

PORT AND HARBOR ADVISORY COMMISSION
REGULAR MEETING
JUNE 22, 2016

Session 16-06 a Regular Meeting of the Port and Harbor Advisory Commission was called to order at 6:00 p.m. by Chair Ulmer on June 22, 2016 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER ZIMMERMAN, ULMER, DONICH, ZEISET AND HARTLEY

ABSENT: COMMISSIONERS CARROLL, STOCKBURGER

STAFF: HARBORMASTER HAWKINS
DEPUTY CITY CLERK KRAUSE

APPROVAL OF THE AGENDA

HARTLEY/DONICH – MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA *(3 Minute Time Limit)*

RECONSIDERATION

APPROVAL OF MINUTES

A. Regular Meeting Minutes May 25, 2016

HARTLEY/DONICH – MOVED TO APPROVE THE MINUTES AS PRESENTED.

There was no discussion.

VOTE. YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

STAFF & COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS

A. Port and Harbor Director's Report for June 2016

Harbormaster Hawkins reviewed his report focusing on the following points:

- Julie Anderson Corps of Engineers regarding the Harbor Expansion Project about steps to set that project back up and they will probably meeting in July with the City Manager in Anchorage.
- Working the past several months on the dock expansion project via weekly teleconference meetings

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- dock expansion study being conducted which also allows some design work on the harbor expansion
- allow designing a possible new Coast Guard facility in the new harbor
- met with Coast Guard Home Port Evaluation Team, looking at Kodiak, Homer, Seward and Valdez
 - USCG looking at replacing vessels with bigger newer ones and Homer has the place
 - need a federal partner to get the new harbor done
 - The newer vessels have a deeper draft and are being built to accommodate the northern climate in mind
 - None of the other ports are able to accommodate either and would have to build or tie out at and ocean pier
 - The USCG was also interested in the community and what amenities and advantages can be provided to the crew members and their families.
 - Homer has an advantage in that it is on the road system and they can build a harbor as it's mostly a dredging operation, for large vessels.
- Put out a fire from an explosion on a boat at GG Float with minor injuries, total of 5 EMS calls this month.
- Port Maintenance installed bird deterrents on the Deep Water Dock with the Cruise ship money
 - lesson learned do not build bird perches
- Installing four new cleats at the Deep Water Dock also, part of a two year project
- August will see new mooring cans installed
 - the old ones will make great yard ornaments if anyone is interested
- Signage is being installed around the harbor to notice drivers regarding pedestrians
- Completion is expected next week on the Outer Dock Road project, looks great and gained a substantial amount of space, looks really good

Commissioner Donich inquired about the Fish Dock cranes and policy of commercial vessels having priority, he reported being approached from a harbor user and asked if there is any way to designate a section as a first come first serve area since there are several other research vessels that could use those facilities as the person who approached him regarding this matter has seen on several occasions that a commercial vessel would be at the dock for several hours doing nothing and they have had to wait.

Harbormaster Hawkins explained that the Fishdock is designated as commercial vessels have priority since they paid to have the dock built but that it has always been a first come first serve basis but they are usually able to work around schedules and accommodate everyone. He suggested speaking with the Ice Plant guys as they usually know what is going on. Staff usually recommends after hours use. The harbor is very busy and it's a management thing.

PUBLIC HEARING *(3 minute time limit)*

PENDING BUSINESS

- A. Homer Marine Repair Facility
 - I. Memo to Port & Harbor Commission from Port Director Re: Worksession for the Marine Repair Facility & Proposed Trailer dated June 15, 2016

Chair Ulmer read the staff recommendation into the record.

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Staff recommends the Commission determine whether to hold a worksession for the Marine Repair Facility and proposed trailer, or have it as an agenda item at their regular meetings. Further, staff recommends a course of action/what needs to be discussed at said worksession and/or meetings.

Chair Ulmer advocated for a worksession prior to the next regular meeting, then as an agenda item to take action on their discussions.

Discussion ensued on the following:

- Organizational options and ownership of the trailer
 - City owned and operated
 - public private partnership
 - Memorandum of Agreement between the city and vessel owners, businesses or;
 - private owner/operator
- What realistic vessel size options
- Research and build a portfolio with pricing and different options to perform a cost analysis
- Goals for the project
 - Clearly define that they will be non-compete in regard to local businesses but wanting to provide haul out services to those larger vessels not served by existing businesses
- Haul out and repair yard management options
 - Recommendation to Council in the future for formation of a managing committee or Homer Marine Repair Facility board in the future of the vessel haul out and repair business
- Funding Sources

The commission agreed by consensus to have a worksession on July 27, 2016 at 5:00 p.m. The agenda will include a discussion on defining their goals, identifying the group they are targeting, what this is and what it will do.

Chair Ulmer recommended spreading the word in order to get as much input from the public as possible.

Further discussion followed on what to charge for the equipment when they are not sure what type of vessels they were providing service too. Harbormaster Hawkins was not worried and felt positive that they will succeed as they were looking to serve the next size vessel up that cannot get served. The cost of a trailer will be far less than a travel lift and it was noted that they already have the infrastructure in place. It was briefly discussed that on the size and manufacturing of the trailer but also that is what the formation of a research team would be tasked with.

Chair Ulmer inquired about a committee formation and confirmed with Deputy City Clerk Krause that they would need permission from Council to form the committee. Harbormaster Hawkins explained that he was confident that the commission can work out the details.

Chair Ulmer confirmed that commission will address the items in the staff recommendation, gauge the level of interest from boat owners and business owners and then determine if they break up into smaller groups within the commission to work on specific tasks.

Harbormaster Hawkins noted that Carey Meyer, Public Works Director was expected to attend the meeting to discuss and present the project. He might have been delayed. Chair Ulmer inquired if the

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commission wished to proceed to the next item on the agenda. The commissioners responded positively that they could do that. Deputy City Clerk Krause stated that Mr. Meyer would be present shortly he got busy with another project and requested a motion to suspend the rules to address Item B under New Business.

HARTLEY/DONICH – MOVED TO SUSPEND THE RULES TO ADDRESS ITEM B SPECIAL AREA SALES TAX, UNDER NEW BUSINESS.

There was a brief discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

- A. Seafarer's Memorial Parking Lot Expansion
 - I. Public Works Director Presentation on 95% design for Parking Lot Expansion Project

Carey Meyer, Public Works Director provided a brief summary on the status of the project, noting that they still are waiting on a permit from the Corps of Engineers, no funding source as yet designated however some suggestions were paid parking to pay back the harbor reserve fund, HART funds or possibly grants. Some other possible directions with funding in mind are to phase the project. Such as taking the overall project and doing only a portion of the project over several seasons like the grading and fill, then drainage and finally paving and striping. it was noted that you could still charge for parking although may lose several parking spaces due to not being able to keep the parking spaces delineated. Mr. Meyer then responded to a question from Commissioner Hartley: How would the rip rap protect the slope? The rip rap would protect the toe of the slope where most of the wave action hits, allow for beach grasses to grow which will also help keep the slope intact.

Additional discussion on the need for more parking on the spit to prevent the drive offs, so many people drive out to the spit not be able to locate a convenience spot and then drive off the spit and if you can keep the people on the spit that will generate more revenue which will benefit the whole city. Harbormaster Hawkins noted that the engineering was paid for by the HART Fund, and Mr. Meyer stated that under HART they have paved parking lots under the guise of being a trail head.

Further discussion on the possible revenue, fill materials needed for the project, paid parking set up similar to the Load and Launch ramp, short term parking revenue numbers, continue the one parking pass is good for any paid parking lot on the spit, free areas get used first, to make all parking areas in the core area will be permit or paid parking.

Mr. Meyer recommended that they strategize a funding mechanism and over the winter speak with the Council on funding the project.

- B. Special Area Sales Tax
 - I. Memo to City Manager from City Attorney Re: Special Area Sales Tax dated June 1, 2016

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Chair Ulmer read the title into the record. Harbormaster Hawkins relayed the previous request from the commission regarding the implementation of a special tax or sales tax to make additional revenue for the Harbor.

Discussion ensued on it being apparent to that they cannot add a separate tax on sales, the basis for this is because the sales taxes that are paid, 3% stays at the Borough level and 4.5% stays at the city. There is a "however" exception states that geographically limited areas, which the Spit is; they could implement a special tax. Point was that there were people that came to the spit to visit the businesses and the areas on the spit and did not own a boat. Chair Ulmer tried to clarify the previous discussion that the commission entertained for clarification for Commissioner Zeiset and Commissioner Hartley explained that the Harbor Enterprise Fund is funded primarily by the moorage fees and that the Harbor does not benefit from the sales taxes collected by the Harbor or the businesses on the spit. Harbormaster Hawkins added that way back in time it covered all the overhead costs back but more is happening now and they need to look forward ahead 15 years to develop a way to offset the burden of the costs such as EMS calls, the Harbor Staff is the best trained first responders and emergency personnel including fire. Everything is happening at the Harbor.

6:50 p.m. Commissioner Zimmerman arrived

Supplementary discussion included what other revenue generating ideas are out there and what other harbors are using in the state to generate revenue. The following ideas were mentioned:

- Allowing jet skis in Mud Bay
- Overslope
- Haul out
- Head Tax – Seward applied for Fish Cleaning facilities
- Fish Processing- Seward
- \$5.00 Fish Box Excise Tax – Juneau and Sitka
This is charged on every fish box sold by any retailer.
- Vending Machines
- Pay Toilets
- Paid Parking Lots
- Marijuana Store

The intent is to spreading the costs to all user groups such as buying fuel, fishing lures or even a radio everyone would be paying that tax not just one group. Commissioner Donich related what he collected in sales tax on a charter recently. He stated that there is no \$500 cap on his business and related that to having a head tax since 2007 when the borough implemented it.

Harbormaster Hawkins added that they have discussed this many times in the past and when it comes to budget time they have approached the City to request a reduction in the charges to the Harbor, but they are strapped and they have requested from the Borough who shares in the Fish Tax revenue but they declined. The Harbor funds the facilitation of that tax being generated and the Borough politely declined. It seems that this may be an option and is there another question to put forth to attorney.

Commissioner Zimmerman inquired about implementation of a tax on the spit, such as can you tax a meal on the spit? It seems like a difficult thing to do. Commissioner Donich stated that he would be

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willing to do the leg work to find out how the Head Tax works in Seward and the Fish Box tax works in Juneau.

A brief discussion on charging a sales tax on the spit and the collection of that tax may be feasible but then the responsibility will be on the city for collection of the sales tax.

Commissioner Hartley offered one last comment regarding the difficulty of finding parking on the spit because of all the people using the harbor and not paying any fees such as moorage. Those visitors benefit the retailers however there is no direct benefit to the Enterprise fund. To the city yes.

Commissioner Zimmerman inquired about paid parking versus the free parking and Chair Ulmer responded that it is more of a control mechanism versus a revenue generating mechanism. Harbormaster Hawkins stated that if they want to change the focus of their goals to generate revenue then they will need to make some changes. After 8 years the parking is safer on the spit. Chair Ulmer added that they could invest in more iron rangers. Harbormaster Hawkins stated he was going to make a recommendation to buy more of the parking kiosks since a \$5.00 bill can get counted up to five times over.

INFORMATIONAL MATERIALS

A. Harbormaster's Monthly Statistical Report for May 2016

A brief discussion on the increase in the stall wait list was encouraging and supportive of the need to expand the harbor and that the rates were acceptable and that everyone on that list is paying \$30 per year to be on that list.

B. Water/Sewer Bills Report for May 2016

Commissioner Zimmerman noted that amounts were up over 2014 but down from 2015 and requested clarification on the excess used. Harbormaster Hawkins noted that they turned the water on earlier but did note some other areas that conservation methods need to be implemented such as the fish cleaning tables at Ramp 4. He further noted that the new system has already paid for itself.

- C. Crane and Ice Report
- D. Deep Water Dock Report
- E. Pioneer Dock Report
- F. Dock Water Report
- G. Commissioner Attendance at City Council Meeting

Commissioner Zeiset was scheduled to attend the July Council meeting and he can contact Harbormaster Hawkins on what items to bring to the Council's attention prior to the meeting.

Commissioner Zimmerman requested the Harbor Rates on the agenda for discussion.

Commissioner Hartley noted that they should have a discussion on transit vessel rates. Harbormaster Hawkins agreed that they should review a reduction in the annual transit rates. A brief discussion ensued on what vessels are paying what rates and are transit and that it's that time of year.

Commissioner Zimmerman also brought up how HEA charges for electricity for the larger commercial users and how do you draw a line on what is fair and equitable?

Harbormaster Hawkins appreciated the commissioners speaking to Council and believed that with so many coming before the Council it confused them and that is why they postponed the ordinance. He has extended an offer to speak to the Council and answer any questions and concerns. He does not believe that a Task Force will provide any benefit. He believes the commission has presented the best and fairest solution at this time. Commissioner offered their comments on they did their best to address the concerns of all groups regarding fairness of the rates.

COMMENTS OF THE AUDIENCE

Abigail Turner, Project Coordinator, The North Pacific Fisheries Association (NPFA), representing commercial fisherman and fishing families from Homer who are out currently fishing around the state, the sustainable seafood our members harvest is enjoyed by consumers and patrons both local, throughout the state and around the world.

Our organization understands the fleet-wide enthusiasm for a large vessel haul out facility and hopes that initial analysis and recommendations made to the city will continue. NPFA members alone own and operate over 20 large vessels that can be hauled out for emergency mechanical issues along with biannual and annual general maintenance work. Pneumatic bags that are currently used is a positive first step, but most vessels greater than 70 tons currently travel to Kodiak, Seward or boatyards further south such as Washington, Oregon because of superior facilities.

Our fleet needs a long time solution. Time spent elsewhere is loss business, revenue, taxes and wages to the community moreover it often means more time away friends, family and loved ones. Beyond Homer's local fleet a large vessel haul out creates vast opportunity for large vessels within the and outside the fishing industry to travel to Homer and use our facilities, employ local workers, and contribute to our community.

Homer is one of the most well recognized maritime centers in the state. Over the past two decades more boats are being built from fiberglass and aluminum in Homer than anywhere else in Alaska. Fleet and Marine transportation continues to grow with more barges, tug and tow, landing crafts operating from our waters. Unlike many coastal communities Homer's climate is mild, on the road system and some of the best marine trades in the state. For these reasons vessel owners and operators consistently choose Homer's propellers experts, upholsters and canvas specialists, net builders, welders and mechanics to name a few above others state wide.

A large vessel haul out facility is the missing link within Homer's maritime industry. After a series of meetings, NPFA members are encouraged by the recommendations that the Task Force forwarded to Council.

Additionally, we are pleased that the Task Force recognized the economic opportunity provided for local marine trades as well as the benefit to the local restaurants, lodging and transportation businesses from the increased activities. NPFA encourages the Port and Harbor Commission to consider the Task Force past recommendations and continue the positive trajectory for a large vessel haul out. We request that the worksession the commission is suggesting include as much input as possible from the principle stakeholders as the large vessel owners, marine trades, etc. which may require waiting until the end of summer.

COMMENTS OF THE CITY STAFF

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Harbormaster Hawkins noted that they have learned from past projects that they cannot wait until everyone is available. It was a good meeting thank you.

Deputy City Clerk Krause stated it was a good meeting, interesting as always.

COMMENTS OF THE CHAIR

Chair Ulmer had no comments.

COMMENTS OF THE COMMISSION

Commissioner Zeiset and Hartley had no comments.

Commissioner Zimmerman apologized for being late.

Commissioner Donich commented that he considers them the Little Harbor that could.

ADJOURN

There being no more business to come before the Commission Chair Ulmer adjourned the meeting at 8:07 p.m. The next regular meeting is scheduled for July 27, 2016 at 6:00 p.m. in the City Hall Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.

RENEE KRAUSE, CMC, DEPUTY CITY CLERK I

Approved:_____