

PORT AND HARBOR ADVISORY COMMISSION
SPECIAL MEETING
NOVEMBER 9, 2016

Session 16-09, a Special Meeting of the Port and Harbor Advisory Commission was called to order by Chair Ulmer at 6:00 p.m. on November 9, 2016 at the City Hall Conference Room located at 491 E. Pioneer Avenue, Homer, Alaska.

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

STAFF: HARBORMASTER HAWKINS
DEPUTY CITY CLERK JACOBSEN

APPROVAL OF THE AGENDA

Chair Ulmer called for a motion to approve the agenda.

STOCKBURGER/HARTLEY MOVED TO APPROVE THE AGENDA AS WRITTEN

There was no discussion

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA

Kevin Hogan, city resident, commented for the record expressing his disagreement with the process and manner the agenda items have been handled. He noted his 20 plus year experience in dealing with the City's leasing process and his time served on the Economic Development Advisory Commission, Port and Harbor Advisory Commission, and the City Council. Mr. Hogan commented regarding discrepancies in HCC 18.08 and the Property Management Policies and Procedures manual (PMPP). HCC 18.08 mandates the formation of a lease committee and the committee's duties are outlined in the PMPP. He expressed no opposition to approving the leases included on the agenda but strongly disputed the process in which the city reviews the leases and that the recommendations now come from the Lease Advisors. Mr. Hogan believes there should be a lease committee that includes members of the public and a commissioner from this group and that it should be subjected to the requirements of the Open Meetings Act. He also commented about his concerns with the oversight of current leases and dissatisfaction in dealings with the City Manager's office regarding his request for a lease assignment.

Mike McCune, part owner of the Fish Factory, noted the time restraints regarding their application and permitting requirements to be operating by January 1. He appreciates their time and is available tonight to answer questions they may have.

Ken Landfield, city resident, commented in support of the Pier 1 lease. He summarized this year's summer productions, statistics of volunteers and attendance, and the benefit the theater brings to our community.

Duff Hoyt, Icicle Seafoods manager, thanked the Commission for their service and said he is available tonight to answer questions.

Jennifer Norton, Artistic Director for Pier 1 Theater, recognized former Artistic Director Lance Petersen for his years of work and commented in support of the theater's lease.

NEW BUSINESS

- A. Assignment of Lease for Bob's Trophy Charters on Tract 1-B and Awarding Todd Strand, DBA Bob's Trophy Charters a 20-Year Lease with two, five-year options for Tract 1-B, Fishing Hole Subdivision No. 2

Harbormaster Hawkins reviewed the lease information provided in the packet.

Todd Strand, applicant, attended via telephone.

Discussion points included:

- The current lease is being terminated as there is only one year left.
- The applicant will address the sign code violation with planning and the commission encouraged to try to find a way to keep the halibut painted on the side of the building.
- There is not a sublease required for the antenna that Spit Spots has on the building because there is no compensation for the antenna to be on the roof.
- The applicant confirmed he has no plans to change the building at this time.

Chair Ulmer read the recommendation included in the memorandum:

The City Manager and Port and Harbor Staff recommends approving Resolution 16-xxx, approving an assignment of lease for Bob's Trophy Charters on Tract 1-B and awarding Todd Strand, dba Bob's Trophy Charters a 20-year lease with two, five-year options for Tract 1-B, FISHING HOLE SUBDIVISION NO. 2, with an annual base rent of \$6,256.80 (subject to change as determined by lease negotiations and/or ordered appraisal if needed), and authorizing the City Manager to move forward with lease negotiations and execute the appropriate documents.

Chair Ulmer asked for a motion to approve the recommendation.

CARROLL/DONICH SO MOVED

There was no further discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- B. Assignment of Lease for The Fish Factory on Lot 12-A1 and Awarding Seven Seas Fish Co. DBA Alaskan Fish Factory a new Lease with options to Renew for Lot 12-A1, Port Industrial No. 3, and a Portion of Lot 12B, Port Industrial No. 4

Harbormaster Hawkins reviewed the lease information in the packet.

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Chair Ulmer read the recommendation included in the memorandum:

The City Manager and Port and Harbor Staff recommends approving Resolution 16-xxx, approving an assignment of lease for The Fish Factory on Lot 12-A1 and awarding Seven Seas Fish Company, Ltd., dba Alaskan Fish Factory, Ltd. A new lease with options to renew for Lot 12-A1, PORT INDUSTRIAL NO. 3, and a Portion of Lot 12B, PORT INDUSTRIAL NO. 4, with an annual base rent of \$26,119.80 (subject to change as determined by lease negotiations and/or ordered appraisal if needed), and authorizing the City Manager to move forward with lease negotiations and execute the appropriate documents.

Chair Ulmer asked for a motion to approve the recommendation.

STOCKBURGER/CARROLL SO MOVED

There were comments supporting the lease and encouraging as much fish processing as possible. We want the processing done here, we need the fish tax.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- C. Awarding Pier One Theatre a 5-Year Lease with no options for renewal, a portion of Tract 1-A, Fishing Hole Sub No. 2

Chair Ulmer read the recommendation included in the memorandum:

The City Manager and Port and Harbor Staff recommends approving Resolution 16-xxx, awarding Pier One Theatre a five year lease with no options for renewal, for a Portion of Tract 1-A, FISHING HOLE SUB NO. 2, with an annual base rent of \$1.00, and authorizing the City Manager to move forward with lease negotiations and execute the appropriate documents.

In response to question about what the regular lease amount would be, Harbormaster Hawkins explained the property hasn't been appraised so he does not know what the amount would be.

The comment was made that this lease is kind of a gift from the enterprise to the city so perhaps the city would put some of the funds the enterprise gives them and return them to the enterprise to make up the difference.

ZIMMERMAN/HARTLEY MOVED TO APPROVE THE LEASE FOR PIER ONE.

There was brief discussion that arrangements can be made if an emergency arises and a vessel needs to be hauled out in the area. It was noted that when the theater is operating, the haul out area is used for camping.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

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- D. Awarding Cooke Aquaculture, Inc. DBA Icicle Seafoods A New 20-Year Lease with two, 5-Year Options to renew for Lot 41, Homer Spit Sub Amended ADL 18009

Chair Ulmer read the recommendation included in the memorandum:

The City Manager and Port and Harbor Staff recommends approving Resolution 16-xxx, awarding Cooke Aquaculture, Inc., dba Icicle Seafoods a 20-year lease with two, five-year options for Lot 41, HOMER SPIT SUB AMENDED ADL 18009, with an annual base rent of \$35,070.00, and authorizing the City Manager to move forward with lease negotiations and execute the appropriate documents.

Chair Ulmer asked for a motion to approve the recommendation.

CARROLL/STOCKBURGER SO MOVED

Point was raised that the lease was not included in the packet as the others were tonight. Harbormaster Hawkins confirmed this is a new lease and will be a straight ground lease just like all the others. It does not have preferential use of the cranes and they will have to address their infrastructure during negotiations. It does not include the same conditions as Icicles original lease.

In response to questions about whether there will be processing at the location, Duff Hoyt Icicle Seafoods Manager, explained currently they plan to put money into the existing plant to get it ready for next season. He gave a brief overview of Cooke Aquaculture and explained they are new to the Alaska salmon industry. In the long term, if the opportunity arises to pursue processing, they may want to do something. Mr. Hoyt added that Icicle has been a good customer of our local processors and looks forward to continuing that relationship going forward, and also working with our local fishing fleet.

The Commission asked if it would be timely to view the application at their next meeting on December 7th. Mr. Hoyt said he didn't think it would be an issue to wait for the next meeting, they should have the ground lease paperwork completed for them to review by then.

STOCKBURGER/ZEISET MOVED TO POSTPONE TO THEIR NEXT MEETING

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Commissioner Donich was excused from the meeting at 7:00 p.m.

- E. Awarding United States Coast Guard (USCG) a New One-Year Lease with nine, one-year options to renew for Lot 2, Homer Spit Four Sub

Chair Ulmer reviewed the recommendation included in the memorandum:

The City Manager and Port and Harbor Staff recommends approving Resolution 16-xxx, awarding United States Coast Guard (USCG) a one-year lease with nine, one-year options for Lot 2, HOMER SPIT FOUR SUB, with an annual base rent of \$17,058.60, and authorizing the City Manager to move forward with lease negotiations and execute the appropriate documents

CARROLL/HARTLEY MOVED TO APPROVE.

There was brief discussion about the terms of the Coast Guard lease.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

COMMENTS OF THE AUDIENCE

Kevin Hogan referenced a comment by the Harbormaster that the Lease Committee doesn't exist. Mr. Hogan said it does exist in city code and it can't be reformulated unless done so by the City Council. He reiterated his position regarding compliance with the city code, the makeup of the lease committee, and their compliance with the Open Meetings Act.

Aaron Larson from Spit Spots commented that dissatisfaction with the City's lease policy is a common theme he has heard. He suggested an alternative method of charging more and controlling less so lessee's can have more freedom with their business and commented regarding his experience with the lease process.

COMMENTS OF THE CITY STAFF

There were no staff comments.

COMMENTS OF THE CHAIR

COMMENTS OF THE COMMISSION

Commissioner Zimmerman said the idea of charge more and manage less is an interesting concept. Something he has brought up to Council that even though there may not be impropriety with a closed meeting, it can create a perception of impropriety. If the perception is there then we have distrust and that's why we have the open meetings law. It was a good meeting.

Chair Ulmer commented that a few City Managers ago when she began on the commission, they didn't even get to see the leases; they were locked up in the City Manager's office, so they are making progress.

There were no further commission comments.

ADJOURNMENT

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There being no further business to come before the Commission the meeting adjourned at 7:18 p.m. The next regular meeting is scheduled for Wednesday, December 7, 2016 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: _____