



# City and Borough of Sitka

PUBLIC WORKS

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## MEMO

**To:** Mayor McAdams and Assembly Members  
**From:** Jim Dinley, Administrator  
**Date:** December 16, 2009  
**Subject:** Progress Report on Commercial Passenger Excise Tax - Master Plan

### Background

Over the last several years the community has generated several planning documents, directly or indirectly related to tourism, including VIP 2.0, VIP 1.0, the Gateway Plan, the Comprehensive Plan, and the Sitka Non-Motorized Transportation Plan. Each of these plans, with the possible exception of the Gateway Plan, went through an extensive public process. These plans are somewhat limited as plans often are by an absence of funding dedicated to implementing the plans or constructing projects put forth in the plans.

When the State Legislature instituted the Commercial Passenger Excise Tax (CPET)<sup>1</sup> a funding source was created for projects which would benefit safety, transportation, or efficiency for cruise visitors. An opportunity was recognized by the Administration and Assembly to fund projects envisioned by the plans. But it was uncertain how to obtain the greatest benefit for the tourism industry and the community.

The Public Works Department recognized that a strategic first step would be to integrate the work of the previous planning efforts into a single master plan. That master plan would provide a road map for both near term projects and work in future years. Such a plan could help assure that various projects, large and small, near-term and long-term, fit together into a coherent whole.

In July the Department issued a Request for Proposals for a Marine Passenger Fee Fund Master Plan. In October the Assembly approved a contract to MRV Architects to undertake a tourism master planning effort to include a Project Implementation Master Plan.

### Master Plan Project Status

The December 3, 2009 milestone under that contract had two principle deliverables: a 35% master plan and a list of projects recommended for immediate implementation to construct in 2010.

Those deliverables were presented on schedule by MRV to the Marine Passenger Fee committee and staff on December 3.

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<sup>1</sup> The CPET is also known as the "cruise ship head tax." The funds are collected locally in a fund defined by ordinance as the "Marine Passenger Fee Fund."

MRV presented a list of twenty-six implementation projects, along with seven identified for immediate implementation. The projects ranged from major million dollar plus scale, such as seawalks, to simple improved signage. The seven projects proposed for immediate implementation are listed in this December 22 agenda for Assembly approval.

Prior to the formal contract, MRV was authorized to conduct a survey of cruise visitors at the end of the season, in order to better understand specific needs of the cruise visitor. The survey results identified better wayfinding and signage as a significant need. That finding corresponds to the public processes for the earlier plans, which consistently identified better wayfinding and signage as a pressing need.

Progress on bringing the plan to 90% is now underway. Public meetings will be held in late February or March.

The steering committee was overall pleased with the progress on the plan to date, and is looking forward to the continued development of the plan to the 90% and 100% levels.