



# CITY AND BOROUGH OF SITKA

## Minutes - Draft

### Planning Commission

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Wednesday, July 20, 2022

7:00 PM

Harrigan Centennial Hall

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#### I. CALL TO ORDER AND ROLL CALL

Present: Darrell Windsor (Acting Chair), Stacy Mudry, Wendy Alderson, Thor Christianson (Assembly Liaison)  
Absent: Chris Spivey (excused), Catherine Riley (excused)  
Staff: Amy Ainslie (Planning Director) Kim Davis (Planner I) Hahlen Behnken Barkhau (Temporary Planning Assistant)  
Public: Rachel Roy, Peggy Wilcox, Sabrina Lee, Lisa Busch, Adam Olson, Randy Hughey, Rachel Jones, Marcia Strand, Keith Nyitray, Laurie Booyse, Sandy White, Pat Kehoe, Ariadne Will (Sentinel)

**Acting Chair Windsor called the meeting to order at 7:10 PM.**

#### II. CONSIDERATION OF THE AGENDA

#### III. CONSIDERATION OF THE MINUTES

##### A [PM 22-13](#)

**M-Alderson/S-Mudry moved to approve the June 15, 2022. Motion passed 3-0 by voice vote.**

#### IV. PERSONS TO BE HEARD

Rachel Roy provided a brief report on the Chamber of Commerce Economic Summit on July 14, 2022. The focus of the meeting was on how to understand what workforce challenges our community is facing. Among the problems listed were the lack of housing, difficulty attracting and training professional-level employees, a general shortage of skilled workers, and the shortage and cost of childcare. The Chamber of Commerce and the University of Alaska Southeast Sitka would be bringing people together to work on solutions.

#### V. PLANNING DIRECTOR'S REPORT

Ainslie introduced the new permanent hire for the Planner I position, Kim Davis. It was Barkhau's last meeting, Ainslie thanked him for his work and highlighted his work getting through a large backlog of files that are now digitalized. Ainslie reported that there was a transition of the GIS platform that the Planning Department maintains for public use after the contract provider had merged with another company. Ainslie will provide the Commission with a demonstration of the new platform once rolled out in the coming months.

**VI. REPORTS****B**     [MISC 22-10](#)     RAND Tourism Study Presentation

Graduate students Peggy Wilcox and Sabrina Lee were joined by the Sitka Sound Science Center's Executive Director, Lisa Busch, to present a study on concerns involving the tourism industry in Sitka. They will be conducting a survey in August with the results being presented in October. Through the study, residents would be surveyed to better understand how the recent increase in cruise tourism volume is affecting Sitka including business, housing, and other services/public amenities. Ainslie offered to pass along the group's contact information for commissioners who may want to follow up on the study.

**VII. THE EVENING BUSINESS****C**     [P 22- 06](#)     Public hearing and consideration of a final plat for a lot merger of 4680 and 4690 Sawmill Creek Road in the GP - Gary Paxton special zone. The properties are also known as Lots 2 and 3, Block 4, Sawmill Cove Industrial Park Resubdivision No. 1. The request is filed by the Northern Southeast Regional Aquaculture Association (NSRAA). The owner of record is the City and Borough of Sitka.

Before the staff report, Mudry noted that she may have a conflict of interest due to a business relationship between her business and the applicant organization. Ainslie asked if Mudry had any financial interest that would be impacted by the decision to merge the lots as proposed, to which she said no. Windsor confirmed with Mudry that she could remain unbiased, and ruled that she would participate in the decision. The applicant, Adam Olson for NSRAA, was brought forward to confirm whether he was comfortable with Mudry participating in the decision which he affirmed.

Staff Report: Ainslie introduced the proposal for a final plat for a lot merger of 4680 and 4690 Sawmill Creek Road. Both properties were City and Borough of Sitka owned and leased on a long-term basis to NSRAA. NSRAA was expanding their hatchery capacity for rearing Chinook and Chum salmon; the dissolution of the property line allowed for a larger building which better suited their operational needs. The resulting lot would be large enough to far exceed the minimum lot size for the district, no easements were affected, the lots cleared and flat, and no changes to traffic or density were expected. The GPIP Board had reviewed the request and unanimously recommended approval.

The applicant, Adam Olson for NSRAA, was present. NSRAA had been on Lot 2 since 2006, and had been in a long-term lease since 2008. Final design for the hatchery was still in progress.

Public Comment: None

Commissioner Deliberation: None.

**M-Alderson/S-Mudry moved to approve the final plat for a lot merger of the properties at 4680 and 4690 Sawmill Creek Road in the GP Gary Paxton special zone. The properties were also known as Lots 2 & 3, Block 4, Sawmill Cove Industrial Park Re Subdivision No. 1. The request was filed by NSRAA. The owner of record was City and Borough of Sitka. Motion passed 3-0 by voice**

vote.

**M-Alderson/S-Mudry moved to approve the findings as listed in the staff report.  
Motion passed 3-0 by voice vote.**

**D**      [P 22-02](#)

Staff Report: Ainslie introduced the last of review of the final plat for the planned unit development subdivision at 1410 and 1414 Halibut Point Road. The conceptual plat was approved on April 20th and the preliminary plat was approved June 1st. After final plat approval, the Assembly would also be reviewing the plat. This is the next phase of SCLT development. The overall concept results in 7 lots for single-family home construction, one lot will be for a future multi-family home or rental, and the remainder of the lot will be parking, open space, and other neighborhood amenities. There was also a boundary line adjustment affecting a neighboring property at 1415 Davidoff Street. Four deviations were approved at the preliminary hearing; smaller lot sizes, access and utilities via easement, parking configuration, and setbacks. One additional change was included on the final plat that had not been on the preliminary plat which increased lot coverage by increasing the maximum from 50% to 60%. The proposed subdivision mirrors the first development and incorporates nicely together. Ainslie commended the creative use of land that can't be developed by providing open space and neighborhood amenities. Staff recommended approval.

The applicant, Randy Hughey for SCLT, was present. Hughey reported that the plat is straightforward and with this final review well understood. The initial phase had realized great success, and SCLT was currently finishing construction on houses 4 and 5. They would be building houses 6-8 by the end of the year. Hughey remarked that the SCLT model of ownership fit the population of Sitka well. Given these successes, Hughey stated his hope to see more lands made available to the SCLT for future affordable housing development. Windsor asked for clarification regarding payment of property tax, and whether the homeowners had land costs; Hughey clarified that there was a small land cost to the buyer as they were responsible for paying property tax.

Public Comment: None

Commissioner Deliberation: None.

**M-Alderson/S-Mudry moved to approve the final plat for a planned unit subdivision at 1410 and 1414 Halibut Point Road in the R-2 multifamily district subject to the attached conditions of approval. The properties were also known as Tracts 1 and 2, portion of U.S. Survey 500. The request was filed by the Sitka Community Land Trust. The owner of record was the Sitka Community Land Trust. Motion passed 3-0 by voice vote.**

**M-Alderson/S-Mudry moved to adopt the findings as listed in the staff report.  
Motion passed 3-0 by voice vote.**

**E**      [CUP 22-14](#)

Staff Report: Ainslie introduced the proposal for a conditional use permit for five short-term rental (STR) units at 505 Sawmill Creek Road. The applicants had purchased the property and wanted to redevelop it as a multi-family structure with a community center. The community center would be considered under the next item on the agenda, CUP 22-22. While still in the planning and financial phase, the applicants wanted approval for 5 of 16 planned dwelling units to be used as STRs. Request for

approval was before Commission now, as the STR income was a part of the financing strategy for the overall project. They were also requesting a 2-year initiation period instead of 1 year. Of the 16 planned units there would be: two studio units, ten 2-bedroom units, three 3-bedroom units, one 4-bedroom unit, a gym, property manager office, mail room, and library as common elements in the building. For the STRs, three were 2-bedroom units and two were 3-bedroom units with an onsite manager working on site and a chauffer to be provided. Unlike bed and breakfasts, the zoning code did not specify that STRs could only occur in single-family homes or in a duplex. Further, the code had no provisions or limitations for the density of STRs within multi-family, but general consideration of density generally is a criteria which Commissioners could apply in their consideration of the request.

In terms of impact analysis there were a total of 30 parking spaces, the multi-family use would require 24 parking spaces. Access to the lot was planned from Baranof Street via Sawmill Creek Road (SMC). Traffic on Baranof Street would increase, as it was primarily a residential street. In terms of noise and odor potential, staff concluded that the onsite manager and long-term tenants would help prevent/mitigate negative effects. There was public comment submitted about the density, both of overall development but also the STRs. Ainslie clarified that the proposed multi-family density was not the subject of tonight's approval, as it was allowable under the districts development standards. However, Ainslie noted that the density of the STRs was absolutely relevant and should be a part of the Commissioners' consideration. The proposal met the zoning code minimum requirements for STR's and staff recommended approval from that standpoint. The comprehensive plan also encouraged housing development, and high density development. However, there were neighborhood concerns about traffic and density that needed to be weighed by the Commission.

The applicant, Rachel Jones, was present. She stated that the short-term rentals would provide 50% of the project's income and fund the development project. Two of the units are a co-living units which she felt would be suitable for young adults or multi-generational living. The goal was to bring long-term rentals to Sitka and the short-term rentals would fund the development. The project had been designed to fit the zoning code, but the applicants were open to restrictions on number of parking spaces for the STRs. She suggested that the 5 STR units could use one parking spot with supplied car. The applicant responded to the letters read into public comment, stating the slab was in good shape and pilings would be repaired. They were working closely with contractors and the building department on structural concerns for the building. If the project went forward, the applicant would build a fence to border the property and the garbage could be moved to a different location.

Public Comment: Marcia Strand wanted the Commission to look at the whole picture, including parking and traffic flows. Baranof Street had become very busy with traffic turning onto Sawmill Creek Road and would like the Commission to work with the applicant on parking issues. She had concerns with the number of toilets and demand on the utilities. Keith Nyitray with the Sitka Co-op was in favor of this request. Staff read a written comment from John Gleason/Shana Colburn & Family stating their opposition to the request based on the amount of increased traffic on Baranof Street, and a preference to have all access to the property from SMC rather than Baranof Street. Further, there was concern regarding the integrity of the foundation. A letter from Sarah Longenbaugh and Edward Schoenfeld was read by staff, which requested the construction of a privacy fence between the property and its immediate neighbors. Staff also read a written comment from Adam Chinalski who also had concerns about the structural integrity of the building's foundation.

Commissioner Deliberation: Windsor asked if the applicant had reached out to surrounding property owners, Jones had reached out to some of them and tried to address their parking and traffic concerns. Alderson voiced concerns about parking and the busy side street, noting that when there isn't sufficient parking people will find their own not necessarily where it is wanted. Jones stated they could redesign the parking plan to have access via Sawmill Creek Road and to reduce parking in the back. Ainslie agreed a new parking plan could possibly reduce the traffic on Baranof Street and the front parking lot could additional parking spaces if configured differently. Windsor agreed Sawmill Creek Road should be an access point in the development of a new parking plan. Applicant stated the parking was designed this way to stop cut through traffic but they could work on a redesign. Ainslie clarified that Commissioners could alter condition 11 to require the applicant to come back with a new parking plan.

**M-Alderson/S-Mudry moved to extend the initiation period for the conditional use permit to two-years rather than one-year to accommodate the timeline for the overall site development. Motion passed 3-0 by voice vote.**

**M-Mudry/S-Alderson moved to add a condition of approval requiring a privacy fence along the property lines that border abutting properties prior to construction and alter condition 11 to have review and approval of the parking plan at a later date. Motion passed 3-0 by voice vote.**

**M-Alderson/S-Mudry moved to approve the conditional use permit for five short-term rental units at 505 Sawmill Creek Road in the R-2 multifamily residential district subject to the attached conditions of approval as amended. The property was also known as Lots 10, 11, 12, 13 and 14, Block 20, Sitka Townsite, US Survey 1474 Tract A. The request was filed by Rachel Jones. The owners of record were Brendan & Rachel Jones and Tripp & Sherry LaRose. Motion passed 3-0 by voice vote.**

**M-Alderson/S-Mudry moved to adopt and approve the required findings for conditional use permits as listed in the staff report. Motion passed 3-0 by voice vote.**

**F**      [CUP 22-22](#)

Public hearing and consideration of a conditional use permit for a community center (food co-op operations) at 505 Sawmill Creek Road in the R-2 multifamily residential district. The property is also known as Lots 10, 11, 12, 13 and 14, Block 20, Sitka Townsite, U.S. Survey 1474, Tract A. The request is filed by Rachel Jones. The owners of record are Brendan Jones, Rachel Jones, Tripp LaRose, and Sherry LaRose.

Staff Report: Ainslie introduced the conditional use permit for a community center (food co-op operations). The food co-op used to operate at this location when the Presbyterian Church was active and wanted to again use the property as a permanent location. Food co-op activities would include receipt of freight, sorting/packing, co-op member pick-up, and incidental sales of extra items. During construction, pick ups would be four times per month and after construction could increase to 2-3 times per week. The zoning code did not define what a community center was, but the American Planning Association Glossary of Zoning, Development, and Planning terms offered this definition; "a building to be used as a place of meeting, recreation, or social activity and not operated for profit and in which neither alcoholic beverages or meals are normally dispensed or consumed." Ainslie stated that the Commission needed to determine whether the food co-op at this location was of an appropriate use and scale, that it was characterized as a social or community use, and did not rise to the level of commercial activity that would not be appropriate under a community center or under

the intent of R-2 zoning district. The parking calculation for this use was difficult to determine since the zoning code has a parking requirement for community buildings based on seating, so when a community building does not have seating as its main feature, the parking calculation doesn't apply. Ainslie used the parking requirements for food markets as the closest approximation, which for this space would necessitate seven parking spaces. Traffic impacts would be to Baranof Street and Sawmill Creek Road. The parking plan for the previous conditional use permit would impact both the traffic and parking for the co-op. As for noise and odor, there could be some from noise from freight drop-offs and member pick-ups, which would occur in the daytime or early evening. The co-op was not processing food and any waste should be minimal. Staff recommended approval on the basis of the Commission concluding the activity was a community or social use and not commercial activity.

The applicant, Rachel Jones and food co-op manager Keith Nyitray, were present. Sitka Co-op had been in that location in the past for several years. There would be parking spaces dedicated with signs for use during operations. The co-op was a non-profit, did not currently have a permanent space, operated from 8:30am-6:00pm, 3 times a month. Their members were volunteers and they were looking to maintain their current level of membership, not expand. Board meetings and community events could occur a few times a year at this location.

While there was no additional public comment, Ainslie did note that the letters read under CUP 22-14 from Gleason and Colburn as well as Longenbaugh and Schoenfeld had included the traffic concerns from this proposal as well as the STRs.

Commissioner deliberation: Alderson was unsure about the co-op operating at this location. Her concern was that the use was too commercial for a R-2 zone and believes it would cause too much traffic to have 16 dwelling units as well as a co-op. She has additional concerns that community gatherings outside of co-op pickup will cause even more traffic. Alderson expressed that while the food co-op may have worked out of this location in the past, she felt differently about that use in conjunction with an active church which had less frequent traffic as compared to the high-density multifamily proposal. Alderson expressed her concern. Mudry and Windsor also expressed concerns about parking and traffic.

**M-Mudry/S-Alderson moved to approve the conditional use permit for a community center at 505 Sawmill Creek Road in the R-2 multifamily residential district subject to the attached conditions of approval. The property was also known as Lots 10, 11, 12, 13 and 14, Block 20, Sitka Townsite, US Survey 1474 Tract A. The request was filed by Rachel Jones. The owners of record were Brendan & Rachel Jones and Tripp & Sherry LaRose. Motion failed 0-3 by voice vote.**

**M-Alderson/S-Mudry moved to find the addition of a co-op as well as the 16 dwelling units would stress the total impact of the development, that traffic and parking issues could not be resolved and would negatively effect general public health, safety, and welfare. Motion passed 3-0 by voice vote.**

## **G**      [MISC 22-11](#)

Discussion/Direction on potential modifications to the Lincoln Street Closure.

Staff report: Ainslie stated that this item was before the Commission to provide recommendations to the Municipal Administrator on the thresholds for closure of Lincoln Street given recent news that actual passenger counts which were the basis for the closure could not be obtained in a timely manner. Alderson has noticed people on the sidewalks while the street is closed but the people in the street have been happy

and spread out. Alderson preferred to not raise the threshold too high, such as a threshold of 6,000 passenger capacity days, and she likes seeing the streets closed. Ainslie said booking rates had been about 65% to 80% of ship capacity. The commission invited Visit Sitka to speak; their Director, Laurie Booyse, stated on July 18 there were 4,700 cruise ship passengers in town, and on July 19 there were 5,700 in town. There was acknowledgement that the cruise ships were not forthcoming with accurate counts until after they visit. Booyse noted that cruise passenger numbers would be bigger next year, so now was the time to start planning for next year. They had been working with the city to make sure the barricades were up and bathrooms were clean. It has been reported that business saw an increase in sales from 2019. Their recommendation on the closure threshold was days with a minimum of 4,500 passenger capacity.

Public comment: Sandy White, also with Visit Sitka, relayed that businesses downtown she had spoken to were largely thankful for the closure. She had concerns about pedestrian safety were the street to be open on larger cruise ship days. Rachel Roy also with Visit Sitka and the Chamber of Commerce stated that businesses and the local community want to know what to expect. Visit Sitka had been providing the compiled comments from the community feedback line to the Assembly. Pat Kehoe stated she was pleased by the enjoyment of the visitors and the closure had been a good thing.

Ultimately, the Commission did not have a strong feeling about changes to the street closure, recommended to let the experts decide. No Commission action was taken.

## **VIII. ADJOURNMENT**

**Seeing no objections, Acting Chair Windsor adjourned the meeting at 9:53 PM.**