

ECONOMIC DEVELOPMENT ADVISORY COMMISSION  
REGULAR MEETING  
MAY 11, 2010

Session 10-03, a Regular Meeting of the Economic Development Advisory Commission was called to order at 6:00 p.m. by Chair Erickson on May 11, 2010 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER DAUPHINAIS, ERICKSON, FAULKNER, NEECE, RAVIN, SIMPSON

ABSENT: COMMISSIONER HOPPE

COUNCILMEMBER: WYTHE

STAFF: SPECIAL PROJECTS COORDINATOR HOLEN  
DEPUTY CITY CLERK JACOBSEN

**APPROVAL OF THE AGENDA**

The agenda was approved by consensus of the Commission.

**PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA**

There were no public comments.

**RECONSIDERATION**

There were no items for reconsideration.

**APPROVAL OF MINUTES**

A. Meeting Minutes of February 9, 2010

RAVIN/NEECE MOVED TO APPROVE THE MINUTES AS WRITTEN.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried

**VISITORS**

There were no visitors scheduled.

**STAFF AND COUNCIL REPORT**

Special Projects Coordinator Holen reported that there is about \$7 million in the State capital budget for Homer, most of that would be coming to the City of Homer. She reviewed some of the projects that may be funded. The budget still has to pass the Governor's approval. She reported that an RFP has gone out for teams of people to conduct energy audits and improvements on City buildings. The budget is \$500,000 for this project.

ECONOMIC DEVELOPMENT ADVISORY COMMISSION  
REGULAR MEETING  
MAY 11, 2010

Councilmember Wythe commented that they have succeeded in getting the City of Homer Permanent Fund established and selected the investment firm. She also said that with the re-appropriation of funds for the City Hall, there are other City monies that have been redirected into the City Hall project fund to bring the balance back up close to the \$2 million. Councilmember Wythe explained that Chair Erickson came to the last Council worksession and worked with Council on going through the Lease Policy recommendations.

**PUBLIC HEARING**

There were no items for public hearing.

**PENDING BUSINESS**

A. Lease Policies

Chair Erickson thanked Special Projects Coordinator Holen for her work on including the comments from the Port and Harbor Commission and the EDC at their worksession. She said they need to adopt the amendments brought up at the worksession and forward the revisions to Council.

Chair Erickson explained that the language in 18.1 needs to be amended because it needs to come in line with 11.3.

RAVIN/FAULKNER MOVED THAT THE CHANGES TO 11.3 WHERE THE LESSEE MAY BE GIVEN THE OPTION TO RENEGOTIATE A FULL TERM LEASE AT THE HALFWAY POINT OF THE LEASE BE INCLUDED IN THE SAME FASHION IN 18.1.

There was discussion that the words "may be" were used so that the City can be sure it is a viable business that would be in the City's best interest to maintain, and offering some flexibility to make sure the businesses would stay there. It would also be beneficial for the banking end of things as well.

Point was raised that the Port and Harbor Commission passed the language that was agreed on in the joint worksession. There was discussion of amending the wording to remove redundancy and also the wording of the motion. The motion was withdrawn.

RAVIN/FAULKNER MOVED TO REMOVE THE SECOND SENTENCE OF 18.1: ~~LAND LEASED UP TO 15 YEARS, IF VIABLE AND MEETS PERFORMANCE STANDARDS AS DESCRIBED IN CHAPTER 11.3, MAY BE PURCHASED BY THE LESSEE AT FAIR MARKET VALUE IF THE CITY DEEMS IT IN THE CITY'S BEST INTEREST~~

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

RAVIN/NEECE MOVED THAT THEY MODIFY 11.3 TO TAKE OUT THE OPTION TO PURCHASE LAND AND GIVE THE OPPORTUNITY TO RENEGOTIATE FOR A FULL TERM LEASE.

ECONOMIC DEVELOPMENT ADVISORY COMMISSION  
REGULAR MEETING  
MAY 11, 2010

There brief discussion clarifying leaving the word may.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

NEECE/RAVIN MOVED TO FORWARD THIS REVISED COPY FOR COUNCIL CONSIDERATION.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

B. Comprehensive Economic Development Strategy (CEDS)

There was discussion to bring this back on the agenda when Special Projects Coordinator Holen has finished the revised document.

C. Draft Homer Spit Comprehensive Plan

The Commission scheduled a worksession for June 21 to discuss the plan.

D. Sitka Economic Development Association-a Model for Homer?

There was discussion on how to proceed with this item. Commissioner Dauphinais said he would look at the SEDA program a little closer in relation to the City, the Chamber, and their EDC's and comment about it at the next meeting.

Chair Erickson asked that this be included on the next agenda.

**NEW BUSINESS**

A. Lease Committee Appointment

RAVIN/SIMPSON MOVED TO BRING LEASE COMMITTEE APPOINTMENT TO THE FLOOR.

There was no opposition and discussion ensued.

Chair Erickson advised the Commission that the status of her conflict of interest has changed for the time being and she would be willing to continue on until the Committee got through their Lease Policy discussions. Commissioner Neece said he would be willing to consider the seat after the summer.

B. Store Size Cap in Town Center

RAVIN/FAULKNER MOVED TO BRING TO THE FLOOR FOR DISCUSSION.

There was no opposition and discussion ensued.

ECONOMIC DEVELOPMENT ADVISORY COMMISSION  
REGULAR MEETING  
MAY 11, 2010

There was discussion of how the size cap came to be.

There was discussion of removing the size cap all together and the following points were raised:

- It was questioned if Planning & Zoning has the authority or mandate to regulate the size of buildings in Homer.
- There is already fire code, set backs, and parking percentages.
- Limiting development in Homer will push it back to Anchor Point.
- Nobody is trying to build this big building and some Commissioners are reticent to open that can of worms.

Chair Erickson passed the gavel to Vice Chair Ravin at 6:50 p.m. and left the meeting.

Vice Chair Ravin recognized audience member Doug Stark and invited him to the table to address the Commission.

Doug Stark, former City Councilmember, commented to the Commission about the history of the size cap and the challenges when Fred Meyer was trying to develop here in Homer. Mr. Stark commented that he has talked to people with Fred Meyer and also with Target and they are still interested in developing in Homer, but don't want to apply with the 75,000 square foot size cap. He asked that the Commission consider a recommendation to Planning and Zoning to increase the size cap to 100,000 square feet. He noted that they are not making the final decision as this is the first step of many.

FAULKNER/RAVIN MOVED TO RECOMMEND AMENDING 21.20.040 E 1 AND E 3 TO INCREASE THE SQUARE FOOTAGE ALLOWANCE TO 100, 000 SQUARE FEET AND MOVE IT TO COUNCIL AND PLANNING COMMISSION AS A RECOMMENDATION FROM THE EDC.

There was brief discussion.

VOTE: YES: FAULKNER, DAUPHINAIS, RAVIN, SIMPSON,  
NO: NEECE

Motion carried.

#### C. Media Apprenticeship Program

NEECE/FAULKNER MOVED TO BRING THIS TO THE FLOOR FOR DISCUSSION.

There was no opposition and discussion ensued.

Commissioner Neece gave the Commission an update on the status of his discussion with Homer High School Principal, Dr. Gee and others regarding the apprenticeship OJT program through the high school. The skills acquired could cross over into many other industries. He is also working through Bryan Zak and the small business programs. In the next couple weeks there will be internships teaching basic film techniques in an effort to have people to work on a film coming to Homer in a month or so.

Question was raised regarding what action Commissioner Neece was looking for regarding this topic. He commented on some of the things that have happened thus far and said he is

ECONOMIC DEVELOPMENT ADVISORY COMMISSION  
REGULAR MEETING  
MAY 11, 2010

looking for ideas to pass on to the City to help support the programs with the high school. He has talked to Mike Illg at Community Schools and Carol Swartz at the college, but working through the high school and apprenticeship program is working well. He would like some sort of support mechanism from the City to create awareness through the schools and so forth.

Councilmember Wythe suggested Commissioner Neece prepare a presentation for the City Council.

D. Tax Free Zone for Local Agriculture

FAULKNER/NEECE MOVED TO DISCUSS.

There was no opposition and discussion ensued.

There was discussion about the proposed resolution included in the packet to give locally grown agricultural produce an incentive by making it tax exempt year round. Point was raised that the City Council has no authority to suspend collection of Borough taxes and therefore can't create a tax free zone.

Brief discussion ensued regarding fish tax and it was suggested that removing fish from the resolution would bring it more in line with our area.

**INFORMATIONAL MATERIALS**

- A. Notes from Mike Haines, Chamber of Commerce EDC
- B. "Putting Our Jobs Back in Place" - Project for Public Spaces article
- C. Items of possible interest from recent City Council meeting packets

There were brief comments regarding informational items.

**COMMENTS OF THE AUDIENCE**

Kevin Hogan, city resident, commented that it is good to see fresh faces; he appreciated what the Commission is doing. He appreciated Anne Marie's comments on the CEDS plan and recommended there try to be a focus on process and policy and leave lie the economic sectors because people start talking about tourism. He thinks they need to look at infrastructure and policy and things that can actually change. He noted there was interesting discussion on the free trade zone; we always are at a bit of a disadvantage because we have a 7.5% sales tax and people up the road don't pay anything and still manage to fleece the legislature at every session. He agrees that we need to establish incentives on a lot of different levels, but we can't break the bank either.

Wes Schacht, Homer Grange member and community activist, commented that he agrees with sustainable agriculture and that we should have an economic development area for sustainable agriculture. For years Homer has been on the barter system, trading eggs for potatoes and things like that. It would give an incentive for people to produce vegetables and so forth and it would teach our youth how to sustain agriculture. He believes there are state and federal programs that would be available to get revenue. Mr. Schacht spoke about the transportation proposal that was in the Homer Tribune. They are going to give \$100,000 to

ECONOMIC DEVELOPMENT ADVISORY COMMISSION  
REGULAR MEETING  
MAY 11, 2010

someone from Wisconsin to see if we need public transportation in the Homer area. He thinks we could have done a lot better with that money working together here locally. We had an opportunity to purchase vehicles at a greatly reduced price and could have gotten the ball rolling for much less. We could possibly make money coordinating our own leases, there are a lot of people out of work, and we have several transportation companies in town. The article addressed the cost of a woman to go from Kenai to Homer by a taxi service. If we had a shuttle service between Homer and Kenai Soldotna area, it would be good for the whole local economy.

**COMMENTS OF CITY STAFF**

There were no staff comments.

**COMMENTS OF THE COUNCIL MEMBER**

Councilmember Wythe had no comments.

**COMMENTS OF THE CHAIR**

Vice Chair Ravin had no comments.

**COMMENTS OF THE COMMISSION MEMBERS**

Commissioner Faulkner commented that he spent 10 days at AVTEC taking maritime courses on marine safety and it was unbelievable what an economic engine is AVTEC is for Seward. He had to eat out for meals where it was primarily AVTEC students, also in the hotels. He noted the Port & Harbor sends their employees to the states to do their fire training, and they have a new fire training facility there in Seward. Any thing we can do toward having the Maritime Academy here would be great. He noted he would be absent at the next meeting.

Commissioner Simpson expressed his support for maritime education noting an example that there are 57 members on his ship alone some with GI bills who could benefit from the education programs here.

Commissioner Neece and Dauphinais had no comment.

**ADJOURN**

There being no more business to come before the Commission the meeting was adjourned at 7:47 p.m. The next regular meeting is scheduled for June 8, 2010 at 6:00 p.m. in the City Hall Cowles Council Chambers.

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MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: \_\_\_\_\_