

ECONOMIC DEVELOPMENT ADVISORY COMMISSION  
REGULAR MEETING  
JANUARY 11, 2011

Session 11-01, a Regular Meeting of the Economic Development Advisory Commission was called to order at 6:00 p.m. by Chair Erickson on January 11, 2011 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

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

ABSENT: COMMISSIONER SIMPSON

COUNCILMEMBER: WYTHE

STAFF: SPECIAL PROJECTS COORDINATOR HOLEN  
DEPUTY CITY CLERK JACOBSEN

**AGENDA  
APPROVAL**

**APPROVAL OF THE AGENDA**

The agenda was approved by consensus of the Commission.

**PUBLIC  
COMMENT**

**PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA**

There were no public comments.

**RECONSID-  
ERATION**

**RECONSIDERATION**

There were no items for reconsideration.

**MINUTES  
APPROVAL**

**APPROVAL OF MINUTES**

November  
9, 2010

**A. Meeting Minutes of November 9, 2010**

The minutes were approved by consensus of the Commission.

**VISITORS**

**VISITORS**

There were no visitors scheduled.

**STAFF/  
COUNCIL  
REPORT**

**STAFF AND COUNCIL REPORT**

Special Projects Coordinator Holen reported that the CEDS has gone to Council and they postponed it to a worksession for further review. Councilmember Wythe suggested that an EDC member be present to answer questions that may arise in discussion.

**PUBLIC  
HEARING**

**PUBLIC HEARING**

There were no items for public hearing.

**PENDING  
BUSINESS**

**PENDING BUSINESS**

**A. New Uses for Old Homer Intermediated School**

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Uses for Old  
Intermedi-  
ate School

The Commission discussed the use of the Old Homer Intermediated School as a school. Question was raised if the City's Community Recreation Program brings in enough to cover the costs of the building and Councilmember Wythe commented that currently they do not. In response to further questioning about the use for Fireweed Academy, Commissioner Faulkner commented with specific statistics for the Fireweed Academy's needs and how they could be accommodated by the building. A point of order was raised that there could be a perception of preference by the Commission if they continued to have focused discussion about Fireweed Academy.

There was brief discussion about the Commission's charge in deciding the use of the building. Councilmember Wythe believes their task is to go through the RFP process to find out what options are out there and bring forward a recommendation. She noted City Attorney Klinkner's information that indicates the restriction that caused it to be a school did not pass on when the property transferred to the City of Homer. She cautioned that they keep in mind there could be an entity that is willing to take on the responsibility and cost of doing remodeling for their use. The objective is to find the highest and best use.

DAUPHINAIS/RAVIN MOVED TO CONSIDER THE DRAFT RFP SCHEDULE.

There was no objection expressed and discussion ensued.

The Commission reviewed the RFP and suggested the following schedule:

- Begin advertising the first week in February.
- RFP due March 15<sup>th</sup>.
- Pre-application meeting February 15<sup>th</sup> in the later afternoon. Leave the option to schedule a walk through as someone may want to get in more than one time.
- EDC Special Meeting to review the proposals March 22<sup>nd</sup>.
- RFP to City Council at the first meeting in April.

Point was raised that time is of the essence to get the building rented as it is in dire need of maintenance.

As their interest is Economic Development they would like to add under item VII. "Evaluation of Proposals," new jobs created.

**NEW BUSINESS**

**NEW  
BUSINESS**

A. Scoring Mechanism for Evaluating Applications for Lease Renewals

Scoring for  
Evaluating  
Lease  
Renewals

Chair Erickson explained that in reviewing lease renewals, it is challenging to try to score what is in the City's best interest and keep it consistent for all renewals. She is working with Councilmember Roberts to come up with some suggestions. She mentioned things that are not on the current checklist, like if the business current on all taxes to the Borough and consistent with their payments, and how many other businesses or jobs will be affected if the lease is not renewed.

Commissioner Faulkner advised that he is in negotiation of a lease renewal with the City and left the table. There was no objection expressed to excusing him from discussion.

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Scoring for  
Evaluating  
Lease  
Renewals

Discussion ensued and the following points were expressed:

- A simple check list with key items that could be checked off would give a quick and clear idea of what is happening. Then there could be some questions that follow that are more specific.
- If the business can be deemed in the City's best interest, then it wouldn't have to go to RFP for lease renewal.
- For future leases, include a list of goals or benchmarks the lessee intends to accomplish during their lease. When it is time to renew, those benchmarks could be assessed to see if they met their goals in the term of their lease. It would allow the review to be unique to each contract. Then if a certain percentage of goals are met then a renewal request could be negotiated without an RFP.
- Existing leases may not be able to be reviewed in the same manner.
- It will be difficult to come up with an evaluation system that is going to fit everything.
- Work language into the policy that states if the lessee's performance is in accord with term of original lease, renewal of lease will be facilitated without hindrance or delay.
- Trying to establish the "City's best interest" is really subject to personality and you lose objectivity trying to establish that. It boils down to the performance of the lessee in relation to the terms of their lease.
- There is no mechanism for resolving issues that today because of things that didn't happen previously.
- Establishing this check list is not in the purview of the Commission's duties.

Commissioner Faulkner returned to the table at the end of the discussion.

**INFO  
ITEMS**

#### **INFORMATIONAL MATERIALS**

- A. Homer and the Film Industry: A Feasibility Overview
- B. Items of Possible Interest from recent City Council Meeting Packets
- C. Alaska Economic Reports
- D. Comments on Alaska and Energy by Richard Heinberg

There was discussion of the incentive program issued by the State for films done in the State.

Commissioner Faulkner commented regarding the lobbyist to lobby for an increased share of the fish tax. He explained now the City gets 25% of the 3% that is levied, but we haven't been getting that much because if the fish isn't processed in the City but is processed in state the funds go to where the fish is processed. If it is processed out of state, it gets it is divided by total quantities of landings, in other words, Dutch Harbor gets most of the tax. There is probably \$500,000 of taxes that go down the road and get redistributed to all landing ports. He thinks Councilmember Hogan wanted to change it so the tax went to wherever the fish are landed. Commissioner Faulkner thinks that politically it will never happen because it is taking money from too many people. He suggested a simple change in the statute is for fisheries products landed in the State of Alaska but processed outside the State of Alaska, then fisheries taxes shall accrue to the City and Borough where they are landed. This would result in more allies in Juneau. It would help Kenai and Seward and there wouldn't be a lot of opposition, other than what may be caused by the diversion of the revenue stream from Dutch Harbor. Currently we go through all the harbor costs and other expense of a thousand halibut landings and the money goes down the road and drains into Dutch Harbor. It's

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probably \$500,000 in general fund revenues. He is glad the City is hiring a lobbyist, but hopes they don't get diverted on changing the tax structure of fisheries and focus on fish landed in the State of Alaska, but processed outside of the State of Alaska. It would be brand new money into the City.

**COMMENTS OF THE AUDIENCE**

**AUDIENCE  
COMMENT**

There were no audience comments.

**COMMENTS OF CITY STAFF**

**STAFF  
COMMENT**

There were no staff comments.

**COMMENTS OF THE COUNCIL MEMBER**

**COUNCIL  
COMMENT**

Councilmember Wythe had no comment.

**COMMENTS OF THE CHAIR**

**CHAIR  
COMMENT**

Chair Erickson had no comment.

**COMMENTS OF THE COMMISSION MEMBERS**

**COMMISS-  
ION  
COMMENT**

There were no Commission comments.

**ADJOURN**

There being no more business to come before the Commission the meeting was adjourned at 7:13 p.m. The next regular meeting is scheduled for September 14, 2010 at 6:00 p.m. in the City Hall Cowles Council Chambers.

**ADJOURN**

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MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

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