

City Council

Monday, June 25, 2018

Committee of the Whole 5:00 p.m.
Regular Meeting 6:00 p.m.



Special Election June 26th



City Hall Cowles Council Chambers
491 E. Pioneer Avenue
Homer, Alaska

June-July 2018

- Monday 25th:** **CITY COUNCIL**
Committee of the Whole 5:00 p.m. and Regular Meeting 6:00 p.m.
- Tuesday 26th:** **CITY OF HOMER SPECIAL ELECTION**
Polls are open from 7:00 a.m. until 8:00 p.m.
- HERC TASK FORCE**
Worksession 3:00 p.m. @ HERC Buildings
- Wednesday 27th:** **PORT AND HARBOR ADVISORY COMMISSION**
Regular Meeting 6:00 p.m.
- Thursday 28th:** **ART SELECTION COMMITTEE**
Special Meeting 3:00 p.m.
- Friday 29th:** **ELECTION CANVASS BOARD**
Special Meeting 2:00 p.m.
- Monday 2nd:** **CITY COUNCIL**
Special Meeting 4:00 p.m.

Regular Meeting Schedule

- City Council 2nd and 4th Mondays 6:00 p.m.
Library Advisory Board 1st Tuesday 5:30 p.m. with the exception of
January April August November
Economic Development Advisory Commission 2nd Tuesday 6:00 p.m.
Parks Art Recreation and Culture Advisory Commission 3rd Thursday 5:30 p.m. with the exception of
July, December, January
Planning Commission 1st and 3rd Wednesday 6:30 p.m.
Port and Harbor Advisory Commission 4th Wednesday 5:00 p.m. (May-August 6:00 p.m.)
Cannabis Advisory Commission Quarterly 4th Thursday 5:00 p.m.

MAYOR AND CITY COUNCILMEMBERS AND TERMS

- BRYAN ZAK, MAYOR – 18
DONNA ADERHOLD, COUNCILMEMBER – 18
HEATH SMITH, COUNCILMEMBER – 18
SHELLY ERICKSON, COUNCILMEMBER – 19
TOM STROOZAS, COUNCILMEMBER – 19
RACHEL LORD, COUNCILMEMBER – 20
CAROLINE VENUTI, COUNCILMEMBER – 20

<http://cityofhomer-ak.gov/cityclerk> for home page access, Clerk's email address is: clerk@ci.homer.ak.us
Clerk's office phone number: direct line 235-3130



MAYOR BRYAN ZAK
COUNCIL MEMBER DONNA ADERHOLD
COUNCIL MEMBER HEATH SMITH
COUNCIL MEMBER TOM STROOZAS
COUNCIL MEMBER SHELLY ERICKSON
COUNCIL MEMBER CAROLINE VENUTI
COUNCIL MEMBER RACHEL LORD
CITY ATTORNEY HOLLY WELLS
CITY MANAGER KATIE KOESTER
CITY CLERK MELISSA JACOBSEN

COMMITTEE OF THE WHOLE AGENDA

1. **CALL TO ORDER, 5:00 P.M.**
2. **AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 6)
3. **Ordinance 18-16**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 18.08, Codifying Certain Lease Policy and Procedures; Expanding Lease Review to include Recommendations by Appropriate City Commissions; Removing References to the Lease Committee; and Requiring Essential Lease Terms to be Approved by City Council. Erickson/Smith. Introduction March 27, 2018, Public Hearing and Referred to Port and Harbor Advisory Commission May 14, 2018, Public Hearing and Second Reading June 11, 2018. Page 141

Ordinance 18-16(S), An Ordinance of the City Council of Homer, Alaska, Repealing Homer City Code Chapter 18.08 and the Homer Property Management Policies and Procedures Manual and Reenacting Chapter 18.08 Codifying Certain Policies From The Property Management Manual, Clarifying Homer's Land Allocation Process, Expanding Lease Review to Include Additional Recommendations By Appropriate Commissions, Removing The Lease Committee, Removing the Requirement that all Leases may be Increased to Reflect Inflation as Determined in the Consumer Price Index, And Expanding Council's Role by Requiring it's Approval Prior To Execution of a lease, Early Termination of a Lease or Termination of Lease Negotiations. Erickson/Smith. Page 157

Memorandum 18-076(A) from City Manager as backup Page 191
Memorandum 18-035 from City Attorney as backup Page 203
4. **CONSENT AGENDA**

5. REGULAR MEETING AGENDA

6. COMMENTS OF THE AUDIENCE

7. ADJOURNMENT NO LATER THAN 5:50 P.M.

Next Regular Meeting is Monday, July 23, 2018 at 6:00 p.m., Committee of the Whole at 5:00 p.m. and a Special Meeting July 2, 2019 at 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

CALL TO ORDER
PLEDGE OF ALLEGIANCE
AGENDA APPROVAL

HOMER CITY COUNCIL
491 E. PIONEER AVENUE
HOMER, ALASKA
www.cityofhomer-ak.gov



REGULAR MEETING
6:00 P.M. MONDAY
JUNE 25, 2018
COWLES COUNCIL CHAMBERS

MAYOR BRYAN ZAK
COUNCIL MEMBER DONNA ADERHOLD
COUNCIL MEMBER HEATH SMITH
COUNCIL MEMBER TOM STROOZAS
COUNCIL MEMBER SHELLY ERICKSON
COUNCIL MEMBER CAROLINE VENUTI
COUNCIL MEMBER RACHEL LORD
CITY ATTORNEY HOLLY WELLS
CITY MANAGER KATIE KOESTER
CITY CLERK MELISSA JACOBSEN

REGULAR MEETING AGENDA

Committee of the Whole 5:00 p.m. in Homer City Hall Cowles Council Chambers.

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE

Department Heads may be called upon from time to time to participate via teleconference.

2. AGENDA APPROVAL

(Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 2.08.040.)

3. MAYORAL PROCLAMATIONS AND RECOGNITIONS

- A. Mayoral Recognition - Parks and Recreation Month, July 2018 Page 17
- B. Mayoral Recognition - July 4th Parade

4. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

5. RECONSIDERATION

6. CONSENT AGENDA

(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- A. Homer City Council unapproved Special Meeting Minutes of May 29, 2018. City Clerk. Recommend adoption. Page 25
- B. **Memorandum 18-069** from Mayor Zak Re: Appointment of Ethan Benedetti to the Library Advisory Board as Student Representative Page 35
- C. **Memorandum 18-070**, from Deputy City Clerk Re: Confirming Election Judges for June 26th Special Election Page 29
- D. **Memorandum 18-071**, from Finance Director Re: 2019 Budget Schedule Page 41
- E. **Ordinance 18-30**, An Ordinance of the City Council of Homer, Alaska, Amending the 2018 Capital Budget by Appropriating \$35,911 from the Harbor Depreciation Reserve Fund for the Relocation of the Ramp 2 Harbor Backflow Prevention Facilities, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommended dates: Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018. Page 47

Memorandum 18-072 from Public Works Director as backup Page 49
- F. **Ordinance 18-31**, An Ordinance of the City Council of Homer, Alaska, Amending the FY2018 Capital Budget by Appropriating \$473,829 from the Police Station Reserve for the Purpose of Funding 100% Design for the New Police Station Contingent Upon the Passage of Ballot Proposition 1 at the June 26. 2018 Special Election. Smith. Recommended dates: Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018. Page 57
- G. **Ordinance 18-32**, An Ordinance of the City Council of Homer Alaska, Amending the 2018 Operating Budget to Appropriate \$34,488.80 from the Water/Sewer Inventory Account for the Purchase of Concrete Septic Tanks. City Manager/Public Works Director. Recommended dates: Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018. Page 65
- H. **Ordinance 18-33**, An Ordinance of the City Council of Homer, Alaska, Authorizing the Expenditure of a Land and Water Conservation Fund Grant Funds and Expenditure of Accumulated and Future Commercial Passenger Vessel Funds via a Loan from the Port and Harbor Enterprise Fund as Matching Funds and to Complete the Ramp 2 Restroom Replacement Project. City Manager. Recommended dates: Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018. Page 69

- I. **Ordinance 18-34**, An Ordinance of the City Council of Homer, Alaska, Amending the 2018 Capital Budget by Appropriating \$3,500 from Police Reserves for the Purchase of a Traffic Speed Monitoring Device. Lord. Recommended dates: Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018. Page 73

- J. **Ordinance 18-35**, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 3.05.005, Budget Assumptions, by Adding a Requirement the City Manager Present the Council with Information on Inflationary Pressures on the City Budget. Lord. Recommended dates: Introduction June 25, 2018, Public Hearing and Second Reading, July 23, 2018. Page 79

- K. **Resolution 18-056**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Execute a Memorandum of Agreement Between the City of Homer and the Alaska Department of Fish and Game for the Nick Dudiak Fishing Lagoon Handicap Ramp Improvements. City Manager/Public Works Director. Page 95

Memorandum 18-073 from Public Works Director as backup. Page 97

- A. **Resolution 18-057**, A Resolution of the City Council of Homer, Alaska Awarding the Contract for the Fish Dock Waterline and Heat Trace Replacement Project to Peninsula Plumbing and Heating, Inc. of Soldotna, Alaska, in the amount of \$92,290, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Port Director. Page 103

Memorandum 18-077 from Port Director as backup Page 105

7. VISITORS

- A. Homer Steps Up Trophy Award to the City of Homer (5 minutes)
- B. Opioid Task Force (10 Minutes)
- C. Legislative Update – Representative Seaton (10 minutes)
- D. PWSRCAC Update – Robert Archibald (10 minutes)

8. ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS (10 minute limit per report)

- A. Borough Report

B. Commissions/Board Reports:

1. Library Advisory Board
2. Homer Advisory Planning Commission
3. Economic Development Advisory Commission
4. Parks Art Recreation and Culture Advisory Commission
 - A. Memorandum from Parks Art Recreation and Culture Advisory Commission Re: City of Homer Safety Signage Page 111
5. Port and Harbor Advisory Commission

9. PUBLIC HEARING(S)

- A. **Ordinance 18-12(A)**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.54.325, Standards for Recreational Vehicles in the Marine Commercial District and Marine Industrial District. Erickson. Introduction March 12, 2018, Refer to Advisory Planning Commission March 27, 2018, Public Hearing and Second Reading June 25, 2018. Page 119

Memorandum 18-074 from City Planner as backup Page 123

- B. **Ordinance 18-16**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 18.08, Codifying Certain Lease Policy and Procedures; Expanding Lease Review to include Recommendations by Appropriate City Commissions; Removing References to the Lease Committee; and Requiring Essential Lease Terms to be Approved by City Council. Erickson/Smith. Introduction March 27, 2018, Public Hearing and Referred to Port and Harbor Advisory Commission May 14, 2018, Public Hearing and Second Reading June 25, 2018. Page 141

Ordinance 18-16(S), An Ordinance of the City Council of Homer, Alaska, Repealing Homer City Code Chapter 18.08 and the Homer Property Management Policies and Procedures Manual and Reenacting Chapter 18.08 Codifying Certain Policies From The Property Management Manual, Clarifying Homer's Land Allocation Process, Expanding Lease Review to Include Additional Recommendations By Appropriate Commissions, Removing The Lease Committee, Removing the Requirement that all Leases may be Increased to Reflect Inflation as Determined in the Consumer Price Index, And Expanding Council's Role by Requiring it's Approval Prior To Execution of a lease, Early Termination of a Lease or Termination of Lease Negotiations. Erickson/Smith. Page 157

Memorandum 18-076(A) from City Manager as backup Page 191
Memorandum 18-035 from City Attorney as backup Page 203

- C. **Ordinance 18-29**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2018 Capital Budget by Appropriating up to \$5,200 from the Homer Accelerated Roads and Trails (HART) Fund for the Professional Design of an ADA Accessible Trail on City of Homer property known as Lot 7-A Nils O Svedlund Subdivision, (KPB Parcel #17719234) and Kachemak Heritage Land Trust (KHLT) property known as Lot 16 A-1 Nils O Svedlund Subdivision (KPB Parcel #17719231). Mayor. Introduction May 29, 2018 Public Hearing and Second Reading June 25, 2018. Page 215

10. ORDINANCE(S)

11. CITY MANAGER'S REPORT

- A. City Manager's Report Page 229
B. Bid Report Page 243

12. CITY ATTORNEY REPORT

13. COMMITTEE REPORT

- A. Americans with Disabilities Act Compliance Committee
B. Homer Education & Recreation Complex Task Force

14. PENDING BUSINESS

- A. **Resolution 18-053**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting the Donation from the Kachemak Bay Family Planning Clinic/R.E.C Room of a Mural by Dr. Michael Struam and Homer Lead on Youth Group to be Placed on the Exterior Wall of the Ben Walter's Park Restroom and Incorporating it into the City's Artwork Collection. City Clerk/PARCAC. Page 251

Memorandum 18-068 from Parks Art Recreation and Culture Advisory Commission as backup Page 253

- B. **Resolution 18-054**, A Resolution of the City Council of Homer, Alaska, Amending Resolution 18-036(A) Establishing the Homer Education and Recreation Complex (HERC) Task Force to Include a Representative from the Parks Art Recreation and Culture Advisory Commission. Mayor. Page 257

Resolution 18-054(S), A Resolution of the City Council of Homer, Alaska, Amending Resolution 18-036(A) Establishing the Homer Education and Recreation Complex (HERC) Task Force to **Expand Advisory Membership to** Include a Representative from the Parks Art Recreation and Culture Advisory Commission and **City Council to Serve as Non-Voting Members**. Erickson. Page 259

15. NEW BUSINESS

- A. **Memorandum 18-078** from City Clerk Re: Approval of a Natural Gas Assessment Deferral Page 283

16. RESOLUTIONS

17. COMMENTS OF THE AUDIENCE

18. COMMENTS OF THE CITY ATTORNEY

19. COMMENTS OF THE CITY CLERK

20. COMMENTS OF THE CITY MANAGER

21. COMMENTS OF THE MAYOR

22. COMMENTS OF THE CITY COUNCIL

23. ADJOURNMENT

Next Regular Meeting is Monday, July 23, 2018 at 6:00 p.m., Committee of the Whole at 5:00 p.m. and a Special Meeting July 2, 2019 at 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

MAYORAL PROCLAMATIONS
AND RECOGNITIONS

**CITY OF HOMER
HOMER, ALASKA**

MAYOR'S PROCLAMATION

JULY AS PARKS AND RECREATION MONTH

WHEREAS, Parks and recreation programs are an integral part of communities throughout this country, including the City of Homer; and

WHEREAS, Our parks and recreation are vitally important to establishing and maintaining the quality of life in our communities, ensuring the health of all citizens, and contributing to the economic and environmental well-being of a community and region; and

WHEREAS, Parks and recreation programs build healthy, active communities that aid in the prevention of chronic disease, provide therapeutic recreation services for those who are mentally or physically disabled, and also improve the mental and emotional health of all citizens; and

WHEREAS, Parks and recreation programs increase a community's economic prosperity through increased property values, expansion of the local tax base, increased tourism, the attraction and retention of businesses, and crime reduction; and

WHEREAS, Parks and recreation areas are fundamental to the environmental well-being of our community; and

WHEREAS, Parks and natural recreation areas improve water quality, protect groundwater, prevent flooding, improve the quality of the air we breathe, provide vegetative buffers to development, and produce habitat for wildlife; and

WHEREAS, Our parks and natural recreation areas ensure the ecological beauty of our community and provide a place for children and adults to connect with nature and recreate outdoors; and

WHEREAS, The U.S. House of Representatives has designated July as Parks and Recreation Month; and

WHEREAS, The City of Homer recognizes the benefits derived from parks and recreation resources.

NOW, THEREFORE, I, Bryan Zak, Mayor of the City of Homer, do hereby proclaim July as Parks and Recreation Month in the City of Homer, Alaska.

IN WITNESS WHEREOF, I have hereunto set my hand and cause to be affixed the official seal of the City of Homer, Alaska, on this 25th day of June, 2018.

CITY OF HOMER

BRYAN ZAK, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

PUBLIC COMMENTS
UPON MATTERS
ALREADY ON THE AGENDA

RECONSIDERATION

CONSENT AGENDA

Session 18-14 a Special Meeting of the Homer City Council was called to order on May 29, 2018 at 6:30 p.m. by Mayor Bryan Zak at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS: ERICKSON, LORD, SMITH, VENUTI

ABSENT: COUNCILMEMBERS: ADERHOLD, STROOZAS (both excused)

STAFF: CITY MANAGER KOESTER
CITY CLERK JACOBSEN

Department Heads may be called upon from time to time to participate via teleconference.

AGENDA APPROVAL

(Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 2.08.040.)

The following changes were made: **CONSENT AGENDA Ordinance 18-29**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2018 Capital Budget by Appropriating up to \$5,200 from the Homer Accelerated Roads and Trails (HART) Fund for the Professional Design of an ADA Accessible Trail on City of Homer property known as Lot 7-A Nils O Svedlund Subdivision, (KPB Parcel #17719234) and Kachemak Heritage Land Trust (KHLT) property known as Lot 16 A-1 Nils O Svedlund Subdivision (KPB Parcel #17719231). Mayor. Written public comments. **Resolution 18-053**, A Resolution of the City Council of Homer, Alaska, Accepting Art Work at Ben Walters Park. City Clerk/PARCAC. Written public comments

VENUTI/LORD MOVED TO ADOPT THE AGENDA AS AMENDED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

MAYORAL PROCLAMATIONS AND RECOGNITIONS

A. Mary Epperson Day – June 6, 2018

Councilmember Erickson read and presented the proclamation to Carol Swartz. Ms. Swartz thanked Council on behalf of the family who was unable to attend. She announced that Mary

Epperson was inducted into the Alaska Women's Hall of Fame last month for her achievement in advocacy in Community Arts and Education.

B. Lemonade Day – June 9, 2018

Councilmember Venuti read the proclamation.

C. Pratt Museum 50th Anniversary – June 1, 2018

Councilmember Lord read and presented the proclamation to the Board President Linda Rowell and museum staff members Scott Bartlett, Chessie Sharp, Kelly Behen, and Jennifer Bartolowits. Ms. Rowell shared the history of the museum, some of the accomplishments over the last 50 years, and information about the upcoming closure for renovations. She invited the public to share their fondest memory of the Pratt that will be compiled into a commemorative book and announced tickets are available now for their 50th Anniversary Celebration, the Ritz Garden Gala on July 28th.

D. Safe Boating Week – May 19-25, 2018

Councilmember Smith read the proclamation.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Tom Zitzman, city resident, commented about Mary Epperson's service to the City as the Accounting Manager. Mary trained him to take over her job and she was a phenomenal accountant.

Wayne Aderhold, city resident, commented in support of Ordinance 18-29 and suggested connecting the trail with the 20 foot alley that runs behind the Alibi, KBBI, and the Grog Shop.

Lauren Rusin, Conservation Manager with Kachemak Heritage Land Trust, commented in support of Ordinance 18-29 and shared about the unique quality of the Poopdeck property being close to town and excellent wildlife habitat, as well as the benefits of universal access.

Tela Bacher, TRAILS Advocate with the Independent Living Center, commented in support of Ordinance 18-29 and highlighted the values of a universally accessible trail for all ages and all abilities.

David Lewis, city resident, commented in support of Ordinance 18-29 and working to clean up that area and make it safer, like the library trail.

RECONSIDERATION

CONSENT AGENDA

(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- A. Homer City Council unapproved Special and Regular Meeting Minutes of May 14, 2018. City Clerk. Recommend Approval.
- B. **Memorandum 18-066** from City Clerk Re: Travel Authorization for Mayor and Stroozas to attend the AML Summer Conference. Recommend Approval.
- C. **Ordinance 18-29**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2018 Capital Budget by Appropriating up to \$5,200 from the Homer Accelerated Roads and Trails (HART) Fund for the Professional Design of an ADA Accessible Trail on City of Homer property known as Lot 7-A Nils O Svedlund Subdivision, (KPB Parcel #17719234) and Kachemak Heritage Land Trust (KHLT) property known as Lot 16 A-1 Nils O Svedlund Subdivision (KPB Parcel #17719231). Mayor. Recommended dates Introduction May 29, 2018 Public Hearing and Second Reading, June 11, 2018
- D. **Resolution 18-049**, A Resolution of the City Council of Homer, Alaska, Awarding a Contract for the Greatland Street Extension Project 2018 to a Firm of Clark Management of Anchor Point, Alaska, in the Amount of \$597,078.73 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommend adoption.

Memorandum 18-067 from Public Works Director

- E. **Resolution 18-050**, A Resolution of the City Council of Homer, Alaska, establishing the Mil Rate at 4.5 for 2018. City Manager. Recommend adoption.
- F. **Resolution 18-051**, A Resolution of the City Council of Homer, Alaska, establishing a 2018 Mil Rate of 9.962541 Mils for the Ocean Drive Loop Special Service District. City Manager. Recommend adoption.
- G. **Resolution 18-052**, A Resolution of the Homer City Council Electing to Participate in the AMLJIA Loss Control Incentive Program for the City of Homer for the 2017-2018 Policy Year. City Manager/Finance. Recommend adoption.
- H. **Resolution 18-053**, A Resolution of the City Council of Homer, Alaska, Accepting Art Work at Ben Walters Park. City Clerk/PARCAC. Recommend adoption.

Memorandum 18-068 from Parks Art Recreation & Culture Advisory Commission

Resolution 18-053 moved to Resolutions C. – Erickson

Mayor Zak asked for a motion for the adoption of the consent agenda as amended.

ERICKSON/VENUTI SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS (10 minute limit per report)

- A. Borough Report
- B. Commissions/Board Reports:
 - 1. Library Advisory Board
 - 2. Homer Advisory Planning Commission
 - 3. Economic Development Advisory Commission
 - 4. Parks Art Recreation and Culture Advisory Commission

Ingrid Harrald, Parks Art Recreation and Culture Advisory Commissioner, welcomed David Lewis to the Commission and thanked Mike Illg and Matt Steffy for their efforts with parks and programs. She reported the Commission visited Hornaday Park to consider draft plans and ideas for the parking lot and road realignment. They recently discussed Ben Walters Park issues of mis-use and the artwork proposed for the bathroom there, the draft sidewalk rubric and top five priorities, and beach safety signage. Recommendations will be coming to Council soon on those topics. They had presentations from Kachemak Heritage Land Trust on the Poopdeck property trail improvements, and Quiet Creek Subdivision park potential. They supported allotting funds for the mural at Bishops Beach and also support resolution 18-054 appointing a PARCAC member to the HERC Task Force.

- 5. Port and Harbor Advisory Commission

PUBLIC HEARING(S)

- A. **Ordinance 18-28**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Land and Water Conservation Fund Grant in the Amount of \$263,340 to Replace the Ramp 2 Restroom and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommended dates Introduction May 14, 2018 Public Hearing and Second Reading May 29, 2018.

Memorandum 18-058 from Special Projects & Communications Coordinator as backup

Mayor Zak opened the public hearing. There was no public testimony and the hearing was closed.

LORD/ERICKSON MOVED TO ADOPT ORDINANCE 18-28 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There were brief comments expressing appreciation for staffs work to find grants for this much needed improvement.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- B. **Resolution 18-041(S)**, A Resolution of the Homer City Council Amending the Fee Schedule under Port and Harbor Department and Port of Homer Terminal Tariff No. 1 to add A \$5 ~~\$7.00~~ **Parking fee Impact Levy** for Vehicles and Trailers Utilizing the Small Boat Harbor Public Launch Ramp. Smith/**Port & Harbor Advisory Commission**. Recommended dates Introduction April 23, 2018, Referred to Port & Harbor Advisory Commission. Public Hearing and Postponement May 14, 2018. Public Hearing and Second Reading, May 29, 2018

Memorandum 18-062 from Port and Harbor Advisory Commission

Memorandum 18-065 from Harbormaster/Port Director

Mayor Zak opened the public hearing.

David Lewis, city resident, commented in support of Resolution 18-041(S) and encouraged contemplating fees for other parking areas around the spit.

There was no further testimony and the hearing was closed.

VENUTI/ERICKSON MOVED TO ADOPT RESOLUTION 18-041(S)

Councilmember Smith shared his appreciation for the Port and Harbor Advisory Commission input and the Harbormasters attention to ensure this is implemented properly.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

ORDINANCE(S)

CITY MANAGER'S REPORT

A. City Manager's Report

City Manager Koester gave kudos to all the responders and highlighted the cooperation this weekend with a couple of forest fires this weekend out East End. Homer Volunteer Fire Department responded on mutual aid to KESA, it was a great opportunity to work collaboratively and remember we're all part of the same community.

In response to questions City Manager Koester commented on the meeting with Mayor Zak, Harbormaster Hawkins, and Senator Sullivan's Chief of Staff. She explained they discussed several issues but focused on promoting harbor projects.

Councilmember Lord appreciated the financial report that was provided, it will be helpful going into the budget season. She suggested the Mayor Pro Tem sign the letter to the Small Business Development Center.

Councilmember Venuti commented regarding the Homer Elks plans to work on the Skate Park and expressed her appreciation for that effort. It's used heavily by the youth and it's important for them to recognize we care.

B. Bid Report

CITY ATTORNEY REPORT

COMMITTEE REPORT

A. Americans with Disabilities Act Compliance Committee

Councilmember Smith commented the Committee presented an informative report to the Port and Harbor Commission bringing them up to speed on findings from a study that was done.

PENDING BUSINESS

- A. **Memorandum 18-056** from Mayor Zak Re: Appointments of Larry Slone, Michael Haines, Paul Knight, Karin Marks, Chrisi Matthews, Barry Reiss, and David Derry to the HERC Task Force.

LORD/ERICKSON MOVED TO CONFIRM THE APPOINTMENTS OF THE HERC TASK FORCE AS PRESENTED IN MEMORANDUM 18-056.

Councilmember Venuti requested if there is an opportunity to appoint another committee like this to look at the number of males and females, it's nice to look at gender equity in everything we do as a city. Councilmember Lord concurred.

VOTE: YES: VENUTI, SMITH, LORD, ERICKSON

Motion carried.

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 18-054**, A Resolution of the City Council of Homer, Alaska, Amending Resolution 18-036(A) Establishing the Homer Education and Recreation Complex (HERC) Task Force to Include a Representative from the Parks Art Recreation and Culture Advisory Commission. Mayor. Recommend adoption.

VENUTI/LORD MOVED TO ADOPT RESOLUTION 18-054

ERICKSON/SMITH MOVED TO AMEND LINE 10 TO ADD "AND CITY COUNCIL MEMBER TO FILL ADVISORY ROLES ON THE TASK FORCE"; LINE 16 ADD "AND NOR MORE THAN ONE CITY COUNCIL MEMBER"; LINE 26 STRIKE EXPAND MEMBERSHIP TO EIGHT AND ADD "TO INCLUDE ADVISORY MEMBERS FROM PARCAC AND A CITY COUNCIL MEMBER TO BE CONSULTING, NON-VOTING PARTICIPANTS WITH THE TASK FORCE; AND LINE 32 STRIKE TO INCREASE MEMBERSHIP FROM SEVEN MEMBERS TO EIGHT MEMBERS AND ADD " TO INCLUDE AN ADVISORY MEMBER FROM PARKS ART RECREATION AND CULTURE ADVISORY COMMISSION AS SELECTED BY THE COMMISSION, A COUNCIL MEMBER, AND STUDENT REPRESENTATIVE.

Councilmember Erickson noted challenges of an 8 member body when there are tie votes. She also commented that PARCAC and Council has had time to discuss this, and this change will allow the Task Force hear from both bodies, but have the objectivity to be able to make decisions.

Councilmember Lord supports the resolution as presented. She doesn't believe Council needs to have a seat at the table but does think it would be beneficial to have a voting representative from PARCAC.

Councilmember Venuti agrees that Council does not need a seat on the task force.

Councilmember Smith commented in support of the amendment as it supports what was originally recommended from PARCAC and there is value in having the advisory positions. He thinks Deb Lowney can provide a lot of value to the process.

VOTE (amendment): YES: SMITH, ERICKSON
NO: LORD, VENUTI

Motion failed.

LORD/VENUTI MOVED TO POSTPONE RESOLUTION 18-053 TO JUNE 11TH.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- B. **Resolution 18-055**, A Resolution of the City Council of Homer, Alaska Approving a Twenty-Six Month Sublease at the Homer Airport Terminal, Consisting of Ticket, Office Area #110 and Baggage Areas for Peninsula Airways, Inc., and Authorizing the City Manager to Execute the Appropriate Documents. City Manager.

LORD/ERICKSON MOVED TO ADOPT RESOLUTION 18-055 BY READING OF TITLE ONLY.

There were brief comments that it will be good to have another operator at the Homer airport.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- C. **Resolution 18-053**, A Resolution of the City Council of Homer, Alaska, Accepting Art Work at Ben Walters Park. City Clerk/PARCAC.

LORD/VENUTI MOVED TO ADOPT RESOLUTION 18-053 BY READING OF TITLE ONLY

Discussion ensued acknowledging the written comments that the Rotary Club who maintains the park have some input on this. City Manager Koester suggested she could put the REC Room in touch with Rotary, and that it could be beneficial to add a whereas or a resolve regarding a partnership Rotary.

VENUTI/LORD MOVED TO POSTPONE TO JUNE 11TH.

There was no discussion on the motion to postpone.

VOTE (postponement): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

COMMENTS OF THE AUDIENCE

Ingrid Harrald, city resident, commented regarding the art at Ben Walters Park, the students have done the art and it's on a wooden platform and may have had a change in plans for the location. She will have REC Room contact the City Manager's office. She shared her disappointment that we as a City can't recognize the importance of having a PARCAC member on the HERC Task Force. She doesn't think having an even number of voting members is a valid concern or that it outweighs the importance of having a representative on the task force.

Larry Slone, city resident, thanked council for approving the appointments to the HERC Task Force. He encouraged the public to think about what the best use, disposition, and financing scenarios could be for the building. He also commented regarding his perspective to gender balance in that excluding individuals who might have better insight, knowledge, or information that is more relevant to the task at hand just on the basis of gender isn't warranted.

Wayne Aderhold, city resident, commented that Councilperson Aderhold hates to miss a meeting and she would have called in if she could have.

COMMENTS OF THE CITY ATTORNEY

COMMENTS OF THE CITY CLERK

City Clerk Jacobsen announced absentee in person voting for the June 26th special election opens Monday, June 11th and applications to receive a ballot by mail, email, or fax are available at the City Clerk's office and on the City Clerk web page.

COMMENTS OF THE CITY MANAGER

City Manager Koester had no comment.

COMMENTS OF THE MAYOR

Mayor Zak shared his appreciation for Council and their great job tonight. He recognized the Downtown Rotary Club for their efforts to coordinate the flags along Pioneer Avenue in recognition of Memorial Day.

COMMENTS OF THE CITY COUNCIL

Councilmember Erickson thanked everyone who put together the regional baseball tournament this past weekend, they did a great job. She went to the Memorial Day service at the Hickerson Cemetery, it was nice to see the new addition there. She thanked not only those who have passed, but also those still living. It was great to hear the stories veterans had to share, and all they have done for our community. She is thankful for those who have stood up for us and our freedom.

Councilmember Venuti commented she missed Councilmember Aderhold and Stroozas tonight, they always add a level of discussion and she missed that. She said she will be going to Voznesenka tomorrow on the book mobile tomorrow with Lynn Maslow and Steve Gibson to give away books, and she complemented the library on all they do to promote literacy.

Councilmember Smith recognized Mary Epperson and her contributions to the community, and recognized the Lady Mariners for making it to the state softball championship tournament in Fairbanks. He concurs with Councilmember Erickson's Memorial Day comments and encouraged people to get educated and to vote on June 26th.

Councilmember Lord congratulated the Pratt on their 50th Anniversary and shared her appreciation for the work they do for the community. She commented on issues of gender imbalance in the community and the importance of being mindful of it, and also encouraged the public to get out and vote on June 26th. Councilmember contact information is available on the City website.

ADJOURN

There being no further business to come before the Council, Mayor Zak adjourned the meeting at 7:56 p.m. The next Regular Meeting is Monday, June 11, 2018 at 6:00 p.m., Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

MELISSA JACOBSEN, MMC, CITY CLERK

Approved: _____



City of Homer

www.cityofhomer-ak.gov

Office of the Mayor

491 East Pioneer Avenue
Homer, Alaska 99603

mayor@ci.homer.ak.us

(p) 907-235-3130

(f) 907-235-3143

Memorandum 18-069

TO: HOMER CITY COUNCIL
FROM: BRYAN ZAK, MAYOR
DATE: JUNE 6, 2018
SUBJECT: APPOINTMENT OF ETHAN BENEDETTI TO THE STUDENT REPRESENTATIVE SEAT
ON THE LIBRARY ADVISORY BOARD

Ethan Benedetti is appointed to fill the Representative on the Library Advisory Board for a term to run from September 2018 to May 2019.

RECOMMENDATION:

Confirm the appointment of Ethan Benedetti to the Student Representative seat on the Library Advisory Board.

Fiscal Note: N/A



**CITY OF HOMER
APPLICATION TO SERVE ON ADVISORY BODY
COMMISSION, BOARD, COMMITTEE, TASK FORCE**

**CITY CLERK'S OFFICE
CITY OF HOMER
491 E. PIONEER AVE
HOMER, AK 99603
PH. 907-235-3130
FAX 907-235-3143
clerk@cityofhomer-ak.gov**

The information below provides some basic background for the Mayor and Council
This information is public and will be included in the Council Information packet

Name: _____ Date: _____

Physical Address: _____

Mailing Address: _____

Phone #: _____ Cell #: _____ Work #: _____

Email Address: _____

The above information will be published in the City Directory and within the city web pages if you are appointed by the Mayor and your appointment is confirmed by the City Council

Please indicate the advisory body that you are interested in serving on by marking with an X.
You may select more than one.

ADVISORY PLANNING COMMISSION

1ST & 3RD WEDNESDAY OF THE MONTH AT 6:30 PM
WORKSESSION PRIOR TO EACH MEETING AT 5:30 PM

PARKS ART RECREATION & CULTURE ADVISORY COMMISSION

3RD THURSDAY OF THE MONTH AT 5:30 PM
NO MEETINGS IN JANUARY, JULY & DECEMBER

PORT & HARBOR ADVISORY COMMISSION

4th WEDNESDAY OF THE MONTH
OCT-APRIL AT 5:00 PM
MAY - SEPT AT 6:00 PM

ECONOMIC DEVELOPMENT ADVISORY COMMISSION

2ND TUESDAY OF THE MONTH AT 6:00 PM

CANNABIS ADVISORY COMMISSION

4TH THURSDAY OF THE MONTH AT 5:30 PM

LIBRARY ADVISORY BOARD

1ST TUESDAY OF THE MONTH AT 5:30 PM
NO MEETINGS IN JANUARY, JUNE AND JULY

OTHER - PLEASE INDICATE

CITY COUNCIL

2ND & 4TH MONDAY OF THE MONTH
SPECIAL MEETINGS & WORKSESSIONS AT 4:00 PM
COMMITTEE OF THE WHOLE AT 5:00 PM
REGULAR MEETING AT 6:00 PM

I have been a resident of the city for _____ years. I have been a resident of the area for _____ years.

I am presently employed at _____

Please list any special training, education or background you may have which is related to your choice of advisory body.

Have you ever served on a similar advisory body? If so please list when, where and how long:

Why are you interested in serving on the selected advisory body?

Please list any current memberships or organizations you belong to related to your selection(s):

Please answer the following only if you are applying for the Advisory Planning Commission:
Have you ever developed real property other than a personal residence, if so briefly explain:

Please answer if your are applying for the Port & Harbor Advisory Commission:

Do you use the Homer Port and/or Harbor on a regular basis?

Yes	No	What is your primary use? Commercial	Recreational
-----	----	--------------------------------------	--------------

Please include any additional information that may assist the Mayor in his/her decision making:

When you have completed the application please review and return to the City Clerk's Office. You may also email this to clerk@cityofhomer-ak.gov or fax to 907-235-3143. Thank you for applying!



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum 18-070

TO: MAYOR ZAK AND HOMER CITY COUNCIL

FROM: RENEE KRAUSE, CMC, DEPUTY CITY CLERK

DATE: MAY 31, 2018

SUBJECT: CONFIRMATION OF ELECTION JUDGES FOR THE CITY OF HOMER SPECIAL
ELECTION JUNE 26, 2018

Pursuant to Homer City Code Sections 4.20.010 and 4.35.010 the Election Judges are approved by City Council and the Canvass Board is confirmed by the City Council. Election Central Judges and Absentee Voting Officials are appointed by the City Clerk and require no approval or confirmation of the City Council.

Homer No. 1	Homer No. 2	Canvass Board
Jane Swain, Chair	Theresa Dubber, Chair	Terry Meyer
Maryann Lyda	Pauline Benson	Maryann Lyda
Margaret Lau	Terry Meyer	
Karen Smith	Doug Koester	

Recommendation

Confirm the appointment of the Canvass Board and approve the appointment of the Election Judges for the June 26, 2018 City of Homer Special Election.

Fiscal Note: Polling Place - \$10.50/hr. Chairs, \$10.00/hr. Judges, 12-18 hrs.
\$12.50/hr. Canvass board 2-4 hours or until done.

Account: 100.0102.5101-5107



City of Homer

www.cityofhomer-ak.gov

Finance Department

491 East Pioneer Avenue

Homer, Alaska 99603

finance@cityofhomer-ak.gov

(p) 907-235-8121

(f) 907-235-3140

Memorandum 18-071

TO: Mayor Zak and Homer City Council

THROUGH: Katie Koester, City Manager

FROM: Elizabeth Walton, Finance Director

DATE: June 6, 2018

SUBJECT: 2019 Proposed Budget Schedule

Included is the 2019 Proposed Budget Development Schedule.

Recommendation:

Review, amend as desired, and approve the 2019 Budget Schedule.

Enc:

Budget schedule for 2019

City of Homer
Proposed Budget Development Schedule for FY 2019

Dates	Time	Event
6/11/2018	6:00 PM	Budget Development Schedule approved by Council
7/23/2018		Submit to departments, budget work sheets including salary and fringe benefit costs
8/13/2018	5:00 PM	Committee of the Whole, Council to discuss budget priorities for the coming year
	6:00 PM	Regular Meeting, Public Hearing - public input on budget priorities for the coming year
8/27/2018		Departmental Draft Budget and narratives to Finance
9/10/2018	5:00 PM	During Committee of the Whole, Council to discuss Revenue Sources for General Fund
9/10/2018		Compile data and return copy to departments for review
9/10 - 9/21/2018	Weeks Of	City Manager - Budget Review with Finance Director and Department Heads
9/24/2018		Preliminary budget assumptions to Council.
10/8/2018		City Manager's Budget (Proposed Budget) to Council
	5:00 PM	Committee of the Whole, Council to discuss budget
	6:00 PM	Regular Meeting - Public Hearing
10/22/2018	5:00 PM	Committee of the Whole, Council to discuss budget
	6:00 PM	Regular Meeting - to introduce Budget Ordinance and Fee/Tariff Resolutions
11/26/2018	5:00 PM	Committee of the Whole, Council to discuss budget
	6:00 PM	Regular Meeting - Public Hearing
12/10/2018	6:00 PM	Regular Meeting - Public Hearing & FY 2019 Budget Adoption

ORDINANCE REFERENCE SHEET
2018 ORDINANCE
ORDINANCE 18-30

Ordinance 18-30, An Ordinance of the City Council of Homer, Alaska, Amending the 2018 Capital Budget by Appropriating \$35,911 from the Harbor Depreciation Reserve Fund for the Relocation of the Ramp 2 Harbor Backflow Prevention Facilities, and Authorizing the City Manager to Execute the Appropriate Documents. Harbor Ramp 2 Backflow Prevention Device.

Sponsor: City Manager/Public Works Director

1. Council Regular Meeting June 11, 2018 Introduction
 - a. Memorandum 18-072 from Public Works Director as backup

June 11, 2018 meeting canceled for lack of a quorum

2. Council Regular Meeting June 25, 2018 Introduction
 - a. Memorandum 18-072 from Public Works Director as backup

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

3 City Manager/
4 Public Works Director

5 **ORDINANCE 18-30**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE 2018 CAPITAL BUDGET BY APPROPRIATING \$35,911
9 FROM THE HARBOR DEPRECIATION RESERVE FUND FOR THE
10 RELOCATION OF THE RAMP 2 HARBOR BACKFLOW PREVENTION
11 FACILITIES, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE
12 APPROPRIATE DOCUMENTS.

13
14 WHEREAS, The replacement of the Ramp 2 restroom provides the opportunity to bring the
15 Small Boat Harbor backflow prevention into code compliance, reduce maintenance costs, and
16 provide for safer operations (see Memorandum 18-172 from Public Works/Harbormaster); and
17

18 WHEREAS, Public Works has prepared a plan and proposes to complete the work later this
19 summer utilizing a competitively selected Contractor and City water distribution/harbor staff.
20

21 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
22

23 Section 1. The FY 2018 Capital Budget is hereby amended by appropriating \$35,911 from
24 the Harbor Depreciation Reserve Fund for Relocation of the Ramp 2 Harbor Backflow Prevention
25 Facility.
26

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
27 456-0380	28 Harbor Depreciation Reserve Fund	29 \$35,911

30 Section 2. This is a budget amendment ordinance, is not permanent in nature, and shall
31 not be codified.
32

33 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 25th day of June, 2018.
34

35 CITY OF HOMER
36

37 _____
38 BRYAN ZAK, MAYOR
39

40 ATTEST:
41

42 _____
43 MELISSA JACOBSEN, MMC, CITY CLERK
44
45

46 YES:

47 NO:

48 ABSTAIN:

49 ABSENT:

50

51 First Reading:

52 Public Hearing:

53 Second Reading:

54 Effective Date:

55

56 Reviewed and approved as to form:

57

58

59 _____
Katie Koester, City Manager

Holly Wells, City Attorney

60

61 Date: _____

Date: _____



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

Memorandum 18-072

TO: Katie Koester, City Manager

FROM: Carey Meyer, Public Works Director
Bryan Hawkins, Harbormaster

DATE: June 5, 2018

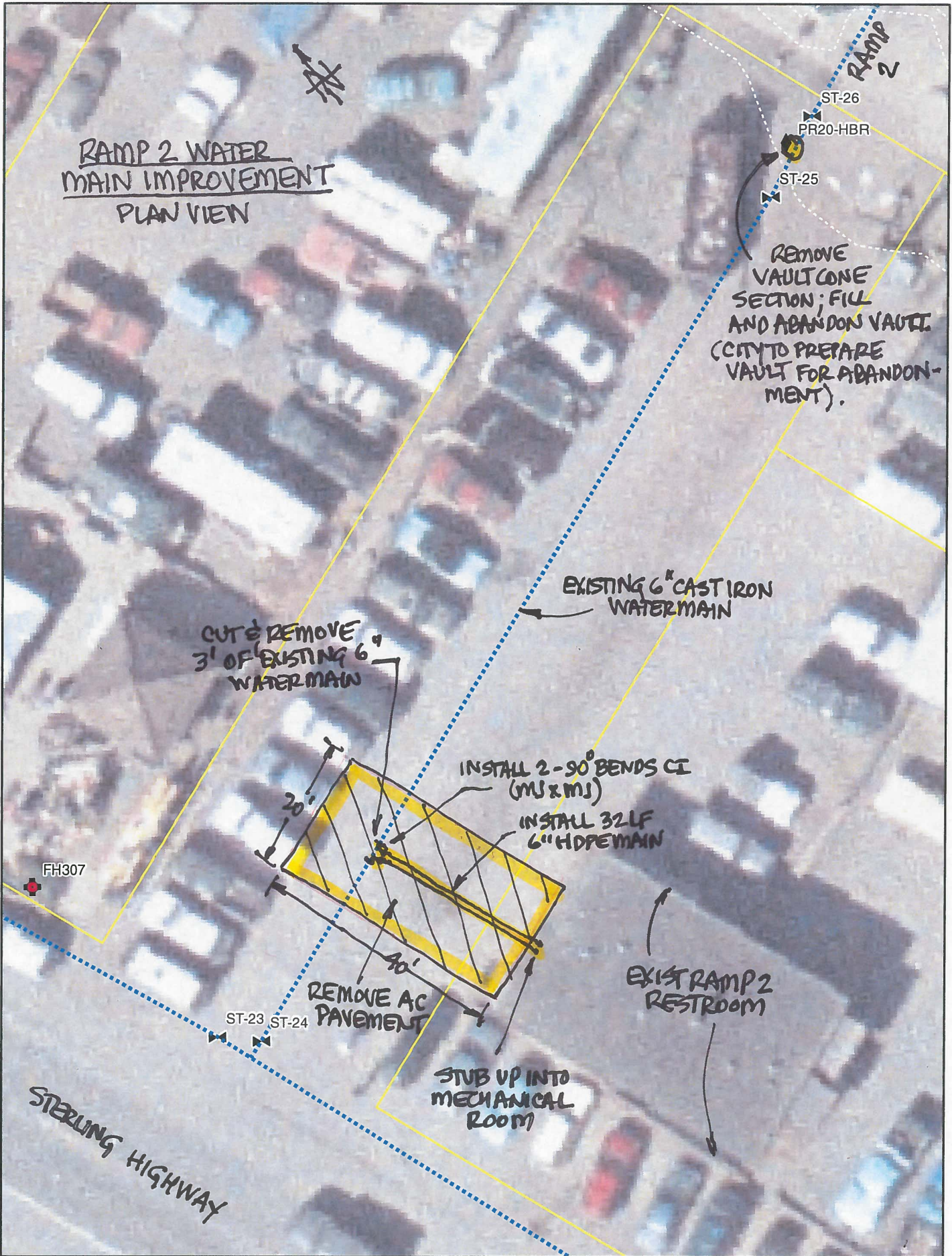
SUBJECT: **Relocation of the Ramp 2 Harbor Backflow Prevention Facility
Harbor Reserve Expenditure Authorization Request**

The water system in the west side of the Small Boat Harbor is protected from potential contamination by backflow prevention devices at Ramp 2 and 4. In the past, these devices have been located in underground vaults at the approach to each ramp. New regulations require that these devices be located above ground. When the new restroom was constructed at Ramp 4, the device was relocated into the new restroom mechanical room. The replacement of the Ramp 2 restroom provides the opportunity to do the same thing with the backflow prevention device at Ramp 2.

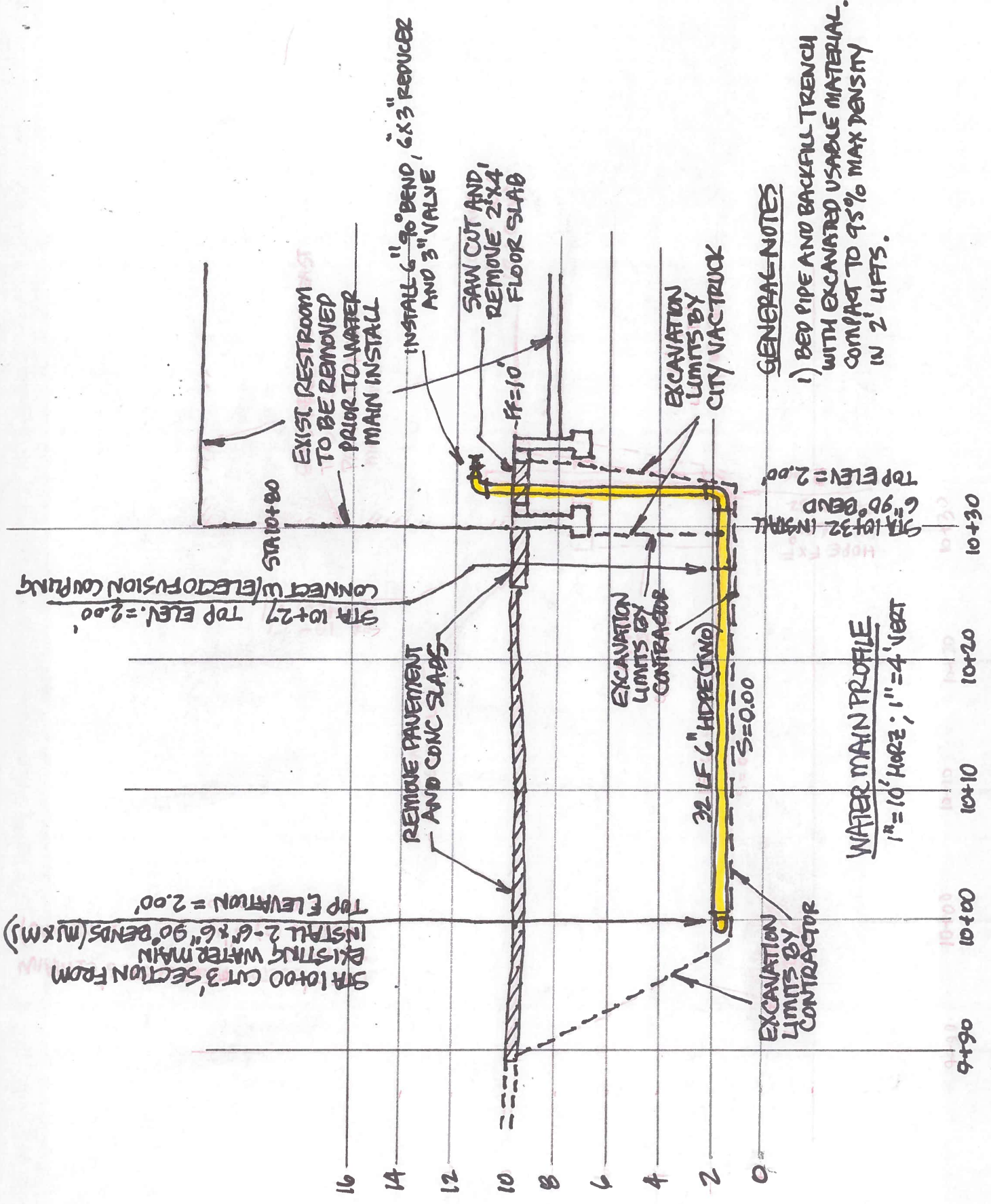
The work entails extending the 6" water main into the restroom, relocating the devices from the existing underground vault into the restroom structure, and abandoning the existing vault. The water main extension would be completed by a competitively selected Contractor; relocation of the devices would be accomplished by City water distribution staff.

Attached is a cost estimate and plan for the work. The total cost of the work is estimated to be \$35,911. The Harbormaster supports this work since it will bring the Small Boat Harbor backflow prevention into code compliance, reduce maintenance costs, and provide for safer operations (no more confined space entry).

Recommendation: The Council pass an ordinance amending the 2018 capital budget to authorize the expenditure of an additional \$35,911 from the Harbor Reserve Fund for the relocation of the Ramp 2 Harbor backflow prevention facilities.



1 inch = 20 feet



GENERAL NOTES

- 1) BED PIPE AND BACKFILL TRENCH WITH EXCAVATED USABLE MATERIAL. COMPACT TO 95% MAX DENSITY IN 2' LIFTS.

WATER MAIN PROFILE
 $1'' = 10' \text{ HORIZ}; 1'' = 4' \text{ VERT}$

Cost Estimate - Relocation of backflow prevention - Ramp 2

	Unit	Unit Price	Quantity	Price
Mob/Demob	LS	4500	1	\$4,500
Pvaement Removal	SF	4	800	\$3,200
Excavation/Backfill	LF	85	30	\$2,550
Cut Pipe/Install fittings and valves	LS	4500	1	\$4,500
Install 6" water service main	LF	65	40	\$2,600
Sawcut Restroom Floor Slab	LS	2500	1	\$2,500
Replace AC Pavement	SF	800	6	\$4,800

Total Construction				\$24,650
Design (10%)				\$2,465
Inspection (4%)				\$986
Contingency (10%)				\$2,810

City Crew - Abandon MH/Relocate Backflow Devices				\$5,000
---	--	--	--	---------

Total Project				\$35,911
---------------	--	--	--	----------

ORDINANCE REFERENCE SHEET
2018 ORDINANCE
ORDINANCE 18-31

Ordinance 18-31, An Ordinance of the City Council of Homer, Alaska, Amending the FY2018 Capital Budget by Appropriating \$473,829 from the Police Station Reserve for the Purpose of Funding 100% Design for the New Police Station Contingent Upon the Passage of Ballot Proposition 1 at the June 26. 2018 Special Election.

Sponsor: Smith

1. Council Regular Meeting June 11, 2018 Introduction

June 11, 2018 meeting canceled for lack of a quorum

2. Council Regular Meeting June 25, 2018 Introduction

**CITY OF HOMER
HOMER, ALASKA**

Smith

ORDINANCE 18-31

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA AMENDING THE FY2018 CAPITAL BUDGET BY APPROPRIATING \$473,829 FROM THE POLICE STATION RESERVE FOR THE PURPOSE OF FUNDING 100% DESIGN FOR THE NEW POLICE STATION CONTINGENT UPON THE PASSAGE OF BALLOT PROPOSITION 1 AT THE JUNE 26, 2018 SPECIAL ELECTION.

WHEREAS, In recognition of the great need for a safe and hygienic police station, City Council has approved a new police station as the top-ranked priority in the City of Homer's Capital Improvement Plan; and

WHEREAS, Homer City Council has been working diligently for over 5 years on the size, scope, cost and location of a new police station; and

WHEREAS, Homer City Council passed Ordinance 18-26(A)(S) putting before the voters Ballot Proposition 1 on June 26, 2018 to authorize financing for the project; and

WHEREAS, If Homer voters approve Ballot Proposition 1 design will need to begin on the project as soon as possible in order to have sufficient time to engage the public in the design process before ground breaks in spring of 2019.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY2018 capital budget by appropriating \$\$473,829 from the Police Station Reserve for the purpose of funding 100% design for the new police station.

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
Revenue:	New Police Station Reserve Account	\$473,829
Expenditure:	100% Design for new police station	\$473,829

Section 2. The City Manager is authorized to execute the appropriate documents.

Section 3. Sections 1 and 2 of this ordinance shall become effective immediately upon approval of Proposition No. 1 by a majority of the qualified voters voting on the proposition at

43 the special election to be held in the City on June 26, 2018. This is a budget amendment
44 ordinance, is temporary in nature, and shall not be codified.

45
46 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this __ day of _____, 2018.

47
48
49 CITY OF HOMER

50
51
52 _____
53 BRYAN ZAK, MAYOR

54
55 ATTEST:

56
57
58 _____
59 MELISSA JACOBSEN, MMC, CITY CLERK

60
61 YES:
62 NO:
63 ABSTAIN:
64 ABSENT:

65
66 Introduction:
67 Public Hearing:
68 Second Reading:
69 Effective Date:

70
71
72 Reviewed and approved as to form:

73
74 _____
75 Katie Koester, City Manager

74 _____
75 Holly Wells, Attorney

76
77 Date: _____

76
77 Date: _____



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

MEMORANDUM

TO: Mary K. Koester, City Manager
FROM: Carey Meyer, Public Works Director
DATE: February 21, 2018
SUBJECT: **Police Station Concept Design
\$7.5M Option**

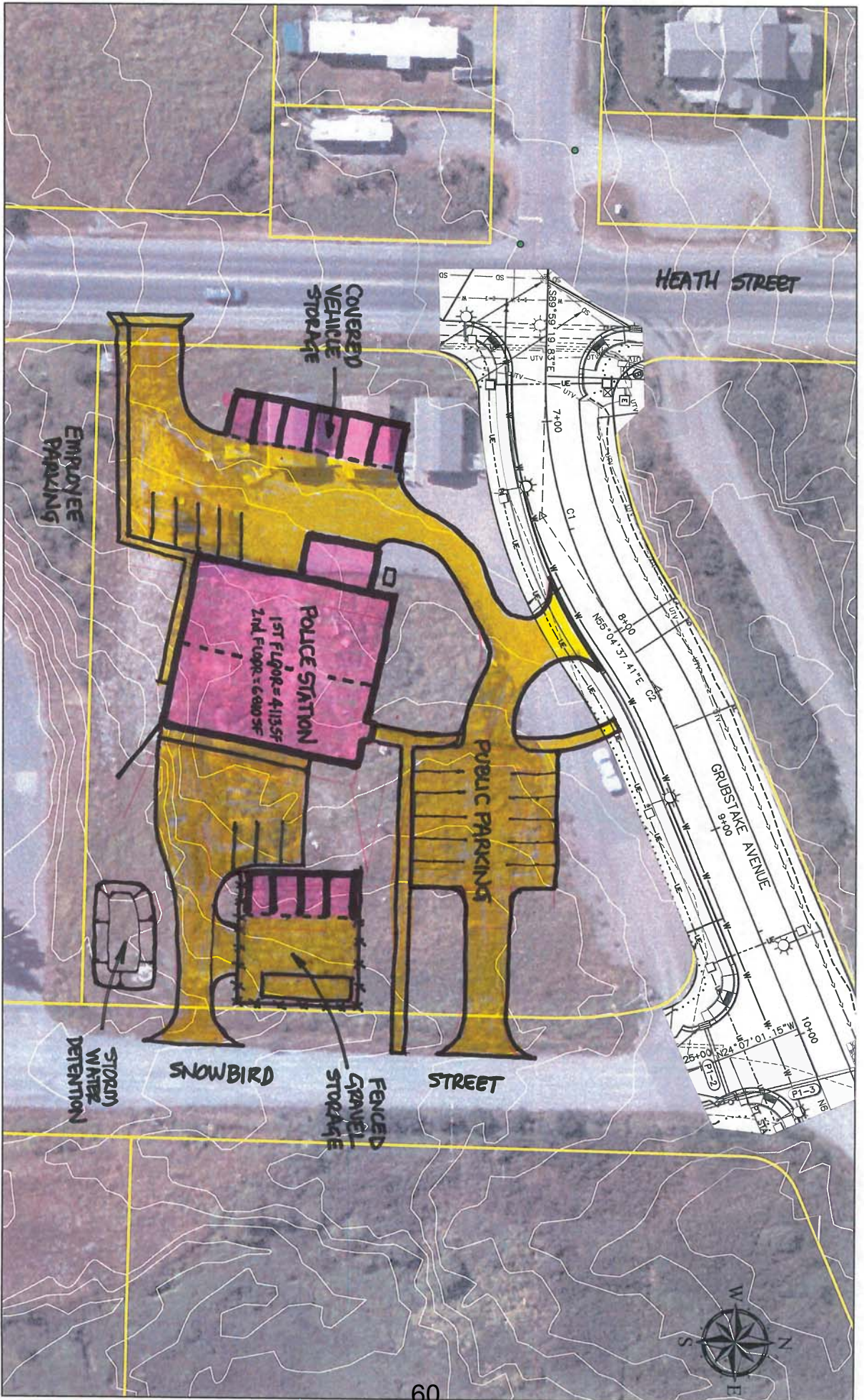
The design team (Chief Robl, the Public Works Director Meyer and the Stantec architect) has completed a conceptual design for a two-story \$7,500,000 new police station project sited at the Waddell property.

Attached is a cost estimate, a site plan, and a floor plan. This concept plan provides for all of the items prioritized by the Council at the last work session and that the Chief found wanting in the previous design.

The team has downsized the previously developed \$8.1M design rather than up-sizing the previous \$6.3M design. The idea of constructing empty daylight basement square footage for future expansion made less sense to us than utilizing the new basement square footage to meet current needs.

When the time comes, the existence of a daylight basement will provide for the ability to expand horizontally and/or vertically – in a cost effective manner.

The answer to the question “Chief – how long will this building meet your needs before it needs expansion?” is now 20-30 years.



Proposed Police Station

1 inch = 40 feet

**Conceptual Cost Estimate
 10,924 SF - Two-Story w/Daylight Basement
 Waddell Site - \$7.5M Option**

New Building Construction	SF	Unit Price	Cost
Building Construction	10,924	\$415	\$4,533,460
Sally Port	600	\$210	\$126,000
Civil Site Improvements			\$565,000
Accessory Buildings			\$350,000
Design			\$473,829
Inspection			\$139,362
1% for Art			\$45,335
Furnishings			\$145,000
Communications			\$205,000
Contingency (10%)			\$658,299
Repay HART for property			\$258,000
Total Project			\$7,499,284

ORDINANCE REFERENCE SHEET
2018 ORDINANCE
ORDINANCE 18-32

An Ordinance of the City Council of Homer Alaska, Amending the 2018 Operating Budget to Appropriate \$34,488.80 from the Water/Sewer Inventory Account for the Purchase of Concrete Septic Tanks.

Sponsor: City Manager/Public Works Director

1. Council Regular Meeting June 25, 2018 Introduction

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager/
4 Public Works Director

5 ORDINANCE 18-32

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE 2018 OPERATING BUDGET TO APPROPRIATE
9 FUNDS IN THE AMOUNT OF \$34,488.84 FROM THE WATER/SEWER
10 INVENTORY ACCOUNT FOR THE PURCHASE OF CONCRETE SEPTIC
11 TANKS.

12
13 WHEREAS, Properties served by sewer in Kachemak City require concrete septic tanks;
14 and

15
16 WHEREAS, The City purchases the tanks, places them in inventory, and sells them to
17 property owners as they are needed; and

18
19 WHEREAS, All tanks purchased on 2013 have been sold and additional tanks need to be
20 purchased; and

21
22 WHEREAS, These tanks are available form one Alaska supplier and a quote for 16 tanks
23 was obtained for \$34,448.84.

24
25 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

26
27 Section 1. The Homer City Council hereby authorizes \$34,488.84 to be expended from
28 the water/sewer inventory account as follows:

29
30 Expenditure:

31
32

<u>Account</u>	<u>Description</u>	<u>Amount</u>
200-0000-1417	Concrete Septic Tank Purchase (16)	\$34,488.84

33
34
35 Section 2. This is a budget amendment ordinance, is temporary in nature, and shall
36 not be codified.

37
38 ENACTED BY THE HOMER CITY COUNCIL this 23rd day of July, 2018.

39
40 CITY OF HOMER

41
42 _____
43 BRYAN ZAK, MAYOR

44 ATTEST:

45

46

47 _____

48 MELISSA JACOBSEN, MMC, CITY CLERK

49

50 YES:

51 NO:

52 ABSENT:

53 ABSTAIN:

54

55 First Reading:

56 Public Hearing:

57 Second Reading:

58 Effective Date:

59

60 Reviewed and approved as to form:

61

62 _____

63 Katie Koester, City Manager

64

65 Date: _____

Holly Wells, City Attorney

Date: _____

ORDINANCE REFERENCE SHEET
2018 ORDINANCE
ORDINANCE 18-33

An Ordinance of the City Council of Homer, Alaska, Authorizing the Expenditure of a Land and Water Conservation Fund Grant Funds and Expenditure of Accumulated and Future Commercial Passenger Vessel Funds via a Loan from the Port and Harbor Enterprise Fund as Matching Funds and to Complete the Ramp 2 Restroom Replacement Project.

Sponsor: City Manager

1. Council Regular Meeting June 25, 2018 Introduction

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

3 City Manager

4 **ORDINANCE 18-33**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
7 AUTHORIZING THE EXPENDITURE OF ACCUMULATED
8 COMMERCIAL PASSENGER VESSEL (CPV) FUNDS AND FUNDS
9 FROM THE PORT AND HARBOR FUND TO COMPLETE THE RAMP 2
10 RESTROOM REPLACEMENT PROJECT.

11
12 WHEREAS, Replacing the forty-three year old Ramp 2 public restroom to better serve
13 the public has been recognized as a capital need in the City of Homer 2018-2023 Capital
14 Improvement Plan; and

15
16 WHEREAS, City of Homer Ordinance 18-28 accepted and appropriated a 2017 Land and
17 Water Conservation Fund (LWCF) matching grant in the amount of \$263,340 to help upgrade
18 the Ramp 2 public restroom; and

19
20 WHEREAS, City of Homer Ordinance 17-19 accepted 2016 Commercial Passenger Vessel
21 (CPV) Tax Program grant funds from the Kenai Peninsula Borough, committing those funds to
22 the Ramp 2 Public Restroom Replacement project; and

23
24 WHEREAS, City of Homer Resolution 17-067 further committed accumulated and future
25 CPV grant funds to meet match requirements for the LWCF grant and for completing the Ramp
26 2 Restroom replacement project; and

27
28 WHEREAS, The State of Alaska and Kenai Peninsula Borough CPV grant managers have
29 confirmed that using future CPV funds to pay back the Port and Harbor for Ramp 2 restroom
30 replacement is an eligible grant expense, estimated at a 2-year payback; and

31
32 WHEREAS, A final design for the Ramp 2 Restroom rebuild has been completed and
33 requests for proposals have been issued for construction to commence in the fall.

34
35 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

36
37 Section 1. The Homer City Council hereby authorizes \$263,340 to be expended to
38 construct the new Ramp 2 public restroom from the accounts described below:

39
40 Funding Source:

41 Description

Amount

42	CPV Tax Program Fund	\$168,678
43	Port & Harbor Fund Balance	\$ 94,662
44		
45	Expenditure:	
46	<u>Description</u>	<u>Amount</u>
47	Ramp 2 Public Restroom Replacement	\$263,340
48		

49 Section 2. This is a budget amendment ordinance, is temporary in nature, and shall
50 not be codified.

51
52 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 25th day of June, 2018.

53
54
55 CITY OF HOMER
56
57
58 _____
59 BRYAN ZAK, MAYOR
60

61 ATTEST:
62
63 _____
64 MELISSA JACOBSEN, MMC, CITY CLERK
65

66 YES:
67 NO:
68 ABSTAIN:
69 ABSENT:
70
71 Introduction:
72 Public Hearing:
73 Second Reading:
74 Effective Date:
75

76
77 Reviewed and approved as to form:
78
79 _____
80 Mary K. Koester, City Manager
81
82 Date: _____

Holly Wells, Attorney

Date: _____

ORDINANCE REFERENCE SHEET
2018 ORDINANCE
ORDINANCE 18-34

An Ordinance of the City Council of Homer, Alaska, Amending the 2018 Capital Budget by Appropriating \$3,500 from Police Reserves for the Purchase of a Traffic Speed Monitoring Device.

Sponsor: Lord

1. Council Regular Meeting June 25, 2018 Introduction

**CITY OF HOMER
HOMER, ALASKA**

Lord

ORDINANCE 18-34

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
AMENDING THE FY2018 CAPITAL BUDGET BY APPROPRIATING
\$3,500 FROM THE POLICE RESERVES FOR THE PURCHASE OF A
TRAFFIC MONITORING DEVICE.

WHEREAS, Every year members of the public report occurrences of excessive speed on
City of Homer streets; and

WHEREAS, A small traffic monitoring device installed on a sign post can log the speed
of passing vehicles, providing an inexpensive way of confirming speeding in a neighborhood;
and

WHEREAS, A device to collect data on traffic speeds and provide traffic reports will
relieve pressure on busy officers by efficiently gathering data that now can only be gathered
by a police officer; and

WHEREAS, The device will not have the capability of identifying the vehicles and would
be used for data collection purposes only; and

WHEREAS, Data collected by this device would be a useful tool for the Homer Police
Department to confirm citizen complaints of excessive speed and justify the costs of additional
signage, enforcement, and traffic calming measures.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY2018 capital budget by
appropriating \$3,500 from the Police Reserve for the purpose of purchasing a traffic
monitoring device.

Funding Source:

<u>Description</u>	<u>Amount</u>
Police Reserve Account	\$3,500

Expenditure:

<u>Description</u>	<u>Amount</u>
Traffic Monitoring Device	\$3,500

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Section 2. The City Manager is authorized to execute the appropriate documents.

Section 3. This is a budget amendment ordinance, is temporary in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this __ day of _____, 2018.

CITY OF HOMER

BRYAN ZAK, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

Introduction:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Katie Koester, City Manager

Holly Wells, Attorney

Date: _____

Date: _____

Discretely collect, evaluate and chart traffic data to identify your speed-related situation. Now with 5-year warranty!

Targeted Enforcement

- Collect data to plan targeted enforcement in critical high speed areas when and where needed
- Uses the free flow survey method to gather data in 15 minute increments
- Automatically analyzes traffic data to create detailed reports for counts, averages, percentiles, minimums, maximums, dates and times.

Effective Speed Studies

- Determine load times and speed violation concentrations
- Strategic deployment of traffic enforcement or speed calming devices
- Communicate specific traffic enforcement actions implemented by your community
- Measure effectiveness of speed control programs

Flexible Reporting Options

- Summary information: survey location, date time, conditions, posted speed limit
- Volume and speed of vehicles
- Individual vehicle timestamp
- Calculates average number of vehicles and average speed
- Provides minimum and maximum speed
- Reports 85th percentile and 50th percentile
- Ten mph pace
- Analysis by 15 minute intervals or hourly, daily, weekly



Discrete traffic analysis

Improve community relations

Force multiplier

StealthStat

Covert Traffic Statistics



Features

- Kustom Signals K band directional radar
- Programmable surveys for traffic statistics
- Graphical software for statistical analysis
- NEMA 4 waterproof, locking enclosure
- 12V DC battery with charger operates up to 80 hours
- 2 GB SD memory card
- PC interface cable
- Mounting straps and hardware
- AC to DC power supply

Specifications

- Speed Accuracy: +/- 1 mph (+/- 1 kph)
- Speed Range: 5 to 150 mph (8 to 241 kph)
- Beam Width: 12°
- Operating Temp: -22° F to +140° F (-30° C to + 60° C)
- Power: 12V DC battery with 100V AC charger
- Profile: 16" x 12" x 8" (41cm x 30cm x 20cm)
- Weight: 34 lbs with battery (15 kg)
- Conveniently mounts on a pole
- Can be easily moved to a new location

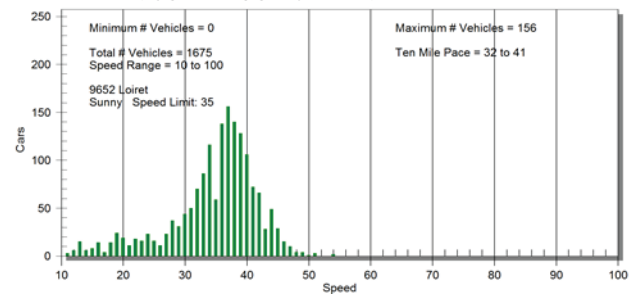


Comprehensive Speed Studies

StealthStat can collect data of approaching, receding, both or two-dimensional, where approaching and receding are placed in separate files. Speeds are grouped in 1 mph (1 kph) increments. Analysis is grouped in 15 minute increments. Data can be exported to Microsoft® Excel for additional analysis.

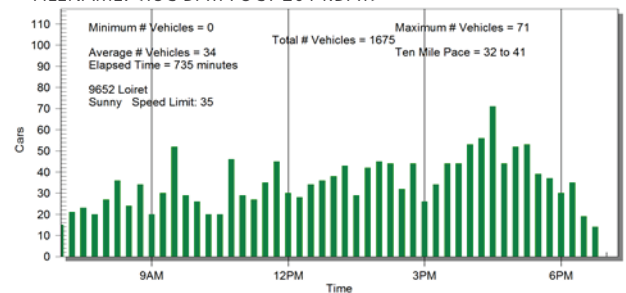
Cars vs. Speed

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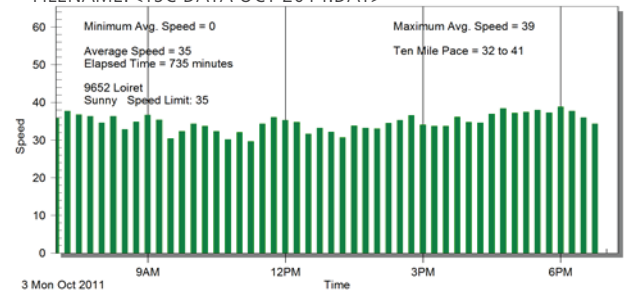
Cars vs. Time

FILENAME:<TSC DATA OCT 2014.DAT>



Speed vs. Time

FILENAME:<TSC DATA OCT 2014.DAT>



StealthStat - Data Sheet - USA Eng - Print - 04/2014

ORDINANCE REFERENCE SHEET
2018 ORDINANCE
ORDINANCE 18-35

An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 3.05.005, Budget Assumptions, by Adding a Requirement the City Manager Present the Council with Information on Inflationary Pressures on the City Budget.

Sponsor: Lord

1. Council Regular Meeting June 25, 2018 Introduction

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

Lord

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4 **ORDINANCE 18-34**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
7 AMENDING HOMER CITY CODE 3.05.005, BUDGET ASSUMPTIONS,
8 BY ADDING A REQUIREMENT THE CITY MANAGER PRESENT THE
9 COUNCIL WITH INFORMATION ON INFLATIONARY PRESSURES ON
10 THE CITY BUDGET

11
12 WHEREAS, The City of Homer has a stated policy of using external parity as a non-
13 binding guide for salary administration; and

14
15 WHEREAS, The forces of inflation increase the cost of living across Alaska over time; and

16
17 WHEREAS, The Anchorage Consumer Price Index (CPI) is a measure of inflation,
18 established by the US Bureau of Labor Statistics in 1960 and is one of 27 cities in the country
19 where changes in consumer prices are tracked; and

20
21 WHEREAS, The Anchorage CPI is the only consumer price index in Alaska and is treated
22 as the de facto statewide measure of inflation by the public and private sectors; and

23
24 WHEREAS, The City of Homer recently completed a Salary Parity Study, finding that our
25 wage scale is mostly on par with other municipalities; and

26
27 WHEREAS, It is in the City of Homer's best interest to implement periodic cost of living
28 adjustments (COLA) to its wage scale, in order to adjust for inflation, offer competitive wages,
29 to attract and retain qualified employees, and ultimately maintain external parity; and

30
31 WHEREAS, Providing timely and accurate external information to the City Council on
32 the Anchorage CPI and actions by surrounding municipalities related to inflation aides the
33 Council in evaluating the City Manager's budget assumptions in terms of regional inflation.

34
35 NOW, THEREFORE, The City of Homer Ordains:

36
37 Section 1. Homer City Code Section 3.05.005 is amended to read as follows:

38
39 ~~By the third Friday in September the City Manager shall present to the Council an~~
40 ~~overview of preliminary budget assumptions for the next fiscal year of the City. These~~
41 ~~preliminary assumptions will address, by fund, revenue projections, tax and utility~~

83 Introduction:
84 Public Hearing:
85 Second Reading:
86 Effective Date:

87
88

89 Reviewed and approved as to form:

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91

92 _____
Katie Koester, City Manager

93

94 Date: _____

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Holly Wells, Attorney

Date: _____

the COST of LIVING



Inflation lowest since 1988, mainly due to falling energy costs

By NEAL FRIED

Alaska's energy prices dropped again in 2016, spurring the smallest increase in overall costs since 1988 and the second year in a row under 1 percent. (See exhibits 1 through 4.)

In Anchorage, the only place in Alaska where the U.S. Bureau of Labor Statistics measures inflation, consumer prices went up 0.4 percent in 2016, far below its decade average of 2.1 percent and the nation's increase of 1.3 percent. (See the sidebar on page 7 for more about the Anchorage Consumer Price Index.)

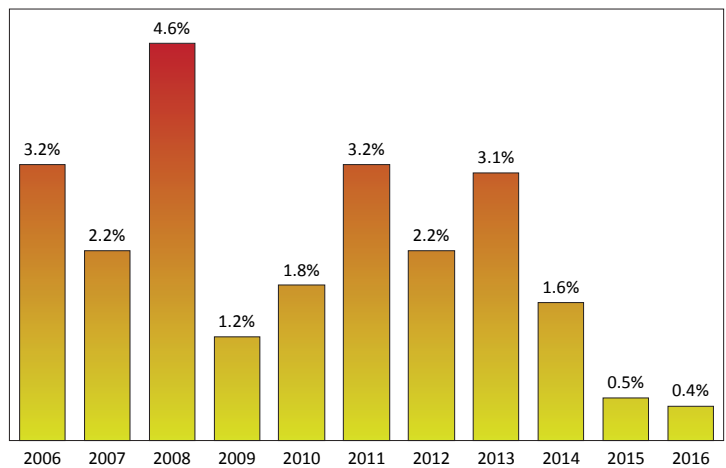
The continuing decline in energy costs also dampened inflation in categories that depend on fuel, particularly transportation and, to a lesser extent, housing.

But while energy prices play a role in housing costs, Anchorage's softer economy due to the state recession is probably the main reason housing prices didn't increase much last year.

1

Another Year of Low Inflation

ANCHORAGE CONSUMER PRICE INDEX CHANGE, 2006-16



Source: U.S. Department of Labor, Bureau of Labor Statistics CPI-U

Housing rise smallest in decades

Housing is the category where consumers spend the largest percentage of their income, so it has a big influence on the overall inflation rate. (See Exhibit 5.) The housing cost increase of 0.9 percent was the

smallest since 1988, when home prices fell by 2.2 percent.

Housing is also unique because it gives local flavor to a city's CPI. Unlike most goods and services in the index, house prices aren't dictated by national and international trends. For example, the change in the price of an apple or a gallon of gasoline has little to do with local events and depends more on farm production elsewhere in the country and on international oil markets.

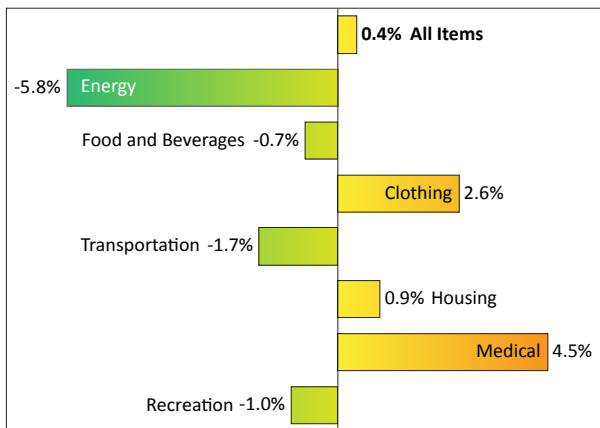
Health care costs keep climbing

The other expenditure categories in the Anchorage Consumer Price Index were a mix of minor ups and downs that mostly balanced each other out, with a notable exception: health care costs went up 4.5 percent.

While medical costs are a small enough category not to sway the overall inflation rate too much, no other component has come close to health care's skyrocketing costs in Alaska. Medical costs have gone up an average of 4.1 percent a year for the past decade. (See Exhibit 6.)

3 Big Drop in Energy Costs

INFLATION BY COMPONENT, 2016



Source: U.S. Department of Labor, Bureau of Labor Statistics CPI-U for Anchorage

2 Anchorage and U.S. Metro Inflation

BY TYPE OF EXPENDITURE, 2006 TO 2016

ALL ITEMS			ALL ITEMS MINUS HOUSING		
Year	Anchorage % chg from previous yr	U.S. % chg from previous yr	Year	Anchorage % chg from previous yr	U.S. % chg from previous yr
2006	3.2%	3.2%	2006	3.0%	3.1%
2007	2.2%	2.8%	2007	2.6%	2.5%
2008	4.6%	3.8%	2008	5.5%	4.5%
2009	1.2%	-0.4%	2009	0.6%	-1.0%
2010	1.8%	1.6%	2010	1.5%	2.6%
2011	3.2%	3.2%	2011	3.4%	4.0%
2012	2.2%	2.1%	2012	1.7%	2.0%
2013	3.1%	1.5%	2013	3.0%	1.1%
2014	1.6%	1.6%	2014	1.0%	1.1%
2015	0.5%	0.1%	2015	-0.3%	-1.3%
2016	0.4%	1.3%	2016	0.3%	0.2%

HOUSING			TRANSPORTATION		
Year	Anchorage % chg from previous yr	U.S. % chg from previous yr	Year	Anchorage % chg from previous yr	U.S. % chg from previous yr
2006	4.0%	3.8%	2006	4.0%	4.0%
2007	2.7%	3.1%	2007	1.2%	2.1%
2008	2.5%	2.2%	2008	10.5%	5.9%
2009	3.7%	0.4%	2009	-4.8%	-8.3%
2010	0.9%	-0.4%	2010	4.4%	7.9%
2011	2.9%	1.3%	2011	4.7%	9.8%
2012	2.7%	1.6%	2012	2.0%	2.3%
2013	3.1%	2.1%	2013	7.0%	—
2014	2.7%	2.6%	2014	-0.6%	-0.7%
2015	2.4%	2.1%	2015	-6.8%	-7.8%
2016	0.9%	2.5%	2016	-1.7%	-2.1%

FOOD AND BEVERAGES			MEDICAL CARE*		
Year	Anchorage % chg from previous yr	U.S. % chg from previous yr	Year	Anchorage % chg from previous yr	U.S. % chg from previous yr
2006	1.8%	2.4%	2006	3.5%	4.0%
2007	4.6%	3.9%	2007	3.0%	4.4%
2008	4.4%	5.4%	2008	3.7%	3.7%
2009	-0.2%	1.9%	2009	4.3%	3.2%
2010	-0.2%	0.8%	2010	5.7%	3.4%
2011	3.6%	3.6%	2011	5.3%	3.0%
2012	2.4%	2.6%	2012	4.3%	3.6%
2013	0.4%	1.4%	2013	3.2%	2.5%
2014	1.3%	2.3%	2014	3.2%	2.4%
2015	1.7%	1.8%	2015	3.3%	2.6%
2016	-0.7%	0.3%	2016	4.5%	3.8%

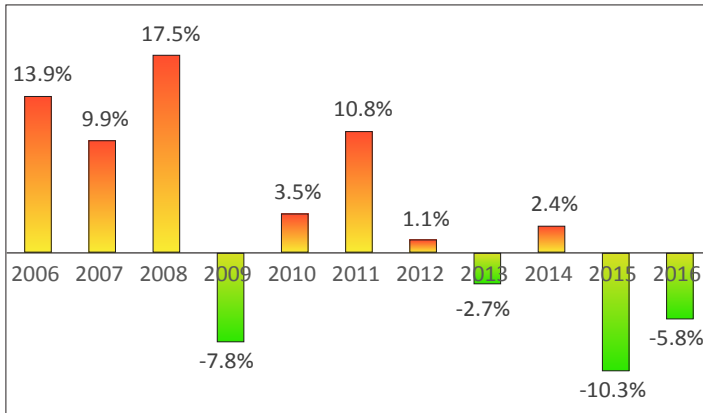
CLOTHING			ENERGY		
Year	Anchorage % chg from previous yr	U.S. % chg from previous yr	Year	Anchorage % chg from previous yr	U.S. % chg from previous yr
2006	4.6%	0%	2006	13.9	11.2%
2007	-2.8%	-0.4%	2007	9.9	5.5%
2008	6.1%	-0.1%	2008	17.5	13.9%
2009	3.6%	1.0%	2009	-7.8	-18.4%
2010	3.0%	-0.5%	2010	3.5	9.5%
2011	2.2%	2.2%	2011	10.8	15.4%
2012	4.3%	3.4%	2012	1.1	0.9%
2013	4.8%	0.9%	2013	-2.7	-0.7%
2014	1.5%	0.1%	2014	2.4	-0.3%
2015	0.5%	-1.3%	2015	-10.3	-16.7%
2016	2.6%	0.1%	2016	-5.8	-6.6%

Source: U.S. Department of Labor, Bureau of Labor Statistics

4

Another Year of Falling Energy Prices

ANCHORAGE, ENERGY COST CHANGE, 2006 TO 2016



Source: U.S. Department of Labor, Bureau of Labor Statistics CPI-U

Figuring out how much your dollar is worth

While the Consumer Price Index shows how much prices have gone up in a year, it's also useful for figuring out the purchasing power of your dollar over time.

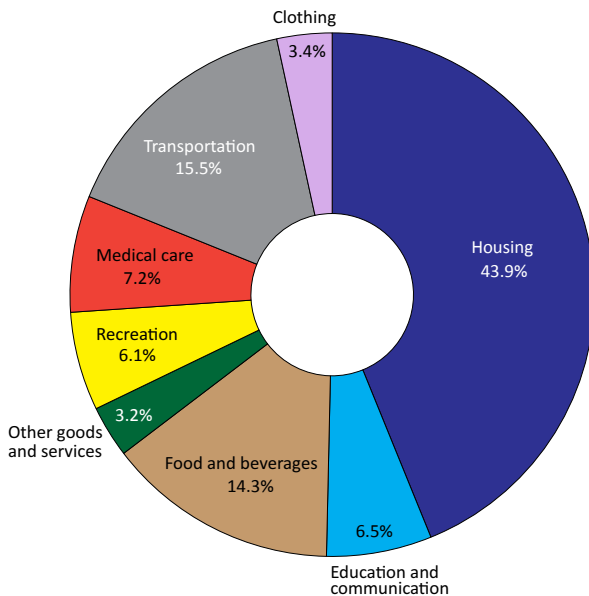
For example, in 1988, a Quarter Pounder in Fairbanks was \$1.57, and today it's \$4.96. We know \$1.57 in 1988 would be worth more now, but was the Quarter Pounder a better deal back then? Yes. In 2016 dollars, 1988's Quarter Pounder would cost \$3.15. (See Exhibit 10 for more burger values.)

Try our inflation calculator at: labor.alaska.gov/research/cpi/inflationcalculator.htm.

5

How We Spend Our Money

ANCHORAGE CONSUMER PRICE INDEX, 2016



Source: U.S. Department of Labor, Bureau of Labor Statistics CPI-U

Our premiums are the highest

Individual market insurance premiums confirm what other measures show — that health care costs in Alaska are especially high.

Alaska's average monthly premium for health insurance purchased on the individual market in 2017 is more than \$300 higher than that of the next-highest state. (See Exhibit 7.)

Alaska's premiums also went up 29 percent last year, and some states' increased even more.

Alaska cities are expensive, but other U.S. cities now higher

The Consumer Price Index looks only at cost changes in a specific place over time, so other sources are necessary for comparisons between places.

The Council for Community and Economic Research, or C2ER, is the most widely cited source for comparing the cost of living in different cities. C2ER conducts detailed surveys of more than 250 U.S. cities, including four in Alaska: Anchorage, Juneau, Fairbanks, and Kodiak.

The survey's consumption pattern represents a professional or executive household in the top income quartile and includes 57 specific items in categories such as groceries, housing, utilities, transportation, and health care.

Two ways to measure the cost of living

1. In a single place over time (inflation)

Because Anchorage has the only consumer price index in Alaska, it's treated as the de facto statewide measure of inflation. In general, price changes in Anchorage don't differ radically from other urban Alaska areas.

Anchorage is one of 27 cities where the U.S. Bureau of Labor Statistics tracks changes in consumer prices, and it's the smallest. It's unusual for a city as small as Anchorage to have a CPI; as of 2018, even much-larger Portland will no longer have its own. Although there's a CPI for the U.S. and for a number of its cities, these indexes cannot be used to compare costs between locations.

BLS goes to great lengths and expense to produce the CPI through elaborate surveys of consumer spending habits. These surveys look at a "market basket" of items, to which BLS assigns location-specific weights. A market basket, used in most cost-of-living indexes, is a sample of goods and services believed to best mimic the average consumer or a specific group of consumers. The CPI basket includes housing, food, transportation, medical care, and entertainment.

The inflation rate, or how much prices have gone up in a year, is used to adjust the value of the dollar over time. Workers, unions, employers, and many others pay close at-

tention to the CPI because bargaining agreements and other wage rate negotiations often incorporate an adjustment for inflation. The CPI also plays a role in long-term real estate rental contracts, annual adjustments to the state's minimum wage, child support payments, and budgeting. Most Alaskans are affected when the Permanent Fund Corporation uses the CPI to inflation-proof the fund, and nearly all senior citizens are affected when Social Security payments are adjusted each year using the CPI.

The Anchorage CPI is produced twice each year, for January to June and July to December. Information for the latter period and the annual average come out in January of the following year.

2. In different places at the same time

The other way to assess the cost of living is to look at cost differences between places. For example, is it more expensive to live in Barrow or Fairbanks? A variety of studies and data sources this article uses compare the costs of living among Alaska communities and other places around the country.

These studies assume a certain consumption pattern and investigate how much more or less it might cost to maintain a specific standard of living elsewhere. Some of these data are more comprehensive than others, and because there can be several sources for the same areas, it's important to weigh the strengths and weaknesses of the data sets. Some may better suit a particular need, or in some cases it may work best to cobble together several sources.

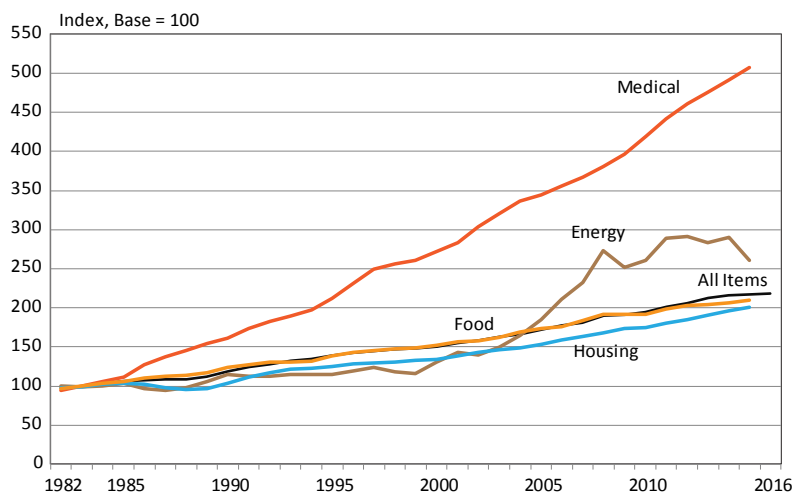
The survey's shortcomings are that it doesn't take into account how consumption varies around the country, and it doesn't factor in taxation, where Alaska has a clear advantage over most states.

The survey reports that the costs of living in Anchorage, Juneau, Fairbanks, and Kodiak remain well above the national average. (See Exhibit 8.) Alaska's index values haven't changed much in the past 30 years. Before then, the index included only Anchorage. In the 1960s, Anchorage's index was typically in the 160s and as high as 174.7, meaning Anchorage costs were 74.7 percent higher than the average U.S. city.

Alaska's cities aren't the highest in the country, though, and a growing number are more expensive to live in than the four in Alaska.

6 Rising Medical Costs Eclipse All Others

ANCHORAGE CONSUMER PRICE INDEX, 1982 TO 2016



Source: U.S. Department of Labor, Bureau of Labor Statistics CPI-U

What Some Common Items Cost in Early 2017

Peaches, 15 oz. Can



Anchorage	\$2.06
Fairbanks	\$2.09
Juneau	\$2.36
Kodiak	\$2.39

U.S. Average
\$1.71

Hunt's, Del Monte, Lady Alberta, or Libby's

Iceberg Lettuce
18 oz.



U.S. Average
\$1.31

Anchorage	\$1.84
Fairbanks	\$2.29
Juneau	\$1.92
Kodiak	\$1.79

Potato Chips
10 oz.



U.S. Average
\$3.12

Anchorage	\$4.37
Fairbanks	\$4.48
Juneau	\$5.23
Kodiak	\$4.75

Coca-Cola,
2 Liters



U.S. Average
\$1.62

Anchorage	\$2.22
Fairbanks	\$2.20
Juneau	\$2.62
Kodiak	\$2.64

Rib-Eye Steak, Pound



U.S. Average
\$11.12

Anchorage	\$9.46
Fairbanks	\$10.96
Juneau	\$11.32
Kodiak	\$7.31

Whole Wheat Bread, 24 oz.



U.S. Average
\$3.29

Anchorage	\$4.95
Fairbanks	\$5.03
Juneau	\$5.42
Kodiak	\$4.53

Oroweat, Nature's Own, Arnold, or Brownberry

Eggs, Dozen Large



U.S. Average
\$1.63

Anchorage	\$1.88
Fairbanks	\$1.99
Juneau	\$2.26
Kodiak	\$2.74

White Wine
750 ml Bottle

U.S. Average
\$8.63



Anchorage	\$16.56
Fairbanks	\$9.71
Juneau	\$14.32
Kodiak	\$12.99

Source: Council for Community and Economic Research Cost of Living Index for 265 Urban Areas, Published May 2017 for the first quarter of 2017

What Some Common Services Cost in Early 2017

Health Care Exams

U.S. Average	Doctor \$107.63	Optometrist \$101.56	Veterinarian \$50.42
Anchorage	\$174.67	\$200.60	\$64.40
Fairbanks	\$184.00	\$225.00	\$47.38
Juneau	\$190.50	\$228.00	\$64.13
Kodiak	\$179.33	\$202.33	\$76.00



Monthly Phone Service, Landline

Anchorage	\$19.99
Fairbanks	\$36.13
Juneau	\$19.99
Kodiak	\$17.00

U.S. Average
\$28.58

Movie Ticket

Anchorage	\$11.67
Fairbanks	\$13.00
Juneau	\$11.75
Kodiak	\$9.00



U.S. Average
\$10.22

	U.S. Average	Women \$37.47	Men \$16.03
Haircuts			
Anchorage	\$49.35	\$21.20	
Fairbanks	\$44.31	\$14.48	
Juneau	\$35.88	\$18.75	
Kodiak	\$50.38	\$28.95	

Women's cut includes shampoo and blow-drying at a salon.
Men's cut is at a barber shop with no styling included.

Source: Council for Community and Economic Research Cost of Living Index for 265 Urban Areas, Published May 2017 for the first quarter of 2017

In the first quarter of 2017, 15 cities' indexes registered higher than any Alaska city. These included Washington, D.C. and its surrounding suburbs; some of the larger metropolitan areas in California; Stamford, Connecticut; Honolulu, Hawaii; Boston; and much of New York City.

With the U.S. average set at 100, Manhattan was highest at 230.8. At the opposite end was McAllen, Texas, at a low of 76.1.

Alaska ranked third most expensive state

A range of other cost-of-living reports are spinoffs from C2ER's data. The Missouri Economic Research and Information Center publishes a cost-of-living series by state by averaging C2ER's participating cities to get a statewide index, without applying any weight to the size of a city.

The average of Anchorage, Juneau, Kodiak, and Fairbanks — cities that represent about 60 percent of

7 Highest Medical Premiums

INDIVIDUAL MARKET AVERAGE, 2017

State	Avg monthly premium
1 Alaska	\$1,041
2 West Virginia	\$702
3 North Carolina	\$662
4 Oklahoma	\$620
5 Wyoming	\$614
6 Arizona	\$611
7 Nebraska	\$595
8 Tennessee	\$587
9 Montana	\$581
10 Alabama	\$575
U.S. Average	\$476

Note: These premiums are before any tax credits, which can be significant.

Source: U.S. Department of Health and Human Services, Office of Assistant Secretary for Planning and Evaluation

8

How Alaska Cities Compare to Other U.S. Cities

1ST QUARTER 2017 INDEX FOR PROFESSIONAL HOUSEHOLDS, U.S. AVERAGE = 100

	Total Index	Groceries	Housing	Utilities	Transportation	Health Care	Misc.
Category's weight in total index	100.0%	13.61%	27.59%	10.06%	9.59%	4.00%	35.15%
Region and City							
Anchorage, AK	127.6	130.6	143.9	104.6	113.2	143.7	122.4
Fairbanks, AK	134.3	127.1	123.9	222.7	120.8	150.9	121.7
Juneau, AK	132.1	140.7	145.4	121.7	122.1	153.9	121.5
Kodiak, AK	131.8	149.4	142.6	125.7	128.7	140.7	118.2
West							
Portland, OR	127.3	116.0	175.9	80.1	100.9	109.3	116.2
Honolulu, HI	187.7	165.7	299.3	193.3	133.3	119.3	129.6
San Francisco, CA	188.5	121.9	351.8	114.4	130.3	123.7	130.7
Los Angeles/Long Beach	146.3	112.3	238.9	111.5	124.9	110.0	106.7
Las Vegas, NV	100.4	101.7	108.8	86.4	105.9	102.7	95.6
Reno, NV	102.8	95.3	105.0	85.2	110.0	108.0	106.5
Seattle, WA	145.1	128.5	181.7	120.7	128.4	125.7	136.5
Spokane, WA	95.7	94.3	91.1	76.7	108.5	115.3	99.5
Tacoma, WA	106.2	111.1	94.0	111.9	95.2	118.3	113.8
Boise, ID	92.0	91.0	86.6	84.8	106.3	102.7	93.6
Bozeman, MT	98.0	101.6	107.8	79.4	92.9	99.2	95.5
Southwest/Mountain							
Salt Lake, UT	95.8	105.4	92.1	76.2	101.4	95.9	99.1
Phoenix, AZ	94.7	97.5	97.8	98.1	90.7	98.9	90.9
Denver, CO	111.8	99.7	133.0	95.1	108.4	104.7	106.3
Colorado Springs	95.3	99.3	102.0	76.4	94.0	101.3	93.6
Dallas, TX	101.2	90.6	102.4	102.3	101.2	103.4	103.7
Houston, TX	97.0	84.8	104.8	99.3	92.9	90.6	96.7
McAllen, TX (lowest)	76.1	83.2	63.6	90.6	84.6	75.0	76.8
Midwest							
Cleveland, OH	101.4	110.8	89.7	98.7	103.3	102.0	107.1
Chicago, IL	123.0	109.3	152.5	89.1	129.3	102.6	115.5
Minneapolis, MN	104.8	109.4	106.2	92.2	108.6	104.6	104.5
Southeast							
Fort Lauderdale, FL	119.0	108.5	157.4	99.9	110.4	98.7	103.0
Miami, FL	114.3	108.1	138.4	99.9	119.3	99.7	102.3
Birmingham, AL	90.2	96.1	82.5	102.4	91.7	85.3	90.7
Atlanta, GA	97.7	104.7	91.1	89.2	101.4	107.8	100.4
Atlantic/New England							
New York City/Manhattan, NY (highest cost of living)	230.8	129.0	479.9	119.2	130.6	114.6	147.1
Boston, MA	148.6	107.1	204.4	146.6	111.5	134.1	133.1
Philadelphia, PA	116.2	115.3	129.0	121.9	112.2	105.4	107.3
U.S. Average	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: The Council for Community and Economic Research

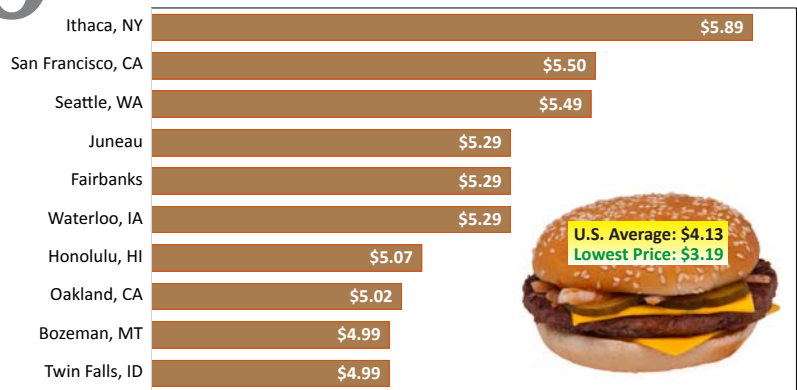
9 The 10 Most Expensive States

1ST QUARTER 2017

	State	Index
1	Hawaii	187.7
2	California	136.3
3	Alaska	131.5
4	New York	131.1
5	Massachusetts	129.4
6	Connecticut	129.1
6	Maryland	129.1
8	Oregon	127.3
9	Rhode Island	123.2
10	New Jersey	121.2
U.S. Average		100.0

10 Ithaca's Quarter Pounder Costs Most

QUARTER POUNDER INDEX, 1ST QUARTER 2017



Note: Exhibit 9 excludes the District of Columbia, which would come in second at 153.3. Sources for exhibits 9 and 10: Missouri Economic Research and Information Center; and the Council for Community and Economic Research

Alaska's population — was 131.5 in the first quarter of 2017, making Alaska the third most expensive state. (See Exhibit 9.) By this measure, Alaska has ranked in the top five since 2000, when the series started.

Juneau no longer has most expensive burger

A popular use of this series is the Quarter Pounder Index, which looks at the prices of the iconic McDonald's burger around the country in participating cities.

All four of Alaska's cities often rank among the priciest 10, but this year Kodiak and Anchorage fell off the list and Ithaca, New York, took Juneau's place for the most expensive sandwich. San Francisco and Seattle ranked

Is there really an 'average consumer'?

All cost-of-living measures have their shortcomings. No two consumers spend their money alike, and no index can accurately capture all the differences.

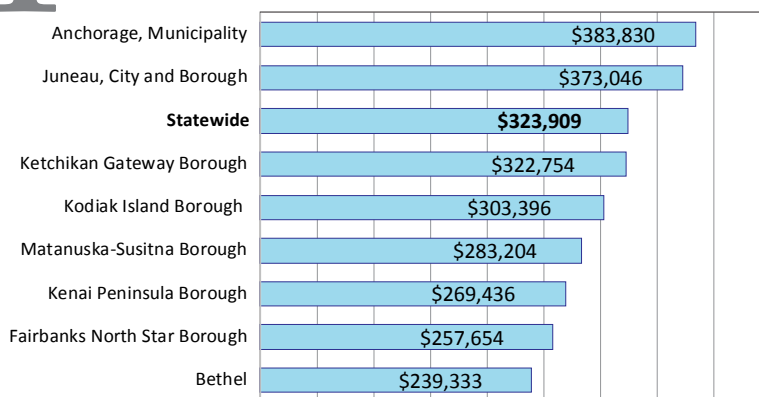
For example, the average household in Kotzebue may spend money differently from the average household in Petersburg, and they may differ even more dramatically from a family in Seattle. An index may or may not take these differences into account, depending on how sophisticated it is.

Also, in Alaska's case, none of these measures take the consumption of subsistence goods into account.

Consumer spending habits are also continuously in flux. Technology advances, tastes change, and people react differently to changes in prices.

11 Anchorage Home Prices Are Highest

AVERAGE PRICE OF SINGLE-FAMILY HOUSE, 2016



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, Quarterly Survey of Mortgage Lending Activity

second and third. (See Exhibit 10.)

In 2015, all four Alaska cities were in the top 10 and the most expensive three were Juneau, Seattle, and Bozeman, Montana.

12 Paychecks Needed To Afford a House

USING AVERAGE WAGE AND SINGLE-FAMILY HOME, 2016

Bethel has the least expensive houses

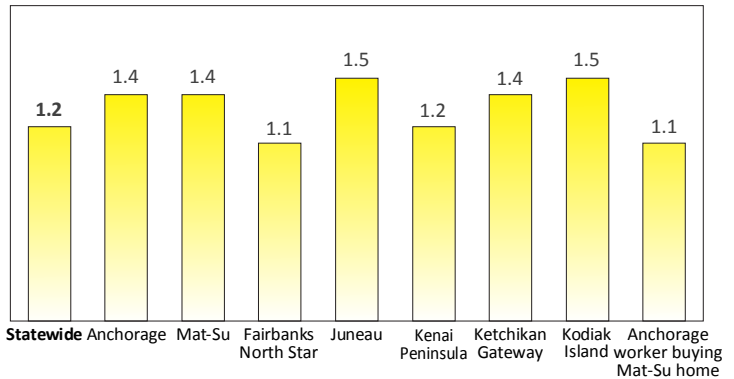
Over the years, Juneau and Anchorage have traded places for the most expensive place to buy the average single-family home.

In 2016 it was Anchorage, at \$383,830, and Bethel had the least expensive average home at \$239,333. (See Exhibit 11.) In 2015, Juneau was highest and the Fairbanks North Star Borough was the lowest.

Because housing makes up such a large slice of a household's expenditures, it can be a good proxy for an area's overall cost of living. In Alaska, local housing costs vary dramatically around the state. Supply, vacancy rates, home quality, local economy, building costs, and demographics are the biggest factors in the disparity.

Higher earnings help offset higher house prices, however, so factoring in an area's average wage paints a better picture of an area's affordability.

The affordability index represents how many average



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, Quarterly Survey of Mortgage Lending Activity

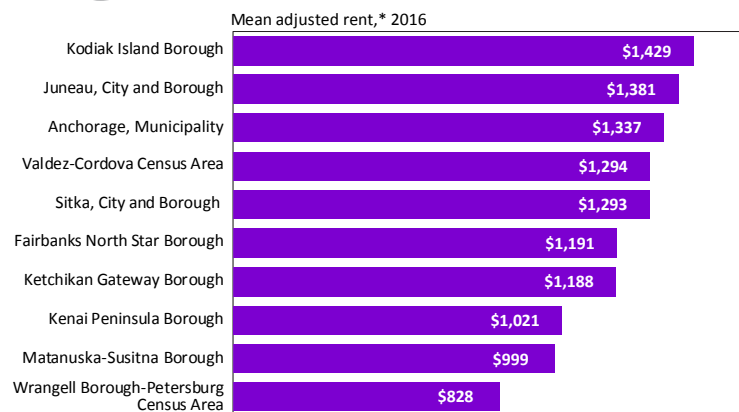
paychecks it takes to afford a 30-year mortgage in a given area, with an average interest rate and a 15 percent down payment. (See Exhibit 12.)

This changes the equation for some scenarios, such as buying a home in the Matanuska-Susitna Borough but commuting to Anchorage. It takes 1.4 average paychecks earned in the Mat-Su Borough to afford the average home there, but only 1.1 paychecks earned in Anchorage.

Anchorage's average earnings are higher and Mat-Su's housing prices are lower, which helps explain why

13 Kodiak Has Highest Rent

AVERAGE 2-BEDROOM APARTMENT, 2016



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, Rental Market Survey

14 Price Comparisons for Select Staples

MARCH 2017 SURVEY

	Eggs (1 doz)	Milk (1 gal)	Bread	Gas (1 gal)
Anchorage	\$2.00	\$3.69	\$2.50	\$2.55
Juneau	\$1.99	\$3.89	\$2.39	\$2.98
Fairbanks	\$1.99	\$3.89	\$3.59	\$2.91
Kenai	\$1.97	\$3.88	\$1.68	\$2.84
Kodiak	\$2.19	\$4.19	\$2.79	\$3.14
Valdez	\$2.29	\$4.09	\$2.39	\$3.32
Glennallen	\$5.50	\$5.95	\$3.95	\$3.27
Nome	\$2.79	\$6.49	\$2.59	\$4.67
Bethel	\$4.39	\$8.29	\$2.69	\$4.99
Barrow	\$3.79	\$10.29	\$4.99	\$6.50
Average	\$2.89	\$5.47	\$2.96	\$3.72

Source: Alaska Department of Commerce, Community, and Economic Development

15 Rural Alaska Pays Much More for Fuel

PRICE SURVEY, JANUARY 2017

Selected communities ¹	Heating fuel no. 1, residential	Gasoline, regular
Angoon	\$3.50	\$3.49
Arctic Village	\$12.00	\$10.00
Atka	\$6.85	\$6.65
Utqiagvik (was Barrow)	Natural Gas	\$5.90
Bethel	\$4.78	\$5.02
Chignik	\$3.31	\$4.00
Circle	\$2.46	\$2.96
Deering	\$4.38	\$4.64
Dillingham	\$2.56	\$3.93
Eagle	\$3.50	\$3.95
Fairbanks	\$2.50	\$2.89
Galena	\$5.95	\$6.40
Gambell	\$4.65	\$5.00
Golovin	\$4.00	\$4.00
Holy Cross	\$5.55	\$6.00
Homer	\$2.58	\$2.92
Hooper Bay	\$5.20	\$5.35
Huslia	\$5.70	\$5.50
Juneau	\$2.88	\$2.21
King Cove	\$3.07	\$3.81
Kokhanok	\$6.10	\$6.02
Kotzebue	\$5.34	\$5.45
Nenana	\$2.94	\$3.09
Noorvik	\$5.64	\$6.06
Nuiqsut	Natural gas	\$5.00
Nulato	\$4.35	\$5.00
Pelican	\$3.21	\$3.43
Pilot Station	\$7.32	\$6.81
Port Lions	\$3.45	\$3.75
Ruby	\$3.45	\$4.60
Sand Point	\$4.32	\$3.80
Unalaska	\$3.90	\$3.64
Wales	\$7.21	\$8.24
Wrangell	\$3.00	\$3.47

¹This is a partial list of the 100 communities surveyed.

Source: Department of Commerce, Community, and Economic Development, Current Community Conditions: Fuel Prices Across Alaska, January 2017 Update

that commute is so popular. Note, though, that the affordability index doesn't account for commuting costs.

Lowest rent in Wrangell-Petersburg

Areas with more expensive homes tend to have higher rents as well, as the similarities between exhibits 11 and 13 show. Kodiak is an exception in that despite

16 Military's Index for Alaska Towns

EFFECTIVE JAN 2017, BASE = 100

Location	Index
Anchorage (inc. Eagle River)	128
Bethel	150
Clear AFS	134
College	132
Cordova	138
Delta Junction	134
Eielson AFB (Fairbanks)	128
Fort Wainwright (Fairbanks)	132
Homer (includes Anchor Point)	136
Juneau	140
Kenai (includes Soldotna)	136
Ketchikan	136
King Salmon (incl Bristol Bay Borough)	136
Kodiak	132
Nome	148
Petersburg	148
Seward	130
Sitka	142
Spruce Cape	136
Tok	132
Unalaska	136
Utqiagvik (was Barrow)	148
Valdez	138
Wainwright	148
Wasilla	122
Other	148

Source: Department of Defense, effective January 2017

it having lower-than-average house prices, Kodiak's rent for a two-bedroom apartment was highest in the state in 2016, a spot it's held for the past five years. One theory is that the relatively generous housing allowances its large Coast Guard population receives drive up area rents.

Staples cost less in urban areas

Four times a year, the Alaska Department of Commerce, Community, and Economic Development works with partners throughout the state to produce quarterly surveys for the prices of four staples in several communities. (See Exhibit 14.)

Similar to the results from so many other surveys, staples tend to be less expensive in Alaska's urban areas where there's more competition and cheaper shipping. These items often cost less than half of what they would in smaller and more remote places.

Continued on page 16

COST OF LIVING

Continued from page 13

The department also conducts a semi-annual survey of fuel prices in 100 communities around the state, which show fuel prices were down somewhat in 2016, commensurate with the overall drop in energy costs.

As with other essentials, smaller and more remote communities have much higher fuel prices than urban areas. Communities with the highest fuel prices depend on planes for their supplies and include Arctic Village and Pilot Station, where a gallon of gasoline costs as much as \$10. (See Exhibit 15 on page 13.)

Military considers Alaska an ‘overseas’ location

The U.S. Department of Defense produces a cost-of-living index for all of its overseas locations, and includes places in Hawaii and Alaska as “overseas.” The Alaska communities’ resulting higher-than-average index values are similar to what other sources report. (See Exhibit 16 on page 13.)

The military’s cost-of-living index is unique in that it’s calculated on spendable income only, which is total income minus housing expenses. The military handles housing separately through an allowance program.

Neal Fried is an economist in Anchorage. Reach him at (907) 269-4861 or neal.fried@alaska.gov.

the 49 other states. The differences are dramatic. Alaska’s GDP has one of the most unusual industry blends in the country. Besides oil, three other industries set Alaska apart: government, manufacturing, and transportation.

Gross domestic product is the value of all the goods and services the state produced in a year.

Transportation’s share of Alaska’s GDP is four times larger than it is nationally. Transportation has an obvious outsized role in Alaska because of the volume of inter-

national cargo and the increased effort and expense it takes to move goods around such a large state, but it’s pipeline transportation that truly drives up the percentage. In 2015, pipeline transportation represented over half the value of Alaska’s transportation industry.

At the opposite extreme, manufacturing’s share of GDP is about four times smaller in Alaska than it is in the U.S. as a whole, because the only sizable manufacturers in Alaska are seafood processors and oil refineries.

Government’s large share of state GDP is due mostly to the federal government’s prominence in Alaska’s economy.

These differences are part of the reason the state is now struggling economically while the nation prospers and, likewise, why Alaska’s economy escaped the past decade’s national recession nearly unscathed while most of the country suffered heavy declines.

Neal Fried is an economist in Anchorage. Reach him at (907) 269-4861 or neal.fried@alaska.gov.

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

3 City Manager/
4 Public Works Director

5 **RESOLUTION 18-056**

6
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM
9 OF AGREEMENT BETWEEN THE CITY OF HOMER AND THE ALASKA
10 DEPARTMENT OF FISH AND GAME FOR THE NICK DUDIAK FISHING
11 LAGOON HANDICAP RAMP IMPROVEMENTS.
12

13 WHEREAS, The Alaska Department of Fish and Game has proposed to provide funding
14 of improvements to the Nick Dudiak Fishing Lagoon Handicap Ramp in the amount of
15 \$45,000 (no additional City funds are required, match provided by force account labor by
16 Harbor and Public Works); and
17

18 WHEREAS, Alaska Fish and Game, Port and Harbor and Public Works personnel have
19 developed a plan to make improvements to the ramp, which has been reviewed and
20 approved by Alaska Fish and Game, and the Memorandum of Agreement is being prepared
21 for City signature.
22

23 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby authorizes the
24 City Manager to execute a Memorandum of Agreement between the City of Homer and the
25 Alaska Department of Fish and Game to provide funding for the proposed Nick Dudiak Fishing
26 Lagoon Handicap Ramp Improvements.
27

28 PASSED AND ADOPTED by the Homer City Council this 11th day of June, 2018.
29

30 CITY OF HOMER

31
32 _____
33 BRYAN ZAK, MAYOR
34

35 ATTEST:

36
37 _____
38 MELISSA JACOBSEN, MMC, CITY CLERK
39

40 Fiscal Note: Staff time



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

Memorandum 18-073

TO: Katie Koester, City Manager

FROM: Carey Meyer, Public Works Director
Bryan Hawkins, Harbormaster

DATE: June 5, 2018

SUBJECT: **Nick Dudiak Fishing Lagoon HC Ramp Improvements
AKF&G Memorandum of Agreement**

The Alaska Department of Fish and Game has proposed to provide funding of improvements to the Nick Dudiak Fishing Lagoon Handicap Ramp in the amount of \$45,000. Fish and Game, Harbor and Public Works personnel have developed a plan make improvements to the ramp as shown on the attached drawing. Public Works has prepared a cost estimate for the work.

The Alaska Department of Fish and Game has reviewed the plan/cost estimate and proposes to enter into a Memorandum of Agreement (MOA) with the City to transfer funding and allow the City to complete the project. No additional City funds are required, force account labor by Public Works and Harbor personnel will serve as a match.

Recommendation: The Council pass a resolution authorizing the City Manager to execute the Memorandum of Agreement between the City and the Alaska Department of Fish and Game for the proposed Nick Dudiak Fishing Lagoon HC Ramp Improvements. An Ordinance will be presented to the Council at the next Council meeting that would authorize the expenditure of the MOA funds.

Homer Fishing Hole HC Ramp Improvements

Legend

- Feature 1
- Feature 2
- Heritage RV Park
- Homer Spit's "Fishing Hole", Homer, Alaska

REMOVE THREE RAMP PANELS

REMOVE 400 LF EXIST. WHEEL STOPS/REPLACE WITH NEW PLASTIC TIMBERS/SPACERS

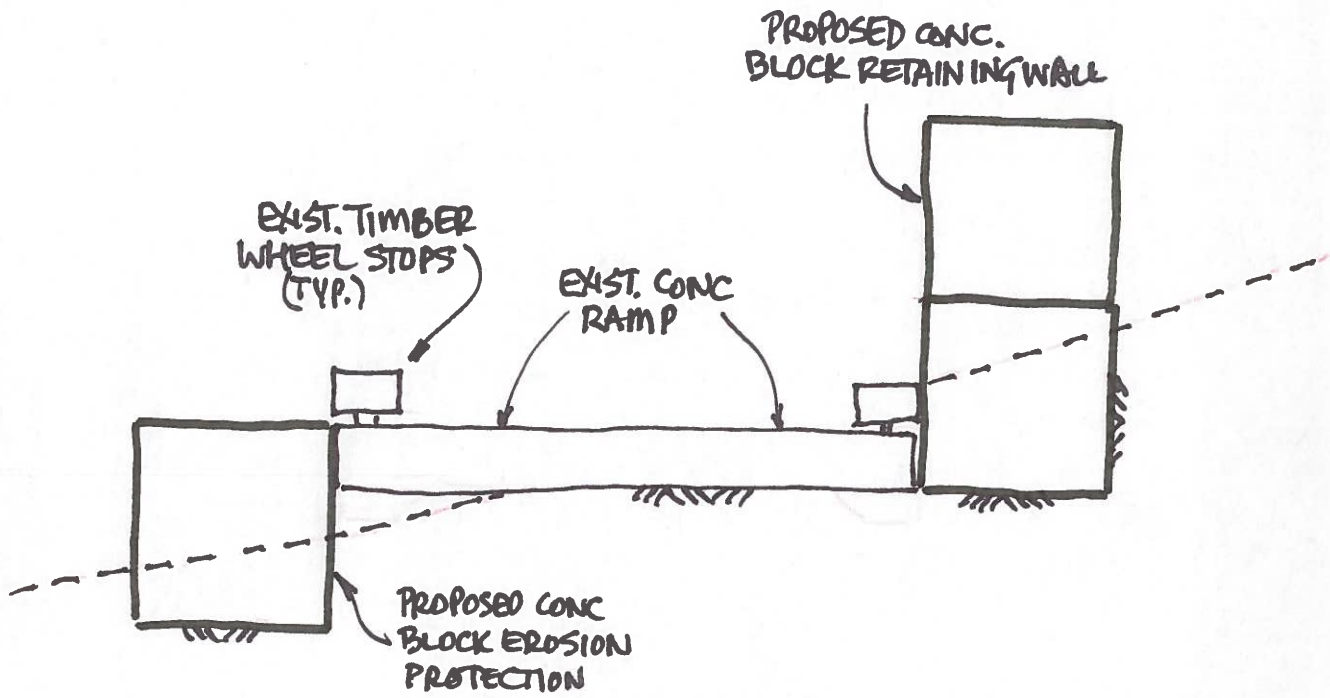
SMOOTH ABRUPT RAMP PANEL TRANSITIONS USING GROUT (4 LOCATION)

RAISE AND LEVEL TWO RAMP PANELS

INSTALL 32 LF OF 2'x2'x4' CONCRETE BLOCK EROSION PROTECTION

INSTALL 200 LF OF 2'x2'x4' CONCRETE BLOCK RETAINING WALL (TWO BLOCK HIGH)





SECTION A-A

Concept Cost Estimate
Homer Fishing Hole HC Ramp Improvements

Item of Work

Item of Work	Quantity	Unit	Unit Price	Cost
Concrete Block (Two High) Retaining Wall	200	LF	195	\$39,000
Concrete Block (One High) Erosion Control	32	LF	100	\$3,200
Raise and Level Existing Ramp Panels	3	EA	933	\$2,799
Remove Existing Timber Wheel Stops	400	LF	12	\$4,800
Remove Existing Ramp Panels	3	EA	1550	\$4,650
Grout Panel Transitions to Smooth	4	EA	450	\$1,800
Project Design/Construction Administration	32	HR	95	3040

Total Project

\$59,289

Grant	Force Account
-------	---------------

\$39,000	
\$3,200	
\$2,800	
	\$4,800
	\$4,650
	\$1,800
	\$4,500

\$45,000 \$15,750

**CITY OF HOMER
HOMER, ALASKA**

City Clerk/
Port Director

RESOLUTION 18-057

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, AWARDING THE CONTRACT FOR THE FISH DOCK WATERLINE AND HEAT TRACE REPLACEMENT PROJECT TO PENINSULA PLUMBING AND HEATING, INC, OF SOLDOTNA, ALASKA IN THE AMOUNT OF \$92,290, 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 May 3 and 10, 2018, sent to two in-state plans rooms, and posted on the City of Homer website; and

WHEREAS, Proposals were due Thursday, June 7, 2018 and two proposals were received; and

WHEREAS, The Peninsula Plumbing and Heating, Inc. of Soldotna was found to be responsive; 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 the Fish Dock Waterline and Heat Trace Replacement Project to Peninsula Plumbing and Heating, Inc. of Soldotna, Alaska, in the amount of \$92,290, and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 25th day of June, 2018.

CITY OF HOMER

BRYAN ZAK, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal note: Port and Harbor Depreciation Reserves – \$92,290



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 18-077

TO: Homer City Council through Katie Koester, City Manager

FROM: Bryan Hawkins, Port Director

DATE: June 19, 2018

SUBJECT: RFP for the Fish Dock Waterline Replacement

Re: Results of the city of Homer's request for proposals for the Fish Dock waterline replacement advertisement.

The waterline under the fish dock is a potable water source original to the structure and has been requiring increasing amounts of maintenance to keep the aging galvanized pipe and heat trace elements from failure.

In November of 2017 the City issued a request for proposals as a qualifications based bid request with cost being secondary, seeking solutions to address the replacement of the aging waterline on the City's Fish Dock with the advertisement. None of the proposals were within the project estimate approved by the City council of \$30,000. State requirements that all those who work on the project be Journeymen and the required Davis/Bacon wage scale for all projects over \$25,000 effected estimated costs significantly, as well as higher than expected traditional material costs. Because the review committee did not find a complete proposal that was within the estimate listed by Ordinance 17-34(A) it was recommended that all proposed bids be rejected. Staff revised the scope of the project incorporating the information learned from the contractor's proposals with the intention of putting it back out to RFP with the new scope.

The RFP was re-advertised on May 3rd 2018 with this revised scope of work. The City received one complete proposal and one incomplete proposal. The complete proposal was submitted by Peninsula Plumbing and Heating, Inc. for a total of \$92,290.00

It is staff's recommendation that Peninsula Plumbing & Heating, Inc. be awarded the bid for this RFP.

The time line for this project's work phase will begin in August 15 of 2018 and be completed by December 31, 2018 in order not to interfere with early spring fisheries startup on the fish dock.

VISITORS

ANNOUNCEMENTS
PRESENTATIONS
BOROUGH REPORT
COMMISSION REPORTS



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue

Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum

TO: MAYOR ZAK AND HOMER CITY COUNCIL
FROM: PARKS, ART, RECREATION AND CULTURE ADVISORY COMMISSION
THRU: RENEE KRAUSE, CMC, DEPUTY CITY CLERK
DATE: MAY 10, 2018
SUBJECT: CITY OF HOMER SAFETY SIGNAGE FOR HOMER SPIT

At the March 22, April 19, and May 17 2018 Parks, Art, Recreation and Culture Advisory Commission meetings the topic of the Beach Safety Signs was discussed at great length. Several ideas were put forth at the April 19 meeting, but discussion gravitated to a simple safety sign stating that users must proceed at their own risk. See sample below.

The City of Homer has a Unified Sign Ordinance that describes the construction and appearance of city park signs. It was stated by staff that warning signs would not have to meet these standards.

Several Commissioners felt that beach users know the dangers of the cold water and extreme tides, and the fact that they are on their own when recreating off the beaches that border Homer. The idea of putting up more signage of low quality would be unwarranted to some, as they become an eyesore in the saltwater environment.

The concept of three signs at points of entry is a challenge as there are many points of entry, and dozens of miles of coastline that border the city.

The Commission has discussed this at length during the March, April and May meetings, and commissioners were unable to come to consensus on the language of a water safety sign. The Commission recognizes the water hazard, but finds that signage is impractical; some other mechanism for public education would be more effective. After discussion at regular meetings and with research by assigned commissioners Archibald and Sharp, the spirit of the water safety signage is sound, but implementation not practical.

Recommendation: Do not install safety signage on the Homer Spit.



PUBLIC HEARING(S)

**CITY OF HOMER
PUBLIC HEARING NOTICE
CITY COUNCIL MEETING**

Ordinances 18-12(A), 18-16, and 18-29

A **public hearing** is scheduled for **Monday, June 25, 2018** during a Regular City Council Meeting. The meeting begins at 6:00 p.m. in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Ordinance 18-12(A), An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.54.325, Standards for Recreational Vehicles in the Marine Commercial District and Marine Industrial District. Erickson.

Ordinance 18-16, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 18.08, Codifying Certain Lease Policy and Procedures; Expanding Lease Review to include Recommendations by Appropriate City Commissions; Removing References to the Lease Committee; and Requiring Essential Lease Terms to be Approved by City Council. Erickson/Smith.

Ordinance 18-16(S), An Ordinance of the City Council of Homer, Alaska, Repealing Homer City Code Chapter 18.08 and the Homer Property Management Policies and Procedures Manual and Reenacting Chapter 18.08 Codifying Certain Policies From The Property Management Manual, Clarifying Homer's Land Allocation Process, Expanding Lease Review to Include Additional Recommendations By Appropriate Commissions, Removing The Lease Committee, Removing the Requirement that all Leases may be Increased to Reflect Inflation as Determined in the Consumer Price Index, And Expanding Council's Role by Requiring it's Approval Prior To Execution of a lease, Early Termination of a Lease or Termination of Lease Negotiations. Erickson/Smith.

Ordinance 18-29, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2018 Capital Budget by Appropriating up to \$5,200 from the Homer Accelerated Roads and Trails (HART) Fund for the Professional Design of an ADA Accessible Trail on City of Homer property known as Lot 7-A Nils O Svedlund Subdivision, (KPB Parcel #17719234) and Kachemak Heritage Land Trust (KHLT) property known as Lot 16 A-1 Nils O Svedlund Subdivision (KPB Parcel #17719231). Mayor.

All interested persons are welcome to attend and give testimony. Written testimony received by the Clerk's Office prior to the meeting will be provided to Council.

** Copies of proposed Ordinances in entirety, are available for review online at <https://www.cityofhomer-ak.gov/ordinances>, at the Homer City Clerk's Office, and the Homer Public Library. Contact the Clerk's Office at City Hall if you have any questions. 235-3130, Email: clerk@ci.homer.ak.us

Melissa Jacobsen, MMC, City Clerk
Publish: Homer News June 21, 2018

CLERK'S AFFIDAVIT OF POSTING

I, Melissa Jacobsen, City Clerk for the City of Homer, Alaska, do hereby certify that a copy of the Public Hearing Notice for:

Ordinance 18-12(A), An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.54.325, Standards for Recreational Vehicles in the Marine Commercial District and Marine Industrial District. Erickson.

Ordinance 18-16, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 18.08, Codifying Certain Lease Policy and Procedures; Expanding Lease Review to include Recommendations by Appropriate City Commissions; Removing References to the Lease Committee; and Requiring Essential Lease Terms to be Approved by City Council. Erickson/Smith.

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was distributed to the City of Homer kiosks located at City Clerk's Office, and the Homer Public Library on Wednesday, June 15, 2018 and posted on the City website on Friday, June 15, 2018.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of said City of Homer this 15th day of June, 2018.



Melissa Jacobsen, MMC, City Clerk



ORDINANCE REFERENCE SHEET
2018 ORDINANCE
ORDINANCE 18-12

An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 21.54.325, Standards for Recreational Vehicles in the Marine Commercial District and the Marine Industrial District.

Sponsor: Erickson

1. Council Regular Meeting March 12, 2018 Introduction
2. Council Regular Meeting March 27, 2018 Refer to Advisory Planning Commission
3. Council Regular Meeting June 11, 2018 Public Hearing and Second Reading
 - a. Memorandum 18-074 from City Planner as backup

June 11, 2018 meeting canceled for lack of a quorum

4. Council Regular Meeting June 25, 2018 Public Hearing and Second Reading
 - a. Memorandum 18-074 from City Planner as backup

43 c. An employee-occupied recreational vehicle may not directly hook-up to municipal
44 water and sewer without first obtaining written approval by the Public Works
45 Director or his or her designee. The Public Works Director shall grant approval for
46 direct hook-up to the municipal water and sewer if he or she determines that the
47 applicant is in full compliance with this Title. A permit under this subsection may
48 only be submitted by a property owner or a lessee of the property.

49
50 ~~**d. An employee-occupied recreational vehicle is restricted to a maximum of 180**~~
51 ~~**consecutive days of use per calendar year. A zoning permit is required.**~~

52
53 **d. All employee occupied recreational vehicles covered in Homer City Code**
54 **21.54.325 must obtain a zoning permit.**
55

56 Section 2: This ordinance is of a permanent and general character and shall be included in
57 the City Code.

58
59 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER THIS ___ DAY OF _____,
60 2018.

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62 CITY OF HOMER

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69 BRYAN ZAK, MAYOR

70 ATTEST:

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72 _____
73 MELISSA JACOBSEN, MMC, CITY CLERK
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77 YES:

78 NO:

79 ABSTAIN:

80 ABSENT:

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83 First Reading:

84 Public Hearing:

85 Second Reading:

86 Effective Date:

87

88 Reviewed and approved as to form:

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92 _____
Katie Koester, City Manager

93

94 Date:_____

Holly Wells, City Attorney

Date:_____



City of Homer

www.cityofhomer-ak.gov

Planning

491 East Pioneer Avenue
Homer, Alaska 99603

Planning@ci.homer.ak.us

(p) 907-235-3106

(f) 907-235-3118

MEMORANDUM 18-074

TO: MAYOR ZAK AND HOMER CITY COUNCIL
THROUGH: KATIE KOESTER, CITY MANAGER
FROM: RICK ABBOUD, CITY PLANNER
DATE: June 6, 2018
SUBJECT: AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA AMENDING HOMER CITY CODE 21.54.325, STANDARDS FOR RECREATIONAL VEHICLES IN THE MARINE COMMERCIAL DISTRICT AND THE MARINE INDUSTRIAL DISTRICT.

At the request of the City Council, the Planning Commission has reviewed the City Council's proposed changes for allowance for the use of RV's in the Marine Districts. A public hearing was held at the April 18th meeting of the Planning Commission.

After receiving public testimony, the Commission voted to recommend amending the Ordinance of the City Council. The amendments included the recommendation of requiring an annual permit with an annual fee. The Commission also wished to add language that called out a requirement for the RV to be registered and insured. While no motion was recorded regarding the amount of the fee, the Planning Office recommends consideration of a fee of at least \$100 annually.

Planning Commission Recommendation:

Adopt Draft Ordinance regarding Employee-Occupied Recreational Vehicles with Planning Commission edits.

Attachment: Ordinance 18-12(A)(S)

Att.
Staff report PL 18-18
Draft Ordinance
PC minutes 4.18.18
Recommended Ordinance

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**CITY OF HOMER
HOMER, ALASKA**

Erickson/
Planning Commission

ORDINANCE 18-12(A)(S)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
AMENDING HOMER CITY CODE 21.54.325, STANDARDS FOR
RECREATIONAL VEHICLES IN THE MARINE COMMERCIAL DISTRICT
AND THE MARINE INDUSTRIAL DISTRICT.

WHEREAS, Homer City Council passed Ordinance 18-04 allowing employee-occupied recreational vehicles in the Marine Commercial and Marine Industrial Districts; and

WHEREAS, It is in the City's best interest to put standards on the use of such vehicles to ensure that they do not become permanent residences or abandoned property; and

WHEREAS, A ~~180-day~~ **zoning** permit **with an annual fee** will allow the City to manage employee occupied recreational vehicles.

NOW THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. Homer City Code 21.54.325 is amended to read as follows:

21.54.325 Standards for recreational vehicles in the Marine Commercial District and the Marine Industrial District.

Outside of recreational vehicle parks, the use of recreational vehicles in the marine commercial and industrial zoning districts shall conform to the following standards:

- a. A property owner may have one employee-occupied recreational vehicle per lot. An employee-occupied recreational vehicle must be a self-contained recreational vehicle and must have a receptacle approved by law for collection of liquid and semi-solid wastes. While the employee-occupied recreational vehicle is parked on the property, it must be parked in a manner that will not create a dangerous or unsafe condition on the lot or adjacent properties. Parking in such fashion that the recreational vehicle may tip or roll constitutes a dangerous and unsafe condition. A parked employee-occupied recreational vehicle must be in a condition for the safe and effective performance of its intended function as an operable motor vehicle, **registered and insured.**

42 b. An employee-occupied recreational vehicle may not be placed in a parking space
43 required to comply with the Homer Zoning Code.

44
45 c. An employee-occupied recreational vehicle may not directly hook-up to municipal
46 water and sewer without first obtaining written approval by the Public Works
47 Director or his or her designee. The Public Works Director shall grant approval for
48 direct hook-up to the municipal water and sewer if he or she determines that the
49 applicant is in full compliance with this Title. A permit under this subsection may
50 only be submitted by a property owner or a lessee of the property.

51
52 ~~**d. An employee-occupied recreational vehicle is restricted to a maximum of 180**~~
53 ~~**consecutive days of use per calendar year. A zoning permit is required.**~~

54
55 **d. All employee occupied recreational vehicles covered in Homer City Code**
56 **21.54.325 must obtain a zoning permit and pay an annual fee.**

57
58 Section 2: This ordinance is of a permanent and general character and shall be included in
59 the City Code.

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61 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER THIS __ DAY OF _____,
62 2018.

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64 CITY OF HOMER

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71 BRYAN ZAK, MAYOR

72 ATTEST:
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74 _____
75 MELISSA JACOBSEN, MMC, CITY CLERK

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79 YES:
80 NO:
81 ABSTAIN:
82 ABSENT:

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First Reading:
Public Hearing:
Second Reading:
Effective Date:

Reviewed and approved as to form:

Katie Koester, City Manager

Date:_____

Holly Wells, City Attorney

Date:_____



City of Homer

www.cityofhomer-ak.gov

Planning

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(p) 907-235-3106

(f) 907-235-3118

Staff Report PL 18-18

TO: Homer Advisory Planning Commission
FROM: Rick Abboud, City Planner
DATE: April 18, 2018
SUBJECT: Ordinance 18-12(A) RV's as employee dwelling units in MI and MC Districts, as amended

Introduction

The City council amended the ordinance to include the requirement of obtaining a zoning permit.

Analysis

This should be pretty straightforward. We need to create a permit requirement. The permitting will include reviewing the new code and checking the site to make sure the RV does not block a site triangle for safety. We will need to send a resolution to the council in tandem which will designate the permit name and fee. I will start by suggesting a \$200 fee. This is completely debatable. I use this as a starting point as it is the most common amount we charge, perhaps it could be a bit less expensive since it may be produced more quickly than most.

Staff Recommendation: Hold a public hearing and make recommendation to City Council or Planning Department.

Attachments

Draft Ordinance 18-12(A)

43 c. An employee-occupied recreational vehicle may not directly hook-up to municipal
44 water and sewer without first obtaining written approval by the Public Works
45 Director or his or her designee. The Public Works Director shall grant approval for
46 direct hook-up to the municipal water and sewer if he or she determines that the
47 applicant is in full compliance with this Title. A permit under this subsection may
48 only be submitted by a property owner or a lessee of the property.

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50 ~~**d. An employee-occupied recreational vehicle is restricted to a maximum of 180**~~
51 ~~**consecutive days of use per calendar year. A zoning permit is required.**~~

52
53 **d. All employee occupied recreational vehicles covered in Homer City Code**
54 **21.54.325 must obtain a zoning permit.**
55

56 Section 2: This ordinance is of a permanent and general character and shall be included in
57 the City Code.

58
59 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER THIS ___ DAY OF _____,
60 2018.

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62 CITY OF HOMER

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69 BRYAN ZAK, MAYOR

70 ATTEST:

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72 _____
73 MELISSA JACOBSEN, MMC, CITY CLERK
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77 YES:

78 NO:

79 ABSTAIN:

80 ABSENT:

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83 First Reading:

84 Public Hearing:

[Bold and underlined added. Deleted language stricken through

85 Second Reading:

86 Effective Date:

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88 Reviewed and approved as to form:

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92 _____
Mary K. Koester, City Manager

93

94 Date: _____

Holly Wells, City Attorney
Date: _____

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PRESENTATIONS

REPORTS

A. Staff Report 18-17, City Planner's report

City Planner Abboud reviewed the staff report. He reminded the Commission of the upcoming City Council Meetings.

City Council Meetings are as follows:

April 23, 2018 Commissioner Highland

May 14, 2018 Commissioner Banks

PUBLIC HEARINGS

Testimony limited to 3 minutes per speaker. The Commission conducts Public Hearings by hearing a staff report, presentation by the applicant, hearing public testimony and then acting on the Public Hearing items. The Commission may question the public. Once the public hearing is closed the Commission cannot hear additional comments on the topic. The applicant is not held to the 3 minute time limit.

A. Staff Report 18-18, Ordinance 18-12(A) Amending Standards for Recreational Vehicles in the Marine Commercial District and the Marine Industrial District.

City Planner Abboud summarized his staff report and asked the commission how they felt about the proposed fee of \$200 dollars.

Commissioner Venuti asked City Planner Abboud if they should make a recommendation to make sure the vehicles are registered and insured.

City Planner Abboud stated that it is implied in the language used, but they could make a recommendation to make it more definite.

Chair Stead opened the floor for Public Hearing.

Val McLay, non-resident, explained that he has been a past city resident and has been in the area of Homer for a number of years. Mr. McLay spoke in opposition of having RV's on the Spit. In the past it was written in code that there would be no dwellings on the Spit, and he is worried that if a natural disaster, such as an earthquake or tsunami, it would be difficult to get those people out of harm's way.

Chair Stead closed the Public Hearing.

Commissioner Highland asked for clarification on the word “employee-occupied”. She wanted to make sure that it also covers an “owner-occupied” recreational vehicle.

City Planner Abboud stated that this conversation was brought up in the past and he believed that the owner would be allowed to occupy an RV by the way it’s currently written.

Commissioner Bentz stated that she worries about taking the 180 day time limit away because there are some safety concerns about the additional dwellings that will be inhabiting the spit year round. She asked City Planner Abboud if the 180 day duration is removed, will an annual permit be required or will it be just a onetime permit.

City Planner Abboud stated that the commission could recommend an annual permit.

Commissioner Bernard asked who would be responsible for overseeing and regulating the permits.

City Planner Abboud stated that it would be a joint effort between the Port & Harbor Department and the Planning Department.

The commission discussed the options of raising or lowering the fee.

VENUTI/BENTZ- MOVED TO APPROVE ORDINANCE 18-12(A) AND FORWARD IT TO CITY COUNCIL

Commissioner Banks asked City Planner Abboud if the yearly permit will be more of a burden than a onetime permit.

City Planner Abboud explained that an annual permit may be the way to go so that it gives everyone a reminder and a little more regulation.

The commission discussed the addition of an annual zoning permit with a fee.

BENTZ/VENUTI- MOVED TO AMEND LINE 17-18 TO READ “WHEREAS, A ZONING PERMIT **WITH AN ANNUAL FEE** WILL ALLOW THE CITY TO MANAGE EMPLOYEE OCCUPIED RECREATIONAL VEHICLES” AND LINE 53-54 TO READ “D. ALL EMPLOYEE OCCUPIED RECREATIONAL VEHICLES COVERED IN HOMER CITY CODE 21.54.325 MUST OBTAIN A ZONING PERMIT **AND PAY AN ANNUAL FEE.**”

The Commission briefly discussed whether or not they needed to put an exact number in the ordinance for the annual fee.

VOTE:NON OBJECTION. UNANIMOUS CONSENT

Motion carried.

HIGHLAND/BERNARD- MOVED TO AMEND LINE 38 TO READ “AND EFFECTIVE PERFORMANCE OF ITS INTENDED FUNCTION AS AN OPERABLE MOTOR VEHICLE, **REGISTERED AND INSURED.**”

VOTE: NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

There was no further discussion on the main motion.

VOTE: NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

B. Homer Comprehensive Plan 2018 Update- February 2018 Public Review Draft

- Public Hearing Notice
- February 2018 Public Review Draft

City Planner Abboud stated that this is the time for public to comment on the Homer Comprehensive Plan and for the Commission to propose any changes.

Chair Stead opened the floor for public hearing.

Mark Hadley, non-resident, stated that he is here on the behalf of Homer Gold Mine Gifts as the owners are out of town. Mr. Hadley read the letter that was provided by the owners into the record. The letter was also included in the packet on page 181.

Val McLay, non-resident, stated that he has not seen the letter from Homer Gold Mine Gifts until tonight, but he had a couple of thoughts that went along with it. Mr. McLay stated that it seems like this property is being targeted and that it looks like spot zoning to him, which is illegal. The Waddell’s have owned this property for a very long time and the businesses in this area have boosted the economy by paying taxes. He stated that he understands the City must grow and that there must be changes but that the City needs to take into consideration how many people will be affected by said changes.

Guy Rosi, longtime resident, gave a brief history of the Waddell’s property, stating that it was the first court house in Homer and that Al Waddell’s dad built the building many years ago. He believes that the Waddell’s lot is the core of the city. He stated that other properties throughout Homer have been put into trusts or parks that does not bring any revenue to the city but this property does and has for many years.

ORDINANCE REFERENCE SHEET
2018 ORDINANCE
ORDINANCE 18-16

Ordinance 18-16, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 18.08, Codifying Certain Lease Policy and Procedures; Expanding Lease Review to include Recommendations by Appropriate City Commissions; Removing References to the Lease Committee; and Requiring Essential Lease Terms to be Approved by City Council.

Sponsor: Erickson/Smith

1. Council Regular Meeting March 27, 2018 Introduction

Referral to the Port & Harbor Advisory Commission
 - a. Memorandum 18-035 from City Attorney as backup
2. City Council Regular Meeting May 14, 2018 Public Hearing, Postponed for Port & Harbor Advisory Commission review
 - a. Memorandum 18-035 from City Attorney as backup
 - b. Memorandum 18-059 from Port and Harbor Advisory Commission
3. City Council Regular Meeting June 11, 2018 Public Hearing and Second Reading
 - a. Memorandum 18-076 from City Manager

June 11, 2018 meeting canceled for lack of a quorum
4. City Council Regular Meeting June 25, 2018, Public Hearing and Second Reading
 - a. Memorandum 18-076(A) from City Manager as backup
 - b. Memorandum 18-035 from City Attorney as backup

CITY OF HOMER
HOMER, ALASKA

Smith/Erickson

ORDINANCE 18-16

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA REPEALING HOMER CITY CODE CHAPTER 18.08 AND THE HOMER PROPERTY MANAGEMENT POLICIES AND PROCEDURES MANUAL AND REENACTING CHAPTER 18.08 CODIFYING CERTAIN LEASE POLICY AND PROCEDURES FROM THE POLICIES AND PROCEDURES MANUAL, CLARIFYING THE LAND ALLOCATION PROCESS, EXPANDING LEASE REVIEW TO INCLUDE RECOMMENDATIONS BY APPROPRIATE CITY COMMISSIONS, REMOVING REFERENCES TO THE LEASE COMMITTEE, REMOVING THE REQUIREMENT THAT ALL LEASES MAY BE INCREASED TO REFLECT INFLATION AS DETERMINED IN THE CONSUMER PRICE INDEX, AND EXPANDING COUNCIL’S **ROLE BY REQUIRING** COUNCIL APPROVAL PRIOR TO FINAL APPROVAL OF A LEASE, TERMINATION OF A LEASE OR TERMINATION OF LEASE NEGOTIATIONS.

WHEREAS, **The City of Homer (“City”) currently has** a complex leasing policy that requires the City and applicants to comply with lengthy policies, procedures, and Homer City Code provisions as well as the terms of the request for proposal specific to a specific parcel; and

WHEREAS, **It is in the City’s best interest** and the interest of lease applicants to streamline and simplify the leasing process by incorporating essential lease policy and procedures currently in the City’s Property Management Policy and Procedures into the Homer City Code, the City’s lease templates or specific lease agreements; and

WHEREAS, **The City Council’s approval of the essential terms of new long-term leases and not just the award of such leases increases Council’s input and oversight, public input and transparency into the lease process;** and

WHEREAS, **The City Council’s approval of the termination of negotiations or early termination of a lease for default also increases oversight, public input and transparency in the lease process,**

NOW THEREFORE, The City of Homer Ordains:

42 Section 1: Chapter 18.08 “City Property Leases” is repealed and reenacted to read as
43 follows:

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Chapter 18.08

CITY PROPERTY LEASES

Sections:

- 18.08.005 Purpose.
- 18.08.010 Definitions.
- 18.08.020 Land Allocation Plan - property available for lease.
- 18.08.030 Standardized leases.
- 18.08.040 Council approval of lease.
- 18.08.045 Lease applications.
- 18.08.050 Requests for proposals-competitive bidding process.
- 18.08.060 Criteria for evaluating and approving proposals.
- 18.08.065 Lease application and proposal documents.
- 18.08.070 Notice to award.
- 18.08.075 Lease rental rates.
- 18.08.080 Lease execution and final approval.
- 18.08.090 Development and use.
- 18.08.100 Appraisal.
- 18.08.110 Options to renew.
- 18.08.120 Improvements.
- 18.08.130 Lease renewal.
- 18.08.140 Sublease.
- 18.08.150 Early termination.
- 18.08.160 Assignments.
- 18.08.170 Insurance.
- 18.08.175 Exception – Leasing to government entities.
- 18.08.180 Assessments – Capital improvement projects.
- 18.08.190 Connection to utilities.
- 18.08.195 Processing and filing fees.

18.08.005 Purpose.

The purpose of this chapter is to ensure that the lease of City-owned property maximizes the value of City assets and that the City awards leases that provide the highest and best use of City-owned property. It is the policy of the City to lease its property in a fair and nondiscriminatory way.

84 18.08.010 Definitions.

85

86 For the purpose of this chapter, the following words and phrases are defined as set forth in this
87 section:

88

89 “Applicant” means a person applying to lease or acquire an interest in City-owned real
90 property and includes bidders and proposers.

91

92 “Appraisal” means a valuation or estimation of value of property by an Alaska Certified General
93 Real Estate Appraiser or an otherwise qualified appraiser selected by the City Manager.

94

95 “Assignment” means a transfer of a leasehold interest or rights to a leasehold interest, in its
96 entirety, in City-owned real property.

97

98 “City Manager” means the City of Homer Manager or his or her designee

99

100 “Fair market rent” means the rental income that a public or private property would most likely
101 command in the open market, indicated by the current rents paid for comparable space as of
102 the date of the appraisal

103

104 “Irregularities” means deviations from the request for proposal that are not substantive in
105 nature and/or involve typographical or scrivener errors that do not impact the integrity or
106 responsiveness of the proposal.

107

108 “Long-term lease” means a written agreement granting exclusive possession or use of City-
109 owned real property for more than one year.

110

111 “Short-term lease” means a written agreement granting exclusive possession or use of City-
112 owned real property for one year or less.

113

114 “Surveyor” means a registered professional land surveyor.

115

116 18.08.020 Land Allocation Plan-property available for lease.

117

118 a. Unless dedicated or reserved to another purpose, all real property including tide,
119 submerged or shorelands to which the City has a right, title and interest as owner or
120 lessee, or to which the City may become entitled, may be leased as provided in this
121 chapter. In the case of any conflict between this chapter and any regulations or other
122 ordinances or State law specifically governing the leasing of City tide and submerged
123 lands, the latter shall prevail.

124

- 125 b. The City administration shall maintain a list of all City-owned properties authorized for
126 lease by Council. This list shall be adopted annually and contain the information
127 required under this chapter. The list may be called the Land Allocation Plan and will be
128 **made available to the public at the City Clerk's office.**
129
- 130 c. Council shall adopt a Land Allocation Plan that identifies:
131
- 132 i. City-owned property available for lease;
133
- 134 ii. The property description, lease rate, preferred length of the lease term for each
135 available parcel; and
136
- 137 iii. Any requirements, preferences or restrictions regarding use and/or development.
138
- 139 d. Council may identify property in the Land Allocation Plan that is subject to competitive
140 bidding. Property subject to competitive bidding in the Land Allocation Plan need only
141 identify the property description in the Land Allocation Plan but all other terms
142 required in subsection (c) of this section shall be identified in the request for proposal
143 for such properties.
144
- 145 e. Prior to the adoption of the Land Allocation Plan, Council shall hold a work session.
146 Commission members and City staff may provide recommendations to Council during
147 the work session regarding City-owned property available for lease and the terms of
148 such leases.
149
- 150 f. The City shall provide public notice of the adoption of the Land Allocation Plan and the
151 City-owned real property available for lease no more than 60 days after its adoption.
152
- 153 g. All uses and activities on City-owned real property available for lease are subject to all
154 applicable local, state, and federal laws and regulations.
155
- 156 h. The Council may restrict specific City-owned properties to certain uses or classes of use
157 **that serve the City's best interest.**
158

159 18.08.030 Standardized leases.
160

- 161 a. The City Manager shall develop a standardized ground lease that contains provisions
162 generally applicable to the lease of City-owned property and a standardized building
163 lease that contains provisions generally applicable to the lease of space in City-owned
164 buildings. The standard lease documents shall be reviewed by the City Attorney and
165 approved by Council.
166

167 b. Lease terms may deviate from the standardized lease terms when the City Manager
168 determines such deviations are **reasonable and necessary to protect the City's best**
169 interests and Council approves the lease as required in HCC 18.08.040.

170

171 18.08.040 Council approval of leases.

172

173 a. All long-term leases for more than five years shall be approved by Council via ordinance.
174 All long-term leases for five years or less shall be approved by Council via resolution.

175

176 b. The City Manager may execute short-term leases without Council approval when the
177 City Manager determines that a short-term lease is in the best interest of the City and
178 notifies the Council in writing of the short-term lease and its essential terms.

179

180 c. Short-term leases are not required to go through the competitive bidding process
181 unless the short-term lease would result in the lease of City-owned property to the
182 same lessee for more than one consecutive year.

183

184 d. Except as expressly provided in this chapter, property leased by the City from a third
185 party that is available for sublease or the lease of space in City-owned buildings located
186 on real property owned by a third party is exempt from this chapter.

187

188 18.08.045 Lease applications.

189

190 Except for property subject to competitive bidding under this chapter, persons interested in
191 leasing City property may submit a lease application to the City Clerk. The City Manager shall
192 consider all applications and determine if an application is complete and meets the criteria
193 identified in the Land Allocation Plan. Applicants may be charged a fee for processing a lease
194 application.

195

196 18.08.050 Requests for proposals-competitive bidding process.

197

198 a. The City Manager may issue a request for proposals to lease specific property
199 identified in the Land Allocation Plan at any time after posting the notice required in
200 HCC 18.08.020(d).

201

202 b. A request for proposal advertised by the City must identify the property description of
203 the property available for lease, the time frame for the submission of requests for
204 proposals, any preferred uses or industries, and the overall criteria the City intends to
205 use to score and rank proposals.

206

207 c. The City Manager must obtain approval from the Council before requesting proposals
208 to lease property not identified in the Land Allocation Plan as property available for
209 lease.

210

211 18.08.060 Criteria for evaluating and approving proposals.

212

213 a. The Criteria for evaluating proposals shall include, but is not limited to, the following:

214

215 1. Compatibility with neighboring uses and consistency with applicable land use
216 regulations including the Comprehensive Plan.

217

218 2. The development plan including all phases and timetables.

219

220 3. The proposed capital investment.

221

222 4. Experience of the applicant in the proposed business or venture.

223

224 5. Financial capability or backing of the applicant including credit history, prior lease
225 history, assets that will be used to support the proposed development.

226

227 6. The number of employees anticipated.

228

229 7. The proposed rental rate.

230

231 8. Other financial impacts such as tax revenues, stimulation of related or spin-off
232 economic development, or the value of improvements left behind upon
233 termination of the lease.

234

235 9. Other long term social economic development.

236

237 10. The residency or licensure of the applicant in the City, Kenai Peninsula Borough,
238 **and/or the State of Alaska, as identified in the City's request for proposal and**
239 **permitted under state and federal law.**

240

241 b. Determination of rent shall take into consideration the following factors:

242

243 1. Appraisal or tax assessed valuation;

244

245 2. Highest and best use of land;

246

247 3. Development (existing and planned);

248

- 249 4. Economic development objectives;
- 250
- 251 5. The location of the property; and
- 252
- 253 6. Alternative valuation methodologies as negotiated by both parties.
- 254

255 18.08.065 Lease application and proposal documents.

256
257 Upon request by the City Manager or as required in a request for proposal, an applicant shall
258 provide, at its sole expense, the following:

- 259 1. A Property Improvement Plan with information regarding planned improvements by
260 lessee, including schedule for commencement and completion of proposed
261 improvements.
- 262
- 263 2. A survey of the property subject to the proposed lease; and/or
- 264
- 265 3. If only a portion of a lot is to be leased, a subdivision plat.
- 266

267
268 18.08.070 Notice to award.

- 269 a. **The City Manager shall consider all responses to the City’s request for proposals that**
270 **are timely and responsive. Untimely submissions shall be returned to the applicant**
271 **without review and that applicant shall not be considered.**
- 272
- 273 b. The City Manager may, in his or her sole discretion, and upon a determination that none
274 **of the proposals are in the City’s best interest, recommend rejection of all proposals.**
- 275
- 276 c. Upon a determination that a proposal is the most advantageous to the City, the City
277 Manager shall recommend the proposal to Council for acceptance. If Council approves
278 the recommendation, the City Manager shall issue a Notice to Award the lease to the
279 **successful applicant. The City Manager’s recommendation shall be presented to**
280 **Council in a written memorandum identifying the recommended winning applicant,**
281 **the property description, the essential terms of the proposed lease, and the reasons the**
282 **City Manager recommended the award.**
- 283
- 284 d. The City Manager shall submit any recommendation for approval of a proposal under
285 this chapter for property located on the Homer Spit or in the Marine Commercial or
286 Marine Industrial zoning districts to the Port and Harbor Advisory Commission for
287 review and comment prior to recommending a proposal to Council.
- 288
- 289

- 290 e. If the Council adopts **the City Manager’s recommendation, the City Manager shall**
291 negotiate with the winning applicant and present a final lease to the Council for
292 **approval. A Notice to Award is conditional upon the City Manager’s successful**
293 negotiation of a final written lease consistent with the terms upon which the award was
294 based.
- 295
- 296 f. The City Manager may, with Council approval, rescind a Notice to Award. A Notice to
297 Award becomes void on the date the City Manager provides written notice to the
298 applicant that the award has been rescinded.
- 299
- 300 g. The City Manager may rescind a Notice to Award at any time prior to the execution of a
301 lease if an applicant can no longer meet the terms of the proposal.
- 302
- 303 h. If the City Manager rescinds a Notice to Award, the City Manager may negotiate with the
304 next most responsive bidder and submit a new recommendation for award to Council
305 and Council may approve the award of the proposal to that recommended bidder. If
306 negotiations with the next most responsive bidder are unsuccessful, all bids must be
307 rejected and a new request for proposal may be issued.
- 308
- 309 i. The Council may approve other bidding or proposal procedures or exceptions to these
310 procedures via resolution.

311
312 18.08.075 Lease rental rates.

- 313
- 314 a. Except as otherwise provided in this section, all property shall be leased at no less than
315 **“fair market rent.”**
- 316
- 317 b. **Payments of a higher than fair market rent resulting from an applicant’s proposal is**
318 generally in the public interest and will help to establish fair market rent using current
319 market forces.
- 320
- 321 c. **The Council may establish a minimum rent or “asking price.” It may set a minimum**
322 **rent at an amount equal to or higher than the estimated “fair market rent” if it finds**
323 that it is in public interest to do so. It may set uniform rental rates for a class of similar
324 properties that remain available for leasing after the conclusion of a competitive lease
325 offering.
- 326
- 327 d. Except as provided in HCC 18.08.175, Council may approve a lease of City land for less
328 than fair market rent only if the motion approving the lease contains a finding that the
329 lease is for a valuable public purpose or use, and a statement identifying such public
330 purpose or use.
- 331

332 e. The lease shall provide for payment of interest or a late fee for rent past due, and
333 **provide for recovery by the City of attorneys' fees and costs to the maximum extent**
334 **allowed by law in the event the city is required to enforce the lease in court, and such**
335 **additional provisions pertaining to defaults and remedies as the City Manager may**
336 **determine to be in the City's interest.**

337
338 18.08.080 Lease execution and final approval.

339
340 a. After a notice to award a lease is approved by Council or a lease application is
341 approved by the City Manager, the City Manager is responsible for finalizing and
342 **executing the lease agreement with the successful applicant. After Council's approval**
343 **of the Notice to Award but before Council approval under HCC 18.08.040, the City**
344 **Manager may negotiate non-essential long-term lease terms and make changes**
345 **necessary to clarify the terms of the long-term lease or correct clerical errors.**

346
347 b. The City Manager has authority to negotiate all terms of short-term leases subject to
348 the provisions of this chapter.

349
350 c. After a lease is executed by both parties, the City Manager shall draft and the City Clerk
351 shall record a memorandum of lease. The Lessee is responsible for the recording fees.

352
353 18.080.090 Development and use.

354
355 a. All leases must require the lessee to comply with applicable zoning, parking, sign,
356 flood, and other pertinent local ordinances and state and federal statutes and
357 regulations.

358
359 b. Except as provided otherwise in the lease agreement, an as-built survey including
360 elevations performed by a surveyor shall be provided to the City within six months of
361 completion of permitted or required development or requirements under a lease. Each
362 additional structure or significant improvement shall require an additional or updated
363 as-built. All surveys are to be provided by the lessee at their expense.

364
365 c. Except as provided otherwise in the lease agreement, at the time each as-built is
366 submitted, a statement of value including leaseholds and all improvements shall be
367 provided. The Statement of Value shall be either a letter of opinion or appraisal
368 completed by an appraiser.

369
370 d. All development requirements and performance standards contained in the lease shall
371 be strictly enforced and if not complied with or negotiated for modification shall be
372 cause for the lease to be terminated. Failure to enforce the terms of the lease shall not
373 constitute waiver of any such term.

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- e. The City may require a lease of City-owned property to be secured by any means that **meet the City’s best interest, including without limitation, a security deposit, surety bond or guaranty.**

18.08.100 Appraisal.

- a. An appraisal of the fair market rent of the property will be required before the final approval of a lease and at the time of review and renewal.
- b. The requirement of an appraisal may be waived at the discretion of the City Manager for short-term leases.
- c. All leased properties shall be appraised every five years from the effective date of the lease.
- d. Except as otherwise provided under this section or in a specific lease, lease rates shall be increased on the anniversary of the lease effective date to reflect property appraisal values. A lessee shall be notified of any increase in the appraised value of the property at least 30 days before the increased rental rate becomes effective.
- e. In the event an appraisal reports a decrease in fair market rent, a lessee may petition or the City Manager may recommend to the Council a reduction in the lease rate. The Council may approve a reduction if it determines via resolution that such reduction **corresponds with the appraised fair market rent and the reduction is in the City’s best interest.**
- f. Each year, the City will select and retain an appraiser to appraise all leased parcels due for appraisals in that year. The City will have sole discretion to select the appraiser and shall bear the cost of the appraisal.

18.08.110 Options to renew.

- a. Leases may contain no more than two options for renewal and each option must be for less than 25% of the length of the initial lease term.
- b. A lessee may not exercise an option to renew unless the City Manager determines that the lessee is in full compliance with the terms of the lease at the time of renewal.
- c. A lessee whose initial lease and all options have expired shall have no automatic right of further renewal or extensions.

416 18.08.120 Improvements.

417

418 a. Except as otherwise provided in the lease agreement, construction of improvements
419 shall take place only after review and approval of the construction plans by the City
420 Manager and only after all applicable permits and legal requirements are secured.

421

422 b. Any improvements not consistent with the lease agreement must be approved by
423 Council via resolution and shall only be considered upon recommendation by the City
424 Manager and after review by the Port and Harbor Commission, the Planning
425 Commission, and any other advisory commission determined to be appropriate by the
426 City Manager. Inconsistent improvements may be approved if the changes to the
427 **improvements promotes serves the City's best interest and/or when changes are**
428 necessary due to industry changes or a change in economic conditions within the city.

429

430 c. All improvements constructed upon leased property become the property of the City
431 upon termination of the lease unless otherwise provided in the lease agreement or
432 agreed to by the parties in writing.

433

434 d. Lessee shall be responsible for all municipal property taxes on the leasehold interest
435 in the real property and improvements and sales taxes on the rent payments.

436

437 18.08.130 Lease renewal.

438

439 a. The Council, after reviewing a recommendation from the City Manager, may approve
440 the renewal of a lease without requiring competitive bidding based upon the City
441 **Manager's recommendation and when Council finds that it is in the best interest of the**
442 City to enter into a new lease agreement with the current lessee without submitting
443 the lease renewal to competitive bidding.

444

445 b. If the current lessee is interested in entering into a new lease agreement under this
446 section, the lessee must issue a request for a new lease in writing to the City Manager
447 at least 12 months prior to the expiration of the lease and submit a formal lease
448 application for evaluation by the City Manager. The City Manager shall notify Council
449 of new lease requests under this section. The City will review the application but is
450 under no obligation to enter into a new lease.

451

452 c. If the Council approves the new lease without a competitive process, it must do so by
453 resolution within six months of the date the lease application is filed with the City.

454

455 d. Council shall consider the following factors when determining whether to exempt a
456 lease from competitive bidding under this subsection:

457

- 458 1. **The lessee's past capital investment and binding commitment to future capital**
459 investment;
- 460
- 461 2. **The lessee's financial condition and prior lease history;**
462
- 463 3. The number of persons employed and the prospect for future employment;
- 464
- 465 4. Tax revenues and other financial benefits to the City anticipated in the future if the
466 lease is renewed;
- 467
- 468 5. Consistency of the past use and intended future use with all applicable land use
469 codes and regulations, the Comprehensive Plan, and Overall Economic
470 Development Plan;
- 471
- 472 6. Other opportunities for use of the property that may provide greater benefit to the
473 City; and,
- 474
- 475 7. Other social, policy, and economic considerations as determined by the Council.
476

477 18.08.140 Sublease.

- 478
- 479 a. City property may be subleased if expressly permitted in the lease agreement and
480 approved in writing by Council.
- 481
- 482 b. Except as provided otherwise in the lease agreement, all subleases must be in writing
483 and executed by the parties, and approved by Council after a recommendation is
484 provided by the City Manager.
- 485
- 486 c. Approval must be granted prior to occupancy of the leased premises by the sub-
487 tenant.
- 488
- 489 e. A lessee shall be assessed additional rent, equal to at least 10 percent of the current
490 rent for the subleased area, upon approval of a sublease.
- 491
- 492 f. Subleasing shall not be used as a method to accomplish the transfer of interest in the
493 entire leasehold.
- 494
- 495 g. All subleases must comply with all relevant federal, state, and local laws.
496

497 18.08.150 Early termination.

498

499 Except as provided otherwise in the lease agreement, Council shall approve the termination of
500 a lease for failure to comply with the lease terms. The City Attorney shall be consulted prior to
501 the termination of a long-term lease. The City Manager shall seek approval of termination from
502 Council in executive session. The name of lessee and description of the leased property shall
503 not be included in any public notices or documents circulated unless and until Council
504 approves termination of the lease under this section. The City Manager shall notify a lessee in
505 writing that Council will be considering termination of the lease in executive session and
506 provide the date, time, and place of the executive session. Lessee may waive the right to
507 confidentiality under this section and request that Council hold its discussion in public. This
508 section shall not prevent the City from sending lessee or other parties with an interest in the
509 **lease notifications or correspondence related to the lease or lessee's compliance with its**
510 terms.

511

512 18.08.160 Assignment.

513

514 a. Except as provided in the lease agreement, Council must approve the assignment of a
515 lease to another party.

516

517 b. Except as otherwise provided in this subsection and subject to the terms of the lease
518 agreement, the City Manager must make a determination that a lessee is in full
519 compliance with a lease before an assignment will be effective. The City Manager may
520 enter into an agreement with an assignor or an assignee consenting to assignment
521 conditional upon payment of any outstanding amount due under the lease no more
522 than 90 after assignment.

523

524 c. Except as otherwise provided in a lease agreement, if the lessee is in good standing and
525 eligible to assign the lease, the following procedures apply:

526

527 1. The lessee shall file a written request for assignment and a new lease application to
528 the City Manager;

529

530 2. The City Manager shall review the request and assignment document(s) and
531 determine whether the proposed assignee is qualified under this chapter and the
532 **assignment is in the City's best interests;**

533

534 3. The City Manager shall make a recommendation on the assignment to Council for
535 final action; and

536

537 4. The Council shall approve or deny the request for assignment via resolution.

538

539 5. Assignment of long-term leases on the Homer Spit or within the Marine
540 Commercial or Marine Industrial zoning districts shall be reviewed by the Port and

541 Harbor Advisory Commission prior to submission to Council for approval. Except
542 as otherwise provided in a specific lease agreement, assignment of all other long-
543 term leases shall be reviewed by the Homer Advisory Planning Commission for
544 recommendations prior to Council approval.

545
546 d. The Council may approve assignment of a lease to a bank or other financial institutions
547 for financing or other reasons if it determines the assignment is in the best interest of
548 the City and upon recommendation by the City Manager.

549
550 e. Where a lessee intends to assign the lease as part of a sale of the business located on
551 the lease lot, the person who intends to purchase the business may apply to extend the
552 lease term to allow the continuation of the business and to secure financing for the
553 purchase.

554
555 18.08.170 Insurance.

556
557 a. All lessees shall keep in force for the full term of the lease public liability insurance in
558 the amount of not less than \$1 Million coverage per occurrence for bodily injury,
559 including death, and property damage. The City shall be named as an additional
560 insured.

561
562 b. Lessees who intend to conduct activities which could potentially have significant risk
563 of environmental contamination shall also obtain not less than \$2 Million in
564 Environmental Impact insurance and/or Environmental Clean-up Policy, or the
565 equivalent subject to review and approval by the City Manager. The City shall be named
566 as an additional insured. The City will determine on a case-by-case basis whether a
567 lease of City property will involve a significant risk of environmental contamination due
568 to the use of the property, the presence of hazardous materials, or the location of the
569 property.

570
571 c. Certificates of Insurance showing the required insurance is in effect and identifying the
572 City as an additional insured shall be provided to the City at the time a lease becomes
573 effective and annually thereafter, and upon every change in insurance provider or
574 insurance coverage.

575
576 d. All insurance policies must be in effect for the duration of the lease term, or longer if
577 stated in the lease, and the City must be notified of any changes to policies.

578
579 e. A lease agreement may require insurance requirements that exceed those required in
580 this section.

581
582 18.08.175 Exception-leasing to government entities.

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- a. Except as otherwise prohibited by law, leases to federal or state government entities or political subdivisions or agencies of the State of Alaska or the United States may be, upon a finding by Council that it is in the best interest to do so, exempted from the requirements of this chapter.
- b. The City may lease real property to the United States, the State of Alaska, a political subdivision of the State, or an agency of any of these entities, for consideration agreed upon between the parties for less than fair market rent if the Council determines that **the lease or license is in the City’s best interest.**

18.08.180 Assessments – Capital improvement projects.

- a. A lessee of City property shall pay all real property special assessments levied and assessed against the property to the full extent of installments billed during the term of the lease.
- b. In the event the City completes a capital improvement project which directly benefits the leasehold property and no local improvement district is formed to pay the cost thereof, the City may, in its sole discretion, impose, and the lessee shall pay as **additional rent, the leasehold property’s proportionate share of the cost of the improvement.** The amount of additional rent imposed annually by the City under this subsection shall not exceed the amount which would have been payable annually by the lessee if a local improvement district had been formed which provided for installment payments on a schedule and bearing interest at rates typical of other local improvement districts of the City for that type of capital improvement.

18.08.190 Connection to utilities.

A lessee of City real property shall connect to City utilities and bear all costs of connections and adhere to all applicable local, State and Federal regulations. Connections to newly installed City utilities shall be made as soon as possible after completion.

18.08.195 Processing and filing fees.

Fees for lease applications, lease fees, sublease and assignment fees, and other related fees shall be established by Council by resolution. Failure to pay fees owed may result in the rejection of a lease application or denial of renewal, assignment or sublease.

Section 2: This ordinance is of a permanent and general character and shall be included in the Homer City Code.

625 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER THIS __ DAY OF _____, 2018.

626

627

CITY OF HOMER

628

629

630

BRYAN ZAK, MAYOR

631

632

633 ATTEST:

634

635

636

637 MELISSA JACOBSEN, MMC, CITY CLERK

638

639

640 YES:

641 NO:

642 ABSTAIN:

643 ABSENT:

644

645

646 First Reading:

647 Public Hearing:

648 Second Reading:

649 Effective Date:

650

651

652

653 Reviewed and approved as to form:

654

655

656

657 Mary K. Koester, City Manager

Holly Wells, City Attorney

658

659 Date:_____

Date:_____

1 CITY OF HOMER
2 HOMER, ALASKA

3
4 ORDINANCE 18-16(S)
5
6

7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
8 REPEALING HOMER CITY CODE CHAPTER 18.08 AND THE
9 HOMER PROPERTY MANAGEMENT POLICIES AND
10 PROCEDURES MANUAL AND REENACTING CHAPTER 18.08
11 CODIFYING CERTAIN POLICIES FROM THE PROPERTY
12 MANAGEMENT MANUAL, CLARIFYING HOMER'S LAND
13 ALLOCATION PROCESS, EXPANDING LEASE REVIEW TO
14 INCLUDE ADDITIONAL RECOMMENDATIONS BY APPROPRIATE
15 COMMISSIONS, REMOVING THE LEASE COMMITTEE,
16 REMOVING THE REQUIREMENT THAT ALL LEASES MAY BE
17 INCREASED TO REFLECT INFLATION AS DETERMINED IN THE
18 CONSUMER PRICE INDEX, AND EXPANDING COUNCIL'S ROLE
19 BY REQUIRING IT'S APPROVAL PRIOR TO EXECUTION OF A
20 LEASE, EARLY TERMINATION OF A LEASE OR TERMINATION
21 OF LEASE NEGOTIATIONS.
22

23 **WHEREAS**, the City of Homer ("City") currently has a complex leasing policy that
24 requires the City and applicants to comply with lengthy policies, procedures, and Homer City Code
25 provisions as well as the terms of the request for proposal specific to a specific parcel; and
26

27 **WHEREAS**, it is in the City's best interest and the interest of lease applicants to streamline
28 and simplify the leasing process by incorporating essential lease policy and procedures currently
29 in the City's Property Management Policy and Procedures into the Homer City Code, the City's
30 lease templates or specific lease agreements; and
31

32 **WHEREAS**, the City Council's approval of the essential terms of new long-term leases
33 and not just the award of such leases increases Council's input and oversight, public input and
34 transparency into the lease process; and
35

36 **WHEREAS**, the City Council's approval of the termination of negotiations or early
37 termination of a lease for default also increases oversight, public input and transparency in the
38 lease process,
39

40 **NOW THEREFORE**, The City of Homer Ordains:
41

42 Section 1: Chapter 18.08 "City Property Leases" is repealed and reenacted to read as
43 follows:
44

Chapter 18.08

CITY PROPERTY LEASES

Sections:

- 18.08.005 Purpose.
- 18.08.010 Definitions.
- 18.08.020 Land Allocation Plan - property available for lease.
- 18.08.030 Standardized leases.
- 18.08.040 Council approval of lease.
- 18.08.045 Lease applications.
- 18.08.050 Requests for proposals-competitive bidding process.
- 18.08.060 Criteria for evaluating and approving proposals.
- 18.08.065 Lease application and proposal documents.
- 18.08.070 Notice to award.
- 18.08.075 Lease rental rates.
- 18.08.080 Lease execution and final approval.
- 18.08.090 Development and use.
- 18.08.100 Appraisal.
- 18.08.110 Options to renew.
- 18.08.120 Improvements.
- 18.08.130 Lease renewal.
- 18.08.140 Sublease.
- 18.08.150 Early termination.
- 18.08.160 Assignments.
- 18.08.170 Insurance.
- 18.08.175 Exception – Leasing to government entities.
- 18.08.180 Assessments – Capital improvement projects.
- 18.08.190 Connection to utilities.
- 18.08.195 Processing and filing fees.

18.08.005 Purpose.

The purpose of this chapter is to ensure that the lease of City-owned property maximizes the value of City assets and that the City awards leases that provide the highest and best use of City-owned property. It is the policy of the City to lease its property in a fair and nondiscriminatory way.

18.08.010 Definitions.

For the purpose of this chapter, the following words and phrases are defined as set forth in this section:

1 “Applicant” means a person applying to lease or acquire an interest in City-owned
2 real property and includes bidders and proposers.

3
4 “Appraisal” means a valuation or estimation of value of property by an Alaska
5 Certified General Real Estate Appraiser or an otherwise qualified appraiser selected
6 by the City Manager.

7
8 “Assignment” means a transfer of a leasehold interest or rights to a leasehold
9 interest, in its entirety, in City-owned real property.

10
11 “City Manager” means the City of Homer Manager or his or her designee.

12
13 “Fair market rent” means the rental income that a public or private property would
14 most likely command in the open market, indicated by the current rents paid for
15 comparable space as of the date of the appraisal.

16
17 “Irregularities” means deviations from the request for proposal that are not
18 substantive in nature and/or typographical or scrivener errors that do not impact the
19 integrity or responsiveness of the proposal.

20
21 “Long-term lease” means a written agreement granting exclusive possession or use
22 of City-owned real property for more than one year.

23
24 “Short-term lease” means a written agreement granting exclusive possession or use
25 of City-owned real property for one year or less.

26
27 “Surveyor” means a registered professional land surveyor.

28
29 18.08.020 Land Allocation Plan-property available for lease.

- 30
31 a. Unless dedicated or reserved to another purpose, all real property including
32 tide, submerged or shorelands to which the City has a right, title and interest
33 as owner or lessee, or to which the City may become entitled, may be leased
34 as provided in this chapter. In the case of any conflict between this chapter
35 and any local, State or federal law governing the leasing of City tide and
36 submerged lands, the law governing the leasing of City tide and submerged
37 landsshall prevail.
38
39 b. The City administration shall maintain a list of all City-owned properties
40 authorized for lease by Council. This list shall be adopted annually and
41 contain the information required under this chapter. The list may be called
42 the Land Allocation Plan and will be made available to the public at the City
43 Clerk’s office.
44
45 c. Council shall adopt a Land Allocation Plan that identifies:
46

- i. City-owned property available for lease;
 - ii. The property description, lease rate, preferred length of the lease term for each available parcel; and
 - iii. Any requirements, preferences or restrictions regarding use and/or development.
- d. Council may identify property in the Land Allocation Plan that is subject to competitive bidding. Property subject to competitive bidding in the Land Allocation Plan need only identify the property description in the Land Allocation Plan but all other terms required in subsection (c) of this section shall be identified in the request for proposal for such properties.
- e. Prior to the adoption of the Land Allocation Plan, Council shall hold a work session. Commission members and City staff may provide recommendations to Council during the work session regarding City-owned property available for lease and the terms of such leases.
- f. The City shall provide public notice of the adoption of the Land Allocation Plan and the City-owned real property available for lease no more than 60 days after its adoption.
- g. All uses and activities on City-owned real property available for lease are subject to all applicable local, state, and federal laws and regulations.
- h. The Council may restrict specific City-owned properties to certain uses or classes of use that serve the City's best interest.

18.08.030 Standardized leases.

- a. The City Manager shall develop a standardized ground lease that contains provisions generally applicable to the lease of City-owned property and a standardized building lease that contains provisions generally applicable to the lease of space in City-owned buildings. The standard lease documents shall be reviewed by the City Attorney and approved by Council.
- b. Lease terms may deviate from the standardized lease terms when the City Manager determines such deviations are reasonable and necessary to protect the City's best interests and Council approves the lease as required in HCC 18.08.040.

18.08.040 Council approval of leases.

- a. All long-term leases for more than five years shall be approved by Council via ordinance. All long-term leases for five years or less shall be approved by Council via resolution.

- b. The City Manager may execute short-term leases without Council approval when the City Manager determines that a short-term lease is in the best interest of the City and notifies the Council in writing of the short-term lease and its essential terms.
- c. Short-term leases are not required to go through the competitive bidding process unless the short-term lease would result in the lease of City-owned property to the same lessee for more than one consecutive year.
- d. Except as expressly provided in this chapter, property leased by the City from a third party that is available for sublease or the lease of space in City-owned buildings located on real property owned by a third party is exempt from this chapter.

18.08.045 Lease applications.

Except for property subject to competitive bidding under this chapter, persons interested in leasing City property may submit a lease application to the City Clerk. The City Manager shall consider all applications and determine if an application is complete and meets the criteria identified in the Land Allocation Plan. When the City receives more than one lease application for a parcel that meets the criteria established for that parcel in the Land Allocation Plan, the City Manager shall evaluate the applications using the criteria in HCC 18.08.060 and award the lease most advantageous to the City. If both applicants are equally advantageous to the City, the City Manager shall award the lease to the applicant who submitted a completed application first. Applicants may be charged a fee for processing a lease application.

18.08.050 Requests for proposals-competitive bidding process.

- a. The City Manager may issue a request for proposals to lease specific property identified in the Land Allocation Plan at any time after posting the notice required in HCC 18.08.020(d).
- b. A request for proposal advertised by the City must identify the property description of the property available for lease, the time frame for the submission of requests for proposals, any preferred uses or industries, and the overall criteria the City intends to use to score and rank proposals.
- c. The City Manager must obtain approval from the Council before requesting proposals to lease property not identified in the Land Allocation Plan as property available for lease.

18.08.060 Criteria for evaluating and approving proposals and competing lease applications.

1 a. The Criteria for evaluating proposals shall include, but is not limited to, the
2 following:

- 3
- 4 1. Compatibility with neighboring uses and consistency with applicable
5 land use regulations including the Comprehensive Plan;
- 6
- 7 2. The development plan including all phases and timetables;
- 8
- 9 3. The proposed capital investment;
- 10
- 11 4. Experience of the applicant in the proposed business or venture;
- 12
- 13 5. Financial capability or backing of the applicant including credit history,
14 prior lease history, assets that will be used to support the proposed
15 development;
- 16
- 17 6. The number of employees anticipated;
- 18
- 19 7. The proposed rental rate;
- 20
- 21 8. Other financial impacts such as tax revenues, stimulation of related or
22 spin-off economic development, or the value of improvements left
23 behind upon termination of the lease;
- 24
- 25 9. Other long term social economic development; and
- 26
- 27 10. The residency or licensure of the applicant in the City, Kenai Peninsula
28 Borough, and/or the State of Alaska, as identified in the City's request
29 for proposal and permitted under state and federal law.
- 30

31 b. Determination of rent shall take into consideration the following factors:

- 32
- 33 1. Appraisal or tax assessed valuation;
- 34
- 35 2. Highest and best use of land;
- 36
- 37 3. Development (existing and planned);
- 38
- 39 4. Economic development objectives;
- 40
- 41 5. The location of the property; and
- 42
- 43 6. Alternative valuation methodologies as negotiated by both parties.
- 44

45 18.08.065 Lease application and proposal documents.
46

1 Upon request by the City Manager or as required in a request for proposal or the
2 Lease Allocation Plan, an applicant or proposer shall provide, at its sole expense,
3 the following:
4

- 5 1. A Property Improvement Plan with information regarding planned
6 improvements by lessee, including schedule for commencement and
7 completion of proposed improvements.
8
- 9 2. A survey of the property subject to the proposed lease; and/or
- 10 3. If only a portion of a lot is to be leased, a subdivision plat.
11

12
13 18.08.070 Notice to award.
14

- 15 a. The City Manager shall consider all responses to the City’s request for
16 proposals that are timely and responsive. Untimely submissions shall be
17 returned to the proposer without review and that proposer shall not be
18 considered.
19
- 20 b. The City Manager may, in his or her sole discretion, and upon a
21 determination that none of the proposals are in the City’s best interest,
22 recommend rejection of all proposals.
23
- 24 c. Upon a determination that a proposal is the most advantageous to the City,
25 the City Manager shall recommend the proposal to Council for acceptance.
26 If Council approves the recommendation, the City Manager shall issue a
27 Notice to Award the lease to the successful proposer. The City Manager’s
28 recommendation shall be presented to Council in a written memorandum
29 identifying the recommended winning proposer, the property description,
30 the essential terms of the proposed lease, and the reasons the City Manager
31 recommended the award.
32
- 33 d. The City Manager shall submit any recommendation for approval of a
34 proposal under this chapter for property located on the Homer Spit or in the
35 Marine Commercial or Marine Industrial zoning districts to the Port and
36 Harbor Advisory Commission for review and comment prior to
37 recommending a proposal to Council.
38
- 39 e. If the Council adopts the City Manager’s recommendation, the City
40 Manager shall negotiate with the winning applicant and present a final lease
41 to the Council for approval. A Notice to Award is conditional upon the City
42 Manager’s successful negotiation of a final written lease consistent with the
43 terms upon which the award was based.
44

- f. The City Manager may, with Council approval, rescind a Notice to Award. A Notice to Award becomes void on the date the City Manager provides written notice to the proposer that the award has been rescinded.
- g. The City Manager may rescind a Notice to Award at any time prior to the execution of a lease if the proposer can no longer meet the terms of the proposal.
- h. If the City Manager rescinds a Notice to Award, the City Manager may negotiate with the next most responsive proposer and submit a new recommendation for award to Council and Council may approve the award of the proposal to that recommended proposer. If negotiations with the next most responsive bidder are unsuccessful, all bids must be rejected and a new request for proposal may be issued.
- i. The Council may approve other bidding or proposal procedures or exceptions to these procedures via resolution.

18.08.075 Lease rental rates.

- a. Except as otherwise provided in this section, all property shall be leased at no less than “fair market rent.”
- b. Payments of a higher than fair market rent resulting from a proposal or lease application is generally in the public interest and will help to establish fair market rent using current market forces.
- c. The Council may establish a minimum rent or “asking price.” It may set a minimum rent at an amount equal to or higher than the estimated “fair market rent” if it finds that it is in public interest to do so. It may set uniform rental rates for a class of similar properties that remain available for leasing after the conclusion of a competitive lease offering.
- d. Except as otherwise provided in this chapter, Council may approve a lease of City land for less than fair market rent only if the motion approving the lease contains a finding that the lease is for a valuable public purpose or use, and a statement identifying such public purpose or use.
- e. The lease shall provide for payment of interest or a late fee for rent past due, and provide for recovery by the City of attorneys’ fees and costs to the maximum extent allowed by law in the event the City is required to enforce the lease in court, and such additional provisions pertaining to defaults and remedies as the City Manager may determine to be in the City’s interest.

18.08.080 Lease execution and final approval.

- a. After a Notice to Award a lease is approved by Council or a lease application is approved by the City Manager, the City Manager is responsible for finalizing and executing the lease agreement with the successful applicant or proposer. After Council’s approval of the Notice to Award but before Council approval under HCC 18.08.040, the City Manager may negotiate non-essential long-term lease terms and make changes necessary to clarify the terms of the long-term lease or correct clerical errors.
- b. The City Manager has authority to negotiate all terms of short-term leases subject to the provisions of this chapter.
- c. After a lease is executed by both parties, the City Manager shall draft and the City Clerk shall record a memorandum of lease. Lessee is responsible for the recording fees.

18.080.090 Development and use.

- a. All leases must require the lessee to comply with all applicable local, state, and federal laws.
- b. Except as provided otherwise in the lease agreement, an as-built survey including elevations performed by a surveyor shall be provided to the City within six months of completion of development on the leased property. Each additional structure or significant improvement shall require an updated as-built survey. All surveys are to be provided by lessees at their expense.
- c. Except as provided otherwise in the lease agreement, at the time each as-built survey is submitted, a statement of value including leaseholds and all improvements shall be provided. The statement of value shall be either a letter of opinion or appraisal completed by an appraiser.
- d. All development requirements and performance standards contained in the lease shall be strictly enforced and if not complied with or negotiated for modification shall be cause for the lease to be terminated. Failure to enforce the terms of the lease shall not constitute waiver of any such term.
- e. The City may require a lease of City-owned property to be secured by any means that meet the City’s best interest, including without limitation, a security deposit, surety bond or guaranty.

18.08.100 Appraisal.

- 1 a. An appraisal of the fair market rent of the property will be required before
2 final approval of a lease and within one year prior to renewal.
- 3
- 4 b. The requirement of an appraisal may be waived at the discretion of the City
5 Manager for short-term leases.
- 6
- 7 c. All leased properties shall be appraised every five years from the effective
8 date of the lease.
- 9
- 10 d. Except as otherwise provided under this section or in a specific lease, lease
11 rates shall be increased on the anniversary of the lease effective date to
12 reflect property appraisal values. A lessee shall be notified of any increase
13 in the appraised value of the property at least 30 days before the increased
14 rental rate becomes effective.
- 15
- 16 e. In the event an appraisal reports a decrease in fair market rent, a lessee may
17 petition or the City Manager may recommend to Council a reduction in the
18 lease rate. Council may approve a reduction if it determines via resolution
19 that such reduction corresponds with the appraised fair market rent and is
20 in the City's best interest.
- 21
- 22 f. Each year, the City will select and retain an appraiser to appraise all leased
23 City-owned property due for appraisals in that year. The City will have sole
24 discretion to select the appraiser and bears the cost of the appraisal.

25
26 18.08.110 Options to renew.

- 27
- 28 a. Leases may contain no more than two options to renew and each option
29 must be for less than 25% of the length of the initial lease term.
- 30
- 31 b. A lessee may not exercise an option to renew unless the City Manager
32 determines that the lessee is in full compliance with the terms of the lease
33 at the time of renewal.
- 34
- 35 c. A lessee whose initial lease and all options have expired shall have no
36 automatic right of further renewal or extensions.
- 37

38 18.08.120 Improvements.

- 39
- 40 a. Except as otherwise provided in the lease agreement, construction of
41 improvements shall take place only after review and approval of the
42 construction plans by the City Manager and only after all applicable permits
43 have been secured and legal requirements met.
- 44
- 45 b. Improvements not included in the lease agreement or improvements that
46 are inconsistent with or deviate from those permitted in the lease agreement

1 must be approved by Council via resolution. Council shall only approve
2 such improvements upon recommendation by the City Manager and after
3 review by the Port and Harbor Commission, the Homer Advisory Planning
4 Commission, and any other commission determined to be appropriate by
5 the City Manager. Inconsistent improvements may be approved if the
6 proposed changes to the improvements serves the City's best interest and/or
7 when changes are necessary due to relevant changes in industry or the local
8 economy
9

10 c. All improvements constructed upon leased property become the property of
11 the City upon termination of the lease unless otherwise provided in the lease
12 agreement or agreed to by the parties in writing.
13

14 d. Lessee shall be responsible for all taxes, including property taxes on the
15 leasehold interest in the real property and improvements and any sales tax
16 on rent payments.
17

18 18.08.130 Lease renewal.
19

20 a. Council, upon written recommendation by the City Manager may exempt
21 the renewal of a lease from competitive bidding if Council finds such
22 exemption serves the City's best interests. .
23

24 b. A lessee seeking to enter into a new lease with the City exempted from
25 competitive bidding under this section must submit a lease application and
26 a written request for a new lease to the City Manager at least 12 months but
27 no more than 18 months prior to the expiration of the existing lease. The
28 City Manager shall notify Council of new lease requests under this section.
29 The City will review the application but is under no obligation to enter into
30 a new lease.
31

32 c. If Council approves the new lease without a competitive process, it must do
33 so by resolution within six months of the date the lease application is filed
34 with the City.
35

36 d. Council shall consider the following factors when determining whether to
37 exempt a lease from competitive bidding under this subsection:
38

- 39 1. Lessee's past capital investment and binding commitment to future
40 capital investment;
- 41 2. Lessee's financial condition and prior lease history;
- 42 3. The number of persons employed and the prospect for future
43 employment;
- 44
- 45
- 46

- 1 4. Tax revenues and other financial benefits to the City anticipated in the
2 future if the lease is renewed;
3
- 4 5. Consistency of past use and intended future use with all applicable laws,
5 including land use codes and regulations, the Comprehensive Plan, and
6 Overall Economic Development Plan;
7
- 8 6. Other opportunities for use of the property that may provide greater
9 benefit to the City; and,
10
- 11 7. Other social, policy, and economic considerations as determined by
12 Council.
13

14 18.08.140 Sublease.

- 15
- 16 a. City property may be subleased if expressly permitted in the lease
17 agreement and approved in writing by Council.
18
- 19 b. Except as provided otherwise in the lease agreement, all subleases must be
20 in writing, executed by the parties, and approved by Council after a
21 recommendation is provided by the City Manager.
22
- 23 c. Approval must be granted prior to occupancy of the leased premises by a
24 sub-tenant.
25
- 26 e. Lessee shall be assessed additional rent equal to at least 10 percent of the
27 current rent for the subleased area upon approval of a sublease.
28
- 29 f. Subleasing shall not be used to transfer substantially all of a leasehold
30 interest.
31
- 32 g. All subleases must comply with all applicable federal, state, and local laws.
33

34 18.08.150 Early termination.

35
36 Except as provided otherwise in the lease agreement, Council shall approve the
37 termination of a lease for failure to comply with the lease terms. The City Attorney
38 shall be consulted prior to termination of a long-term lease for failure to comply
39 with lease terms. The City Manager may only terminate a lease for failure to comply
40 with the lease terms after receiving Council approval to do so. The City Manager
41 shall seek approval to terminate under this section in executive session. The name
42 of lessee and description of the leased property shall not be included in any public
43 notices or documents circulated by the City unless and until Council approves
44 termination of the lease under this section. The City Manager shall notify a lessee
45 in writing that Council will be considering termination of the lease and provide the
46 date, time, and place of the meeting at which Council will consider such

1 termination. Lessee may waive the right to confidentiality under this section and
2 request Council hold its discussion of termination in public. This section shall not
3 prevent the City from sending lessee, or other parties with an interest in the lease,
4 notifications and/or correspondence related to the lease or lessee's compliance with
5 its terms.
6

7 18.08.160 Assignment.
8

- 9 a. Except as provided in the lease agreement, Council must approve the
10 assignment of a lease to another party.
11
- 12 b. Except as otherwise provided in this section or the lease agreement, the City
13 Manager must make a determination that a lessee is in full compliance with
14 a lease before an assignment will be effective. The City Manager may, in
15 his or her sole discretion, consent to assignment of a lease where lessee is
16 in full compliance with the lease terms except for payments owed so long
17 as assignor and/or assignee agree in writing to pay the full amount owed
18 within 90 days of the assignment. An assignment shall not be effective and
19 shall constitute default by lessee if full payment is not received within 90
20 days of the assignment.
21
- 22 c. Except as otherwise provided in the lease agreement, if the lessee is in good
23 standing and eligible to assign the lease, the following procedures apply:
24
 - 25 1. The lessee shall file a written request for assignment and a complete
26 new lease application to the City Manager;
27
 - 28 2. The City Manager shall review the request and new lease application
29 and determine whether the proposed assignee is qualified under this
30 chapter and the assignment is in the City's best interests;
31
 - 32 3. The City Manager shall make a recommendation on the assignment to
33 Council for final action; and
34
 - 35 4. Council shall approve or deny the request for assignment via resolution.
36
 - 37 5. Assignment of long-term leases on the Homer Spit or within the Marine
38 Commercial or Marine Industrial zoning districts shall be reviewed by
39 the Port and Harbor Advisory Commission prior to submission to
40 Council for approval. Except as otherwise provided in the lease
41 agreement, assignment of all other long-term leases shall be reviewed
42 by the Homer Advisory Planning Commission prior to Council
43 approval.
44

- 1 d. Council may approve assignment of a lease to a bank or other financial
2 institution if it determines the assignment is in the best interest of the City
3 and The City Manager recommends approval.
4
5 e. Where a lessee intends to assign the lease as part of a sale of the business
6 located on the leased lot, the person who intends to purchase the business
7 may apply to extend the lease term to allow the continuation of the business
8 and to secure financing for the purchase of that business.
9

10 18.08.170 Insurance.

- 11
12 a. All lessees shall keep in force for the full term of the lease public liability
13 insurance in the amount of not less than \$1 Million coverage per occurrence
14 for bodily injury, including death, and property damage. The City shall be
15 named as an additional insured.
16
17 b. Lessees who intend to conduct activities which could potentially have
18 significant risk of environmental contamination shall also obtain not less
19 than \$2 Million in Environmental Impact insurance and/or Environmental
20 Clean-up Policy, or the equivalent subject to review and approval by the
21 City Manager. The City shall be named as an additional insured. The City
22 will determine on a case-by-case basis whether a lease of City property will
23 involve a significant risk of environmental contamination due to the use of
24 the property, the presence of hazardous materials, or the location of the
25 property.
26
27 c. Certificates of Insurance showing the required insurance is in effect and
28 identifying the City as an additional insured shall be provided to the City at
29 the time a lease becomes effective and annually thereafter, and upon every
30 change in insurance provider or insurance coverage.
31
32 d. All insurance policies must be in effect for the duration of the lease term, or
33 longer if stated in the lease, and the City must be notified of any changes to
34 policies.
35
36 e. Insurance requirements that exceed those required in this section may be
37 imposed in the terms of a lease agreement.
38

39 18.08.175 Exception-leasing to government entities.

- 40
41 a. Except as otherwise prohibited by law, leases to federal or state government
42 entities or political subdivisions or agencies of the State of Alaska or the
43 United States may be exempted from this chapter upon a finding by Council
44 that it is in the City's best interest to do so.
45

BRYAN ZAK, MAYOR

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ATTEST:

MELISSA JACOBSON, MMC, CITY CLERK

AYES:
NOES:
ABSTAIN:
ABSENT:

First Reading:
Public Hearing:
Second Reading:
Effective Date:

Reviewed and approved as to form:

Mary K. Koester, City Manager

Date: _____

Holly Wells, City Attorney

Date: _____

1 CITY OF HOMER
2 HOMER, ALASKA

Formatted: Centered

3
4 ORDINANCE 18-~~08~~16(S)
5
6

7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
8 REPEALING HOMER CITY CODE CHAPTER 18.08 AND THE
9 HOMER PROPERTY MANAGEMENT POLICIES AND
10 PROCEDURES MANUAL AND REENACTING CHAPTER 18.08
11 CODIFYING CERTAIN ~~LEASE POLICIES AND PROCEDURES~~
12 FROM THE ~~PROPERTY MANAGEMENT POLICIES AND~~
13 ~~PROCEDURES~~ MANUAL, CLARIFYING ~~THE HOMER'S LAND~~
14 ALLOCATION PROCESS, EXPANDING LEASE REVIEW TO
15 INCLUDE ~~ADDITIONAL~~ RECOMMENDATIONS BY APPROPRIATE
16 ~~CITY COMMISSIONS~~, REMOVING ~~REFERENCES TO THE LEASE~~
17 COMMITTEE, REMOVING THE REQUIREMENT THAT ALL
18 LEASES MAY BE INCREASED TO REFLECT INFLATION AS
19 DETERMINED IN THE CONSUMER PRICE INDEX, AND
20 EXPANDING COUNCIL'S ROLE BY REQUIRING ~~IT'S COUNCIL~~
21 APPROVAL PRIOR TO ~~FINAL APPROVAL~~ EXECUTION OF A
22 ~~LEASE~~, ~~EARLY TERMINATION~~ OF A LEASE, ~~TERMINATION OF A~~
23 ~~LEASE~~ OR TERMINATION OF LEASE NEGOTIATIONS.
24

25 **WHEREAS**, the City of Homer ("City") currently has a complex leasing policy that
26 requires the City and applicants to comply with lengthy policies, procedures, and Homer City Code
27 provisions as well as the terms of the request for proposal specific to a specific parcel; and
28

29 **WHEREAS**, it is in the City's best interest and the interest of lease applicants to streamline
30 and simplify the leasing process by incorporating essential lease policy and procedures currently
31 in the City's Property Management Policy and Procedures into the Homer City Code, the City's
32 lease templates or specific lease agreements; and
33

34 **WHEREAS**, the City Council's approval of the essential terms of new long-term leases
35 and not just the award of such leases increases Council's input and oversight, public input and
36 transparency into the lease process; and
37

38 **WHEREAS**, the City Council's approval of the termination of negotiations or early
39 termination of a lease for default also increases oversight, public input and transparency in the
40 lease process,
41

42 **NOW THEREFORE**, The City of Homer Ordains:
43

44 Section 1: Chapter 18.08 "City Property Leases" is repealed and reenacted to read as
45 follows:

Ordinance No. 18-08
Page 1 of 17

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Chapter 18.08

CITY PROPERTY LEASES

Sections:

- 18.08.005 Purpose.
- 18.08.010 Definitions.
- 18.08.020 Land Allocation Plan - property available for lease.
- 18.08.030 Standardized leases.
- 18.08.040 Council approval of lease.
- 18.08.045 Lease applications.
- 18.08.050 Requests for proposals-competitive bidding process.
- 18.08.060 Criteria for evaluating and approving proposals.
- 18.08.065 Lease application and proposal documents.
- 18.08.070 Notice to award.
- 18.08.075 Lease rental rates.
- 18.08.080 Lease execution and final approval.
- 18.08.090 Development and use.
- 18.08.100 Appraisal.
- 18.08.110 Options to renew.
- 18.08.120 Improvements.
- 18.08.130 Lease renewal.
- 18.08.140 Sublease.
- 18.08.150 Early termination.
- 18.08.160 Assignments.
- 18.08.170 Insurance.
- 18.08.175 Exception – Leasing to government entities.
- 18.08.180 Assessments – Capital improvement projects.
- 18.08.190 Connection to utilities.
- 18.08.195 Processing and filing fees.

18.08.005 Purpose.

The purpose of this chapter is to ensure that the lease of City-owned property maximizes the value of City assets and that the City awards leases that provide the highest and best use of City-owned property. It is the policy of the City to lease its property in a fair and nondiscriminatory way.

18.08.010 Definitions.

For the purpose of this chapter, the following words and phrases are defined as set forth in this section:

1
2 “Applicant” means a person applying to lease or acquire an interest in City-owned
3 real property and includes bidders and proposers.
4

5 “Appraisal” means a valuation or estimation of value of property by an Alaska
6 Certified General Real Estate Appraiser or an otherwise qualified appraiser selected
7 by the City Manager.
8

9 “Assignment” means a transfer of a leasehold interest or rights to a leasehold
10 interest, in its entirety, in City-owned real property.
11

12 “City Manager” means the City of Homer Manager or his or her designee.
13

14 “Fair market rent” means the rental income that a public or private property would
15 most likely command in the open market, indicated by the current rents paid for
16 comparable space as of the date of the appraisal.
17

18 “Irregularities” means deviations from the request for proposal that are not
19 substantive in nature and/or ~~involve~~ typographical or scrivener errors that do not
20 impact the integrity or responsiveness of the proposal.
21

22 “Long-term lease” means a written agreement granting exclusive possession or use
23 of City-owned real property for more than one year.
24

25 “Short-term lease” means a written agreement granting exclusive possession or use
26 of City-owned real property for one year or less.
27

28 “Surveyor” means a registered professional land surveyor.
29

30 18.08.020 Land Allocation Plan-property available for lease.
31

- 32 a. Unless dedicated or reserved to another purpose, all real property including
33 tide, submerged or shorelands to which the City has a right, title and interest
34 as owner or lessee, or to which the City may become entitled, may be leased
35 as provided in this chapter. In the case of any conflict between this chapter
36 and any ~~regulations or other ordinances~~ local, or State or federal law
37 ~~specifically~~ governing the leasing of City tide and submerged lands, the law
38 governing the leasing of City tide and submerged lands ~~latter~~ shall prevail.
39
- 40 b. The City administration shall maintain a list of all City-owned properties
41 authorized for lease by Council. This list shall be adopted annually and
42 contain the information required under this chapter. The list may be called
43 the Land Allocation Plan and will be made available to the public at the City
44 Clerk’s office.
45
- 46 c. Council shall adopt a Land Allocation Plan that identifies:

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- i. City-owned property available for lease;
 - ii. The property description, lease rate, preferred length of the lease term for each available parcel; and
 - iii. Any requirements, preferences or restrictions regarding use and/or development.
- d. Council may identify property in the Land Allocation Plan that is subject to competitive bidding. Property subject to competitive bidding in the Land Allocation Plan need only identify the property description in the Land Allocation Plan but all other terms required in subsection (c) of this section shall be identified in the request for proposal for such properties.
- e. Prior to the adoption of the Land Allocation Plan, Council shall hold a work session. Commission members and City staff may provide recommendations to Council during the work session regarding City-owned property available for lease and the terms of such leases.
- f. The City shall provide public notice of the adoption of the Land Allocation Plan and the City-owned real property available for lease no more than 60 days after its adoption.
- g. All uses and activities on City-owned real property available for lease are subject to all applicable local, state, and federal laws and regulations.
- h. The Council may restrict specific City-owned properties to certain uses or classes of use that serve the City's best interest.

18.08.030 Standardized leases.

- a. The City Manager shall develop a standardized ground lease that contains provisions generally applicable to the lease of City-owned property and a standardized building lease that contains provisions generally applicable to the lease of space in City-owned buildings. The standard lease documents shall be reviewed by the City Attorney and approved by Council.
- b. Lease terms may deviate from the standardized lease terms when the City Manager determines such deviations are reasonable and necessary to protect the City's best interests and Council approves the lease as required in HCC 18.08.040.

18.08.040 Council approval of leases.

- a. All long-term leases for more than five years shall be approved by Council via ordinance. All long-term leases for five years or less shall be approved by Council via resolution.

- b. The City Manager may execute short-term leases without Council approval when the City Manager determines that a short-term lease is in the best interest of the City and notifies the Council in writing of the short-term lease and its essential terms.
- c. Short-term leases are not required to go through the competitive bidding process unless the short-term lease would result in the lease of City-owned property to the same lessee for more than one consecutive year.
- d. Except as expressly provided in this chapter, property leased by the City from a third party that is available for sublease or the lease of space in City-owned buildings located on real property owned by a third party is exempt from this chapter.

18.08.045 Lease applications.

Except for property subject to competitive bidding under this chapter, persons interested in leasing City property may submit a lease application to the City Clerk. The City Manager shall consider all applications and determine if an application is complete and meets the criteria identified in the Land Allocation Plan. When the City receives more than one lease application for a parcel that meets the criteria established for that parcel in the Land Allocation Plan, the City Manager shall evaluate the applications using the criteria in HCC 18.08.060 and award the lease most advantageous to the City. If both applicants are equally advantageous to the City, the City Manager shall award the lease to the applicant who submitted a completed application first. Applicants may be charged a fee for processing a lease application.

Commented [HCW1]: In creating much more precise processes for lease applications and requests for proposals, there is a need to provide more clear direction regarding the evaluation and award of lease applications submitted in response to the Land Allocation Plan. To this end, I revised the ordinance to add language where needed to clarify the distinction between the lease application process and the RFP process.

18.08.050 Requests for proposals-competitive bidding process.

- a. The City Manager may issue a request for proposals to lease specific property identified in the Land Allocation Plan at any time after posting the notice required in HCC 18.08.020(d).
- b. A request for proposal advertised by the City must identify the property description of the property available for lease, the time frame for the submission of requests for proposals, any preferred uses or industries, and the overall criteria the City intends to use to score and rank proposals.
- c. The City Manager must obtain approval from the Council before requesting proposals to lease property not identified in the Land Allocation Plan as property available for lease.

18.08.060 Criteria for evaluating and approving proposals and competing lease applications.

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- a. The Criteria for evaluating proposals shall include, but is not limited to, the following:
 - 1. Compatibility with neighboring uses and consistency with applicable land use regulations including the Comprehensive Plan;
 - 2. The development plan including all phases and timetables;
 - 3. The proposed capital investment;
 - 4. Experience of the applicant in the proposed business or venture;
 - 5. Financial capability or backing of the applicant including credit history, prior lease history, assets that will be used to support the proposed development;
 - 6. The number of employees anticipated;
 - 7. The proposed rental rate;
 - 8. Other financial impacts such as tax revenues, stimulation of related or spin-off economic development, or the value of improvements left behind upon termination of the lease;
 - 9. Other long term social economic development; ~~and~~;
 - 10. The residency or licensure of the applicant in the City, Kenai Peninsula Borough, and/or the State of Alaska, as identified in the City's request for proposal and permitted under state and federal law.
- b. Determination of rent shall take into consideration the following factors:
 - 1. Appraisal or tax assessed valuation;
 - 2. Highest and best use of land;
 - 3. Development (existing and planned);
 - 4. Economic development objectives;
 - 5. The location of the property; and
 - 6. Alternative valuation methodologies as negotiated by both parties.

18.08.065 Lease application and proposal documents.

1
2 Upon request by the City Manager or as required in a request for proposal or the
3 Lease Allocation Plan, an applicant or proposer shall provide, at its sole expense,
4 the following:

- 5
6 1. A Property Improvement Plan with information regarding planned
7 improvements by lessee, including schedule for commencement and
8 completion of proposed improvements.
9
10 2. A survey of the property subject to the proposed lease; and/or
11
12 3. If only a portion of a lot is to be leased, a subdivision plat.
13

14 18.08.070 Notice to award.

- 15
16 a. The City Manager shall consider all responses to the City's request for
17 proposals that are timely and responsive. Untimely submissions shall be
18 returned to the ~~applicant~~ proposer without review and that ~~applicant~~
19 proposer shall not be considered.
20
21 b. The City Manager may, in his or her sole discretion, and upon a
22 determination that none of the proposals are in the City's best interest,
23 recommend rejection of all proposals.
24
25 c. Upon a determination that a proposal is the most advantageous to the City,
26 the City Manager shall recommend the proposal to Council for acceptance.
27 If Council approves the recommendation, the City Manager shall issue a
28 Notice to Award the lease to the successful ~~proposer~~ applicant. The City
29 Manager's recommendation shall be presented to Council in a written
30 memorandum identifying the recommended winning ~~proposer~~ applicant, the
31 property description, the essential terms of the proposed lease, and the
32 reasons the City Manager recommended the award.
33
34 d. The City Manager shall submit any recommendation for approval of a
35 proposal under this chapter for property located on the Homer Spit or in the
36 Marine Commercial or Marine Industrial zoning districts to the Port and
37 Harbor Advisory Commission for review and comment prior to
38 recommending a proposal to Council.
39
40 e. If the Council adopts the City Manager's recommendation, the City
41 Manager shall negotiate with the winning applicant and present a final lease
42 to the Council for approval. A Notice to Award is conditional upon the City
43 Manager's successful negotiation of a final written lease consistent with the
44 terms upon which the award was based.
45

Commented [HCW2]: Due to the distinction between the RFP process and Lease application process, I revised the ordinance to use "proposer" when dealing with the RFP process and "applicant" when dealing with the lease application process.

- f. The City Manager may, with Council approval, rescind a Notice to Award. A Notice to Award becomes void on the date the City Manager provides written notice to the ~~proposer~~~~applicant~~ that the award has been rescinded.
- g. The City Manager may rescind a Notice to Award at any time prior to the execution of a lease if ~~the proposer~~~~applicant~~ can no longer meet the terms of the proposal.
- h. If the City Manager rescinds a Notice to Award, the City Manager may negotiate with the next most responsive ~~proposer~~~~bidder~~ and submit a new recommendation for award to Council and Council may approve the award of the proposal to that recommended ~~proposer~~~~bidder~~. If negotiations with the next most responsive bidder are unsuccessful, all bids must be rejected and a new request for proposal may be issued.
- i. The Council may approve other bidding or proposal procedures or exceptions to these procedures via resolution.

18.08.075 Lease rental rates.

- a. Except as otherwise provided in this section, all property shall be leased at no less than “fair market rent.”
- b. Payments of a higher than fair market rent resulting from ~~an applicant’s a~~ proposal ~~or lease application~~ is generally in the public interest and will help to establish fair market rent using current market forces.
- c. The Council may establish a minimum rent or “asking price.” It may set a minimum rent at an amount equal to or higher than the estimated “fair market rent” if it finds that it is in public interest to do so. It may set uniform rental rates for a class of similar properties that remain available for leasing after the conclusion of a competitive lease offering.
- d. Except as ~~otherwise~~ provided in ~~HCC 18.08.175~~~~this chapter~~, Council may approve a lease of City land for less than fair market rent only if the motion approving the lease contains a finding that the lease is for a valuable public purpose or use, and a statement identifying such public purpose or use.
- e. The lease shall provide for payment of interest or a late fee for rent past due, and provide for recovery by the City of attorneys’ fees and costs to the maximum extent allowed by law in the event the ~~C~~city is required to enforce the lease in court, and such additional provisions pertaining to defaults and remedies as the City Manager may determine to be in the City’s interest.

18.08.080 Lease execution and final approval.

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- a. After a ~~Notice to award~~ Award a lease is approved by Council or a lease application is approved by the City Manager, the City Manager is responsible for finalizing and executing the lease agreement with the successful applicant or proposer. After Council's approval of the Notice to Award but before Council approval under HCC 18.08.040, the City Manager may negotiate non-essential long-term lease terms and make changes necessary to clarify the terms of the long-term lease or correct clerical errors.
 - b. The City Manager has authority to negotiate all terms of short-term leases subject to the provisions of this chapter.
 - c. After a lease is executed by both parties, the City Manager shall draft and the City Clerk shall record a memorandum of lease. ~~The~~ Lessee is responsible for the recording fees.

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18.080.090 Development and use.

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- a. All leases must require the lessee to comply with all applicable local, state, and federal laws, applicable zoning, parking, sign, flood, and other pertinent local ordinances and state and federal statutes and regulations.
 - b. Except as provided otherwise in the lease agreement, an as-built survey including elevations performed by a surveyor shall be provided to the City within six months of completion of permitted or required development on the leased property, or requirements under a lease. Each additional structure or significant improvement shall require an additional or updated as-built survey. All surveys are to be provided by the lessees at their expense.
 - c. Except as provided otherwise in the lease agreement, at the time each as-built survey is submitted, a statement of value including leaseholds and all improvements shall be provided. The ~~s~~Statement of ~~v~~alue shall be either a letter of opinion or appraisal completed by an appraiser.
 - d. All development requirements and performance standards contained in the lease shall be strictly enforced and if not complied with or negotiated for modification shall be cause for the lease to be terminated. Failure to enforce the terms of the lease shall not constitute waiver of any such term.
 - e. The City may require a lease of City-owned property to be secured by any means that meet the City's best interest, including without limitation, a security deposit, surety bond or guaranty.

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18.08.100 Appraisal.

- a. An appraisal of the fair market rent of the property will be required before ~~the~~ final approval of a lease and within one year at the time of review and prior to renewal.
- b. The requirement of an appraisal may be waived at the discretion of the City Manager for short-term leases.
- c. All leased properties shall be appraised every five years from the effective date of the lease.
- d. Except as otherwise provided under this section or in a specific lease, lease rates shall be increased on the anniversary of the lease effective date to reflect property appraisal values. A lessee shall be notified of any increase in the appraised value of the property at least 30 days before the increased rental rate becomes effective.
- e. In the event an appraisal reports a decrease in fair market rent, a lessee may petition or the City Manager may recommend to ~~the~~ Council a reduction in the lease rate. ~~The~~ Council may approve a reduction if it determines via resolution that such reduction corresponds with the appraised fair market rent ~~and and the reduction~~ is in the City's best interest.
- f. Each year, the City will select and retain an appraiser to appraise all leased ~~parcels~~ City-owned property due for appraisals in that year. The City will have sole discretion to select the appraiser and ~~shall bear~~ the cost of the appraisal.

Commented [HCW3]: In reviewing this section, I found the "at the time of renewal" somewhat vague given that an appraisal might be performed earlier than renewal by the lessee in considering whether or not to seek renewal. I used one year as a placeholder but recommend the Port and Harbor Commission and City administration consider a time period that would be reasonable and expressly include it in this subsection.

18.08.110 Options to renew.

- a. Leases may contain no more than two options to renew for renewal and each option must be for less than 25% of the length of the initial lease term.
- b. A lessee may not exercise an option to renew unless the City Manager determines that the lessee is in full compliance with the terms of the lease at the time of renewal.
- c. A lessee whose initial lease and all options have expired shall have no automatic right of further renewal or extensions.

18.08.120 Improvements.

- a. Except as otherwise provided in the lease agreement, construction of improvements shall take place only after review and approval of the construction plans by the City Manager and only after all applicable permits have been secured and legal requirements ~~are secured~~ met.

- 1 b. ~~Any improvements not consistent with not included in~~ the lease agreement
 2 or improvements that are inconsistent with or deviate from those permitted
 3 in the lease agreement must be approved by Council via resolution. Council
 4 ~~and shall only be considered~~ approve such improvements upon
 5 recommendation by the City Manager and after review by the Port and
 6 Harbor Commission, the Homer Advisory Planning Commission, and any
 7 other ~~advisory~~ commission determined to be appropriate by the City
 8 Manager. Inconsistent improvements may be approved if the proposed
 9 changes to the improvements ~~promotes~~ serves the City's best interest and/or
 10 when changes are necessary due to relevant changes in industry or the local
 11 economy changes or a change in economic conditions within the city.
- 12
- 13 c. All improvements constructed upon leased property become the property of
 14 the City upon termination of the lease unless otherwise provided in the lease
 15 agreement or agreed to by the parties in writing.
- 16
- 17 d. Lessee shall be responsible for all ~~municipal property taxes, including~~
 18 property taxes on the leasehold interest in the real property and
 19 improvements and any sales tax on rent payments on the leasehold interest
 20 in the real property and improvements and sales taxes on the rent payments.

Commented [HCW4]: This subsection was substantively changed to provide further clarity and ensure that it applied to all improvements that were not included in the lease agreement and not just those "inconsistent" with the agreement. This protects the City from having to argue with a lessee over what constitutes an "inconsistent" improvement.

Commented [HCW5]: Given that the City is not the only taxing entity, it was more accurate to simply require taxes to be paid and then specify the taxes that are included that are of particular importance to the City.

21 18.08.130 Lease renewal.

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- 23
- 24 a. ~~The Council, upon written after reviewing a recommendation from by~~ the
 25 City Manager, ~~may approve exempt~~ the renewal of a lease ~~without~~
 26 requiring from competitive bidding if Council finds such exemption serves
 27 the City's best interests. ~~based upon the City Manager's recommendation~~
 28 ~~and when Council finds that it is in the best interest of the City to enter into~~
 29 ~~a new lease agreement with the current lessee without submitting the lease~~
 30 ~~renewal to competitive bidding.~~
- 31
- 32 b. ~~If the current~~ lessee seeking to enter into a new lease with the City
 33 exempted from competitive bidding under this section is interested in
 34 entering into a new lease agreement under this section, the lessee must issue
 35 submit a lease application and a written request for a new lease ~~in writing~~
 36 to the City Manager at least 12 months but no more than 18 months prior to
 37 the expiration of the existing lease ~~and submit a formal lease application for~~
 38 evaluation by the City Manager. The City Manager shall notify Council of
 39 new lease requests under this section. The City will review the application
 40 but is under no obligation to enter into a new lease.
- 41
- 42 c. If ~~the~~ Council approves the new lease without a competitive process, it must
 43 do so by resolution within six months of the date the lease application is
 44 filed with the City.
 45

Commented [HCW6]: This recommendation attempts to simplify the language in the interest of clarity, but also recognizes that it may be problematic if the request for renewal and lease application are submitted too far in advance as significant changes may occur over a few short years (or even months). To this end, I recommend the Port and Harbor Commission and City Administration consider what timing would best serve the City's needs and make the most sense given the City's process.

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- d. Council shall consider the following factors when determining whether to exempt a lease from competitive bidding under this subsection:
 - 1. ~~The~~ Lessee's past capital investment and binding commitment to future capital investment;
 - 2. ~~L~~The lessee's financial condition and prior lease history;
 - 3. The number of persons employed and the prospect for future employment;
 - 4. Tax revenues and other financial benefits to the City anticipated in the future if the lease is renewed;
 - 5. Consistency of ~~the~~ past use and intended future use with all applicable laws, including land use codes and regulations, the Comprehensive Plan, and Overall Economic Development Plan;
 - 6. Other opportunities for use of the property that may provide greater benefit to the City; and,
 - 7. Other social, policy, and economic considerations as determined by ~~the~~ Council.

18.08.140 Sublease.

- a. City property may be subleased if expressly permitted in the lease agreement and approved in writing by Council.
- b. Except as provided otherwise in the lease agreement, all subleases must be in writing, ~~and~~ executed by the parties, and approved by Council after a recommendation is provided by the City Manager.
- c. Approval must be granted prior to occupancy of the leased premises by ~~a~~the sub-tenant.
- e. ~~L~~A lessee shall be assessed additional rent, equal to at least 10 percent of the current rent for the subleased area, upon approval of a sublease.
- f. Subleasing shall not be used ~~as a method to accomplish the to~~ transfer substantially all of a leasehold interest~~of interest in the entire leasehold.~~
- g. All subleases must comply with all relevant applicable federal, state, and local laws.

18.08.150 Early termination.

Commented [HCW7]: Tried to reword this section to ensure that a lessee could not sublease 95% or another amount of the leasehold interest in a situation where the lessee has a lease agreement that permits subleasing but was not intended to permit assignment without approval.

Commented [HCW8]: Changes made ensure that the City administration need only seek Council approval for early termination of a lease for failure to comply with the terms and not the expiration of a lease or termination of a lease for other reasons, such as termination after lessee notifies the City of the need to terminate the lease in compliance with its terms.

1
2 Except as provided otherwise in the lease agreement, Council shall approve the
3 termination of a lease for failure to comply with the lease terms. The City Attorney
4 shall be consulted prior to ~~the~~ termination of a long-term lease for failure to comply
5 with lease terms. The City Manager may only terminate ~~shall seek approval of~~
6 ~~termination~~ a lease for failure to comply with the lease terms after receiving Council
7 approval to do so. ~~The City Manager shall seek approval to terminate under this~~
8 section in ~~from Council in~~ executive session. The name of lessee and description
9 of the leased property shall not be included in any public notices or documents
10 circulated by the City unless and until Council approves termination of the lease
11 under this section. The City Manager shall notify a lessee in writing that Council
12 will be considering termination of the lease ~~in executive session~~ and provide the
13 date, time, and place of the meeting at which Council will consider such
14 termination. ~~executive session~~. Lessee may waive the right to confidentiality under
15 this section and request ~~that~~ Council hold its discussion of termination in public.
16 This section shall not prevent the City from sending lessee, or other parties with an
17 interest in the lease, notifications and/or correspondence related to the lease or
18 lessee's compliance with its terms.

19
20 18.08.160 Assignment.

- 21
- 22 a. Except as provided in the lease agreement, Council must approve the
23 assignment of a lease to another party.
 - 24
 - 25 b. Except as otherwise provided in this ~~subsection~~ and subject to the terms of or
26 the lease agreement, the City Manager must make a determination that a
27 lessee is in full compliance with a lease before an assignment will be
28 effective. The City Manager may, in his or her sole discretion, ~~enter into an~~
29 ~~agreement with an assignor or an assignee~~ consenting to assignment ~~of a~~
30 lease where lessee is in full compliance with the lease terms except for
31 payments owed so long as assignor and/or assignee agree in writing to pay
32 the full amount owed within 90 days of the assignment. An assignment
33 shall not be effective and shall constitute default by lessee if full payment
34 is not received within 90 days of the assignment. ~~conditional upon payment~~
35 ~~of any outstanding amount due under the lease no more than 90 after~~
36 ~~assignment~~.
 - 37
 - 38 c. Except as otherwise provided in ~~the~~ lease agreement, if the lessee is in
39 good standing and eligible to assign the lease, the following procedures
40 apply:
 - 41
 - 42 1. The lessee shall file a written request for assignment and a complete
43 new lease application to the City Manager;
 - 44
 - 45 2. The City Manager shall review the request and assignment new lease
46 application document(s) and determine whether the proposed assignee

Commented [HCW9]: I attempted to tighten the language and clarify the consequences if full payment is not received within the 90 day window.

1 is qualified under this chapter and the assignment is in the City's best
2 interests;

3
4 3. The City Manager shall make a recommendation on the assignment to
5 Council for final action; and

6
7 4. ~~The~~ Council shall approve or deny the request for assignment via
8 resolution.

9
10 5. Assignment of long-term leases on the Homer Spit or within the Marine
11 Commercial or Marine Industrial zoning districts shall be reviewed by
12 the Port and Harbor Advisory Commission prior to submission to
13 Council for approval. Except as otherwise provided in ~~a specific~~
14 lease agreement, assignment of all other long-term leases shall be
15 reviewed by the Homer Advisory Planning Commission ~~for~~
16 ~~recommendations~~ prior to Council approval.

Commented [HCW10]: We need to unbold "5" but I cannot make it happen in my version of the document. Thus, this revision should be noted for the Clerk's final preparation of a substitute ordinance.

17
18 d. ~~The~~ Council may approve assignment of a lease to a bank or other financial
19 institutions ~~for financing or other reasons~~ if it determines the assignment is
20 in the best interest of the City and ~~upon recommendation by the City~~
21 ~~Manager.~~ The City Manager recommends approval.

22
23 e. Where a lessee intends to assign the lease as part of a sale of the business
24 located on the leased lot, the person who intends to purchase the business
25 may apply to extend the lease term to allow the continuation of the business
26 and to secure financing for the purchase of that business.

27
28 18.08.170 Insurance.

29
30 a. All lessees shall keep in force for the full term of the lease public liability
31 insurance in the amount of not less than \$1 Million coverage per occurrence
32 for bodily injury, including death, and property damage. The City shall be
33 named as an additional insured.

34
35 b. Lessees who intend to conduct activities which could potentially have
36 significant risk of environmental contamination shall also obtain not less
37 than \$2 Million in Environmental Impact insurance and/or Environmental
38 Clean-up Policy, or the equivalent subject to review and approval by the
39 City Manager. The City shall be named as an additional insured. The City
40 will determine on a case-by-case basis whether a lease of City property will
41 involve a significant risk of environmental contamination due to the use of
42 the property, the presence of hazardous materials, or the location of the
43 property.

44
45 c. Certificates of Insurance showing the required insurance is in effect and
46 identifying the City as an additional insured shall be provided to the City at

1 the time a lease becomes effective and annually thereafter, and upon every
2 change in insurance provider or insurance coverage.

- 3
4 d. All insurance policies must be in effect for the duration of the lease term, or
5 longer if stated in the lease, and the City must be notified of any changes to
6 policies.
7
8 e. ~~A lease agreement may require it~~ Insurance requirements that exceed those
9 required in this section may be imposed in the terms of a lease agreement.

10
11 18.08.175 Exception-leasing to government entities.

- 12
13 a. Except as otherwise prohibited by law, leases to federal or state government
14 entities or political subdivisions or agencies of the State of Alaska or the
15 United States may be exempted from this chapter, upon a finding by Council
16 that it is in the City's best interest to do so, ~~exempted from the requirements~~
17 ~~of this chapter.~~
18
19 b. The City may lease real property to the United States, the State of Alaska,
20 a political subdivision of the State, or an agency of any of these entities, for
21 ~~consideration agreed upon between the parties for~~ less than fair market rent
22 if ~~the Council determines that the lease or license~~ it is in the City's best
23 interest to do so.

24
25 18.08.180 Assessments – Capital improvement projects.

- 26
27 a. ~~A~~ Lessees of City property shall pay all real property special assessments
28 levied and assessed against the property to the full extent of installments
29 billed during the lease term ~~of the lease.~~
30
31 b. In the event the City completes a capital improvement project which directly
32 benefits the leasehold property and no local improvement district is formed
33 to pay the cost ~~thereof of that project~~, the City may, in its sole discretion,
34 impose, and the lessee shall pay as additional rent, the leasehold property's
35 proportionate share of the cost of the improvement project. The amount of
36 additional rent imposed annually by the City under this subsection shall not
37 exceed the amount which would have been payable annually by the lessee
38 if a local improvement district had been formed which provided for
39 installment payments on a schedule and bearing interest at rates typical of
40 other local improvement districts of the City for that type of capital
41 improvement.

42
43 18.08.190 Connection to utilities.

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45 Lessees of City real property shall connect to City utilities and bear all costs of
46 connections and adhere to all applicable local, State and Federal regulations.

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Connections to newly installed City utilities shall be made as soon as possible after completion.

18.08.195 Processing and filing fees.

Fees for lease applications, lease ~~fees~~, subleases and assignments ~~fees~~, and other related fees shall be established by Council by resolution. Failure to pay fees owed may result in the rejection of a lease application or denial of lease renewal, assignment or sublease.

Section 2: This ordinance is of a permanent and general character and shall be included in the Homer City Code.

ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER THIS __ DAY OF ~~JUNE~~APRIL, 2018.

CITY OF HOMER

BRYAN ZAK, MAYOR

ATTEST:

MELISSA JACOBSON, MMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

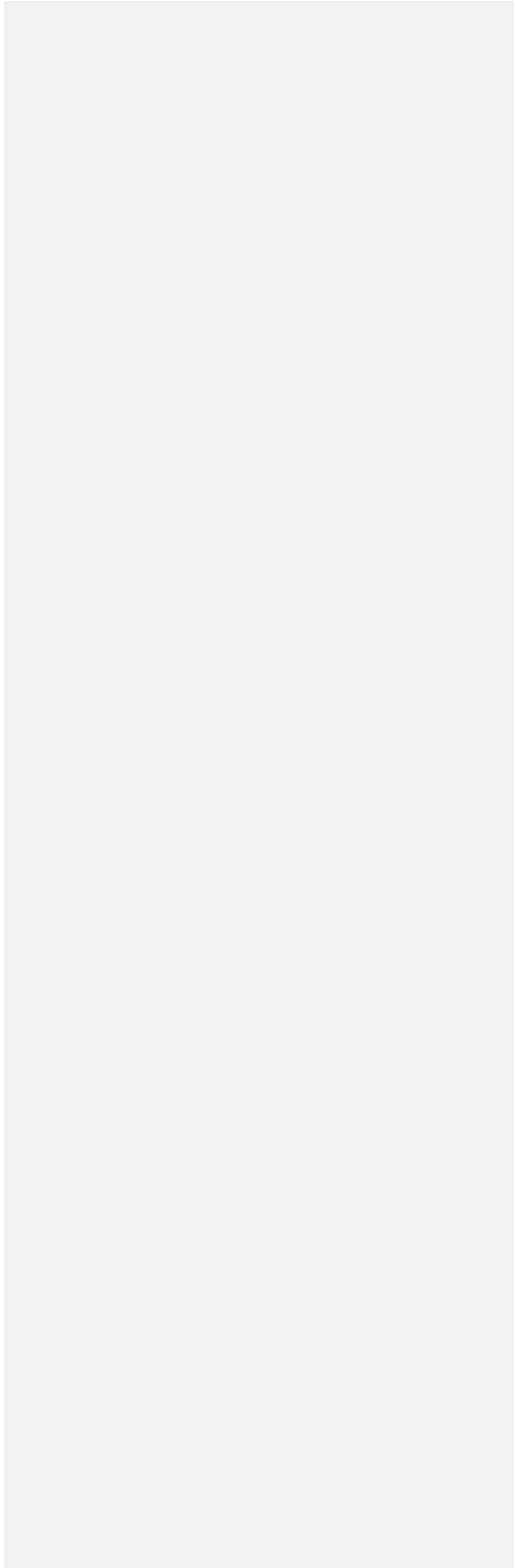
1 Mary K. Koester, City Manager

2

3 Date: _____

Holly Wells, City Attorney

Date: _____





City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

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Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum 18-076(A)

TO: Mayor Zak and Homer City Council
FROM: Katie Koester, City Manager
DATE: June 6, 2018
SUBJECT: Memo to clarify proposed changes to Ordinance 18-16 by City Attorney and Port and Harbor Commission

The purpose of this memo is to provide an overview of the proposed changes before you in Ordinance 18-16(S) both by the City Attorney and the Port and Harbor Advisory Commission who has spent 2 meetings reviewing the Ordinance.

Changes from the Attorney:

Ordinance 18-16(S) before you includes changes recommended by the City Attorney that provide clarity and are detailed in the track changes /notes version of 18-16(S) in the packet. These changes will be adopted by adoption of the substitute.

Changes from the Port and Harbor Commission:

Amendments proposed by the Port and Harbor Commission are *not* included in the substitute (Ordinance 18-16(S)) and will need to be adopted by Council by motion by referencing the items below. Memo 18-059 details recommendations from the Port and Harbor Commission from their March meeting and Memo 18-075 their May meeting. Please keep in mind the exact line references in the memos may be off given they were working from different versions. Use sections of code instead of line number as a reference. The changes they proposed are summarized below.

1. Reinstating the annual adjustment of leases based on the Anchorage Consumer Price Index.

Add new subsection 18.08.075(f) **Lease amount to be adjusted annually based on the Anchorage Consumer Price Index.**

Delete in title following 'commissions,' ~~REMOVING THE REQUIREMENT THAT ALL LEASES MAY BE INCREASED TO REFLECT INFLATION AS DETERMINED IN THE CONSUMER PRICE INDEX~~

2. Requiring the terms of the lease to remain the same with the transfer of the lease.

Upon further clarification with the sponsor of the amendment, staff recommends adding the language below to section 18.08.160(e) to achieve the intent of the amendment, 'to keep the same business as was conducted by the previous owner' (minutes from April 25 Port and Harbor Commission meeting).

Amend 18.08.160 (e):

(e) Where a lessee intends to assign the lease as part of a sale of the business located on the leased lot, the person who intends to purchase the business may apply to extend the lease term to allow the continuation of the business and to secure financing for the purchase of that business. **Any significant changes in the terms (use) of the existing lease must be reviewed by the Port and Harbor Commission and approved by City Council by Resolution as an amendment to the lease.**

3. Clarify that an appraisal is required at time of lease transfer in addition to new leases. Allow an appraisal to serve as valid if it was done within 2 years of time of renewal of a lease (up from place holder of 1 year proposed by City Attorney). Allow flexibility in the appraisal schedule to allow for cost savings by clustering appraisals.

Amend 18.08.100(a-c):

- a. An appraisal of the fair market rent of the property will be required before final approval of a **new lease or the transfer of a lease** and within **two years** ~~one year~~ prior to **the renewal of a lease** ~~renewal~~.
- b. The requirement of an appraisal may be waived at the discretion of the City Manager for short-term leases.
- c. All leased properties shall be appraised every five years from the effective date of the lease. **The City may choose to have the property appraised at less than five year intervals in order to appraise multiple properties at one time.**

4. Clarifying the language regarding the length of time allowed for options to renew in a lease in 18.08.110(a).

Amend 18.08.110(a):

- a. Leases may contain no more than two options to renew and each option must **not exceed** ~~be for less than~~ 25% of the length of the initial lease term.

Attachments

Memorandum 18-059 from Port and Harbor Advisory Commission

Memorandum 18-075 from Port and Harbor Advisory Commission



Memorandum 18-059

TO: MAYOR ZAK AND CITY COUNCIL
FROM: PORT & HARBOR ADVISORY COMMISSION
THRU: RENEE KRAUSE, CMC, DEPUTY CITY CLERK
DATE: MAY 3, 2018
SUBJECT: ORDINANCE 18-16 AMENDING HOMER CITY CODE CHAPTER 18.08

Ordinance 18-16 was introduced to the Commission under New Business at the meeting on March 28, 2018. Councilmembers Erickson and Smith as well as City Manager Koester were in attendance to provide the introduction and explanation on the proposed changes to Chapter 18.08 regarding Property Management, Leases and the Lease Policy.

The Port & Harbor Advisory Commission reviewed Ordinance 18-16 under Pending Business at the regular meeting on April 25, 2018 and the following is a summary of the amendments made by the Commission at this time along with an excerpt from the minutes of the April 25, 2018 meeting:

Amend Ordinance 18-16 for the following:

- Amendment 1-* Line 336 Add Item F. Lease amount to be adjusted annually based on the Anchorage Consumer Price Index.
- Amendment 2-* Line 553, After the word “purchase” insert the phrase, “only within the terms of the lease”

Recommendation: Postpone Second Reading to the first meeting in June to allow the Port and Harbor Advisory Commission to finalize review at their May 23, 2018 meeting.

PENDING BUSINESS

A. Memorandum from City Clerk dated March 28, 2018 - Ordinance 18-16, Repealing Homer City Code Chapter 18.08 and the Homer Property Management Policies and Procedures Manual and Reenacting Chapter 18.08 Codifying Certain Lease Policy and Procedures

1. Memorandum from Harbormaster Hawkins dated March 21, 2018
2. Memorandum 18-035 from City Attorney dated March 23, 2018 re Ordinance 18-16
3. Redline Comparison of Current Homer City Code 18.08
4. Current Ground Lease and Security Agreement Template
5. Current Property Management Policy and Procedures

HARTLEY/DONICH - MOVED TO APPROVE ORDINANCE 18-16 WITH THE NECESSARY AMENDMENTS.

A brief clarification was requested by the Commission on the expediency to approve this ordinance. Harbormaster Hawkins stated that there was no urgency to approve this ordinance.

HARTLEY/DONICH - MOVED TO AMEND ORDINANCE 18-16, SECTION 18.08.075 BY ADDING ITEM F. LEASE AMOUNT TO BE ADJUSTED ANNUALLY BASED ON THE ANCHORAGE CONSUMER PRICE INDEX AFTER LINE 336.

A brief discussion on reviewing and adjusting the lease annually would allow the price to be adjusted incrementally compared to a large amount every five years. Clarification was provided by staff that appraisals will be conducted every five years.

VOTE. (Amendment) NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

HARTLEY/ZEISET – MOVED TO AMEND ORDINANCE 18-16, SECTION 18.08.160, ITEM E, TO ADD THE FOLLOWING LANGUAGE, “ONLY WITHIN THE TERMS OF THE LEASE” AFTER THE WORD “PURCHASE” ON LINE 553.

Discussion ensued on wanting the use to remain the same whereas a new owner could have a similar business but doesn't necessarily have to follow the existing lease. The main purpose is to keep the same business as was conducted by the previous owner.

VOTE. (Amendment) YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

The Commission discussed the City Manager's ability to approve short term leases without going before Council and concern was expressed on the length of a short term lease and having a short term lease extend out for a longer period of time and in what circumstances would a short term lease be allowed or applied; how many short term leases were currently in effect or used in the past.

Vice Chair Zimmerman inquired about allowing financial institutions the opportunity to be a lien holder on a lease to enable financing and to take over a lease when or if it defaults. He believed that would provide additional opportunities for a business entity to secure better financing and provide a recourse to the bank to preserve the collateral on the lease.

A brief consideration ensued on the possibility with concerns expressed on the following:

- The City being the landowner, if a business defaulted then would the financing institution be liable for the outstanding lease?*
- Would the City retain ownership of improvements according to the lease documents or does the financial institution get that to sell?*
- Would this be beneficial to potential leaseholders?*
- How would operating a business that is in default with both the financial institution and the city proceed?*

Vice Chair Zimmerman stated the main motion on the floor to approve the Ordinance as amended and asked if everyone was ready to vote on this Ordinance as he would like to postpone approval until the May meeting if there is no rush to get this back to Council.

HARTLEY/ZEISET – MOVED TO POSTPONE ORDINANCE 18-16 TO THE MAY 23, 2018 COMMISSION MEETING TO ALLOW ADDITIONAL REVIEW AND FURTHER DISCUSSION.

There was a brief discussion on the complexity of the contents of the ordinance and understanding it fully.

VOTE.(Postponement)YES. CARROLL, DONICH, ZIMMERMAN, HARTLEY, ZEISET, STOCKBURGER.

Motion carried.

Deputy City Clerk Krause clarified that the main motion to adopt Ordinance 18-16 as amended thus far will be on the May agenda under Pending Business.



City of Homer

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Office of the City Clerk

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Memorandum 18-075

TO: MAYOR ZAK AND HOMER CITY COUNCIL
FROM: PORT & HARBOR ADVISORY COMMISSION
THROUGH: RENEE KRAUSE, CMC, DEPUTY CITY CLERK
DATE: JUNE 5, 2018
SUBJECT: AMENDMENTS TO ORDINANCE 18-16

The Commission reviewed the draft Ordinance 18-16 and 18-16(S) at the regular meetings on April 25, 2018 and May 23, 2018 they proposed several amendments that were included in Memorandum 18-059 at the April meeting and approved additional amendments at their May meeting as follows:

Amendment 3

Line 424, Section 18.08.100 (a) Insert “new” before the word “lease”
Insert the phrase, “or the transfer of a lease” after the word “lease”
Delete “one year” and insert “two years” after the word “within”

Line 425, Section 18.08.100 (a) – Insert the phrase “the renewal of a lease” after the words “prior to” and delete the word “renewal”

Line 430, Section 18.08.100 (c) – Amend the word “Leased” to “Leases”

Line 431 Insert after the word “lease.” The city may choose to have the property appraised sooner than the first five year anniversary of a new lease in order to clump properties together for group rate savings on appraisal costs.

Amendment 4

Line 454, Section 18.08.110 (a) delete the words “for less than” and insert “not to exceed” before 25%.

Following is the excerpt of the minutes of the May 23, 2018 regular meeting regarding the Commissions proposed amendments to Ordinance 18-16(S).

Recommendations

Approve the amendments proposed by the Port and Harbor Advisory Commission

MAY 23, 2018 REGULAR MEETING

UNAPPROVED MINUTES

PENDING BUSINESS

A. Memorandum from Deputy City Clerk re: Ordinance 18-16(S), Repealing and Re-enacting Homer City Code Chapter 18.08

Chair Ulmer read the title into the record. She requested clarification on the role of the Commission with regard to review of leases.

Harbormaster Hawkins responded that this will actually keep the review process by the Commission but define the processes and provide City Council with more approval responsibility.

Commissioner Zimmerman requested clarification on page 23, Line 182, Section 18.08.040 (a) requested clarification on the difference between requiring approval via ordinance or resolution.

Harbormaster Hawkins responded that ordinance requires two public meetings by Council and resolutions require only one.

Chair Ulmer noted ordinance is for leases over 5 years and resolutions were for leases 5 years and under.

Harbormaster Hawkins provided a lay down on the amendments to Ordinance 18-16 from the April meeting and made the following recommendations:

Amend title of the ordinance to delete “removing the requirement that all leases may be increased to reflect inflation as determined in the consumer price index”

Commissioner Zimmerman inquired if there were any different CPI and Harbormaster Hawkins reported that there is currently only one in the state, Anchorage and in fact there are only 26 total in the United States.

Harbormaster Hawkins continued to review the following amendments proposed at the April meeting:

Page 27, Line 371, Section 18.08.075 – Amend Ordinance 18-16 by Adding (f) Lease amount to be adjusted annually based on the Anchorage Consumer Price Index.

Harbormaster Hawkins additionally proposed the following amendments to Ordinance 18-16:

Page 29, Line 424, Section 18.08.100 (a) Insert “new” before the word “lease”

Insert the phrase, “or the transfer of a lease” after the word “lease”

Delete “one year” and insert “two years” after the word “within”

Page 29, Line 425, Section 18.08.100 (a) – Insert the phrase “the renewal of a lease” after the words “prior to” and delete the word “renewal”

Page 29, Line 430, Section 18.08.100 (c) – Amend the word “Leased” to “Leases”

Line 431 Insert after the word “lease.” The city may choose to have the property appraised sooner than the first five year anniversary of a new lease in order to clump properties together for group rate savings on appraisal costs.

Harbormaster Hawkins explained that he added a few additional words, and he wanted to provide an option to not do an appraisal if one has been conducted within the space of two years and he wants to be able to group appraisals together to take advantage of discounts that are offered since the city covers all those costs.

Commissioner Zimmerman questioned if that would affect the leases in raised rates earlier than 5 years.

Harbormaster Hawkins stated that it could raise the rates at that time but provided an example using the transfer of lease that was within the two years of having an appraisal done and did not get their rates increased.

Commissioner Zimmerman expressed concerns with the process of raising a lease rate prior to the 5 year stated period since this does not provide the certainty for the lessee that the lease may increase in 5 years but could increase in 3 years. He agreed with the management aspect to get all leases on the same appraisal time period, and he acknowledged the savings would be beneficial but questioned the fairness to the lessees in implementing that process if it does not offer fairness to lessees.

Commissioner Donich inquired if someone new is wanting to lease do the banks require an appraisal and cited an example within his own experience.

Harbormaster Hawkins responded that the banks probably do and it would also be required if it was a property that has not been offered for lease before.

Commissioner Stockburger requested adding terminology at the end of that paragraph that an appraisal will happen every five years for renewals.

Commissioner Zeiset questioned how the application of appraisals every five years, if an appraisal is perform before the 5 years has expired such as 3 or 4 years, from what point will the new appraisal term start at the original 5 year mark or at the 3 year mark.

Commissioner Stockburger added that it may cause issues with the lending institutions.

Commissioner Zimmerman acknowledged Heath Smith in the audience and invited him to come forward and comment on the discussion.

Mr. Smith suggested stretching the time to accommodate instead of truncating the appraisal period. He also stated that the lessee pays the property taxes and an increase in the property value will increase those costs for lessee. They need to honor the contracts and consider the implications to them.

Harbormaster Hawkins acknowledged that they will then have the task of explaining to the leaseholder.

Commissioner Zimmerman suggested having a declaration that appraisals will be conducted every five years and let the lessee know that the first appraisal will be conducted during this time and then every five years to keep it simple.

Commissioner Stockburger asked how much of a savings did this present to the city on average grouping the appraisals.

Harbormaster Hawkins reported that it is approximately a \$200-\$300 savings per appraisal.

Commissioner Stockburger then commented that it could then add that same amount to the lease and did not believe it would be worth the trouble.

Harbormaster Hawkins reviewed the last proposed amendment to Section 18.08.160 (e) Page 34, Line 637, Section 18.08.160 (e) – Insert the phrase, “Only within the terms of the lease” after the word “purchase” this was made Commissioner Hartley last month.

Commissioner Zimmerman requested the commission to review page 29, Section 18.08.110 Line 454, he questioned the less than 25%.

There was a brief discussion on how the statement reads.

Commissioner Zimmerman requested they amend line 454 to delete the words “for less than” and insert “not to exceed” before 25%.

Commissioner Zimmerman then brought to the commission’s attention Page 30, Line 484, item c, he questioned what happens if the city doesn’t want the improvements.

Harbormaster Hawkins noted that typically the lease contains a clause that the lessee must remove all improvements. This clause would be applied if there was an improvement that would benefit or provide added value to the property.

Deputy City Clerk Krause read motion on the floor from the April 25, 2018 meeting:

HARTLEY/DONICH - MOVED TO APPROVE ORDINANCE 18-16 WITH THE NECESSARY AMENDMENTS.

Mr. Smith requested to speak to the Commission again.

Deputy City Clerk Krause stated that the Commission would need to request a motion to suspend the rules to allow comment from the public at this time.

Deputy City Clerk Krause provided clarification to Chair Ulmer on the process of approving the amendments was completed at the April meeting and this was the main motion that was on the floor when a motion to postpone was made.

ZIMMERMAN/HARTLEY MOVED TO SUSPEND THE RULES TO ALLOW PUBLIC COMMENT AT THIS TIME.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mr. Smith stated that the entire intent was to improve the process and add a layer of review by City Council for when things get sticky there are a few more heads to figure things out. Mr. Smith continue by stating the he has been educated and in his research found that it is a standard to use the CPI but also found that there is in use a graduated rent system that is set at an agreed percentage increase per year which allows the parties involved to know the amount of increase on an annual basis. He added that if the CPI was reviewed the increase has been on average 2% per year over the last several years, noting anecdotally that in the late 1990's an increase was 6 percent. Mr. Smith reported that one of the benefits on a percentage increase is that it is dependable and forecastable. It alleviates the juggling needed to adjust for spikes in the CPI. He also believes a graduated approach it will make the lease process more business friendly.

Commissioner Donich requested clarification on a previous action by the Commission on Stall rates based on a percentage increase.

Harbormaster Hawkins reviewed the past action of the commission that inflation proofed the budget in that way that Commissioner Donich referred to and stated that what Mr. Smith was referring to was an escalation percentage built into the lease which accounts for inflation.

Commissioner Stockburger commented that the CPI reflects the economy however some years it can hurts worse than others and there is a difference between Homer and up the road. He believed that if the number was low it probably would not be too harmful.

Mr. Smith commented that he preferred 2% increase over a couple of years than a jump of 4% in one year. He added that it would always be a moving target compared to a known increase.

Commissioner Hartley commented on his recollection of double digit inflation rates in the 1980's and they have to be prepared for such an occurrence.

Harbormaster Hawkins pointed out that a contract is binding and that if there is no CPI adjustment allowance in the existing contract they will not be bringing back all lessees to the table to adjust their contract. This would be applied to all new contracts.

Commissioner Zeiset commented that as a leaseholder he preferred a known increase than the unknown but he acknowledge is lack of knowledge on application and use of the CPI.

The commission discussed at length on applying the CPI over a set period such as reviewing the CPI as an average over a set span of time and then apply that amount as a percentage for a set period time; further amendments would have to be done by ordinance; clarification on how the CPI is used to value a lease; the appraisal reflecting the increase in the economic value; not including a percentage since they do use the

appraisal approach; city being the landowner and the land changing ownership rarely which is the value of using the CPI on an annual basis they would see very little change in the market value per square foot; they draw comparison from other cities which may make appraisals very difficult; applying the CPI annually could mean a lesser impact when an appraisal is conducted; how the appraiser conducts the appraisal may result in a higher impact to the lessee such as double increases, which have not been seen to date since the appraisers have access to all the records that the city has and have recommended leaving the CPI.

Chair Ulmer asked if the commission was ready to on the ordinance.

STOCKBURGER/HARTLEY MOVED TO APPROVE THE AMENDMENTS AS PROPOSED TO SECTION 18.08.100 AND SECTION 18.08.110

There was a brief clarification on leaving in the CPI.

*VOTE. YES. STOCKBURGER, ZEISET, HARTLEY, YES, DONICH, CARROLL, ULMER
Motion carried.*

STOCKBURGER/HARTLEY MOVED TO APPROVE ORDINANCE 18-16 AS AMENDED.

There was no further discussion.

VOTE. YES. ULMER, CARROLL, DONICH, ZIMMERMAN, HARTLEY, ZEISET, STOCKBURGER

Motion carried.

MEMORANDUM 18-035

**TO: HOMER CITY COUNCIL
CITY MANAGER KATIE KOESTER**

FROM: HOLLY C. WELLS

RE: LEASE POLICY ORDINANCE

CLIENT: CITY OF HOMER

FILE NO.: 506742.24

DATE: MARCH 23, 2018

Introduction

City Council Member Smith and City Council Member Erickson recently requested revisions to the Homer City Code and review of the Homer Lease Policy and Procedures Manual (“Lease Policy Manual”) in an effort to ensure that leases between the City of Homer (“City”) and other entities were executed in a streamlined manner that was advantageous to the City and incentivized development. To this end, this memorandum provides a summary of the substantial changes proposed in Ordinance No. 18-08 (the “Ordinance”) and the reasons underlying these changes.

Introduction

The City’s overarching approach to the lease of City land has been a complex process, requiring City staff, potential lessees, and the City Council to navigate the lengthy Lease Policy Manual, the relevant Code provisions, and the request for proposal published by the City regarding the specific property at issue. In many cases, this labyrinth of governing principles and criteria made the lease negotiation and award process confusing and convoluted. The Ordinance proposes a lease process that is more individualized but also requires greater Council oversight and involvement.

Under the Ordinance, Council will approve the lease at two separate stages in the process, at the very least. To this end, Council approves the Notice to Award *and* the lease in its final form. Further, long-term leases for over five years must be approved via ordinance, which ensures a public hearing and two readings on the lease’s approval. Council will be able to discuss terms in executive session and thus can be actively engaged in each individual lease, with the exception of leases for six months or less.

Council is also required to approve the lease templates, which is unchanged from the previous lease ordinances and policies.

With Council approval required before and after negotiations, each lease will have a level of oversight equivalent to that of an outside committee, except it will be Council weighing in. Another notable difference is that while the current policy manual provides many of the required provisions, these provisions will now be included only in the lease template and thus Council and the administration will have a greater ability to be flexible with individual lease terms to ensure that they are actually as advantageous to the City and its goals as possible.

Understanding the Proposed Changes

While the above provides a brief summary of the most substantial changes in the Ordinance, the following tables provide a much more detailed summary of the differences between the governing law in this area and the Code provisions proposed in the Ordinance. The first table shows the differences between existing Chapter 18.08 and the Ordinance. The second table shows the ways in which the Lease Policy Manual has been codified and identifies the policies and procedures that have been removed. For ease of reference, the current code is referred as HCC in Table 1 and proposed sections are identified as PHCC. In Table 2, the proposed Code is referred to as HCC since the comparison is between the Lease Policy Manual and the Ordinance. In addition to these tables, a redline comparison of existing HCC 18.08 with the Ordinance accompanies this memorandum.

Table 1

Current HCC Chapter 18.08	The Ordinance
No “Purpose” section	Add PHCC 18.08.005 “Purpose” This section incorporates statements of purpose in the Lease Policy Manual

<p>HCC 18.08.010</p> <p>Includes Definitions:</p> <p>Lease Property Manual, Sealed bid, and sublease.</p> <p>Sealed bid definition removed because RFP process is negotiation-based and so may need flexibility in process. Lease Property Manual rescinded so definition was unnecessary. Sublease definition unnecessary.</p>	<p>PHCC 18.08.010 Adds definitions:</p> <p>“appraiser” requiring an AK certified appraiser or other qualified professional selected by the City at the cost of the City.</p> <p>“fair market rent” definition added</p> <p>“City Manager” definition added to permit City Manager to delegate authority.</p> <p>“Irregularities” definition added to clarify RFP process and responsiveness.</p> <p>Removes Lease Property Manual, Sealed bid, and sublease definitions.</p>
<p>HCC 18.08.020 “Lease Committee”</p>	<p>Removed.</p>
<p>HCC 18.08.030 “Approval of Lease”</p>	<p>PHCC 18.08.030 “Standardized Leases” codifies lease template requirement and the requirement that the template is reviewed by Council.</p> <p>HCC 18.08.030 moved to PHCC 18.08.040 “Council Approval of Lease”, which now expressly requires Council to approve long-term leases for 5 yrs. or more via ordinance & long-term leases under 5 yrs. via resolution. PHCC 18.08.070 requires Council approval of the Notice to Award and after negotiations as reiterated in PHCC 18.08.080.</p>
<p>HCC 18.08.040 (Property available for leasing)</p>	<p>Moved to PHCC 18.08.020 “Property available for leasing” to reorganize the Code to reflect the order of the leasing process. The Land Allocation Plan requirements from the Lease Policy Manual were incorporated into this section. Land Allocation process clarified to make clear that leases identified in Land Allocation Plan are leased by the completion of a lease application unless a competitive bidding process is expressly required by Council or used by the City Manager.</p>
<p>No lease application section currently in HCC 18.08</p>	<p>PHCC 18.08.045 “Lease application” codifies requirement that a lease application be completed to be eligible to lease City property identified in the Land Allocation Plan.</p>

<p>HCC 18.08.050 “Qualification of Applicants”</p>	<p>Removed. These requirements better suited for lease template and individual leases.</p>
<p>HCC 18.08.060 “Application to Lease”</p>	<p>Removed; Any such requirement is best included in an RFP or by policy. Fee schedule still affords application fee payment.</p> <p>PHCC 18.08.060 “Criteria for evaluating and approving proposals” added and incorporates criteria from Lease Policy Manual.</p>
<p>18.08.070 “Terms of Lease”</p>	<p>Removed. City Manager will negotiate terms of the lease at and as a result of the RFP tailored to the property at issue and subject to Council approval.</p> <p>PHCC 18.08.070(d) “Notice to award” provides the details of the Notice to award process and expands Council’s role in this process. Provides City Manager to rescind a notice to award where an applicant is unable to meet the terms of its proposal but otherwise now requires the City Manager to receive Council approval before rescinding an award.</p>
<p>HCC 18.08.080 “Appraisal”</p> <p>Requires appraisal when lease approved or renewed by a certified appraisal and permits “Lease Committee” to waive appraisal for short-term leases.</p>	<p>Moved to PHCC 18.08.100. Incorporates 5 yr. appraisal requirements from Lease Policy Manual.</p> <p>PHCC 18.08.080 “Lease execution and final approval” includes express final approval process for leases.</p>
<p>HCC 18.08.090 “Requirements of lease”</p> <p>Required plats and as-built surveys unless the Lease Committee waived the requirement.</p>	<p>PHCC 18.08.090 “Development and use”</p> <p>Incorporates as-built and survey requirements unless the specific lease agreement provides otherwise.</p>
<p>HCC 18.08.100 “Improvements”</p>	<p>Moved to PHCC 18.08.120 and incorporates obligations provided in the Lease Policy Manual. Language clarified.</p>
<p>HCC 18.08.110 “Lease Option”</p>	<p>Incorporated “option” requirements from Lease Policy Manual.</p>

<p>HCC 18.08.120 “Sublease”</p>	<p>Moved to PHCC 18.08.140. Lease Policy Manual incorporated into section and sublease process subject to terms of lease given the nature of some leases in the City, which involve routine subleases. Changed 10% sublease payment requirement to “no less than 10%” to provide the City flexibility.</p>
<p>HCC 18.08.130 “Assignment”</p>	<p>Moved to PHCC 18.08.160. Assignment permitted with Council approval but also as provided in a specific lease. Incorporated Lease Policy Manual requirements and the specific process for applying for an assignment. Now requires Commission recommendations regarding an assignment.</p>
<p>HCC 18.08.140 “Competitive Bidding”</p>	<p>Moved to PHCC 18.08.050. The new section permits the City Manager to issue RFPs regarding land identified by Council as available for lease in the Land Allocation Plan and incorporates relevant requirements from the Lease Policy Manual. Statements of the right to reject bids and others have been incorporated in PHCC 18.08.070 “Notice to Award.” This section also differentiates between the leases identified in the Land Allocation Plan for lease and the terms of lease that don’t require a separate RFP and recognizes Council’s authority to identify these properties and set the terms of lease during the Land Allocation process.</p>
<p>HCC 18.08.150 “Reconsideration”</p>	<p>Removed. Additional Council oversight during the process makes this provision burdensome.</p>
<p>HCC 18.08.160 “Property Management Policy and Procedures Manual”</p>	<p>Removed. No more manual.</p>
<p>HCC 18.08.170 Exceptions-Financial transactions.</p>	<p>Removed. This is unnecessary as the chapter permits Council to exempt a lease from the bidding process and the City Manager has to secure Council approval for leases not on the Lease Allocation Plan.</p>
<p>HCC 18.08.175 “Exception-Leasing to the Federal or State government”</p>	<p>Moved to PHCC 18.08.175 “Exception-Leasing to government entities” clarifies the language but retains the exemption.</p>

HCC 18.08.180 “Assessments-Capital Improvement Projects”	Remains substantially unchanged.
HCC 18.08.190 “Connection to utilities”	Remains substantially unchanged.
HCC 18.08.200 “Fee Schedule”	Moved to PHCC 18.08.195 “Processing and filing fees” incorporates potential for denial of application or approval of lease due to unpaid fees.
HCC 18.08 Does not have a provision requiring Council approval for termination.	PHCC 18.08.050 ‘Early termination’ requires the City Manager to notify the City Council at least 90 days before terminating a lease prior to the expiration of the lease term unless the lease provides otherwise.

Table 2

Lease Policy Manual	The Ordinance
Chapter 1 “Lease Policies/Goals, Purpose, and Responsibility”	General purpose statement located in proposed HCC 18.08.005. Responsibilities re: review and Council approval in HCC 18.08.040; 18.08.150 18.08.070(c)(f); and 18.08.080.
Chapter 2: Lease Committee	The Lease Committee was comprised of City Staff. Replaced references to Lease Committee with references to the City Manager and additional layers of Council oversight.
Chapter 3: Properties Available for Lease	Land Allocation Plan process codified at HCC 18.08.020.
Chapter 4: RFP Process/Competitive Bidding	HCC 18.08.050.

Chapter 5: Lease Application Process	Removed. A responsive lease proposal will be responsive based upon the RFP and not the lease application so this chapter is misleading. The City need not codify the existence or use of an application. The creation of an “application” process separate from the RFP, assignment or renewal process is confusing.
Chapter 6: Application/Proposal Evaluation Process	Application process has been removed. City may require lease application in the RFP requirements or, as applied to short term leases, as a matter of policy. The fees associated with the processing of an application is permitted in HCC 18.08.195.
Chapter 7: Lease Rental Rates	HCC 18.08.075; HCC 18.08.060
Chapter 8: Reconsideration	Removed. The lease process now involves Council approval when a Notice to Award is issued <i>and</i> prior to final approval of the lease itself. Council also approves the rescission of an award. These additional levels of review by Council negate the need for yet another point of review, which would make the lease process unduly burdensome for both City officials and applicants.
Chapter 9: Lease Implementation	HCC 18.08.030 (lease templates approved by Council); HCC 18.08.090 (As-built and development requirements); and 18.08.050-070 (RFP process and negotiations)
Chapter 10: Improvements	HCC 18.08.120
Chapter 11: Length of Leases/Options	HCC 18.08.110
Chapter Lease Rate Adjustments	<p>HCC 18.08.100 (appraisal process still required but generalized requirements to afford City flexibility in retaining the appraiser. Qualifications of appraiser moved to definitions.)</p> <p>The CPI requirement imposed upon lessees was removed.</p>

<p>Chapter 13: Subleasing</p>	<p>HCC 18.08.140 (subleasing requirements retained payment requirement of 10% but added flexibility for City to charge more; Council approval retained but flexibility to exempt a sublease from such approval in the lease added.)</p> <p>Other more specific sublease terms more appropriate in Council approved lease template and individual RFPs and resulting leases.</p>
<p>Chapter 14: Assignment</p>	<p>HCC 18.08.060 (assignment still requires Council approval but flexibility codified that permits the City to deviate from the Code requirements in specific lease agreements. This change is justified by the additional layer of Council oversight added.)</p> <p>Additionally, assignment terms are more appropriately included in the Council approved lease template.</p>
<p>Chapter 15: Insurance</p>	<p>HCC 18.08.170 (more specific requirements are more appropriately included in the leases and in Council approved lease templates.)</p>
<p>Chapter 16: Hazardous Materials</p>	<p>Removed. Hazardous materials provisions are generally included in leases themselves as the terms depend heavily on the nature of the use.</p>
<p>Chapter 17: Performance Standards</p>	<p>HCC 18.08.090 (recognizes strict enforcement of performance standards in lease)</p> <p>Removed. Performance standards are generally included in leases themselves as the terms depend heavily on the nature of the use and performance negotiated. Also, these standards are incorporated into Council approved lease template.</p>
<p>Chapter 18: Conclusion of Lease</p>	<p>HCC 18.08.120 (codifies improvements become property of the City unless otherwise specified in writing but other specific requirements regarding improvements have been removed. Such provisions are more appropriate in specific leases and lease template.)</p>

Conclusion

While this memorandum attempts to identify the changes between the existing Lease Policy and the proposed Lease Policy, the Ordinance presents significant changes to the structure of the City's process that is not easily capsulated in a memo. For this reason, I have also attached a redline version comparing current HCC Chapter 18.08 with the Ordinance. The redline document along with the above tables should provide the level of detail necessary to fully understand the Ordinance.

ORDINANCE REFERENCE SHEET
2018 ORDINANCE
ORDINANCE 18-29

Ordinance 18-29, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2018 Capital Budget by Appropriating up to \$5,200 from the Homer Accelerated Roads and Trails (Hart) Fund for the Professional Design of an ADA Accessible Trail on City of Homer Property Known as Lot 7-A Nils O Svedlund Subdivision, (KPB Parcel #17719234) and Kachemak Heritage Land Trust Property Known as Lot 16 A-1 Nils O Svedlund Subdivision (KPB Parcel #17719231).

Sponsor: City Manager

1. Council Special Meeting May 29, 2018 Introduction
 - a. Letter from Kachemak Heritage Land Trust
 - b. Diagram and Overlay of Proposed Trail

2. Council Regular Meeting June 11, 2018 Public Hearing and Second Reading
 - a. Letter from Kachemak Heritage Land Trust
 - b. Diagram and Overlay of Proposed Trail

June 11, 2018 meeting canceled for lack of a quorum

3. Council Regular Meeting June 25, 2018 Public Hearing and Second Reading
 - a. Letter from Kachemak Heritage Land Trust
 - b. Diagram and Overlay of Proposed Trail

CITY OF HOMER
HOMER, ALASKA

Mayor

ORDINANCE 18-29

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING THE FY 2018 CAPITAL BUDGET BY APPROPRIATING UP TO \$5,200 FROM THE HOMER ACCELERATED ROADS AND TRAILS (HART) FUND FOR THE PROFESSIONAL DESIGN OF AN ADA ACCESSIBLE TRAIL ON CITY OF HOMER PROPERTY KNOWN AS LOT 7-A NILS O SVEDLUND SUBDIVISION, (KPB PARCEL #17719234) AND KACHEMAK HERITAGE LAND TRUST PROPERTY KNOWN AS LOT 16 A-1 NILS O SVEDLUND SUBDIVISION (KPB PARCEL #17719231).

WHEREAS, Kachemak Heritage Land Trust (KHLT) owns the 3.47-acre Poopdeck Platt property at the end of Klondike Avenue in Homer (KPB Parcel 17719231) which abuts City owned property (KPB Parcel 17719234); and

WHEREAS, The 2004 Homer Non-Motorized Transportation and Trail Plan describes the need to construct trails that are Americans with Disabilities Act (ADA) accessible; and

WHEREAS, The 2010 Homer Comprehensive Plan describes the need to improve access to parks, and encourages incentives to improve accessibility; and

WHEREAS, Since 2013 KHLT has worked with the National Park Service Rivers, Trails and Conservation Assistance Program, Architects, State Parks, the City, Independent Living Center and community members on a conceptual site plan for a community park on this property; and

WHEREAS, KHLT is intending to hire a contractor to design a trail that will be ADA accessible on KHLT land (KPB Parcel 17719231) described as Lot 16 A-1 Nils O Svedlund Sub (and on City of Homer land (KPB Parcel 17719234) described as Lot 7-A Nils O Svedlund Sub 2013 Replat; and

WHEREAS, The southern part of the proposed trail will be on KHLT property in delineated wetlands KHLT requests trail use of City land to both minimize the crossing of delineated wetlands and to provide potential ADA connectivity between Pioneer Avenue and Bishop's Beach; and

WHEREAS, KHLT and the Independent Living Center are concurrently raising funds for the design work toward the estimated contractor expense of \$5,200.00.

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NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby grants access to the most eastern portion of the City owned lot KPB Parcel 17719234, described as Lot 7-A Nils O Svedlund Sub 2013 Replat finding that the request is desirable and in the public interest and acknowledges the planning effort and local contribution.

Section 2. The Homer City Council hereby amends the FY 2018 Operating Budget to appropriate up to \$5,200 from the HART Program to aid in the design of an ADA accessible trail on the KHLT property (KPB Parcel 17719231) described as Lot 16 A-1 Nils O Svedlund Subdivision and along the eastern portion of the City of Homer property (KPB Parcel 17719234) described as Lot 7-A Nils O Svedlund Subdivision.

Expenditure:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
165-0365	HART Fund Program	Up to \$5,200
	KHLT ADA Trail Design	Up to \$5,200

Section 3. This is a budget amendment ordinance, is not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this ____ day of _____, 2018

CITY OF HOMER

BRYAN ZAK, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

84 First Reading:
85 Public Hearing:
86 Second Reading:
87 Effective Date:

88

89

90 Reviewed and approved as to form:

91

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94 _____
Katie Koester, City Manager

Holly C. Wells, City Attorney

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KACHEMAK HERITAGE LAND TRUST



June 14, 2018

Mayor Bryan Zak and Homer City Council,

The City Manager's office requested that I answer questions pertaining to Ordinance 18-29 which would appropriate up to \$5,200 from the HART Fund to hire a contractor for trail design and a cost estimate of an ADA Accessible Poopdeck Trail on Kachemak Heritage Land Trust's (KHLT) Poopdeck Platt property and the adjacent City property (KPB parcel 17719234). A map of the trails to be designed is attached. Your packet provides background material, and I presented this project at the April 9, 2018 Council meeting. This information can be referenced accordingly. I will also be available to answer questions at the meeting.

How Much Money has been raising from the trail design?

Currently Independent Living Center (ILC) and KHLT have raised \$1,100 for the trail design. Listed below are the donations:

- \$500 The Grog Shop
- \$100 Homer Real Estate
- \$100 Homer Bookstore
- \$100 Vida's Thai Food
- \$300 Individual Supporters

We are requesting **up to \$5200** as fundraising is ongoing. When the trail designer is paid, we may not need the entire amount. We currently have two bids for trail design and we are coordinating with the lower bid, but the window of contractor availability is closing, and so we want to be flexible to be able to schedule the design in late June/early July. We had tentatively scheduled the last week of June with the designer with the idea that we would know about funding by June 11th. However, the designer is now looking to schedule in late July pending funding availability.

What happens if the City of Homer doesn't contribute funding to the Trail design?

KHLT and its partners will continue to seek funding until the funds are raised. If the City did not contribute funding, the project timeline would likely be set back at least a year. As stated in a letter of support from KHLT and ILC dated 5/24/2018, we are looking to have a design and cost estimate to be available to apply for the 2018 Alaska Recreational Trails Program (RTP) grant. This is a complex grant that requires time to compile and has a public notice deadline of September 15th.

What is the commitment from the Independent Living Center?

KHLT and the COH Planning Department have been working with ILC for the last year to move this project forward. ILC staff has helped in fundraising, public outreach, and will be involved with securing funds for the trail construction.

What is the anticipated long-term maintenance cost of the trail?

I spoke to one of the trail designers about trail maintenance and he provided examples of similar trails the company made in Anchorage. Pictured here is the Campbell Creek Estuary Trail and is of a similar grade and surface that would be used for the Poopdeck Trail. This trail was a collaborative project with the Municipality of Anchorage and The Great Land Trust. The designer estimated long-term maintenance to the trail is minimal and would consist of brushing out vegetation and occasional raking. The Campbell Creek Estuary Trail was built approximately six years ago and has only required minimal brushing. Another Anchorage trail built over ten years has had similar maintenance.



Campbell Creek Estuary Trail

Who will be responsible for the long-term maintenance of the portion of the trail on City property?

KHLT would look to enter a Memorandum of Understanding with the City about trail maintenance and trail use. KHLT has partnered with the HoWL DiRtBaG Service Corps and community volunteers to complete the annual maintenance of its trails including the Calvin and Coyle and Poodeck Trails. KHLT would assume trail maintenance responsibilities including the portion of trail on the City property. KHLT would like to see a similar collaboration with Parks and Recreation as was done last year by the placing of a City trash receptacle on the City portion of the Poopdeck Trail to help with keeping the trail trash free. Last year Parks and Recreation placed a trash receptacle midway down the City part of the Poodeck Trail between Klondike and Bonanza Avenues near a heavily used area. Since its placement trash on the trail has decreased significantly.

Conclusion

The benefits from the proposed KHLT and City of Homer Accessible Poopdeck Trail are plentiful. This trail will offer our community a way to step into nature while still being in the middle of town. In the past this area has been used by a transient population who have left litter, so we know this area will be used, let's make sure it is used in a positive way. Finally, this trail will have positive effects on our economy. Visitors to Homer will be able to use this trail. It is the walkable connecting piece between Islands and Ocean, Bishops Beach, Old Town Homer, the new Aspen Hotel, the Library and all the businesses and organizations on Pioneer and nearby, such as the Pratt, art galleries and restaurants.

Thank you for your consideration of this project. It is our hope that it will serve our community well.

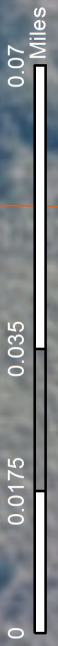
Respectfully,

Joel Cooper
Stewardship Director
joel@kachemaklandtrust.org



Legend

- Photopoints
- City_of_Homer_Trail
- Green_Trail
- Yellow_Trail
- Orange_Trail
- ▭ City_of_Homer_Parking_Area
- ▭ Poopdeck_Parcel
- ▭ KPB Platted Parcels



B HOMER
INEX

221



Kachemak Heritage Land Trust



April 4, 2018

Dear Neighbor,

Kachemak Heritage Land Trust (KHLT) is fortunate to be located in the heart of downtown Homer in a wonderful neighborhood. As you may know, KHLT bought the 3.47-acre Poopdeck property in 2002 to become our office space and a community park. As our neighbors, we want to let you know our plans for this wonderful property and invite you to join us in our efforts.



Currently, our office is located in Poopdeck's old cabin. We also have a new separate office building housing our stewardship staff and there is a rough walking trail that crosses the east side of our property. Over the years, we have had different garden variations located in Poopdeck's former garden space, cared for by a variety of volunteers and school children. Presently, the garden is made up of five raised beds. Harvests from the garden are generally donated to the Homer Food Pantry.

Over the past five + years, we have worked with multiple partners including a National Park Service community program, landscape architects, Alaska State Parks, community members, and our Board and staff to develop a plan to transform this amazing property into an active community park, as was our original intention. Our goal for the park is for it to be a place of community pride, a serene refuge that also functions as an important connector to other walkable properties in Homer.

We are working with the City of Homer and the Independent Living Center to design a trail that is accessible under the Americans with Disabilities Act that is a model for our community as a trail that can be enjoyed by everyone. The trail is planned to cross City property and KHLT property. We have attached the original conceptual design and a rough map of the trails. We believe that by fostering access for all and by working with our neighbors, this community project will benefit residents, visitors and local businesses alike by increasing community walkability.

Please let us know if you have any questions about this project or if you would like to be involved. We will be looking for volunteer assistance in building the trail and would love for you to join us! Thank you for being wonderful neighbors!

Sincerely,

Marie McCarty
Executive Director

Conserving the natural heritage of the Kenai Peninsula for future generations

315 Klondike Avenue • Homer, AK 99603 • ph: 907-235-5263 • fax: 907-235-1503 • www.kachemaklandtrust.org



BOARDWALK SECTIONS:
 60' Boardwalk over perennial and ephemeral wet areas. Tread 30" or more above grade will require guardrails. Construct with sustainable methods and materials.

NATURAL SURFACE TRAILS:
 Compacted, crushed stone trail. Remove only minimal amount of existing vegetation, necessary to install trail, maintain slight dips and establish proper slopes.



KLONDIKE AVE. →

GRUBSTAKE AVE.



SCALE



LEGEND

- Existing Trail
- Phase 1 - Bay Overlook Deck
- Phase 2 - Wetland Boardwalk - 60" w
- Phase 3 - Surface Trail - 30"
- Phase 4 - Combined Surface Trail - 30" / Boardwalk - 60"
- Site Boundary
- Interpretive Signage
- ☀ Trailhead
- ☀ Learning Station

NOTE: These plans are conceptual in nature. All locations and distances are approximate and not by survey. Actual site conditions may vary from is depicted.

ORDINANCE(S)

CITY MANAGER'S REPORT



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum

TO: Mayor Zak and Homer City Council
FROM: Katie Koester, City Manager
DATE: June 6, 2018
SUBJECT: June 11th City Manager Report

New Graduated Harbor Rate Model Implemented June 1

In 2016, after much debate and work by the Port and Harbor Commission and Homer City Council, the Council adopted a new graduated rate schedule in an effort to recognize the need to build a sustainable and equitable moorage fee schedule for Homer's Harbor. This new rate schedule incrementally increases moorage by .05 per liner foot of vessel. Ultimately the goal is for the Enterprise to build a reserve that can be used to maintain or replace infrastructure as needed. Thirteen public meetings were held by the Port and Harbor Commission during the drafting of this rate change and equitability was a big topic: "how do we spread the burden fairly and equitably" over the entire fleet of harbor users. This rate schedule meets that goal.

Implementation of the new schedule has been delayed by software challenges. The existing marina billing software was not up to the challenge. With the help of a consultant, staff drafted an RFP that detailed the requirements of the new software and Council approved \$150,000 via Ordinance 17-14 to purchase, or potentially create/design the software. Bids came back nearly tenfold at almost \$1.5 million to develop the software. This prompted staff to go back to the drawing board. The Port and Harbor was able to work with a small software developer (a one-woman show) to design exactly what the City needs within budget. The City has an escrow agreement for the source code which will protect the City in case the developer retires or closes up shop.

In addition to being able to implement the new structure, other positives of going live with the new software include:

- Programming support if something goes wrong. Previously, the billing software was completely unsupported, often leaving staff scratching their heads and implementing time consuming manual entries to make the system work for the City's needs.

- Streamlined billing and printing options. For example, we will now be able to send customers a bill on a full sheet of paper instead of the old post card. This will give staff the option of sending more detail about their bill to the customer. The post cards were confusing and staff is looking forward to fixing this long term problem.

-Cost savings. To date, Port and Harbor has spent \$33,000 on software development. More tweaking will likely be needed as the system gets up and running, however the cost savings of working in house with the help of the consultant to build a program will cost far less than the original estimate.

Port and Harbor staff are looking forward to being up and running and having the challenges of software development behind them. Staff has detailed the impact of the average user below who will see about a 2% increase (average vessel size is 24 feet)

For 24' Vessel

	Old	New	Difference
Daily	\$ 37.73	\$ 38.63	\$ 0.90
Monthly	\$ 213.73	\$ 218.92	\$ 5.19
Seasonal	\$ 842.00	\$ 862.80	\$ 20.80
Annual	\$ 1,256.80	\$ 1,287.76	\$ 30.96

Fish and Game Approved Parking Impact Levy for Load and Launch Ramp

Great news – Fish and Game has signed up on the parking impact levy at the Load and Launch ramp passed by City Council at the last meeting. The Port and Harbor has posted notice to users (attached) and will implement the levy on June 15th. Notice will also be posted online.

Annual Report Published

This year, instead of publishing a long annual report with a page or two from each department and distributing it to Councilmembers (as in years past), a shorter more polished report that encompassed accomplishments from 2016 and 2017 was distributed in the local newspaper. A copy of the report can be found online at <https://www.cityofhomer-ak.gov/citymanager/2016-2017-annual-report>. It is my hope by refining the document and broadening the distribution, the City will engage more member of the public. The City is a complex organization that provides a wide variety of services, and this document provides an opportunity to showcase that to the public. It took a tremendous amount of time to pull together. Special Projects and Communications Coordinator Carroll deserves all the credit for putting together and designing a first class document.

Enc:

- June Employee Anniversaries
- Parking Impact Levy Notice



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum

TO: MAYOR ZAK AND CITY COUNCIL
FROM: Katie Koester
DATE: June 11, 2018
SUBJECT: June Employee Anniversaries

I would like to take the time to thank the following employees for the dedication, commitment and service they have provided the City and taxpayers of Homer over the years.

Levi Stradling,	Public Works	16	Years
Melissa Jacobsen,	Clerks	14	Years
Mike Illg,	Admin	12	Years
Manfred Kirchner,	Public Works	6	Years
Mike Szocinski,	Public Works	6	Years
Brandon Moyer,	Public Works	2	Years
Jessica Poling,	Police	1	Year

LOAD&LAUNCH FEES INCREASING TO \$20 STARTING JUNE 20TH

Homer City Council Has Adopted Resolution 18-041(S) Enacting a \$7 parking impact levy to be charged in addition to the \$13 Single Load and Launch Pass fee. Resolution 18-041(S) also states a \$70 parking impact levy be charged in addition to the \$130 Seasonal Load & Launch Pass

SINGLE L&L PASS= \$20.00

SEASONAL L&L PASS = \$200.00

THIS IS A PARKING IMPACT LEVY ONLY. ALL EXISTING PARKING RULES AND SIGNS STILL APPLY

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Memorandum

TO: Mayor Zak and Homer City Council
FROM: Katie Koester, City Manager
DATE: June 20, 2018
SUBJECT: June 25 City Manager Report

Junk Vehicle Removal on Main Street

The City has received multiple complaints about a house in the heart of Old Town and near visitor attractions that has a perpetual sale advertised, multiple junk cars, and a yard full of odds and ends overflowing into the right of way. Planning has notified the owner of the zoning violations and seen limited response beyond covering the junk vehicles up with tarps. The neighbors approached Homer Police Department with an outside the box approach to work with the Department to offer to purchase (for a nominal price) and dispose of the vehicles. We estimate the cost to properly drain and bring to the dump a junk vehicle to be around \$300 which would be charged to the vehicle impound budget at HPD. I hesitate to set the precedent that the Homer Police Department is in some way in charge of cleaning up junk around Homer, as that is not a responsibility the Department has the capacity to take on. However, this is a case where there the need is extreme, the location very visible, and the neighbors are willing to help organize and fund the small project. Unless Council expresses concern, I will proceed with hopefully working with the neighbors and property owners help abate the issue.

Landslide Mapping and Hazzard Analysis

Given the heightened awareness and safety concerns for slope stability and erosion in Homer, City staff and Councilmembers have been relentlessly looking for opportunities to address this issue. To that end, in January of this year the Planning Department expressed interest with the State of Alaska Division of Geological and Geophysical Surveys on applying for a FEMA grant to assess the landslide hazard potential in certain areas of Homer. The State has received word that FEMA is interested in funding the study, which would commence this fall and be completed the summer of 2020. This is great news as it will provide reliable data to assess risk and inform the Planning Commission's work on a potential Natural Hazzard Overlay district. The assessment will be performed by the Alaska Division of Geological and Geophysical Surveys on behalf of the City of Homer using lidar mapping.

PenAir

I was hoping to be requesting approval of a lease application for PenAir, however we received the attached correspondence that indicated they are still struggling with Chapter 11. I am encouraged that their market study indicated Homer is a good location and will keep Council informed of any progress on the lease. Under the new lease code you are adopting tonight, the final lease will require City Council.

Friends of the Homer Library Recognized

The Friends of the Homer Library are included in the 2018 Contributions to Literacy in Alaska (CILIA) awards for their Books on Board program. Books on Board is a totally volunteer effort where the Friends stock the bookmobile with donated books that are given to children and adults, who are encouraged to exchange other books for them. Volunteer drivers take BOB to various locations in the Homer area on a regular schedule. BOB was awarded the CLIA Sue Sherif Award for Literacy, named for a longtime Alaska librarian pivotal in supporting literacy efforts through the state library system.

Enc:

Executive Summary for Landslide Mapping Project

Letter from PenAir

ACOE Notice of Receipt of Scoping Comments

EXECUTIVE SUMMARY:

Proposed Homer Landslide Hazard Assessment

State of Alaska, Division of Geological & Geophysical Surveys
Contact: De Anne Stevens, Chief – Engineering Geology Section
E-mail: deanne.stevens@alaska.gov | Phone: 907.451.5014

INTRODUCTION

The Alaska Division of Geological & Geophysical Surveys (DGGS) proposes to conduct a landslide hazard assessment for the city of Homer, Alaska. Landslides are dangerous natural hazards that occur in mountainous areas and regions of unstable slopes throughout Alaska. Particularly because these hazards can be exacerbated by significant earthquake shaking DGGS proposes to conduct a landslide hazard assessment for the city of Homer, Alaska. This project will acquire and utilize lidar data in combination with geospatial analysis, unpublished field data, and modeling to produce the most extensive and up-to-date assessment of landslide susceptibility and runout in and around Homer. Resultant GIS layers of landslide deposits, landslide susceptibility and potential runout simulations will be suitable data inputs for FEMA’s multi-hazard RiskMAP analysis for Homer.

DGGS has the computational power and personnel needed for the proposed tasks and the city of Homer has expressed interest in a landslide analysis, adopting a resolution in September 2017 to consider a natural hazards overlay district or other appropriate zoning regulation in and around the Baycrest subdivision. Additionally DGGS and city officials recent met via teleconference to discuss potential geologic hazards in the area.

LANDSLIDE MAPPING AND HAZARD ANALYSIS

This study will utilize bare-earth DEMs generated from lidar data along with best available imagery and existing information to complete landslide inventory mapping. Baseline landslide mapping and landslide susceptibility mapping will be carried out using the lidar-analysis protocols developed by the Oregon Department of Geology and Mineral Industries (DOGAMI) (Burns and Madin, 2009; Burns et al. 2012) Hazard from debris flow runout will also be evaluated using the USGS landslide model Laharz_py (Schilling, 2014). This model uses physically motivated and statistically calibrated power law equations combined with detailed topography to define the source area of debris as well as the likely debris inundation and potential runout extent. The model uses runout information from previous landslides to calibrate internal variables.

SITE VISIT

A site visit will be performed during completion of the project to discuss mapped products with local city officials, so that all deliverables of the project are not only able to be incorporated into RiskMap, but also community planning methods.

PERIOD OF PERFORMANCE

The proposed project will begin October 1, 2018, and be completed June 30, 2020

DELIVERABLES

- 1) Landslide Risk Map – The Landslide Risk Map activity includes developing a map(s) that depict the Landslide Risk in Homer. This activity will include an inventory map of existing landslide deposits, a map of landslide susceptibility, and landslide hazard maps with potential runout limits.
- 2) Landslide Risk Database – The Landslide Risk Database will enable the creation of other products including the Landslide Risk Map.



June 13, 2018

Ms. Katie Koester
City Manager
City of Homer
491 East Pioneer Ave.
Homer, AK 99603

Re; Peninsula Airways Inc.

Ms. Koester,

PenAir has completed its due diligence and we believe Homer is a good destination for PenAir's future. However, we are unable to fully commit at this time as we continue to work through our existing business challenges. We are intending to come out of Charter 11 in the third quarter of this year as a stronger, more vibrant company. Until then, we are unable to commit to a solid date until this milestone has come to fruition.

Once we have a firm commitment level we will update you. We continue to look forward to the opportunity to be a part of your community.

Sincerely,

Murphy Forner
Sr. V.P. Ground Operation and Business Development





DEPARTMENT OF THE ARMY
ALASKA DISTRICT, U.S. ARMY CORPS OF ENGINEERS
REGULATORY DIVISION
P.O. BOX 6898
JBER, AK 99506-0898



JUN 07 2018

Regulatory Division
POA-2017-271

City of Homer
Mayor Bryan Zak
491 East Pioneer Avenue
Homer, Alaska 99603

Dear Mr. Zak:

Thank you for your interest in the U.S. Army Corps of Engineers (USACE) Regulatory Program and the review process for the Department of the Army (DA) permit application POA-2017-271 submitted by Pebble Limited Partnership. Your comments concerning the process and application have been reviewed and added to our administrative record. We are maintaining up-to-date information regarding our process and review on the project website, www.pebbleprojecteis.com. We will post any changes to the current scoping schedule on this website as they occur. For more information about the Regulatory Program, please visit our website at www.poa.usace.army.mil/Missions/Regulatory. Again, we would like to thank you for your time in providing comments and your interest in the DA review process.

Sincerely,

Sheila Newman
Regional Regulatory Deputy Chief



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum

TO: MAYOR AND CITY COUNCIL
FROM: MELISSA JACOBSEN, CITY CLERK
DATE: JUNE 20, 2018
SUBJECT: BID REPORT

Homer Ramp 2 Restroom Replacement - Sealed bids for the construction of the Homer Ramp 2 Restroom Replacement project will be received at the Office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska, until 2:00 p.m. on Thursday, June 28, 2018, at which time they will be publicly opened and read. The time of receipt will be determined by the City Clerk's time stamp. Bids received after the time fixed for the receipt of the bids shall not be considered. All bidders must submit a City of Homer Plan Holders Registration form to be on the Plan Holders List and to be considered responsive. Plan holder registration forms and Plans and Specifications are available online at <http://www.cityofhomer-ak.gov/rfps> A Pre-Bid Conference will be held at 1:30 p.m. on Friday, June 8, 2018 at the Homer Harbormaster Office, 4311 Freight Dock Road, Homer, Alaska.

CITY ATTORNEY REPORT

COMMITTEE REPORTS

PENDING BUSINESS

CITY OF HOMER
HOMER, ALASKA

City Clerk/PARCAC

RESOLUTION 18-053

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
APPROVING AND ACCEPTING THE DONATION FROM THE
KACHEMAK BAY FAMILY PLANNING CLINIC/R.E.C. ROOM OF A
MURAL BY DR. MICHAEL STURM AND HOMER LEAD ON YOUTH
GROUP TO BE PLACED ON THE EXTERIOR WALL OF THE BEN
WALTER’S PARK RESTROOM AND INCORPORATING IT INTO THE
CITY’S ARTWORK COLLECTION.

WHEREAS, Dr. Michael Sturm is a talented artist whose work is held in many public installations across the country including Baltimore and Washington, D.C., **and** having young artists engage in public works of art and city beautification projects is a passion Dr. Sturm continues to foster now that he resides in the Homer area; and

WHEREAS, The Homer Lead On Youth Group is a youth led group that has been in existence for over five years in the community and their 2017/2018 project consists of promoting respect in healthy relationships through discussion and art development; and

WHEREAS, It is the intent that the placement of a mural on the restroom will deter further negative and tasteless graffiti; and

WHEREAS, The Kachemak Bay Family Planning Clinic/R.E.C. Room would like to donate **the artwork to the City’s collection and has completed the required application for the donation;** and

WHEREAS, The Parks Department is not responsible for maintaining, refreshing or repairing any damage that may occur to the mural; and

WHEREAS, The Parks, Art, Recreation, and Culture Commission (PARCAC) has reviewed the request for donation to the City of Homer and provided recommendations in Memorandum 18-068 and that the City Council approve and accept the donation, incorporating it into the Municipal Art Collection.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, hereby approves and accepts the donation from the Kachemak Bay Family Planning Clinic/R.E.C. Room of a mural by Dr. Michael Sturm and Homer Lead On Youth Group to be placed on the exterior wall of the **Ben Walter’s Park Restroom, and incorporates it into the City’s artwork collection.**

42 PASSED AND ADOPTED by the Homer City Council this 29th day of May, 2018.

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CITY OF HOMER

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BRYAN ZAK, MAYOR

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51 ATTEST:

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MELISSA JACOBSEN, MMC, CITY CLERK

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57 Fiscal Note: NA



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum 18-068

TO: MAYOR ZAK AND HOMER CITY COUNCIL
FROM: PARKS, ART, RECREATION AND CULTURE ADVISORY COMMISSION
THRU: RENEE KRAUSE, CMC, DEPUTY CITY CLERK
DATE: MAY 7, 2018
SUBJECT: **DONATION OF A MURAL FOR BEN WALTER'S PARK**

At the April 19, 2018 regular meeting the Commission reviewed and discussed and recommended acceptance of the Gift Proposal of a Mural on the Restroom Facilities in Ben Walters Park.

The Commission expressed appreciation for this donation and the youth wanting to take the ownership of the space and is fully supportive of the project.

The Commission voiced concerns regarding the frequent incidents of graffiti, and recommended that an alternative to painting the mural on the building itself be considered by the group. The Commission wanted to make sure that the group was very aware of the propensity of future damage to a mural placed on this facility.

Lastly, the Commission suggested the youth work with Rotary, who has adopted the park and put many hours of hard work into the park.

Recommendation

City Council accept the donation of a mural from the REC Room/Kachemak Bay Family Planning Clinic entitled, *Rooted in Respect* with the understanding that the mural could be damaged by future graffiti; the Artist(s) should consider protective measures for the artwork and convey their ideas to the Rotary group who have adopted this park.

Excerpt from the April 19, 2018 Regular Meeting Minutes of the Parks, Art, Recreation and Culture Advisory Commission

F. Gift Proposal for a mural on the building behind McDonalds

Chair Lowney stated that she had talked to Rotary and they were concerned about having to upkeep the mural because of the graffiti.

Chair Ashmun stated that she does not mind saying yes to this gift proposal but that there are some things that the artists needs to be aware of. She stated that a lifetime of fifteen years is unrealistic because it will most likely become damaged or covered in graffiti. They should have a contingency plan on how to handle the graffiti when it happens.

Commissioner Sharp stated that he likes the idea and believes it would be a good addition to the park.

Commissioner Harrald stated that she appreciates that these kids are taking the ownership of public space. She does have the same concerns that have already been stated as well as another concern for the timeline that they have proposed. She thinks if they are aware of the graffiti in the area and that there is a possibility that their art could be covered, then she doesn't see the harm.

Commissioner Archibald stated he agrees with Commissioner Harrald and he feels that they need to correspond with the Rotary on what they have planned.

Commissioner Fair stated that he agrees with Commissioner Harrald and Archibald. He thinks that it is a positive idea that could benefit this area.

Chair Lowney stated that there is going to be a piece of art that will be done on wood and placed on the pavilion at Bishops Beach. She suggested that the Commission suggest to the artists that they do something like this so they are able to move it and it may be harder to damage.

The Commission discussed the possibility of asking the artist to paint a mural on some sort of platform instead of the wall.

ARCHIBALD/ASHMUN- MOVED TO APPROVE THE MURAL ON THE BEN WALTERS PARK RESTROOMS.

There was no discussion.

VOTE. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

From: KBFPC Outreach
To: [Melissa Jacobsen](mailto:Melissa.Jacobsen)
Subject: Re: Lead On mural
Date: Thursday, June 21, 2018 10:47:40 AM

Yes we do. I'm sorry for the back and forth, thank you Melissa.

On Wed, Jun 20, 2018 at 12:33 PM, Melissa Jacobsen <MJacobsen@ci.homer.ak.us> wrote:

Ah, that is very nice.

So just to confirm, you wish to withdraw the application to display the art work on city property, correct?

From: KBFPC Outreach <outreach@kbfpc.org>
Sent: Tuesday, June 19, 2018 3:08 PM
To: Melissa Jacobsen <MJacobsen@ci.homer.ak.us>
Subject: Re: Lead On mural

Hey Melissa,

Yep I'm in the loop. We have decided to dedicate the mural to Parker Gibson so it won't be necessary for us to move forward with the City Council. Thanks for following up!

On Tue, Jun 19, 2018 at 2:39 PM, Melissa Jacobsen <MJacobsen@ci.homer.ak.us> wrote:

Hi Kyla,

You may be aware that the Council Meeting on June 11th was canceled. The resolution for this art work will be considered at the meeting on June 25th.

Thanks! Melissa

From: KBFPC Outreach <outreach@kbfpc.org>
Sent: Monday, June 11, 2018 11:21 AM

CITY OF HOMER
HOMER, ALASKA

Mayor

RESOLUTION 18-054

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING RESOLUTION 18-036(A) ESTABLISHING THE HOMER
EDUCATION AND RECREATION COMPLEX (HERC) TASK FORCE TO
INCLUDE A REPRESENTATIVE FROM THE PARKS ART RECREATION
AND CULTURE ADVISORY COMMISSION.

WHEREAS, The Homer City Council passed Resolution 18-03(A) establishing a Homer Education and Recreation Complex (HERC) Task Force with membership consisting of seven members with no more than one member of the Parks Art Recreation and Advisory Commission (PARCAC); and

WHEREAS, PARCAC has a high level of interest in the future of the facility and selected a member to be appointed to the Task Force; and

WHEREAS, **The Homer City Council delayed confirming the Mayor's appointments to** the HERC Task Force in order to allow a PARCAC member to be included in the list of appointees; and

WHEREAS, Given the excellent qualification of the seven appointments the Mayor presented at the May 14 City Council meeting, it would be prudent to expand membership to eight.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, amends Resolution 18-03(A), Establishing the Homer Education and Recreation Complex (HERC) Task Force, to increase membership from seven members to eight members plus an advisory student member with one member from the Parks, Art, Recreation and Culture Advisory Commission (PARCAC), as selected by the Commission.

PASSED AND ADOPTED by the Homer City Council this ___ day of _____, 2018.

CITY OF HOMER

BRYAN ZAK, MAYOR

42 ATTEST:

43

44 _____

45 MELISSA JACOBSEN, MMC, CITY CLERK

46

47 Fiscal Note: NA

1 CITY OF HOMER
2 HOMER, ALASKA

Erickson

3
4 RESOLUTION 18-054(S)
5

6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 AMENDING RESOLUTION 18-036(A) ESTABLISHING THE HOMER
8 EDUCATION AND RECREATION COMPLEX (HERC) TASK FORCE TO
9 **EXPAND ADVISORY MEMBERSHIP TO INCLUDE A**
10 **REPRESENTATIVE FROM THE PARKS ART RECREATION AND**
11 **CULTURE ADVISORY COMMISSION AND CITY COUNCIL TO SERVE**
12 **AS NON-VOTING MEMBERS.**
13

14 WHEREAS, The Homer City Council passed Resolution 18-036(A) establishing a Homer
15 Education and Recreation Complex (HERC) Task Force with membership consisting of seven
16 members with no more than one member of the Parks Art Recreation and Advisory
17 Commission (PARCAC), **or City Council;** and
18

19 WHEREAS, PARCAC has a high level of interest in the future of the facility and selected
20 a member to be appointed to the Task Force; and
21

22 ~~WHEREAS, The Homer City Council delayed confirming the Mayor's appointments to~~
23 ~~the HERC Task Force in order to allow a PARCAC member to be included in the list of~~
24 ~~appointees; and~~
25

26 ~~WHEREAS, Given the excellent qualification of the seven appointments the Mayor~~
27 ~~presented at the May 14 City Council meeting, it would be prudent to expand membership to~~
28 ~~eight~~

29 **WHEREAS, Because the Task Force is looking at functioning on behalf of the**
30 **Council rather than the purpose for the building, it is appropriate that PARCAC and City**
31 **Council members serve in a non-voting capacity; and**

32 **WHEREAS, The issue of how best to utilize the HERC has been before the City**
33 **government for many years and has included extensive debate by Council and**
34 **Commissions; and**
35

36 **WHEREAS, To ensure that the health and wellness of the community is considered**
37 **when discussing the future of the HERC site, a member with a background in health and**
38 **wellness should be considered to fill any vacancy.**
39

40 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, amends
41 Resolution 18-036(A), Establishing the Homer Education and Recreation Complex (HERC) Task

42 Force, to increase **advisory members to include a member of the Parks, Art, Recreation**
43 **and Culture Advisory Commission (PARCAC), as selected by the Commission and a**
44 **member of Homer City Council as selected by the Council** membership from seven members
45 to eight members plus an advisory student member with one member from the Parks, Art,
46 Recreation and Culture Advisory Commission (PARCAC), as selected by the Commission.

47

48 PASSED AND ADOPTED by the Homer City Council this ____ day of _____, 2018.

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CITY OF HOMER

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BRYAN ZAK, MAYOR

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56 ATTEST:

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MELISSA JACOBSEN, MMC, CITY CLERK

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60

61 Fiscal Note: NA

From: Nina Faust
To: [Department Clerk](#); [Shelly Erickson](#); rachellork@ci.homer.ak.us; [Tom Stroozas](#); [Heath Smith](#); [Donna Aderhold](#); [Caroline Venuti](#); [Mayor Email](#)
Subject: The HERC TASK FORCE
Date: Monday, June 04, 2018 7:09:09 PM

Homer City Council
Homer AK 99603

Dear Council Members:

The issue of what to do with the HERC building is incredibly important in the community. Considering the cost of a new building and the tax burden it could bring, carefully analyzing the use of the HERC building to see what the costs are to make it safe and useable is a very important process. It is important to the community because providing places for community recreation programs is beneficial and cost effective for overall community health and safety. Exercise and community programs engage all ages, keeping kids out of trouble, building community, and helping folks stay healthy.

The HERC TASK FORCE, as currently appointed, is lacking in comprehensive diversity. Only two out of seven are women? Surely the composition could include at least three women or even four. I strongly believe a representative from the City Parks and Recreation Board should also be on this committee since they have probably some of the most extensive knowledge about this building and its role in the community and the issues related to what to do about the HERC. A representative from our health/medical sector should also be considered for appointment to the task force.

There is plenty of time to reconsider the appointments to this board to balance it out to better reflect community interests and gender equity. I respectfully ask that you start this process over and ask for new applications.

Nina Faust
P.O. Box 2994
Homer AK 99603

From: Nina Faust
To: [Department Clerk](#); [Department Clerk](#); [Donna Aderhold](#); [Caroline Venuti](#); [Shelly Erickson](#); [Tom Stroozas](#); [Heath Smith](#); [Rachel Lord](#)
Cc: [Mayor Email](#)
Subject: HERC was originally for Education
Date: Wednesday, June 06, 2018 7:10:56 AM
Attachments: [Screen Shot 2018-06-06 at 6.56.04 AM.png](#)

P.O. Box 2994
Homer AK 99603

Homer City Council
Homer AK

Dear Council Members:

As a former teacher at Homer Junior High School, I am very concerned about the issue of not retaining this property for educational use. When public entities ignore the history and wishes of people who donate their land for public good, that gives future donors pause. This is not to be taken lightly. Furthermore we may be wasting an absolutely wonderful opportunity for the community if we do not honor the original intent.

Below is the letter I wrote in January to the Council. Following that is one I wrote in 2014, urging the Borough to retain this property for educational purposes. I feel strongly about this and again urge the Council to choose a new task force to cover a wider range of views. I left off the idea that someone from the field of education should be included. This is an extremely important issue with broad impacts to the future of the community. It is important to get it right using a process that is valid, equitable, and inclusive of broad community interests.

Sincerely,
Nina Faust

January 8, 2018

Homer City Council
Homer AK 99603

Dear Council Members:

The HERC building is the link between the SPARC building and the Homer Council on the Arts facility. It makes so much sense to keep the HERC in the educational/community use intended by the original donors of the property. As a community we need to think bigger. These three buildings form the beginnings of a fantastic cultural, community, arts, and recreation complex that could easily be expanded, improved and modernized over the years.

The Hockey rink has potential. The skateboard park could be improved. All of this connects beautifully with the wonderful community trails that have been developed by the Museum. Add that to the linked mix to represent the cultural programs. With strong fundraising, the HERC could include so many active programs for kids and adults in those classrooms. Some of the classes could also be at the Sparc, HCOA, or Museum. What an amazing extracurricular campus this could make for Homer. I read an article about Iceland requiring kids to enroll in a club and was impressed with what it did for students. If this community could raise an army to build a playground, raise a SPARC, make a first rate library, and build a new boat house, I would bet the community could get on board with something to save the HERC and create a partnership with all these facilities to meet a multitude of needs!

Nina Faust
P.O. Box 2994
Homer AK 99603

Blankenship, Johni

From: Nina Faust <aknina51@gmail.com>
Sent: Friday, October 10, 2014 8:30 AM
To: Wolf, Kelly; Smalley, Hal; Ogle, Wayne; Bagley, Dale; Pierce, Charlie; McClure, Sue; Johnson, Brent; Smith, Bill; Haggerty, Mako; Blankenship, Johni
Subject: Ordinance 2014-31

P.O. Box 2994
Homer, AK 99603

October 10, 2014

Kenai Peninsula Borough Planning Commission
Kenai Peninsula Borough Assembly
144 N. Binkley ST.
Soldotna AK 99669

Dear Assembly and Commission Members:

I am opposed to the proposed Ordinance 2014-31: Authorizing the Repeal of a Deed Restriction on a parcel of land where the former Homer Intermediate School was located. I do not know the original history of this parcel, but it may, like many other school sites, have been given to the Borough by the State or Federal government to provide land for public schools. Even if this is not the case, repealing the deed restrictions on this parcel should not be a matter of course.

This land has for years been used for public education. It is adjacent to a junior high school. It has provided, and still could continue to provide, services that augment the mission of the adjacent school and provide much needed recreational space for the community. The skate board park, the gym, the home for Boys and Girls Club, college classes, park space for local nonprofits to hold events, and more have all been needed and well used services. Some have lost funding or been discontinued due to uncertainty about the future of the building.

Public Safety also needs a new space, but it does not necessarily have to be this space. There is land available in the area around the existing public safety complex but it is just shy of the requested ideal size. Creative planning and design should be looked at. Repurposing existing facilities is less wasteful. I would like to see more effort put into looking at options.

The HERC building has served this community well. I taught in that building for many years. As far as I know, any problems with asbestos have been resolved by containing it. The gym is a great public asset. We need a good, safely located, permanent space to reinstitute the Boys and Girls Club. This site would serve the community well into the future and be an asset to the adjacent school if we finally dedicate it to this purpose and do some community planning.

I urge the Planning Commission and Assembly to retain the Deed Restrictions and direct the City of Homer to do more work to see how the needs of the Community can be met for both public recreation, education, youth programs, and public safety. Completely taking away one for the other does not resolve the needs of the community.

Sincerely,

Nina Faust

From: Clyde Boyer and Vivian Finlay
To: [Department Clerk](#)
Subject: Please distribute this to each City Council member
Date: Tuesday, June 05, 2018 9:19:28 PM

Thank you.

To: Mayor Bryan Zak and the Homer City Council,

The makeup of the HERC Task Force is not acceptable because it **does not include a member of the Parks and Rec. Commission, does not have gender equity and does not have a member who is a health-care professional** or in area related to health/exercise/recreation.

The Parks and Rec. members are citizens chosen to represent us on matters concerning the parks and recreation, and they have the most knowledge and understanding of what is important for the citizens in the City, and surrounding area, in determining the fate of the HERC Building. There is no reason that there shouldn't be gender equity when there is a task force appointed by the City and this one is not even close. In addition, recreation and exercise are important for people's health and well-being and to have no member on that task force that is a health care professional is not acceptable.

[Vivian Finlay](#)

--
455 Elderberry Drive,
Homer, AK. 99603 USA
(907) 435-3903

From: Kathy Hill
To: [Melissa Jacobsen](#)
Subject: For distribution
Date: Tuesday, June 05, 2018 6:15:01 PM

Mayor, City Council,

You initially had charged PARCAC to come up with a plan to evaluate the value of the HERC site. The Commission spent a considerable amount of time developing the idea of a Task Force to look at the usage/potential of this site. The Task Force suggestion was accepted by you and four good questions were formulated. It is important to take a good look at those questions. In my opinion the answers to those questions will be just facts, not opinions, not an emotional charge, not a taking of sides. This should come way later in the process. Only the facts are being asked for!

Pray tell, why cannot a member of the PARCAC be a member of this Task Force and bring known facts to the table? It only makes sense that you would want this representative to contribute their knowledge/expertise to the answering of these four questions.

I ask you strongly to seat a PARCAC member on this Task Force. I frankly would like a City Council representative on it, too.

Sincerely,
Kathy Hill
City resident

Sent from my iPad

From: Amy Bollenbach
To: [Department Clerk](#)
Subject: Re: CALLS TO ACTION--We can do this!
Date: Thursday, June 07, 2018 2:16:32 AM

Melissa Jacobson: Please distribute this email to Mayor Zak and the City Council.

I am disappointed in the current makeup of the HERC Task Force. Please choose a more representative board.

The board should **include:**

- (1) a member of the Parks and Rec. Commission which has been studying recreational issues,
- (2) more women, up to half of the board, because women as well as men need a place for recreation, and
- (3) a member who is a health-care professional or works in an area related to health/exercise/recreation because we need knowledge of facts on health and safety to judge and improve that building.

Amy Bollenbach, resident of City of Homer.

On Tue, Jun 5, 2018 at 7:56 PM, Lani Raymond <lanibirder@gmail.com> wrote:

CALL TO ACTION--ONE

We need to email the City Council and say that we want the Mayor to re-do the Task Force for the HERC. Since this task force will include folks from outside the City also, even if you don't live in the City, you can email about it anyway. This needs to be done before June 11th: earlier emails will be included in the packet, later ones as a "laydown" at the meeting.

You can send one email to the City Clerk, Melissa Jacobson: clerk@cityofhomer-ak.gov and ask her to distribute a copy to each Council Member.

Example of what you could say:

To: Mayor Bryan Zak and the Homer City Council

The makeup of the HERC Task Force is not acceptable because it **does not include a member of the Parks and Rec. Commission, does not have gender equity and does not have a member who is a health-care professional** or in area related to health/exercise/recreation.

The Parks and Rec. members are citizens chosen to represent us on matters concerning the parks and recreation, and they have the most knowledge and understanding of what is important for the citizens in the City, and surrounding area, in determining the fate of the HERC Building. There is no reason that there shouldn't be gender equity when there is a task force appointed by the City and this one is not even close. In addition, recreation and exercise are important for people's health and well-being and to have no member on that task force that is a health care professional is not acceptable.

(The email can be very short, just a couple sentences is fine.)

CALL TO ACTION--TWO

As many of us as possible need to go to the City Council Meeting on June 11th at 6:00 pm. Speaking to this issue or just being there as a show of force. (One thing in our favor is that Mayor Zak and Heath Smith are up for election so possibly are more likely to be influenced by public outcry than they ordinarily would be.)

Why we need to do this:

According to CAN, the majority of the current members of the Task Force will not work on this from the perspective of the HERC being a community recreation facility. There are folks who are intent on selling the building and land.

And there is an important related factor. It is a very valuable piece of property (I think over 4 acres total) and was originally given to the Borough by a homesteader with the stipulation that it **always be used for educational or community use**, not sold for profit. The City later asked the Borough for this property and the Borough gave it to the City with the stipulation continuing. But a few years ago the City asked the Borough to be "let out" of this stipulation and the Borough granted it. So although it can legally be sold for a profit, many of us think this is not right. It's wrong to ignore the wishes of the original homesteaders! (besides better used for recreation)

The HERC facility is a perfect place in town within walking distance to two schools and the SPARC, close to Old Town also, near the Pratt...a wonderful location for a community recreation facility!

Please call me if you have any questions or would like more information. I will answer what I can and find out whatever else is needed. We can do this!

Lani

From: Ann & Ron Keffer
To: [Department Clerk](#)
Subject: Concerning HERC - for Mayor Zak and all councilpersons
Date: Friday, June 08, 2018 3:24:24 PM

Greetings Mayor Zak and Councilpersons,

I am writing to urge you to take certain actions at the council meeting of Monday, 11 June. First, I strongly support Mayor Zak's Resolution 18-054. It answers most of the concerns I have had about the HERC Task Force. I understand it increases the number of voting members to eight by adding a PARCAC member selected by the commission itself. Because PARCAC already has indicated that Deb Lowney should be its representative, she should be seated on the task force.

I am not unmindful of Councilperson Erickson's concerns about having an even number of members on the task force, but that should not be a problem, for the following reasons: The task force should work for consensus, and few votes should be taken. If the group does vote, a 4 - 4 vote simply would mean the measure is defeated. If the group consisted of seven voting members, a 4 - 3 vote, or even a 5 - 2 vote, would weaken the effect of any decision. There are no real advantages of having an odd number on the task force. ***My main concerns have nothing to do with the number of members, but center upon having balanced representation so that the group's work reflects a valid, defensible, and credible process.*** The mayor's resolution allays my concerns to a considerable degree.

Finally, there are some essential questions the council should pose to the administration (the City Manager and her subordinates). Answering these questions should not fall to the HERC Task Force. Here are the questions:

1. Please seek out and document the original stated wishes of the owners who donated the HERC property to the borough. When did this donation occur?
2. What stipulations accompanied the HERC property when its ownership was transferred to the City of Homer?
3. We have heard that the borough changed or abrogated the stipulations that accompanied the HERC property when the city got it. Did this happen, and, if so, when? What was the process that was followed? What justifications were offered for the changes?
4. Considering that the original stipulations that accompanied the property from the time of the original donation, what obligations does the city have to retain the property in the public domain?
5. Ordinarily, and especially at this time, both state and federal funds are available for use in upgrading or renovating a city property such as the HERC. What efforts have been made to seek out such funds? Please determine what sources might be used.

Thank you very much for reading my e-mail. I hope to reiterate my thoughts in person on Monday evening. Meanwhile, enjoy the wonderful Homer sun!

Ron Keffer

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: rikamouw@gmail.com
To: [Department Clerk](#)
Subject: Resolution 18-054
Date: Sunday, June 10, 2018 7:33:01 AM

> Dear Melissa

> My apologies for such a last minute voice to include for the 6/11/18 council meeting. We are not in town right now and have very limited internet access. I realize this is extremely late for council to read before they meet, but if you don't mind, I would very much appreciate your passing my message to each of the council members, that would be great.

> Thank you!

> Rika Mouw

>

>

> Dear Council,

> I am out of town and have very limited internet access, so, regrettably, this appeal to you comes very late and I will not be able to attend the council meeting.

> The issue of the HERC task force is of great concern to me. I view this city property to be of great community value and would like to voice my wholehearted support for Resolution 18-054, and specifically, each element contained in it. The actual number of task force members is not the issue, but rather one of balanced representation. A voting voice from PARCAC is essential. The mayor's resolution takes us to that starting point.

> In addition, the city administration would be the entity to clarify all the historical documentation regarding previous intentions and/or stipulations attached to the various transfers of the HERC property. Does the city have an obligation to follow historical stipulations? As a municipality, what efforts have been made to seek funding for an energetically desired community centered facility?

> I urge you to support Resolution 18-054.

> Thank you.

> Rika Mouw

> Homer resident

>

From: Anne Wieland
To: [Department Clerk](#)
Subject: For Distribution To Council
Date: Monday, June 11, 2018 8:31:09 AM

I support Mayor Zak's Resolution 18-054 that will increase the size of the HERC Task Force to eight people to include a voting member from the Parks, Art, Recreation, and Culture Advisory Commission. PARCAC has chosen Deb Lowney as the person to be on the HERC Task Force and I support her choice.

Anne Wieland
Homer

From: Carol Ford
To: [Department Clerk](#)
Subject: For Distribution to Council
Date: Monday, June 11, 2018 6:54:56 AM

To Homer City Clerk and Council:

I am writing in support of the mayor's amendment 18-054.

I was glad to learn that a member of Parks and Recreation can be added to the task force gathering information on the HERC building. I believe that is an important addition to that body. A task force gathering and evaluating the information necessary for decisions affecting such an important and meaningful piece of Homer's public land and history should definitely include a member whose main interest and expertise is in public-use land. Please support the mayor's amendment 18-054. Thanks.

Carol Ford

Homer

Sent from my iPhone

TO: Homer City Council and Mayor

From: Lani Raymond

41640 Gladys Ct.

Homer, AK 99603

DATE: June 9, 2018

Thank you for setting up the Task Force to address the issues for the HERC.

I encourage you to adopt the Mayor's amendment (Resolution 18-054) to the HERC Resolution, 18-036(A), as it is the best way forward with the Task Force. It is very important that there be a member of the Parks and Rec Commission on the HERC Task Force and that this person be a voting member.

The fact that this will mean an even number of members on the Task Force is not significant since the goal is to reach consensus, and a close vote would be less likely to influence the Council ultimately than a plan that is reached by consensus. The Council should direct the Task Force to use a consensus-building process.

One additional item here: I have concerns about the fact that the wishes of the homesteader who originally deeded this property to the Borough long ago was bypassed and is now potentially being ignored. My understanding is the homesteader wanted the property to be used only for education or community use... for perpetuity. I believe the Council needs to have this researched and the results made public.

The City needs to do the moral and ethical thing when deciding the fate of this property. But they also need to realize that people who have land and to donate in the future could easily be dissuaded from doing this if they believe their wishes would be ignored. (I own some land elsewhere in Alaska and am considering donating it eventually but would certainly not do that if I didn't trust the receiving entity.)

Thank you for considering these important aspects. I encourage you to pass Resolution 18-054, help the Task Force by equipping them with strong consensus-building strategies, and allow us all to learn the history surrounding the donation of this land.

Lani Raymond

Patricia Cue
LTC (USA Retired)
PO Box 745
Homer, AK 99603

City Council of Homer Alaska
Mayor Bryan Zak
491 E. Pioneer Avenue
Homer, AK 99603

June 10, 2018

This letter is in reference to Resolution 18-54 and 18-54(S). As a former elected official of the Homer City Council, I advocate for a balanced and thoughtful approach when making decisions that are of this magnitude.

The property and HERC building are located at the gateway of our community. Visitors and residents alike will view the appearance of this parcel as a reflection of our values. You have an opportunity to establish a task force that will be making recommendations that will potentially enhance the quality of life for this community into perpetuity.

During my time as an elected official, I worked with a group of dedicated individuals who had a vision for City beaches. We worked diligently to establish policies that not only protected habitat, but these policies reduced the risks posed by encroaching erosion thereby protecting homes and business and enhancing property values. While it is impossible to stop all erosion during this time of climate change, the policies implemented to protect coastal habitat have saved the City of Homer money by reducing the amount of money spent on storm surge damage. Also, Homer continues to be a destination for tourists who love our beaches.

Your opportunity to create a legacy for future generations is now upon you. While selling the property to the highest bidder may appear at first glance as a way to enhance City coffers, I encourage you to create a long term vision for this community that promotes those values that bring us together rather than divide us.

Placing a member of the Parks Art Recreation and Culture Advisory Commission is a good decision. Gender equality brings balance to the discussions that will inevitably result in recommendations on how to proceed. I don't agree that the person placed into this position be a non-voting member. The recommendations that will be made by this task force are in and of themselves advisory. I encourage clarity and openness throughout this process and limiting one member's ability to vote on decisions does not bring consensus.

I would like to comment briefly on an experience I encountered with property that was donated to the City. There was a time when the City Council considered selling the property where Ben Walters Memorial Park is now located. As I recall from the discussion, the family who donated the property wanted this property to be a park, and yet the City came to the Council and asked

for authority to sell it. Again at first glance, this appeared to be a way to improve the financial bottom line of the City. However, after much discussion, the Council voted in good faith to honor the request by the donor and keep the property as a park. This park is a jewel in the center of town and represents the values that we as a community espouse.

I bring this example forward to emphasize that honoring those who have bequeathed property to the City is another opportunity to create a community that values the generosity of its citizens. Making decisions that are contrary to the wishes of the donors will reflect poorly on the City and possibly result in fewer legacy donations.

Thank you for considering my comments.

Patricia Cue
LTC (USA Retired)

P.O. Box 2994
Homer AK 99603

June 9, 2018

Homer City Council
Homer AK 99603

Dear Council Members:

I think Resolution 18-054 is an adequate solution to the request to reconstitute the HERC Task Force. It addresses the need for a member from the PARCAC and adds another woman to the task force. I would also recommend that the City Council direct the Task Force to use a process that would seek consensus on this issue. It is a complex issue and this process would help in the full exploration of its intricacies.

As a person working to donate conservation lands for the future of the community, I feel very strongly that the City has a moral and ethical obligation to revisit the Borough's decision to release the City from the original purposes specified in the deed by those who donated the land. My understanding it was for educational purposes. The City should research this and make public the reason the donors gave the HERC land to the Borough. When was this? I would expect that they wanted these specific purposes to run with the land in perpetuity. In my view, the City has an obligation to honor these original purposes. Since the land is right next to a school, it is a perfect location for expansion of educational/recreational facilities. Disregarding deed restrictions and donors' wishes for donated property is not something a community should do, as it can certainly give future land donors pause in considering donating land to the City or Borough.

I would like to see a full report on the history of this land so the HERC committee can look at the history in the context of the needs of the city and the already growing complex of education/recreation right in this area--SPARC, Homer Middle School, HERC, Pratt Museum, Homer Council on the Arts, and a vision to tie these areas together all the way to Bishops Beach.

Please pass Resolution 18-054, direct the group to use a solid consensus process, and get the history of this land so the Task Force has the whole story. Thank you.

Sincerely,

Nina Faust

From: Clyde Boyer and Vivian Finlay
To: [Department Clerk](#)
Subject: letter to City Council members
Date: Friday, June 08, 2018 8:09:03 PM

Dear Melissa

It has come to my attention that Mayor Zak has an amendment - Resolution 18-054 - which would add a member from the PARCAC to the Task Force for the SPARC. I am in full support of that Resolution, and that would take care of the most pressing issue about the current composition of the task force.

I also understand that there is a question about having an even number of people on the task force. That should not be a problem, at all, on a task force.

Thank you.
Vivian Finlay

--

455 Elderberry Drive,
Homer, AK. 99603 USA
(907) 435-3903

From: Sandra Garity
To: [Department Clerk](#)
Subject: For distribution to council.
Date: Monday, June 11, 2018 9:25:17 AM

I feel there should be a member of the Parks and Recreation Committee added to the membership of the HERC task force. They play a most important role in the future of the building.

I also have a concern regarding the membership of Chrissi Andrews on the HERC task force. I saw that the two positions for the members that live outside the city limits of Homer were appointed to two men. Ms. Andrews does not live in the city limits and I understand she was considered because of her business on the Spit. My understanding is that the Spit is not zoned as residential. This being the case, I feel that supporting this position is setting a precedent that could be troublesome in the future.

I support the mayor's recommendation honoring Homer Pride Month. I believe in and support civil rights and equality.

Thank you
Sandra Garity

From: Harold Spence
To: [Department Clerk](#)
Subject: Task force
Date: Monday, June 11, 2018 12:58:14 AM

Dear Mayor and Council,

Let me briefly state that I support the mayor's proposal to add one more member to the HERC task force. I anticipate the group will work hard to reach consensus.

Sincerely,
Hal Spence
Box 1748
Homer, AK
299-1798

Sent from my iPhone

NEW BUSINESS



City of Homer

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Memorandum 18-078

TO: MAYOR ZAK AND HOMER CITY COUNCIL
FROM: MELISSA JACOBSEN, CITY CLERK
DATE: JUNE 12, 2018
SUBJECT: DEFERRED ASSESSMENT FOR JONES FOR THE HOMER NATURAL GAS ASSESSMENT DISTRICT

Robert & Carolee Jones have applied for an assessment deferment for Kenai Peninsula Borough (KPB) Parcel Number 177-250-14.

Pursuant to HCC 17.04.190 Deferment of assessment payments for low income residents, assessments may be deferred if the person:

1. Has an annual family income that is less than 125 percent of the current U.S. Health and Human Services Poverty Guidelines for Alaska;
2. Owns or has a life tenancy in the assessed property, and permanently resides in a single-family dwelling on the property; and
3. Is not determined by the City, after notice and hearing, to have been conveyed the property primarily for the purpose of obtaining the exemption.

Documentation has been shown that the applicants meet the criteria established for a deferment of assessment payments. An assessment payment deferment is subject to approval by the Council.

RECOMMENDATION:

Review the Jones application for natural gas assessment deferment. Take action to approve or disapprove the application.

Fiscal Impact: \$2,414.46 unpaid balance

RESOLUTIONS

COMMENTS OF THE AUDIENCE
COMMENTS OF THE CITY ATTORNEY
COMMENTS OF THE CITY CLERK
COMMENTS OF THE CITY MANAGER
COMMENTS OF THE MAYOR
COMMENTS OF THE CITY COUNCIL
ADJOURNMENT

