



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

May 17, 2016

The Honorable Anna MacKinnon
Co-Chair, Senate Finance Committee
Alaska State Legislature
120 4th Street, Room 516
Juneau, Alaska 99801-1182

Dear Senator MacKinnon:

I am writing to express the City and Borough of Sitka's (CBS) deep concern that the May 12th action by the Senate and House Conference Committee on House Bill 256 to remove the appropriation of \$15.7 million for distribution of the State's Commercial Passenger Vessel (CPV) Excise Tax proceeds next fiscal year.

The current terms for allocating CPV funds were approved by the Legislature in 2010 and signed into law by the Governor. These terms were supported by the cruise industry and incorporated into a settlement agreement dated April 11, 2010. The CBS has consistently utilized these funds to the benefit of the cruise ship passengers improving access to services and public safety.

CBS receives a small portion of cruise ship passengers coming to our Southeast communities. The CPV funds have been critical to our ability to provide an enhanced and safer experience. We have worked in partnership with the cruise industry to ensure that our CPV funds are used appropriately and for the maximum benefit of our visitors.

Recent use of CPV funds in Sitka include; Harrigan Centennial Hall, Sitka Sea Walk from Crescent Harbor Park to Sitka National Historical Park, Sitka Public Library, and transportation of cruise ship passengers from Old Sitka Dock to downtown Sitka.

CBS implores the Finance Committee to appropriate CPV revenues to all eligible municipal governments. Not to do so will have significant and lasting impacts to our economies and partnerships with the cruise industry.

Sincerely,

Mark Gorman
Municipal Administrator

cc: Senator Bert Stedman
Representative Jonathan Kreiss-Tomkins
Mayor McConnell and Members of the Assembly

Providing for today ... preparing for tomorrow