



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue

Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum 19-105

TO: MAYOR CASTNER & HOMER CITY COUNCIL

THROUGH: RACHEL TUSSEY, DEPUTY CITY CLERK

FROM: ECONOMIC DEVELOPMENT ADVISORY COMMISSION

DATE: AUGUST 19, 2019

SUBJECT: ORDINANCE 19-19(S) EXTRA TERRITORIAL WATER

The Economic Development Advisory Commission reviewed Ordinance 19-19(S) regarding extra territorial water at their August 13, 2019 regular meeting. The Commission discussed and made recommendations on amending City Code to allow piped City water outside city limits. Key points made during the discussion included:

- Overall logistics and concerns regarding mainline extensions and applying hook-up costs/water fees equitably to new, out-of-city limits customers in a way that's fair to existing/inside city limit customers.
- Concerns that there should be some sort of user fee to go towards the maintenance of the line in lieu of the missing city sales tax; it poses the question: are there city funds being used for the maintenance costs?
- Consensus that the ordinance is carefully written and tight-knit, allowing water outside city limits but with contingencies.
- Refuting the idea that businesses will run out of town to avoid taxes; Chair Marks knows of businesses that have moved back into town because establishing inside city limits is better for their business.
- Would allow a better mix of businesses in that area; allowing tapping into the water main may facilitate some businesses more than having to truck in water which creates more year-round jobs and benefits the Homer community.
- Ensuring the ordinance can clearly address the possibility of a water resale/trucking business that opens up outside of city limits.

RECOMMENDATION

The Economic Development Advisory Commission recommends City Council take the following points into consideration during their review of Ordinance 19-19(S):

- 1) It is a carefully crafted ordinance with protections to the City;
- 2) There needs to be more clarity on what funds the maintenance costs, whether it will be exclusively from water fees or another city fund such as HAWSP;
- 3) Potentially beneficial to the City to have an expanded business area that would add to year-round economic benefits;
- 4) What this ordinance would require in terms of a business intending to sell water.

