

City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

Case No: ZA 20-01

Proposal: Zoning Map Amendment: Industrial to C-2

Applicant: Chris McGraw and Charles McGraw

Owner: Halibut Point Marine Services, LLC and Charles McGraw

Location: 4513, 4521, and 4533 Halibut Point Road

Legal Desc.: Lot A, HPM Subdivision, Lot 55, U.S. Survey 3475, and a portion of Lot Fifty-one (51),

U.S. Survey 3475

Zone: Industrial zoning district Size: 4513 HPR: 100,789 sf

> 4521 HPR: 49,149 4533 HPR: 27,294

Parcel ID: 4513 HPR: 2-5860-000

4521 HPR: 2-5870-000 4533 HPR: 2-5852-000

Existing Use: Commercial deep-water dock, visitor staging, fuel & marine services

Adjacent Use: Commercial, residential, quarrying, private marina

Utilities: Halibut Point Road Access: Halibut Point Road

KEY POINTS AND CONCERNS:

- Lots have been historically zoned as Industrial
- Property borders C-2 zoning district to the south on the waterfront side of Halibut Point Road and properties across Halibut Point Road
- Current use of property including commercial dock, boat storage, and fuel dealers are also permitted uses in C-2 zoning.
- New proposed uses for property include brewery, food service, and expanded retail. General retail and eating/drinking places are allowed by right in the C-2 zone. Breweries and wineries are conditional uses in the C-2 zone.
- Given the use of the dock and shore facilities for cruise ship passengers, as well as the scarcity of Industrial land, there may be community interest in changing allowable uses of the property.

ATTACHMENTS

Attachment A: Aerial

Attachment B: Zoning Map

Attachment C: Sitka Industrial Zones

Attachment D: Photos

Attachment E: Applicant Materials

PROJECT DESCRIPTION

The applicants are requesting a zoning map amendment from Industrial zoning to C-2 commercial zoning for their lots at 4513, 4521, and 4533 Halibut Point Road.

No public comments have been received at the time of writing this staff report.

In deliberations, commissioners need to keep in mind all C-2 permitted uses as the owner(s) could sell, and the current (or proposed) uses could change. Further, this location houses cruise ship infrastructure; there may be community-wide impacts for changes in use at this location. Relevant consideration also includes the limited Industrial zones in town; a map of all Industrial zones is attached.

BACKGROUND

The lots have been zoned Industrial historically. This is a cluster of 3 lots within an Industrial zone which borders a C-2 zone. Adjacent industrial uses include shipping and storage for Alaska Marine Lines, as well as a rock quarry across the street. Given the broad allowable uses of the C-2 zone, surrounding uses in the neighboring C-2 zone include single-family residential, multifamily residential, commercial storage/warehousing, food manufacturing, and a tannery.

The applicant is motivated to pursue this zone change because they would like expand infrastructure and services to cruise ship passengers (whose numbers are forecasted to grow substantially in the coming years). Proposed development of the area includes more covered space, restrooms, tour departure staging, a restaurant, a brewery and taproom, and retail services. The applicant has included a narrative in their application to more fully outline their proposed use of the property if the zoning map amendment is successful.

Descriptions of each zoning district:

SGC 22.16.110 – I industrial district.

A. Intent. The industrial district is intended for industrial or heavier commercial uses including warehousing, wholesale, and distribution operations, manufacturing, natural resource extraction, contractors' yards and other such uses that require larger property or larger water and sewer services.

SGC 22.16.080 – C-1 general commercial district or C-2 general commercial mobile home district.

- A. Intent. The general commercial district is intended to be served by major essential utilities and to include those areas which are heavily dependent on vehicular access. The district is intended for those areas surrounding major intersections where personal services, convenience goods, and auto-related service facilities are desirable and appropriate land uses. The extension of the general commercial district long the roads in a strip fashion is to be discouraged.
- B. All provisions of the C-1 district apply in the C-2 district, except that permitted uses also include manufactured homes on single lots and manufactured home parks.

ANALYSIS

Project / Site: Main lots to be rezoned are 100,789 square feet (4513 HPR) and 49,149 square feet (4521 HPR). Lots currently have open space for parking and storage, and the haul out space/equipment/infrastructure. Towards the road on 4513 HPR, there is an approximately 5,000 square foot passenger terminal currently used for passenger staging.

Proposed usages if the ZMA is successful include new buildings for a restaurant, restrooms, a brewery and taproom, tour sales, staging, and retail. The property owners have made public their plans to no longer operate a boat haul out at this location.

Traffic: Staff anticipates that this ZMA would ultimately create additional traffic to the parcels as compared to what is currently happening; more traffic should be expected in commercial zones. Halibut Point Road is a major arterial highway that can be expected to carry high traffic loads. Further, if cruise ship passenger numbers are to increase, much of the increased traffic over the next five years will occur regardless of this ZMA.

Parking: The lots all have adequate space to accommodate off street parking as may be required for future uses.

Noise: Industrial use generally generates more noise than general commercial. Increased noise disturbance may occur with increased cruise passengers regardless of zoning change. Would be generally limited to day/business hours on a seasonal basis.

Public Health or Safety: No impacts to public health or safety anticipated.

Habitat: No concerns for habitat.

Property Value or Neighborhood Harmony: Industrial property is generally valued higher as there are fewer usage restrictions. However, the value of added allowable uses involving the sales of goods and services may be higher. The expansion of cruise passengers and facilities is an economic gain for Sitka. Concentration of visitors in the area may detract from neighborhood harmony, particularly for residential neighbors. However, this should be measured as an incremental impact, as the existing infrastructure and allowable uses under current Industrial zoning will already bring visitor traffic to the area.

Comprehensive Plan: The proposal directly correlates to ED 6.5: Support growth of Sitka's independent cruise related and heritage tourism work and enterprises by expanding cruise ship related facilities and services. However, the proposal could contribute to issues identified in LU 6.2: Prevent future incompatible land use between residential, light commercial, heavy commercial, and industrial uses as the C-2 zoning has already contributed to (what some may consider) non-complementary uses in the area; the mix of residential, commercial, and industrial uses within a condensed area. Whether or not this zoning change would alleviate, or exacerbate, incompatible land use is likely dependent on the overall view of the neighborhood and the community.

STAFF RECOMMENDEDATION/CONCLUSION

From a zoning code perspective, the request avoids two major zoning conflicts. First, the request does not result in spot zoning. There is adjacent C-2 zoning; this ZMA would extend the C-2 zone. Secondly, the current infrastructure and uses of the lot are compatible and consistent with C-2 district regulations. Therefore, from a code administration standpoint, staff recommends approval.

There are two community-driven, policy considerations to be made; the presence of a cruise ship dock on the property, and the scarcity of Industrial land in Sitka. The cruise ship dock operation is an important driver of the tourism industry and serves as a gateway of visitors into the community. The surrounding uses, facilities, and services of the area will influence the visitor dispersion throughout town.

Industrial zoned land in Sitka is scarce; maps of the Industrial land are provided in the packet. The Commission should consider the ramifications of removing these properties from the "inventory" of Industrial land. There may be opportunities to open more industrial land; however, Industrial land can be difficult to establish as it is generally the highest impact use.

The goal of the Planning Department is to "facilitate citizen directed, community growth." The community-driven, policy questions this ZMA raises must be heard by, commented on, and ultimately decided by the community. Staff maintains a neutral position on these issues.

RECOMMENDED MOTIONS

- 1) "I move to recommend approval of the zoning map amendment to rezone 4513, 4521, and 4533 Halibut Point Road from the Industrial district to the C-2 general commercial and mobile home district. The properties are also known as Lot A, HPM Subdivision, Lot 55, U.S. Survey 3475, and a portion of Lot Fifty-one (51), U.S. Survey 3475. The request is filed by Chris McGraw and Charles McGraw. The owners of record are Halibut Marine Services, LLC and Charles McGraw."
- 2) "I move to adopt the findings as listed in the staff report."

The commission finds that:

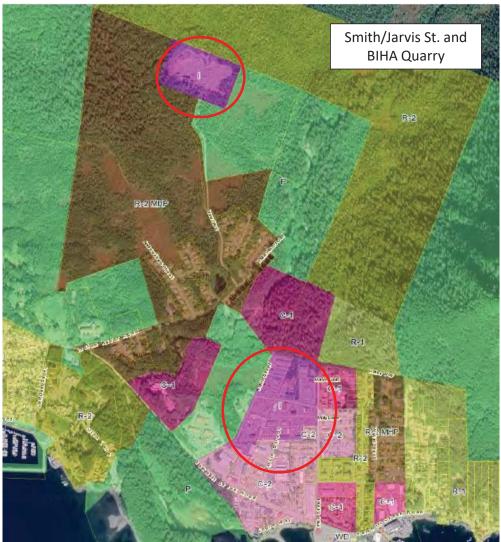
- a. The zoning map amendment does not negatively impact the public health, safety, and welfare,
- b. The zoning map amendment has followed all code regarding amending the official zoning map with regards to public process;
- c. The zoning map amendment will not result in adverse effects on surrounding neighbors.
- d. The zoning map change is consistent with the public purpose of increasing commercial opportunities.
- e. The zoning map amendment comports with the Comprehensive Plan by aligning with goal ED 6.5: Support growth of Sitka's independent cruise related and heritage tourism work and enterprises.



















Need/Hardship/Justification:

Cruise passenger traffic at the Halibut Point Cruise terminal has increased from approximately 15,000 passengers in 2013 to an estimated 300,000+ in the coming years. This growth has resulted in a change in focus for the facility from a multiuse site that included both industrial and commercial activities to a site that host primarily commercial related activities. In addition, this increase will result in the need for additional structures to be constructed to allow for more covered space including restrooms, tour departure staging, and expansion of the existing temporary restaurant into a fixed building to accommodate the additional passenger demand. A fixed structure for food and beverage is not a permitted use in the Industrial Zone. The change to C-2 will allow for the construction and operation of the expanded restaurant. In addition, Baranof Investments which is the company that is taking over Baranof Island Brewing is wanting to have a tap room at the cruise terminal to allow for increased sales and support the year-round operation of a local brewery.

Public Benefit of Proposal

Cruise ships worldwide and in Alaska are getting larger. Ports are needing to upgrade their infrastructure in order to be able to accommodate these ships. Juneau, Icy Strait Point, Ketchikan, and Skagway have all either upgraded their facilities or are in the process of doing so. In order for Sitka to remaining competitive and be a viable port for new ship deployments, Halibut Point is expanding its dock facilities next winter. This upgraded dock facility will allow for larger number of passengers to visit Sitka. With the increased dock infrastructure, Halibut Point needs to improve its uplands infrastructure to accommodate the additional number of passengers to ensure that the passengers have a pleasurable experience and that they can efficiency be dispatched on to tours, and on the shuttle to downtown Sitka.

The increase in cruise visitors will have a direct impact on local sales. Cruise passengers purchase retails goods, tours, eat at local restaurants, and visit local historical sites and attractions. These purchases add money to the local economy and directly increase sales tax revenues to the City and Borough of Sitka which effect every Sitkan by providing additional funding for local services, schools, road maintenance, and facilities.

Consistency with Comprehensive Plan

ED 6.5 of the comprehensive plan is an Economic Development Action to "Support growth of Sitka's independent, cruise-related, and heritage tourism work and enterprises.

Changing the zoning of these lots from I to C-2 allows for the expansion of the Halibut Point Cruise Terminal to allow the facility to accommodate additional cruise traffic. The only way Sitka is going to grow its cruise related traffic is through increasing the ships that visit Sitka. In order to attract additional ships to Sitka, we need to have adequate facilities that can accommodate the new ships and compete with new facilities that are being constructed in other ports in Alaska.

By growing cruise traffic, it will also help to grow both the independent and heritage tourism enterprises. Increased number of cruise visitors will directly increase the number of visitors that heritage-based tourism business host. In addition, studies have shown that a percentage of cruise passengers that visit a port come back to that port in later years as independent travelers. Therefore, by increasing the number of cruise visits to Sitka, it helps to grow the independent traveler market for the future.

CITY AND BOROUGH OF SITKA PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT GENERAL APPLICATION FORM

Applications must be deemed complete at least TWENTY-ONE (21) days in advance of next meeting date. Review guidelines and procedural information. Fill form out completely. No request will be considered without a completed form. Submit all supporting documents and proof of payment. **APPLICATION FOR:** VARIANCE CONDITIONAL USE ZONING AMENDMENT PLAT/SUBDIVISION BRIEF DESCRIPTION OF REQUEST: _____ Rezone Lot A HPM Subdivision and Lot 55 US Survey 3475 and Prn Lot 51 US Survey 3475 to C-2 Zoning District from I Zoning District PROPERTY INFORMATION: Industrial CURRENT ZONING: _ PROPOSED ZONING (if applicable): Cruise Ship Port CURRENT LAND USE(S): PROPOSED LAND USES (if changing):_ APPLICANT INFORMATION: Halibut Point Marine Services LLC PROPERTY OWNER: P.O. Box 718 Sitka, AK 99835 PROPERTY OWNER ADDRESS: 4513 Halibut Point Road STREET ADDRESS OF PROPERTY: Halibut Point Marine Services LLC APPLICANT'S NAME: P.O. Box 718 Sitka, AK 99835 MAILING ADDRESS: chris@halibutpointmarine.com EMAIL ADDRESS: PROPERTY LEGAL DESCRIPTION: A, 55, Prn 51 2586000, 2587000, 25852000 TAX ID: _ SUBDIVISION:

McGraw 12-24-19 4513 Halibut Point

Last Name Date Submitted Project Address

REQUIRED INFORMATION: For All Applications: Completed General Application form Supplemental Application (Variance, CUP, Plat, Zoning Amendment) Site Plan showing all existing and proposed structures with dimensions and location of utilities Floor Plan for all structures and showing use of those structures Copy of Deed (find in purchase documents or at Alaska Recorder's Office website) Lopy of current plat (find in purchase documents or at Alaska Recorder's Office website) Site photos showing all angles of structures, property lines, street access, and parking – emailed to planning@cityofsitka.org or printed in color on 8.5" x 11" paper Proof of filing fee payment For Marijuana Enterprise Conditional Use Permits Only: **AMCO Application** For Short-Term Rentals and B&Bs: Renter Informational Handout (directions to rental, garbage instructions, etc.) **CERTIFICATION:** I hereby certify that I am the owner of the property described above and that I desire a planning action in conformance with Sitka General Code and hereby state that all of the above statements are true. I certify that this application meets SCG requirements to the best of my knowledge, belief, and professional ability. I acknowledge that payment of the review fee is non-refundable, is to cover costs associated with the processing of this application, and does not ensure approval of the request. I understand that public notice will be mailed to neighboring property owners and published in the Daily Sitka Sentinel. I understand that attendance at the Planning Commission meeting is required for the application to be considered for approval. I further authorize municipal staff to access the property to conduct site visits as necessary. I authorize the applicant listed on this application to conduct business on my behalf. 12-24-19 12-27-19 1 mm am Owner Date Date

Owner

I certify that I desire a planning action in conformance with Sitka General Code and hereby state that all of the above statements are true. I certify that this application meets SCG requirements to the best of my knowledge, belief, and professional ability. I acknowledge that payment of the review fee is non-refundable, is to cover costs associated with the processing of this application, and does not ensure approval of the request.

Applicant (If different than owner)

Date

McGraw

12-24-19

4513 Halibut Point

Project Address

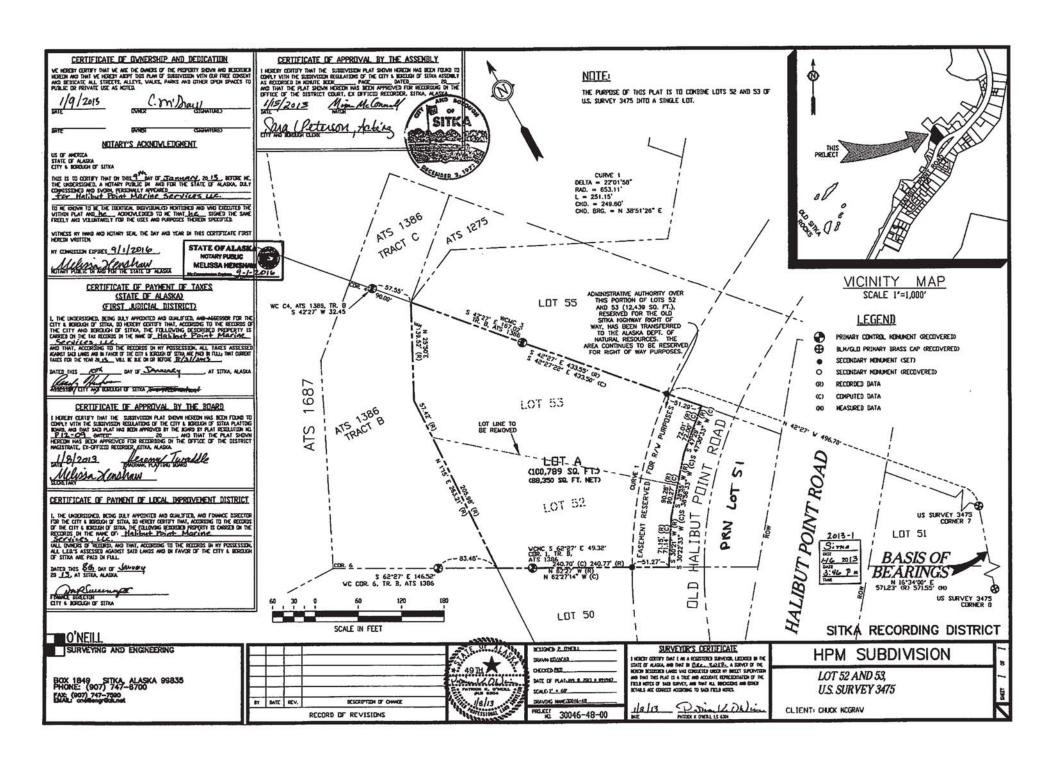
Date Submitted

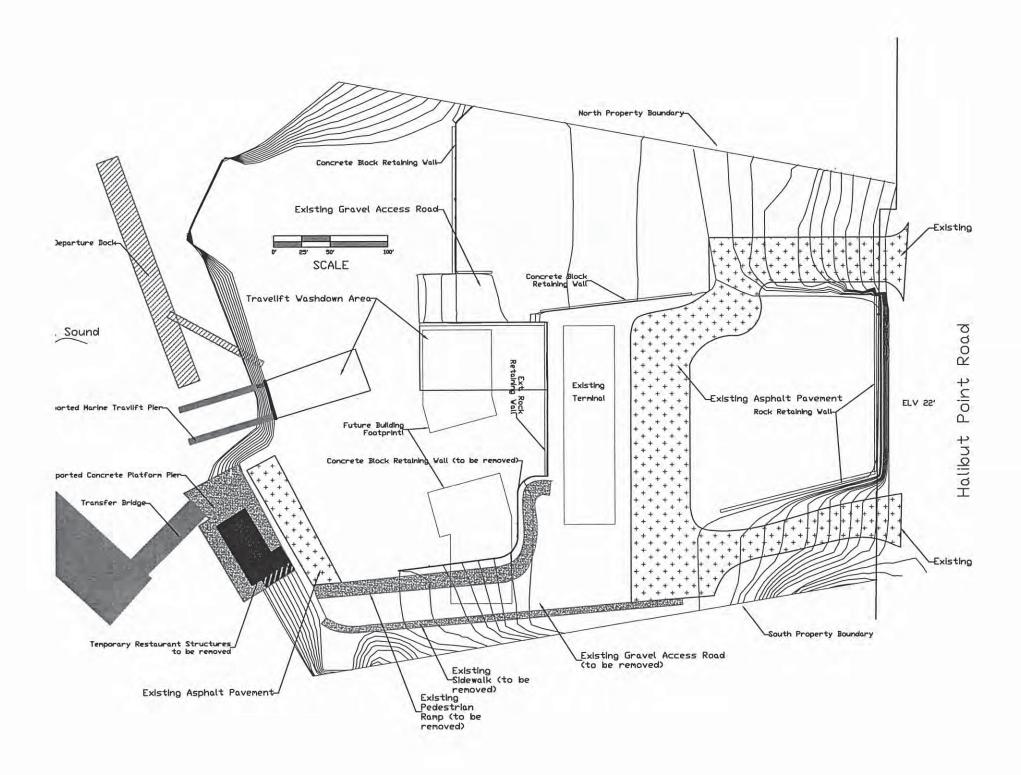
Last Name

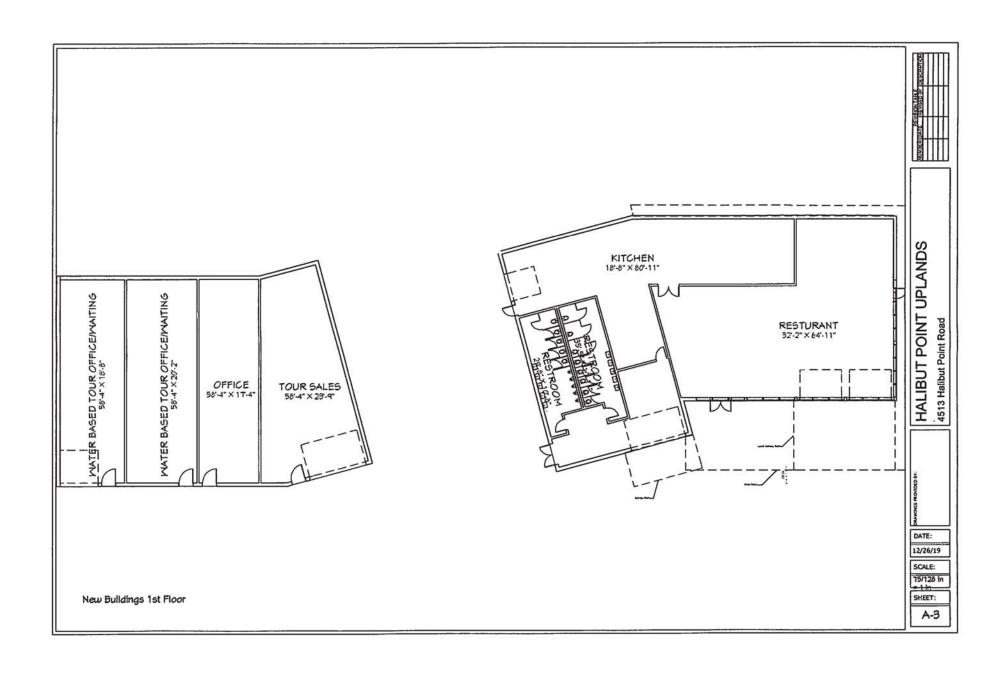


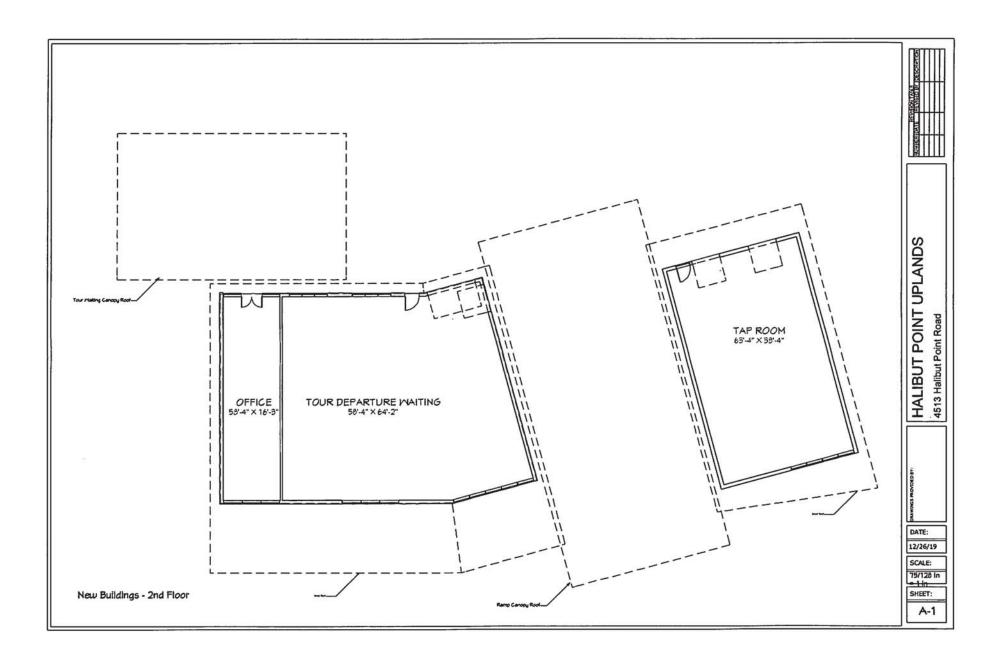
	ss each item in regard to your proposa	
NEED/HARDSHIP/JUSTI	FICATION FOR PROPOSAL: See Atta	ched
-		
PUBLIC BENEFIT OF PRO	POSAL:	
See Attache	ed	
CONSISTENCY WITH CO	MPREHENSIVE PLAN (Cite Section and Ex	colain): ED 6.5
See Attache	ed Explanation	
CONSISTENCY WITH PH	YSICAL BOUNDARIES (Streets, Major Cre	eks. etc.):
	e will be consistent a	
DOES NOT RESULT IN SP	OT ZONING DECAUSE.	
		el to the north is zoned C-2.
		e from I to C-2 does not result in
		fect public health, safety or welfare.
Coma.		12-27-19
Applicant		Date
McGraw	12-27-19	4513 Halibut Point Roa

Last Name **Date Submitted Project Address**









		ALUKE IDANIE IEROSOPIE DE ESTETO
	EXISTING TERMINAL - SHUTTLE WAITINGING/RETAIL 45'-4" X 1111-5"	HALIBUT POINT UPLANDS 4513 Halibut Point Road
Existing Terminal		DATE: 12/26/19 SCALE: T5/126 In SHEET: A-2

Amy Ainslie

From: Chris McGraw < chris@halibutpointmarine.com>

Sent: Wednesday, January 15, 2020 10:23 AM

To: spi3050@yahoo.com; dwindsor@gci.net; randywhughey@gmail.com; alaskanengineer@gmail.com;

stacym@sitkareadymix.com

Cc: Chuck McGraw; Amy Ainslie; Hugh Bevan

Subject: Halibut Point Marine Services Zoning Change Request

Attachments: Halibut Point Master Plan.pdf

Hello Planning Commission Members,

On tonights meeting agenda, Halibut Point Marine Services is requesting a zoning map change for its property located uplands from its Cruise Ship dock on Halibut Point Road. The property is currently zoned Industrial and the request is to change the zoning to C-2. Halibut Point Marine constructed its dock facility in 2011 along with a terminal building in 2013. In 2011 when the facility was opened Sitka had a total of around 80,000 cruise ship passenger visits with the majority of these ships anchoring and utilizing the tender facilities. Since 2011 HPM has done extensive marketing to the various cruise lines and has been able to attract additional ships to visit Sitka. In 2019 Sitka had around 210,000 passengers with 190,000 of these calling at the dock facility.

Currently HPM has some retail sales that take place in its existing terminal building. These sales are targeted at the cruise ship passengers and have been allowed in the Industrial zone under accessory use portion of the code that allows uses that are "incidental and supportive of the printable use". In addition a season restaurant utilizing a temporary tent and kitchens located in shipping containers has been offering local seafood to passengers since 2016.

Passenger traffic is expected to increase considerably over the next two years and HPM plans to expand its facility to meet the needs of this expansion. By 2021 it is anticipated that HPM will see individual days that exceed 6,000 passenger. To meet this demand, our plan is to construct additional buildings that provide restrooms, areas for tour sales, areas for tour staging, a fixed restaurant structure along with a space for a tap room for the local brewery that will be taking over for BIBCO. In addition, we have plans in the future for an outdoor amphitheater and other onsite tour attractions. A copy of our proposed master plan is attached.

The change to C-2 is required for the fixed restaurant along with the tap room. In addition, the out door amphitheater and other planned onsite attractions require a C-2 zoning.

We do not have plans to expand any of the gift shop related retail. Three executives from a cruise company were in town last week from Miami. We have presented them with our development plan and they are seriously considering additional deployment to Sitka in 2021 with ships that carry over 4000 passengers. It was very important to them that the dock facilities be able to handle the passenger load and provide a pleasurable welcoming experience. They felt that the restaurant serving local seafood, local beer, and a few onsite attractions would be a major plus for their passenger to experience before or after they explore Sitka.

If this company decides to increase deployment to Sitka, the total passenger count would increase by 80,000 passenger to a total of over 300,000 passengers. Recent economic studies in Juneau and Ketchikan show that cruise passengers spend on average \$160 while they are in an Alaskan port. This single deployment decision could result in at least \$12.8 million to Sitka's local economy and \$768,000 in Sales Tax Revenue to the City and Borough of Sitka which benefits everything from Schools, Roads, Non Profits, and City Services.

I hope you consider approving this zoning map change. This zoning designation coincides with adjacent properties, and will could allow for a significant economic impact to Sitka's economy.

Chris McGraw

Halibut Point Marine Services *Cell*: 907-738-9011 chris@halibutpointmarine.com

SITE PLAN MASTER PLAN



LEGEND

Project Site (+/- 6.8 AC) - -

Building 1 (Brew Pub / 9,800 SF) 1.

Building 2 (Tour Sales / 10,400 SF) 2.

Building 3 (Existing Terminal / 8,500 SF) 3.

Building 4 (Amphitheater / 2,500 SF) 4.

Building 5 (Office & Attraction / 8,275 SF) 5.

Building 6 (Water-Ex / 100 SF) Expanded 6.

Cruise Berths / Float 7.

(x2 Vessel Positions)

New Cruise Passenger Ramp 8.

.

Waterborne Shore Excursion Float 9.

Ground Transportation Area (+/- 12 Bays) 10.

Shuttle Zone (+/- 8 Bays) 11.

Surface Parking (+/- 66 Spaces) 12.

Arrivals Plaza (Halibut Square) 13.

Intermediate Plaza (Tlingit Square) 14.