

Session 12-04 a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Chair Ulmer at 5:00 p.m. on March 28, 2012 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS CARROLL, HARTLEY, HOTTMAN, HOWARD, ULMER, WEDIN
(telephonic), ZIMMERMAN

STAFF: PORT AND HARBOR DIRECTOR HAWKINS
DEPUTY CITY CLERK JACOBSEN

AGENDA APPROVAL

The agenda was approved by consensus of the Commission.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

Barbara Howard commented regarding the port tariff information.

RECONSIDERATION

There was no reconsideration scheduled.

APPROVAL OF MINUTES

A. February 22, 2012 Regular Meeting Minutes

The minutes were approved as presented by consensus of the Commission.

VISITORS

No visitors scheduled

STAFF AND COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS

A. Port and Harbor Director's Report for March 2012

Harbormaster Hawkins reviewed his staff report.

B. Lease Committee

PUBLIC HEARING

A. Application for a Conditional Use Permit at 4744 Homer Spit Road

City Planner Abboud reviewed the staff report.

Commissioner Carroll stated he has a conflict of interest.

HOWARD/HARTLEY MOVED THAT COMMISSIONER CARROLL HAS A CONFLICT OF INTEREST.

Commissioner Carroll confirmed that his financial conflict falls within the parameters outlined in Homer City code.

VOTE: YES: HARTLEY, HOWARD, HOTTMAN, ULMER, WEDIN, ZIMMERMAN

Motion carried.

Commissioner Carroll left the table.

Brad Faulkner, applicant, briefly commented with an overview of what has brought him to this point, how it relates to the spit comprehensive plan, and said he was available for questions.

Question was raised regarding how it pertains to the spit comprehensive plan and the neighboring leases are considered commercial rather than industrial. City Planner Abboud responded the map provided is a future land use concept map and consideration will be given by the Planning Commission and City Council to decide when the time is right to change. The other leases on the block would have to go through the same permitting process with their renewals.

Chair Ulmer opened the public hearing. There were no public comments and the public hearing was closed.

In response to questions Mr. Faulkner explained that although his proposal states one building per year for five years, it would be to his advantage to speed up the process. He hopes to break ground and start the buildings in the fall and finish the inside through the winter. He said he is not currently processing fish, but this proposal does not preclude it in the future.

ZIMMERMAN/HARTLEY MOVED THAT THE PORT AND HARBOR ADVISORY COMMISSION SUPPORTS THE RECOMMENDATION FOR A CONDITIONAL USE PERMIT AT 4744 HOMER SPIT ROAD WITH STAFF RECOMMENDATIONS AND FINDINGS.

There was no discussion.

VOTE: YES: HOWARD, HOTTMAN, ULMER, WEDIN, HARTLEY, ZIMMERMAN

Motion carried.

PENDING BUSINESS

NEW BUSINESS

- A. Memo to Port and Harbor Commission from Community and Economic Development Coordinator Re: Harbor Improvement Projects: Need for the Projects & Consequences of Not Going Through with Proposed Projects dated March 16, 2012

Community and Economic Development Coordinator Koester reviewed her staff report and spent time discussing with the Commission what information she needs from them for the Municipal Harbor Grant Program.

HOWARD/HARLEY MOVED THAT THE STATE GRANT REQUIREMENTS FOR THE FOUR PROJECTS BE PLACED ON THE NEXT AGENDA TO SET THE RECORD ON THE FINDINGS THAT THIS COMMISSION WOULD MAKE RELEVANT TO WHETHER OR NOT THEY ARE FEASIBLE PROJECTS OR TO BE DONE, OR SCRAPPED.

There were Commission comments that more time would be fine and staff questioned what additional information they would like to see. Other Commissioners expressed that they have talked about these and the information could be found by researching past minutes. Staff suggested going through each project and making brief comments as it would satisfy Mrs. Koester's needs for the granting agency.

VOTE: NO: HOTTMAN, ULMER, WEDIN, CARROLL, HARTLEY, ZIMMERMAN, HOWARD

Motion failed

The following comments were made regarding the load and launch ramp:

- If you have no other experience with ramps you would think its okay but it doesn't work well. There is skidding happening when going down the ramp and spinning out when going up because it is not a good surface. A no build option isn't feasible; the project is a good solid need.
- \$3 million is too much money to spend on the ramp. Asphalt will resolve the issue for a much lower cost.
- It could be feasible to rebuild the ramp to the extent that some of it is deteriorating quite rapidly, and the professionals would need to make the determination as to what that extent would be.
- The angle at the top of the ramp is a safety issue in that it that has caused accidents with trailers unhitching from vehicles.
- Loss of revenue could be a result of not repairing the ramp. There may be a large trailer coming to town that could use the ramp and bring a lot more revenue.

Harbormaster Hawkins noted that the City will have control on this project. The first phase the funds from Fish and Game is to hire the engineers but the City will have oversight on what happens. Mrs. Koester added that there is an \$800,000 balance on the project after Fish and Game completes their work, and that's why this information is relevant to the grant program.

HARTLEY/HOWARD MOVED THAT WE NEED TO PROGRESS WITH THIS PROJECT BECAUSE OF SAFETY CONCERNS. IF WE DON'T THERE WILL BE A BAD ACCIDENT OR THE RAMP WILL DETERIORATE.

There was discussion whether motions are necessary and it was suggested by staff that a motion could be appropriate in this case to show the Commission's intent.

VOTE: YES: ULMER, WEDIN, HARTLEY, ZIMMERMAN, HOWARD
NO: CARROLL, HOTTMAN

Motion carried.

Regarding Ramp 3 the consensus of the Commission was that it is the worst safety issue in the harbor and it needs to be replaced before someone is hurt. It is showing its age and needs to be replaced. Not doing so will cause the City to lose revenue and because it is so dangerous an accident on the ramp could cost the City more money than the cost of replacement. Removing the ramp is not an option as it is necessary to access the floats.

The Commission agreed that System 5 is a necessary project. If system 5 is not upgraded the result could be losing power on the float. If that were to happen in the winter it could result in large vessels freezing and even sinking. It is not a dependable system and revenue is being lost. Commissioners have heard testimony of boats having to go to Seward because Homer doesn't have an adequate or dependable system. It was noted that it would be beneficial to include winter water to the system 5 upgrade as the winter charter fleet needs a safe place to rinse down.

There was also Commission consensus regarding the Harbor Float replacement. It is evident that the existing system is getting old and failing, ignoring the problem is not an option. They don't believe there is any way to fix the floats other than replacing them in full, particularly with the piling failings. The system is a liability and if ignored, things will happen that will cause expense the City won't want to incur. If they aren't replaced they will be sinks instead of floats; they are becoming water logged and broken down.

Mrs. Koester thanked the Commission for their discussion tonight.

B. Harbor Improvement Committee's Tariff Rate Increase Recommendations

Chair Ulmer invited Councilmember Howard, Chair of the Port and Harbor Improvement Committee, to the table to take part in the discussion.

Harbormaster Hawkins reviewed his staff report and the information from the Port and Harbor Improvement Committee and Tariff Sub-Committee. He also referenced the lay down item regarding the head tax imposed by the City of Seward. He explained the Committee's goal was to implement increases throughout the tariff to as many harbor users as possible and not single out specific users.

Discussion ensued regarding the head tax. Commissioner Wedin asked whether the Committee took into consideration that fishing charters pay sales tax at a hundred percent of their money collected, and if fishing charters could be exempt. It was explained the Committee did not consider exempting the fishing charters from the head tax. The money collected through sales tax goes to the City and not the Port and Harbor enterprise fund, so the fishing charter sales tax monies can't be used for this purpose of repaying the revenue bonds.

Harbormaster Hawkins reviewed the information regarding the recommendation to amend dockage to Anchorage graduated rate schedule. He explained that currently Homer has the rate of \$2.27 per linear foot that is applied equally whether it's a small boat or a large vessel. In his research he found Northern Economics who has done studies on this and learned that larger vessels have a bigger impact on the facilities and facilities should be built to the highest potential. That's why the port of Anchorage has the graduated schedule beginning at 0-100 feet is \$338, 100-200 feet is \$506, and graduates up based on length. He added that there are other ways do apply the rates like charging by net ton. His opinion is that we aren't staying current on rates and leaving some money on the table in comparison to other ports. Another thinking error that several Alaskan ports have versus the lower 48 is that the smaller

ports should pay less per gallon, ton, or foot than large ports. In the lower 48 larger ports charge less because they do millions of tons of wharfage, and they charge a few cents, versus the smaller ports who facilitate the same action and get by with less tons, their rates are the same or more than larger ports.

Commissioner Carroll commented that this is a lot to take in over one year and when the public sees it they will freak out. With the exception of halibut last year was a really good year and to look at of the increases as necessary. We need to look at other options and see if there are places we could tighten the belt rather than increases. We have to be able to compete with the other ports. Commissioner Hartley raise the point that if we want to bond for improvements to the harbor, we have to be able to pay for it. If we don't do this we can't repair the harbor.

Mrs. Howard encouraged that if the Commissioners have questions about the budget to ask Council to explain the budget. They would be happy to help them understand.

Commissioner Howard reminded the group that this is the Committee's first run of the rates. They are open to discussion and even amendment, but they need to get through the rates so the Commission can hold a public hearing.

Commissioner Zimmerman suggested maybe we can't afford this. We need to figure out what we need to do and what we want to do, the do what we can afford out of that. He's sorry he voted for the \$6 million because he doesn't think it's the right way to go.

Harbormaster Hawkins addressed fuel wharfage, noting the rate hasn't been touched for about 20 years. They compared the rates and considered information from Northern Enterprises and recommended raising the per gallon wharfage to two cents. He said the recommendation for the ice rate was 10% over two years.

There was brief discussion regarding the head tax and the estimated revenue from enforcing it. It was restated that the charter boats pay 100% of the sales tax and it should be considered not to have to participate in the head tax. It brings in the lowest amount of the scenarios suggested, it is an administrative hassle, and may be seen as the least desirable. Point was raised that the head tax is in the approved tariff and is something that simply hasn't been enforced.

HOWARD/HARTLEY MOVED THAT THE PROPOSED TARIFF RATE INCREASE BE ON THE AGENDA AS A PUBLIC HEARING FOR THE APRIL 25 COMMISSION MEETING FOR THE PURPOSE OF ADOPTING A TARIFF RESOLUTION OF THE PORT AND HARBOR COMMISSION THAT CAN BE FORWARDED TO THE CITY COUNCIL.

Comment was that this is to continue to move forward in a timely fashion, be prepared to meet the necessary requirements to be ready to apply for the bonding, and be in line for grant funding as well. It is also appropriate to hold a public hearing to have a transparent process as we go through this.

VOTE: YES: CARROLL, HARTLEY, ZIMMERMANN, HOTTMAN, HOWARD, ULMER

Commissioner Wedin was no longer on the telephone line.

Motion carried.

INFORMATIONAL ITEMS

- A. Monthly Statistical & Performance Report
- B. Weekly Crane and Ice Report
- C. Pioneer Dock Report & Ferry Landings Report
- D. Commissioner Attendance Schedule for City Council Meetings 2012

COMMENTS OF THE AUDIENCE

Bill Choate, frequent harbor user, commented regarding parking at the east end of the harbor. A few years ago they leased Bill Tener's lot and lost three rows of parking. This year the Salty Dawg rightfully claimed their lease and took another row. It's March and the east end of the harbor is jammed. He talked to the Harbormaster and feels like he wasn't taken seriously. There are cars plowed into the one hour parking, and all the people across the bay are parking at that end. The long term parking is empty and it's just laziness, he always parks in long term when he leaves town. He would like to see the rules about parking enforced. It is scary right now as there are three rows of parking on the east side of Hillstrand's which is very little for everyone. He would like to see it addressed. He also commented that he goes to harbors all over the state and Homer kind of has a bad reputation. People feel like they have been ripped off and he thinks some of it has to do with attitude. He commented at other harbors he gets greetings and personalized help that make him feel good. In this harbor office, especially since staffing has changed, it's deadpan in there. It is a business that serves the public and should be run as such. Mr. Choate's time expired and he was encouraged to submit his remaining comments to the Commission in writing or comment at a future meeting.

Ron Hurley echoed Commissioner Wedin's sentiments about having winter water in the harbor. Access to water at anytime is a great thing. He wished the Commission had let the audience member comment during their discussion of the load and launch ramp, he is probably one of the most knowledgeable about it. He thanked Mr. Zimmerman for his comment on the sinks not floats, and the rest of the Commission for their time. He said he attended tonight for harbor water, he thinks it would be great to have it throughout the winter. He appreciates the fish cleaning station and restrooms near ramp 4, it's a great facility. The only issue there is the seagull problem, a lot of his customers will not even go near the restroom because of the seagulls, and it becomes so obnoxious to go there that he doesn't even like to walk by to put his boat trash in the receptacle. He doesn't know the answer but hopes it can be resolved.

Mike Stockburger, owner of the Homer Boatyard, said he was dismayed to hear comments that the launch ramp didn't look too bad. He encouraged everyone to walk down the ramp at low tide and look at the eroding cement that is almost smooth and back to gravel and see where the rebar is exposed. He explained that a 25 foot boat normally is about the same weight as a pickup so backing down a ramp that doesn't have good grip, when you hit the breaks, the weight of the boat will pull the vehicle down. He and his employees use the ramp 500 plus times a year and appreciate the need for a nice surface. He was glad to hear them talk about the walk way and has concerns about people falling on that, but at the launch ramp if something goes awry it is more than a butt or a leg or an arm, it could be a group of people involved with a boat and vehicle sliding sideways down the ramp. He hopes it gets taken care of. He appreciates the Harbormaster and his staff for keeping the ramp useable throughout the year as he does hauling year round. Regarding the asphalt suggestion, on a ramp like that it would be the same as putting a sheet of vinyl down the walk ramp. It wouldn't be a problem until it rained or snowed on it.

Regarding the top of the ramp he has witnessed inexperienced people backing trailers, going over the break, and losing site of the trailer and seen boats pop off because of the severe angle. He hopes the design can include a rounded contour. His trailers are designed so that he can't lose them, but still runs into problems. He thanked the Commission for their time and the Harbormaster for all his work.

Brad Faulkner thanked the Commission for the support of his project and for the good work they continue to do. Having been at the harbor for a long time he thinks it's on the right track. He touched on some numbers. 52,000 user days is correct and 250 per user day is correct for the fishing fleet. Including full days and half days it is generating \$585,000 for the City's share of taxes. If 13 million gallons of fuel is correct and is sold at an average of \$4 per gallon, the City share of taxes is \$2.5 million. The harbor is generating a lot of money. He supports all of the projects being considered. He doesn't support \$3 million on the load and launch ramp and agrees that just putting down asphalt will make it slick. However if you use the same machine that puts the rumble strips down the side of the highway, you could improve the ramp portion for significantly less and use the money to do the floats. It's a truism that all costs come out of the harbor users. He agrees we need the projects, and briefly discussed the funding plans with the Commission. He recommended prioritizing and not doing them all at once.

COMMENTS OF CITY STAFF

There were no staff comments.

COMMENTS OF THE COUNCILMEMBER

There were no Councilmember comments.

COMMENTS OF THE CHAIR

Chair Ulmer said she appreciates everyone's hard work.

COMMENTS OF THE COMMISSION

Commissioner Carroll commented that there is a lot to think about, people are reeling from additional costs, fuel costs, and water and sewer costs. To throw this out, they will just stagger.

Commissioner Hottman commented that it might be worth heeding the Councilmember's suggestion regarding the indirects. He agrees with Commissioner Zimmerman's comments from the last meeting about finding alternate financing for the harbor office. Lastly since he will be gone from April to November, he tendered his resignation from the Commission.

There were no other Commissioner comments.

ADJOURN

There being no further business to come before the Commission the meeting adjourned at 7:25 p.m. The next regular meeting is scheduled for Wednesday, April 25, 2012 at 5:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____

