



CITY AND BOROUGH OF SITKA

Minutes - Final

Planning Commission

Wednesday, August 5, 2020

7:00 PM

Harrigan Centennial Hall

I. CALL TO ORDER AND ROLL CALL

Present: Chris Spivey (Chair), Darrell Windsor, Stacy Mudry, Kevin Knox (Assembly Liaison)
Absent: Randy Hughey
Staff: Amy Ainslie (Planning Director), Ben Mejia (Planner I)
Public: Caroline Storm, Chris McGraw, Richard Wein, Davey Lubin, Robb Garni, Maegan Bosak, Greg McIntyre, Krystina Scheller, Erik de Jong, Frances Brann, Ariadne Will (Sitka Sentinel)

Chair Spivey called the meeting to order at 7:00 pm

II. CONSIDERATION OF THE AGENDA

III. CONSIDERATION OF THE MINUTES

M-Windsor/S-Mudry moved to approve the July 15, 2020 minutes. Motion passed 3-0 by voice vote.

A [PM 20-13](#) Approve the July 15, 2020 minutes.

Attachments: [12-July 15 2020 DRAFT](#)

IV. PERSONS TO BE HEARD

V. PLANNING DIRECTOR'S REPORT

Planning Director Amy Ainslie began her report by introducing Ben Mejia as the new Planner I. She informed the Commission of the Planning Department's move to the second floor in the Public Works suite along with the Assessing Department. Ainslie reminded the Commission that they were at a bare quorum and that all items would need a unanimous vote from the Commission in order to move forward.

Ainslie reported that the Request for Information (RFI) submissions regarding 4951 Halibut Point Road, a 17 acre water-front parcel identified in the No Name Mountain master plan as the Harbor Point parcel, would remain open until August 21st.

Ainslie reported that the Planning Department was working on two Requests for Proposals (RFP's), the sale and development of Tract A11 Whitcomb Heights subdivision (commonly referred to as the Benchlands) on Kramer Avenue and a potential lease of property on Harbor Mountain Bypass Road for cell tower site development, both of which had been previously reviewed by the Commission, were scheduled to go before the Assembly for approval to publish the RFP's on August 11, 2020.

Spivey asked for an update on the vacancy for the Planning Commission. Ainslie responded that she had not received any applications yet but continued to advertise.

VI. REPORTS

VII. THE EVENING BUSINESS

B [P 20- 03](#)

Public hearing and consideration of a final plat for minor subdivision to result in four lots at 601 Alice Loop in the Waterfront District. The property is also known as Lots 1 and 2, Dr. Walter Soboleff Subdivision. The request is filed by Shee Atika Holdings Alice Island, LLC. The owner of record is Shee Atika Holdings Alice Island, LLC.

Attachments: [P 20-03 Shee Atika 601 Alice Loop Subdivision Staff Report](#)
[P 20-03 Shee Atika 601 Alice Loop Minor Subdivision Aerial](#)
[P 20-03 Shee Atika 601 Alice Loop Minor Subdivision Current Plat](#)
[P 20-03 Shee Atika 601 Alice Loop Subdivision Proposed Plat](#)
[P 20-03 Shee Atika 601 Alice Loop Minor Subdivision Photos](#)
[P 20-03 Shee Atika 601 Alice Loop Minor Subdivision Applicant Materials](#)

Ainslie described the property and reminded the Commission that the preliminary plat was reviewed and approved by the Commission on July 1st.

Ainslie reported that the action before the Commission was to create a four lot minor subdivision from a two lot subdivision that separated the Sealing Cove Business Center to its own lot, the review process of the previous subdivision was in late 2019. The current platting made adjustments to the boundary lines of Lot 1, now referred to as Lot 1A, to accommodate new access and utility easements but otherwise left Lot 1A relatively unchanged. The more substantial changes in the proposed subdivision were in Lot 2, now subdivided into Lot 2A at 31,494 sq ft., Lot 2B at 21,038 sq. ft., and Lot 2C at 26,367 sq ft.

Ainslie reported that access and utility was provided by an easement from Alice Loop. The utilities previously in place to facilitate neighboring development was to remain in place. This new subdivision was intended by the applicant to enable development for multifamily properties. Ainslie noted that all lots met minimum standards for the Waterfront zone that it was in. Staff believed the area was well suited to development. Ainslie stated that all the lots met the minimum standards for the Waterfront zoning district, the lots were flat with water frontage, and had access to municipally developed and maintained right of way and utilities. Staff recommended approval on the item.

Windsor asked for whether all lots had waterfront access. Ainslie clarified that three of the lots did, and Lot 2A had only minimal waterfront access at the northeast corner.

Caroline Storm represented the applicant, Shee Atika Holdings Alice Island LLC, and was present telephonically. Storm stated that she had nothing further to add. Having no questions from the Commission, the applicant was excused.

M-Windsor/S-Mudry moved to approve the final plat for a minor subdivision to result in four lots at 601 Alice Loop in the Waterfront zoning district subject to the attached conditions of approval. The property was also known as Lots 1 and 2, Dr. Walter Soboleff Subdivision. The request was filed by Shee Atika Holdings Alice Island, LLC. The owner of record was Shee Atika Holdings Alice Island, LLC. Motion passed 3-0 by voice vote.

M-Windsor/S-Mudry moved to adopt the findings as listed in the staff report. Motion passed 3-0 by voice vote.

C [P 20- 04](#)

Public hearing and consideration of a final plat for a lot merger for the properties at 4513 and 4521 Halibut Point Road in the C-2 general commercial mobile home district. The properties are also known as Lot A, HPM Subdivision and Lot 55, USS 3475. The request is filed by Chris McGraw. The owner of record is Sitka Dock Company, LLC.

Attachments: [P 20-04 McGraw-Sitka Dock Company Lot Merger 4513 & 4521 HPR Staff Report](#)
[P 20-04 McGraw-Sitka Dock Company Lot Merger 4513 & 4521 HPR Aerial](#)
[P 20-04 McGraw-Sitka Dock Company Lot Merger 4513 & 4521 HPR Current Plat](#)
[P 20-04 McGraw-Sitka Dock Company Lot Merger 4513 & 4521 HPR Proposed Plat](#)
[P 20-04 McGraw-Sitka Dock Company Lot Merger 4513 & 4521 HPR Site Plan](#)
[P 20-04 McGraw-Sitka Dock Company Lot Merger 4513 & 4521 HPR Photos](#)
[P 20-04 McGraw-Sitka Dock Company Lot Merger 4513 & 4521 HPR Applicant Materials](#)

Ainslie provided clarification on the Code requirement for lot mergers. She stated that Title 21 required that replats and plat modifications produce a final plat to the same standard as minor and major subdivision plats, however, Ainslie noted that no concept or preliminary plat review was required by Code. Ainslie described the current use of the two lots being merged as a cruise ship dock. She stated that both lots were large and had access to Halibut Point Road. A merger would result in 162,723 sq.ft. lot. The request was made in order to allow for more flexibility for structure placement for the expansion of the cruise ship dock. Ainslie reported that the request was in keeping with the aims of the Comprehensive Plan's objective to support cruise and heritage tourism. Staff recommended approval.

Spivey told the Commission that his employer had an agreement with the applicant and the associated property but that he did not and would not receive any compensation regarding the outcome of their decision. Windsor and Mudry said they did not see any issue.

The applicant, Chris McGraw, was present. McGraw told the Commission that the lot merger was to allow for the placement of a bus shelter that could not otherwise be placed due to existing setbacks. Having no further questions, the Commission excused the applicant.

M-Mudry/S-Windsor moved to approve the final plat for a lot merger of 4513 and 4521 Halibut Point Road in the C-2 general commercial mobile home district. The properties were also known as Lot A, HPM Subdivision and Lot 55, USS 3475. The request was filed by Chris McGraw. The owner of record was Sitka Dock Company, LLC. Motion passed by 3-0 voice vote.

M-Mudry/S-Windsor moved to adopt the findings as listed in the staff report. Motion passed by 3-0 voice vote.

D [MISC 20-14](#)

Discussion/Direction from the Commission regarding a zoning determination of a proposed lot merger at 207 Shotgun Alley and 2116 Sawmill Creek Road in the single-family low density zoning district and single-family, duplex, or manufactured home low density district (respectively). The properties are also known as Lot 4, Cedars Subdivision and Lot 27, USS 3302. The request is filed by Krystina Scheller. The owners of record are Barth Hamberg, Frances Brann, and Krystina Scheller.

Attachments: [MISC 20-14 Zoning Determination for Potential Lot Merger Staff Memo](#)
[MISC 20-14 Zoning Determination for Potential Lot Merger Aerial](#)
[MISC 20-14 Zoning Determination for Potential Lot Merger Zoning Map](#)
[MISC 20-14 Zoning Determination for Potential Lot Merger Proposed Plat](#)

Ainslie explained that this item was linked to the following item, P 20-05, and guidance from the Commission was needed on how the zoning district should be redrawn in the process of the lot merger.

Ainslie described the two lots. The property at 207 Shotgun Alley, Lot 4 of Cedars Subdivision, was a mostly undeveloped and wooded area though some earthwork and clearing had been done to place a building pad. Access was granted by means of an easement through Lot 3. 207 Shotgun Alley was within the Single-family low density (SFLD) zone. Ainslie described the property at 2116 Sawmill Creek Road as developed, with two structures which included a single-family home with a Conditional Use Permit for a short term rental and a garage that contained a dwelling unit. The 2116 Sawmill Creek Road property was within the R-1 single-family, duplex, and manufactured home low density district (R1LDMH). Ainslie noted factors for the Commission to consider as they made their determination. Ainslie explained that due to the existing uses of each lot, by zoning the lot resulting from the merger to SFLD, a nonconforming use would be created because the property at 2116 Sawmill Creek Road contained two dwelling units and a short-term rental. Ainslie indicated that no issue of nonconformity would occur if the lot were to be determined as R1LDMH. Ainslie also mentioned the scale of change that would result from incorporating 207 Shotgun Alley to R1LDMH would be smaller than the change if 2116 Sawmill Creek Road were incorporated to SFLD due to their relative sizes.

Ainslie noted that no disturbance to the surrounding neighborhood was anticipated however an R1LDMH designation provided more conditional uses than SFLD so a possibility for future disturbance should be taken into consideration. Ainslie identified the possibility that a zoning change may encourage other property owners in the SFLD zone to pursue R1LDMH zoning for their own properties, although she acknowledged that they would still be subject to public processes and review. The staff recommended

that the zoning designation of R1LDMH would be the best fit.

Windsor asked for clarification on the difference between SFLD and R1LDMH. Ainslie explained that both zoning districts were Low Density, which necessitated a minimum lot size of 15,000 sq. ft. The zone of R1 LDMH allowed single family, duplex, and multifamily residential uses while SF zone only permitted a single family residential use.

The applicant, Krystina Scheller, was present. She expressed that the intent was to protect the trees that abutted her property that the current owner of Lot 4, Barth Hamburg, had wanted to cut down. Having no further questions, the Commission excused the applicant.

Dr. Richard Wein, expressed his support, having heard the applicant's desire to preserve the tranquility of her property. Davey Lubin, the owner of 215 Shotgun Alley which was below the subject subdivision supported the proposed arrangement. They had been concerned about Hamberg's desire to develop the property and were happy that the arrangement would preserve the wooded area above their property. Robb Garni, co-owner of 209 and 211 Shotgun Alley, spoke in support of the lot merger, as it would protect the viewshed of his properties.

Ainslie read additional written public comments. One was from David Moore who voiced his full support. Davey Lubin had written in support and requested deed covenants on the plat of Cedars Subdivision to also be referenced on the plat of the lot merger to prevent confusion or future attempts to further subdivide Cedars Subdivision or any of the lots that may result from it. Gale Brownell expressed concern about protecting a stream that ran through the 207 Shotgun Alley property.

M-Windsor/S-Mudry moved to recommend that a lot resulting from a lot merger between 207 Shotgun Alley and 2116 Sawmill Creek Road should be zoned as R-1 LDMH. Motion passed by 3-0 voice vote.

E [P 20- 05](#)

Public hearing and consideration of a final plat for a lot merger of the properties at 207 Shotgun Alley and 2116 Sawmill Creek Road in the single-family low density zoning district and single-family, duplex, or manufactured home low density district (respectively). The properties are also known as Lot 4, Cedars Subdivision and Lot 27, USS 3302. The request is filed by Krystina Scheller. The owners of record are Barth Hamberg, Frances Brann, and Krystina Scheller.

Attachments: [P 20-05 Lot Merger 207 Shotgun & 2116 SMC Staff Report](#)
[P 20-05 Lot Merger 207 Shotgun & 2116 SMC Aerial](#)
[P 20-05 Lot Merger 207 Shotgun & 2116 SMC Zoning Map](#)
[P 20-05 Lot Merger 207 Shotgun & 2116 SMC Current Plats](#)
[P 20-05 Lot Merger 207 Shotgun & 2116 SMC Proposed Plat](#)
[P 20-05 Lot Merger 207 Shotgun & 2116 SMC Applicant Materials](#)
[P 20-05 Lot Merger 207 Shotgun & 2116 SMC Public Comments](#)

Ainslie reported that both owners were amenable to the sale and the lot merger. Ainslie contextualized the access easements for the sites and stated that by merging lots and

terminating easement access to Lot 4, the action would serve to simplify the easements in the neighborhood. Ainslie noted that as the merger would not result in increased use, traffic was not expected to be changed. The resulting lot size would be well over minimum requirements. Staff recommended approval.

The applicant, Krystina Scheller, was present. The Commission had no further questions and excused the applicant.

Windsor asked if the lot merger would remain valid if the sale did not occur. Ainslie clarified that the lot merger would be recorded after the sale and that the validity of the lot merger rested with the particular applicant who pursued it.

M-Mudry/S-Windsor moved to approve the final plat for a lot merger of 207 Shotgun Alley and 2116 Sawmill Creek Road subject to the conditions of approval. The zoning of the lot created through this merger, once recorded, shall be R-1 LDMH (single-family, duplex, or manufactured home low density zoning district). The properties were also known as Lot 4, Cedars Subdivision and Lot 27, USS 3302. The request was filed by Krystina Scheller. The owners of record were Barth Hamberg, Frances Brann, and Krystina Scheller. Motion passed by 3-0 voice vote.

M-Mudry/S-Windsor moved to adopt the findings as listed in the staff report. Motion passed by 3-0 voice vote.

F [P 20- 06](#)

Public hearing and consideration of a final plat for a lot merger of the properties at 1235 Seward Avenue, 201 and 219 Tongass Drive in the public lands district. The properties are also known as Lots 6, 11A, and 11B USS 1496. The request is filed by Southeast Alaska Regional Health Consortium (SEARHC). The owner of record is Southeast Alaska Regional Health Consortium (SEARHC).

Attachments: [P 20-06 SEARHC Lot Merger 1235 Seward Ave 201 & 219 Tongass Staff Report](#)
[P 20-06 SEARHC Lot Merger 1235 Seward Ave 201 & 219 Tongass Aerial](#)
[P 20-06 SEARHC Lot Merger 1235 Seward Ave 201 & 219 Tongass Current Plat](#)
[P 20-06 SEARHC Lot Merger 1235 Seward Ave 201 & 219 Tongass Proposed Plat](#)
[P 20-06 SEARHC Lot Merger 1235 Seward Ave 201 & 219 Tongass Photos](#)
[P 20-06 SEARHC Lot Merger 1235 Seward Ave 201 & 219 Tongass Applicant Materials](#)

Spivey asked if his father's employment to the applicant would be considered an issue. Ainslie explained that employment alone, particularly of an extended family member, was not generally considered an issue. She clarified that unless a specific action would result in the financial gain or other compensation, it was not considered a conflict of interest. Ainslie then described the location. Ainslie noted that Lots 6 and 11A were developed with office buildings and parking lots while 11B was not developed and mostly wooded. Ainslie described the lots as mostly flat. The purpose of the merger request was to allow the applicant flexibility in the placement of a hospital. The land was in the Public zoning district. Staff recommended approval.

Present were Maegan Bosak, Director of Marketing and Communications and Greg McIntyre, Projects Manager, who represented South East Alaska Health Consortium (SEARHC). Bosak stated that she had no disagreements with Ainslie's staff report and reiterated the purpose of the merger in facilitating placement of a hospital. From the public, Wein asked if the site contamination mitigation had been completed. McIntyre responded that the land was formerly a military base that resulted in widespread contamination of the site and the contamination mitigation would be a constant part of the process. He explained that any water or soil touched or moved needed to be managed for contamination. He noted that they were hoping to have core sampling conducted in the Fall.

M-Mudry/S-Windsor moved to approve the final plat for a lot merger of 1235 Seward Avenue, 201 Tongass Drive and 219 Tongass Drive in the public lands district. The properties were also known as Lots 6, 11A, and 11B USS 1496. The request was filed by Southeast Alaska Regional Health Consortium. The owner of record was Southeast Alaska Regional Health Consortium. Motion passed by 3-0 voice vote.

M-Mudry/S-Windsor moved to adopt the findings as listed in the staff report. Motion passed by 3-0 voice vote.

G [CUP 20-12](#)

Public hearing and consideration of a conditional use permit for a hospital in the public lands district at 1235 Seward Avenue, 201, 219, and 222 Tongass Drive. The properties are also known as Lots 6, 7, 11A, and 11B USS 1496. The request is filed by Southeast Alaska Regional Health Consortium (SEARHC). The owner of record is Southeast Alaska Regional Health Consortium (SEARHC).

Attachments: [CUP 20-12 SEARHC Hospital 1235 Seward Ave 201 219 222 Tongass Staff Report](#)
[CuP 20-12 SEARHC Hospital 1235 Seward Ave 201 219 222 Tongass Aerial](#)
[CUP 20-12 SEARHC Hospital 1235 Seward Ave 201 219 222 Tongass Plat](#)
[CuP 20-12 SEARHC Hospital 1235 Seward Ave 201 219 222 Tongass Photos](#)
[CuP 20-12 SEARHC Hospital 1235 Seward Ave 201 219 222 Tongass Applicant Materials](#)

Ainslie reported that, as hospitals were a conditional use in the public lands district, the applicant requested a conditional use permit. In the absence of a definition in the Sitka General Code, Ainslie provided a definition from the American Planning Association's Glossary of Zoning, Development and Planning Terms which described a hospital complex as one or more buildings, at least one of which provides physical and mental health services, in-patient or overnight accommodations, and medical or surgical care of the sick or injured. Hospital complexes also include the accessory uses of cafeterias, nursing homes, extended care, physical therapy, exercise facilities, employee and/or temporary housing, gift shops, pharmacies, dental care, optometry care, child care, etc. Ainslie felt that this was an appropriate definition to use for the conditional use permit and uses allowed under it given SEARHC's current use of the property and typical hospital uses in Sitka. Ainslie identified this as a suitable use for the site and in keeping with adjacent uses. Ainslie provided support for this use from the Comprehensive Plan's objective to bolster the healthcare industry, establish Sitka

as a regional healthcare hub and support economic and job growth. Ainslie told the Commission that the applicant, SEARHC, wanted assurance that they would be able to obtain a CUP before substantial investment in design and therefore had not provided a site plan or concept plan at this stage in their application. Ainslie clarified that review and approval of the site plan by the Commission was one of the conditions of approval along with estimated number of employees and number of beds. Staff recommended approval.

Spivey asked if the applicant would be locked into a particular employment number. Ainslie clarified that the estimated employment number was for use to interpret parking needs and potential impact to traffic flow and not a cap on growth.

Windsor asked why no site plan was provided. Ainslie responded that the applicant was at the early stages of design and wanted to ensure a hospital could be built on the land before significant investment was expended. Spivey expanded on Ainslie's point that cost in developing a plan for a building of this size was likely expensive.

Maegan Bosak and Greg McIntyre were present as representatives of the applicant. Bosak stated that she and Ainslie had discussed at length whether a CUP was needed as the hospital use had already been established in that area, with the ultimate decision that it was indeed needed. She reiterated that SEARHC wanted to be certain that use was approved prior to investment. She noted that she fully expected to come back with a concept plan and said that the hospital would be built to LEEDS Gold standard. Bosak remarked that the growth of SEARHC, and what it would mean for Sitka, was in keeping with Comprehensive Plan.

From the public, Wein expressed confusion that the Commission could be asked to decide on a conditional use permit without knowing the details. He stated that costs were scalable and that a smaller project with less design cost might be a barrier to a less wealthy applicant. He asked if this would establish precedent for other applicants to no longer provide a site plan with their application. Mudry and Windsor expressed their concern that no site plan was made available. Spivey noted that there would be other opportunities to review the site plan going forward and that requiring a site plan at this stage may not be the final site plan as the applicant progressed in the development process.

The Commission asked the applicants back. McIntyre responded that they were in a peculiar situation due to requirements from Indian Health Services (IHS). McIntyre stated that IHS funding and standards would shape the scale of their development. Bosak added that the conditional use permit could not go into effect until the conditions were met, thereby necessitating the review and approval of the site plan before construction. Windsor asked what the applicant would do if approval was not granted. Bosak responded that they would have to start the process over again. Ainslie clarified that the planning department would not sign off on a foundation permit until conditions of approval were met.

Wein asked if IHS would approve the 300 million dollar investment without a site plan. McIntyre explained that IHS determined the necessary square footage for each hospital use (such as labor and delivery, ICU, etc.) to satisfy the population size; IHS would not review and approve the site plan. The Commission excused the applicant.

Spivey reiterated that the Commission would have another chance to review the site plan, and that he understood why it was necessary to stage out the approvals in this case. Ultimately, Commissioners agreed that they wanted the new hospital project to move forward and for SEARHC to meet its commitment to the community.

M-Mudry/S-Windsor moved to approve the conditional use permit application a hospital in the public lands district at 1235 Seward Avenue, 201 Tongass Drive, 219 Tongass Drive, and 222 Tongass drive subject to the attached conditions of approval. The properties were also known as Lots 6, 7, 11A, and 11B USS 1496. The request was filed by Southeast Alaska Regional Health Consortium. The owner of record was Southeast Alaska Regional Health Consortium. Motion passed by 3-0 voice vote.

M-Mudry/S-Windsor moved to adopt the required findings for conditional use permits as listed in the staff report. Motion passed by 3-0 voice vote.

VIII. ADJOURNMENT

Seeing no objection, Chair Spivey adjourned the meeting at 8:26 PM.