

From: Kenai Peninsula Borough [<mailto:webmaster@borough.kenai.ak.us>]

Sent: Tuesday, May 21, 2019 10:14 AM

To: BoroughAssembly <Borough-Assembly@kpb.us>

Subject: New Public Comment to Assembly Members

Your Name: Dave Atcheson

Your Email: daveatcheson@hotmail.com

Subject: Bed Tax

Message:

I will be out of state for the next 2 assembly meetings and wanted to comment. I want to maintain vital services, such as CES, schools, road maintenance, and public safety, etc. I am willing to pay for these services and support increasing revenue in the form of possibly raising additional taxes. I believe a bed tax is a no-brainer. Despite the protests of hotel and lodge owners, I don't know anyone who alters their travel plans for such a reason. When you venture somewhere and am told a hotel room is, say, \$99, does anyone ask if a % of that goes to local or state government? And do we then refuse to stay there because, say 5%, or 10% of that goes to a municipality or borough. No, of course not. I will be staying in such a place tonight. And governments throughout the country fund themselves this way. We should to.

Anyway, thank you for your time and your work on the assembly. I know it is not always an easy task.

Thanks,

Dave Atcheson

Box 145

Sterling

daveatcheson@hotmail.com

From: Kathy Mackulin <rangeviewbandb@gmail.com>
Sent: Monday, June 03, 2019 7:57 AM
To: G_Notify_AssemblyClerk
Subject: <EXTERNAL-SENDER>bed tax

CAUTION:This email originated from outside of the KPB system. Please use caution when responding or providing information. Do not click on links or open attachments unless you recognize the sender, know the content is safe and were expecting the communication.

please oppose this bedtax for homer
it is not a good idea
thank you
kathy mackulin

Rangeview B&B
617 Rangeview Ave
Homer, AK 99603
907-399-1452



June 3, 2019

Kenai Peninsula Borough Assembly
144 North Binkley Street
Soldotna, AK 99669

To Kenai Peninsula Borough Assembly Members:

This letter is sent in opposition to the Borough's intent to increase the sales/bed tax to 12% to be used for education. Understandably, in this tough economic crisis, additional revenue is needed to fund the Borough, but we object to a targeted tax on one industry and would advocate for a more broad-based approach that would include all businesses, or all Alaskans to share in.

In the Kenai Borough's proposal, Assembly Member Bagley has stated that the Borough does NOT have a bed tax. The current 6% sales tax is paid per night, per room, with no tax cap at our hotels – this is indeed the definition of a bed tax. Now with the proposed increase to 12% - the borough assembly is proposing to have the same tax as the largest cities in the state – Juneau and Anchorage.

Aspen Hotels of Alaska has eight locations throughout the state – including the new 72 room Homer Aspen which opened last week. We just spent \$200,000 remodeling our Kenai Aspen and \$200,000 last year remodeling our Soldotna Aspen. We do this to provide a first-class lodging experienced for Alaskans, tourists, business travelers – we do it to maintain a high standard – all while not raising rates at all. Adding additional hotel rooms to these markets can be a part of bringing more tourists, convention/business travelers – which creates more revenue in each city and increases the current taxes.

The hotel industry is already paying more than our fair share of taxes as we pay by night with no tax cap. Fishing on the Kenai River has decreased. Oil companies have decreased their business on the Peninsula. Our occupancies continue to remain low. Driving up the cost of doing business, and targeting one industry by increasing taxes on them, doesn't make for a fair and equitable business climate for the hotel industry on the Kenai Peninsula.

We strongly oppose this potential increase and ask the Kenai Peninsula Borough Assembly to carefully discuss the negative effects it may have on the Alaskan market – and therefore on all of the hotels on the Peninsula.

I appreciate your consideration and time.

Sincerely,

George Swift

President/Owner, Aspen Hotels of Alaska

ANCHORAGE | KENAI | SOLDOTNA | JUNEAU | HAINES | SITKA | HOMER

ASPENHOTELSAK.COM

P.O. Box 90244 Anchorage, AK 99509 P: 907.258.0006

From: Seward Mountain View Lodging <sewardmountainview@gmail.com>
Sent: Monday, June 03, 2019 11:28 PM
To: Blankenship, Johni
Subject: <EXTERNAL-SENDER>Ordinance 2019-09

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Dear Clerk Blankenship and Borough Assembly members,

I am writing to oppose Ordinance 2019-09 which I just learned about tonight, so please excuse my quickly formed response at this late hour in the evening.

At a glance, this seems to grossly and unfairly target nightly lodging in comparison to other sales, assuming that the requirement that tax on temporary lodging must be applied per night is kept. If I understand correctly, if this were enacted and the City of Seward opted not to waive the city bed tax, lodging in Seward could be subject to 16% tax!

I understand and support our/the KPB's need to increase revenue, but not when it targets a single industry. Last year, there was over \$1 BILLION (actual number \$1,125,440,184) in EXEMPT sales because they were over the \$500 limit. Unless people are paying more than \$500/night in lodging, none of that \$1 billion in exempt sales was nightly lodging. I'm not an accountant or financial analyst, but changing the \$500 exemption limit which has been in effect since the 1980s would seem to raise far more revenue than this ordinance would.

It seems unfair that large businesses/corporations would continue to pay a mere \$35 sales tax on sales that could potentially run in the hundreds of thousands of dollars, when an individual or family would pay more than that on ONE NIGHT of lodging worth \$300.

Thank you for considering my comments.

Best,
Heather Shank
31316 Wilma Ave., Seward
Owner/operator, Seward Mountain View Lodging

Blankenship, Johni

02019-09

From: Millane Family <info@serenitybytheseacabins.com>
Sent: Monday, June 03, 2019 4:43 PM
To: Blankenship, Johni; Carpenter, Kenn
Subject: <EXTERNAL-SENDER>12% Bed Tax

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12% Bed Tax

We are a small family operation on Lowell Point just outside of Seward. A 12% bed tax will be devastating to our business. Enforce what is already on the books and get all the Airbnb's that are not paying any tax to pay, instead of crushing those of us who follow the rules and who are struggling to make it year to year. Please do NOT impose this bed tax on us.

The Millane Family
info@serenitybytheseacabins.com
www.SerenitybytheSeaCabins.com
www.VacationSeward.com

Shady Lane
Seward Ak. 99664

From: Kirkawa <kirkawa@aol.com>
Sent: Monday, June 03, 2019 5:29 PM
To: Blankenship, Johni
Cc: Kirk@alaska-wildland.com
Subject: <EXTERNAL-SENDER>Comments for Kenai Borough Bed Tax Proposal ...
Attachments: Testimony from Kirk Hoessle.docx

CAUTION:This email originated from outside of the KPB system. Please use caution when responding or providing information. Do not click on links or open attachments unless you recognize the sender, know the content is safe and were expecting the communication.

Dear Johni,

Though I am making every attempt, I'm not yet sure that I will be able to testify at tomorrow's Borough Assembly Meeting. Could you please print and hand out the attached and distribute it with any lay down materials for the meeting? Thank you. Best regards, Kirk.

Kirk Hoessle, President and CEO (Chief Exploration Officer)
Alaska Wildland Adventures

PO Box 389
Girdwood, Alaska 99587
907.783.2928

www.alaskawildland.com
www.kenairiversidefishing.com
www.kenaifjordsglacierlodge.com
www.kenaibackcountrylodge.com

Comments from Kirk Hoessle, President of Alaska Wildland Adventures, regarding Kenai Borough Bed Tax Proposal

On behalf of Alaska Wildland Adventures, I am here to respectfully oppose the Kenai Peninsula Borough Assembly's proposal to establish a bed tax to be used for general funds. I understand that additional revenue is needed to fund the bureau, but I believe the proposed bed tax unfairly targets the travel and tourism industry which is already the victim of your overly aggressive sales tax --the sales tax that was specifically modified several years ago to extract even more money from visitors.

Alaska Wildland Adventures has three Lodges and a campground on the Kenai, and we also operate rafting and fishing trips. In addition, we conduct multi-day, all-inclusive itineraries that travel throughout the peninsula for two to seven days. We actively promote tourism to the Peninsula through our own marketing endeavors and are contributors to Kenai-wide Chambers, CVB's and the KPTMC. Like all travel and tourism businesses on the Kenai, we are contributing to a strong, healthy, diversified, and growing tourism economy.

I HAVE TWO POINTS TO MAKE TONIGHT.

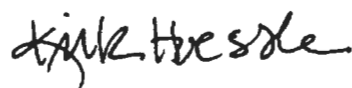
The first is that you already have an overly aggressive sales tax that unfairly targets visitors so an additional bed tax is exceedingly unfair to visitors. Unlike sales tax on resident purchases, the sales tax for tourism purchases is applied per person per day and not per purchase. This has the effect of maximizing taxing opportunities on visitors. Purchasers of costly tourism products and services pay dearly, and rarely, if at all, benefit from borough services. In the case of our business, we have two lodges with 16 cabins each and one with 9 cabins. Our operations are relatively small-scale. The Lodges are remote and very costly to build, maintain, and operate, so our price points to visitors, as a consequence, are high. In our small business alone last

year, we collected \$142,745.07 in Borough sales tax. And that is just our business. When you consider all of the other travel and tourism businesses on the Kenai, you have an astounding amount of your budget that is already carried on the backs of visitors. How can it be fair to extract even more money from visitors with an additional bed tax?

My second point is this: If you need funds to finance resident schools and education or other resident services or otherwise noble causes, find a way for the users of those services to pay for them—NOT VISITORS. To continue to increase tax on visitors amounts to “taxation without representation”, which, you will recall, was one of the primary grievances of our country’s forefathers. Visitors apparently now pay at least 25% of the sales tax collected on the Kenai, they get no voice in the matter, they inject close to \$300 million into our local economy, and receive very little benefit from the taxes paid.

I urge you not to enact a bed tax. And while you are at it, please reconsider how you unfairly target and extract sales tax from your valued visitors that drive much of your economy and contribute to your quality of life in so many ways. The cruise ship head tax is widely considered the most onerous tax on visitors in Alaska, but this is not true. It is the Kenai Borough Sales Tax. Honor and respect your visitors, don’t excessively tax them to pay for resident services. Thank you for your time.

Respectfully submitted,



Kirk Hoessle, President
Alaska Wildland Adventures
Operations in Cooper Landing and Seward, Alaska



June 19, 2018

To Kenai Peninsula Borough Assembly Members,

As a local Alaskan based tour company, we strongly oppose raising the bed tax in the Kenai Peninsula Borough. This proposal is on top of a current 6% sales tax which will make the highest bed tax in Alaska. Unfortunately, Alaska is already negatively labeled as “an expensive destination to visit”. Any additional costs impact overall guest expenses and travel budgets while on vacation. This will have a negative impact of overall sales and decreased visitors to the Kenai Peninsula Borough. Other communities have realized this negative impact on travel when considering a bed tax increase and have wisely reconsidered. We encourage the Kenai Peninsula Borough to reconsider this bed tax increase as well. As a local Alaskan tour operator, we see this potential bed tax increase reducing travel budgets for out of state visitors, local Alaskan friends and families, business travel, as well as visiting school sports teams, educational field trips, etc.

As a local Alaskan tour operator, we plan tours and itineraries years in advance through product development, budgeting, sales and marketing. Last minute taxes frustrate our clients who then have to absorb this last-minute cost. One misconception that we often hear is, “*we can just pass it onto the guest*”. That is not the case as prices have already been established for future years tours and we already have guests who have purchased next year’s tour package. Who do you expect to pay for this? As a result, client gets upset when having to absorb the cost, and it is easier to move the itinerary away to a smaller taxed destination such as Anchorage or Talkeetna in future years to make up that extra unbudgeted cost. This proposal is on top of a current 6% sales tax which will make the highest bed tax in Alaska.

Again, we oppose and highly encourage you to reconsider your vote of the bed tax increase.

Josh Howes
President
Premier Alaska Tours, Inc.
P: 907.279.0001 | F: 907.279.0002
Josh@tourAlaska.net | www.PremierAlaskaTours.com



June 4, 2019

Kenai Peninsula Borough Assembly
144 North Binkley Street
Soldotna, AK 99669

To Kenai Peninsula Borough Assembly Members:

Respected members of the assembly, I am addressing you in this letter to strongly advise that you do not increase the current sales/bed tax to 12%. As a small company that continually markets independent guests to visit the Kenai Peninsula, a targeted tax to the visitor will continue to make visitation to the Kenai less attractive to our clients.

While not unsympathetic to the budgeting challenge that faces all communities in the light of the declining State revenues, the option of taxing the unrepresented is an easy sell within your constituency. However, the cumulative effect of the taxes that are passed by the various boroughs and municipalities, continue to push the cost of an Alaska vacation upwards.

While it may not seem a large number to individual communities, the total cost of an Alaska vacation is scrutinized by potential travelers. I can state that this year, with the devalued Canadian dollar, Alaska vacations a much tougher sell. Any increase in this cost makes us less competitive.

I realize that being the first borough to say no to taxing the unrepresented is a tough decision. Visitors to your part of the State spend multiple days, enjoy many different sightseeing options, and of course many days of fishing. Their overall contribution to your tax base would be significantly impacted if they spent one last day in your area, not to mention the loss of revenue to your constituency.

In closing I strongly urge you to take the bold step and not pass this tax increase.

Yours respectfully;
KNIGHTLY TOURS

W. C. Pedlar

W. C. (Bill) Pedlar
President

02019-09

To: Kenai Peninsula Borough Assembly

From: Luke j Peroni

General Manger Seward Windsong Lodge

Board Member Alaska Hotel Lodging Association

Good evening,

I wanted to express my concern about the proposed 12% KPB bed tax.

First, I want to acknowledge the challenge the Borough and assembly is going to have if the proposed budget cuts the Governor has submitted go through. I do not envy your position.

With that said, I feel that a targeted bed tax is not the way to go. As a Lodge operator we are already paying property taxes, alcohol taxes and 3% sales tax. A 12% bed tax is another stressor on one of the only industries that is doing well in the state.

We are not opposed to taxes; we are opposed to targeted taxes. If the KPB needs to raise funds to make up for state budget cuts, then a broad base tax should be looked at. Everyone should have to share the pain. Some options could be raising the current sales tax rate or raising the \$500 sales cap. We do not support a targeted hotel industry bed tax.

I encourage you to vote against this 12% targeted bed tax.

Thank you for your consideration.

Blankenship, Johni

From: CJCM Fam <cjcmfamjam@gmail.com>
Sent: Tuesday, June 04, 2019 5:15 PM
To: G_Notify_AssemblyClerk
Subject: <EXTERNAL-SENDER>E-comment for 2019-09

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I strongly oppose ordinance 2019-09. Please take into account the following before voting this evening.

The tax cap resets nightly for all lodging. This, in essence, is already a bed tax.

Taxing cabin and lodge owners at 15% will have a negative affect on money spent at small businesses in our communities.

A bed tax is a great incentive for people to rent motor homes in Anchorage and drive here. Taking away income for cabin and lodge owners.

A bed tax is punishing an industry that has already had rough years due to poor fish management.

If a tax is needed, please look at changing the sales tax. I absolutely support raising the sales tax which would be the fairest of any taxes.

Jill C. Schaefer

From: Kenai Peninsula Borough <webmaster@borough.kenai.ak.us>
Sent: Tuesday, June 04, 2019 8:21 PM
To: BoroughAssembly
Subject: New Public Comment to Assembly Members

Your Name: hs norwood

Your Email: rohobawr@alaska.net

Subject: 6/4/2019 Bed Tax Public Comments...DO IT!

Message:

Please allow the voters of the KPB to vote on a bed tax.

None of the commenters had persuasive arguments that would keep you from allowing us to do so.

The first commenter from Girdwood's kid's don't attend KPBSD. However his businesses take advantage of everything KPB has to offer.

Duane Bannock's arguments are weak. He has an entirely different clientele than those who visit in an RV. He wants RVs to be included. Maybe they will be second time around.

Fraser from Aspen hotels. Aspen hotels in every other city in Alaska pay the pass through bed tax.

4th speaker from a small bed and breakfast. Doesn't recognize the bed tax as a "user tax" for those who are visiting the KPB. For some reason tourist cannot be considered "a group." Yes, they are a group.

(I just stayed at a VRBO in Tacoma Wa. I paid the bed tax. I wanted to stay at THAT VRBO because of its proximity to things I wanted to see. Also paid a \$250 cleaning fee).

5th person, Mike Warburton: Argues the highest property tax payers shouldn't have to mess with this PASS THROUGH tax. Why not? The visitors to his place in Homer don't visit Homer because of the LACK of a bed tax

6th person Bob May. Kasilof Alaska. Concerned about unnecessary costs "to his customers." What about the kids of KPBSD? Are his grown up already?

7th guy named Ray. Thinks we have actually had the opportunity to vote on this since the mid naughts. No we haven't. It hasn't been able to get to ballot. Doesn't seem to get it that there hasn't ever been a bed tax levied on the Kenai peninsula so he really doesn't have a clue what the outcome would be.

Don St John: Supports the bed tax because he does not have a hotel or bed and breakfast. It's a beautiful night and this guy apparently has no vested interest in attending the KPBSD meeting. Listen to him. Most of us KPB voters do not own hotels and bed and breakfasts.

Joe Conner from Sterling. Has a lodge so yadda yadda yadda. Doesn't seem aware the economic picture has changed radically over the past few years.

Unknown person. Upset he has lost customers to air b and b. That's a separate issue. He needs to do something to differentiate his lodging to make it a better Alaskan experience. The rest of us Alaskans don't want to fund his laziness.

Adrian Sweeny Driftwood Inn: Upset this issue comes up during the summer. Must not know that the schools need funding for 12 months. Cites customers that are going to spend \$1500. That customer isn't concerned about the tax that will also be paid. That customer is probably expecting a bed tax because every where else they stay has had a bed tax.

The VRBO and Air B and B customer is different than the lodge customer; the lodge/hotel customer does not want a personal on line relationship with the lodge/hotel. This lady's arguments were totally non persuasive.

Next Steve Anderson. Soldotna B and B lodge. Doesn't feel that the tourism industry is respected by bed tax. Where do his kids go to school? Listing all the taxes he has paid. Sounds like he's still making a living Thinks we should "invest in our tourists" and it sounds like we are supposed to want to do that over investing in KPBSD.

Marsha Cozmal. Pres Homer B and B and has a place somewhere on Homer. I thought she said that she was opposed to tourism tax but supports bed tax! Main beef is that Air B and Bs need to also pay tax. Good idea. But shouldn't stop allowing KPB residents to vote on bed tax.

Lastly doesn't think the bed tax should necessarily be used to support schools. Hey ... I don't support everything my taxes are used for at the KPB or the United States of America.

I got to do the dishes so I am signing off for the night. The bottom line is that none of the hotel, b&b, etc owners have a persuasive argument to prevent the voters of KPB to vote on a bed tax.

From: Kenai Peninsula Borough <webmaster@borough.kenai.ak.us>
Sent: Tuesday, June 04, 2019 8:30 PM
To: BoroughAssembly
Subject: New Public Comment to Assembly Members

Your Name: hs norwood

Your Email: rohobawr@alaska.net

Subject: 6/4/2019 Fred's Comments on Bed Tax

Message:

So Fred Sturman is worried about the amount of fish. The hotel and B and B owners are worried the Bed tax will limit tourists.

So if Fred's argument is accurate, and if the Bed Tax really will lower the amount of tourists interested in fishing ... then the Bed Tax will help conserve the sport fishing industry for the KPB.