

Session 15-04 a Regular Meeting of the Economic Development Advisory Commission was called to order by Vice Chair Brown at 6:00 p.m. on April 14, 2015 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER ARNO, BROWN, FRIEDLANDER, MARKS, STANISLAW

EX-OFFICIO: KATE MITCHELL, MARINE TRADES

ABSENT: BARTH (Excused)

STAFF: CITY MANAGER KOESTER
DEPUTY CITY CLERK JACOBSEN
CITY PLANNER ABBOUD

AGENDA APPROVAL

ARNO/MARKS MOVED TO APPROVE THE AGENDA

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

None

RECONSIDERATION

APPROVAL OF MINUTES

A. Regular Meeting Minutes March 10, 2015

MARKS/FRIEDLANDER MOVED TO APPROVE THE MINUTES

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

**STAFF & COUNCIL REPORT/CHAMBER OF COMMERCE & MARINE TRADES ASSOCIATION REPORT/
COMMITTEE REPORTS/BOROUGH REPORT**

Kate Mitchell, Marine Trades Representative, provided the group with a synopsis of the Marine Trades Association Meeting. She explained they are a self-funded group of about 65 to 70 business owners. They partner with the Port of Homer in development and manning a booth at Pacific Marine Expo. She commented about the workforce development program and the classes they are doing at the high school and college that are sponsored by Marine Trades. They hope to have more activities scheduled for next year. They have been marketing Homer as a place to get boat work done and advertised in Pacific Marine Magazine, Workboat Magazine, Pacific Fishing, and a few others. They are working to find trained people and get training available for people to fill those work place jobs. She addressed challenges of getting funding to make programs available to train in the industry and commented that the Marine Trades promotional video should be ready in the fall, in time for the Marine Trades Expo.

PUBLIC HEARINGS

PENDING BUSINESS

- A. Affordable Housing
 - i. Memo from Deputy City Clerk re: Special Assessment Districts
 - ii. Tax incentive recommendation from Commissioner Brow
 - iii. Public comment from Larry Slone

The Commission briefly discussed the memo regarding Special Assessment Districts that was included in the packet. City Manager Koester and City Planner Abboud provided feedback to the Commission about other options such as sun-setting the assessment after a number of years or tiered option of assessing lots that are created through subdivision. There was some general discussion about zoning, density, and lot sizes in the residential districts.

The Commission agreed that they would like to have a staff report that includes the suggestions raised by the City Planner for consideration at their next meeting. They also acknowledged the need to receive input from property owners currently involved in assessment districts.

Vice Chair Brown reviewed his tax incentive recommendation that was included in the packet. He added that after he submitted the recommendation he received some input from Commissioner Arno and deferred to him to share his recommendation.

Commissioner Arno suggested a seven year trial period on all new construction on undeveloped property whether residential or commercial, to waive city taxes on improvement to the property for a period of ten years. This would not apply to additions on homes or businesses, only new construction.

Benefits addressed included promoting development, increasing housing, creating jobs, attracting new business, increased water and sewer customers, and attracting new users to the sales tax base. It opens the door to Homer, not just targeting a certain group.

Concern was expressed that incentivizing someone to build a \$300,000 home or a second seasonal home isn't going to address the affordable housing need. It was also suggested that an open ended incentive like this doesn't necessarily promote affordable year round opportunities. Seasonal home owners increase the sales tax base for just a few months. The larger portion of the months they aren't here finds a lot of businesses struggling to stay open, leaving fewer choices for those who do live here year round. It also impacts business owners who are able to provide jobs to meet a higher demand in the busy months and struggle to have those jobs available when the seasonal people leave.

The Commission agreed that after a lot of consideration over many meetings they are at an impasse with what would be most beneficial regarding a tax incentive. They recognized that the possibility of LNG development in our area may have a positive impact on the job and housing market that would negate the potential benefits of a tax incentive. It was the consensus of the Commission to remove tax incentives from the Commissions business.

The Commission acknowledged the public comments from Mr. Slone included in their packet.

NEW BUSINESS

A. Land Allocation Plan

The Commission reviewed information in the Land Allocation Plan and talked with City Planner Abboud about parcels the city owns that could possibly be sold. They specifically addressed the parcel on Main Street listed on page D-3 and the potential of the lot for a developer who may want to remove some fill to develop or that it would lend well to a two story building with an upper and lower access similar to the Kachemak Bay Title building. They also talked about the lots in the Lillian Walli Subdivision area including efforts toward resolving restrictions in the subdivision agreement that have been in place for many years.

ARNO/FRIEDLANDER MOVED TO RECOMMEND THE SALE OF THE PARCEL ON MAIN STREET, PARCEL NUMBER 175-144-16, AND ALSO SELL THE LOTS IN LILLIAN WALLI ESTATES SUBDIVISION, LOTS 60, 65, 66, 67, 70, 57, 58, AND 59, WITH THE EXCEPTION OF POSSIBLY KEEPING ONE OF THOSE LOTS FOR A PARK.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

INFORMATIONAL ITEMS

- A. City Managers Report
- B. LNG Info

Commissioner Marks said she would like to have new business items to discuss more specifics about the potential of LNG and what it would do economically for the harbor and the rest of the community.

She would also like to look at some of the economic potential of the MAPP group, the redevelopment of Woodard Creek, and the interplay that might occur with the completion of the PARC survey. She added that she will be absent from the May meeting.

City Manager Koester said she will work with other staff in gathering information relating to the LNG project, and suggested having a representative from MAPP and the Woodard Creek Coalition present at a future meeting. She added that Agnew:Beck will be providing an update at the next City Council Meeting regarding the PARC survey and invited Commissioners to attend or listen to the radio. Any informational material provided can be included in the Commissions packet.

COMMENTS OF THE AUDIENCE

None

COMMENTS OF CITY STAFF

None

COMMENTS OF THE COUNCILMEMBER

None

COMMENTS OF THE COMMISSION

Commissioner Friedlander commented that his uncle is in the cannabis business in Washington and the amount of taxes the state is pulling in from that industry is phenomenal. If the city walks down that road with the cannabis commission we could see a lot of economic benefit.

Commissioners Stanislaw, Marks, and Arno had no further comments.

Vice Chair Brown thanked everyone for their work tonight.

ADJOURN

There being no further business to come before the Commission the meeting adjourned at 7:40 p.m. The next regular meeting is scheduled for Tuesday, May 12, 2015 at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____