




# CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

## MEMORANDUM

**To:** Mayor Eisenbeisz and Assembly Members

**Thru:** John Leach, Municipal Administrator 

**From:** Antonio Rosas, Harrigan Centennial Hall Manager

**Date:** November 16, 2022

**Subject:** Tourism Permitting for Harrigan Centennial Hall

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### **Background**

Harrigan Centennial Hall has long served as our main “hub” for cruise ship passengers given its proximity to Crescent Harbor (which was the main lightering facility when ships largely anchored offshore) and its use as a visitor center. Since the development of SSCT, HCH has continued to serve as a hub for cruise passengers, shifting its function to become, in part, a shuttle bus terminal. Its downtown location, space for vendors, visitor services, and large public restrooms make HCH a critical and inimitable facility to support cruise passenger visitation in Sitka. Therefore, careful consideration of use at this facility is necessary to achieve more efficient flow, effective passenger dispersion, high quality visitor experience, and equitable access for tour operators/vendors of all sizes.

In 2019, approximately 200,000-250,000 tourists visited Sitka making this one of Sitka’s busier summer seasons. By comparison, in 2022, approximately 350,000-400,000 tourists visited, making this year the busiest year ever for the tourism industry here in Sitka. Next year’s summer expectations far surpass that of this year for both passengers as well as for tour and excursion operators.

This influx of passengers will demand more support staff at HCH, at least on a seasonal basis, and will place more pressure on space at HCH and at Crescent Harbor. Also, to disperse passengers throughout town, more attractions/excursions will be needed. New permitting structures will be needed to adequately manage the operational and financial demands this level of activity brings.

For all of 2019, the supplies and expenses for Harrigan Centennial Hall was just shy of \$20,000 with the expenses for summer operations totaling around \$8,500. These expenses included cleaning supplies and other seasonal related products that had directly supported tourism. In 2022, approximately 350,000-400,000 tourists visited Sitka with the summer operational expenses thus far at around \$14,000 for the same types of supplies. Next year we can possibly see a 10-15 percent increase in vehicle and tourist traffic during peak summer months.

The City and Borough of Sitka offers 14 types of commercial vendor and youth permits to the public to conduct summer tourism operations at Harrigan Centennial Hall and O'Connell Bridge Lightering Facility. CBS is offering ten (10), one-year, HCH Plaza Space permits for the 2023 season. HCH Plaza Space permits allow for the sale of tours and excursions in designated areas at Harrigan Centennial Hall and O'Connell Bridge Tendering Facility. CBS also offers five (5), one-year, HCH Outfitter Space permits for the 2023 season. HCH Outfitter space allows for the purposes of accommodating vehicles that are necessary for customer outfitting and rental of equipment to be used on a trip or tour in designated areas at Harrigan Centennial Hall. A Loading/Unloading permit will be offered next summer for the purpose of identifying commercial vehicle traffic on CBS properties.

There were 11 plaza, 4 outfitter and 2 taxi permits issued in 2022 for summer commercial operations for Harrigan Centennial Hall. Thirteen (13) of the permits were issued at \$400 (Plaza Sales/Taxi) and 4 were issued at \$500 (Outfitter Space). The total for all permits issued in 2022 was \$7,200.

For the summer of 2022 all vendor/outfitter space permits were issued as "first come, first served" which is a system that will not be possible to accommodate all potential commercial vendors in subsequent years. Harrigan Centennial Hall and The Professional Development Company (contractor) have developed a new bidding process for permitting that is a common practice for most tourism municipalities in Alaska and down south. This bidding process for issuing permits will allow for a small revenue to return to the city to help with infrastructure as well as making the issuing process fairer for returning and new commercial tourism vendors.

### **Analysis**

After more than 20 years, summer vendor permits for Harrigan Centennial Hall require updates to better restructure and organize the already existing permitting system. With the growing number of commercial tour operators and the lack of space to accommodate, an update of the current permitting system will be needed

### **Fiscal Note**

Permit restructure will include a small revenue to help support city infrastructure due to added usage to facilities and roads. If all permits are issued at the minimum bid price for

plaza spaces (vendors and outfitters), the CBS could see revenues of \$45K per year. More revenue will be earned as vehicles are sold permits for unloading/loading of passengers at HCH.

**Recommendation**

Remove and replace existing summer vendor permits with updated (bid) permits to allow for future growth.

Encl: ORD 2022-30

Application – Permit for HCH Plaza Vendor Space

Application – Permit for HCH Outfitter Space

Application – Permit for Vehicle Loading/Unloading