

ECONOMIC DEVELOPMENT ADVISORY COMMISSION
REGULAR MEETING
JANUARY 12, 2010

Session 10-01, a Regular Meeting of the Economic Development Advisory Commission was called to order at 6:00 p.m. by Chair Erickson on January 12, 2010 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER DAY, ERICKSON, FAULKNER, HOPPE, NEECE, RAVIN

COUNCILMEMBER: WYTHE

STAFF: SPECIAL PROJECTS COORDINATOR HOLEN
VISTA REPRESENTATIVE BEVIS
DEPUTY CITY CLERK JACOBSEN

APPROVAL OF THE AGENDA

RAVIN/DAY MOVED TO APPROVE THE AGENDA.

Chair Erickson noted that Dr. Gee was unable to attend and Assistant Principal Dave Larson was in attendance instead. She also noted that Mr. White from SEDA was expected to call in and they would interrupt the agenda to take his call, and resume it after the call is complete.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

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 December 8, 2009

RAVIN/FAULKNER MOVED TO APPROVE THE MINUTES AS PRESENTED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

A. Dr. Allen Gee, Homer High School Principal

Homer High School Assistant Principal Dave Larson commented about the relationship to economic development in vocation and what is happening at the school. He said as the last

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school year progressed stakeholders in the community questioned what is going on to prepare students for the workforce in Homer. Knowing that college bound students can eventually work their way back into the community in some fashion, the administration made a move in the schedule this last fall to include a few classes beyond the academic requirement. This change included a marketing class, a home economic type class, and some after school academies were added as well. The district is providing those academies through the workforce development center in Kenai. Mr. Bragge, the lead teacher in the vocational wing is teaching a construction academy and a welding academy. Anyone who would like to learn those skills can participate. Some of the students from last years welding and automotive classes were able to find materials around town and were able to build some hydraulic log splitters for home use and there is one at school in the woodshop area. They are trying to do what they can as a school to work not only with the kids that are focused on an academic track in to higher education and colleges, but also with kids that are hands on ready to go into the workplace. Mr. Larson added that the students are also asked to be part of some of the vocation competitions that are happening in the state. Even though they were not officially members of the organization that supported the competition they brought back some prizes and trophies for their participation. The high school administration is focused on the need that they see in the community and have heard through community input.

In response to questioning Mr. Larson commented that right now there is a personal finance class available that meets the criteria for a required math class. Regarding the marketing class he explained that currently the instructor has the students is running a simple business operation in the school using the espresso cart. Students are being taught how to operate it, service it, serve, analyze the finances to find out if they are profitable or not, and so forth. He has also taken the class on field trips in the community. Regarding decreased student population impact, Mr. Larson commented that right now they see that their best case scenario is a flat line of student population, noting that staff is based on student population. If they don't find ways to increase student population it really has a bearing on staffing and what the district will allow them to do, and what the funding from the State will be. He addressed the impacts of the Connections program, another public school, where the enrolled students are primarily homeschooled, but can attend some classes at the high school. Right now they have an average of about 60 Connections students, and the issue is Homer High doesn't receive funding for those students. It is an added pressure economically and staff wise as well. There was brief dialog regarding the need for the high school to actively pursue additional funding from the Borough and the State. Mr. Larson expressed that the school administration is making the effort to receive funding for those students. There was brief discussion regarding apprenticeship programs and Mr. Larson expressed that the administration is very open to dialog about it and the district has allowed curriculums to be proposed. The high school maintains a good relationship with the college and offers a jump start program that allows seniors to take college classes and earn both college and high school credits.

B. Lolita Brache, South Peninsula Coalition for Young Children

Lolita Brache commented that she wanted to let the Commission know about the South Peninsula Coalition for Young Children. They are one of nine partnerships in the state that received funding primarily to get organized as a collaboration for the purpose of advocating for early childhood education and support of families and young children. The state has a goal that all Alaskan children should enter school prepared to succeed. It involves learning basics like colors and abc's, but also involves a nurturing, safe, home environment and helping

children learn at home by reading to them and so forth. Ms. Brache explained that the research shows the importance of the first five years of life and building healthy brains to develop successful learners. She said economically, money goes farther at the earlier ages because you can do so much preventative work that saves money later in remedial work. It is also important to ensure that parents have places for their kids while they are at work. Ms. Brache asked that the City formally recognize the value of early childhood education as part of a complete economic plan, and that Homer place family resources and early education high on the priority list of things that the City wants to support. She explained how that would be very helpful in leveraging grant funds as the coalition moves forward, for example grants for the prevention of abuse and neglect of children or a grant for parenting classes. It is important for the health of our community. The coalition isn't asking for funds from the City at this point just for the City to recognize early education and family support as a high priority to the economic health and the total overall health of our community.

The Commission agreed to discuss it at a future meeting.

STAFF AND COUNCIL REPORT

Special Projects Coordinator Holen suggested the group talk about the commissioner schedule for attending council meetings and also whether they needed to recommend someone to take Commissioner Erickson's place on the Lease Committee. They agreed to discuss that on their next agenda. Ms. Holen told them about the University of North Carolina School of Government compilation of case studies "Small Town, Big Ideas" for the Commission to look at. She provided a copy for check out and referenced the web site where they could review it.

Councilmember Wythe updated the Commission on the status of the draft Comprehensive Plan.

Commissioner Day commented that she talked to the Chair of the Chamber EDC and will be attending the Kenai Peninsula economic development forum. She expects she can have a report at the next meeting.

PUBLIC HEARING

There were no items for public hearing.

PENDING BUSINESS

A. CEDS development and other activities- Carol Bevis

Ms. Bevis read the following update to the Commission:

During the past 9 months, I have learned so much from my research in economic development and Homer's economy, I have had the opportunity to review citizen surveys, data and interviews, past plans and reports, economic development books, articles and websites, and studied the CEDS and economic strategies of many towns and counties, including 5 in Alaska. I found especially enlightening the economic development strategies and the 7 Lessons Learned from UNC's study of 45 successful Small Towns.

I have given you all notes from the initial economic development research, written a report -- the pie article, and invited input and feedback at every step along the way. Many have sent me emails with input and feedback, and to date, over 85 residents have participated in this very transparent process.

In addition to the research and the facilitation of public input into the CEDS process, I have also attempted to address some of the issues that I was made aware of early on. For example, people expressed concerns about duplication of effort and lack of collaboration. So, I created the quilt website to serve as a tool of information dissemination for the public, as well as a connection between the two EDCs.

I learned that both retirees and lone eagle entrepreneurs have been moving to Homer to live and/or do business because of the quality of life or quality of place here. Lone eagles, especially, increase the wealth with many benefits and minimal costs to a community. One of my mandates was to update the doingbusinessinhomer.com website. In the process, I went ahead and implemented an economic development strategy. The new website serves a dual purpose: to provide assistance to anyone wanting to do business in Homer and to market Homer as a good place to live and do business for entrepreneurs like lone eagles.

I noticed that excitement was generated at both of the public forums. It would be a shame to let that die out. I continue to receive emails asking when the next meeting will be. The door in me is ready to help out with focus groups or task forces to address some of the areas people seem excited about, in addition to the work of writing the CEDS draft, where I am currently in the final stage of synthesis and summary of all my research. I hope to have a draft ready for your review before the next EDC meeting.

NEW BUSINESS

A. Sitka Economic Development Association Information Teleconference with Garry White, SEDA Executive Director

There were problems with the teleconferencing and Mr. White was unable to connect. This will be rescheduled for February.

B. Alaska Film Group Information

Commissioner Neece informed the Commission about the Alaska Film Group. He explained that there is a link that shows the cities that are enjoying the membership of the group and suggested that the City be persuaded to become a member. It would get Homer's name on the site and also linked into their workforce data base. He said as a side note there are 2 films which will be doing some filming in the Homer area. Being involved with the film group is an opportunity for more advertisement for the City. Membership for the City would be a voting position and the cost is \$250. Now is a good time to be included on their list because the state is giving tax breaks for film makers and the attractive incentives is giving Alaska a distinct advantage over every other state right now, thanks to senate bill 230.

DAY/RAVIN MOVED TO ASK THE CITY COUNCIL TO HAVE A RESOLUTION TO JOIN THE ALASKA FILM GROUP ASSOCIATION.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was brief discussion about projects that are already scheduled to happen in the area this summer and how beneficial it will be to the community.

C. Small Business Incentives

The Commission discussed the need for vocational training in Homer. They referenced the local boat building industry and the need for electricians and welders to help support the industry.

The group did some brainstorming and expressed the importance of young people in high school being able to have some hands on experience with trade jobs to get a feel for what they like and what they may want to do. A main topic was the Marine Trade show that happens in November in Seattle. Commissioner Hoppe said he has attended the trade show in years past and stressed to the Commission how many other Alaska coastal cities have a strong Chamber of Commerce presence there. The Commission discussed the importance of having the exposure for the City of Homer, the Port, and the businesses that Homer has to support marine trade. Commissioner Day said she would bring this up to the Chamber EDC.

Discussion branched off to the Film Trade Show and the minimal presence for Alaska. The Commission continued on to discuss the City's web presence and linking up with different organizations like the marine trade associations, film groups, and so forth. It was noted that City is in the process of revamping their website. Councilmember Wythe suggested developing a listing of links the Commission would like to see on the City's website, researching the requirements to provide those links, and forward it on to the Council as a recommendation. Commissioner Day agreed to help with compiling that information and bring a list back for the group to review. Commissioner Hoppe agreed to research information regarding the Marine Trades. Ms. Bevis noted that the Doing Business in Alaska site has an industry page and links up with marine trades. She is interested in their feedback on sites to include as well.

They agreed to include small business incentives and marketing on the next agenda.

D. Economic Impact of Local Zoning Ordinances

Commissioner Ravin reviewed the spread sheet provided by the planning department that included zoning permits that had been issued over the past years. He raised the question what is the economic impact of our zoning ordinances and their application. He noted there are 16 different zones on the map in the draft comprehensive plan, which represents a de facto zoning document. He expressed the need to consider mixed use across the board to allow more opportunity for people to start business. It would be simpler and would help mitigate low numbers and economic slow spots.

The Commission embarked on a discussion about zoning. It was suggested that they discuss this with Mr. White from SEDA as Sitka may have had some experience with the issue, and also look at best practices of communities similar to ours to see how their economic development agencies have addressed it. Councilmember Wythe suggested that the

impediment with zoning may be the way the code is written. The City has tried to deal with it by rewriting Title 21 and getting rid of the redundancy that makes it seem overwhelming to a person not versed in the process. A lot of the issue for the zoning districts can be addressed through conditional use applications, which allows an opportunity for neighboring property owners to express their views of a use in their area. Chair Erickson asked for clarification about the school that was brought up last meeting being allowed if it were a conditional use. Commissioner Faulkner countered that in discussing the location of the school, the City Planner was very clear that whatever they tried to do, he would recommend against. So they would have to go through the process and get shut down, then go to the council with it. He said that the Planning Commission didn't meet for three months last summer, so that adds about a year to the process by saying you can't have a school in general commercial. Commissioner Ravin suggested that it is a philosophical issue as the zoning code has to facilitate the public interest. When the process delays and impedes the habitation of a building that has been vacant for 6 years it needs to be fixed. Councilmember Wythe commented that she may be the worst proponent of planning and zoning of anyone that sits on the council, so when she speaks about planning and zoning it is based on what exists and how it works. She said when an individual or group perceives something to be in the public's interest, there will be members of the public who don't feel it is in their interest at all. The process is in place to ensure that all sides have the opportunity to have input, be heard, and be represented. Someone who has a business in a commercial district may not want a bunch of students hanging around in the neighborhood for what ever reason they may have. The interest of the commercial business owner in the area should be represented as well as the need for the building to be full and the need for the school to find a place to locate. All of that has to come into the picture through the process. The process and its purpose is to represent all of the citizenry and the special interest groups, not just some of them. Councilmember Wythe suggested that a way to improve the process is to get people who have adamant positions about things to come into the meetings, so that the opinion of the same 20 or 30 people aren't the only ones heard. Encourage friends and neighbors with opposing views to actively participate in the government they would like to see, rather than complaining about it.

The Commission discussed that if the zoning code is in the process of revision that they could look at it on their next agenda.

E. City service provision vs. declining population/taxbase.

Commissioner Ravin thanked staff for providing the additional documents tonight. He reviewed the demographic information provided by Special Projects Coordinator Holen, and noted that as the city's population declines we won't be able to afford as much city government and we will have to spend less money. Councilmember Wythe commented that city assets need to be maintained, regardless of the population of the community. The problem is to what degree can the City maintain them and still be able to live within its means. She noted that Council has cut the budget back to what the figures were in 2008. There was discussion that the demographics are worrisome because the community is aging. Point was raised that if there is never new development brought into town then there are no new jobs. When there are no new jobs, then each of us can only have one replacement, and we have to leave our job for our children to come home and work. It was noted that there has been an increase in tax revenues from 2002 to 2009, yet population is decreasing. Revenues have gone up, but the cost of doing business has gone up as well. Electric and fuel

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costs have increased for everyone, so the expense side has to be considered along with the revenue side.

They discussed that Council had requested a regular treasurer's report and the Commission would like to see it in their packet as well. They would like to see revenue, energy costs, labor costs, and the general fund balance.

INFORMATIONAL MATERIALS

- A. Resolution regarding meeting guidelines
- B. Items of Interest from recent City Council Meeting Packets

Comment was made that the cost of propane has gone up to 4.50 per gallon, making it more expensive than electric. The infrastructure for natural gas is not in place and the city does not have the density to pay for the infrastructure.

COMMENTS OF THE AUDIENCE

There were no public comments.

COMMENTS OF CITY STAFF

Special Projects Coordinator Holen commended Chair Erickson for a good meeting. She said she will have the Council meeting attendance schedule on the next agenda.

COMMENTS OF THE COUNCIL MEMBER

Councilmember Wythe had no comments.

COMMENTS OF THE CHAIR

Chair Erickson said she appreciated everyone. She said she is going to meet with the new Chamber Director and the City Planner to do some economic development brainstorming and hear their ideas and perspective.

COMMENTS OF THE COMMISSION MEMBERS

Commissioner Neece requested that Mr. White from SEDA be continued to the next agenda.

Commissioner Hoppe said it was a great meeting; he is looking forward to hearing from Mr. White. He would like to stay with the school, he thinks it is critical.

Chair Erickson asked that the school be added to the next agenda. Commissioner Neece said he would try to contact Norma Lazaro and get information about the apprentice program.

Commissioner Ravin had no further comments.

Commissioner Faulkner said he would like to hear from Dr. Gee, rather than just from Mr. Larson. School funding has increased by the legislature on the basic formula over the last 3 years. We have fought a huge battle to get our district cost factor from 1.04 to 1.11. Our

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funding has been going up per student but unfortunately in the high school we have been seeing class offerings cut again and again. Whatever we can do to turn it around, we need to do. If it is because of offering free classes to the Connections kids and we need to do what we can to get money that those students generate back into the high school.

Commissioner Day commented that the last demographic report she did for the Chamber there were over 800 homeschooled kids on the peninsula. Since she is the liaison with the Chamber she will bring the concerns of this body to the Chamber EDC. The new director is a former educator and he may have some ideas to help make progress.

ADJOURN

There being no more business to come before the Commission the meeting was adjourned at 8:10 p.m. The next regular meeting is scheduled for February 9, 2010 at 6:00 p.m. in the City Hall Cowles Council Chambers.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____