




City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Memorandum

To: Jim Dinley, Municipal Administrator
Mayor McConnell and Assembly Members

From: Wells Williams, Planning Director 

Subject: Update - Short-Term Rental and Bed and Breakfast Conditional Use Permits

Date: February 19, 2013

The Planning Office indicated to the Assembly, on January 8th, that additional information would be forthcoming on short term rentals and bed and breakfast conditional use permits.

The objective of the additional information would be to clarify how staff would proceed in coming months.

The strategy we outlined in January continues to hold merit. It is our intent to proceed with it later this year. Specifically, we intend to:

1. Strengthen the standard conditions for approval;
2. Require annual reports for all new bed and breakfast and short term rental conditional use approvals;
3. Continue the process of reconciling bed and breakfast and short term rental conditional use records; and
4. Create a process making official determinations that conditional use permits, where there has not been confirmed bed tax activity in the preceding 18 months, are considered abandoned by the municipality.

Due to the turnover in the Planning and Legal Departments, this effort will take longer than anticipated. While the strategy will be pursued, our initial objective is to attempt to minimize impacts on the public, the Planning Commission, the Historic Preservation Commission, and the Assembly during the staff transition period.

Since Assembly action is not specifically required to implement this approach, this memorandum is being provided as a Municipal Report.

Thank you.




City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Memorandum

To: Jim Dinley, Municipal Administrator
Mayor McConnell and Assembly Members

From: Wells Williams, Planning Director 

Subject: Short-Term Rental and Bed and Breakfast Conditional Use Permits

Date: December 4, 2012

The Planning Office was asked to do an analysis of short-term rental conditional use permits along with bed and breakfast conditional use permits. The request may have been generated, in part, from concerns about the increased number of short term rental requests.

This memorandum outlines our conclusions to date and requests that the Assembly revisit the issue in January when more information is available.

History

The City and Borough began to officially permit bed and breakfasts, through the conditional use process approximately 22 years ago. The Assembly's vision, at the time, was that bed and breakfasts allow for homeowners to rent out bedrooms in their homes that became available after children had grown up and left home. They quickly became the lodging of choice for many independent travelers.

There was a spike in the number of requests after the process was approved. The number of requests then tapered off due to the amount of effort that was required to maintain the businesses and a shift to the short-term rental option.

Short-term rentals have been conditional use permits for approximately 15 years. Short-term rentals are rentals of self contained apartments or houses for 14 days or less. Like the bed and breakfasts, they saw an initial spike after the conditional use process was adopted. A moratorium, that has since been lifted, was put in place after concerns that short-term rentals were impacting the availability of long-term rental opportunities.

A tracking mechanism for the conditional uses, after they were approved, was not put in place for either bed and breakfasts or short-term rentals. Like other conditional use permits, the most important review criterion was whether or not the proposals would adversely affect adjacent properties.

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Reconciliation Effort

Efforts to reconcile approved permits with existing operations have, in the past, met with mixed results for a number of reasons. Bed tax applies to the rental of lodging for 29 days or less and bed tax accounts are not easily cross referenced with bed and breakfasts and short-term rental conditional use permits.

The reconciliation effort was undertaken again last month with the assistance of the Finance Department.

The process involved:

1. Getting a list of bed tax accounts that were active and inactive;
2. Completing research, using the internet and other means, to determine the physical address of each operation;
3. Developing a zoning for each property;
4. Creating a cross reference between each property and conditional use permits approvals;
5. Researching multiple properties that may be combined into one bed tax account;
6. Using institutional knowledge to look for discrepancies.

The general reconciliation we have developed is as follows:

Total Bed Tax Accounts	119	
Inactive Accounts	13	
Commercially Zoned and Island Accts	65	
Bed and Breakfast Accts Conditional Uses	20	***
Short Term Rental Accts Conditional Uses	20	*****
Pending	3	
Bed and Breakfast CU Permits Applied for Historically	77	
Currently Active	20	***
Short Term Rentals CU Permits Applied for Historically	44	
Currently Active	20	*****

Numbers should not be considered internally consistent.

Some Bed Tax accounts include multiple properties.

Tracking error rate approximately 5% +/-

While the information we came up with is considered better data that was generated in previous efforts, there are numerous structural reasons that make it far from perfect. The data does, however, provide a general order of magnitude and serves as a useful starting point.

Some of the initial observations that the Planning Office comes up with are:

1. Most of the lodging operations are in commercial zones, such as out Halibut Point Road, so zoning is working;
2. There has been a high dropout rate for bed and breakfasts. We suspected that all along and the data confirms it;
3. Short-term rentals have a lower dropout rate;
4. The use of lodging brokers for lodging may result in a lower dropout rate moving forward as the burden of operating a lodging business is shifted away from the home owner;
5. The tracking mechanism can be improved.

Discussion of Recommendations - Existing Versus New Conditional Use Permits

Attached to this memorandum is a series of documents that are instrumental in understanding the recommendations that the Planning Office has developed.

The proposed steps begin with the Assembly taking time to review this information and giving other departments, such as the Legal Department, an opportunity to review the Planning Office recommendations.

The Planning Office's basic recommendations are 1) a detailed reporting requirement be put into place for new bed and breakfasts and short-term rental conditional use permits and 2) an analysis be completed the first three months of each calendar year of permits that have been inactive for a twelve month period.

The attachments to assist in understanding these recommendations are:

1. A proposed annual reporting form for new conditional uses;
2. A proposed standard conditions for approval for new conditional uses;
3. A proposed standard of findings (that are over and above those currently in the code);
4. The relevant portions of the Zoning Ordinance and bed tax code;
5. Our current bed and breakfast and short-term rental conditional use application materials.

The first three items above provide a basis for institutionalizing the tracking mechanism for new bed and breakfast and short-term rental conditional use permits.

The process of addressing existing conditional use applications is a bit more complicated. We have over 110 approvals so far in residential areas.

The Planning Office proposes that 1) staff further reviews all the permits after the first of the year with the goal of identifying and deactivating permits that are no longer in legally in effect

and 2) we make this process an annual effort the first three months of each following year. The base line data set will be quarterly bed tax returns.

The procedure for further researching the requests requires additional thought. The steps required to officially deactivate also require consultation with the municipal attorney. Bed tax returns are submitted quarterly while a conditional use permit becomes void if it's not used for the preceding twelve consecutive months.

There are obvious disconnects that cannot be readily addressed within the current code framework for existing permits. The Planning Office suggests we simply try to compensate for those code disconnects the best we can and avoid revising the Sitka General Code unless it is absolutely necessary. The way we would compensate for those would be to deactivate a conditional use permit if it's absolutely clear it hasn't been used for the preceding twelve consecutive months.

For all the reasons mentioned above, the process will continue to be imperfect. There is the expectation, however, that each culling of the permits gets us closer to a clean set of records.

There are significant accounting, policy, and legal issues involved. There are also potential impacts on local residents who have worked to create businesses that serve a major segment of our economy.

Recommended Actions:

Review the materials, have a discussion on that information provided to date, and schedule the issue for the first or second Assembly meeting in January.

CITY AND BOROUGH OF SITKA
PLANNING DEPARTMENT
SHORT-TERM RENTAL &
BED & BREAKFAST
ANNUAL REPORT

APPLICANT'S Name: _____

PHONE NUMBER: _____

MAILING ADDRESS: _____

OWNER'S NAME: _____

(If different from applicant)

REGISTERED NAME OF BUSINESS WITH SALES TAX: _____

PHONE NUMBER: _____

MAILING ADDRESS: _____

PROJECT ADDRESS: _____

LEGAL DESCRIPTION Lot: _____ Block: _____

Subdivision: _____

U.S. Survey: _____ Zoning Classification: _____

Date of Assembly approval: _____

Date of activation of the conditional use permit: _____

Number of nights a room in the bed and breakfast or short-term rental has been rented during the 12 month period following the activation of the permit: _____

Number of nights of bed taxes reported to the City of Sitka's Sales Tax Department: _____

The owner hereby authorizes staff of the Planning Office to review sales tax records for the bed tax account associated with the facility above and report a summary of findings to the Planning Commission and City and Borough Assembly.

SIGNATURE OF APPLICANT: _____ DATE: _____

SIGNATURE OF OWNER: _____ DATE: _____

(If different from applicant)

--- Example ----

Proposed Standard Conditions of Approval for Short Term Rental and Bed and Breakfast Conditional Use Permits

The Conditions and the Findings Use the Skannes Short Term Rental as a Starting Point. Additional Proposed Conditions for Approval are in ***Bold Italic Font***.

Moved to recommend approval of the short-term rental conditional use permit request at 2416 Halibut Point Road. The request is filed by John and Joan Skannes. The property is also known as a portion of Lot E US Survey 2749 with the following conditions:

1. Contingent upon a completed satisfactory life safety inspection.
2. *The facility shall be operated consistent with the application and plans that were submitted with the request.*
3. *The facility shall be operated in accordance with the narrative that was submitted with the application*
4. *The applicant shall submit an annual report every year, covering the information on the form prepared by the municipality, that summarizes the number of nights the facility has been rented over the twelve month period starting with the date the facility has begun operation. The report is due within thirty days following the end of the reporting period.*
5. *The Planning Commission, at its discretion, may schedule a public hearing at any time following the first nine months of operations for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties*
6. *Failure to comply with any of the conditions may result in revocation of the conditional use permit*

**Proposed Standard Findings for Short Term Rental and Bed and Breakfast
Conditional Use Permits**

Moved to approve the following findings in support of the recommended approval:

1. The Planning Commission finds that the recommended conditional use permit will not be detrimental to public health, safety or welfare;
2. Will not adversely affect the surrounding character;
3. Will not be injurious to uses or property in the immediate vicinity;
4. Is consistent with Comprehensive Plan policy 2.5.2 I Encourage the development of facilities to accommodate visitors without significant impacts on residential properties;
5. That all conditions necessary to lessen impacts can be monitored and enforced;
6. Will not introduce hazardous conditions on the site;
7. Is adequately supported by public facilities specifically the full range of utilities in Halibut Point Road and location adjacent to a State highway;
8. The applicant has met the burden of proof; and
9. The Planning Commission finds that the general approval criteria have been met and the Planning Commission has evaluated the criteria set forth in 22.24.010 which is the criteria for conditional uses that deal with hours of operations and location along collector streets.

Table 22.24.010-1

Conditional Use Permit Application Requirements

Conditional Uses	Bed and Breakfast Conditional Uses	Short-Term Rental Conditional Uses	Island Conditional Uses
<p>The applicant may be required to consult with agencies that are responsible for certain portions of the project review. These agencies may include but not be limited to public works and engineering for sewer/water utilities; state DOT/PF; State Department of Environmental Conservation; Army Corps of Engineers; Sitka fire department; local telephone utility; cable television utility; electric department.</p> <p><u>Written Documentation</u></p> <ul style="list-style-type: none"> • Legal description of all properties involved in the project; • Statement of the objectives expected to be achieved by the project; • Detailed description of all aspects of the project, including land use, building types and sizes, population density, parking and traffic circulation, building coverage and other information which the applicant feels would assist in decision making; • All comments received from each of the agencies and utilities reviewing the project and a statement by the applicant on how the applicant will resolve or meet any problems or anticipated adverse conditions noted by the utility or agency, the statement to list any unresolved problems or adverse conditions. <p><u>Site Plan and Supporting Drawings</u></p> <ul style="list-style-type: none"> • As determined by the administration, details of the proposed project showing land use layout, building locations, vehicular and pedestrian circulation, open space and recreation areas, parking layout, schematic water and sewer layout, and any other information necessary to adequately describe the project; • Preliminary subdivision plat layout if required; • Site grading and drainage plan including present and proposed topography; • Conceptual drawings of proposed buildings, signs, and other features that may be required by the administrator. 	<p><u>Written Documentation</u></p> <ul style="list-style-type: none"> • Legal description of all property involved in the project; • Statement of the objectives expected to be achieved by the project. <p><u>Site Plan and Supporting Drawings</u></p> <ul style="list-style-type: none"> • As determined by the administration, details of the proposed project showing building locations, vehicular and pedestrian circulation, parking layout, and any other information necessary to adequately describe the project; conceptual drawings of proposed buildings or renovations, signs, and other features that may be required by the administrator. 	<p><u>Written Documentation</u></p> <ul style="list-style-type: none"> • Legal description of all property involved in the project; • Statement of the objectives expected to be achieved by the project. <p><u>Site Plan and Supporting Drawings</u></p> <ul style="list-style-type: none"> • As determined by the administration, details of the proposed project showing building locations, vehicular and pedestrian circulation, parking layout, and any other information necessary to adequately describe the project; conceptual drawings of proposed buildings or renovations, signs, and other features that may be required by the administrator. 	<p><u>Written Documentation</u></p> <ul style="list-style-type: none"> • Legal description of all properties involved in the project; • Statement of the objectives expected to be achieved by the project; • Detailed description of all aspects of the project, including land use, building types and sizes, population density, building coverage, waterfront use, clearing, changes to existing visual appearance, and other information which the applicant feels would assist in decision making; • All comments received from each of the agencies and utilities reviewing the project and a statement by the applicant on how the applicant will resolve or meet any problems or anticipated adverse conditions noted by the utility or agency, the statement to list any unresolved problems or adverse conditions. <p><u>Site Plan and Supporting Drawings</u></p> <ul style="list-style-type: none"> • As determined by the administration, details of the proposed project showing land use layout, building locations, open space and recreation areas, waterfront development, clearing, schematic water and sewer layout, and any other information necessary to adequately describe the project; • Preliminary subdivision plat layout if required; • Site grading and drainage plan including present and proposed topography; conceptual drawings of proposed buildings, and other features that may be required by the administrator.

Table 22.24.010-2

Initiation and Termination Periods

	Short-Term Rental <u>Conditional Use</u> Permits	<u>Bed and Breakfast</u> <u>Conditional Use</u> Permits	Interim Mobile Homes <u>Conditional Use</u>	All Other <u>Conditional Use</u> Permits
Period in which the permit must be activated following assembly approval or permit becomes void	One year	One year	One year	Two years
If permit is not used during period, permit becomes void after activation	One year	One year	One year	Two years
Mandatory review period ¹	Set by assembly at time of approval	Set by assembly at time of approval	Set by assembly at time of approval	Set by assembly at time of approval
Number of years after approval that permit sunsets	Set by assembly at time of approval	Set by assembly at time of approval	Set by assembly at time of approval	Set by assembly at time of approval

Note (1): It shall be the responsibility of the applicant to submit materials one month prior to the end of any review period. Failure to submit materials within the time specified shall automatically void the approval.

Note (2): It is recognized in land use case law that conditional use permits are grants to a property and run with the parcel and not the owner.

Note (3): Substantial construction progress must be made on a project approved through the variance process within one year of the date of the variance approval or the approval becomes void. In the event it can be documented that other substantial progress has been made, a one-year extension may be granted by the planning commission if a request is filed within eleven months of the initial approval.

B. Conditional Use Permit Provisions for Bed and Breakfasts.

1. The information and assurances filed by the applicant for a bed and breakfast conditional use at the time of application shall be binding on all current and future owners of the facility.
2. There shall be no expansion in the number of guest rooms beyond the number approved.
3. The number of bed and breakfast sleeping rooms per residence shall be limited to three rooms in an R-1 or related zone and five rooms in an R-2 or related zone.

4. In no case shall a bed and breakfast be operated in any residence other than an owner-occupied dwelling.
5. The owner of the residence shall operate the bed and breakfast at all times and shall not contract out the day-to-day management of the operation. In the event the operation or management of the bed and breakfast is conducted by a tenant or party other than the owner who lives in the residence, the conditional use permit shall automatically become void.
6. Bed and breakfast guestrooms are intended to be spare or surplus guestrooms in owner-occupied single-family dwellings that are not needed by the owner of the structure for household activities.
7. Bed and breakfast conditional use requests shall not be considered, reviewed, or approved for single-family structures that have contained an apartment, or additional dwelling unit at any time during a three-year period prior to the submittal of the application for a bed and breakfast conditional use permit. The burden of proof that this requirement has been complied with lies with the applicant.
8. A bed and breakfast establishment shall not be approved if an apartment or other rental is also being operated in the structure or on the same lot. Any apartment rental in the structure or on a lot where a bed and breakfast is operating will automatically void the conditional use permit for bed and breakfast.
9. Permits shall lapse and become void if the bed and breakfast ceases operation for twelve consecutive months.
10. There shall be no more than one exterior sign. The sign shall not exceed four square feet.
11. There shall be a minimum of one off-street parking space for every three guestrooms in bed and breakfast establishments located in single-family residential zones.
12. Existing bed and breakfasts which do not conform to these rules shall be considered nonconforming uses and subject to the rules relating to nonconforming uses.
13. It is the intent of the assembly that the provisions of these requirements be strictly followed. However, exceptions may be granted in cases of extreme need or extreme personal or financial hardship. The limitation on the number of the rooms and the use of single-family occupied structures will not be eligible for hardship relief.
14. For establishment of a bed and breakfast establishment in an existing structure in an R-1 zone, only existing bedrooms may be used for guest rooms.
15. Limited cooking facilities shall only be allowed inside guestrooms, or inside other rooms that are used solely by the bed and breakfast, such as small toaster ovens, microwaves, and refrigerators.
16. Timely payment of sales taxes shall be one of the primary indicators of compliance with this section.

17. When the assembly approves a permit with the condition referring to the number of children in the facility, the term "children" shall refer to individuals who are fifteen years old or younger.

C. Conditional Use Permit Provisions for Short-Term Rentals.

1. Short-term rental establishments as described in subsection F of this section shall be approved as conditional uses in the R-1, R-1 MH, R-1 LD, R-1 LDMH, R-2, and R-2 MHP zoning districts with the following conditions:

a. Existing short-term rentals operating in conformance with all other applicable regulations prior to the effective date of the ordinance codified in this section may continue operating as nonconforming uses so long as payments of bed taxes and any other fees are current.

b. The permit application and process will be the same as that required for bed and breakfasts, including submission and review of both interior and exterior site plans.

c. Increase in density and other impacts on the immediate surrounding neighborhood which would occur as a result of approval of short-term rentals may be a consideration in the granting of the permit.

d. Cessation of an approved short-term rental operation for twelve consecutive months shall result in revocation of the permit and require reapplication and approval of a new conditional use permit. Timely payment of sales taxes shall be one of the primary indicators of compliance with this section.

e. When the assembly approves a permit with the condition referring to the number of children in the facility, the term "children" shall refer to individuals who are fifteen years old or younger.

2. Short-term rentals shall be allowed in the other zoning districts subject to the following general rules:

a. There shall be two parking spaces per dwelling unit.

b. The number of persons per sleeping area shall comply with the municipal fire code.

c. Upon filing for sales tax and bed tax accounts, an owner shall obtain a life safety inspection by the building department and shall comply with the requirements proposed by the department.

d. Legal nonconforming short-term rentals shall comply with these general rules within two years.

e. Short-term rentals may only be approved for mobile homes that are located along streets maintained by the city and borough or the state of Alaska.

Chapter 4.24
HOTEL, MOTEL AND BED AND BREAKFAST TRANSIENT ROOM TAX

Sections:

- 4.24.010 Definitions.
- 4.24.020 Imposition of hotel, motel, bed and breakfast transient room rental tax.
- 4.24.030 Collection and accrual.
- 4.24.040 Transient room tax audits.
- 4.24.050 Exemption of housing for students attending the Sitka Fine Arts Camp.
- 4.24.060 Confidential and nonconfidential tax information.

4.24.010 Definitions.

For purposes of this section, the following words shall have the definitions below assigned.

- A. "Guest" means an individual, corporation, partnership or association paying monetary or other consideration for the use of a sleeping room or rooms in a hotel.
- B. "Hotel" means a structure or portion of a structure which is occupied or intended and designed for occupancy by transients for dwelling, lodging or sleeping purposes and includes any hotel, motel, inn or bed and breakfast.
- C. "Rent" or "rents" means the amount paid or promised, in terms of money, as consideration for the use by a transient of a room or rooms in a hotel, motel or other public accommodation. It does not include the cost of food or entertainment, nor does it include the cost of banquet or other facilities, not intended for use as overnight accommodations.
- D. "Transient" means a person who occupies or has available for occupancy a suite, room, or rooms in a hotel for fewer than thirty consecutive days. An employee who occupies or has available for fewer than thirty days a suite, room, or rooms rented or leased for more than thirty days by an employer for use on a rotating basis by employees is not a transient.

(Ord. 85-644 § 4 (part), 1985.)

4.24.020 Imposition of hotel, motel, bed and breakfast transient room rental tax.

- A. There is enacted a tax on hotel room rentals to transients computed on a percentage of the room rent. This tax shall be applicable to all room rentals to transients, unless the rental is specifically exempted from taxation by constitution or other valid law.
- B. State and federal governments are exempt from this tax through purchase order or other device obligating the government to pay for the room. Government employees are not exempt from this tax if the room is rented to them individually or they have the ultimate obligation to pay for the room.
- C. The tax shall be six percent of the room rental rate.
- D. The tax shall be in addition to the general sales tax of the municipality. The tax imposed in this chapter shall not be levied on the municipal sales tax portion of a rental bill. Neither shall the general sales tax be levied on this hotel tax. Both taxes shall be computed individually on the room rent.

(Ord. 98-1499 § 4, 1998; Ord. 85-664 § 4 (part), 1985.)

4.24.030 Collection and accrual.

- A. Every hotel operator renting rooms subject to taxation under this chapter shall collect the taxes imposed by this chapter from the transient guest at the time of collection of charge for the room and shall transmit the same, quarterly, to the city and borough. The tax imposed shall be shown on the billing to the guest as a separate and distinct item.
- B. This tax accrues each day of occupancy and shall be paid by the hotel operator to the municipality at the time a tax return covering such date is due, irrespective of when the guests actually pay their bill to the hotel.
- C. An operator may not advertise or state to the public or to any guest or renter, directly or indirectly, that the tax or any part of it will be assumed or absorbed by the operator of the hotel, or that the tax will not be added to the rental or that it will be refunded, nor may an operator absorb or fail to add the tax or any part of it or refund any tax or fail to separately state the tax to the renter or guest.
- D. Each transient guest is responsible for room rental tax imposed by this chapter and the tax shall be due and payable to the hotel operator at the time the rent is paid. Any person who refuses to pay the tax shall execute a written refusal. A hotel operator is not responsible for the payment of that tax to the municipality if it forwards to the municipality the signed refusal to pay executed by the guest. The municipality may proceed against the guest directly for collection of the tax. If the hotel does not collect the tax from the guest nor receive

a written refusal, both the hotel and the guest shall be jointly and severally liable for payment to the municipality.

E. Enforcement and collection of this tax shall be according to the provisions of Chapter 4.09 of this code.

F. The municipal finance director is empowered to prepare and distribute a standard form of refusal to pay this tax by a guest.

(Ord. 85-664 § 4 (part), 1985.)

4.24.040 Transient room tax audits.

A. Any operator who has established a transient room tax account with the city and borough of Sitka, who is required to collect and remit a transient room tax, or who is required to submit a transient room tax return under the provisions of Title 4, Chapter 4.24 of the Sitka General Code is subject to a discretionary transient room tax audit at any time. The purpose of such an audit is to examine the business records of the operator in order to determine whether appropriate amounts of transient room tax revenue have been collected by the operator and remitted to the municipality.

B. The finance director shall be responsible for directing that transient room tax audits take place and for selecting the particular operators whose business records will be audited.

C. Transient room tax audits of operator's business records may be accomplished by either an employee of the city and borough of Sitka finance department or by an individual or firm under contract with the municipality.

D. Operators selected for a transient room tax audit will be notified by letter and will be required to meet with, and make available for inspection and copying all pertinent business records including income tax returns that may be requested for the prior three fiscal years for examination, to the finance department employee, or contractor conducting the audit, within thirty days of notification. Under extenuating circumstances, the finance director may grant an extension of time for compliance at the director's discretion.

E. After completion of a transient room tax audit, operators subject to the audit will be notified of the results of the audit by letter. If the audit has resulted in an additional transient room tax liability to the municipality, the additional transient room tax must be remitted to the municipality within fourteen days after the receipt of the letter, or the additional transient room tax will be considered delinquent and subject to the procedures on delinquencies outlined in Section 4.09.350. If the audit has resulted in a refund due the operator, the refund will be made to the operator within fourteen days, or applied to the operator's account, at the operator's option.

F. It shall be the operator's responsibility to maintain business records in sufficient detail to substantiate all information reported on transient room tax returns, including rentals qualifying as exempt from taxation under the provisions of Section 4.24.020. If insufficient detail exists within an operator's business records to substantiate rental exemptions, such rentals may be reclassified as taxable rentals at the auditor's discretion and subject to transient room tax collection and remittance.

G. Any operator notified of an additional transient room tax liability as a result of a transient room tax audit shall have the right to appeal the additional liability to the assembly. Such an appeal must be filed with the municipal clerk within thirty days of notification by letter of the liability. If an additional liability is appealed, the accumulation of penalties and interest under the provisions of Section 4.09.350 will be suspended on the date the appeal is filed with the municipal clerk; if the appeal is subsequently denied by the assembly, all such penalties and interest will be retroactive back to the original date of notification of additional liability by letter.

H. Any operator refusing to comply with the provisions of this section shall be subject to any or all of the procedures on delinquencies as outlined in Section 4.09.350, including the filing of a criminal complaint against the operator in district court.

I. All business records will be returned to the business after the audit is completed and all copies will be destroyed no later than five years after the audit.

(Ord. 95-1303 § 4 (part), 1995.)

4.24.050 Exemption of housing for students attending the Sitka Fine Arts Camp.

The provision of housing to students attending the Sitka Fine Arts Camp is exempt from the tax levied in this chapter, which is commonly called "the bed tax." (Ord. 04-19 § 4(B), 2004.)

4.24.060 Confidential and nonconfidential tax information.

A. The following information is publicly available information:

1. Names and addresses of business owners who filed tax returns under this chapter;
2. Whether a business is registered to collect taxes under this chapter in the city and borough of Sitka;
3. Whether a business is current in filing tax returns and in remitting tax due under this chapter, and the number of returns not filed; and

4. Names and exemption numbers of governmental agencies which have received a tax-exempt number from the city and borough of Sitka relating to taxes due under this chapter.

B. The city and borough of Sitka may permit any authorized representative of any federal, state or other local government agency to inspect and copy any tax returns filed and reports prepared under this chapter, if the other governmental agency provides substantially similar access to the city and borough of Sitka and if the city and borough of Sitka determines that other governmental agency provides adequate safeguards for the confidentiality of the tax returns and reports.

C. Except as otherwise provided in this section, transient room tax forms and their contents shall be confidential and shall not be disclosed by the finance department except:

1. In connection with efforts by the city and borough of Sitka to collect the tax;
2. In response to a subpoena issued by a court, state agency or governmental board or commission;
3. In connection with legislative inquiry specifically authorized by the assembly;
4. In connection with the city and borough of Sitka audits for purposes of verifying city and borough of Sitka accounting practices;
5. In compilation of statistics and studies by the finance department for public distribution, so long as information from individual businesses is not identifiable as to source. (Ord. 07-04 § 4(B), 2007.)



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Bed & Breakfast / Short Term Rental Application Overview

For more information contact Melissa Henshaw, Planner, at 747-1814.

Are you unsure of whether to be applying for a bed & breakfast permit or a short-term rental? Wondering what the difference is?

A bed & breakfast means a lodging use, where individual rooms within your home are provided to guests on a daily basis or for a short period of time for a fee. Breakfast and/or light snacks may be served to guests renting rooms. Cooking facilities are not allowed in the guest rooms. The owner must reside at the home.

A short-term rental is considered to be a stay of fourteen days or less. The rental is a separate dwelling unit such as an apartment that is rented to one party or individual.

Planning Commission meetings are normally held the first and third Tuesdays of each month.

Complete applications and all supporting materials must be submitted by *noon on Tuesday* two weeks prior to the Planning Commission meeting of when the request will be considered. For example, materials for the Tuesday, October 18, 2011 meeting need to be submitted by noon on Tuesday, October 4, 2011.

October 2011						
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

This deadline allows the municipality to review the applications, send out notifications to the applicant and adjacent property owners, and run the required advertisements in a timely fashion.

**** REMINDER ****

Applicants or their reps should attend all meetings.

In the past, applications have been submitted for a bed & breakfast or short-term rental that

Providing for today...preparing for tomorrow

required additional background information causing delays in our process. If the applications are not submitted with the required supporting materials, they may not be considered at the Planning Commission meeting.

If the project is straightforward and no concerns are raised, the Planning Commission may take action the first night the case is scheduled. Generally a bed & breakfast or short-term rental request goes to two Planning Commission meetings. If there are any concerns by the Commission or other parties, action may be delayed. This delay would allow time for the applicant to provide more information or time for the parties to work together on the concerns.

The Planning Commission's recommendation is then forwarded to the Assembly for final approval. In all, you are probably looking at an average of 6 weeks for this type of permit to be processed.

Thank you for working with the City and Borough of Sitka, we sincerely appreciate your cooperation. Since meeting dates are subject to change, applicants are encouraged to call the Planning Office at 747-1814 to confirm meeting dates. Thank you.

*****Individuals may wish to go over their requests with Planning Office staff prior to submitting applications*****

**** REMINDER ****

Applicants or their reps should attend all meetings.

PROCEDURES AT A GLANCE

Bed & Breakfast/Short-term Rental Permitting Process

STEPS TAKEN BY APPLICANT

- Meet with Staff.
- Fill out application forms and prepare drawings.
- Talk to adjacent land owners.
- Turn in complete forms, drawings, letter and pay fee by noon on Tuesday two weeks prior to the Planning Commission meeting which is held the first and third Tuesday of each month.
- Applicant checks with staff the day of the meeting to see if there are any questions or needs to be addressed.
- Applicant attends meetings to answer any questions. Commission will make a decision at the first or second meetings. Recommendation is forwarded to Assembly for final approval.
- Applicant checks with Staff the day of the Assembly meeting to see if there are any questions or needs to be addressed. Applicant attends the meeting to answer any questions.
- Applicant receives a letter from Staff explaining the outcome.
- If denied, the applicant can file a written appeal to the Assembly.
- Depending on action of Assembly, applicant continues or discontinues project.

STEPS TAKEN BY CITY AND BOROUGH

- Staff provides application materials.
- Staff reviews submitted materials.
- Staff includes the request on next agenda and prepares staff report for the Planning Commission.
- Notices are mailed to applicant and property owners in the area before the meeting. The agenda appears in the newspaper.
- Planning Commission talks to the applicant and takes testimony.
- Planning Commission will make a decision at the first or second meeting
- Recommendation is forwarded to the Assembly for final approval.
- If denied by the Assembly, the applicant can file a written appeal to the Assembly. Appeals can be filed in Superior Court.
- Staff writes a letter to applicant explaining the outcome.

NOTE: Extra care needs to be taken in preparing the documents. Staff can only schedule applications for Planning Commission review after all materials are submitted with the appropriate detail.

Table 22.24.010-1

Conditional Use Permit Application Requirements

Conditional Uses	Bed and Breakfast Conditional Uses	Short-Term Rental Conditional Uses	Island Conditional Uses
<p>The applicant may be required to consult with agencies that are responsible for certain portions of the project review. These agencies may include but not be limited to public works and engineering for sewer/water utilities; state DOT/PF; State Department of Environmental Conservation; Army Corps of Engineers; Sitka fire department; local telephone utility; cable television utility; electric department.</p> <p><u>Written Documentation</u></p> <ul style="list-style-type: none"> • Legal description of all properties involved in the project; • Statement of the objectives expected to be achieved by the project; • Detailed description of all aspects of the project, including land use, building types and sizes, population density, parking and traffic circulation, building coverage and other information which the applicant feels would assist in decision making; • All comments received from each of the agencies and utilities reviewing the project and a statement by the applicant on how the applicant will resolve or meet any problems or anticipated adverse conditions noted by the utility or agency, the statement to list any unresolved problems or adverse conditions. <p><u>Site Plan and Supporting Drawings</u></p> <ul style="list-style-type: none"> • As determined by the administration, details of the proposed project showing land use layout, building locations, vehicular and pedestrian circulation, open space and recreation areas, parking layout, schematic water and sewer layout, and any other information necessary to adequately describe the project; • Preliminary subdivision plat layout if required; • Site grading and drainage plan including present and proposed topography; • Conceptual drawings of proposed buildings, signs, and other features that may be required by the administrator. 	<p><u>Written Documentation</u></p> <ul style="list-style-type: none"> • Legal description of all property involved in the project; • Statement of the objectives expected to be achieved by the project. <p><u>Site Plan and Supporting Drawings</u></p> <ul style="list-style-type: none"> • As determined by the administration, details of the proposed project showing building locations, vehicular and pedestrian circulation, parking layout, and any other information necessary to adequately describe the project; conceptual drawings of proposed buildings or renovations, signs, and other features that may be required by the administrator. 	<p><u>Written Documentation</u></p> <ul style="list-style-type: none"> • Legal description of all property involved in the project; • Statement of the objectives expected to be achieved by the project. <p><u>Site Plan and Supporting Drawings</u></p> <ul style="list-style-type: none"> • As determined by the administration, details of the proposed project showing building locations, vehicular and pedestrian circulation, parking layout, and any other information necessary to adequately describe the project; conceptual drawings of proposed buildings or renovations, signs, and other features that may be required by the administrator. 	<p><u>Written Documentation</u></p> <ul style="list-style-type: none"> • Legal description of all properties involved in the project; • Statement of the objectives expected to be achieved by the project; • Detailed description of all aspects of the project, including land use, building types and sizes, population density, building coverage, waterfront use, clearing, changes to existing visual appearance, and other information which the applicant feels would assist in decision making; • All comments received from each of the agencies and utilities reviewing the project and a statement by the applicant on how the applicant will resolve or meet any problems or anticipated adverse conditions noted by the utility or agency, the statement to list any unresolved problems or adverse conditions. <p><u>Site Plan and Supporting Drawings</u></p> <ul style="list-style-type: none"> • As determined by the administration, details of the proposed project showing land use layout, building locations, open space and recreation areas, waterfront development, clearing, schematic water and sewer layout, and any other information necessary to adequately describe the project; • Preliminary subdivision plat layout if required; • Site grading and drainage plan including present and proposed topography; conceptual drawings of proposed buildings, and other features that may be required by the administrator.

CITY AND BOROUGH OF SITKA

PLANNING DEPARTMENT

SHORT-TERM RENTAL &

BED & BREAKFAST APPLICATION

Short-Term Rental Fee	\$100.00
Bed & Breakfast Fee	\$ 35.00
(per Guestroom)	
* plus current city sales tax *	

APPLICANT'S NAME: _____

PHONE NUMBER: _____

MAILING ADDRESS: _____

OWNER'S NAME: _____

(If different from applicant)

PHONE NUMBER: _____

MAILING ADDRESS: _____

PROJECT ADDRESS: _____

LEGAL DESCRIPTION _____

Lot: _____ **Block:** _____

Subdivision: _____

U.S. Survey: _____ **Zoning Classification:** _____

State all reasons for justifying request: _____

Describe how the facility will be operated, what meals will be served, and how guests will be transported. (This information may be provided on a separate sheet).

Anticipated start date: _____



What months of the year the facility will be in operation: _____



Drawing of the **interior** layout showing:

1. Size and location of rooms
2. Types of facilities in the rooms
3. Windows and exits
4. Location of smoke alarms and fire extinguishers
5. Guestrooms specifically delineated on the plans



Drawing of the **exterior** site plan showing:

1. Dimensions of the home
2. How the house sits on the lot
3. Location of parking



Check if facility is not fully constructed at the time of the application



Check if Life Safety Inspection has already been completed. If not, please contact the Building Department at 747-1832 to schedule an appointment. This Inspection is to certify that the residence complies with life and fire safety code aspects.

Bed and Breakfast applicants shall be aware that only limited cooking facilities such as small toaster ovens, microwaves, and refrigerators are allowed and those appliances must be outside of guestrooms.

In applying for and signing this application, the property owner hereby grants permission to Municipal staff to access the property before and after Planning Commission's review for the purposes of inspecting the proposed and/or approved structures.

SIGNATURE OF APPLICANT: _____ Date: _____

SIGNATURE OF OWNER: _____ Date: _____

(If different from the applicant)

