



CITY AND BOROUGH OF SITKA

Meeting Agenda

Planning Commission

Chris Spivey, Chair
Darrell Windsor, Vice Chair
Debra Pohlman
Randy Hughey
Richard Parmelee

Tuesday, February 7, 2017

7:00 PM

Harrigan Centennial Hall

I. CALL TO ORDER AND ROLL CALL

II. CONSIDERATION OF THE AGENDA

III. CONSIDERATION OF THE MINUTES

A [PM-18](#) Approval of the January 17, 2017 meeting minutes.

Attachments: [1.17.17 draft](#)

IV. REPORTS

B [16-00](#) Planning Regulations and Procedures.

Attachments: [Planning Regulations and Procedures](#)

V. THE EVENING BUSINESS

C [MISC 17-04](#) Discussion and direction of the land use, housing, and economic sections of the Comprehensive Plan.

Attachments: [Housing Goals Objectives Actions 2.1.17](#)
[Economic Goals Objectives Actions 2.3.17](#)
[Land Use Goals Objectives Actions 2.3.17](#)
[Draft Housing Chapter 1.30.17](#)
[Draft Economics Chapter 1.19.17](#)
[Draft Land Use Chapter 2.1.17](#)
[4 overlay zones](#)
[Price Street Discussion](#)

VI. PLANNING DIRECTOR'S REPORT

VII. PUBLIC BUSINESS FROM THE FLOOR

VIII. ADJOURNMENT

NOTE: More information on these agenda items can be found at <https://sitka.legistar.com/Calendar.aspx> or by contacting the Planning Office at 100 Lincoln Street. Individuals having concerns or comments on any item are encouraged to provide written comments to the Planning Office or make comments at the Planning Commission meeting. Written comments may be dropped off at the Planning Office in City Hall, emailed to planning@cityofsitka.org, or faxed to (907) 747-6138. Those with questions may call (907) 747-1814.

Publish: January 30 and February 1



CITY AND BOROUGH OF SITKA

Legislation Details

File #: PM-18 **Version:** 1 **Name:**
Type: Planning Minutes **Status:** AGENDA READY
File created: 1/26/2017 **In control:** Planning Commission
On agenda: 2/7/2017 **Final action:**
Title: Approval of the January 17, 2017 meeting minutes.
Sponsors:
Indexes:
Code sections:
Attachments: [1.17.17 draft](#)

Date	Ver.	Action By	Action	Result
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CITY AND BOROUGH OF SITKA

Minutes - Draft

Planning Commission

Chris Spivey, Chair
Darrell Windsor, Vice Chair
Debra Pohlman
Randy Hughey
Richard Parmelee

Tuesday, January 17, 2017

7:00 PM

Harrigan Centennial Hall

I. CALL TO ORDER AND ROLL CALL

Vice-Chair Windsor called the meeting to order at 7:02 PM.

Present: Windsor, Pohlman, Parmelee, Hughey, Knox (Assembly Liaison)

II. CONSIDERATION OF THE AGENDA

In regard to Item M, Windsor doesn't know why we're giving up a regular meeting for the comprehensive plan. Pohlman stated that it is a short discussion of top priorities. Scarcelli stated that it should be a short discussion, and the comprehensive plan is on a timeline. Scarcelli stated that no new information is being presented, but this is a discussion of top priorities from prior meetings.

III. CONSIDERATION OF THE MINUTES

A Approval of the December 20, 2016 meeting minutes.

Parmelee/Pohlman moved to **APPROVE** the December 20, 2016 meeting minutes.

Motion PASSED 4-0.

B Approval of the January 3, 2016 meeting minutes.

Parmelee/Pohlman moved to **APPROVE** the January 3, 2017 meeting minutes.

Motion PASSED 4-0.

IV. REPORTS

C Planning Regulations and Procedures.

D Annual report for a conditional use permit granted to Roberta Littlefield for a kennel at 4102 Halibut Point Road. No action required.

E Annual report for a conditional use permit for a short-term rental granted

to William Hutton at 1232 Georgeson Loop. No action required.

V. THE EVENING BUSINESS

F Election of officers for 2017.

Hughey/Parmelee moved to elect Spivey as Chair for 2017.

Motion PASSED 4-0.

Pohlman/Parmelee moved to elect Windsor as Vice-Chair for 2017.

Motion PASSED 4-0.

G Annual review of a conditional use permit granted to Karen Lucas for a non-motorized food cart at 242 Katlian Avenue. The property is also known as Lot 21 Block 1 Sitka Indian Village, US Survey 2542. The owner of record is Karen Lucas.

Pierson explained the history of the permit, granted approximately one year ago for a non-motorized food truck at 242 Katlian Avenue. Early concerns were for parking and smoke. Staff have not heard any recent concerns. Staff recommend approval of the annual review.

Gary May stated that he plans to be open by March or April, but operations are overall remaining the same. May stated that he may add a tent enclosure. May stated that he had worked with the neighbor on the smoke problem.

Dan Stockel stated that he owns the building next door. Stockel stated that he thinks the operation is a great operation, but doesn't think it should be allowed in its location because of the open smoke pit adjacent to an apartment building. Stockel stated that parking is an issue. Stockel stated that the operation's storage operation causes excessive bird activity. Stockel wondered if the city could find May some land that is better suited to the use.

Karen Lucas stated that she received 2 concerned phone calls within a week of the business's operation, but has not received concerns since. Lucas stated that she has discussed a possible enclosure with May.

May stated that customers have come over from Ludwig's to get barbecue. May stated that bird problems are a fact of the area. May stated that there are two other restaurants nearby. May stated that he and his staff speak to patrons who park incorrectly. May stated that he's trying to be the best neighbor he can.

Pohlman stated that the conditions of approval state that the operations should limit impacts on the public, including smoke. Pohlman asked if May has looked into ways to reduce smoke, and May said that he has been looking. Scarcelli stated that scrubbers are on the market, but there would still be a noticeable smell.

Hughey asked about parking concerns. May stated that he advertises his businesses as a walk-up, and directs people with cars to park in the ANB parking lot. May asked that if he was required to get a scrubber for his

barbecue, that neighboring barbecues be required to have them too out of fairness.

Parmelee asked that May advertise his business as walk-up only, and May agreed to do so.

Windsor stated that he doesn't see parking to be an issue because it's zoned Central Business District, which doesn't require parking. Pohlman stated that something should be done to mitigate smoke. Pohlman stated that neighboring businesses are not under a conditional use permit like May's is. Windsor stated that he doesn't want to shut this business down without allowing for work on the issue. Hughey stated that a 6-month period could be used to work on a solution. Scarcelli stated that the commission could direct staff to work with the applicant on finding solutions.

Hughey/Pohlman moved to POSTPONE the item and direct staff to work with the owners on possible solutions for smoke.

Motion PASSED 4-0.

H

Public hearing and consideration of a preliminary plat of a major subdivision of 800 Alice Loop to result in 11 lots. The property is also known as Lot 16 Ethel Staton Subdivision. The request is filed by Shee Atika, Inc. The owner of record is Shee Atika Holdings Alice Island, LLC.

Scarcelli stated that some changes have been made to the plat, and made copies available. 8 parking spaces for the townhomes were added to lot 10. Lots are in excess of minimum size requirements. Conditions of approval from the concept hearing have been met. The CCR's on the surrounding residential lots act as a defacto zoning classification, placing strict requirements on those properties. Neighbors have expressed concerns that some uses could impact their property values. Overall, staff recommend approval.

Kenneth Cameron represented Shee Atika and stated that he appreciates working with staff to move this forward. Hughey expressed concern for the various possible uses of the Waterfront District. Cameron stated that the subdivision is laid out as a residential neighborhood. Hughey asked if it would do harm to Shee Atika to change the zoning to R-2, and Cameron stated that he'd have to think about it and work with staff. Pohlman stated at the previous zoning discussion, R-2 would have been a reasonable option but it wasn't the request in the application. Cameron stated that Shee Atika has 4 lots in the area still on the market, and those would be better for business than these proposed lots. Cameron stated that he does not want to fix a problem that doesn't exist. Parmelee stated that the seller could place a residential restriction on the lots. Scarcelli explained several options: CCR's, plat note, and zone change. Scarcelli stated that R-2 allows a wide variety of residential uses. Scarcelli gave an overview of the residential use table in Sitka General Code.

Pohlman stated that neighbors feared a change in the neighborhood. Cameron stated that he was at the public meeting and said that many comments were made on the record that were false. Cameron stated that he understands that people are concerned, but he's not convinced that there's a problem. Pohlman stated that she believes people do not want to see the neighborhood to have heavy commercial and industrial like Katlian Avenue.

Buxton stated that she has written a letter to Shee Atika, and she wants Alice Loop to remain a neighborhood. Buxton stated that it is good to prevent problems.

Windsor stated that he's not in favor of a zone change, and the current zoning map is a mess. Parmelee stated that it has been zoned Waterfront District for a long time, and no one has expressed concerns until recently. Parmelee stated that he doesn't believe the area would be conducive to commercial activity. Parmelee stated that a zone change would result in 2 zones on Alice Loop. Windsor asked Scarcelli to clarify the plat note option, and Scarcelli provided an explanation. Scarcelli stated that the plat is often seen early. Hughey stated that he would like to see the applicant work with staff to look for solutions to ensure that stays residential. Pohlman asked about plat note flexibility. Scarcelli stated that the plat note runs with the land, and depends on the language. Scarcelli stated that staff can work with the applicant on a good faith effort.

Pohlman/Parmelee moved to APPROVE the preliminary plat of the major subdivision of Alice Loop Subdivision. This approval is subject to the attached conditions of approval. The request is filed by Ptarmica McConnell. The owner of record is Shee Atika Holdings Alice Island, LLC.

Conditions of Approval:

1. All major subdivision regulations be followed and any deviations from code be corrected prior to review of the final plat (e.g. flagging, easements, easement area details, any note language requiring minor amendment, and monumentation).
2. Staff will work with the applicant on a good faith effort to protect the neighborhood character.

Motion PASSED 4-0.

I

Public hearing and consideration of a variance request for 220 Lakeview Drive. The variance is for the reduction in the side setback from 8 feet to 3 feet for the construction of a shed. The property is also known as Lot 2 Lakeview Glen Subdivision. The request is filed by Randy Hughey. The owners of record are Randy and Carol Hughey.

Hughey moved to the audience to act as the applicant.

Scarcelli described the request for a side setback reduction for the construction of a shed. The property is comprised of two legal lots. The property is part of the Swan Lake Area Meriting Special Attention, which can restrict development near the shoreline. The intent is to move toward conformity, as the proposed shed would replace some encroaching structures. Staff recommend approval.

Randy Hughey stated that he is moving a non-compliant woodshed to the other side of the property. The overall plan is to build a small house on the lot in the future.

Pohlman stated that the commission has not heard any concerns.

Pohlman/Parmelee moved to APPROVE the required findings for minor

expansions, small structures, fences, and signs as discussed in the staff report.

Required Findings for Variances.

2. Required Findings for Minor Expansions, Small Structures, Fences, and Signs.

- a. The municipality finds that the necessary threshold for granting this variance should be lower than thresholds for variances involving major structures or major expansions, specifically, that the proposed shed is small in relation to the lot;
- b. The granting of the variance is not injurious to nearby properties or improvements, specifically, that the proposed shed would replace nonconforming structures in the setbacks, moves the property toward conformity, and would be separated by the adjacent property by a fence;
- c. The granting of the variance furthers an appropriate use of the property, specifically, that Table 22.16.016-1 lists accessory buildings, such as sheds, as permitted accessory uses in all zones.

Motion PASSED 3-0.

Pohlman/Parmelee moved to APPROVE a variance request for 220 Lakeview Drive. The variance is for the reduction of the side setback from 8 feet to 3 for the construction of a shed. The property is also known as Lot 2 Lakeview Glen Subdivision. The request is filed by Randy Hughey. The owners of record are Randy and Carol Hughey.

Motion PASSED 3-0.

J

Public hearing and consideration of a variance request for 205 Crabapple Drive. The request is for the reduction of the front setback from 20 feet to 16 feet, and the reduction of the side setback from 8 feet to 6 feet for the expansion of a house. The property is also known as Lot 23 Lakeview Heights Subdivision. The request is filed by Aaron and Emily Routon. The owners of record are Aaron and Emily Routon.

Scarcelli described the request for an addition to the existing home. The carport would be replaced by a one car garage and additional living space. The side setback could have been granted administratively, but staff wanted to give the commission a holistic picture. The 4 foot setback reduction is in line with other variances granted. Staff recommend approval.

Aaron Routon came forward for any questions. No questions were asked.

Hughey stated that he is friends with the Routons and he has been involved with the project, although he has no personal financial gain. The commission allowed him to participate.

Pohlman/Hughey moved to APPROVE the required findings for major structures or expansions as discussed in the staff report.

1. Required Findings for Variances Involving Major Structures or Expansions.

Before any variance is granted, it shall be shown:

- a) That there are special circumstances to the intended use that do not apply generally to the other properties, specifically, that the house is already in place, and any addition must be situated around the existing structure;

- b) The variance is necessary for the preservation and enjoyment of a substantial property right of use possessed by other properties but are denied to this parcel, specifically, the ability to economically expand an existing home;
- c) That the granting of such a variance will not be materially detrimental to the public welfare or injurious to the property, nearby parcels, or public infrastructure, specifically, that the proposed setback reduction is minimal; and
- d) That the granting of such will not adversely affect the Comprehensive Plan: specifically, the variance is in line with Comprehensive Plan Section 2.4.1 which states, "To guide the orderly and efficient use of private and public land in a manner which maintains a small-town atmosphere, encourages a rural lifestyle, recognizes the natural environment, and enhances the quality of life for present and future generations," by allowing for the economically feasible development of an expansion of a residential structure while minimizing impacts on the right-of-way and adjacent properties.

Motion PASSED 4-0.

Pohlman/Parmelee moved to APPROVE the variance request for 205 Crabapple Drive. The variance is for the reduction of the front setback from 20 feet to 16 feet and the side setback from 8 feet to 6 feet for the expansion of an existing house. The property is also known as Lot 23 Lakeview Heights Subdivision. The request is filed by Aaron and Emily Routon. The owners of record are Aaron and Emily Routon.

Motion PASSED 4-0.

K

Public hearing and consideration of a variance request for 312 Eliason Loop. The request is for the reduction in the front setback from 20 feet to 12 feet for the construction of an accessory dwelling unit. The property is also known as Lot 2 Block 6 Hillside Subdivision. The request is filed by Mike and Taylor Vieira. The owners of record are Mike and Taylor Vieira.

Pierson described the request. The lot has steep topography and two front setbacks. There is a single family structure on the uphill front property line, and the proposed accessory dwelling unit would be situated on the lower front property line. The variance would allow the applicant to build an ADU while minimizing excavation into the hillside. Sufficient parking is available. Staff recommend approval. Scarcelli stated that accessory dwelling units are intended to be incidental to the primary residence; however, by accessing off a separate front, this would almost be acting like a separate principal use.

Mike Vieira stated that the grading permit was granted, but need to see the results of tonight to see how far they need to excavate. Windsor asked if any engineering had been done on the lot. Vieira stated that the insulated concrete forms used are engineered. Hughey clarified that the variance is to reduce digging into the hillside, and Vieira said yes.

Bill Hughes stated that he is one lot down from this property. Hughes stated that he assumes there could be 5 accessory dwelling units in a row, which would change the character of the neighborhood. Windsor stated that accessory dwelling units were intended to address affordable housing. Scarcelli stated that a duplex is permitted by right in the R-1 zone, resulting in 2 residential uses on the lot. In regard to neighboring lots, Pohlman states that she only believes ADUs to be feasible on 310 and 314 Eliason Loop.

Windsor asked if the lot could be subdivided. Scarcelli stated not under current development standards, but possibly if development standards change. Pohlman stated that she wished she knew the possible impacts to property values if the lot were to be subdivided. Hughey stated that he believes this is just what we're looking for. Hughey stated that the least expensive way to get more affordable housing is to add density to more developed areas.

Parmelee/Pohlman moved to APPROVE the required findings for major structures or expansions as discussed in the staff report.

Required Findings for Variances Involving Major Structures or Expansions.

Before any variance is granted, it shall be shown:

- a) That there are special circumstances to the intended use that do not apply generally to the other properties, specifically, the steep topography limits development within setbacks;
- b) The variance is necessary for the preservation and enjoyment of a substantial property right of use possessed by other properties but are denied to this parcel, because the allowable use of an accessory dwelling unit is constrained by steep topography;
- c) That the granting of such a variance will not be materially detrimental to the public welfare or injurious to the property, nearby parcels, or public infrastructure, specifically, that the proposed structure would be in line with character of the neighborhood; and
- d) That the granting of such will not adversely affect the Comprehensive Plan: specifically, the proposed variance for the reduction of the front setback from 20 feet to 12 feet conforms to the Comprehensive Plan Section 2.4.19(A) by considering all the relevant factors for applying a variance.

Motion PASSED 4-0.

Parmelee/Pohlman moved to APPROVE the variance request for 312 Eliason Loop, subject to conditions of approval. The request is for the reduction in the front setback from 20 feet to 12 feet for the construction of an accessory dwelling unit. The property is also known as Lot 2 Block 6 Hillside Subdivision. The request is filed by Mike and Taylor Vieira. The owners of record are Mike and Taylor Vieira.

- i. Applicant specifically acknowledges and shall follow all applicable development standards and zoning regulations such as required parking and height limits for structures (25 feet or the height of the principal structure, whichever is less);
- ii. ADU shall be no greater than 800 square feet, comply with setbacks as proposed on site and approved by variance, and shall meet all applicable building codes regarding dwelling units.

Motion PASSED 4-0.

L

Public hearing and consideration of a conditional use permit request for 312 Eliason Loop. The request is for the construction of an accessory dwelling unit requiring a variance. The property is also known as Lot 2 Block 6 Hillside Subdivision. The request is filed by Mike and Taylor Vieira. The owners of record are Mike and Taylor Vieira.

Pierson described the request. The lot has steep topography and two front

setbacks. There is a single family structure on the uphill front property line, and the proposed accessory dwelling unit would be situated on the lower front property line. A conditional use permit is required for an ADU project that includes a variance. Sufficient parking is available. Staff recommend approval.

Mike Vieira stated that he had nothing additional to contribute.

No public comment.

Hughey/Pohlman moved to APPROVE the required findings for conditional use permits for accessory dwelling units as discussed in the staff report.

Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety, and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
6. **Burden of Proof.** The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the

assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;

3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;

4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;

5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Conclusion on Findings: That the proposed conditional use as conditioned would not be detrimental to the public's health, safety, or welfare; that the conditions of approval have satisfactorily mitigated any potential harm or impact to the surrounding land uses and properties; and that the required findings have been met as the proposal complies with SGC and Comprehensive Plan sections regarding ADUs and variances, and affordable housing while protecting the character of the neighborhood and the public's health, safety, and welfare.

Motion PASSED 4-0.

Hughey/Parmelee moved to **APPROVE** the conditional use permit request for 312 Eliason Loop subject to conditions of approval. The request is for the construction of an accessory dwelling unit requiring a variance. The property is also known as Lot 2 Block 6 Hillside Subdivision. The request is filed by Mike and Taylor Vieira. The owners of record are Mike and Taylor Vieira.

a. Conditions of Approval:

i. Applicant specifically acknowledges and shall follow all applicable development standards and zoning regulations such as required parking and height limits for structures (25 feet or the height of the principal structure, whichever is less);

ii. ADU shall be no greater than 800 square feet, comply with setbacks as proposed on site and approved by variance, and shall meet all applicable building codes regarding dwelling units.

Motion PASSED 4-0.

M

Discussion and direction of the land use, housing, and economic sections of the Comprehensive Plan.

Windsor stated that he will bring his top priorities in tomorrow. Hughey stated that he has not followed the specific homework request. Parmelee stated that he completely forgot.

Hughey shared a story of a teacher candidate and his family who turned down a job because they couldn't be assured of housing. The ripple effect is that the school system lost out on approximately \$20,000 in federal and state funding for the family's 2 children. Hughey stated that housing has a broad impact on the economy. Hughey stated that the city's property generates no property tax. Parmelee stated that lack of housing isn't the only problem, but also cost of

housing. Parmelee stated that salaries are not increasing to keep pace with housing costs. Windsor stated that someone has to take the hit in order to create affordable housing.

Pohlman land use-E, H; housing-Q, P, T, lot sizes; economics-marine center, electric cars, agriculture, centers of excellence, small businesses

Scarcelli's housing fell through and ended up sleeping in a laundry room for a month. You have to snatch up rental opportunities as soon as they become available. Market saturation could impact property values. Economics - healthcare, marine/seafood, tourism.

Knox stated that the Assembly hears a lot of the concerns on these topics, and hopes that movement can be made to address these items.

Kathy Kyle stated that she sees the importance of making land available.

VI. PLANNING DIRECTOR'S REPORT

Scarcelli stated that there will be a training on February 7 at 6 PM conducted by the clerk and attorney. There will be a FEMA floodplain meeting on January 25th at 5 PM. Meetings in a box have been well received. Scarcelli stated that the department is working with Chandler O'Connell to get an accessory dwelling unit advertisement sent out with utility bills.

VII. PUBLIC BUSINESS FROM THE FLOOR

VIII. ADJOURNMENT

Pohlman/Hughey moved to ADJOURN at 9:02 PM.

Motion PASSED 4-0.

ATTEST: _____
Samantha Pierson, Planner I



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-00 **Version:** 1 **Name:**

Type: P&Z Miscellaneous **Status:** AGENDA READY

File created: 3/22/2016 **In control:** Planning Commission

On agenda: 4/19/2016 **Final action:**

Title: Planning Regulations and Procedures.

Sponsors:

Indexes:

Code sections:

Attachments: [Planning Regulations and Procedures](#)

Date	Ver.	Action By	Action	Result
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Planning Regulations and Procedures

2007 Comprehensive Plan

Contains goals and policies in ten chapters
Land use goals and policies are sections 2.4 through 2.8

Sitka General Code

Title 21 consists of Subdivision Regulations (subdivision code)
Title 22 is the zoning code

Creators of the Subdivision Code

Boundary Line Adjustments – formal subdivision plat required – approved in house

Minor Subdivision – create up to four lots from one parcel

- Concept plat
- Final plat

Approved by the Planning Commission except PUD or if subd. appealed (then goes to the Assembly)

Major Subdivision – five or more lots from one parcel with roads and utilities built to Municipal standards

Planning Commission Approvals

- Concept plan
- Preliminary plat
- Final plat

Assembly review of final plat

Zero Lot Lines – two units attached to each other with each one on its own lot and the lot line going through the center of connecting wall

- Concept plan
- Preliminary plat
- Final plat

Approved by the Planning Commission unless appealed to the Assembly

Planned Unit Developments

Creators of the Zoning Code

Zoning ordinance text amendments

Recommendation by the Planning Commission with approval by the Assembly

Zoning ordinance map amendments

Recommendation by the Planning Commission with approval by the Assembly

Variances to allow for reductions of setbacks

Approved by the Planning Commission unless appealed to the Assembly

Administrative approvals for two foot setback reductions

Conditional Use Permits

Approval by the Planning Commission with appeal to the Assembly

Examples: Bed and Breakfasts

Short-term rentals (rental of an apartment for less than 14 days)

Other aspects of the zoning code:

Land use district shown on zoning map

Regulations for each zone such as uses, building height, setbacks, lot size

Sign ordinance

Parking regulations

Other Approvals

Street Vacations – Planning Commission and Assembly review (by ordinance)

Covered by SGC 18.12.015

Tidelands Leases – Covered by Sitka General Code Title 18 – Assembly review only

Land Sales – Covered by SGC Title 18 – Assembly review only

Floodplain Regulations – SGC Title 20

Planning Commission:

Chris Spivey
Darrell Windsor
Debra Pohlman
Randy Hughey
Tamie Parker Song

Staff :

Maegan Bosak
747-1824 (office)
Michael Scarcelli, J.D.
747-1815 (office)
Samantha Pierson
747-1814 (office)



CITY AND BOROUGH OF SITKA

Legislation Details

File #: MISC 17-04 **Version:** 1 **Name:**

Type: P&Z Miscellaneous **Status:** AGENDA READY

File created: 1/4/2017 **In control:** Planning Commission

On agenda: 1/17/2017 **Final action:**

Title: Discussion and direction of the land use, housing, and economic sections of the Comprehensive Plan.

Sponsors:

Indexes:

Code sections:

Attachments: [Housing Goals Objectives Actions 2.1.17](#)
[Economic Goals Objectives Actions 2.3.17](#)
[Land Use Goals Objectives Actions 2.3.17](#)
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Date	Ver.	Action By	Action	Result
1/17/2017	1	Planning Commission		

Housing

Goal: Expand the range, affordability, and quality of housing in Sitka while maintaining attractive, livable neighborhoods.

Objective 1- Range and Affordability

1. Revise zoning codes to:
 - a) Allow ADUs by right in more zones.
 - b) Minimize prevalence of variances by amending development standards, such as setbacks.
 - c) Reduce minimum lot sizes.
 - d) Reduce residential parking requirements.
 - e) Encourage higher density development.
 - f) Reduce aesthetic and design standards in float home regulations.
 - g) Develop codes to allow tiny homes on wheels in certain zones.
 - h) Allow hostels, boardinghouses, bunkhouses, and co-housing developments as a permitted use with standard conditions in residential zones.
 - i) Create clear development standards for Planned Unit Developments and Cluster Home Subdivisions, to include density bonuses in exchange for such features as open space and inclusionary zoning.
2. Encourage and incentivize the development of permanently affordable housing.
 - a) Define terms to qualify for incentives.
 - b) Support mechanisms to increase permanently affordable homes, such as deed restrictions, targeted financing programs, and community land trusts.
 - c) Seek or initiate sweat equity housing development programs, such as homesteading and Habitat for Humanity.
 - d) Create an affordable housing advisory group.
 - e) Create an affordable housing fund to offer development incentives.
 - f) Consider requiring a range of housing options to be provided when disposing of municipal land for development.
 - g) Increase sales tax on short-term rentals and dedicate new portion to the affordable housing fund.
 - h) Seek grant funding to support affordable housing development.
 - i) Develop a small lot subdivision.
3. Participate in public-private collaborations to design and build developments that include a mix of housing types and target markets.
 - a) Partners could include Baranof Island Housing Authority, USDA Rural Development, AHFC, and US Coast Guard.
 - b) Collaborate with the Sitka School District and University of Alaska Southeast to support construction vocational training.
4. Increase the number of long-term rentals.
 - a) Establish an annual baseline count of the number of short-term rentals in Sitka so change can be measured.

- b) Identify the target number of additional long term rentals needed.
- c) Support housing development to meet the needs of Sitka's growing senior population.
- d) Support change to state regulations and funding that is preventing full occupancy at the Pioneer Home, a public assisted-living facility.
- e) Identify possible locations for new apartment buildings.

Objective 2 – Housing Quality

1. Collaborate with mobile home owners and park owners to find options and incentives to encourage park upkeep in a manner that does not cause undue hardship to homeowners. Options include forming park co-ops, offering utility upgrade programs, and offering low-interest loans for park upgrades.
2. Encourage use of LEED or similar design standards by the public and private sectors.
3. Encourage housing stock rehabilitation.

Objective 3 – Housing Information

1. Share information about housing options.
 - a) Use website and Facebook pages to host rental and home sales information.
 - b) Sponsor or co-sponsor annual housing fairs.
 - c) Create educational materials and campaigns to encourage property owners to build accessory dwelling units (ADUs) and use the Planned Unit Development (PUD) subdivision tool.

Economic Goal

Increase year round employment and population in Sitka by:

Supporting local businesses, attracting new sustainable businesses, supporting efforts and enterprises to keep residents money “local”.

Objective 1- Maintain Sitka’s Vibrant Downtown

1. Create visitor-friendly walking routes and public spaces.
2. Invest in iconic features, outdoor attractions and service sectors.
3. Require window front displays in off season if downtown store is not open.
4. Encourage revitalization and redevelopment of dilapidated structures and/or vacant lots.
5. The City will monitor parking needs for commercial uses and set requirements at the lowest level to meet the community needs.

Objective 2 – Leverage Natural Resources

1. Manage city-owned waterfront to the best strategic advantage.
2. Leverage assets to create jobs and investments.
3. Structure utility rates to incentivize high-using businesses of electricity and clean water to Sitka.
4. Support heating conversions from fuel oil to electric heat.
5. Install electric vehicle charging stations in municipal parking lots.
6. Encourage public and private sector vehicle fleets to convert to electric.
7. The City will limit the amount of residential development in the commercial, industrial and waterfront zones to preserve economic lands for economic uses.
8. Support mariculture research and production.

Objective 3 – Develop Sitka’s Workforce

1. Participate in career technical training and mentoring opportunities.
2. Advocate for faster, more reliable cell and internet services.
3. Support local agricultural and food production business.
4. Strengthen collaboration between CBS, SEDA, Chamber of Commerce, Sitka Tribe of Alaska and other entities working on economic development and business initiatives.

Objective 4 – Promote Innovation, Entrepreneurship and Partnerships

1. Encourage local creativity and entrepreneurship.
2. Support public-private partnerships to achieve economic objectives and business growth.
3. Participate in small business and entrepreneurship networking, events and education.
4. Encourage sharing economy among individuals, businesses, non-profits and government.

5. Develop partnerships to conduct regional freight study and identify initiatives to lower rates such as cost sharing, back haul, and coordination amongst users.
6. Use a Triple Bottom Line approach to prioritizing projects, permitting and land sales. Seek a balance among economic, social-cultural and environmental attributes and return.

Objective 5 – Maintain Essential Infrastructure

1. The Sitka Airport is one of the City’s highest-value economic development assets and essential to almost every business in town. Work to modernize and expand services at the airport.
2. Plan and position airport uplands to become regional hub for passenger and freight services.
3. Maintain well-functioning infrastructure upon which commerce and economic activity depend.

Objective 6 – Support and grow existing businesses

Prosperous Fishing Fleet

- Leverage Sitka’s marine environment to best advantage for commercial fishing at a variety of scales.
- Provide a range of services to support commercial fishing.
- Develop a Marine Center at Gary Paxton Industrial Park to support the fishing fleet.
- Maintain healthy harbors.

Enhance Tourism

- Grow Sitka’s independent and cruise-related tourism work and enterprises.
- Minimize negative impacts to tourism.
- Market newly renovated Harrigan Centennial Hall nationwide for conferences and conventions.

Manufacturing

- Facilitate discussion on local manufacturing of small homes and/or cabins.
- Support general ship building and vessel construction enterprises.

Arts, Culture and History

- Respect intrinsic value of mix of Tlingit, Russian and Alaskan history. Diversity creates economic opportunities.
- Explore policies, programs and design guidelines that protect historical sites and local character.
- Support arts in bringing in community resources and driving economic activities.

Health Care

- Preserve and increase the healthcare workforce.
- Leverage Sitka’s position as a regional healthcare leader by focusing on efficiencies, filling specialty care gaps and preparing for increasing senior population.

- Expand availability of assisted living and long-term care in Sitka.

Education

- Increase use of Sitka's significant educational campuses, facilities, faculty, assets and programs that enrich our community.
- Support ocean related research opportunities and programs.

Objective 7 – Respond effectively to changes in the Economic Climate

1. Monitor economic conditions, remaining flexible, adaptable and resilient.
2. Minimize debt.
3. Foster a positive business climate through consistent regulatory, permitting and taxing.

Land Use Goal

Guide the orderly and efficient use of private and public land in a manner that:

1. Fosters economic opportunity,
2. Maintains Sitka's small-town atmosphere and rural lifestyle,
3. Recognizes the natural environment, and
4. Enhances the quality of life for present and future generations.

LAND USE OBJECTIVES

Objective 1 – Strategic Management of Municipal Land

1. Municipal Land Management Plan
 - a) Consider social, cultural, environmental, and economic factors to support decisions to retain or dispose of land.
 - b) Provide for an adequate supply of land to meet community needs.
 - c) Prioritize acquisition of state lands adjacent to road system, such as Millersville on Japonski Island, North Indian River area, Starrigavan/Katlian Bay, and Seward Avenue.
 - d) Include an inventory of all municipally owned lands and recommendations for retention or disposal.
 - e) Outline a process for the annual selection of parcels available for sale and lease. Disposal methods may include competitive bid, lottery, and donation for causes to benefit the public at large.
 - f) Protect and retains tidelands and prime waterfront locations in municipal ownership.
 - g) Require dedication of land for conservation, public and community facilities, and recreational and open space opportunities in new development areas.

Objective 2 – Vibrant Downtown

1. Develop and Sustain an Active and Vibrant Town Center
 - a) Promote the central business district with retail and commercial use on lower floors and residential or other uses upstairs.
 - b) Promote place making that encourages light commercial use, dining, accommodations, public open space, nightlife, and other community events.
 - c) Promotes a vibrant year-round downtown through the development of private and public partnerships, financial incentives such as community block grants, rehabilitation grants, tax credits or abatements for certain periods of time, reduction in permit fees, and postponement of tax reevaluations.
 - d) Promote multi-family, higher density residential use along Marine Street and multi-family higher density mixed use along Seward Street.
 - e) Develop an integrated Master Plan and Neighborhood Specific Plans for Katlian/Kogwanton, Lincoln, Marine/Seward, Swan Lake frontage closer to downtown, Sheldon Jackson Campus, and surrounding residential neighborhoods.

Objective 3 - Promote Social Interaction

1. Promote social connectedness through activities in public spaces, development of a series of small destinations connected by a network of quality sidewalks, bike lanes, multi-use paths, meeting places and social nooks along paths, and playgrounds.
2. Expand the Seawalk through Katlian Avenue.

3. Identify all existing multi-modal transportation options, and plan for connection of gaps between key segments and centrally located districts/areas.
4. Coordinate with public and private groups to leverage community assets and promote community connections through downtown events, art and cultural events, Sheldon Jackson Campus, and historical assets.
5. Develop a multi-group partnership project along Katlian with STA, ANB, and ANS focusing on projects to highlight Alaska native culture; such as a boat haul out, historical signage, cooperation to seek rehabilitation for existing historical structures, and a Seawalk expansion.
6. Land use planning and actions will consider and help implement the aspects of other approved plans that promote social interaction and community connectivity.

Objective 4 - Environmental Quality

1. Maintain clean air, water, and soil to support healthy flora and fauna populations.
2. Create design and development standards that incentivize green building materials and techniques, and other low impact design features such as LEED.
3. Preserve natural resources through conservation easements, conditions placed on developments, and designation of open space districts.
4. Zone land for open space, limited horticulture, and temporary recreational uses such as recreational cabins.
5. Protect scenic resources including view sheds.
6. Develop and enforce standards that protect watersheds.

Objective 5 - Incompatible Land Use

1. Develop Master and Neighborhoods Plans that preserve the majority existing land use, promote a transition towards harmonious use, and feasibly mitigate impacts to sensitive uses that utilize zoning map amendments, the use of buffers, screening, setbacks, density, and intensity transitional zoning, while attempting to remove spot zoning. Such areas should include:
 - a) Master Plan for Price/Smith Street Industrial and Heavy Commercial and Light Commercial Zone and Smith Street Mixed use, Light commercial, and Residential Zone
 - b) Downtown to include sub specific plans for Lincoln, Upper Lincoln, Sheldon Jackson Campus, Katlian, Marine/Seward, and surrounding residential neighborhoods.
 - c) Granite Creek Area to promote Industrial, Heavy Commercial, and transition to light commercial and residential.
2. Develop neighborhood plans to protect neighborhood character.
3. Develop design guidelines that retain and protect neighborhood character.

Objective 6 - Future Growth

1. Establish desired future growth patterns and zoning for all land in the borough.
2. Establish a purposeful holding zone with limited uses allowed.
3. Develop master plans for GPIIP, Katlian, Marine Street, Downtown, HPR (Mixed Use Area), Granite Creek, Indian River, Jamestown Bay, Price/Smith.
4. Integrate other plans with Comprehensive Plan.
5. Future growth should utilize existing inventory to avoid disharmony of uses, include efficient use of transportation systems, meet economic development goals, capitalize on efficient and sustainable use of utilities, facilities, and parks, while also protecting other critical assets such as environmental and socio-cultural assets.
6. Identify areas for infill, redevelopment, and rehabilitation.
7. Maintain an inventory of vacant land to assist private developers and private/public partnerships.

8. Seek funding, partnerships, financial incentives (grants, loans, rehabilitation tax credits, tax breaks) to rehabilitate and revitalize neighborhoods and key master plan areas.
9. Discourage land-locked parcels, substandard parcels, spot zoning, and variances for future land use.
10. Plan for technology-heavy industry and businesses.
11. Amend zoning code to allow agricultural use in specific agricultural zones and also in existing commercial or industrial zones.
12. Amend zoning assignments for 400-599 Lake Street and 400-999 Halibut Point Road to encourage mixed use and commercial use.

Objective 7 - Efficiency and Cost Control

1. Maximize development along existing roads and utility lines. Use Local Improvement Districts (LIDs) for new infrastructure.
2. Support high density residential and mixed use development along transit routes.
3. Amend development standards to promote affordable development. Amendments to include increasing height, decreasing minimum lot size and width, establishing lot and structure maximums in specific zones, and reducing parking requirements in appropriate.
4. Amend development standards to promote sustainable by requiring a fair share of costs to be incurred by developers for utility infrastructure, sidewalks, multi-use paths, public and community facilities, and open space.
5. Cluster and nodal zoning should be developed to make efficient use of existing infrastructure and reduce vehicle miles traveled.

Objective 8 - Enhance Resilience

1. Encourage “green” site and infrastructure design and development that minimizes wastewater volume by using natural systems for filtration and runoff, reduces erosion, and protects anadromous fish stream habitat.
2. Allow use of municipal land for neighborhood and community gardens (not for profit), including small parcels and spaces in rights-of-way and cul-de-sacs, as appropriate.
3. Recognize, value, and celebrate Sitka’s historic and cultural assets and properties.
4. Develop a Sitka Historic Preservation Plan, adopt, and implement.
5. Maintain and improve Sitka’s walking and biking transportation routes. Focus on those that connect residential areas with schools and employment centers.
6. Remove obstacles to accessibility through development of additional curb cuts and other accessibility features.
7. Anticipate and provide for changes in sea level along waterfront as well as increased frequency/severity of storms.
8. Create programs and partnerships to rehabilitate or replace existing substandard and unsafe housing stocks and provide creative solutions to existing substandard housing such as small homes for certain residential areas and tiny homes on wheels for mobile/mfg. home parks.
9. Create housing for the homeless through public-private partnerships.
10. Provide for a healthy resilient community by providing for complete streets that will provide safer and more useable streets, sidewalks, and multi-modal transportation options for all users such as drivers, bikers, and pedestrians of all abilities.
11. Develop a Hazard Mitigation Plan that identifies response plans for a variety of disasters and emergencies such as earthquake, tsunami, flood, landslide, and other emergencies.
12. Support geotechnical assessment and mapping of landslide and mass wasting hazards and determine whether this information should be included in GIS and other land management tools.

13. Consider how to best address development in moderately to high risk areas via means such as increased geotechnical analysis, mitigation, and other risk allocation or mitigation measures.
14. Use all existing information related to risk assessments to determine where to develop public facilities and public roads and access infrastructure.
15. Identify and disseminate public information resources to assist the public in knowing to the best degree possible the existing risks associated with potential hazards or events that may increase the probability of an occurrence.

Objective 9 – Waterfront land use:

1. Protect the working waterfront for marine-dependent industrial, harbors, and commercial businesses.
2. Provide for public waterfront access, enjoyment, and the ocean views that define Sitka's sense of place.
3. Limit non-water dependent uses along key waterfront locations.

HOUSING

GOAL

Expand the range, affordability, and quality of housing in Sitka while maintaining attractive, livable neighborhoods.

1 Current Status

1.1 Number and Type of Dwelling Units

- There are an estimated 4,238 dwelling units in Sitka today. Just over half are single family dwelling units, and 10% are mobile or manufactured homes.
- According to Alaska Housing Finance Corporation (AHFC), 32 new dwelling units were built in 2015, and 20 were built in 2016 (through September).

The number of dwelling units increased from 3,650 in 2000, to 4,100 in 2010, to 4,238 in 2016. Between 2010 and 2016, Sitka saw a 6% increase in the number of new housing units built (Figure 1). For comparison, since 2010 Sitka's population grew by 48 persons, or half of one percent (from 8,881 to 8,929) and employment increased 7% (from 4,256 average annual jobs to 4,566).

Most of the new construction since 2010 has been single family dwelling units (Figure 2). Annual housing development has been trending downward for a decade (and from an earlier 2001 peak of 127 units built that year), although 2015 was the highest since 2008 with 32 new units built.

The most recent US Census American Community Survey (ACS) 5 year estimate (2011-2015) lists 110 fewer dwelling units than the city's tally. The city's data is more accurate, but it is still useful to look at the ACS data for trends.

The ACS data estimates that just over half of Sitka's housing units are single family homes (Figure 3). Approximately 14% of all housing is comprised of duplexes. Another 6% of housing units are constructed as townhouses or rowhouses ("1-unit attached") and 18% are in multi-family structures (including 3-4 plexes, condos, and apartment buildings). Mobile homes account for 10% of total housing units.

1.2 Vacancies

- **The number and percent of vacant homes in Sitka is increasing over time (Figures 4 and 5).**

Vacant dwelling units are those that, at the time of survey, were for sale or rent, were rundown and off the market, or were vacant because they are only seasonally occupied (vacation homes, summer homes, units empty except for short term summer rentals, second homes, seasonal worker housing).

Unfortunately, there is no current tracking of how many vacant dwelling units are seasonally occupied. In 2000, the US Census estimated 169 dwelling units were occupied seasonally (4.6% of total units), and by 2010 this grew to 237 units (5.8% of total). Most Sitka observers expect that if this data were available today it would show continued growth in the number of homes that are only occupied seasonally.

Increasing seasonal vacancies are causing Sitka's documented vacancy rate to rise (Figures 4 and 5). The Alaska Department of Labor and Workforce Development (ADOLWD) estimated the March 2016 rental vacancy rate at 8.3%, while the ACS 5-year estimated vacancy rate is at 6.1% for rental units and 3.6% for units intended for homeowner occupation. These annual rates do not show seasonal variation, so the data doesn't reflect the summer situation when rentals are exceedingly difficult to find.

1.3 Housing Market

- **At \$338,600, the median value of an owner-occupied house in Sitka is higher than anywhere else in Alaska (Figure 7).**

There is a brisk market for homes; Sitka's municipal assessor reports that about one-quarter of properties sell without any public marketing. About one-quarter of home sales are cash sales, including many higher-end homes where typical purchasers are owners of prosperous seasonal businesses, successful multi-generational Sitkans, and physicians.

- **A Multi-Listing Service (MLS) review of single family homes sold in Sitka in 2016 (through August) shows that 31 homes sold at an average of \$357,573 (Figure 8).**

The average sale price is similar to, but a bit higher than, the ACS 2011-2015 5-year estimate of median home value of \$338,600. Sold homes include 7 single family homes that sold in August for an average of \$386,500. Also in August, the average listing price for single family homes was \$564,605 while the median listing price was \$477,000.

1.4 Rental Market

- **Median rent is \$1,163 per month, as measured in March 2016 (Figure 10) by the Alaska Department of Labor.**
- **In Southeast Alaska today, Juneau and Skagway have the highest fair market rents for all types of units, with Ketchikan and Sitka nearly tied for third place.**
- **Between fiscal year 2015 and 2017, fair market rent in Sitka for efficiencies jumped 11%, for 1-bedrooms jumped 16%, and for 4-bedroom units jumped 19% (Figure 12).**

The most current data on rent in Sitka is from the Alaska Department of Labor's (ADOLWD) annual survey of landlords. ADOLWD surveyed 276 Sitka rental units in March 2016, and found that median rent is \$1,163/month (includes utilities that renters pay). In addition to obtaining rental data, the Department of Labor found that 23 of the 276 units they surveyed were vacant, yielding a rental vacancy rate of 8.3%

Two additional sources that measure Sitka rents are the ACS 2011-2015 5-year estimate, which shows the average monthly rate is \$1,057 (Figure 10). The US Housing and Urban Development (HUD) calculates the Fair Market Rent¹ (FMR) in Sitka annually by applying factors to the ACS data to account for inflation and to weight it for the current year.

In Southeast Alaska today, Juneau and Skagway have the highest FMR for all types of rental units, with Ketchikan and Sitka nearly tied in third place. The lowest FMRs in the region are in the Hoonah-Angoon Census area, Wrangell, and Petersburg (Figure 11). FMR in Sitka declined or held fairly steady between FY 2013 and 2015, but jumped significantly after that (Figure 12).

¹ The US Housing and Urban Development (HUD) estimates fair market rent (FMR). It is used primarily to determine payment standard amounts for federal rent subsidy programs (Housing Choice Vouchers, Section 8 contracts, housing assistance payment (HAP) contracts, the rent ceiling in the HOME rental assistance program, etc.). FMR is the calculated amount of money that a given property would command if it were open for leasing at the moment. FMR is often used to help decide how much to charge for rental units.

1.5 What can Sitkans Afford?

- A household that pays more than 30% of its income for housing (mortgage, rent, utilities, property taxes, heating, etc.) is considered to be “cost-burdened”².
- Over the last six years, the percent of homeowners who are cost-burdened by housing has been increasing, while the percent of renters that are cost-burdened has been decreasing (Figure 13).
- In Sitka, approximately 44% of renters and 34% of homeowners with a mortgage pay more than 30% of their income on housing and are thus cost-burdened (Figure 13). Those most negatively impacted are Sitkan households at the bottom rungs of the income ladder.
- Households earning Sitka’s median household income (\$70,376) cannot afford the payments on a median-priced Sitka home (\$338,600) without becoming cost-burdened.
- For those earning Sitka’s average wage (\$42,865), rentals larger than one-bedroom unit and homes that cost more than \$175,000 are not affordable. Approximately 18% of all households in Sitka earn an average wage, with another 15% of households earning significantly less).
 - The average wage-earner has few options to afford to live in Sitka: if two wage-earners live together, if the buyer/renter is determined to cut other living expenses and pay more than 30% of their income on housing, or if a less expensive “affordable” first home can be found to buy.

² Why the 30 Percent of Income Standard for Housing Affordability? Talk of housing affordability is plentiful, but a precise definition of housing affordability is at best ambiguous. The conventional public policy indicator of housing affordability in the United States is the percent of income spent on housing. Housing expenditures that exceed 30 percent of household income have historically been viewed as an indicator of a housing affordability problem². Source: “Housing Affordability: Myth or Reality?” Wharton Real Estate Center Working Paper, Wharton Real Estate Center, University of Pennsylvania, 1992.

The mid to late 1990s ushered in many less stringent guidelines (source: “Review of Selected Underwriting Guidelines to Identify Potential Barriers to Hispanic Homeownership”, U.S. Department of Housing and Urban Development, Office of Policy Development and Research, March 2006). Many households whose housing costs exceed 30 percent of their incomes are choosing then to devote larger shares of their incomes to larger, more amenity-laden homes. These households often still have enough income left over to meet their non-housing expenses. For them, the 30 percent ratio is not an indicator of a true housing affordability problem but rather a lifestyle choice. But for those households at the bottom rungs of the income ladder, the use of housing costs in excess of 30 percent of their limited incomes as an indicator of a housing affordability problem is as relevant today as it was four decades ago.

- **15% of Sitka households and 32% of tax filers earn \$25,000 per year or less. These individuals or households can afford \$625/month at the most without becoming cost-burdened. Efficiencies in Sitka typically exceed this amount.**

A definition of what affordable housing means for Sitkans can be found by reviewing the information on Figures 10, 11, 14, and 15, and the explanation below. Figures 14 reviews Sitkans' annual and monthly earnings, and shows what they can afford to pay per month for rent or mortgage without becoming cost-burdened. Figures 10 and 11 show typical monthly rents in Sitka, and Figure 15 shows what typical monthly mortgage payments are for different priced homes in Sitka. Data from these tables is combined and summarized on below.

What Sitkans Can Afford for Housing				
If Annual Income Is	Then Monthly Income is (Fig 14)	Money Available for Housing Monthly (@ 30% income) (Fig 14)	Sitka Rentals that can be Afforded (Fig 10-11)	Sitka Home** Purchase that can be Afforded (Fig 15)
\$70,376 Sitka Median HH Income	\$5,865	\$1,759	<ul style="list-style-type: none"> • Efficiency • 1-3 bedroom 	<ul style="list-style-type: none"> • \$275,000 • \$338,600 (median in Sitka) is a stretch
\$82,614 Sitka Mean HH Income	\$6,885	\$2,065	<ul style="list-style-type: none"> • All 	<ul style="list-style-type: none"> • \$338,600 house (median in Sitka) • If put 20% down, can afford \$400,000
\$42,865 Sitka average annual wage	\$3,572	\$1,072	<ul style="list-style-type: none"> • Efficiency • 1 bedroom 	<ul style="list-style-type: none"> • Up to \$175,000 • If put 20% down, can afford \$200,000
\$25,000 Sitkans earning \$25,000 or less per year are 32% of 2014 tax return filers and 15% of all HH	\$2,083	\$625	<ul style="list-style-type: none"> • Nothing 	<ul style="list-style-type: none"> • \$100,000
\$50,000 Sitkans earning \$25,000-\$50,000 per year are 25% of 2014 tax return filers and 18% of all HH	\$4,167	\$1,250	<ul style="list-style-type: none"> • Efficiency • 1 bedroom • Some 2 bedrooms 	<ul style="list-style-type: none"> • Up to \$225,000
\$100,000 Sitkan's earning \$50,000-\$100,000 per year are 27% of 2014 tax return filers and 37% of all HH	\$8,333	\$2,500	<ul style="list-style-type: none"> • All 	<ul style="list-style-type: none"> • More than \$400,000 (this was highest priced out)

** Home includes a house, manufactured home, condo, townhouse, etc. See Figures 10-11, 14-15 for all sources.

- Mortgage scenarios (Table 15) include three different types of loans, differing down payments, and all assume a good credit rating (between 700 and 759). Thus, example monthly mortgage payments give an idea of what Sitkans can typically afford; the exact amount of a monthly mortgage/housing payment will vary and depend on several circumstances.

2 Current Gaps, Issues, and Future Needs

Planning commissioner and public comments, research, interviews, and professional knowledge combine to identify the following opportunities, challenges, and issues to address in the Sitka 2030 Comprehensive Plan.

Critical Need for More Affordable Homes

Information in this chapter explains what an affordable home means for Sitkans and shows that many Sitkans cannot afford to pay current monthly rent or mortgage payments without becoming cost-burdened.

Demographic and population trends in Sitka (see Economics chapter) underscore this issue: Overtime the population in Sitka is declining because more people are leaving than moving in, and there are fewer women of childbearing age and fewer babies being born. ADOLWD forecasts these trends will continue based on historic data, suggesting that Sitka is at the top of a curve now and will lose 230 people by 2030, and 400 people by 2035.

- **Housing affordability and demographic trends combine to present one of the top critical issues facing Sitka. The community must immediately find ways to retain and attract young adults and young families.**

If the community wishes to retain and attract young adults and families, it must work toward providing more affordable housing, reducing the cost of living where possible, and creating a business-friendly environment.

The actions in this chapter suggest multiple approaches to address housing affordability including increasing land supply and offering incentives for the development of permanently affordable housing, reducing lot sizes to reduce the cost of land and facilitate smaller home development, code changes to facilitate construction of smaller home options, code changes to facilitate the construction of accessory dwelling units, consideration of overall zones to encourage infill on vacant lots and redevelopment at higher densities where dwellings are rundown, and code changes to facilitate the revitalization of older mobile and manufactured home parks. Some of the suggested actions can happen quickly, while others will require more study to ensure the goal is achieved without causing unintended consequences.

Manufactured Home Park Upgrade

There are approximately 415 mobile and manufactured homes in Sitka, comprising about 10% of the total housing stock. While some of these structures are situated on private lots, approximately 380 are in one of 22 “trailer parks” sitting on a total of 33 acres of land. During the late 1950s and early 1960s, prior to city and borough consolidation in 1971, a large pulp mill generated housing demand. At the time, the city did not allow mobile home parks; as a result, many of Sitka’s mobile home parks were established outside of city limits on easily accessible, flat waterfront land.

- **As a result there are many pre 1950-1960s era mobile home parks with rundown and potentially unsafe mobile homes sitting on some of the most beautiful land in Sitka.**

This is a bonanza for mobile/manufactured home owners in these parks; however, these parks create safety challenges for building officials and concern for the few housing options for park occupants in the event that dwelling units are condemned. Improved waterfront property would result in higher assessments and property tax than in their current state, creating a disincentive for park owners to make improvements on property. Over time, park owners may wish to sell their waterfront parks for top dollar, resulting in the loss of needed affordable housing units.

Dilapidated Dwelling Units

Sitka's dilapidated housing primarily centers on older mobile homes; however, some residential structures in the older downtown neighborhoods are also in disrepair. No exact count of these dilapidated units exists. An estimate is that about 175 units or 4% of Sitka's housing stock is significantly dilapidated. Other indicators come from the 2011-2015 ACS which reports that in Sitka, 2.3% of occupied houses lack complete kitchen facilities, 1.2% lack complete plumbing, and 4.4% of dwelling units were built earlier than 1939.

A property with structures that are valued at a lower price than the value of the lot itself is a great candidate for redevelopment.

Owners of dilapidated properties in the downtown area should be encouraged, possibly with incentives, to redevelopment at increased densities as permitted by zoning regulations. A recent example of this higher density redevelopment is of a small lot near the intersection of Etolin Street and Lake Street that was redeveloped into a multi-family building with four efficiency apartments without expanding the building's footprint.

Housing for Sitka's Aging Population

In July 2015, there were 1,248 residents age 65 or older in Sitka, comprising 14% of the total population. ADOLWD projects that in 2035, older Sitkans will number 2,000 and include 23% of the population. The age 80 and above population, which often has high medical, care, and mobility needs, is projected to triple today's population by 2045, increasing from 285 to 800 Sitkans.

Sitka must begin planning and taking action now to accommodate the housing, service, medical, transportation, and social engagement needs of its growing senior population.

Nationally, seniors have expressed a strong desire to age in place, remaining in their communities, and continuing to dwell in their own homes for as long as possible. See the Economic chapter for information about what seniors contribute financially, culturally, and socially.

Seniors span a wide range of fitness and abilities, with a variety of needs that shift as individuals age. Many people over the age of 60 are quite active in their community, mentally and physically fit, and choose to remain in their current homes; however, many eventually experience mobility

limitations that necessitate retrofits for universal design features such as ramps, railings, bars, and wheelchair accessibility. Homes with stairs, multiple levels, or narrow doorways may become uninhabitable and require an individual to move. Even without mobility limitations, many seniors simply wish to downsize to a small low maintenance home. Seniors of all income brackets need access to a range of housing, prices to accommodate fixed incomes, and a mix of housing types for independent living, including smaller accessible dwelling units that are on transit lines or within easy walking distance to stores and services.

- **In order to accommodate and keep its aging residents, Sitka has a need for smaller, affordable, dwelling units in walkable areas of the community and near transit stops. This coincides with the needs of young adults and young families.**

More Year Round Rentals

- **Around the country, both municipalities and rental businesses are evaluating policies and litigating over the management of short-term rentals³.**

People value and like “the sharing economy,” but one effect of growing short-term rentals, which includes AirBnB, Vacation Rental by Owner, and private rentals, is that cities are losing affordable housing and rents are rising. In Sitka, concerns are that short-term summer rentals are so lucrative that homeowners are not renting out their apartments on a long-term basis, and the high price of short term seasonal rentals is artificially inflating the long-term rental market. The free-market way to address these matters is to get more long term rentals built. When the free market does not respond, some cities are offering market interventions including incentives for development of rentals and affordable housing, and penalties such as restricting where or how many short-term rentals are allowed and prohibiting short-term rental conversions.

Based on the increasing short-term rental sales tax revenue, it is clear that this activity is increasing in Sitka. Between FY 2010 and FY 2016, short-term rental sales tax revenue increased 45%, from approximately \$288,800 to \$418,100 (Figure 16).

To determine the appropriate level of regulation, the municipality should obtain an accurate count of how many short-term rentals there are, how many could instead be long-term rental housing, and talk to rental owners and agents to determine what, if anything, could encourage use instead as long-term rentals. Regardless of the answers to questions above, given Sitka’s current critical need to retain and attract young adults, young families, and aging residents, and the understanding developed in this chapter of how unaffordable rents and home prices are for many, development incentives to get more units for affordable rent and sale must be a top priority.

³ <http://www.keepneighborhoodsfirst.org/strproblem> <https://blog.evolvevacationrental.com/city-state-short-term-rental-regulation/>
<https://www.nar.realtor/field-guides/field-guide-to-short-term-rental-restrictions>

3 Data

Figure 1 - Number of Dwelling Units in Sitka				
	2016 (Nov)	2011-2015	2010	2000
Total Dwelling Units	4,238	4,119	4,102	3,650
Sources	AHFC data added to 2010 US Census	ACS 2011-2015 5-year estimate	US Census	US Census

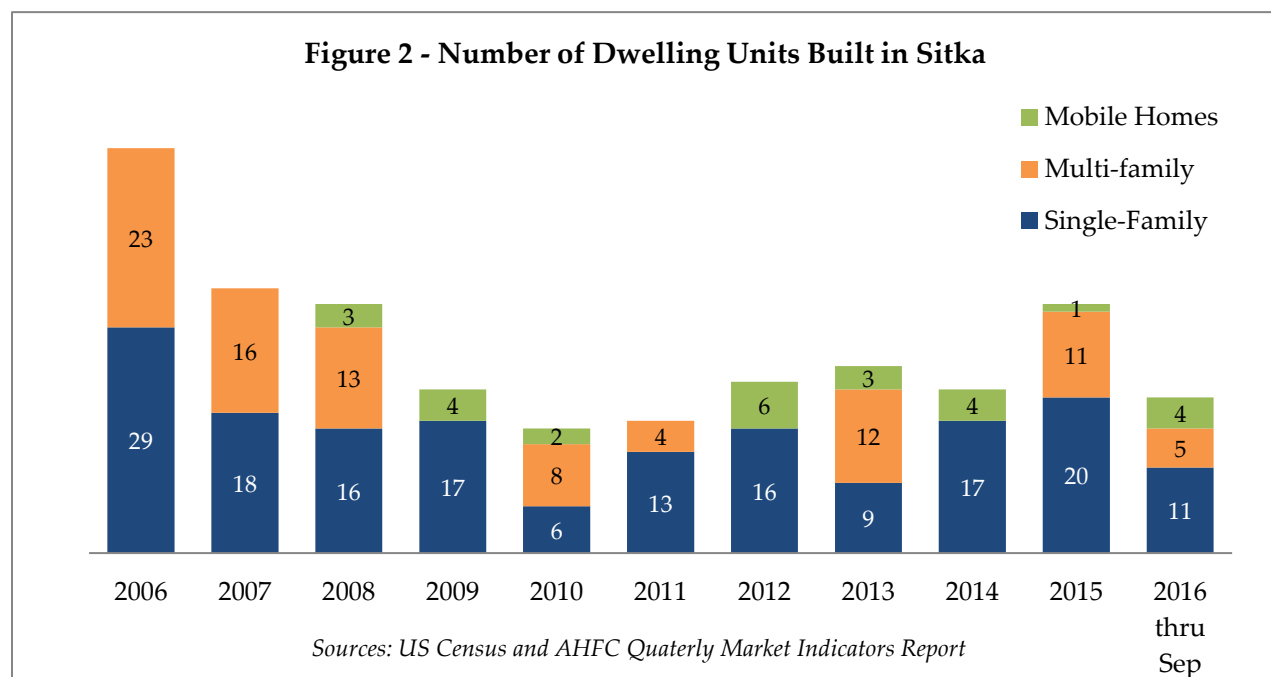


Figure 3 - Total Dwelling Units in Sitka by Type		
Dwelling Units by Type	2011-2015	
Total housing units	4,119 ±54	100%
1-unit, detached	2,114	51%
1-unit, attached **	265	6%
2 units	571	14%
3 or 4 units	338	8%
5 to 9 units	207	5%
10 to 19 units	75	2%
20 or more units	113	3%
Mobile home	415	10%
Boat, RV, van, etc.	21	1%

Source: American Community Survey 2011-2015 5-year estimate

**townhouses, rowhouses. The ACS defines 1-unit attached structures as those with one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses, or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.

Figure 4 – Sitka Housing Occupancy							
	2015- 2011	2014- 2010	2013- 2009	2012- 2008	2011- 2007	2010	2000
Total Housing Units	4,119	4,105	4,095	4,098	4,078	4,102	3,650
Occupied Units	3,472	3,513	3,554	3,623	3,632	3,545	3,278
Vacant Units	647 (16%)	592 (14%)	541 (13%)	471 (11%)	446 (11%)	557 (14%)	372 (10%)
Vacant units that are occupied seasonally						237 (5.8%)	169 (4.6%)
Sources: ACS 5-year Estimates US Census							

Figure 5 – Sitka Housing Vacancy Rates					
	Sitka	Ketchikan (Borough)	Juneau	Alaska	US
Rental Vacancy Rate, March 2016 (ADOLWD)	8.3%	9.3%	3.3%	5.8%	
Rental Vacancy Rate (ACS, 2011-2015)	6.1%	8.5%	4.4%	6.2%	6.4%
Homeowner Vacancy Rate (ACS, 2011-2015)	3.6%	1.9%	1.0%	1.7%	1.9%

Sources: ACS = ACS 2011-2015 5-year Estimate; ADOLWD Annual Rental Market Survey, 2016

Figure 6 - Median Value Owner Occupied Homes	
US	\$178,600
Alaska	\$250,000
Anchorage	\$290,500
Southeast Alaska Boroughs	
Haines	\$211,400
Hoonah-Angoon	\$233,400
Juneau	\$323,500
Ketchikan	\$252,500
Petersburg	\$218,800
Prince of Wales-Hyder	\$162,600
Sitka	\$338,600
Skagway	\$324,600
Wrangell	\$171,400
Yakutat	\$166,000

Source: ACS, 2011-2015 5 year Estimate

Figure 7 – Distribution of Housing Values, Sitka	
Number of Owner-occupied units*	2,056
Less than \$50,000	135 (7%)
\$50,000 to \$99,999	79 (4%)
\$100,000 to \$149,999	55 (3%)
\$150,000 to \$199,999	109 (5%)
\$200,000 to \$299,999	409 (20%)
\$300,000 to \$499,999	964 (47%)
\$500,000 to \$999,999	270 (13%)
\$1,000,000 or more	35 (2%)
Median Price (2015 \$)	\$338,600

* This does not include rentals. Source: ACS 2011-2015 5-year Estimate

Figure 8 - Single Family Homes Sold in Sitka						
	Jan-Aug 2016	2015	2014	2013	2012	2011
Homes Sold	31	48	47	53	22	46
Average Sale Price	\$357,573	\$404,344	\$353,104	\$301,413	\$394,612	\$323,464
Sales Volume	11,084,779	\$19,408,530	\$16,595,890	\$15,974,900	\$8,681,462	\$14,879,345

Sources: Multi-Listing Service (MLS). 2011-2015 data courtesy of Davis Realty; 2016 data courtesy of Baranof Realty

Figure 9 - Price of Housing and Rent					
	Sitka	Ketchikan (Borough)	Juneau	Alaska	US
Median Rent (ACS, 2011-2015)	\$1,057	\$1,033	\$1,188	\$1,146	\$928
Median Rent contract, March 2016 (ADOLWD)	\$900	\$984	\$1,100	\$1,050	
Median Rent adjusted, March 2016 (ADOLWD)	\$1,163	\$1,094	\$1,115	\$1,175	

Sources: ACS = ACS 2011-2015 5-year Estimate; ADOLWD Annual Rental Market Survey, 2016

Figure 10 - Rent in Sitka					
	Sitka	Ketchikan	Juneau	Alaska	US
Median Rent, all units** <i>Source: ADOLWD, Annual Rental Market Survey, March 2016</i>	\$1,163	\$1,094	\$1,115	\$1,175	
Median Rent, all units <i>Source: ACS, 2011-2015 5 year estimate</i>	\$1,057	\$1,033	\$1,188	\$1,146	\$928
Fair Market Rent, 1 bedroom <i>Source: US HUD, FY 17</i>	\$989	\$1,006	\$1,103		
Fair Market Rent, 4 bedroom <i>Source: US HUD, FY 17</i>	\$1,984	\$2,280	\$2,348		

** This is adjusted rent, which includes utilities renters pay

Figure 11 – FY 2017 Fair Market Rents, Southeast Alaska

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
Haines Borough	\$723	\$873	\$1,007	\$1,303	\$1,563
Hoonah-Angoon Census Area	\$546	\$674	\$861	\$1,182	\$1,187
Juneau City and Borough	\$930	\$1,103	\$1,466	\$2,109	\$2,348
Ketchikan Gateway Borough	\$836	\$1,006	\$1,317	\$1,722	\$2,280
Petersburg Census Area	\$673	\$798	\$1,060	\$1,326	\$1,461
Prince of Wales-Hyder Census Area	\$822	\$828	\$1,062	\$1,329	\$1,464
Sitka City and Borough	\$895	\$989	\$1,278	\$1,774	\$1,984
Skagway Municipality	\$1,016	\$1,093	\$1,414	\$2,058	\$2,195
Wrangell City and Borough	\$725	\$760	\$1,010	\$1,358	\$1,568
Yakutat City and Borough	\$849	\$926	\$1,182	\$1,479	\$1,835

Source: HUD Annual Fair Market Rents

Figure 12 - Fair Market Rent in Sitka, FY 2010 - 2017

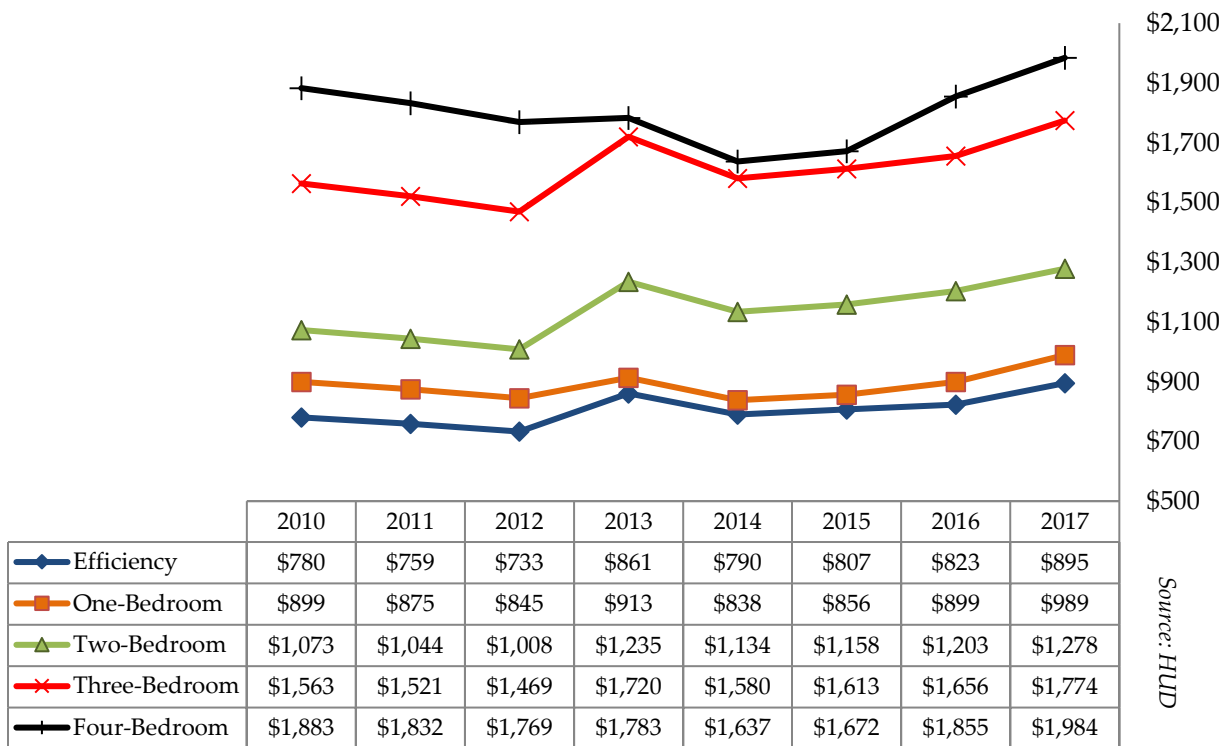


Figure 13 - Percent of Sitkans Cost-Burdened by Housing

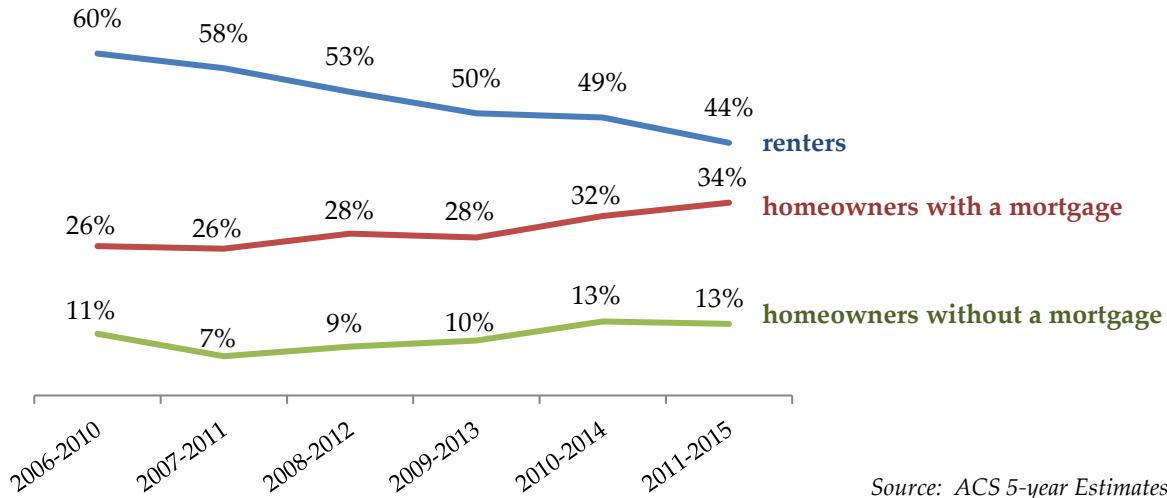


Figure 14 - What Sitkans Can Afford for Housing

	If Annual Income Is	Then Monthly Income is	<u>Money Available for Housing</u> <u>Monthly</u> (@ 30% income)
Sitka Median Household (HH) Income (\$70,376) <i>Source: ACS 2011-2015 5-year estimate</i>	\$70,376	\$5,865	\$1,759
Sitka Mean Household Income (\$82,614) <i>Source: ACS 2011-2015 5-year estimate</i>	\$82,614	\$6,885	\$2,065
Sitka Average Employment Wage 2015 (\$42,865) <i>Source: ADOLWD 2015 QCEW</i>	\$42,865	\$3,572	\$1,072
Sitkans Earning \$25,000/year or Less This is 32% of 2014 tax return filers (IRS) and 15% of all HH incomes (ACS, 2011-2015)	\$25,000	\$2,083	\$625
Sitkans Earning Between \$25,000-\$50,000/year This is 25% of 2014 tax return filers (IRS) and 18% of all HH incomes (ACS, 2011-2015)	\$50,000	\$4,167	\$1,250
Sitkans Earning Between \$50,000-\$100,000/year This is 27% of 2014 tax return filers (IRS) and 37% of all HH incomes (ACS, 2011-2015)	\$100,000	\$8,333	\$2,500

Figure 15 – Examples of Monthly House Payments in Sitka

	\$100,000 Dwelling Unit			\$150,000 Dwelling Unit			\$175,000 Dwelling Unit			\$200,000 Dwelling Unit		
DOWN PAYMENT												
% down	0%	5%	20%	0%	5%	20%	0%	5%	20%	0%	5%	20%
\$ down	\$0	\$5,000	\$20,000	\$0	\$7,500	\$30,000	\$0	\$8,750	\$35,000	\$0	\$10,000	\$40,000
Amt. financing	\$100,000	\$95,000	\$80,000	\$150,000	\$142,500	\$120,000	\$175,000	\$166,250	\$140,000	\$200,000	\$190,000	\$160,000
MORTGAGE												
rate	4.125%	4.625%	4.500%	4.000%	4.375%	4.375%	4.000%	4.375%	4.375%	3.875%	4.250%	4.250%
Type (all 30 year, fixed-rate)	VA or similar	Taxable, 1st home	FHA	VA or similar	Taxable, 1st home	FHA	VA or similar	Taxable, 1st home	FHA	VA or similar	Taxable, 1st home	FHA
MONTHLY PAYMENT												
loan	\$467	\$535	\$465	\$740	\$781	\$698	\$863	\$912	\$804	\$971	\$1,028	\$907
+15%*	\$70	\$80	\$70	\$111	\$117	\$105	\$129	\$137	\$121	\$146	\$154	\$136
TOTAL	\$537	\$615	\$535	\$851	\$898	\$803	\$992	\$1,049	\$925	\$1,117	\$1,182	\$1,043
	\$225,000 Dwelling Unit			\$275,000 Dwelling Unit			\$338,600 Dwelling Unit (Sitka median)			\$400,000 Dwelling Unit		
DOWN PAYMENT												
% down	0%	5%	20%	0%	5%	20%	0%	5%	20%	0%	5%	20%
\$ down	\$0	\$11,250	\$45,000	\$0	\$13,750	\$55,000	\$0	\$16,790	\$67,160	\$0	\$20,000	\$80,000
Amt. financing	\$225,000	\$213,750	\$180,000	\$275,000	\$261,250	\$220,000	\$335,800	\$319,010	\$268,640	\$400,000	\$380,000	\$320,000
MORTGAGE												
rate	3.875%	4.250%	4.125%	3.875%	4.250%	4.125%	3.750%	4.250%	4.000%	3.750%	4.250%	4.000%
Type (all 30 year, fixed-rate)	VA or similar	Taxable, 1st home	FHA	VA or similar	Taxable, 1st home	FHA	VA or similar	Taxable, 1st home	FHA	VA or similar	Taxable, 1st home	FHA
MONTHLY PAYMENT												
loan	\$1,093	\$1,157	\$1,007	\$1,336	\$1,413	\$1,231	\$1,620	\$1,740	\$1,776	\$1,913	\$2,056	\$1,766
+15%*	\$164	\$174	\$151	\$200	\$212	\$185	\$243	\$261	\$266	\$287	\$308	\$265
TOTAL	\$1,257	\$1,331	\$1,158	\$1,536	\$1,625	\$1,416	\$1,863	\$2,001	\$2,042	\$2,200	\$2,364	\$2,031
* 15% additional to cover taxes, insurance, heat, utilities, and similar Source: Wells Fargo Mortgage Rate and Payment Calculator, January 2017												

Figure 16 - Short Term Rental Sales Tax Revenue	
Fiscal Year	Revenue
FY 2010	\$288,788
FY 2011	\$384,654
FY 2012	\$325,837
FY 2013	\$354,698
FY 2014	\$372,486
FY 2015	\$411,873
FY 2016	\$418,112
<i>Source: City and Borough of Sitka Finance Office, Sales Tax Division. Note revue is rounded to nearest dollar.</i>	

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ECONOMIC DEVELOPMENT

GOAL

Increase year round employment and population in Sitka by:

- Supporting local businesses;
- Attracting new sustainable businesses that bring money to town;
- Supporting efforts and enterprises that keep residents' money "local" by re-spending it in Sitka rather than it "leaking" outside; and
- Creating a fiscally stable local government.

1 Municipal Role in Economic Development

Economic development is about understanding conditions in the local economy, understanding which forces shaping the local economy are susceptible to local influence, and identifying strategies to achieve specific development goals.

Local governments are commonly engaged in economic development efforts. This is not surprising given that they depend upon a strong and sustainable economic base and local taxes to support the services, infrastructure, education, and amenities that residents' desire.

A recent National Association of Counties (NAC) review shows that more than 90 percent of county governments engage in economic development initiatives. The NAC developed 35 case studies of county-driven economic development initiatives and found that while each addresses a specific challenge the common thread was highlighting collaboration.

Local governments strategies used to stimulate economic activity include:

- Coordinating and support for economic development programs and services
- Business and entrepreneurship support
- Timely development reviews and business-friendly regulations
- Development Incentives (tax policy, financing, underwriting risk)
- Providing an adequate commercial and industrial land supply
- Infrastructure investment
- Maintain quality of life (conducive to Business innovation and worker retention)
- Participating in workforce and talent development

2 Current Status – Socioeconomic Indicators

2.1 Demographic Trends

- Between 1990 and 2014, Sitka’s population “see-sawed” while it slowly rose (Figure 1).
- The population high was in 2014 with 9,084 residents. Population dropped sharply between 2014 and 2015, by 160 people to 8,920 residents. According to Alaska Department of Labor and Workforce Development (ADOL), Sitka’s population was unchanged between 2015 and 2016.
- Based on historic patterns of births, deaths, and in and out migrants to Sitka, ADOL is projecting that after a five-year period of steady population - which Sitka is in now - that the population will begin a slow, steady decline (Figure 1).
- This is expected due to two trends: more people moving from rather than to Sitka, and to a shrinking number of child-bearing age families/women and children in Sitka.

A look at Sitka’s age groupings (cohorts) shows that since 2000 the percent of the total population that are school age children and adults of child-bearing age has shrunk, and at the same time the percent of older residents has increased (Figure 2).

- **The number of Sitkans age 65 and older, and especially those age 80+, is projected to grow rapidly over the next 25 years.**

In July 2015 there were 1,248 residents age 65 or older in Sitka, which was 14% of the total population. The ADOL projects that in 13 years, by 2030, there will be just over 2,000 older Sitkans in town, a 60% increase. Those who are age 65 and older will then be 23% of the total population.

Those 80 age and older will increase even faster. This population, which often has high medical, care, and mobility needs, is projected to keep increasing through 2045 when it will have tripled compared to today, from 285 folks to just over 800 Sitkans at least age 80.

- **The number of Sitkans who are in the common child-bearing age group from age 20 to 39, is projected to plummet (Figure 2).**

There were 2,389 Sitkans in this age cohort in 2015; by 2030 Sitkans this age are projected to drop by 317 people to 2,072. At this time, the decline in this age group is projected to continue through 2045.

Additional metrics on Sitka youth (school enrollments, PFDs, etc.) are on Figure 3.

2.2 Community Income

- **Sitka residents earned approximately \$568 million in personal income in 2015. This is a 4% increase over 2014 community income of \$545 million (Figure 4).**

Personal income is the cumulative income that a person receives from all sources. This is primarily comprised of wages from jobs, proprietors, and self-employment income, and un-earned income, which includes household revenue captured from public assistance, retirement funds, dividends, etc.

- **The majority of Sitka's income, 66%, came from work earnings, wages, and benefits (Figure 4). This included more than \$89 million in earnings to proprietors (a 33% jump from 2014's estimated \$67 million).**

An estimated 12% of Sitka's income came from retirement benefits (which includes the PFD and Medicare payments). Another 1.2% came from payments from state and federal social assistance programs like unemployment, SNAP and SSI. Finally, 21% Sitka's income was generated from dividends, interests and rents. This is slightly above the statewide proportion of 17%.

- **If sources of all income are tallied and divided by the total population, this shows that in 2015 Sitka had the 5th highest per capital personal income in Alaska at \$64,122 (Figure 5).**
- **Median household income is 12th highest at \$70,376.**
- **Sitka's high income masks significant income inequality among community members (Figure 6).**

According to tax returns filed in 2014 by those living in the 99835 area code, over half of the personal income came from the top 17% of Sitka's earners, these tax filers all earned \$100,000 or more per year and 84% of them are married (filed a joint return).

In contrast, one-third (32%) of all Sitka tax filers made only \$25,000 or less; 80% of these tax filers were single. These are the young adults in Sitka that need affordable housing.

Other indicators of income or racial inequality in Sitka are that:

- In the Sitka School District in 2016, 381 students had low enough household income to qualify for a free lunch and 130 qualified for a reduced fee lunch; together this is 35% of the student body¹.
- At Mt. Edgecumbe High School, whose students and faculty are part of the community for significant periods of the year, 75% of students qualify for a free or reduced fee lunch.²
- 9% of all Sitkans had income below poverty level in past 12 months; however, 22% of Sitka American Indians/Alaska Natives had income below poverty level ($\pm 6\%$)³
- 10% of Sitkans ($\pm 2\%$) received Food Stamps/SNAP benefits in last 12 months⁴

2.3 Commerce in Sitka

- **Retail trade and construction have the highest gross sales in town; these sectors drive commerce. This is one reason why local capital projects (construction) are important (Figure 8 and 9).**

In FY 2016, gross sales in Sitka were \$388 million. The three top grossing sectors accounted for over 80% of all sales activity in town. These were:

1. Retail Trade - 35% of all sales activity
2. Construction - 26% of all sales activity
3. Services** - 20% of all sales activity

***The City and Borough of Sitka combines many businesses into the Services category, including health care, education, professional, arts-entertainment-recreation, food, accommodations, and more)*

2.4 Work and Earnings

2.4.1 Small Businesses

Sole proprietor businesses are those owned by a single person. A sole proprietor is an owner not an employee, so their business income is not reported to the state Department of Labor. Sole proprietor business income is available from the tax returns they file to the Internal Revenue Service, by borough.

- **There were 1,326 sole proprietor owned small businesses in Sitka that together generated over \$76 million in earnings in 2014 (Figure 9). Commercial fishing businesses are the vast majority.**

This is significant work related income into Sitka, for comparison employees in Sitka made \$196 million in 2015.

2.4.2 Non-Resident Workers

- **35% of Sitka employees and 14% of all wages earned go to workers who are not Sitka residents (Figure 10).**

2.4.3 Maritime Business, Employment, and Activity

NOTE- Garry White & Chris McGraw both reviewing this section now.

Economic data typically lists maritime activity as a part of many different industry sectors, so this work is “hidden” as part of other work. As a result, maritime contributions to the economy are often not recognized. This is changing in Alaska as communities and regions recognize that living on and near the ocean and its resources is central to work and jobs and, when strategic land, workforce, and infrastructure investments are made, offers opportunities for growth. The ADOL (C. Bell) has helped to aggregate maritime work and wages for Sitka.

- **When “blue” work is aggregated in Sitka, it accounts for at least 1 of every 4 jobs and over one-third of all work income.** *Note: when I get USCG data this will go up.*
- **The maritime-related average workforce was 1,575 with \$94 million in wages and earnings (Figure 11).** *Note: when I get USCG data this will go up.*

Sitka’s maritime work is anchored by over 600 commercial fishermen and a cluster of seafood processors that at their peak in July employ over 1500, and in December-January employ just under 200. Processors include Seafood Producers Cooperative, Silver Bay Seafoods, North Pacific Seafood (Sitka Sound Seafoods), and Sitka Salmon Shares.

With the largest homeported fishing fleet in Southeast Alaska, and a well-developed suite of boat and engine building and repair services, Sitkans regularly ask why the City and Borough of Sitka is not investing in a publically owned marine haul-out. Both Wrangell Borough and the City of Hoonah have invested public funds to develop municipally owned marine haul-outs (150-ton and 300-ton in Wrangell, 220-ton in Hoonah) and adjacent marine service area workspace. **Neither is profit-making operationally (barb confirming this)**, but provide work for local marine repair and service businesses and support the local fishing and water transportation fleets. Over time the number of haul-outs and repair work in both communities has increased.

Part of the answer lies in the fact that, similar to Ketchikan, a number of private businesses have invested in marine haul out facilities in Sitka. There are four private marine haul-outs in Sitka: an 88-ton haul out at Halibut Point Marine for public use, and at Allen Marine there are three haul-outs that are at times are open for public use: a 66-ton, 88-ton, and 150-ton travel lift.

In 2014, Northern Economics (NE) conducted a screening-level assessment on the feasibility of installing large vessel moorage, a vessel haul-out, and a deep water dock at the Gary Paxton Industrial Park.¹

NE’s survey results indicated a significant amount of haul-out activity for smaller vessels of up to 100 tons, but little activity for larger vessels. While open-ended comments in the survey were in support of a larger lift, the respondents for the most part did not represent that user group. Interviews with owners and managers of larger fleets of vessels provided anecdotal support of a larger lift, but provided insufficient quantitative data to support an analysis. As a result, a larger lift is considered to be a weak opportunity by the NE screening-level analysis, pending future fleet interest.

¹ Northern Economics, March 2014. “Preliminary Screening-Level Feasibility Assessment and Planning for a Marine Center at Sawmill Cove Industrial Park” <http://www.sawmillcove.com/>

The NE conclusion is that there is weak to moderate opportunity for a haul-out facility for vessels up to 150 tons and a weak opportunity for a haul-out facility for vessels over 150 tons. If the existing Halibut Point Marine haul-out ceased operation, there would be a moderate to strong opportunity for a haul-out facility for vessels up to 50 tons. However, a recent interview with Halibut Point Marine for this Comprehensive Plan indicates that, with their recent \$1.5 million investment on the haul-out dock in 2012 and \$75,000 investment in a wash-down area, they are fully committed to maintaining their haul-out business.

The NE analysis indicated there were not development opportunities sufficient for a new public deepwater dock or multi-purpose dock due to existing private facilities at GPIIP, the public ferry terminal, and private docks west toward Starrigavan Point. Given a declining population projection, they saw no major changes in cargo shipments except for special projects.

Nonetheless, GPIIP saw an opportunity and with state funding is constructing a \$6.8 million floating dock now. It will be completed in 20xx. It is a repurposed 250 foot barge that will be connected to shore with a drive-down ramp. The dock will have lights and power. It will be capable of moving seafood, which will assist tenant Silver Bay Seafood, as well as future bulkwater export transshipment. It also will provide tie up space for some commercial fishing vessels to allow in-water work. This will be like at Eliason Harbors' drive down float, but at a much bigger scale.

Finally, the NE analysis indicated a moderate opportunity for large vessel moorage, which was defined as in excess of 100-foot length overall. Survey results did not indicate demand for a large vessel moorage facility, but anecdotal information collected from interviews as well as information conveyed to the study team by the CBS Harbormaster suggests there is demand from the herring fleet to homeport in Sitka. Vessels in this fleet are anticipated to be in the 100–120-foot range. The herring fleet was identified as being interested in moorage at GPIIP, so this group is a logical starting place for determining the haul-out requirements and frequency for this group, and for determining what infrastructure and services are required. Additional analysis is required to determine if it is a feasible concept. Though not evaluated as part of this study, there is a significant waiting list for smaller vessels to use existing CBS harbor facilities.

Note- USCG Sitka Public Affairs personnel Tyler Goodson reviewing this section and supplying gap info

Air Station Sitka and other federal, state, and municipal employees whose work is linked to the ocean account for another 160 employees and \$_____ million in payroll.

Air Station Sitka is responsible for the entire Southeast region of Alaska from Dixon Entrance north to Central Alaska and from the US/Canadian border west to the central Gulf of Alaska. Air Station Sitka was officially commissioned in 1977. Today, it has three MH-60T Jayhawk helicopters and a compliment of over _____ officers, enlisted, and civilian personnel with a payroll of approximately \$_____. These United States Coast Guard personnel provide national defense, search and rescue, marine environmental and law enforcement response, maintain marine aids-to-navigation, enforce laws and treaties, and do various other missions in cooperation with federal, state, and local government agencies. The Air Station averages 130 Search and Rescues a year and a typical year also sees some 180 sorties in support of federal and state law enforcement initiatives. Since 1977, Air Station Sitka's aircrews have saved over 1800 lives, assisted thousands of others and saved several hundred million dollars in vessel property from the perils of the sea.

All this activity has significant economic multiplier effects in town, as it requires purchases of fuel, utility, goods, and services. Further, while about [REDACTED] USCG families live on base, another [REDACTED] personnel and their families live in Sitka. All enrich the community in a myriad of ways.

Rounding out maritime work and commerce in Sitka are water transportation, charter fishing operations, boat building and repair, and scientific and education and technical work related to oceans.

Sitka Resident's Commercial Harvest

Sitka has 1.2% of Alaska's residents, yet Sitkans earned 6.4% of all gross earnings to Alaskans from commercial fishing in 2014.

- **Sitka was ranked the 11th most productive port in the US, top port in Southeast, and ranked 7th statewide in 2014, with \$71 million ex-vessel value of seafood harvested, according to the NOAA.** (Ex-vessel value is the money paid to harvesters/commercial fishermen.)

According to the Alaska Commercial Fisheries Entry Commission, an estimated \$38 million was earned by Sitka resident commercial fishing permit holders in 2015 (preliminary data). This was a drop from \$44 million earned in 2014 (Figure 12).

Salmon is the "money fish" in Sitka, accounting for approximately 75% of all pounds harvested and 44% of all gross earnings by Sitkans who fish commercially. The Southeast seine fishery is the most lucrative of the salmon fisheries. Sablefish was also especially rewarding; this was 9% of all pounds Sitkans harvested but brought in 28% of Sitka fishermen's total gross earnings. Halibut harvest accounted for 5% of the total pounds and 20% of the total gross earnings.

- **As for the volume of seafood harvested, Sitka was ranked the 14th most productive port in the U.S. with 89 million pounds of seafood harvested in 2014.**

This was substantially lower than the 126 million pounds harvested in 2013, reflecting lower salmon runs which tend to be higher in alternating years.

State Shared Fishery Taxes to the City

Depending upon the type of processing and other factors, the state returns one-half of the 3-5% it collects on the ex-vessel value of fish harvested or landed in Alaska to the place where fish processing occurred. Fisheries tax to the City and Borough of Sitka reflects the size of harvests, amount processed locally, and fish prices. The recent high was in 2012, with \$1.2 million shared with the city due to processing activity.

- **In 2016, shared fish taxes brought \$880,000 to the borough, near a six-year low (Figure 13).**

2.4.4 Sitka Employment and Wages

The combination of activities that comprises maritime activity and work has already been reviewed. This section reviews top economic sectors and looks at a few in more depth. The context for this review is that existing businesses have already figured out how to operate profitably in Sitka. Supporting, strengthening, and diversifying existing strong sectors is a top economic growth strategy.

- **Overall, employment in Sitka is growing (Figure 14). Increases have been in private goods-producing jobs, and local government work. Decreases have been in private service-providing work.**

There were an average annual 4,566 employees in Sitka in 2015. This ranged from a high in July of 6,100 employees to a January low of 3,786 employees.

- **At the summer peak there were an additional 2,314 employees in town, which was more than a 25% increase in the local population – and this did not include self-employed fishermen.**

This creates a huge demand for seasonal housing. Part of this need, but not all of it, is met by employer-owned bunkhouses.

The industries with the most employees in 2015 (average annual) were (Figure 15):

1. Local/Tribal Government** - 710 employees
2. Manufacturing - 761
3. Health Care & Educational Services - 641
4. Accommodations & Food Services - 458
5. Retail Trade - 454 employees

Total work related wages were \$195.7 million in 2015.

The industries that pay the most total wages in Sitka were:

1. Local/Tribal Government** - \$37.0 million
2. Manufacturing - \$33.9 million
3. Health Care & Educational Services - \$31.1 million
4. State Government - \$16.1 million
5. Retail Trade - \$11.9 million

The average monthly wage in Sitka was \$3,572 in 2015 (Figure 15). The highest monthly wages in 2015 were for employees in:

1. Management of Companies & Enterprises - \$6,607
2. Federal Government - \$6,262
3. Construction - \$4,972
4. Professional, Scientific, and Technical Services - \$4,528
5. Local/Tribal Government** - \$4,342

Lowest wages - \$1,625/month - were earned by those working in food and drinking establishments.

** This includes the Sitka School District, the City and Borough of Sitka, the Sitka Community Hospital, and at Sitka Tribes of Alaska.

Government

Sitka is home to multiple government entities. Local government includes the City and Borough of Sitka, Sitka Tribe of Alaska, Sitka School District, and Sitka Community Hospital. Federal government employees work for the United State Coast Guard, US Forest Service, National Park Service, TSA, and US Postal Service among others. State government employees in Sitka work for the state Health and Social Services (Pioneers Home), Department of Education (Mt. Edgecumbe), University of Alaska, Fish and Game, Department of Transportation, and others.

- **Together, government agencies employ more than 1,170 people (will update with USCG #), meaning that almost 13% of the population and 26% of wage and salary workers are engaged in public service. Government wages account for one-third (32%) of all wages.**

This can be both a strength – government jobs deliver important services critical to sustaining local industries and health and safety, and they provide stable income that can circulate back into the economy – and a weakness – federal, state and local agencies are vulnerable to changes in funding and will be negatively impact by the current Alaska budget challenges.

Over the past five years, the City and Borough of Sitka’s budget has decreased by \$7 million, due to a combination of increased expenses and reduced revenue. In the 2017 fiscal year a \$2.5 million shortfall is anticipated. Decisions made by the City Assembly, City Administrators and the public in the short term will determine how this projection will change, and ultimately how much revenue will be available to support community services, facilities and infrastructure, as prioritized by the Sitka Comprehensive Plan.

Tourism

Tourism is a growing component of Sitka’s economy and one of the industries that brings new money into the local economy. Sitka has a mature and diverse visitor-oriented sector. Many of Sitka’s tourism assets are listed on Figure 19. Tourism is forecast to grow across Alaska due to a robust national economy, low gasoline prices, and concern by some over foreign travel.

There is no single economic reporting category that is tourism. Visitor businesses include those in Arts, Entertainment, and Recreation, Accommodations and Food Services, and Scenic and Sightseeing Services. Since restaurants and bars serve residents along with visitors, the economic impact due solely to visitors is difficult to isolate for those businesses.

- **Work in the three visitor-oriented categories above accounted for about 13% of Sitka’s employment but only 8.5% of its wages in 2015.** (There is some overlap with maritime.) This included an average of 607 employees (peak employment was 895 in the summer) who together earned \$17 million in wages in 2015 (Figure 15).

The number of cruise ship passengers visiting Sitka peaked in 2008 while the number of visitors to the Sitka National Historical Park peaked in 2006. Visitation to both declined for several years, bottoming out in 2014. Since then, the number of visitors to Sitka has been increasing (Figure 20).

Health Care and Education

These are two separate and important segments of the Sitka economy. They are combined here simply because the state combines them for economic reporting purposes.

- **Together, private sector businesses offering health care or education services employed 640 Sitkans, mostly year round, who earned \$31 million in 2015. This was 14% of all wage and salary work and 15% of total wages.**
- **There were an additional 49 sole proprietor businesses offering health and social services and 37 offering private educational services.**

Note that these totals do not include Sitka Community Hospital personnel who are counted as local government workers, nor are these School District or University of Alaska employees who also are counted as government workers.

Traditionally these activities recirculate money in town and keep it from flowing outside on non-local service providers. This is true in Sitka, but in addition both medical and education activities bring new money into town. This occurs when Alaska Native clients come to Sitka for SEARHC medical services, and when students come to Sitka to attend the Fine Arts camp, other Sheldon Jackson campus activities, when new college graduates come to town to attend one of the internship programs, and when researchers come to the Sitka Sound Science Center

Between the Sitka Community Hospital, SEARHC Hospital and services, and private businesses there are a wealth of health care facilities and services for residents that also serve regional Alaska Native clients.

Manufacturing

Sitka has a higher concentration of manufacturing jobs than does Alaska, Ketchikan, or Juneau (Figure 16). This is linked with the amount of seafood processing activity in town, but it goes beyond that. Figure 16 puts Sitka's manufacturing industry in context, by illustrating the manufacturing location quotients of various communities. Location quotients are ratios that compare the concentration of a resource or activity in a defined area to that of a larger area or base. In this case, Sitka's manufacturing location quotient is calculated in comparison to the United States as a whole, which is given a baseline concentration of 1.0. Using this scale, Sitka scores a 4.17, more than four times the national concentration of manufacturing entities. This is a particularly high value in Alaska, which has a manufacturing location quotient of just 0.53.

While the seafood processors are arguably the most visible element of Sitka's manufacturing, they are only one part of this market segment. In all, Sitka is home to 12 manufacturing business with average annual employment of 761 people, as well as 20 small manufacturing businesses operated by a sole proprietor. Publically available data on these entities is limited, but tax records indicate that they are producing diverse outputs, from food, to textiles, chemicals, and transportation equipment (Figure 17). It's worth noting that while several of these employers show high seasonal variation in their personnel rolls, at least 276 of these manufacturing jobs appear to be filled year round (Figure 18).

In short, manufacturing is a strength of the Sitka economy and it may have potential for further development. More information should be gathered on this sector, with a particular focus on the challenges and opportunities facing businesses. Key learnings from this process should inform city strategy for policy and regulatory interventions in support of a stronger and more productive

manufacturing industry, which advances Sitka's triple bottom-line priorities for economy, environment and cultural prosperity.

Arts, Culture, and Science

2.4.5 Cost of Living

3 Economic Opportunities, Challenges, Issues

Planning commissioner and public comments, research, interviews, and professional knowledge combine to identify the following opportunities, challenges, and issues to address in the Sitka 2030 Comprehensive Plan.

3.1 Retain and Attract Young Adults and Families AND Allow Seniors to Age in Place/Community

Data in the first part of this chapter (see Figures 1-3) shows that:

- **The number of Sitkans age 65 and older, and especially those age 80+, is projected to grow rapidly over the next 25 years.**
- **The number of Sitkans who are in the common child-bearing age group from age 20 to 39, is projected to plummet.**
- **Based on historic patterns of births, deaths, and in and out migrants to Sitka, ADOL is projecting that after a five-year period of steady population - which Sitka is in now - that the population will begin a slow, steady decline. This is expected due to two trends: more people moving from rather than to Sitka, and to a shrinking number of child-bearing age families/women and children in Sitka.**

These are arguably the most significant issues facing Sitka today and actions to turn this around are a major focus of the Sitka 2030 Comprehensive Plan. These trends will have significant implications for Sitka's culture, economic productivity, and education systems. Projections suggest there is a window of opportunity between 2015 and 2020. If Sitka can reduce out-migration, attract and retain young adults and families who have children, and retain its growing baby boomer-senior cohort, then this predicted trend can be halted and turned around to stabilize and slowly grow Sitka's population.

These trends provide an important focus for comprehensive planning:

1. **Why are people leaving Sitka? Can the City and Borough of Sitka address any of the drivers of negative migration?**
2. **What is needed to keep and attract young adults and young families in Sitka?**
3. **What is needed to allow Sitka's aging residents to comfortably and safely age in place?**

Sitka must work to understand why families are leaving and enact policies and interventions designed to retain and attract younger households.

Research and interviews suggest that in addition to family-wage supporting employment, young Alaskan adults and families seek affordable housing and food, good schools, access to a diversity of indoor and outdoor recreation, fast internet, and places to gather with people their age/a sense of community. Prioritizing investments in these assets and promoting their availability will assist in retain and attracting young adults and families.

The number of residents age 65 and older will grow quickly over the coming twenty years. Seniors are invaluable community members in Sitka, contributing in numerous ways, financially, culturally, and socially:

Older Americans are the source of 70% of all of charitable contributions nationally.⁵

In Sitka in 2015, 12% of all community income, or \$69 million, comes from retirement earnings, according to the US Bureau of Economic Analysis.

Individuals age 65 and older are typically engaged politically, among Alaska's registered voters age 65 and older, 72% voted in the 2014 general election, compared with 56% overall (Alaska Division of Elections).

Seniors also serve a role as caregivers, and are an important part of family life. The 2011-2015 ACS reports 147 grandparents live with grandchildren in Sitka⁶.

Sitka must begin planning and taking action now to accommodate the housing, service, medical, transportation, and social engagement needs of its growing senior population. To keep them contributing members of Sitka more: a) accessible, affordable, housing choices are needed, b) assisted living and long term care options are needed, c) increased personal care attendants who can assist with the activities of daily living and enable seniors to remain in their homes are needed, and more geriatric health care services will be needed. Sitka has the potential to become a regional hub for elder care.

3.2 Build Economic Development Partnership and Networks

As noted earlier in this chapter, local government economic development initiatives typically capitalize on networks of public, nonprofit, and private partners. In Sitka these partners include but are not limited to the Sitka Economic Development Association, Sitka Chamber of Commerce, Sitka School District, Sitka Tribe of Alaska, University of Alaska, Sitka Sound Science Center, Sitka Job Center, private businesses, and others. As objectives and actions are implemented, asking "who else should be at the table" and working to include them will strengthen chances of success.

3.3 Diversify Sitka's Maritime Work

- **The ocean is Sitka's biggest economic driver. A top strategy is to protect this resource and improve the opportunities and productivity of blue jobs industries. Opportunity areas include expanding marine service and repair businesses; using more seafood byproducts, harvest and adding value to additional ocean resources (e.g. seaweed, kelp); reserving parts of the waterfront for maritime commercial and industrial use; providing infrastructure to access and use marine resources with adjacent upland work space; and monitoring and testifying when appropriate on policy and legislation to assure Sitka's fair share of seafood allocations, and slow ocean acidification and ocean warming.**

To support small vessel owners, marine service businesses, and more fully utilize the Gary Paxton Industrial park (GPIP), GPIP plans to install a rock-supported drive down ramp with a tractor pulled trailer that could haul out 25-ton vessels to an adjacent upland marine service area. This

would be near its new floating dock cost and estimated \$4.5 million. Pending funding, could occur in 20xx. *Note Garry White reviewing this para.*

Another maritime opportunity is to assist in the growth of marine manufacturing, service and repair businesses. Too many Sitka vessel-owners take their boats elsewhere in Southeast Alaska, Port Townsend, or Seattle for marine repairs and service. Conversations with marine businesses are needed to determine whether there are any obstacles that the borough can remove, or incentives it can provide, to help current businesses expand. Casual conversations suggest a better understanding is needed about:

- Whether there is year-round demand for work and if requested repairs can be spread-out more during the year?
- Is there a need for covered work space with utilities?
- Is the pricing of local ports, harbors, and haul-outs competitive with other places?
- Is the cost of complying with local regulations prohibitive for a start-up business, are there opportunities for flexibility for seasonal businesses?
- Is there a lack of waterfront commercial or industrial space for lease or purchase?
- Is there a lack of affordable housing for seasonal workers that impacts businesses' ability to grow?
- Are there forums for marine businesses to share information that could help them schedule or work together more effectively?

Add other manufacturing, harbor or port or marine business issues/opportunities.

3.4 Support United States Coast Guard

The City and Borough of Sitka must work with USCG Air Station Sitka to help it accommodate its needs during its planned upgrade to 56, 40+ year old family housing units. In addition, as increasing pressure occurs to relocate USCG assets to serve the opening arctic, the City and Borough of Sitka should be prepared to support the size and services offered at Air Station Sitka. *Note: USCG review this now*

3.5 Diversify Tourism Opportunities

Sitka tourism has traditionally focused on cruise ship passengers and the charter fishing clients. Support for both activities is important to the economy. Active work to mitigate any negative impacts will help ensure continued support. Given the new private dock that can accommodate cruise ships without lightering, cruise visitors should continue to arrive and hopefully follow the upward trend of the last few years. The number of cruise ship passengers since 2005

In addition, due to its unique cultural, historical, environmental, and community assets, Sitka is well positioned to expand tourism and attract more independent visitors. Opportunities include, but are not limited to, eco and adventure tourism (camping, kayaking, boating, hiking, wildlife tours), cultural and historical tourism (Tlingit culture, history, and arts; visual and performance arts, the Sheldon Jackson Museum, the Sitka National Historical Park and Russian history, etc.), and hosting conferences, festivals and business travelers. For this last category, Sitka has several beautiful venues, including Sheet'Ka Kwaán Naa Kahídi Tribal Community House, the historic Sheldon Jackson Campus, the newly renovated Harrigan Centennial Hall, and the Sitka Performing Arts

Center. A new 70-room hotel will be completed in 2017 that will further expand Sitka's capacity to host large groups during the busy summer season.

The Sitka Convention and Visitor Bureau should continue its work to find ways to leverage these assets to attract more festival-oriented, small cruise ship, yachters, and other independent visitors, have them stay longer, and return.

Sitka Tribe of Alaska (STA) works to nurture a respectful cultural and historical tourism sector. An opportunity area is support for and partnership with STA led tourism businesses.

Investment in cultural assets, traditions and historic building rehabilitation is an opportunity area, particularly when coupled with interpreted tours.

Training and networking that helps to develop and market new eco and adventure tourism businesses is an additional prospect.

3.6 Build upon Sitka's Culture, Arts & Science Assets

Sitka has a unique cultural and historical identity. Respect, preserve, and support these traditions. Invest in Sitka's culture, arts, and science programs. Several initiatives are already creating jobs, bringing in outside students, and benefiting local youth and adults. Build upon these assets and programs including, but not limited to, the Sitka Sound Science Center, the Sitka Fine Arts Camp, other programming at the Sheldon Jackson campus, Sitka Whalefest, the Sitka Summer Music festival, and the Sitka Arts & Science Festival. These opportunities and resources benefit community education and well-being, bring new people to town, and drive economic activity. Build on these successes.

3.7 Cost of Living

Affordability and cost of living are significant challenges for many Sitkans. The high cost of housing, food, utilities and other necessities limit economic engagement and innovation, and risk negative migration from Sitka. These challenges will not be resolved easily, and will likely be compounded by the State budget crisis.

3.8 Internet

Current internet bandwidth is maxed out and will limit future economic growth if improvements are not made. There have been several recent multi-day internet access failures that negatively impacted public agencies, the medical community, and private businesses. Investments in Sitka's technology infrastructure are needed to provide high-speed internet and telecommunications support. This will improve local productivity and will encourage the development of new businesses, tech initiatives, and remote work opportunities.

3.9 Equity and Social Justice

Income inequality and poverty is a priority issue for Sitkans; this issue of social and economic justice must be tackled in order to achieve Sitka's values and vision. Low personal income, in combination

with high cost-of-living, means that many households struggle to make ends meet month to month (see Figure 6 and related bullet points). While the consequences of this are complex, it is reasonable to expect that low-income Sitkans may be less engaged in the local economy (less buying power) and will be less able or willing to invest in opportunities to improve their prosperity in the long-term. It may also affect Sitka's net migration. As income versus costs becomes untenable for more households, one possible outcome is that households will relocate to more affordable communities.

3.10 Healthy Natural Environment

Sitka is dependent upon its natural resources and vulnerable to the global, regional and local forces that negatively affect them. While these range from the political to the natural, the consequences could be significant. Global warming and ocean acidification have the potential to negatively transform the blue jobs sector. Residents desire to use natural resources sustainably and keep Sitka a wild and beautiful place. In addition to protecting the assets that our community depends on, this will give Sitka a competitive advantage in attracting more business, visitors and investment. , pursue the responsible sale of bulk water, locally and for export. Development activities should be planned and implemented considering their environmental impacts.

3.11 Workforce Development & Youth Engagement

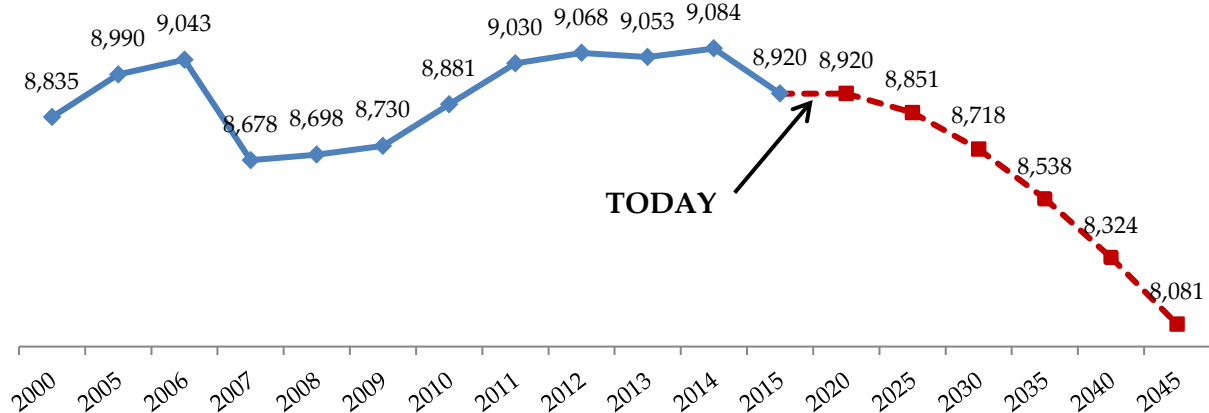
Encourage young Sitkans to get involved in the public process and the local economy. Invest in workforce development initiatives focused on locally needed skill sets and entrepreneurship.

3.12 Housing

Without affordable housing workers cannot stay in Sitka.

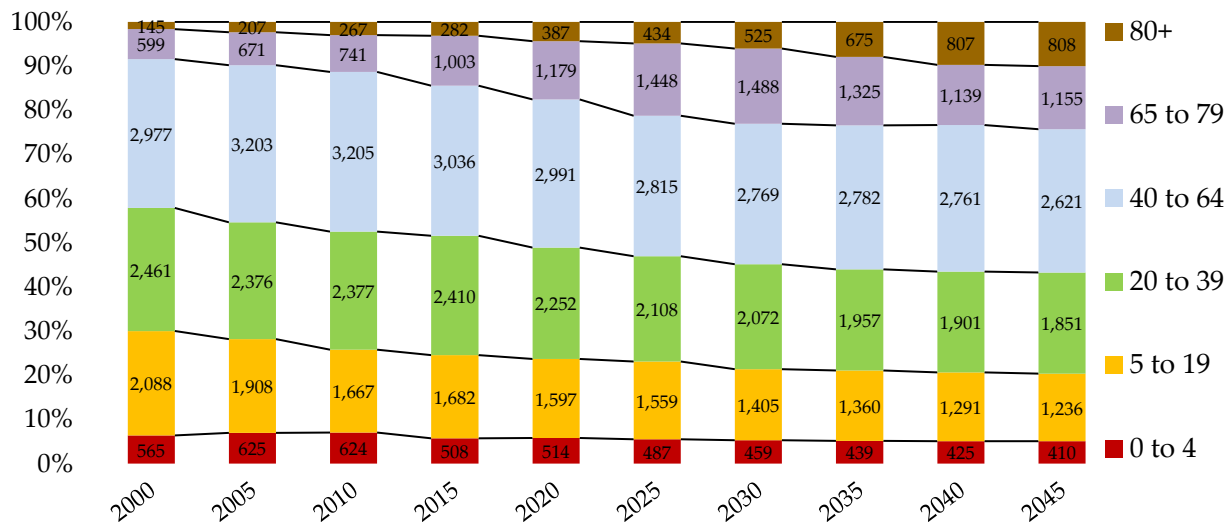
5 Socioeconomic Data

Figure 1 - Historic and Projected Sitka Population



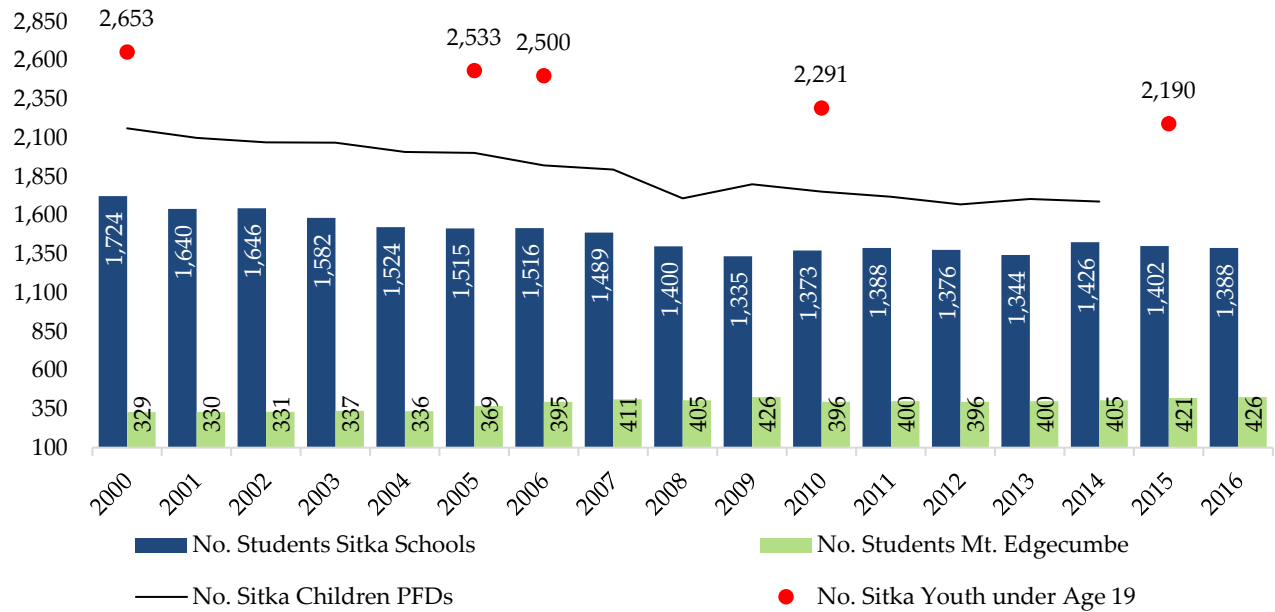
Sources: ADOLWD Population Estimates (Jan 2017) and Population Projections (2016)

Figure 2 - Number and Percent of Each Sitka Age Group, Historic and Projected



Sources: ADOLWD Population Estimates (Jan 2017) and Projections (2015)

Figure 3 - Youth Demographics



Sources: ADOLWDPopulation Estimates (Jan 2017) and Projections (2015), ADEED Student Enrollments, DOR PFD Reports

Figure 4 - Comparison of Sources of Personal Income, by Community, 2015

	Total	Work*	SSI, SNAP	Unemployment	Retirement	Dividends, Interest and Rent
Alaska	\$41,460,746,000	67%	2%	0.2%	14%	17%
Juneau	\$2,053,591,000	69%	1%	0.2%	11%	19%
Ketchikan	\$866,894,000	67%	2%	0.2%	15%	16%
Sitka	\$568,309,000	66%	1%	0.2%	12%	21%

**This is net earnings by place of residence, which is slightly less than earnings by place of work. Source: BEA, CA30 Economic Profile*

Figure 5 - 2015 Income Measures

Borough or Census Area	Per Capita Personal Income	Median Household Income
State of Alaska, All	\$56,147	\$72,515
Aleutians East Borough	\$49,611	\$61,518
Aleutians West Census Area	\$52,569	\$84,306
Anchorage Municipality	\$62,728	\$78,326
Bethel Census Area	\$39,827	\$51,012
Bristol Bay Borough	\$65,769	\$79,750
Denali Borough	\$67,770	\$81,544
Dillingham Census Area	\$51,969	\$54,173
Fairbanks North Star Borough	\$54,185	\$71,068
Haines Borough	\$47,929	\$58,750
Hoonah-Angoon Census Area	\$53,956	\$52,419
Juneau City and Borough	\$62,694	\$85,746
Kenai Peninsula Borough	\$52,639	\$63,684
Ketchikan Gateway Borough	\$63,235	\$64,222
Kodiak Island Borough	\$58,162	\$70,887

Borough or Census Area	Per Capita Personal Income	Median Household Income
Kusilvak Census Area	\$29,896	\$38,229
Lake and Peninsula Borough	\$55,385	\$50,781
Matanuska-Susitna Borough	\$46,554	\$72,983
Nome Census Area	\$48,805	\$48,868
North Slope Borough	\$36,883	\$72,576
Northwest Arctic Borough	\$46,918	\$63,648
Petersburg Borough	\$66,323	\$67,935
Prince of Wales-Hyder Census Area	\$40,205	\$48,523
Sitka City and Borough	\$64,122 (5th highest)	\$70,376 (12th highest)
Skagway Municipality	\$78,171	\$69,318
Southeast Fairbanks Census Area	\$43,256	\$62,670
Valdez-Cordova Census Area	\$63,236	\$78,810
Wrangell City and Borough	\$47,214	\$48,603
Yakutat City and Borough	\$60,333	\$72,500
Yukon-Koyukuk Census Area	\$51,496	\$38,491
<i>Sources:</i>	<i>2015 US BEA CA-1</i>	<i>ACS 2011-2015 5-year Estimate</i>

Figure 6- Income Distribution in Sitka				
	Adjusted Gross Income (AGI)	Number of Returns	% Total Income	% All Returns
TOTAL	\$303,677,000	4,650	100%	100%
\$1 under \$25,000	\$17,706,000	1,500	6%	32%
\$25,000 under \$50,000	\$41,428,000	1,140	14%	25%
\$50,000 under \$75,000	\$45,412,000	730	15%	16%
\$75,000 under \$100,000	\$42,288,000	490	14%	11%
\$100,000 under \$200,000	\$88,717,000	660	29%	14%
\$200,000 or more	\$68,126,000	130	22%	3%
<i>Source: IRS 2014 Tax Returns</i>				

Figure 7- Gross Sales Receipts

	2012	2015	2016	1-year change (‘15-‘16)		5-year change (‘12-‘16)	
Ag / Forestry/ Fisheries	\$5,933,107	\$3,768,798	\$3,535,452	(\$233,346)	-6%	(\$2,397,655)	-40%
Construction	\$88,035,397	\$88,036,878	\$100,767,547	\$12,730,669	14%	\$12,732,150	14%
Manufacturing	\$1,597,997	\$7,061,174	\$11,546,457	\$4,485,283	64%	\$9,948,460	623%
Transport & Utilities	\$19,059,116	\$13,733,053	\$17,791,923	\$4,058,870	30%	(\$1,267,193)	-7%
Wholesale Trade	\$21,441,061	\$14,314,499	\$20,867,486	\$6,552,987	46%	(\$573,575)	-3%
Retail Trade	\$138,380,611	\$108,125,543	\$137,588,475	\$29,462,932	27%	(\$792,136)	-1%
Finance, Insurance, Real Estate	\$22,038,895	\$19,724,284	\$17,877,973	(\$1,846,311)	-9%	(\$4,160,922)	-19%
Services	\$59,819,199	\$51,054,961	\$78,387,522	\$27,332,561	54%	\$18,568,323	31%
TOTALS	\$356,305,388	\$305,819,190	\$388,362,835	\$82,543,645	27%	\$32,057,447	9%

Source: City and Borough of Sitka Sales Tax Office

Figure 8 - Sitka Gross Sales Receipts, 2010-2016

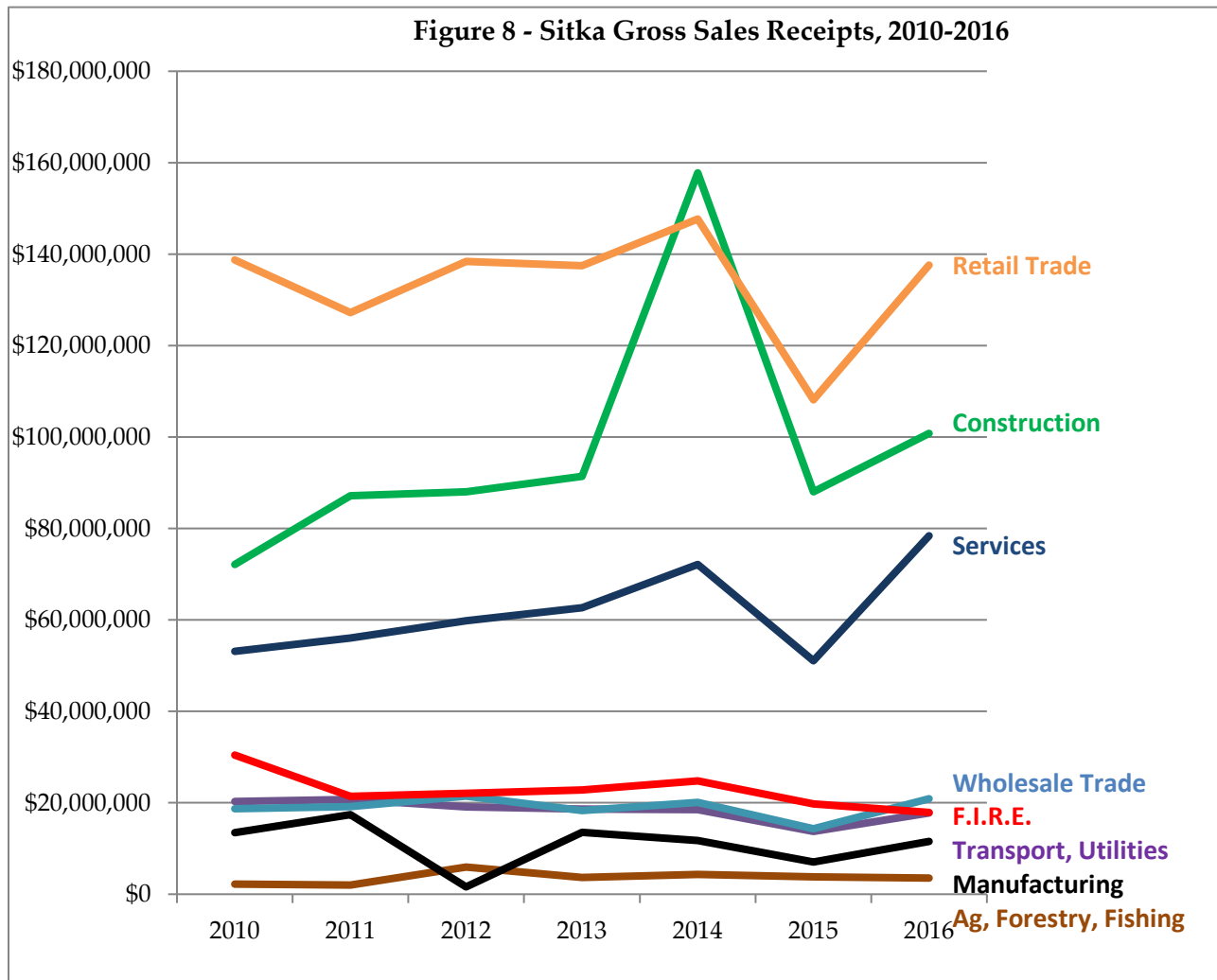


Figure 9 – Sitka’s Sole Proprietor Owned Small Businesses, 2014

Industry	No. Businesses	Business Earnings (Net)
Total for all sectors	1,326	\$76,430,000
Agriculture, forestry, fishing and hunting (vast majority are commercial fishing)	627	\$47,393,000
Construction	90	\$4,840,000
Manufacturing	20	\$768,000
Wholesale trade	10	\$272,000
Retail trade	60	\$1,312,000
Transportation and warehousing	32	\$1,745,000
Information	9	\$244,000
Finance and insurance	9	\$456,000
Real estate and rental and leasing	73	\$6,735,000
Professional, scientific, and technical services	111	\$5,117,000
Administrative and Support and Waste Management and Remediation Services	41	\$689,000
Educational services	37	\$720,000
Health care and social assistance	49	\$1,816,000
Arts, entertainment, and recreation	69	\$1,262,000
Accommodation and food services	38	\$1,178,000
Other services (except public administration)	51	\$1,883,000
<i>Source: US Census Nonemployer Statistics, 2014</i>		

Figure 10 - Non-Resident Workers in Sitka, 2014

Industry	No. Employees who are not Sitka Residents	Wages to non-Sitka Residents
Total for all sectors	1,591	\$28,107,543
Agriculture, Forestry, Fishing and Hunting	44	\$777,321
Construction	155	\$6,178,353
Manufacturing	514	\$7,447,051
Wholesale Trade	3	\$25,866
Retail Trade	91	\$979,740
Transportation and Warehousing	184	\$3,003,321
Professional, Scientific, and Technical Services	31	\$769,112
Administrative and Support and Waste Management and Remediation Services	60	\$1,113,297
Education	82	\$276,015
Health Care and Social Assistance	94	\$2,964,930
Arts, Entertainment and Recreation	30	\$513,557
Accommodation and Food	243	\$3,089,315
Other Services	29	\$329,341
Other	31	\$640,324
<i>Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Occupational Database</i>		

Figure 11 - 2015 Sitka Maritime Economy (updated 1/24)

Type of Maritime Work/Job	No. of Firms	Total Earnings or Wages	Average Annual Employment	Average Annual Wage
Fishing (self-employed) ¹ (2014 data) <i>Note: wages/earnings are gross, before expenses are deducted.</i>	608	\$46,182,000	608	\$75,957
Marine transportation (self-employed) (NAICS 483) ¹ (2014 data)	7	\$883,000	7	\$126,143
Subtotal, maritime small businesses	615	\$47,065,000	615	\$76,528
Fishing and Seafood Processing ² <i>(e.g. employees and payroll, for aquaculture, fishing, seafood processing, wholesalers, seafood markets)</i>	14	\$33,313,356	736 (much higher in summer)	\$45,263
Water Transportation ² <i>(e.g., water transportation, guides, tours, support)</i>	15			
Marinas, Boat Dealers, Boat Building ²	5			
Subtotal, maritime employment	42	\$43,194,305	945	\$45,708
Mixed Marine Leisure & Hospitality ² <i>(e.g. marine museums, marine or fishing guiding services, fish camps with accommodations)</i>	15	\$3,069,119	65	\$47,217
Mixed Marine Professional, Scientific, & Technical Services ² <i>(e.g. fisheries research and development laboratories or services, Oceanographic research)</i>	2			
Mixed Marine Construction, Manufacturing, Education, Boat Repair & Maintenance ²	3			
Mixed Marine Manufacturing ² <i>(e.g. textiles/canvas)</i>	1			
Mixed Boat Repair & Maintenance ²	2			
Subtotal, mixed maritime employment***	23	\$4,665,393	105	\$44,432
State Maritime Employees ² (ADF&G)	1	\$1,146,250	22	\$52,102
Federal Maritime Employees ² (NOAA, USCG civilian)	2	\$459,246	6	\$76,540
Federal enlisted (USCG) ³				
Local Harbor/Marine Svcs Center Employees ⁴	1	\$1,061,890 ⁴	7	\$68,779
Subtotal, government maritime	4	\$2,667,386	35	\$59,627
Total Sitka Maritime***	684	\$97,592,084	1,700	\$57,407

*** Total includes only 75% of mixed maritime to account for portions of these businesses not linked to the ocean.

Sources:

1 US Census nonemployers statistics, 2014

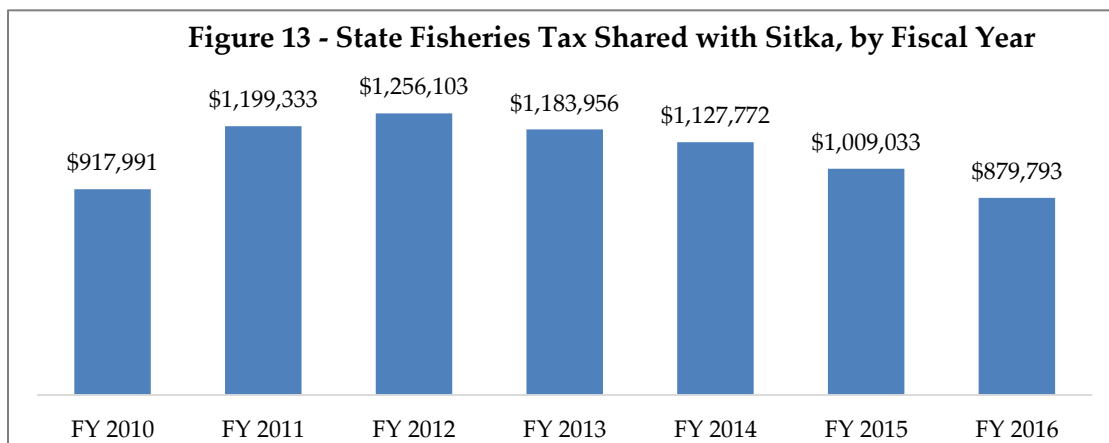
2 ADOLWD, special data run, C. Bell, 1/24/2017 update

3 USCG Air Station Sitka

4 Sheinberg Associates review of Sitka Municipal Budget

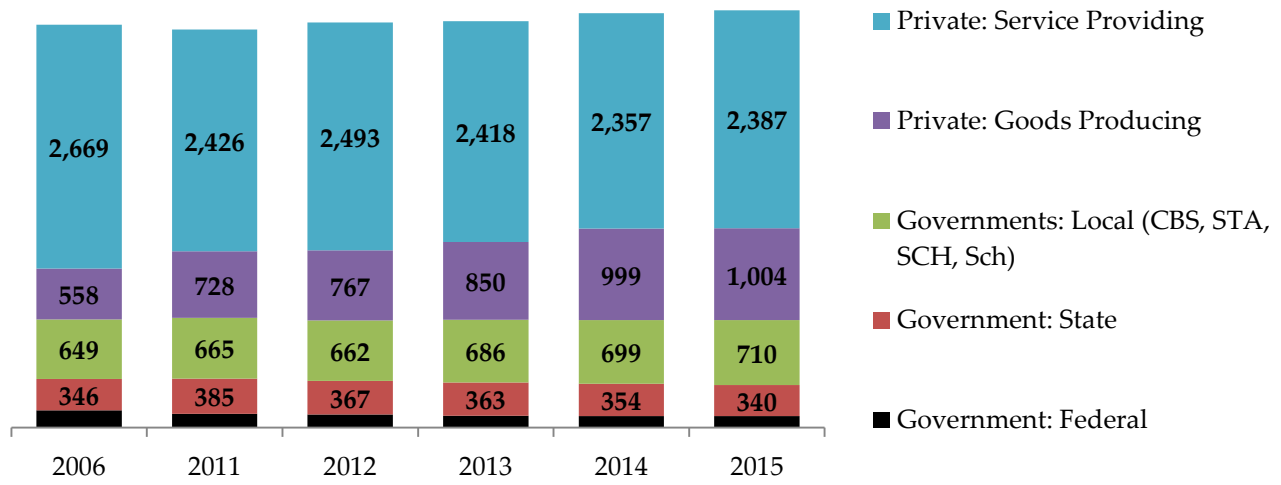
Figure 12 - Sitka Resident's Commercial Fishing Activity						
Year	2005	2011	2012	2013	2014	2015
Homeported Commercial Fishing Vessels (all types)**	585	641	631	632	631	-
Permit Holders	578	569	572	572	562	566
Permits Issued	1,160	1,082	1,117	1,109	1,072	1,055
Residents who Fished	446	467	482	457	457	446
Permits Fished	746	777	794	768	755	718
Pounds Landed	37,919,735	37,442,480	25,565,723	50,353,988	35,756,224	36,501,044
<i>Salmon (all)</i>	25,894,857	26,645,615	16,449,881	40,113,439	23,320,029	16,976,278
<i>Halibut (all)</i>	3,525,658			1,753,778	1,421,475	1,660,835
<i>Sablefish (all)</i>	4,156,787		3,559,072	3,228,620	3,096,597	3,149,756
Est. Gross Earnings	\$33,352,846	\$48,506,319	\$43,158,640	\$48,112,236	\$44,012,277	\$38,345,845
<i>Salmon (all)</i>	\$11,336,345	\$21,532,192	\$17,481,984	\$28,927,166	\$23,319,851	\$16,976,278
<i>Halibut (all)</i>	\$10,362,490			\$6,291,970	\$6,484,718	\$7,556,741
<i>Sablefish (all)</i>	\$8,876,986		\$12,871,718	\$8,059,451	\$9,657,665	\$10,555,645

Source: CFEC Permit and Fishing Activity and Vessel Reports



Source: Alaska Department of Revenue, Annual Shared Taxes Reports

Figure 14 - Number of Sitka Employees (Average Annual), 2006-2015



**Figure 15 - Number of Employees and Monthly Wages,
by Type of Work, 2015**

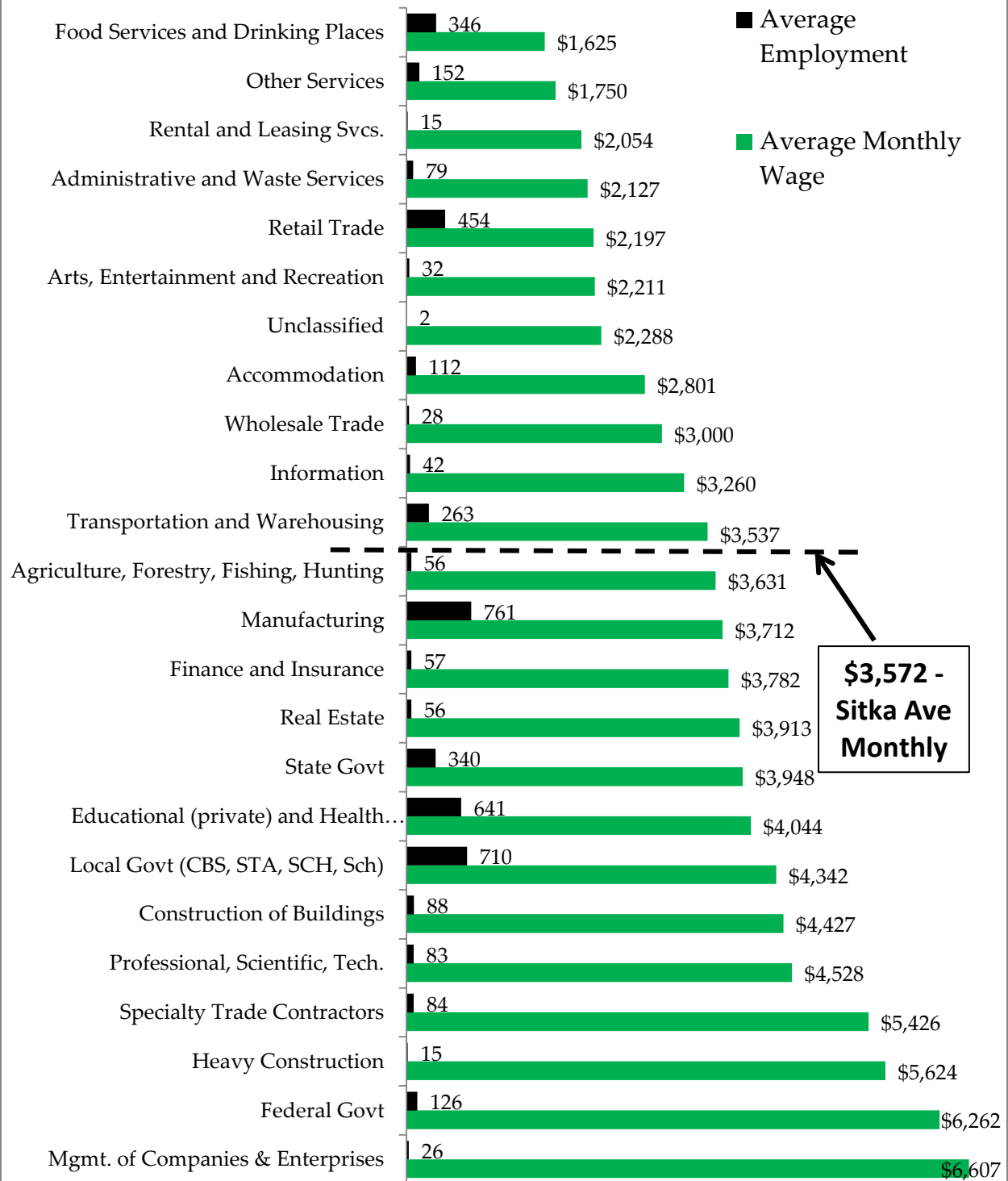


Figure 16 - Sitka Visitor Attractions and Assets

Category	Attractions/Assets
# Tour Companies	Alaska Dream Cruises, Alaska Wildlife Tours & Water taxi Alaska travel Adventures Alaska ATV Torus Allen marine Tour4sa Sea Otter and Whale Quest Annahootz Alaskan Adventure Dove Island Lodge
# Attractions	Raptor Center ANB Hall Naa Kahidi Dancers New Archangel Dancers Sitka National Historical Park, historic houses and structures, interpretation, Totem Trail Sheldon Jackson Museum Fortress of the Bear Castle Hill Sitka Sound Science Center St Michaels Russian Orthodox Church Totem Square Whale Park Sea Mountain Gold Course National Cemetery
# Accommodation Options / # Rooms	Over 200 hotel rooms, B&Bs, Lodges, vacations rentals, campgrounds, RV facilities, USFS cabins, Sitka International Hostel,
# Arts/Meeting Venues	Harrigan Centennial Hall Sitka Performing Arts Center Sheldon Jackson Campus – various venues
# Charters	Many
Festivals and events	Russian Christmas Sitka Jazz Festival Arti Gras Sitka Salmon Derby Sitka Summer Music Festival Sitka Fine Arts Camp Fourth of July Celebration Sitka Jazz Week Sitka Arts & Science Fest. Paths Across the Pacific Mudball Classic Softball Tournament Annual Running of the Boots Alaska Day Festival Native American Heritage Fest Sitka Whalefest Sitka Artisans Market Sitka's Holiday Fest

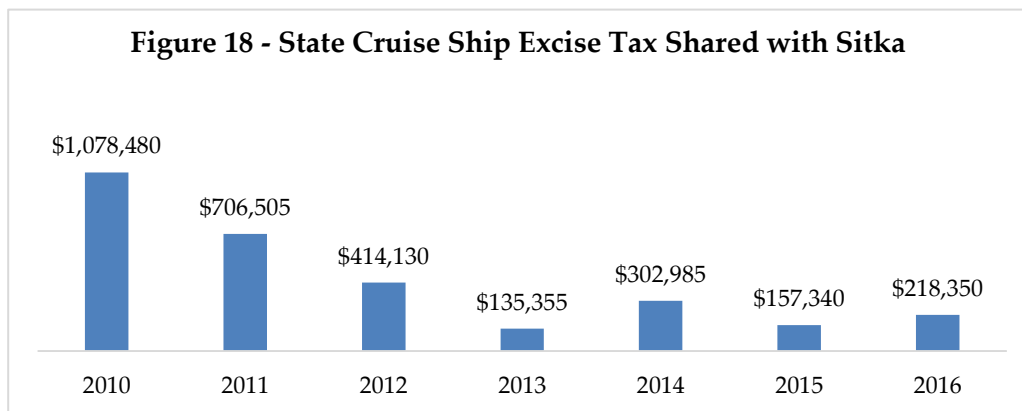
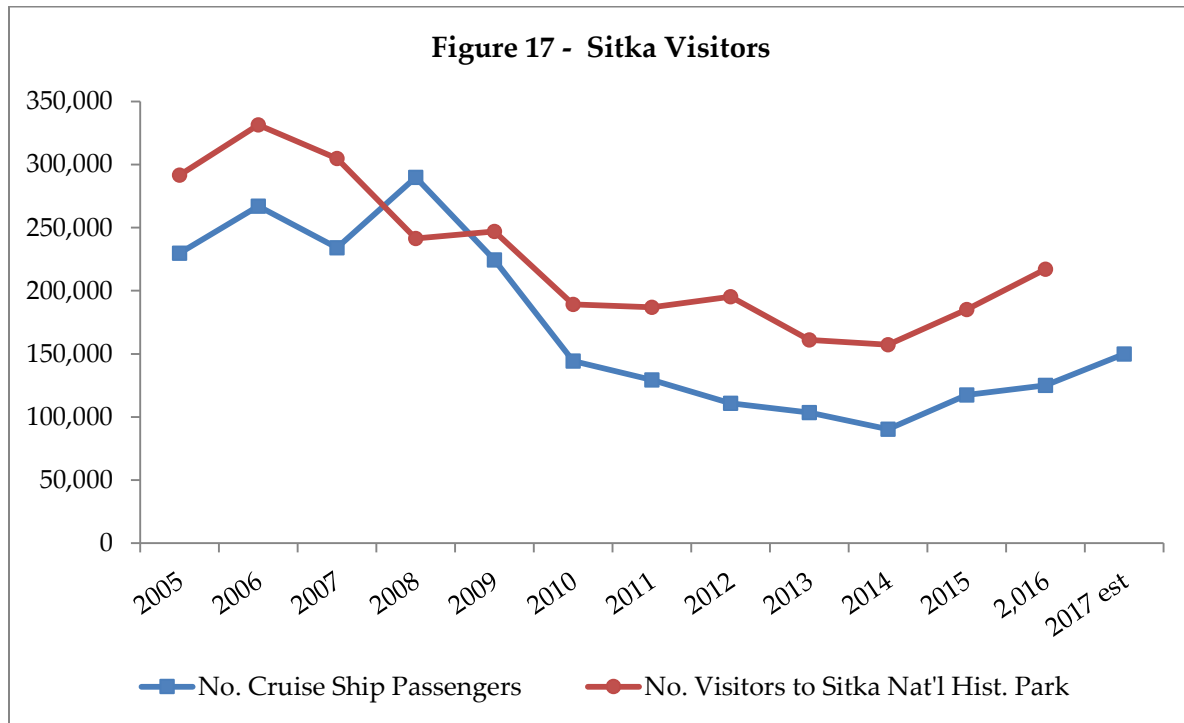


Figure 19: Manufacturing Location Quotient Comparisons

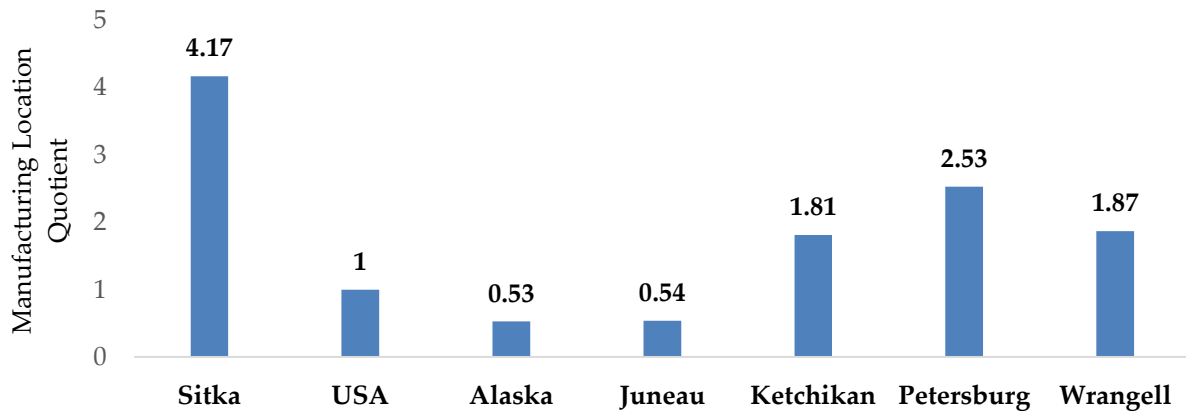


Figure 20: Manufacturing Workforce & Earnings Details 2014 & 2015 Combined

Manufacturing Sole Proprietors (2014)	-	Businesses	Earnings
Food Manufacturing (Code 311)	-	6	\$347,000
Other Manufacturing	-	415	\$421,000
Total Manufacturing Proprietors	-	20	\$768,000
Manufacturing Wage and Salary Employment (2015)	Number of Employers	Average Annual Employment	Wages
Food	6	*	*
Beverage and Tobacco Products	1	*	*
Textile Products	1	*	*
Chemicals	1	*	*
Nonmetallic Mineral Products	1	*	*
Transportation Equipment	2	*	*
Total Wage & Salary Employment	12	761	\$33,895,919
Grand Totals Proprietors & Employment		781	\$34,663,919

Sources US Census, Non-Employer Statistics (2014), ADOLWD, QCEW database (2015)

Figure 21: Monthly Manufacturing Wage & Salary Employment 2015

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Average
276	365	542	482	676	883	2,002	1,626	801	532	442	500	761

Source: ADOLWD, QCEW database (2015)

ENDNOTES

¹ Source: ADEED, Free and Reduced Price Meals Report and Eligibility Guidelines. To qualify for a free lunch (using January 2016 federal poverty thresholds in Alaska) a family of four made less than \$39,494, or for a reduced fee lunch, made less than \$56,203. A single parent with one child made less income than \$26,026 to qualify for a free lunch, or made less than \$37,037 to qualify for a reduced fee lunch.

² Ibid.

³ Source: ACS 2011-2015 5 year estimate, Table S1701

⁴ Source: ACS 2011-2015 5 year estimate, Selected Economic Characteristics

⁵ Rovner, M. 2013 "The Next Generation of American Giving: The Charitable Habits of Generations Y, X, Baby Boomers and Matures." Blackbaud.

⁶ The margin of error is ± 55 , thus the range is 92 to 202 grandparents living with grandchildren.

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LAND USE

GOAL

Guide the orderly and efficient use of private and public land in a manner:

- **That fosters economic opportunity,**
- **Maintains Sitka’s small-town atmosphere and rural lifestyle,**
- **Recognizes the natural environment, and**
- **Enhances the quality of life for present and future generations.**

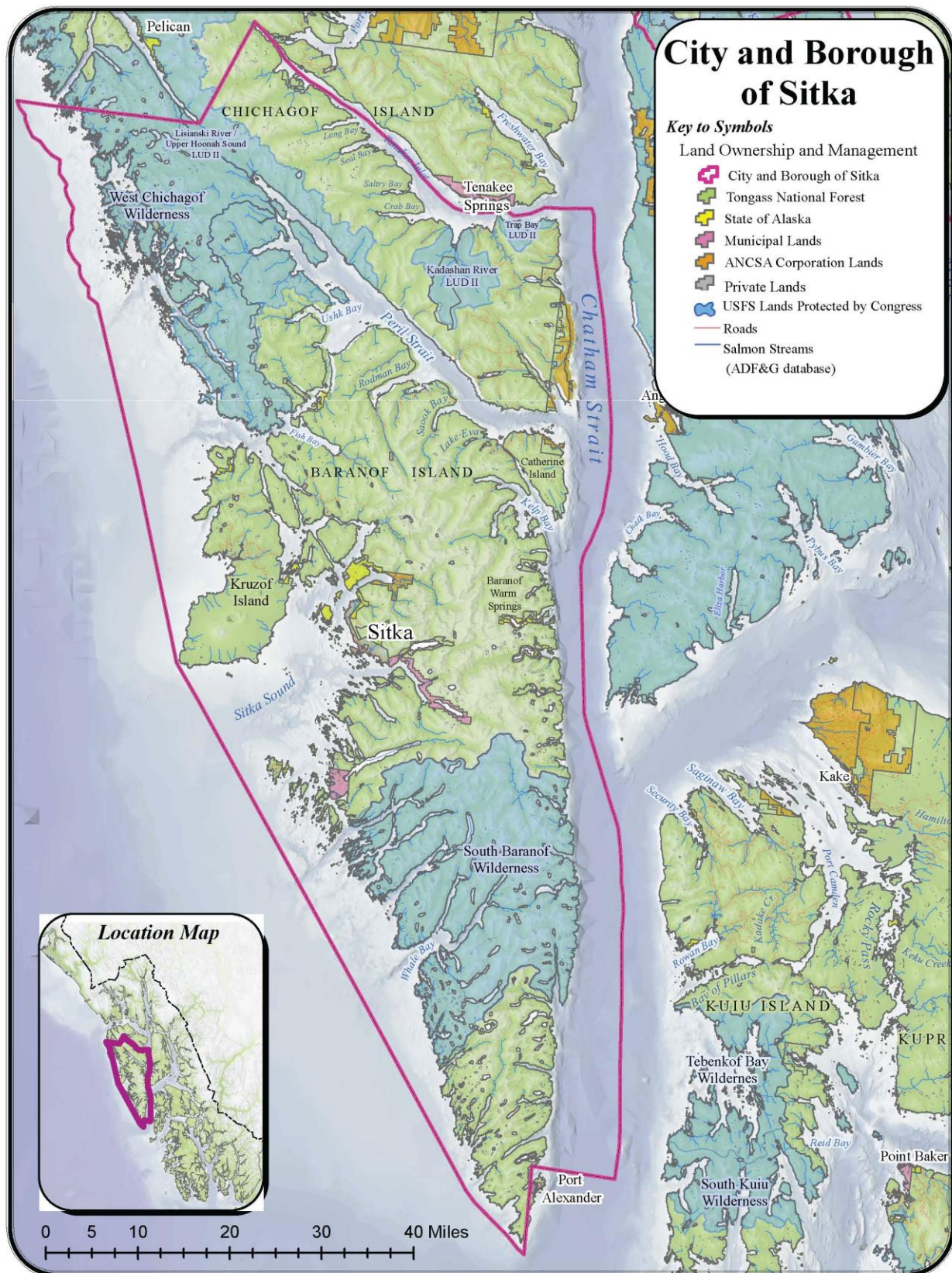
1 Land Management Context

The unified Home Rule City and Borough of Sitka encompasses 4,812 square miles (sq mi) of land (2,874 sq mi) and water (1,938 sq mi). This makes it the 12th largest borough in Alaska, and larger than both Rhode Island and Delaware.

Like the rest of Southeast Alaska, most of the land within the City and Borough of Sitka is part of the Tongass National Forest, and managed by the United States Forest Service (USFS). Broad land ownership within the City and Borough of Sitka is depicted on Figure 1.

In December 2016, the Tongass Land Management Plan was revised, and the current Land Use Designations (LUD), which is the framework for how the US Forest Service intends to manage its land. In broad terms, the management intent for much of the Tongass forest land in the borough is to focus on recreation and tourism-oriented uses. There are several congressionally designated wilderness areas also within the borough. The local demand for timber is primarily from two small sawmill owners, and it is primarily met through timber sales in the Peril Strait and False Island areas within the borough. For additional information, refer to Tongass National Forest – Land and Resource Management Plan, December 2016 Amended Forest Plan <https://www.fs.usda.gov/detail/tongass/landmanagement/?cid=stelprd3801708>

One important part of Sitka’s past is that the Alaska Pulp Company operated a ___-employee (at its heyday) pulp mill in Sitka at the site of the current Gary Paxton Industrial Park, from ___ to 1993, under a contract with the USFS.



In addition to the USFS, other large public land owners and managers within the City and Borough of Sitka are the: state of Alaska (general state land managed by DNR or ADFG), the University of Alaska (438 acres), the Alaska Mental Health Trust (592 acres), the National Park Service (156 acres), and the US Geodetic Survey (117 acres).

There are 14 non-public landowners within the City and Borough of Sitka that each own 20 acres or more (Figure 2).

Figure 2 - Largest Non-Public Land Owners within City and Borough of Sitka		
Landowner	Number of Parcels	Total Acres
Aryeh Levenson	3	15,377
Coastal Development Company (mining claims)	10	366
Baranof Island Housing Authority	77	191
Andrew Jack (Kadashan Bay)	1	160
Benjamin Rindge (mining claim)	1	85
Dixie McClintock	1	80
Haida Corporation	14	61
Charlie L. Bower III (mining claim)	1	40
Bert K Stedman (mining claim)	3	38
Avrum Gross (Chatham Cannery)	4	30
Alaska Arts Southeast Inc.	4	24
William Goertzen (Chatham Cannery)	2	22
Paul D. White	1	21
SEARHC	9	21
Source: 2016 City and Borough of Sitka Property Tax Roll		

2 Current Land Use

During the summer of 2016 Sitka Community Planning and Development staff mapped current land use in Sitka. This is NOT zoning, rather it is how the land is currently being used. This is a common initial step in Comprehensive Planning or land management planning as the differences between how land is zoned and how it is currently being used, as well as a review of what land is vacant or undeveloped, can give important clues about land use issues to be addressed over the next 10-15 years.

Current Land Use maps are on Figures 4 A, B and C on pages X-X.

Key observations during this mapping exercise were that:

- Most areas zoned R-1 actually have a mix of housing types and densities. There really are very, very few true low density single family residential living areas, despite the existence of lots of R-1 zoning districts.
- Many residential areas (most?) have lots smaller than what the code calls for as the minimum
- Because commercial and industrial zones allow less intensive uses, residential development is interspersed. This creates problems when commercial or industrial uses want to expand, their neighbors object to the potential noise, lights, etc.; however it is a commercial area (or quite close). Similarly, this negatively impacts the business environment for the commercial and industrial businesses, which are wary of disturbing neighbors. Business owners especially want to eliminate nearby residential uses.
- There are many older manufactured house parks that are full of run down pre-1976 mobile homes/ trailers. This is a life safety issue, it is unfair to mobile home owners, and given the prime location of many a potential redevelopment 'crisis.'
- It is unfortunate that the community's freight barge landing is one side of the road system and the office and yard and many delivery locations on another end of the road system.
- Another rock source needs developed.
- State parks and recreation is stepping away from their state park maintenance responsibilities including at Halibut Point and at Castle Rock. A solution must be found.
- Is there enough waterfront commercial/industrial land available for lease or sale?
- There are many vacant, underutilized, or rundown lots and buildings in downtown and the Marine Street-Katlian areas that could be well used for 2-4 plex, apartment and condo development. There could be significantly more housing in these areas.
- Other....

3 Issues, Opportunities, and Challenges

Planning commissioner and public comments, research, interviews, and professional knowledge combine to identify the following opportunities, challenges, and issues to address in the Sitka 2030 Comprehensive Plan.

3.1 Residential Development

Residential development is both concentrated in the greater downtown area of Sitka and former city, and also spread out in a less dense fashion along the road system both north along Halibut Point road to Starrigavan and east along Sawmill Creek Road to _____. Homes are also scattered on some of the many islands surrounding Sitka, and in remote Baranof Warm Springs and Goddard Hot Springs within the large City and Borough of Sitka.

Current population forecasts for Sitka expect a slow but steady population decline. This is based on historic patterns of births, deaths, and in and out migrants (see Chapter X on economic development). Sitka hopes to prove this population forecast wrong, based on success in attracting and retaining young adults and families, and maintaining a growing workforce and well-paying job opportunities. Given uncertainties about future population, this plan takes a conservative approach and reviews current gaps to meet the needs of the existing and likely future population.

The most pressing need is for increased affordable housing for sale and for rent. This is going to be best met through development and redevelopment at high densities (efficiently and 1-2 bedroom apartments, condos, multi-plexes), smaller homes, and all of these dwelling types utilizing techniques to allow them to be and remain affordable. Some of these tools are deed restrictions, targeted financing programs, community land trusts, etcetera.

To help implement this increase in affordable housing, there are several actions in the Housing Chapter. In this chapter, the focus is supportive land use and management using Future Growth Maps (which provide direction for future zoning, rezoning, land sales, permitting, and possible incentives) and accompanying narrative.

3.2 Commercial and Industrial Development

NEED TO ADD

3.3 Recreational Land Use and Activities

In resident surveys conducted when the Sitka Coastal Management Program was developed, beach and water oriented recreational activities (fishing, beachcombing, picnicking, hunting, camping, etc.) proved to be extremely popular pursuits. Proximity to scenic and pristine areas where these forms of recreation can be enjoyed was reported as one of the principal assets of living in Sitka, and 90 percent of respondents stated that they use the coastal area between Katlian Bay to the north and Goddard to the south, as well as the entire Sitka Sound area, for recreational purposes. Remote and developed recreation and land use is the focus of Chapter X of the Sitka 2030 Comprehensive Plan

3.4 Future Growth Maps and Focus Areas

3.4.1 How to Use Future Growth Maps and Narrative

Future Growth Maps can be viewed in Figures 3 A, B, and C (pages XX – XX).

The Future Growth Maps are to guide growth over the next 10-20 years. To prepare these maps and future growth direction issues and trends related to population, housing, utility and infrastructure, economic development opportunities, highest and best use of land, the physical and environmental character of the land base, residents' views, land owner's interests and planning principles to promote compatibility, and more were taken into account.

The Planning Commission and the Assembly will use the Future Growth Maps and accompanying narrative along with other parts of this Comprehensive Plan when they make decisions. Future development projects and permitting, zoning and other code changes, rezoning actions, Capital Improvements, and land sales should be compatible with and follow the direction set out on the Future Growth Maps and in this Comprehensive Plan.

The Future Growth Maps establish areas of emphasis and direction, not regulation. The Comprehensive Plan and Future Growth Maps do not prohibit or allow certain type of development - that is the role of zoning, subdivision, building, and other municipal codes. However, permits and proposals are routinely reviewed for compatibility with the direction, desired land use, and preferences established on the Future Growth maps and in this Plan. Zoning and capital investments are made in conjunction with this direction.

Thorough this comprehensive planning process the Sitka community's broad public interest is defined and expressed and the rationale established to direct certain types of land uses to (and away from) particular areas. The City and Borough of Sitka also expects that the direction for growth and land use set out here will be implemented by State and Federal regulators as they review proposals for leases, approvals and permits.

Future Growth Focus Areas are now presented with more intent language than can be shown on the maps.

3.4.2 Starrigavan and North (Map A)

– Recreation Area and Access Improvements

Construction of a state 9-mile, one-lane gravel road with multiple turnouts from the north end of the road system at Starrigavan will begin in late 2017/early 2018. The purpose of the road extension is to increase recreational access and uses. This \$17 million state project will likely take two years to complete and will provide access to both Shee Atika Corporation and US Forest Service (USFS) and adjacent to Katlian Bay and then up the Katlian River.

Most of the former logging roads and bridges in this area have washed out. Future planning and work among the USFS, Shee Atika Corporation, the City and Borough of Sitka, and other interested

parties will be needed to address parking, solid waste management, mitigation spending and projects linked to road construction/wetlands impacts, and trail and recreation improvements. At the end of the current road is the USFS-State recreation complex with numerous trails, interpretative areas, parking, a boat launch, picnic areas, and more. On the waterside is Gájaa Héén, now part of the Old Sitka State Historical Park, the setting for a bloody confrontation between Tlingit and Russian American Company. Due to state budgets cuts the State DNR Parks and Recreation Office in Sitka closed in July 2015. This site is currently maintained by the National Park Service on a year-to-year contract while a private party maintains the boat launch.

3.4.3 No-Name Mountain (No Name Creek-Granite Creek Area) (Map A)

- Uphill side of Halibut Point Road for a mix of uses; ocean side for water-oriented commercial and industrial use.

Uphill from subdivided parcels along Halibut Point Road, between No Name Creek and Granite Creek, is approximately ___ acres of municipally owned land. That municipal land is adjacent to US Forest Service land (Figure 1).

On the south side of Granite Creek there is a pioneering road that intersects with Harbor Mountain Bypass and the USFS Parking lot. This provides access to over 10 acres of municipal land on either side of this road that could be relatively easily subdivided for residential development. This area could also be used for agricultural purposes and to serve as a buffer between industrial uses in the redeveloped quarry and higher end residential uses south of Harbor Mountain bypass Road.

As the quarry's life is completed, this area should be redeveloped for industrial growth.

Granite Creek Road could be extended north to open up land for residential development. However, Harbor Mountain Bypass Road is already developed, so the 50 acres to the west (toward HPR) that it provides access to should be developed first. This area could be subdivided for a combination of large lot residential living, a smaller home clustered development concept, as well as provide opportunity for homesteading , a sweat equity or lottery style program.

On the waterside here just north of Halibut Point Marine's cruise ship dock and boat yard is a 17 acre wooded City and Borough of Sitka owned parcel. The majority or all of this parcel should be leased or sold for water-dependent commercial or industrial development front. (If a treed buffer was left the northern portion could support a few waterfront residential lots.) This parcel should be subdivided into a mixture of lot sizes to attract a diversity of water-dependent businesses. Another possibility is a land exchange to consolidate area barge and trucking services here, potentially freeing upland commercial/industrial space up off Sawmill Cove near Allen Marine for a marine services work area.

The 15-acre Halibut Point State Recreation site is here. As noted above, State DNR Parks and Recreation Office in Sitka closed in July 2015. State Parks continues to be interested in an finding an entity (Veterans, Boys Scouts/Girl Scouts, borough, a school, etc.) to take over management of this

area, which includes retaining generated fees, of this site with its small office building and waterfront residential apartment, parking lot, and four picnic shelters.

3.4.4 Benchlands and Harbor Mountain Bypass Road Area (Map A)

- Restrict high hazard areas to open space, medium hazard areas can have large lot single family homes, higher density development allowed in low hazard areas.

In 2007, the 193-acre Benchlands tract was purchased from the University of Alaska for \$3.5 million for housing development. It included over 2 miles of 1980's era pioneering roads developed by the city. Development was proceeding until tragedy struck in August 2015 after a downpour dropped 2.6 inches of rain in a short time period and multiple landslides occurred, taking three lives and leaving behind extensive damage. As a result the borough, with state and federal funding, has initiated a community-wide hazard mapping project focused on landslides. The maps will depict areas as low, medium, or high risk for slides. In addition, work is also proceeding to develop a "critical areas ordinance" which could set more strict regulations for developers and property owners in the higher risk slide zones. At issue, is identifying the community's level of acceptable risk and therefore what will be prohibited and allowed in low, medium, and high hazard areas. Both these efforts are ongoing as this plan goes to print and without the results of both efforts future growth planning for this and other areas is somewhat hampered.

The mountains behind the bench lands are higher and steeper, with more room to run and gain momentum than the mountains behind the Harbor Mountain bypass road. The bypass road area should be at significantly less risk than the benchlands area, though definite results are not available yet. Remote housing development efforts should focus more strongly on the land on the downhill side of the Harbor Mountain Bypass Road, rather than in the benchlands area.

At this time the working proposal for the benchlands area is to restrict high hazard areas to open space, medium hazard areas could be for lower density large lot single family homes, and higher density development would be allowed in low hazard areas.

3.4.5 Kalian Street – Marine Street - Halibut Point Road Area (Map B)

- Emphasis is increased residential density.

Respect and Celebrate Area History. Part of this area is the original Sitka Indian Village, and is home to 14 clan houses, the Alaska Native Brotherhood Hall built in 1918, used daily and a National Historic Landmark. It also includes the Russian Orthodox Cathedral, restored Russian Blockhouse, historic Russian and Indian graves, several newly redeveloped homes, the business office for the Baranof Island Housing Authority, and most of Sitka's seafood processors along the water's edge. In 1972, the Sitka Village Planning Council adopted a comprehensive Sitka Indian Village Redevelopment Plan with a detailed area history, inventory, and many excellent redevelopment ideas that are still relevant today. Specialty treatment of the sidewalks, lighting, and signage to denote and reflect the area's history and character is recommended.

A Mix of Residential Uses. Regardless of zoning, this area is a mixture of single family, duplex and multi-family and development; some units are new and some are in very poor condition. but all are in highly residential walkable areas.

Reduce Lots Sizes and Required Parking, Selectively Increase Heights. Current height limits in almost all of this area are 35 or 40 feet and minimum lot sizes are 8,000-sf. To facilitate housing development, reduce minimum lot sizes here to 4,000 sq. ft. and allow greater height in areas where there is no or controlled impact to other residential viewsheds (e.g. downhill and adjacent to cemetery parcels). Smaller lots size here reflects existing and historic patterns of development. Since this is a highly walkable area and very close to town relaxation of parking standards for residential use and shared parking agreements makes sense.

Mixed-Use Development along Katlian. Along Kallian Street, seek mixed use development with commercial or retail uses on the 1st floor and residential units on 1-2 floors above.

Extend the Seawalk Here. This heavily used pedestrian area also accommodates industrial and commercial vehicle traffic. To better accommodate pedestrian traffic, the seawalk should be extended from its planned end at Totem Square to Thomsen Harbor. It would run along the waterside of Kallian Street where feasible and when necessary would move to a widened sidewalk where water access cannot be arranged. A seawalk here will encourage pedestrian use and help move some of the heavy pedestrian use off the street and narrow sidewalks here.

Do not Widen Katlian, but Reconfiguring Needed. Widening the street would lose the historical character and the sense of place here, and is not recommended. However, reconfiguring the alignments and street to provide a wide sidewalk on one side, with a shoulder to accommodate bike use, and clearly striped pedestrian crossings where needed is recommended.

3.4.6 Eastside of Airport (Map B)

- Transshipment-related commercial and industrial development; buffering for nearby residential.

The scarcity of developable land close to town as well as the adjacent developed infrastructure and water access has resulted in recent higher end residential development around Alice Loop. This is despite the proximity to the airport and related aircraft noise. For future growth, the Charcoal Island area is an excellent location for future shipment related commercial or industrial growth. Encourage the state to move forward with site preparation to make the area available for lease. Over time proximity to the airport could make this a good site for the Cold Storage to relocate, which would also free up highly valuable waterfront along Katlian. The undeveloped parcel between Charcoal Island and Alice Loop could be a buffer between these differing land uses. The old elementary school could be a good site for a restaurant or other light commercial use that complements either the harbor or residences.

3.4.7 Downtown District (Map B)

- Maintain Sitka’s dense, walkable, charming, downtown. Encourage revitalization of one-story buildings to multi-story, and more residential development.

Central Business District (CBD)

Future Growth Map B outlines Sitka’s Central Business District (CBD); it is roughly coincident with Central Business District zoning. Sitka desires and has achieved a lively well used downtown with a dense myriad of shops, eating and drinking businesses, and apartments. Sitka’s CBD zoning has no height limits, no parking requirements, no required setbacks, and no minimum lot size. Public investment in parks and green space, waterfront walkways, sidewalks, and attractive civic facilities coupled with a stable population and good economy has encouraged investment and resulted in a dense, compact, walkable downtown. Sitka’s downtown is a success and its walkable interesting nature is enjoyed by residents and talked about by Alaskan visitors and tourists. These investments and attributes as well as the zoning code that helped create them should be recognized, valued and continued.

The CBD would benefit from more residential development. Many ask why there is only one multi-story apartment building in the area, and it has a long waitlist. If waitlists and public sentiment are an indication there is demand for more apartments and condo. An analysis of the obstacles to achieving this should be conducted to determine what remedies, investments, or incentives might help achieve this.

Most buildings in the CBD are 2 story or taller (though very few are over 3 stories). Further, there are approximately 13 buildings that are only one-story and thus underutilizing this highly valuable real estate. A goal over time is to encourage these buildings to redevelop with multiple stories that are retail on the bottom floor and a mix of residential apartments and offices above.

Beyond the CBD

More people living in and near downtown will help make downtown vital and lively on the weekends and evenings year round. More people means more business and more activity. To achieve this the city’s goals are to encourage revitalization of rundown structures, development (“infill”) of vacant lots, redevelopment at higher densities, including apartments, condominiums, and multi-plexes. The borough will consider an overlay zoning district within which certain incentives, bonuses, or code relaxations could occur, or it may enact zoning code changes to accomplish its goals.

3.4.8 Educational/Science/Arts District (Sheldon Jackson Vicinity) (Map B)

- Uses that support Sitka’s education, arts, and sciences economy and activity.

Future growth in this area is expected to support and increase education, arts, and sciences activity within the Sheldon Jackson campus and nearby areas. Another goal is to work collaboratively with Alaska Arts Southeast Inc, Sitka Sound Science Center, Sheldon Jackson Museum, and other area landowners to maintain the historic character and beauty of the area and buildings. The city

supports construction or renovation in this district that includes dorms, apartments, condominiums, or homes for students, seniors, faculty, and visitors.

3.4.9 Indian River (Map B)

- Encourage residential development; complimentary area uses include agricultural and a multi-use/partner facility that includes a tsunami shelter.

The Baranof Island Housing Authority (BIHA) owns about 200 acres of land in Sitka. It is primarily in the Indian River area, where there are now approximately 100 parcels, most with single family homes. BIHA is the Tribally Designated Housing Entity for Sitka Tribe of Alaska, and was created in 1980 to address housing needs of Tribal citizens and other residents of Baranof Island, Alaska.

Undeveloped land on either side of Yaw Street and north of Herb Didricksen and Andrew Hope Streets is arguably the most developable land in Sitka today. Roads and utilities are immediately adjacent, the Cross Sitka Trail and sidewalks and bike paths to town are nearby; the land is relatively flat and has good sun exposure.

Residential development is highly encouraged. A tool (such as Planned Unit Development, cluster subdivision design, smaller lots sizes) to allow higher density development that preserves/clusters around open space will benefit both the environment and economics of utility extension and development. BIHA's mission focuses on providing affordable housing; collaboration with others could result in mutually leveraged financing to create a mixed-housing style subdivision. For example, there is potential USDA infrastructure assistance, market-rate homes could be for sale and the proceeds used to help subsidize affordable housing.

In the late 2000's the crowd and congestion when residents all tried to get to a single tsunami shelter at the high school pointed to the need for another tsunami shelter in Sitka. This would be a good location for a multi-use/multi-funder facility. Among the possible co-located uses are a tsunami shelter, child care facility, transitional housing, and recreation center.

This is also an area where agriculture and food production is logical as area wetlands could be a benefit and this could be a buffer between the rock quarry and residential use. There is flat land, good sun exposure, fresh water, it is close to roads and there could be a workforce partnership with BIHA and neighborhood residents.

3.4.10 Jamestown Bay and Uplands Areas (Map C)

- Mixture of land uses expected to continue.

Over time, relocate residential uses away from the waterfront between Jarvis and Chirikov Streets to facilitate increased water-dependent commercial and industrial activity here. Explore the idea of a land exchange to relocate freight transfer and trucking facilities from this area to municipal waterfront land near the barge landing, this could open up area here for a marine repair and service yard near to existing businesses of this type. There are opportunities for residential development on undeveloped privately owned lots on uplands here. The west side of this well-developed upland

area is commercial-industrial in nature, and the middle and east side is residential in nature. Conflicts between residential and more intensive land uses occur as a result; review zoning and buffer options to reduce conflicts over time. Residential use is the primary waterfront land use east of Chirikov Street and expected to remain as such.

3.4.11 Goddard Hot Springs

- Maintain visual beauty, public recreation use, and existing facilities. Determine whether any deed changes are possible to allow some municipal land to be sold for recreational use.

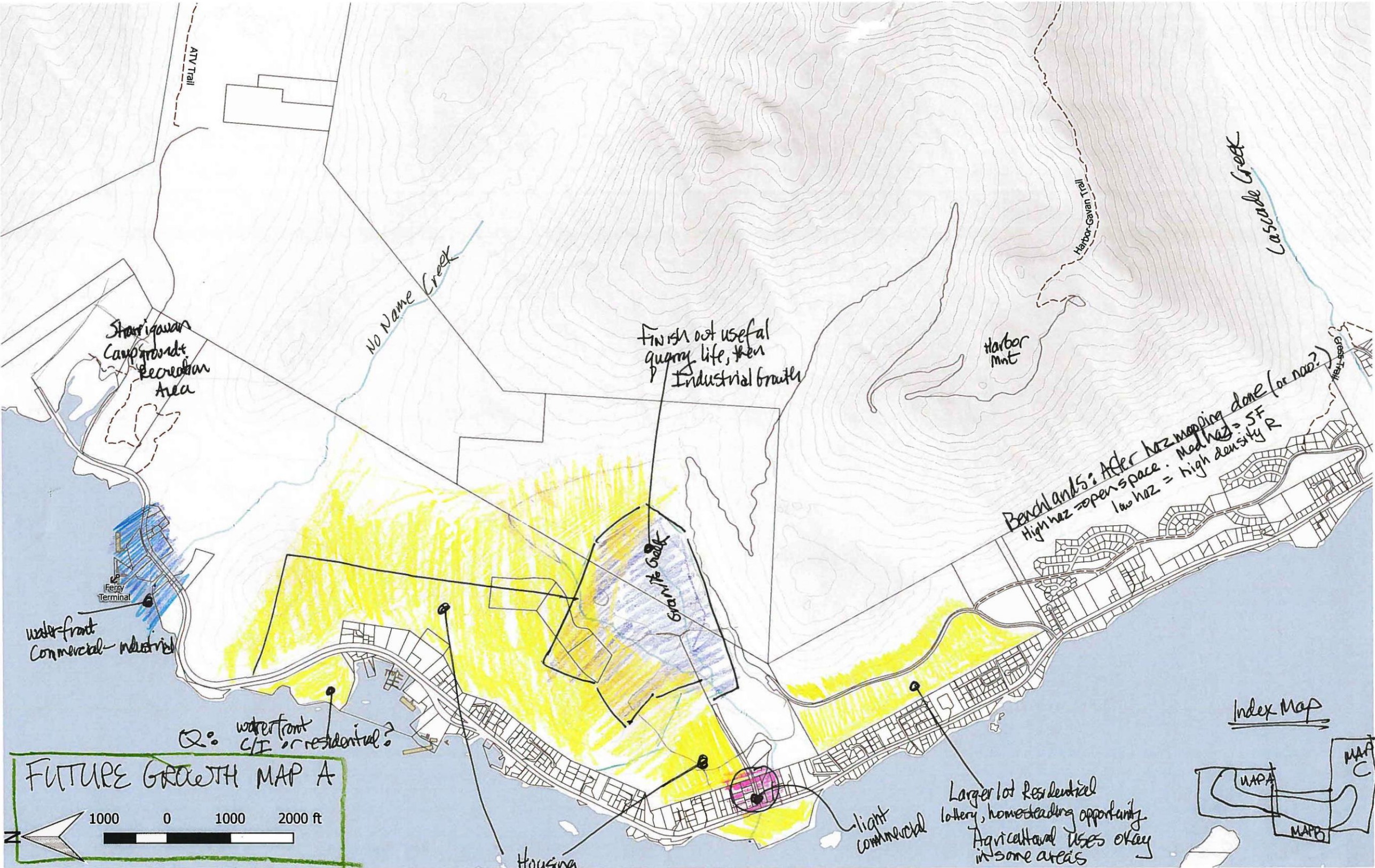
The city and borough of Sitka owns over 800 acres of land here. According to the 2002 State of Alaska Northern Southeast Area Plan, Goddard Hot Springs is located approximately 15 miles south of Sitka, to the east of Biorka Island and Hot Springs Bay. The most sheltered anchorage for users of Goddard Hot Springs is in Kliuchevoi Bay. With the exception of two private parcels in Kliuchevoi Bay, ownership of a majority of the area is owned by the City and Borough of Sitka, with a restriction on the deed that the land is to be used for public recreation. During the early part of this century, a hotel and 40-room sanitarium were heated by Goddard thermal-spring waters.

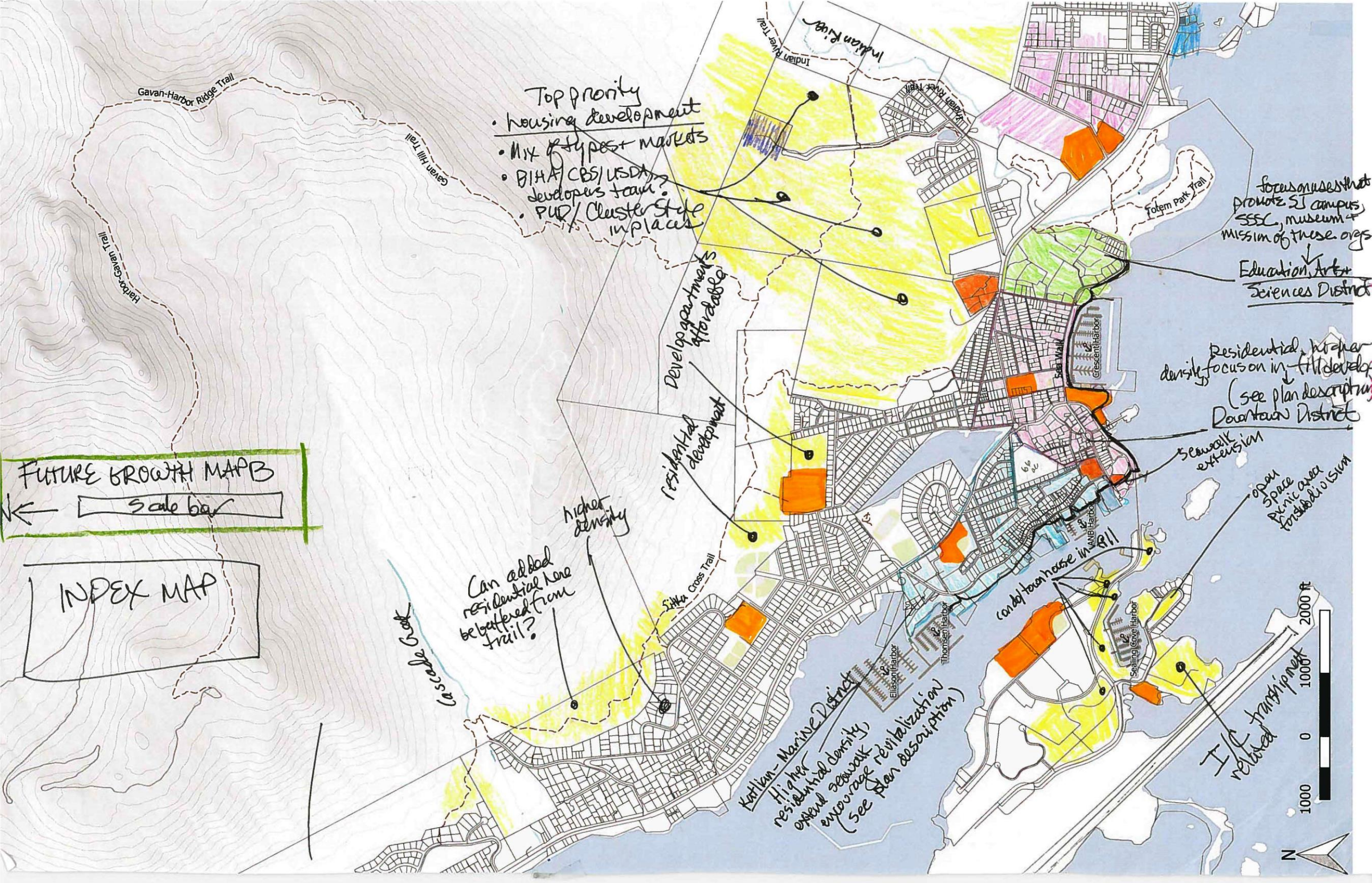
The State of Alaska owns 1,070 acres in the vicinity of Big Bay. The municipality has built two bathhouses for public use, and these receive intensive use in the summer months. There are also other minor thermal springs located ½ mile east of the bathhouse area. There is a fairweather anchorage directly in front of the tubs in Hot Spring Bay, and places to camp along the shore. There is also much evidence of prior settlement in the area.

Thought of as the "playground of Sitka", the Goddard Hot Springs area is one of the most popular recreation areas in central Southeast Alaska. In addition to the hot springs, scenic beauty is the main visitor attraction, but fishing, hiking, camping, and hunting are close behind. The area is reached during good weather by small "day" boats and floatplanes, as well as hundreds of fishing boats which anchor up in the area. There is good bottom fishing in the area, as well as coho, chum, and pink salmon as primary salmon species. In some years in April, herring spawn can be observed along the salt water beaches. The uplands are habitat for various bird species along with deer and an occasional brown bear. Most of the topography of the area is level to moderately undulating. Tree cover is primarily hemlock with 25 percent old growth spruce, as well as low lying bushes and muskegs.

3.4.12 Land Acquisitions/Exchanges

Acquire state lands to facilitate further development opportunities adjacent to the road system. Areas of interest are at Millersville on Japonski Island, north of Indian River quarry, two parcels at Starrigavan/Katlai Bay, and at end of Seward Avenue, and off Sawmill Cove east of the Thimbleberry Lake access trail.





Future Growth Map C

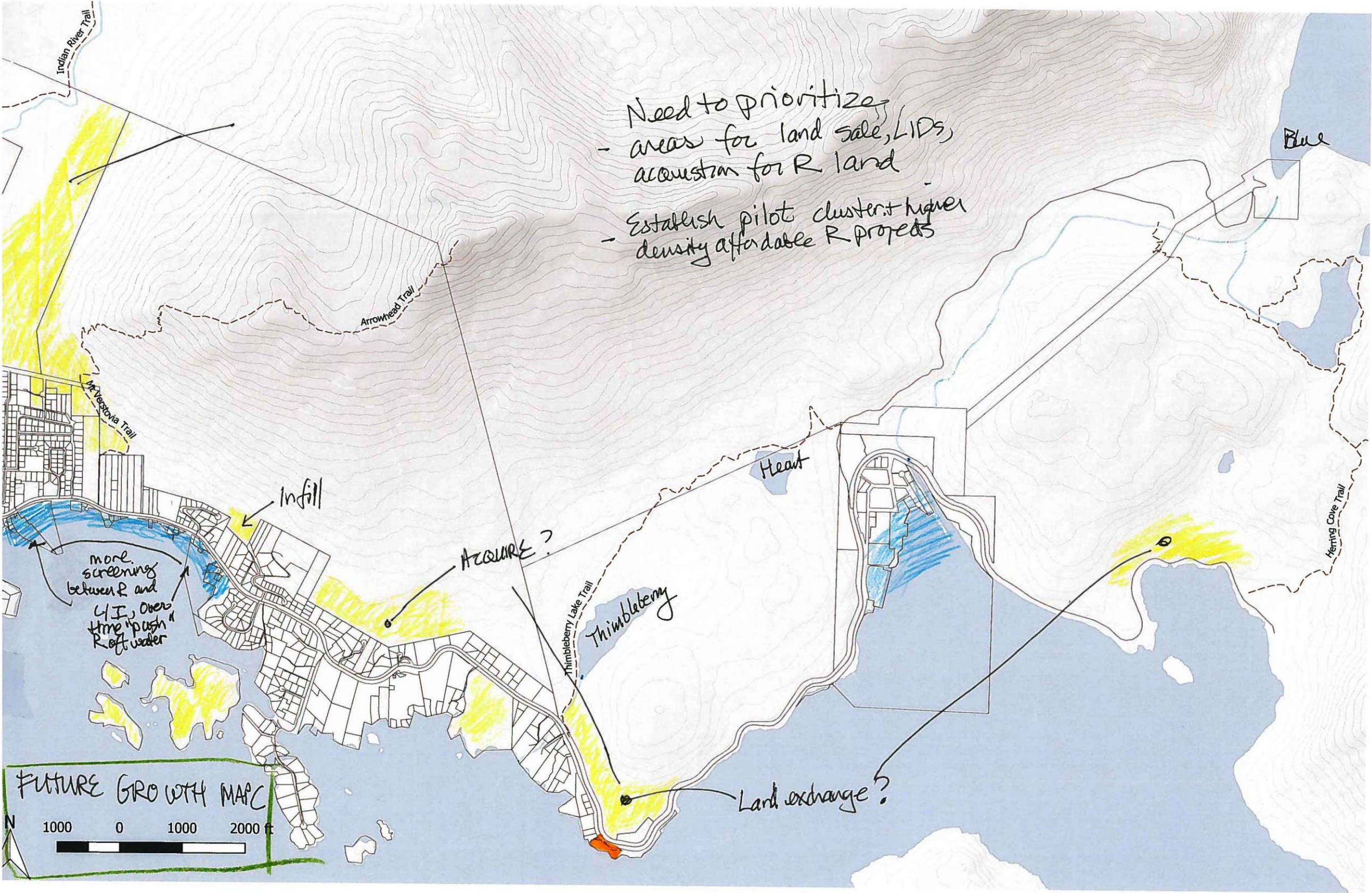


Figure 4 A - Current Land Use (NOT zoning or Future Growth)



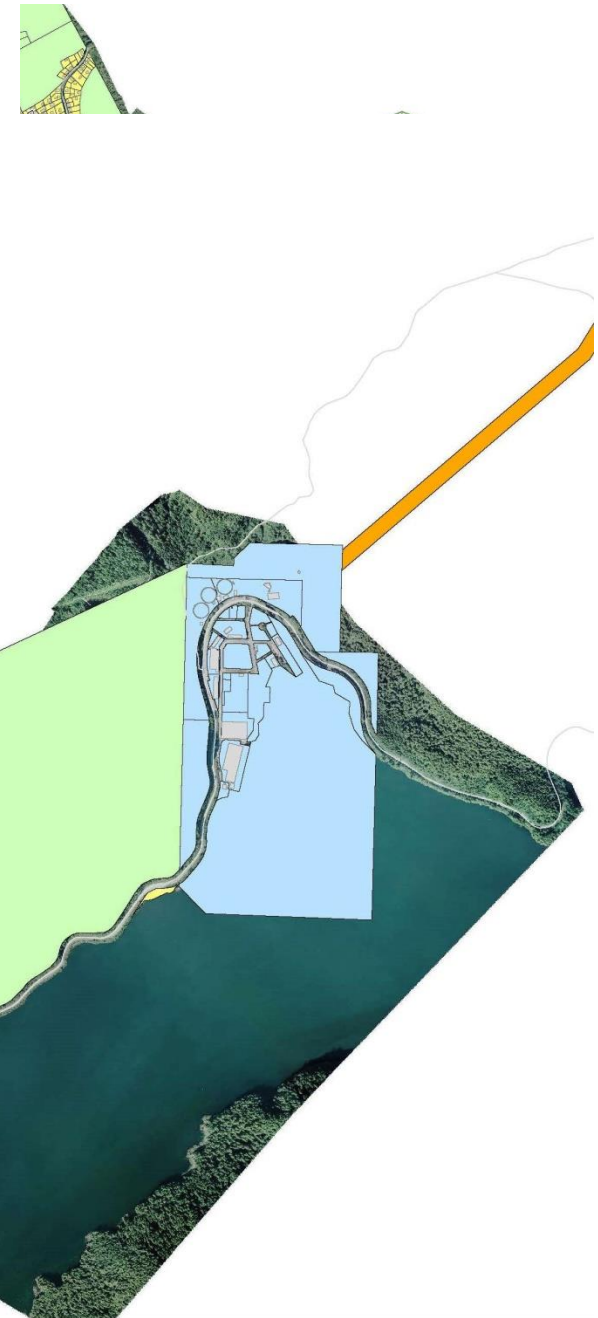
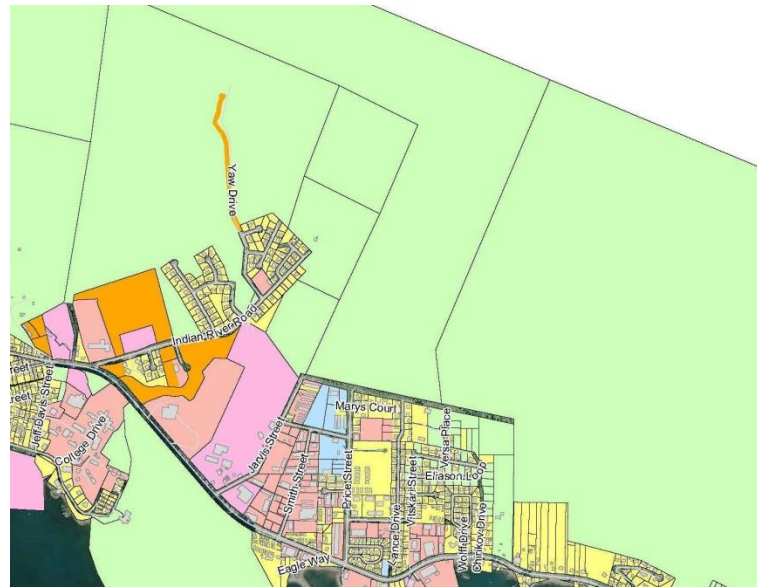


Figure 4B – Current Land Use (NOT zoning or Future Growth)



