



City of Homer

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Memorandum

Agenda Changes/Supplemental Packet

TO: MAYOR PRO TEM ADERHOLD AND HOMER CITY COUNCIL
FROM: MELISSA JACOBSEN, MMC, CITY CLERK
DATE: FEBRUARY 12, 2018
SUBJECT: AGENDA CHANGES AND SUPPLEMENTAL PACKET

RECONSIDERATION

Ordinance 18-04, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 21.03.040 to Define "Employee-Occupied Recreational Vehicles"; Title 21.54 to add 21.54.325, Permitting Employee-Occupied Recreational Vehicles in the Marine Commercial and Marine Industrial Zoning Districts; and Amending 21.54.200 and 21.54.210 to Reflect the Newly Permitted Use in these Districts. Smith. Introduction January 8, 2018, Public Hearing and Second Reading January 22, 2018. Notice of Reconsideration issued by Erickson.

Written Public Comment

Page 3

REPORTS

Alaska Gasline Development Authority Community Advisory Commission Report -
Councilmember Stroozas – Presentation copy

Page 19

RESOLUTIONS

Resolution 18-016(S), A Resolution of the City Council of Homer, Alaska, Awarding a Contract for the Harbormaster Building Emergency Generator 2018 to the firm of Liberty Electric Inc, of Homer, Alaska in the amount of \$22,237 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director.

Page 25

Memorandum 18-021 from Public Works Director as backup

Page 27

Resolution 18-017(S), A Resolution of the City Council of Homer, Alaska, Awarding a Contract for Operation and Maintenance of the Port and Harbor Fish Grinding Facility to The Alaskan Fish Factor

of Homer, Alaska, in the amount of \$32 per man hour, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Port and Harbor Director. Page 29

Memorandum 18-022 from Port Director as backup Page 31

Resolution 18-018, A Resolution of the City Council of Homer, Alaska, Establishing a Water and Sewer Rate Task Force with a Primary Focus on Commercial Rate Equity. Erickson.

Resolution 18-018(S), A Resolution of the City Council of Homer, Alaska, Directing the Economic Development Advisory Commission to Annually Review Water and Sewer Rates for High Volume Users. Erickson.

Written Public Comment Page 39

Resolution 18-019, A Resolution of the City Council of Homer, Alaska, Amending Chapter 2, Section 2.2 of the City of Homer Property Management Policy and Procedures (Lease Policy) Regarding Committee Membership and Making Other Necessary Changes to Lease Policies. Erickson/Smith.

Lease Management History, Memorandums 07-78 and 07-79, and Resolution 07-25(A) as backup Page 33

Written Public Comment Page 39

Resolution 18-020, A Resolution of the City Council of Homer, Alaska Providing Direction Regarding the Final Design of Greatland Street Extension Project. City Manager/Public Works Director. Page 51

From: Frank Griswold
To: [Melissa Jacobsen](#)
Subject: Proposed Ordinance 18-04
Date: Monday, February 12, 2018 10:30:01 AM

To Mayor and Council:

If caretaker motorhomes are allowed in Homer's marine zoning districts, many Spit businesses will likely rent one out to pseudo "employees" to generate additional revenue thereby reducing the availability of customer parking which is already in short supply. Furthermore, once Ordinance 18-04 is enacted, it will be difficult to deny caretaker motorhomes to businesses within the Central Business District and other zoning districts. There were very good *public policy* reasons for restricting motorhomes in the Marine Districts and none for now relaxing those restrictions. Fiscal zoning is totally violative of the basic principles of zoning. See *Concerned Citizens for McHenry, Inc. v. City of McHenry*, 76 Ill.App.3d 798, 32 (1979); *Oakwood at Madison, Inc. Township of Madison*, 117 N.J. Super. 11, 283 A.2d 353, 357 (1991) (finding that "fiscal zoning per se is irrelevant to the statutory purposes of zoning [although] alleviating tax burden is a permissible zoning purpose if done reasonably and in furtherance of a comprehensive plan." I am not aware of any goal or objective within the Homer Comprehensive Plan promoting the proliferation of caretaker motorhomes on the Homer Spit or elsewhere within the community.

Frank Griswold





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February 25, 2003

VIA FACSIMILE AND
U.S. MAIL

Homer Advisory Planning
Commission
City of Homer
491 East Pioneer Avenue
Homer, AK 99603

Re: Contract Rezoning and Spot Zoning

Dear Members of the Commission:

You have asked for my advice about whether contract rezoning under HCC 21.63 is unlawful spot zoning.

Short Answer

Whether the contract rezoning is "spot zoning" depends on whether the rezoning in question bears a reasonable relationship to legitimate public purposes. This requires a case-by-case analysis of how the proposed rezoning satisfies the comprehensive plan, and the benefits and detriments of the rezoning on the property owner, neighbors, and the community at large.

"Contract rezoning" is sometimes found to be illegal or unconstitutional. The Alaska Supreme Court has never decided this issue, and courts from other states are divided. If the city does not contract away any legislative authority, "contract rezoning" is probably not illegal *per se*. If the contract rezoning has a reasonable relationship to legitimate public purposes and the conditions imposed on the property are causally related to the rezoning, then the rezoning would probably withstand "as applied" scrutiny as well.

Spot Zoning

It is important to understand first that contract rezoning is a form of rezoning that involves, most likely, small parcels. Rezoning of a small parcel is a legislative act.

[13126-0500/AA030520.018]

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Perkins Coie LLP (Perkins Coie LLC in Illinois)

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Cabana v. Kenai Peninsula Borough, 21 P.3d 833 (Alaska 2001). It must be accomplished by ordinance and satisfy the standards that generally apply to zoning legislation, subject to any specific requirements or exemptions made applicable by HCC Chapter 21.63.

"Spot zoning" has been defined as "the legal term of art for a zoning decision, which affects a small parcel of land and which, is found to be an arbitrary exercise of legislative power." *Griswold v. City of Homer*, 925 P.2d 1015, 1020 n. 6 (Alaska 1996). By this definition, spot zoning always involves a small parcel and is illegal. However, not all small parcel zoning is illegal spot zoning. The ultimate question is whether the legislation is the result of "prejudice, arbitrary decision-making, or improper motives." *Id.* at 1019. If the rezoning has a reasonable relationship to a legitimate public purpose, it is not arbitrary and, therefore, is not be unlawful spot zoning.

One of the factors that must be determined before a contract rezone application can be approved is that the rezoning "does not constitute spot zoning." HCC 21.63.020(b)(1). In other words, the Planning Commission must make an express (and reasonable) determination that the rezoning is for a legitimate public purpose and not arbitrary. Because this ordinance must subsequently be approved by the City Council, the Council must also accept that determination if it approves the rezoning.

In determining whether a rezoning constitutes "spot zoning," our court has said it will consider "(1) the consistency of the amendment with the comprehensive plan; (2) the benefits and detriments of the amendment to the owners, adjacent landowners, and community; and (3) the size of the area rezoned." *Griswold*, at 1020. No one of these factors is controlling, but the court will probe in each one of these areas looking for the expression of legitimate public purpose justifications reasonably related to the rezoning. In the end, the court is looking to see if the rezoning is motivated by community benefits rather than primarily to benefit a particular property owner.

It must be concluded that this parcel, less than one acre in size, will be deemed to be a small parcel. That does not mandate the conclusion that this is spot zoning, however. "A parcel cannot be too large per se to preclude a finding of spot zoning, nor can it be so small that it mandates a finding of spot zoning." *Griswold* at 1024. However, it is reasonable to suspect that court may require a smaller parcel rezone to be supported by a greater or clearer expression of legitimate public purpose than a large parcel.

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Any proper rezoning, regardless of size, should include a thoughtful examination of how the rezoning is consistent with the comprehensive plan and how it benefits the owners, adjacent landowners, and the community. Legitimate *public purposes* must underlie the approval of any zoning legislation. Therefore, if the Planning Commission and the City Council conclude that a rezoning is not arbitrary, but rather bears a reasonable relationship to legitimate public purposes, and those conclusions are supported in the legislative record, the rezoning will likely be found to not be spot zoning.

In reviewing a particular rezoning application, the Planning Commission should review and discuss every one of the factors that the *Griswold* court said were relevant.

Contract Rezoning

Sometimes contract rezoning (regardless of the size of the parcel) is found to be unlawful. Our Supreme Court once made this observation in a case involving the City of Homer's revocation of a rezoning contract:

No argument has been made [by the parties in the case] that contract zoning is itself unconstitutional and therefore for the purposes of this case we assume that it is not. We note, however, that there are authorities which hold that contract zoning is unconstitutional. See 1 P. Rohan, *Zoning and Land Use Controls* § 5.01[3]. (1986).

City of Homer v. Campbell, 719 P.2d 683, 685 n. 3 (Alaska 1986). Note carefully that the court did not say contract rezoning was unconstitutional. It said some authorities hold that it is, but the reverse is also true — some courts hold that it is not. Our court made no decision because the issue had not been raised. No subsequent Alaska case has raised this issue, either.

The court in the *Campbell* case cited 1 P. Rohan, *Zoning and Land Use Controls* § 5.01[3]. (1986). In the 1993 update of the same treatise, chapter 5.01, entitled "Contract and Conditional Zoning," occupies 169 pages of text. The subject is not simple, and any attempt to summarize the law must, of necessity, gloss over many fine nuances. Nevertheless, the following "brief" discussion may be of some help to you.

Bearing in mind that he is not discussing Alaska statutes or court decisions, Rohan distinguishes contract zoning from conditional zoning in this way:

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[T]he negotiation of zoning conditions has been at times almost indistinguishable from the process of negotiating a contract. After all, an exchange of promises may ultimately lie at the heart of the process. Such an exchange may be a power of the state, but it is usually not authorized by a state's enabling zoning legislation and thus not clearly within a locality's authority. This state of affairs led initially to many decisions striking down zoning with conditions, and, although this trend has been reversed in recent years, conditional zoning remains subject to similar challenges today.

Thus, initially, when localities attempted to impose conditions on a developer seeking to rezone property, the courts labeled such conditions "contract zoning" and almost uniformly struck down the governmental action. Over time, the term "contract zoning" achieved a secondary meaning not unlike the term "spot zoning." In this view, "contract zoning" was a form of judicial shorthand used to justify a decision to strike down the zoning change without careful or thoughtful analysis.

It should not be surprising, then, that advocates of zoning with conditions developed a narrower definition of "contract zoning" and coined a new phrase — "conditional zoning" — so as not to fall into the class of decisions that labeled conditions invalid per se as a class of "contract zoning." The narrow definition attempts to limit "contract zoning" to those cases where there is "... the undertaking of reciprocal obligations with respect to zoning amendment of a property user and the zoning authority. ...

... Under this approach, in a true case of contract zoning, the government agrees to rezone (and possibly agrees not to change its mind), and the developer agrees to conditions that would otherwise not be applicable to his land. On the other hand conditional zoning is analogous to a unilateral contract; the local government does not promise to rezone but either voluntarily, or through negotiation with the developer, agrees to conditions that are otherwise not required in the proposed zone. The conditions can be made a part of the zoning ordinance text or be evidenced

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by the recording of enforceable covenants binding the developer and his assignees to the negotiated conditions.

Rohani, § 5.01[2] at 5-10 through 5-13 (1993). In discussing the legality of contract and conditional zoning, Rohan continues:

As noted in the previous section, the principal difference between contract and conditional zoning is that with the latter the local government does not commit itself to any legally enforceable reciprocal promises. This distinction has a superficial attractiveness because it allows one to argue that in contract zoning the local governmental body has bargained away its police powers, while with conditional zoning no such express bargaining has taken place. The problem with this neat unilateral versus bilateral contract dichotomy is that the judicial opinions do not always follow the script. In fact, the distinction is often overlooked entirely by the courts; this may help to explain why the courts are split over the legality of conditional zoning.

Indeed, the early trend was to ignore these distinctions and to declare contract and conditional zoning invalid *per se*. The modern trend, with a few exceptions, is to ... find that conditional zoning is not *per se* invalid. However, conditional zoning may still be found invalid as applied in specific circumstances.

Id. § 5.01[3] at 5-15 through 5-19. Rohan then cites the growing use of development agreements as evidence of growing judicial and legislative support for conditional zoning, including both unilateral and bilateral agreements. He then continues:

The legality of conditions imposed on a rezoning or zoning petition should be decided on the merits of the issues involved and not by the use of the labels "contract" or "conditional" zoning. Whatever label the court attaches to the imposition of conditions that accompany a zoning or rezoning decision, the real issue is whether or not the mere act of conditional zoning is *per se* invalid and, if not, whether under the particular circumstances the inclusion of the conditions makes an otherwise valid exercise

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of the police power invalid. The principal arguments used to support the conclusion that contract or conditional zoning is "per se" invalid are that it is an illegal bargaining away of the legislative authority or that it is *ultra vires*.¹ The principal "as applied" arguments in particular cases are that the action constitutes spot zoning by singling out one parcel for nonuniform and noncomprehensive treatment, or that the conditions are not reasonably or causally related to the requested zoning or rezoning petition.

Id. at 5-21 through 5-23 (emphasis added).

Does Alaska law support the principal arguments that contract or conditional zoning are invalid *per se*? If a rezoning contract bargains away future legislative authority, it is unenforceable under Alaska law. See *Mt. Juneau Enterprises, Inc. v. City and Borough of Juneau*, 923 P.2d 768 (Alaska 1996) (a contract binding a municipality to a future legislative act is unenforceable and void as against public policy). However, a "contract" that does not bargain away legislative authority, i.e., leaves the municipality free to enact future legislation in the public interest, would not suffer from this defect.

Rohan's other principal argument for *per se* invalidity is that conditional zoning is *ultra vires*, i.e., beyond the lawful authority of the municipality. In my opinion, Alaska law does not support this argument. The land use regulation authority of municipalities is very broad. Local governments are authorized to

adopt or amend provisions governing the use and occupancy of land that may include, but are not limited to,

...

(2) land use permit requirements designed to encourage or discourage specified uses and construction of specified

¹ The *ultra vires* argument is based on the lack of authority for the local governmental unit to engage in contract or conditional zoning.

Reid 05-10/04
12:00/04
h.

PERKINS COIE LLP

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Curl: sent to
RELEASED 4/10/98

April 3, 1998

Mayor Jack Cushing
City Council
City of Homer
P. O. Box 3339
Homer, AK 99603

Re: Zoning -- Legitimate Objectives of Zoning

Dear Mayor Cushing and Members of the Council:

Council Member Parks recently asked two questions in the context of considering an amendment to the zoning code to allow car washes as conditional uses in the CBD:

1. Are any of the following objectives legitimate reasons to amend a zoning ordinance?

- a). Increase business competition;
- b). Build the tax base;
- c). Increase sales tax revenues;
- d). Create jobs.

2. Does a non-conforming ("grandfathered") use set a precedent, or serve as a valid reason to amend the code to allow similar establishments as conditional uses throughout the zone?

DISCUSSION

I. LEGITIMATE OBJECTIVES OF ZONING

In questioning the legitimate objectives of zoning legislation, a distinction must be drawn between the objective or purpose accomplished by the ordinance and the

(13126-0360;AA090930.002)

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motives of the individual City Council members. The motives of the individuals are essentially irrelevant, and the courts will not question them on their individual intent. Instead, the court seeks to discover the intended effect of the ordinance by examining the language of the ordinance and its probable effect. If there is ambiguity in the language, they may examine extrinsic facts, including legislative history. "But they seek the objective purpose of the ordinance, not the motives of the legislators who adopted it." 1 Anderson's American Law of Zoning § 7.01 at 733 (4th ed. 1996).

Anderson's American Law of Zoning devotes an entire chapter of 97 pages to a discussion of the legitimate objectives of zoning. In comparison, this summary will be exceedingly brief. In the most general terms, a zoning ordinance will be upheld if it has a tendency reasonably to serve the public health, safety, or general welfare. *Id.*, § 7.03 at 735; see *Seward Chapel, Inc., v. City of Seward*, 655 P.2d 1293 (Alaska 1982).

The Homer zoning code states proper objectives in its statement of purpose, H.C.C. § 21.28.020, which provides:

This chapter and chapters 21.30 through 21.70 are adopted in order to enhance the public health, safety and welfare by providing local authority to:

- A. Designate, regulate and restrict the location and use of buildings, structures and land for residence, commerce, trade, industry or other purposes;
- B. Regulate the height, number of stories, and size of buildings and other structures hereinafter erected or alterations to existing buildings;
- C. Regulate and determine the size of yards and other open spaces;
- D. Regulate and limit the density of population;
- E. Conserve and stabilize the value of property;
- F. Provide adequate open spaces for light and air; and to prevent and fight fires;
- G. Prevent undue concentration of population;
- H. Lessen congestion on streets and highways;
- I. Promote health, safety and general welfare.

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These are typical zoning purposes, all of which are discussed in Chapter 7 of Anderson's American Law of Zoning.

The health objective includes such purposes as providing adequate light and air, relieving overcrowding of land or undue concentration of population, and providing adequate recreation areas. The safety objective includes such things as lessening congestion in the streets, traffic control, restriction of commercial uses, and avoidance of flood hazards, to name a few. Providing for the general welfare of the community is another legitimate objective, which includes the preservation of pleasing aesthetic values¹ and the avoidance of common law nuisance uses.

One section of the Standard State Zoning Enabling Act (a model act) states one objective of zoning is "conserving the value of buildings and encouraging the most appropriate use of land throughout the community." 1 Anderson's American Law of Zoning, § 7.12 at 753. This is generally accepted as a legitimate objective. In other words, zoning may prohibit uses that will have a tendency to destroy or diminish existing property values.

The use of zoning ordinances to achieve economic objectives, such as the four objectives cited in your question, presents a complex question. Courts generally disapprove of the use of zoning to regulate or restrict business competition. *Id.*, § 7.28 at 805. See *Earth Movers of Fairbanks, Inc., v. Fairbanks North Star Borough*, 865 P.2d 741, 744 (Alaska 1993) ("The prevention of competition is not a proper element of zoning.") However, almost all zoning regulation has some impact on competition, so it is difficult to isolate those regulations that are intended solely or primarily for the purpose of regulating business competition. Because of this, courts will approve zoning ordinances that serve some established purpose of zoning, and will not find them invalid simply because they have the additional effect of limiting competition. 1 Anderson's American Law of Zoning § 7.28 at 807. Anderson's cites several examples where the denial of permits for new businesses was held to be improper where the denial was based in large part on the existence of an ample number of like businesses in the vicinity. *Id.* at 809.

¹ *Barber v. Municipality of Anchorage*, 776 P.2d 1035, 1037 (Alaska 1989) cert. denied 493 U.S. 922. ("It is established that the government's interest in aesthetics is substantial and should be accorded respect.")

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While the preservation of the value of property is generally accepted as a legitimate objective of zoning, there seems to be a tendency for courts to disapprove zoning ordinances whose sole or principal purpose is producing property or sales tax revenue. *Id.*, § 7.30 at 819-820. However, it may also be said that a zoning ordinance calculated to encourage sound community development seems bound to enrich the tax rolls; such a secondary effect on tax revenues does not render the measure invalid. *Id.* I think the distinction here is that a zoning ordinance that has as its apparent purpose the production of revenue at the expense of the community's general welfare will be invalid, while an ordinance that has as its purpose the advancement of the community's general welfare will be valid, even though it has a secondary effect of increasing the tax base or generating additional sales tax revenues.

Zoning for the purpose of creating jobs should be looked at in the same way. For example, zoning an area of the city for industrial uses in the hope that industry will locate in the city, create jobs, and add to the economic well-being and general welfare of the city, is a legitimate objective of zoning. However, changing existing zoning to put an industrial plant in the middle of a residential area may have a harmful effect on the general welfare of the community, even though it might generate the same number of jobs and economic activity in the city. Thus, the critical question is whether the zoning change promotes the general health, welfare and safety of the community, not whether it creates jobs, although the creation of jobs may be a beneficial effect that does help promote the general welfare of the community.

The decision of *Griswold v. City of Homer*, 925 P.2d 1015, 1023 n.9 (Alaska 1996) discussed the legitimacy of economic purposes for zoning. Concerning the validity of the Homer Comprehensive Plan's objectives of filling in vacancies in the CBD and increasing the tax base and employment, the court said:

Not all of the goals articulated by the City can be considered legitimate per se. For example, any zoning change which eases restrictions on property use could be said to further the goal of "filling in vacant places." Similarly, increasing the tax base and the employment of a community is not automatically a legitimate zoning goal. See *Concerned Citizens for McHenry, Inc. v. City of McHenry*, 76 Ill.App.3d 798, 32 Ill.Dec. 563, 568, 395 N.E.2d 944, 950 (1979) (an increase in the tax base of the community as the primary justification for a rezone is "totally violative of all

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the basic principles of zoning"); *Oakwood at Madison, Inc. v. Township of Madison*, 117 N.J. Super. 11, 283 A.2d 353, 357 (1971) (finding that "fiscal zoning *per se* is irrelevant to the statutory purposes of zoning [although] 'alleviating tax burden is a permissible zoning purpose if done reasonably and in furtherance of a comprehensive plan) (citing *Gruber v. Mayor and Tp. Committee of Raritan Tp.*, 39 N.J. 1, 186 A.2d 489, 493 (1962)"; *Chrobuck v. Snohomish County*, 78 Wash.2d 858, 480 P.2d 489, 497 (1971) (allowing industrial development on only one site would be arbitrary spot zoning despite the potential tax revenue the oil refinery would produce). Thus, the goal of increasing the tax base and employment opportunities is usually legitimate only if the ordinance is otherwise reasonable and in accordance with the comprehensive plan.

Some courts have allowed inconsistent small or single parcel rezoning in order to raise tax revenues or stimulate needed industry if the public receives higher tax revenue or employment industries. *Ziegler, supra*, § 28.04, at 28-20. Generally, the facility being built must be indisputably needed, and the city must have secured assurance as to the existence and amount of increased employment and tax revenue. For example, in *Information Please Inc. v. County Comm'rs of Morgan County*, 42 Colo.App. 392, 600 P.2d 86 (1979), the county rezoned agricultural area to industrial to accommodate an electric utility after determining the plant would add \$46,000,000 to the tax base of the county, and provide approximately 250 jobs after it was completed. *Id.* 600 P.2d at 88. In *Watson v. Town Council of Bernalillo*, 111 N.M. 374, 805 P.2d 641, 647 (App. 1991), the county made findings that the rezone would employ eighty-seven people from the community and would produce tax revenues constituting twenty-five percent of the city's budget. In *Chrismon v. Guildford County*, 322 N.C. 611, 370 S.E.2d 579, 590 (1988), the court approved the rezoning of two continuous tracts from agricultural to conditional use industrial district to facilitate expansion of an already-operating grain elevator. The court stated that the "[e]vidence clearly shows that [the owner's]

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operation is beneficial to area farmers." *Id.* It also noted that spot zoning will be allowed even where the adjacent property owners object and the owner receives a greater benefit than others if there is a community-wide need for the rezone. *Id.*

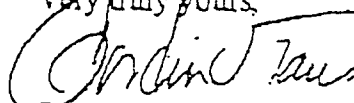
Thus, economic purposes, if the primary objective of zoning, are viewed with considerable suspicion. However, if the zoning otherwise advances the community's health, safety, or general welfare, economic benefits from the zoning are usually welcome.

II. NON-CONFORMING USE AS PRECEDENT OR REASON TO ALLOW OTHER SIMILAR ESTABLISHMENTS

Generally, the existence of a non-conforming "grandfathered" use in a zoning district is not a legal precedent that would allow other similar establishments to open in the zone. To the contrary, the ordinance serves as the legal precedent saying that such establishments are not to be allowed in the zoning district. Therefore, the controlling legal precedent is the ordinance that prohibits the use.

However, that is not to say that changing conditions, ~~difficult~~ public policies, or other legitimate reasons might exist to ~~change~~ the code to allow a use that was once prohibited. In other words, in addressing the question of whether the law should be changed to allow the use within the zone, one may look to the presence of an existing car wash and the effect it has on the zone in considering whether car washes should or should not be generally allowed within the district.

Very truly yours,


Gordon J Tans

GJT:go

*Get Involved.
Get Ready.
Get Engaged.*



agdc.us
 Facebook.com/AGaslineDevelopmentCorp
 Alaska Gasline Development Corporation


Overview

- Alaska Gasline Development Corporation (AGDC):**
 - Public corporation owned by the State of Alaska.
 - Empowered to expedite, finance, and build a gas project.
- Vision:**
 - Maximize the benefit of Alaska's vast North Slope natural gas resources through the development of infrastructure necessary to move the gas into local and international markets.




2

Investment in Alaska's Future



- Alaska LNG will be the biggest **economic driver in Alaska** since the construction of the Trans Alaska Pipeline System (TAPS).
- Alaska LNG project will spur **new resource development projects**, including mining projects and other industrial and commercial developments.
- Low cost, clean burning natural gas will spur **economic development for the next generation**.

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Alaska and China Establish Ties ALASKA GASLINE DEVELOPMENT CORP.

A surprise guest: Chinese president makes Anchorage stopover, meets Gov. Walker and takes in some sights
 #Alaska - @realDonaldTrump @realDonaldTrump @realDonaldTrump

7

Join Development Agreement ALASKA GASLINE DEVELOPMENT CORP.

- **Sinopec**
 - Very large petroleum and petrochemical enterprise group.
 - World's largest fully-integrated oil and gas company by revenue, with upstream, midstream, and downstream operations.
 - China's largest producer and supplier of refined oil products.
 - Largest oil refinery company.
 - 2nd largest chemical company in the world.
- **Bank of China**
 - World's 4th largest bank.
 - China's most internationalized and diversified bank.
 - Engages in commercial and investment banking and insurance and investment services.
- **CIC Capital**
 - World's 3rd largest sovereign wealth fund.
 - CIC Capital is a subsidiary specializing in making direct investments in infrastructure, mining, and energy (oil and gas).
 - Acquired a 10% stake in Teck Resources Limited, which operates Red Dog Mine.
 - Acquired a stake in 1 New York Plaza office tower for \$700 million (1st direct U.S. investment).

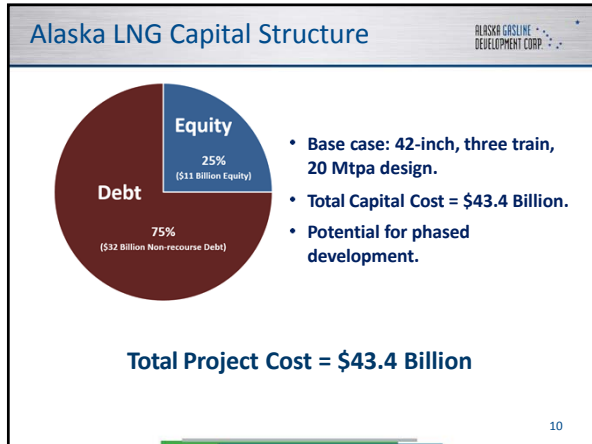
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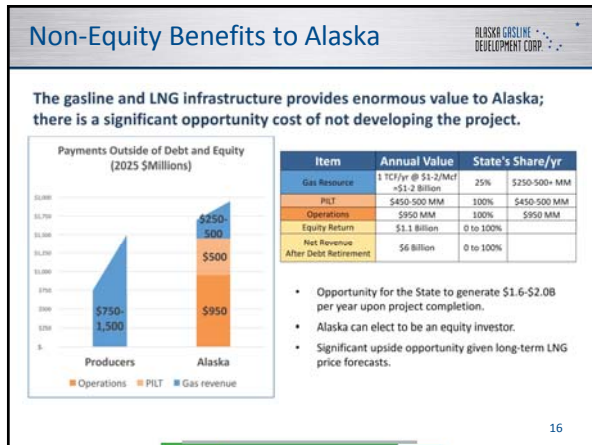
Unified Buyer/Lender Proposal ALASKA GASLINE DEVELOPMENT CORP.

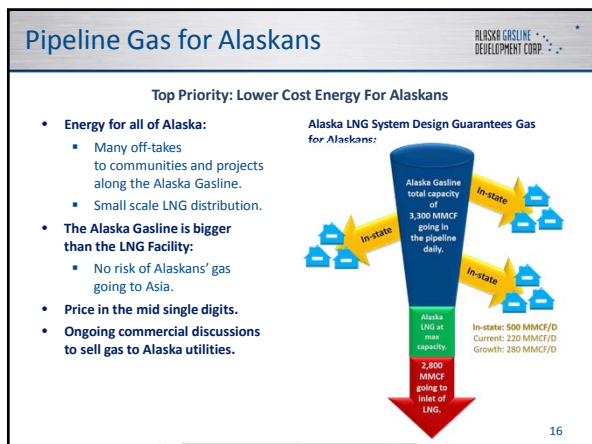
A large, state-owned, single buyer supports debt financing for associated capacity provided from in-country lender.

Remaining capacity is equity funded and sold into regional markets.

9







Clean Energy for Alaskans

ALASKA GASLINE DEVELOPMENT CORP.

- **Lower cost energy for Alaskans.**
- Clean air for Fairbanks.
- Blue skies for Beijing.
- Alaska LNG can improve China's Air Quality and offset 80 million tonnes of CO₂ per Year.



The Alaska Gasline will provide clean fuel to reduce particulate pollution in Fairbanks.



CO₂ and particulate emissions have degraded China's air quality.



China aims to boost its natural gas energy supply from 6 to 10 percent by 2020.

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Jobs for Alaskans

ALASKA GASLINE DEVELOPMENT CORP.

- **Alaska LNG will create a construction employment boom with a long-term employment future.**
 - \$400 Million in direct wages and salaries.
 - 12,000 jobs during construction.
 - 1,000 long-term operations jobs.

Learn more about opportunities and what role you can fill by visiting the Alaska Department of Labor at laborstate.ak.us.



Alaska LNG Employment Examples

- Welder - fabricates and assembles steel structures and pipelines.
- Electrician - install and repair power, control and lighting systems.
- Construction Manager - Supervises, directs and labor forces, heavy projects.
- Mechanical Engineer - Design process producing machinery.

14

The Alaska LNG Project

ALASKA GASLINE DEVELOPMENT CORP.

- **Needed:**
 - Asia market will face a supply deficit within seven years.
 - Alaska LNG is well positioned to target this supply deficit.
- **Competitive:**
 - Alaska can deliver LNG at a competitive price.
 - Alaska LNG will provide stable, predictable, long-term security.
 - Project phasing reduces risk and exposure.
- **Achievable:**
 - Pre-FEED engineering completed.
 - Environmental approval is in process.
 - In-service 2024.



21

Conclusion ALASKA GASLINE
DEVELOPMENT CORP.

The stars are aligned, seize the opportunity.



Big project. Achievable. Alaskans have done it before.

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

3 City Clerk/
4 Public Works Director

5 **RESOLUTION 18-016(S)**

6
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AWARDING THE CONTRACT FOR THE HARBORMASTER BUILDING
9 EMERGENCY GENERATOR 2018 PROJECT TO THE FIRM OF
10 LIBERTY ELECTRIC, INC OF HOMER, ALASKA, IN THE AMOUNT OF
11 \$22,237 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE
12 APPROPRIATE DOCUMENTS.

13
14 WHEREAS, The City Council approved Ordinance 17-29 accepting and appropriating a
15 State Homeland Security Program Grant for the design and installation of an emergency
16 backup generator for the Harbormaster Building; and

17
18 WHEREAS, Public Works coordinated the preparation of the generator installation
19 design and the purchase of the generator in accordance with the City's procurement policies
20 and the grant conditions; and

21
22 WHEREAS, In accordance with the Procurement Policy the Invitation to Bid was
23 advertised in the Homer News on January 11 and 18, 2018, sent to two in-state plans rooms,
24 and posted on the City of Homer website; and

25
26 WHEREAS, Bids were due February 8, 2018 and five bids were received; and

27
28 WHEREAS, Liberty Electric, Inc. of Homer, Alaska, was found to be the lowest responsive
29 bidder; and

30
31 WHEREAS, This award is not final until written notification is received by the firm from
32 the City of Homer.

33
34 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards the
35 contract for Harbormaster Building Emergency Generator 2018 Project to the firm of Liberty
36 Electric, LLC of Homer, Alaska in the amount of \$22,237 and authorizes the City Manager to
37 execute the appropriate documents.

38
39 PASSED AND ADOPTED by the Homer City Council this 12 day of February, 2018.

40
41 CITY OF HOMER

42
43 _____
44 DONNA ADERHOLD, MAYOR PRO TEMPORE

45

46 ATTEST:

47

48

49 _____
MELISSA JACOBSEN, MMC, CITY CLERK

50

51 Fiscal note: Account 415-0940 \$22,237



MEMORANDUM 18-021

To: Katie Koester, City Manager

From: Carey Meyer, PW Director

Date: February 9, 2018

Subject: **Award of Construction Contract
Homer Harbormaster Building Generator Project**

The City Council approved Ordinance 17-29 accepting and appropriating a State Homeland Security Program Grant for the design and installation of an emergency backup generator for the Harbormaster Building. Public Works coordinated the preparation of the generator installation design and the purchase of the generator in accordance with the City’s procurement policies and the grant conditions.

On February 8, 2018, bids were received for the Harbormaster Building Emergency Generator installation project. This work was advertised in the Homer News on January 11 and 18. Procurement was completed in accordance with the City’s Procurement Policy.

Five responsive bids were received from qualified firms. The bid results were evaluated and the results are as follows.

Responsive Bidder’s Names	Firm Location	Amount
Liberty Electric, Inc.	Homer	\$ 22,237
Premier Electric, Inc.	Wasilla	\$ 98,000
Puffin Electric, Inc	Homer	\$ 35,170
Steiner’s North Star Construction, Inc.	Homer	\$ 37,033
Tesla Electric, LLC	Anchorage	\$ 55,614
	Engineer’s Estimate	\$ 37,200

The City’s 5% local bidder’s preference does apply to this award. The low bidder is local.

The low bid is within the project budget approved by the City Council and provided for in the Homeland Security grant. Public Works expects the work to be completed by June 30, 2018.

Recommendation:

City Council pass a resolution awarding the construction contract for the Harbormaster Building Emergency Generator project in the amount of \$22,237 to Liberty Electric, Inc. of Homer, Alaska and authorizing the the City Manager to execute all appropriate documents necessary to complete this project.

**CITY OF HOMER
HOMER, ALASKA**

City Clerk/
Port Director

RESOLUTION 18-017(S)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, AWARDING THE CONTRACT FOR THE OPERATION AND MAINTENANCE OF THE PORT & HARBOR FISH GRINDING FACILITY TO THE ALASKAN FISH FACTORY, OF HOMER, ALASKA IN THE AMOUNT OF \$32 PER MAN HOUR, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, In accordance with the Procurement Policy the Request for Proposals was advertised in the Homer News on January 4 and 11, 2018, sent to two in-state plans rooms, and posted on the City of Homer website; and

WHEREAS, Proposals were due February 8, 2018 and one proposals was received; and

WHEREAS, The Alaskan Fish Factory's was found to be responsive and proposes an hourly rate of \$32 per man hour; and

WHEREAS, This award is not final until written notification is received by the firm from the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards the contract for the Operation and Maintenance of the Port & Harbor Fish Grinding Facility to the firm of The Alaskan Fish Factor of Homer, Alaska in the amount of \$32 per man hour, and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 12th day of February, 2018.

CITY OF HOMER

DONNA ADERHOLD, MAYOR PRO TEMPORE

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal note: Port and Harbor – Fish Grinder: Equipment Maintenance 400-0606-5208



City of Homer

www.cityofhomer-ak.gov

Port and Harbor

4311 Freight Dock Road
Homer, AK 99603

port@cityofhomer-ak.gov

(p) 907-235-3160

(f) 907-235-3152

Memorandum 18-022

TO: MAYOR BRYAN ZAK & HOMER CITY COUNCIL

CC: KATIE KOESTER, CITY MANAGER

FROM: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER

DATE: FEBRUARY 9, 2018

SUBJECT: AWARDING CONTRACT TO THE ALASKAN FISH FACTORY FOR THE FISH GRINDER
OPERATION RFP

The Port and Harbor advertised for proposals for the seasonal operation of the Fish Grinding Facility. The successful proposer would be contracted to operate and maintain the Fish Waste Grinding Facility during sport/commercial fishing seasons, May 1 to October 20, for a consecutive three years, 2018 to 2020

The request for proposal closed on Thursday, February 8, 2018 at 4:30 pm. One bid was received from Alaskan Fish Factory.

Staff reviewed the single proposal and are in favor of awarding the contract to Alaskan Fish Factory, 800 Fish Dock Road, Homer, Alaska 99603 for the operation and maintenance of the Fish Grinding Facility for CY 2018 to 2020.

Recommendation

Staff recommends City Council award the contract for the operation and maintenance of the Fish Grinding Facility for CY 2018 to end of year, 2020 per the Memorandum of Agreement between the City of Homer and Alaskan Fish Factory for calendar years 2018 to 2020.

Fiscal Note: Port and Harbor – Fish Grinder: Equipment Maintenance 400-0606-5208

Homer Spit Lease Management 2017

Revenue Actions:

New Leases

Wireless edge- 50 years including extensions

- Revenue: 65% of the gross Rental Income from subleasing or, \$15,000 per year with an increase of 2.5% a year

New Leases- Pre Existing Tenants

Bob's Trophy Charters -30 years including extensions

- Revenue: \$6256.80 per year (not including increase due to appraisals or CPI)

Sportsman's- 20 years

- Revenue: \$11652 per year (not including increase due to appraisals or CPI)

Alaskan Fish Factory-30 years including extensions

- Revenue: \$ 26119.80 per year (not including increase due to appraisals or CPI)

Other Actions:

Enforcement/ Response to inquiries:

- Snug Harbor- Correspondence on Sept 11th expressing the need for caretaker's quarters and more time for the build. They are considering a restaurant, possibility of restaurant as accessory use if under %50 of sq. ft. space per planning.

-Fire marshal approval by Dec. 31, 2017.
- Harbor Leasing/Auction Block- significant time to supply information and work with City lawyers in Bankruptcy proceedings
- Overslope Development- Request per leasee of possibility of overslope development within the small harbor overlay district. Overslope development Request for Proposals drafted with consideration of input from Port and Harbor Advisory Committee and Planning, to be finalized. Possible areas for overslope development listed in the 2018 Land Allocation Plan for approval by City Council.

- R.Vs- Leasee request to have one caretaker residence R.V. be allowed on the Spit in opposition to current Planning restrictions for Marine Commercial District, HCC 21.48. Reviewed by Planning & Port and Harbor Advisory Commissions and commented on from City Council, Recommendation from Planning to allow one R.V. Ordinance not yet drafted to be brought back to City Council. R.V. restrictions per HCC 21.48 still in effect

- Removal of R.V.s at Happy Face Restaurant to bring them into compliance.

-Removal of R.V. at Alaskan Fish Factory to bring them into compliance

-R.V. located at Sportsman’s supply has yet to be removed to bring them into compliance as of 12/31/2017, pending decision

Appraisals: Alaska Custom Seafoods, Homer Spit Campground (2 lots), Kachemak Bay Seafoods, Southcentral Radar, Sportsman’s Supply

Updates/CPI Increases:

Homer Spit Campground	Bob’s Trophy Charters	ACS
AK Custom Seafoods	Alaskan Fish Factory	Fortune Sea, LLC
Harbor Grill	Harbor Leasing	Icicle Seafoods
Kachemak Bay Seafoods	Yourkowski	Happy Face
Seldovia Village Tribe	Snug Harbor	South Central Radar
Sport Shed	Sportsmans Supply	Wireless Edge Towers

Purchase: Drafting of Ordinance 17-41(s) for the purchase of Lot 42 from the Alaska Mental Health Trust Authority Land Office.

Assessment: Kenai Peninsula Borough Assessment dept. are facilitated with yearly updates as well as an overview on all leased properties to include all changes due to appraisal, CPI increase, and Purchasing actions listed above.

Insurance: Yearly Insurance updates and tracking, including staff time to call listed insurance carriers for updated info if not received by mail.

Security Deposit Tracking: Updates to accounting and resolution of deposits

LAP/RFP’s- 2018 Land Allocation Plan development

This summary does not include an account of time spent in actions or negotiations for airport or other city leases, (ex. Ravn, Flying Whale, Pioneer Car Rental, etc.) or the time spent gathering comparable information from Kenai, Fairbanks, and Anchorage Airport and other sources to assist with price and policy comparison.

Memorandum No. 07-78

To: Mayor & Council
From: Economic Development Commission
Through: Walt Wrede, City Manager
Date: April 30, 2007
Re: Recommendations for Revisions to Lease Policy Manual

At its February 12 meeting, the Homer City Council requested that the Economic Development Commission have a chance to consider proposed changes to the City of Homer Property Management Policy and Procedures (Lease Policy) manual before any revisions are adopted. The EDC appreciates this opportunity to comment and make recommendations. At its April 10 meeting, the Economic Development Commission discussed the proposed amendments to the attached to City of Homer Resolution 07-25, and recommended the following:

Substitute this language for the proposed revision to 13.K:

Developers/Investors –The City will consider proposals from developers who wish to construct buildings and/or other improvements for the purpose of sub-leasing, if all tenants of the building or land are engaged in activities that are permitted by applicable zoning codes in effect at the time.

(The previously proposed language for this section seemed designed to discourage subleasing. The EDC feels that the City should be more open to subleasing proposals, given their potential for greater economic return.)

Substitute this language for the addition proposed to 3.2E:

The City Council may restrict specific City properties to certain uses or classes of use. The City Council has, in the past, restricted the use of lots immediately adjacent to the Fish Dock, to activities directly related to commercial fishing. Similarly, it has restricted uses on lots adjacent to the Deep Water Dock, to marine industrial uses, with an emphasis on shipping and cargo handling. The purpose for these restrictions is to encourage growth in targeted economic sectors, to ensure that the City receives the maximum benefits from the large investment the public has made in these docks, and to provide land for businesses that require close proximity to the docks in order to operate efficiently and profitably. The City at its discretion, may consider proposals in which a portion of the leased property is proposed for a use other than the uses allowed in the restricted area, provided such uses are compatible with the area, are consistent with the zoning code, and approved in advance by the City.

(The EDC feels that the previously proposed revision is too restrictive; for example, by setting a 25% limit on "other uses.")

5/14/07

Backlog to Reso. 07-25

Substitute this language for 2.2(A):

The City Manager shall establish a lease Committee that will consist at a minimum, of the Manager, the Finance Director, the City Planner, the Port and Harbor Director and one commissioner from the EDC and one commissioner from any of the other commissions.

(The EDC supports the recommendation to add the City Planner and Port and Harbor Director to the Lease Committee, and feels that including two Commissioners would also benefit the Lease Committee by bringing in perspectives from outside City government.)

RECOMMENDATION: Approve the amendments to the Lease Policy manual recommended above.

MEMORANDUM 07-89

TO: Mayor Hornaday and Homer City Council

FROM: Lease Committee

DATE: May 9, 2007

SUBJECT: Comments on Memorandum 07-78

The Lease Committee had a meeting on Tuesday, May 8 to discuss Memorandum 07-78 from the Economic Development Commission regarding the proposed amendments to the Lease Policies. This memorandum is intended to serve two purposes. The first is to provide the Council with the Lease Committee's comments on Memorandum 07-78. The second is to provide some additional recommendations regarding amendments to the Lease Policies. These recommendations supplement the original recommendations provided by the Committee. The Council, if it wishes, could adopt these by motion when it votes on Resolution 07-25.

The comments that follow track with the recommendations in Memorandum 07-78 and are in the same order.

Comments on Memorandum 07-78

Substitute this language for the proposed revision to 13.K:

The Committee strongly recommends that the Council reject this proposed language and that it stick with the original language proposed as part of Resolution 07-25.

This proposed substitute eliminates all references to discouraging speculation. It in fact seems to encourage speculation. It also eliminates references to restricted use areas. It appears to inadvertently set up a situation where the person with the ground lease must comply with restricted use area provisions but those with sub-leases do not. It changes the word may to will and in general, takes a fair amount of control over what happens on the land away from the property owner.

The language proposed by the committee as part of Resolution 07-78 was actually intended to loosen the rules to allow for more sub-leasing under certain conditions. The proposal from the EDC goes too far and is not in the City's best interest.

Substitute this language for the addition proposed to 3.2 E.

The Committee recommends that the City Council reject this proposed substitution and that it stick with the original proposed amendment contained in Resolution 07-25.

5/14/07

Info Order Re: Res. 07-25

From: Nina Faust
To: [Caroline Venuti](#); [Rachel Lord](#); [Tom Stroozas](#); [Donna Aderhold](#); [Shelly Erickson](#); [Heath Smith](#); [Mayor Email](#); [Department Clerk](#)
Subject: Resolutions 18-018, 19-018(S), and 18-019
Date: Sunday, February 11, 2018 7:44:23 AM

P.O. Box 2994
Homer, AK 99603

Homer City Council
Homer AK 99603

February 11, 2018

Dear Council Members:

As a commercial building owner in the city limits, I have very serious concerns about Resolutions 18-018, 19-018(S), and 18-019. First, I do not think the city's water and sewer rate system is broken. Rate payers all pay the same per gallon of water. Water in Homer is a precious commodity that should not be wasted. Rather than create an inequitable system that allows large users to use or even waste water at a lower rate than the rest of us, we should be working to determine ways to save water. If usage goes up because water is cheaper, we could be in the position of having to spend money to find new sources of water. Furthermore, this system is inherently inequitable in that will likely make the residential and other users of less water pay more. It belongs to all of us and we should all pay equally per gallon.

Let's concentrate on sustainability which in the long run will benefit all of us. Research ways for large users to reduce their costs with more efficient use of water. Homer is slowly growing so conservation of our water will pay off in not having to spend more on new water sources. Climate change is doing strange things around the world, creating water shortages in places that have never had to deal with that. If our rainfall seriously decreases, we could be in trouble as well, so conservation is a good thing for all of us to practice.

I don't like Resolution 18-019 because it gives certain user groups a special voice on the rate committee. This is unnecessary and could breach confidential information. We already have a method to participate—public comment which allows everyone equal opportunity to provide ideas and information to influence policy. We do not need to create systems that give more access to the decision making system to users who will benefit. Let's just stick with public input for all and let those who have been hired to understand all the codes and regulations make decisions based on applications and public comment from all of us.

Open government that does not favor some over others is one of the important issues that these resolutions bypass. I urge you to vote against Resolutions 18-018, 19-018(S), and 18-019. Thank you.

Sincerely,

Nina Faust

From: Carol Ford
To: [Department Clerk](#)
Subject: 18-018, 18-018(s), and 18-019
Date: Monday, February 12, 2018 8:05:41 AM

Dear City Clerk:

I hear somebody came up with a great idea to get people who shower every few days, do their dishes and wash their clothes to help pay, not only for these conveniences, but also to chip in to subsidize big businesses who use massive amounts of water to make money off of Homer's common resources. While this may seem to be a brilliant idea to those who use massive amounts of water to make money off of Homer's common resources and don't want to pay for that use, it is a rotten idea for those of us who use our modest little amount of water and pay for every drop. 18-018 and 18-018(s) are not fair and not right. Please vote no. If each of us simply pays for what we use, that's straightforward, clear and fair. If anyone makes money off his or her use, he or she should actually pay more; but why quibble? Let's just each pay for what we use, and that will make us more careful about what we use. Fair is fair. Please vote no.

As to 18-019, some attempt is being made to add more people — with personal interests — to the process of leasing city land. It looks to me like this is a way to put a personal thumb on the scale and introduce less impartiality and fairness into the process of leasing city land. 'Tain't broke. Don't fix it. Please vote no on this measure.

Sincerely,
Carol Ford

From: Barbara Howard
To: [Melissa Jacobsen](#)
Subject: Message to City Council
Date: Sunday, February 11, 2018 10:02:30 AM

Date: February 12, 2018

To: Mayor Pro Tem and City Council Members

From: Bob Howard, City Resident and Member of the Water and Sewer Task Force 2012

Subject: Resolution 18-018 and Resolution 18-018S

Recommendation: Vote NO on Resolution 18-018 and Resolution 18-018S

Background: The council has before it the subject resolution whose express purpose is to unbalance our current water and sewer rates to favor several large volume users. If large volume users are allowed to pay less than their share of the cost to provide the utility service then, by definition the normal volume users MUST pay more to maintain the utility's solvency.

The proposed resolutions are being promoted by the political action group who coined themselves "Voice of Homer". This group was formed in response to the utility rate correction implemented in 2013.

Why was it necessary to convene a citizen's Task Force in 2012 to evaluate the utility's rate structure? Because, through political maneuvering and poor judgment of the then city administration and staff, the rates, over a period of 5-6 years, had become so out of balance it was apparent to any novice who has the slightest desire to look at it, it wasn't a defensible distribution of cost.

I direct you to City Manager Walt Wrede's quote during the budget preparation in the fall of 2012 "...we would suggest that the council look long and hard before it makes any new and substantial changes to the rate model. Any changes to the model, regardless of how fair it may seem on the surface, will create a NEW set of winners and losers. The current model is a good one." A careful read of this quote reveals the administration recognized the city was administering a rate program that created "winners and losers." This system is not desirable nor is it practical to sustain without

a heavy dose of politics.

Shortly after the implementation of the “winners and losers” rate structure, prior to a Port and Harbor meeting, I asked the city manager why he thought the council action was good. The answer was “because the new rates covered the utility’s shortfalls.”

The straw that broke the camel’s back was when the rate structure was adjusted to disproportionately burden apartment owners . This group was charged with additional fees as though each unit had its own meter. Not true.

CURRENT STRUCTURE:

The current rate structure is well founded in the science of water and sewer utility operation, and should not be changed unless it can be demonstrated that a significant flaw in its structure is determined.

Leveling the playing field to assure all users pay for the services they receive is NOT a flaw.

If the council, after deliberation, believes the rate structure allocation needs to be revisited, I recommend rather than appointing three people who undoubtedly have a self interest bias in the outcome, the council direct the city manager to have the city’s profession staff determine if there is justification from the utility operation perspective to charge less than the actual cost to keep the utility solvent.

As a reminder: part of the objective of the 2013 rate correction was an effort to minimize the political games that were being played with the rate structure. It is sound public policy to operate and maintain the utility on science based facts, and keep politics out of it.

Thank you
Bob Howard

From: Ann & Ron Keffer
To: [Mayor Email](#); [Department Clerk](#); [Heath Smith](#); [Donna Aderhold](#); [Caroline Venuti](#); [Shelly Erickson](#); [Rachel Lord](#); [Tom Stroozas](#)
Subject: Second e-mail, opposition to Resolution 18-019.
Date: Sunday, February 11, 2018 4:54:33 PM

Mr. Mayor and City Councilpersons:

In this, my second e-mail today, I am writing to express my strong opposition to the following resolution that is on the council's agenda of 12 February 2018:

Resolution 18-018.

I am urging all council members to vote against this resolution for the following reasons:

1. This resolution, as presented, is unclear, imprecise, and not useful for establishing any city procedures. At least two of the "WHEREAS" clauses clearly should be "THEREFORE" clauses, and it is impossible to find a clearly stated course of action that is prescribed in the resolution. So the additional comments below are based upon my attempt to "figure out" what the resolution intends.
2. There is no need for a change in the manner in which the city leases its properties. The notion that the 2014 method of leasing leaves out ". . . an important layer of public process . . ." is incorrect. Placing the leasing process in the hands of professional city employees under the oversight of the City Manager, and ultimately the City Council, removed a disruptive and unfair political element from leasing. It also honored the need of businesses to keep private many details of their operation.
3. This new resolution makes the leasing process into a purely political process, an appealing idea as long as one's friends serve on the Lease Committee when a business seeks a lease. If the composition of the committee changes, the winds of fortune might change for everyone. This is not a process that would provide fairness or consistency.
4. Because, under the present system, city employees who are involved in the leasing process are under the supervision of the City Manager and the City Council, the democratic process is protected. The current process is more objective than one with a large group of citizens serving on the committee would be.
5. With several community members serving on a leasing committee, businesses that sought leases would be in a position of having to reveal information concerning their businesses to too many individuals, some of whom might be in competition with the lease seeker. Information that would be useful to competitors would become widely available. The current system is much more effective at maintaining confidentiality.

I hope all council members will recognize the importance of the considerations raised above and vote against this poorly conceived resolution.

Sincerely,

Ron Keffer
189 Island View Court
Homer, Alaska 99603
907-235-8293
annronkeffer@gmail.com

Ann and Ron Keffer
189 Island View Court
Homer, Alaska 99603
H: 907-235-8293, Ann's Cell: 907-299-0812
Ron's Cell: 907-299-0821
annronkeffer@gmail.com

From: Ann & Ron Keffer
To: [Mayor Email](#); [Department Clerk](#); [Heath Smith](#); [Donna Aderhold](#); [Caroline Venuti](#); [Shelly Erickson](#); [Rachel Lord](#); [Tom Stroozas](#)
Subject: Opposition to Resolutions 18-018 and 18-018(S).
Date: Sunday, February 11, 2018 1:49:04 PM

Mr. Mayor and City Councilpersons:

I am writing to express my strong opposition to the following resolutions that are on the council's agenda of 12 February 2018:

Resolutions 18-018 and 18-018(S).

I urge all council members to vote against these resolutions for the following reasons:

1. Both of these resolutions are solutions looking for a problem. There not only is no *compelling* reason to reopen these issues; there is no reason to reopen them at all.
2. This clearly is not a set of proposals that is designed to benefit the city and all its residents. Instead, it is a political effort to benefit a small group with particular interests.
3. Resolutions 18-018 and 18-018(S) would set up a water pricing system by which **users of the Homer water and sewer system with residential accounts would subsidize large water users**. In other words, almost all users would see their water bills go up, while the bills of large users would decline.
4. The only actual rationale offered for such a dramatic and unfair change in pricing is the assertion in the resolutions that the Task Force which researched the water pricing system in 2013 and made the recommendations upon which current pricing is based created "unintended consequences" which resulted in damage to large volume users and caused a loss of jobs. This rationale, on the face of it, makes no sense. Businesses make decisions about jobs for many reasons, and the cost of water is only one of many costs of doing business that owners must take into account. At no point does the author of the resolution quantify the "damage" that was done.
5. When the Task Force indicated that the proper and fair pricing was for all users to pay the same price for a gallon of water, they helped establish a system that has served us well for almost five years. (The pricing system had been a political football prior to this solution, and that the city established the Task Force was a clear indicator that **political pricing does not work**.) That everyone pay the same price is, in fact, not entirely fair. Tractor/trailers pay higher highway taxes because they produce more strain on the highways than lighter vehicles. So, too, do those who use higher volumes of water put more strain on a water system. Nonetheless, the Task Force settled upon a uniform pricing system, even though it gave those who use a higher volume of water a bit of a break. Since that time, there has been no outpouring of protest, even though residential users clearly pay high prices for water and sewer compared to users in much larger cities. Small towns like Homer simply do not enjoy the economies of scale of much larger cities so we all pay higher prices for water and sewer.
6. The Task Force that produced the report upon which current water rates are based consisted of eight contributing members, all of whom had and still have authoritative standing in our community. The report is comprehensive and solid. To overturn that hard work for political reasons based on the interest of a small group would be foolhardy and divisive.

Please give careful thought to these resolutions. They did not deserve to see the light of day, much less to be passed by a thoughtful council. I urge you to vote against these resolutions.

Sincerely,

Ron Keffer
189 Island View Court
Homer, Alaska 99603
907-235-8293
annronkeffer@gmail.com

Ann and Ron Keffer
189 Island View Court
Homer, Alaska 99603
H: 907-235-8293, Ann's Cell: 907-299-0812
Ron's Cell: 907-299-0821
annronkeffer@gmail.com

From: Jim Stearns
To: [Department Clerk](#)
Subject: Resolutions
Date: Sunday, February 11, 2018 7:02:10 PM

Mr. Mayor and City Councilpersons:

I am writing to express my strong opposition to the following resolutions that are on the council's agenda of 12 February 2018:

Resolutions 18-018 and 18-018(S).

I urge all council members to vote against these resolutions for the following reasons:

1. Both of these resolutions are solutions looking for a problem. There not only is no *compelling* reason to reopen these issues; there is no reason to reopen them at all.
2. This clearly is not a set of proposals that is designed to benefit the city and all its residents. Instead, it is a political effort to benefit a small group with particular interests.
3. Resolutions 18-018 and 18-018(S) would set up a water pricing system by which **users of the Homer water and sewer system with residential accounts would subsidize large water users.** In other words, almost all users would see their water bills go up, while the bills of large users would decline.
4. The only actual rationale offered for such a dramatic and unfair change in pricing is the assertion in the resolutions that the Task Force which researched the water pricing system in 2013 and made the recommendations upon which current pricing is based created "unintended consequences" which resulted in damage to large volume users and caused a loss of jobs. This rationale, on the face of it, makes no sense. Businesses make decisions about jobs for many reasons, and the cost of water is only one of many costs of doing business that owners must take into account. At no point does the author of the resolution quantify the "damage" that was done.
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Force settled upon a uniform pricing system, even though it gave those who use a higher volume of water a bit of a break. Since that time, there has been no outpouring of protest, even though residential users clearly pay high prices for water and sewer compared to users in much larger cities. Small towns like Homer simply do not enjoy the economies of scale of much larger cities so we all pay higher prices for water and sewer.

6. The Task Force that produced the report upon which current water rates are based consisted of eight contributing members, all of whom had and still have authoritative standing in our community. The report is comprehensive and solid. To overturn that hard work for political reasons based on the interest of a small group would be foolhardy and divisive.

Please give careful thought to these resolutions. They did not deserve to see the light of day, much less to be passed by a thoughtful council. I urge you to vote against these resolutions.

Thank you,

Jim Stearns

2267 Mt. Augustine Dr.

Homer

February 11, 2018

To: City Council (all)
Mayor
City Clerk

Ref: Resolutions 18-018 & 18-018(S) - Water & sewer rates and “equity”

Resolutions 18-018 and 18-018(S) should both be either pulled by their sponsors, or voted down with minimal discussion.

Both resolutions not only fail to identify a particular significant problem with equity in the current rate structure but they also appear to be thinly-veiled attempts to reintroduce inequity to the system (in favor of commercial/large-volume users).

Excerpting from the April 2013 report from the last rate task force:

FAIR AND EQUITABLE RATES:

The Task Force believes the basic service charge for water and sewer customers should accurately reflect the cost of customer billing, banking and accounting expenses. Other system maintenance and treatment expenses should be billed in accordance with the customers’ actual usage. There is an inherent fairness in charging all customers hooked into the system(s) the same rate for an indistinct commodity. A gallon of water is the same no matter what its use. A uniform rate lends itself to easy rate adjustments using calculations that are simple and transparent.

The last task force (2013) rightfully set out **“to reach decisions that were not colored by sentiment or popularity”** – a worthy goal that should be respected by this Council. If a resident or business in this City has a specific reason why having fair and equitable rates is not good for the City overall, they should bring that complaint directly to the Council and attempt to defend it.

A task force is only justified when there is general agreement that a problem exists and the resolution of that problem is complicated (requiring more time than Council can afford to spend in regular session). That is clearly not the case with water and sewer rates: the time has been spent and a rational (equitable) solution was recommended and adopted.

Sincerely,



Wayne Aderhold

From: Anne Wieland
To: [Mayor Email](#); [Department Clerk](#)
Subject: Resolutions 18-018, 18-018(S)
Date: Monday, February 12, 2018 6:45:46 AM

Re: Resolutions 18-018 and 18-018(S)

Dear Mayor Zak and members of the Homer City Council,

As a Homer City resident I strongly oppose these two resolutions and ask that you vote them DOWN. They would raise my and other residents' accounts water and sewer rates just to subsidize accounts of larger quantity users. No fair! Vote NO on both resolutions.

Anne Wieland
4685 Early Spring Rd,
Homer, AK 99603-1395

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

3 City Manager/
4 Public Works Director

5 **RESOLUTION 18-020**

6
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
8 PROVIDING DIRECTION REGARDING THE FINAL DESIGN OF
9 GREATLAND STREET EXTENSION PROJECT

10
11 WHEREAS, The City Council held a work session on January 22, 2018 to review progress
12 on the design of the Greatland Street Extension project and provide direction to the design
13 team as they proceed to finalize the design; and

14
15 WHEREAS, The worksession was advertised per City requirements and letters were sent
16 to property owners directly impacted by the proposed project.

17
18 NOW, THEREFORE, BE IT RESOLVED THAT the Homer City Council directs the design
19 team to proceed with final design based on the following direction:

- 20
21 1. Greatland Street shall be extended north with the same road width as exists
22 (40'), concrete curb and gutter shall be provided on both sides, and a concrete
23 sidewalk on the west side shall be installed (similar to the existing Greatland
24 Street).
25 2. At the Pioneer intersection, the road width shall be narrowed to 28' to match the
26 existing curb returns (based on the expectation that a left turn bay will not be
27 warranted in the foreseeable future).
28 3. Install street lighting along the entire Greatland Street.
29 4. Reestablish left turn delineation at the Sterling Highway intersection, provide a
30 centerline strip and delineate bike lanes on each side of the roadway along the
31 entire length of Greatland, safely transition bike lanes at both intersections
32 using signage and appropriate pavement markings.
33 5. The project should include work on the medical facility property, located at the
34 SW corner of Pioneer/Greatland intersection, to mitigate parking space losses.
35

36 BE IT FURTHER RESOLVED that a request be made to AKDOT&PF to evaluate the
37 Greatland Street and Sterling Highway intersection and consider changing center lane striping
38 to improve left turn safety.

39
40 PASSED AND ADOPTED by the Homer City Council on this 12th day of February, 2018.

41
42 CITY OF HOMER

43
44
45 _____
46 DONNA ADERHOLD, MAYOR PRO TEMPORE
47

48 ATTEST:

49

50 _____

51 MELISSA JACOBSEN, MMC, CITY CLERK

52

53 Fiscal Note: N/A