

Session 12-04, a Regular Meeting of the Economic Development Advisory Commission was called to order at 6:00 p.m. by Chair Sarno on April 10, 2012 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER FAULKNER, SARNO, SCHMITT, WAGNER

COUNCILMEMBER: WYTHE

STUDENT: DAVIS

STAFF: DEPUTY CITY CLERK JACOBSEN  
CITY MANAGER WREDE  
PORT AND HARBOR DIRECTOR HAWKINS

### **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. March 13, 2012 Special Meeting Minutes

The minutes were approved by consensus of the Commission

Faulkner wagner no objections.

### **VISITORS**

A. Families First Presentation on Early Education & Economic Development

Lolita Brache, co-Chair and Jenny Martin, organizer, commented on behalf of Families First Best Beginnings Partnership. Best Beginnings is the statewide organization who grants the money that helps the program. They are a collaboration of a lot of agencies in town that are working towards advocacy of early childhood education and helping families. Their overlapping goals include childhood education, home visits, and preventing domestic violence, and child abuse and neglect. Ms. Martin gave an overview of the wealth of services provided. She noted that some of the projects address the City's comprehensive plan and economic development goal for parks, recreation, and culture to support and enhance the City's community sponsored year round recreational facilities. Families First has organized parents and professionals and worked with the City's Parks and Recreation department to address safety and maintenance at the Bayview Park, as well as organizing a work party to

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install a new slide, rocks for climbing, and nature based equipment, they have also been funding a porta-potty at the park. This year they publicized a list of indoor play spaces one of the most popular is the toddler play group, through the Community Recreation program. Parents that have been helping with the play spaces morphed into the HoPP group and Families First continues to support HoPP both financially and with volunteers. This summer they will be installing an adaptive swing to be used by kids with disabilities. All of the things the group is doing fall under a bigger umbrella of strengthening families, connecting parents with each other and with resources in the community. Early learning is bigger than preschool, it begins with the bonding and interaction of parents from birth. Ms. Brache quoted statistics regarding the correlation between early learning and success in school and the importance of parental interaction in a child's earliest years. For healthy brain development and healthy children, we need to think as a community about good health, nutrition, positive support for parents and children, knowledge and resources for caregivers. Having all this in place presents a community that works well. Good childcare means parents can go to work, which has economic benefit. For the money spent in early childhood a lot of money is saved in special education programs, juvenile delinquency, and results in higher graduation rates, better education retainment, going on to vocational training or college, earning better and paying taxes as contributing citizens in the community. One statistic for Alaska is that early childhood education services make it possible for over 32,000 Alaskans to participate in the workforce. Statistics are important for Families First in developing strategies and goals for the community and they are interested in collaborating with MAPP and the Commission to develop stats similar to the booklet provided that would be relevant to this community, and help with planning.

Question was raised how the Commission can help. Ms. Brache commented that a resolution to show support for the early childhood development would be helpful. They noted the economic strategies on the handout in the packet and have talked with Mrs. Koester about ways to tie in with the Commissions upcoming work on short and long term strategies.

B. Port and Harbor Improvement Committee Project Presentation

Port and Harbor Director Hawkins and Councilmember Barbara Howard, Chair of the Port and Harbor Improvement Committee, provided a presentation of the work they have been doing in relation to bonding for funds to complete improvements to the Port and Harbor Facility that Include Upgrade to System 5-Vessel Shore Power and Water, Harbor Float Replacement, Ramp 3 Gangway and Approach, Port & Harbor Building, Harbor Entrance Erosion Control, and the Load and Launch Ramp.

Commissioner Faulkner strongly expressed his dissatisfaction for the lack of information in the packet, questioned staffing of the port and harbor office and voiced opposition to the building project. He further expressed his distaste for having this proposal slammed through, and questioned public notice.

Councilmember Wythe expressed that there will be several opportunities for the public to comment regarding this proposal, through several different venues. He was assured that public notice had been properly advertised.

Chair Sarno thanked the Committee members for the presentation.

C. Homer Ocean Park

Dr. Marley commented regarding the information in the packet proposing a park on property he owns with two partners. The property is 31.3 acres with approximately 12 acres on the uplands on the Sterling Highway, an estimated 2300 feet of beach front and 1400 feet of highway frontage. The proposed park area is located at the base of the scenic drive into Homer. He recognized that the final design would rest in the hands of Parks and Recreation and the City Council but potential uses for the proposed park include a ramp to access the beach, a year round performing arts center, tennis courts, walking trails, pavilions, observation stations, an outdoor native appreciation area, and restrooms as water and sewer are available to the area. The proposed sale of the entire 31.3 acres is \$3, 750,000. Dr. Marley said he provided this same information to the Parks and Recreation Commission and they supported it unanimously.

Chair Sarno thanked Dr. Marley and said the Commission would have to consider the economic potential of the proposal at a future meeting.

#### **STAFF AND COUNCIL REPORT**

None

#### **PUBLIC HEARING**

None

#### **PENDING BUSINESS**

None

#### **NEW BUSINESS**

##### **A. Natural Gas Line Distribution System/Funding Alternatives**

City Manager Wrede commented briefly on the status of the state budget noting that it is still very fluid at this point.

Regarding the distribution system and funding alternatives City Manager Wrede explained that it could be reasonably argued that if the gas line comes in it would build out naturally. There is a process in place through the regulatory commission that if the gas line comes to town, people can hook up and pay for it themselves upfront to Enstar and as other people in the area hooked the initial investor in the line would be reimbursed. There is a lot of pressure on Council to do something and the players, including Enstar, the legislature, and the Governor as well as Council want some guarantees before committing funds to the project. He explained that this is a regional project that encompasses Borough properties, Homer, and Kachemak City as well. It's a big risk for the Homer City Council who has an operating budget of \$10 million to borrow \$12 million to build out the whole town up front. On the other hand, there are good arguments for doing it, he thinks it is one of the most important economic development projects to come to Homer in a long time. The Council could look at it as an investment as they would eventually get their money back by using the improvement district scenario similar to what the Borough is doing for Anchor Point. Council has outlined an action plan and completed some steps, but is being cautious. Council has passed two ordinances to

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put them in good position, one is to govern how gas utilities would go in the right-of-way and the other is amend the local improvement district code to give Council the ability to do gas utility LID's. Depending what happens in Juneau, the Council will have to decide if they want to do LID's and if so, how they want to do it. City Manager addressed information about potential opportunities for financing through a bill that would provide loan money at a low interest rate and paid back through assessments.

In response to questions, City Manager Wrede said that consideration of assessments will be per lot, not based on the property value, and Council will need to establish the overall process. He also commented that the reinstatement of the off season sales tax was mentioned, but there hasn't been any consideration of the option.

Commissioner Faulkner expressed support for a complete build out of the town. This is money that comes right back as savings out of our pockets and is probably the most important development we have been faced with in a number of years.

Commissioner Wagner questioned the quantity of gas coming from Cook Inlet. City Manager Wrede said there is never a guarantee, and it is a benefit to be hooked in to the south central grid because we know they aren't going to let Anchorage run out of gas and we will pay the Anchorage rates. He agrees it is more organized if the whole City could be done.

FAULKNER/WAGNER MOVED THAT THE EDC RECOMMENDS TO THE COUNCIL OF THE THREE OPTIONS THE CITY MANAGER LISTED THAT WE RECOMMEND THEY BOND TO BUILD OUT THE ENTIRE TOWN AT ONCE.

There was discussion that the build out would be for anything within the city limits and would include the main lines in the streets and there will likely be some adjustments as it is designed and engineered. The sooner we get gas to Homer the better off we will all be, the carbon footprint will be lower, we will save money on heat, and doing it as quickly as possible brings in more users.

Question was raised whether there are draw backs to doing it this way and City Manager Wrede explained that it would mean all properties would be included in one Local Improvement District. An advantage to that is that everyone has a reasonable expectation they will get natural gas soon and everyone would pay the same. The farther you get away from the downtown core the more expensive you get because density decreases. There is a lot of discussion that still needs to happen.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

#### INFO ITEMS

No information items were presented.

#### COMMENTS OF THE AUDIENCE

Larry Slone, city resident, appreciates the importance of natural gas and is glad in a sense the Commission agreed to bring the issue to the forefront, however he would like to have seen

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more in-depth discussion and is surprised that it didn't occur. Regarding the presentation by the Port regarding the bond issue and talking about the various elements, he does not know a lot about the value of the items and has to take on faith that proper values are assigned. He has sat through the presentation three times and he raises the same question that Commissioner Faulkner asked but wasn't answered. He would like to know what is it about the harbor master's office that will take that much money to build. He understands the current building has issues, and if he doesn't understand the need to spend that much, he expects the general public will not understand either. He would like to see a more detailed presentation regarding the costs associated with building the Harbormaster's office. If the EDC chooses to support the bond he thinks they should ask the question and get more detail from them.

**COMMENTS OF CITY STAFF**

There were no staff comments.

**COMMENTS OF THE COUNCIL MEMBER**

Councilmember Wythe requested the port and harbor improvement project be included on their next agenda so the Commission may have discussion. She suggested that members of the Commission remember they are here representing the community, not their own personal interest and that they have some respect in regard to the other people at the table, the people in the audience, and people making presentations.

**COMMENTS OF THE COMMISSION MEMBERS**

Commissioner Schmitt commented that this is all new to him and it is interesting to see how it all works.

Commissioner Wagner commented that they were overwhelmed with information but the buck doesn't stop here, there is more to discuss. He's glad to be part of it and glad to be learning.

Commissioner Faulkner commented \$12 million for the harbor, \$12 million for the gas line, and \$3 million for the park, we have a budget of \$10 million and they discusses spending \$27 million tonight. It's easy to say if you work for HEA because you can just raise your rates, but those of us in the private sector don't get to do that. He looks forward to the discussion on the port and harbor projects, he follows most of the projects closely and most are really needed. A third of the matching funds are going toward the harbor office it houses about 5 people with a desk, and he looks forward to talking about it more next time.

Student Representative Davis commented that she learned a lot tonight. There was a lot of information and she thinks the gas line is a benefit to the community. Ms. Davis was glad the City Manager was here to talk about the gas line, she has been trying to research it and his comments cleared up a lot of her questions.

Chair Sarno commented we are in tough economic times and we are an economic development advisory commission. She asked everyone on the Commission to recognize their role to gather information and respectfully deal with the public and with each other. Having

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Brad on the Commission is kind of like having a wild horse. She is a peaceful human being and trying her best to establish and maintain a respectful atmosphere. Chair Sarno welcomed the new member. She said she heard Senator Murkowski and was impressed with her speech. She is a public servant and gets a million times the information this group gets and she managed to turn it into a really good report. On this small level they are privileged with the amount of information they receive and hopes they can do their best to use that privilege in a good and respectful way.

**ADJOURN**

There being no more business to come before the Commission the meeting was adjourned at 7:57 p.m. The next regular meeting is scheduled for May 8, 2012 at 6:00 p.m. in the City Hall Cowles Council Chambers.

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MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: \_\_\_\_\_