

City of Homer
LEASE COMMITTEE
February 19, 2008 3:00 pm
Cowles Council Chambers
Meeting Synopsis

Session 08-02, a Meeting of the Lease Committee was called to order at 3 p.m. on February 19, 2008 by Acting Chair Otto Kilcher at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: Regina Harville, Finance Director; Beth McKibben, City Planner; Steve Dean, Port & Harbor Director; Philip Alderfer, public committee member; Otto Kilcher, Chairman Port & Harbor Advisory Commission

STAFF: Lisa Ellington, Port & Harbor Administrative Secretary; Walt Wrede, City Manager

APPROVAL OF AGENDA

ALDERFER/DEAN APPROVE AGENDA AS WRITTEN. No objections. Motion passed.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA –

Kevin Hogan stated he was glad to see item 8b on the agenda regarding Executive Session guidelines. On c and d, he was curious about the procedure. Unresponsive proposals were supposed to be rejected but the motion passed at the last meeting requested more information. He continued saying that there was a deadline so he objects to the Committee receiving information after the deadline. He wasn't sure if the Committee had received the information from his legal counsel regarding this issue.

APPROVAL OF MINUTES – Synopsis of January 21, 2008

Ms. McKibben said her title is City Planner and not Planning Director as stated in the minutes. The minutes were approved with that correction by a consensus of the Committee.

VISITORS – None

STAFF & COUNCIL REPORTS - None

PUBLIC HEARING – None

PENDING BUSINESS

a. Election of Chairman

MCKIBBEN/DEAN MOVED TO POSTPONE THE ELECTION OF CHAIRMAN UNTIL A FULL COMMITTEE IS SEATED (A REPRESENTATIVE FROM THE ECONOMIC DEVELOPMENT COMMISSION IS APPOINTED).

Motion Passed.

b. Discussion of guidelines related to use of Executive Session

DEAN/ALDERFER MOTION TO DISCUSS

Mr. Dean stated there has been no further information from the City Attorney regarding their specific questions. Mr. Wrede added that there was no new written information but he and Mr. Dean had talked to the City Attorney regarding the importance of Executive Session for the lease applicant and the City.

c. Proposal for Lot 9A Kenai River Seafoods

DEAN/ALDERFER MOTION TO DISCUSS No objection

Representatives from Kenai River Seafoods were Dan Thompson, President, Jeff Hodder, Vice President, and Sean Crosby, Secretary & Treasurer. Mr. Thompson stated that Kenai River Seafoods is currently operating out of Kenai and is made up of 5 long time commercial fisherman and an experienced processor, Sean Crosby. The company philosophy is to keep the commercially caught fish local instead of shipping overseas. They are interested in expanding their business to include halibut. Mr. Thompson explained their 2 phase building plan. Mr. Crosby estimating 20 employees operating year around except for December and January. The outfall line was also discussed.

The Committee thanked the representatives.

DEAN/ALDERFER MOTION TO FURTHER CONSIDER THE KENAI RIVER SEAFOODS PROPOSAL AT THE NEXT LEASE COMMITTEE MEETING AFTER THE WRITTEN INFORMATION HAS BEEN STUDIED. ALDERFER ADDED TO THE MOTION TO ADDITIONALLY LOOK AT ALL OUTSTANDING RFP'S AT THE NEXT LEASE COMMITTEE MEETING.

Motion passed.

Mr. Thompson asked that their financial statement be kept confidential and that Mr. Crosby should be considered their local representative if needed.

Mr. Alderfer added that the Committee should be tasked to answer Kenai River Seafoods' questions quickly. Discussion ensued regarding lot size discrepancies.

d. Proposal received for Lot 9A & 10A – Auction Block

DEAN/MCKIBBEN MOTION TO DISCUSS Motion passed.

Mr. Dean referenced the letter from Mr. Wrede before the Committee as a lay down document. It outlined the current status of lease negotiations between Harbor Leasing LLC and the City for Lot 12C. This information was requested by the Lease Committee at their last meeting. Mr. Wrede added that the same day he wrote the letter, he received a fax from a representative of Mr. Hogan that stated their interest in resuming negotiations on Lot 12.

Mr. Alderfer asked Mr. Hogan what his priorities were between the two proposals. Mr. Hogan said his preference is the 9A and 10A proposal. Mr. Hogan stated that after reading Mr. Wrede's letter he doesn't see a successful lease coming about with Lot 12C due to some major conceptual misunderstandings. Mr. Kilcher stated that his responsibility when looking at two proposals that are competing is to recommend a proposal to the City Council that will be most expeditious. He asked Mr. Hogan if the roadblocks for Lot 12C will be the same for this proposal for 9A and 10A. Mr. Hogan said they were addressed in his new proposal. When asked if he was willing at this point to discontinue the 12C negotiations, Mr. Hogan said he wants whatever route secures him a fish plant on the Spit in the fastest manner. Ms. Harville further asked about specific roadblocks. Mr. Hogan replied his roadblocks continue to be the City Code stating that the Lease Committee conducts lease negotiations and that a boilerplate lease and the phrase "all items are negotiable" are in conflict. Mr. Alderfer asked about employment numbers. Mr. Hogan answered he has 5 full time employees right now working from the first of March until mid November. Seasonally

the number can ramp up to 45 including his other locations. New employment positions at the Spit location were estimated at 8.

After thanking Mr. Hogan for his input, the Committee discussed the need for more time to look over the proposal and compare it with Mr. Wrede's letter. Mr. Alderfer stated the need for guidance from the City Attorney in discussing the proposal and confidential financial information in a public Lease Committee meeting. Mr. Kilcher agreed that the advice of the City Attorney was needed.

NEW BUSINESS - None

COMMENTS OF THE AUDIENCE – Kevin Hogan thanked the committee for giving their thoughts and deliberations, especially on what is considered public and what is not. He presented his proposal as something that would be open to public scrutiny except for his financial statements which were contained in a sealed envelope. He wanted to be sure that the Committee knew that he was serious.

COMMENTS OF THE STAFF - None

COMMENTS OF THE COUNCILMEMBER (If one is assigned) – N/A

COMMENTS OF THE CHAIR – Mr. Kilcher requested any paperwork that is confidential be labeled as such.

COMMENTS OF THE COMMITTEE –

Ms. Harville said she was feeling uncomfortable not knowing what was appropriate to talk about in the meeting and she was looking forward to getting feedback from the City Attorney.

Ms. McKibben agreed with what has been said, feedback would be helpful. Leases are kind of unique, certain things are clearly not public but it is hard to know when it is okay and when it is not.

Mr. Alderfer stated his desire to have the decisions on these proposals completed as soon as possible for the sake of all parties but until clarification is given on what can be talked about during the meetings he feels he can't do that.

Mr. Dean – No comments

ADJOURN

The Committee discussed scheduling the next Lease Committee meeting after the City Attorney has provided information regarding Executive Session.

There being no further business to come before the Committee, Acting Chair Kilcher adjourned the meeting at 4:15 p.m.



Approved: March 14, 2008