

Session 15-03, a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Chair Ulmer at 5:00 p.m. on February 25, 2015 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER CARROLL, DONICH, STOCKBURGER, ULMER, ZIMMERMAN

ABSENT: HARTLEY, HOWARD

STAFF: HARBORMASTER HAWKINS
DEPUTY CITY CLERK JACOBSEN

APPROVAL OF THE AGENDA

ZIMMERMAN/STOCKBURGER MOVED TO AMEND THE AGENDA TO ADD PUBLIC WORKS DIRECTOR MEYER UNDER VISITORS.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

ZIMMERMAN/MOVED TO APPROVE THE AGENDA AS AMENDED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA

Jessie Nelson, nonresident, commented about the harbor rate proposal and said she thought they had rejected the study, but now it looks like they are wanting to spend more money and the decision to do so was done under the cover of darkness. Secondly there was supposed to be an open forum for the structures to be talked about, and that hasn't happened. Before any more money is spent she thinks that should be dealt with. She commented how most businesses are for customer satisfaction but it seems like with this outfit it's the opposite. She added that it seems most people understand the rates need to rise and she doesn't think they take issue with an across the board increase, it's the favoring of one group over another and making big adjustments in that regard that stirs people up.

In response to her comments, staff noted that the open house that was discussed previously was suggested for the public to comment on the Commission's rate proposal, however they voted down the last rate proposal and appear to still be working toward a more equitable proposal to bring forward to the public. Commissioner's also commented that they are looking at other options for revenues besides just rate increases through the fish tax and sales tax that is collected.

Tom Nelson, city resident, addressed the rate change, and said the way he sees the graduated linear foot method is a camouflage square foot method that essentially makes the rates very high on the larger vessels and reduces them on smaller vessels. He referenced the information he provided previously and agrees that if the rates are going to go up, they should go up equally. If the goal is to grow the reserves, it doesn't make sense to lower the rates on a certain portion of users. He also noted the benefit of being able to hot berth the larger vessels and the additional income to the harbor from that, whereas that double revenue doesn't happen with the smaller boats.

There was discussion of current occupancy of the slips for the smaller vessels and addressing the transient rates.

Kevin Hogan, city resident, suggested the Commission remember that increased rates won't necessarily mean an increase in revenue if users leave and go to other harbors. He commented how the increased ice rates put him and other processors in the position of building their own ice plants. He noted how many boats are parked in Ninilchik now that used to launch and go into the Homer harbor. If the rates are going to increase he agrees with doing it across the board and not having one user group subsidize another. Regarding RV's on the spit, he got a notice of default on his lease because of an RV parked on his lot. It is part of their operation for buying set net and drift fish in Kasilof. If they are going to make these rules he wants to see them enforced uniformly. It's a continuing issue and why they don't have business coming to town.

RECONSIDERATION

APPROVAL OF MINUTES

- A. January 28, 2015 Regular and February 17, 2015 Special Meeting Minutes

Commissioner Stockburger noted that in the January 28th minutes references to Northern Enterprises under harbor rates needs to be corrected to Northern Economics.

STOCKBURGER/ZIMMERMAN MOVED TO APPROVE THE MINUTES AS CORRECTED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

VISITORS/PRESENTATIONS

- A. Carey Meyer, Public Works Director – Seafarer's Memorial Parking Lot Improvements

Public Works Director Meyer addressed updates to the design and how landscaping, open space, and a picnic area could be included in the improvements. He also touched on paving costs and suggested they may look at a phased approach bringing in dredge spoils, capping it, and using it as a gravel lot until funds for paving are available. He wasn't able to confirm whether or not it would be necessary to

use rip rap for the project. It was shown in the conceptual drawing as there needs to be protection if there is an unnatural event and he thinks there should be some at the toe of the slope, but they will work to minimize it. He envisions it to be an 18" to 2' rip rap that is available locally, not the larger and more costly kind used at the entrance of the harbor. He also sees using methods like slope stabilization fabric and getting vegetation growing to help stabilize and minimize erosion. Mr. Meyer also touched on studies being done regarding uplift, sea level rise, and rebound from glaciers. He hopes to have bid ready drawings for the Commission to review soon and he hopes to have an update on the Deep Water Dock Feasibility Study at the next meeting.

STAFF & COUNCIL REPORT/COMMITTEE REPORTS/ BOROUGH REPORTS

A. Port and Harbor Director's Report for February 2015

Harbormaster Hawkins reviewed the staff report included in the packet.

There was discussion regarding tower sites on the spit, the load and launch ramp closing in September and cost involved with that.

PUBLIC HEARING

PENDING BUSINESS

A. Harbor Rate Increase Proposals

- i. Email from Mike Fisher, Northern Economics Re: Scope of Work & Quote Request dated February 19, 2015

Harbormaster Hawkins reviewed the scope of work in Mr. Fisher's email. He passed around a copy of a rate sheet that he received just before the meeting that outlines the cost at \$15,000 for the scope of work. He hasn't had a lot of time to sit down and review the information but knows that Mr. Fischer has done many of these rate studies for various harbors around the state and has a good handle on what's going on around the state. He feels it is a decent price if the Commission wants to have the work done. They can also request an RFP if they want to get information from other providers. He noted that Mr. Fischer and Northern Economics have done a lot of work in Homer on the various studies done over the years, including the East Harbor Expansion. They are also hired as a subcontractor for the Deep Water Dock Expansion Study.

Key points addressed were:

- Whether they only want to consider a graduated rate or if there are other ways they want to look at it.
- It could be beneficial to work with Northern Economics to look at how to spread the cost of the harbor to the greatest amount of user groups. The scope of work outlined in the email and the study is very narrow.
- Provide copies of rate schedules from 5 major ports in Alaska to review.
- Whether the amount they are looking at to put into reserves to aggressive over the 10 year period. Cutting it back may help or changing it to a 15 year plan.

There was discussion of other harbors and that there is a variety of ways that rates are assessed based on their users and the harbor's needs. They talked about the need to have established reserves to be eligible for the harbor matching grants program, and that they need to look at raising money for the reserves from a broader perspective and spreading the cost out over a longer period of time or less money over 10 years.

There was discussion that this addresses Mr. Howard's original motion where he asked the Harbormaster to come back and give us a direction on what it would cost to have Northern Economics look at this again.

Harbormaster Hawkins said he would try to put together a rate comparison from other harbors around the state before the next meeting.

- B. Sales Tax & Fish Tax Allocation for Spit
 - i. Memo to Port & Harbor Commission from Bryan Hawkins, Port Director/Harbormaster Re: Fisheries Business Tax dated January 21, 2015
 - a. Port & Harbor 2004-2014 Fish Dock Expenses & Fish Tax Revenue Comparison
 - b. Northern Economics Rate Study 2013
 - c. Draft Resolution 15-XXX Requesting Fish Tax from Kenai Peninsula Borough
 - d. 2011-2014 Sales Tax Figures

ZIMMERMAN/CARROLL MOVED TO PASS THE DRAFT RESOLUTION ON TO CITY COUNCIL.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- C. Bob's Trophy Charter Lease
 - i. Letter from Wilson Stick, Inc. to City of Homer Re: Request for Transfer/Extension of Bob's Trophy Charter Lease dated February 19, 2015
 - ii. Wilson Stick, Inc. Business Plan (excludes confidential financial information)
 - iii. Spit Comprehensive Plan Zoning Concept Map

Harbormaster Hawkins commented that the original application was pretty thin and that this additional information is helpful in considering the lease.

Commissioner Zimmerman commented that he thinks it would be helpful to have something in the lease that if the city needs the property we can offer them another property to move to. It's hard to say what will happen on that part of the spit over the next 20 years and he hates to completely tie it down.

Relating to questions of future use in the marine industrial area by Commissioner Stockburger, Harbormaster Hawkins said what is addressed in the Comp Plan is to straighten Outer Dock Road and align it behind those leases rather than going through the middle of the camp ground. City Planner Abboud confirmed the lease property is zoned marine commercial. He said it's on the boundary of marine industrial and could be changed as circumstances change.

Commissioner Carroll said he thinks marine industrial could work in the area of the dredge spoils, and agrees with the idea of having language in the lease that the City could require they move to another lot, if the applicant agrees to it. But he doesn't want to limit business.

Commissioner Donich commented that the zoning allows for this business and doesn't see how they could deny the lease. If they did have a boat yard area, the lot next to it with the RV parking and the little store might be better since its back off the road.

ZIMMERMAN/STOCKBURGER MOVED THAT THE COMMISSION RECOMMENDS THIS LEASE IS ALLOWED TO BE TRANSFERRED WITH THE 20 YEARS BUT WITH THE CAVEAT THAT SAYS THEY COULD BE MOVED IF A NEED ARISES FOR THE PROPERTY.

There was discussion that there aren't specific ideas for what an alternate use would be for the lot, that the Comp Plan doesn't call for a specific change, and that there aren't any proposals for another use. Harbormaster Hawkins noted that they didn't talk about whether it should go out for RFP. He also noted that there is language in every lease that gives both parties the option to cancel the lease. It was also suggested that the lot has to be brought into compliance.

VOTE: YES: DONICH, ZIMMERMAN, ULMER, CARROLL, STOCKBURGER

Motion carried.

NEW BUSINESS

- A. RV's on the Spit
 - i. Memo to Port & Harbor Commission from Planning Department Re: RV's in the Marine Commercial and Marine Industrial Districts dated February 20, 2015

Harbormaster Hawkins explained there are situations on the spit where a lot of lessees have a code violation of an RV on their lease. There is also an issue with RV's staying on the spit after the campgrounds close in the fall. They move over to the memorial as it is listed as a campground off season, but conflicts with the seven day parking rule. He also questions when camping becomes permanent living.

There was brief discussion that the parking could be changed to longer term in the winter and back to seven days when the campgrounds open. It was suggested the definition of camping with an RV could be changed to say the RV has to be licensed, functionally ready for the road, and can be moved. There is ambiguity in code relating to what is and isn't legal relating to RV storage and how to deal with different scenarios.

The Commission did not take action on this agenda item but agreed to talk about it further at the next meeting.

- B. Parking on the Spit
 - i. 2014 Parking Enforcement Summary & EOY Revenue Statistics
 - ii. Spit Comprehensive Plan Parking Concept Map

The Commission talked about implementing paid parking throughout the spit utilizing kiosks that will accept credit cards. There are kiosks that are solar powered, wifi connected, and could be located in the different lots. The customer pays, displays the ticket on the dash and then can park on the spit for their allotted time. It would help streamline the process that is in place.

STOCKBURGER/ZIMMERMAN MOVED TO ASK STAFF TO LOOK INTO COST FOR PARKING KIOSKS.

There was a brief comment about options for parking rates for different scenarios and including boat trailers and RVs.

VOTE: YES, ULMER, ZIMMERMAN, CARROLL, STOCKBURGER, DONICH

Motion carried.

INFORMATIONAL ITEMS

- A. Monthly Statistical & Performance Report
- B. Weekly Crane and Ice Report
- C. Deep Water Dock Report
- D. Pioneer Dock Report & Ferry Landings Report
- E. Water Usage Report
- F. Letter from Scifres Re: Need for Weekly Harbor Rate dated January 28, 2015
- G. 2015 Council Meeting Attendance

The Commission acknowledged the letter included regarding weekly harbor rates and made no recommendation for future action.

COMMENTS OF THE AUDIENCE

Kevin Hogan, city resident, commented that he appreciates the comments regarding expanding the revenue base and also about the parking kiosks. He suggested putting a lot out for RFP for someone to open a trailer storage business. Northern Economics has done a lot of studies for the city as sole source. He encouraged putting any more studies out for RFP to get the best deal. He remembers a health reserve generated by the fish dock that was used for the fishing hole and never reimbursed. He encouraged them not to be short sided about RV's, they bring a lot of money to the town. If you make rules, enforce them evenly.

COMMENTS OF THE CITY STAFF

Deputy City Clerk Jacobsen said if Commissioner's need more time with their packets before the meeting to let staff know and we can make adjustments to the deadline. She encouraged them to let staff know ahead of time if they need additional information so it can be made available. The Commission has been working on rates for a long time and encouraged them to look at what's best for the Homer harbor and start making some progress, because right now it's going in circles.

COMMENTS OF THE COUNCILMEMBER *(If one is assigned)*

COMMENTS OF THE CHAIR

COMMENTS OF THE COMMISSION

Commissioner Carroll had no comment.

Commissioner Donich had no comment.

Commissioner Zimmerman commented that it has taken a long time to do the rates, but they have to get it right. They are looking at other revenue streams and need to find a way to make the maximum amount of people happy.

Commissioner Stockburger thinks it's good they are looking at other revenue sources to help lessen the impact on the users. He also likes that they are looking at parking, especially the trailer parking. No place else he goes let's people store trailers for free.

Chair Ulmer thanked everyone for a good meeting.

ADJOURN

There being no further business to come before the Commission the meeting adjourned at 7:47 p.m. The next regular meeting is scheduled for Wednesday, March 25, 2015 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: _____