

Session 12-01 A Special Meeting of the Lease Committee was called to order at 3:05 pm on February 16, 2012 by Chair Terry Yager at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMITTEEMEMBERS YAGER, HAWKINS, ABOUD, MAURAS, NEECE
AND ZIMMERMAN

STAFF: DEPUTY CITY CLERK I RENEE KRAUSE
ADMINISTRATIVE SUPERVISOR LISA ELLINGTON
CITY MANAGER WALT WREDE

Chair Yager welcomed Mr. Neece to Committee and looked forward to working with him.

APPROVAL OF THE AGENDA

The agenda was approved by consensus of the Committee.

PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA *(3 Minute Time Limit)*

Lance Petersen, Pier One Theater, commented on the amendments to Chapter 6 on criteria for non-profits and recommended that they require a lessee that is a non-profit to submit the IRS form 990. He explained that this form would contain most if not all the information that was being recommended. He further noted that it included additional information such as in-kind income, Board of Directors, total income versus expense and the mission statement. This is a document that is submitted annually to the IRS and gives pictures of the reserves of the organization and stability.

Ms. Mauras and the City Manager agreed with the inclusion of requiring the IRS FORM 990.

Ms. Krause explained that action can be taken under Pending Business.

APPROVAL OF THE MINUTES

There were no minutes for approval since this was a special meeting.

VISITORS

There were no visitors scheduled.

STAFF & COUNCIL REPORTS/COMMITTEE REPORTS/BOROUGH REPORTS

A. Staff Report – Updates and Status Report

City Manager Wrede provided a verbal report on the status of the open leases and the reasons that they have been executed some of the delay is due to city personnel not getting the work completed due to staff shortages, etc.

The current Leases still with unresolved issues are Brad Faulkner, Snug Harbor, Chapple Campground and Coastal Freight. There are significant changes with Snug Harbor offering a better option for the city and he was not sure if it should be presented back to the Committee. Mr. Wrede noted that the Lease Policies do not address a better offer than the original proposal that was approved by the Committee. It was noted that there was a small concern of setting a precedent and approval by City Council. He sought the advisement of the Committee.

The expressed the line of thought that it was in the best interests of the city and did not see where it would be impacting negatively on the city. It was noted that the lot was advertised as two pieces, there has been no objections from neighboring parcels. It was also noted that the City Council would have the final options whether to approve it or not.

The Committee requested to be updated on the status of this lease.

Clarification was requested on the delay in concluding the lease negotiations etc. It was asked if the timetable requirement was completed on the Faulkner Lease since that was in the Lease Committee's recommendations to Council. The Faulkner Lease was contingent upon his coming into compliance and he has not done so; the Chapple lease has two issues encroachment upon the State ROW and they are waiting on the survey and Fire Marshal approval.

Bruce Flanagan has not submitted a decent site plan, he has verbally given the city the plans but they need it in writing and city personnel needs to make sure it gets done.

The City manager is confident on completion of all the requirements with the exception of one and that is the Faulkner lease. He assured the committee that he would make an effort to meet with Mr. Faulkner to get this settled.

There was no further discussion.

PUBLIC HEARING

There were no public hearings scheduled.

PENDING BUSINESS

A. Draft Amendment to Chapter 6 Lease Criteria for Non-Profits

ABBOUD/ZIMMERMAN – MOVED TO AMEND CHAPTER SIX AS RECOMMENDED BY STAFF.

ABBOUD/MAURAS – MOVED TO AMEND THE STAFF RECOMMENDATIONS TO INCLUDE THE IRS FORM 990 AS A REQUIREMENT.

There was a discussion on striking recommendations as they were included in the FORM 990 and not striking them as they were to be used for criteria as intended by the proposed Item C. The Criteria for evaluating lease applications and proposals from non-profit organizations.

VOTE. (Amendment) NO. ZIMMERMAN, ABBOUD, MAURAS, HAWKINS, YAGER.

Motion failed.

ZIMMERMAN/ABBOUD - MOVED TO STRIKE ITEM #10 FROM THE RECOMMENDATIONS BY STAFF.

There was no discussion.

VOTE. (Amendment) YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VOTE. (Main). YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ABBOUD/MAURAS - MOVED TO AMEND CHAPTER 5 TO INCLUDE 5.2. B NON-PROFIT APPLICATIONS - IRS FORM 990 SHALL BE REQUIRED IN THE CASE OF PROPOSALS SUBMITTED BY NON-PROFITS.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

A. Dockside II Lease Proposal

Chair Yager requested a motion to bring the Lease Proposal Dockside II to the floor for discussion and recommendation.

MAURAS/HAWKINS – MOVED TO ADDRESS THE DOCKSIDE TWO LEASE PROPOSAL.

It was noted that the document was incomplete and required materials were not submitted and the applicant or a representative was not present to respond on his behalf.

MAURAS/HAWKINS – MOVED TO REJECT THE APPLICATION AS INCOMPLETE AND DIRECT THE STAFF TO OFFER THE PROPERTY FOR REQUEST FOR PROPOSAL.

City Manager Wrede stated he met with the applicant and provided him with a copy of the staff report, noting where it was deficient and Chapter 11 of the Lease Policy; they reviewed the submitted application together. The Applicant did provide the Departmental approvals that were required and they were not provided in time for the packet. Mr. Wrede was surprised, based on their conversation that the Applicant was not here.

Mr. Wrede felt that he was a good tenant, provided a service, revenue for the City however, the applicant has not done enough to tell his story. A brief discussion ensued about compliance issues, restroom facilities and parking encroachments. The applicant is aware of the non-compliance issues.

Chair requested staff recommendations on the proposal.

Mr. Wrede agreed with the motion on the floor and felt bad that he was not here. He stated that he was contacted several times by city staff. Mr. Wrede stated that the city staff could have been more persistent maybe, but the applicant did comment that he wanted the same deal that Mr. Faulkner received.

Mr. Zimmerman noted that the lease was due to expire very shortly and inquired if they should allow the applicant to respond until April.

Chair Yager was concerned on the overall investment and did not understand his any show today.

Mr. Hawkins brought up the question of the next item on the agenda is the LAP and should they include this in their recommendation to let for RFP; then there is the end of lease requirements in Chapter 11 and whether or not to RFP; he noted it is on the Lessee to provide evidence on getting another lease without RFP.

Mr. Abboud inquired if the applicant has called and left a message as to why he could be in attendance today he would be more inclined to favor postponing a decision today.

There was consensus of the committee to allow a short recess.

Chair Yager called for brief recess at 3:45 p.m. to see if contact had been made by the lessee. The meeting was reconvened at 3:52 p.m. Mr. Wrede reported no messages or emails have been received from the applicant.

VOTE.YES. ZIMMERMAN, ABBOUD, MAURAS, YAGER, HAWKINS

VOTE.NO. NEECE

Motion carried.

B. Land Allocation Plan 2012 – Review and Recommendations to City Council

Chair Yager brought to item to the floor for discussion.

ABBOUD/MAURAS – MOVED TO DISCUSS.

Discussion on the parcels that are currently under negotiation remove or keep included until a lease has been negotiated. It would be reasonable to include in the recommendation to council lands that are currently approved for lease but do not have a lease executed can be added to the lands available for RFP.

Mr. Hawkins brought up the recommendation that the Committee sent to Council last year included verbiage that was not included in Resolution that was approved by Council. He suggested that the committee make the recommendation again this year.

HAWKINS/MAURAS - MOVED TO RECOMMEND CITY COUNCIL DESIGNATE A PORTION OF LOT 12A NO CLOSER THAN 150 FEET TO RAMP FIVE AND UP TO FREIGHT DOCK ROAD, BE MADE AVAILABLE FOR RENT TO ITINERANT MERCHANTS FOR A FLAT RATE WITH THE SQUARE FOOTAGE AND LOCATION TO BE DETERMINED AS NEEDED BY THE HARBORMASTER OR CITY MANAGER.

There was a brief discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair Yager inquired if there were additional recommendations for the land allocation plan.

ABBOUD/MAURAS – MOVED TO RECOMMEND ADDING LOT 88-3 TO LANDS AVAILABLE FOR LEASE.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Staff recommended that the committee restate the individual lots to be available for lease.

ZIMMERMAN/NEECE - MOVED TO RECOMMEND CITY COUNCIL OFFER THE FOLLOWING LOTS AVAILABLE FOR LEASE. LOTS 4-12 ON FREIGHTDOCK RD; LOT 19-20 ON FREIGHTDOCK ROAD, AND LOTS 9-10 ON FISHDOCK ROAD AS LANDS AVAILABLE FOR REQUEST FOR PROPOSAL.

There was a brief discussion on description of lot 12.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

INFORMATIONAL MATERIALS

- A. Lease Expiration Status Chart
- B. Memorandum dated November 21, 2011 Re: Approval of the 2012 Meeting Schedule
- C. Resolution 11-109(S), Establishing the 2012 Regular Meeting Schedule
- D. Memorandum submitted to City Council Re: Pier One Theater Lease from City Manager dated November 19, 2011

There was no discussion on the informational materials.

COMMENTS OF THE AUDIENCE

Barbara Peterson, as one of the founders of the Pier One Theater in 1973, wanted to thank everyone for being patient and working with them. She commented that they are like a thorn out there they don't fit in to the regular business out on the Spit but they enjoy it out there and residents from the community and visitors like coming out on the Spit.

COMMENTS OF THE CITY STAFF

There were no comments from staff present.

COMMENTS OF THE COUNCILMEMBER *(If one is appointed)*

There were no councilmembers present.

COMMENTS OF THE CHAIR

Chair Yager had no comments.

COMMENTS OF THE COMMITTEE

Mr. Hawkins requested Chapter 2 of the Lease Policies, procedures, to be on the agenda for the next meeting. He is questioning the purpose of this committee and duplicating staff efforts.

Mr. Abboud, Mr. Neece, Ms. Mauras, and Mr. Zimmerman had no comments.

ADJOURN

There being no further business before the Lease Committee, Chair Yager adjourned the meeting at 4:23 p.m. The next regular Lease Committee meeting is scheduled for 3:00 p.m. April 12, 2012 at City Hall, Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.

RENEE KRAUSE, CMC, DEPUTY CITY CLERK I

Approved: _____