

# CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

### PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT

100 Lincoln Street | Sitka, AK 99835 www.cityofsitka.com planning@cityofsitka.org 907-747-1814

Dear Members of the Alcoholic Beverage Control Board,

On behalf of the City and Borough of Sitka (CBS), I respectfully submit this letter in support of our request for six additional restaurant or eating place licenses (REPLs) for our local eateries. In accordance with AS 04.11.405, the CBS Assembly has passed a resolution petitioning for the six (6) additional licenses.

To provide additional context for the data points and rationale used in our resolution, please find our responses to each of the requirements for REPL petitions by local governing bodies as listed in AS 04.11.405 below.

## Local, Visitor, and Nonresident Population Counts

In addition to its permanent resident population of 8,063<sup>1</sup>, Sitka serves as a hub of regional commerce in Southeast Alaska due to its strategic location and established fishing and seafood industry. CBS is investing heavily in its seafood and maritime industries through the recently constructed marine haul-out facility to serve our local fleet and those who come from all over the region to access Sitka's expansive fishing grounds.

Expansion within the Sitka's healthcare sector has further increased travel by those seeking medical attention and itinerant healthcare professionals. The Southeast Alaska Regional Health Consortium (SEARHC) is one of the largest Native-run healthcare organizations in the nation which serves 26 communities and over 41,000 patients in Southeast Alaska<sup>2</sup>. Sitka's Mt. Edgecumbe Medical Center is the largest of SEARHC's two hospital facilities and provides medical services not only to Sitka residents, but to patients from across the region who require services not available at their local outpatient or traveling clinic facilities<sup>2</sup>.

Tourism in Sitka has experienced significant post-pandemic growth, with cruise visitation rising from a previous peak of almost 290,000 annual visitors<sup>3</sup> to over 585,000 annual visitors in 2023<sup>4</sup> and over 600,000 visitors in 2024<sup>5</sup>, with similar levels expected

<sup>3</sup> Visit Sitka. "Sitka Historic Cruise Passenger Visitation." December 2021.

<sup>&</sup>lt;sup>1</sup> Alcohol and Marijuana Control Office. "Population as of July 2024." February 2025.

<sup>&</sup>lt;sup>2</sup> SEARHC. "2024 Year in Numbers." March 2025.

<sup>&</sup>lt;sup>4</sup> Cruise Line Agencies of Alaska. "2023 Cruise Passenger Count." November 2023.

<sup>&</sup>lt;sup>5</sup> Cruise Line Agencies of Alaska. "2024 Cruise Passenger Count." January 2025.

for the 2025 and 2026 seasons. Independent travel to Sitka has also risen, with summer enplanement at the Sitka Rocky Guiterrez Airport rising by 15% between 2017 and 2024, and the number of nights rented at short-term rentals regulated by the CBS Planning & Community Development Department growing 52% between 2018 and 2024<sup>6</sup>. Visit Sitka, our local visitor and convention bureau, estimates that over 65,000 independent travelers arrived in Sitka via air travel in 2022 and 2023<sup>7</sup>.

Sitka's economy, particularly its seasonally-driven seafood and tourism sectors, rely on non-local employment. The Alaska Department of Labor and Workforce Development reported that 3,184 non-local (369 non-local Alaska residents and 2,815 non-residents) worked in Sitka in 2023<sup>8</sup>.

In consideration of our petition, CBS closely reviewed recent petitions for additional REPLs from other local governments including the City and Borough of Juneau (Juneau), the City of Homer (Homer), the City of Valdez (Valdez), the City of Wasilla (Wasilla), the City and Borough of Haines (Haines) and the City of Soldotna (Soldotna). The resulting population-to-REPL ratios are demonstrated in the below table:

Community	Petition Date	Pre- Petition Active Licenses	Total Available Licenses Post- Petition	Permanent Resident Population	Greater Area Population	Non- Local/Non- Resident Worker Population	Visitor Population	Total Population	Total Population per License Post- Petition
Juneau	4/15/2025	22	30	31,336		4,000	1,600,000	1,635,336	54,511
Homer	4/15/2025	15	20	5,648	12,811		231,057	249,516	12,476
Haines	2/4/2025	3	5	2,575	-	,	173,500	176,075	35,215
Soldotna	4/16/2024	6	26	4,342	59,819	-	330,678	394,839	15,186
Wasilla	11/13/2023	15	35	9,547	102,205	-	174,000	285,752	8,164
Valdez	8/22/2023	6	16	3,950	5,682	5,922	73,306	88,860	5,554
Sitka	<b>Pending</b>	8	<mark>14</mark>	8,063	-	3,184	665,000	676,247	48,303

Sitka currently has 8 active REPLs, two of which are seasonal REPL tourism licenses. In determining the appropriate number of additional licenses to request, CBS aimed to have commensurate post-petition licenses to population ratios with the other two Southeast Alaska communities that have had recent petitions approved, Juneau and Haines, to account for the unique geographic isolation of Southeast Alaska communities and the nature of the visitor industry in the region. With 6 additional REPLs approved, Sitka's resulting license to population ratio would be in-line with those as approved by the ABC Board for Juneau and Haines earlier this year.

### Public Interest

The granting of additional REPLs in Sitka is in the public interest to support our local business community as well as providing improved service to locals and visitors alike.

<sup>&</sup>lt;sup>6</sup> City and Borough of Sitka. "2024 Annual Short-Term Rental Report." April 2025.

<sup>&</sup>lt;sup>7</sup> Visit Sitka. "Annual Workplan & Budget Request FY25." April 2024.

<sup>&</sup>lt;sup>8</sup> Alaska Department of Labor and Workforce Development. "Nonresidents Working in Alaska, 2023." February 2025.

As was noted during consideration of this petition by our Tourism Commission<sup>9</sup>, it can be incredibly difficult for year-round food businesses such as restaurants to be financially feasible without an REPL. Increasing the number of REPLs will allow for existing businesses to grow, new businesses to start, and for both to meet the demand of our sizeable visitor and seasonal worker populations while still providing year-round employment and dining options for locals.

### **Public Comment Period**

In consideration of this request, CBS offered several public comment opportunities including:

- A review and recommendation for approval by our Tourism Commission occurred on July 10, 2025, which was publicly advertised and included an opportunity for public testimony
- A notice was sent to all active alcohol license holders in Sitka on July 22, 2025, which provided instruction on options for written, telephonic, and in-person comment
- The Assembly co-sponsors of the resolution published a Letter to the Editor in the Sitka Sentinel on August 4, 2025, providing the public with information about the petition and instructions on options for written, telephonic, and in-person comment
- The Assembly took public comment at the August 12, 2025, CBS Assembly meeting at which this resolution was passed.

Copies of published notices, minutes from the Tourism Commission meeting, and a copy of the notice sent to Sitka's active alcohol license holders are enclosed for the Board's reference.

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Amy Ainslie Planning and Community Development Director City and Borough of Sitka

<sup>&</sup>lt;sup>9</sup> City and Borough of Sitka, Tourism Commission. "July 10, 2025, Draft Meeting Minutes." July 2025



### CITY AND BOROUGH OF SITKA

# Meeting Minutes Tourism Commission

Officers: Chair Jeremy Plank; Vice Chair Ian Dempster; and Secretary Carol Bryant-Martin

Members: Devon Calvin; Vaughn Hazel; Bethany Lowrance; Alana Peterson; and Rachel Roy, Visit Sitka (Ex

Officio)

Staff Liaison: Amy Ainslie, P&CD Director (Ex Officio); Holly Bayne, Deputy City Clerk.

Assembly Liaison: Chris Ystad, Scott Saline (Alternate)

July 10, 2025 6:00 P.M. Harrigan Centennial Hall

### I. CALL TO ORDER

Chair Jeremy Plank called the Tourism Commission meeting to order at 6:10 p.m.

### II. ROLL CALL

Present: Carol Bryant-Martin; Devon Calvin; Ian Dempster; Vaughn Hazel; Bethany Lowrance;

Alana Peterson (arrived 6:15 p.m.); Jeremy Plank; Scott Saline (Assembly)

**Absent:** Rachel Roy (excused) **Staff:** Amy Ainslie, P&CD Director

Public: Richard Wein, Larry Edwards, Thor Christianson (Assembly)

Secretary Bryant-Martin confirmed quorum was present.

### III. CONSIDERATION OF AGENDA

No agenda changes were made.

### IV. APPROVAL OF MINUTES

M-Bryant-Martin/S-Dempster moved to approve the May 8, 2025 and June 12, 2025 meeting minutes. Motion passed 6-0 by voice vote.

### V. NEW BUSINESS

# A. Review of a municipal petition to the Alaska State Alcoholic Beverage Control Board to increase the number of restaurant and eating licenses in Sitka.

Commission members reviewed Ainslie's 7/3/25 memo regarding a petition and draft CBS resolution for additional restaurant and eating place licenses (REPLs) in the City and Borough of Sitka. Ainslie stated REPLs are only available for "bona fide restaurants" to sell brewed beverages and wine on licensed premises (hard liquor not permitted). Ainslie also stated municipalities in Alaska cannot have more than 1 REPL per 1,500 residents without a petition. She presented the State's criteria for additional REPL petitions as well as an overview of other Alaskan municipalities' approved petitions in recent years which included Juneau, Homer, Haines, Valdez, Wasilla, and Soldotna which were based on ratios of licenses to permanent residents, visitors, and non-residents. Ainslie recommended that Commissioners take public comment and provide suggestions for the Assembly to consider on the draft resolution/petition. Commissioners discussed population estimates and felt CBS could possibly qualify for 8 to 12 additional licenses. Richard Wein spoke in favor of the petition and suggested the city apply for ten or more to accommodate growing demand from visitors. Scott Saline stated that 4 licenses wasn't enough for Sitka. Assembly co-sponsor for the resolution, Thor Christianson, spoke in favor of the petition but cautioned against requesting too many licenses such that the petition would not be approved. Commission

members discussed the goals of promoting economic growth and supporting small businesses by applying for as many REPLs as possible. Peterson spoke to the financial difficulties of running a restaurant in Sitka, especially in the winter months, without an REPL. There was discussion on what the right number to request would be. Lowrance stated she was aware of 4-5 businesses that would be highly interested in applying for additional licenses if available. Calvin stated four additional licenses was too many.

M-Bryant-Martin/S-Lowrance moved to support the City and Borough of Sitka's petition to the Alaska State Alcoholic Control Board to issue up to six additional restaurant or eating place licenses. Motion passed 6-1 by roll call vote with Calvin opposed.

### Review a zoning change regulating the development of new cruise docks

Ainslie presented current efforts and progress on a zoning change to regulate the development of new cruise ship docks based on recommendation #23 from the Tourism Task Force that the Planning Commission was working on. Key provisions included proposed definitions of "cruise ship" and "cruise ship dock", which zones had been identified as allowing cruise ship docks as a conditional use versus being a prohibited use, proposed permit submission requirements, and criteria for evaluating impacts of proposed cruise ship docks as a part of the permitting process. Commissioners asked about the extent of zoning for the whole borough, with Ainslie noting that the majority of lands in the borough (outside of the road system and islands in Sitka Sound) are not zoned. Commissioners asked Ainslie how existing cruise ship docks would be affected by the zoning change, and Ainslie responded by stating that existing docks would be allowed to continue under legal non-conforming use permits. Peterson stated that she would like to see more consideration of environmental impacts in permitting potential cruise ship dock developments, recognizing Ainslie's comments that many environmental standards were monitored and enforced at State and Federal levels. Ainslie stated that compliance with State and Federal laws was a common condition of approval for conditional use permits which helps to promote environmental protections.

Plank opened the floor for public comment. Larry Edwards and Richard Wein advocated that in the zoning change, cruise ship docks should be prohibited in all zones as it served as a stronger form of protection against additional cruise ship docks that the community may not wish to see developed as opposed to allowing the use conditionally. Edwards also stated that cruise ship docks should also be prohibited in all un-zoned areas of the borough.

Commissioners reviewed the list of proposed zones in which cruise ship docks would be a conditional use, and discussed changing it to a prohibited use in all or more zones. Commissioners discussed the merits (stronger regulatory position to deny proposals) and drawbacks (deterrence of economic development/investment in Sitka) of making the use prohibited in all zones. The Commission decided it would be best to have the Planning Commission consider these comments, re-evaluate zoning districts in which cruise ship docks would be conditional versus prohibited, and review again once this had taken place. No action was taken.

### V. PERSONS TO BE HEARD (For items ON or OFF the agenda and not to exceed 3 minutes)

Scott Saline shared information he had learned at a recent meeting with the Army Corps of Engineers regarding Fort Babcock, and his concern about the lack of public process regarding permitting of commercial users to take visitors there and Shoal's Point. Larry Edwards stated that he would like to see recordings of Commission meetings made more publicly accessible by posting them on the city website. Richard Wein echoed Larry Edward's comments and added that he would also like meeting transcripts be made available. Wein also commented on liquor licenses noting that SEARHC held a license and support

for six or more additional licenses, and reiterated his previous statements on the zoning change for cruise ship docks and making them a prohibited use in all zones.

### VI. ADJOURNMENT

M-Bryant-Martin/S-Lowrance moved to adjourn. The motion passed unanimously by voice vote, and the meeting was adjourned at 8:10 p.m.

Minutes By: Carol Bryant-Martin, Secretary



### **Amy Ainslie**

From: Sara Peterson

**Sent:** Tuesday, July 22, 2025 2:33 PM **Cc:** Holley Bayne; Brian Schoenfelder

**Subject:** Liquor License Information: Addt'l Restaurant and Eating Place Licenses (REPLs) in Sitka **Attachments:** DRAFT Resolution 2025-xx\_Addtl REPLs.pdf; Addtl REPL Petition\_Background Info.pdf

**Importance:** High

Hello,

The City and Borough of Sitka is reaching out to all active alcohol license holders in Sitka to share the attached resolution, which is scheduled for public hearing at the August 12<sup>th</sup> regular Assembly meeting (the full agenda will be posted on August 8). Please feel free to forward this message to other interested parties.

Under Alaska Statute 04.11.405, qualifying municipalities may submit a resolution to the Alaska Alcoholic Beverage Control (ABC) Board to petition for the issuance of additional Restaurant or Eating Place Licenses (REPLs). The attached resolution requesting six additional REPLs for Sitka has been cosponsored by Assembly Members Thor Christianson and Chris Ystad. If passed by the Assembly on August 12<sup>th</sup>, the petition will be submitted to the ABC Board for consideration at their September 16<sup>th</sup> meeting.

### August 12, 2025, Assembly Meeting Information

### **Meeting Time & Location**

🦞 Harrigan Centennial Hall – 330 Harbor Drive, room 6

① 6:00 p.m.

### **Public Comment Options**

- Attend in person
- Testify by phone register with the Municipal Clerk's Office by **5:00 p.m. on Monday, August 11**, by emailing clerk@cityofsitka.org or calling 907-747-1826
- Submit written comments in advance to assembly@cityofsitka.org

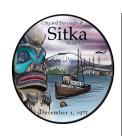
### **Meeting Packet**

Available online by noon on August 8:

https://sitka.legistar.com/Calendar.aspx

Along with the resolution, we have also attached background information for your reference. Please don't hesitate to contact the Municipal Clerk's Office with any questions you may have.

Sincerely,



**Sara Peterson** Municipal Clerk, MMC City and Borough of Sitka

Phone: 907-747-1811 Fax: 907-747-7403 Web: www.cityofsitka.com

100 Lincoln Street Sitka, AK 99835

Messages to and from this email address may be available to the public under the Alaska Public Records Law.

# Letters to the Editor

### Additional Alcohol Licenses

**Dear Editor:** In this time of economic growth, we think most Sitkans can agree on at least one thing – how exciting it is to see (and taste) all the new and expanding food businesses! Restaurants, cafes, and other food-service businesses give locals and visitors alike the opportunity to gather, dine and, on occasion, enjoy a glass of beer or wine with their meal.

Currently, restaurants and eating place licenses (REPLs) that allow these businesses to serve beer and wine are limited to six for Sitka based on our permanent resident population, all of which are spoken for. This is why we are co-sponsoring a resolution to petition the Alaska State Alcoholic Beverage Control Board for 6 additional REPLs in Sitka.

It is our hope that by increasing the number of available REPLs in Sitka, new and expanding food-service businesses will have the opportunity to widen their offerings to meet local and visitor demand, and make year-round operations (at least little) more financially feasible.

The Assembly will consider this resolution at its regular meeting on Tuesday, Aug. 12, starting at 6 p.m. at Harrigan Centennial Hall. The resolution and supporting materials will be available to view online by noon on Friday, Aug. 8, at https://sitka.legistar.com/Calendar.aspx.

We encourage anyone who is interested in providing public comment on this resolution to:

- Attend the Assembly meeting in-person
- Testify by phone by registering with the Municipal Clerk's Office by 5 p.m. on Monday, Aug. 11, by emailing clerk@cityofsitka.org or calling 907 747-1826
  - Submit written comments in advance to assembly@cityofsitka.org.

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We hope that Sitkans join us in our support for local eateries!

Assembly Members Thor Christianson and Chris Ystad



104 Lake Street Sitka, AK 99835

July 28, 2025

Alcohol and Marijuana Control Board 550 W 7th Ave, Suite 1600 Anchorage, AK 99501

To the Members of the Alcohol and Marijuana Control Board,

On behalf of the Greater Sitka Chamber of Commerce, we are writing to express our support for the City and Borough of Sitka's petition to increase the number of Restaurant and Eating Place Licenses (REPLs) available in our community.

Our food and beverage industry has experienced significant and lasting impacts since the COVID-19 pandemic. Sitka's small, locally owned restaurants have worked tirelessly to adapt to shifting regulations, economic uncertainty, labor shortages, and supply chain issues. Despite these challenges, they continue to serve a critical role in our economy, tourism industry, and overall quality of life.

Sitka is a hub of commercial, medical, and cultural activity in Southeast Alaska, serving not only our 8,000+ residents but also more than 650,000 annual visitors and thousands of non-resident workers. The demand for diverse dining experiences continues to grow, yet the current cap on REPLs has made it difficult for new or expanding businesses to obtain the licensing needed to serve beer and wine, an important part of the full-service dining experience that today's consumers expect.

The Greater Sitka Chamber of Commerce supports this petition because increasing the number of REPLs will:

- · Strengthen the viability and growth of local restaurants
- Enhance the experience for both residents and visitors
- Support economic diversification and entrepreneurship
- Reflect the actual population and service needs of our commercial center

We believe the City's petition fully meets the requirements set out in Alaska Statute 04.11.405, and the addition of REPLs is clearly in the public interest. We urge the AMCO Board to approve this petition and allow Sitka the flexibility needed to support our local businesses and community needs.

Thank you for your consideration.

Sincerely,

Rachel Roy

**Executive Director**