

ECONOMIC DEVELOPMENT ADVISORY COMMISSION
REGULAR MEETING
FEBRUARY 9, 2010

Session 10-02, a Regular Meeting of the Economic Development Advisory Commission was called to order at 6:00 p.m. by Chair Erickson on February 9, 2010 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER ERICKSON, HOPPE, NEECE, RAVIN

COUNCILMEMBER: WYTHE

ABSENT: COMMISSIONER DAY, FAULKNER

STAFF: SPECIAL PROJECTS COORDINATOR HOLEN
DEPUTY CITY CLERK JACOBSEN
VISTA REPRESENTATIVE BEVIS

APPROVAL OF THE AGENDA

The agenda was approved by consensus of the Commission.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

There were no public comments.

RECONSIDERATION

There were no items for reconsideration.

APPROVAL OF MINUTES

A. Meeting Minutes of January 12, 2010

RAVIN/NEECE MOVED TO APPROVE THE MINUTES AS WRITTEN.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

A. Dr. Allen Gee, Homer High School Principal

Dr. Gee said that he attended one of three sessions with a career, technical, and advisory committee made up of Marathon Oil, BP, the School District, and other entities regarding the industry within the Kenai Peninsula. The intent is to look at economic trends within the peninsula with potential job growth, and ideas within our school district in terms of types of class offerings that can be provided to guide interested students in those career pathways. They shared information regarding decline in the industry, that some of the positions no longer exist, and how to maintain what is there is an idea that was presented. The school looked at it in terms of class offerings. At the school, they are facing the realization of their

ECONOMIC DEVELOPMENT ADVISORY COMMISSION
REGULAR MEETING
FEBRUARY 9, 2010

budget and potential reductions. Dr. Gee explained that they are projected to have 392 students next year. Last year it was budgeted at 402, which isn't a big decline, but current numbers are 376. Current projections suggest cutting 1.5 teachers resulting in 8 sections of course offerings that have to be reduced. Currently the school is at a minimum of academic offerings. His question to the Board of Education, Site Council, and others is out of those 8 sections, what is eliminated. Dr. Gee explained another component, the Connections program, which is a great opportunity for kids who don't want to use what is available at Homer High. Currently there are 108 kids in Homer enrolled in Connections. It is a significant number in terms of student enrollment. Currently the high school offers welding, construction, and auto mechanics. He said he has met with the Chamber Director to look at what options are available. They discussed purchasing a fishing vessel. Dr. Gee explained that it could open the door to classes in the marine biology field, navigational skills, and the components that could be encompassed with that. There is staffing available and people with areas of expertise in those fields. Dr. Gee said that he met with Carol Swartz at KBC in an effort to consider course offerings to the kids. The vocational side of public education has diminished greatly over the past 20 years. He recognizes the importance of it as it's what got him through high school. Those opportunities need to exist. He is aware of the bureaucracy involved, but at the same time we need to do these things for our kids. He shared his experience of visiting the vocational school in Mat-Su and while he can't provide as many opportunities as they do, he can provide a snapshot so kids who don't want to go to college can have a better idea of what is out there. He has also researched other districts with declining enrollment to see how they have been impacted and how they have dealt with it. He recognizes that a lot of smaller schools aren't able to keep their AP classes, but he doesn't want to lose that upper end for the kids who need it, but at the same time he knows if he doesn't have the automotive and welding type classes he will lose those kids as well.

There was discussion with the Commission about dual enrollment with college and while it is a good idea, there is the issue of funding formulas for both. The college is in a position to ask the legislature for more money, but he can't and losing those students takes the funding that goes with it. They also talked about the concept of having a boat and programs that could go with it starting with necessary maintenance to make it sea worthy, getting Coast Guard certification, and so forth. Dr. Gee noted that Representative Seaton is looking at increasing funding \$125 per student and that funding can help put that 1.5 staffing position back. It needs to be continued to ensure the forward funding so the budget exists and they can plan ahead. He is trying to commit to a Briggs and Stratton small engine class through grant funding, and kids will be able to build them. Funding from the oil companies isn't available like it used to be.

B. Garry White from Sitka Economic Development Association

Mr. White gave an overview of how the association was developed in Sitka. A pulp mill that was one of the bigger employers closed in 1993 and the economy took a nose dive. The Chamber of Commerce developed the separate non profit called the Sitka Economic Development Association, SEDA, which has been pretty successful. SEDA is funded by the city with about \$70,000 to work on economic development throughout the community. The city took the property over from the mill in 1999 and established the Sawmill Cove Industrial Park Board of Directors. They are the managers of the park. The City chose to contract that out to SEDA and they get a yearly contract fee to manage that entity for the city. He works for two boards, the Board of Directors for SEDA, whose main focus is overall economic development for the community, and also for a 5 member board that is appointed by City and Borough

Assembly that manages the Sawmill Cove park. SEDA does not assist with business plans and that type of development, there are other entities that provide that help. SEDA is more about doing marketing for the City to attract businesses and working on special projects. One example the Sheldon Jackson College that closed and left the campus is sitting empty. SEDA has been actively working with their board of trustees and the city and borough to get a new entity to come in. They are project oriented as well, working on infrastructure for the city and advocating for the city to get grant funding for hydro project, road construction and so forth. They are there to help businesses come in more by setting the stage for a good business environment. Regarding the industrial park, Mr. White negotiates on behalf of the city, discusses lease prices, and gets a recommendation from the Sawmill Cove Board, then takes it to the assembly for the overall lease approval or property sales. Mr. White shared that the industrial park has 10 or 11 tenants now. The main goal of the city taking over the park was to provide jobs, not necessarily to make income from the lease property. There are about 45 year round jobs. There is a fish processing plant that brings it up to about 300 employees seasonally. They attempt to get a 9% return on their investment on the leases and the rate can be adjusted up or down based on job creation. There are politics that get involved in determining rates but that comes with most communities. The city and borough owns their own electric utility and charge like any other utility would. Mr. White said he is the contact for anything that goes on out in the park. The city and borough also has a unique situation in that the State of Alaska has granted them allocations of water that they can sell in bulk form, and there is a lot of interest in that. He manages that as well by weeding out speculators and attempting to establish contracts with those that are a real deal. He has a limited budget, it include him and a part time assistant. There are a lot of politics involved with differing opinions on how to handle the industrial park, which is part of the reason why they don't have many tenants, but they are doing the best they can with it. He listed some of the businesses that are active there now. Mr. White suggested if Homer is considering something like this, Eric McDowell of the McDowell Group helps facilitate the process.

C. Homer Grange Representative

John Cowan, representative of the Homer Grange, brought the Commission a resolution that supports the creation of an agricultural free enterprise zone. He read the resolution and provided a copy for the record. He said the resolution is broad and that they are looking at tax free year round for the industries listed on the proposed resolution. Mr. Cowan said he is a budding entrepreneur trying to start his own agricultural business in the near future. He encouraged the Commission to forward it to City Council for consideration.

Commissioner Ravin commented that this recommendation ties in to the Buy Local program and also the Kenai Peninsula Borough Free Trade zone that was brought up in the economic development brainstorming session. He hopes the Commission can support it.

Commissioner Hoppe requested clarification about what fish they are referring to in the resolution, as there is fish that comes across the dock, farmed fish, and so forth.

Councilmember Wythe noted that the City of Homer does not have authority over anything other than the City's own tax.

There was consensus about adding the resolution to the next agenda for discussion.

STAFF AND COUNCIL REPORT

ECONOMIC DEVELOPMENT ADVISORY COMMISSION
REGULAR MEETING
FEBRUARY 9, 2010

City Planner Abboud said it has been good to hear the discussion so far tonight. He hopes to attend their meetings more regularly and intends to be a conduit for planning concerns. He is unsure what their specific concerns are regarding what zoning issues may have caused someone not to expand or move into a site. He explained that some of the recent amendments have loosened things up, like shared parking for example. Zoning can be used as a tool to try to encourage clustering uses where businesses can do their things and have other parts of town where people want residential. City Planner Abboud said zoning is kind of complicated and it is difficult to sum it up in five minutes, but he will certainly carry items of concern to the Planning Commission. There was discussion regarding the 16 different zones on the draft Comprehensive Plan map and concern that all the districts could be an impediment to development. City Planner Abboud said that the map was a creation of the community and a lot of the reason for the different colors was that they were trying to incorporate allowances for what is going on in the zones. Currently we have GC1 districts with houses and businesses and they were trying to make allowances for what is there and what else could be going on. He asked for clarification of the Commission's concern about uses not being allowed. City Planner Abboud explained that City Code outlines what is allowed in zoning districts. It can be arduous because code breaks down degrees of buildings allowable in districts. He is looking at possible ways to generalize it to some degree, but right now staff has to work with the code that is in place. We have a Planning Commission that has to make decisions and make recommendations based on code. The current Planning Commission is different than it has been in the past and the planning office is no longer perceived as the office of "no". It may be surprising, but they have been criticized for trying to make things happen. They are trying to be user friendly and give some predictability about what each neighborhood is about and what the future may bring. Right now it is driven by many factors for example the rural residential district could have a contractor come in with roads, and water/sewer, then it isn't rural any more. Commissioner Ravin listed some of the past and current uses that are in the proximity to the City Hall building and noted how they were established in a time when there was an absence of zoning. A planned overlay would destroy the availability of people to have mixed neighborhoods where they have access too all these services. He asked what portions of the zoning ordinance allow that to occur now. City Planner Abboud explained that mixed use is encouraged for this area. The new map has a lot of colors because they are trying to include more and offer some more flexibility. City Planner Abboud encouraged the Commissioners to express their concerns so they can get to the Planning Commission. We need to make things better for everybody.

Special Projects Coordinator Holen commented regarding the latest population estimate for Homer for 2009 showed 160 more people, a 3% increase over 2008, the highest it's ever been at 5551. She noted that it is an estimate, not actual counts and based almost exclusively permanent fund divided applications. They do not include summer residents, even though City services have to take into account summer populations. They also do not include what the census people call day time residents, or people who commute into town to work but live outside City limits, and City services have to take those people into account as well. She reported to that VISTA Representative Bevis has been in touch with folks at the University of Washington and USDA who are very interested in the Kenai Peninsula being a center of manufacturing for wood plastic composite products. The timber situation on the Peninsula could be ideal. She forwarded the information to the City Manager and Assembly Member Bill Smith.

ECONOMIC DEVELOPMENT ADVISORY COMMISSION
REGULAR MEETING
FEBRUARY 9, 2010

Councilmember Wythe reported that Council adopted the resolution for membership with the Alaska Film Group, and also a resolution recommending Homer as a location for a Maritime Academy. She added that when the Lease Policy comes to Council the EDC's documentation supporting their recommendations should be included in the packet. She said that it could go back to the Lease Committee for review as well.

PUBLIC HEARING

There were no items for public hearing.

PENDING BUSINESS

A. CEDS development and other activities- Carol Bevis

RAVIN/NEECE MOVED TO BRING TO THE FLOOR FOR DISCUSSION.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISTA Representative Bevis reported that the first draft of the CEDS is completed. There are nine chapters that all correspond to different economic development strategies and include a lot of research and data. At the end there is an implementation chapter, which is the part the Commission is tasked with. There was discussion of the process for the Commission reviewing the draft plan at some worksessions then bringing their draft plan to the regular meeting for public hearing, and lastly a final draft to the City Council.

RAVIN/NEECE MOVED TO FORWARD TO A WORKSESSION IN ABOUT TWO WEEKS.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

The Commission agreed to meet at 6 p.m. on February 23 to discuss chapters 1 through 3.

B. Promoting Homer and Local Businesses via Internet and Other Means - Tina Day

Commissioner Day was absent to give a report. Chair Erickson said she explored the City website and found most of the listed links, but it was difficult to locate them. She thinks these will be resolved with the development of the new website.

C. Draft Homer Spit Comprehensive Plan

The Commission had no action or recommendation regarding the Spit Comprehensive Plan at this time. It was recommended that they email or call in suggestions to the Planning Office which will be shared with the Consultant.

NEW BUSINESS

A. Lease Committee Appointment

Chair Erickson said she is currently fills the EDC Representative's seat on the Lease Committee. Because of the negotiations that her business is in with the Lease Committee she needs to step down due to conflict of interest concerns.

The Commission discussed who might be able to serve on the Committee.

RAVIN/HOPPE MOVED TO NOMINATE COMMISSIONER DAY.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was discussion that Commissioner Day should have an opportunity to speak to the nomination at the next Commission meeting.

B. Apprenticeship Program - Micheal Neece

Commissioner Neece gave a brief overview of the information provided in the packet. He said he is interested in the EDC's thoughts on the program. He received an email from the Alaska Film Office, which is new, and there are 14 productions qualified under the tax incentive guidelines, four productions have been issued tax credits, and there are eight more TV programs that have been prequalified. The problem he sees is that we don't have the workforce. These projects take 60 to 100 people so we need to get on the program with workforce development and use the means we have to turn out some really talented people. In Homer we have a lot of artists and technically inclined people with master's degrees. He would like to talk to Dr. Gee about this. It could really be a boon to the City and would create a huge economic engine. He said he has a concept of a curriculum and Anchorage is going to start a workforce development program up there. Ours would be more along the lines of animation, motion capture and real specialized trades, but it capitalizes off our resources that we have in Homer. We need to work together with Anchorage and UAF on this. Support from the City in the form of a letter to Representative Seaton, the Chair of the Workforce and Education Committee.

C. Code Inconsistencies Re: Store Size Restrictions in Town Center District

City Planner Abboud had noted earlier in the meeting that there is a typographical error in code regarding square footage. Chair Erickson noted the Planning Commission minutes excerpt in which the Commission recommends that the City Council delete all reference to square foot size limits for large retail/wholesale in all zones. Allow the free market to determine any size restrictions, utilize the community design manual, development activity plan, storm water plan, and the requirements for traffic impact analysis guide the development in homer. She was glad to see that recommendation.

ECONOMIC DEVELOPMENT ADVISORY COMMISSION
REGULAR MEETING
FEBRUARY 9, 2010

D. Lessons Learned - Themes from “Small Towns/Big Ideas” as they relate to Homer

There was brief discussion about the excerpt in the packet from the UNC study in relation to the theme of the CEDS, which is the importance of finding the common ground.

E. Homer’s many points of view: How Do We Work Together for the Common Good?

There was no discussion about this topic.

INFORMATIONAL MATERIALS

- A. Representative Paul Seaton’s Newsletter
- B. Bradner’s Alaska Economic Reports
- C. Articles from Local and Regional Newspapers and Alaska Business Monthly
- D. Items of Possible Interest from Recent City Council Meeting Packets

There was brief discussion regarding Representative Seaton’s comments about net metering.

COMMENTS OF THE AUDIENCE

Michael Kennedy attempted to address Commissioner Hoppe’s concerns. He said the Grange is looking for a resolution of support to carry on to the Borough that the City supports this tax free zone on the peninsula. Regarding planning and zoning, Mr. Kennedy noted that before annexation the area developed beyond City limits where the Gear Shed and the East Road Village are located. They started there because they were free to have whatever they wanted. A survey that was taken showed that no one wanted annexation and they were happy to proceed without planning and zoning.

COMMENTS OF CITY STAFF

Special Projects Coordinator Holen thanked Ms. Bevis for the drafts CEDS as it saved a lot of time and a lot of money.

COMMENTS OF THE COUNCIL MEMBER

Councilmember Wythe had no comment.

COMMENTS OF THE CHAIR

Chair Erickson said she would like to have discussion on the next agenda regarding Mr. White’s information. She thanked everyone for a good meeting.

COMMENTS OF THE COMMISSION MEMBERS

Commissioner Neece asked to keep the apprentice program on the agenda. He thanked Ms. Bevis for her work on the CEDS.

Commissioner Hoppe said it was a good meeting and thanked Ms. Bevis. He commented that Homer is a controversial town and it is hard to compare it to Sitka, and that he would like to help the Grange with their resolution.

ECONOMIC DEVELOPMENT ADVISORY COMMISSION
REGULAR MEETING
FEBRUARY 9, 2010

Commissioner Ravin thanked the Grange for their information and hopes they can move forward on a resolution. He said he was happy to have Dr. Gee here and it will be good to work with him on the vocational education. He thanked Ms. Bevis for her work.

ADJOURN

There being no more business to come before the Commission the meeting was adjourned at 7:54 p.m. The next regular meeting is scheduled for March 9, 2010 at 6:00 p.m. in the City Hall Cowles Council Chambers.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____