

Lease Committee
Special Meeting
Wednesday
March 28, 2012
3:00 p.m.



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



**NOTICE OF MEETING
SPECIAL MEETING AGENDA**

- 1. CALL TO ORDER**
- 2. APPROVAL OF AGENDA**
- 3. PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA** *(The Public may speak to the Committee regarding matters on the agenda that are not scheduled for Public Hearing. There is a 3 minute time limit.)*
- 4. APPROVAL OF MINUTES** *(Minutes are approved during regular meetings only)*
- 5. VISITORS** *(For scheduled guest, time limit 10 minutes.)*
- 6. STAFF & COUNCIL REPORTS/COMMITTEE REPORTS/BOROUGH REPORTS**
 - A. Staff Report – Updates and Status Reports Page 5
- 7. PUBLIC HEARING** *(Time Limit for testimony is set at 3 minutes per person.)*
- 8. PENDING BUSINESS** *(Testimony or presentation by a proposal applicant is set at 10 minutes.)*
 - A. Dockside Two Lease Proposal Page 9
- 9. NEW BUSINESS** *(Testimony or presentation by a proposal applicant is set at 10 minutes.)*
- 10. INFORMATIONAL MATERIALS**
- 11. COMMENTS OF THE AUDIENCE**
- 12. COMMENTS OF THE CITY STAFF**
- 13. COMMENTS OF THE COUNCILMEMBER (If one is assigned)**
- 14. COMMENTS OF THE CHAIR**
- 15. COMMENTS OF THE COMMITTEE**
- 16. ADJOURNMENT/NEXT REGULAR MEETING IS SCHEDULED FOR APRIL 12, 2012 AT 3:00 P.M.** at City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue Homer, Alaska 99603.

MEMORANDUM

TO: Lease Committee

FROM: Walt Wrede *W. Wrede*

DATE: March 28, 2012

SUBJECT: Staff Report / Lease Application for William Sullivan dba Dockside II

Introduction:

William Sullivan has a land lease with the City of Homer for Lot 88-3 on the Homer Spit. The lease expires on April 15, 2012 including all options. Mr. Sullivan has requested a new lease without a competitive bidding process pursuant to Chapter 11.2. (F) of the Lease Policies. Mr. Sullivan provided notification that he desired a new lease and submitted his application in a timely manner.

It is the policy of the City that that equal opportunities should be provided to compete for the right to lease public land. (See 11.2 (E) attached). A lessee whose lease has expired has no automatic right to renewal or extension and the Lease Committee is directed to offer such properties to the public through the RFP / competitive bidding process. The City Council may offer a new lease to a lessee whose lease has expired without competitive bidding if it finds that it is in the best interest of the City to do so but it must make findings based upon specific criteria. (See 11.2 (F) attached). These criteria set a high bar and if the Committee recommends a new lease for Mr. Sullivan, it should provide its own findings and recommendation pertinent to these criteria.

The Lease Committee first considered Mr. Sullivan's application / proposal at its meeting on February 16, 2012. At that meeting, the Committee voted to reject the application as incomplete and unresponsive and to make this parcel available for lease through the RFP process. The Committee expressed concern about the lack of required information in the proposal and the fact that Mr. Sullivan did not make an appearance at the meeting to provide any further support for his request.

After the February 16th meeting, Mr. Sullivan contacted the City Manager's office to ask about the results of the meeting. He was informed of the Committee's action and encouraged to begin working on and improving his proposal if he intended to submit one when the RFP went out. Mr. Sullivan asked if the Committee had seen the letter he submitted by e-mail a day before the meeting which he said addressed many of the criteria. I told him that we had not received anything and that in fact, the Committee had taken a five minute break to allow me to go up to the office and double check.

After Mr. Sullivan provided evidence that he might have in fact attempted to send something, we checked all possible computers and e-mail accounts but found nothing. I then asked the City's Information Technology staff to review all back-up e-mail files so see if there was any evidence of a submittal. It turned out that Mr. Sullivan did indeed attempt to send a letter on the date and time he stated. But the file was quarantined as either spam or a file containing a virus. Therefore, nobody

received it. We might have received a routine junk mail or virus message but it did not attract anyone's attention at the time. Mr. Sullivan did not call before the meeting to confirm that we received his e-mail.

Mr. Sullivan asked if a reconsideration was possible. There are no provisions in the Lease Policies for reconsiderations in cases like this. In other words, the policies do not say the Committee can do it but they don't say it can't either. I consulted with the Chair and we had a good discussion about it. We concluded that given Mr. Sullivan's history on the Spit, his investment, and his contribution to the fisheries and the local economy, that he deserved the benefit of the doubt and another chance to make his case. The final decision on that is of course, up to the Committee. But we wanted to give you the opportunity to consider the new facts in this case. That is the purpose of this Special Meeting.

In the original staff report, I noted that Mr. Sullivan had several zoning issues which he would need to address as a condition to a new lease. I can report that he is making a concerted effort to come into compliance and he is working closely with the Planning Department on those issues. He is also working to obtain Fire Marshall approval of his development. Selected evidence of this work is included in the packet for your information.

The Application / Proposal

Chapter 5.2 (A) of the Lease Policies contains the information that must be included in the lease application / proposal if it is to be considered complete and responsive. A copy of Chapter 5.2 (A) is attached for reference. The original application was found to be incomplete on February 16, 2012 because it did not include some very important information such as the legal description, the number of parking spaces required, a plot plan, a development plan that includes timetables, proof of insurance, and agency approvals / permits including DEC, ADF&G, and a business license. The application also did not include some of the other information required by Section 5.2(A); most importantly, the information that is directly pertinent to the proposal scoring criteria. (The scoring criteria are discussed in more detail below.) A detailed site plan drawn to scale was also missing.

Much of this information has now been submitted and supplements the original application. For example, we have now received proof of insurance, copies of relevant agency approvals, and an as-built survey. The letter in question that we did not receive contains much of the information required by Chapter 6.2 B; enough information that the Committee can credibly evaluate the proposal using those criteria.

I conclude that the application is responsive and substantially complete.

Proposal Scoring Criteria

Chapter 6.2 (B) contains the scoring criteria to be used when evaluating an application / proposal. A copy is attached for reference. The original application contained a minimal amount of information and did not address most of the scoring criteria which is a requirement for a complete and responsive application. As noted above, supplemental information has been provided which makes the application

substantially complete and ready for a formal review based upon the scoring criteria. Comments on the criteria follow:

Compatibility with neighboring uses and consistency with applicable land use regulations including the Comprehensive Plan. Mr. Sullivan's operations include fish processing and commercial retail activities. These uses are compatible and consistent with neighboring uses in the area and are consistent with the Spit Comprehensive Plan and other applicable land use regulations. Mr. Sullivan has some zoning violations (mostly setback issues and encroachments) which should be addressed as a condition of a new lease and he is presently working with the Planning Department and soon, his neighbors, to address these issues and overall development in the immediate area.

The development plan including all proposed phases and timetables. Mr. Sullivan does not provide specifics about a development plan but this criteria may not be totally applicable to his situation. This criteria is focused more on new development on vacant land. Mr. Sullivan wishes to simply maintain his current operations and facilities. He recently invested in a new freezer facility and he talks about upgrading his processing facility as economic conditions permit.

The proposed capital investment. Mr. Sullivan has stated that it has been difficult for him to make investments in the property and to obtain financing since there was very little time left on the term of his lease. He states that if given a new long term lease, he would be able to obtain financing to upgrade his facilities and he especially mentions his processing facility. He also lists prior investments in his letter dated February 14.

Experience of the applicant in the proposed business or venture.

Mr. Sullivan has a great deal of experience in the proposed venture, especially on the fish buying and fish processing side. His marketing and sales experience is growing also and he is looking to expand in that area. Mr. Sullivan has the necessary experience and skills to carry-out the proposed venture.

Financial capability or backing of the applicant including credit history, prior lease history, assets that will be used to support the proposed development. Mr. Sullivan's lease history is very good in terms of meeting his financial obligations. His application does not contain much in the way of financial information otherwise however, that may be less important in this case because we are not talking about a brand new development. Mr. Sullivan simply wants to continue his current operations and made some improvements if he can get a new lease. His business appears to be financially stable and we have no reason at this time to believe that he does not have the financial capacity to meet his obligations under the lease.

The number of employees anticipated. Mr. Sullivan mentions 4 to 5 seasonal fish filleters.

The proposed rental rate. Appraised value.

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. This area constitutes the strength of Mr. Sullivan's proposal in my opinion. He generates almost \$1 Million in gross sales annually.

He processes fish locally which generates jobs, property taxes, and state fisheries taxes which go direct to the City. His operations provide jobs and income for fishermen, truckers, processing workers, mechanics, box makers, and other occupations. He provides fresh local seafood to local restaurants which helps local merchants and helps to market Homer seafood. This generates sales tax revenues. He provides one of the few places where visitors and tourists can purchase fresh local seafood. And he provides a market for local fishermen with smaller volumes of less valuable fish that other large volume buyers can't be bothered with. Providing a market for local fishermen, processing the fish in Homer, and providing the fish to local markets are all activities that greatly benefit the community.

Findings that a new lease without a competitive bidding process is warranted.

In order to award a new lease to a current lessee without a competitive bidding process, the City Council must make findings, stated clearly in a resolution, that it is in the public interest to do so. Section 11.2.(F) contains the things that must be taken into consideration and evaluated in order to make such a finding. Chapter 11.2 (F) is attached for your consideration. It would be very helpful to the Council if this Committee made its own findings and recommendation based upon these considerations. A motion to that effect would be great.

RECOMMENDATION:

Recommend to the City Council that Mr. Sullivan be given the opportunity to negotiate a new lease without a competitive bidding process and state the reasons why based upon the considerations contained in 11.2 (F). Also, include in the motion that a new lease is contingent upon Mr. Sullivan coming into compliance with all zoning and land use regulations and obtaining the necessary permits.

Andrea Browning

From: Walt Wrede
Sent: Tuesday, February 28, 2012 11:43 AM
To: Andrea Browning
Subject: FW: Lease application letter
Attachments: 02-14-2012_KBS_ground lease.pdf; ATT14376.htm

From: William Sullivan [<mailto:freshhalibut@gmail.com>]
Sent: Monday, February 27, 2012 6:54 PM
To: Walt Wrede; Department City Manager
Cc: carelnagata@gmail.com
Subject: Fwd: Lease application letter

Dear Mr. Wrede,

Here is the letter that I sent on February 15, 2012 at 2:31:29 pm AKST.

I hope that we can "Stop that train" and re submit my application to the Lease committee.

Thank you,
William Sullivan

Begin forwarded message:

From: William Sullivan <bill.sullivan@alaska.net>
Subject: Lease application letter
Date: February 15, 2012 2:31:29 PM AKST
To: citymanager@cityofhomer-ak.gov

**William Sullivan
Kachemak Bay Seafoods
PO Box 4004
Homer, Alaska 99603**

February 14, 2012

Walt Wrede, City Manager
City of Homer
Address
Homer, AK 99603

Re: Homer Spit ground lease Dockside 2

Dear Walt,

My business, Kachemak Bay Seafoods was established in 1990 and has been processing seafood on the Homer Spit for 22 years. I am the longest established shore-based fish processor on the Homer Spit. I have been in continual production at the current location since 1997. I wish to extend my ground lease to continue my company's mission "To provide the freshest Alaskan seafood on earth".

As a sole proprietor, I operate Kachemak Bay Seafoods without any government assistance, however my physical structures have zero real estate value resulting in a concern by the city there is evidence of "little investment." As a result of a short ground lease, I am unable to obtain long term financing for major capital improvements. A long term lease would strengthen my application for a small business loan guaranteed from National Oceanic and Atmospheric Administration. During my occupation I have reinvested profits back into my facility with regular annual improvement to physical structures on the lot, as well as into my business operations. I have constructed a retail store valued at \$50,000, and an ancillary retail cabin valued at \$18,000. I have invested in fish processing equipment in excess of \$65,000 and I am in the process of installing 3 phase power at an estimated cost of \$10,000. I continue to up-grade the leased portion of the property when financially possible. In 1997, I spent over \$5,000 improving water and sewer lines to the lot. My future goals include erecting a larger processing facility as market conditions improve.

Overnight success takes about 15 years and I see Kachemak Bay Seafoods as an economic engine, stoking the local economy to the tune of \$900,000 yearly in gross sales. I do all my processing on site, thereby producing Fishery Business Taxes of \$25,000 annually. Also, as a local fish processor in Homer, this revenue is shared with the City of Homer. Based on the current price of Halibut, this amounts to 3.5% of \$7.00 per pound (current landing price of Halibut) or .25 cent per pound. My gross sales represent jobs and income to local fishermen, truckers, processing workers, box makers, mechanics, etc. Kachemak Bay Seafoods provides employment to many of the spits inhabitants. Let's face it, angels do not live on the spit, however I provide a 'leg up' to many people coming through. I provide stable, seasonal employment to 4-5 skilled fish filleters. After 22 years in business, for many Homer residents, I am the first employer they ever had.

During my time on the Homer Spit I have invested substantial amounts of effort and capital providing fair prices to customers, timely payment to suppliers and Goodwill to all of the smaller commercial fishermen

who rely on Kachemak Bay Seafoods to purchase smaller catches and species that are typically uneconomical for major fish processors to purchase. The most valuable investment to this Homer Spit lot is the time I have spent earning local fishermen's trust and respect. I have a reputation for honest and fair business practices and fishermen rely on me to provide support for their operations. Kachemak Bay Seafoods provides the "Freshest Alaskan Seafood on Earth" to local restaurants such as Land's End, Cafe Cups, Boardwalk Fish & Chips, Sourdough Bakery and many other local businesses on a daily basis. My customers rely on me to provide them with a continuous supply of fresh pristine fish for their own customers. My customers put their trust in me to provide the finest quality fish at the most competitive price at a moment's notice. Any of them will attest to how essential I have been to their successes.

As a reputable business owner, I maintain all required business licenses, permits and insurance necessary to operate a commercial fish processing facility. I continually upgrade the interior of the processing facility to maintain regulatory compliance of Food and Drug Administration, State of Alaska Department of Environmental Conservation, EU Health regulations and private insurance carrier site inspections. I comply with administrative rules and procedures of US Environmental Protection Agency, U.S Coast Guard, National Oceanic and Atmospheric Administration State of Alaska Department of Department Fish and Game, State of Alaska Department of Labor, State of Alaska Department of Revenue, State of Alaska Division of Weights and Measures, State of Alaska Department of Motor Vehicles, State of Alaska Fire Marshall, Kenai Peninsula Borough, City of Homer Building Inspector, City of Homer Plumbing Inspector. As a committed industry professional, I am active with the International Pacific Halibut Commission and North Pacific Management Council.

I participate and influence policy at the North Pacific Management Council and the International Pacific Halibut Commission by providing a Homer perspective at these bodies. As of today, Feb, 14 2012, the federal Codfish season closed and in the past our local fishery would be closed if it were not for myself and another fellow Homer business owner, Mako Haggerty. Together we were instrumental in creating the State Waters Pacific Codfish Fishery in 1997 and as a direct result of our efforts, a locally managed fishery is open providing a winter economy of fishing and processing of Codfish on the Homer Spit. Fisheries are continually evolving and future industry plans include full utilization of fishery resources by creating markets and processing techniques for under-utilized species by creating opportunity for fishermen that larger processors have zero interest in developing. I have created these economies in the past and will continue to create prosperity in very challenging economic conditions coupled with heavy regulation. As proven before, Kachemak Bay Seafoods creates value that may not always be evident in the processing facilities.

As a stable small business making contributions at many levels to our local Homer economy, I request a long term lease to continue growing my business, Kachemak Bay Seafoods. After 22 years of operation, I have proven my dedication to maintaining a successful business and continue my mission "To provide the freshest Alaskan seafood on earth." I appreciate your time and thoughtful consideration of my lease application.

Regards,

William Sullivan
Owner, Kachemak Bay Seafoods
Est. 1990

P.S. Did I mention that I pay the annual rent in full, a year in advance?

**City of Homer
Lease Application/Assignment Form**

Directions:

1. Please type.
2. Please submit this application form to the City Clerk's Office, 491 Pioneer Avenue, Homer, Alaska 99603.
3. Please answer all questions on this form, or put "N/A" in the space if it is non applicable.

Applicant Name: Social Security No.s	WILLIAM C. SULLIVAN 125-54-9882
Mailing Address:	PO BOX 4004, HOMER, AK 99603
City, State, ZIP code:	↓
Business Telephone No.	907-299-1551
Representative's Name:	WILLIAM C. SULLIVAN 235-2799 Hh-
Mailing Address:	PO BOX 100263 4004
City, State, ZIP code:	HOMER, AK 99603
Business Telephone No.	907-299-1551
Property Location:	4470 HOMER SPIT ROAD
Legal Description:	FISH PROCESSING - WHOLESALE & RETAIL
Type of Business to be placed on property:	↙
Size of Buildings to be placed or leased:	EXISTING BUILDINGS (3) 512 SF, 320 SF, 320 SF
Duration of Lease requested:	30 YEARS
Options to re-new:	(2) 5 YEAR OPTIONS
Special lease requirements:	NONE
Number of parking spaces required, per code:	

**The following materials must be submitted when applying for a lease of
City of Homer real property**

1.	Plot Plan	<p>A drawing of the proposed leased property showing:</p> <p><input type="checkbox"/> Size of lot - dimensions and total square footage. – to scale, please.</p> <p><input type="checkbox"/> Placement and size of buildings, storage units, miscellaneous structures planned – to scale, please.</p> <p><input type="checkbox"/> Water and sewer lines – location of septic tanks, if needed.</p> <p><input type="checkbox"/> Parking spaces – numbered on the drawing with a total number indicated – please refer to Homer City Code _____</p>																				
2.	Development Plan	<p><input type="checkbox"/> <u>List the time schedule from project initiation to project completion, including major project milestones.</u></p> <table border="0"> <thead> <tr> <th data-bbox="508 695 792 722">Dates</th> <th data-bbox="800 695 1524 722">Tasks.</th> </tr> </thead> <tbody> <tr> <td data-bbox="508 732 792 760">_____</td> <td data-bbox="800 732 1524 760">ADD 3-PHASE POWER</td> </tr> <tr> <td data-bbox="508 770 792 798">_____</td> <td data-bbox="800 770 1524 798">UPGRADE EXISTING BUILDIN THAT</td> </tr> <tr> <td data-bbox="508 808 792 835">_____</td> <td data-bbox="800 808 1524 835">HOUSES MAIN FISH PROCESSING</td> </tr> <tr> <td data-bbox="508 846 792 873">_____</td> <td data-bbox="800 846 1524 873">_____</td> </tr> <tr> <td data-bbox="508 884 792 911">_____</td> <td data-bbox="800 884 1524 911">_____</td> </tr> </tbody> </table> <p>For each building, indicate:</p> <table border="0"> <thead> <tr> <th data-bbox="508 1020 1024 1050">Building Use</th> <th data-bbox="1032 1020 1524 1050">Dimensions and square footage</th> </tr> </thead> <tbody> <tr> <td data-bbox="508 1060 1024 1087">EXISTING OFFICE /RETAIL</td> <td data-bbox="1032 1060 1524 1087">16x20 = 312SF</td> </tr> <tr> <td data-bbox="508 1098 1024 1125">EXISTING RETAIL</td> <td data-bbox="1032 1098 1524 1125">16x20 = 312SF</td> </tr> <tr> <td data-bbox="508 1136 1024 1163">EXISTING FISH PROCESSING</td> <td data-bbox="1032 1136 1524 1163">16x32 = 512SF</td> </tr> </tbody> </table>	Dates	Tasks.	_____	ADD 3-PHASE POWER	_____	UPGRADE EXISTING BUILDIN THAT	_____	HOUSES MAIN FISH PROCESSING	_____	_____	_____	_____	Building Use	Dimensions and square footage	EXISTING OFFICE /RETAIL	16x20 = 312SF	EXISTING RETAIL	16x20 = 312SF	EXISTING FISH PROCESSING	16x32 = 512SF
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3.	Insurance	<p><input type="checkbox"/> Attach a statement of proof of insurability of lessee for a minimum liability insurance for combined single limits of \$1,000,000 showing the City of Homer as co-insured. Additional insurance limits may be required due to the nature of the business, lease or exposure. Environmental insurance may be required. If subleases are involved, include appropriate certificates of insurance.</p>																				
4.	Subleases	<p><input type="checkbox"/> Please indicate and provide a detailed explanation of any plans that you may have for subleasing the property. The City of Homer will generally require payment of 25% of proceeds paid Lessee by subtenants. Refer to chapter 13 of the Property Management Policy and Procedures manual.</p>																				
5.	Health Requirements	<p><input type="checkbox"/> Attach a statement documenting that the plans for the proposed waste disposal system, and for any other necessary health requirements, have been submitted to the State Department of Environmental Conservation for approval. Granting of this lease shall be contingent upon the lessee obtaining all necessary approvals from the State DEC.</p>																				
6.	Agency Approval	<p><input type="checkbox"/> Attach statement(s) of proof that your plans have been inspected and approved by any agency which may have jurisdiction of the project; i.e. Fire Marshall, Army Corps of Engineers, EPA, etc. The granting of this lease shall be contingent upon lessee obtaining approval, necessary permits, and/or inspection statements from all appropriate State and/or Federal agencies.</p>																				

7.	Fees	<p><u>All applicable fees must be submitted prior to the preparation and/or execution of a lease.</u></p> <p><input type="checkbox"/> Application fee - \$30.00. Covers costs associated with processing the application.</p> <p><input type="checkbox"/> Lease fee - \$300.00. Covers the costs of preparing and processing the actual lease.</p> <p><input type="checkbox"/> Assignment fee - \$250.00. Covers the costs of preparing and processing the lease transfer. <i>N/A</i></p>				
8.	Financial Data	<p><u>Please indicate lessee's type of business entity:</u></p> <p><input checked="" type="checkbox"/> Sole or individual proprietorship.</p> <p><input type="checkbox"/> Partnership.</p> <p><input type="checkbox"/> Corporation.</p> <p><input type="checkbox"/> Other – Please explain: _____</p> <hr/> <p><input type="checkbox"/> Financial Statement – Please attach a financial statement showing the ability of the lessee to meet the required financial obligations.</p> <p><input type="checkbox"/> Surety Information – Has any surety or bonding company ever been required to perform upon your default or the default of any of the principals in you organization holding more than a 10% interest</p> <p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. If yes, please attach a statement naming the surety or bonding company, date and amount of bond, and the circumstances surrounding the default or performance.</p> <p><input type="checkbox"/> Bankruptcy information - Have you or any of the principals of your organization holding more than a 10% interest ever been declared bankrupt or are presently a debtor in a bankruptcy action?</p> <p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. If yes, please attach a statement indicating state, date, Court having jurisdiction, case number and to amount of assets and debt.</p> <p><input type="checkbox"/> Pending Litigation – Are you or any of the principals of your organization holding more than a 10% interest presently a party to any pending litigation?</p> <p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. If yes, please attach detailed information as to each claim, cause of action, lien, judgment including dates and case numbers.</p>				
9.	Partnership Statement	<p><input type="checkbox"/> <u>If the applicant is a partnership, please provide the following:</u></p> <p>Date of organization: _____</p> <p>Type: <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership</p> <p>Statement of Partnership Recorded? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Where _____ When _____</p> <p>Has partnership done business in Alaska? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Where _____ When _____</p> <p>Name, address, and partnership share. If partner is a corporation, please complete corporation statement.</p> <p>Limited/ <table border="0"> <tr> <td><u>General</u></td> <td><u>Name</u></td> <td><u>Address</u></td> <td><u>Share %</u></td> </tr> </table> </p>	<u>General</u>	<u>Name</u>	<u>Address</u>	<u>Share %</u>
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11. Applicant References

Please list four persons or firms with whom the Applicant or its owners have conducted business transactions with during the past three years. Two references named shall have knowledge of your financial management history, of which at least one must be your principal financial institution. Two of the references must have knowledge of your business expertise.

Name: Mike Disler
Firm: ON Demand trucking
Title: OWNER
Address: Homer
Telephone: 907-399-7032
Nature of business association with Applicant: transportation


Name: DOUG BOWEN
Firm: Alaska Boats + permits
Title: OWNER
Address: Homer
Telephone: 299-1984
Nature of business association with Applicant: FISH SALES

Name: MIKE NIST
Firm: Seattle - Tacoma BUX CO.
Title: OWNER
Address: 23400 71st place South
Telephone: 253-854-9700
Nature of business association with Applicant: LONG term BUSINESS Relationship

Name: _____
Firm: _____
Title: First National BANK of Anchorage
Address: Homer
Telephone: 235-5800
Nature of business association with Applicant: Long term customer

I hereby certify that the above information is true and correct to the best of my knowledge.

Signature:



Date:

3/27/01

From:
HOMER INSURANCE CENTER, INC
509 STERLING HWY, STE 201
HOMER, ALASKA 99603

Phone: 907-235-3881
Fax: 907-235-3882

To:
KACHEMAK BAY SEAFOODS
BILL SULLIVAN DBA:
P.O. BOX 4004
HOMER, ALASKA 99603

Date: 3/03/2011
Policy #: PAC6866556
Policy Dates 3/25/2011 To 3/25/2012
Company: PENN AMERICA INSURANCE CO.

Please Reply By: March 24, 2011

Hello Bill,

Thanks for your business during the past year!

Your Commercial Package Policy is due to renew on 3/25/11. Please give me a call if you would like to discuss your coverages.

The renewing policy has the following limits:

**Commercial Liability @ \$2,000,000 / 1,000,000

**Building @ \$50,000 / Business Personal Property @ \$10,000

Enclosed are this year's renewal forms and invoice. Review these documents for accuracy, complete any highlighted areas, sign all forms where indicated and kindly forward to our office with your payment by the date indicated above. If you desire financing for this year's premium, please give me a call.

Thank you, we are here to service your policy and appreciate your business!

Stephanie



EMPLOYER'S NOTICE OF INSURANCE

TO THE EMPLOYEES OF THE UNDERSIGNED:

Your employer is insured by

Insurer (Or Insurance Company)			
Liberty Northwest Insurance Corporation			
Street and Number			
One Liberty Centre			
City	State	Zip Code	
Portland	Oregon	97232	
For the period from 5/06/2011 to 5/06/2012			
Adjusting Company.			
Liberty Northwest Insurance Corporation			
Street and Number			
2700 Gambell St., Suite 405			
City	State	Zip Code	Telephone
Anchorage	Alaska	99503	866-893-1541

This insurance pays benefits for job-connected injuries, illnesses or death as provided by the Alaska Workers' Compensation Act.

Employer
BILL SULLIVAN
By
Title
Witness
Witness

Immediately (not later than 30 days from injury or death date) give your employer and the Alaska Workers' Compensation Division written notice of a job-related injury, illness, or death. Get the "Report of Occupational Injury or Illness" form from your employer for this purpose.

If you have questions about your rights or benefits under the Alaska Workers' Compensation Act, contact the insurer at the above address and the Alaska Workers' Compensation Division at the nearest office listed below:

ANCHORAGE
PO Box 107019
3301 Eagle St Ste 304
Anchorage AK 99510-7019
(907) 269-4980

FAIRBANKS
675 7th Ave
Station K
Fairbanks AK 99701-4531
(907) 451-2889

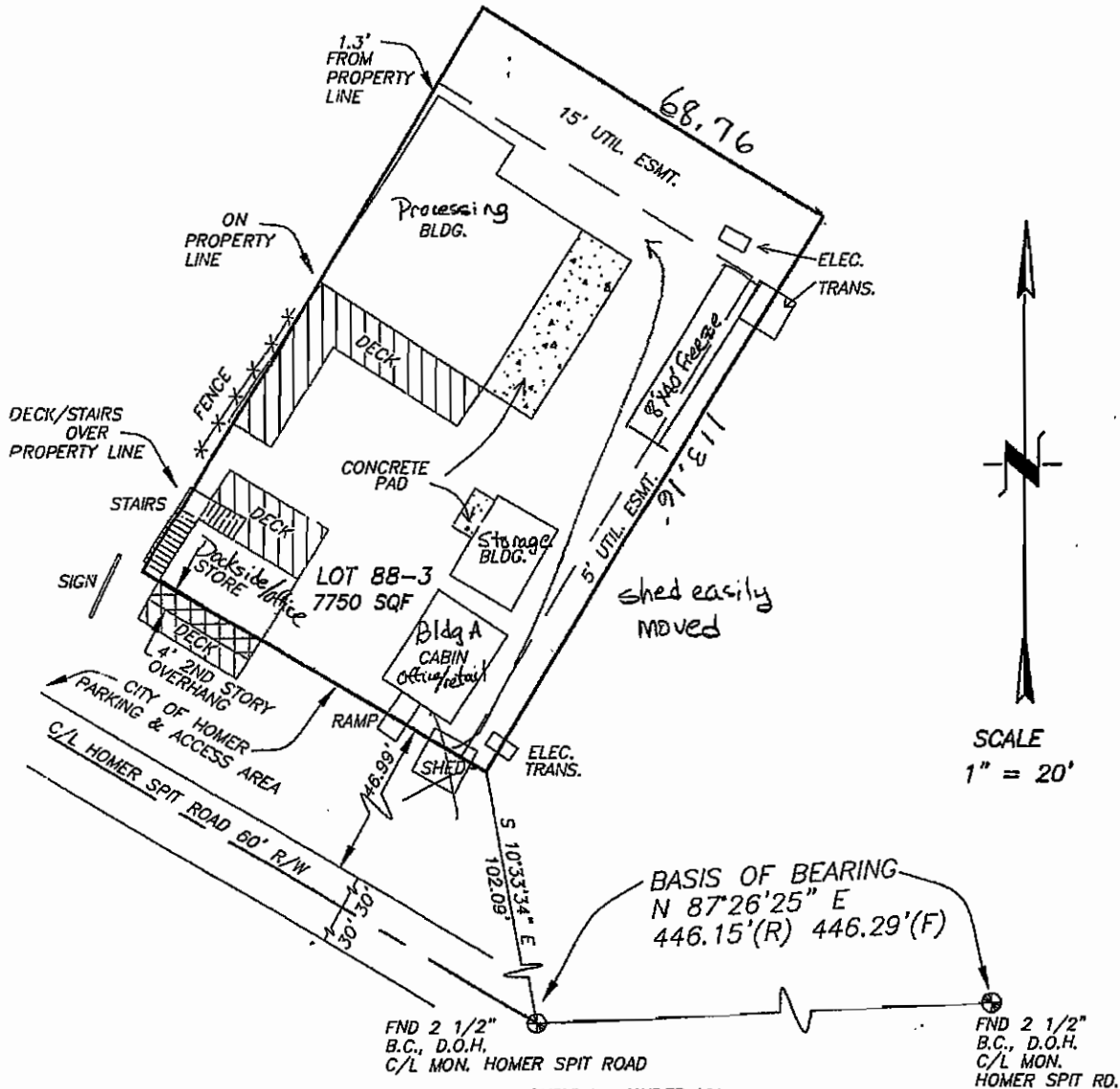
JUNEAU
PO Box 115512
1111 W 8th St Rm 307
Juneau AK 99811-5512
(907) 465-2790

NOTICE TO EMPLOYER: AS 23.30.060 requires that you post this notice in three conspicuous places on the employer's premises.

JOB# 05-16
 PREPARED FOR:
 BILL SULLIVAN
 PO BOX 4004
 HOMER, ALASKA 99603

NOTES:

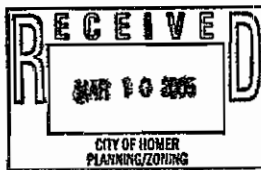
1. BASIS OF BEARINGS FOR THIS ASBUILT SURVEY IS N 87°26'25" E BETWEEN THE C/L MONUMENTS HOMER SPIT ROAD PER PLAT# 89-15, HOMER RECORDING DISTRICT, STATE OF ALASKA.
2. THIS ASBUILT SHALL NOT BE USED FOR ANY PURPOSE OTHER THAN THAT WHICH WOULD GIVE A GRAPHIC REPRESENTATION OF THE LOCATION OF IMPROVEMENTS ON THIS LOT. UNDER NO CIRCUMSTANCE SHOULD THE LOCATION OF FUTURE IMPROVEMENTS BE BASED ON THIS DRAWING.
3. IT IS THE RESPONSIBILITY OF THE OWNER TO DETERMINE THE EXISTENCE OF ANY EASEMENTS, RESERVATIONS OR RESTRICTIONS WHICH DO NOT APPEAR ON THE RECORDED SUBDIVISION PLAT.
4. THERE IS A 20' BUILDING SETBACK DEDICATED ALONG ALL RIGHTS OF WAY.
5. THIS LOT IS SERVED BY CITY OF HOMER SEWER AND WATER SERVICES.

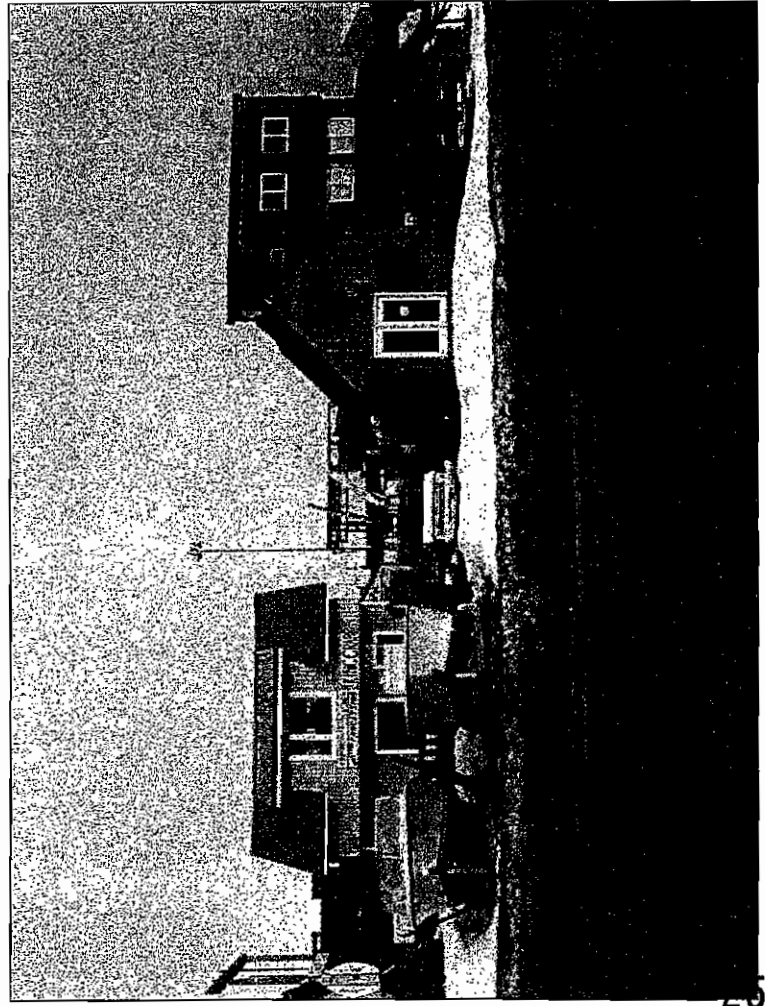
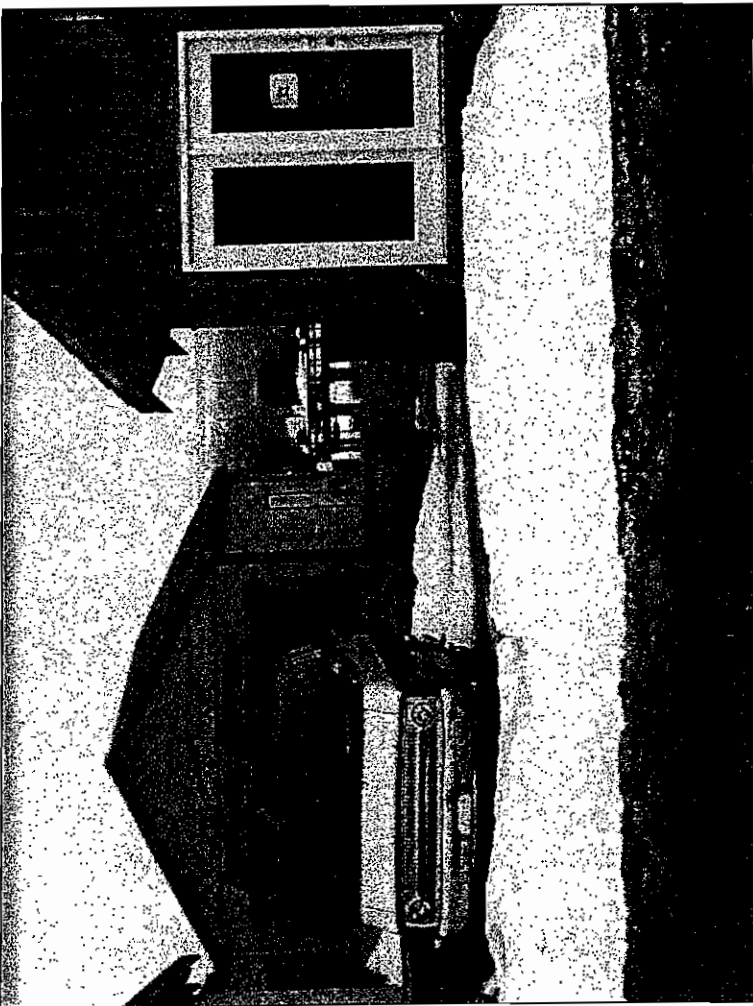
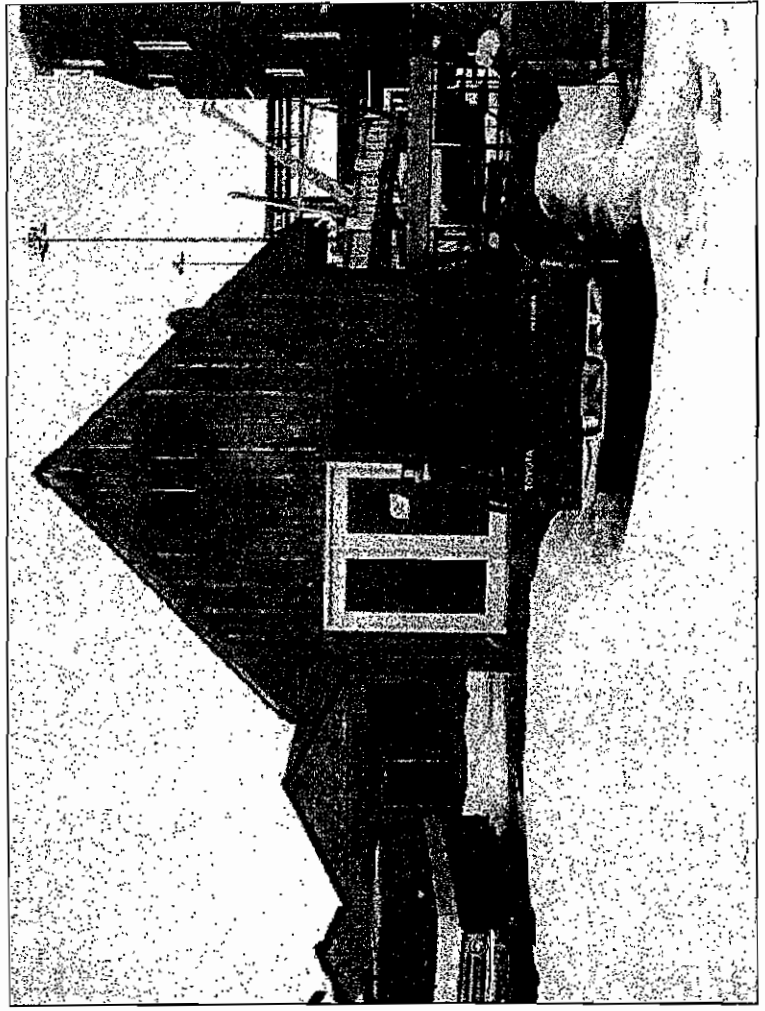
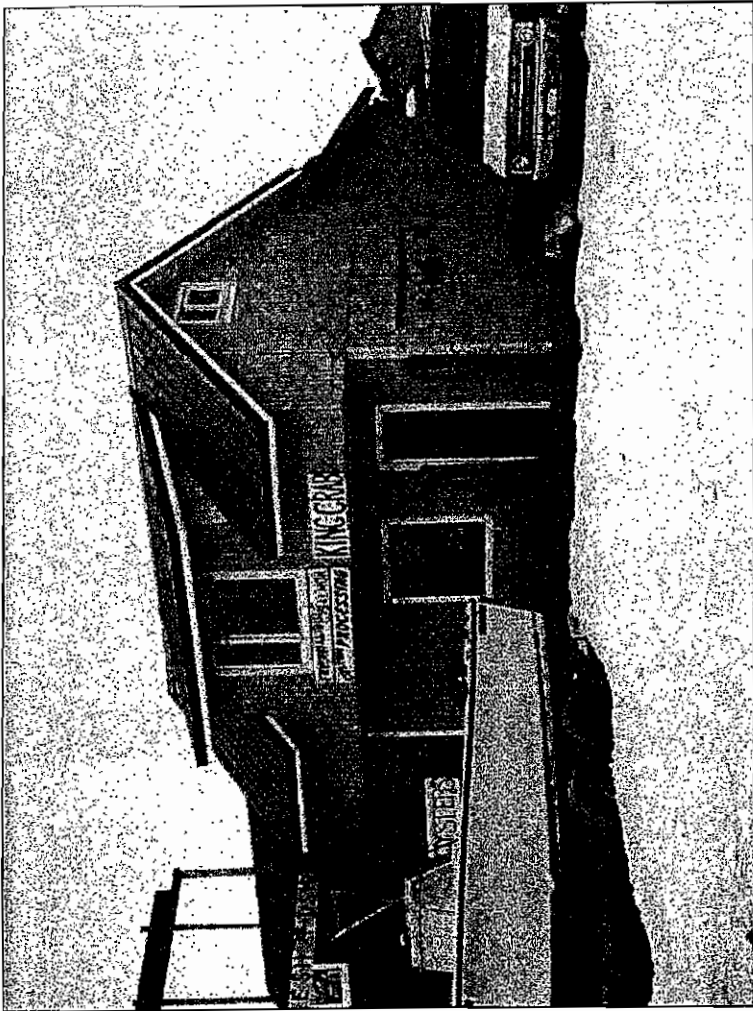


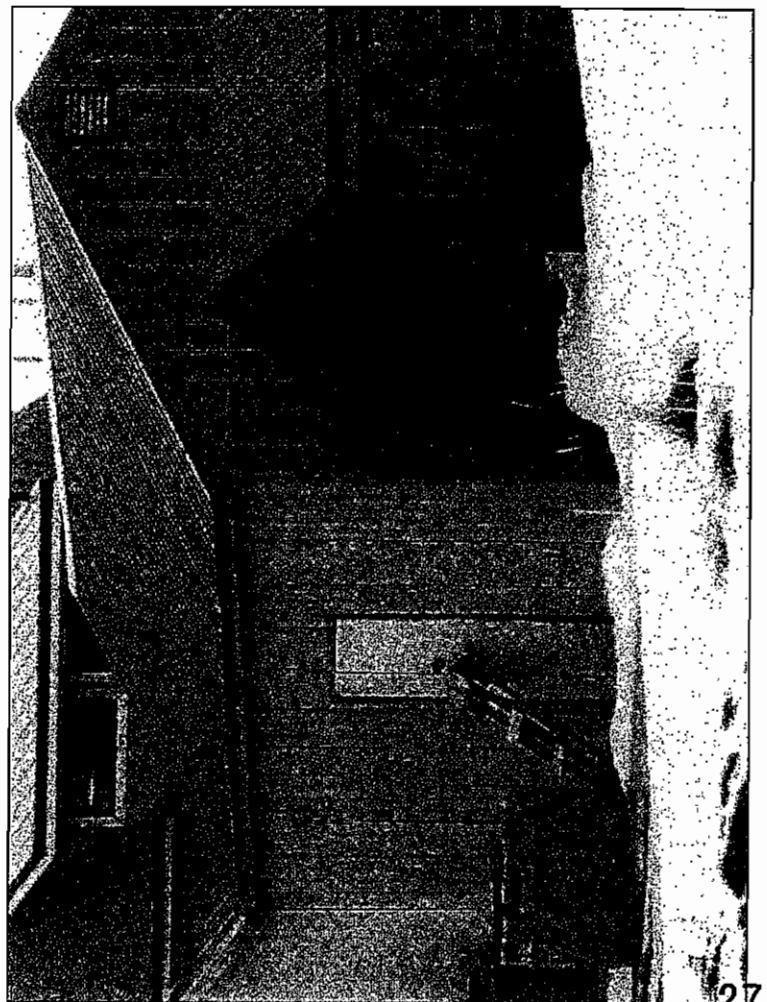
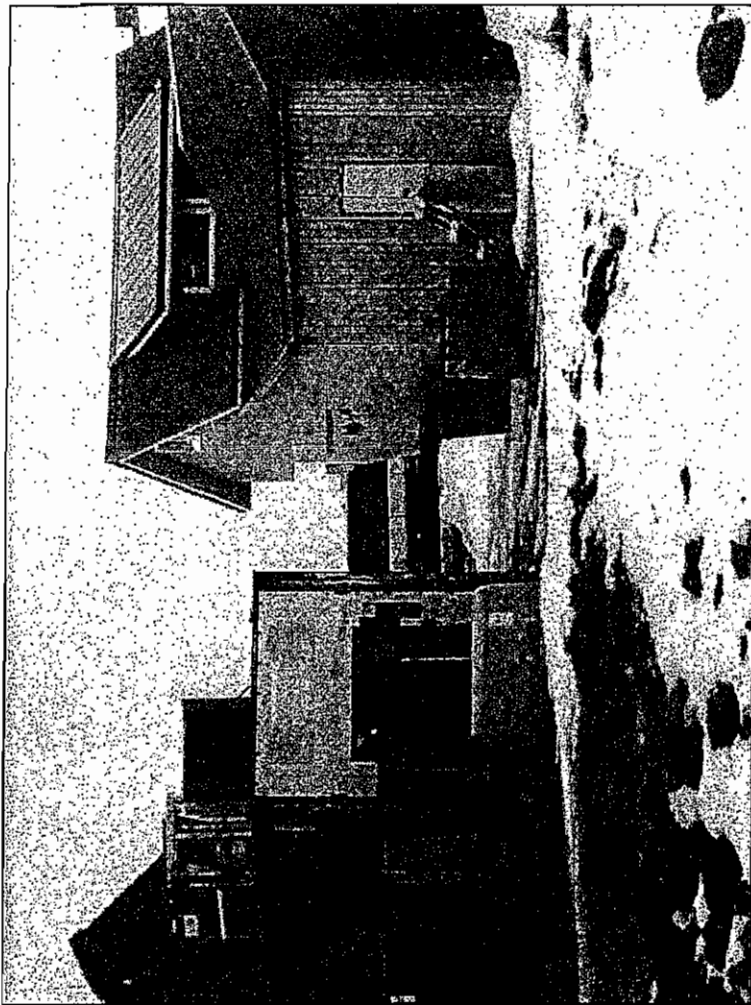
I HEREBY CERTIFY THAT I HAVE SURVEYED OR HAD SURVEYED UNDER MY DIRECT SUPERVISION THE FOLLOWING REAL PROPERTY:
 LOT 88-3, HOMER SPIT No. TWO (PLAT#91-3 H.R.D.) LOCATED WITHIN SEC. 1, T.7 S., R.13 W, SEWARD MERIDIAN, HOMER RECORDING DISTRICT, HOMER, ALASKA AND THAT THE IMPROVEMENTS SITUATED THEREON ARE LOCATED AS SHOWN ON THIS PLAT AND THAT THERE ARE NO ROADWAYS, TRANSMISSION LINES OR OTHER VISIBLE EASEMENTS OR ENCROACHMENTS ON SAID PROPERTY EXCEPT AS SHOWN HEREON.

DATED AT HOMER, ALASKA THIS 9TH DAY OF MARCH, 2005.

Kent T. Bloom
 SEABRIGHT SURVEYING
 1044 EAST END RD, SUITE A
 HOMER, ALASKA 99603
 (907) 235-4247







Andrea Browning

From: Dotti Harness
Sent: Monday, February 27, 2012 10:58 AM
To: Bill Sullivan (freshhalibut@gmail.com)
Cc: Carol Nagaka (carelnagata@gmail.com); Andrea Browning
Subject: Letter
Attachments: Sullivan timeline ltr 2.23.12.pdf

Bill,

Per your request. Here's a copy of the letter.

Call anytime,

Dotti Harness-Foster
Planning
435-3118



City of Homer
Planning & Zoning
491 East Pioneer Avenue
Homer, Alaska 99603-7645

Telephone (907) 235-3106
Fax (907) 235-3118
E-mail Planning@ci.homer.ak.us
Web Site www.cityofhomer-ak.gov

Date: February 23, 2012

Bill Sullivan
POBox 4004
Homer, AK 99603

Re: Lot 88-3 Homer Spit No. 2

Dear Mr. Sullivan:

Your lease for the Dockside Two expires on April 15, 2012. On February 15, 2012 the Lease Committee voted to put forth a Request for Proposal (RFP) out to public bid. The main reasoning was the lack of a complete lease renewal application and your absence at the Lease Committee meeting.

If you are interested in submitting a lease application through the RFP process, it would be to your benefit to show that your site meets City, State and Federal standards. If you are approved to enter into negotiations with the City Manager these standards must be met. Below is a timeline to meet the basic requirements prior to the upcoming fishing season.

Based on the 2005 survey there are several issues. The State's Fire Marshal Approval needs to be updated; there are encroachments onto the City Parking and Access Area, and the need for a Conditional Use Permit. First the Fire Marshal:

Fire Marshal Approval: The Fire Marshal's records indicate that the rear building was last reviewed in 1991 as a restaurant/fish processing. The store was reviewed in 2004, but the application was never completed.

To resolve this issue contact the Anchorage Fire Marshal Office at 907-269-2004 by the end of February, 2012. The Fire Marshal Office will need drawings that illustrate basic safety requirements. I'd be glad to help get this process started, on the condition that you follow through with a complete application submitted to the Fire Marshal's Office by March 15, 2012.

Building setbacks: The March 9, 2005 survey indicates that the store decking and the store's 2nd story overhang, a walkway and a shed encroach into the City's Parking and Access area. I understand that you are interested in leasing the additional space from the City's Parking and Access Area. This arrangement allows the buildings, decking and walkways to stay in their current location while securing some store front parking. The request for the additional area needs to be a part of your application in the RFP process.

Sign Placement: The survey indicates that there is a freestanding sign on the City's Parking and Access property. The sign appears to be a 'shared' sign. Shared or not, the City's sign code requires that all freestanding signs be a maximum of 10 feet or less in height. If you have signs on the "shared sign" please remove, enabling the sign height to be reduced.

William
2/24/12
signed ok to send to Carol

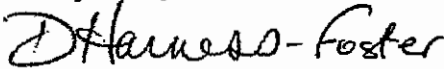
Conditional Use Permit (CUP): In the Marine Industrial District a CUP is required for parcels that have:

- a. More than one building;
- b. Restaurants and drinking establishments,
- c. Caretakers's residence
- d. Retail

Only the Homer Advisory Planning Commission (HAPC) can approve a CUP. The process consists of two public hearings, before the Planning Commission and the Port & Harbor Commission. Having the Fire Marshal, building setbacks and the sign issues resolved prior to a public hearing before the HAPC would be to your benefit. There is a \$500 application fee.

I am dedicated to helping leaseholders aim for compliance with these standards. In return, the City needs to see tangible effort. Please contact me within 5 days of receipt of the letter.

Respectfully submitted,



Dotti Harness-Foster
Planning and Zoning
435-3118

Cc: Walt Wrede, City Manager
Bryan Hawkins, Port & Harbor Director
Bob Painter, Fire Chief
Tim Fisher of the Anchorage Fire Marshal Office, Timothy.fisher@alaska.gov
5700 E. Tudor, Anchorage, Alaska 99507
907-269-5604
907-269-0098 fax

MAKO'S

(907) 235-9055 Voice
(907) 235-9057 Fax
mako@xyz.net Email



WATER TAXI

PO Box 2001
Homer, AK 99603

20 March 2012

Walt Wrede
City Manager
City of Homer

RE: Homer Spit Dockside Lease

Dear Walt

I am writing this in support of Billy Sullivan's land lease on the Spit.

Billy is a fixture out here and a perfect neighbor. We refer many of our customer's to his seafood store for fresh seafood, something that is actually hard to find out here, ironic as may seem.

Billy has contributed much to the culture of the Spit and was instrumental in creating an almost year 'round commercial State Cod fishery. The Cod market doesn't make anyone rich, as in King Crab, but it does provide a stable economy for the commercial fleet, trucking companies, the Harbor, other fish buyers and processors. This community owes Billy Sullivan a debt of gratitude for developing this market and fishery.

Call me old-fashioned, but I would much rather have Billy Sullivan's small fish market as a neighbor than some global mega-corp fish processor sucking all the money out of our community.

Please extend Billy's lease.

Thank you,

A handwritten signature in black ink, appearing to read 'Mako Haggerty', with a long horizontal line extending to the right.

Mako Haggerty

CITY OF HOMER
PROPERTY MANAGEMENT
POLICY AND PROCEDURES

CHAPTER 5: LEASE APPLICATION PROCESS

5.1: POLICY

- A. It is the policy of the City of Homer to provide for a streamlined, standardized, and easily understood lease application process. A full and complete application packet shall be provided to all applicants. Applicants must be qualified under Section 18.08.50 of the Homer City Code.
- B. The City administration will provide for pre-application meetings with all potential applicants to provide relevant information on things like land use regulations, lease policies, the permitting process, and other relevant topics.

5.2 PROCEDURES

- A. A responsive lease application / proposal shall include:
 - 1. A completed application form provided by the City
 - 2. Any applicable fees
 - 3. A clear and precise narrative description of the proposed use of the property
 - 4. A specific time schedule and benchmarks for development
 - 5. A proposed site plan drawn to scale that shows at a minimum property lines, easements, existing structures and other improvements, utilities, and the proposed development including all structures and their elevations, parking facilities, utilities, and other proposed improvements.
 - 6. Any other information that is directly pertinent to the proposal scoring criteria contained herein
 - 7. All other required attachments requested on the application form including, but not limited to, the following documentation: applicant information, plot plan, development plan, insurance, proposed subleases, environmental information, agency approvals and permits, fees, financial information, partnership and corporation statement, certificate of good standing issued by an entity's state of domicile; and references.
 - 8. Any other information required by the solicitation or request for proposals.

CITY OF HOMER
PROPERTY MANAGEMENT
POLICY AND PROCEDURES

CHAPTER 6: APPLICATION / PROPOSAL EVALUATION PROCESS

6.1 POLICY

- A. It is the policy of the City of Homer to provide for a fair, standardized and objective proposal evaluation process.

6.2 PROCEDURES

- A. All lease proposals shall be evaluated and scored by the Lease Committee.
- B. 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 proposed 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 and economic development.
- C. Lease Rental Rates
1. The determination of lease rental rates is addressed in Chapter 7.
- D. After evaluating and scoring the proposals, the Lease Committee shall make a recommendation on a successful bidder to the City Council. The recommendation shall be contained in the form of a memorandum from the City Manager to the City Council that appears on the consent calendar of a regular meeting agenda. If a recommendation to approve a proposal is adopted, the Manager or his designee shall finalize a lease document for presentation to Council for approval. If the Council approves the lease, it will not be executed until the period for reconsideration under section 8.3 passes.
- E. Final approval of long term leases (more than six months) rests with the City Council. The Council shall either:
1. Approve the proposed lease
 2. reject the proposed lease; or
 3. remand the unapproved lease to the Manager with comments

CITY OF HOMER
PROPERTY MANAGEMENT
POLICY AND PROCEDURES

CHAPTER 11: LENGTH OF LEASES / OPTIONS

11.1 POLICY

It is the policy of the City of Homer that the duration of all leases including all options shall be consistent with the provisions of Chapter 18.08 of the Homer City Code and the provisions of these policies and procedures.

11.2 PROCEDURES

- A. The initial term of leases shall be related to a large degree upon the magnitude of the lessee's financial investment and the value and usefulness of improvements that lessee will make and leave on the property upon the termination of the lease. It shall also be related, to a lesser degree, upon lessee's financing and the reasonable amortization requirements of the lessee and financing agency. Generally speaking, the larger the investment, and the greater the value and usefulness of permanent improvements that will remain on the property after termination of the lease, the longer the lease period.
- B. Leases that extend beyond 30 years (including all options) will be treated as exceptional and shall be evaluated on a case by case basis.
- C. Leases shall contain no more than two options for renewal and each option shall be for no more than 25% of the length of the initial base term. The exercise of any option shall be dependent upon lessee not being in breach of any provisions of the lease at that time.
- D. If the lease or the lessee's approved development plan provides for utilization of the lot for several months a year and the lessee installs improvements or infrastructure, occupies the lot (by persons or things), or does anything else that precludes or devalues utilization of the lot for the remainder of the year by the City or another party, the lessee shall pay either a premium rent for the months the parcel is actually in use or fair market rental for the entire lease year.
- E. It is the policy of the City that equal opportunities should be provided to compete for leasing available public property. A lessee whose initial lease and all options have expired shall have no automatic right of further renewal or extension. In general, it is the policy of the City that the Lease Committee shall offer such properties to the public through the RFP/competitive bidding process described herein.
- F. Lease Renewals: The City Council, after reviewing a recommendation from the Lease Committee, may elect to not require a competitive bidding process for a property whose lease has expired (including all options) if it finds that it is in the best interest of the City to enter into a new lease agreement with the current lessee. If the current lessee is interested in entering into a new lease agreement, he/she must indicate so in writing to the City Manager at least 12 months prior to

the expiration of the lease and submit a formal lease application/proposal for evaluation by the Lease Committee. The City will review the application but is under no obligation to enter into a new lease. If the Council chooses to approve such a new lease without a competitive process, it must approve such new lease by resolution within six months that includes a finding that it is in the public interest to do so, after consideration of relevant facts including, but not limited to, the following:

1. The lessee's past capital investment and binding commitment to future capital investment
2. The lessee's financial condition and prior lease history
3. The number of persons employed and the prospects for future employment
4. Tax revenues and other financial benefits to the City of Homer anticipated in the future if the lease is renewed.
5. Consistency of the past use and intended future use with all applicable 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 benefits to the City of Homer.
7. Other social, policy, and economic considerations as determined by the Council

G. Short Term Leases

1. A short term lease of 6 months or less may be approved by the City Manager after review and recommendations by the Lease Committee.
2. Short term leases are not required to go through the competitive bidding/PFP process described herein
3. Short term leases shall not include renewable options and no consecutive short term leases for the same property to the same lessee may be issued without the approval of the City Council.
4. Applicants for short term leases must go through the formal application process described herein.
5. The City Manager will advise the Council through memorandum or the Manager's report of all short term leases.

H. At the expiration or termination of a lease the City may negotiate to reimburse the lessee for improvements at fair market value, and then issue a request for proposals offering the lot and improvements as a package.

