
Subject: FW: <EXTERNAL-SENDER>Reconsideration: Resolution 2024-029

From: Duane Bannock <Duane@uptownmotel.com>

Sent: Monday, July 8, 2024 2:44 PM

To: Tunseth, Ryan <rtunseth@kpb.us>; Ribbens, Peter <pribbens@kpb.us>; Hibbert, Brent <bhibbert@kpb.us>; Cox, Tyson <tysoncox@kpb.us>; Elam, Bill <belam@kpb.us>; Ecklund, Cindy <CEcklund@kpb.us>; Cooper, Kelly <kcooper@kpb.us>; Tupper, Mike <MTupper@kpb.us>; Johnson, Brent <bjohnson@kpb.us>

Cc: Mayor Peter Micciche <pmicciche@kpb.us>; G_Notify_AssemblyClerk <G_Notify_AssemblyClerk@kpb.us>

Subject: <EXTERNAL-SENDER>Reconsideration: Resolution 2024-029

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Assembly Members:

Please forgive me in advance for not being in attendance at the July 9th, 2024 Assembly Meeting. As I've shared previously, this is the wrong time of year for me (and most likely for all of us in the hospitality industry) to be spending time away from our sales-tax-paying customers.

Knowing all that we know now regarding the Assembly's ability to 'postpone' as has been earlier suggested as the reason for reconsideration, and noting the calendar will prevent any meaningful time for discourse, I request your 'No' vote to reconsideration and allow this Resolution to die.

If the Assembly desires to reexamine this matter in the future and pledges to go forth in an honest manner, you can count on our willingness to participate using real time customer a and sales tax revenue data.

Thank you for your consideration,

Duane Bannock
Uptown Motel
47 Spur View Drive
Kenai, AK 99611
907 283 3660
907 398 2316 cell

Subject: FW: <EXTERNAL-SENDER>Imploring collaboration - NO 12% bed tax

From: Kelli Johnson <kjohnson@aspenhotelsak.com>

Sent: Tuesday, July 9, 2024 8:09 AM

To: Tunseth, Ryan <rtunseth@kpb.us>; Ribbens, Peter <pribbens@kpb.us>; Hibbert, Brent <bhibbert@kpb.us>; Cox, Tyson <tysoncox@kpb.us>; Elam, Bill <belam@kpb.us>; Ecklund, Cindy <CEcklund@kpb.us>; Cooper, Kelly <kcooper@kpb.us>; Tupper, Mike <MTupper@kpb.us>; Johnson, Brent <bjohnson@kpb.us>; Mayor Peter Micciche <pmicciche@kpb.us>; G_Notify_AssemblyClerk <G_Notify_AssemblyClerk@kpb.us>; Hibbert, Brent <bhibbert@kpb.us>

Cc: Carol Fraser <cfraser@aspenhotelsak.com>

Subject: <EXTERNAL-SENDER>Imploring collaboration - NO 12% bed tax

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Greetings, members of the assembly -

I regret to announce that I will be unable to attend tonight's meeting. I would like to take a minute to 'speak' on the matters at hand... This email is intended to clearly express my opposition of the proposed 12% bed tax. It has been expressed by others in opposition, and I feel compelled to reiterate that hotels are already uniquely taxed. Travelers are taxed nightly throughout their stay - however long, with no cap on that tax. All the pennies add up to dollars, and everyone is looking to save.

We are already experiencing booking trends that lead us to believe a 12% bed tax would be detrimental; Where companies once booked 6 rooms for a 6-man crew, they're now booking 3 rooms and requiring their employees to room together to save. That project that brought them here in the first place? They're doing everything they can to get it done before the deadline to leave early - *to save*.

It's peak season for us. We've asked that this motion be postponed until we can pull together the data to reinforce our statements of opposition on this matter. *The proof* - that this motion would come at a detriment to hoteliers on the peninsula. *We will* do that - if you allow us the time. We will collaborate with the assembly and together we can derive a solution that's equitable and fair for all. Let's do this in the winter - together!

Please, consider the opportunity to collaborate on a better solution with us during winter months. Don't pass a 12% bed tax!

I appreciate your time and consideration,



Aspen Cares For Alaskans

Kelli Johnson

Communications Manager

P.O. Box 90244 | Anchorage, AK 99509

P: 907.394.4418 F: 907.260.7786

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Subject: FW: New Public Comment to Assembly Members

From: Kenai Peninsula Borough <webmaster@kpb.us>
Sent: Tuesday, July 9, 2024 9:14 AM
To: BoroughAssembly <Borough-Assembly@kpb.us>; Mayor's Department <MayorDepartmental@kpb.us>
Cc: G_Notify_AssemblyClerk <G_Notify_AssemblyClerk@kpb.us>
Subject: New Public Comment to Assembly Members

Your Name: Scott Adams

Your Email: [Showmethefish@yahoo.com](mailto>Showmethefish@yahoo.com)

Subject: Bed Tax

Message:

Kenai Peninsula Borough Assembly

Please let this resolution die at this moment. To bring up anything of importance during the peak summer months, when most if not all, are really busy, is wrong in my opinion.

I find it interesting that the borough claims, the general fund is declining because of losses in tax revenues due to our generous borough tax exemptions.

I feel this claim is off base, as property values have climbed, in the Homer area at an average of 15-20% in the last couple of years. Making some exemptions pretty much non existent. At the going rate, the KPB will be taxing Homesteaders/Pioneers or folks on limited income, out of their homes.

A bed tax of the very vague of up to 12%, leads one to know, the borough will take the max.

This very well might tip the scale for tourists to look for a different vacation spot. I feel any tax that is placed on one industry vs another, is wrong. As stated by many, this will be a burden on locals, that are staying on the Kenai for work or play.

The KPB states they don't have all the information needed to push this resolution thur, but if the voters approve it. They'll have a year-to see it's affect.

It would have been nice if the KPB Assembly had spent sometime on a a resolution Against Trawler Bycatch, to be put on the ballot. This is something that affects residents of the KPB, if not most of our state.

I hope the KPB Assembly lets this subject die.

Thank you for your time,
Scott Adams

Louis Forstner
IT Systems Manager
Office: (907) 714-2200

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Subject: FW: <EXTERNAL-SENDER>Letter for tonight's assembly packet ...
Attachments: AWA letter to KPB on bed tax.docx

From: Kirkawa <kirkawa@aol.com>
Sent: Tuesday, July 9, 2024 9:40 AM
To: G_Notify_AssemblyClerk <G_Notify_AssemblyClerk@kpb.us>
Cc: kirk@alaska-wildland.com; david@alaska-wildland.com
Subject: <EXTERNAL-SENDER>Letter for tonight's assembly packet ...

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Hello Assembly Clerk,
Please include the attached letter in the packet for tonight's meeting. Thank you very much, 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



Alaska Wildland Adventures

July 8, 2024

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

Dear Assembly Members,

While we appreciate the efforts the Borough and the Assembly have made to adequately fund our education system and the services needed for residents and visitors, this letter speaks against the proposed 12% bed tax. Please consider the following points:

+ It would be most responsible for you to take up this particular issue when the businesses affected are not involved in operating their essential peak season. This strategy has been repeated by the Assembly many times over the years for travel and tourism matters, and it feels like an underhanded approach to take advantage of getting an initiative swiftly pushed through while so many of us are preoccupied. My colleagues and I have much better things to do this time of year than to write letters like this in the late evening hours the night before a public meeting. Please show some consideration for the businesses ***that truly are your partners for collecting so much of your sales taxes***. Let us tell our story and advocate for our cause in the off-season when we can give it our full attention.

+ We are already faced with an overly aggressive sales tax that hits visitors harder than residents. Visitors pay an uncapped, per day sales tax on activities and accommodations. This means that a visitor pays more tax for a three-night stay at most hotels than a KPB resident does when they buy a boat. Additionally, this overly complicated sales tax puts an outsized burden on business' bookkeeping staff. Why would you burden us with yet another tax? It is time to look to other sources of revenue.

+ Visitors do not vote and therefore have no voice in the matter, yet an unfair financial burden will be placed upon them at a time when inflation is already causing dramatic price increases in the hospitality industry. We should not be financially punishing visitors for their desire to explore the natural and cultural wonders of our Borough. Instead, we should be welcoming, honoring, and respecting them for their willingness to spend their

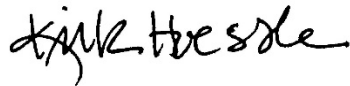
money and time in our communities. Excessive taxation without representation while avoiding increases for residents who benefit from many of these services is irresponsible and, in my view, unethical. Ultimately, we will be driving visitors away over time with this short-sighted approach. Why would we do that?

+ Any and all taxes on the visitor industry must allow a full year before they are enacted. We and other responsible companies have already established our 2025 rates and have entered into contracts with our suppliers and marketing partners for the costs and fees for our services. It is very unfair to initiate new taxes on short notice to a sector of our economy that is in a state of rebound from losses experienced from both the Swan Lake Wildfire of 2019 and the lost year of Covid of 2020.

+ A much more responsible and respectful approach would be to work with the hospitality and travel and tourism community in the off-season months to collaboratively work through fair and equitable tax structures on visitors.

Thank you for considering these points. I urge you to take no action on this initiative.

Respectfully,



Kirk Hoessle, President
Alaska Wildland Adventures Family of Companies

Kenai Riverside Lodge, Cooper Landing
Kenai Backcountry Lodge, Skilak Lake
Kenai Fjords Glacier Lodge, Aialik Bay
Kenai Fjords Sea Treks, LLC DBA Weather Permitting, Seward
Alaska Wildland Adventures, Girdwood

Subject: FW: <EXTERNAL-SENDER>Please table the Resolution 2024-029 and Substitute Resolution 2024-029 until fall season....

From: Serena Sevenser-Byerly (Kenai GM) <sbyerly@aspenhotelsak.com>

Sent: Tuesday, July 9, 2024 10:31 AM

To: Tunseth, Ryan <rtunseth@kpb.us>; Ribbens, Peter <pribbens@kpb.us>; Hibbert, Brent <bhibbert@kpb.us>; Cox, Tyson <tysoncox@kpb.us>; Elam, Bill <belam@kpb.us>; Ecklund, Cindy <CEcklund@kpb.us>; Cooper, Kelly <kcooper@kpb.us>; Tupper, Mike <MTupper@kpb.us>; Johnson, Brent <bjohnson@kpb.us>; Mayor Peter Micciche <pmicciche@kpb.us>; G_Notify_AssemblyClerk <G_Notify_AssemblyClerk@kpb.us>

Subject: <EXTERNAL-SENDER>Please table the Resolution 2024-029 and Substitute Resolution 2024-029 until fall season....

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Dear Assembly Members and Mayor
Micciche,

July 9, 2024

I want to thank you for this opportunity to let the council know how important it is not to tax people for a quick solution to budget your funding. A targeting taxation towards our hospitality industry welcoming our guests, who are not all tourists, but mostly our local Alaskan residents, corporate workers, people transitioning to Alaska, Alaskan families with kids in Sports Teams.

AK residents, visitors, and businesses revamp how they do business to cut costs. AK Residents are having to cut out expenses daily, to continue to live here. Businesses will Zoom their meetings or drive down for the day and drive back to Anchorage, to save on their costs. Businesses will double up their people in rooms with 2 beds to save on cost, putting more strain on our businesses if we can't offer them more Double queen rooms for their needs. During the summer months, our fishing guests will book their reservation for a week and then once they catch their fish, will check out earlier than planned (after 2 or 3 days) and leave us with higher volumes of check outs and not enough housekeepers to cover the quantity of check outs in a day, costing us more in payroll.

People hate being taxed, that is why we live here in Alaska right? No state tax, and affordable taxes in each borough is fair for the services we require to live in this beautiful state.

What we need is collaboration with our community and the council. I would suggest looking at all the Tax Exemption rules we have in each borough and see if we can't revise these first. In the hotel guests staying 30 days or longer, can request a flat tax and not pay the daily 6% tax for their room rate. I think it is time to take this flat tax away.

You state this in the first Whereas, 'The Kenai Peninsula Borough must raise revenue to protect the general fund which is declining because of losses in tax revenues due to our generous borough tax exemptions, to the continuing decline in state assistance to municipalities, and to the increasing reliance on borough funding for education.'

Why are we giving the short- and long-term people a break from paying the daily tax for all the water they use, garbage they make, and roads they travel? How is this fair to our local communities, losing out on the funding you could use for these services and your budgeting? A flat tax of 30.00 sure beats paying 196.20 if they are paying a 109.00 daily room charge for 30 days. Times that by 10 rooms they rent, and you have 300.00 vs 1962.00. I'm sure that 1962.00 would be appreciated by the borough for their budget.

I'm sure there are other Tax Exemption regulations that need revisited and put on the table for our community to vote if it works or if it needs revised to help the budget.

Let's not forget what happened to Seward when the Cruise tax per person was in effect. The cruise lines rerouted their destination to Anchorage, who was more than happy to take their business and not tax each person to visit their town. They lost revenue from each visitor to the shops, restaurants, and entire town. It was a lesson for all of us to learn from. Additional tax is not setting out the "Welcome Mat" to help support our towns and businesses.

We need to look at our own history and not repeat other peoples' mistakes. What might have worked and made the local people happy in 1972 in caps or tax exemptions, might not be working in 2024.

Tourism was flourishing here 40 years ago. We had King fishing that was World Famous for our local guides to make a good living from May-September. Those days are gone. We used to have the months of June, July and August booked a year in advance at all the hotels, just because of King, Red, pink (even years) and Silver Salmon Seasons. I remember when the guides tried to warn Fish & Game not to allow certain size hens to be caught. It was going to ruin their future return to the Kings, but they did not listen. That kind of ignorance we cannot afford when people are trying to manage business for our future generations.

We live on the Kenai Peninsula because of the beauty, slower pace of the big cities and community support. We really are blessed to live here, and we will fight for what is right and what is wrong, to keep this community to be the value it needs to be.

I am requesting that the Resolution 2024-029 and Substitute Resolution 2024-029 not be put on the ballot to vote on and the council schedule an open working session this fall, with our community to find a better way to tax, that is fair to all industries to help fund our government budget better.

Sincerely,



Aspen Cares For Alaskans

Serena Sevener - Byerly

General Manager - Kenai

10431 Kenai Spur Hwy | Kenai, AK 99611

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Subject: FW: <EXTERNAL-SENDER>Resolution 2024-029
Attachments: Aspen Hotels Resolution 2024-029 Please vote no.pdf

From: Carol Fraser <cfraser@aspenhotelsak.com>
Sent: Tuesday, July 9, 2024 12:03 PM
To: Tunseth, Ryan <rtunseth@kpb.us>; Ribbens, Peter <pribbens@kpb.us>; Hibbert, Brent <bhibbert@kpb.us>; Cox, Tyson <tysoncox@kpb.us>; Elam, Bill <belam@kpb.us>; Ecklund, Cindy <CEcklund@kpb.us>; Cooper, Kelly <kcooper@kpb.us>; Tupper, Mike <MTupper@kpb.us>; Johnson, Brent <bjohnson@kpb.us>
Cc: Mayor Peter Micciche <pmicciche@kpb.us>; G_Notify_AssemblyClerk <G_Notify_AssemblyClerk@kpb.us>
Subject: <EXTERNAL-SENDER>Resolution 2024-029

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Attached please find an additional letter from Aspen Hotels of Alaska requesting you to vote no on Resolution 2024-029. I am unable to attend the assembly meeting in person as July is our busiest month and I'm in Juneau supporting operations at our Juneau Aspen Hotel. I will be on Zoom and would like to provide comments if there is time.

Thank you,
Carol



Carol Fraser

Vice President

P.O. Box 90244 | Anchorage, AK 99509

P: 907.258.0006 F: 907.770.3425

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July 9, 2024

Kenai Peninsula Borough Assembly
144 N Binkley St.
Soldotna, AK 99669

Dear Mayor and Assembly Members:

We appreciate your efforts to find additional revenue sources for the Kenai Peninsula Borough but Aspen Hotels of Alaska with hotels in Homer, Soldotna and Kenai are against adding a 12% bed tax based on the following reasons:

Hotels in the Borough are already taxed unlike any other industry. We don't have a tax cap of \$500 like other industries. You are charged tax on your hotel room up until the 30th consecutive night. If we charge \$200 a night for 29 days – you pay tax on \$5,800 room. If you buy a trailer for \$5,800 – you only pay tax on the first \$500. Why ANOTHER targeted tax on the hotel industry?

The Kenai Peninsula Borough no longer has a marketing organization that promotes the Borough to visitors. Anchorage has a 12% bed tax – 4% of this tax is dedicated to marketing Anchorage – to the world. \$16 million+ a year is used for social media, online/print marketing, sales trips, convention attendance promotions and more. Their mission is to bring MORE visitors to Anchorage by using the bed tax funds – not just to tax the ones we currently have. The assembly's reasoning behind your proposed 12% is.....to quote the assembly president, "To stick it to tourists like they stick it to us when we travel". Brilliant analogy.

As we have mentioned at the last assembly meeting – without any involvement, communication, or work sessions with our industry – you have pulled a number out of the air to add additional taxes on our industry – and bring it up during the 4 months we have to make our year-round revenue. It would be more responsible of the assembly to slow this process down – host multiple work sessions in the off season where we can provide facts and figures to support a modest bed tax – or determine if one is needed at all. And if a tax is needed – how about a seasonal sales tax instead of just negatively targeting the hotel industry?

Please vote no on this initiative and represent the small businesses in the borough by meeting with us, planning thoughtfully for the future and giving us an opportunity to partner with you instead of fighting for what's right and just.

Thank you,

A handwritten signature in cursive script that reads "Carol Fraser".

Carol Fraser
Vice President

P.O. Box 90244
Anchorage, AK 99509
AspenHotelsAK.com • 907.258.0006

Subject: FW: <EXTERNAL-SENDER>Borough Meeting Tonight

From: Jamie Eastlick (Soldotna GM) <soldotnagm@aspenhotelsak.com>
Sent: Tuesday, July 9, 2024 12:41 PM
To: G_Notify_AssemblyClerk <G_Notify_AssemblyClerk@kpb.us>
Subject: <EXTERNAL-SENDER>Borough Meeting Tonight

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Good Afternoon,

I was very disappointed when I found out that the bed tax was back on the agenda for tonight. Last month many of us expressed that we would love to meet with the assembly members on the off season and find a fair solution to this. Here we are, July, the busiest month for us and it will be voted on again tonight. I am going to do my best to be at the meeting to speak on this. Unfortunately, I do have another meeting scheduled for tonight. I will be back and forth between the two. In case I miss my chance to speak. I would like to encourage you to please table this until we can all meet and find real solutions. We would love to be a part of helping the borough come up with idea.

Please show the hospitality industry some respect and meet with us. Give us a chance to have a solution-based conversation together.



Jamie Eastlick

General Manager - Soldotna
326 Binkley Cir. | Soldotna, AK 99669
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Subject: FW: <EXTERNAL-SENDER>Kenai Peninsula Borough Assembly Letter - final
Attachments: Kenai Peninsula Borough Assembly Letter - final.pdf

From: Samuels, Ralph (HAP) <rsamuels@hagroup.com>
Sent: Tuesday, July 9, 2024 1:30 PM
To: Mayor Peter Micciche <pmicciche@kpb.us>; G_Notify_AssemblyClerk <G_Notify_AssemblyClerk@kpb.us>
Cc: Smith, Tracy (HAP) <tsmith@hagroup.com>; Zadra, Steve (HAP) <szadra@hagroup.com>; Ducharme, Marc (HAP) <MDucharme@hagroup.com>
Subject: <EXTERNAL-SENDER>Kenai Peninsula Borough Assembly Letter - final

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July 9, 2024
Kenai Peninsula Borough Assembly
144 N. Binkley St.
Soldotna, AK 99669

Assembly Members and Mayor Micciche:

As the owners of the Kenai Princess Wilderness Lodge in Cooper Landing, we are writing to express our opposition to the proposed bed tax for the Borough.

We are already taxed without the \$500 cap for room nights, which is a targeted tax at one particular segment of the tourism industry.

In other bed tax discussions, the local jurisdiction usually works with hoteliers in setting policies that can both generate monies for the local government, and increase traffic to the hotel. This is a win-win.

The proposal before you does not encourage investment into new hotel properties, expansion of current hotel properties or increasing the yields for the benefit of both the local government and the hotelier.

Instead, it simply punishes hoteliers that have invested in the community with capital spending, job creation, property taxes and economic activity for other small businesses.

Please reject this proposal and vote NO on reconsideration.

Sincerely,

Ralph Samuels
VP, HAP

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July 9, 2024
Kenai Peninsula Borough Assembly
144 N. Binkley St.
Soldotna, AK 99669

Assembly Members and Mayor Micchiche:

As the owners of the Kenai Princess Wilderness Lodge in Cooper Landing, we are writing to express our opposition to the proposed bed tax for the Borough.

We are already taxed without the \$500 cap for room nights, which is a targeted tax at one particular segment of the tourism industry.

In other bed tax discussions, the local jurisdiction usually works with hoteliers in setting policies that can both generate monies for the local government, and increase traffic to the hotel. This is a win-win.

The proposal before you does not encourage investment into new hotel properties, expansion of current hotel properties or increasing the yields for the benefit of both the local government and the hotelier.

Instead, it simply punishes hoteliers that have invested in the community with capital spending, job creation, property taxes and economic activity for other small businesses.

Please reject this proposal and **vote NO** on reconsideration.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Samuels", written in a cursive style.

Ralph Samuels
VP, HAP

Subject: FW: <EXTERNAL-SENDER>Resolution 2024-029- letter to the Assembly.
Attachments: KPB Res. 2024-29 short-term accommodation- Seldovia Letter.pdf

From: Heidi Geagel <citymanager@cityofseldovia.com>
Sent: Tuesday, July 9, 2024 1:30 PM
To: G_Notify_AssemblyClerk <G_Notify_AssemblyClerk@kpb.us>
Cc: Liz Diament <cityclerk@cityofseldovia.com>
Subject: <EXTERNAL-SENDER>Resolution 2024-029- letter to the Assembly.

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Hello,

Please see the attached letter from the City of Seldovia to the KPB Assembly regarding Resolution 2024-029.

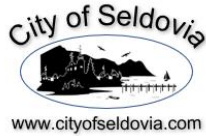
Thank you,

Heidi Geagel

City Manager
City of Seldovia
(907)234.7643 (office)
(907)234.7430 (fax)



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P.O. Box B Seldovia, Alaska 99663 Phone: (907) 234-7643 email: citymanager@cityofseldovia.com

July 9, 2024

Kenai Peninsula Borough
144 N. Binkley St.
Soldotna, AK 99669
via email: assemblyclerk@kpb.us

Dear Kenai Peninsula Borough Assembly Members,

I am writing to you on behalf of the Seldovia City Council to express concern regarding KPB Resolution 2024-029 placing an areawide question on the October ballot asking whether the Borough should levy up to a 12% tax on short-term accommodation rentals and overnight camping facilities, exempt those rentals from the general sales tax, and provide that all cities within the Kenai Peninsula Borough may exempt up to one-half of the Borough's tax on these rentals. While we recognize the potential benefits of generating additional revenue, there are several significant questions and considerations that we believe should be addressed before implementing such a measure.

Intent of Additional Funds:

- What is the overall intent of the revenue generated by this tax?
- Can the borough provide a clear breakdown of where revenue will be collected from and how funds will be utilized to support the taxed industry, as well as the overall well-being of the Kenai Peninsula Borough, its residents, and business owners?
- If revenue from the short-term accommodation rentals tax is not committed to education, what impact will this have on educational funding currently provided by the 3% general sales tax?
- Has the borough considered exploring broader tourism-based taxes to share the burden across different sectors of the tourism industry?

Impact on First Class Cities (e.g., Seldovia):

- If short-term accommodation rentals are exempted from the general sales tax, how will this impact first-class cities that rely on sales tax revenue?
- For Seldovia, which has a 6.5% summer sales tax, how will the revenue be impacted if short-term accommodations are taxed at 6% year-round without a tax cap?
- Can first-class cities, upon approval by the voter, increase their short-term accommodation tax beyond the borough's proposed tax, for instance, by an additional 0.5% to make up for the difference in existing sales tax?


Studies on Impact:

- Have studies been conducted to assess the potential impact of a short-term accommodation tax in our area, including the risk that such a tax could decrease tourism spending in our communities?
- Is there consideration of how businesses may be affected by the additional costs associated with implementing and managing this tax?
- Can the process be simplified to minimize the burden on businesses, particularly regarding professional services like CPAs and bookkeepers?

In conclusion, the Seldovia City Council urges the Kenai Peninsula Borough Assembly to carefully consider any potential impacts of this proposition and invites stakeholders—business owners, residents, and municipalities—to discuss how to devise a thoughtful and well-prepared execution of such a proposition. It is crucial that we ensure transparency, fairness, and thoughtful planning in how this tax may be implemented and utilized.

Thank you for considering our views on this matter. We look forward to your response and to further dialogue on how we can best support our community.

Respectfully,



Heidi Geagel
City Manager
City of Seldovia

Subject: FW: New Public Comment to Assembly Members

From: Kenai Peninsula Borough <webmaster@kpb.us>

Sent: Tuesday, July 9, 2024 2:54 PM

To: BoroughAssembly <Borough-Assembly@kpb.us>; Mayor's Department <MayorDepartmental@kpb.us>

Cc: G_Notify_AssemblyClerk <G_Notify_AssemblyClerk@kpb.us>

Subject: New Public Comment to Assembly Members

Your Name: Heather Merrill

Your Email: alpineinnmotel@gmail.com

Subject: 12% Bed Tax

Message:

The Alpine Inn Motel is a small, 12 room, seasonal motel. We make our earnings through the months of June-October each year. This timeframe doesn't allow much margin to remain break-even to profitable with inflation and increases in taxation. Because many of the businesses in CL are semi-remote, sole proprietor, mom & pop and seasonal, I petition that it is not prudent to burden us with an additional bed tax of 12%. Thank you in advance for voting against this proposition for our area.

Louis Forstner

IT Systems Manager

Office: (907) 714-2200

PUBLIC RECORDS LAW DISCLOSURE: This email and responses to this email may be considered a public record under the law.

Subject: FW: <EXTERNAL-SENDER>RE: Resolution 2024-029 (Proposed KPB Bed Tax) - VOTE NO

From: sleepybear@alaska.net <sleepybear@alaska.net>

Sent: Tuesday, July 9, 2024 4:46 PM

To: G_Notify_AssemblyClerk <G_Notify_AssemblyClerk@kpb.us>

Subject: <EXTERNAL-SENDER>RE: Resolution 2024-029 (Proposed KPB Bed Tax) - VOTE NO

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To all KPB Assembly Members:

My apologies, I am unable to attend tonight's meeting in person as we are smack in the middle of peak-season but will be attending virtually.

As the majority of lodging owners do, I believe a KPB bed tax is not only unnecessary, but completely the wrong platform and not a sustainable model to use for collecting additional sales tax. Without proven metrics, the members proposing this resolution are merely taking a shot in the dark.

I second Duane Bannock's comments submitted for the 9 July meeting and request "your '**No**' vote to reconsideration and allow this Resolution to die."

Thank you for your time and consideration.

Teresa Cosman
Sleepy Bear Cabins LLC
907-235-5625
866-235-5630
907-235-5626 (Fax)
sleepybear@alaska.net
sleepybearalaska.com

From: sleepybear@alaska.net <sleepybear@alaska.net>

Sent: Monday, June 17, 2024 2:30 PM

To: assemblyclerk@kpb.us

Subject: Resolution 2024-029 (Proposed KPB Bed Tax) - OPPOSE

To all KPB Assembly Members:

As a short-term lodging owner in Anchor Point, I am against a KPB bed tax, especially at the current proposed rate of up to 12%. A bed tax in Anchor Point would cause lodging owners to lose business.

- Public comment and assembly voting should be delayed until after the peak season at the earliest to allow more business owners to be made aware of / become familiar with the details of this proposal, provide feedback and attend meetings. Most of us who are currently aware of

the proposal have only had six days (some of those days are over a weekend) to read through the proposal, spread the word, and submit comments during the busiest time of year prior to the 18 June regular meeting and in preparation for the 9 July public hearing.

I agree with the below comments put forth by other lodging businesses and associations:

- The Borough needs to prove that it can collect sales tax from all short-term rentals before imposing a higher tax rate on businesses that already are complying. Those that already collect and pay will be at an even greater disadvantage against those who are not collecting and paying now and still won't at an even higher rate.
- We propose that the borough consider a lower, broader 'Tourism Tax' that would apply to multiple business categories and not levy so high a rate on lodging alone. So far there has been no interest in considering this model, even though it has been successful in other locales (e.g., [Tourism Tax | South Dakota Department of Revenue \(sd.gov\)](#)).
- Revenues from the tax do not benefit the lodging sector or broader tourism in any way. In Anchorage, 1/3 of its 12% bed tax funds the convention center, 1/3 funds tourism marketing, 1/3 is general funds. The KPB proposal does nothing to support the business sector that is generating the revenue.
- This is not a net neutral cost to local businesses. Increasing the amount of tax dollars collected increases the direct cost of credit card fees by hundreds to thousands of dollars per year, based on the number of accommodations a business has. Lodging businesses already pay more than their fair share of sales tax as we cannot apply the \$500 cap to a guest's full stay but against each day.

As events like the pandemic have proven, all areas of tourism can be and have been adversely affected economically. Relying on one area of commerce to bear the brunt of the burden for sales tax is not a sustainable model. If an additional sales tax must be imposed, a much smaller tax (i.e., 1%) which businesses and their customers, across multiple business categories, can more easily absorb would better provide the necessary tax funds to the borough while covering the ebb-and-flow of the tourism economy and having less negative impact on the profits of each individual business category.

Thank you for your time and consideration.

Teresa Cosman
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sleepybear@alaska.net
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Subject: FW: <EXTERNAL-SENDER>Subject: Urgent Opposition to Resolution 2024-029 (Bed Tax)

From: Quality Inn Kenai <gm.qualityinnkenai@gmail.com>

Sent: Thursday, July 11, 2024 2:49 PM

To: G_Notify_AssemblyClerk <G_Notify_AssemblyClerk@kpb.us>

Subject: <EXTERNAL-SENDER>Subject: Urgent Opposition to Resolution 2024-029 (Bed Tax)

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Subject: Urgent Opposition to Resolution 2024-029 (Bed Tax)

Dear Kenai Peninsula Borough Assembly Members,

I am writing to you today as the General Manager of the Quality Inn in Kenai and Best Western King Salmon in Soldotna to express my strongest opposition to Resolution 2024-029, which proposes a 12% bed tax on Kenai Peninsula hotels.

The hospitality industry in the Borough already faces a unique and unfair tax burden unlike any other industry. We are currently subject to hotel room tax with no cap on the taxable amount. Unlike other industries that benefit from a \$500 tax cap on purchases, hotels are taxed on the entirety of a guest's stay, even for extended periods exceeding 30 nights. Imposing an additional 12% bed tax on top of this existing, uncapped tax structure is simply unreasonable and punitive.

This proposed bed tax will have a significant negative impact on our industry and the tourism sector as a whole. Guests will be less likely to choose our hotels, opting for alternative lodging options or even shortening their stays to avoid the additional cost. This will not only hurt our bottom line, but also negatively affect related businesses that rely on tourism revenue, such as restaurants, attractions, and retail stores.

We, the hotel industry of the Kenai Peninsula, are committed to being a valuable partner in the Borough's economic development. Instead of resorting to an unfair and targeted tax, I urge the Assembly to consider alternative solutions. We are open to working together to explore options that ensure a fair and equitable distribution of the tax burden across all industries.

For the reasons outlined above, I implore the Assembly to **vote NO** on Resolution 2024-029. Let's work together to find a solution that benefits the entire Borough, not just target small businesses like hotels.

Thank you for your time and consideration.

Sincerely,

Melinda Leichter

General Manager

Quality Inn Kenai, 10352 Kenai Spur Hwy, Kenai, AK 99611

Best Western King Salmon, 35546 Kenai Spur Hwy, Soldotna, AK 99669

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