



City Manager
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TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, City Manager

DATE: June 14, 2019

RE: **Community Tourism Strategy and Request for Joint Funding**

At its meeting of June 12, 2019, the Ketchikan Gateway Borough/City of Ketchikan Cooperative Relations Committee considered the request of the Planning Department to undertake a Community Tourism Strategy Project and to provide the requisite funding. The Borough Assembly had previously appropriated \$80,000 for the project. The Cooperative Relations Committee adopted a motion requesting that the issue be submitted to the City Council with a request for joint participation and funding of the tourism strategy project. A copy of the Planning Director's power point presentation and the committee's agenda statement are attached for City Council review.

A motion has been prepared for City Council consideration.

RECOMMENDATION

It is recommended the City Council adopt the motion directing the City Manager to take such action regarding the Ketchikan Gateway Borough/City of Ketchikan Cooperative Relations Committee's request for joint participation and funding of the Borough's Community Tourism Strategy Project as determined appropriate by the City Council.

Recommended Motion: I move the City Council direct the City Manager to take such action regarding the Ketchikan Gateway Borough/City of Ketchikan Cooperative Relations Committee's request for joint participation and funding of the Borough's Community Tourism Strategy Project as determined appropriate by the City Council.

KETCHIKAN GATEWAY BOROUGH CITY OF KETCHIKAN

Cooperative Relations Committee Meeting

June 12, 2019

Assembly Chambers, White Cliff

Call to Order

The meeting was called to order by Chair Pierce at 12:00 p.m.

Present at the meeting:

City of Ketchikan

Member Coose
Member Flora
Manager Amylon
Assistant Manager Simpson

Ketchikan Gateway Borough

Member McQuerry
Member Pierce, Co-Chair
Member Westergard
Manager Duran
Finance Director Gubatayao
Planning Director Harney
Assistant Manager Thomas
Administrative Assistant Hanis
Deputy Clerk Fox
Clerk Paxton

Members not in attendance: City Council Member Bergeron (Co-Chair)

Citizen Comments

Terrence Robbins, citizen of the Borough, discussed the Tobacco 21 proposal. He referenced a policy on Tobacco 21, which he said, was the model for the Anchorage policy. He provided statistics on the impacts of tobacco use and deaths due to tobacco-related diseases. He emphasized the program worked by raising the tobacco use age to 21, and opined that 19-year-olds would not be purchasing for younger youth. He reported that, due to implementation of the tobacco excise tax in Ketchikan, between January 2017 and January 2018, adult smoking rates dropped 21.4 percent. Mr. Robbins explained that lobbyists in Juneau had been urging the Legislature to pass a statewide Tobacco 21 law with certain exemptions. He emphasized that a local Tobacco 21 law would prevent most kids from having access to tobacco products.

Unfinished Business

There was no unfinished business.

New Business

Community Tourism Strategy and Request for Joint Funding – Borough Planning Director

Richard Harney, Planning Director, provided a presentation on the proposed Community Tourism Strategy project, for which he said \$80,000 was appropriated in the FY 2020 Borough budget. He provided the elements of the strategy:

- Partnership between governments and citizens;

- Cruise tourism is large part of economic development; requires well-trained tourism workforce;
- Tourism area life cycle: destinations follow process of development including exploration, involvement, development, consolidation, stagnation; then provides opportunity for rejuvenation or decline;
- Tourism sustainability – proper management and planning ensures destination maintains its environmental integrity and the resources and character that made it attractive in the first place;
- Need policy for tourism management to address:
 - How does decision affect the visitors?
 - What are implications for the industry?
 - How does tourism affect residents and community?
 - Impacts to destination and culture.
- Scope of work not yet developed, but initial goals are to analyze circumstances and set objectives; includes residents, chamber, municipalities, Ketchikan Visitors Bureau, businesses, tour operators, cruise lines, and other independents;
- Borough Assembly allocated \$80,000 to lead community in tourism strategy process;
- Strategy includes development of neighborhood plans, such as Herring Cove, Clam Cove, Mountain Point area, trails, parks, etc.;
- Goal is to reduce conflicts between tourism and residents;
- Requesting financial support and commitment to participate from City of Ketchikan.

M/S MCQUERRY/COOSE to request the City members to take the item to the City Council and request joint funding for the tourism strategy

Member Flora agreed there was a need to work together to mitigate future impacts and supported forwarding the request to participate to the Council. However, he said he would not support the City making a financial investment due to the level of Commercial Passenger Vessel (CPV) infrastructure projects already funded by the City and the current financial burden due to the port project. Member Flora opined that the Borough had no structural obligation for CPV projects and should fund the tourism strategy project. Member Coose agreed with the need for a common-sense tourism plan and for participation in the plan by the City. In response to questions raised, Manager Amylon stated that City residents were also Borough residents, and as such, a request for City funding in addition to the Borough funding would ask the City residents to take on a disproportionate amount of the cost. He emphasized the project was part of a Borough planning project. He said if the plan moved forward, City staff would participate in the process.

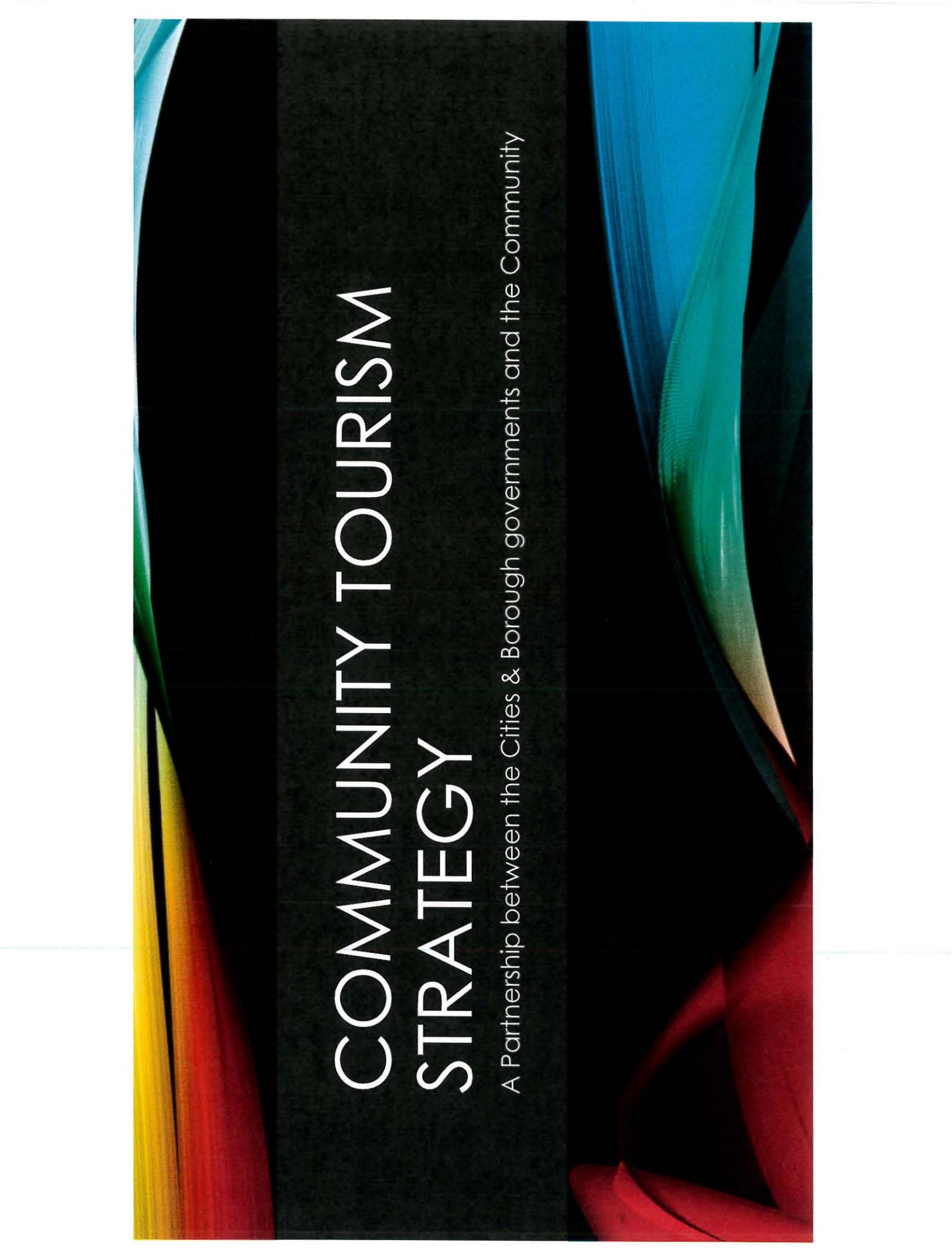
M/S WESTERGARD/FLORA to amend to “participation and funding”

Member Westergard clarified that the amendment would allow for the City Council to participate in the planning process even if it did not want to participate in funding.

Upon roll call the vote on the AMENDMENT to “request the City members to take the item to the City Council and request joint participation and funding for the tourism strategy” was:

YES: MCQUERRY, WESTERGARD, COOSE, FLORA, PIERCE

AMENDMENT DECLARED CARRIED. MAIN MOTION DECLARED CARRIED BY AMENDMENT.



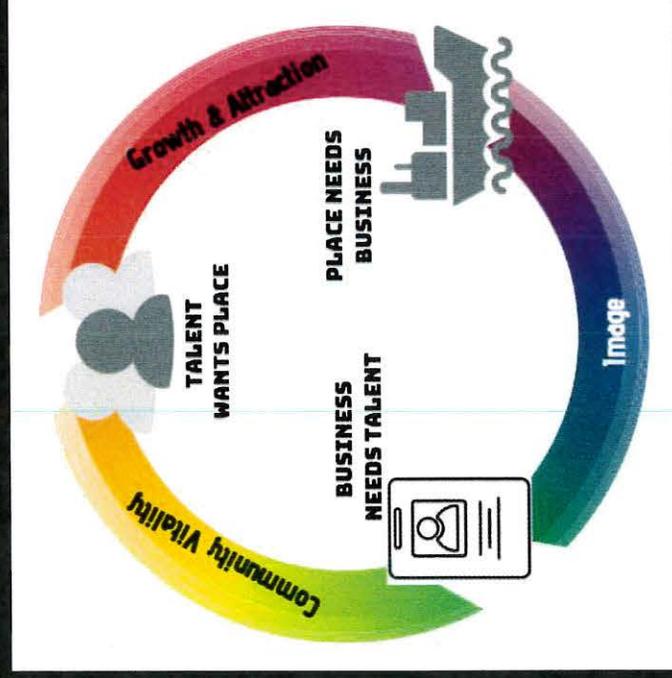
COMMUNITY TOURISM STRATEGY

A Partnership between the Cities & Borough governments and the Community

ECONOMIC DEVELOPMENT

Improving the quality of life:

- Through qualified talent pools
- Through business opportunities
- Through housing options
- Through environments (built and natural)
- Through livable wage employment





CRUISE TOURISM

- Tourism is labor intensive
- Interactions with local communities is important
- Well-trained tourism workforce **AND** citizens who are equipped and aware of the benefits and responsibilities are indispensable elements of tourism destination delivery

APPEARANCE & EXPERIENCE

Showing Up



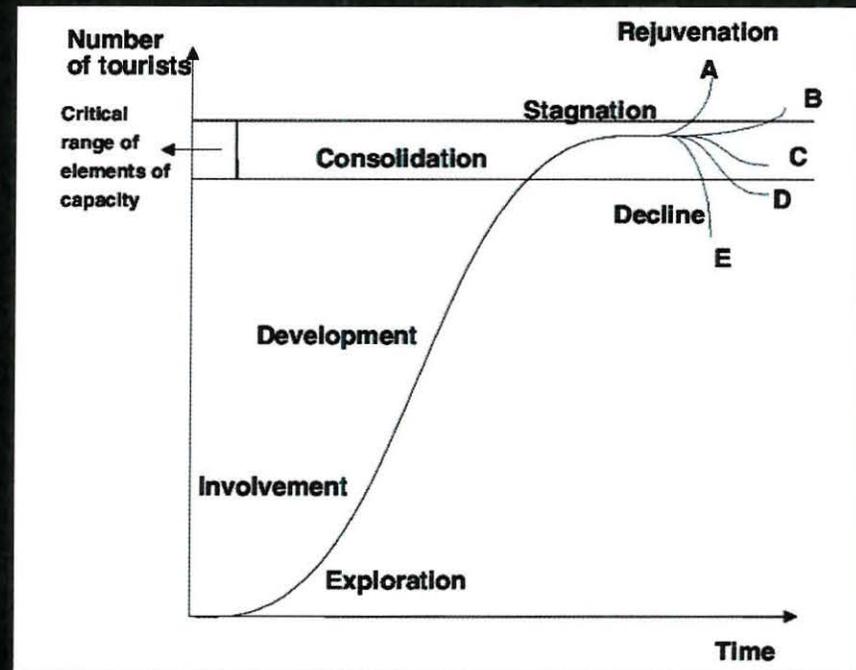
Invited Over





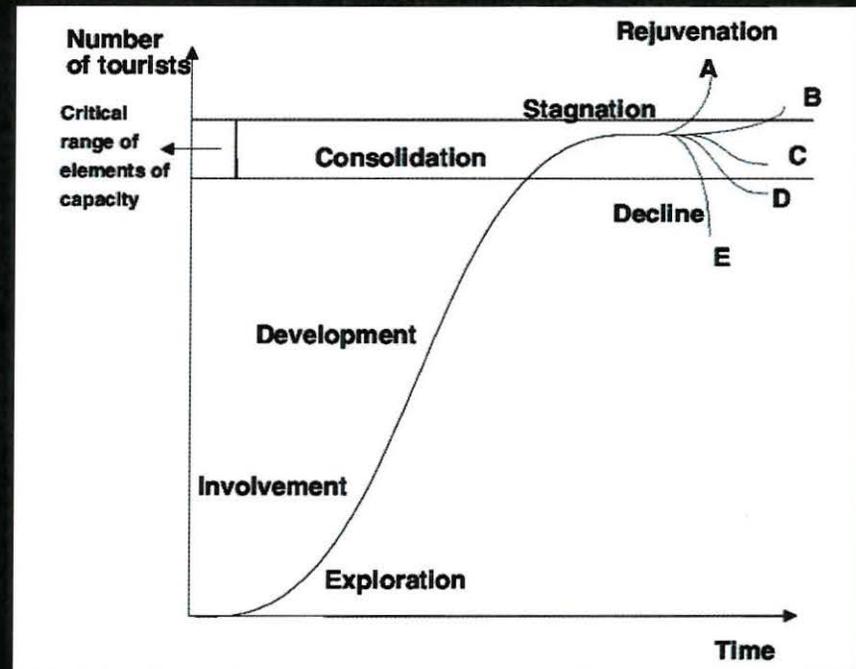
TOURIST AREA LIFE CYCLE

- Tourism areas have been compared to products
- Follow a relatively consistent process of development
- Cycle of evolution



TOURIST AREA LIFE CYCLE

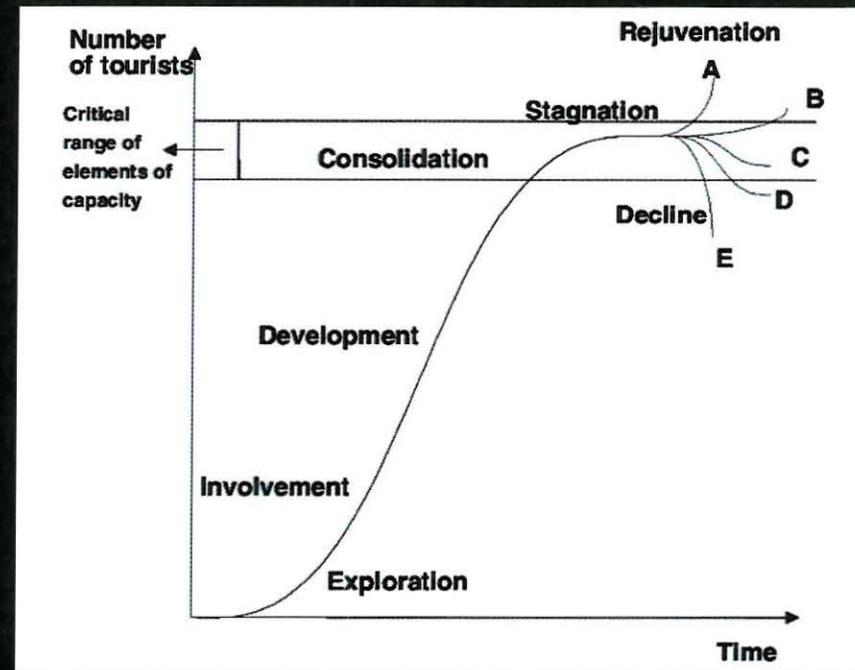
- Exploration
 - Low access to destinations
 - Rudimentary facilities
 - Visitors are exploring for something new
 - Low visitor counts, low impact on residents
- Involvement
 - More residents get involved with industry, provide facilities/tours
 - Basic services provided
 - Initial market area for visitors defined
 - First pressures put on governments and public agencies



TOURIST AREA LIFE CYCLE

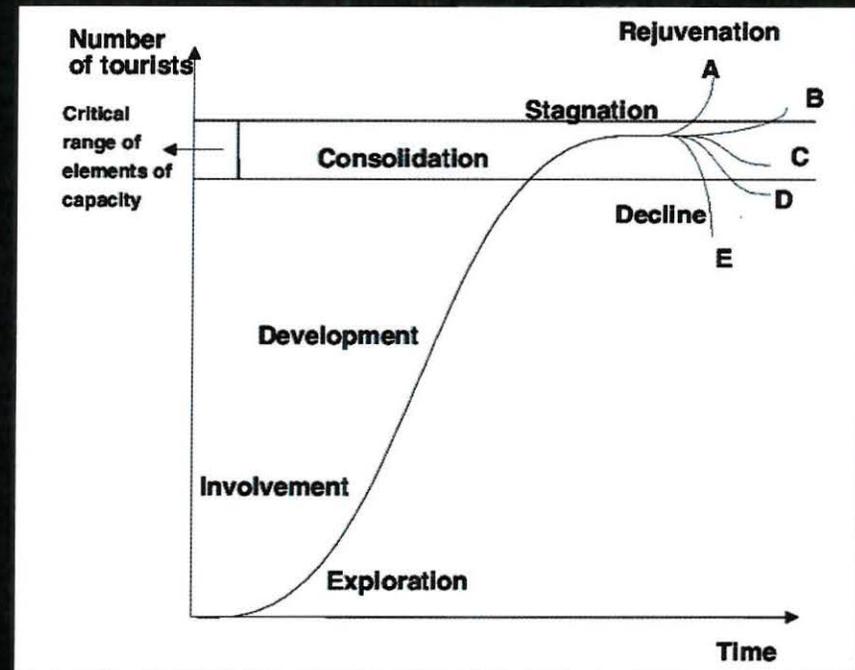
- Development

- Large numbers of visitors arrive, equal or exceed permanent local population
- External companies / businesses serve visitors
- Most important phase of development in improving quality of life for residents and economy
- Changes in physical appearance of the area will be noticeable
- Local residents may start developing negative attitude, impinge on the quality of their life



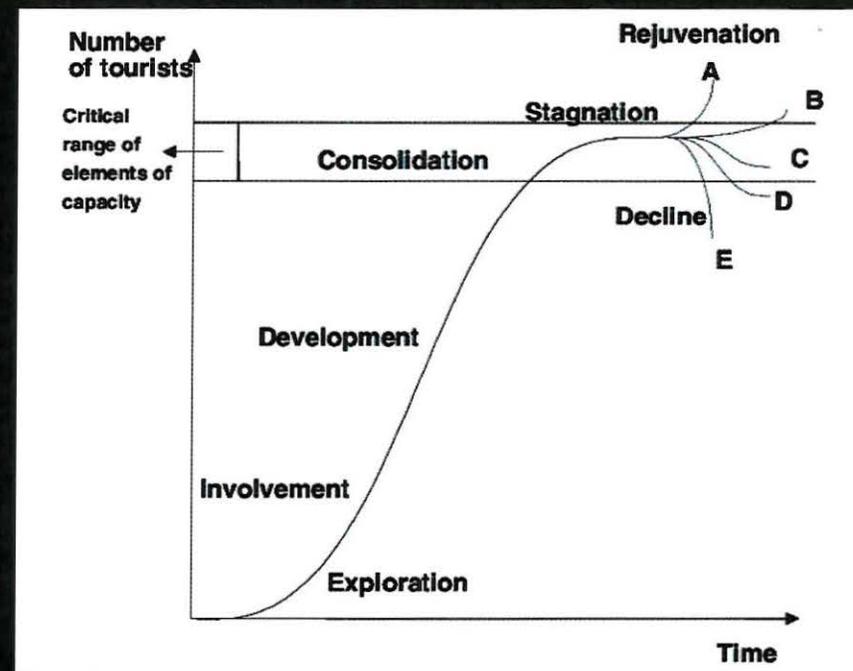
TOURIST AREA LIFE CYCLE

- Consolidation
 - Tourism major part of local economy
 - Rate of increase of visitors has declined but still increasing total number
 - Total visitor numbers exceed permanent residents
 - Deterioration of the quality of life and negative impacts may be felt by residents
 - Residents not involved may have stronger negative attitudes than other stage, annoyance to antagonism



TOURIST AREA LIFE CYCLE

- Stagnation
 - Peak number of visitors reached
 - Repeat visitors
 - Well established image, no longer in fashion
- Decline
 - Not able to compete with newer attractions elsewhere
 - Property turnover will be high
 - Facilities and accommodations converted to non-tourist related structures
- Rejuvenation or Decline



An aerial photograph of a coastal town, likely San Francisco, showing a dense cluster of colorful houses (red, blue, yellow) built on a hillside overlooking a waterfront. A pier with several buildings and a boat is visible in the foreground. The image is partially obscured by a semi-transparent white box containing text and a list. A decorative rainbow-colored banner is at the top left.

TOURISM SUSTAINABILITY

Proper management and planning ensures destination maintains its environmental integrity and the resources and character that made it attractive in the first place...

- Having a strategy can avoid social and cultural conflicts
- Prevent tourism from affecting local lifestyles and values

“ ...DECISION MAKERS OF DESTINATIONS...PRESSURE
TO PROMOTE CRUISE TOURISM BUT THERE IS NO
POLICY IN THE LOCAL GOVERNMENTS TO
CONTROL THE IMPACTS...

It is very important that destinations have a serious policy
of promotion and management of cruise activity.”

Aguirre, Sandra & Brida, Juan Gabriel. (2008). The Impacts of the Cruise Industry on Tourism Destinations.

“ PORTS TOO OFTEN PERCEIVE THAT THEY NEED THE
CRUISE SHIPS MORE THAN THE CRUISE LINES NEED
THEM...IT IS A MUTUAL NEED.

Lack of planning...is the guarantee of multiple negative effects in a destination wherever [cruise tourism] exists... like an option for its economic growth.

Aguirre, Sandra & Brida, Juan Gabriel. (2008). The Impacts of the Cruise Industry on Tourism Destinations.



SUSTAINABLE TOURISM?

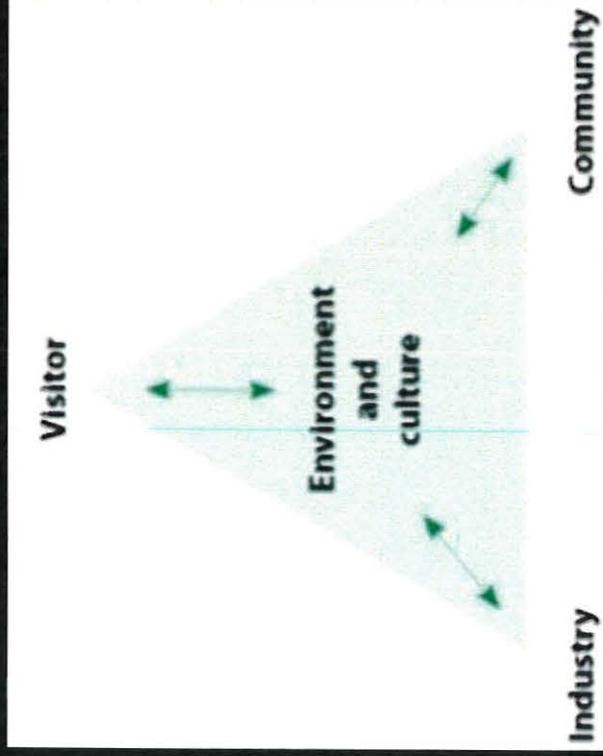
Quick check of sustainability of a strategy:

- How will this decision affect the visitors?
- What are the implications for industry?
- How does this affect the community and residents?
- What will be the impact on the destination's environment or culture?

TOURISM STRATEGY

Interactions between

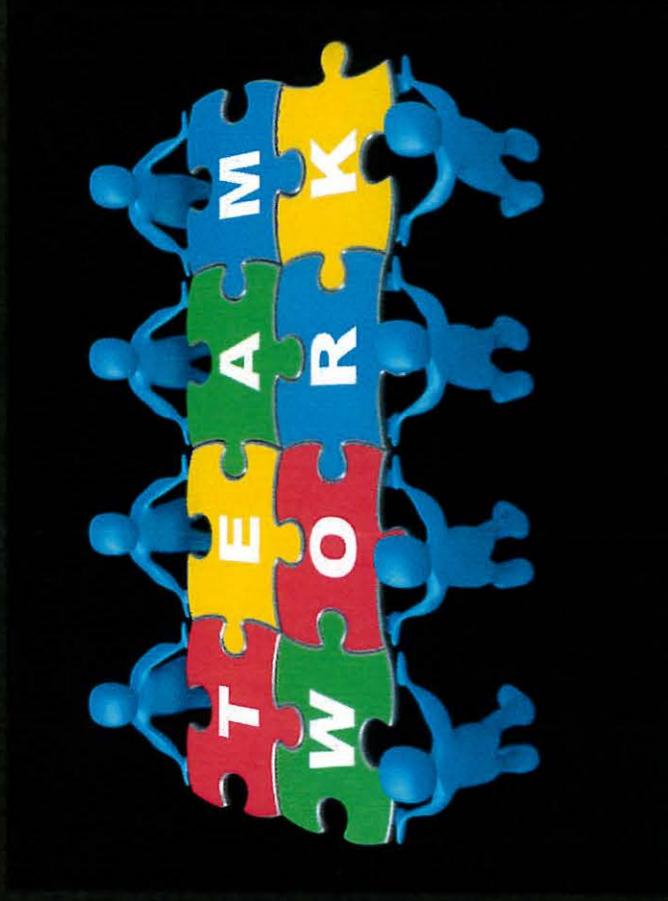
- the **visitors**,
 - the **industry** that serves them,
 - the **community** that hosts them and
 - the **environment** where this takes place
-
- Built environment and natural resources



COMMUNITY TOURISM STRATEGY

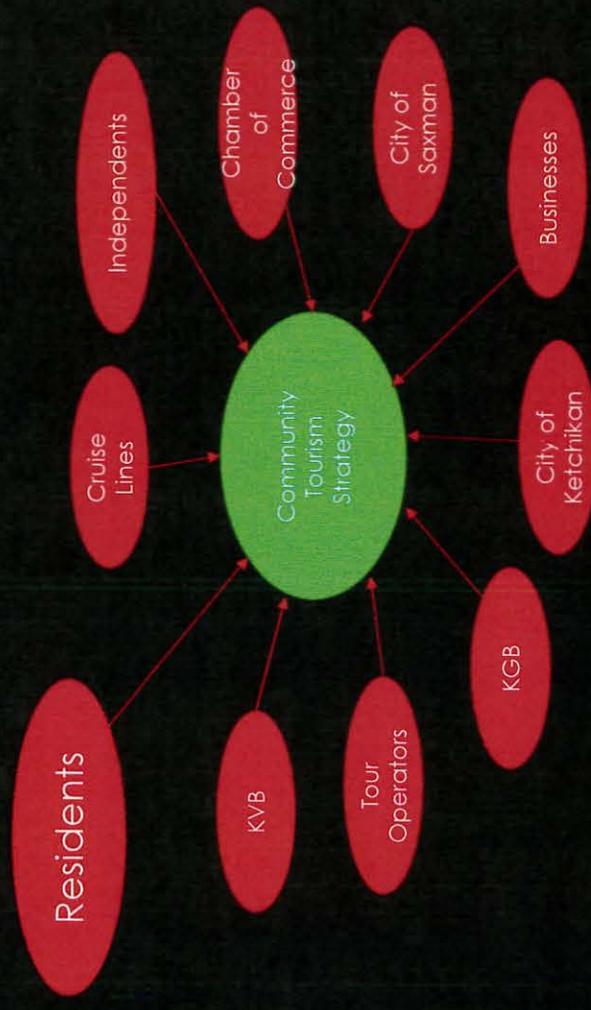
Develop a strategy and vision for the future of tourism in Ketchikan

- Analysis of current situation
- SWOT Analysis
- Set objectives
- Prioritization and selection of areas for focus and investment
- Marketing plans
- Needed regulations
- Evaluation



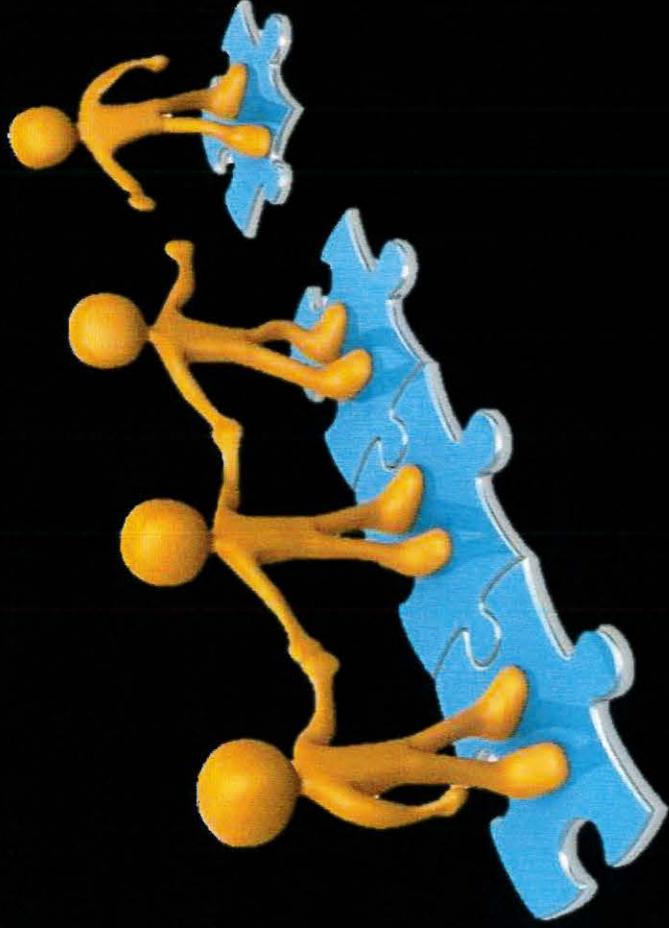
STAKEHOLDER PARTICIPATION

Work shops, charrettes, surveys,
interviews, and other activities to
develop tourism strategy



BOROUGH'S INVOLVEMENT

- Lead the community in a tourism strategy process
- Residents and industry input
- Neighborhood Plans



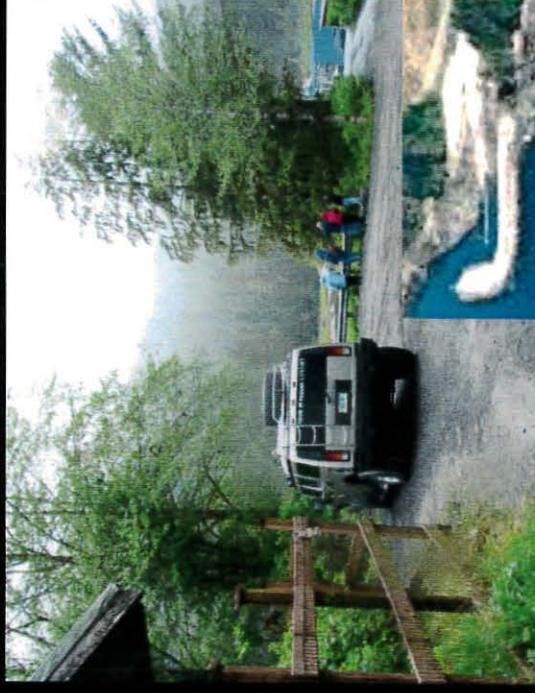
DESTINATIONS & AREAS OFF LIMITS

Areas designed for commercial activities and tourism

- Herring Cove
- Mountain Point Lot?
- Specific Trails and Parks?

Areas Off Limits or Restricted

- Maintain Neighborhoods
- Agreements / permits for operators to lead tours
- Reduce resident / tourist conflicts



APPEARANCE & EXPERIENCE

Showing Up



Invited Over



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OFFICE OF THE BOROUGH CLERK

MEMORANDUM

TO: JOINT COOPERATIVE RELATIONS COMMITTEE
FROM: KACIE PAXTON, BOROUGH CLERK
SUBJECT: COMMUNITY TOURISM STRATEGY
DATE: 6/7/2019

At the January 18, 2019 session of the annual Borough Assembly Policy Session, the Borough Planning Director provided a presentation on the proposed Community Tourism Strategy. Following the presentation, the Assembly adopted the following motion:

“to direct staff to work toward development of a community tourism strategy and include the allocation in the FY 2020 budget at an approximate cost of \$80,000 from the CPV fund, and to direct staff to coordinate with the City to seek joint funding for the approximate cost of \$80,000, the Borough's portion of which will come from the CPV fund”

Included in the FY 2020 budget adopted by the Assembly on May 20, 2019, is an appropriation in the CPV Fund for \$80,000 for the Community Tourism Strategy. Based on Assembly direction, staff is now seeking joint funding from the City of Ketchikan.

Planning Director Richard Harney will provide a presentation to the Cooperative Relations Committee on June 12, 2019. Below is the summary of the project as provided to the Borough Assembly.

January 18, 2019 Policy Session Agenda Statement Summary on Community Tourism Strategy

Tourism is the fastest growing industry for Ketchikan and involves both the business community and the residents. The number of cruise passengers is projected to increase in 2019 by 220,000 passengers to 1,310,000. The cruise line agency continues to project a growing tourism market in Ketchikan, as well as Southeast Alaska.

Since the first cruise ship came to Ketchikan, the industry has grown in a grassroots manner, with the Ketchikan Visitor's Bureau and the City of Ketchikan supporting the investments and championing infrastructure projects to enhance the number of tourists that can visit Ketchikan. The Ketchikan Visitor's Bureau, a non-profit destination marketing organization, markets the community and its members across the state and nation as a destination through

different paid publications, its website, trade conferences, and other media outlets.

Benefits of Tourism

Tourism is everyone's business. Everyone gains from properly managed tourism. Tourism benefits the Borough because it diversifies the economic base and expands the employment market. In its broadest sense, the tourism industry is the total of all businesses that directly provide goods or services to facilitate business, pleasure and leisure activities away from the home environment. The tourism industry includes more than just the cruise passengers, but the cruise passengers significantly impact the community, infrastructure, businesses, and residents.

The Ketchikan visitor experience is vital. In order for the experience of the visitor to exceed expectations, it is helpful if the whole community, primarily the year-round residents, understand how the industry trickles down to all sectors of the community.

Impacts to Neighborhoods

Certain residential neighborhoods are being heavily impacted by tourism activities, such as Herring Cove, Newtown, Knudson Cove, and Park Avenue area. In order for private tourism markets to have their own niche location, tour operators are beginning to migrate into neighborhoods. One effect of the lack of designated destinations and maintained commercially acceptable parks and trails appears to be that tours are accessing areas that year-round residents may not desire to see commercial activities.

Community-Driven Tourism Strategy

To strike a balance between the industry and residents, staff is recommending that the Borough initiate a community-driven tourism strategy. The strategy would be sensitive to all issues of visitor industry development, including visitor facilities, visitor activities, and quality of life for Borough residents.

Balancing the needs and desires of all affected parties is the target and goal of developing a community tourism strategy. In 2010, a plan titled *Revitalizing Ketchikan's Neighborhoods* was developed with overwhelming public participation. The Plan was not formally adopted by the Assembly but contains a compilation of ideas and designs for the Downtown, Newtown, Creek Street, and Old Town (Stedman – Thomas) areas. The use of this source document may prove helpful in developing a tourism strategy in those areas. Neighborhood plans for other affected will allow the specific neighborhoods to provide direction for the future growth and uses. As a reference, the 2010 Revitalizing Ketchikan's Neighborhoods plan is available on the Borough website at the following link:

[2010 Revitalizing Ketchikan's Neighborhoods Plan](#)

Staff recommends timely development of a strategy for tourism in Ketchikan with the purpose of enhancing the tourism industry while balancing the needs and desires of the year-round residents. Workshops, charrettes, stakeholder interviews, and surveys would be conducted over the course of FY 2020 to gather input from all stakeholders, including but not limited to tour operators, businesses, residents, fishing charters, flight-seeing companies, guides, and agencies. Meetings with the City of Ketchikan, City of Saxman, KVB, and Chamber of Commerce among other agencies would be vital to the implementation and adoption of the

strategy. A community tourism strategy would provide a path for the community to follow for complementary developments, actions, regulations, and solutions.