



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

April 17, 2015

The Honorable Senator Anna MacKinnon
Alaska State Senate
By e-mail: Sen.Anna.MacKinnon@akleg.gov

Dear Senator MacKinnon:

Thank you for your letter of April 14, 2015, which we just received by mail late yesterday. City and Borough of Sitka (CBS) is pleased to respond to your specific questions concerning the Commercial Vessel Passenger (CVP) Tax:

28) What is the unspent balance of CVP shared tax dollars your community has received as of April 30, 2015?

City and Borough of Sitka has no unobligated balance of CVP shared tax dollars as of April 30, 2015. For several years, CBS has received and obligated the majority of its share of CVP shared tax dollars to the major renovation of Sitka's only visitor center, Centennial Hall. This facility is over 50 years old and badly in need of renovation. The visitor and bus parking area at Centennial Hall has been completed; Centennial Hall building design is complete; and we anticipate construction contract award on June 9, 2015. The construction contract will be signed prior to June 30, 2015.

29) Do you rely on CVP funds to make bond payments on projects? If so, when were the bonds issued, what was the amount issued, and what were the projects?

City and Borough of Sitka has never relied on CVP funds to make bond payments on projects.

30) What projects does your community have planned for future use of the CVP shared tax funds?

City and Borough of Sitka completed a Sitka Passenger Fee Fund Implementation Plan in 2010 which identifies many future capital improvements.


The State's Commercial Vessel Passenger shared tax dollars are critically important to Sitka to help provide the necessary visitor facilities, amenities, port facilities, security, transportation, and support services to cruise ship visitors. Sitka does not receive any local visitor head tax funds and has no way to generate the major funding required for infrastructure improvements

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such as Sitka's Centennial Hall upgrade. In order for Sitka to remain an attractive destination to cruise lines, Sitka must improve its visitor facilities and services. The CVP shared tax dollars are Sitka's only means of generating the funding to complete essential Cruise Vessel Passenger improvements. Sitka's attractiveness as a cruise ship destination is important not only to Sitka's economy but to the economic stability of the entire Southeast Region.

City and Borough of Sitka appreciates the State's partnership to support the Southeast Region's economy through the CVP shared tax dollars and would be most grateful for continued funding assistance to complete Sitka's urgently needed cruise vessel passenger infrastructure improvements. If any further information would be helpful, please contact me (phone: 907-747-1808; e-mail: markgorman@cityofsitka.com). Thank you for the opportunity to comment.

Sincerely,



Mark Gorman
Municipal Administrator

cc: Senator Bert Stedman
Representative Jonathan Kreiss-Tomkins
Mayor and Assembly
CBS Public Works Director Michael Harmon
CBS Finance Director Jay Sweeney

Service Award

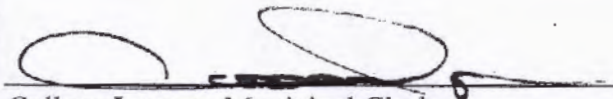
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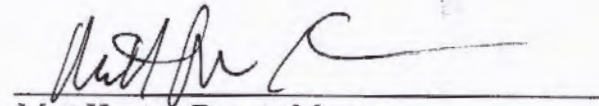
this expression of grateful acknowledgment for your valued services
rendered in the public interest while serving on the
Health Needs and Human Services Commission. Thank you!

Signed and Sealed by Order of the Deputy Mayor of the City and Borough of Sitka
This 22nd day of April, 2015.

Attest:



Colleen Ingman, Municipal Clerk



Matt Hunter, Deputy Mayor

