



CITY AND BOROUGH OF SITKA

Minutes - Final

Planning Commission

Chris Spivey, Chair
Darrell Windsor, Vice Chair
Tamie (Harkins) Parker Song
Debra Pohlman
Randy Hughey

Tuesday, September 6, 2016

7:00 PM

Del Shirley Room in Allen Hall
Sheldon Jackson Campus

I. CALL TO ORDER AND ROLL CALL

Chair Spivey called the meeting to order at 7 PM.

Present: Spivey, Windsor, Parker Song, Pohlman, Hughey

II. CONSIDERATION OF THE AGENDA

III. CONSIDERATION OF THE MINUTES

A Approval of the August 16, 2016 meeting minutes.

Parker Song/Hughey moved to **APPROVE** the August 16, 2016 meeting minutes.

Motion **PASSED 5-0**.

IV. THE EVENING BUSINESS

B Sitka's Economy and the Comprehensive Plan. Activities to include a Comprehensive Plan recap, a presentation on Sitka's economy, and a facilitated discussion of economic opportunities and challenges.

Barbara Sheinberg introduced herself and gave a brief overview of comprehensive planning. Sheinberg stated that her job is to listen to the community and the Planning Commission, to offer options to address issues and meet community goals, and to facilitate the development of the plan. The plan should reflect the community's values. The Assembly is the body that will officially adopt the comprehensive plan. Code revisions often follow comprehensive planning.

Michael Scarcelli gave an overview of past comprehensive plan meetings, beginning in March 2016. Sheinberg explained that the planning process will result in a land use plan and a comprehensive plan.

Sheinberg stated that the next comprehensive plan meeting would be Wednesday, October 5; the topic will be housing.

Paulette Moreno stated that it is obvious that the Planning Commission has reached out to the native community and the community as a whole, and stated her gratitude.

Sheinberg stated that the economy is the underpinning of the comprehensive plan. The plan should be economically realistic. Realistic action steps could include rezoning land or removing regulatory barriers. Sheinberg explained the triple bottom line approach to planning as one that considers the economy, environment, and social/cultural concerns.

Sheinberg discussed bringing “outside” money into Sitka, and keeping money re-circulating locally and delay it “leaking out.” Sheinberg stated that an individual’s purchase decisions are their best way of supporting the local economy. Sheinberg outlined strategies to maintain and grow the local economy: support existing businesses, maintain and increase money coming into Sitka, and create more local businesses.

Pat Alexander stated that the city needs to decide if its hospital is a service or a business.

Debra Pohlman asked if the process will address the intersections of the triple bottom line, as this presentation has focused on money. The community has a strong subsistence component, and this should be considered. Sheinberg stated that dollars that can be saved through subsistence can be spent elsewhere. These intersections will be at play in the goals and initiatives.

Charles Bingham stated that a report is available at sitkalocalfoodsnetwork.com that addresses subsistence and food security.

Sheinberg shared facts about Sitka’s economy. For example, over 1/3 of Sitka’s workers are not Sitka residents. Sheinberg shared a chart from Alaska Department of Labor that projects Sitka’s population will decline. Youth will become a smaller portion of the population, and seniors will become a larger portion. These projections were made in June 2014 and did not take into account the drop in the price of oil. Net migration is the demographic piece that the community can work to influence.

Sheinberg shared income information. 64% of Sitka’s income comes from work. 67% of Alaska’s income comes from work. Another 22% of income comes from rent, dividends, and interest, indicating that some Sitkans have wealth beyond that of other communities. Retirement payments contribute another 14%. Pohlman asked how much of that is rent, as she knows people who rent out a portion of homes as necessary for living in Sitka. Sheinberg stated that she would try to find the answer.

Pat Alexander stated that federal fiscal tightening will result in multiple families living together.

Sheinberg stated that Sitka has the fourth highest per capita income in Alaska, at approximately \$61,000. The state’s per capita income is \$54,000. Half of Sitka’s adjusted gross income (AGI) comes from 17% of all tax filers. These 790 wealthiest tax filers earn \$100,000 or more. 6% of AGI comes from 32% of all tax filers. These 1500 tax filers earned less than \$25,000. 57% of tax filers made \$50,000 or less. For a person with a \$25,000 salary, 30% of income spent on

housing is approximately \$600 per month. For a person with a \$50,000 salary, an appropriate rent is \$1250 per month.

Spivey asked about Sheinberg's definition of housing burden. Sheinberg stated that 30% is a good rule of thumb, although it is not surprising that people spend closer to 40%. Spivey stated that banks will lend for mortgages with payments of up to 40% of a person's income.

Charles Bingham stated that there are no counties in the United States where the average person is not housing burdened.

Sheinberg showed a chart of average rents across Alaska and a list of poverty indicators. Sitka's average rent is \$979 without utilities and \$1230 with utilities. 26% of Sitka students qualify for free or reduced lunch. 31% of households get SNAP benefits (13% margin of error). 7% of households are below poverty, while 27% of Alaska Native households are below poverty (12% margin of error).

Sitka has gained about 150 jobs over the last decade. Goods producing jobs have doubled over the past decade. About 1/3 of non-resident workers work in seafood processing. The maritime workforce is 26% of Sitka's workforce. In 2015, Sitka residents harvested 2.7% of the commercial fish harvested by Alaskans.

Pat Alexander stated that if maritime industry suffers, the community will suffer.

Sheinberg stated that the location quotient for manufacturing in Sitka is very high, and it's not just ocean-related. Tourism related work is 9% of the local workforce, and the national outlook for Alaskan tourism is positive.

Maegan Bosak stated that the city has lost funding through municipal revenue sharing and secure rural schools. Sitka School District support has increased, the electric bond has increased, and money available to the city has decreased \$7.5 million.

Sheinberg encouraged building on the community's existing strengths. Sheinberg read a compilation of assets and advantages as submitted by community members. Sheinberg announced a short break, and asked attendees to write economic challenges and economic opportunities on sticky notes.

BREAK

Sheinberg asked Planning Commissioners to begin the conversation by sharing opportunities and challenges. Chris Spivey stated that 5 financial institutions in town make capital available for businesses, although financing can be difficult to attain.

Charles Bingham stated that grants can be difficult to attain because of Sitka's higher income level.

Andrew Thoms stated that there has not been a good supply of individuals proposing businesses to financial institutions.

Randy Hughey stated that we should find out why seasonal fishermen choose not to live here, and see how we can promote their relocation.

Clyde Bright stated that the city needs to promote commercial docks to make Sitka a cruise destination rather than just a stop. Bright stated that land availability is a challenge.

Attendee stated that the city needs a commercial haul-out, and stated that land has been designated at Sawmill Cove.

Darrell Windsor stated that Wrangell has a superb city haul-out.

Matthew Jackson stated the opportunity to produce tiny homes locally with local wood and produce local foods via gardening.

Pat Alexander stated that Hoonah has signed multi-year contracts with large cruise lines. Sheinberg stated that cruise destinations can be competitive.

Anne Pollnow stated that Hoonah's tourism boom has been due to rehabilitation of historic properties. Independent tourists spend more money and stay longer.

Charles Bingham stated that three historic districts have been developed but not finalized.

Paulette Moreno stated her support for getting properties on the Historic Register. Moreno stated that all people have a stake in the town. Moreno stated support for a housing co-op for loans.

Garry White stated support for improved internet connectivity. White stated that some web-based workers had to fly to Juneau during the January 2016 outage to keep work going.

Pohlman stated that our federal representatives are working on our behalf to work toward better connectivity.

Bosak stated that the city is looking at pushing better connectivity as a legislative priority for FY 18.

Attendee asked what the city means by working toward better connectivity. White stated that SEDA has been working with providers to get fiberoptic cables to Sitka.

Moreno stated that she heard that Taco Bell tried to locate in Sitka in the 1980's and was repeatedly denied. Sheinberg stated that we don't know, but we hope to move forward with equal playing field for all entities.

Jackson stated that Taco Bell could threaten local businesses such as Pizza Express.

Chandler O'Connell stated interest in knowing more about the challenges experienced by manufacturing businesses, and what can be done to support them.

Michael Scarcelli stated that the city was contacted by a seaweed producer who wanted to locate in Sitka, but transportation and shipping were primary challenges.

Kevin Knox stated interest in adding value to current products, such as turning fish waste into pet food or supplement oil. This would strengthen production seasons and may result in workers relocating to Sitka.

Pat Alexander stated that the community needs more locals to be trained in technical skills such as refrigeration repair.

Clyde Bright stated that a challenge is landslide hazard mapping, and that the city may need to open up land for relocation of houses and schools.

Charles Bingham stated that many hotels do not hire locally.

Paulette Moreno introduced the idea of using Sheldon Jackson Campus as a place to provide training for locals.

Darrell Windsor stated that Sitka is a niche society, and there often isn't a need for more than 2 or 3 people to do one job.

Paulette Moreno stated that we need to envision where we will end before we begin.

Charles Bingham stated that automation will change jobs in the future.

Sheinberg wrapped up the discussion and gave a recap of the presentation. Challenges and opportunities often go together.

Randy Hughey stated that he thought Sheinberg's analysis was excellent.

V. PLANNING DIRECTOR'S REPORT

Bosak reported that Parker Song would be stepping down at the end of September, and thanked Parker Song for her service. Pierson discussed meeting scheduling with commissioners. The October meetings will be held on Wednesday, October 5 and Wednesday, October 19. Bosak reviewed the agenda for the next meeting.

VI. PUBLIC BUSINESS FROM THE FLOOR

VII. ADJOURNMENT

Windsor/Parker Song moved to ADJOURN at 9:30 PM.

Motion PASSED unanimously.

ATTEST: _____
Samantha Pierson, Planner I