



CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

From: Assembly Members Christianson and Carlson

Date: October 22, 2025

Subject: Resolution Petitioning the Alaska State ABC Board for 3 Additional REPLs in Sitka

Background

Restaurant and Eating Place Licenses (REPLs) as issued by the Alaska State Alcoholic Beverage Control Board (“ABC Board”) allow “bona fide restaurants” to sell brewed beverages and wine under Alaska Statute (AS) 04.09.210. Under AS 04.11.400(a), REPLs are limited to one license for each 1,500 population (or fraction thereof). According to AMCO’s (Alcohol and Marijuana Control Office) 2024 population counts, Sitka has 8,063 permanent residents which allows issuance of up to 6 REPLs. Sitka currently has 8 active REPL licenses, 2 of which are seasonal licenses (these can only be utilized for six months out of the year and are subject to other population limits established in 3 AAC 305.310).

Under AS 04.11.405, qualifying municipalities (including CBS) may, through a resolution, petition the ABC Board to issue additional REPLs if it demonstrates and satisfies a set of requirements as set out in this statute (see Analysis). If the petition is successful, CBS will not be able to petition for additional REPLs again for one year. Our goal is to foster business opportunities for new and growing restaurants/eating places here in Sitka that can provide expanded dining options both to meet seasonal visitor demand, as well as year-round dining and employment opportunities for locals.

In response to public review and comment, this resolution has undergone several modifications. While initially drafted to request 4 additional REPLs, the Tourism Commission recommended a higher number of 6 which was incorporated in the original version of the resolution which went before the Assembly on August 12th. However, based on public comment received at that meeting, the Assembly voted to reduce the request to 3 additional REPLs. There are also two additional amendments for the Assembly to consider at this stage – the first is an update regarding Police Department staffing/capacity (as staffing has changed since the resolution was first drafted in early July), and the second is a proposal from the Planning Commission (see Analysis).

Timeline of Review & Public Comment

- Tourism Commission review and recommendation for approval of the first draft resolution on July 10th
- Notice to all license holders in Sitka on July 22nd
- Letter to the Editor by co-sponsors (at the time) in the Daily Sitka Sentinel August 4th
- Assembly consideration of resolution on August 12th – resolution amended to lower the number of additional licenses requested from 6 to 3, additional review by Planning Commission and Police Department requested
- Notice to all license holders of Planning Commission meeting on September 22nd
- Planning Commission review and recommendation for approval of the amended resolution on October 1st
- Health Needs & Human Services Commission review (no action taken, see below) on October 15th
- Notice to all license holders of October 28th Assembly meeting on October 20th

Analysis

In order to petition for additional REPLs, municipalities must demonstrate that it:

- Serves as a center for commercial activity within and outside its boundaries by providing goods and services to a population greater than the permanent resident population.
 - Commercial activities centralized in Sitka include seafood, health care, and tourism
 - Sitka has a visitor population of more than 665,000 (approximately 600,000 cruise visitors and 65,000 independent travelers)
 - Sitka has approximately 3,200 non-local workers (3,184 in 2023)
- Maintains a local law enforcement department
- Exercises planning or land use authority
- At the time of petition, meets or exceeds the maximum limit of REPLs under the permanent resident population cap
 - 6 year-round REPLs and 2 seasonal REPLs currently issued
- Would be in the public interest to grant additional REPLs
- When factoring in the permanent resident population, the visitor population, and non-local worker population, the additional REPLs requested does not exceed 1 license for each 1,500 population
 - With 3 additional REPLs, the resulting ratio would be 1 license for each 61,477 population.

Staff reviewed recent REPL petitions from other Alaska municipalities – since 2023, petitions from Juneau, Homer, Haines, Soldotna, Wasilla, and Valdez have been approved. Our request for 3 additional REPLs puts our license to population ratio under both Juneau's post-petition ratio (1 per 54,511) and Haines' post-petition ratio (1 per 35,215) which we believe is reasonable and defensible given our size relative to the two communities, and other similar factors such as the nature of our visitor industries and

geographic isolation.

Results of Additional Review

- Planning Commission (10/1)
 - The Planning Commission voted unanimously to recommend approval of the amended resolution, noting that the population numbers shown supported the petition, and that additional REPLs could support local economic growth of year-round restaurants in particular. There was discussion regarding potential public health/safety impacts, and while there was concern about alcohol use/misuse in Sitka overall, did not find that REPLs in particular were a significant source of alcohol-related public health concerns. The Planning Commission did request that the Assembly ask the ABC Board to give deference to REPL applicants who own established, year-round businesses in the case of mutually exclusive applications (i.e. competing applications in which there are more applicants for the additional licenses than the number of licenses available).
 - A possible motion to amend the resolution with the above provision has been included in the motion sheet; while there may be differing views on what constitutes a “year-round business”, operating during at least 10 months out of the calendar year felt like an appropriate starting point. Discussion on the number of months (or another metric that would help define the Planning Commission’s intent of “year-round”) could be had before the motion is made or following public comment. The Municipal Attorney has reviewed this potential amendment and feels that it would be permissible as the municipality’s policy position that would inform the administration of State regulations (by the ABC Board) on permit issuance.
- Police Department
 - Interim Police Chief Chad Goeden provided a review of the petition and stated that the department does not have an issue with the increase in REPLs, as alcohol-related calls do not generally come from these types of establishments. However, the department may have location-specific concerns if the petition is approved and applications follow.
- Health Needs & Human Services Commission (10/15)
 - The Health Needs & Human Services Commission reviewed the resolution at its 10/15 meeting. While the minutes of this meeting are not yet available and no formal action was taken, the commission voiced that public health, safety, and welfare concerns should be part of the Assembly’s discussion/consideration. Assembly member Carlson was present at the meeting as their liaison and can speak to the discussion held.

As has been done with REPL petitions from other municipalities, the Planning & Community Development Department has drafted a supporting letter for the resolution that cites and includes referenced economic and demographic data, as well as a compilation of public review and comments. As it is anticipated that more public

comments, and meeting minutes from the Assembly and the Health Needs and Human Services Commission, will become available after the time of this memo, this packet will be updated prior to transmission to the ABC Board should the Resolution be passed.

Fiscal Note

No expenditures are associated with this resolution outside of staff time to submit the resolution/petition materials and (virtually) attend the December 2nd ABC Board meeting at which the petition will likely be considered.

While difficult to estimate, there are additional revenue opportunities for CBS associated with this resolution, primarily increased sales tax from new/expanded restaurants which are able to secure new REPLs.

Recommendation

Approve the resolution and submit it to the ABC Board for consideration/approval.

Encl: Draft Support Letter & Documentation

Public Health & Safety Reports (Sitka Counseling survey of high schoolers on alcohol use and Sitka Police Department incident report Jan-Sept 2025)