



# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

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## Memorandum

### Agenda Changes/Supplemental Packet

TO: MAYOR CASTNER AND HOMER CITY COUNCIL  
FROM: MELISSA JACOBSEN, MMC, CITY CLERK  
DATE: NOVEMBER 25, 2019  
SUBJECT: AGENDA CHANGES AND SUPPLEMENTAL PACKET

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#### Consent Agenda

**Ordinance 19-54**, An Ordinance of the City Council of Homer, Alaska Amending the 2019 Operating Budget to Appropriate an Amount not to Exceed \$50,000 from the HART Fund for the Purpose of Developing a Wayfinding-Streetscape Plan for the City of Homer, Authorizing the City Manager to Prepare an RFP for Consultant Services and Authorizing the Establishment of a Wayfinding and Streetscape Task Force with the Consultant. Venuti/Smith.

**Ordinance 19-54(S)**, An Ordinance of the City Council of Homer, Alaska Amending the 2019 Operating Budget to Appropriate an Amount not to Exceed \$50,000 from the HART Fund for the Purpose of Developing a Wayfinding-Streetscape Plan for the City of Homer, Authorizing the City Manager to Prepare an RFP for Consultant Services and Authorizing the Establishment of a Wayfinding and Streetscape Task Force with the Consultant. Venuti/Smith.

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Written public comments

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**Resolution 19-083**, A Resolution of the City Council of Homer Alaska Strongly Discouraging any Legislative or Regulatory Changes that Erode Oil Spill Prevention and Response Standards; Stating that if the System Created after the 1989 Oil Spill is Weakened, Alaskans will Likely Face an Increased Risk of Reliving Another Major Oil Spill; and Asking the State of Alaska to Halt the Department of Environmental Conservation's Public Scoping Process Until Detailed Information is Provided to the Public as to the Driving Factors that led to this Regulatory and Statutory Reform Initiative. Aderhold.

Article from PWSRCAC website

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Letter to Regulatory Commission of Alaska

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#### Visitors

Homer Chamber of Commerce – Jan Knutsen, Interim Director and Tom Soderholm, Board President

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**Public Hearings**

**Ordinance 19-49**, An Ordinance of the City Council of Homer, Alaska Imposing a Temporary Six-Month Moratorium on Applications for Professional Offices and Medical Clinics in the Residential Office District and Directing the Planning Commission to Make a Recommendation to the City Council for the Creation of a Medical District in the Vicinity of the South Peninsula Hospital During this Time Frame. Smith.

**Ordinance 19-49(S)**, An Ordinance of the City Council of Homer, Alaska Imposing a Temporary Six-Month Moratorium on Applications for Professional Offices and Medical Clinics in the Residential Office District and Directing the Planning Commission to Make a Recommendation to the City Council for the Creation of a Medical District in the Vicinity of the South Peninsula Hospital During this Time Frame. Smith.

Memorandum 19-156 with attachments from City Planner as backup Page 18  
Proposed amendments from Councilmember Aderhold Page 29

**Ordinance 19-51**, An Ordinance of the Homer City Council Appropriating Funds for the Calendar Years 2020 and 2021 for the General Fund, the Water Fund, the Sewer Fund, the Port/Harbor Fund, Capital Projects, and Internal Service Funds. City Manager.

Budget amendment re: Hosting AML Summer Conference 2021 Page 30

**City Manager's Report**

2020 Homer Facility Tour Schedule Page 31

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

Venuti/Smith

3  
4 **ORDINANCE 19-54(S)**

5  
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA  
7 AMENDING THE 2019 CAPITAL BUDGET TO APPROPRIATE AN  
8 AMOUNT NOT TO EXCEED \$50,000 FROM THE HART FUND FOR  
9 THE PURPOSE OF DEVELOPING A WAYFINDING-STREETScape  
10 PLAN FOR THE CITY OF HOMER, AUTHORIZING THE CITY  
11 MANAGER TO PREPARE AN RFP FOR CONSULTANT SERVICES AND  
12 AUTHORIZING THE ESTABLISHMENT OF A WAYFINDING-  
13 STREETScape TASK FORCE TO WORK WITH THE CONSULTANT.  
14

15 WHEREAS, The Homer City Council established the Economic Development Advisory  
16 Commission (EDC) to advise City Council on ways to improve the local business climate; and  
17

18 WHEREAS, The EDC completed a Business Retention & Expansion (BR&E) Survey with  
19 the goal of identifying areas where the EDC can work to help improve the local business  
20 climate; and  
21

22 WHEREAS, Improved walkability, greenspace and initiatives that showcase Homer's  
23 beauty (particularly in the Pioneer Avenue/Central Business District) were the most frequently  
24 mentioned ideas for improving Homer's business climate and quality of life; and  
25

26 WHEREAS, While a range of factors are important to business success, knowledge of  
27 Homer's various commercial districts, ease of navigation, quality of the street environment  
28 and pedestrian experience are critical to attracting business investment and encouraging  
29 consumer engagement in Homer's commercial districts; and  
30

31 WHEREAS, The EDC has determined that a wayfinding-streetscape plan (a plan and  
32 design standards to guide City improvements and enhancements such as wayfinding signage,  
33 landscaping, benches, trash receptacles, pocket parks, etc.) will support BR&E business  
34 climate goals and be a catalyst for economic activity; and  
35

36 WHEREAS, Establishing a wayfinding-streetscape (WF-SS) system is consistent with  
37 goals in the City of Homer Comprehensive Plan, the Non-Motorized Transportation & Trail Plan  
38 and the Homer Spit Comprehensive Plan; and  
39

40 WHEREAS, A WF-SS plan builds upon citizen interest in Pioneer Avenue through the  
41 Pioneer Avenue Revitalization Task Force’s efforts to make a more attractive, vibrant Pioneer  
42 Avenue business district; and

43  
44 WHEREAS, The scope and objectives for a WF-SS plan have been proposed by the EDC  
45 and have been endorsed by the Homer Planning Commission, Park Arts, Recreation and  
46 Culture Advisory Commission and by community organizations and businesses; and

47  
48 WHEREAS, Best practices for WF-SS plan development would utilize input from a broad-  
49 based local steering committee and the design and outreach expertise of a professional  
50 consultant to work with the public, the City and State agencies responsible for managing  
51 public right-of-ways;

52  
53 WHEREAS, The HART Roads Fund Balance I \$6,243,285.25 and HART Trails Fund Balance  
54 is \$636,834.84.

55  
56 NOW THEREFORE, The City of Homer supports the Wayfinding-Streetscape Plan  
57 proposal and Ordains:

58  
59 Section 1. The FY2019 Capital budget is hereby amended by appropriating no more  
60 than \$50,000 from the HART Fund (split 50/50 between HART Roads and HART Trails) to secure  
61 the services of a professional consultant to facilitate the development of a WF-SS Plan through  
62 a competitive bidding process, as follows:

63

Account No.	Description:	Amount:
160-0375	HART Roads Fund	\$25,000
165-0375	Hart Trails Fund	\$25,000

67

68 Section 2. City Council authorizes the City Manager to prepare a Request for Proposals  
69 to secure these consultant services.

70  
71 Section 3. City Council further authorizes formation of a WF-SS Task Force to work with  
72 the consultant as needed on the WF-SS Plan development.

73  
74 Section 4. This is a budget amendment ordinance is temporary in nature, and shall not  
75 be codified.

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CITY OF HOMER

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KEN CASTNER, MAYOR

81 ATTEST:

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83 \_\_\_\_\_

84 MELISSA JACOBSEN, MMC, CITY CLERK

85

86 YES:

87 NO:

88 ABSTAIN:

89 ABSENT:

90

91 First Reading:

92 Public Hearing:

93 Second Reading:

94 Effective Date:

95

96

97 Reviewed and approved as to form:

98

99

100 \_\_\_\_\_

101 Katie Koester, City Manager

102

103 Date: \_\_\_\_\_

\_\_\_\_\_

Michael Gatti, City Attorney

Date: \_\_\_\_\_



Our Mission: To support our membership through cooperative economic development and community service.

November 22, 2019

City of Homer  
Homer City Council  
491 E Pioneer Ave

Dear City Councilmembers,

The leadership of the Homer Chamber of Commerce and Visitor Center is writing to express our support for the proposed ordinance appropriating city funds to develop a Wayfinding-Streetscape Plan in conjunction with a Wayfinding-Streetscape Task Force (“Wayfinding Ordinance.”)

Developing standards and priorities for signage, landscaping, and other such street-level improvements will create a cohesive feel to our city across and within different commercial districts, and a holistic plan will position the city to competitively pursue grant funding to move these plans forward.

Streets that are easy to navigate on foot, easily identifiable parking areas, and welcoming landscaping all encourage consumer engagement and will improve the local business climate. Such improvements to walkability will reap benefits not only for residents but also for the many visitors who come to Homer each year. We serve many tourists in our Visitor Information Center who are looking to explore Homer on foot. While there are many maps available to help visitors navigate, such maps would be greatly complemented by on-the-ground signage that forms a comprehensive network of wayfinding aids throughout the city.

Our 514 active members rely on the Chamber to support enhancement of the economic sector and bettering the business viability in our community. On behalf of our membership we express our support for the Wayfinding Ordinance and look forward to sharing our members’ opinions with the task force and reviewing the results of the Wayfinding-Streetscape Plan.

Sincerely,

A handwritten signature in blue ink that reads "Jan Knutson". The signature is written in a cursive style and is positioned above a horizontal line.

Jan Knutson  
Interim Executive Director

A handwritten signature in blue ink that reads "Patrick Mede". The signature is written in a cursive style and is positioned above a horizontal line.

Patrick Mede  
Board President

# ALASKA CAN'T AFFORD TO LET OIL PRICES DETERMINE SPILL PREVENTION, BY MIKE MUNGER

August 18, 2016 · Filed Under: [News](#)

Among the many lessons learned from the Exxon Valdez oil spill was that it was almost inevitable. "Success bred complacency; complacency bred neglect; neglect increased the risk—until the right combination of errors finally led to an accident of disastrous proportions." (Alaska Oil Spill Commission 1990.)

To combat that complacency, Congress created Regional Citizens Advisory Councils. As long as oil is moved, explored or developed in the waters from Cook Inlet and Prince William Sound it will be subject to citizen oversight to protect those and nearby water bodies. Congress recognized that regardless of advances in oil spill prevention and response there will always be risks.

Among the many lessons learned from the Exxon Valdez oil spill was that it was almost inevitable. "Success bred complacency; complacency bred neglect; neglect increased the risk—until the right combination of errors finally led to an accident of disastrous proportions." (Alaska Oil Spill Commission 1990.)

To combat that complacency, Congress created Regional Citizens Advisory Councils. As long as oil is moved, explored or developed in the waters from Cook Inlet and Prince William Sound it will be subject to citizen oversight to protect those and nearby water bodies. Congress recognized that regardless of advances in oil spill prevention and response there will always be risks.

Today, massive budget cuts due to low oil prices threaten to lull us into complacency similar to that which led to the creation of the regional councils in the first place. Regulatory agencies are expected to do more with less, as some Alaskans demand budget cuts that could hamper our effectiveness in preventing and responding to a spill. At the same time, industry is motivated to cut costs through the reduction of qualified staff, reduction and consolidation of resources, and dedicating fewer staff and resources to important responsibilities.

Cook Inlet is Alaska's first significant oil producing region and therefore the oldest. Of its 17 existing platforms, 13 were installed in the 1960s. The same is true with the onshore production and crude oil storage facilities on the Inlet's east and west shores.

Although new technologies have allowed the oil industry to extract oil from aging fields, a combination of updated and well maintained infrastructure and adequate staffing is critical to ensure these wells, pipelines, platforms, and onshore processing facilities can continue to operate safely. While production is more automated, nothing can replace the presence of trained staff as key to safe operations.

In recent years, the Inlet has undergone a dynamic shift of major producers moving out and independents moving in. Typical of independent oil producers is a business model that includes fewer personnel compared to a major oil company. This model can fail if it lacks a strong commitment to staffing levels adequate for operations with minimal risk to human and environmental safety.

On July 2, there was a spill at the Drift River Oil Terminal, the major crude oil storage facility on the western side of the Inlet. The Cook Inlet Regional Citizens Advisory Council received the first report of a 14-gallon spill from Hilcorp Alaska along with their report of the circumstances of the discharge.

Weeks later, we received another report of 24 gallons linked to the initial incident. Both reports seemed to minimize the spill's magnitude. After further investigation and discussions, it became apparent this spill was significantly larger than early reports indicated. The council is engaged on a daily basis with the Alaska Department of Environmental Conservation and Hilcorp to ensure the proper cleanup of the spill, which is now under investigation.

Even before this spill, the CIRAC stated specific concerns on numerous other occasions to the DEC and the U.S. Coast Guard regarding issues at the terminal. Many Alaskans recall Mount Redoubt's volcanic eruptions in 1990 and 2009 which inundated the facility with seismic-induced mudflows or "lahars."

Fortunate circumstances in 1990 and sound engineering in 2009 spared the terminal from any major damage, but the fact remains it is in a precarious area. The current operator has made significant strides to protect the Drift River facility from the next volcanic event. But they have also made changes that are alarming, such as an amendment to Hilcorp's state-required Oil Discharge Prevention and Contingency Plan that reduced staffing levels. This was approved without public review or comment. We are also concerned with the frequency of comprehensive inspections and spill drills by the regulatory agencies.

Low oil prices, reduced staffing, and budget shortfalls — combined with less consistent regulatory oversight — is a bad recipe for the Inlet's pristine environment. Rigorous regulatory oversight and oil spill prevention and response cost money, require qualified staff, and deserve sufficient resources. For the right to drill, explore or transport oil in Alaska, operators must be committed to complying with our regulations and dedicating the necessary company resources to do a proper job of it, regardless of the price of oil.

As Alaskans, we must hold industry, state oversight agencies and public officials accountable and do everything we can to prevent the unraveling of decades of progress to make oil transportation and production in Alaska's waters safe.

The council's goal continues to be to ensure industry compliance with state regulations. We will also continue to advocate for a well-funded state and federal regulatory regime, which reflects the shared values of Alaskans who are committed to protecting our waters, shorelines and wildlife, natural and cultural resources. Anything less is unacceptable.

Michael Munger has been the executive director of Cook Inlet Regional Citizens Advisory Council (CIRCAC) since 2003. The council is a federally mandated citizens organization, formed under the U.S. Oil Pollution Act of 1990.





**Regional Citizens' Advisory Council** / "Citizens promoting environmentally safe operation of the Alyeska terminal and associated tankers."

In Anchorage: 3709 Spenard Road / Suite 100 / Anchorage, Alaska 99503 / (907) 277-7222 / FAX (907) 277-4523  
In Valdez: P.O. Box 3089 / 130 South Meals / Suite 202 / Valdez, Alaska 99686 / (907) 834-5000 / FAX (907) 835-5926

**MEMBERS**

November 15, 2019

Alaska State  
Chamber of Commerce

Regulatory Commission of Alaska  
701 West 8<sup>th</sup> Avenue, Suite 300  
Anchorage, AK 99501

Chugach Alaska  
Corporation

City of Cordova

City of Homer

City of Kodiak

City of Seldovia

City of Seward

City of Valdez

City of Whittier

Community of  
Chenegga

Community of  
Tatitlek

Cordova District  
Fishermen United

Kenai Peninsula  
Borough

Kodiak Island  
Borough

Kodiak Village Mayors  
Association

Oil Spill Region  
Environmental  
Coalition

Port Graham  
Corporation

Prince William Sound  
Aquaculture  
Corporation

Re: In the Matter of the Joint Application Filed by BP PIPELINES (ALASKA) INC. and HARVEST ALASKA, LLC for Approval of the Transfer of Certificate of Public Convenience and Necessity No. 311 and Operating Authority Thereunder from BP Pipelines (Alaska) Inc. to Harvest Alaska, LLC. Docket No. P-19-017

Dear Members of the Regulatory Commission of Alaska:

The Prince William Sound Regional Citizens' Advisory Council ("PWSRCAC") submits the following comments on the Notice of Pipeline Application issued by the Regulatory Commission of Alaska ("RCA" or "Commission") on October 4, 2019,<sup>1</sup> and pursuant to 3 AAC 48.654, hereby files its comments regarding the Joint Application for Approval of Transfer of Certificate of Public Convenience and Necessity ("CPCN") No. 311 and Operating Authority thereunder from BP Pipelines (Alaska) Inc. ("BPPA") to Harvest Alaska, LLC ("Harvest"), filed on September 27, 2019 ("Application"). Specifically, these comments apply to Docket No. P-19-017.

The basis of PWSRCAC's concerns is the lack of publicly available information to determine whether Hilcorp and/or Harvest is financially fit, willing, and able to safely and reliably operate the VMT and associated tankers. PWSRCAC's comments, suggested actions, and requests, which are detailed below, focus on four major areas of concern: (1) operational implications, including those related to Hilcorp's history of regulatory noncompliance; (2) adequacy of resources available for dismantlement, removal & restoration; (3) public access to information sufficient to assess whether the transfer of operating authority is in the best interest of the public; and (4) conditions required to ensure the transfer is in the public's best interest.

**BACKGROUND**

BPPA and its affiliates (collectively "BP") have negotiated a transaction with Hilcorp Alaska, LLC ("Hilcorp"), under which all of BP's Alaska-related assets and interests, including those in the Trans Alaska Pipeline System ("TAPS"), will be transferred to Hilcorp or its affiliates. As part of the transaction, the Standard Oil Company is selling its entire stock ownership interest in BP

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<sup>1</sup> As supplemented by notice issued October 23, 2019, extending the deadline for submitting comments on the applications to November 15, 2019.

Exploration (Alaska) Inc. to Hilcorp. In conjunction with the proposed transaction, BPPA and Harvest Alaska, LLC (“Harvest”), a wholly-owned subsidiary of Hilcorp, have filed a joint application for approval of the transfer of the following assets and interests to Harvest: (1) BPPA’s RCA issued CPCN No. 311 for the operation of BPPA’s interest in TAPS, and (2) BPPA’s entire interest in TAPS.

PWSRCAC is an independent nonprofit corporation whose mission is to promote environmentally safe operation of the Valdez Marine Terminal (“VMT”) and associated tankers. PWSRCAC is guided by the Oil Pollution Act of 1990 (“OPA 90”) and its contract with Alyeska Pipeline Service Company (“Alyeska”). PWSRCAC’s 18-member organizations are communities in the region affected by the 1989 *Exxon Valdez* oil spill, as well as commercial fishing, aquaculture, Alaska Native, recreation, tourism, and environmental groups and the Alaska State Chamber of Commerce. PWSRCAC is certified by the United States Coast Guard as an alternative voluntary advisory group for Prince William Sound under 33 U.S.C. § 2732(o) of OPA 90,<sup>2</sup> along with other provisions of OPA 90, which provides for the PWSRCAC to review, study, monitor, and thereby offer advice and recommendations regarding the activities of terminal facilities including the VMT and crude oil tankers in the Prince William Sound region. Accordingly, the financial and organizational capacity of Hilcorp and/or Harvest to properly resource VMT and tanker operations and to prevent and respond to oil spills and other safety or environmental incidents is of critical importance to the citizens of PWSRCAC’s region.

The Application, if granted, will result in the transfer of operational control over TAPS from one of the world’s largest and most well-resourced oil companies to a mid-sized, privately held company with no record of successfully and safely operating comparable facilities. The RCA’s decisions concerning whether to approve and what conditions are required for approval of the Application will affect the development of Alaska’s resources for the foreseeable future.

Hilcorp and/or Harvest has requested a waiver of the requirement to provide audited financial statements under 3 AAC 48.625(a)(7)(B). PWSRCAC has concerns whether Hilcorp and/or Harvest are financially fit, willing, and able to safely and successfully operate the VMT and associated tankers, and recommends and advises Hilcorp and/or Harvest be required by the RCA to show it has the financial capacity to safely, successfully, and reliably operate the assets being acquired.

Further, as private companies, Hilcorp and/or Harvest have no ongoing obligation to publicly and periodically disclose audited financial statements. If the RCA determines they are fit, willing, and able to perform at the time of the Application, PWSRCAC further recommends and advises Hilcorp and/or Harvest be required to annually file with the RCA audited financial statements that would be available to the public. This periodic and public financial reporting obligation will ensure a similar level of transparency as has existed with BP and would further ensure Hilcorp and/or Harvest remain fit, willing, and able to perform during the entire period of their ownership of TAPS.

TAPS is one of the largest and most strategically important pipeline systems in the world and is the exclusive means of transporting Alaska North Slope (“ANS”) crude to Valdez, Alaska for further transport to market. Any disruption to the operation of the

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<sup>2</sup> 33 U.S.C. § 2701, *et seq.*

VMT or the ability to respond to an oil spill like the *Exxon Valdez* would devastate the citizens and communities PWSRCAC is authorized and mandated by law to help protect through its monitoring and advising of industry and regulators.

In light of the importance of TAPS to Alaska and its citizens, and the nature of Hilcorp and/or Harvest and its affiliates as operators, the PWSRCAC recommends and advises that the RCA should open a docket to fully examine the implications of the proposed transfer of operating authority as well as establish conditions that ensure the transfer is in the “best interest of the public.”<sup>3</sup>

## COMMENTS

### A. Operational Implications

The TAPS, including the VMT and tanker loading and escort operations, is operated by Alyeska, which is a jointly owned company created by the TAPS Carriers<sup>4</sup> and is directly responsible for all TAPS maintenance, operations, legal, accounting, and personnel activities. PWSRCAC’s understanding is that Alyeska does not directly deal with shippers or collect tariff revenue, and receives all of its funding through cash calls from the TAPS Carriers.<sup>5</sup> BPPA<sup>6</sup> is the largest of the TAPS Carriers and, as such, may have greater influence (i.e., holds effective veto power) over Alyeska management decisions, which directly impact operations at the VMT and associated tanker operations. Accordingly, Hilcorp’s acquisition of BP’s interest in TAPS will give Hilcorp and/or Harvest *de facto* control over Alyeska management decisions and operations. BPPA has provided strong leadership in the implementation of safety, maintenance, environmental, and quality assurance programs throughout its tenure as a TAPS Carrier. With the implementation and maintenance of these programs, VMT and tanker operations have rarely been disrupted and have resulted in relatively few environmental or safety incidents.

Assurance that the integrity of operations, maintenance, and environmental safety of the VMT and associated tanker operations is critical. The PWSRCAC advises that Hilcorp and/or Harvest should be required by the RCA to show it has the operational and financial capacity to continue to support safe operation of the VMT and associated tankers. Comments by Hilcorp representatives assert that Hilcorp and/or Harvest intends to reduce operating costs, which would likely adversely impact funding for programs and personnel dedicated to safety, maintenance, and quality control for the VMT and associated tankers.

The PWSRCAC is concerned over Hilcorp’s documented track record of significantly reducing operating costs. This is a particular concern in light of its history of regulatory noncompliance<sup>7</sup> and safety and environmental incidents, which include the

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<sup>3</sup> AS 42.06.305.

<sup>4</sup> The TAPS Carriers are currently BPPA; ConocoPhillips Alaska Transportation Inc. (“CPTAI”); ExxonMobil Pipeline Company (“EMPCo”); and Unocal Pipeline Company (“Unocal”), which has filed an application with the Commission to transfer Unocal’s ownership in TAPS to BPPA, CPTAI, and EMPCo (Docket P-19-018).

<sup>5</sup> See *Re BP Pipelines (Alaska) Inc.*, 146 FERC ¶ 63,019 at n.8 (2014).

<sup>6</sup> BPPA’s current ownership interest in TAPS is 48.4410 percent of the Pipeline and 47.5881 percent of the VMT tankage. (Application at 1, n.1).

<sup>7</sup> See Exhibit A, AOGCC Notice of Proposed Enforcement (November 12, 2015) at 5 (“The disregard for regulatory compliance is endemic to Hilcorp’s approach to its Alaska operations.”); (*continued p 4*)

death of an employee in 2018, the “near deaths of three rig personnel” in 2015,<sup>8</sup> and a 2017 gas leak in Cook Inlet that remained unrepaired for over four months while it leaked roughly 100,000 cubic feet of natural gas per day.<sup>9</sup> More recently, Hilcorp is reportedly responsible for a 302-gallon crude oil spill on August 3, 2019, and a 126-gallon crude oil spill on October 20, 2019.<sup>10</sup> According to Alaska Department of Environmental Conservation records, over the course of its operations in Alaska, which began in 2012, Hilcorp **is responsible for over 90 crude oil spills or discharges**<sup>11</sup> (emphasis added).

If Hilcorp and/or Harvest were to operate the VMT and associated tankers in the same manner as its other oil and gas facilities, PWSRCAC would be concerned that operations at the VMT would be exposed to an unacceptable risk of safety and environmental issues in addition to interruptions to service. The PWSRCAC advises that Hilcorp and its affiliates’ records of regulatory noncompliance and disproportionately high number of safety and environmental incidents while operating gas and oil production and transportation systems much smaller than TAPS warrants heightened Commission scrutiny of the Application and the imposition of conditions that ensures Hilcorp/Harvest will safely and reliably operate the VMT and associated tankers. Alaska and its residents should not be subjected again to the trauma and economic and environmental injury of a major oil spill because of the RCA agreeing to unacceptably high risks from such noncompliance and a high number of safety and environmental incidents without remedial action by the RCA.

## **B. Dismantlement, Removal & Restoration Implications.**

In addition to the operational and safety implications discussed above, the Application also involves the Dismantlement, Removal and Restoration (“DR&R”) obligations of Hilcorp and/or Harvest and BPPA. According to the Application, BPPA will retain all of its DR&R obligations and the expenses incurred in relation to those obligations.<sup>12</sup> PWSRCAC is concerned whether the RCA will have jurisdictional authority over BPPA to ensure that the funds to complete DR&R are available at the end of TAPS economic life at the time DR&R obligations become due. Ensuring that adequate resources are available for DR&R purposes is essential to protecting the interests of the Members of the PWSRCAC and the public at large. Accordingly, PWSRCAC recommends that the RCA require additional assurances from both BPPA and Hilcorp/Harvest regarding the duty to maintain sufficient funds in escrow or otherwise available to fully complete DR&R responsibilities and obligations.

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*See Exhibit B, AOGCC Decision and Order No. 80 (April 10, 2013) at 3 (“The aggressiveness with which Hilcorp is moving forward with operations appears to be contributing to regulatory compliance issues. Since Hilcorp commenced rig work in Alaska in April 2012, AOGCC Inspectors have observed rig crews unable to perform required BOPE component tests, rig crews not trained in use of well control equipment, and rigs with missing required equipment. Hilcorp’s compliance history from April through December 2012—including this enforcement action—shows 13 separate enforcement actions of varying severity since April 2012.”).*

<sup>8</sup> Exhibit A at 4.

<sup>9</sup> <https://dec.alaska.gov/spar/ppr/spill-information/response/2017/04-hilcorp/>.

<sup>10</sup> <https://dec.alaska.gov/Applications/SPAR/PublicMVC/PERP/SpillDetails?SpillID=64071>

<sup>11</sup> <https://dec.alaska.gov/Applications/SPAR/PublicMVC/PERP/SpillSearch> (Hilcorp spill data is available via this search mechanism).

<sup>12</sup> Such BPPA-retained DR&R obligations do not include those required or incurred as a result of modifications made to TAPS after the BPPA-Harvest transaction is completed.

**C. The RCA Should Require Public Access to Information Sufficient to Assess Whether the Transfer of Operating Authority is in the Best Interest of the Public.**

In order for the RCA to determine whether the transfer of operating authority to Hilcorp/Harvest is in the “best interest of the public,”<sup>13</sup> commenters should have the full opportunity to review financial and operational information necessary to make meaningful comments. Specifically, the PWSRCAC advises and recommends to the RCA that Hilcorp and its affiliates be required to publicly provide detailed information regarding:

- (1) Hilcorp and/or Harvest’s financial capacity to properly resource operations and respond to oil spills or other environmental and safety incidents;
- (2) Hilcorp and/or Harvest’s proposed plan for delivering North Slope crude oil to the West Coast including whether it will use the tanker fleet previously under contract to BP;
- (3) Hilcorp and/or Harvest’s plans and policies to ensure that proper safety, maintenance, and quality assurance programs will continue during and after the transition of operational control;
- (4) Hilcorp and/or Harvest’s estimates for increased throughput and plans to accommodate such increases; and
- (5) Hilcorp and/or Harvest’s proposed staffing levels and analysis of proposed operating cost reductions.

Because Hilcorp and its affiliates’ financial information has not been made available to the public, at this time, there is no mechanism for PWSRCAC or any other interested member of the public to review Hilcorp and its affiliates’ information to ensure and verify financial and operational capabilities.

Absent Hilcorp and its affiliates’ actual financial and operational plans, it is impossible for the public to adequately assess whether transfer of operating authority from BPPA to Hilcorp and/or Harvest is in the best interest of Alaska or to identify and make informed judgments about appropriate terms, conditions, and limitations required to ensure that it is. Accordingly, PWSRCAC advises and recommends that the RCA require Hilcorp to produce the financial information discussed in these comments and that the public have access to that information to ensure that its best interests are adequately protected.

**D. The RCA Should Require Terms and Conditions Sufficient to Ensure the Transfer of Operating Authority is in the Public’s Best Interest.**

Under AS 42.06.305, a regulated pipeline’s operating authority may not be transferred without the prior approval of the Commission; and, additionally, the Commission’s decision on an application to transfer a controlling interest of a pipeline carrier holding a CPCN, such as requested in the Hilcorp and/or Harvest/BPPA Application, “**shall be based on the best interest of the public.**” The Commission has the authority under AS 42.06 to prescribe such requirements as are necessary for the safety, accommodation, and convenience of the public and a pipeline’s users<sup>14</sup> and to place

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<sup>13</sup> AS 42.06.305.

<sup>14</sup> AS 42.06.310.

terms and conditions on the transfer of operating authority sufficient to ensure that the best interest of the public is protected.<sup>15</sup>

In 1999, when BP and ARCO proposed to merge their Alaska assets, including ownership in TAPS, there was a Charter for Development of the Alaskan North Slope that was entered into between the State of Alaska, BP, and ARCO<sup>16</sup>. The State of Alaska had determined that its support of this merger was contingent upon certain conditions, including but not limited to, environmental and community commitments. Commitments were related to management and operations, including providing a safe environment; maintaining training and qualifications for personnel; and facility and vessel operations, maintenance, and management procedures, among other things. PWSRCAC advises that additional protections, using the State of Alaska's 1999 as an example, should be identified as conditions contingent upon the proposed transfer to maintain programs, personnel, and resources to safely and reliably operate the VMT and associated tankers.

PWSRCAC recommends that the RCA invoke its regulatory powers to:

- (1) set a specific reasonable time frame for the filing of petitions of interested persons to intervene into this proceeding;
- (2) permit interveners to participate in an evidentiary process to establish a complete record in this proceeding;
- (3) establish conditions for approval of the Application consistent with the recommendations set forth in these comments and specifically incorporating those conditions suggested in the State of Alaska's 1999 Charter for Development of the Alaskan North Slope relating to ongoing obligations to maintain programs, personnel, and resources to safely and reliably operate the VMT and associated tankers;<sup>17</sup> and
- (4) require that Hilcorp and its affiliates and BPPA maintain and annually publicly report audited financial statements to demonstrate financial resources sufficient to respond to environmental and safety issues and potential catastrophes and to satisfy DR&R responsibilities.<sup>18</sup>

## CONCLUSION

Hilcorp and/or Harvest's proposed acquisition of BPPA's interest in TAPS and the conditions associated with this acquisition have wide-ranging implications that are of crucial importance to the safe and reliable operation of the VMT and associated tankers that transit Prince William Sound. Accordingly, the PWSRCAC recommends that

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<sup>15</sup> AS 42.06.140 (Providing the RCA the authority to place "necessary and reasonable terms, conditions and limitations" on permits for oil pipeline facilities.)

<sup>16</sup> See Exhibit C: 1999 Charter for Development of the Alaskan North Slope between the State of Alaska, BP and ARCO.

<sup>17</sup> See, e.g., the Commission's analysis of TAPS Carriers demonstrating "by their past performance and current standing with the Commission that they, *with support of their corporate parents*, have the required expertise and financial fitness to provide common carrier pipeline service on TAPS." *Re Mobil Alaska Pipeline Co.*, Order P-00-007(1) at 5-6 (Mar. 19, 2001) (emphasis added).

<sup>18</sup> Such protections should include mechanisms for the enforcement of BP's DR&R obligations, including those owed to the public for over collection of DR&R funds.


the RCA require production of the information identified in these comments and allow intervening parties to participate in a hearing to fully develop a record. The view of the PWSRCAC is that only upon analysis of a full record can the RCA fully meet its regulatory duty to determine whether the transfer of operating authority for Alaska's single most important infrastructure system is in the best interest of the public and what terms and conditions are required to ensure the safe and reliable operation of the VMT and associated tankers.

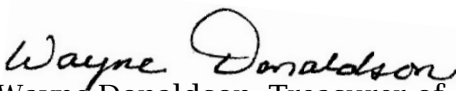
Alyeska Pipeline Service Company, in particular its Ship Escort/Response Vessel System, is recognized as a world-class oil spill prevention and response system. Any actions that would diminish safeguards put in place after the 1989 *Exxon Valdez* oil spill would be viewed unfavorably by PWSRCAC and the entities and communities that are members of this organization and would not be in the best interest of the public.


The PWSRCAC recognizes the serious challenges that the RCA has before it regarding the Application and stands ready to offer further comments as the RCA works to responsibly consider and act upon the Application, Docket no. P-19-017.

Thank you for your consideration of these comments.

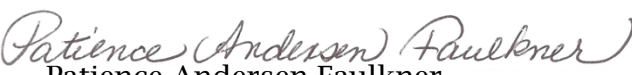
Sincerely,


  
Robert Archibald, President of  
PWSRCAC and Executive Committee  
Member, Representative from the City  
of Homer


  
Wayne Donaldson, Treasurer of  
PWSRCAC and Executive Committee  
Member, Representative from the City  
of Kodiak

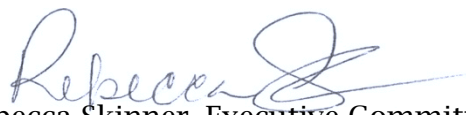
  
Bob Shavelson, Secretary of PWSRCAC  
and Executive Committee Member,  
Representative from the Oil Spill Region  
Environmental Coalition

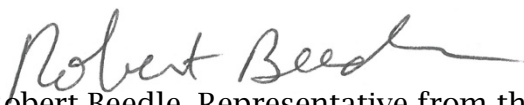
  
Peter Andersen, Executive Committee  
Member-at-Large, Representative from  
the Chugach Alaska Corporation


  
Patience Andersen Faulkner,  
Representative from Cordova District  
Fishermen United

  
Amanda Bauer, Vice President of  
PWSRCAC and Executive Committee  
Member, Representative from the City  
of Valdez

  
Thane Miller, Executive Committee  
Member-at-Large, Representative from  
the Prince William Sound Aquaculture  
Corporation

  
Rebecca Skinner, Executive Committee  
Member-at-Large, Representative from  
the Kodiak Island Borough

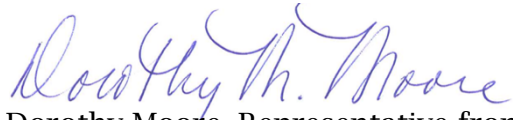
  
Robert Beedle, Representative from the  
City of Cordova

  
Michael Bender, Representative from  
the City of Whittier

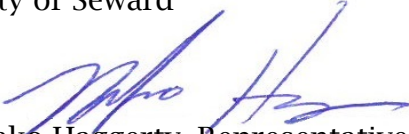




Rob Chadwell, Representative from the City of Seward



Dorothy Moore, Representative from the City of Valdez



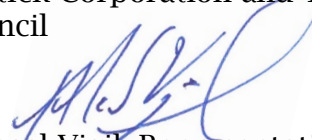
Mako Haggerty, Representative from the Kenai Peninsula Borough



Roy Totemoff, Representative from Tatitlek Corporation and Tatitlek IRA Council



Luke Hasenbank, Representative from the Alaska State Chamber of Commerce



Michael Vigil, Representation from Chenega Corporation and Chenega IRA Council



Conrad Peterson, Representative from the Kodiak Village Mayors Assn.



Kirk Zinck, Representative from the City of Seldovia

Enclosures:

Exhibit A: November 12, 2015 Alaska Oil and Gas Conservation Commission notification of proposed enforcement action

Exhibit B: April 10, 2013 Alaska Oil and Gas Conservation Commission Decision and Order

Exhibit C: December 2, 1999 Charter for Development of the Alaskan North Slope

Cc: The Honorable Mike Dunleavy, Governor of Alaska

Honorable Members of the Alaska State Senate, 31<sup>st</sup> Alaska State Legislature

Honorable Members of the Alaska House of Representatives, 31<sup>st</sup> Alaska State Legislature

Rich Novcaski, Vice President and Pipeline Manager  
Harvest Alaska, LLC  
3800 Centerpoint Drive, Suite 1400  
Anchorage, Alaska 99503  
[rnovcaski@harvestmidstream.com](mailto:rnovcaski@harvestmidstream.com)

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Anchorage, Alaska 99501  
[mmclaughlin@guessrudd.com](mailto:mmclaughlin@guessrudd.com)



November 21, 2019

To: Executive Committee Members: Patrick Mede, President; Brian Vecchilio, Treasurer; Kari Dendurent, Secretary; Tom Soderholm, President-Elect

From: Jan Knutson, Interim Executive Director

Re: Budget Request to City of Homer for \$51,000 plus \$14,000 in new money for a seasonal Spit Visitor Center (Spit-VIC)

### **Background Information**

We will be making a presentation to the Homer City Council, Mayor Ken Castner and City Manager Katie Koester on Monday, November 25, 2019 at 6:00 pm in the City Council Chambers. Jan Knutson, Interim Executive Director and Tom Soderholm, Board President-Elect will make the presentation. We will request \$51,000 for fulfillment and continuation of our 3-year contract "Homer Chamber & Visitor Center Economic Development & Tourism Marketing Agreement." We will also request \$14,000 in new money to establish a Seasonal Visitor Center "Spit VIC" in the former Chamber Derby Shack from May 1 through September 30, 2020.

I spoke with Bryan Hawkins, Port Director & Harbormaster regarding this proposal. Here is a summary of our conversation:

- The Chamber Derby Shack was established on the Spit over 20+ years ago as an informal agreement with no formal written agreement that the Chamber would provide the small building and the City and Harbor would provide the location rent free. The purpose was to provide space and staff for the Halibut Tournament, which ran from May 15 to September 15 and also served as a Visitor Information Center.
- In 2019, the Halibut Derby was discontinued as a 3-month endeavor and converted into a Halibut Tournament for two days on Friday and Saturday during the first week of June in 2020.
- We are proposing that the Derby Shack be converted into a Seasonal Visitor Center from May 1 through September 30<sup>th</sup> with a Volunteer Coordinator (\$12,000 seasonal hour wage) and \$2,000 for building spruce-up and new signage for a total of **\$14,000**. (Possible change Memorial Day through Labor Day).
- Bryan Hawkins is supportive of this proposal to have a significant visitor information presence on the Spit for visitors and locals alike. He indicated that the "Shack" is in a good location for visitors to pull off the road, park and come into the Spit Visitor Center and that it is an enhancement of the visitor info that we've provided there for years. It would also attract cruise ship passengers (14 cruise ships are coming into Port in 2020) and locals who walk, run and/or bike on the Spit trail. Bryan said that they receive a lot of inquiries from visitors who call or come into the Harbor Master office for all kinds of information on the Spit including specific information on businesses and parking on the Spit, that a Visitor Center Manager would be better equipped to respond to regarding Chamber Members – for fishing and bear viewing charters, restaurants, camping and RV parks, hotel and oceanfront studio apartments for rent nightly or weekly.

Edited version by Patrick and Kari – Jan Knutson Interim Executive Director, November 21, 2019



# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Planning

491 East Pioneer Avenue  
Homer, Alaska 99603

[Planning@ci.homer.ak.us](mailto:Planning@ci.homer.ak.us)

(p) 907-235-3106

(f) 907-235-3118

### MEMORANDUM 19-156

TO: MAYOR CASTNER AND HOMER CITY COUNCIL  
THROUGH: KATIE KOESTER, CITY MANAGER  
FROM: RICK ABBOD, CITY PLANNER  
DATE: NOVEMBER 13, 2019  
SUBJECT: MORATORIUM

The Planning Commission reviewed Councilman Smith's moratorium proposal at their meeting of 6<sup>th</sup>, and held a public hearing. After making several motions, the four of the five members of the Commission present supported the proposal.

The motions made by the Commission further clarified details of the proposal. These include clarification that the intent is to solely prohibit CUP application for the area displayed in the attachment, it is not intended to prohibit any project already underway or any permitted use.

Generally, the Commission would have had the proposal amended and reviewed at the next meeting. Due to the expected turnaround to the Council's November meeting, time did not allow for that process. A preliminary draft of the proposal has not been amended for Commission review, the Commission made a motion for Attorney review.

### Attachments

Staff report 19-92

Meeting minutes of Planning Commission, November 5, 2019

Draft ordinance and attachment



# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Planning

491 East Pioneer Avenue  
Homer, Alaska 99603

[Planning@ci.homer.ak.us](mailto:Planning@ci.homer.ak.us)

(p) 907-235-3106

(f) 907-235-3118

### Staff Report PL 19-92

TO: Homer Advisory Planning Commission  
FROM: Rick Abboud, City Planner  
DATE: November 6, 2019  
SUBJECT: Draft Ordinance 19-90 six-month moratorium on medical clinics and professional offices in the Residential Office District

---

### Introduction

Councilman Smith introduced the ordinance to the City Council and recommended that the Planning Commission review and make a recommendation.

### Analysis

Mr. Smith seems to be concerned that CUP applications in the area to be considered for a medical office zoning may hinder the Planning Commissions ability to make a proposal regarding formulating a recommendation for a medical district. While I do not have a memo from Councilman Smith, I do have an excerpt from the discussion of the subject at the October 14<sup>th</sup> City Council meeting.

Heath said We've seen an uptick in CUP's up there and he thinks its been high on the PC's list to get this done. He believes we need to give them an opportunity to consider that without any other CUP's presented that might slow that progress down. Its currently on hold because of another project that's being contested, all it takes is one more person to protest and it completely stops it. And so he thinks we're getting to the point that they need to be able to deliberate and holistically look at the development of that district, and it's something that's in the comp plan, and that they can do that fully and with their attention completely on that without any further distraction.

Caroline asked if PC has this on their radar and we're going to put a moratorium on cups is it legal? Gatti, yes legal and appropriate to refer to PC.

Currently, in the area of consideration for a medical district, we have had a decision on the appeal of the remand hearing of the medical clinic and the appellant has until November 15<sup>th</sup> to appeal to the Superior Court. In my opinion, it is extremely unlikely that this item will be appealed. This should allow the Planning Commission take up the subject of a medical district at their first meeting in December.

## **Moratoriums**

Typically, a moratorium is used for one of two purposes. The first being when a local government is preparing a comprehensive plan or extensive amendment of land development codes and is trying to avoid a rush of applications that would be contrary to the proposed plan or regulations. It may also be used when there is an inadequacy or lack of capacity in public facilities to serve new development.

A defensible moratorium ordinance is expected to have several components that courts use to weight the proposal. The proposal is expected to be a response to a compelling need, typically a significant threat to public health, safety, or welfare. A qualified professional should determine threats. As an example, the City Engineer may determine that water and sewer are inadequate to serve anticipated development. The moratorium should be specific to purpose, area, and have an end date.

This proposal has several of the elements identified above, but does not meet all the criteria. It does have a specific end date and a clearly defined area of applicability. It is stated that the moratorium applies to professional offices and medical clinics, but it could be made more specific to avoid confusion. Professional office is a permitted use and medical clinic is a conditional use. The ordinance should call out the specific type of permit that is subject to moratorium. It is not clear if the proposal is to stop all permitting or that it may or may not apply to an approved CUP that has not received a zoning permit, such as the recently approved medical clinic.

Ideally, the most defensible argument for a moratorium would be found in the comprehensive plan. No planning documents of the City of Homer addresses the need for moratoriums in the planning process. A moratorium should forward a legitimate government purpose and not be arbitrary or capricious, as a moratorium is a suspension of established rights. I do not find that the threat of another professional office or medical clinic in the Residential Office District near the hospital is enough to upset the integrity of the district, process, or represents a significant threat to health, safety, or welfare.

## **Staff Recommendation**

Due to the lack of support by the comprehensive plan, or a convincing statement of problem, or evidence cited by a professional that infrastructure is inadequate; I do not recommend that a moratorium be enacted. Discuss and make recommendation to the City Council.

## **Attachments**

Draft ordinance with attachment

*Planning Commission 11/5/19 unapproved minutes excerpt*

- B. Staff Report 19-92, Draft Ordinance 19-49 to place a six-month moratorium on professional offices and medical clinics in the Residential Office District

Chair Venuti introduced the item by reading of the title into the record.

City Planner Abboud provided a summary of Staff Report 19-92 for the Commission stating that Council member Smith was present and could provide clarification. He noted his misunderstanding of the ordinance being brought forward.

Councilmember Smith provided information that this ordinance was brought forth to allow the Commission time to deliberate on how a medical district would be shaped without interruption. He stated that it is not meant to stop development only to allow the Commission time to complete the process without the possibility of applications or appeals. He further stated that it was to protect the process.

Chair Venuti opened the Public Hearing.

Scott Adams, city resident, stated that if the Commission approves the overlay of a medical district that they change the setback requirements noting the perceived diminishment of value to neighboring residences.

Chair Venuti closed the Public Hearing.

Commissioner Highland requested clarification on the six month moratorium stops applications for building from property owners in the district. She had concerns with stopping a property owner from going forward with a project acknowledging the delay caused by the appeals.

Councilmember Smith appreciated the Commissioners concerns but he wanted to assure the Commission unfettered discussion and proceed to conclusion noting that Mr. Abboud has stated that this is expected to be a fairly quick process and if that happens then the moratorium can be removed prior to the six month.

Councilmember Smith responding to Commissioner Highland's comment on "being unusual" noted that a moratorium was used when the issue of box stores came up in order to define how that building or improvements could be constructed. This is about allowing the Commission the opportunity to discuss the medical district before it is stopped.

Commissioner Bentz requested City Planner Abboud to outline the steps if the Commission does start this process of the medical district and someone submitted an application for a

Conditional Use Permit, what basis or reason would the Commission stop their work on a Medical District.

City Planner Abboud provided the timeline for the application, and if an appeal was filed and if it was called into question on the very concept that the Commission was debating in creating a district may be determined by a judge as not proper.

Commissioner Bentz recounted work done on the Borough Planning Commission level recently.

City Planner Abboud was not sure an application would prevent the Commission from completing their work, he does not have a legal memorandum on this as yet.

Chair Venuti inquired if the moratorium would affect Conditional Use Permits issued.

City Planner Abboud stated that it would not and the ordinance can be cleaned up by Council to make that clearer.

Councilmember Smith assured Chari Venuti that it would not affect CUP's that have been issued but would stop any new CUP's.

Chair Venuti expressed concern regarding placing the moratorium.

Councilmember Smith responded that by being proactive and with the assurance of City Planner Abboud that this will be a fairly quick process, comments he has received by parties that said they will appeal it if it happens he believes that this will allow the Commission a window of time. He is erring to the side of caution and clear table to get this done.

Commissioner Highland stated that they could recommend a change to the ordinance that language to reflect imposing a moratorium up to six months.

City Planner Abboud agreed with that amendment would provide clarification.

Commissioner Bentz commented that dependent on how time sensitive this is, if they were considering working on the Medical District in December, her inclination was to postpone voting on the ordinance until the amendments could be written into the ordinance, such as the one just recommended by Commissioner Highland, but also clarification on if the CUP process and Medical District planning process is decoupled and doesn't affect each other that is one reason not to have a moratorium but if there is a reason that having a CUP or appeal process while they are planning the Medical District she would like to have legal justification.

Councilmember Smith responded that planning the Medical District was postponed due to the appeals that were filed at the recommendation of the City Attorney, City Planner Abboud can attest to this, due to the ramifications that may counter the work done by the Commission. He is trying to avoid that for the Commission.

Commissioner Bentz requested follow-up asking about the current appeal.

City Planner Abboud recommended that due to the tight time constraints he suggested forwarding recommendations to the Council and let them make the changes there.

Commissioner Highland believed that the Medical District will create some controversy and does not know the length of time that will take but does a resident have the ability to go to an attorney and stop the Commission from working on this.

City Planner Abboud responded that if someone had the means and wherewithal they could seek an attorney's opinion, he could not comment on what action would result from that.

Chair Venuti requested a motion seeing no further comments or questions.

BENTZ/DAVIS MOVED TO FORWARD A RECOMMENDATION OF SUPPORT FOR ORDINANCE 19-XX ESTABLISHING A SIX MONTH MORATORIUM ON APPLICATIONS FOR PROFESSIONAL OFFICES AND MEDICAL CLINICS IN THE RESIDENTIAL OFFICE DISTRICT WITH THE FOLLOWING AMENDMENTS:

1. TO CLARIFY THE SPECIFIC TYPE OF PERMIT THAT IS SUBJECT TO THE MORATORIUM
2. TO STOP ALL PERMITTING IN THE RESIDENTIAL OFFICE DISTRICT
3. DOES NOT APPLY ALREADY APPROVED PERMITS THAT HAVE NOT RECEIVED A ZONING PERMIT
4. AMEND THE TIME UP TO SIX MONTHS AS THE PLANNING COMMISSION REQUIRES

Commissioner Highland questioned stopping all permitting in the residential office district.

City Planner Abboud noted that the language should reflect "conditional use." It specifically excludes zoning permits.

Commissioner Davis requested clarification on applications would still be allowed.

City Planner Abboud responded that they would be subject to the moratorium there would be no action on them.

BENTZ/HIGHLAND – MOVED TO AMEND THE LANGUAGE IN THE SECOND RECOMMENDATION TO STOP ALL CONDITIONAL USE PERMITTING APPLICATIONS NOT ALREADY UNDERWAY IN THE RESIDENTIAL OFFICE DISTRICT.

There was discussion on zoning permits would still be allowed, up to six months would allow them to start processing applications after six months would require legal input, clarification on not including professional offices in the motion.

VOTE. (Amendment). NO. HIGHLAND, PETSKA-RUBALCAVA, BENTZ, DAVIS, VENUTI

Motion failed.

Commissioner Bentz recounted the Commission action since her motion and asked Commissioner Rubalcava if she would like to make the next motion.

PETSKA-RUBALCAVA/BENTZ MOVED TO AMEND THE MOTION TO REMOVE FROM LANGUAGE THE WORDS PROFESSIONAL OFFICES.

There was no discussion.

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

Motion carried.

Commissioner Highland then requested clarification on the need to amend the motion to change all permitting.

HIGHLAND/BENTZ - MOVED TO AMEND THE LANGUAGE TO STOP ALL CONDITIONAL USE PERMITTING APPLICATIONS NOT ALREADY UNDERWAY IN THE RESIDENTIAL OFFICE DISTRICT

Commissioner Bentz stated for the record that this was the motion that was voted down previously and called for unanimous consent.

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

Motion carried.

Commissioner Bentz recommended forwarding this ordinance to Council with recommendation to consult with the City Attorney.

VOTE. (Main Motion as Amended). YES. DAVIS, HIGHLAND, BENTZ, PETSKA-RUBALCAVA.

VOTE. NO. VENUTI.

Motion carried.



Chair Venuti called for a recess at 7:52 p.m. The meeting was called back to order at 7:58 p.m.

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

3 Planning

4 **ORDINANCE 19-xx**

5  
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA  
7 IMPOSING A TEMPORARY SIX-MONTH MORATORIUM ON  
8 APPLICATIONS FOR PROFESSIONAL OFFICES AND MEDICAL  
9 CLINICS IN THE RESIDENTIAL OFFICE DISTRICT AND DIRECTING  
10 THE PLANNING COMMISSION TO MAKE A RECOMMENDATION TO  
11 THE CITY COUNCIL FOR THE CREATION OF A MEDICAL DISTRICT  
12 IN THE VICINITY OF THE SOUTH PENINSULA HOSPITAL DURING  
13 THIS TIME FRAME.

14  
15 WHEREAS, The 2018 Homer Comprehensive Plan Land Use Recommendations Map  
16 identifies areas in the Residential Office District south of the South Peninsula Hospital be  
17 considered for a future medical district; and

18  
19 WHEREAS, The 2018 Homer Comprehensive Plan Land Use Chapter Goal 1, Objective B  
20 recommends updating the zoning map to reflect a desired pattern of growth; and

21  
22 WHEREAS, Medical District planning is part of the Homer Planning Commission's  
23 current work list; and

24  
25 WHEREAS, A moratorium on the permitting of professional office and medical clinics  
26 will allow the area under consideration for a medical district to remain consistent during the  
27 planning process; and

28  
29 WHEREAS, The Planning Commission is directed to work with the neighborhood and  
30 produce a recommendation regarding the creation of a medical district by June 30, 2020.

31  
32 NOW THEREFORE, THE CITY OF HOMER ORDAINS:

33  
34 Section 1. That the uncodified law of the City of Homer is amended to include the  
35 following:

36  
37 A moratorium of the permitting of professional offices and medical clinics for the area display  
38 in Attachment A shall be in effect until June 30, 2020.

39  
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41 Section 2: This ordinance is of a temporary nature and shall not be included in the  
42 City Code.

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ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER THIS \_\_ DAY OF \_\_\_\_\_,  
2019.

CITY OF HOMER

\_\_\_\_\_  
KEN CASTNER, MAYOR

ATTEST:

\_\_\_\_\_  
MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

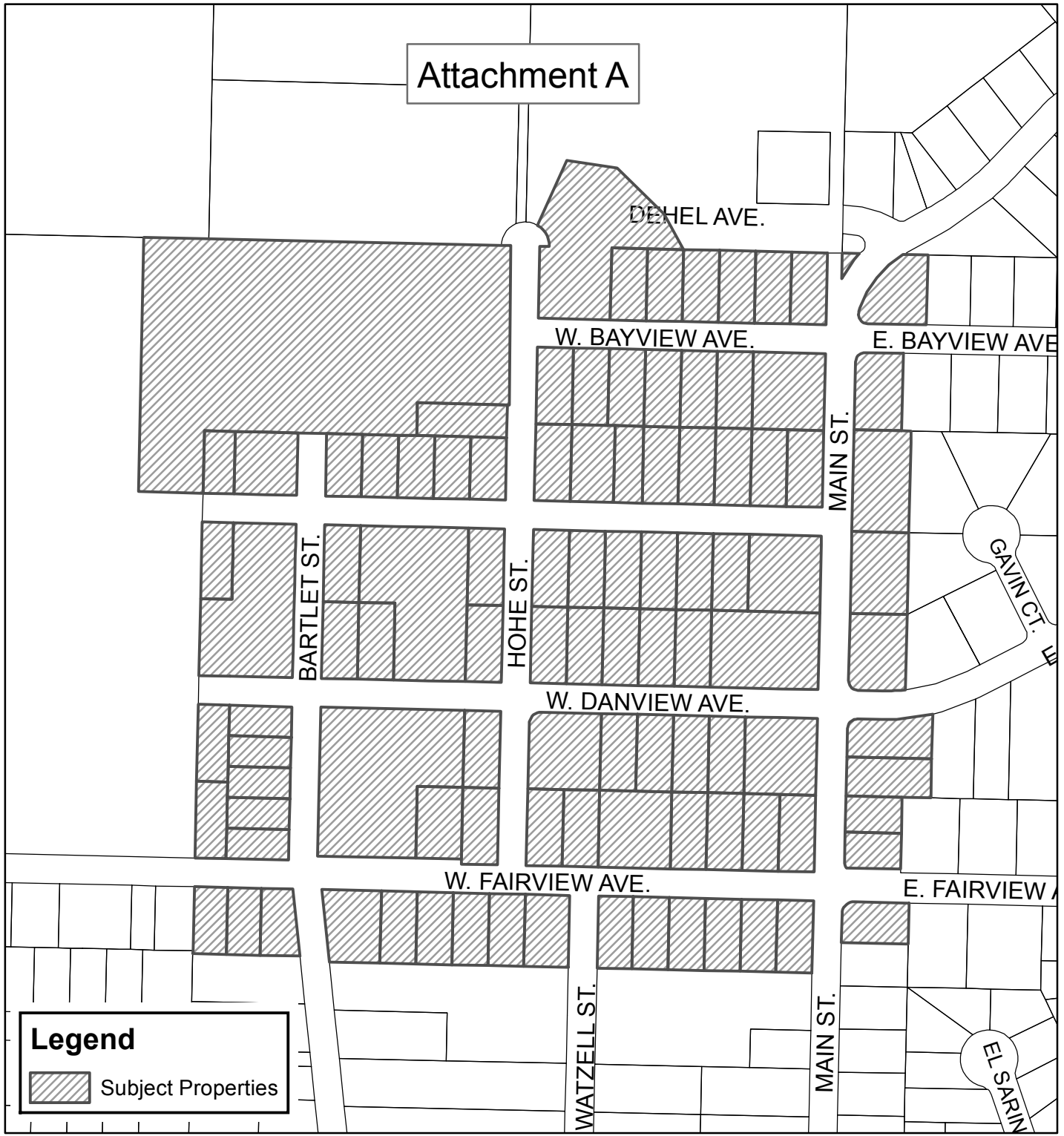
\_\_\_\_\_  
Katie Koester, City Manager

\_\_\_\_\_  
, City Attorney

Date:\_\_\_\_\_

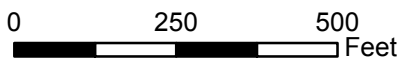
Date:\_\_\_\_\_

Attachment A



**City of Homer**  
 Planning and Zoning Department  
 10/4/2019

Subject Area of  
 Residential Office  
 District Moratorium



**Disclaimer:**  
 It is expressly understood the City of Homer, its council, board, departments, employees and agents are not responsible for any errors or omissions contained herein, or deductions, interpretations or conclusions drawn therefrom.

Councilmember Donna Aderhold's proposed amendments to Ordinance 19-49(S)

1. Line 8, add NON-RESIDENTIAL in front of CONDITIONAL.
2. Line 25, add non-residential in front of conditional.
3. Delete lines 29 and 30 (this should be ordained, see below)
4. Revise lines 37 and 38 to read "A moratorium on issuing non-residential conditional use permits for the area displayed in Attachment A shall be in effect until June 30, 2020."
5. Revise lines 40-42 to read "The City will not accept any additional conditional use permit applications that are subject to this moratorium. This does not apply to those conditional use permit applications that have been previously received and/or approved."
6. Line 44, add "Section 2. The Planning Commission is directed to work with the neighborhood and produce recommendations regarding the creation of a medical district by June 30, 2020. The recommendations should come in the form of a draft ordinance and a memo explaining the recommendations and process followed to develop them."
7. If amendment above it made, change Section 2 to Section 3 on line 45.
8. Line 79, add Michael Gatti in front of comma.

The intent of my proposed amendments is to focus the moratorium to non-residential CUPs and to clearly direct the Planning Commission as stated in the title. The reason I suggest that the recommendation come back to Council as an ordinance is to potentially expedite the implementation process. One small concern I have is that the moratorium is lifted at the time the recommendations come Council and we may end up with a mismatch of timing in that the moratorium will lift before new zoning code is implemented. Another way to address this would be to modify the date the moratorium lifts until later in 2020 to give Council time to work through the recommendations and implement them.

## 2020/21 Proposed Budget Amendment Form

**Fund Name:** General Fund

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**Project Name:** Hosting AML Summer 2021 Conference

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2021 Budget Amendment					
Account #	Account name	Page #	Increase	Decrease	Balance
100-0100-5206	Food and Staples	53	\$2,000		\$3,600
100-0100-5990	Transfer to Reserves	53		\$2,000	\$412,758

**Rationale:**

Funding is needed to host the AML Spring 2021 Conference. Costs associated with hosting (space rental, food, etc.), currently estimated at \$2,000 will be funded by reducing the transfer to General Fund Reserves.

Any additional costs associated with the conference will be covered using the Volunteer Incentives budget line item for 2021.

Transfer to General Fund reserves balance does not take into account the approval of the police officer position (reduces GF reserves by \$41,301 in 2021) or the Council Travel budget amendment (reduces GF reserves by \$3,500 in 2021).

---

Requested By:  
Councilmember Venuti

---

Prepared By:  
City Manager



# 2020 CITY OF HOMER FACILITY TOURS



Old Police Station

## JANUARY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

- January 10- Fire Station
- January 17- Old Police Station
- January 24- Library



Water Treatment Plant

## FEBRUARY

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

- February 7- Public Works Building
- February 21- Water Treatment Plant
- February 28- Sewer Treatment Plant



Public Library

## MARCH

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

- March 6- Harbormaster's Office

Bring in the New Year by joining the City for behind-the-scenes tours of your community's facilities! Come learn firsthand about the inner workings of the City. All tours will be held 12:15 - 1:15 PM. RSVP to as many as you like online by visiting [www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov) or by calling 907-435-3102. Attendance is limited to 30 people per tour. **Details will be shared once you RSVP!**

(Can't make it but are interested in a future tour? Please call 907-435-3102.)