

From: [Donald Churchill](#)
To: [Margaret Friedenauer](#); tgregg@haines.a.us; [George Campbell](#); [Diana Lapham](#); [Mike Case](#); [Ron Jackson](#)
Cc: [Jan Hill](#); [Julie Cozzi](#); [Brad Ryan](#)
Subject: Repealing the 1% Tourism and Economic Development Tax
Date: Monday, June 06, 2016 10:15:38 PM

Dear Assembly Members,

The time has come to repeal the 1% tourism & economic development tax. The community of Haines has been very generous to the tourism industry. The tax payers have bonded and rebuilt the cruise ship dock, we paid for a 1 million dollar restroom, rebuilt sidewalks, curbs, and signage from the cruise ship dock to downtown, and on top of all that for the last 30 years we gave 1% of every dollar we spend in town specifically to one industry: tourism. While short-term incentives to help fledgling businesses succeed can be a useful economic tool at some point this tool can go from an incentive to a subsidy. And after 30 years we are well past that point.

I have heard the argument that by collecting this tax and spending this money it brings more tourists to town who in turn spend their money thereby generating more sales tax. I could make the same argument for almost any industry in town. For instance if you purchase new gill nets for every commercial fisherman in town I can guarantee the fleet would catch more fish and thereby sending more fish to Excursion Inlet's Ocean Beauty plant which in turn would pay more raw fish tax to the Borough. I could easily make the same argument for many other businesses in town but you get the point.

If in fact the tour operators and tourist related businesses in town feel that the 1% tax being collected from every person in town by the Borough and spent on their behalf is essential to the future of their businesses I have a suggestion: They can follow our lead and tax themselves. All salmon fishermen pay 3% of their gross annual income to a regional aquaculture association who in turn produces more salmon for us to catch, thereby increasing our production. With increased production more salmon is landed at Excursion Inlet which in turn means more raw fish tax for the Borough. And the only businesses taxed were fishermen not tourist related business nor any other person in town, as it should be. In the past 12 years the Borough has collected almost five and a half million dollars for the tourism industry. In FY2015 alone \$525,794 was collected from the 1% tourism and economic development tax. In the same 12 year period commercial fisherman asked for and received just \$15,000 from the Borough. As fisherman we have to ask ourselves why has the tourism industry alone been granted this special economic status above all other industries in Haines. To receive a subsidy paid for by taxpayers to benefit one private industry tourism. To be clear commercial fishing has been, is now, and will continue to be for the foreseeable future the No.1 economic driver of the Haines economy. After voluntarily taxing ourselves 3% of our gross annual income to strengthen and grow our own industry we should not then be taxed 1% of every dollar we spend in Haines to subsidize an industry we have nothing to do with and are often at odds with. What we are proposing is that the Borough assembly vote to put the 1% Tourism and Economic Development Tax on the fall ballot and let the voters decide if this is something they still support. It has been over 10 years since the voters have been given the opportunity to vote on this tax and with no sunset clause it is time to give the taxpaying voters the opportunity to let their voices be heard.

Sincerely,

Donald Churchill F/V Red Dog

From: [Donald Churchill](#)
To: [Julie Cozzi](#)
Subject: Repealing the 1% Tourism & Economic Development Tax
Date: Wednesday, June 08, 2016 9:36:43 AM

Julie, Thank you for your help and insight.

What I am trying to accomplish is to have the Borough Assembly vote to put the 1% Tourism & Economic Development tax on the fall ballot to let voters decide to either keep the 1% tax in place or to eliminate it altogether, both, the dedication and the 1% tax itself.

My hope is that this can be put before the finance committee a.s.a.p. to get the ball rolling. I realize the time restraint we are facing.

Thanks again,
Jr Churchill