

Session 19-09 a Regular Meeting of the Economic Development Advisory Commission was called to order by Chair Karin Marks at 6:03 p.m. on October 8, 2019 at the Cowles Council Chambers, City Hall located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COMMISSIONERS MARKS, AREVALO, RICHARDSON, BROWN, JOHNSON AND
STUDENT REPRESENTATIVE BROWN

ABSENT: COMMISSIONER MINK (excused)

STAFF: SPECIAL PROJECTS & COMMUNICATIONS COORDINATOR CARROLL
DEPUTY CITY CLERK KRAUSE

AGENDA APPROVAL

Chair Marks requested a motion to amend the agenda to address New Business Items A and B prior to Pending Business items.

MARKS/BROWN MOVED TO AMEND THE AGENDA TO ADDRESS NEW BUSINESS ITEMS A AND B BEFORE PENDING BUSINESS ITEMS.

Chair Marks provided an explanation on why she would like to amend the agenda.

VOTE. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

RECONSIDERATION

APPROVAL OF MINUTES

A. EDC Regular Meeting Minutes for September 10, 2019

Chair Marks asked for a motion to approve the minutes from the September 10th meeting.

JOHNSON/BROWN MOVED TO APPROVE THE MINUTES FROM THE SEPTEMBER 10, 2019 REGULAR MEETING.

There was no discussion.

VOTE. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS/PRESENTATIONS

STAFF & COUNCIL REPORT/COMMITTEE REPORTS

- A. Special Projects & Communications Coordinator Staff Report for October 2019
i. Memo 19-129 EDC Councilmember Appointment

Special Projects and Communications Coordinator Carroll commented on Councilmember Smith's tendered resignation from the Commission and wanted to express her appreciation for his service to the Commission.

Ms. Carroll responded to the questions on the following:

- Worksession packet for Wednesday, October 16, 2019 is being completed and should be finished by tomorrow (October 9, 2019) and will be submitted to the Clerk's for distribution.
- There will be members from the Parks Art Recreation & Culture Commission in attendance as well as the full Planning Commission.
- She will check with the City Planner on the status of the Signage code review and make sure Commissioner Abboud contacts

- B. Chamber Director Report

Jan Knutson, Interim Chamber Director and Visitor Center Manager provided an update on the success of the visitor relocation packages. They have received 219 requests for information. She displayed the contents of the packages. She related two instances of people who had requested these Visitors Packages and have purchased property in Homer and the area this past year. Next Ms. Knutson related the Cruise Ship Tours and the success that has been with the involvement of the local businesses.

- C. Homer Marine Trades Association Report
i. HMTA Meeting Minutes for July 10, 2019
ii. HMTA Agenda for August 14, 2019

There was no one present or written report submitted for this meeting.

- D. Pioneer Avenue Task Force Report

Chair Marks reported that the Task Force is on hiatus until the decision and work has been completed on Pioneer Avenue.

PUBLIC HEARINGS

PENDING BUSINESS

- A. Comprehensive Economic Development Strategy (CEDS) Review
 - i. EDC March 8, 2016 Meeting Minutes Excerpt Re: Presentation by Melissa Houston of UA Center for Economic Development
 - ii. 2011 Homer Comprehensive Economic Development Strategy
 - iii. Comprehensive Plan Chapter 7: Economic Vitality
- B. Remote Workforce Recruitment

MARKS/RICHARDSON MOVED TO POSTPONE INDEFINITELY PENDING BUSINESS A AND B

Chair Marks explained that until it has been decided that the Commission was to be disbanded or not it was unreasonable for the Commission to spend time on these issues especially since it was apparent that their review of the CEDS document was not necessary and they can work with KPEDD.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

- A. Grow Economy Innovation Plaza Proposal
 - i. Grow Economy Proposal dated September 17, 2019

Chair Marks introduced the item into the record.

MARKS/BROWN MOVED TO SUSPEND THE RULES TO ALLOW PARTICIPATION BY COUNCILMEMBER SMITH IN DISCUSSION AT THE TABLE.

Chair Marks explained the purpose for the motion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Smith came forward and said he was available to answer the Commission's questions on the information provided to them.

Chair Marks asked about opportunity zones and if he could address that issue.

Councilmember Smith responded that there is only one city on the Kenai Peninsula that is in an opportunity zone but that does not prevent Homer from applying for an EDA grant.

Commissioner Johnson commented that he felt it was a great opportunity and while he has not been around for the long story of the HERC he liked the potential of this program and it would fit the remote workplace idea that the Commission has been talking about.

Councilmember Smith explained how the idea and opportunity came about and that there is an opportunity to pursue some Federal funding. The proposal includes looking at the costs to renovate the HERC 1 facility to full use.

Commissioner Arevalo inquired if the grant would have to be paid back if the business incubator did not succeed and they repurposed the building for another use and could the planning phase include a multi-use approach such as conference capabilities besides the business incubator.

Councilmember Smith responded that those were good questions and this ordinance is being introduced on Monday so they will have two weeks to present questions such as those, which they can address before moving forward. He believed that this will be a multi-faceted approach, there are a lot of things that building could be used for such as the idea of telecommuting, which has been talked about by this Commission.

Chair Marks inquired if the cost to demolish the building would be included in the planning phase for the facility.

Councilmember Smith responded that it would be included. They would present the costs to raze the building and the costs involved to repurpose the facility.

Chair Marks then asked about including recreation since every previous discussion about the facility has been wrapped around recreational and sports with the options to have a meeting when the space isn't being used for recreation or sports.

Councilmember Smith responded that recreation is not off the table, when Council decided the idea of demolition they committed to the process of replacing the recreational space. So there is plenty of area there to create a recreational space.

Further discussion and comments ensued on the possible options and opportunities for the community if they receive the grant.

Ms. Carroll requested information on the type of grant they would be receiving.

Councilmember Smith responded that it would be a matching grant 60/40. Grow Economy would take the \$30,000 funding provided by the city for the planning phase and then there would still be an expected match required from the city. But if they are successful through the planning phase to the EDA grant would provide a third of the funding needed to demolish the building. He did not believe that there was anything to lose. This presents the best way to cover

the costs of the improvements that are required to make the building useful for the future. He further stated that he can share Grow Economy's contact information to those who are interested.

- B. Ordinance to Repeal HCC 2.76 to Inactivate the EDC
 - i. Draft Ordinance to Repeal HCC 2.76

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

MARKS/JOHNSON MOVED TO SUSPEND THE RULES TO ALLOW PARTICIPATION IN THE DISCUSSION BY COUNCILMEMBER LORD AND SMITH.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair Marks requested Councilmember Lord to speak to the ordinance in the packet.

Councilmember Lord reported that Councilmember Erickson and she discussed how to best utilize the energy and engagement of Commissioners; how to best utilize the commission; and the history of the EDC over time. Stating that for the last 15 years there have been lags in what the Commission can do and while the universe is wide, it is at the same time very narrow. Trying to figure out how to utilize that energy and investment of time from folks and to move forward on economic development in the city has been challenging. They felt that it was a structural challenge with the Commission and pondered how Council could better engage the community, the commissioners, and the use of city resources. Ms. Lord stated that Council had the recent success of the HERC Task Force which was a positive effort and there was specific timelines and questions from Council. The members were people that had an interest, expertise and applied to sit on that Task Force. This ordinance would push Council to use more Task Forces. The HERC Task Force had a direct goal that was met and Council continues to use those recommendations.

Councilmember Lord further explained that the ordinance before the Commission is to disband the EDC and use a Task Force. This will allow residents of the City to apply who have an interest in the topic and expertise. Task Forces can be used to direct focus on specific issues in a directed way on issues such as the harbor expansion, spit parking and economic development. She noted that the draft ordinance is missing the January 1, 2020 effective date. In a conversation with Chair Marks she had mentioned that the Commission had some things to finish up on the Wayfinding and Streetscape Plan.

Councilmember Lord requested feedback from the Commissioners on the ordinance.

Discussion and comments ensued on the following points by Commissioners, Councilmembers and Staff:

- Appointing members or creating a Homer task force comprised of a varied representative membership reflecting Homer's diverse business fields
- Assurance that if the Commission is disbanded Council will establish task forces to address the pertinent issues such as parking on the spit, affordable housing to name a couple
- Submitting recommendations to Council on how effectively employ the talents of the Commission to effect results on the structure of the commission
- Effectively addressing the limited resources that are available with regards to city staff, volunteers while still offering the opportunity to the public to participate in municipal government
- The difference on how a task force has specificity whereas the Commission has latitude to think outside the normal confines
- Existing plans that already include and address economic development which should be embraced by Council and departments, prioritized, and the hot topic things can be what the task forces or commissions address.
- Council establishing a strategic plan
- Strengths of the members of the Commission and not having a self-interest in a project or issue, established routine of time available
- Concerns expressed on the costs of the Commission versus results presented
- Commission provides an independent opinion on issues
- Opportunity for High School Students to receive an introduction to government
- Commission has recently undergone membership changes that have changed the energy of the group
- Acknowledged the costs and time needed by Staff and the Clerk's office to conduct these meetings
- Fostering ideas that may not have gone anywhere as the Commission may seem more approachable than Council from the perspective of the public
- Expenses involved in having the Advisory Bodies is not under any consideration by Council to reduce in the budget.
- Motivation to disband the commission is due to the difficulties in the direction and task assigned to the commission, there is no economic development department to support the work of the commission and staff appointed is currently overloaded.
- Absent a position devoted to Economic Development the costs incurred in having the Commission is nominal and a value to the city.

Chair Marks inquired if the Commission would like to submit recommendations or a statement to City Council regarding the proposed disbanding of the commission.

There was a brief discussion by the Commission on crafting the statement to the Council in the positive and accepting the change from a standing Commission to a convened task force and that they are open to other possibilities. Councilmember Lord offered to introduce the

ordinance at the upcoming meeting then recommend postponement until the November 25, 2019 Council meeting for Public Hearing and second reading. The Commission agreed that would allow them time to draft recommendations on structuring the Commission.

Ms. Carroll will draft a statement for the next meeting of the Commission using the comments expressed tonight.

INFORMATIONAL MATERIALS

- A. City Manager's Report for September 9, 2019
- B. City Manager's Report for September 23, 2019
- C. EDC 2019 Meeting Calendar
- D. Commissioner Attendance at 2019 City Council Meetings

Chair Marks noted the Joint worksession with Planning and the Parks Commissions on October 16, 2019 at 5:30 p.m. She encouraged the Commissioners to attend the Council meeting on Monday, October 14, 2019.

COMMENTS OF THE AUDIENCE

Councilmember Lord commented on the economic development work that is conducted by the other commissions specifically noting the changes implemented recently by the Planning Commission to amend city code to allow taller buildings in the East End Mixed Use District, expanding manufacturing in the Central Business District. She would also argue that most things that the Port & Harbor Commission works on affect the solvency of that enterprise and really economic development the port expansion is directly responding to the need of the larger vessel fleet that are having to take their boats to Seattle since there is no space to keep the fleet here. There is also a lot of nexus with the Marine trades and other businesses regarding economic development.

Chair Marks agreed that the whole Port and Harbor is always looking economically and did not believe that it was the issue as much as the rest of Homer and really believed that it was the EDC that had something to do with the Planning Commission having addressed these issues and the other commissions addressing issues on economics.

Dr. Bill Marley stated that he had asked to speak to the Commission and he received a letter saying he could not that was written by Deputy Clerk Tussey, the letter alluded to the fact that he owned the land and point in fact he only owns a third of the land, not all the land. His two partners live outside. They could care less what happens to the land as they bought it for economic investment whereas I would like to think that ____ (recording unclear what Mr. Marley was saying) would like to see what happens to that land come to be. When he and his wife moved to Homer there were less than 660 people now the Mayor tells him it is over 6000 and according to his math in 60 years the population will be 36,000 or if you use other math

over 60,000. In his opinion Homer is in an adolescent state and growing and much of what happens now will determine the character of the community in years henceforth, but when he asked to speak again, he was told that the Economic Commission two years ago had made an opinion and did not want to hear from him again and no one asked if he had more information to impart, and he does and feels that it is important information. He is really astounded tonight to hear the conversation of this meeting of developing a conference center and that is what he has been talking about and was talking about two years ago. He doesn't talk well so maybe it is his fault in not getting his idea across well. He has spoken to two people lately who he believe see him as an irritant and I have tried to see himself as offering an opportunity. I guess I am done.

Commissioner Arevalo asked Mr. Marley what property he was speaking about and the idea he proposed since she was not on the Commission at that time.

Mr. Marley described the location of the property across from the Lutheran Church and his proposal for a Conference Center. He then commented on the new Conference Center built in Sitka providing some details and the proposed idea for a new Conference Center in Seward that was not funded. He also thanked the Commissioners for their time noting his past experience sitting on a board.

Commissioner Brown commented that she was on the Commission when Mr. Marley presented his idea before them and remembered the proposal.

COMMENTS OF CITY STAFF

Special Projects & Communications Coordinator Carroll commented it was a good meeting, spirited and thoughtful discussion tonight.

COMMENTS OF THE COUNCILMEMBER

COMMENTS OF THE CHAIR

Chair Marks thanked Deputy City Clerk Krause for her assistance in providing direction on how to handle the items on the agenda tonight.

COMMENTS OF THE COMMISSION

Commissioner Richardson commented he enjoyed his new seat but also sitting on the other side of the dais.

Commissioner Brown apologized for texting during the meeting but she had a contractor at her house hanging lights and was trying to combine both.

Student Representative Brown commented that this was all very exciting especially since it was her first meeting. It was really interesting too.

Commissioner Johnson had no additional comments.

Commissioner Arevalo thanked Councilmembers Lord and Smith for coming and sharing their ideas and explaining things for them.

ADJOURN

There being no further business to come before the Commission, Chair Marks adjourned the meeting at 8:06 p.m. The next regular meeting is scheduled for Tuesday, November 12, 2019 at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

RENEE KRAUSE, MMC, DEPUTY CITY CLERK

Approved: _____