I am a father of two boys, one loves to fish and work with his hands and the other doesn’t like to work at all but has a very sharp mind. I want these two and their friends to have opportunities here in Sitka.

2. I grew up fishing and working in the ship yard. Three generations of my family have done the same. I see that I am the only welding and fabrication business in Sitka in the position to move shop to the industrial center. To have a thriving ship yard we need to have the men and women with the expertise who can do the work. I see that my business, the Cove Partners building and a co-op of marine tradesmen is the only way to get that started. It’s simply unrealistic to think that a marine service businesses is going to be able to build a shop at the GPIP. All of the contractors whom don’t own buildings can’t afford to build a shop out there. It would take 5 - 10 years for the yard to get its first “qualified” contractor. By that time, Wrangell will have already expanded into the new pulp mill site its currently looking at.

3. I see Silver Bay Seafoods (SBS) as not only a source of fish tax and competition in the seafood industry but also a businesses who has gotten most of its assets at foreclosure prices. They have a vested interest in “ managing “ the GPIP land and haul-out. Kelly Warren was the fleet manager for Silver Bay and currently works for them and Dan Cooper just recently moved from California as a manager of a cold storage (because of Warren). Both of these guys have their businesses directly tied to Silver Bay . While SBS is a valuable part of this city, it pales in comparison to the hundreds of small businesses that this new ship yard will support.

4. I see that any future deal with WC to fund and operate a marine haul-out will entail the city either giving away the land in a form of a below market lease with option to buy, or the city funding the entire construction of the haul-out. I believe the city can keep its ownership of the land (which is crucial for the fishing industry, as Privatization of the haul-out is the reason we are here in the first place) and make changes to lease payments, zoning requirements and offer incentives to new businesses. If the company operating the haul-out of vessels wasn’t simply relying on the money generated from the hauling, washing and storing of the vessels to pay their lease payments then the city would be in a

better position to make money and facilitate future growth at the park. Lets say for instance, a company which had a vested interest in the boats it was serving operated the haul-out. This company would be in the position to give the city all the proceeds of the wash down facility and storage of the vessels. This business would also be a much stronger facilitator to the growth of the park since they would be adding the ship repair expertise which make a yard a destination rather than a place to just paint the bottom of you're boat.

5. I am not arguing for the chance to be the company that runs the haul-out. I just want you and the city to understand that there are options. Any good negotiator needs to know all the options.

Third: As for " negotiations left unchecked"

We need to keep in mind how this rfp process started and how the WC proposal got as far as it has. Hugh Bevan had a couple of months to get the ball rolling before you arrived. It was an understanding that he shared that it would take a new administrator a long while to get acquainted with the city before he was able to facilitate a new marine haul-out, so essentially he wanted the plan in place before you arrived so there wasn't any " guess work " on your end. It was suggested at a GPIIP meeting that Bevan draft an rfp to, I quote , " to just see what kind of interest there was out there." Hugh was relieved of his position just a few days after delivering the rfp. Only four weeks were given to receive any proposals for the rfp. The Sitka Haulout Group (20 or so fisherman and contractors) were involved with putting together the document to "steer" the city, GPIIP and rfp to building a marine haul-out center. I shared this document with you in our previous email, obviously the document didn't get much further than Bevan and Gary White.

You will remember, at a GPIIP internet meeting , you and the board voted on which proposal was the best, **But** - it was also mentioned at this meeting that the assembly **tasked** the GPIIP board with choosing the best proposal to go forth to the assembly meeting. Now, the majority of the assembly members assert that they had to vote to **accept the proposal because the GPIIP board had recommended it**, when in fact the GPIIP board only did what the city was supposedly asking them to do. This is a circular argument of support for a C- proposal. Also, once you have invested a considerable time in bringing WC up to speed and arranging a "terms" sheet" to present to the assembly, the assembly members will feel obligated to accept the proposal. All the while, the fisherman, contractors and other businesses whom will be directly effected by these decisions did not know about the negotiations or how to voice their concerns before the assembly meeting where they would only have 3 minutes and face a panel whom had already made their minds up. Again, a circular argument that is left unchecked.

We can only hope that intelligence and integrity will decide the fate of our marine industry. It is more than just a boat haul-out. If done right, everyone can benefit from the GPIIP property. Just ask me how this business venture can thrive for the City of Sitka, and I would be happy to share this with you.

Thank you for taking the time to understand my ideas better John, I appreciate what you do for our city.

Respectfully,

Jeremy Serka

From: John Leach <john.leach@cityofsitka.org>

Sent: Sunday, May 31, 2020 3:24 PM

To: Jeremy Serka <jserka@ak.net>

Cc: garrywhite@gci.net

Subject: Re: Draft-GPIIP boatyard stragic planning, comments for Special Meeting.docx

Jeremy,

It's been a busy week with another busy week coming! Sorry it took me so long to get back with you.

The negotiating taking place currently is:

- Necessary capital required from the city (if any)
- Their capability to haul vessels in the RFP – "Sitka has a substantial marine customer base. Approximately 665 vessels between 32 feet and 86 feet are permanently moored in the Sitka harbor system. Of those 665 vessels about 97% are 58 feet or less. Developer is expected to provide vessel haul out equipment and services that will support the Sitka fleet."
- Their capability to construct an EPA approved washdown area
- Developing a performance based option framework, meaning they must prove their capability and service to the fleet before further development can occur
- The negotiation can take as long as necessary. I offered 30 days up as an estimate to come back to the Assembly with a terms sheet for their consideration. It's planned right now for the 6/23 agenda, but again, that will just be a terms sheet.

Which core aspects are you claiming are "in contradiction"? The RFP and the proposals were evaluated by the selection committee, the GPIIP board, our Legal department, and the Assembly. No contradictions were noted.

The Assembly will not be giving away any of the land throughout any of this process. We will lease land to potential developers at a fair market value lease rate. The same rate any other bidder would get since the rate is based on a City Assessor's valuation of the property.

What do you mean by "negotiations left unchecked"?

/r
jml

On May 24, 2020, at 6:53 PM, Jeremy Serka <jserka@ak.net> wrote:

Hi Mr. Leach,

The attached document was put together by the "Sitka haulout workgroup" before the initial RFP processes. The document was written by Jeff Farvour who was tasked with summarizing the available data and professional experience relating to vessel haulout marine centers.

I hope you will take the time to analyze this document. It's imperative that the most informed judgements are used for deciding how to set up Sitka's marine haulout facility. We only get one chance at this. Allen Marine and HPM will also be hauling boats well into the summer of 2021. The corona virus has delayed many business plans. Therefore, we should not make any hasty decisions.

Sincerely, Jeremy Serka

<Draft-GPIP boatyard stragic planning, comments for Special Meeting.docx>

Sent from my iPhone

Melissa Henshaw

From: Gary Paxton (Assembly)
Sent: Wednesday, September 16, 2020 12:31 PM
To: Sara Peterson
Subject: Re: USDA Seafood Trade Relief Program

Roger

Gary Paxton
 Mayor, City of Sitka

On Sep 16, 2020, at 7:47 AM, Sara Peterson <sara.peterson@cityofsitka.org> wrote:

Thanks, Gary. I'll spread the word.

From: Gary Paxton (Assembly) <assemblypaxton@cityofsitka.org>
Sent: Wednesday, September 16, 2020 7:36 AM
To: John Leach <john.leach@cityofsitka.org>; Sara Peterson <sara.peterson@cityofsitka.org>
Subject: Fwd: USDA Seafood Trade Relief Program

Fyi

Gary Paxton
 Mayor, City of Sitka

Begin forwarded message:

From: Kevin McGowan <Kevin.McGowan@akleg.gov>
Date: September 16, 2020 at 7:28:08 AM AKDT
To: Kevin McGowan <Kevin.McGowan@akleg.gov>
Subject: USDA Seafood Trade Relief Program

Hi District 35 leaders,

We're sending this to you as a heads up due to your roles in your respective communities. Please help spread the word to folks that it may help.

The U.S. Department of Agriculture Seafood Trade Relief Program has set aside \$530 million for commercial fishermen hurt by the U.S.-China trade war. Applicants can receive up to \$250,000. This is a great opportunity for eligible fishermen and is especially timely given the additional fallout from COVID-19.

Q: Who is eligible to participate in the Seafood Trade Relief Program (STRP)?

A: U.S. commercial fishermen who have a valid federal or state license or permit to catch seafood who bring their catch to shore and sell or transfer them to another party. That other party must be a legally permitted or licensed seafood dealer. Alternatively, the catch can be processed at sea and sold by the same legally permitted entity that harvested or processed the product.

Q: What seafood is eligible?

A: Eligible seafood species must have been subject to retaliatory tariffs and suffered more than \$5 million in retaliatory trade damages. Eligible species are Atka mackerel, Dungeness crab, King crab, Snow crab, Southern Tanner crab, Flounder, Geoduck, Goosefish, Herring, Lobster, Pacific Cod, Pacific Ocean Perch, Pollock, Sablefish, Salmon, Sole, Squid, Tuna and Turbot.

[Here is the USDA page](#) where the application and instructions can be found. Applications opened on September 14 and will be open through December 14.

I'm also attaching a FAQ sheet about the program.

Please let me know if you have any questions.

Best,

Kevin McGowan
Office of Rep. Kreiss-Tomkins
907.738.0942