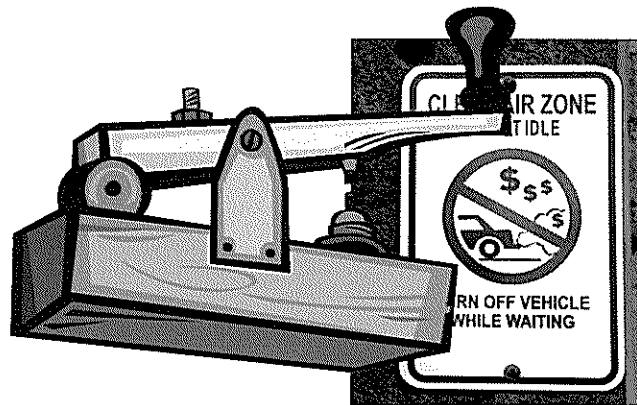


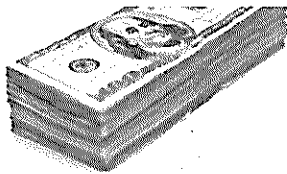
City Council
February 28, 2011
Monday



Worksession 4:00 P.M.
Committee of the Whole 5:00 P.M.
Regular Meeting 6:00 P.M.



ACCEPTED



Cowles Council Chambers
City Hall
491 E. Pioneer Avenue
Homer, Alaska



February/March 2011

- Monday 28th* CITY COUNCIL **Worksession 4:00 p.m., Committee of the Whole 5:00 p.m. and Regular Meeting 6:00 p.m.**
- NATURAL GAS DISTRIBUTION TASK FORCE
at Noon
- Tuesday 1st* TRANSPORTATION ADVISORY COMMITTEE **Special Meeting 5:30 p.m.**
- PERMANENT FUND COMMITTEE **Special Meeting at Noon.**
- Wednesday 2nd* PLANNING COMMISSION **Worksession 5:30 p.m. and Regular Meeting 7:00 p.m.**
- Thursday 3rd* CITY COUNCIL **Special Meeting 5:30 p.m.**
- Friday 4th* PARKS AND RECREATION ADVISORY COMMISSION **Worksession 5:30 p.m.**
- Monday 7th* CITY HALL RENOVATION AND EXPANSION TASK FORCE **Regular Meeting 5:00 p.m.**
- CITY COUNCIL/PLANNING COMMISSION **Joint Worksession 6:00 p.m.**
- Tuesday 8th* ECONOMIC DEVELOPMENT ADVISORY COMMISSION **Regular Meeting 6:00 p.m.**
- Thursday 10th* PUBLIC ARTS COMMITTEE **Worksession 4:00 p.m. at Baycrest Hill.**
- Monday 14th* CITY COUNCIL **Committee of the Whole 5:00 p.m. and Regular Meeting 6:00 p.m.**

Regular Meeting Schedule

- City Council 2nd and 4th Mondays 6 p.m.**
- Library Advisory Board 1st Tuesday 6 p.m.**
- Economic Development Advisory Commission 2nd Tuesday 6 p.m.**
- Parks and Recreation Advisory Commission 3rd Thursday of the months of January, March, May, June, July, August, September and November 5:30 p.m.**
- Planning Commission 1st and 3rd Wednesday 7 p.m.**
- Port and Harbor Advisory Commission 4th Wednesday 5 p.m.**
- Transportation Advisory Committee Quarterly 3rd Tuesday 5:30 p.m.**
- Public Arts Committee Quarterly 3rd Thursday 5:00 p.m.**
- Lease Committee Quarterly 2nd Thursday 3 p.m.**
- Permanent Fund Committee Quarterly 2nd Thursday 5:15 p.m.**

MAYOR AND CITY COUNCILMEMBERS AND TERMS
JAMES C. HORNADAY, MAYOR – 12
KEVIN HOGAN, COUNCILMEMBER – 12

BARBARA HOWARD, COUNCILMEMBER – 11
DAVID LEWIS, COUNCILMEMBER – 11
FRANCIE ROBERTS, COUNCILMEMBER – 12
MARY E. (BETH) WYTHER, COUNCILMEMBER – 13
BRYAN ZAK, COUNCILMEMBER – 13
City Manager, Walt Wrede
City Attorney, Thomas Klinkner

<http://www.cityofhomer-ak.gov/cityclerk> home page access, Clerk's email address is:
clerk@ci.homer.ak.us Clerk's office phone number: direct line 235-3130, other
number 435-3106.

HOMER CITY COUNCIL/WORKSESSION
491 E. PIONEER AVENUE
HOMER, ALASKA

FEBRUARY 28, 2011
MONDAY, AT 4:00 P.M.
COWLES COUNCIL CHAMBERS

**MEETING NOTICE
WORKSESSION AGENDA**

1. CALL TO ORDER, 4:00 P.M.

Councilmember Hogan has requested excusal.

2. AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)

3. Resolution 11-007, A Resolution of the City Council of Homer, Alaska, Approving and Adopting the Comprehensive Economic Development Strategy (CEDS) and Forwarding the CEDS to the Homer Advisory Planning Commission for a Recommendation on Whether it Should be Adopted as Part of the Homer Comprehensive Plan. Economic Development Advisory Commission. Page 169

Resolution 11-007(S), A Resolution of the City Council of Homer, Alaska, Approving and Adopting the Comprehensive Economic Development Strategy (CEDS) and Forwarding the CEDS to the Homer Advisory Planning Commission for a Recommendation on Whether it Should be Adopted as Part of the Homer Comprehensive Plan. Economic Development Advisory Commission. Page 171

Memorandum 11-005 from Economic Development Advisory Commission as backup. Page 173

4. COMMENTS OF THE AUDIENCE

5. ADJOURNMENT NO LATER THAN 4:50 P.M. NEXT REGULAR MEETING IS SCHEDULED FOR MONDAY, MARCH 14, 2011 AT 6:00 P.M. THE NEXT COMMITTEE OF THE WHOLE IS SCHEDULED FOR MONDAY, MARCH 14, 2011 AT 5:00 P.M. A SPECIAL MEETING IS SCHEDULED FOR THURSDAY, MARCH 3, 2011 AT 5:30 P.M. AND A JOINT WORKSESSION FOR MONDAY, MARCH 7, 2011 AT 6:00 P.M. All meetings scheduled to be held in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Worksession

February 28, 2011

Please refer to Resolutions 11-007 and 11-007(S) in
the packet – Pending Business Page 169

HOMER CITY COUNCIL/COMMITTEE OF THE WHOLE
491 E. PIONEER AVENUE
HOMER, ALASKA

FEBRUARY 28, 2011
MONDAY, AT 5:00 P.M.
COWLES COUNCIL CHAMBERS

**MEETING NOTICE
COMMITTEE OF THE WHOLE AGENDA**

1. CALL TO ORDER, 5:00 P.M.

Councilmember Hogan has requested excusal.

2. AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)

3. REGULAR MEETING AGENDA

4. COMMENTS OF THE AUDIENCE

5. ADJOURNMENT NO LATER THAN 5:50 P.M. NEXT REGULAR MEETING IS SCHEDULED FOR MONDAY, MARCH 14, 2011 AT 6:00 P.M. THE NEXT COMMITTEE OF THE WHOLE IS SCHEDULED FOR MONDAY, MARCH 14, 2011 AT 5:00 P.M. A SPECIAL MEETING IS SCHEDULED FOR THURSDAY, MARCH 3, 2011 AT 5:30 P.M. AND A JOINT WORKSESSION FOR MONDAY, MARCH 7, 2011 AT 6:00 P.M. All meetings scheduled to be held in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

CALL TO ORDER
PLEDGE OF ALLEGIANCE
AGENDA APPROVAL

HOMER CITY COUNCIL
491 E. PIONEER AVENUE
HOMER, ALASKA

FEBRUARY 28, 2011
MONDAY, AT 6:00 P.M.
COWLES COUNCIL CHAMBERS

**MEETING NOTICE
REGULAR MEETING AGENDA**

Worksession 4:00 p.m. and Committee of the Whole 5:00 p.m. in Homer City Hall Cowles Council Chambers.

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE

Councilmember Hogan has requested excusal.

Department Heads may be called upon from time to time to participate via teleconference.

2. AGENDA APPROVAL

(Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 1.24.040.)

3. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

4. RECONSIDERATION

5. CONSENT AGENDA

(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

A. Homer City Council unapproved Special and Regular Meeting minutes of February 15, 2011. City Clerk. Recommend adoption. Page 17

B. **Memorandum 11-026**, from Deputy City Clerk, Re: Liquor License Renewal for Fat Olives. Page 37

6. VISITORS

A. Bryan Zak, Small Business Development Center, 10 minutes.

7. ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

A. **Mayor's Proclamation** – Alaskans Choose Respect Page 45

- B. Borough Report
- C. Commissions/Board Reports:
 - 1. Library Advisory Board
 - 2. Homer Advisory Planning Commission
 - 3. Economic Development Advisory Commission
 - 4. Parks and Recreation Advisory Commission
 - 5. Port and Harbor Advisory Commission

8. PUBLIC HEARING(S)

- A. **Ordinance 11-03**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.03.040, Definitions Used in Zoning Code; Homer City Code 21.12.020, Rural Residential (RR), Permitted Uses and Structures; Homer City Code 21.14.020, Urban Residential (UR), Permitted Uses and Structures; and Homer City Code 21.16.020, Residential Office (RO), Permitted Uses and Structures; and Homer City Code 21.61.060, Termination of Nonconforming Use or Structure; Regarding the Accessory Use of Storage in Residential Zoning Districts. Planning. Introduction February 15, 2011, Public Hearing and Second Reading February 28, 2011.
 - Page 51
 - Memorandum 11-017 from City Planner as backup. Page 59
- B. **Ordinance 11-04**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Legislative Grant in the Amount of \$1,457,758.20 for the Purpose of Expanding and Renovating City Hall. City Manager. Introduction February 15, 2011, Public Hearing and Second Reading February 28, 2011. Page 81
- C. **Ordinance 11-05**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Legislative Grant in the Amount of \$1,000,000 for the Purpose of Conducting Preliminary Work on Phase I of the Deep Water Dock Expansion Project to Include Scoping, Feasibility Studies, Environmental Work, and Engineering and Design. City Manager. Introduction February 15, 2011, Public Hearing and Second Reading February 28, 2011. Page 107
- D. **Ordinance 11-06**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Legislative Grant in the Amount of \$250,000 for the Purpose of Constructing Park Improvements Contained in Phase I of the Karen Hornaday Park Master Plan. City Manager. Introduction February 15, 2011, Public Hearing and Second Reading February 28, 2011. Page 115

- E. **Ordinance 11-07**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2011 Operating Budget by Appropriating \$17,000 from the Fire Department Depreciation Reserves for the Purchase and Installation of New Data Collection and Management Software. City Manager/Fire Chief. Introduction February 15, 2011, Public Hearing and Second Reading February 28, 2011. Page 123

Memorandum 11-018 from Fire Chief as backup. Page 127

- F. **Ordinance 11-08**, An Ordinance of the City Council of Homer, Alaska, Authorizing an Expenditure of \$359,800 (\$67,860 from the Water/Sewer Reserve and \$291,940 from the Homer Accelerated Roads and Trails Program (HART) for the Purpose of Completing the Design and Construction of Soundview Avenue / Woodard Creek Crossing Improvement. City Manager/Public Works Director. Introduction February 15, 2011, Public Hearing and Second Reading February 28, 2011. Page 131

Memorandum 11-022 and 10-36 from Public Works Director as backup. Page 135

9. **ORDINANCE(S)**

- A. **Ordinance 11-09**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 19.12.020, Definitions; Amending Homer City Code 19.12.040, Reference to Materials Plat—Permits; and Amending Homer City Code 19.12.050, Exceptions; Regarding the Use and Disposal of Dredge Material from City Port and Harbor Facilities. City Manager/Port and Harbor Director. Recommended dates: Introduction February 28, 2011, Public Hearing and Second Reading March 14, 2011.

Page 143

- B. **Ordinance 11-10**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2011 Operating Budget by Appropriating \$11,000 from the General Fund for the Purchase and Installation of New Data Collection and Management Software for the City Hall Servers. City Manager. Recommended dates: Introduction February 28, 2011, Public Hearing and Second Reading March 14, 2011.

Page 149

Memorandum 11-027 from Systems Manager as backup. Page 153

10. **CITY MANAGER'S REPORT**

- A. City Manager's Report Page 155

- B. Bid Report Page 165

- C. Records Inventory Report Page 167

11. **CITY ATTORNEY REPORT**

12. COMMITTEE REPORT

- A. Public Arts Committee
- B. Transportation Advisory Committee
- C. Permanent Fund Committee
- D. Lease Committee
- E. City Hall Renovation and Expansion Task Force
- F. Natural Gas Distribution Task Force

13. PENDING BUSINESS

- A. **Resolution 11-007**, A Resolution of the City Council of Homer, Alaska, Approving and Adopting the Comprehensive Economic Development Strategy (CEDS) and Forwarding the CEDS to the Homer Advisory Planning Commission for a Recommendation on Whether it Should be Adopted as Part of the Homer Comprehensive Plan. Economic Development Advisory Commission. (Postponed from January 10, 2011.)

Page 169

Resolution 11-007(S), A Resolution of the City Council of Homer, Alaska, Approving and Adopting the Comprehensive Economic Development Strategy (CEDS) and Forwarding the CEDS to the Homer Advisory Planning Commission for a Recommendation on Whether it Should be Adopted as Part of the Homer Comprehensive Plan. Economic Development Advisory Commission. Page 171

Memorandum 11-005 from Economic Development Advisory Commission as backup. Page 173

14. NEW BUSINESS

15. RESOLUTIONS

- A. **Resolution 11-022**, A Resolution of the City Council of Homer, Alaska, Expressing its Intent to Continue Including the Pratt Museum in the City Contract for Snowplowing and Sanding Services and to Provide that Service to the Museum as an “In-Kind” Contribution. City Manager. Page 231

Memorandum 11-028 from City Manager as backup. Page 233

- B. **Resolution 11-023**, A Resolution of the Homer City Council Finding the Need to Create the Kachemak Drive Phase Two Water and Sewer Local Improvement District, and Scheduling a Public Hearing on the Necessity of the Improvement and Proposed Improvement Plan at the April 11, 2011 Regular City Council Meeting. City Manager/Public Works Director. Page 235

Memorandum 11-029 from Public Works Director as backup. Page 237

- C. **Resolution 11-024**, A Resolution of the City Council of Homer, Alaska, Awarding the Contract for the Replacement and New Installation of a Card Reader Access System to the Firm of _____ of _____, _____, in the Amount of \$ _____ and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk. Page 241

16. **COMMENTS OF THE AUDIENCE**
17. **COMMENTS OF THE CITY ATTORNEY**
18. **COMMENTS OF THE CITY CLERK**
19. **COMMENTS OF THE CITY MANAGER**
20. **COMMENTS OF THE MAYOR**
21. **COMMENTS OF THE CITY COUNCIL**
22. **ADJOURNMENT/NEXT REGULAR MEETING IS SCHEDULED FOR MONDAY, MARCH 14, 2011 AT 6:00 P.M. THE NEXT COMMITTEE OF THE WHOLE IS SCHEDULED FOR MONDAY, MARCH 14, 2011 AT 5:00 P.M. A SPECIAL MEETING IS SCHEDULED FOR THURSDAY, MARCH 3, 2011 AT 5:30 P.M. AND A JOINT WORKSESSION FOR MONDAY, MARCH 7, 2011 AT 6:00 P.M.** All meetings scheduled to be held in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

**PUBLIC COMMENTS UPON MATTERS
ALREADY ON THE AGENDA**

RECONSIDERATION

CONSENT AGENDA

Session 11-06 a Special Meeting of the Homer City Council was called to order on February 15, 2011 at 4:00 p.m. by Mayor James C. Hornaday at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS: HOGAN (telephonic), HOWARD, LEWIS (arrived at 4:34 p.m.), ROBERTS, WYTHE, ZAK (telephonic)

STAFF: CITY CLERK JOHNSON
CITY MANAGER WREDE
CITY ATTORNEY KLINKNER
CITY PLANNER ABOUD
FIRE CHIEF PAINTER
POLICE CHIEF ROBL
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER

Councilmember Zak has requested telephonic participation.

Councilmember Hogan has requested telephonic participation, or excused absence if telephonic is not possible.

Mayor Hornaday ruled Councilmembers Zak and Hogan may participate by telephone. There was no objection from the Council.

AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)

The agenda was approved by consensus of the Council.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

There were no public comments.

NEW BUSINESS

A. Lobbyists, Linda Anderson and Yuri Morgan, Anderson Group, LLC

Linda Anderson reported after a spectacular flight to Homer they spent time looking at the capital projects and getting the history about how things evolved. They attended the luncheon at the Chamber and are excited to be working with Homer. The job is to be honest with the City and if it is not in the cards they will tell us. They will guide the City through the legislative process.

An overview of the session:

- The session is in the first 30 days of the 90-day session; more Legislators want to extend the session
- Legislature and Governor relationship is key to how the session will go
- Healthy amount of competition and wrangling over the budget
- Operating budget will start closing out by next week; subcommittees will start closing out their individual budgets
- Full House will close by first week of March
- Hearings any day now on the capital budget
- Have a month to zero in and get success for Homer
- Lobbyists entered all City projects into a system and received reports from various offices that is done
- Next month will be intense as to strategy and work to make sure Legislators prioritize their projects and include in Senate version before passing to the House
- Mayor/Council have been receiving reports Homer will likely be affected by bills shown, including fish bills

Current Bills:

- No movement on Senate Bill 25 AIDEA for the Suisitna Dam Project
- House Bill 119 introduced by the Governor to expand AIDEA's ability to participate in projects including power and economic development; can zero in and identify if could work for Homer or make it work for Homer with necessary changes
- Future Maritime Academy in Homer (first the Lobbyists had heard of it and will get the resolution to bring them up to speed)
- House Bill 30 & 31 State of Alaska does not have a mechanism to fund road projects directly; STIP can only do so much. There are efforts to create an endowment and fund projects based on the allocation system around the state
- Property tax exemptions allowed for certain groups
- Homer has land powers – House Bill 52 pertains to conveyance of land from the State to municipalities with liability issues
- House Bill 103 AIDEA Suisitna Dam, not a vehicle for Homer's distribution or energy project
- House Bill 123 Clean Water Fund will allow private individuals or groups to have access to loan funds; originated in Homer
- House Bill 130 Fire Chiefs concerned single and multi family not required to have sprinklers; there is an idea that can work for both
- Senate Bill 24, sport fishing guides, there are proposals to require individuals to be licensed and experienced
- Senate Bill 65 companion to HB 119 AIDEA energy projects, introduced in both House and Senate
- Senate Bill 42 Suisitna Dam Project
- Over 350 Bills and Resolutions introduced to date
- Senate Bill 57 will increase the senior tax exemption; Legislature passes the exemption and does not pay for them

When the decision was made to fund a lobbyist it was the intent to capture the raw fish tax. Lobbyists have engaged with Representative Seaton and staff who are working on legislation to advance it. They are taking a different approach in the hope it will garner more support of the communities. It could cost the State a bit more, but will keep the communities whole. From previous politics when distributing funds there are winners and losers. They are encouraged about Representative Seaton's work and a compromise. The first proposal was that the State gets 50% with the other 50% to the communities and money would be taken from Unalaska. The new proposal raises community's shares up to 75%. There are also changes in the definitions in the works. In concept, the new proposal has more potential for success.

It is most efficient for the lobbyists to have one point of contact when they need a quick reaction. They will work political strategies out with the City Manager.

The main topic at the Chamber luncheon was the gas line. The Lt. Governor made a comment it needed to be sweetened up with a loan by the City. Discussion ensued on the benefits of moving the gas line up on the CIP list. While in Juneau, Mayor Hornaday went to meetings and saw Senator Wagoner and Representative Chenault. City Manager Wrede and Councilmember Zak met with Representative Seaton and Senator Stevens and talked about the importance of natural gas to the whole Southern Peninsula.

The Natural Gas Distribution Task Force has come up with priorities for the gas line and will be reviewing a resolution to bring to Council.

Lobbyist Linda Anderson noted the difference this year on the gas line is Borough and school district support. There is a need to put a strong grassroots support effort behind it and make the pitch to the Governor. Legislators need to be given comfort there will not be as much risk. We need to communicate it is a priority for the Southern Peninsula, not just Homer. The Legislature nor the Governor knows what a priority it is to the region.

City Manager expressed concern with putting all the eggs in one basket. The gas line is a \$10M project, a lot for Homer, and there is no guarantee the Governor will not veto it. He thought the City had a good chance on the cruise ship projects.

Assemblyman Bill Smith is working on a list of State and City buildings that could benefit from natural gas and the savings to schools and the hospitals. Some business owners plan to write letters. At \$17.90 per foot with a 2-inch line it makes economic sense to run the line down the Spit for savings to businesses. The skin of the gas line project could be the savings the State will receive in one year period.

COMMENTS OF THE AUDIENCE

There were no comments of the audience.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner had no comment.

COMMENTS OF THE CITY CLERK

City Clerk Johnson had no comment.

COMMENTS OF THE CITY MANAGER

City Manager Wrede had no comment.

COMMENTS OF THE MAYOR

Mayor Hornaday had no comment.

COMMENTS OF THE CITY COUNCIL

Councilmembers Hogan, Howard, Lewis, Roberts, Wythe, and Zak had no comment.

ADJOURNMENT

There being no further business to come before the Council, Mayor Hornaday adjourned the meeting at 4:56 p.m. The next Regular Meeting is scheduled for Monday, February 28, 2011 at 6:00 p.m. The next Committee of the Whole is scheduled for Monday, February 28, 2011 at 5:00 p.m. A Worksession is scheduled for Monday, February 28, 2011 at 4:00 p.m. All meetings scheduled to be held in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

JO JOHNSON, CMC, CITY CLERK

Approved: _____

Session 11-07: a Regular Meeting of the Homer City Council was called to order on February 15, 2011 at 6:00 p.m. by Mayor James C. Hornaday at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS: HOGAN (telephonic), HOWARD, LEWIS,
ROBERTS, WYTHE

ABSENT: ZAK (excused)

STAFF: CITY CLERK JOHNSON
CITY MANAGER WREDE
CITY ATTORNEY KLINKNER
CITY PLANNER ABOUD
FIRE CHIEF PAINTER
POLICE CHIEF ROBL
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER

Councilmember Zak has requested excusal.

Mayor Hornaday declared Councilmember Zak's absence as excused. There was no objection from the Council.

Councilmember Hogan has requested telephonic participation, or excused absence if telephonic is not possible.

Mayor Hornaday called for a motion to approve telephonic participation for Councilmember Hogan.

WYTHE/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Department Heads may be called upon from time to time to participate via teleconference.

Council met for a Special Meeting from 4:00 p.m. to 4:56 p.m. to hear from Lobbyists of the Anderson Group. Council met as a Committee of the Whole from 5:02 p.m. to 5:37 p.m. to discuss Regular Meeting Agenda items.

AGENDA APPROVAL

(Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 1.24.040.)

The agenda was amended to add: CITY MANAGER'S REPORT - Memorandum from Public Works Director, re: Projects at Public Works; RESOLUTIONS - Item G. Title amended: Resolution 11-021, A Resolution of the City Council of Homer, Alaska, in Support of the Homer Coordinated Transportation Program. Roberts. VISITORS - Lobbyists – Legislative Bill Report; ANNOUNCEMENTS/PRESENTATIONS - Mayor Hornaday's Report of AML Winter Legislative Session; RESOLUTIONS - Resolution 11-017, Main Street Intersection Improvements, public comments; Resolution 11-020, Capital Improvement Plan and Capital Project Legislative Priorities Amendments 02/10/11; and Resolution 11-021, Homer Coordinated Transportation Program, public comments.

The agenda as amended was approved by the Council.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Micheal Neece, Homer resident and EDC member, voiced support for Resolution 11-021 as it will provide a transportation program for Homer. In the future it will service Anchor Point and McNeil Canyon.

Kim Burrows, city resident, supports Resolution 11-021. The transportation program will incorporate two taxi companies for the rides. Busses are not warranted at this time. More information on the transportation program can be viewed at: <http://lscs.com/projects/kenai/centralfinal.htm>

Chris Fischer, city resident and owner of Kachecab Taxi Service, commented people can ride anywhere on the map for \$3 and the Feds will pay the rest. A grant is in the works to provide wheelchair accessible vans, as there are currently none on weekends or evenings.

Josh Cooper, Homer resident and owner of Kostas Taxi, ask for Council support to make transportation available to the public.

Laurie Deakins, Homer resident, supports Resolution 11-021. People that are wheelchair bound can be served on weekends and evenings.

RECONSIDERATION

None.

CONSENT AGENDA

(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- A. Homer City Council unapproved Special Meeting minutes of January 4, 2011 and Regular Meeting minutes of January 24, 2011. City Clerk. Recommend adoption.

Mayor Hornaday called for a motion for the approval of the recommendations of the consent agenda as read.

LEWIS/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

- A. **Linda Anderson & Yuri Morgan, Anderson Group, LLC – Lobbyists**

Linda Anderson and Yuri Morgan, lobbyists for the City, toured the harbor while in Homer and met with Council at the preceding special meeting. They are looking forward to strategies for the City. Allocation of the City of Homer's revenue sharing from the \$60M pot is derived from a tax on oil and gas production. It is a hot topic in Juneau with lots of discussion of what is the correct severance tax rate. Reducing it could reduce monies to municipalities. As to the retirement system, there is reference to a termination study. In 2008 the retirement system changed. The State recognized State and member employers were operating as a consolidated cost sharing system. The accounting and the way the funds were managed was operated by the State. Each employer had their own silo with employees contributing and the State or municipality matching. The money got mixed up, and was settled a few years ago with the exception that has to do with the termination tax. If a position were terminated it would trigger a termination study from the State and could create a liability for the retirement benefit for that position. The Alaska Municipal League has prioritized it.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

- A. Borough Report
- B. Commissions/Board Reports:
1. Library Advisory Board

Eileen Faulkner, Chair of the Library Advisory Board, reported the Board would like to change their meeting times to 5:00 p.m. They have completed review of their policies and procedures in the library. The review was done due to exhaustive changes with outdated technology. The LAB wishes to thank the City IT staff and library staff for the major outage in January. IT staff did a great job, and learned a few things. Ms. Faulkner thanked the public for supporting the library

and understanding it was not our fault.

2. Homer Advisory Planning Commission
3. Economic Development Advisory Commission
4. Parks and Recreation Advisory Commission
5. Port and Harbor Advisory Commission

C. International Pacific Halibut Commission Report (Councilmember Hogan)

Councilmember Hogan reported on the IPHC conference he attended in Victoria, B.C. Homer's bid for the 2012 meeting was rejected and Anchorage was chosen instead. Significant cuts in the fish quota are expected and a job tag program for non-commercial fish. The job tags will require removal before the fish go into the grinders.

D. Alaska Scenic Byways

City Clerk Johnson stated Peggy asked for a resolution of support and it was determined Council should see the information. Through the Chamber of Commerce citizens of Seldovia were working on the designation that would benefit both Seldovia and Homer.

E. Mayor Hornaday's Report of AML Winter Legislative Session

PUBLIC HEARING(S)

A **Ordinance 11-01**, An Ordinance of the City Council of Homer, Alaska, Enacting Homer City Code Chapter 8.02, Business Licenses, Regarding the Requirement of a License to Engage in Business in the City; and Enacting Homer Code 9.16.015, Determining when a Sale, Rental or Service Occurs in the City. Hogan. Introduction January 10, 2011, Public Hearings January 24 and February 15, 2011 and Second Reading February 15, 2011.

Ordinance 11-01(S), An Ordinance of the City Council of Homer, Alaska, Enacting Homer City Code Chapter 8.02, Business Licenses, Regarding the Requirement of a License to Engage in Business in the City; and Enacting Homer Code 9.16.015, Determining when a Sale, Rental or Service Occurs in the City. Hogan.

Mayor Hornaday called for a motion to substitute Ordinance 11-01(S) for Ordinance 11-01.

WYTHE/ROBERTS - SO MOVED.

Mayor Hornaday opened the public hearing. In the absence of public testimony, Mayor Hornaday closed the public hearing.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-01(S) by reading of title only for second and final reading.

HOGAN - SO MOVED.

Motion died for lack of a second.

ORDINANCE(S)

- A. **Ordinance 11-03**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.03.040, Definitions Used in Zoning Code; Homer City Code 21.12.020, Rural Residential (RR), Permitted Uses and Structures; Homer City Code 21.14.020, Urban Residential (UR), Permitted Uses and Structures; and Homer City Code 21.16.020, Residential Office (RO), Permitted Uses and Structures; and Homer City Code 21.61.060, Termination of Nonconforming Use or Structure; Regarding the Accessory Use of Storage in Residential Zoning Districts. Planning. Recommended dates: Introduction February 15, 2011, Public Hearing and Second Reading February 28, 2011.

Memorandum 11-017 from City Planner as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-03 for introduction and first reading by reading of title only.

ROBERTS/WYTHE - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 11-04**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Legislative Grant in the Amount of \$1,457,758.20 for the Purpose of Expanding and Renovating City Hall. City Manager. Recommended dates: Introduction February 15, 2011, Public Hearing and Second Reading February 28, 2011.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-04 for introduction and first reading by reading of title only.

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Ordinance 11-05**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Legislative Grant in the Amount of \$1,000,000 for the Purpose of Conducting Preliminary Work on Phase I of the Deep Water Dock Expansion Project to Include Scoping, Feasibility Studies, Environmental Work, and Engineering and Design. City Manager. Recommended dates: Introduction February 15, 2011, Public Hearing and Second Reading February 28, 2011.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-05 for introduction and first reading by reading of title only.

WYTHE/LEWIS - SO MOVED.

City Clerk Johnson noted a typographical correction of the dollar amount to \$1M.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Ordinance 11-06**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Legislative Grant in the Amount of \$250,000 for the Purpose of Constructing Park Improvements Contained in Phase I of the Karen Hornaday Park Master Plan. City Manager. Recommended dates: Introduction February 15, 2011, Public Hearing and Second Reading February 28, 2011.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-06 for introduction and first reading by reading of title only.

WYTHE/LEWIS - SO MOVED.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- E. **Ordinance 11-07**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2011 Operating Budget by Appropriating \$17,000 from the Fire Department Depreciation Reserves for the Purchase and Installation of New Data Collection and Management Software. City Manager/Fire Chief. Recommended dates: Introduction February 15, 2011, Public Hearing and Second Reading February 28, 2011.

Memorandum 11-018 from Fire Chief as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-07 for introduction and first reading by reading of title only.

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT:

Motion carried.

- F. **Ordinance 11-08**, An Ordinance of the City Council of Homer, Alaska, Authorizing an Expenditure of \$359,800 (\$67,860 from the Water/Sewer Reserve and \$291,940 from the Homer Accelerated Roads and Trails Program (HART) for the Purpose of Completing the Design and Construction of Soundview Avenue / Woodard Creek Crossing Improvement. City Manager/Public Works Director. Recommended dates: Introduction February 15, 2011, Public Hearing and Second Reading February 28, 2011.

Memorandum 11-022 and 10-36 from Public Works Director as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-08 for introduction and first reading by reading of title only.

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

CITY MANAGER'S REPORT

A. City Manager's Report

1. Memorandum 11-025 from Community Recreation Coordinator, Re: Old Intermediate School.
2. Memorandum from Public Works Director, re: Projects at Public Works

B. Bid Report

C. Games Report

1. Kachemak Bay Equestrian Association, Inc.

City Manager Wrede announced the dedication ceremony as Thursday, February 17th at 5:00 p.m. for the new display at the airport. The display is collaboration between the City, State Parks, Fish and Wildlife Service, and the National Parks. It was spearheaded by the Public Arts

Committee. The first discussion on water/sewer rates will be held at Council's first meeting in April. Reference was made to Community Recreation Coordinator Mike Illg's memorandum on the Community Recreation program's interest in utilizing Old Intermediate School. An RFP, as recommended by the EDC, will be issued soon. Attorney Klinkner has offered suggestions on the City's role as a landlord. We are waiting for an appraisal to get the fair commercial rental rates. We are starting to feel a squeeze from the school district. The new contract does not allow for new programs giving reason to believe it will be difficult for a new 2-year agreement. Proposals for the Boys and Girls Club and Community Recreation within the building would be good.

Public Works Director Carey Meyer's list of projects was questioned and discussed. The Seawall appeared on the list and Mr. Meyer was asked to explain why. Mr. Meyer stated although there is not active Seawall project, the permit that allows the wall to be there is in the City's name. Property owners are working with the Legislature and he expects the City will be asked to facilitate discussion with Legislators. The City is still the owner of the Seawall from a Corps permit with responsibility to keep an eye on it. The solution to the Seawall project is \$2M to provide riprap protection. There is no funding available and no permit to do it. Property owners, regulatory agencies, and legislative representatives have looked at it in the next step of solving the Seawall. Mr. Meyer realizes the City Council has directed that Public Works not be involved. The City is still the environmental permit holder of the wall.

Councilmember Wythe requested the Seawall be stricken to never be seen again unless Council requests. Having it on the list implies something much more substantial.

Councilmember Lewis questioned if the community schools were to be there for the youths of the community. City Manager Wrede stated the KPBSD who has their own budget issues. Last budget we were asked to pay \$6,000 per year for use of the facilities and it may be more this year. Councilmember Wythe added at the cost of the maintaining the West Campus for Community Schools we could afford to use the KPBSD for a longer time. The objective of looking for a lease of the Old Intermediate School is to encourage economic development and offset the costs the city is paying for maintenance of building. Councilmember Roberts commented Mr. Illg's memo had pertinent points such as expanding community recreation into daytime hours. It would be optimal if we could find all three components; we need to think about how to incorporate some of the ideas. City Manager Wrede added if Community Schools could manage the building and manage the leases, could they raise enough money to pay the utilities and maintenance? If Council does not find an option in the RFP, as a fall back position it may work for Community Schools to take the whole building over and lease it out. At this point it is not clear who the possible lessees might be, some non profits expressed interest in renting small pieces of space in the building.

CITY ATTORNEY REPORT

Attorney Klinkner noted his report was in the supplemental packet.

COMMITTEE REPORT

A. Public Arts Committee

- B. Transportation Advisory Committee
- C. Permanent Fund Committee
- D. Lease Committee
- E. City Hall Renovation and Expansion Task Force
- F. Natural Gas Distribution Task Force

PENDING BUSINESS

- A. **Ordinance 11-02(S)**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2011 Operating Budget by Authorizing the Transfer of \$184,700 \$131,335 from the Harbor Reserve and \$173,000 \$172,932 from the Water/Sewer Reserve to the Energy Revolving Loan Fund and Establishing a Budget for the Implementation of Energy Conservation Measures in the Amount of \$900,500 \$847,067. (Postponed from January 24, 2011.)

Memorandums 11-021 and 11-007(S) from Public Works Director as backup.

Motion on the floor from January 24, 2011: MOTION FOR THE ADOPTION OF ORDINANCE 11-02(S) BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

WYTHE/ROBERTS – MOVED TO AMEND THE TITLE AND CARRY OVER TO THE THEREFORE BE IT RESOLVED SECTION NUMBER ONE AND THAT WOULD BE TO AMEND TO READ: AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING THE FY 2011 OPERATING BUDGET BY ALLOCATING FUNDS OF \$131,335 FROM THE HARBOR RESERVE AND \$172,932 FROM THE WATER/SEWER RESERVE TO ESTABLISH A BUDGET FOR THE IMPLEMENTATION OF THE ENERGY CONSERVATION MEASURES IN THE RESPECTIVE LOCATIONS AND REQUIRE THAT THE SAVINGS FROM THESE LOCATION IMPROVEMENTS WOULD BE RETURNED TO THE RESERVE FUNDS.

Councilmember Wythe explained the difference between transferring the money into the Energy Revolving Fund and allocating funds to pay for the improvements is that if you move the money to the revolving fund the energy savings are going back into the revolving fund. Reserve funds for the two enterprises are not going to be reimbursed. The funds can be used for improvements within the departments and let the savings flow back to them instead of enhancing the Energy Revolving Fund.

Attorney Klinkner advised the word “allocate” may not be sufficient to authorize expenditure to the fund. The word “appropriate” was suggested.

WYTHE/ROBERTS – MOVED FOR A FRIENDLY AMENDMENT TO CHANGE
“ALLOCATE” TO “APPROPRIATE.”

There was no discussion.

VOTE: (friendly amendment) YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VOTE: (amendment) YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Asked by Councilmember Hogan if the list was reduced would the AEA grant be less, City Manager Wrede answered it is a flat grant for a certain amount of money. There is no guarantee the improvements will perform as advertised.

VOTE: (main motion as amended) YES. ROBERTS, WYTHE, HOWARD, LEWIS
VOTE: NO. HOGAN.

Motion carried.

- B. **Resolution 11-009**, A Resolution of the City Council of Homer, Alaska, Approving a Contract with Siemens Industry, Inc. for the Implementation of Energy Conservation Measures in the Amount of \$795,191 and Authorizing the City Manager to Execute the Appropriate Documents to Complete Recommended Improvements. City Manager/Public Works Director. (Postponed from January 24, 2011.)

Motion on the floor from January 24, 2011: MOTION FOR THE ADOPTION OF RESOLUTION 11-009 BY READING OF TITLE ONLY.

Public Works Director Meyer reported part of the difference between the budget and the contract is a contingency amount and \$26,000 that we have contracted with Siemens to complete the energy audit report. Energy costs are based on last year's costs.

VOTE: YES. LEWIS, ROBERTS, WYTHE, HOWARD
VOTE: NO. HOGAN

Motion carried.

NEW BUSINESS

- A. **Memorandum 11-019**, from City Clerk, Re: Travel Authorization for Councilmember Hogan to Travel to Washington, D.C. on a Lobbying Trip for the City of Homer February 16 – 18, 2011.

Councilmember Hogan pulled the memorandum.

RESOLUTIONS

- A. **Resolution 11-015**, A Resolution of the City Council of Homer, Alaska, Approving a New Ten Year Lease with Two Five Year Options for Homer Spit Campground, Finding that it is in the Public Interest to do so Without a Competitive Bidding Process, and Authorizing the City Manager to Negotiate and Execute the Lease. City Manager.

Memorandum 11-024 from Lease Committee as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 11-015 by reading of title only.

ROBERTS/WYTHER - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Resolution 11-016**, A Resolution of the City Council of Homer, Alaska, Approving City Participation in the Kenai Peninsula Borough Office of Emergency Management Computer Aided Dispatch Project to Step Six as Described in the White Paper Distributed by the Borough and in its January 24, 2011 Presentation to the City Council. City Manager/Police Chief

Memorandum 11-013 from Police Chief as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 11-016 by reading of title only.

WYTHER/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Resolution 11-017**, A Resolution of the City Council of Homer, Alaska Requesting that the State Department of Transportation and Public Facilities Add the Proposed Main Street / Sterling Highway Intersection Improvements Project to the Statewide Transportation Improvement Program (STIP), Expand the Project to Include Bringing Main Street Up to Urban Road Standards and Adding Traffic Control

Improvements at Main Street and Pioneer Avenue, and Stipulating that in Return, the City Will Commit \$2 Million it Received from a Legislative Grant for the Project as a Match and Assume Responsibility for Ownership and Maintenance of Main Street. City Manager.

Memorandum 11-023 from City Manager as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 11-017 by reading of title only.

Resolution failed for lack of a motion.

D. **Resolution 11-018**, A Resolution of the City Council of Homer, Alaska, Amending Resolution 10-57(A) Creating the City Hall Renovation and Expansion Task Force by Extending the Life of the Task Force to the Point that Construction Begins. City Manager/City Hall Renovation & Expansion Task Force.

Memorandum 11-020 from City Hall Renovation and Expansion Task Force as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 11-018 by reading of title only.

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

E. **Resolution 11-019**, A Resolution of the City Council of Homer, Alaska, Expressing Support for the Pratt Museum's Senate Appropriation Request in the Amount of \$1,500,000 for Construction of its New Facility and Site Redesign Project. Wythe.

Mayor Hornaday called for a motion for the adoption of Resolution 11-019 by reading of title only.

WYTHE/HOWARD - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

F. **Resolution 11-020**, A Resolution of the City Council of Homer, Alaska, Amending

Resolution 10-78(A) Adopting the 2011-2016 Capital Improvement Plan and Establishing Capital Project Legislative Priorities for Fiscal Year 2012 by Deleting Kachemak Bay Tidal Power Feasibility and Conceptual Design from the "Top 15" Priorities List for 2012 and Replacing Deep Water Dock Uplands Improvements on the "Top 15" List with a New Project Entitled Deep Water/Cruise Ship Dock; Docking and Upland Passenger Facility Improvements. City Manager.

Mayor Hornaday called for a motion for the adoption of Resolution 11-020 by reading of title only.

WYTHE/ROBERTS - SO MOVED.

ROBERTS/LEWIS – MOVED TO AMEND THE LIST OF OUR "TOP 15" LEGISLATIVE PROJECTS AND TO MOVE ITEM #6 NATURAL GAS PIPELINE TO #2 AND MOVE EVERYTHING DOWN.

Councilmember Wythe commented the project could be transferred to a borough project since they have placed it higher on their priority list. The gas line will be good service for Homer, but more for the extended areas. She would hate to see us place it higher than things the City of Homer needs more.

Councilmember Roberts looks at the economic development in the area that would benefit from the gas line. Schools, businesses, and federal buildings are along the main trunk line. It is an important project for Homer and the surrounding areas and should be moved higher on the legislative list to indicate to the Legislature that we value the project.

VOTE: (amendment) YES. HOGAN, LEWIS, ROBERTS, WYTHE, HOWARD

Motion carried.

Councilmember Hogan expressed concern turning the Deep Water Dock into a cruise ship facility, even though there are funds available.

VOTE; (main motion as amended) YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

G. **Resolution 11-021**, A Resolution of the City Council of Homer, Alaska, in Support of the Homer Coordinated Transportation Program. Roberts.

Mayor Hornaday called for a motion for the adoption of Resolution 11-019 by reading of title

only.

ROBERTS/HOWARD - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

John Chapple, city resident, commented the Chapple family is looking forward to working with the City of Homer for another 20 years.

Ginger Tornes, city resident, supports Resolution 11-017 and a roundabout for the Main Street/Bypass intersection. A roundabout is less maintenance and less accidents. In Sitka the public was first opposed and then totally accepted their roundabout.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner had no comment.

COMMENTS OF THE CITY CLERK

City Clerk Johnson had no comment.

COMMENTS OF THE CITY MANAGER

City Manager Wrede had no comment.

COMMENTS OF THE MAYOR

Mayor Hornaday had no comment.

COMMENTS OF THE CITY COUNCIL

Councilmember Wythe commented on a roundabout versus a lighted signal at the Main Street/Sterling Highway intersection. The cost estimate for a roundabout and improvements on Main Street is about \$5M and a lighted signal is less than \$2M. For a roundabout it would be 2018 or 2019 before DOT could take action. We cannot wait 20 years to make it a safer intersection.

Councilmember Hogan thanked the people involving CARTS as they are moving forward with a good transportation plan. They have been doing a lot of good work and we will reap the benefits.

Councilmember Howard commented on the change in the Monday schedule. Folks have asked why the meeting is not on the radio and they didn't know we changed the schedule. The Borough pays for radio time and we were pre-empted for them to take precedence. She asked that the Council meeting not be rescheduled from Valentine's Day again. The City Manager did a fine job today at the Chamber of Commerce luncheon explaining capital improvement projects. It is complex, complicated, discouraging, and exciting. As to telephonic attendance, she misses Kevin and hopes he is not on the telephone too many more times. Mrs. Howard commented on the generosity of employees to share their leave time with those in need as an outstanding statement of the family unit that runs this City in fine shape. She asked if the scenic bypass matter will come back to Council.

Councilmembers Lewis and Roberts had no comment.

ADJOURNMENT

There being no further business to come before the Council, Mayor Hornaday adjourned the meeting at 7:13 p.m. The next Regular Meeting is scheduled for Monday, February 28, 2011 at 6:00 p.m. The next Committee of the Whole is scheduled for Monday, February 28, 2011 at 5:00 p.m. A Worksession is scheduled for Monday, February 28, 2011 at 4:00 p.m. All meetings scheduled to be held in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

JO JOHNSON, CMC, CITY CLERK

Approved: _____

Office of the City Clerk

Jo Johnson, CMC, City Clerk
Melissa Jacobsen, CMC, Deputy City Clerk II
Renee Krause, CMC, Deputy City Clerk I



491 E. Pioneer Avenue
Homer, Alaska 99603
(907) 235-3130
(907) 235-8121
ext: 2224, 2226, or 2227
Fax: (907) 235-3143
Email: clerk@ci.homer.ak.us

MEMORANDUM 11-026

TO: MAYOR HORNADAY AND HOMER CITY COUNCIL

FROM: MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

DATE: FEBRUARY 22, 2011

SUBJ: LIQUOR LICENSE RENEWAL FOR FAT OLIVES

We have been notified by the ABC Board of applications for a liquor license renewal within the City of Homer for the following:

Type:	Restaurant Eating Place - Public Convenience
Lic #:	4315
DBA Name:	Fat Olive's
Premise Address:	276 Ohlson Ln.
Owner:	Kelt, LLC

RECOMMENDATION: Voice non objection and approval for the Liquor License Renewals as listed above.

Fiscal Note: Revenues.



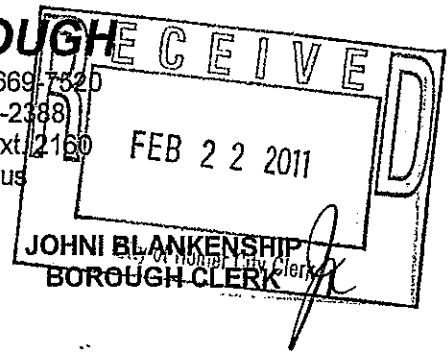
KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520

PHONE: (907) 714-2160 • FAX: (907) 714-2388

Toll-free within the Borough: 1-800-478-4441 Ext. 2160

Email: assemblyclerk@borough.kenai.ak.us



February 16, 2011

Ms. Lauren Edades
Records & Licensing Supervisor
Alcoholic Beverage Control Board
5848 E. Tudor Road
Anchorage, Alaska 99507-1286

RE: Non-Objection of License Renewal

Business Name	:	Fat Olives
License Type	:	Restaurant Eating Place – Public Convenience
License Location	:	City of Homer
License No.	:	4315

Dear Ms. Edades,

This serves to advise that the Finance Department has reviewed the above referenced application and has no objection to the renewal of this license.

Should you have any questions, or need additional information, please don't hesitate to let us know.

Sincerely,

Johni Blankenship, CMC
Borough Clerk

JB/klr

cc: Applicant
City of Homer
KPB Finance Department
File




CITY OF HOMER

POLICE DEPARTMENT

4060 HEATH STREET HOMER, AK 99603-7609

EMERGENCY 911
TELEPHONE (907) 235-3150
TELECOPIER (907) 235-3151

MEMORANDUM

DATE: February 22, 2011
TO: Melissa Jacobsen, CMC, Deputy City Clerk
FROM: Mark Robl, Chief of Police 
SUBJECT: Liquor License Renewals

The Homer Police Department has no objection to the liquor license renewal for the following business:

Fat Olive's—License # 4315

Office of the City Clerk

Jo Johnson, CMC, City Clerk
Melissa Jacobsen, CMC, Deputy City Clerk II
Renee Krause, CMC, Deputy City Clerk I



491 E. Pioneer Avenue
Homer, Alaska 99603
(907) 235-3130
(907) 235-8121
ext: 2224, 2226, or 2227
Fax: (907) 235-3143
Email: clerk@ci.homer.ak.us

MEMORANDUM

DATE: February 22, 2011
TO: Mark Robl, Police Chief
FROM: Melissa Jacobsen, CMC, Deputy City Clerk
SUBJECT: Liquor License Renewal

We have been notified by the ABC Board of applications for a liquor license renewal within the City of Homer for the following:

Type: Restaurant Eating Place - Public Convenience
Lic #: 4315
DBA Name: Fat Olive's
Premise Address: 276 Ohlson Ln.
Owner: Kelt, LLC

This matter is scheduled for the February 28, 2011 City Council meeting. Please respond with any objections/non-objections to this liquor license renewal by Wednesday, February 23, 2011.

Thank you for your assistance.



State of Alaska

Department of Public Safety

Alcoholic Beverage Control Board

Sean Parnell, Governor

Joseph A. Masters, Commissioner

February 4, 2011

Renewal Application Notice

Kenai Peninsula Borough

Homer

DBA	Lic Type	Lic #	Owner	Premise Address
Fat Olives	Restaurant Eating Place- Public Convenience	4315	KELT, LLC	276 Ohlson Lane

We have received a renewal application for the above listed licenses (see attached applications) within your jurisdiction. This is the notice as required under AS 04.11.520. Additional information concerning filing a "protest" by a local governing body under AS 04.11.480 is included in this letter.

A local governing body as defined under AS 04.21.080(11) may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the board and the applicant with a clear and concise written statement of reasons in support of a protest within 60 days of receipt of this notice. If a protest is filed, the board will not approve the application unless it finds that the protest is "arbitrary, capricious and unreasonable". Instead, in accordance with AS 04.11.510(b), the board will notify the applicant that the application is denied for reasons stated in the protest. The applicant is entitled to an informal conference with either the director or the board and, if not satisfied by the informal conference, is entitled to a formal hearing in accordance with AS 44.62.330-44.62-630. **IF THE APPLICANT REQUESTS A HEARING, THE LOCAL GOVERNING BODY MUST ASSIST IN OR UNDERTAKE THE DEFENSE OF ITS PROTEST.**

Under AS 04.11.420(a), the board may not issue a license or permit for premises in a municipality where a zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages, unless a variance of the regulation or ordinance has been approved. Under AS 04.11.420(b) municipalities must inform the board of zoning regulations or ordinances which prohibit the sale or consumption of alcoholic beverages. If a municipal zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages at the proposed premises and no variance of the regulation or ordinance has been approved, please notify us and provide a certified copy of the regulation or ordinance if you have not previously done so.

Protest under AS 04.11.480 and the prohibition of sale or consumption of alcoholic beverages as required by zoning regulation or ordinance under AS 04.11.420(a) are two separate and distinct subjects. Please bear that in mind in responding to this notice.

AS 04.21.010(d), if applicable, requires the municipality to provide written notice to the appropriate community council(s).

Alcoholic Beverage Control Board

5848 E Tudor Rd - Anchorage, AK 99507 - Voice (907) 269-0350 - Fax (907) 272-9412

If you wish to protest the application referenced above, please do so in the prescribed manner and within the prescribed time. Please show proof of service upon the applicant. For additional information please refer to 13 AAC 104.145, Local Governing Body Protest.

Note: Applications applied for under AS 04.11.400(g), 13 AAC 104.335(a)(3), AS 04.11.090(e), and 13 AAC 104.660(e) must be approved by the governing body.

Sincerely,

SHIRLEY A. GIFFORD
Director

/s/ Lauren Edades
Lauren Edades
Records & Licensing Supervisor
269-0359
lauren.edades@alaska.gov

VISITORS

ANNOUNCEMENTS
PRESENTATIONS
BOROUGH REPORT
COMMISSION REPORTS

**HOMER, ALASKA
MAYOR'S PROCLAMATION**

**"ALASKANS CHOOSE RESPECT"
MARCH 31, 2011**

WHEREAS, Alaska struggles under an epidemic of domestic violence and sexual assault; and

WHEREAS, It exists in many of our homes and communities, and threatens the future of too many of our children, families, cultures, and state; and

WHEREAS, Alaskans have both the opportunity and the responsibility to fight this scourge in our state, and lead Alaska to a brighter, safer future; and

WHEREAS, Last March, Alaskans joined together to take action and end Alaska's epidemic of domestic violence and sexual assault; and

WHEREAS, Eighteen communities joined together for "Choose Respect" rallies and marches with a message of hope and healing for the many who have suffered from these crimes; and

WHEREAS, The work begun in 2010 has given more Alaskans the courage to speak and the strength to act.

WHEREAS, On March 31st a number of statewide "Choose Respect" events are planned and Governor Sean Parnell has issued a challenge for 40 communities to join the cause and stand together; and

WHEREAS, Working together, Alaskans can make a difference and create a culture of respect in our state.


NOW, THEREFORE, I, James C. Hornaday do hereby proclaim March 31, 2011 as the day Alaskans launch "Alaskans Choose Respect" to raise awareness of domestic violence and sexual assault in Alaska.

IN WITNESS WHEREIN, I have hereunto set my hand and caused to be affixed the official seal of the City of Homer, Alaska, to be affixed this 28th day of February, 2011.

CITY OF HOMER


JAMES C. HORNADAY, MAYOR

ATTEST:


JO JOHNSON, CMC, CITY CLERK



PUBLIC HEARING(S)

**CITY OF HOMER
PUBLIC HEARING NOTICE
CITY COUNCIL MEETING**

Ordinances 11-03, 11-04, 11-05, 11-06, 11-07 and 11-08

A **public hearing** is scheduled for **Monday, February 28, 2011** during a Regular City Council Meeting. The meeting begins at 6:00 p.m. in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Ordinances 11-03 – 11-08 internet address:
<http://www.cityofhomer-ak.gov/ordinances>

Ordinance 11-03, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.03.040, Definitions Used in Zoning Code; Homer City Code 21.12.020, Rural Residential (RR), Permitted Uses and Structures; Homer City Code 21.14.020, Urban Residential (UR), Permitted Uses and Structures; and Homer City Code 21.16.020, Residential Office (RO), Permitted Uses and Structures; and Homer City Code 21.61.060, Termination of Nonconforming Use or Structure; Regarding the Accessory Use of Storage in Residential Zoning Districts. Planning.

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Ordinance 11-06, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Legislative Grant in the Amount of \$250,000 for the Purpose of Constructing Park Improvements Contained in Phase I of the Karen Hornaday Park Master Plan. City Manager.

Ordinance 11-07, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2011 Operating Budget by Appropriating \$17,000 from the Fire Department Depreciation Reserves for the Purchase and Installation of New Data Collection and Management Software. City Manager/Fire Chief.

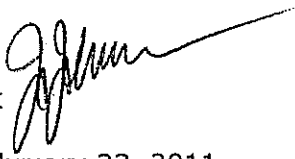
Ordinance 11-08, An Ordinance of the City Council of Homer, Alaska, Authorizing an Expenditure of \$359,800 (\$67,860 from the Water/Sewer Reserve and \$291,940 from the Homer Accelerated Roads and Trails Program (HART) for the Purpose of Completing the Design and Construction of Soundview Avenue / Woodard Creek Crossing Improvement. City Manager/Public Works Director.



All interested persons are welcomed to attend and give testimony. Written testimony received by the Clerk's Office prior to the meeting will be provided to Council.

** Copies of proposed Ordinances, in entirety, are available for review at Homer City Clerk's Office. Copies of the proposed Ordinances are available for review at City Hall, the Homer Public Library, the City of Homer Kiosks at City Clerk's Office, Captain's Coffee, Harbormaster's Office, and Redden Marine Supply of Homer and the City's homepage - <http://clerk.ci.homer.ak.us>. Contact the Clerk's Office at City Hall if you have any questions. 235-3130, Email: clerk@ci.homer.ak.us or fax 235-3143.

Jo Johnson, CMC, City Clerk



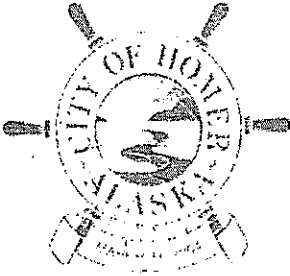
Publish: Homer Tribune: February 23, 2011

CLERK'S AFFIDAVIT OF POSTING

I, Renee Krause, CMC, Deputy City Clerk I for the City of Homer, Alaska, do hereby certify that a copy of the Public Hearing Notice for Ordinance 11-03, Amending Homer City Code 21.03.040, Definitions Used in Zoning Code; Homer City Code 21.12.020, Rural Residential (RR), Permitted Uses and Structures; Homer City Code 21.14.020, Urban Residential (UR), Permitted Uses and Structures; Homer City Code 21.16.020, Residential Office (RO), Permitted Uses and Structures; Homer City Code, 21.16.060, Termination of Nonconforming Use or Structure; Regarding the Accessory Use of Storage in Residential Zoning Districts; Ordinance 11-04, Accepting and Appropriating a State of Alaska legislative Grant in the Amount of \$1,457,758.20 for the Purpose of Expanding and Renovating City Hall; Ordinance 11-05, Accepting and Appropriating a State of Alaska Legislative Grant in the Amount of \$1,000,000 for the Purpose of Conducting Preliminary Work on Phase I of the Deep Water Dock Expansion Project to Include Scoping, Feasibility Studies, Environmental Work, and Engineering and Design; Ordinance 11-06, Accepting and Appropriating a State of Alaska Legislative Grant in the Amount of \$250,000 for the Purpose of Constructing Park Improvements Contained in Phase I of the Karen Hornaday Park Master Plan; Ordinance 11-07, Amending FY 2011 Operating Budget by Appropriating \$17,000 from the Fire Department Depreciation Reserves for the Purchase and Installation of New Data Collection and Management Software; Ordinance 11-08, Authorizing an Expenditure of \$359,800 (\$67,860 from the Water/Sewer Reserve and \$29,940 from the Homer Accelerated Roads and Trails Program (HART) for the Purpose of Completing the Design and Construction of Soundview Avenue/ Woodard Creek Crossing Improvement at the City of Homer kiosks located at City Clerk's Office, Captain's Coffee Roasting Co., Harbormaster's Office, and Redden Marine Supply of Homer, on February 18, 2011 and that the City Clerk posted same on City of Homer Homepage on February 17, 2011.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of said City of Homer this 18th day of February, 2011.

Renee Krause
Renee Krause, CMC, Deputy City Clerk I



ORDINANCE REFERENCE SHEET
2011 ORDINANCE
ORDINANCE 11-03

An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.03.040, Definitions Used in Zoning Code; Homer City Code 21.12.020, Rural Residential (RR), Permitted Uses and Structures; Homer City Code 21.14.020, Urban Residential (UR), Permitted Uses and Structures; and Homer City Code 21.16.020, Residential Office (RO), Permitted Uses and Structures; and Homer City Code 21.61.060, Termination of Nonconforming Use or Structure; Regarding the Accessory Use of Storage in Residential Zoning Districts.

Sponsor: Planning

1. City Council Regular Meeting February 15, 2011 Introduction
 - a. Memorandum 11-017 from City Planner as backup
 - b. Draft ordinance
 - c. Staff Report PL 11-02, 10-113, & 10-96 with minutes of January 5, 2011, December 1, 2010, & October 6, 2010

2. City Council Regular Meeting February 28, 2011 Public Hearing and Second Reading
 - a. Memorandum 11-017 from City Planner as backup
 - b. Draft ordinance
 - c. Staff Report PL 11-02, 10-113, & 10-96 with minutes of January 5, 2011, December 1, 2010, & October 6, 2010

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**CITY OF HOMER
HOMER, ALASKA**

Planning

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ORDINANCE 11-03

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING HOMER CITY CODE 21.03.040, DEFINITIONS USED IN ZONING CODE; HOMER CITY CODE 21.12.020, RURAL RESIDENTIAL (RR), PERMITTED USES AND STRUCTURES; HOMER CITY CODE 21.14.020, URBAN RESIDENTIAL (UR), PERMITTED USES AND STRUCTURES; AND HOMER CITY CODE 21.16.020, RESIDENTIAL OFFICE (RO), PERMITTED USES AND STRUCTURES; AND HOMER CITY CODE 21.61.060, TERMINATION OF NONCONFORMING USE OR STRUCTURE; REGARDING THE ACCESSORY USE OF STORAGE IN RESIDENTIAL ZONING DISTRICTS.

THE CITY OF HOMER ORDAINS:

Section 1. Homer City Code 21.03.040, Definitions used in zoning code, is amended to read as follows:

“*Motor vehicle*” means a vehicle which is self-propelled except a vehicle moved by human or animal power.

“*Vehicle*” means a device in, upon, or by which a person or property may be transported or drawn upon or immediately over a highway or vehicular way or area; “vehicle” does not include (i) devices used exclusively on stationary rails or tracks; or (ii) mobile homes.

Section 2. Homer City Code 21.12.020, Permitted uses and structures, is amended to read as follows:

21.12.020 Permitted uses and structures. The following uses are permitted outright in the rural residential district:

- a. Single family dwelling.
- b. Duplex dwelling.
- c. Multiple-family dwelling, only if the structure conforms to HCC § 21.14.040(a)(2).
- d. Public parks and playgrounds;
- e. Rooming house and bed and breakfast;
- f. Home occupations, provided they conform to the requirements of HCC § 21.51.010;
- g. Agricultural activities, including general farming, truck farming, livestock farming, nurseries, and greenhouses provided that:
 1. Other than normal household pets, no poultry or livestock may be housed and no fenced runs may be located within one hundred feet of any residence other than the dwelling on the same lot,

- 47 2. No retail or wholesale business sales office is maintained on the premises;
48 h. Private stables;
49 i. Private floatplane tie-down as an accessory use incidental to residential use;
50 j. ~~Storage of personal commercial fishing gear in a safe and orderly manner and~~
51 ~~separated by at least five feet from any property line as an accessory use incidental to residential~~
52 ~~use;~~
53 jk. As an accessory use incidental to a **principal** residential use, the private outdoor
54 storage of noncommercial equipment, including noncommercial trucks, boats, and not more than
55 one recreational vehicle in a safe and orderly manner **occupying an area not exceeding 1500**
56 **square feet**, and separated by at least five feet from any property line, **of any of the following:**
57 ~~provided no stored equipment, boat or vehicle exceeds 36 feet in length;~~
58 1. **commercial fishing gear.**
59 2. **not more than five motor vehicles, including not more than one**
60 **recreational vehicle, owned by a person who resides on the lot. A motor vehicle is stored if**
61 **it is not moved for at least 240 consecutive days.**
62 3. **noncommercial equipment, including noncommercial boats and boat**
63 **trailers, owned by a person who resides on the lot, but excluding motor vehicles, provided**
64 **no stored equipment or boat exceeds 36 feet in length.**
65 k. As an accessory use incidental to residential use, the private outdoor storage of
66 noncommercial equipment, including noncommercial trucks, boats, and not more than one
67 recreational vehicle in a safe and orderly manner and separated by at least five feet from any
68 property line, provided no stored equipment, boat or vehicle exceeds 36 feet in length;
69 l. Other customary accessory uses incidental to any of the permitted uses lists in the
70 RR district, provided that no separate permit shall be issued for the construction of any detached
71 accessory building prior to that of the main building.
72 m. Temporary (seasonal) roadside stands for the sale of produce grown on the
73 premises;
74 n. Mobile homes, subject to the requirements of HCC § 21.54.060.
75 o. Day care homes; provided, however, that outdoor play areas must be fenced.
76 p. Recreational vehicles, subject to the requirements of HCC § 21.54.320.
77 q. Open space, but not including outdoor recreational facilities described in HCC §
78 21.12.030.
79 r. As an accessory use, one small wind energy system per lot having a rated capacity
80 not exceeding 10 kilowatts.

81
82 Section 3. Homer City Code 21.14.020, Permitted uses and structures, is amended to
83 read as follows:

84
85 21.14.020 Permitted uses and structures. The following uses are permitted outright in the
86 urban residential district:

- 87 a. Single-family dwelling, excluding mobile home.
88 b. Duplex dwelling, excluding mobile home.

[Bold and underlined added. Deleted language stricken through.]

- 89 c. Multiple-family dwelling, only if the structure conforms to HCC §
90 21.14.040(a)(2) and excluding mobile home.
- 91 d. Public parks and playgrounds;
- 92 e. Home occupations, provided they conform to the requirements of HCC §
93 21.51.010
- 94 f. Rooming house and bed and breakfast;
- 95 g. Private floatplane tie-up facility as an accessory use incidentally to residential
96 use;
- 97 ~~h. As an accessory use incidental to residential use, storage of personal commercial~~
98 ~~fishing gear in a safe orderly manner and separated by at least five feet from any property line;~~
- 99 hi. As an accessory use incidental to **a principal** residential use, the private outdoor
100 storage of noncommercial equipment, including noncommercial trucks, boats, and not more than
101 one recreational vehicle in a safe and orderly manner **occupying an area not exceeding 1500**
102 **square feet**, and separated by at least five feet from any property line, **of any of the following**;
103 provided no stored equipment, boat or vehicle exceeds 36 feet in length;
- 104 **1. commercial fishing gear.**
- 105 **2. not more than five stored motor vehicles, including not more than one**
106 **recreational vehicle, owned by a person who resides on the lot. A motor vehicle is stored if**
107 **it is not moved for at least 240 consecutive days.**
- 108 **3. noncommercial equipment, including noncommercial boats and boat**
109 **trailers, owned by a person who resides on the lot, but excluding motor vehicles, provided**
110 **no stored equipment or boat exceeds 36 feet in length.**
- 111 ij. The outdoor harboring or keeping of dogs, small animals and fowl as an accessory
112 to a residential use in a manner consistent with the requirements of all other provisions of the
113 Homer City Code and as long as such animals are pets of the residents of the dwelling and their
114 numbers are such as not to unreasonably annoy or disturb occupants of neighboring property;
- 115 ik. Customary accessory uses to any of the permitted uses listed in the UR district,
116 provided that no separate permit shall be issued for the construction of any detached accessory
117 building prior to that of the main building.
- 118 kl. Day care homes; provided, however, that outdoor play areas must be fenced.
- 119 lm. Recreational vehicles, subject to the standards set out in HCC § 21.54.320.
- 120 mn. Open space, not including outdoor recreational facilities.
- 121 no. Public schools and private schools.
- 122 op. As an accessory use, one small wind energy system per lot having a rated capacity
123 not exceeding 10 kilowatts.

124

125 Section 4. Homer City Code 21.16.020, Permitted uses and structures, is amended to
126 read as follows:

127

128 21.16.020 Permitted uses and structures. The following uses are permitted outright in the
129 residential office district:

- 130 a. Single-family and duplex dwelling, excluding mobile homes;
[Bold and underlined added. Deleted language stricken through.]

- 131 b. Multiple family dwelling, provided the structure conforms to HCC §
132 21.14.040(a)(2) and excluding mobile homes;
- 133 c. Public parks and playgrounds;
- 134 d. Rooming house and bed and breakfast;
- 135 e. Home occupations; provided they conform to the requirements of HCC §
136 21.51.010;
- 137 f. Professional offices and general business offices;
- 138 g. Personal services;
- 139 h. Museums, libraries and similar institutions;
- 140 i. Nursing facilities, convalescent homes, homes for the aged, assisted living homes;
- 141 j. Religious, cultural and fraternal assembly;
- 142 k. ~~Storage of the occupant's personal commercial fishing gear in a safe and orderly~~
143 ~~manner and separated by at least five feet from any property line as an accessory use incidental~~
144 ~~to a permitted or conditionally permitted principal use;~~
- 145 **kl. As an accessory use incidental to a principal permitted or conditionally**
146 **permitted use,** the private **outdoor** exterior storage of the occupant's personal noncommercial
147 equipment, including noncommercial trucks, boats, campers and not more than one recreational
148 vehicle in a safe and orderly manner **occupying an area not exceeding 1500 square feet,** and
149 separated by at least five feet from any property line, ~~as an accessory use incidental to a~~
150 ~~permitted or conditionally permitted principal use~~ **of any of the following:** provided no stored
151 equipment, boat or vehicle exceeds 36 feet in length;
- 152 **1. commercial fishing gear.**
- 153 **2. not more than five motor vehicles, including not more than one**
154 **recreational vehicle, owned by a person who resides on the lot. A motor vehicle is stored if**
155 **it is not moved for at least 240 consecutive days.**
- 156 **3. noncommercial equipment, including noncommercial boats and boat**
157 **trailers, owned by a person who resides on the lot, but excluding motor vehicles, provided**
158 **no stored equipment or boat exceeds 36 feet in length.**
- 159 ~~lm.~~ Other customary accessory uses to any of the permitted uses listed in the
160 residential office district; provided that no separate permit shall be issued for the construction of
161 any detached accessory building prior to that of the main building.
- 162 ~~mn.~~ The outdoor harboring or keeping of dogs, small animals and fowl as an accessory
163 use in a manner consistent with the requirements of the Homer City Code and as long as such
164 animals are kept as pets and their numbers are such as not to unreasonably annoy or disturb
165 occupants of neighboring property;
- 166 ~~no.~~ Day care homes; provided, however, that outdoor play areas must be fenced.
- 167 ~~op.~~ Recreational vehicles, subject to the standards set out in HCC § 21.54.320.
- 168 ~~pq.~~ As an accessory use, one small wind energy system per lot having a rated capacity
169 not exceeding 10 kilowatts.

170
171 Section 5. Homer City Code 21.61.060, Termination of nonconforming use or structure,
172 is amended to read as follows:

[Bold and underlined added. Deleted language stricken through.]

173 21.61.060 Termination of nonconforming use or structure. a. The right to continue a
174 nonconforming use or structure previously approved under this chapter is subject to termination
175 by the Commission if it finds, after providing the property owner notice and an opportunity to be
176 heard at a public hearing, that

177 1a. in the case of a nonconforming structure, it has subsequently been
178 abandoned or brought into conformity with the Homer Zoning Code, or

179 2b. in the case of a nonconforming use, the use has subsequently been
180 abandoned, changed, discontinued, or ceases to be the primary use of a lot.

181 b. The right to continue a nonconforming storage use in the rural residential,
182 urban residential or residential office districts shall terminate after one year.

183
184 Section 6. This Ordinance is of a permanent and general character and shall be included
185 in the City Code.

186
187 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this _____ day of
188 _____ 2010.

189
190 CITY OF HOMER

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194 _____
195 JAMES C. HORNADAY, MAYOR

196 ATTEST:

197
198
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200 _____
201 JO JOHNSON, CMC, CITY CLERK

202
203
204 YES:
205 NO:
206 ABSTAIN:
207 ABSENT:

208
209
210
211 First Reading:
212 Public Hearing:
213 Second Reading:
214 Effective Date:

[**Added and underlined.** Deleted language stricken through.]

215 Reviewed and approved as to form:

216

217

218

219 Walt E. Wrede, City Manager

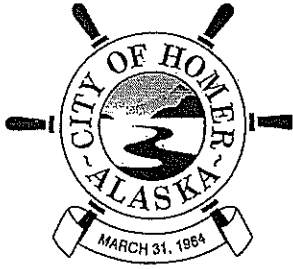
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221 Date: _____

Thomas F. Klinkner, City Attorney

Date: _____

[Bold and underlined added. Deleted language stricken through.]



City of Homer Planning & Zoning

491 East Pioneer Avenue
Homer, Alaska 99603-7645

Telephone (907) 235-3106
Fax (907) 235-3118
E-mail Planning@ci.homer.ak.us
Web Site www.ci.homer.ak.us

MEMORANDUM 11-017

TO: Mayor Hornaday and Homer City Council
THRU: Walt Wrede, City Manager
FROM: Rick Abboud City Planner
DATE: January 25, 2011
SUBJ: Draft Zoning Enforcement Ordinance

The Homer Planning Commission discussed the Draft Zoning Enforcement Ordinance at the meetings of October 6, 2010, December 1, 2010 and January 5, 2011.

Recommendation:

The commission moved to forward the draft ordinance zoning enforcement to city council and recommend adoption.

CITY OF HOMER
HOMER, ALASKA

Planning

ORDINANCE 10-

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING HOMER CITY CODE 21.03.040, DEFINITIONS USED IN ZONING CODE; HOMER CITY CODE 21.12.020, RURAL RESIDENTIAL (RR), PERMITTED USES AND STRUCTURES; HOMER CITY CODE 21.14.020, URBAN RESIDENTIAL (UR), PERMITTED USES AND STRUCTURES; AND HOMER CITY CODE 21.16.020, RESIDENTIAL OFFICE (RO), PERMITTED USES AND STRUCTURES; AND HOMER CITY CODE 21.61.060, TERMINATION OF NONCONFORMING USE OR STRUCTURE; REGARDING THE ACCESSORY USE OF STORAGE IN RESIDENTIAL ZONING DISTRICTS.

THE CITY OF HOMER ORDAINS:

Section 1. Homer City Code 21.03.040, Definitions used in zoning code, is amended to read as follows:

“Motor vehicle” means a vehicle which is self-propelled except a vehicle moved by human or animal power.

“Vehicle” means a device in, upon, or by which a person or property may be transported or drawn upon or immediately over a highway or vehicular way or area; “vehicle” does not include (i) devices used exclusively on stationary rails or tracks; or (ii) mobile homes.

Section 2. Homer City Code 21.12.020, Permitted uses and structures, is amended to read as follows:

21.12.020 Permitted uses and structures. The following uses are permitted outright in the rural residential district:

- a. Single family dwelling.
- b. Duplex dwelling.
- c. Multiple-family dwelling, only if the structure conforms to HCC § 21.14.040(a)(2).
- d. Public parks and playgrounds;
- e. Rooming house and bed and breakfast;
- f. Home occupations, provided they conform to the requirements of HCC § 21.51.010;
- g. Agricultural activities, including general farming, truck farming, livestock farming, nurseries, and greenhouses provided that:

[Bold and underlined added. Deleted language stricken through.]

45 1. Other than normal household pets, no poultry or livestock may be housed
46 and no fenced runs may be located within one hundred feet of any residence other than the
47 dwelling on the same lot,

48 2. No retail or wholesale business sales office is maintained on the premises;

49 h. Private stables;

50 i. Private floatplane tie-down as an accessory use incidental to residential use;

51 ~~j. Storage of personal commercial fishing gear in a safe and orderly manner and~~
52 ~~separated by at least five feet from any property line as an accessory use incidental to residential~~
53 ~~use;~~

54 k. As an accessory use ~~incidental to~~ **a principal** residential use, the private outdoor
55 storage of ~~noncommercial equipment, including noncommercial trucks, boats, and not more than~~
56 ~~one recreational vehicle~~ in a safe and orderly manner **occupying an area not exceeding 1500**
57 **square feet**, and separated by at least five feet from any property line, **of any of the following:**
58 ~~provided no stored equipment, boat or vehicle exceeds 36 feet in length;~~

59 **1. commercial fishing gear.**

60 **2. not more than five motor vehicles, including not more than one**
61 **recreational vehicle, owned by a person who resides on the lot. A motor vehicle is stored if**
62 **it is not moved for at least 240 consecutive days.**

63 **3. noncommercial equipment, including noncommercial boats and boat**
64 **trailers, owned by a person who resides on the lot, but excluding motor vehicles, provided**
65 **no stored equipment or boat exceeds 36 feet in length.**

66 k. As an accessory use incidental to residential use, the private outdoor storage of
67 noncommercial equipment, including noncommercial trucks, boats, and not more than one
68 recreational vehicle in a safe and orderly manner and separated by at least five feet from any
69 property line, provided no stored equipment, boat or vehicle exceeds 36 feet in length;

70 l. Other customary accessory uses incidental to any of the permitted uses lists in the
71 RR district, provided that no separate permit shall be issued for the construction of any detached
72 accessory building prior to that of the main building.

73 m. Temporary (seasonal) roadside stands for the sale of produce grown on the
74 premises;

75 n. Mobile homes, subject to the requirements of HCC § 21.54.060.

76 o. Day care homes; provided, however, that outdoor play areas must be fenced.

77 p. Recreational vehicles, subject to the requirements of HCC § 21.54.320.

78 q. Open space, but not including outdoor recreational facilities described in HCC §
79 21.12.030.

80 r. As an accessory use, one small wind energy system per lot having a rated capacity
81 not exceeding 10 kilowatts.

82
83 **Section 3.** Homer City Code 21.14.020, Permitted uses and structures, is amended to
84 read as follows:

85
86 **21.14.020 Permitted uses and structures.** The following uses are permitted outright in the urban
87 residential district:

88 a. Single-family dwelling, excluding mobile home.

[Bold and underlined added. Deleted language stricken through.]

- 89 b. Duplex dwelling, excluding mobile home.
- 90 c. Multiple-family dwelling, only if the structure conforms to HCC §
- 91 21.14.040(a)(2) and excluding mobile home.
- 92 d. Public parks and playgrounds;
- 93 e. Home occupations, provided they conform to the requirements of HCC §
- 94 21.51.010
- 95 f. Rooming house and bed and breakfast;
- 96 g. Private floatplane tie-up facility as an accessory use incidentally to residential
- 97 use;
- 98 ~~h. As an accessory use incidental to residential use, storage of personal commercial~~
- 99 ~~fishing gear in a safe orderly manner and separated by at least five feet from any property line;~~
- 100 i. As an accessory use ~~incidental to~~ **a principal** residential use, the private outdoor
- 101 storage of noncommercial equipment, including noncommercial trucks, boats, and not more than
- 102 ~~one recreational vehicle~~ in a safe and orderly manner **occupying an area not exceeding 1500**
- 103 **square feet**, and separated by at least five feet from any property line, **of any of the following:**
- 104 ~~provided no stored equipment, boat or vehicle exceeds 36 feet in length;~~
- 105 **1. commercial fishing gear.**
- 106 **2. not more than five stored motor vehicles, including not more than one**
- 107 **recreational vehicle, owned by a person who resides on the lot. A motor vehicle is stored if**
- 108 **it is not moved for at least 240 consecutive days.**
- 109 **3. noncommercial equipment, including noncommercial boats and boat**
- 110 **trailers, owned by a person who resides on the lot, but excluding motor vehicles, provided**
- 111 **no stored equipment or boat exceeds 36 feet in length.**
- 112 j. The outdoor harboring or keeping of dogs, small animals and fowl as an accessory
- 113 to a residential use in a manner consistent with the requirements of all other provisions of the
- 114 Homer City Code and as long as such animals are pets of the residents of the dwelling and their
- 115 numbers are such as not to unreasonably annoy or disturb occupants of neighboring property;
- 116 k. Customary accessory uses to any of the permitted uses listed in the UR district,
- 117 provided that no separate permit shall be issued for the construction of any detached accessory
- 118 building prior to that of the main building.
- 119 l. Day care homes; provided, however, that outdoor play areas must be fenced.
- 120 m. Recreational vehicles, subject to the standards set out in HCC § 21.54.320.
- 121 n. Open space, not including outdoor recreational facilities.
- 122 o. Public schools and private schools.
- 123 p. As an accessory use, one small wind energy system per lot having a rated capacity
- 124 not exceeding 10 kilowatts.

125
 126 Section 4. Homer City Code 21.16.020, Permitted uses and structures, is amended to
 127 read as follows:

128
 129 21.16.020 Permitted uses and structures. The following uses are permitted outright in the
 130 residential office district:

- 131 a. Single-family and duplex dwelling, excluding mobile homes;

[Bold and underlined added. Deleted language stricken through.]

- 132 b. Multiple family dwelling, provided the structure conforms to HCC §
- 133 21.14.040(a)(2) and excluding mobile homes;
- 134 c. Public parks and playgrounds;
- 135 d. Rooming house and bed and breakfast;
- 136 e. Home occupations; provided they conform to the requirements of HCC §
- 137 21.51.010;
- 138 f. Professional offices and general business offices;
- 139 g. Personal services;
- 140 h. Museums, libraries and similar institutions;
- 141 i. Nursing facilities, convalescent homes, homes for the aged, assisted living homes;
- 142 j. Religious, cultural and fraternal assembly;
- 143 k. ~~Storage of the occupant's personal commercial fishing gear in a safe and orderly~~
- 144 ~~manner and separated by at least five feet from any property line as an accessory use incidental~~
- 145 ~~to a permitted or conditionally permitted principal use;~~
- 146 l. As an accessory use incidental to a principal permitted or conditionally
- 147 permitted use, the private outdoor exterior storage of the occupant's personal noncommercial
- 148 equipment, including noncommercial trucks, boats, campers and not more than one recreational
- 149 vehicle in a safe and orderly manner occupying an area not exceeding 1500 square feet, and
- 150 separated by at least five feet from any property line, as ~~an accessory use incidental to a~~
- 151 ~~permitted or conditionally permitted principal use of any of the following:~~ provided no stored
- 152 equipment, boat or vehicle exceeds 36 feet in length;
- 153 1. commercial fishing gear.
- 154 2. not more than five motor vehicles, including not more than one
- 155 recreational vehicle, owned by a person who resides on the lot. A motor vehicle is stored if
- 156 it is not moved for at least 240 consecutive days.
- 157 3. noncommercial equipment, including noncommercial boats and boat
- 158 trailers, owned by a person who resides on the lot, but excluding motor vehicles, provided
- 159 no stored equipment or boat exceeds 36 feet in length.
- 160 m. Other customary accessory uses to any of the permitted uses listed in the
- 161 residential office district; provided that no separate permit shall be issued for the construction of
- 162 any detached accessory building prior to that of the main building.
- 163 n. The outdoor harboring or keeping of dogs, small animals and fowl as an accessory
- 164 use in a manner consistent with the requirements of the Homer City Code and as long as such
- 165 animals are kept as pets and their numbers are such as not to unreasonably annoy or disturb
- 166 occupants of neighboring property;
- 167 o. Day care homes; provided, however, that outdoor play areas must be fenced.
- 168 p. Recreational vehicles, subject to the standards set out in HCC § 21.54.320.
- 169 q. As an accessory use, one small wind energy system per lot having a rated capacity
- 170 not exceeding 10 kilowatts.

171

172 Section 5. Homer City Code 21.61.060, Termination of nonconforming use or structure,

173 is amended to read as follows:

174 [Bold and underlined added. Deleted language stricken through.]

175 21.61.060 Termination of nonconforming use or structure. a. The right to continue a
176 nonconforming use or structure previously approved under this chapter is subject to termination
177 by the Commission if it finds, after providing the property owner notice and an opportunity to be
178 heard at a public hearing, that

179 1a. in the case of a nonconforming structure, it has subsequently been
180 abandoned or brought into conformity with the Homer Zoning Code, or

181 2b. in the case of a nonconforming use, the use has subsequently been
182 abandoned, changed, discontinued, or ceases to be the primary use of a lot.

183 b. The right to continue a nonconforming storage use in the rural residential,
184 urban residential or residential office districts shall terminate after one year.

185
186 Section 6. This Ordinance is of a permanent and general character and shall be included
187 in the City Code.

188
189 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this _____ day of
190 _____ 2010.

191
192 CITY OF HOMER

193
194
195
196 _____
197 JAMES C. HORNADAY, MAYOR

198 ATTEST:

199
200
201 _____
202 JO JOHNSON, CMC, CITY CLERK

203
204 YES:

205 NO:

206 ABSTAIN:

207 ABSENT:

208
209 First Reading:

210 Public Hearing:

211 Second Reading:

212 Effective Date:

213
214
215 Reviewed and approved as to form:

216
217
218 _____
[**and underlined added.** Deleted language stricken through.]

DRAFT 12/16/10

219 Walt E. Wrede, City Manager
220 Date: _____

Thomas F. Klinkner, City Attorney
Date: _____

[Bold and underlined added.] Deleted language stricken through.



City of Homer
Planning & Zoning
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STAFF REPORT PL 11-02

TO: Homer Advisory Planning Commission
FROM: Rick Abboud, City Planner
MEETING: January 5, 2011
SUBJECT: Staff Report PL 11-01, Draft Zoning Enforcement Ordinance

The zoning enforcement ordinance is returned for public hearing as requested. No changes have been made to the ordinance since the Planning Commission last looked at it in December.

Recommendation

Receive public comments and recommend that it be forwarded to City Council for adoption.

HOMER ADVISORY PLANNING COMMISSION
REGULAR MEETING MINUTES
JANUARY 5, 2010

Commission may question the public. Once the public hearing is closed the Commission cannot hear additional comments on the topic. The applicant is not held to the 3 minute time limit.

A. Staff Report PL 11-02 Draft Ordinance Zoning Enforcement

City Planner Abboud reviewed the staff report. He referenced a lay down letter in support of the draft ordinance.

Patricia Wallace, city resident, said she has lived on Rochelle Road for 19 years and lived Homer 27 years. Off and on in her neighborhood there have been a lot of junk vehicles and just plain clutter and garbage type junk in people's yards. There is still some, but it certainly is getting better. It is very disgusting and hazardous. Homer is a beautiful place, let's take some pride in it and get rid of the eyesores. She would like to thank the people in her neighborhood who have done just that and others in the community who have participated in getting rid of some of this stuff. She thanked the City for helping financially to get rid of abandoned and junk vehicles. She agrees with the 1500 square feet of storage for 2 drivable vehicles, one recreational, one boat less than 36 feet, one work truck, plus 200 square feet for miscellaneous storage. That seems more than fair. If someone needs more storage, they can go rent it. A neighborhood is just that, not a place to accumulate junk and vehicles that don't run or boats that never see the water.

There were no further comments and Chair Minsch closed the public hearing.

KRANICH/HIGHLAND MOVED TO BRING THE DRAFT ORDINANCE TO THE FLOOR FOR DISCUSSION AND POSSIBLE AMENDMENT.

Commissioner Kranich commented that this has been discussed several times at the Commission level and it has been refined to where it should work for most people.

Regarding enforcement, there was discussion that it should be identifiable if a vehicle sits longer than the number of days allowed. It was clarified that line 182 refers to one year after adoption of the ordinance. It was noted that the commercial districts are not included as they have different provisions than the residential chapters, and City Planner Abboud said he could provide the Commission with a better explanation at another time.

KRANICH/DOLMA MOVED TO FORWARD THE DRAFT ORDINANCE ZONING ENFORCEMENT TO CITY COUNCIL AND RECOMMEND ADOPTION.

There was no further discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

B. Staff Report PL 10-111 Draft Ordinance Amending the City of Homer Comprehensive Plan to Include the Homer Spit Comprehensive Plan and Recommending Adoption to the Kenai Peninsula Borough

City Planner Abboud reviewed the staff report.

Chair Minsch opened the Public Hearing.



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STAFF REPORT PL 10-113

TO: Homer Advisory Planning Commission
THROUGH: Rick Abboud, City Planner
FROM: Dotti Harness-Foster, Planning Technician
MEETING: December 1, 2010
SUBJECT: Storage in UR, RR, RO & Nonconforming (Outdoor Storage)

Introduction

In the City's efforts to meet the intention of residential zoning districts, the City has found that enforcing excessive outdoor storage is problematic. If complaints are a gauge to what is *not acceptable*, it is parcels that have more than six vehicles and that have the appearance of a "continual garage sale." Currently, Homer City Code burdens the City with proving that items stored outside are "incidental to the residential use" and to demonstrate that a vehicle is "inoperable." This draft ordinance eliminates these subjective determinations.

Purpose of the residential districts

The purpose of the residential districts is to provide a sound environment and the preserve and enhance the residential qualities.

Staff interprets that *excessive* outdoor storage *does not* provide a sound environment or preserve and enhance the residential qualities of the neighborhood.

Applicable Comprehensive Plan Goals for residential districts: Chapter 4, Land Use

- Goal 2: Maintain the quality of Homer's natural environment and scenic beauty.
- Goal 3: Encourage high-quality buildings and site development that complement Homer's beautiful natural setting.
- Goal 5: Maintain high-quality residential neighborhoods; promote housing choice by supporting a variety of dwelling options.

Draft ordinance

This draft ordinance also eliminates the subjective determination of "orderly manner" and "incidental to residential use" and "operable" vehicle by setting a maximum area for outdoor stage.

Based on work sessions conversations staff has increased the area for outdoor storage coverage to a maximum of 1,500 square feet. The maximum of 1,500 square feet provides for what some people consider “typical Homer storage:”

- 400 sf for two vehicles (Snowbirds may need to store two vehicles for eight months, or 240 days)
 - 300 sf for one Recreational Vehicle
 - 360 sf for one boat (boats less than 36 ft in length)
 - 200 sf for one work truck
 - 200 misc. storage
- 1,460 total coverage

Line 41. Let’s assume that the average single-family residence has an approximate footprint of 1,500 sf. When the outdoor storage area exceeds 1,500 sf the “principal residential use” of the property is questionable and overtaken by outdoor storage. ⁱ

Line 44. Outdoor storage “as an accessory use incidental to residential use...” Incidental use begins to conflict with the purpose of both residential and business districts when it dominates the use of the property. If “incidental” is one that is “minor in relation to the primary use” then 1,500 sf seems a Homer typical benchmark. ⁱ

Line 46-47. Staff recommends eliminating references to ownership of commercial fishing gear. Proving ownership of fishing gear is burdensome and the line between commercial and noncommercial boats is thin.

The work session conversation also explored amending the ordinance to include the Central Business District (CBD). Currently, storage in the CBD is limited to “enclosed buildings” per HCC 21.18.020(k)(v) and HCC 21.18.030(i). Extending this draft ordinance into CBD would conflict with the above code citations and the Community Design Manual. Therefore, staff does not recommend extending the draft ordinance into the CBD.

Other communities

As foreclosures increase, some communities have adopted the International Property Maintenance Code which “governs the minimum conditions and the responsibilities of persons for maintenance of structures.” In particular, the 2003 IPMC does not allow the storage of inoperative or unlicensed motor vehicles (IPMC 302.8). Properties shall be free from any accumulation of rubbish or garbage (IPMC 307.1).

Juneau *Junkyard* means a lot or portion thereof, where junk is bought, sold, exchanged, scrapped, baled, cleaned, packed, disassembled, handled or stored. The term "junkyard" also includes auto-wrecking yards, house-wrecking yards, used-lumber yards, and **any storage of junk occupying more than 200 square feet** outside an enclosed building. JCC 49.80.

Portland Disabled vehicles. No storage of a disabled vehicles **for more than 7 days unless the vehicle is enclosed within a legally permitted building** or unless it is stored by a

licensed business enterprise dealing in junked vehicles lawfully conducted within the City. PCC 29.20.010 Outdoor Maintenance Requirements.

Remove unless specifically authorized by ordinance to do otherwise:

1. Accumulations of wood pallets.
2. All firewood that is not stacked and useable.
3. Accumulations of vehicle parts or tires.
4. All construction materials except those that are stored in a manner to protect their utility and prevent deterioration...
5. All appliances or appliance parts except for storage of appliances that are reasonably expected to be used at the site and are stored in a manner to protect their utility and prevent deterioration.
6. All indoor furniture except that which is stored in a manner to protect its utility and prevent deterioration and is reasonably expected to be used at the property.
7. All recycling materials except for reasonable accumulations (amounts consistent with a policy of regular removal) that are stored in a well-maintained manner.

Anchorage In 2004 Dykstr v. Municipality of Anchorage a Supreme Court case affirmed that car storage does not meet the purpose of residential district (R-3 Multi-family). The brief notes that “two-and three-car families are commonplace.” “Uncommon extremes” violate the “accessory use customarily incidental to a residential neighborhood.”ⁱ

Junk means any worn-out, wrecked, scrapped, partially or fully dismantled, discarded tangible material, or combination of materials or items, including junk vehicles as defined in Section 15.20.010. Also included are machinery, metal, rags, rubber, paper, plastics, chemicals and building materials which cannot, without further alteration and reconditioning, be used for their original purpose. ACC 21.35 Definitions.

Junk vehicle means a vehicle that:

1. Is not currently registered...
2. Is stripped, wrecked or otherwise inoperable due to mechanical failure;
3. Has not been repaired because of mechanical difficulties or because the cost of repairs required to make it operable exceeds the fair market value of the vehicle; or
4. Is in a condition which exhibits more than one of the following elements:
 - a. Broken glass;
 - b. Missing wheels or tires;
 - c. Missing body panels or parts; or
 - d. Missing drive train parts

STAFF RECOMMENDS discuss changes presented by staff, amend if so desired and send to public hearing:

Line 43-44 Amend the draft ordinance to allow private outdoor storage in safe and orderly manners occupying an area not **exceeding 1,500 square feet.**

Line 46. Eliminate reference to ownership of commercial fishing gear. **commercial fishing gear owned by an occupant who is permitted to engage in commercial fishing under federal or state law.**

Line 48. Increase the number of stored vehicles from **two to five vehicles** and allow storage for upto 240 consecutive days. **not more than ~~two~~ five stored motor vehicles owned by an occupant. A motor vehicle is stored if it is not moved for at least 30 240 consecutive days.**

Line 70-157 Clarify that the amendments represent all the residential zoning districts.

Attached: Draft ordinance

¹ Dykstra v. Municipality of Anchorage (2004) <http://touchngo.com/sp/html/sp-5766.htm>

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

B. Staff Report PL 10-96, Draft Zoning Enforcement Ordinance

City Planner Abboud reviewed the staff report.

DRUHOT/KRANICH MOVED TO MOVE THIS ORDINANCE TO THE NEXT WORKSESSION.

Commissioner Druhot felt they need to have more discussion and review.

VOTE: NO: BOS, MINSCH, HIGHLAND, DRUHOT, VENUTI, KRANICH, DOLMA

Motion failed.

DRUHOT/BOS MOVED TO DISCUSS AND MAKE RECOMMENDATIONS.

There was no objection and discussion ensued.

It was noted that the goal of this ordinance is to maintain the integrity of residential neighborhoods, and to limit the number of cars stored on a residential lot. This ordinance only affects a small number of properties currently.

Some suggestions included:

- They have to be on a parking pad.
- They can't be placed in front of the house.
- More would be allowed if they are fenced in.
- There could be consideration of lot size to the number of vehicles.

There was discussion of the challenges of dealing with junk cars currently and the requirement to have someone who can come in and establish the vehicle is inoperable and having cooperation from the owner to have access to the vehicle.

Chair Minsch called for a short break at 8:15 p.m. The meeting resumed at 8:18 p.m.

BOS/DOLMA MOVED TO HAVE STAFF SCHEDULE THIS FOR A PUBLIC HEARING.

There was brief discussion about lot size.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

NEW BUSINESS

No New Business items were schedule.

INFORMATIONAL MATERIALS



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STAFF REPORT PL 10-96

TO: Homer Advisory Planning Commission
FROM: Rick Abboud, City Planner
MEETING: October 6, 2010
SUBJECT: Storage in UR, RR, RO & Nonconforming (Outdoor Storage)

Introduction

In our efforts to enforce nuisance property and facilitate of the removal of junk cars, we have found the code problematic in the way it deals with storage, especially junk cars.

Currently, by my interpretation, one of the ways to deal with removal of junk cars is under title 18 where it refers to abandon vehicles. If they are not abandoned, this is not too useful. The other way of going after this would be as junk, using the definition of junk vehicles. It is pretty much illegal to store dismantled vehicles, unless you are permitted as a junk yard, but many junkers may appear to be operable. It just too burdensome to investigate and prove that vehicles are inoperable in order to enforce regulations regards the storage of junk. In order to make it more understandable and enforceable, I suggest that we have some sort of limit on the number of vehicles or the space that they may occupy. I talked to the attorney to develop something more clear cut.

Attorney Comments

The attachment is the first of several documents that I will be working on to develop more effective methods of zoning enforcement. It establishes limitations on storage as an accessory use in residential zones. In particular, it limits the lot area that can be used for storage, requires that stored items be owned by an occupant of the property, limits the number of motor vehicles that can be stored, and limits the period during which nonconforming storage can be grandfathered.

The quantities used for these limitations are merely placeholders, which you and the Planning Commission may adjust to establish quantities that are reasonable for Homer.

Notable Changes

Line 41 removes terminology of “incidental” and further prescribes a “principle” residential use. Not much of a change other than possible narrowing down some possibilities (that I cannot seem to think of an example at this time – do we have the storage of things not incidental to the “primary” residential use?).

Lines 43 - 44 describe an area of not more than 400 square feet. This needs discussion. I do not believe that this number may be appropriate in all situations. Perhaps some number this small or a bit larger may be appropriate for an UR district but, maybe less reasonable for the larger lots found in RR?

Lines 46 – 52 further prescribes that commercial fishing gear is owned by an occupant who is permitted for such an activity, no storage for your buddies.

Not more than 2 “stored” vehicles (not moved for at least 30 days) allowed per property. Is this adequate for the snow birds? Two stored trucks approach 400 square feet.

The changes noted above are identical as written for UR, RR and RO districts.

Lines 170-171 nonconforming storage terminates after one year. Perhaps a date would be added after passage by the City Council.

Recommendation

Review and suggest date for public hearing(s) or schedule time for further review.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

PENDING BUSINESS

There were no pending business items on the agenda.

NEW BUSINESS

A. Staff Report PL 10-92, Draft Subdivision Code Amendment

City Planner Abboud reviewed the staff report.

KRANICH/HIGHLAND MOVED TO SCHEDULE THE SUBDIVISION ORDINANCE UNDER STAFF REPORT 101-92 FOR PUBLIC HEARING AT THE NEXT MEETING.

Commissioner Kranich explained that the Commission had good discussion at the worksession. The ordinance clarifies granting utility easements which has been ambiguous to the Commission in the past. There is information regarding the Non Motorized Transportation and Trails Plan he encouraged everyone review this to ensure it is correct. City Planner Abboud said he would distinguish what is the Planning Commissions work and what is the staff and attorneys work.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

B. Staff Report PL 10-97, Draft Sign Code Amendment

City Planner Abboud reviewed the staff report.

KRANICH/HIGHLAND MOVED TO POSTPONE ACTION AND SCHEDULE AT THE NEXT WORKSESSION AND NEXT MEETING AS AN ACTION ITEM.

It was noted that the next worksession is Commission training with the City Attorney so the Commission agreed to have it on the next available worksession.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

C. Staff Report PL 10-96, Draft Zoning Enforcement Ordinance (Outdoor Storage)

City Planner Abboud reviewed the staff report.

There was brief discussion about including commercial districts, provision for vehicles used for work, and if items can be concealed. It was suggested that seasonal use vehicles like tractors or snow plows can sit through the off season.

KRANICH/DOLMA MOVED TO POSTPONE THIS TO A WORKSESSION FOR FURTHER DISCUSSION.

City Planner Abboud noted that it will likely be December before it comes back.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

INFORMATIONAL MATERIALS

- A. City Manager's Report
- B. Eker Estates No. 3 Replat Preliminary Plat and Driveway Permit
- C. Hillstrand's Homestead Preliminary Plat, Excerpt from KPB September 27, 2010 packet
- D. Letter dated September 29, 2010 to James Dolma from Mayor Hornaday regarding appointment to the Homer Advisory Planning Commission

COMMENTS OF THE AUDIENCE

Members of the audience may address the Commission on any subject. (3 minute time limit)

Beau Burgess, city resident, thanked the Commission for taking more time to review the fine details of the steep slope and fill ordinances. He thinks there should be some attention to recourse of how to constructively use concrete and macro woody debris rather than seeing it in a land fill. On a humorous note, he said he does drive a small dump truck and parks it on his property.

Dr. Nancy Livingston, city resident, thanked the Commission for consideration of the fill ordinance and urged them to move something forward in a reasonable time frame and not stall indefinitely something that has been going on for a historical period of time. More complicatedly with the number of subdivisions in Homer the fact that those subdivisions have very small lots and anything done between two property owners on one common line not only affects the two property owners but also properties below them. Drainage down her lot line affects two houses below hers and the home adjacent to hers affects three. She was not afforded an opportunity of agreement with the common land owner but confronted with a situation that caused disastrous damage that should not have to happen to the 59 other homeowners in the subdivision. As it stands there is a total absence of this not recurring by not having any definition to the fill codes. She submits that there needs to be guidelines that are applicable to large and small estates and there needs to be some common base line that is more focused as opposed to just having a privilege for two people who share a common lot line and agree on their property. They can not mandate what happens on other adjoining properties and what might satisfy two may be very damaging to others. That being a given the Commission could consider a moratorium on subdivision or in real estate for selling these properties without people being forewarned through warning waiver and liability.

Scott Adams, city resident, advised the Commission that he was unaware of the CUP 10-08 at 5655 Scenic View Place. He said he is one of the affected land owners and he did not receive any notice about the proposed CUP. He questions where they propose to put the additional building because he thinks it will be on Skyline Drive, which affects his property because they abut a driveway to his property and that happened about 4 years ago. He has the property on Skyline and also on Scenic Place. He said he is not happy about this situation.

ORDINANCE REFERENCE SHEET
2011 ORDINANCE
ORDINANCE 11-04

An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Legislative Grant in the Amount of \$1,457,758.20 for the Purpose of Expanding and Renovating City Hall.

Sponsor: City Manager

1. City Council Regular Meeting February 15, 2011 Introduction
 - a. Legislative Grant Agreement

1. City Council Regular Meeting February 28, 2011 Public Hearing and Second Reading
 - a. Legislative Grant Agreement

CITY OF HOMER
HOMER, ALASKA

City Manager

ORDINANCE 11-04

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, ACCEPTING AND APPROPRIATING A STATE OF ALASKA LEGISLATIVE GRANT IN THE AMOUNT OF \$1,457,758.20 FOR THE PURPOSE OF EXPANDING AND RENOVATING CITY HALL.

WHEREAS, The City has received a Legislative Grant in the amount of \$1,457,758.20 for the purpose of expanding and renovating the existing City Hall building; and

WHEREAS, The grant funds will be used to construct approximately 4,000 square feet of new office space and significant upgrades to the existing building.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby accepts and appropriates a State of Alaska Legislative Grant in the amount of \$1,457,758.20 for the purpose of expanding and renovating City Hall as follows:

Revenue:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
151-775	Legislative Grant/City Hall Renovation and Expansion	\$1,457,758.20

Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
151-775	City Hall Renovation and Expansion	\$1,457,758.20

Section 2. This is a budget amendment ordinance, in temporary in nature, and shall not be codified.

ENACTED BY THE HOMER CITY COUNCIL this ____ day of _____, 2011.

CITY OF HOMER

JAMES C. HORNADAY, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

YES:

NO:

ABSENT:

ABSTAIN:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

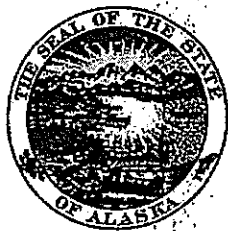
Reviewed and approved as to form:

Walt Wrede, City Manager

Thomas F. Klinkner, City Attorney

Date: _____

Date: _____



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Sean Parnell, Governor
Susan K. Bell, Commissioner
Scott Ruby, Acting Director

Division of Community and Regional Affairs
Grants Section

January 27, 2011

City of Homer
Walt Wrede, City Manager
491 East Pioneer Avenue
Homer, AK 99603

Subject: 11-RR-038 Renovation of and Additions to Homer City Hall

Dear Mr. Wrede:

Enclosed for your file is a fully executed Grant Agreement for the above referenced grant. Please replace any copies you may have with this official document. This completes the Grant Agreement.

Eligible project expenditures incurred on or after the grant term start date can now be reimbursed. Please make certain that you understand the requirements for administration and reporting of the project (Attachment A, #4). Financial/Progress Reports must be submitted via mail, as we cannot accept faxed signatures in the Grantee Certification block.

Please submit a report for the period 06/30/10 – 12/31/10 as soon as possible. Subsequent reports will be due on a quarterly basis.

Please contact me if you have any questions.

Regards,

A handwritten signature in cursive script that reads "Jean Mason".

Jean Mason
Grants Administrator

Enclosures



DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

Designated Legislative Grant Program
Grant Agreement

Grant Agreement Number 11-RR-038		Amount of State Funds \$1,457,758.20	
Collocation Code(s)	Encumbrance Number/AR/Lapse Date / 8494 / 06/30/2015	Project Title Renovation of and additions to Homer City Hall	
Grantee		Department Contact Person	
Name City of Homer		Name Jean Mason	
Street/PO Box 491 East Pioneer Avenue		Title Grants Administrator	
City/State/Zip Homer, AK 99603		Street/PO Box P.O. Box 110809	
Contact Person Walt Wrede, City Manager		City/State/Zip Juneau, AK 99811-0809	
Phone 907-235-8121	Email wwrede@ci.homer.ak.us	Phone 907-465-5647	Fax 907-465-5867

AGREEMENT

The Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs (hereinafter 'Department') and City of Homer (hereinafter 'Grantee') agree as set forth herein.

Section I. The Department shall pay the Grantee for the performance of the project work under the terms outlined in this agreement. The amount of the payment is based upon project expenses incurred, which are authorized under this Agreement. In no event shall the payment exceed **\$1,457,758.20**.

Section II. The Grantee shall perform all of the work required by this Agreement.

Section III. The work to be performed under this agreement begins **6/30/2010** and shall be completed no later than **06/30/2015**

Section IV. The agreement consists of this page and the following:

ATTACHMENTS

- Attachment A: Scope of Work
1. Project Description
 2. Project Budget
 3. Project Narrative
 4. Project Management/Reporting
 5. Forms Packet
- Attachment B: Payment Method
Attachment C: Standard Provisions

APPENDICES

- Appendix A: Audit Regulations
Appendix B: Audit Compliance Supplement
Appendix B2: Insurance
Appendix C: State Laws and Regulations
Appendix D: Special Requirements and Assurances for Federally Funded Projects (if applicable)
Appendix E: Site Control
Appendix F: State Fire Marshal Review

AMENDMENTS: Any fully executed amendments to this Agreement

Grantee		Department	
Signature 		Signature 	
Printed Name and Title Walt Wrede, City Manager		Printed Name and Title Jolene Julian, Grants Administrator III	
Date JAN. 24, 2011		Date 01-27-2011	

Reviewed by: _____

Attachment A Scope of Work

1. Project Description

The purpose of this FY 2011 Designated Legislative Grant in the amount of \$1,457,758.20 [pursuant to the provisions of AS 37.05.315, SLA 2010, Chapter 43, Section 52, Page 174, Lines 13-17] is to provide funding to City of Homer for use towards Renovation of and Addition to Homer City Hall.

This project may include, but is not limited to, design and construction services for a 4,000 square foot addition to the existing Homer City Hall building and remodeling and refurbishment of the existing building to improve energy efficiency and air exchange.

No more than five percent (5%) of the total grant award may be reimbursed for Administrative expenses for projects involving equipment purchase or repairs and no more than ten percent (10%) of the total grant award may be reimbursed for Administrative expenses for all other projects. To be reimbursed for eligible administrative costs, expenses must be reported on the Designated Legislative Grant Financial/Progress Report form.

2. Project Budget

Cost Category	Grant Funds	Total Project Cost
Program Funds	\$1,457,758.20	\$1,457,758.20

3. Budget Narrative

The Grant Funds identified above will be used to complete the project described in the above Project Description.

4. Project Management/Reporting

This project will be managed by the Grantee.

If the Grantee is a City, signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the Mayor. The Mayor may delegate signatory authority for executing the Grant Agreement and amendments to others within the City government via the Signatory Authority Form. The Mayor may also designate financial and progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the City government, unless otherwise approved by the Department.

If the Grantee is not a City, signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the Chief Executive Officer (CEO). The CEO may delegate authority for executing the Grant Agreement and amendments to others within the Grantee's organization via the Signatory Authority Form. The CEO may also designate financial and performance progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the Grantee's organization unless otherwise approved by the Department.

The Grantee must establish and maintain separate accounting for the use of this Grant. The use of Grant funds in any manner contrary to the terms and conditions of this Grant Agreement may result in the subsequent revocation of the grant and any balance of funds under the grant. It may also result in the Grantee being required to return such amounts to the State.

The Grantee shall submit a Designated Legislative Grant Financial/Progress Report Form (see attached) each month, or quarterly, with the concurrence of the Department, during the life of the Grant Agreement. Grant Financial/Progress Report Forms are due fifteen (15) days after the end of the month or quarter being reported. The report period is the first of the month through the last day of the month. If quarterly reporting is approved, the report period is the first day of the first month through the last day of the third month of the quarter. The final Financial/Progress Reports must be submitted within thirty (30) days following completion of the project. Under no circumstances will the Department release funds to the Grantee unless all required reporting is current.

5. Grant Forms Packet

The following page, which includes the Designated Legislative Grant Financial/Progress Report Form, is to be used by the Grantee for monthly/quarterly reporting. Additional copies of this form are available from the Department, electronically or in hard copy.

Attachment B Payment Method

1. Advance/Reimbursement Payment

Upon full execution of this Grant Agreement, a State treasury warrant in an amount not to exceed 20% of the amount in Section I may be released upon request. Additional State treasury warrants will be released on a reimbursement basis upon receiving and approving a Grantee's financial/progress reports. The Department will reimburse the Grantee for costs incurred during the reporting period, in accordance with this Grant Agreement. The Department will not reimburse without approved financial/progress reports, prepared and submitted by the Grantee on the form provided in Attachment A. Before approving the financial/progress report for payment, the Department may require the Grantee to submit documentation of the costs reported (e.g., vendor billings, signed timesheets, invoices).

If cost reimbursement significantly inhibits the Grantee's ability to implement the project, the Department may advance to the Grantee an amount not to exceed a projected thirty (30) day cash need, or twenty percent (20%) of the amount in Section I, whichever is less.

Before the Department will issue an advance, the Grantee must submit a "Request for Advance Payment" form along with documentation of costs associated with the advance. The "Request for Advance Payment" form can be obtained from the Department electronically or in hard copy.

All advances will be recovered with the Grantee's next Financial/Progress Report form. Should earned payments during the terms of this Grant Agreement be insufficient to recover the full amount of the advance, the Grantee will repay the unrecovered amount to the Department when requested to do so by the Department, or at termination of the Grant Agreement.

2. Withholding of Ten Percent (10%)

The Department may withhold ten percent (10%) of the amount in Section I until the Department determines that the Grantee has satisfactorily completed the terms of this grant agreement, including all required reporting of the project.

Attachment C Standard Provisions

Article 1. Definition

"Department" refers to the Department of Commerce, Community and Economic Development with the State of Alaska.

Article 2. Indemnification

It is understood and agreed that this Grant Agreement is solely for the benefit of the parties to the Grant Agreement and gives no right to any other party. No joint venture or partnership is formed as a result of the Grant Agreement.

The Grantee, its successors and assigns, will protect, save, and hold harmless the Department and the State of Alaska and their authorized agents and employees, from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the acts or omissions of the Grantee, its subcontractors, assigns, agents, contractors, licenses, invitees, employees, or any person whomever arising out of or in connection with any acts or activities authorized by this Grant Agreement. The Grantee further agrees to defend the Department and the State of Alaska and their authorized agents and employees in any litigation, including payment of any costs or attorney's fees for any claims or actions commenced thereon arising out of or in connection with acts or activities authorized by this Grant Agreement. This obligation shall not include such claims, costs, damages, or expenses which may be caused by the sole negligence of the Department of the State of Alaska or their authorized agents or employees, provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the Department and the State of Alaska and their agents or employees, and (b) the Grantee, its agents or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Grantee, or Grantee's agents or employees.

Article 3. Legal Authority

The Grantee certifies that it possesses legal authority to accept grant funds under the State of Alaska and to execute the project described in this Grant Agreement by signing the Grant Agreement document. The Grantee's relation to the Department and the State of Alaska shall be at all times as an independent Grantee.

Article 4. Waivers

No conditions or provisions of this Grant Agreement can be waived unless approved by the Department in writing. The Department's failure to insist upon strict performance of any provision of the Grant Agreement, or to exercise any right based upon a breach thereof, or the acceptance of any performance during such a breach, shall not constitute a waiver of any right under this Grant Agreement.

Article 5. Access to Records

The Department and duly authorized officials of the State of Alaska shall have full access and the right to examine, excerpt, or transcribe any pertinent documents, papers, records, and books of the Grantee, and of persons or organizations with which the Grantee may contract, involving transactions related to the project and this Grant Agreement.

Article 6. Reports

The Grantee, at such times and in such forms as the Department may require, shall furnish the Department with such periodic reports as it may request pertaining to the activities undertaken pursuant to this Grant Agreement, including the final close-out report, the costs and obligations incurred in connection therewith, and any other matters covered by this Grant Agreement.

Article 7. Retention of Records

The Grantee shall retain financial and other records relating to the performance of this Grant Agreement for a period of six years from the date when the final financial status report is submitted to the Department, or until final resolution of any audit findings, claims, or litigation related to the grant.

Article 8. Assignability

The Grantee shall not assign any interest in this Grant Agreement and shall not transfer any interest in the same (whether by assignment or novation).

Article 9. Financial Management and Accounting

The Grantee shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles.

Article 10. Program Income

Program income earned during the award period shall be retained by the Grantee and added to the funds committed to the award and used for the purpose and under the conditions applicable to the use of award funds.

Article 11. Amendments and Modifications

The Grantee or the Department may request an amendment or modification of this Grant Agreement. However, such amendment or modification shall not take effect until approved, in writing, by the Department and the Grantee.

Article 12. Recordkeeping

The Grantee agrees to keep such records as the Department may require. Such records will include information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income. They will also include information pertaining to project performance and efforts to comply with the provisions of the Grant Agreement.

Article 13. Obligations Regarding Third-Party Relationships

None of the Work specified in this Grant Agreement shall be contracted by the Grantee without prior approval of the Department. No permission for subcontracting shall create, between the Department or the State of Alaska and the subcontractor, any contract or any relationship.

The Grantee shall remain fully obligated under the provisions of this Grant Agreement notwithstanding its designation of any third party or parties of the undertaking of all or any part of the project described herein. Any subcontractor that is not the Grantee shall be required by the Grantee to comply with all the provisions of this Grant Agreement.

The Grantee shall bind all subcontractors to each and every applicable Grant Agreement provision. Each subcontract for work to be performed with funds granted under this Grant Agreement shall specifically include a provision that the Department and the State of Alaska are not liable for damages or claims from damages arising from any subcontractor's performance or activities under the terms of the subcontracts.

Article 14. Conflict of Interest

No officer or employee of the Department; no member, officer, or employee of the Grantee or its designees or agents; no member of the governing body of the jurisdiction in which the project is undertaken or located; and no other official of such locality or localities who exercises any functions or responsibilities with respect to the project during his or her tenure, shall have any personal or pecuniary gain or interest, direct or indirect, in any contract, subcontract, or the proceeds thereof, for work to be performed in connection with the project assisted under this Grant Agreement.

The Grantee shall incorporate, or cause to incorporate, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this provision.

Article 15. Political Activity

No portion of the funds provided hereinunder shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.

Article 16. Notices

The Grantee shall comply with all public notices or notices to individuals required by applicable state and federal laws and shall maintain a record of this compliance.

Article 17. Prohibition Against Payment of Bonus or Commission

The assistance provided under this Grant Agreement shall not be used in payment of any bonus or commission for the purpose of obtaining approval or concurrence under this contract provided, however, that reasonable fees of bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

Article 18. Termination by Mutual Agreement

This Grant Agreement may be terminated, in whole or in part, prior to the completion of contract project activities when both parties agree that continuation is not feasible or would not produce beneficial results commensurate with the further expenditure of funds. The Department will determine whether an environmental review of the cancellation is required under State and/or Federal law. The parties must agree on the termination conditions, including effective date and the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Department shall make funds available to the Grantee to pay for allowable expenses incurred before the effective date of termination.

Article 19. Termination for Cause

If the Grantee fails to comply with the terms of this Grant Agreement, or fails to use the grant for only those purposes set forth herein, the Department may take the following actions:

- A. Suspension – After notice in writing by certified mail to the Grantee, suspend the grant and withhold any further payment or prohibit the Grantee from incurring additional obligations of grant funds, pending corrective action by the Grantee or a decision to terminate. Response must be received within fifteen (15) days of receipt of the written notice.
- B. Termination – Terminate the grant in whole or in part, at any time before the final grant payment is made. The Department shall promptly notify the Grantee in writing of its determination to terminate, the reason for such termination, and the effective date of the termination. Payments made to the Grantee or recoveries by the Department shall be in accordance with the legal rights and liabilities of the parties.

Article 20. Withdrawal of Funds

In the event funding from the state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Grant Agreement and prior to normal completion, the Department may terminate the agreement, reduce funding, or re-negotiate subject to those new funding limitations and conditions. A termination under this article shall be implemented under the same conditions as a termination under Article 19 of this Attachment.

Article 21. Recovery of Funds

In the event of a default or violation of the terms of the Grant Agreement by the Grantee, the Department may institute actions to recover all or part of the project funds paid to the Grantee. Repayment by the Grantee of grant funds under this recovery provision shall occur within thirty (30) days of demand.

All remedies conferred on the Department by this agreement or any other instrument or agreement are cumulative, not exclusive, and may be exercised concurrently or consecutively at the Department's option.

Article 22. Disputes

Except as otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement that is not disposed of by mutual agreement shall be decided by the Department, which shall reduce its decision to writing and mail, or otherwise furnish a copy thereof, to the Grantee. The decision of the Department shall be final and conclusive.

This "Disputes" clause does not preclude the consideration of questions of law in connection with the decision provided for in the preceding paragraph provided that nothing in the Grant Agreement shall be construed as making final the decisions of any administrative official, representative, or board on a question of law.

Article 23. Jurisdiction

This Grant Agreement shall be governed by the laws and statutes of the State of Alaska. The venue of any suit hereunder may be in the Superior Court for the First Judicial District, Juneau, Alaska.

Article 24. Ownership of Project/Capital Facilities

The Department makes no claim to any capital facilities or real property improved or constructed with funds under this Grant Agreement and, by this grant of funds, does not and will not acquire any ownership interest or title to such property of the Grantee. The Grantee shall assume all liabilities arising from the ownership and operation of the project and agrees to hold the Department and the State of Alaska harmless from any and all causes of action arising from the ownership and operation of the project.

Article 25. Site Control

If the grant project involves the occupancy and use of real property, the Grantee assures that it has the legal right to occupy and use such real property for the purposes of the grant, and further that there is legal access to such property.

Article 26. Insurance

The Grantee is responsible for obtaining any necessary liability insurance. In addition, the Grantee shall provide and maintain Workers' Compensation Insurance as required by AS 23.30 for all employees engaged in work under this Grant Agreement. The Grantee shall require any contractor to provide and maintain Workers' Compensation Insurance for its employees as required by AS 23.30. The Grantee shall require any contractor hired to work on the project be licensed, bonded and insured for at least the amount of the project and if appropriate provide and maintain Professional Liability Insurance.

Article 27. Subcontracts for Engineering Services

In the event that the Grantee subcontracts for engineering services, the Grantee will require that the engineering firm certify that it is authorized to do business in the State of Alaska. In the event that the engineering firm is also the project administrator, the Grantee shall require that the bond or insurance shall be for not less than the amount of the entire project.

Article 28. Governing law

This Grant Agreement is governed by the laws of the State of Alaska. The Grantee shall perform all aspects of this project in compliance with the appropriate laws and regulations. It is the responsibility of the Grantee to ensure that all permits required for the construction and operation of this project by the Federal, State, or Local governments have been obtained.

Article 29. Budget Flexibility

Notwithstanding the provisions of Article 11, Attachment C, the Grantee may revise the project budget in Attachment A without a formal amendment to this agreement. Such revisions are limited within each line item to a maximum of ten percent (10%) of the line item or \$10,000, whichever is less, over the entire term of this agreement. Such budget revisions shall be limited to changes to existing budget line items. Budget revisions may not be used to increase any budget item for project administrative expenses. Changes to the budget beyond the limits authorized by this provision may only be made by a formal amendment to this agreement.

Article 30. Equal Employment Opportunity (EEO)

The Grantee may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood. The Grantee shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.

The Grantee shall state, in all solicitations or advertisements for employees to work on state funded projects, that it is an equal opportunity employer (EEO) and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.

The Grantee shall include the provisions of this EEO article in every contract relating to this Grant Agreement and shall require the inclusion of these provisions in every agreement entered into by

any of its contractors, so that those provisions will be binding upon each contractor or subcontractor.

Article 31. Public Purposes

The Grantee agrees that the project to which this Grant Agreement relates shall be dedicated to public purposes for its useful life. The benefits of the project shall be made available without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.

If the Grantee is a non-municipal entity and if monies appropriated under this grant constitute the sole or principal funding source for the acquisition of equipment or facilities, the Grantee agrees that in the event a municipal corporation is formed which possesses the power and jurisdiction to provide for such equipment or facilities, the Grantee shall offer, without compensation, to transfer ownership of such equipment or facilities to the municipal corporation.

If the Grantee is a non-profit corporation that dissolves, the assets and liabilities from the grant project are to be distributed according to statutory law, AS 10.20.290-10.20.452.

Article 32. Operation and Maintenance

Throughout the life of the project, the Grantee shall be responsible for the operation and maintenance of any facility, equipment, or other items acquired under this grant.

Article 33. Assurance

The Grantee shall spend monies awarded under this grant only for the purposes specified in this Grant Agreement.

Article 34. Current Prevailing Rates of Wage

Certain grant projects are constrained by the provisions of AS 36. PUBLIC CONTRACTS. To the extent that such provisions apply to the project which is the subject of this Grant Agreement, the Grantee shall pay the current prevailing rates of wage to employees as required by AS 36.05.010. The Grantee also shall require any contractor to pay the current prevailing rates of wage as required by AS 36.05.010.

Article 35. Severability

If any provision under this Grant Agreement or its application to any person or circumstance is held invalid by any court of rightful jurisdiction, this invalidity does not affect other provisions of the contract agreement which can be given effect without the invalid provision.

Article 36. Performance

The Department's failure to insist upon the strict performance of any provision of the Grant Agreement or to exercise any right based upon breach thereof or the acceptance of any performance during such breach, shall not constitute a waiver of any rights under this Grant Agreement.

Article 37. Sovereign Immunity

If the Grantee is an entity which possesses sovereign immunity, it is a requirement of this grant that the Grantee irrevocably waive its sovereign immunity with respect to state enforcement of this

Grant Agreement. The waiver of sovereign immunity, effected by resolution of the entity's governing body, is herein incorporated into this Grant Agreement.

Article 38. Audit Requirements

The Grantee shall comply with the audit requirements established by 02 AAC 45.010, set forth in Appendix A of this Grant Agreement.

Article 39. Close-Out

The Department will advise the Grantee to initiate close-out procedures when the Department determines, in consultation with the Grantee, that there are no impediments to close-out and that the following criteria have been met or soon will be met:

- A. All costs to be paid with grant funds have been incurred with the exception of close-out costs and any unsettled third-party claims against the Grantee. Costs are incurred when goods and services are received or contract work is performed.
- B. The last required performance report has been submitted. The Grantee's failure to submit a report will not preclude the Department from effecting close-out if it is deemed to be in the State's interest. Any excess grant amount that may be in the Grantee's possession shall be returned by the Grantee in the event of the Grantee's failure to finish or update the report.
- C. Other responsibilities of the Grantee under this Grant Agreement and any close-out agreement and applicable laws and regulations appear to have been carried out satisfactorily or there is no further State interest in keeping the grant open for the purpose of securing performance.

Article 40. Americans with Disabilities Act

The Americans with Disabilities Act (ADA) prohibits discrimination against persons with disabilities. Title I of the ADA prohibits discrimination against persons with disabilities in employment and provides that a reasonable accommodation be provided for applicants and employees. Title II of the Act prohibits public agencies from discriminating against individuals with disabilities in the provision of services, programs, or activities. Reasonable accommodation must be made to ensure or allow access to all services, programs, or activities. This section of the Act includes physical access to public facilities and requires that public entities must, if necessary, make modifications to their facilities to remove physical barriers to ensure access by persons with disabilities. All new construction must also be accessible to persons with disabilities. A public entity's subgrantees or contractors must also comply with the ADA provisions. Grantees are responsible for assuring their compliance with the ADA.

Appendix A Audit Regulations

2 AAC 45.010. AUDIT REQUIREMENTS

- (a) A state agency that enters into a financial assistance agreement to provide financial assistance to an entity shall, in coordination with any other state agencies providing financial assistance to that entity, require that entity to submit to the department an audit of the recipient entity if that entity is subject to an audit under this section. The audit must be conducted and submitted as described in this section. In order to ensure compliance with this subsection, a state agency must include the audit requirements of this section must be contained in any financial assistance agreement subject to this subsection.
- (b) An entity that expends financial assistance with a cumulative total of \$500,000 or more during the entity's fiscal year shall submit an audit report for the audit period to the department, by
- (1) the earlier of
 - (a) 30 days after the entity receives its audit report for the audit period; or
 - (b) nine months after the end of the audit period; or
 - (2) a later date than the date calculated under (1) of this subsection, if
 - (a) the state agency that provides the financial assistance agrees to the change of date; and
 - (b) the agreement under (a) of this paragraph is made in
 - (i) writing; and
 - (ii) advance of the date calculated under (1) of this subsection.
- (c) An audit required by this section must be conducted by an independent auditor, according to the following audit standards effective at the time of review for the audit period:
- (1) *Government Auditing Standards, July 2007 Revision* adopted by the comptroller general of the United States, and adopted by reference;
 - (2) Generally accepted auditing standards, as accepted by the American Institute of Certified Public Accountants in the *Codification of Statements on Auditing Standards* in effect as of January 1, 2008 for the type of entity being audited, adopted by reference;
 - (3) *State of Alaska Audit Guide and Compliance Supplement for State Single Audits, May 2008 revision*, prepared by the department, adopted by reference.
- (d) An audit required under this section must report on the following: (1) The system of internal controls of the entity and the auditor's identification of significant deficiencies and material weaknesses of the entity, using the applicable standards set out in (c) of this section; (2) the entity's compliance with applicable state statutes and regulations and applicable financial assistance agreements affecting the expenditure of the financial assistance; the report must identify findings and known questioned costs that exceed \$5,000 in the aggregate for all transactions of expenditures tested for the financial assistance being audited; (3) the entity's financial statements; (4) the schedule of state financial assistance; and (5) the schedule of findings and questioned costs.
- (e) As part of an audit report required under this section, a recipient must provide (1) written comments on any (A) findings; (B) known questioned costs; (c) significant deficiencies, including material weaknesses; and (D) recommendations contained in the audit report; (2) the entity's plan for corrective action, if any findings are identified or any recommendations are made in the audit report; (3) the status of the entity's implementation of any plans for corrective actions related to (A) the audit reports required under this section for the fiscal year before the audit period; and (B) unresolved findings of audit reports required by this section for audit periods before those specified in (A) of this paragraph; and (4) a written explanation of the reasons why corrective action will not be taken if the entity does not intend to take corrective action on the findings and recommendations in any audit report required by this section.

- (f) An audit report required under this section need not evaluate the effectiveness of a program funded by state financial assistance. However, a program evaluation or financial monitoring may be conducted by the state agency or requested of the entity by the state agency that entered into the financial assistance agreement.
- (g) An audit required by this section must cover the entire operations of the entity.
- (h) An entity shall provide the department with sufficient copies of each audit report to allow submission of a copy to each state agency providing financial assistance to the entity. The department will determine if auditing standards have been met and will forward a copy of the audit to the appropriate state agencies. The department will coordinate the assignment of the resolution to one state agency, if the exceptions concern more than one state agency. The applicable state agency providing financial assistance to the entity must meet its responsibilities under other law for ensuring compliance with the audit report.
- (i) Unless additional audit requirements are imposed by state or federal law, a state agency that provides financial assistance to an entity shall accept the audit required by this section in satisfaction of any other audit requirement. If additional audit work is necessary to meet the needs of a state agency, the audit work must be based on audits required by this section. Nothing in this subsection authorizes a state agency to seek payment from the entity for the additional audit work.
- (j) A third party that receives financial assistance through an entity, in an amount described in this section, is subject to the applicable requirements of this section. An entity that disburses \$500,000 or more in state financial assistance to a third party shall ensure that the third party complies with the requirements of this section. That entity shall also ensure that appropriate corrective action is taken within six months after a third party's noncompliance with an applicable state statute or regulation, or financial assistance agreement, is disclosed.
- (k) Repealed 7/1/98.
- (l) For purposes of this section, if an entity has not identified its fiscal year, that entity's fiscal year is July 1 through June 30.
- (m) Financial assistance in the following form is not included when calculating whether an entity meets the threshold monetary requirement under (b) of this section:
 - (1) community revenue sharing money provided under AS 29.60.850 - 29.60.879;
 - (2) Repealed 3/31/2008.
 - (3) aviation fuel tax money provided under AS 43.40.010;
 - (4) electric and telephone cooperative gross revenue tax refunds provided under AS 10.25.570;
 - (5) alcoholic beverage license fee refunds provided under AS 04.11.610;
 - (6) fisheries tax refunds provided under AS 29.60.450, AS 43.75.130, and AS 43.77.060;
 - (7) PERS/TRS relief funding under money appropriated to pay employer unfunded liability attributable to the entity under AS 14.25 and AS 39.35.
- (n) Financial assistance in a form listed in (m) of this section is not exempt from compliance testing if the entity meets the threshold monetary requirement under (b) of this section.
- (o) Repealed 7/1/98.

(Eff. 8/1/85, Register 95; am 6/29/90, Register 114; am 7/1/98, Register 146; am 3/31/2008, Register 185; am 8/1/2008, Register 187)

Authority: AS 37.05.020 AS 37.05.190

2 AAC 45.060. EXTERNAL QUALITY REVIEW OF AUDIT ORGANIZATION

Repealed.

(Eff. 7/1/98, Register 146; repealed 3/31/2008, Register 185)

2 AAC 45.070. APPLICABILITY

- (a) The amended version of this chapter, effective August 1, 2008, applies to an audit for an audit period that begins or continues after August 1, 2008.
- (b) An entity may agree to be subject to the provisions of the amended version of this chapter, effective August 1, 2008, for an audit period beginning on or after July 1, 2007 and ending on or before July 31, 2008, by voluntarily submitting
 - (1) an audit that complies with those provisions; or
 - (2) a statement that an audit is not required under provisions of 2 AAC 45.010(b).

(Eff. 7/1/98, Register 146; am 3/31/2008, Register 185; am 8/1/2008, Register 187)

Authority: AS 37.05.020 AS 37.05.190

2 AAC 45.080. EXEMPTIONS FROM FINANCIAL ASSISTANCE

(a) For purposes of this chapter, "financial assistance" does not include the following: (1) public assistance provided under AS 47; (2) goods or services purchased for the direct administration or operation of state government; (3) moneys advanced to an entity under one or more state loan programs; (4) power cost equalization payments made to an electric cooperative on behalf of its customers; (5) scholarships, loans, or other tuition aid provided to students, but paid to an education institution on their behalf.

(b) In addition to the exemptions set out in (a) of this section, for a third party, "financial assistance" does not include goods purchased from the third party for direct administration or operation of the entity that received financial assistance.

(Eff. 7/1/98, Register 146)

Authority: AS 37.05.020 AS 37.05.190

2 AAC 45.090. DEFINITIONS

For purposes of this chapter, unless the context otherwise requires,

- (1) "audit period" means the entity's fiscal year in which the entity expended financial assistance;
- (2) "entity" does not include (A) the University of Alaska or any other state agency; (B) a for-profit entity; and (c) a non United States based entity;
- (3) "financial assistance" means state grants, contracts, provider agreements, cooperative agreements, and all forms of state financial assistance to an entity; "financial assistance" includes all forms of state financial assistance provided through an entity to a third party;
- (4) "known questioned costs" means those questioned costs specifically identified by the auditor in the audit conducted under this chapter;
- (5) Repealed 3/31/2008;
- (6) "department" means the Department of Administration;
- (7) "significant deficiencies" has the meaning given in Section 5.11a. of the Government Auditing Standards adopted by reference in 2 AAC 45.010(c).

(Eff. 7/1/98, Register 146; am 3/31/2008, Register 185)

Authority: AS 37.05.020 AS 37.05.190

Appendix B Audit Compliance Supplement Grants to Municipalities

1. Program Objectives

Authorized and administered under AS 37.05.315 - .325, grants to municipalities are made at the discretion of the Legislature. The grants are designated for use on various capital projects and activities.

2. Program Procedures

Once the authorizing legislation becomes effective, a grant agreement specifying the purpose, terms, and conditions of the grant is executed with the municipality.

3. Compliance Requirements and Suggested Audit Procedures

A. Types of Services Allowed and Unallowed

Compliance Requirement Grant funds can be expended for a variety of purposes as provided for in the authorizing legislation and as specified in the grant agreement.

Suggested Audit Procedure Review the grant agreement and related records to determine if the funds were expended in accordance with the terms of the agreement.

Compliance Requirement The facilities and services provided by the grant must be available for use of the general public.

Suggested Audit Procedure Determine whether the facilities and services provided by the grant are available for the use of the general public.

B. Eligibility

The auditor is not expected to make tests for recipient eligibility.

C. Matching, Level of Effort and/or Earmarking Requirements

Compliance Requirement The appropriation or allocation lapses and the municipality must return to the state all grant funds received for construction of a public facility if substantial, ongoing work on the project has not begun within five years of the effective date of the appropriation or allocation.

Suggested Audit Procedure Examine financial records, reports, and supporting documentation to determine if substantial, ongoing work on the project has begun within five years of the effective date of the appropriation or allocation. Expenditures alone should not be a determining factor; site visits, photographic documentation, and/or interviews with contractors may be required if ongoing work is in question.

D. Reporting Requirements

Compliance Requirement The grant agreement will specify the reporting requirements to which the grantee must adhere.

Suggested Audit Procedures Examine reports and supporting documentation and verify completeness, accuracy and timeliness of submission. Verify that required approvals were obtained and that expenditures and matching contributions were within award performance period.

E. Special Tests and Provisions

Compliance Requirement The grant agreement will identify any other compliance requirements to which the recipient is to adhere.

Suggested Audit Procedures Review the grant agreement, identify any other applicable compliance provisions, including the "standard provisions," and verify that the requirements were met.

Appendix B2 Insurance

Article 1. Insurance

Without limiting contractor's indemnification, it is agreed that the contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Contracting Officer prior to beginning work and must provide for a thirty (30) day prior notice of cancellation, non-renewal or material change. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach and grounds for termination of the contractor's services.

1.1 Workers' Compensation Insurance: The contractor shall provide and maintain, for all employees of the contractor engaged in work under this contract, Workers' Compensation Insurance as required by AS 23.30.045. The contractor shall be responsible for Workers' Compensation Insurance for any subcontractor who directly or indirectly provides services under this contract. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection is not less than \$100,000.00 per occurrence. Where applicable, coverage for all federal acts (i.e. USL & H and Jones Acts) must also be included.

1.2 Comprehensive (Commercial) General Liability Insurance: With coverage limits not less than \$300,000.00 combined single limit per occurrence and annual aggregates where generally applicable and shall include premises-operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.

1.3 Comprehensive Automobile Liability Insurance: Covering all owned, hired, and non-owned vehicles with coverage limits not less than \$100,000.00 per person/\$300,000.00 per occurrence bodily injury and \$50,000.00 property damage.

1.4 Professional Liability Insurance: Covering all errors, omissions or negligent acts of the contractor, subcontractor or anyone directly or indirectly employed by them, made in the performance of this contract which result in financial loss to the State. Limits required are per the following schedule:

Contract Amount	Minimum Required Limits
Under \$100,000	\$100,000 per occurrence/annual aggregate
\$100,000 - \$499,999	\$250,000 per occurrence/annual aggregate
\$500,000 - \$999,999	\$500,000 per occurrence/annual aggregate
\$1,000,000 or over	Negotiable - Refer to Risk Management

Appendix C

State Laws and Regulations

Municipality Public Facility Operations and Maintenance—AS 37.05.315(c)

In accepting a grant under AS 37.05.315 for construction of a public facility, a municipality covenants with the State that it will operate and maintain the facility for the practical life of the facility and that the municipality will not look to the State to operate or maintain the facility or pay for its operation or maintenance. This requirement does not apply to a grant for repair or improvement of an existing facility operated or maintained by the State at the time the grant is accepted if the repair or improvement for which the grant is made will not substantially increase the operating or maintenance costs to the State.

Restriction on Use—AS 37.05.321

A grant or earnings from a grant under AS 37.05.315 - 37.05.317 may not be used for the purpose of influencing legislative action. In this section "influencing legislative action" means promoting, advocating, supporting, modifying, opposing, or delaying or seeking to do the same with respect to any legislative action but does not include the provision or use of information, statistics, studies, or analyses in written or oral form or format. A grant or earnings from a grant made under AS 37.05.315 - 37.05.317 may not be used for purposes of travel in connection with influencing legislative action unless pursuant to a specific request from a legislator or legislative committee.

Hiring Preferences—AS 36.10

This chapter of the Alaska Statutes applies to grants for public works projects and requires compliance with the hiring preferences under AS 36.10.150 – 36.10.175 for employment generated by the grant.

Historic Preservation Act—AS 41.35

This chapter of the Alaska Statutes applies to public construction of any nature undertaken by the State, or by a governmental agency of the State, or by a private person under contract with or licensed by the State or a governmental agency of the State. The Department of Natural Resources must be notified if the construction is planned for an archaeological site. The department may stop the construction to determine the extent of the historic, prehistoric, or archaeological values.

Fire Protection—AS 18.70

This chapter of the Alaska Statutes requires the Department of Public Safety (the State Fire Marshal) to adopt regulations (currently in the form of Uniform Fire Code, as amended) establishing minimum standards for:

1. Fire detection and suppression equipment;
2. Fire and life safety criteria in commercial, industrial, business, institutional, or other public buildings used for residential purposes containing four or more dwelling units;
3. Any activity in which combustible or explosive materials are stored or handled in commercial quantities;
4. Conditions or activities carried on outside a building described in (2) or (3) likely to cause injury to persons or property.

Environmental Conservation—AS 46.03

This chapter of the Alaska Statutes applies to municipalities and could subject them to enforcement actions instituted by the Alaska Department of Environmental Conservation for air, land and water nuisances, and water and air pollution in a municipality of 1,000 or more, and may establish a local air pollution control program.

Alaska Coastal Management Program—AS 46.40

This chapter of the Alaska Statutes establishes a planning program for the use, management, restoration, and enhancement of the overall quality of the coastal environment. The law provides for the creation of coastal resource districts and the establishment, review, and approval of district management plans. If a district management plan is not implemented, enforced, or complied with, enforcement action may follow.

Permits and Environmental Procedures Coordination—AS 46.35

This chapter of the Alaska Statutes establishes the Department of Environmental Conservation as the central state agency for processing environmental permits issued by State agencies. The law requires a master application form and specifies the following permits including others designated by the commissioner to which this law applies:

- Access Roads Permit—AS 41.21.020, 11 AAC 12.020**
- Air Emissions Permit—AS 46.14.140, 18 AAC 50.030**
- Anadromous Fish Protection Permit—AS 16.05.870, 5 AAC 95.010**
- Authorization for Tidelands Transportation—AS 38.05.035, 11 AAC 51.015**
- Brine or Other Salt Water Waste Disposal Permit—AS 31.05.030, 20 AAC 22.252**
- Burning Permit during Fire Season—AS 41.15.060, 11 AAC 95.410**
- Coal Development Permit—AS 27.21.030, 11 AAC 85.110**
- Critical Habitat Area Permit—AS 16.20.510, 05 AAC 95.420**
- Dam Construction Permit—AS 46.17.040, 11 AAC 93.171**
- Driveway Permit—AS 19.05.040, 17 AAC 10.020**
- Encroachment Permit—AS 19.25.200, 17 AAC 10.012**
- Limited Personal Use Permit—AS 38.05.820, 11 AAC 62.010**
- Miscellaneous State Land Use Permit—AS 38.05.035, 11 AAC 96.010**
- Mineral and Geothermal Prospecting Permits—AS 38.05.181, 11 AAC 82.100**
- Open Burning Permit—AS 46.03.020, 18 AAC 50.065**
- Permit for Use of Timber or Materials—AS 38.05.110, 11 AAC 71.025**
- Permit to Appropriate Water—AS 46.15.040, 11 AAC 93.120**
- Pesticides Permit—AS 46.03.320, 18 AAC 90.300**
- Preferred Use Permit—AS 46.15.150, 11 AAC 93.240**
- Right-of-Way and Easement Permits—AS 38.05.850, 11 AAC 58.740**
- Solid Waste Disposal—AS 46.03.100, 18 AAC 60.200**
- Special Land Use Permit—AS 38.05.035, 11 AAC 58.210**
- Special Material Use Permit—AS 38.05.115, 11 AAC 71.025**
- State Game Refuge Land Permit—AS 16.20.050 - 16.20.060**
- State Park Incompatible Use Permit—AS 41.21.020, 11 AAC 18.010**
- Surface Oiling Permit—AS 46.03.740, 18 AAC 75.700**
- Surface Use Permit—AS 38.05.255, 11 AAC 86.600**
- Tide and Submerged Lands Prospecting Permit—AS 38.05.250, 11 AAC 62.700**
- Tidelands Permit—AS 38.05.035, 11 AAC 62.720**
- Tidelands Right-of-Way or Easement Permit—AS 38.05.820, 11 AAC 62.720**
- Utility Permit—AS 19.25.010, 17 AAC 15.011**
- Waste Water Disposal Permit—AS 46.03.100, 18 AAC 72.010**
- Water Well Permit—AS 31.05.030, 11 AAC 93.140**

Appendix D
Special Requirements and Assurances
for Federally Funded Projects

Federal grant requirements are not applicable to the Designated Legislative Capital Grant program.

Appendix E Site Control

1. Site Control

The Grantee must provide evidence of site control for a project that involves any use of land, including but not limited to, construction, renovation, utility projects, fuel storage, roads and trails.

As a minimum requirement, the Grantee should obtain a "sufficient interest" that allows the Grantee the right to use and occupy the site for the expected useful life of the building, structure or other improvement. Generally, the interest obtained should be for at least 20 years. A sufficient interest depends upon the nature of the project and the land status of the site. Site control options are identified in Section 2.

For a project planned on land that is controlled by a public agency, the Grantee must obtain whatever authorization for use that is required by the public agency.

2. Site Control Options

Below are some examples of documents that may be used to satisfy site control requirements for various community facilities/projects. The terms and conditions contained in each document must be examined to determine adequacy for a specific project.

	Deed	Lease	Easement	Use Permit	License
Community Hall	✓	✓			
Clinic	✓	✓			
Fire Station	✓	✓			
Bulk Fuel Storage	✓	✓			
Dump	✓	✓			
Shop/Storage Building	✓	✓			
Cemetery	✓	✓			
Dock	✓	✓			
Campground	✓	✓			
Generator Building	✓	✓			
Multi-purpose building	✓	✓			
Laundromat	✓	✓			
Water well/Septic	✓	✓		✓	
Village Relocation	✓	✓	✓	✓	
Agriculture Project	✓	✓			
Sewage Lagoon	✓	✓			
Communication Site	✓	✓			
Road (.25')			✓	✓	
Trail (.25")			✓	✓	
Boardwalk			✓	✓	✓
Powerline			✓	✓	✓
Water/Sewer Line			✓	✓	✓
Pipeline			✓	✓	✓

Appendix F

State Fire Marshal Review

The Plan Review Process

Construction, repair, remodel, addition, or change of occupancy of any building/structure, or installation or change of fuel tanks must be approved by the State Fire Marshal's Office before ANY work is started.

Residential housing that is three-plex or smaller is exempt from this requirement.

Exception: The following jurisdictions have accepted a deferral for total code enforcement and plans should be submitted directly to the city: Anchorage, Juneau, Fairbanks, Kenai, Seward, Kodiak, Sitka, and Soldotna

Plans and specifications regarding the location of the building or structure on the property, area, height, number of stories, occupancy, type of construction, interior finish, exit facilities, electrical systems, mechanical systems, fuel storage tanks and their appurtenances, automatic fire-extinguishing systems, and fire alarm systems must be submitted by the owner or owner's representative to the State Fire Marshal for examination and approval. This review does not address structural considerations or accessibility requirements. Mechanical and electrical review is limited to that which is necessary to confirm compliance with fire and life safety requirements.

A copy of the plan review approval certificate must be posted as required in 13 AAC 55.100(b). It is prohibited to occupy a building for which plans have not been examined and approved.

If any work for which a plan review and approval is required has been started without first obtaining plan review and approval, an additional special processing plan review fee of \$100 is charged for the first violation. The special processing plan review fee for a subsequent violation by the same person is an additional charge equal to the amount of the standard plan review fee for the project.

Authority: AS 18.70.080

Alaska Administrative Code: 13 AAC 50.027

ORDINANCE REFERENCE SHEET
2011 ORDINANCE
ORDINANCE 11-05

An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Legislative Grant in the Amount of \$1,000,000 for the Purpose of Conducting Preliminary Work on Phase I of the Deep Water Dock Expansion Project to Include Scoping, Feasibility Studies, Environmental Work, and Engineering and Design.

Sponsor: City Manager

1. City Council Regular Meeting February 15, 2011 Introduction
 - a. Project Budget
 - b. Grant Agreement

1. City Council Regular Meeting February 28, 2011 Public Hearing and Second Reading
 - a. Project Budget
 - b. Grant Agreement

CITY OF HOMER
HOMER, ALASKA

City Manager

ORDINANCE 11-05

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, ACCEPTING AND APPROPRIATING A STATE OF ALASKA LEGISLATIVE GRANT IN THE AMOUNT OF \$1,000,000 FOR THE PURPOSE OF CONDUCTING PRELIMINARY WORK ON PHASE I OF THE DEEP WATER DOCK EXPANSION PROJECT TO INCLUDE SCOPING, FEASIBILITY STUDIES, ENVIRONMENTAL WORK, AND ENGINEERING AND DESIGN.

WHEREAS, The City has received a Legislative Grant in the amount of \$1,000,000 for the purpose of conducting preliminary work on Phase I of the Deep Water Dock Expansion Project; and

WHEREAS, The grant funds will be used to conduct scoping, feasibility and environmental work, and engineering and design and will be combined with \$2,000,000 DOT/PF has already received in federal funds for the project.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby accepts and appropriates a State of Alaska Legislative Grant in the amount of \$1,000,000 for the purpose of conducting preliminary work on Phase I of the Deep Water Dock expansion project to include scoping, feasibility and environmental work, and engineering and design as follows:

Revenue:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
415-924	Legislative Grant/ Deep Water Dock Phase I	\$1,000,000

Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
415-924	Deep Water Dock / Phase I	\$1,000,000

Section 2. This is a budget amendment ordinance, in temporary in nature, and shall not be codified.

ENACTED BY THE HOMER CITY COUNCIL this ____ day of _____, 2011.

CITY OF HOMER

JAMES C. HORNADAY, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

YES:

NO:

ABSENT:

ABSTAIN:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Walt Wrede, City Manager

Thomas F. Klinkner, City Attorney

Date: _____

Date: _____

CITY OF HOMER
PROJECT BUDGET

Project Number: 415-924 DATE FEB 8, 2011

Project Name: DEEPWATER DOCK EXPANSION - PHASE I
 Project Start Date: JAN 30, 2011 Project End Date: DEC 31, 2013

Project Description: PRELIMINARY SCOPING, NEPA AND ENVIRONMENTAL WORK, ECONOMIC FEASIBILITY ANALYSIS, ENGINEERING AND DESIGN

Funding Source: LEGISLATIVE GRANT 11-DC-233

Other Comments:

		Project Budget	
Codes	Expense Description	GRANT	MATCHING
5101/2	Project -Salaries & Benefits	<u>30,000</u>	
5202	Materials		
5210	Professional Services		
	Project Management		
	Inspection		
5212	Engr / Arch / Design	<u>967,000</u>	
5216	Postage / Freight		
5227	Advertising	<u>3,000</u>	
5261	Construction		
5262	Contingency		
5901	Equipment		
TOTAL		<u>\$ 1,000,000</u>	<u>\$ -</u>

Approvals

Cathy Meyer Requesting Department Date FEB 8, 2011
Regina Howland Finance Department Date 2-8-2011
 _____ City Manager Date _____

Resolution : _____ Ordinance: _____

Copies Sent: City Clerk: 2-8-2011 Finance Dept.: Laurel Moore 2-8-2011
e-mailed Requesting Dept.: 2-8-2011 Project File: JC
Public Works

*Grant Agreement Document Attached



DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

Designated Legislative Grant Program
Grant Agreement

Grant Agreement Number 11-DC-233		Amount of State Funds \$1,000,000.00	
Collocation Code(s)	Encumbrance Number/AR/Lapse Date / 8290 / 06/30/2015	Project Title Deep Water Dock Expansion, Phase I	
Grantee		Department Contact Person	
Name City of Homer		Name Jean Mason	
Street/PO Box 491 East Pioneer Avenue		Title Grants Administrator	
City/State/Zip Homer, AK 99603		Street/PO Box P.O. Box 110809	
Contact Person Jo Earls, Grant Administrator		City/State/Zip Juneau, AK 99811-0809	
Phone 907-235-8121	Email jearls@ci.homer.ak.us	Phone 907-465-5647	Fax 907-465-5867

AGREEMENT

The Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs (hereinafter 'Department') and City of Homer (hereinafter 'Grantee') agree as set forth herein.

Section I. The Department shall pay the Grantee for the performance of the project work under the terms outlined in this agreement. The amount of the payment is based upon project expenses incurred, which are authorized under this Agreement. In no event shall the payment exceed **\$1,000,000.00**.

Section II. The Grantee shall perform all of the work required by this Agreement.

Section III. The work to be performed under this agreement begins 04/19/2010 and shall be completed no later than 06/30/2015.

Section IV. The agreement consists of this page and the following:

ATTACHMENTS

- Attachment A: Scope of Work
1. Project Description
 2. Project Budget
 3. Project Narrative
 4. Project Management/Reporting
 5. Forms Packet
- Attachment B: Payment Method
Attachment C: Standard Provisions

APPENDICES

- Appendix A: Audit Regulations
Appendix B: Audit Compliance Supplement
Appendix B2: Insurance
Appendix C: State Laws and Regulations
Appendix D: Special Requirements and Assurances for Federally Funded Projects (if applicable)
Appendix E: Site Control
Appendix F: State Fire Marshal Review

AMENDMENTS: Any fully executed amendments to this Agreement

Grantee		Department	
Signature		Signature	
Printed Name and Title	Walt Wrede, City Manager	Printed Name and Title	Jolene Julian, Grants Administrator III
Date	JAN 31, 2011	Date	JAN February 03 2011

Reviewed by: _____

Attachment A Scope of Work

1. Project Description

The purpose of this FY 2011 Designated Legislative Grant in the amount of \$1,000,000.00 [pursuant to the provisions of AS 37.05.315, SLA 2010, Chapter 43, Section 10, Page 92, Lines 27-29] is to provide funding to City of Homer for use towards Deep Water Dock Expansion, Phase I. The objective of this project is to prepare bid ready documents if the dock expansion is determined feasible.

This project may include, but is not limited to:

- Preliminary scoping;
- NEPA and environmental work;
- Economic feasibility analysis; and,
- Engineering and design

No more than five percent (5%) of the total grant award may be reimbursed for Administrative expenses for projects involving equipment purchase or repairs and no more than ten percent (10%) of the total grant award may be reimbursed for Administrative expenses for all other projects. To be reimbursed for eligible administrative costs, expenses must be reported on the Designated Legislative Grant Financial/Progress Report form.

2. Project Budget

Cost Category	Grant Funds	Total Project Cost
Program Funds	\$1,000,000.00	\$1,000,000.00

3. Budget Narrative

The Grant Funds identified above will be used to complete the project described in the above Project Description.

4. Project Management/Reporting

This project will be managed by the Grantee.

If the Grantee is a City, signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the Mayor. The Mayor may delegate signatory authority for executing the Grant Agreement and amendments to others within the City government via the Signatory Authority Form. The Mayor may also designate financial and progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the City government, unless otherwise approved by the Department.

If the Grantee is not a City, signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the Chief Executive Officer (CEO). The CEO may delegate authority for executing the Grant Agreement and amendments to others within the Grantee's organization via the Signatory Authority Form. The CEO may also designate financial and performance progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the Grantee's organization unless otherwise approved by the Department.

The Grantee must establish and maintain separate accounting for the use of this Grant. The use of Grant funds in any manner contrary to the terms and conditions of this Grant Agreement may result in the subsequent revocation of the grant and any balance of funds under the grant. It may also result in the Grantee being required to return such amounts to the State.

The Grantee shall submit a Designated Legislative Grant Financial/Progress Report Form (see attached) each month, or quarterly, with the concurrence of the Department, during the life of the Grant Agreement. Grant Financial/Progress Report Forms are due fifteen (15) days after the end of the month or quarter being reported. The report period is the first of the month through the last day of the month. If quarterly reporting is approved, the report period is the first day of the first month through the last day of the third month of the quarter. The final Financial/Progress Reports must be submitted within thirty (30) days following completion of the project. Under no circumstances will the Department release funds to the Grantee unless all required reporting is current.

5. Grant Forms Packet

The following page, which includes the Designated Legislative Grant Financial/Progress Report Form, is to be used by the Grantee for monthly/quarterly reporting. Additional copies of this form are available from the Department, electronically or in hard copy.

ORDINANCE REFERENCE SHEET
2011 ORDINANCE
ORDINANCE 11-06

An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Legislative Grant in the Amount of \$250,000 for the Purpose of Constructing Park Improvements Contained in Phase I of the Karen Hornaday Park Master Plan.

Sponsor: City Manager

1. City Council Regular Meeting February 15, 2011 Introduction
 - a. Project Budget
 - b. Grant Agreement

2. City Council Regular Meeting February 28, 2011 Public Hearing and Second Reading
 - a. Project Budget
 - b. Grant Agreement

**CITY OF HOMER
HOMER, ALASKA**

City Manager

ORDINANCE 11-06

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, ACCEPTING AND APPROPRIATING A STATE OF ALASKA LEGISLATIVE GRANT IN THE AMOUNT OF \$250,000 FOR THE PURPOSE OF CONSTRUCTING PARK IMPROVEMENTS CONTAINED IN PHASE I OF THE KAREN HORNADAY PARK MASTER PLAN.

WHEREAS, The City has received a Legislative Grant in the amount of \$250,000 for the purpose of constructing park improvements contained in Phase I of the Karen Hornaday Park Master Plan.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby accepts and appropriates a State of Alaska Legislative Grant in the amount of \$250,000 for the purpose of constructing park improvements contained in Phase I of the Karen Hornaday Park Master Plan as follows:

Revenue:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
151-776	Legislative Grant/ Karen Hornaday Park Phase I	\$250,000

Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
151-776	Karen Hornaday Park / Phase I	\$250,000

Section 2. This is a budget amendment ordinance, in temporary in nature, and shall not be codified.

ENACTED BY THE HOMER CITY COUNCIL this _____ day of _____, 2011.

CITY OF HOMER

JAMES C. HORNADAY, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

YES:

NO:

ABSENT:

ABSTAIN:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Walt Wrede, City Manager

Date: _____

Thomas F. Klinkner, City Attorney

Date: _____

CITY OF HOMER
PROJECT BUDGET

Project Number: 151-776 DATE FEB 8, 2011

Project Name: KAREN HORNADAY PARK IMPROVEMENTS (PHASE I)
 Project Start Date: JAN 30, 2011 Project End Date: DEC 30, 2012

Project Description: IMPLEMENT PHASE I IMPROVEMENTS OF MASTER PLAN

Funding Source: LEGISLATIVE GRANT 11-DC-234 \$250,000.00
? (match) \$55,000.00

Other Comments: Legislative Grant does not require a match -

Codes	Expense Description	Project Budget	
		GRANT	MATCHING
5101/2	Project -Salaries & Benefits	<u>5,000</u>	
5202	Materials		
5210	Professional Services		
	Project Management		
	Inspection		
5212	Engr / Arch / Design	<u>30,000</u>	
5216	Postage / Freight		
5227	Advertising	<u>5,000</u>	
5261	Construction	<u>210,000</u>	<u>55,000</u>
5262	Contingency		
5901	Equipment		
TOTAL		<u>\$ 250,000</u>	<u>\$ 55,000</u>

Approvals

<u>Coney Mayne</u>	<u>FEB 8, 2011</u>
Requesting Department	Date
<u>Regina Moore</u>	<u>2 8 11</u>
Finance Department	Date
_____ City Manager	_____ Date

Resolution: _____ Ordinance: _____

Copies Sent: City Clerk: 2-8-2011 Finance Dept.: Regina Moore 2-8-2011
 e-mailed Requesting Dept.: 2-8-2011 Project File: JM
Public Works

* Grant Agreement Document attached



DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

Designated Legislative Grant Program
Grant Agreement

Grant Agreement Number 11-DC-234		Amount of State Funds \$250,000.00	
Collocation Code(s)	Encumbrance Number/AR/Lapse Date / 8291 / 06/30/2015	Project Title Karen Hornaday Park Improvements, Phase 1	
Grantee		Department Contact Person	
Name City of Homer.		Name Jean Mason	
Street/PO Box 491 East Pioneer Avenue		Title Grants Administrator	
City/State/Zip Homer, AK 99603		Street/PO Box P.O. Box 110809	
Contact Person Jo Earls, Grant Administrator		City/State/Zip Juneau, AK 99811-0809	
Phone 907-235-8121	Email jearls@ci.homer.ak.us	Phone 907-465-5647	Fax 907-465-5867

AGREEMENT

The Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs (hereinafter 'Department') and **City of Homer** (hereinafter 'Grantee') agree as set forth herein.

Section I. The Department shall pay the Grantee for the performance of the project work under the terms outlined in this agreement. The amount of the payment is based upon project expenses incurred, which are authorized under this Agreement. In no event shall the payment exceed **\$250,000.00**.

Section II. The Grantee shall perform all of the work required by this Agreement.

Section III. The work to be performed under this agreement begins **04/19/2010** and shall be completed no later than **06/30/2015**.

Section IV. The agreement consists of this page and the following:

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- Attachment A: Scope of Work
1. Project Description
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Appendix B2: Insurance
Appendix C: State Laws and Regulations
Appendix D: Special Requirements and Assurances for Federally Funded Projects (if applicable)
Appendix E: Site Control
Appendix F: State Fire Marshal Review

AMENDMENTS: Any fully executed amendments to this Agreement

Grantee		Department	
Signature <i>Walt Wrede</i>		Signature <i>Jolene Julian</i>	
Printed Name and Title Walt Wrede, City Manager		Printed Name and Title Jolene Julian, Grants Administrator III	
Date JAN 31 2011		Date 02/03/11	

Reviewed by: _____

Attachment A Scope of Work

1. Project Description

The purpose of this FY 2011 Designated Legislative Grant in the amount of \$250,000.00 [pursuant to the provisions of AS 37.05.315, SLA 2010, Chapter 43, Section 10, Page 92, Lines 30-32] is to provide funding to City of Homer for use towards Karen Hornaday Park Improvements. The objective of this project is to implement portions of Phase I of the Karen Hornaday Park Master Plan.

This project may include, but is not limited to:

- Topographic survey, engineering, and construction of drainage improvements;
- Acquisition and construction of a pedestrian bridge;
- Construction of a pedestrian ramp;
- Development of a detailed plan for a revitalized and improved playground;
- Acquisition and placement of new playground equipment;
- Expand and improve day use area;
- Demolition and removal of an old storage shed; and,
- Resurfacing and other parking improvements

No more than five percent (5%) of the total grant award may be reimbursed for Administrative expenses for projects involving equipment purchase or repairs and no more than ten percent (10%) of the total grant award may be reimbursed for Administrative expenses for all other projects. To be reimbursed for eligible administrative costs, expenses must be reported on the Designated Legislative Grant Financial/Progress Report form.

2. Project Budget

Cost Category	Grant Funds	Total Project Cost
Program Funds	\$250,000.00	\$250,000.00

3. Budget Narrative

The Grant Funds identified above will be used to complete the project described in the above Project Description.

4. Project Management/Reporting

This project will be managed by the Grantee.

If the Grantee is a City, signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the Mayor. The Mayor may delegate signatory authority for executing the Grant Agreement and amendments to others within the City government via the Signatory Authority Form. The Mayor may also designate financial and progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the City government, unless otherwise approved by the Department.

If the Grantee is not a City, signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the Chief Executive Officer (CEO). The CEO may delegate authority for executing the Grant Agreement and amendments to others within the Grantee's organization via the Signatory Authority Form. The CEO may also designate financial and performance progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the Grantee's organization unless otherwise approved by the Department.

The Grantee must establish and maintain separate accounting for the use of this Grant. The use of Grant funds in any manner contrary to the terms and conditions of this Grant Agreement may result in the subsequent revocation of the grant and any balance of funds under the grant. It may also result in the Grantee being required to return such amounts to the State.

The Grantee shall submit a Designated Legislative Grant Financial/Progress Report Form (see attached) each month, or quarterly, with the concurrence of the Department, during the life of the Grant Agreement. Grant Financial/Progress Report Forms are due fifteen (15) days after the end of the month or quarter being reported. The report period is the first of the month through the last day of the month. If quarterly reporting is approved, the report period is the first day of the first month through the last day of the third month of the quarter. The final Financial/Progress Reports must be submitted within thirty (30) days following completion of the project. Under no circumstances will the Department release funds to the Grantee unless all required reporting is current.

5. Grant Forms Packet

The following page, which includes the Designated Legislative Grant Financial/Progress Report Form, is to be used by the Grantee for monthly/quarterly reporting. Additional copies of this form are available from the Department, electronically or in hard copy.

ORDINANCE REFERENCE SHEET
2011 ORDINANCE
ORDINANCE 11-07

An Ordinance of the City Council of Homer, Alaska, Amending the FY 2011 Operating Budget by Appropriating \$17,000 from the Fire Department Depreciation Reserves for the Purchase and Installation of New Data Collection and Management Software.

Sponsor: City Manager/Fire Chief

1. City Council Regular Meeting February 15, 2011 Introduction
 - a. Memorandum 11-018 from Fire Chief as backup
 - b. Department Budget Request Year 2011

2. City Council Regular Meeting February 28, 2011 Public Hearing and Second Reading
 - a. Memorandum 11-018 from Fire Chief as backup
 - b. Department Budget Request Year 2011

**CITY OF HOMER
HOMER, ALASKA**

City Manager/Fire Chief

ORDINANCE 11-07

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING THE FY 2011 OPERATING BUDGET BY APPROPRIATING \$17,000 FROM THE FIRE DEPARTMENT DEPRECIATION RESERVES FOR THE PURCHASE AND INSTALLATION OF NEW DATA COLLECTION AND MANAGEMENT SOFTWARE.

WHEREAS, There are significant benefits associated with consolidating data collection for Fire and EMS services into a single data management system; and

WHEREAS, The Homer Volunteer Fire Department must comply with a State of Alaska EMS mandate that all EMS agencies adopt electronic data collection systems capable of on-line reporting; and

WHEREAS, The Fire Department requests an appropriation from department depreciation reserves to acquire an upgrade to Image Trends "Rescue Bridge" software which is a full featured management suite that is web-based and encrypted.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY 2011 Operating Budget by appropriating \$17,000 from the Fire Department Depreciation Reserve Account for the purchase and installation of new data collection and management software at the Homer Volunteer Fire Department.

Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
156-393-5901	Data Collection and Management Software	\$17,000

Section 2. This is a budget amendment ordinance, in temporary in nature, and shall not be codified.

ENACTED BY THE HOMER CITY COUNCIL this _____ day of _____, 2011.

CITY OF HOMER

JAMES C. HORNADAY, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

YES:

NO:

ABSENT:

ABSTAIN:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Walt Wrede, City Manager

Date: _____

Thomas F. Klinkner, City Attorney

Date: _____

Homer
Volunteer
Fire
Department

Memo

11-018

604 East Pioneer Avenue
Homer, Alaska 99603
907/235-3155
fax 907/235-3157
fire@ci.homer.ak.us

To: **Walt Wrede, City Manager**

From: **Robert Painter, Fire Chief**

CC:

Date: **January 17, 2011**

Re: **Budget Revision**

It is very important to approve this budget revision to allow the fire department to consolidate its data collection on to single data management systems. Prior to 2009 all fire department data collection and mandatory fire reporting was handled by our existing software, called FireHouse. This system tracked our personnel records, training records, equipment inventory, hose testing records as well as fire and EMS reports. In 2009 the State of Alaska EMS Office mandated that all EMS agencies adopt electronic data collection with at least monthly data submission (just like is required for fire reporting to the State Fire Marshal's Office). The State EMS Office developed a program called Aurora which stands for Alaska Uniform Response Online Reporting Access. This system is powered by software developed by a company called Image Trend. Unfortunately this system, as provided free from the state, does not meet our needs for other fire department data management. This upgrade will allow the fire department to convert all of our data to Image Trend's "Rescue Bridge" which is a full featured data management suite that will meet our needs into the foreseeable future. In addition, this new data management system is web-based which means that the company "hosts" the data at their secure site (fully encrypted to meet HIPAA security rules) and they can convert our existing data so that we don't lose the ability to easily look back for old reports and existing data from previous years. Though the original fire department request was for \$15,000, I would like to increase that to \$17,000 to provide for any cost overruns due to our increased number of calls for 2010 (over the estimated 500) that the first quote was based on.

"The team that cares."

**CITY OF HOMER
DEPARTMENT BUDGET REQUEST
Y YEAR 2011**

Requesting Department Fire Department Date 8/13/2010

Level of Need: Urgent Essential Necessary Desirable

Request for Additional Personnel:
 Position Title _____
 Salary Range & Step _____
 Full-time
 Part-time Hours Per Year _____

Request Other Than Personnel:
 Description Fire Department Data Collection
Software Upgrade/Replacement
 Fund Name: Fire Department Administration

(FINANCE DEPT WILL COMPLETE)	
5101 Permanent Employees	_____
5102 Fringe Benefits	_____
5103 P/T Employees	_____
5104 Fringe Benefits P/T	_____
5105 Overtime	_____
Total Personnel Cost	_____

Account Name: Professional and Special Services
 Account # 100-150-5210
 Estimated Cost: \$15,000

Justification:

In 2009 the State of Alaska EMS office mandated that all ambulance services provide electronic collection of data via a State funded systems they named Aurora. The State office provided, free of charge the software to allow us to collect that data on our existing hardware, free of charge (we paid only an annual software maintenance fee following the first year). This system has proven to be very user friendly and robust but has at the same time created some difficulty in that we now collect our data into two systems; one for fire and one for EMS thus creating additional work for our staff. This project would allow us to replace our existing database system with one making data collection and dissemination more accurate and eliminate the need for running on two systems simultaneously. Image Trend, the vendor being used by the State, provides excellent technical support, training and data security and is fully HIPPA compliant and hosts the data storage off site which would mean less need for local storage space for our data. This project would also allow us to transfer our existing data to the new system so that information does not have to be archived (more difficult to access). This project has been reviewed by the System Manager and has his endorsement. Once new software has been installed the annual operation costs will be only a per run fee (\$3.00 per call) plus an annual service/maintenance fee of \$1,500.

Requestor's Name: Robert L. Painter, Fire Chief

Department Head Approval: _____

City Manager Recommendation: _____ Date _____

Approved _____

Denied _____

Comments _____

NOTE: THIS WAS REQUESTED BUT NOT INCLUDED IN DRAFT BUDGET.

**CITY OF HOMER
DEPARTMENT BUDGET REQUEST
Y YEAR 2011**

Requesting Department Fire Department Date 8/13/2010

Level of Need: Urgent Essential Necessary Desirable

Request for Additional Personnel:
 Position Title _____
 Salary Range & Step _____
 Full-time
 Part-time Hours Per Year _____

Request Other Than Personnel:
 Description Fire Department Data Collection Software Upgrade/Replacement
 Fund Name: Fire Department Administration

(FINANCE DEPT WILL COMPLETE)	
5101 Permanent Employees	_____
5102 Fringe Benefits	_____
5103 P/T Employees	_____
5104 Fringe Benefits P/T	_____
5105 Overtime	_____
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Requestor's Name: Robert L. Painter, Fire Chief

Department Head Approval: _____

City Manager Recommendation: _____ Date _____

Approved _____

Denied _____

Comments _____

NOTE: THIS WAS REQUESTED BUT NOT INCLUDED IN DRAFT BUDGET.

1

ORDINANCE REFERENCE SHEET
2011 ORDINANCE
ORDINANCE 11-08

An Ordinance of the City Council of Homer, Alaska, Authorizing an Expenditure of \$359,800 (\$67,860 from the Water/Sewer Reserve and \$291,940 from the Homer Accelerated Roads and Trails Program (HART) for the Purpose of Completing the Design and Construction of Soundview Avenue / Woodard Creek Crossing Improvement.

Sponsor: City Manager/Public Works Director

1. City Council Regular Meeting February 15, 2011 Introduction
 - a. Memorandum 11-022 from Public Works Director as backup
 - b. Memorandum 10-36 from Public Works Director as backup
 - c. Diagram of Woodard Creek culvert

1. City Council Regular Meeting February 28, 2011 Public Hearing and Second Reading
 - a. Memorandum 11-022 from Public Works Director as backup
 - b. Memorandum 10-36 from Public Works Director as backup
 - c. Diagram of Woodard Creek culvert

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

ORDINANCE 11-08

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AUTHORIZING AN EXPENDITURE OF \$359,800 (\$67,860 FROM THE WATER/SEWER RESERVE AND \$291,940 FROM THE HOMER ACCELERATED ROADS AND TRAILS PROGRAM (HART) FOR THE PURPOSE OF COMPLETING THE DESIGN AND CONSTRUCTION OF SOUNDVIEW AVENUE /WOODARD CREEK CROSSING IMPROVEMENT.

WHEREAS, The sewer main on Soundview Avenue at Woodard Creek has settled and needs to be repaired (described in a Memorandum 10-36 from Public Works); and

WHEREAS, The Woodard Creek culvert at Soundview conflicts with the needed sewer repair and needs to be removed and replaced; and

WHEREAS, Public Works recommends that the existing Woodard Creek culvert be replaced with a bridge type structure (described in Memorandum 11-022 from Public Works); and

WHEREAS, The cost of the design and construction of the recommended new creek crossing improvement (including the repair of the sewer main and replacement of the water main) is estimated to be \$359,800.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby authorizes \$359,800 to be expended for the design and construction of the Soundview Avenue/Woodard Creek Crossing Improvement from the accounts described below:

Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
256-381	Water/Sewer Reserve	\$ 67,860
160-771	Homer Accelerated Roads & Trails Program (HART)	\$ 291,940

ENACTED BY THE HOMER CITY COUNCIL this _____ day of _____,
2011.

CITY OF HOMER

JAMES C. HORNADAY, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

YES:

NO:

ABSENT:

ABSTAIN:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

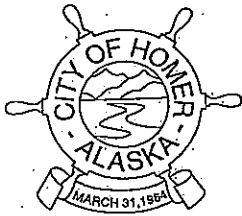
Reviewed and approved as to form:

Walt Wrede, City Manager

Date: _____

Thomas F. Klinkner, City Attorney

Date: _____



CITY OF HOMER
PUBLIC WORKS
 3575 HEATH STREET HOMER, AK 99603

TELEPHONE (907)235-3170
 FACSIMILE (907)235-3145

MEMORANDUM 11-022

TO: Walt Wrede, City Manager
FROM: Carey Meyer, Public Works Director
DATE: February 8, 2011
RE: Soundview/Woodard Creek Crossing Improvement
 Establish Budget to Complete Bridge Design

In February 2010, The Council authorized the expenditure of \$26,000 to design a new Woodard Creek crossing at Soundview Avenue. The memo from Public Works, prepared at that time, is attached. The memo stipulated that Public Works would evaluate the option of installing a "bridge" (similar to the one installed two block downstream across Spruceview Avenue in 2005), rather than reinstalling a culvert. The bridge will cost \$150,000 more than a culvert. Preliminary drawings are attached.

A "bridge" would provide a greater hydraulic capacity than a culvert. During flood events, culverts on Woodard Creek plug with debris and require constant attention by maintenance crews to prevent overtopping of the roadway and the loss of the road and utilities. Public Works believes that now would be the time to provide a crossing that will dependably pass peak flood events.

The cost of providing a bridge across Woodard Creek; repairing the settled sanitary sewer main and replacing the PVC water line crossing Woodard Creek is estimated as follows:

Project Budget		Funding Sources	
		Water Sewer Reserve	HART
Design	\$ 26,000*	\$ 13,000	\$ 13,000
Construction	\$ 297,950	\$ 49,360	\$ 248,590
Contingency	\$ 29,850	\$ 4,500	\$ 25,350
Inspection	\$ <u>6,000</u>	\$ <u>1,000</u>	\$ <u>5,000</u>
Total Project Budget	\$ 359,800	\$ 67,860	\$ 291,940

- previously approved by Ordinance 10-11

Recommendations: The City Council pass an ordinance authorizing the design and construction of a Bridge at the Woodard Creek crossing at Soundview Avenue and the repair/upgrade of water and sewer mains. Budget for the project shall be established at \$359,800; with 67,860 funded by The Water/Sewer Reserve Account (256-381) and \$291,940 from the Homer Accelerated Roads and Trail account 160-771).



CITY OF HOMER
PUBLIC WORKS
3575 HEATH STREET HOMER, AK 99603

TELEPHONE (907)235-3170
FACSIMILE (907)235-3145

MEMORANDUM 10-36

TO: Walt Wrede, City Manager

FROM: Carey Meyer, Public Works Director

DATE: February 3, 2010

RE: **Soundview/Woodard Creek Sanitary Sewer Repair
Authorization to Complete Design**

In December 2009, the sanitary sewer on Soundview near Woodard Creek plugged. Sewage backed up into the crawlspace of an adjacent residence. When attempts to clean the line with the sewer jet failed, Public Works was forced to excavate and found that the Woodard Creek culvert over the years had settled onto the sanitary sewer main creating a dip in the line. This caused debris, sediment and grease to collect and plug the line. Cold air in the culvert aggravated the situation by freezing the collected material. No sewage reached the creek.

This problem needs to be rectified. Public Works cannot guaranty that an accelerated cleaning regime will keep this problem from occurring again. The best long-term solution is to raise the Woodard Creek culvert so that the low spot in the sewer main can be corrected and the culvert can be insulated from the sewer main.

We propose to design a new creek culvert crossing. We will look at the possibility of installing a bridge similar to the one recently installed across Woodard Creek at Spruceview two blocks downstream from Soundview. The Soundview/Woodard Creek culvert crossing has been the site of flooding problems in the past and a larger hydraulic opening would benefit area residents. A new culvert could cost \$100,000; a new bridge could cost \$250,000.

The cost to design a new culvert crossing is estimated to be \$9,900. With the cost of a design survey and some additional budget to study and design a bridge (if that option is determined to be best); a design budget of \$26,000 would be appropriate at this time. The cost of repairing the sewer should be covered by the Sewer Reserve account; the cost of improving the creek crossing should be a HART Fund account expense. We propose that the design cost be split 50/50 between the two funds.

Recommendations: The City Council pass an ordinance authorizing \$26,000 for the design of the Soundview Sewer Main Repair/Woodard Creek Crossing Improvement.

Public Works will at the second reading of this ordinance request a resolution approving a contract with Wm. J. Nelson & Associates of Kenai, Alaska in the amount not to exceed \$26,000.

Fiscal Note: Sewer Reserves, 256-381 (\$13,000); HART Program, 160-771 (\$13,000)

EXISTING GRADE VARIES

2.82:1
SLOPE

2.82:1
SLOPE

22'-1" x 6'-0" ALUMINUM
BOX CULVERT

APPROXIMATE FINISHED GRADE

CULVERT INVERT
ELEV: 211.33

EX SEWER INV.
ELEV: 210.20

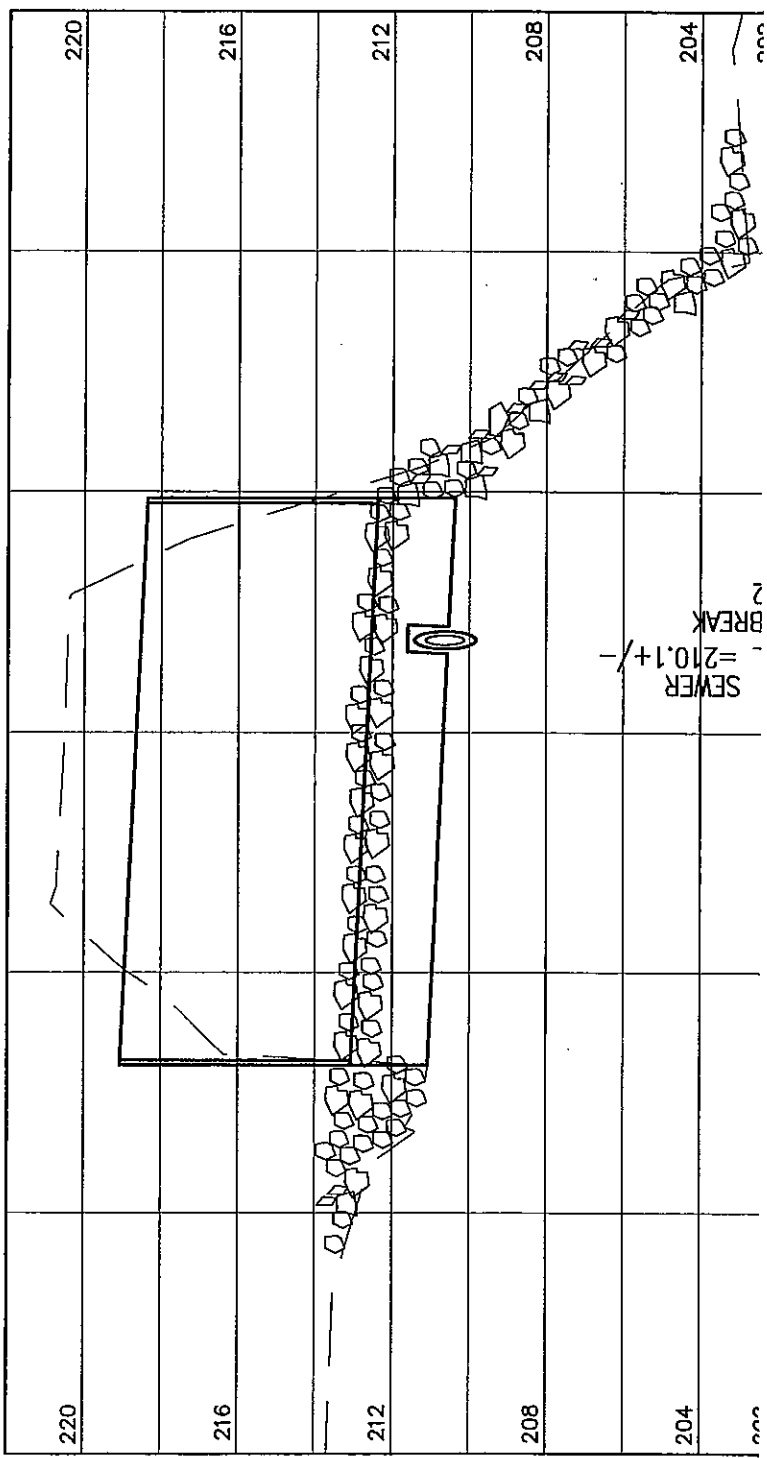
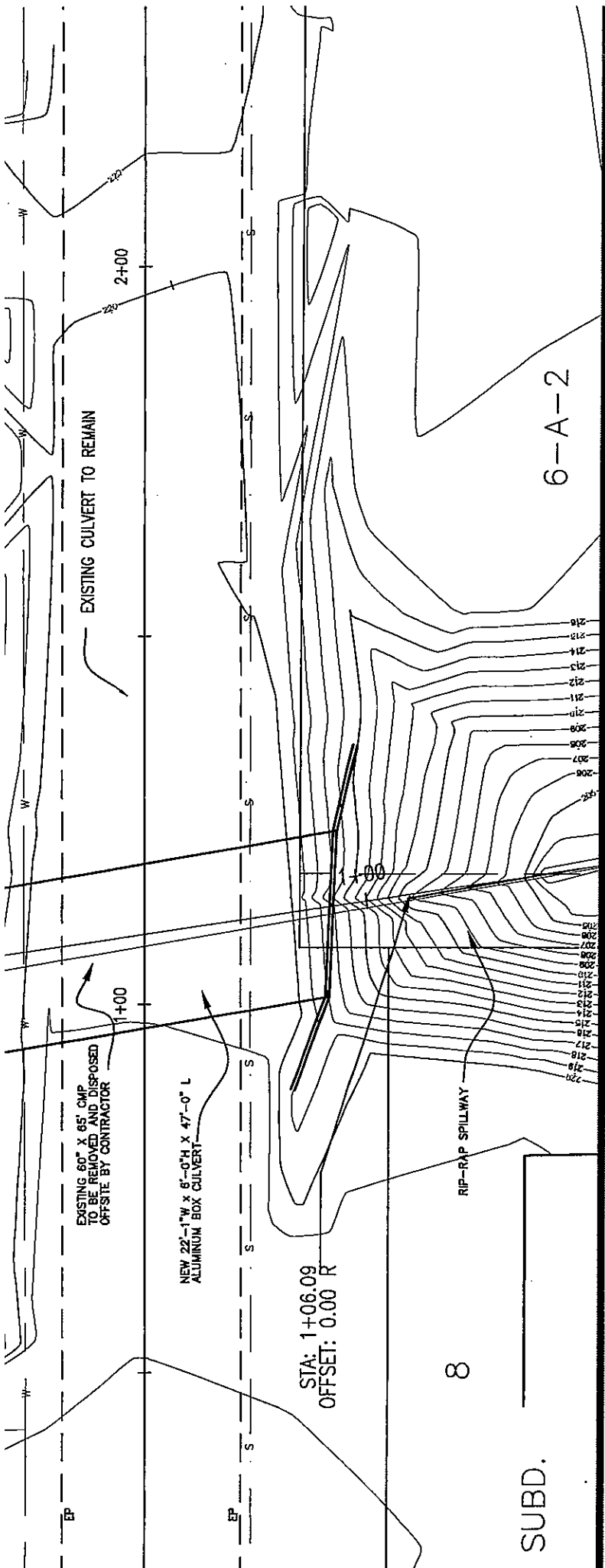
2'x4' CONCRETE
PILE CAP

APPROXIMATE LOCATION
OF CREEK THAWLEG

(3) WINGWALL
PANELS

(3) WINGWALL
PANELS





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ORDINANCE(S)

ORDINANCE REFERENCE SHEET
2011 ORDINANCE
ORDINANCE 11-09

An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 19.12.020, Definitions; Amending Homer City Code 19.12.040, Reference to Materials Plat—Permits; and Amending Homer City Code 19.12.050, Exceptions; Regarding the Use and Disposal of Dredge Material from City Port and Harbor Facilities. City Manager/Port and Harbor Director.

Sponsor: City Manager/Port and Harbor Director

1. City Council Regular Meeting February 28, 2011 Introduction

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CITY OF HOMER
HOMER, ALASKA

City Manager/Port and Harbor
Director

ORDINANCE 11-09

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING HOMER CITY CODE 19.12.020, DEFINITIONS; AMENDING HOMER CITY CODE 19.12.040, REFERENCE TO MATERIALS PLAT—PERMITS; AND AMENDING HOMER CITY CODE 19.12.050, EXCEPTIONS; REGARDING THE USE AND DISPOSAL OF DREDGE MATERIAL FROM CITY PORT AND HARBOR FACILITIES.

THE CITY OF HOMER ORDAINS:

Section 1. Homer City Code 19.12.020, Definitions, is amended to read as follows:

19.12.020 Definitions. The following words, when used in this chapter, shall, ~~for the purpose of this chapter,~~ have the meanings respectively ascribed to them in this section:

a. ~~"Excavation" means the digging out and removal of gravel or other fill materials whereby any existing surface grade is altered or disturbed.~~

b. ~~"Removal" means the movement, by lifting, pushing aside or taking away or off of any gravel or other fill materials from any area subject to the provisions of this chapter.~~

ae. ~~For the purposes of this chapter "Bbeach area" means shall include the zone of sand, gravel and other unconsolidated materials that extends landward from the low water line to the place where there is a marked change in material or physiographic form.~~

bd. "Berm" means a natural, linear mound or series of mounds of sand or gravel, or both generally paralleling the water at or landward of the line of ordinary high tide.

c. "Dredge material" means earth, sand or gravel that is removed from below the low water line in City port and harbor facilities.

d. "Excavation" means the digging out and removal of gravel or other fill materials whereby any existing surface grade is altered or disturbed.

e. "Removal" means the movement, by lifting, pushing aside or taking away or off of any gravel or other fill materials from any area subject to the provisions of this chapter.

fe. "Storm berm" means a berm formed by the upper reach of storm wave surges or the highest tides. Storm berms generally include an accumulation of seaweed, driftwood, and other water-borne materials. A beach may have more than one storm berm.

Section 2. Homer City Code 19.12.030, Reference to materials plat—Permits, is amended to read as follows:

19.12.030 Reference to materials plat—Permits. The removal or excavation of gravel, gravel fill or other fill material from any beach or from any portion of the Homer Spit shall be regulated by the City. Reference shall be made in all cases to the Materials Plat prepared jointly

[Bold and underlined added. Deleted language stricken through.]

46 by the State Division of Lands and the U. S. Corps of Engineers, which is available and may be
47 examined during business hours at the Homer City Hall. **Except as provided in §19.12.050, aA**
48 **permit shall be required in the following instances:**

- 49 a. Whenever gravel, gravel fill or other fill material is removed from Homer Spit or
- 50 from beaches elsewhere within the corporate limits, of the City;
- 51 b. Whenever such materials are removed or excavated from any naturally created
- 52 berm area, or from any berm area created for the protection of the land areas.

53
54 Section 3. Homer City Code 19.12.050, Exceptions, is amended to read as follows:

55
56 19.12.050 Exceptions. a. No permit shall be required for excavation necessary for the
57 installation of sewage lines, water lines, underground power lines, armor rock or piling, wells, oil
58 and fuel tanks and related lines and aboveground power lines from any location other than a
59 berm area, provided such excavated material is not removed from site of construction, nor shall a
60 permit be required for clearing or maintaining any public road.

61 b. This chapter shall not apply to the removal or excavation of gravel, gravel fill or
62 other fill material from any beach or from any portion of the Homer Spit by the City of Homer.

63 **c. This chapter shall not apply to dredge material placed or stored on the**
64 **Homer Spit by the City of Homer. The City may provide for the use and disposal of such**
65 **dredge material in the following order of priority, with all proceeds from sales of dredge**
66 **material being deposited in the Port/Harbor Enterprise Fund:**

- 67 **1. Replacement of material removed from City beaches by storms or**
- 68 **erosion.**
- 69 **2. Fill to improve City port and harbor facilities on the Homer Spit.**
- 70 **3. Sale for use as fill on privately owned or leased property on the**
- 71 **Homer Spit.**
- 72 **4. Emergency repairs of erosion.**
- 73 **5. Sale for use as fill material at locations off the Homer Spit.**

74
75 Section 4. This Ordinance is of a permanent and general character and shall be included
76 in the City Code.

77
78 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this _____ day of
79 _____ 2011.

80
81 CITY OF HOMER

82
83
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85 _____
86 JAMES C. HORNADAY, MAYOR

[Bold and underlined added. Deleted language stricken through.]

87 ATTEST:

88

89

90

91 JO JOHNSON, CMC, CITY CLERK

92

93 YES:

94 NO:

95 ABSTAIN:

96 ABSENT:

97

98 First Reading:

99 Public Hearing:

100 Second Reading:

101 Effective Date:

102

103

104 Reviewed and approved as to form:

105

106

107

108 Walt E. Wrede, City Manager

109

110 Date: _____

Thomas F. Klinkner, City Attorney

Date: _____

[Bold and underlined added. Deleted language stricken through.]

ORDINANCE REFERENCE SHEET
2011 ORDINANCE
ORDINANCE 11-10

An Ordinance of the City Council of Homer, Alaska, Amending the FY 2011 Operating Budget by Appropriating \$11,000 from the General Fund for the Purchase and Installation of New Data Collection and Management Software for the City Hall Servers.

Sponsor: City Manager

1. City Council Regular Meeting February 28, 2011 Introduction
 - a. Memorandum 11-027 from Systems Manager as backup

**CITY OF HOMER
HOMER, ALASKA**

City Manager

ORDINANCE 11-10

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING THE FY 2011 OPERATING BUDGET BY APPROPRIATING \$11,000 FROM THE GENERAL FUND FOR THE PURCHASE AND INSTALLATION OF NEW DATA COLLECTION AND MANAGEMENT SOFTWARE FOR THE CITY HALL SERVERS.

WHEREAS, For the preservation of all City documents, databases, emails, and user information on City servers it is necessary for IT Systems to maintain data collection and management software; and

WHEREAS, The IT Systems request an appropriation from the General Fund for the purchase and installation of new updated data collection and management software for the City Hall servers to sustain the added components to the IT System.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY 2011 Operating Budget by appropriating \$11,000 from the General Fund for the purchase and installation of new data collection and management software for the City Hall servers.

Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
100.140.5231	Data Collection and Management Software	\$11,000

Section 2. This is a budget amendment ordinance, in temporary in nature, and shall not be codified.

ENACTED BY THE HOMER CITY COUNCIL this ____ day of _____, 2011.

CITY OF HOMER

JAMES C. HORNADAY, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

YES:

NO:

ABSENT:

ABSTAIN:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Walt Wrede, City Manager

Date: _____

Thomas F. Klinkner, City Attorney

Date: _____

MEMORANDUM 11-027

TO: CITY MANAGER WREDE
FROM: STEVE BAMBAKIDIS, SYSTEMS MANAGER
DATE: FEBRUARY 23, 2011
SUBJECT: BACKUP SOFTWARE FOR CITY HALL

SCB

The City of Homer has employed Symantec Backup Exec Software over the past 10 years to manage, backup and restore all City documents, databases, emails, and user information on all City of Homer Servers. The revision of software that we had been running up to this point is version 10D, which was dated from 2004. The model of licensing of the software required a license for each resource that was being backed up e.g. if we were backing up a total of 3 Microsoft SQL databases, we would need 3 Symantec 'Agent for SQL' backup licenses. At the time, we paid over 10,000 for the software, and it has served us well, and there has been little impetus to upgrade the software since it worked for our purposes. However, over the past year, as we have upgraded other components of our IT system, such as installing a new Microsoft Windows 2008 Server with SQL 2008R2 for Clarity, the backup software has been unable to backup these 'newer' resources since the technology used for the newer resources is dramatically different. As a result, there have been some 'holes' in our backup strategy which, **though we have worked around them**, have not given us the same level of security and safeguards that we had prior.

The IT department proposes therefore upgrading our Backup Exec Software to the latest version, as well as all applicable Agent Licenses, which would put us on Symantec Backup Exec 2010. Notably, this upgrade would allow us to:

- Backup all resources automatically, and put into place policies which would notify IT staff of any errors detected in backup jobs
- Allow us to backup and seamlessly restore all Microsoft SQL databases (Clarity, CMI, Blackberry Services), Oracle Databases, and Microsoft Exchange Email Services
- Allow us to backup and seamlessly restore all VoIP Phone servers (used for all incoming and outgoing telephone communications)
- Enable a higher level of monitoring of backup progress, and granular restoration (e.g. be able to restore a single email in a single users inbox, as opposed to a whole inbox)
- Allow files to be backed up on newer resources even if they are open or in use (e.g. if a word document is open on a users computer overnight, it will still get backed up)
- Allow up to 60% faster backups vs. the older version (a complete backup job of all resources on the old system would begin on Friday at 5PM and end on Monday at 7AM). In testing, the newer system began at 5PM and would be done by Saturday 11PM.
- Faster restoration of any all data using Hard Disk based backup vs. older DAT or DLT tape backups which have limited storage and lifetime usability (tape gets stretched over time, hard disks do not, and there is more storage capacity available on a hard disk)
- Allow access to support from Symantec if there are any problems with the software. Currently since the software is out of support, we are on our own if something does not work correctly.

CITY MANAGER'S REPORT

MANAGERS REPORT
February 28, 2011

TO: MAYOR HORNADAY / HOMER CITY COUNCIL

FROM: WALT WREDE *W. Wrede*

UPDATES / FOLLOW-UP

1. Fire Training Facility: The fire training facility has arrived in Homer and it is now located at its new home adjacent to the Chip Pad on the Spit. HVFD is presently looking into fencing the area for security reasons and finding the resources to move the fire hydrant to the other side of the street for easier access. Chief Painter is currently planning a "train the trainers" session to familiarize key people with the facility and equipment. A dedication ceremony and open house will be held later this Spring when it warms up a bit. We will keep you informed.
2. Bridge Creek Fire Mitigation Project: At the time this report was written, it was looking increasingly likely that no work will take place this winter. The Spruce Bark Beetle Program staff are extremely busy and no contracts for this project have yet been executed. Further, recent snows have left us with a snow depth that is not conducive to the operation of mechanized equipment. Things could change, but at this point we are likely looking at some hand work and tree stock assessment this summer, and more intensive mechanized work next winter. The Borough has confirmed that the money will be available for the project again next year.
3. Staff Turnover: Library Director Helen Hill has formally submitted her resignation letter and will be retiring at the end of April. We are currently advertising for the position and have been informed by members of the State Library Board that they believe we will get some very qualified candidates. We sure hope they are correct. This week I started the interview process for the Personnel Director position. I am hoping to get someone in that position as quickly as possible so that they can get some training and orientation with Sheri before she departs at the end of April. Sheri is working hard to complete the parity study before she leaves.
4. Potential Cuts to Borough College Funding: You may already be aware that Mayor Carey has proposed eliminating Borough funding for the college system on the Peninsula. He has also proposed eliminating tuition waivers for Peninsula residents. One of the primary stated reasons for proposing this is that the Borough needs money for the Homer landfill project. The voters authorized the Borough to contribute up to one tenth of a Mil to the college system back in 1990. This year the Borough contributed \$637,570 to the University system. Of that amount, \$194,800 or about 31% came to the Kachemak Bay Campus here in Homer. Carol Swartz, the local campus director reports that if eliminated, this funding would directly affect core services such as GED programs, the college library, tutoring, student advisors, testing, and more. It is my understanding that the City of Kenai

has already adopted a resolution opposing this proposal and other Cities in the Borough are considering doing the same. Supporting the local college campus is a big part of the City Comprehensive Plan and the College is a significant part of the local economy. Please let us know if you would like to sponsor a resolution. We can help draft it and get it on the next Council agenda.

5. City Hall Expansion / Renovation: The Task Force, the Public Works Director, and the contractors are working very hard to keep us on the ambitious construction schedule established by the Council. This project has taken priority over others at the moment, as requested by Council. A construction contract has been signed and a number of alterations have already been made to the draft site and building plans based upon input from the staff, the department heads, the architect, the building contractor, and the Task Force. At its meeting on Tuesday, the 22nd, the Task Force reviewed preliminary site and building plans, and a preliminary cost estimate for accomplishing all of the items on the current "wish list". The contractor was looking for feedback on the general direction this project is taking so that we do not waste unnecessary money later on architectural and planning work. The Task Force was presented with a very preliminary spreadsheet showing what could be accomplished with the amount of money available and what additional, identified priority items would cost. The Task Force agreed that the additional items were very desirable and necessary and encouraged us to continue planning as though those items would be included in the final project budget. Accomplishing those items would save the City money in the long run. The additional cost is about \$275,000, much of which could be accomplished with depreciation and energy efficiency funds. The Council members on the Task Force are hoping to bring the Council up to speed at this meeting. The task force will receive costs estimates that are more refined at its next meeting.
6. Lobbyist: Things are working smoothly with the new lobbyist team so far. They really enjoyed their visit to Homer. Please let me know how you would like to receive their lobbyist reports (other than the status update on bills). You might recall that the contract calls for regular updates on City priorities and what they are working on. They could call in at Council meeting or just provide written reports.
7. Energy Efficiency: Work continues to take place on this project now that the Council has approved both a project budget and a contract. We are reevaluating one of the project items (high mast lights) based upon new information we received. If we make any changes, it would simply mean that this item was delayed on placed on hold and less money would be spent than authorized.
8. TORA Agreements: Work is proceeding on all three of the TORA Agreements we discussed at the last meeting. We hope to have the one regarding Spit parking back before you soon.
9. Staff Training: The City will be providing training this week to employees who have daily contact with the public. The focus is on how to deal with difficult, angry, emotional, harassing, or unstable citizens and customers. This occurs more than you might think. The training will be geared toward providing professional and helpful responses without aggravating the situation or causing it to

- deteriorate. Training will also be provided on coping skills and how to avoid letting abusive and harassing clients affect your work, attitude, or state of mind.
10. Water and Sewer Rate Setting: As you know, the Council has decided to start working on water and sewer rates at a workshop before the first meeting in April. I think we will start out with a refresher on how rates are set now so everyone is on the same page. The letter below from the Department of Commerce reminded me that there are resources out there which could assist with this process if Council wishes. As a reminder, the Department reviewed the City methods and rate structure several years ago and determined that it was very good. A University study reached the same conclusion. Regina also attended some training this year on utility rate structuring and came back thinking that the City is in line with recommended practices.

ATTACHMENTS

1. Certificate of Achievement for Excellence in Financial Reporting
2. Letter from Department of Commerce re: various types of training Assistance
3. Letter from DOT/PF re: Work on Lake Street



Government Finance Officers Association
203 N. LaSalle Street - Suite 2700
Chicago, IL 60601
Phone (312) 977-9700 Fax (312) 977-4806

02/16/2011

NEWS RELEASE

For Information contact:
Stephen Gauthier (312) 977-9700

(Chicago)--The Certificate of Achievement for Excellence in Financial Reporting has been awarded to **City of Homer** by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

An Award of Financial Reporting Achievement has been awarded to the individual(s), department or agency designated by the government as primarily responsible for preparing the award-winning CAFR. This has been presented to:

Finance Department, City of Homer

The CAFR has been judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

The GFOA is a nonprofit professional association serving approximately 17,500 government finance professionals with offices in Chicago, IL, and Washington, D.C.



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Division of Community and Regional Affairs

Sean Parnell, Governor
Susan K. Bell, Commissioner
Scott Ruby, Acting Director

January 27, 2011

City of Homer
Attn: Walt Wrede, City Manager
491 East Pioneer Drive
Homer Alaska 99603

Dear Walt Wrede:

I would like to take this opportunity to introduce myself; I am RONALDA OLIVERA, a local government specialist with the Department of Commerce, Community and Economic Development, RUBA program. As the local government specialist (LGS) assigned to your community, I am currently gauging interest in participation in Elected Officials Training in your community or region. I have a request from one community, and would like to offer this opportunity to other communities at the same time.

If this training would interest your elected officials or staff, please contact me at (907) 269-4567 or by email at ronalda.rude-olivera@alaska.gov.

Other areas I am able to provide assistance in are:

- Accounting systems and financial reporting
- Rate studies
- Developing and modifying utility ordinances
- Utility management training
- Grant compliance assistance
- Business planning
- Assistance with community planning projects
- Help resolving tax issues
- Election assistance

The RUBA program is not a regulatory agency and only assists communities that have requested our assistance. If you have any questions about your community's relationship with RUBA, please contact me.

Sincerely,

A handwritten signature in black ink that reads "RONALDA OLIVERA". The signature is written in a cursive style and is enclosed within a hand-drawn oval.

RONALDA OLIVERA
Local Government Specialist III

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

DESIGN & ENGINEERING SERVICES DIVISION
CENTRAL REGION - RIGHT OF WAY SECTION

SEAN PARNELL, GOVERNOR

4111 AVIATION AVENUE
P.O. BOX 196900
ANCHORAGE, AK 99519-6900
(907) 269-0700 (FAX) 269-0828
(TTY) 269-0473 1-800-770-5263

February 4, 2011

City of Homer
491 East Pioneer Avenue
Homer AK 99603

Re: Homer: Lake Street Rehabilitation
Project No. 52461
Right of Entry

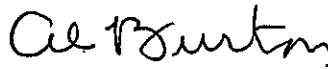
Dear City of Homer:

The State of Alaska Department of Transportation (Department) is planning to conduct a geological field investigation for the proposed Lake Street Rehabilitation Project. Our investigations will include soil sampling along Lake Street.

The investigations will require placing test-holes approximately 4 inches in diameter to depths of 5 to 20 feet. After testing, the holes will be backfilled and the premises will be left in a clean and presentable condition. Our crew is scheduled to be out in the field this month.

We apologize for the short notice period; however, this project is being accelerated beyond our normal scheduling parameters. If you have any questions, please feel free to contact me at 269-0647 or 1-800-770-5263. Thank you in advance for your timely cooperation.

Sincerely,



Al Burton
Right of Way Agent

Homer Lake Street Rehabilitation Proposed Test Holes & Land Ownership

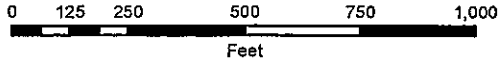
- On Road Proposed TH
 - Off Road Proposed TH
- West Holes - 15' from pavement
East Holes - 5' behind back of path



CR Materials



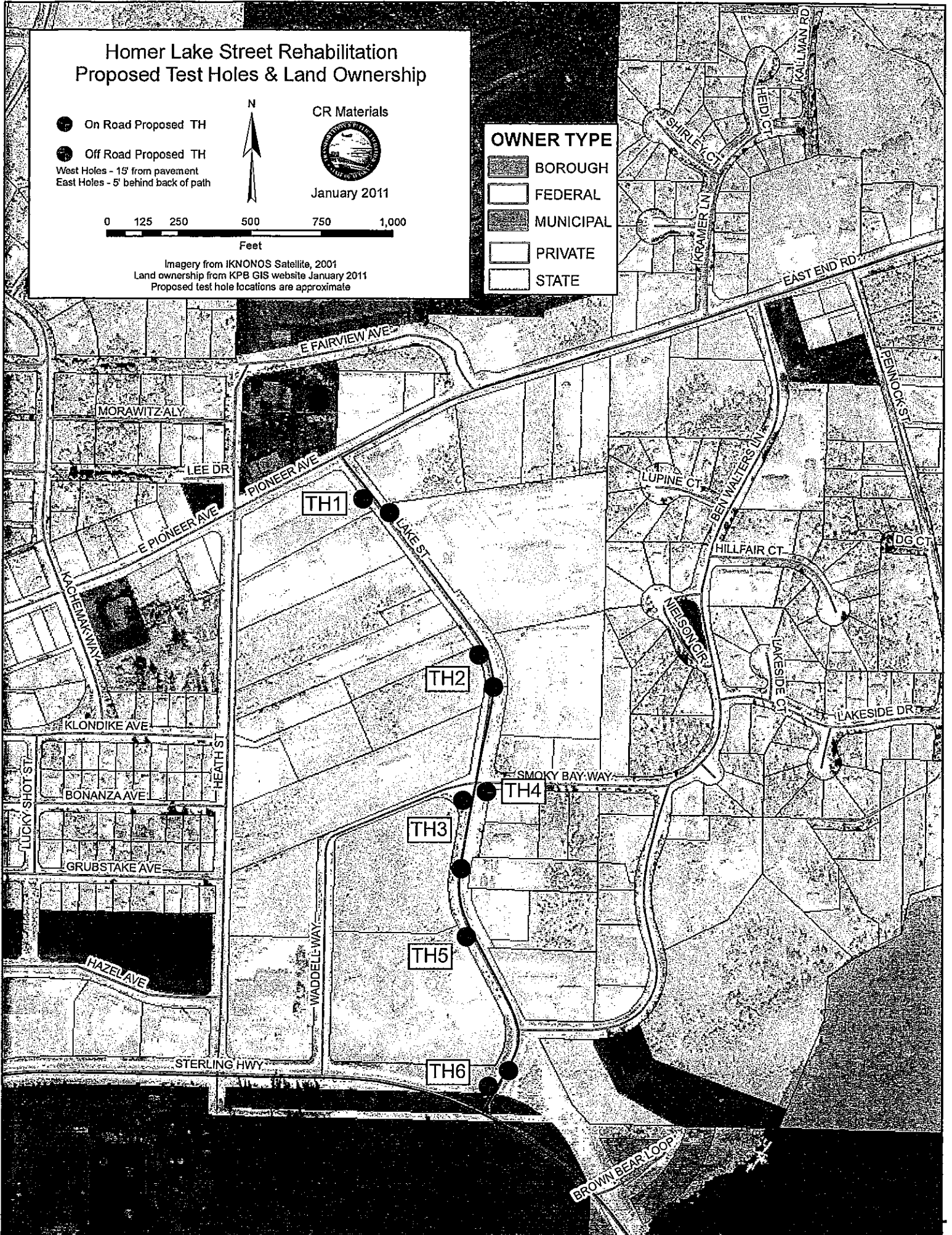
January 2011



Imagery from IKONOS Satellite, 2001
Land ownership from KP8 GIS website January 2011
Proposed test hole locations are approximate

OWNER TYPE

- BOROUGH
- FEDERAL
- MUNICIPAL
- PRIVATE
- STATE



Office of the City Clerk

Jo Johnson, CMC, City Clerk
Melissa Jacobsen, CMC, Deputy City Clerk II
Renee Krause, CMC, Deputy City Clerk I



491 E. Pioneer Avenue
Homer, Alaska 99603
(907) 235-3130
(907) 235-8121
ext: 2224, 2226, or 2227
Fax: (907) 235-3143
Email: clerk@ci.homer.ak.us

MEMORANDUM - REPORT

TO: MAYOR HORNADAY AND HOMER CITY COUNCIL
FROM: MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK
DATE: FEBRUARY 22, 2011
SUBJECT: CURRENT BID(S) AND REQUEST FOR PROPOSALS

Sealed bids for the Telescopic Tool Carrier shall be received at the City of Homer, City Clerk's Office; 491 E. Pioneer Ave., Homer, Alaska, 99603 until 2:00 p.m., February 24, 2011 at which time they will be publicly opened and read. Bids received after the time fixed for the receipt of bids shall not be considered. The time of receipt will be determined by the City Clerk's time stamp. Bids received after the time fixed for the receipt of the bids shall not be considered.

Sealed Proposals for the Refurbishment of One Pedestal Crane on Homer Fish Dock will be received by the Office of the City Clerk, at 491 E. Pioneer Avenue, Homer, Alaska 99603 until Thursday, February 24, 2011 at 2 p.m. Proposals received after the time fixed for receipt of the Proposal shall not be considered.

Sealed bids for the Water Treatment Plant Building Demolition Project will be received at the office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska, until 2:00 PM, Tuesday, March 8, 2011, at which time they will be publicly opened and read. Proposals received after the time fixed for receipt of the Proposal shall not be considered.

Office of the City Clerk

Jo Johnson, CMC, City Clerk
Melissa Jacobsen, CMC, Deputy City Clerk II
Renee Krause, CMC, Deputy City Clerk I



491 E. Pioneer Avenue
Homer, Alaska 99603
(907) 235-3130
(907) 235-8121
ext: 2224, 2226, or 2227
Fax: (907) 235-3143
Email: clerk@ci.homer.ak.us

MEMORANDUM - REPORT

TO: MAYOR HORNADAY AND HOMER CITY COUNCIL
FROM: MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK
DATE: FEBRUARY 23, 2011
SUBJ: ANNUAL CITY DEPARTMENT/OFFICE INVENTORY RECORDS

Advising The Council pursuant to Homer City Code Section 2.08.010, Management of Public Records, Subsection c. Records Inventory. The City Clerk shall take and maintain an inventory of the City records. The inventory shall be reviewed and revised annually, and shall set forth each record series being developed, used, stored, or scheduled for disposal by the City.

Department and Office inventories, up through January 2011 have been received in the Office of the City Clerk, with the exception of the Finance Department Inventory.

Fiscal Note: NA

CITY ATTORNEY REPORT

COMMITTEE REPORT(S)

PENDING BUSINESS

**CITY OF HOMER
HOMER, ALASKA**

Economic Development
Advisory Commission

RESOLUTION 11-007

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING AND ADOPTING THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) AND FORWARDING THE CEDS TO THE HOMER ADVISORY PLANNING COMMISSION FOR A RECOMMENDATION ON WHETHER IT SHOULD BE ADOPTED AS PART OF THE HOMER COMPREHENSIVE PLAN.

WHEREAS, The Economic Development Advisory Commission (EDC) is charged with developing and updating the City's economic development plan (Comprehensive Economic Development Strategy) as part of its advisory role on economic development matters; and

WHEREAS, The City's economic development plan (formerly known as the Overall Economic Development Plan) was last updated in 1999; and

WHEREAS, The City of Homer recruited a VISTA (Volunteers in Service to America) member to assist the EDC with the CEDS in a year-long effort; and

WHEREAS, During this time the VISTA reviewed economic literature as well as previous local plans and surveys and shared this information with the EDC, conducted more than 20 interviews with local citizens from diverse backgrounds, organized two public forums on behalf of the City of Homer EDC, solicited additional public input by email, publicized the project through news releases and interviews, and provided the EDC with a scoping report; and

WHEREAS, The public has also had the opportunity to provide input for the CEDS at EDC meetings and work sessions over the course of two years; and

WHEREAS, Care was taken to ensure that the CEDS is consistent with the Homer Comprehensive Plan.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council approves and adopts the Comprehensive Economic Development Strategy as the City's economic development plan.

BE IT FURTHER RESOLVED that the City Council requests that the Homer Advisory Planning Commission consider and make a recommendation on whether the CEDS should be adopted as part of the Homer Comprehensive Plan.

PASSED AND ADOPTED by the Homer City Council this 10th day of January, 2011.

CITY OF HOMER

JAMES C. HORNADAY, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

CITY OF HOMER
HOMER, ALASKA

Economic Development
Advisory Commission

RESOLUTION 11-007(S)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING AND ADOPTING THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) AND FORWARDING THE CEDS TO THE HOMER ADVISORY PLANNING COMMISSION FOR A RECOMMENDATION ON WHETHER IT SHOULD BE ADOPTED AS PART OF THE HOMER COMPREHENSIVE PLAN.

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WHEREAS, The public has also had the opportunity to provide input for the CEDS at EDC meetings and work sessions over the course of two years; and

WHEREAS, Care was taken to ensure that the CEDS is consistent with the Homer Comprehensive Plan; and

WHEREAS, The Economic Development Commission approved the draft CEDS and voted unanimously to forward it to the City Council, as expressed in Memorandum 11-005;

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council approves and adopts the Comprehensive Economic Development Strategy as the City's economic development plan.

BE IT FURTHER RESOLVED that the City Council requests that the Homer Advisory Planning Commission consider and make a recommendation on whether the CEDS should be adopted as part of the Homer Comprehensive Plan.

PASSED AND ADOPTED by the Homer City Council this 10th day of January, 2011.

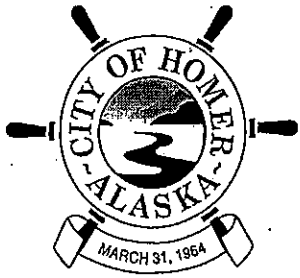
CITY OF HOMER

JAMES C. HORNADAY, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A



**CITY OF HOMER
CITY HALL**

MEMORANDUM 11-005

To: Mayor and Council
Through: Walt Wrede, City Manager
From: Economic Development Commission
Date: November 10, 2010
Subject: Comprehensive Economic Development Strategy

At the November 9 regular meeting of the Economic Development Commission, the six members present unanimously approved a motion to forward the draft Comprehensive Economic Development Strategy (CEDS) to the City Council with a recommendation to adopt the plan.

Work on the CEDS has been ongoing since spring 2009 and has included significant public input. More information on the development of the CEDS can be found in the introduction of the draft plan.



Homer
Comprehensive
Economic Development
Strategy

City of Homer
491 E. Pioneer Avenue
Homer, Alaska 99603

*Approved by the Economic Development
Advisory Commission November 9, 2010*

ACKNOWLEDGEMENTS

Economic Development Commission

Shelly Erickson, Chair
Dean Ravin, Vice-chair
Micheal Neece
Brad Faulkner
Todd Hoppe
Paul Dauphinais
Alexander Simpson

City Staff

Anne Marie Holen, Special Projects Coordinator
Additional support provided by City Planner Rick Abboud, Planning Technician Julie Engebretsen,
Port and Harbor Director Bryan Hawkins, and City Manager Walt Wrede.

Mayor and City Council

Mayor Jim Hornaday
Mary E. (Beth) Wythe
Francie Roberts
Bryan Zak
Barbara Howard
David Lewis
Kevin Hogan

We gratefully acknowledge the assistance of Carol Bevis, Volunteers In Service to America (VISTA), provided through cooperation with the University of Alaska-Anchorage Center for Economic Development.

We also acknowledge the contributions of past City of Homer Economic Development Commission members, Chamber of Commerce Economic Development Committee members, and other community members who provided many of the ideas and suggestions in this plan.

Homer Comprehensive Economic Development Strategy

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INTRODUCTION

What Is Economic Development?

This Comprehensive Economic Development Strategy (CEDS) reflects a fairly broad view of economic development, which in turn reflects many of the comments made by members of the public in the development of this plan.

The following definition is taken from *An Economic Development Toolbox: Strategies and Methods* and is presented here as a useful definition for our purposes:¹

Economic development is the process of improving a community's well-being through job creation, business growth, and income growth, as well as through improvements to the wider social and natural environment that strengthen the economy.

Use of the word "economy" in the definition above necessitates a definition of that word as well. The following is provided as a simple, straight-forward definition of "economy":

An economy (or "the economy") is a social system that includes the production, exchange, distribution, and consumption of goods and services of a given area.

A discussion of economic development would not be complete without exploring the concepts of **basic vs. non-basic sectors**. These terms relate to the fact that no economy is self-sufficient. All economies have to buy goods and services that aren't produced locally. If that loss isn't offset by new money flowing in, the local economy will collapse. **Basic sectors** and industries are those which bring new money into the local economy. Examples in Alaska include oil and gas, seafood, minerals, and timber (export commodities) as well as tourism and air cargo (services). Scott Goldsmith of the University of Alaska Institute for Social and Economic Research provides another example of a basic economic sector: "Money also arrives via the mailboxes of retirees, who collect Social Security, federal retirement benefits, and pensions. Other Alaskans collect earnings from investments outside the state. The federal government doesn't produce commodities or services for sale in the market, but it's a basic sector because all federal money coming into Alaska is new money."²

Authors of *An Economic Development Toolbox* point out that "in most cases, the retail sector is not a basic one because it primarily serves local residents and therefore exchanges dollars within the community rather than bringing in new dollars. The exceptions are in tourist-serving communities, and in cases of import substitution."³

Non-basic sectors depend on money generated by the basic sectors, but they are also vital to the economy because they circulate money. As the money circulates, it generates additional jobs and income. This is known

¹ Terry Moore, S. Meck, and J. Ebenhoh, *An Economic Development Toolbox: Strategies and Methods*. American Planning Association, October 2006, p. 5.

² Scott Goldsmith, "What Drives the Alaska Economy?" UA Research Summary No. 13, Institute of Social and Economic Research, University of Alaska Anchorage, December 2008.

³ Terry Moore, S. Meck, and J. Ebenhoh, *An Economic Development Toolbox: Strategies and Methods*. American Planning Association, October 2006, p. 14.

as the multiplier effect. The larger the non-basic sectors are, the more times the money turns over in the economy and the bigger the multiplier effect.

A Vision for Economic Development in Homer

The following vision statement is taken directly from the Homer Comprehensive Plan, adopted by the Homer City Council in April 2010 following three years of public input, including input from the Economic Development Commission (EDC):

Homer's economic industries including marine trades, commercial fishing, tourism, education, arts and culture remain strong and show continued growth. Quality of life is preserved as Homer benefits from the creation of more year-round living wage jobs.

It should be noted that the list of economic sectors in the vision statement is not meant to be all-inclusive. This plan will look beyond the five sectors listed to present a broader picture.

Nexus of the CEDS with Other Plans

As seen above in the vision statement, this plan is intended to be consistent with other plans already approved by the Homer City Council. Most significantly, it reflects goals and objectives found in Chapter 8 ("Economic Vitality") of the Homer Comprehensive Plan. Other plans that are relevant to the CEDS include the Homer Spit Comprehensive Plan, Town Center Development Plan, Transportation Plan, Non-Motorized Transportation and Trail Plan, Water and Sewer Master Plan, and Climate Action Plan.

This CEDS is technically an update of the City of Homer Overall Economic Development Plan (OEDP) last updated in 1999. The OEDP served as an important resource in the development of the CEDS. By way of explanation, the name was changed from "Overall Economic Development Plan" to "Comprehensive Economic Development Strategy" to reflect the recommendations and terminology used by the U.S. Economic Development Administration for local economic development planning.

Public Participation in this Planning Effort

The process of incorporating public input in the development of this plan was greatly assisted by the efforts of Carol Bevis, who joined the project as a VISTA (Volunteers in Service to America) in April 2009 and worked full-time for a year, producing a CEDS scoping document before she left. Carol reviewed economic literature as well as previous local plans and surveys, conducted 21 interviews with local citizens from diverse backgrounds, and helped compile the results of 99 interviews that were part of the Southern Kenai Peninsula Communities Project. In addition, Carol organized and facilitated two public forums on behalf of the City of Homer Economic Development Commission and the Chamber of Commerce Economic Development Committee, with the goal of brainstorming ideas and identifying priorities. A diverse group of citizens participated (35 at each meeting) and others contributed their thoughts and ideas via email. Additional public input was received at City of Homer EDC regular meetings and work sessions.

Homer History and Demographics

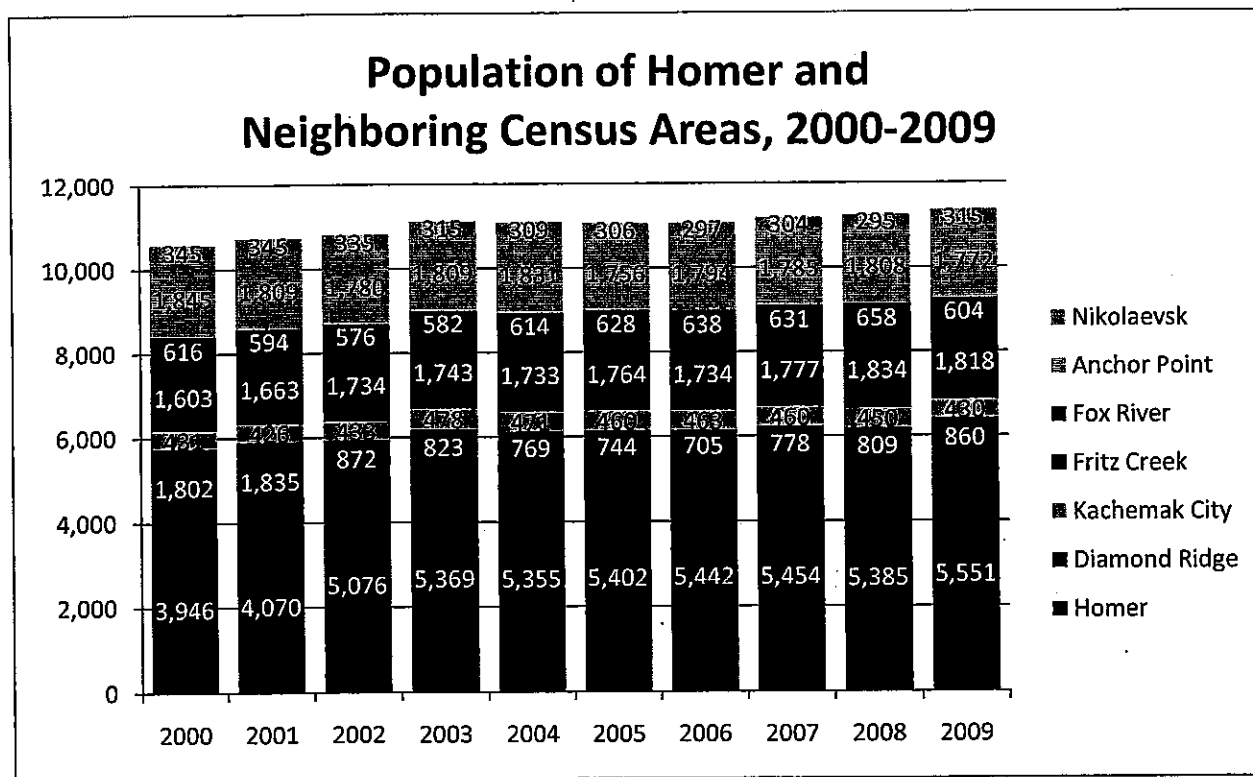
The following timeline is not intended to provide a complete history of Homer but rather to describe a few events which serve to illustrate Homer's development and character as it has evolved over time. Sources include local historians Janet Klein and Dave Brann and the Alaska Department of Fish and Game.

- 6000 BC Native people inhabit the Kachemak Bay area then and now.
- 1896 Con man Homer Pennock promotes gold mining in the Homer area, but coal mining is much more successful.
- 1902 Homer is virtually abandoned between 1902 and 1915 due to lack of coal markets.
- 1915 Charlie Miller winters 95 horses at his homestead (Miller's Landing) for the Alaska Railroad.
- 1917 Delphina Woodard develops a dairy farm in what is now downtown Homer.
- 1919 First school opens at Miller's Landing.
- 1920 46 people reside in the census area designated as "Homer Spit and Vicinity."
- 1925 A rudimentary telephone system is established.
- 1930-40 Commercial and civic activity increases significantly. By 1938, Homer has an airplane runway, several general stores, two restaurants, and a new dock built by the Homer Civic League. Supply ships now bypass Seldovia to deliver goods directly to Homer. Homer's population in 1940 is pegged at 325.
- 1941-42 Alaska Road Commission creates Beluga Lake by damming the slough.
- 1945 Homer Electric Association is incorporated.
- 1946-47 The coldest winter in history is recorded for North America. Much of inner Kachemak Bay freezes over.
- 1948-51 Construction of the Sterling Highway puts Homer on the road system and fuels growth.
- 1950 Homer's population is 307.
- 1955 South Peninsula Hospital opens.
- 1960 The population of Homer, at 1,247, exceeds that of Seldovia for the first time.
- 1964 The Good Friday earthquake causes much of Homer to subside 2-8 feet, with serious damage to the harbor. Homer incorporates as a city on March 31. The damaged harbor is rebuilt with federal funds.
- 1969 Classes are offered for the first time at the Kachemak Bay Campus of UAA-KPC.
- 1970 Homer's population is 1,803.
- 1971 Kachemak Bay State Park is created, contributing to the growth of tourism in Homer.
- 1976 The state of Alaska sells several oil leases in Kachemak Bay. After the jack-up oil rig *George Ferris* gets stuck in the mud, public outcry persuades the state to buy back the leases.
- 1980 Homer's population is 2,209.

- 1985 Homer gets its first fast-food chain restaurant (McDonalds).
- 1986 The Homer "Bypass" is built, bypassing Pioneer Avenue and creating another commercial corridor.
- 1989 Homer fishermen and others are impacted by the Exxon Valdez oil spill.
- 1990 Homer's population is 3,660.
- 1998 Icicle Seafoods—Homer's only fish-processing plant and the town's largest seasonal employer—burns to the ground.
- 2000 Homer's population is 3,946.
- 2002 Homer annexes 4.6 square miles.
- 2009 Homer's population is estimated at 5,551 (Alaska Dept. of Labor).

Because detailed U.S. Census data for the year 2010 is being compiled as this report is being written, we will leave it for the next update of the CEDS to include the latest demographic information about age, education, employment, and economic characteristics of Homer residents and note significant changes or trends.

The chart below illustrates Homer's population (2000-2009) in relation to the greater Homer area. In general, it is safe to say that the greater community population is at least twice the population of Homer within city limits. Many of those who reside outside city limits commute to Homer for work. Most rely on Homer outlets for groceries and other goods and services.



Notes regarding population chart: Homer annexed part of Diamond Ridge and all of Miller's Landing in April 2002. (Miller's Landing is not shown in this graph. It had a population of 70 before annexation.) Year 2000 population is from the 2000 U.S. Census. Population figures for 2001-2008 are estimates provided by the Alaska Dept. of Labor and Workforce Development.

Data collected by the Kenai Peninsula Borough shows that in 2008, the top ten employers in Homer were:

- Kenai Peninsula Borough Schools
- South Peninsula Hospital
- Safeway
- South Peninsula Behavioral Health Services
- City of Homer
- State of Alaska (not including the University of Alaska)
- Land's End Resort
- Homer Senior Citizens
- Homer Electric Association
- University of Alaska

Only two of the above employers are private corporations. However, Homer is known for its many small, locally-owned businesses that together employ many residents and help create a diversified economy. A 2004 article in *Alaska Economic Trends*, published by the Alaska Department of Labor, noted that "entrepreneurship is a key element in Homer's economic equation" and that Homer has the highest percentage of self-employed workers on the Kenai Peninsula as documented in the 2000 Census.⁴

More information on specific sectors of the Homer economy can be found in other sections of this plan.

⁴ *Alaska Economic Trends*, Alaska Department of Labor and Workforce Development, November 2004, p. 14.

The Role of Government Policies and Programs in Local Economic Development

Even though government cannot affect all the factors important to economic development, it can have a significant impact through both its traditional role as public service provider and regulator, and its entrepreneurial role as a deal-maker and business recruiter. Of these two roles, the former is essential—government must provide quality basic services and an efficient regulatory environment if it wishes to create economic development. Providing further incentives to businesses is optional—whether it makes sense depends on what government can reasonably offer, the extent to which such offerings are necessary to attract firms, and the cost of those offerings.

Public policy can affect factors that are important to businesses, primarily through regulation, taxes, and incentives.

- **Regulation**—Regulations protect the health and safety of a community and help maintain the quality of life. However, simplified bureaucracies and straightforward regulations can help firms react quickly in a competitive marketplace. Predictability is usually more appreciated by business than a tax regulatory system.
- **Taxes**—Firms tend to seek locations where they can optimize their after-tax profits. But tax rates are not a primary location factor; they usually matter only after corporations have made decisions on labor, transportation, raw material, and capital costs.
- **Financial incentives**—Governments sometimes offer incentives to businesses to encourage growth. Generally economic research has shown that most types of incentives have had little significant effect on firm locations between regions.

To evaluate the comparative advantages a local economy has with respect to government policies and incentives, consider whether government is using the tools above to create a climate for business that is welcoming and supportive but which is also financially and environmentally sustainable. A city with low taxes and an array of financial incentives does not necessarily have an advantage over a city with higher taxes and no financial incentives if it does not provide the infrastructure and services businesses need to thrive.

—From *An Economic Development Toolbox: Strategies and Methods*, pages 8 and 30.

THE BIGGER PICTURE: FACTORS THAT INFLUENCE OVERALL ECONOMIC DEVELOPMENT

In any community, there are certain factors that can either inhibit or encourage economic development. Some of them are reflected in the kinds of questions people ask when they think about moving to a new town: Does it have good schools? Is it attractive? Is it affordable? Will my family feel safe there? Business owners have additional questions: Is there property available in a good location? Can I find skilled workers?

Few would argue that one of Homer's greatest assets is its spectacular natural setting. We all know people who tell the story of driving down over Baycrest Hill and falling in love with the view—and that this is what made them decide to stay. After that, other factors either contributed to or detracted from their initial excitement.

The mountains and bay aren't going away, and for this we can be grateful. This section will explore some of the other "bigger picture" factors over which we, as a community, have more control.

Local Government Policies and Services

Government policies and programs will be addressed throughout this plan, with specific recommendations to support specific activities. This section will look more broadly at three key areas: Land use policies, infrastructure/services, and taxes.

- A. Land use policies and other regulations should serve the overall public interest without unduly restricting development. Chapter 4 of the Homer Comprehensive Plan provides detailed recommendations on land use which are aimed at finding the right balance between protecting community aesthetics and property values, on the one hand, while providing options and opportunities for both residential housing and business development.
 - 1. The City should aim for fairness, consistency, and predictability in its land use policies (including lease policies) and regulations.
 - a. Speedy processing of permit and lease applications should be emphasized while ensuring that all reasonable conditions are met.
 - b. City employees involved in permitting should project a "How can we help you?" attitude to those navigating the permit process.
 - c. Existing policies and practices should be examined and possibly revised at least every five years with these goals in mind.
 - 2. The increased emphasis on careful mixed-use development in the Comprehensive Plan highlights a welcome trend in land use policies. This trend should be embraced to allow greater latitude in land use, reduce the need to drive, and contribute to a more vibrant community. At the same time, concerns of landowners about aesthetics, noise, and safety need to be taken into consideration.
- B. Government-provided infrastructure and services must be maintained to support and encourage private sector development. In Homer, local government builds and maintains roads, trails, sidewalks, and public parks; maintains and operates the port and harbor facilities; provides clean piped water to homes and businesses; and provides wastewater treatment services. In addition, the City provides police and fire protection, other emergency response services, public library services, an animal shelter, and limited

recreation programs. The importance of these basic services to the overall economic health of the community should not be underestimated or taken for granted.

1. The City should leverage as much assistance as possible—e.g., through grant applications, requests for legislative appropriations, and public/private partnerships—to maximize investment in infrastructure at the lowest cost to local residents.
 2. Maintenance of infrastructure should be a priority to protect the public investment and project a positive image of Homer.
 3. The City should recognize that many so-called “amenities” are actually vital characteristics of a community that hopes to attract and retain business owners and workers. *See section below on quality of life factors.*
- C. Tax rates should be kept as low as possible while still covering the costs of services that meet basic needs and enhance economic development. As noted above, government expenditures are important for creating the kind of community that attracts potential business owners (and workers and retirees); but at the same time, government spending must be kept in check to prevent high taxes from discouraging those same people from living here.
1. Property tax rates should be adjusted downward as property values increase. The City of Homer has done this in the past and should continue to do so if assessed values continue to rise.
 2. Financial incentives for businesses should be viewed skeptically, in light of research that shows this is generally not an important factor in business location decisions and because it means that less revenue is available for other projects and programs.

We baby boomers in America and Western Europe were raised to believe there really was a Tooth Fairy, whose magic would allow conservatives to cut taxes without cutting services and liberals to expand services without raising taxes.
 —Thomas Friedman

Quality of Life Factors

The term “quality of life” lacks a precise definition, but when used to describe a town or community, the term typically includes factors such as those listed in the left column below, as compared to the right column.

Desirable Qualities	Undesirable Attributes
Visual impact is pleasing, creating impression of “a nice town.” (For example: Houses and businesses are well-maintained; streets and sidewalks are in good repair; attention is given to landscaping and public art; parks, greenways, and flower gardens are evident.)	Town looks run-down, trashy, uncared-for.
The city has a lively arts and culture scene (e.g., live music and stage productions; one or more movie theaters; a variety of art galleries; one or more museums and library; wide range of offerings for different tastes; opportunities to get involved with local art/music/writing groups or classes).	Very limited opportunities to enjoy art, music, drama or similar activities.
Educational opportunities exist for all ages. Town has a reputation for good public schools and options for private	Town has a reputation for problem schools, delinquency, high teacher turnover, etc.

and/or charter public schools. Area includes one or more local colleges and/or trade schools.	Little or no opportunity for non-traditional or post-secondary education.
Town is "easy to get around in," including being bicycle and pedestrian-friendly. Larger towns have good public transportation system.	Town is plagued by traffic congestion/sprawl. Streets lack sidewalks or bike lanes. Walking is unpleasant and biking feels unsafe.
Diverse recreational/fitness opportunities abound for all ages, year-round.	Recreational opportunities are limited, especially those with outdoor/physical fitness benefits.
The community has one or more hospitals and an array of health care services.	No local hospital and limited health services.
Opportunities for shopping and dining out are enjoyed by residents and visitors alike.	Stores and eating establishments are boring and lack both quality and variety.
Festivals and events create a sense of fun and community spirit.	Not much ever happens that's fun. Little or no sense of community pride.
Town has an appealing, vibrant, well-defined downtown district.	Downtown is dilapidated, not pleasant for walking, or essentially non-existent.

The above examples should make it obvious that no single entity—government, business, or non-profit—can create "quality of life." In many ways quality of life characteristics are synergistic, with different aspects working together to enhance each other and attract further positive development.

Rather than offer specific recommendations to enhance quality of life in Homer, this plan will simply note the importance of these attributes for promoting economic development and urge City Council members, business owners, and private citizens to work together to protect and enhance the qualities that make Homer an appealing place to live.

Affordable Housing

Cost of living in general will influence economic development, particularly for those who are not wealthy. Nowhere is this more important than in the housing sector. The Urban Land Institute describes the problem this way:

Housing that is affordable to workers and close to their jobs is essential to the proper functioning of the local economy. Housing costs are one of the determining factors in workers' relocation decisions—and as housing affordability declines, it becomes more difficult to recruit and retain employees. In the tight labor market that results, employers must offer higher salaries in order to attract and retain employees, which increases the cost of doing business. A high cost of doing business, in turn, makes an area less desirable to employers.

—*Developing Housing for the Workforce: A Toolkit*, Urban Land Institute, 2007, p. 12.

Lack of affordable housing is a problem that plagues many resort towns. In Homer, where second-home buyers and wealthy retirees have helped drive up the cost of real estate, less wealthy workers commute from as far away as Ninilchik. For many of them, the main reason they settled so far from town is because that's where they found affordable property. Now with gasoline prices rising, these families are feeling financially stressed in ways they didn't foresee.

Kenai Peninsula Housing Initiatives, a not-for-profit Community Housing Development Organization, manages three housing developments in Homer (18 units), with plans for at least 15 additional units for low income/special needs residents. In a 2004 study commissioned by KPHI, these characteristics were noted in regard to affordable housing in Homer:

- A limited number of 1-2 bedroom affordable apartments (100% occupied) and no affordable 3-4 bedroom apartments.
- A limited number of 3-bedroom market-rate apartments (100% occupied) and no 4-bedroom market-rate apartments.
- Market rates in Homer are higher than the rest of the KPB and often do not include utility costs.
- Vacancy rates are typically low.

The Homer Comprehensive Plan (Chapter 4—Land Use, Goal 5, Objective A) notes the growing problem of affordable housing in Homer and offers several strategies to address the problem. The handbook *Developing Housing for the Workforce: A Toolkit* describes a more focused, comprehensive approach, as outlined below:

CREATING A WORKFORCE HOUSING STRATEGY

1. Inventory the current housing supply
2. Inventory public lands and structures
3. Inventory privately held vacant and abandoned properties
4. Assess workforce housing needs
5. Assess current workforce housing programs and policies
6. Assess the barriers to workforce housing production
 - A. Community opposition
 - B. Regulatory barriers
7. Set workforce housing production goals
8. Build a workforce housing coalition
9. Organize for action
10. Identify viable workforce housing tools
11. Create a flexible, multifaceted housing strategy
 - A. Land acquisition and assembly

A local jurisdiction with a high level of amenity and other quality-of-life factors (e.g., good schools, a clean environment, affordable and appropriate housing, and a diverse and exciting culture) attracts people simply because it is a nice place to be. In particular, it attracts skilled workers, decreasing labor costs for businesses.

—An Economic Development Toolbox, APA, p. 8

- B. Planning and regulatory approaches
 - C. Financing programs
 - D. Maintaining long-term affordability
12. Assess what is working, and revise what is not

If the City of Homer and others concerned about affordable housing (including student housing) in this community hope to prevent an existing problem from getting much worse, it would be wise to begin working together now to assess the problem and identify and implement solutions. One recommendation would be to appoint a task force with this goal in mind.

A Skilled, Educated Workforce

For companies and businesses needing to hire skilled workers, lack of workers will be a reason to pass up one community in favor of another. Small towns are at a distinct disadvantage compared to larger cities with one or more universities, other worker-training programs, and a larger pool of prospective workers of all types.

Strategies for addressing the need for skilled workers in Homer include:

- A. Continue to support quality public school programs offered by the Kenai Peninsula Borough School District.
 - 1. Advocate for vocational/technical training programs and basic skills classes as well as college-preparatory curricula.
 - 2. Support efforts to provide students with hands-on learning experiences, including apprenticeship and/or mentoring programs.
- B. Support growth of the UAA-KPC-Kachemak Bay Campus, especially programs that anticipate areas of future job growth and offer classes to provide workers for those jobs.
 - 1. Support efforts to market Homer as a place to go to college.
 - 2. Support KBC goals aimed at adding buildings and facilities to allow for growth and attract students.
 - 3. Support the development of student housing for the local college.
 - 4. Support the development of new college programs to meet existing needs and likely areas of future job growth.
- C. Advocate for new vocational/technical training programs and centers in or near Homer.
 - 1. Support Homer as the location for a Maritime Academy.
 - 2. Support other vocational/technical programs; e.g., those that might be offered locally at the college, high school, through the Alaska Vocational/Technical Center, or by private companies.
- D. Seek to provide and protect the “quality of life” factors that are known to attract skilled workers. *See previous section on this topic.*

The more a region is able to attract employers on the basis of highly skilled workers, as well as high quality of life, good value-for-money public services, efficient regulations, and well-supported business clusters, the less pressure for a region to have a “low cost” workforce.

—An Economic Development Toolbox, APA, p. 27

Technical and Financial Assistance for Business Owners

Building a successful business is a challenging and financially risky proposition, particularly for someone with limited or no previous experience. Chances of success are greater for those who have access to capital as well as technical assistance in business management.

The Economic Development Committee of the Homer Chamber of Commerce has grappled with both of these issues during many of its meetings in 2009 and 2010. The following recommendations reflect input from the Chamber of Commerce EDC:

- A. Continue to support the Small Business Development Center housed within the Chamber of Commerce. This center, which operates with funding from the U.S. Small Business Administration and the University of Alaska, provides free consulting services and low cost educational programs to entrepreneurs. One-to-one

The Value of Small Business Assistance Centers

Small businesses, by definition, do not have as many employees as larger firms, but they are more numerous, so they account for a significant proportion of jobs in a city. Since many large employers are increasingly owned by companies outside a region, small business development is a way of fostering economic benefits that stay within the region. In addition, most large businesses started off as small businesses, so small business development can eventually lead to large local businesses. Because this strategy focuses on assisting local businesspeople who are likely to have strong ties to the community, the results can be a benefit for the community if the small business hires locally or serves as a role model for other local entrepreneurs. Another advantage is that these programs are usually not as costly as loans, grants, or tax relief.

—An Economic Development Toolbox, APA, p. 41.

sessions cover areas of management, marketing, sales, finance, accounting and other disciplines required for small business growth, expansion and innovation.

- B. Develop and implement a new program aimed at helping entrepreneurs identify and secure needed capital. Possible sources of capital would include a new microloan program, local angel investing network, traditional bank loans, and existing revolving loan programs.

- C. Develop and implement a program to provide mentoring and other networking opportunities for local entrepreneurs.

While the existing Small Business Development Center provides valuable services, its mission is limited and it is not equipped to take on a larger role. Additional activities to assist business owners and promote economic development in other ways could be undertaken by either the City of Homer, the Chamber of Commerce, or a new independent economic development organization. *See the Organizational Structure section of this plan for more discussion on this topic.*

The Bigger World

No economy is an island, and events far outside Homer's borders have influenced and will continue to influence economic prosperity here. Business owners in Homer, particularly in the retail/tourist sectors, experienced serious losses as a result of the global recession sparked in 2008 by the growing trend of securitization of real estate mortgages in the United States—something the average American can scarcely understand.

In the mid-1980s, all of Alaska was hit hard by a drastic drop in the price of oil. In a state where a third of all jobs are tied to the petroleum sector,⁵ a large drop in oil prices can be counted on to send shock waves throughout the economy.

Ironically, while rising oil prices are good for the Alaska treasury (because of the royalties collected), they nevertheless hit individual households and businesses hard. Arguably one of the greatest threats to the local economy is the price shocks that will come from declining oil production. Among those who study global oil production, there is a growing consensus that "peak oil" is happening now and that production of all liquid fuels, including oil, will drop within 20 years to half what it is today.⁶ With declining production, oil prices will become more volatile and progressively higher when demand increases and supply can't keep up. Instability in oil supply and price has serious potential consequences for virtually all sectors of the global economy, particularly transportation, agriculture, and manufacturing. An example of a local vulnerability can be seen in the following statistic: Alaskan farmers grow only 5%-10% of the produce consumed in the state. For the rest, we rely on produce driven thousands of miles to supermarkets by way of a supply chain heavily dependent on cheap oil.⁷

Other cities have convened task forces to study community vulnerabilities to peak oil and make recommendations on how to prepare and adapt. It would be beyond the scope of this economic development plan to provide

Peak Oil and Energy Uncertainty: A Changing World

"The days of inexpensive, convenient, abundant energy resources are quickly drawing to a close."

—Donald Fournier and Eileen Westervelt, US Army Corps of Engineers, "Energy Trends and Their Implications," September 2005.

"Oil (and natural gas) are the essential components in the fertilizer on which world agriculture depends; oil makes it possible to transport food to the totally non-self-sufficient megacities of the world. Oil also provides the plastics and chemicals that are the bricks and mortar of contemporary civilization."

—Daniel Yergin, in *The Prize: The Epic Quest for Oil, Money, and Power*.

"One of the issues that we keep running into is, oil is the economy."

—Rowan Wolf, sociology professor and member of the Portland, Oregon Peak Oil Task Force

"Identifying and mitigating community vulnerabilities is probably one of the more important—if often unwritten—expectations we have of our local governments."

—Daniel Lerch, *Post Carbon Cities: Planning for Energy and Climate Uncertainty*, 2007.

⁵ Scott Goldsmith, "What Drives the Alaska Economy?" UA Research Summary No. 13, Institute of Social and Economic Research, University of Alaska Anchorage, December 2008.

⁶ U.S. Department of Energy, "Meeting the World's Demand for Liquid Fuels: A Roundtable Discussion," April 7, 2009.

⁷ University of Alaska: www.alaska.edu/voice/2010/May_2010/announcements/local-food/

such a detailed analysis. However, the following recommendations are common-sense approaches to building community self-reliance and resilience in the face of a wide array of threats and uncertainties beyond our direct control:

- A. Appoint a Local Food Commission to recommend and facilitate policies and programs designed to increase local agricultural production and consumption.
- B. Continue to support development of renewable energy sources to help reduce dependence on fossil fuels.
- C. At the same time, work to bring natural gas to Homer as a lower-carbon (and possibly lower cost) alternative to fuel oil to meet home and business heating needs. Direct hookups to natural gas may also provide a lower cost alternative to electricity and propane and serve as an important transition energy source.
- D. Support "Smart Growth" principles such as mixed-use development, transportation options, and affordable housing to help reduce the need to drive.
- E. In development decisions, take into account possible future impacts of global greenhouse gas emissions; e.g., sea level rise and ocean acidification (negative impacts) and longer, warmer growing seasons (positive impacts).
- F. Support continued management of Alaska fisheries based on principles of sustainability.
- G. Support programs which help local business owners (as well as homeowners) improve energy efficiency in their buildings and facilities.

ECONOMIC SECTORS

While Homer's economy is often described as "fishing and tourism," it is actually far more complex and diversified than that description would suggest. This is a good thing. Further diversification is desirable as it will help create more year-round jobs and reduce the economic shock that occurs when one particular sector experiences a significant downturn or collapse.

This section of the Comprehensive Economic Development Strategy is not intended to capture all of the current economic activity in Homer. Many successful enterprises do not fit easily into any particular category. Others span multiple sectors.

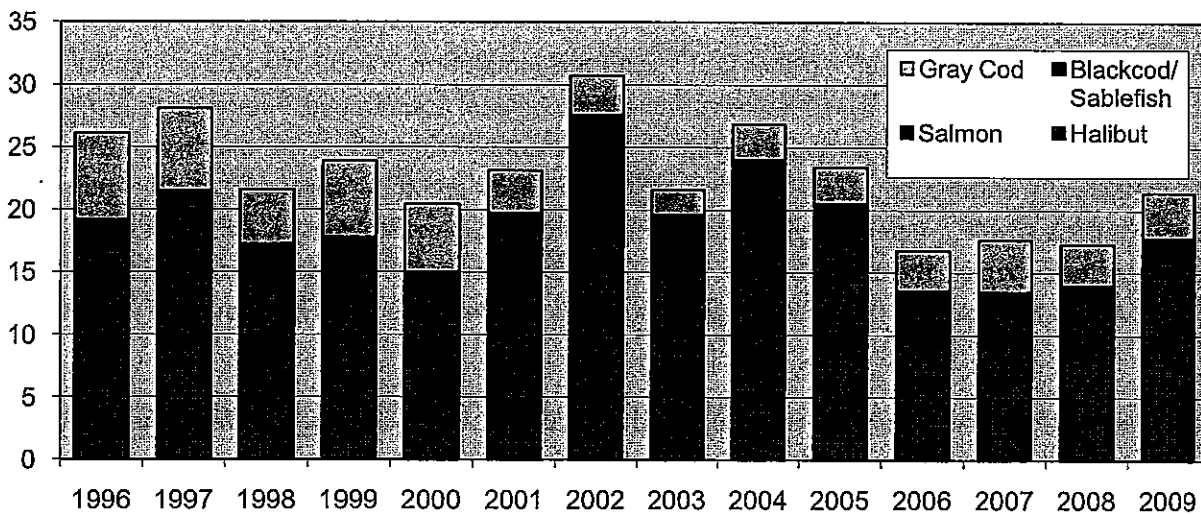
It should also be noted that some of the economic activity described on the following pages takes place outside city limits but nevertheless contributes to Homer's economic health as a result of money spent on goods and services in addition to wages.

Commercial Fishing and Mariculture

Commercial harvest and processing of fish in the region traditionally includes five species of salmon, halibut, three species of crab, shrimp, clams, scallops, herring, and various groundfish. New markets are presenting themselves in farmed oysters, mussels, seaweed, sea urchin, sea anemone, and various other seafood products.⁸

Homer is the number one port in the world for commercial halibut. The graph below illustrates pounds of halibut, salmon, black cod/sablefish, and gray cod landed at the Homer Fish Dock from 1996 to 2009.

**Commercial fish landings in millions of pounds, 1996-2009,
Port of Homer**



⁸ Kenai Peninsula Borough website, "Our Economy," <http://www.borough.kenai.ak.us/econ01.htm>.

The Homer area has the highest number of local residents in the Kenai Peninsula Borough who depend on commercial fishing as a livelihood. Many fishers participate in multiple fisheries, some of which are far from home. Estimated gross earnings from commercial fishing among Homer permit holders in 2008 were \$68,347,552. A total of 396 Homer fishers utilizing 600 permits landed 90.5 million pounds of fish (including crab) that year.⁹

Eight cranes make it convenient for boats to deliver their catch 24 hours a day to the publicly-owned (municipal) Fish Dock. An ice plant produces and sells high quality flake ice to serve the commercial fishing industry, up to 100 tons per day.

The State of Alaska collects fisheries-related business taxes, landing taxes, salmon marketing taxes, and other seafood taxes from licensed seafood processors, floating processors, and seafood exporters, and shares fisheries taxes generated within incorporated municipalities. Despite Homer's prominence in Alaska's seafood industry, the City of Homer received only \$98,041 in 2009 from fisheries taxes,¹⁰ because most of what happens to raw fish landed in Homer does not meet the definition of "processing." City of Homer Fish Dock operations cost \$810,594 that same year. While fees for services cover these expenses, they do not cover the costs of equipment and facility replacement.

Mariculture activity in Homer has taken a higher profile with the completion in 2009 of a \$1.5 million facility on the Homer Spit owned and operated by the Kachemak Shellfish Growers Cooperative. The co-op sells oysters to local residents, tourists, and restaurants and also ships them to locations throughout the country. In general, it is felt that the shellfish mariculture industry in Alaska is under-developed and that Alaska's clean, cold, nutrient-rich, protected waters provide the perfect medium for developing jobs in coastal Alaska. Differentiating itself from the other seafood species, the oyster business runs 52 weeks a year. Shellfish growers in Kachemak Bay and throughout Alaska have proved that shellfish grow well and command the loyalty of state and national markets.¹¹

Economic development related to commercial fishing and mariculture would likely benefit from the following actions:

⁹ Alaska Commercial Fisheries Entry Commission, <http://www.cfec.state.ak.us/gpbycen/2008>.

¹⁰ Alaska Department of Community and Economic Development and City of Homer Port & Harbor Department.

¹¹ Global Food Cooperative, www.globalfoodcollaborative.com/articles/kachemak-bay-oysters-coop-growing-and-seeking-new-partnerships.



A boat unloads its catch at the Homer Fish Dock.

- A. The City of Homer should continue its unwritten policy of not taking sides in disputes between commercial and sport fishing interests, recognizing that both are vital to the Homer economy. Instead, the emphasis should be on supporting state/federal regulatory measures that help ensure sustainable fisheries to protect this resource for current and future generations.
 - 1. Stay abreast of information related to fisheries health, including possible impacts of ocean acidification caused by the uptake of excess carbon dioxide from the atmosphere.
 - 2. Unless there are clear reasons to doubt the objectivity or veracity of information from regulatory agencies, support proposals aimed at maintaining healthy populations and sustainable harvest levels.
- B. Seek to provide and maintain the infrastructure at the Port of Homer needed to support and grow commercial fishing as an export industry.
 - 1. Seek ways to either redefine “fish processing” at the state level or meet the current definition at the local level to help capture more of the fisheries taxes collected by the Alaska Department of Revenue. These funds could then be used to help build and maintain fisheries-related infrastructure.
 - 2. Continue to seek funding for expansion of the small boat harbor (e.g., construction of the proposed East Boat Harbor) to make room for more commercial fishing vessels.
- C. Encourage development of the local seafood industry beyond traditional products and markets. *See business ideas in sidebar, next page.*
- D. Actively market Homer as a center for commercial fishing and quality seafood products.
 - 1. Develop and promote local product identification.
 - 2. Publicize the advantages of doing fisheries-related business in Homer.

General Marine Trades/Port and Harbor Development

Economic clusters are defined as “geographic concentrations of competing, complementary, or interdependent firms and industries that do business with each other and/or have common needs for talent, technology, and infrastructure. The firms included in the cluster may be both competitive and cooperative. They may compete directly with some members of the cluster, purchase inputs from other cluster members, and rely on the services of other cluster firms in the operation of their business.”¹²

Examples of industry clusters include North Carolina's Research Triangle; Hartford, Connecticut's insurance and finance markets; Hollywood's film industry; the carpet industry in Dalton, Georgia; tourism in south Florida; and technology in Silicon Valley, California.

The marine trades in Homer could be thought of as an industry cluster, as could tourism. (The two clusters overlap in the form of the sport fishing, water taxi, and cruise ship industries. These industries will primarily be covered in the Tourism section of the CEDS.)

Businesses which make up the local marine trades cluster include commercial fishing and processing operations; marine electronics; boat storage, maintenance, and repair; suppliers of fishing equipment (nets, brailer bags, etc.); businesses that provide training in marine operations; and marine transportation services (e.g., tug and barge services, oil tanker escort services, marine fuel services). This list is by no means exhaustive. Many of the

¹² Economic Development Administration, <http://www.eda.gov/Research/ClusterBased.xml>.

small businesses located in the Port and Harbor area play a role in the marine trades. Local operations related to the U.S. Coast Guard, Alaska Marine Highway, National Oceanic and Atmospheric Administration, Kachemak Bay Research Reserve, and Alaska Maritime National Wildlife Refuge will be discussed primarily in the "Government" section of this plan, but the overlap with the marine trades is obvious.

Recommendations to promote growth and vitality of the marine trades in Homer include:

- A. Utilize City of Homer lease policies to help ensure that property needed for marine businesses is available on the Homer Spit at reasonable terms.
- B. Continue to seek funding for capital projects that will benefit the marine trades, such as Deep Water Dock expansion, small boat harbor expansion (East Boat Harbor), a new Port and Harbor building, and new/improved restroom facilities.
- C. Promote Homer as the site for an Alaska Maritime Academy.
- D. Encourage new businesses that will fill unmet needs within the marine trades cluster. *See sidebar for examples.*
- E. Address parking problems on the Spit, as discussed in the Homer Spit Comprehensive Plan.
- F. Encourage overslope development through public/private partnership whereby the City of Homer will invest in the necessary platforms and pilings to support further development.

See also recommendations under "Commercial Fishing/Mariculture" in the previous section.

Commercial Fishing/ Marine Trades Business Ideas

Following are some of the ideas for new marine trades business activity that have surfaced in discussions about local economic development:

- Boat lift to facilitate work on marine vessels
- Hardware store in the vicinity of the harbor to cater to other businesses in the area
- Another seafood processing plant like Icicle (which burned down in 1998)
- Utilize fish waste to make fertilizer or food for aquaculture
- Value-added seafood products; e.g., smoked oysters
- Harvesting and processing of under or non-utilized seafood resources; e.g., octopus, sandfish, sea urchins, seaweed

Tourism/Visitor Industry

The economic impact of the visitor industry in Homer is unquestionably large but difficult to quantify. Based on business licenses under "Accommodations/Food Service" and "Art, Entertainment, Recreation," the Alaska Department of Commerce estimates that tourism represented almost 23% of all business activity in Homer in 2008, with over \$28 million in gross sales.¹³ Reported information does not include self-employed individuals who are exempt from reporting requirements.

Homer is somewhat unique among popular coastal communities in Alaska in that the visitor industry is not dominated by cruise ships. While Homer typically sees a few cruise ships each year, it is primarily known for its appeal to independent travelers from around the country (as well as from foreign countries) and also as a destination for other Alaskans; e.g., from Anchorage.



The Homer Spit, with its abundance of small shops, restaurants, charter businesses, and scenic views, is one of the most popular tourist destinations in Alaska.

Encouraging Longer Visits

One economic development strategy is to find ways to encourage visitors to stay in the community longer during their visit, or to visit again in the future... Even staying an hour or two longer in the community may result in visitors eating more meals in local restaurants or spending more money shopping. The City benefits through increased sales tax revenue. To keep Homer an attractive destination requires that the City and private business work in partnership to provide the basic services that visitors and locals expect. These improvements and public expenditures should also benefit local taxpayers.

—Homer Comprehensive Plan, April 2010, p. 8-7, 8-8.

Homer Visitor Center counts have fluctuated from 7,891 in 2001 to 11,215 in 2008 and 8,550 in 2009. The Pratt Museum hosts approximately 35,000 visitors each year from 47 different countries. (Numbers do not include tour groups or school field trips.) The Alaska Department of Commerce estimates that approximately half a million people visit the Kenai Peninsula each year, with at least one-fifth journeying to Homer.

According to the Homer Chamber of Commerce, most visitors to Homer arrive via the Sterling Highway in their own or rented cars and RVs. They are drawn to Homer due to its reputation for spectacular scenery, opportunities for sportfishing and other outdoor recreation, as well as the mix of arts, culture, shopping, and dining experiences.

¹³ Reported in Kenai Peninsula Borough *Situations and Prospects for Year Ending December 1, 2008*, p. 234 and 238.

As mentioned previously, tourism falls in the category of a basic economic sector in that it brings new money into a community or region rather than simply circulating money. Homer businesses that benefit most directly from tourism are lodging (including many B&Bs); shops, galleries, and restaurants; charter fishing operations; and sightseeing/wildlife viewing/water taxi businesses. Wages paid to employees in these businesses in turn help support other businesses in town.

The Homer Comprehensive Plan, Economic Vitality chapter, provides a number of recommendations to strengthen Homer as a tourism destination. Three primary objectives are listed:

- A. Invest in local infrastructure, parks, and civic improvements that will serve locals as well as visitors by promoting longer stays, increased expenditures per person, and more repeat visitation as a form of economic development.
- B. Support efforts to improve community attractions, including Town Center, trails, and access to marine activities and the marine environment. Improve links between attractions.
- C. Increase the net benefits that tourism brings to Homer.

Fifteen separate implementation strategies are suggested to accomplish these objectives. Rather than repeat them here, we encourage readers of this economic development plan to read pages 8-7 through 8-10 of the Homer Comprehensive Plan. The discussion below will focus on one particular implementation strategy listed under Objective C. Strategy 6 is to “actively promote Homer to identified target markets, including Alaska residents, out-of-state independent travelers, and small group package tour travelers.” One specific recommended action is that Homer “continue to explore the establishment of conference and convention capabilities in existing and/or new facilities.”

In 2005, the City of Homer commissioned a feasibility study for a potential new conference center. The following table summarizes the findings:¹⁴

Tourism promotion suggestions offered by members of the public:

- Sponsor a quilting show event in the shoulder season
- Produce a restaurant guide — online and printed versions
- Promote Homer as an alternative health/healthy recreation destination
- Market Homer as the “Bear Viewing Capital of the World”
- Advertise in birding magazines
- Provide parking for RVs in downtown Homer with signage to make it easy for drivers to locate the parking

—from emails and public meetings, 2009 and 2010

¹⁴ “Feasibility Study for a Potential New Conference Center in Homer, Alaska;” prepared by Conventions, Sports & Leisure International for the City of Homer, July 2005.

HOMER CONFERENCE CENTER FEASIBILITY STUDY ESTIMATES AND RECOMMENDATIONS

Note: Estimate of demand is "moderate." For more detail, see full study.

Type of facility	Recommended size	Estimated utilization days per year (local & non-local events)	Total economic benefit (annual direct and indirect spending by out-of-towners)	Potential costs (public subsidy)
1. Stand-alone (City owned and managed)	10,000 sf banquet/multipurpose space; 3,000 sf breakout meeting space	113	\$2.62 million	\$203,000 annually (before debt service and reserve funding)
2. Public/ private partnership with hotel	7,500 sf banquet space; 3,000 sf breakout meeting space	114	\$1.754 million	will depend on particular partnership agreement
3. Joint use build-out with another public project	6,000 sf total meeting/banquet space	76	\$847,000	possibly break-even, with staffing and overhead shared with operations of the primary facility (e.g., new City Hall)

The study noted that virtually any conference center that is not part of a hotel business will require a subsidy of public money to support construction and operations. In many cities, bed tax (also known as lodging or accommodations tax) revenues are used for this purpose. (Anchorage, for example, has a 12% bed tax, a portion of which supports the Denaina Convention Center.) No bed tax is levied in Homer despite the prominence of the visitor industry here.

A conference center remains an identified need in Homer. As explained in the Organizational Structure section of this plan, the City of Homer could seek permission from the Kenai Peninsula Borough Assembly and from local voters to enact a bed tax here. A modest 4% tax (less than one-third of the national average) would likely generate enough revenue to support a conference center and an economic development office that would, among other things, market and manage the conference center. This proposal deserves serious consideration.

Arts and the Creative Class

Few would argue that one of Homer's economic assets is its reputation as an arts community. In 2005, Homer was listed in John Villani's book *The 100 Best Small Art Towns in America* and it is often praised for its many galleries, arts events, and non-profit organizations that help promote the arts.

In 2005, Homer was included in a study sponsored by Americans for the Arts, which assessed the economic impact of non-profit arts organizations and their audiences. The study estimated that non-profit arts organizations in Homer spend \$1.1 million each year, resulting in an additional \$1.6 million spent by arts audiences, which further stimulates the local economy.¹⁵

“The arts” is a broad term that encompasses traditional visual art (painting, sculpture, photography, fiber art, etc.) as well as music, drama, and dance. “The creative class” is an even broader term popularized by economist Richard Florida that refers to certain scientists and engineers, university professors, poets and architects, and people in design, education, arts, music, and entertainment, whose economic function is to create new ideas, new technology, and/or creative content.¹⁶

The Arts, Quality of Place, and the Knowledge Economy

In the past decade, states have begun to realize that their economic fortunes are increasingly tied to the location preferences of highly mobile knowledge-workers who form the intellectual backbone of the new economy. These workers value “quality of life” above nearly all other factors—including job market conditions—in choosing where to locate. According to Professor Richard Florida of Carnegie Mellon University, four factors determine quality of place: lifestyle, environmental quality, a vibrant music and arts scene, and natural and outdoor amenities.

—“The Role of the Arts in Economic Development,” National Governor’s Association Center for Best Practices, June 25, 2001.

In addition to the overlap in terms of occupation, there is another key relationship between members of the traditional arts community and those of the broader “creative class,” which is that the arts help create the type of environment that in turn attracts other creative people, including those in the highly desirable, knowledge-based (“new economy”) industries. The benefits work both ways, since knowledge-based workers tend to be well paid and will spend discretionary income on the arts, which they value.

In discussing arts and the economy with local artists and art advocates during development of this plan, three primary reasons were given to explain why Homer has attracted artists in the past and continues to do so: 1) The natural beauty of the area attracts people who appreciate beauty. 2) The community supports art and provides a nurturing environment for all types of artists. 3) Artists encourage and stimulate each other.

The following strategies have been suggested as ways to attract artists and other members of the creative class and maximize the economic benefit to the community:

- A. Work to enhance and protect the quality of life factors that make Homer attractive to artists and other creative people. *See previous discussion of Quality of Life.*
- B. Support public art above and beyond the existing 1% for the Arts ordinance.
 1. Commission public art for existing parks, buildings, streets/sidewalks, and other facilities.

¹⁵ “The Economic Impact of Nonprofit Arts Organizations and their Audiences in Homer, Alaska,” Americans for the Arts, 2005.

¹⁶ Richard Florida, *The Rise of the Creative Class and How it is Transforming Work, Leisure, Community and Everyday Life*. New York: Perseus Books, 2002, p. 8.

2. Encourage artists to create public art by providing spaces, permanent and temporary, for art installations and music/performance art events.
- C. Publicly recognize the value of art in our lives and in our community.
 - D. Support arts education in the public schools and elsewhere.
 - E. Partner with local arts organizations and businesses to promote art in the community.

Health, Wellness, and Recreation

With a hospital, 20 or so physicians in private practice, at least a dozen dentists, several physical therapists, a large non-profit mental health/ behavioral counseling clinic, other counselors in private practice, numerous alternative health services ranging from chiropractic care to therapeutic massage to acupuncture, a health club and other for-fee exercise facilities, Homer provides a wide range of health and wellness services for residents and visitors. A relatively new addition to the health sector in Homer is the Seldovia Village Tribe Health Center, which provides medical and dental services to both Native and non-Native patients. In addition to these traditional services, other businesses and programs offer opportunities for organized sports, wilderness outings, and other healthy forms of recreation.

The topic of health and wellness is actually much broader than the list in the previous paragraph would suggest. The Southern Kenai Peninsula Communities Project, launched in November 2008 with leadership provided by South Peninsula Hospital, conducted an area-wide health needs assessment that looked at issues ranging from environmental health, access to local foods, a diverse and sustainable small-town economy, and citizen involvement in community affairs.¹⁷ The SKP Communities Project vision is depicted on the next page.

Due to restrictions intended to protect proprietary information, the State of Alaska no longer releases sales data specific to the “Medical-Social Services” NAICS line-of-business category (and many others). Therefore, it is difficult to gauge the economic impact of this sector. However, no one would question that it is significant. In addition to money spent directly on health and

Rural health services provide benefits additional to improvements in health outcomes. Because the health sector may contribute significantly to job and income generation, particularly in rural communities, it is imperative that rural communities have quality health services that local decision-makers work to evaluate, maintain, and possibly expand.

—G.A. Doeksen and V. Schott, “Economic importance of the health-care sector in a rural economy,” *Journal of Rural and Remote Health Research, Education, Practice and Policy*, June 2003.

Ideas suggested by local health professionals for possible new businesses in Homer:

- Joint replacement surgery
- Expanded cancer care
- Pediatric care
- Alzheimer’s care
- Substance addiction treatment
- Dermatology practice

¹⁷ Southern Kenai Peninsula Communities Project, Project Summary, December 2009

wellness services, access to these services in a community is an important quality of life factor that helps make the area an attractive place to live. Recreational opportunities are another important quality of life consideration.

Some of the recommendations in other sections of this plan, most notably in the Agriculture and Tourism sectors, will also enhance the Health, Wellness, and Recreation sector. Additional recommendations are offered below:

- A. Support efforts to provide modern technology in the health care sector; e.g., at South Peninsula Hospital. Advanced technological services will not only help keep local dollars from leaving the community, they will also help attract new residents. Current needs include bariatric equipment to meet the needs of severely overweight patients, an enhanced communication system integrated with an improved electronic record-keeping system, and an electronic asset tracking system.
- B. Support local job training programs in the health care field; e.g., at UAA-KPC-Kachemak Bay Campus.



- C. Seek to attract medical specialists in areas where there is unmet need.
- D. Support growth of services to meet the health care needs of senior citizens; e.g., senior care, chronic illness management, cancer care.
- E. Support necessary steps to comply with the 2010 federal health care reform mandates at the local level.
- F. Publicize Homer's many health care and wellness options and quality of care; e.g., through a directory of local health and wellness services.
- G. Expand and improve the City of Homer's Parks and Recreation program.
 - 1. Complete a community recreation needs assessment.
 - 2. Investigate successful models from other towns.
 - 3. Develop a community parks and recreation master plan that describes program elements, staffing needs, and potential funding sources.
 - 4. Seek funding from multiple sources for the Parks and Recreation program.

Education

As in the health care sector, education is a major employer in Homer. A key difference is that most health care providers work in the private sector and most educators and support staff are government employees. (See *Government section of this plan for more discussion about this broad sector.*) A key similarity is the critical role that both health care and education play in the decisions of potential residents and business owners about whether to settle in a community or not. The quality of K-12 education is an important consideration for parents of school-age children (an important demographic group), and the presence of local workforce training programs will help to attract potential employers.

Homer schools within the Kenai Peninsula Borough School District are (in alphabetical order): Fireweed Academy (K-6 charter school), Homer Flex High School, Homer High School, Homer Middle School, Paul Banks Elementary School, and West Homer Elementary School.

A total of 1,164 students were enrolled in these schools for the 2008-2009 school year, a slight (2.1%) drop from the previous year. (Fireweed Academy, Homer Flex, and Homer High School experienced losses; Homer Middle, Paul Banks, and West Homer experienced gains.)¹⁸

The school district also operates the Connections

While college towns have long been considered recession-resistant, their ability to avoid the depths of the financial crisis shaking the rest of the nation is noteworthy. The ones faring the best right now are not only major education centers; they also are regional health-care hubs that draw people into the city and benefit from a stable, educated, highly skilled work force.

—Kelly Evans, "Why College Towns are Looking Smart," *Wall Street Journal*, March 24, 2009.

¹⁸ Kenai Peninsula Borough School District data reported in *Kenai Peninsula Borough Situations and Prospects for Year Ending December 31, 2008*, p. 38.

program to support home-schooling on the Kenai Peninsula. In 2010, approximately 300 students in the Homer area were enrolled in the program.

Early childhood education is provided through the Birth-2-3 program, a non-profit organization. A federally-funded Head Start program operated by Chugachmiut (an Alaska Native health and social service organization), is headquartered in Homer. The economic value of these programs stems from the fact that a child's readiness for school is a strong indicator of how he or she will fare in life in the long term. One analysis found that every dollar spent on high-quality early childhood programs for disadvantaged children results in \$7 to \$9 in future savings to communities.¹⁹

Kenai Peninsula College's Kachemak Bay Campus serves as the focal point of the University of Alaska's programs and services on the southern Kenai Peninsula. Its value to the community was reflected in the fact that "making Homer more of a college town" and "expanding vocational education" received the most votes in an economic development public forum held in Homer in spring 2009.

KPC offers two-year Associates of Arts and Associates of Applied Science degrees, as well as courses leading to vocational certificates and industry certification. Some programs leading to baccalaureate degrees can be earned at the Kachemak Bay Campus. A number of other four-year degree programs are available through KBC courses and distance delivery from other University of Alaska campuses. Continuing education and professional development programs are provided that include conferences, summer programs, Elderhostel, workshops, classes, and a visiting writers' series.²⁰

A 2007 study prepared for the University of Alaska²¹ noted the following economic benefits of Alaska's university system:

- In FY 2007, for every dollar of State investment, the University created just over three dollars in total economic activity in the state, a total return on investment of 200%.
- The University of Alaska directly employed a peak of 8,000 workers in Alaska in 2006 (37 in Homer).
- In addition to its direct employment, UA indirectly supports approximately 7,100 jobs in the support sector of the Alaska economy.
- The payroll for the Kachemak Bay Campus in FY 2007 was \$900,000.
- An additional \$1.0 million was spent on goods and services in the Homer community.
- Nationally and in Alaska, 25 percent of all jobs require a 4-year degree or higher.
- As of 2006, two-thirds of the UA graduates from the classes of 1989 to 2006 were still living in Alaska.
- National data indicates that a female UA graduate earns nearly \$16,000 more per year than a female high school graduate while a male UA graduate earns almost 18,000 more than his high school educated peers (2006 dollars).

Specific recommendations for enhancing economic development through the education sector in Homer include:

¹⁹ Robert Duggar. "Investing in early-childhood programs would yield dividends for Ohio," Cleveland.com, June 14, 2009.

²⁰ <http://www.homer.alaska.edu/about/index.html>

²¹ McDowell Group, "The Economic Impact of the University of Alaska, 2007 Update," February 2008.

- A. Support early childhood education programs in Homer.
- B. Support adequate funding for Kenai Peninsula School District operations in Homer, with an expansion of vocational-technical education.
- C. Support goals of the Kachemak Bay Campus of UAA-KPC, including consolidation of operations at the East Pioneer campus, expansion of the campus, and provision of student housing.
- D. Support expansion of educational programs to take advantage of emerging economic opportunities and/or to capitalize on Homer's existing strengths and assets, such as:
 - 1. Interest in green technology, local agriculture/sustainability, renewable energy, etc.
 - 2. Proximity to the sea and its resources
 - 3. Arts and culture

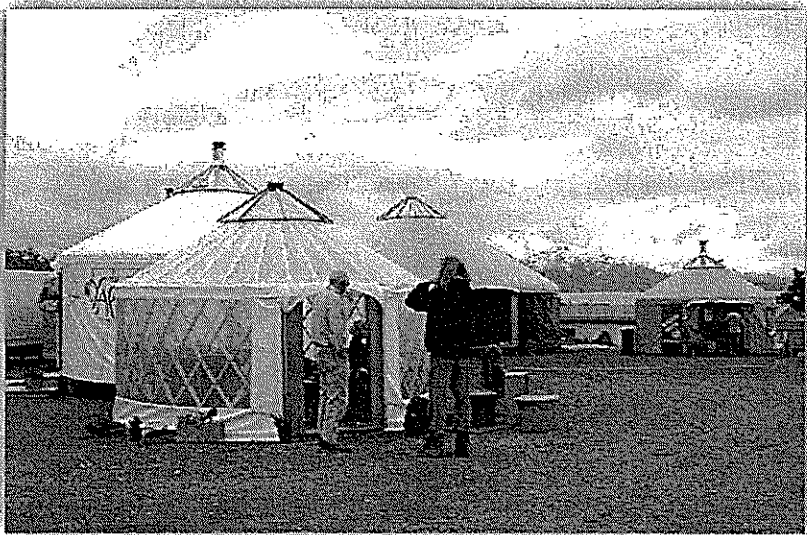
Some recommendations overlap with those involving the benefits of a skilled, educated workforce. See p. 11.

Three Broad Sectors:

1. Construction and Manufacturing

The Construction and Manufacturing sectors include traditional building trades (employing architects and engineers, heavy equipment operators, carpenters, plumbers, welders, electricians, etc.) along with light manufacturing enterprises such as Nomad's line of fleece clothing and soft luggage, Alpenglow handmade soaps, and Nomad Shelter yurts (to name a few). Some businesses in the Manufacturing sector overlap with the Marine Trades sector (e.g., boat building) or with the Arts sector (e.g., locally made jewelry, ceramics, and other art

gallery items). Stretching the definition of manufacturing further allows us to include locally made beer, wine, and mead.



Nomad Shelter's yurt business is an example of a manufacturing enterprise based in Homer.

Many locally manufactured products are sold to individuals or other businesses outside the city, which makes them part of the basic economy that brings new money into the community. New manufacturing/light industry/export businesses should be encouraged for this reason and because they have potential to provide good year-round jobs.

2. Retail

A great many retail businesses in Homer do not primarily target tourists nor do they fit neatly into other economic sectors already described in this plan. They range in size from "mom and pop" businesses to much larger outlets such as Spenard Builders Supply, Ulmers, and Safeway. Collectively, they employ hundreds of people and form a vital part of the local economy. Retail goods can be considered part of the basic economy if 1) people from outside the community are buying

the products; or 2) locals are buying the products rather than purchasing similar items from sources outside the community (import substitution).

The latter point raises the topic of larger "big box" retailers, a discussion that has been a source of controversy in Homer since 2002, when the Kroger Company first broached the idea of building a 98,000 square foot Fred Meyer store in the Central Business District. Following a moratorium on construction of any store larger than 20,000 square feet, the footprint size cap was first set at 45,000 sf, then 66,000 sf, and is now at 75,000 sf in Homer's commercial districts. (By way of comparison, the existing Safeway, including liquor store, is 30,250 sf.) As Homer and the surrounding area continue to grow, the need for a larger Fred Meyer or Wal-Mart type store is likely to become more apparent.

3. Services

Likewise, Homer's service economy is strong and diverse. In addition to some of the service businesses mentioned elsewhere in this plan (e.g., health services), local businesses meet the needs of Homer residents and visitors in areas ranging from financial services to haircutting to legal assistance.

General recommendations for maximizing the benefits of these sectors (1, 2 and 3 above) include:

- A. Encourage enterprises that will provide jobs and other economic benefits without serious negative side effects; e.g., environmental pollution.
- B. Encourage value-added manufacturing to maximize local resources and provide products for export.
- C. Convey a "How can we help you?" attitude to assist prospective business owners and those seeking to expand existing businesses.
 1. Utilize zoning to ensure adequate land for different needs and publicize available land zoned for different purposes.
 2. Improve the permitting process to clearly communicate requirements and reduce time and frustration for applicants.
 3. Publicize resources provided by other organizations that can assist local business owners; e.g., the Small Business Development Center at the Homer Chamber of Commerce.
- D. Assist with efforts to publicize the availability of locally manufactured goods; promote local procurement of goods and services.

High tech/Internet Businesses

Many businesses in this sector; for example, Information Technology (IT) support services and website design; can also be classified in the Services sector. Other examples of high tech businesses include modern filmmaking/editing, computer-assisted graphic design/printing, software development, and Geographic Information System (GIS) services used for surveying and mapping. *See also discussion regarding Arts and the Creative Class.*

While most if not all businesses in the 21st century utilize computers, Internet-based businesses comprise a special category, wherein the business owner markets and sells a product or service almost solely via the Internet. Because there is no visible retail outlet or office, these businesses may go largely unnoticed by the community at large, yet bring significant money into the community.

The availability of Internet/email service has also made it possible for some individuals to function as “lone eagles,” or as the Homer Comprehensive Plan puts it, “footloose entrepreneurs.” These are the individuals who could live almost anywhere and conduct business via Internet/email. In other words, their choice of where to live is based to a major extent on quality of life factors such as natural beauty, arts and culture, and recreational opportunities rather than factors such as availability of land, labor, or local markets.

What Can Homer Do To Attract “Lone Eagle” Entrepreneurs?

Comments submitted by two area residents via email during development of the Comprehensive Economic Development Strategy. Comments have been edited for space.

My husband and I are what you would call “knowledge entrepreneurs.” We are a good example of the kind of niche markets that are developing because of the Internet. We have customers from around the globe including Australia, Ireland, Italy, Singapore, Canada, and the U.S.

[In response to the question: Do you feel like Homer is currently providing the infrastructure your business needs?] For the most part, yes. We have printers, office supply, Internet, airport, computer folks and supplies etc. DSL needs to be improved in the outlying areas.

[In response to the question: What could we do to attract more lone eagles?] Keep the town attractive. Where you find the most migration to smaller towns is in those towns that have some sort of appeal. This cannot be overstated. If you travel around Oregon and Washington, or elsewhere, the small towns that are thriving are those that have appealed to people who can choose to live where they want and bring with them either retirement income or a small or home-based business. These towns survived the loss of the resource-focused boom/bust economies and reinvented themselves with what they had left. What these towns have to offer is predominantly natural beauty and access to outdoor activities or a quaint setting (like the coastal towns of Oregon and Washington). Homer has numerous benefits over some of these other small towns. Those assets should be advertised.

Your suggestion to promote “lone eagles” to live in Homer has merit. It capitalizes on Homer’s main strength—quality of life. I was a “lone eagle” prior to my retirement. One type of “lone eagle” is the telecommuter. The list of occupations that this would include is almost endless. The following are areas to promote or improve to facilitate getting “lone eagles” to live in Homer:

- 1) For telecommuters it is necessary to have easy access to the fastest Internet and telecommunications networks available. Currently, Homer has no 3G nor do we have the fastest Internet connections.
- 2) For the old-fashioned commuter, easy, reliable, and affordable access to Anchorage is essential.
- 3) The “lone eagle” promotion should be carried out in state with North Slope workers, fishermen, offshore oil field workers, and miners from Red Dog and the potential Pebble project.
- 4) Homer must avoid putting up a negative image by putting up barriers to people and ideas.

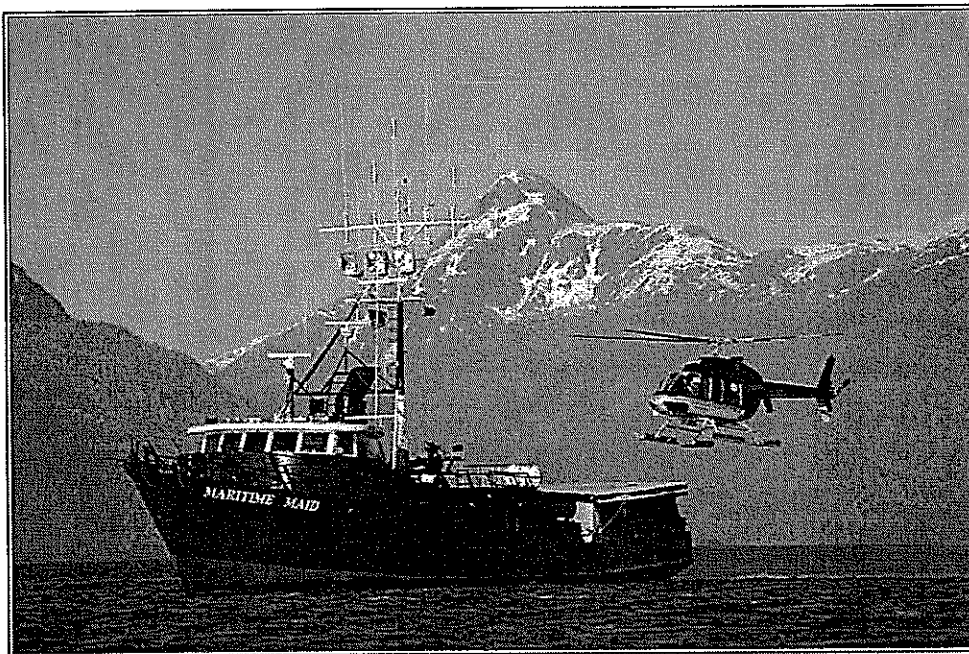
Recommendations for growing the high tech/Internet sectors of the Homer economy include:

- A. Support technical upgrades that benefit individuals and businesses who utilize these services extensively; e.g., high speed broadband Internet, improved cell phone service, and wireless connectivity.
- B. Market Homer's quality of life factors and suitability for high-tech/Internet based operations. Use marketing to counter the image of Homer and Alaska in general as too remote for modern business ventures to succeed.
- C. Support training opportunities for skill development in computer-related fields, including Internet-based commerce.

Transportation and Warehousing

The Kenai Peninsula Borough includes the following types of businesses under the heading of Transportation and Warehousing: air transportation, water transportation, truck transportation, transit and ground transportation, pipeline, scenic and sightseeing, support activities, postal service, couriers and messengers, and warehousing and storage. (Guiding by land and guiding by water are classified under Tourism.) In 2008, there were 126 businesses licensed in this sector in Homer, with gross sales of \$19.4 million.²²

Homer benefits economically by having an airport, a float plane lake, a harbor that supports numerous water taxi businesses, and port facilities that include preferential berthing for Alaska Marine Highway vessels. (The Marine Highway can also be classified within the Government sector.) In 2010, Seldovia Village Tribe began offering passenger/light freight ferry service three times a day between Homer and Seldovia, aboard the *Kachemak Voyager*, expanding the options available for getting across the bay.



Maritime Helicopters, based in Homer, has been in business since 1973 supporting marine, petroleum, and construction industries as well as government agencies. In addition to a fleet of helicopters, the company operates the 86-foot vessel *Maritime Maid*, equipped for helicopter operations at sea.

(Photo and information from maritimehelicopters.com)

²²Kenai Peninsula Borough, *Situations and Prospects for Year Ending December 31, 2008*, p. 224.

One of the most significant needs identified in Homer in the transportation sector is to provide containerized cargo handling capability at the Deep Water Dock. It is thought that with this capability, Homer will emerge as a major transportation hub for the Kenai Peninsula. Freight could be landed in Homer and trucked to outlets as far away as Kenai/Soldotna, eliminating the need to truck goods down from Anchorage and thus reducing costs. Dock expansion would also put Homer in a good position to provide staging for barged freight service to the Lake and Peninsula Borough via the Williamsport-Pile Bay Road or other facilities built to meet the needs of future resource development across Cook Inlet. The 30-acre industrial site at the base of the dock would support freight transfer operations.

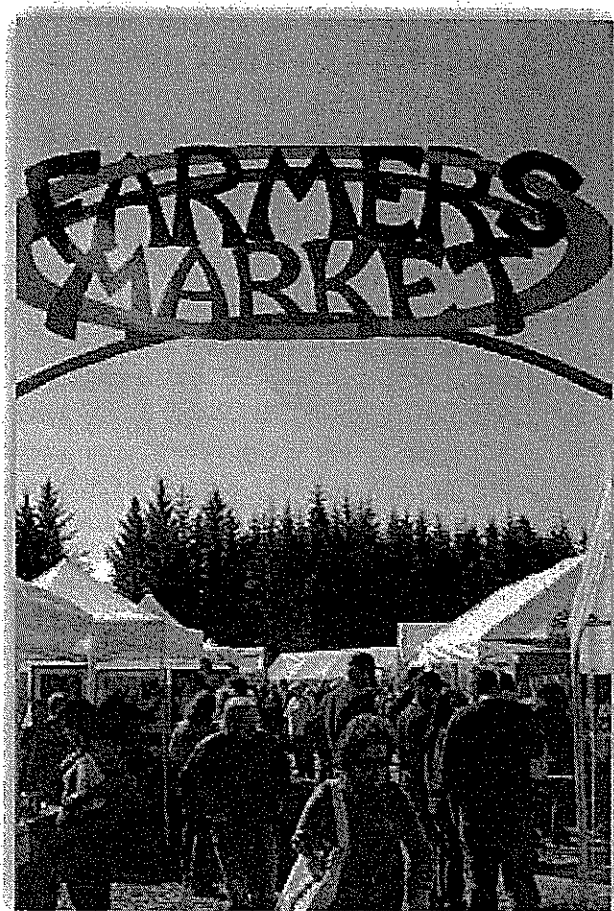
Recommendations to enhance the transportation sector include:

- A. Improve and expand Homer's Port and Harbor facilities, including expansion of the Deep Water Dock and construction of the proposed East Boat Harbor.
- B. Utilize lease policies to simultaneously benefit the broader community and individual business owners.
- C. Market Homer to attract new transportation-related businesses.
- D. Improve and expand Homer's overall transportation network in keeping with the goals of the Homer Comprehensive Plan, Transportation Plan, and Non-Motorized Transportation and Trails Plan.
- E. Support the development of a rail line connecting Homer to Anchorage.

Agriculture

Although agricultural enterprises have been present in the Homer area since Delphina Woodard operated a dairy farm in downtown Homer in 1917, the agricultural sector of the local economy is, at this time, small. However, it is also widely seen as having great potential for growth, given the expected effects of global climate change (warmer temperatures/longer growing seasons), recognition of the need for local self-reliance in the age of dwindling oil supplies, and increasing interest in local/organic food on the part of consumers, including restaurant owners. Growth in local agriculture has the potential to expand the export economy if products are purchased for shipment outside the local area.

Many local growers of produce, livestock, and poultry live outside Homer city limits but contribute to the local economy through sales at local outlets (e.g., the Farmers Market) and by spending money from sales at local stores. Local restaurants also benefit by being able to tout their use of locally-grown produce.



The Homer Farmers Market has become a popular destination in recent years.

Why "the market" alone can't save local agriculture

The problem facing local food production isn't lack of demand; it's lack of infrastructure. To boost production, a given area's small-scale farms need access to capital—to invest in farm equipment, composting capacity, washing and cooling facilities, and delivery trucks.

Since small farms generally lose money, they can hardly be counted on to make those investments themselves, and few banks are eager to invest in businesses with negative operating margins. Yet the situation need not be so bleak. The farmers who supply the nation's farmers' markets and CSAs, despite brutal economics, represent a huge asset. Communities, and the nation as a whole, should figure out ways to collectively leverage the passion of these growers. Not through direct payments—as with the current \$14.5 billion per year subsidy boondoggle—but rather through strategic investments in food-production infrastructure.

As for individuals, the way forward is clear: seek out farmers' markets, CSAs, and restaurants that procure locally. And stifle your sticker shock. That two-dollar tomato will likely deliver an experience that can't be bought at any price at a supermarket. The cheap-food regime under which we feed ourselves is really a costly scam.

—Tom Philpott, www.grist.org/article/local3

In the Homer area, agricultural goods and produce include many vegetables, limited fruits, grass-fed beef, local eggs, and honey. Value-added products include jams, jellies, and mead made with local honey and berries. Some businesses sell nursery plants, seeds, soil, and compost. Recently, cut flowers, particularly peonies, have become a local economic enterprise, since peonies grow well in this climate and bloom at a time when they are not available elsewhere.

The Homer Farmers Market provides a low-cost venue for many local farmers. In operation seasonally since 2000, the Farmers Market attracts locals and visitors twice a week with booths featuring local handicrafts and prepared foods as well as fresh local produce, seedlings, and other agricultural offerings.

Farmers Market spokespeople have noted that local agriculture could benefit significantly through efforts to identify markets and connect producers with those markets. The Homer Farmers Market and Sustainable Homer were successful in obtaining a VISTA (Volunteer in Service to America) to assist in meeting this goal. The VISTA is coordinating a 3-year project launched in November 2010.

Farmer and writer Tom Philpott offers one prescription for helping local agriculture entrepreneurs succeed. (*See sidebar.*) Philpott, Michael Pollan, and other nationally known local food advocates have written extensively on the need for reform of agricultural policy at the federal level to assist smaller-scale farmers, reduce food miles traveled, and provide Americans with healthier food.

Recommendations made by Homer-area growers and advocates include the following:

- A. Provide the Homer Farmers Market with a permanent location; e.g., in the proposed Town Center.
- B. Advocate for a USDA-approved meat processing facility on the southern Kenai Peninsula. (Currently, local farmers who wish to sell their chickens, beef, or pork commercially must first take it to Anchorage to get the USDA stamp.)

- C. Support construction of a community cold storage/freezer facility. Investigate use of a sea water heat-exchange loop in the harbor to help reduce electrical usage of the facility.
- D. Support development of a “kitchen incubator” that provides food producers and processors in start-up and growth phases with access to technical assistance and shared facilities including a commercial kitchen, storage, and offices in a cooperative environment at below market rates. Such a facility would encourage the production of value-added food products for local purchase or export.
- E. Build a new greenhouse for the City to use for its plantings so that Homer High School can have a full year-long curriculum based around the greenhouses there. The new City greenhouse could be built as a demonstration project, easily accessible to the public and full of all the latest power-reducing technology.
- F. Support efforts to encourage local food production, connect local farmers with markets, and publicize the benefits of “eating local.”
- G. Consider land use and/or tax incentives to take full advantage of the fact that the Homer bench is an extremely valuable agricultural microclimate.
- H. To increase the amount of land dedicated to agriculture and help meet local demand, establish a program whereby City crews and equipment will assist in turning lawns into garden plots, at either no or low cost to property owners.
- I. Eliminate the City sales tax on locally grown non-prepared food.
- J. Support changes in borough tax policy to classify greenhouses as “agricultural.” (Currently borough farm tax benefits apply only to fields, not to structures, so greenhouses are not taxed as agricultural but rather at the higher rate applied to any other structure.)
- K. Network and collaborate with University of Alaska–Fairbanks and Cooperative Extension Service personnel regarding research and funding opportunities; e.g., to support local food demonstration projects.
- L. Establish a Local Food Commission to further develop goals and strategies related to local agriculture/sustainability and facilitate achievement of the goals.

Retirees and Second-Home Residents

Anyone who has lived in Homer 20 years or more cannot fail to have noticed a change in demographics in our community. Not only has the average age of residents increased, but wealth is far more noticeable.

Part of the increase in average age is due to the fact that the American population as a whole is aging and Alaska is aging more than most states. In fact, the number of people age 65 and older grew faster in Alaska than in any other state between 1997 and 2007.²³ Many Alaskans over age 65 have lived in the state for many years, if not their entire lives. Others moved to the state after retirement. Homer has attracted more retirees and second-home/part-time residents than most other destinations in Alaska.

Around the country, local and county governments tend to view retirees as an asset and some engage in active marketing to attract new residents from this demographic group. In truth, such governments are particularly interested in a subset of the senior population: those with enough money to enhance the tax base without placing a heavy burden on local services. Once again, Homer finds itself in an enviable position in this regard. Casual observation and anecdotal reports from local realtors reveal that the Homer area has become

²³ Alaska Commission on Aging, “We’re #1: Alaska Tops in Senior Population Growth,” Feb. 17, 2009.

increasingly popular as a retirement/second-home location for wealthy or relatively well-off individuals and couples from Anchorage and the Lower 48 states.

As with many other forms of economic development, not all the consequences of senior migration to Homer are positive. Wealth from outside the community has been a factor in driving up real estate prices locally, making it harder for less wealthy individuals to afford housing. By state law, Alaskans age 65 years and older are exempt from property taxes on their primary residence up to the first \$150,000 of assessed value. (Local governments can extend the exemption above this cap if they wish. The City of Homer has not done so; however, the Kenai Peninsula Borough has increased the exemption to include the first \$300,000 of assessed value.) A policy of lower taxes on senior citizens increases the pressure on other residents to cover the costs of services provided by local government.

In a paper titled “Chasing the Elderly: Can State and Local Governments Attract Recent Retirees?,” the authors looked at a number of studies regarding factors that influence senior migration. They concluded:

...Returning to the question posed in the title of this paper, state and local fiscal policies do appear to influence location decisions, but they represent a secondary consideration in the migration decisions of most households.

What are the policy implications of our findings for policymakers contemplating strategies for attracting elder migrants? Changes in tax burdens and service levels can affect elder location decisions. Of the fiscal variables, inheritance taxes, income taxes, and property taxes have the largest relative effects. However, very large tax reductions would be required to attract even one more elder migrant to a county. Unless these tax breaks could be narrowly targeted to the group of elderly most likely to consider migrating, the revenue losses from such a program are likely to significantly outweigh the economic and fiscal benefits. Our results suggest that states should focus on marketing their amenities, rather than using fiscal policy to recruit retirees.

—William Duncombe, Mark Robins, and Douglas Wolf, “Chasing the Elderly: Can State and Local Governments Attract Recent Retirees?” Center for Policy Research, Maxwell School of Citizenship and Public Affairs, Syracuse University, September 2000, p. 26.

Recommendations for enhancing Homer’s economy by attracting retirees and second-home residents include:

- A. Recognize that quality of life factors (an attractive town, arts and culture, walkability, health services, etc.) are the most important in attracting retirees and second-home buyers. Focus on enhancing and marketing these features (which benefit all residents) rather than offering financial incentives to attract retirees.
- B. Support the growth of senior services in Homer; e.g., the programs and facilities of Homer Senior Citizens, Inc. and geriatric health services.
- C. Support efforts that result in vacation travel by seniors to Homer—e.g., through Elderhostel programs or on cruise ships—and seek to create a positive first impression for these visitors to help plant the idea of Homer as a place to retire or purchase a second home.

Government

Local, borough, state, and federal government offices and agencies represent a major economic sector in Homer. Looking at state and federal government only, we see the following listed as having offices/operations in Homer:²⁴

STATE	FEDERAL
Court System	U.S. Dept. of Agriculture
Fish & Game, including Kachemak Bay National Estuarine Research Reserve	National Marine Fisheries Service
Health and Social Services (several programs)	National Oceanic and Atmospheric Administration
Dept. of Labor (Homer Job Center)	U.S. Coast Guard
Alaska Housing Finance Corp.	U.S. Fish & Wildlife – Alaska Maritime National Wildlife Refuge
Legislative Affairs	U.S. Dept. of the Interior – Indian Affairs
Division of Motor Vehicles	Post Office
Dept. of Natural Resources	Federal Aviation Administration
Alaska Marine Highway	
Homer Airport	
University of Alaska, Kenai Peninsula College, Kachemak Bay Branch	



The Alaska Islands and Ocean Visitor Center serves as headquarters for the Kachemak Bay Research Reserve (a program of the Alaska Department of Fish and Game and the National Oceanic and Atmospheric Administration) and the Alaska Maritime National Wildlife Refuge (part of the U.S. Fish and Wildlife Service). More than 40 people work at the Center, which is also a major tourist destination, attracting 70,000 visitors per year.

Native tribes can also be considered governments. Seldovia Village Tribe and Chugachmiut operate facilities in Homer. Public school teachers are employees of the Kenai Peninsula Borough.

²⁴ 2010 ACS Yellow Pages, Kenai Peninsula, Government Offices section

In the 2000 Census, 16.9 percent of individuals working in Homer were classified as “government workers.” Many are professionals with college degrees. It can be assumed that their wages, when spent locally, make a significant contribution to the local economy. Other financial benefits come from leased office space, moorage fees, money spent locally on procurement, etc.

The following are general recommendations for maximizing the contributions of government as an economic sector in Homer:

- A. Advocate for expansion of borough, state, federal, and tribal government offices and programs in Homer, as appropriate. (Growth for the sake of growth is not justified.)
- B. Seek to understand the needs of government agencies in Homer and work cooperatively to ensure those needs are met for the mutual benefit of the agencies and the community. Be proactive in recognizing and addressing potential problems.
- C. Respond to requests for letters and resolutions of support by government agencies seeking funding for programs and facilities.
- D. Take advantage of opportunities for networking and collaboration to help foster positive relationships with representatives of government agencies.

DOWNTOWN VITALIZATION

Homer's first Comprehensive Development Plan (1969) includes this sentence on the first page:

"This plan outlines objectives for future development, emphasizing the need for a strong centralized downtown and the development of a road system that will encourage the economies of centralization, while providing a bypass route for industrial traffic."

More than 40 years later, Homer still lacks a strong centralized downtown. This is why the term "vitalization" is used in the section heading above, rather than "revitalization."

"Downtown" is a commonly used word, but what does it mean? Most of us can easily conjure up an image of a vibrant downtown: lots of people on foot in a relatively small, densely developed area; lots of activity; a multitude of shopping and dining options. People walk by store and café windows and are enticed to go in. Outside, there are opportunities to sit on a park bench, drink a latte, and enjoy the view or people-watching. The best downtowns allow a mix of uses, including retail, office, and residential. Some include a central park, square, or commons.

Interestingly, Homer has many of the characteristics of a vibrant downtown in the area of the small boat harbor on the Homer Spit—at least in the summer. The Spit is characterized by park-and-walk activity and is a magnet for shopping and sightseeing, popular with locals and visitors alike. Can we create a downtown district in the heart of Homer with similar appeal, but with businesses open all year?

This, essentially, is the goal of the Homer Town Center Development Plan, approved by the City Council in April 2006. The plan presents a vision of a

Some thoughts on "downtown"

A dense urban center creates a critical mass of people, ideas, products and activities that promote growth and trade... Really good downtowns are congested. Stop worrying about it—pray for it.

—Alan Jacobs, professor emeritus of city and regional planning, University of California, Berkeley

Downtown is everyone's neighborhood and the heart of the city.

—Bernard Lynch, City Manager, Lowell, MA

Great downtowns fill cities with life, and succeed when people come first. If you plan cities for cars and traffic, you get cars and traffic. If you plan for people and places, you get people and places.

—Fred Kent, Project for Public Spaces

Our town looks like a dump! No pride of ownership. No sense of downtown.

—respondent to City of Homer Citizen Survey, December 2002

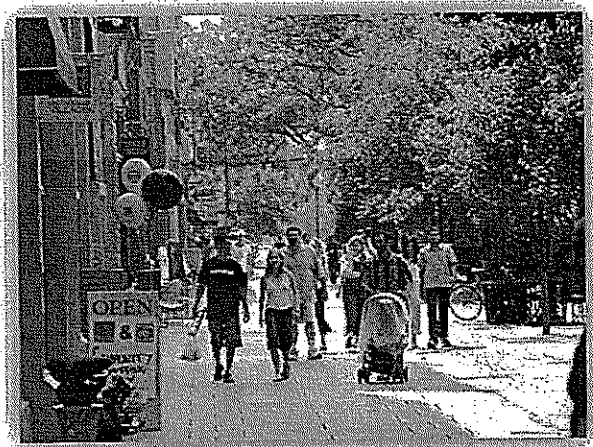
Pioneer Street looks like a crappy jumble of a town according to tourists I've talked to. It's too bad.

—another respondent to City of Homer Citizen Survey, December 2002

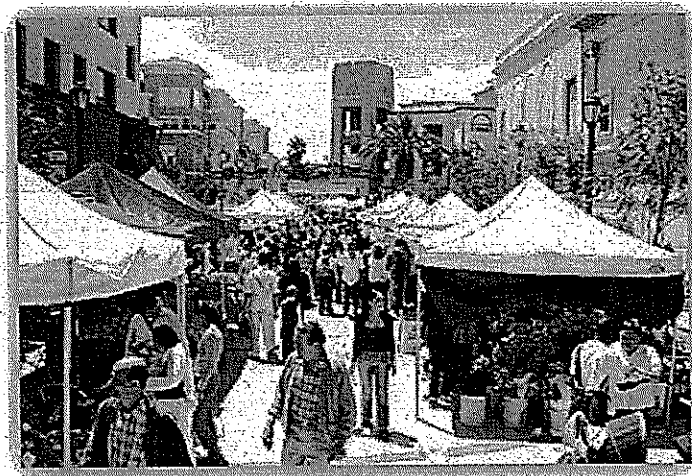
Town Center will be a community focal point to provide for business development, instill a greater sense of pride in the downtown area, enhance mobility for all forms of transportation, and contribute to a higher quality of life.

—from the Homer Town Center Development Plan, April 2006

“viable and vibrant Town Center” achieved through a mix of uses including commercial, residential, civic, and outdoor/open space. A 2003 study prepared by economist Steve Colt of the Institute of Social and Economic Research predicted that Town Center development, as envisioned at that time, would lead to 50% higher commercial taxable sales and 35% more revenue from property taxes in a 5-year period within the designated area, and that direct employment in the area would increase by about 33% over the same period.²⁵



Downtown Ithaca, New York (population 30,000) includes a “commons” and other features that make it an attractive destination.



Public markets can create a strong draw to a downtown district, as seen here in Fruitvale, California.

Momentum for developing Homer’s Town Center stalled in 2008 after the defeat of a ballot proposition that would have authorized selling bonds for the purpose of building a new city hall and adjacent plaza (“town square”). This project was intended to serve as the civic anchor for Town Center, provide some of the roads, sidewalks, and utilities infrastructure, and thus help attract additional (private) development.

In light of the public rejection of a new city hall/town square, it is recommended that downtown vitalization include the following strategies:

- A. Complete master planning for the Town Center district.
 - 1. Identify preferred routes and design for new roads, trails, sidewalks, parking areas, and community open space. Consider the needs of RV drivers in parking plans.
 - 2. Work with landowners to accomplish land trades or lot line adjustments as needed for roads, trails, etc.
 - 3. Consider a public market as a primary anchor for Town Center development and include space for the market in the master plan. Work with Homer Farmers Market toward this goal.
- B. Emphasize connections to Pioneer Avenue, Main Street, and Old Town to help ensure that Town Center development benefits existing and future businesses in these areas.

²⁵ Steve Colt, “Fiscal and Economic Analysis of Homer Town Square Proposed Development Alternatives,” Institute of Social and Economic Research, University of Alaska Anchorage, April 10, 2003.

- C. Take steps to make Pioneer Avenue more appealing as a commercial district; e.g., through zoning changes and street improvements that encourage new businesses and help create a more attractive and pedestrian friendly corridor. Support similar improvements on Main Street and Bunnell Street.
- D. Seek funding from public and private sources to build the first roads, sidewalks, parking lots, and trails and provide utilities as outlined in the Town Center master plan. Establish a town square or commons to serve as the location for a public market and other events.
- E. Actively promote Town Center as a location for dense, attractive, mixed-use development in keeping with the overall vision for downtown vitalization.

Jobs at the Heart and Soul of a Community

All vital cities showcase at least one multi-use destination – an interesting place where people can go for a variety of activities that involve more than shopping. A multi-use destination that is the heart and soul of a community can both create an identity and generate good jobs and economic growth for that city.

A classic example is Granville Island, a tiny (38 acre) patch of waterfront in Vancouver, Canada... It is the most visited destination in British Columbia but has one of the smallest budgets for tourism advertising of any Vancouver destination.

The economic anchor is the Granville Island Market which has 50 full time local vendors that sell from market stalls, including a variety of small eating establishments with many different ethnic foods, and 45 spaces for part time vendors. And there are no chains! About 3,000 people are employed on the Island and it generates over \$215 million in economic activity each year.

More than a picturesque, public-spirited, feel-good trend, markets are potent economic incubators. People go to markets not only because they can buy the fresh food they need at a price they can afford but also because markets are sociable, fun places that make for a rewarding experience.

People often think of these spots as tourist havens, with the usual low-pay, no-future tourist jobs. But a closer look shows that tourists are not the primary force behind the economic success of these places. At the Granville Island Market the highest-performing vendor is the meat market, which shows that it is a major attraction for locals. No one is going to take fresh pork chops home on the airplane or fry sausage in their hotel room. In fact, the market is busiest in the off-season when tourists are more scarce in rainy Vancouver.

—from "Putting Our Jobs Back in Place," Project for Public Spaces, pps.org

AN ORGANIZATIONAL STRUCTURE FOR ECONOMIC DEVELOPMENT

Almost everyone in the Homer community supports the idea of economic development and most would agree that there is room for improvement in that arena in our community. What are the current barriers to making these improvements?

As with many ambitious initiatives, lack of money, lack of time, and lack of organizational focus contribute to lack of progress. This section of the CEDS is intended to address these issues.

Existing structure

The organizations currently working to promote economic development in Homer are primarily the City of Homer, Homer Chamber of Commerce, Small Business Development Center, Kenai Peninsula Economic Development District (KPEDD), the Kenai Peninsula Tourism Marketing Council (KPTMC).

The KPEDD is an Alaska Regional Development Organization with offices in Kenai. It manages a business incubator on site along with two revolving loan programs and has a contract with the Kenai Peninsula Borough to produce the Kenai Peninsula Comprehensive Economic Development Strategy. The EDD also sponsors annual or semi-annual forums during which economic development topics are presented. The EDD does little to promote individual communities.

Likewise, the Kenai Peninsula Tourism Marketing Council focuses on the entire peninsula. Tourism is the only economic sector that is promoted by KPTMC.

The Homer Chamber of Commerce (“the Chamber”) is a member-based organization whose mission is “to promote cooperative economic development that preserves the essence of the community while enhancing the quality of life.” The Chamber operates a visitor information center, produces an annual visitors guide, sponsors events such as the Homer Halibut Derby and Kachemak Bay Shorebird Festival, and in general works to promote Homer and support local businesses both to the resident population (as with its Buy Local campaign) and to potential visitors. While the Chamber’s structure includes an Economic Development Committee, the all-volunteer nature of the committee and lack of funding limits what it can accomplish.

The Small Business Development Center, housed within the Chamber of Commerce, provides valuable services but, as discussed on p. 12 of this plan, its mission is limited and it is not equipped to take on a larger role.

The City of Homer does not have an economic development department or division. Among its advisory bodies is an Economic Development Commission which has existed off and on since 1993. The commission is currently staffed by the Special Projects Coordinator who has many other responsibilities and no real background in economic development. The City’s economic development activities mostly consist of support and fundraising for specific capital improvement projects aimed at upgrading or expanding public infrastructure and other facilities.

Recommendations for a new structure

- A. The City of Homer (as opposed to the Chamber of Commerce or a new independent organization) should provide the governing structure for an Office of Economic Development (OED).

While the City would continue to work closely with the Chamber of Commerce to promote Homer, it makes sense that local government should assume a broad economic development role which seeks to benefit the public at large and future generations. Clear lines of authority and an established budget process will facilitate creation and management of the OED.

- B. The geographic reach of the new economic development efforts should be the greater Homer area, to include Homer, Diamond Ridge, Kachemak City, and Fritz Creek.

While an argument could be made for limiting the reach to City of Homer boundaries only, this would greatly reduce the impact of the efforts and would ignore the reality that most of the people in the areas named above consider themselves part of the Homer community. The fact that the City of Homer already allows non-residents to serve on advisory bodies reflects this reality.

- C. The Office of Economic Development should be funded through a modest local bed tax.

While taxes are always a touchy subject, the fact is that the OED will not be effective without funding for a director of some sort and a budget for office expenses and program activities. The money has to come from somewhere. If it comes from existing City revenues, it would be at the expense of other City efforts.

Under state law (As 29.45.700), the Kenai Peninsula Borough could grant permission to the City of Homer to enact a local bed tax, without requiring a vote of the entire KPB electorate. Approval by voters in the affected area would still be needed to enact the tax, which could be dedicated to support the OED and, perhaps, other economic development efforts. (Some cities, for example, use bed tax revenues to finance construction and operation of conference center facilities. *See Tourism/Visitor Industry section.*)

How much revenue would a bed tax raise? If we assume that there are 1,000 rooms in the area's hotels and B&Bs, rented out for 100 nights per year at an average of \$150 per night,²⁶ a 4% bed tax would mean an extra \$6 per night per room. Multiply this by 100 nights = \$600. Multiply this by 1000 rooms = \$600,000 collected annually. Even after covering the costs of collecting the tax, this should be enough to fund an Office of Economic Development and cover the costs of a conference center—yet the local bed tax rate would be less than one-third of the national average of 12.6%.²⁷

The location of the economic development function in a local government sends an important signal to existing and potential businesses as well as the local government's operating departments. For small local governments, it is common to find an economic development coordinator who works for the government's chief executive officer in a staff capacity... This person may be the single point of contact in the organization for handling requests for information about the community, undertaking staff work about tax incentives, and generally seeing that other local government departments are responsive to business needs.

—An Economic Development Toolbox, APA, p. 38.

²⁶ Estimate provided by Paul Dauphinais, Executive Director, Homer Chamber of Commerce.

²⁷ Reported by American Hotel and Lodging Association, June 2008.

Specific activities and programs of an Office of Economic Development might include:

- Serve as the primary point of contact for individuals seeking information on starting or relocating a business in Homer.
- Guide those seeking assistance to other appropriate resources, such as the Small Business Development Center, Planning and Public Works staff, the Chamber of Commerce, or the Kenai Peninsula Economic Development District.
- Serve as liaison with the Planning and Public Works departments to help business owners understand relevant City codes and navigate the permitting process as efficiently as possible.
- Maintain the Economic Development section of the City of Homer website.
- Provide staff support to the Economic Development Commission. Assist with updates of the Comprehensive Economic Development Strategy.
- Facilitate development of a local angel investing network.
- Serve on economic development related task forces and committees, as requested.
- Help coordinate local economic development forums and events.
- If a conference center is built as a City facility, market and manage the facility for maximum community benefit.
- In general, work with other groups and individuals to identify and implement specific strategies for enhancing economic development in the Homer area.

CONCLUSION

Homer is fortunate to have earned a reputation for its beautiful setting, abundance of outdoor recreation activities, arts and culture, and unique small town charm. The economy is also reasonably diversified and healthy. However, as Homer grows, it would benefit from more focused attention on economic development to attract and retain the types of enterprises that provide good jobs and contribute to the overall vibrancy and long-term well-being of the community. This plan provides concrete recommendations which build on Homer's existing assets and, if implemented, will promote business and commerce while preserving and enhancing the quality-of-life characteristics that are so valued by residents and visitors.

IMPLEMENTATION PLAN

Successful implementation of the CEDS will depend on a collaboration of local government with members of Homer's business and non-profit communities. Many activities will be ongoing in nature. Others will set the stage for additional progress.

STRATEGY	RESPONSIBILITIES
"BIGGER PICTURE" FACTORS	
LOCAL GOVERNMENT POLICIES & SERVICES	
Goal: Local government will provide quality basic services and infrastructure needed to support and encourage private sector economic activity for the benefit of current and future generations.	
A: Utilize land use policies and other regulations to serve the overall public interest without unduly restricting development.	Planning Dept., Port & Harbor Dept., Public Works Dept.
1. Process permit and lease applications more efficiently/quickly.	
2. Project "How can we help you?" attitude in permitting process.	
3. Review policies and practices at least every 5 years.	
B. Provide high-quality public services and infrastructure.	
1. Maximize outside investment in City infrastructure to reduce burden on local taxpayers.	City Manager's Office, Public Works Dept., Port & Harbor Dept.
2. Make maintenance of infrastructure a priority.	City Council
3. Support "quality of life" through City services and infrastructure.	City Council
QUALITY-OF-LIFE FACTORS	
Goals include enhancing /protecting Homer's visual impact, arts and culture scene, educational opportunities, ease of transportation including walking and biking, recreation and fitness opportunities, health services, festivals and special events, and vitality of the downtown district.	City Council and all departments, in collaboration with other community groups.
AFFORDABLE HOUSING	
Goal: Assess options to meet current and future needs for affordable housing.	
A. Form task force to assess current housing supply, identify needs and barriers, evaluate options, and make recommendations.	City Council/Kenai Peninsula Housing Initiatives
A SKILLED, EDUCATED WORKFORCE	
Goal: Ensure quality life-long learning opportunities in Homer.	
A. Support quality public school programs.	City Council
1. Advocate for vocational/technical programs and basic skills classes as well as college-preparatory curricula.	
2. Support efforts to provide students with hands-on learning experiences.	
B. Support growth of UAA-KPC-Kachemak Bay Campus.	City Council
1. Support efforts to market Homer as a place to go to college.	

2. Support KBC goals aimed at expanding the campus with new buildings and facilities.	
3. Support the development of student housing.	
4. Support the development of new college programs to meet existing needs and likely areas of future job growth.	
C. Advocate for new vocational/technical training programs and centers in or near Homer.	City Council
1. Support Homer as the location for a Maritime Academy.	
2. Support vocational/technical programs offered at the college, high school, Alaska Vocational/Technical Center, and private companies or non-profit organizations	
D. Provide and protect the quality-of-life attributes known to attract skilled workers.	City Council and all departments in collaboration with other community groups
TECHNICAL AND FINANCIAL ASSISTANCE FOR BUSINESS OWNERS	
Goal: Improve chances of success for local entrepreneurs seeking to start or expand a business.	
A. Continue to support the Small Business Development Center housed at the Chamber of Commerce.	City Council
B. Support development of a new program aimed at helping entrepreneurs identify and secure needed capital.	Chamber of Commerce, City of Homer Economic Development Coordinator ²⁸
C. Support development of a program to provide mentoring and other networking opportunities for local entrepreneurs.	Chamber of Commerce, Economic Development Coordinator
THE BIGGER WORLD	
Goal: Help create a community that is resilient to adverse economic impacts related to such things as global financial crises, climate change, and escalating fossil fuel prices.	
A. Appoint a Local Food Commission to recommend and facilitate policies and programs designed to increase local agricultural production and consumption.	City Council
B. Continue to support development of renewable energy sources to help reduce dependence on fossil fuels.	City Council
C. Continue to work to bring natural gas to Homer.	City Council
D. Support Smart Growth principals such as mixed-use development, transportation options, and affordable housing.	City Council, Planning Commission, Planning Department
E. In development decisions, take into account possible future impacts of global greenhouse gas emissions such as sea level rise and ocean acidification, as well as potential positive effects such as longer, warmer growing seasons.	City Council, City departments
F. Support continued management of Alaska fisheries based on principles of sustainability.	City Council

²⁸ Economic Development Coordinator refers to a new position. See recommendations for "An Organizational Structure for Economic Development."

G. Support programs which help local business owners and homeowners improve energy efficiency in their buildings and facilities.	City Council
ECONOMIC SECTORS	
COMMERCIAL FISHING AND MARICULTURE	
Goal: Protect and enhance commercial fishing and mariculture as a key element in Homer's basic (export) economy.	
A. Support state/federal regulatory measures that help ensure sustainable fisheries.	City Council
1. Keep abreast of information related to fisheries health.	
2. Support regulatory proposals aimed at maintaining healthy populations and sustainable harvest levels.	
B. Provide and maintain infrastructure at the Port of Homer needed to support and grow the local fishing industry.	City Council, City Manager, Port & Harbor Director
1. Seek ways to either redefine "fish processing" at the state level or meet the current definition at the local level to help capture more of the fisheries taxes collected by the Alaska Dept. of Revenue.	
2. Continue to seek funding for expansion of the small boat harbor to make room for more commercial fishing vessels.	
C. Encourage development of the local seafood industry beyond traditional products and markets.	City of Homer Economic Development Coordinator, Small Business Development Center, Kenai Peninsula Economic Development District
D. Market Homer as a center for commercial fishing and quality seafood products.	Chamber of Commerce, industry groups, City Council
1. Develop and promote local product identification.	
2. Publicize the advantages of doing fisheries-related business in Homer.	
GENERAL MARINE TRADES/PORT & HARBOR DEVELOPMENT	
Goal: Promote growth and vitality of the marine trades as an economic cluster in Homer.	
A. Utilize City lease policies to help ensure that property needed for marine businesses is available on the Homer Spit at reasonable terms.	City Council, City Manager, Lease Committee
B. Continue to seek funding for capital projects that will benefit the marine trades, such as Deep Water Dock expansion and expansion of the Small Boat Harbor.	City Council, Special Projects Coordinator, Port & Harbor Director
C. Promote Homer as the site for an Alaska Maritime Academy.	City Council
D. Encourage new businesses that will fill unmet needs within the marine trades cluster.	Economic Development Coordinator, Chamber of Commerce
E. Address parking problems on the Spit	City Council
F. Encourage overslope development through public/private partnership whereby the City of Homer will invest in the necessary platforms and pilings to support further development.	City Council

TOURISM/VISITOR INDUSTRY	
Goal: Increase the net benefits that tourism brings to Homer. <i>Note: The following objectives (A, B, and C) are taken from the Homer Comprehensive Plan, Economic Vitality Chapter. For more information including proposed strategies, see the Homer Comprehensive Plan, Chapter 8.</i>	
A. Invest in local infrastructure, parks, and civic improvements that will serve locals as well as visitors.	City Council
B. Support efforts to improve community attractions, including access to attractions and links between them.	City Council, Parks and Recreation Division, partner organizations such as Pratt Museum
C. Increase the net benefits that tourism brings to Homer. <i>The following strategy is one of those listed in the Homer Comprehensive Plan for achieving this objective: "Continue to explore the establishment of conference and convention capabilities in existing and/or new facilities."</i>	City Council, City Manager
1. (EDC recommendation): Pursue enactment of a modest local bed tax to support a conference center and other economic development activities.	
ARTS AND THE CREATIVE CLASS	
Goal: Continue to attract artists and other members of the creative class to Homer and maximize economic benefit to the community.	
A. Work to enhance and protect the quality of life factors that make Homer attractive to artists and other creative people.	City Council
B. Support public art above and beyond the existing 1% for Arts ordinance.	City Council and all departments, in collaboration with other community groups and businesses
1. Commission public art for existing parks, buildings, streets/sidewalks, and other facilities.	
2. Provide spaces, permanent and temporary, for art installations and music/performance art events.	
C. Publicly recognize the value of art in our lives and in our community.	City Council, Chamber of Commerce, other organizations
D. Support arts education in the public schools and elsewhere.	Kenai Peninsula Borough School District, City of Homer
E. Partner with local arts organizations and businesses to promote art in the community.	City Council, Chamber of Commerce
HEALTH, WELLNESS, AND RECREATION	
Goal: Enhance the economic benefits to Homer from health, wellness, and recreation programs and providers.	
A. Support efforts to provide modern technology in the health care sector; e.g., at South Peninsula Hospital.	South Peninsula Hospital, City Council
B. Support local job training programs in the health care field.	City Council, UAA-KPC-Kachemak Bay Campus

C. Seek to attract medical specialists in areas where there is unmet need.	Medical community, social service agencies
D. Support growth of services to meet the needs of senior citizens.	Homer Senior Citizens, other social service agencies, City Council
E. Support necessary steps to comply with federal health care reform mandates at the local level.	South Peninsula Hospital, other health providers, City Council
F. Publicize Homer's many health care and wellness options through a directory of local health and wellness services.	Chamber of Commerce, Economic Development Coordinator
G. Expand and improve the City of Homer's Parks and Recreation Program.	City Council, Parks and Recreation Commission, Community Recreation Coordinator
1. Complete a community recreation needs assessment.	
2. Investigate successful models from other towns.	
3. Develop a community parks and recreation master plan that describes program elements, staffing needs, and potential funding sources.	
4. Seek funding from multiple sources for the Parks and Recreation Program.	
EDUCATION	
Goal: Enhance economic development in Homer through the education sector.	
A. Support early childhood education programs in Homer.	City Council
B. Support adequate funding for Kenai Peninsula School District operations in Homer, with an expansion of vocational-technical education.	City Council
C. Support goals of the Kachemak Bay Campus of UAA-KPC including expansion of the campus and provision of student housing.	City Council
D. Support expansion of educational programs to take advantage of emerging economic opportunities and/or to capitalize on Homer's existing strengths and assets, such as interest in sustainability, proximity to ocean resources, and arts/culture.	City Council, local college, local arts organizations and other non-profits
THREE BROAD SECTORS: CONSTRUCTION & MANUFACTURING, RETAIL, SERVICES	
Goal: Increase the contribution these sectors make to Homer's overall economic health.	
A. Encourage enterprises that will provide jobs and other economic benefits without serious negative side effects.	City Council, Economic Development Commission, Economic Development Coordinator, Chamber of Commerce
B. Encourage value-added manufacturing to maximize local resources and provide products for export.	City Council, Economic Development Commission, Economic Development Coordinator, Chamber of Commerce
C. Convey a "How can we help you?" attitude to assist prospective business owners and those seeking to expand existing businesses.	City Council, Planning Commission, Planning Department
1. Utilize zoning to ensure adequate land for different needs and publicize available land zoned for different purposes.	

2. Improve the permitting process to clearly communicate requirements and reduce time and frustration for applicants.	
3. Publicize resources provided by other organizations that can assist local business owners.	
HIGH TECH/INTERNET BUSINESSES	
Goal: Support the growth of the high tech sector in Homer, including Internet-based businesses.	
A. Support technical upgrades that benefit individuals and businesses who utilize these services extensively; e.g., high speed broadband Internet, improved cell phone service, and wireless connectivity.	City Council, Economic Development Coordinator, Chamber of Commerce
B. Market Homer's quality of life factors and suitability for high-tech/Internet-based operations.	City Council, Economic Development Coordinator, Chamber of Commerce
C. Support training opportunities for skill development in computer-related fields, including Internet-based commerce.	UAA-KPC-Kachemak Bay Campus, local high schools
TRANSPORTATION AND WAREHOUSING	
Goal: Increase the role of transportation and warehousing in Homer's economy.	
A. Improve and expand Homer's Port and Harbor facilities, including expansion of the Deep Water Dock and construction of the proposed East Boat Harbor.	City Council, City Manager, Port and Harbor Dept.
B. Utilize lease policies to simultaneously benefit the broader community and individual business owners.	City Council, City Manager, Lease Committee
C. Market Homer to attract new transportation-related businesses.	City Council, Chamber of Commerce
D. Improve and expand Homer's overall transportation network in keeping with the goals of the Homer Comprehensive Plan, Transportation Plan, and Non-Motorized Transportation and Trail Plan.	City Council, Planning Commission, Planning Dept., Public Works Dept.
E. Support the development of a rail line connecting Homer to Anchorage.	City Council
AGRICULTURE	
Goal: Support expansion of local agricultural enterprises in the Homer area.	
A. Provide the Homer Farmers Market with a permanent location; e.g., in the proposed Town Center.	City Council
B. Advocate for a USDA-approved meat processing facility on the southern Kenai Peninsula.	City Council, Homer Farmers Market
C. Support construction of a community cold storage/freezer facility.	City Council, Homer Farmers Market
D. Support development of a "kitchen incubator" that provides food producers and processors in start-up and growth phases with access to technical assistance and shared facilities.	City Council, Homer Farmers Market
E. Build a new greenhouse for the City to use and donate existing greenhouses to Homer High School for use in a full year-long agriculture curriculum.	City Council, Kenai Peninsula Borough School District

F. Support efforts to encourage local food production, connect local farmers with markets, and publicize the benefits of "eating local."	Homer Farmers Market, Sustainable Homer, City Council, Chamber of Commerce
G. Consider land use and/or tax incentives to take full advantage of the fact that the Homer bench is an extremely valuable agricultural microclimate.	City Council
H. Establish a program whereby City crews and equipment will assist in turning lawns into garden plots, at either no or low cost to property owners.	City Council, Public Works Dept.
I. Eliminate the City sales tax on locally grown non-prepared food.	City Council
J. Support changes in borough tax policy to classify greenhouses as "agricultural."	City Council
K. Network and collaborate with University of Alaska-Fairbanks and Cooperative Extension Service personnel regarding research and funding opportunities.	Homer Farmers Market, City Council
L. Establish a Local Food Commission to further develop goals and strategies related to local agriculture/sustainability and facilitate achievement of the goals.	City Council
RETIREES AND SECOND-HOME RESIDENTS	
Goal: Maximize the benefits of retirees and second-home residents to the local economy.	
A. Focus on enhancing and marketing quality of life factors rather than offering financial incentives to attract retirees.	City Council
B. Support the growth of senior services in Homer, including health services.	Homer Senior Citizens, South Peninsula Hospital, and other health and social service agencies
C. Support efforts that result in vacation travel by seniors to Homer and seek to create a positive first impression for these visitors.	City Council, Chamber of Commerce
GOVERNMENT	
Goal: Without advocating unnecessary growth of government, maximize the contributions of government (especially borough, state, and federal) as an economic sector in Homer.	
A. Advocate for expansion of borough, state, federal, and tribal government offices and programs in Homer, as appropriate.	City Council
B. Seek to understand the needs of government agencies in Homer and work cooperatively to ensure those needs are met.	City Council
C. Respond to requests for letters and resolutions of support by government agencies, as appropriate.	City Council, City Manager
D. Take advantage of opportunities for networking and collaboration to help foster positive relationships with representatives of government agencies.	City Council, City departments

DOWNTOWN VITALIZATION	
Goal: Enhance downtown Homer as a magnet for business development, a destination for residents and visitors, and a recognized asset contributing to Homer's quality of life.	
A. Complete master planning for the Town Center district.	City Council, possibly working with task force
1. Identify preferred routes and design for new roads, trails, sidewalks, parking areas, and community open space.	
2. Work with landowners to accomplish land trades or lot line adjustments as needed.	
3. Consider a public market as a primary anchor for Town Center development and include space for the market in the master plan. Work with Homer Farmers Market toward this goal.	
B. Emphasize connections to Pioneer Avenue, Main Street, and Old Town to help ensure that Town Center development benefits existing and future businesses in these areas.	City Council, Planning Department, Public Works Department
C. Take steps to make Pioneer Avenue more appealing as a commercial district. Support similar improvements on Main Street and Bunnell Street.	City Council, Planning Department, Chamber of Commerce
D. Seek funding from public and private sources to build the first roads, sidewalks, parking lots, and trails and provide utilities as outlined in the Town Center master plan.	City Council, City Manager, Special Projects Coordinator
E. Actively promote Town Center as a location for dense, attractive, mixed-use development.	City Council, Economic Development Coordinator, Chamber of Commerce
AN ORGANIZATIONAL STRUCTURE FOR ECONOMIC DEVELOPMENT	
Goal: Greatly increase the chances that other goals in this plan will be accomplished by providing funding and staffing for an economic development office.	
A. Seek permission from the Kenai Peninsula Borough and from voters to enact a modest local bed tax to provide a revenue stream to support economic development activities, possibly including construction and operation of a conference center.	City Council
B. Establish the economic development office as a City division (or initially, a single full-time position).	City Council
C. Establish the geographic reach of the new program as the greater Homer area, to include Homer, Diamond Ridge, Kachemak City, and Fritz Creek.	City Council

NEW BUSINESS

RESOLUTION(S)

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 11-022

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, EXPRESSING ITS INTENT TO CONTINUE INCLUDING THE PRATT MUSEUM IN THE CITY CONTRACT FOR SNOWPLOWING AND SANDING SERVICES AND TO PROVIDE THAT SERVICE TO THE MUSEUM AS AN 'IN-KIND' CONTRIBUTION.

WHEREAS, The City has included the Pratt Museum in its contract with private companies for snowplowing and sanding services at various municipal parking lots for many years; and

WHEREAS, The historical practice was for the City contractor to plow the Pratt parking area and the City to invoice the Pratt for this service on a monthly basis; and

WHEREAS, Billing for this service ceased in 2007 and the Pratt Museum has not made payments since that time for a combination of reasons including Finance Department oversight and the Pratt's understanding that it was the City's intent to provide this service as an "in-kind" contribution; and

WHEREAS, Although the record shows that the Council did in fact discuss the option of providing snowplowing services as an "in-kind" contribution in lieu of a larger increase in funding, there is no evidence of any official Council action and the Finance Department recently sent the Pratt an invoice for the past four years of service; and

WHEREAS, It would be beneficial to both the City and the Museum if the Council clarified its intent with respect to snowplowing at the Pratt Museum.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby declares that it will continue to include the Pratt Museum in its snowplowing contract and that it will provide this service free of charge as an "in-kind" contribution beginning in Fiscal Year 2011.

BE IT FURTHER RESOLVED that the Council authorizes the City Manager to write off all or parts of the snowplowing bill for 2007, 2008, 2009, and 2010.

PASSED AND ADOPTED by the Homer City Council this 28th day of February, 2011.

CITY OF HOMER

JAMES C. HORNADAY, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: \$2,500 per year.

MEMORANDUM 11-028

TO: MAYOR HORNADAY AND HOMER CITY COUNCIL

FROM: WALT WREDE

DATE: FEBRUARY 28, 2011

SUBJECT: SNOW PLOWING AT THE PRATT MUSEUM

The City of Homer has included the Pratt Museum in the snowplowing contract it enters into with a private contractor for plowing and sanding services at various City parking lots. This has been the case for many years. The rationale for doing this was that it would save the Pratt money if it were included in a much larger City contract for these services. Up until 2007, the practice was that the City contractor would plow the Pratt parking lot and the City would then send monthly invoices, which the Pratt would pay. The records show that the City has been sending invoices as far back as 1989. The average yearly cost of plowing the Pratt has been about \$2,000.

The City stopped sending invoices to the Pratt in 2007 and did not send any for the years 2007, 2008, and 2009. This did not come to anyone's attention for several reasons. The Pratt Museum did not take notice or raise the issue because they thought everything was as it should be. The Pratt believed the City made a decision back in 2006 or 2007 that it would provide this "in-kind" service to the Pratt because it could not afford to provide funding at the level requested. In other words, this was a less expensive way of providing support. This discussion took place at a time when the Pratt was seeking an increase in funding and the Council was struggling to make cuts and balance the budget. Providing this service as an "in-kind" contribution in lieu of increased funding was definitely an option that was discussed. However, a thorough review of the record by the Clerk's office provides no evidence that the Council took any official action on this idea (although that may have been its intent). Nevertheless, you can imagine the Pratt's surprise and dismay when it received an overdue snowplowing bill this year for four years of prior service. The bill exceeded \$7,000 dollars and the Pratt states that it did not anticipate or budget for this expense and does not have the money to pay.

The Finance Department states that it was not aware of any change in policy with respect to snowplowing at the Pratt. The Finance Director says that staff turnover and a reassignment of duties among staff members simply resulted in this falling through the cracks. In short, nobody realized until late last year that invoices were not being sent and that the Pratt had not paid for this service for several years. This may be partly explained by the fact that this is a relatively small amount of money. However, the Finance Department takes full responsibility for the

oversight. In addition, I made it known that I was not happy about the City sending the Pratt a bill "out of the blue" for four years of past service.

I am sponsoring the attached resolution in order to get this issue on the table so that the Council can provide clarity and make its intent known. I am willing to write off a significant part of the bill for prior service because of the misunderstanding on the part of the Pratt and inaction and lack of communication on the part of the City. However, even if part of this bill is written off, we still need to know the Council's wishes going forward. Based upon the historical average, I would guess that providing this service would amount to about a \$2,500 contribution per year.

So, the question before the Council is whether it wishes to provide this service as an "in-kind" contribution in 2011 and beyond or continue to charge the Pratt for this service. A yes vote on the resolution means the Council wishes to provide the service at no charge to the museum. A no vote means the City will continue to bill.

RECOMMENDATION:

Recommend a yes vote on this resolution. The Council can take this contribution into consideration when it approves future budgets and Pratt Museum contributions. Further, doing this eliminates accounting and bills payable work for both the City and the Pratt; a significant amount of monthly work in the winter months for a relatively small amount of money.

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

RESOLUTION 11-023

A RESOLUTION OF THE HOMER CITY COUNCIL FINDING THE NEED TO CREATE THE KACHEMAK DRIVE PHASE TWO WATER AND SEWER LOCAL IMPROVEMENT DISTRICT, AND SCHEDULING A PUBLIC HEARING ON THE NECESSITY OF THE IMPROVEMENT AND PROPOSED IMPROVEMENT PLAN AT THE APRIL 11, 2011 REGULAR CITY COUNCIL MEETING.

WHEREAS, The City of Homer ("City") formed the Kachemak Drive Phase Two Water and Sewer Local Improvement District ("District") by the adoption of Resolution 05-81(S) on July 25, 2005; and

WHEREAS, The original engineer's estimate of the cost of constructing the improvements in the District was \$2,626,525, and the original petition to form the District was based on an estimated total project cost of \$3,277,953, of which 25% was to be paid by the Homer Accelerated Water and Sewer Program and 75% was to be paid by special assessments on benefited properties; and

WHEREAS, The solicitation of bids to construct the improvements in the District was delayed due to difficulties in easement acquisition and a lengthy environmental permitting process; and

WHEREAS, When bids to construct the improvements in the District were opened on October 7, 2010, the apparent lowest responsive bid exceeded 115% of the engineer's estimate, and the City rejected all bids; and

WHEREAS, The City has obtained an updated engineer's estimate of the cost of constructing the improvements of \$3,304,058, based on current construction costs and a redesign of some elements of the project, and an estimated total project cost of \$3,935,280; and

WHEREAS, The Council finds that the project continues to be necessary to the health, safety and welfare of residents of the District, and benefits the properties that are located in the District; and

WHEREAS, Under HCC 17.04.030(d), the Council may determine that an improvement is needed, and initiate a local improvement district by a resolution approved by a vote of not less than three-fourths of the Council.

NOW, THEREFORE, BE IT RESOLVED that the Council hereby finds the need to create the Kachemak Drive Phase Two Water and Sewer Local Improvement District, and that

on Monday, April 11, 2011 during the Regular City Council meeting that begins at 6:00 p.m. there shall be a public hearing on the necessity of the improvement and proposed improvement plan.

PASSED AND ADOPTED by the Homer City Council this 28th day of February, 2011.

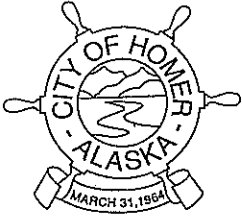
CITY OF HOMER

JAMES C. HORNADAY, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: Funded by the Homer Accelerated Water and Sewer Program: Water and Sewer total project cost estimate is \$3,935,280. 75% = \$2,951,460.04. Equal shares per parcel (87) = \$33,925.



CITY OF HOMER
PUBLIC WORKS
 3575 HEATH STREET HOMER, AK 99603

TELEPHONE (907)235-3170
 FACSIMILE (907)235-3145

MEMORANDUM 11-029

TO: Walt Wrede, City Manager
FROM: Carey Meyer, Public Works Director
DATE: February 23, 2011
RE: **Kachemak Drive (Phase II) Water and Sewer Improvements
 Recommendation to Formally Adjustment LID Costs**

In 2005, the Council approved the creation of a water and sewer LID for the above referenced project. The engineer's estimate for construction was \$2,626,525; total project costs were estimated to be \$3,277,953; and property owner's assessments were estimated to be \$28,586.80.

In 2010, the project was bid with an engineer's estimate of \$2,986,382; total project costs were estimated to be \$3,479,104; and property owner's assessments were estimated to be \$29,992.28. Unfortunately, the City was unable to award the project to the low bidder due to errors in the bid.

Public Works is preparing to bid the project again in the next few months. Based on bids received in 2010, The new engineer's estimate is \$3,304,058; the total project cost is estimated to be \$3,935,280; and property owner's assessments are now estimated to be \$33,924.83.

	Engineer's Estimate	Total Project	Proposed Assessment
Original 2005 LID	\$2,626,525	\$3,277,953	\$28,586.80
Revised in 2010	\$2,986,382	\$3,479,104	\$29,992.28
Proposed Revised 2011	\$3,304,058	\$3,935,280	\$33,924.83

In 2010, the City could have awarded the construction contract at the revised engineer's estimate, because it not greater than 15% of the original engineer's estimate. Although the plans now reflect some cost cutting measures; new Clean Water act requirements regarding storm water runoff from construction sites may increase costs of construction. Since it takes three and a half months to obtain property owners approval to award at more than 15% of the estimate, it makes sense to initiate the approval of property owners now so that we do not miss another summer construction season.

Recommendations: The City Council pass an resolution finding the need to adjust the LID project costs and formally initiating the public hearing process and non-objection period.

CITY OF HOMER
HOMER, ALASKA

City Clerk

RESOLUTION 05-81(S)

A RESOLUTION OF THE HOMER CITY COUNCIL AUTHORIZING FORMATION OF THE KACHEMAK DRIVE PHASE TWO WATER AND SEWER ASSESSMENT DISTRICT AT 75% PROPERTY OWNER SHARE OF ASSESSMENTS AND AUTHORIZING THE CITY MANAGER TO PROCEED WITH THE PREPARATION AND CONSTRUCTION OF THE KACHEMAK DRIVE PHASE TWO WATER AND SEWER PROJECT.

WHEREAS, The Kachemak Drive Phase II Water and Sewer District boundary contains lots fronting a portion of Kachemak Drive beginning at East End Road and ending at Campbell Lane and including portions of HK Davis, Moore Hoot, Norther Enterprises, Lee Cole, Seekins Replat, Uminski Addition, CR Hart and JO Campbell, Morris, Tyrer Halgens Survey, Harry Feyer, Mac Innes, and Rocky Point Subdivisions and Government Lots, and

WHEREAS, In compliance with Chapter 17, Improvement District, of the Homer City Code, the City Council of the City of Homer created the Kachemak Drive Phase Two Water and Sewer Local Improvement District (LID) on April 11, 2005 via Resolution 05-43 and a public hearing was held on May, 24, 2005; and

WHEREAS, Property owners were duly notified by certified/return receipt mailing of such hearing and legal notice of hearing being advertised in a local weekly newspaper for four consecutive publications; and

WHEREAS, The objection deadline for written protests was July 23, 2005 with the two exempted City Parcels being subtracted from the tally totals; and

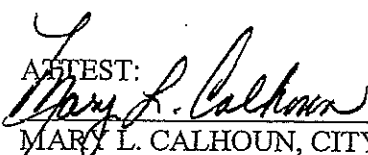
WHEREAS, Filed with the City Clerk are twenty [~~nineteen~~] written objections that equal \$571,736.00 [~~\$543,149.20~~] in assessments or 23.75% [~~22.62%~~]; four written non objections that equal \$114,347.20 in assessments or 4.76%, sixty one non responses that equal \$1,743,794.80 in assessments or 72.62%, there are ; and

WHEREAS, The estimated project cost is \$3,277,953.00 with 25% paid for by the Homer Accelerated Water and Sewer Program and 75% paid for by the property owners via the equal share per parcel methodology, equaling an approximate \$28,586.80 assessment per parcel.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska that the formation of the Kachemak Drive Phase Two Water and Sewer Assessment District is hereby authorized at 75% property owner share of the project, in equal shares per parcel, and that the City Manager is hereby authorized to proceed with the preparation and construction of the Kachemak Drive Phase Two Water and Sewer Project.

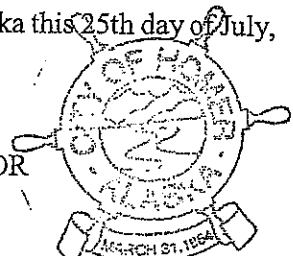
PASSED and APPROVED by the City Council of the City of Homer, Alaska this 25th day of July, 2005.

ATTEST:


MARY L. CALHOUN, CITY CLERK

CITY OF HOMER

JAMES C. HORNADAY, MAYOR



Fiscal Note: Estimated project cost is \$3,277,953.00 with 25% paid for by the Homer Accelerated Water and Sewer Program and 75%, paid for by the property owners via the equal share per parcel methodology, equaling an approximate \$28,586.80. er assessments at 75%, \$297,907.50. 86 parcels, with two exemptions, of which will be paid by the program.

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 11-024

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, AWARDING THE CONTRACT FOR THE REPLACEMENT AND NEW INSTALLATION OF A CARD READER ACCESS SYSTEM TO THE FIRM OF _____ OF _____, IN THE AMOUNT OF \$ _____ AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, The Request for Proposals was advertised in the Homer News on January 13 and 20, 2011 and posted on the Clerk's website; and

WHEREAS, Sealed proposals were due in the Office of the City Clerk by 2:00 p.m. on Tuesday, February 8, 2011; and

WHEREAS, Five sealed proposals were received and a committee met to evaluate the proposals; and

WHEREAS, _____ of _____, _____ submitted the lowest responsive and responsible bid for Replacement and New Installation of a Card Reader Access System; and

WHEREAS, This award is not final until written notification is received by _____ of _____, _____ from the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards the contract for Replacement and New Installation of a Card Reader Access System to the firm of _____ of _____, _____ in the amount of \$ _____ and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 28th day of February, 2011.

CITY OF HOMER

JAMES C. HORNADAY, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: _____.

CITY OF HOMER

Proposal Receipt Log: **Card Reader Access System**
 Due Date and Time: **February 8, 2011 @ 2 p.m.**
 City Clerk's Office

Proposal NO.	Bidder Name and Address	Rcvd.
1.	Lakloey, Inc. 1216 Rangeview Rd. North Pole, AK 99705	2/3/11 11:30 a.m.
2.	ALX Technology 1919 Clement Ave. Alameda, CA 94501	2/4/11 1:05 p.m.
3.	Siemens Industry 5333 Fairbanks St. Suite B Anchorage, AK 99518	2/8/11 11:28 a.m.
4.	Statewide Commercial Electric A. Turner 6108 Petersburg Anchorage, AK 99507	2/8/11 12:00 p.m.
5.	ATS Alaska C.Ragula 139 E. 51 st Ste. 100 Anchorage, AK 99503	2/8/11 1:17 p.m.
6.		
7.		

Staff Member Comments: _____

COMMENTS OF THE AUDIENCE
COMMENTS OF THE CITY ATTORNEY
COMMENTS OF THE CITY CLERK
COMMENTS OF THE CITY MANAGER
COMMENTS OF THE MAYOR
COMMENTS OF THE CITY COUNCIL
ADJOURNMENT

