

**NOTICE OF MEETING
REGULAR MEETING**

- 1. CALL TO ORDER**
- 2. APPROVAL OF THE AGENDA**
- 3. PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA**
- 4. RECONSIDERATION**
- 5. SYNOPSIS APPROVAL**
 - A. June 2, 2014 Meeting Synopsis Page 3
- 6. VISITORS**
- 7. STAFF REPORTS**
- 8. PUBLIC HEARING**
- 9. PENDING BUSINESS**
 - A. Wrangell Report Page 7
- 10. NEW BUSINESS**
 - A. Vessel Haul-Out and Repair Facility Maintenance and Budget
 - B. Development of Final Task Force Report
- 11. INFORMATIONAL ITEMS**
 - A. Resolution 14-015, Appointing the Vessel Haul-out Task Force to Review and Make Recommendations on a Large Vessel Haul-Out and Repair Facility at the Port Page 9
 - B. Barge Mooring Facility Info from 2014-2019 CIP Page 11
 - C. Aerial Picture of Tr. 1-A and the Fishing Lagoon Page 13
 - D. Draft Business Plan Outline Page 15
 - E. Research on Haul-Out Yard Management Options Page 17
 - F. Task Force Meeting Schedule Page 19
- 12. COMMENTS OF THE AUDIENCE**
- 13. COMMENTS OF CITY STAFF**
- 14. COMMENTS OF THE TASK FORCE**
- 15. ADJOURNMENT NEXT REGULAR MEETING IS SCHEDULED FOR FRIDAY, JULY 25, 2014 at 3:30 p.m. in the City Hall Cowles Council Chambers located at 491 E. Pioneer Ave, Homer, Alaska.**

Session 14-07 a Regular Meeting of the Vessel Haul-Out Task Force was called to order by Chair Howard at 3:35 p.m. on June 2, 2014 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: Carroll, Hawkins, Howard, Lewis, Pate, Pitzman, Stockburger

STAFF: Deputy City Clerk Jacobsen

AGENDA APPROVAL

Chair Howard called for a motion to approve the agenda.

LEWIS/PATE SO MOVED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

None

RECONSIDERATION

APPROVAL OF SYNOPSIS

A. May 16, 2014 Meeting Synopsis

Chair Howard called for a motion to approve the synopsis.

LEWIS/HAWKINS SO MOVED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

STAFF AND COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS

PUBLIC HEARING

PENDING BUSINESS

A. Wrangell Report

The task force reviewed and discussed the outline of the Northern Economics presentation on Ports and Harbors Creating Economic Opportunity, in relation to the report they will be preparing for council on the vessel haul-out and repair facility. Discussion points included:

- Establish the infrastructure and the cost to the city may include providing
 - Access for the user and provider
 - Electricity
 - Wash down pad
- Who will be responsible for permitting
 - Most likely the city
- Determine how to operate the facility
 - Providing cradles, travel lift, and airbags; or
 - Only providing a developed site that is ready for use
- Establish target users for phase one, and phase two.
 - The barges are immediate payback and more easily accommodated in phase one
 - Deep draft vessels will likely be accommodated in a second phase of improvements
 - A third phase could include a big lift
- Develop a Yard Management Plan
 - Harbor staff currently schedules the grids, parking, assesses the fees, and other necessary coordination efforts
 - A version of Kodiak's plan could work well for Homer
 - A list of businesses certified to work in the yard

NEW BUSINESS

A. Vessel Haul-Out and Repair Facility Maintenance and Budget

No discussion.

B. Discussion of Permitting – Environmental, ACOE, and ??

DEC will be the major player in the permitting. There will be oversight from local watch dog groups as well. If there is work below the tideline they will work with Army Corps of Engineers. There will also be applications to Fish and Game relating to the critical habitat area. The permitting process would probably be about 60 days with minimal cost. Engineering will be the costly part of it.

C. Group Discussion of Short and Long Term Goals for the Facility

Short term goal discussion points:

- Establish fees, a business plan, and cost benefit analysis for the project.
 - Specific tariff items when a facility is established.
 - Possibly reduce rates in January and February to try to even out the workflow and all the vessels don't show up in April.

VESSEL HAUL OUT TASK FORCE
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- General thought seems to have gone in the direction that the City would administrate the facility.
 - It would be beneficial to hear from a group like Foss, who stopped in at a previous meeting, to get an idea of what a privately run facility might look like.
 - The idea is to present options to Council with a recommendation from the Task Force.
- A designated wash down should be a phase one improvement
 - The city would be responsible for the wash down area
- Address environmental concerns

Long term goal discussion points:

- Acquisition of a cradle and/or travel lift.
- Power
- Road improvements from the haul out area to the concrete pad

INFORMATIONAL ITEMS

- A. Resolution 14-015, Appointing the Vessel Haul-out Task Force to Review and Make Recommendations on a Large Vessel Haul-Out and Repair Facility at the Port
- B. Barge Mooring Facility Info from 2014-2019 CIP
- C. Aerial Picture of Tr. 1-A and the Fishing Lagoon
- D. Draft Business Performa
- F. Research on Haul-Out Yard Management Options
- E. Task Force Meeting Schedule

COMMENTS OF THE AUDIENCE

Don Lane, city resident, appreciated the group's discussion. He encouraged them to be careful not to stifle what is happening out there now as they work toward accommodating the demand of other types of vessels that want to haul out in Homer. He is supportive of the private yard concept because he finds they run better because it's how they make their money. Public yards are more challenging because they are responsible for other projects that are going on, in addition to the yard.

COMMENTS OF CITY STAFF

None

COMMENTS OF THE Task force

Mr. Lewis recognized our thriving marine trades' community and we want to make sure they are part of this. He isn't sure a private yard would benefit them.

Mr. Stockburger agreed with Mr. Lewis. He appreciated the information from the various yards that was included in the packet.

VESSEL HAUL OUT TASK FORCE
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Mr. Hawkins said we need to encourage vocational education at the school. He hears over and over that the marine trades need skilled labor. Let people know there are jobs for skilled labor in the marine trades.

Mr. Carroll commented they need to nail down what they want to do. He thought their goal was to accommodate the deep draft boats and we aren't getting started without a cradle, or at least a plan.

Mr. Pitzman appreciated Mr. Lane's comments. He agrees that we need to keep going with what is happening and start pulling the other things in with it. He agrees we need to get to our goal of meeting needs of our local fleet. The momentum from the current activity is how they get there.

Mr. Pate agrees with many of the comments. He doesn't want them to lose sight of what is going on now and also the marine trades. At the same time, he thinks there is potential to see tremendous scope and opportunity to this endeavor. It would be interesting to talk to private enterprise from the premise that this is our project, it will be an open facility, and ask how they would utilize it.

Chair Howard commented they haven't fully gotten their arms around the purpose, the resolution outlines their job to review and make recommendations on a large vessel haul out and repair facility. She supports the idea of a marine vocational academy because we are seeing the shortage of help and its keeping people from getting their boats fixed and back out to work. The activity on the lot in the spring and the transition back to a park shows it can be a multi-use property and has been a positive movement with the community.

ADJOURN

There being no further business to come before the Task Force the meeting adjourned at 5:02 p.m. The next regular meeting is scheduled for Monday, June 16, 2014 at 3:30 p.m. at the City Hall Conference Room located at 491 E. Pioneer Avenue, Homer, Alaska.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____



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Memorandum

TO: VESSEL HAUL-OUT TASK FORCE

FROM: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER

DATE: JUNE 11, 2014

SUBJECT: BACKGROUND INFORMATION ON WRANGELL'S VESSEL HAUL-OUT FACILITY

I contacted Greg Meissner, Wrangell Harbormaster, to inquire on operation costs and management of Wrangell's Vessel Haul-Out Facility. Meissner also supplied contact information for the International Boat Lift Exchange and encouraged me to talk to them about various options available to us. He felt that we may be able to take advantage of one of the trailer options, which could help lower startup costs.

Initial Cost

Previously, Wrangell's haul-out facility operated with a 250 ton lift, which was unable to lift the larger vessels that they also wanted to accommodate. Wrangell's new 330 ton lift cost \$1.6 million, including delivery. The haul-out pier and wash-down facility cost about \$3.1 million. The wash-down pad cost about \$400,000, the original pier cost \$1,800,000, and an additional \$900,000 was spent to retrofit the pier for the new machine because it has a wider wheel base.

Operation Costs

Although there weren't exact numbers for maintenance costs, Wrangell will have a better idea after the facility has been running longer. It was noted that the sling lift does require quite a bit of maintenance, and, of course, the more the lift is used the more items like cables and slings, have to be replaced.

After five years, haul-out and uplands rental/storage fees were finally able to cover the maintenance and operations budget. Last year (year five), was the first year Wrangell's Vessel Haul-Out Facility operated in the black. Storage, upland leases, and haul-out fees brought in \$314,340 in revenues, and expenses were \$253,017. This budget, though, is for operation and maintenance only; no monies are being reserved for replacement, big-ticket equipment purchases, or major facility issues.

Other Budget-Funding Sources

There are no other associated fees that come into the facility's maintenance, operation, and replacement budget. All told, the facility cost \$22 million to build and the funding came from several sources over an 8-year period, of which were from State and Federal appropriations. Much of the funding justification for a haul-out facility was due to the collapse of Wrangell's logging industry; federal disaster relief money had come into play. Wrangell's main employers in the region used to be two large mills and the logging industry. When that industry imploded, Wrangell was faced with remaking themselves. They turned to the Port and Harbor and, as there was a regional benefit of having a haul-out facility, pointed out there was a fleet/market for hauling out large vessels.

Meissner is looking at ways to bring in more revenues to the vessel haul-out program. It was noted that Port Townsend charges a 3% access fee to the tradesmen working in the yard, which helps offset the operation, maintenance, and replacement costs.

Other Comments

In Meissner's opinion, boat owners shop and compare one haul-out yard to another, stretching their dollars as far as they can. Everything counts (lodging, local marine trades, cost of supplies/materials, not having to pay a 3% access fee, etc.) because in the end they are looking to complete their to-do list in the least expensive way possible.

Wrangell's Vessel Haul-Out Facility is staffing their lift with one full-time operator, and one part-time position during the busy months. Local businesses and vessel owners would like it if the facility would extend their hours, but that would require either another operator or significant overtime costs. Another issue is that boat owners are spending too much time in the yard. Meissner would like to "do something like Kodiak" to encourage vessel owners to expedite boat projects to ensure faster turn-over in the yard. Wrangell's haul-out facility currently lifts approximately 250 to 300 boats a year. Now that they have a larger capacity lift, they are able to accommodate a wider range of vessels and hope to increase sales.

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3
4 City Manager/Port and Harbor
5 Advisory Commission

6 **RESOLUTION 14-015**

7 A RESOLUTION OF THE HOMER CITY COUNCIL APPOINTING A
8 TASK FORCE TO REVIEW AND MAKE RECOMMENDATIONS ON A
9 LARGE VESSEL HAUL-OUT AND REPAIR FACILITY AT THE PORT.
10

11 WHEREAS, The Port and Harbor Advisory Commission has discussed the possibility of
12 a vessel haul-out and repair facility at the port; and
13

14 WHEREAS, There are options of building a vessel haul-out and repair facility that is
15 either privately owned or enterprise-owned; and
16

17 WHEREAS, The benefits and challenges of building such a facility can be explored in
18 more detail by a task force; and
19

20 WHEREAS, A task force can review and discuss all facets of a vessel haul-out and repair
21 facility and provide recommendations to Council.
22

23 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council supports the
24 establishment of a task force to review and make recommendations on a large vessel haul-
25 out and repair facility.
26

27 BE IT FURTHER RESOLVED that the committee will consist of seven members, two
28 representatives from the Homer City Council (to be appointed by the Mayor and approved by
29 the Council), the Harbormaster, two members from the Port and Harbor Advisory
30 Commission (to be selected by the Port and Harbor Advisory Commission), and two members
31 of the marine trades. Other staff members will provide administrative and consultative
32 support as requested by the task force or directed by the City Manager.
33

34 BE IT FURTHER RESOLVED that the task force will establish its own work schedule,
35 provide a recommendation to Council no later than October 1, 2014, and shall be disbanded
36 when the scope of work is complete.
37

38 BE IT FURTHER RESOLVED that the City Clerk is authorized to advertise for parties
39 interested in serving as representatives of the marine trades.
40
41

42 PASSED AND ADOPTED by the Homer City Council this 13th day of January, 2014.

43

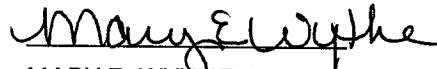
44

CITY OF HOMER

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MARY E. WYTHE, MAYOR

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50 ATTEST:

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JO JOHNSON, MMC, CITY CLERK

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57 Fiscal Note: Staff time and advertising costs.

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Barge Mooring Facility

Project Description & Benefit: Constructing a barge mooring facility at Lot TR 1A (east of the Nick Dudiak Fishing Lagoon) will meet the growing freight needs of existing Homer businesses and attract additional large vessel business. The mooring facility will consist of a row of piles driven perpendicular to the beach that extend down through the tidal area in conjunction with a stern anchoring system and bollards above the high water line. This proposed improvement will provide secure moorings for vessels that cannot currently be accommodated within the harbor's basin due to lack of space. The project is a response to requests from vessel owners/managers seeking safe moorage and uplands haulout area for large industrial freight barges.

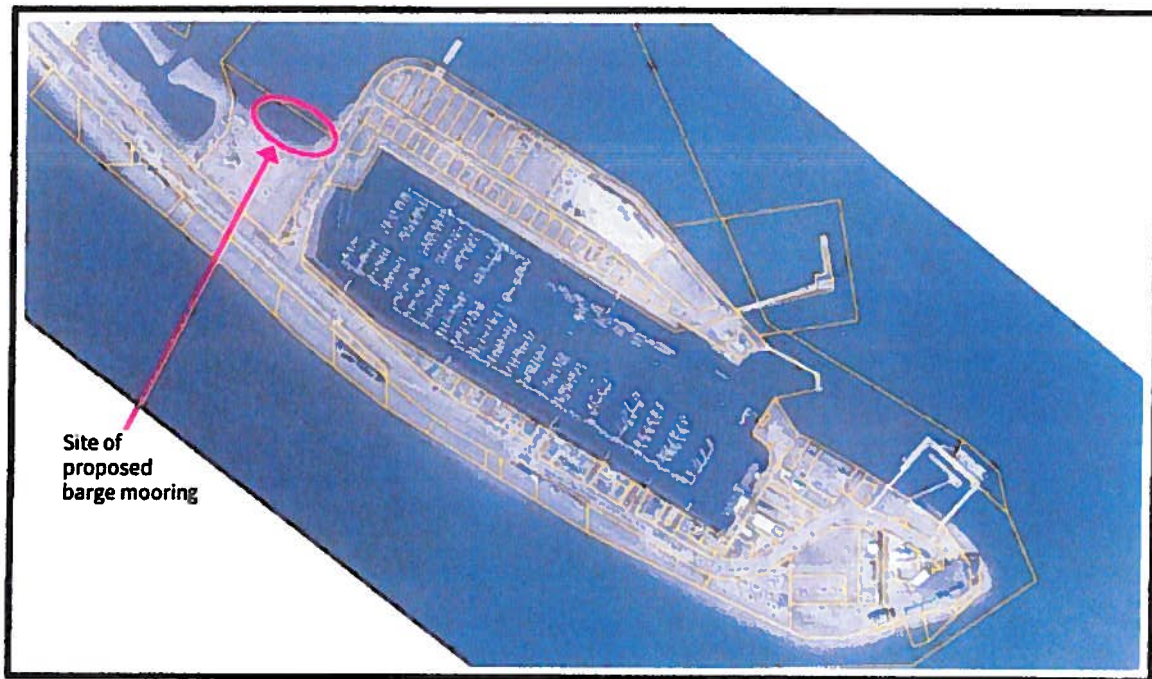
Total Project Cost (2014): \$540,000

Design and Engineering (2013): \$54,000

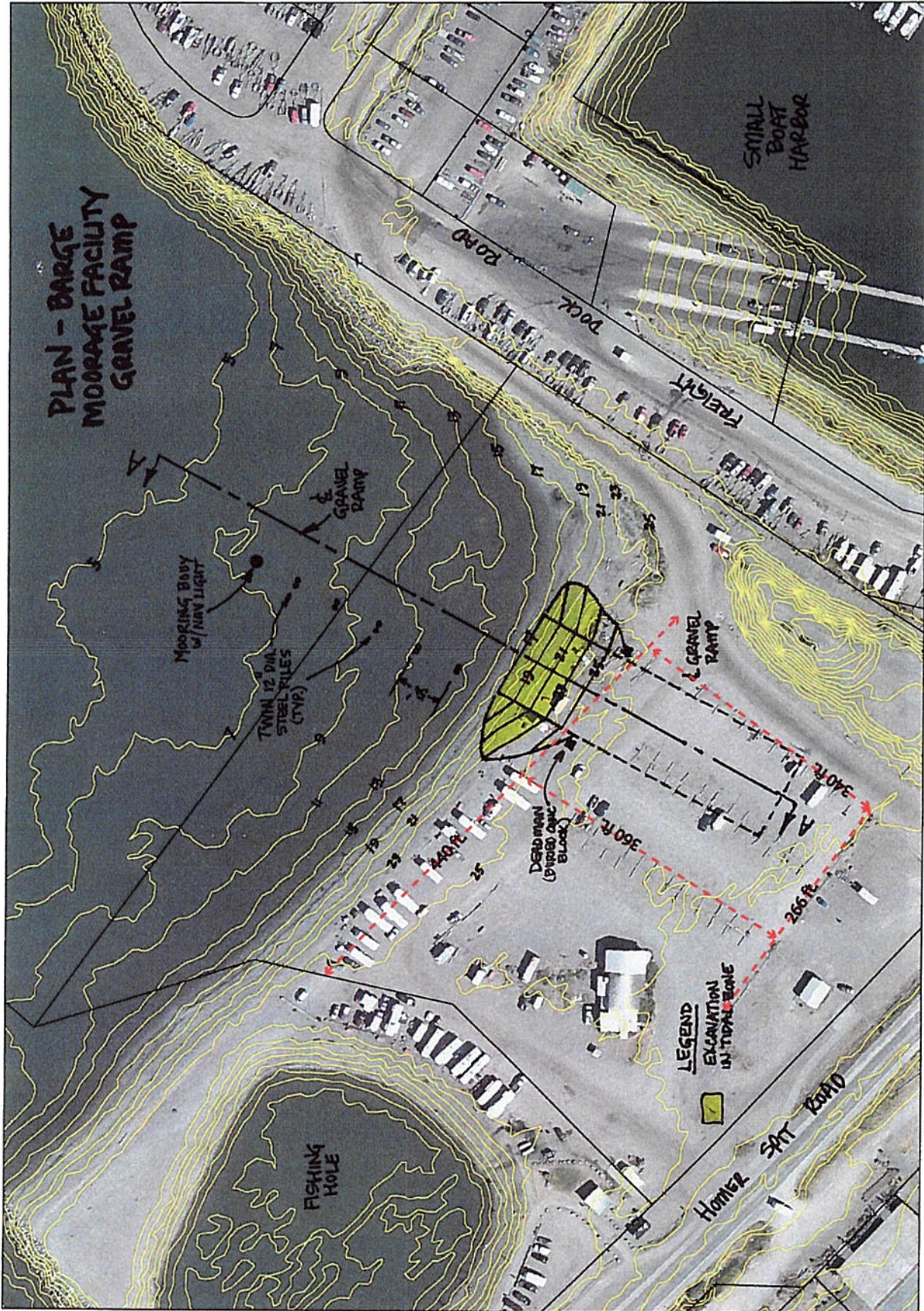
Construction (2014): \$486,000

FY2015 State Request: \$486,000

(10% City of Homer Match: \$48,600)







1 inch = 100 feet

Business Performa
Large Vessel Haul Out
Assumptions and Projections

ASSUMPTIONS

- 1. Minimal construction to include excavation and improving the existing beach site, installing a permanent ramp area, driving mooring pilings, and investigating and/or constructing and/or purchasing a cradle and/or trailer to assist in pulling vessels with deeper hull designs.**
- 2. Future projects and needs include improving the present storage area adjacent to the ramp for larger vessels, rebuilding the existing access road from the current beach site to the concrete pad, installing the necessary drains and catch systems at the pad, considering permanent and/or portable structures at the pad, considering other means of pulling vessels, i.e. a travel lift.**
- 3. The City of Homer will continue to own and maintain the ramp area, the storage area and the concrete pad.**
- 4. The City of Homer will administer the use and occupancy of all areas, will establish minimum qualifications for all users, will monitor all related activities and will gain remuneration from user fees, rental agreements and/or leases.**

PROJECTIONS



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Memorandum

TO: VESSEL HAUL-OUT TASK FORCE
FROM: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER
DATE: MAY 9, 2014
SUBJECT: RESEARCH ON HAUL-OUT YARD MANAGEMENT OPTIONS

At the previous VHOTF meeting on May 5, 2014, it was requested that I look into different options for managing haul-out yards and facilities. I have reviewed the management plans and rate schedules of five municipal harbors' vessel haul-out and repair facilities: Seward, Kodiak, Valdez, Wrangell, and Port Townsend, WA. Staff has compiled a binder to organize the information from each harbor, which will be available at all VHOTF meetings for reference.

As to-date, I have learned that there are two basic methods for managing these facilities: a "Closed Yard" and an "Open Yard". These two basic descriptions each have many variations of what vessel owners can or cannot do while their vessel is hauled out. All the municipally-operated haul-out and repair yards are operated as "Open Yards", where vessel owners are allowed to manage their own repairs, either by hiring contractors from an approved vendor list or by actually performing the task themselves with their ship's crew. "Closed Yard" facilities do not allow vessel owners to make the repairs to their boats; the shipyard employees actually do the work while the vessel owner plays the role of customer and project overseer. From what I have gathered, these two types of yards tend to be either entirely private-owned on private property, or managed as a private enterprise through a long-term lease on public property.

So where does that leave us? I can see that there are advantages and disadvantages to both management methods. One would basically be a hands-off operation that harbor staff would oversee, and the other would require direct harbor staff management and oversight.

Recommendation

At this time, my only recommendation is that the task force reviews our original goals and priorities that set us on this path in the first place. This reflection of goals, as well as reviewing the results of the large vessel haul-out questionnaire, will better aid the group's recommendation on facility management.



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Memorandum

TO: VESSEL HAUL-OUT TASK FORCE
FROM: BARBARA HOWARD, CHAIR
DATE: APRIL 17, 2014
SUBJECT: TASK FORCE MEETING SCHEDULE

Please bring your calendars to review the upcoming task force meeting schedule.

Monday, April 21st

Monday, May 5th

Friday, May 16th

Monday, June 2nd

Monday, June 16th

~~Monday, July 7th~~

Friday July 25th

Friday August 8th

Monday, August 18th – Report due to Clerk

Wednesday, August 27 – Report to Port & Harbor Commission

Monday, September 15th – Report due to Clerk

Monday, September 22nd – Report to City Council

