

1 **CITY OF HOMER**  
2 **HOMER, ALASKA**

Erickson

3  
4 **ORDINANCE 17-41(S)**

5  
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,  
7 AUTHORIZING THE CITY MANAGER TO PURCHASE KENAI PENINSULA  
8 BOROUGH PARCEL 18103418, 'LOT 42,' FROM THE ALASKA MENTAL  
9 HEALTH TRUST AUTHORITY IN THE AMOUNT OF \$550,600, ACQUIRE  
10 QUITCLAIM DEEDS ON PARCELS ON WHICH BOTH THE CITY AND THE  
11 TRUST CLAIM OWNERSHIP INTERESTS AND AUTHORIZING AN  
12 EXPENDITURE OF ~~\$250,600~~ **\$550,600** FROM THE PORT AND HARBOR  
13 ENTERPRISE FUND ~~AND A \$300,000 LOAN FROM THE GENERAL FUND~~  
14 ~~TO THE PORT AND HARBOR ENTERPRISE FUND~~ FOR THAT PURPOSE.  
15

16 WHEREAS, Lot 42 is located on the Homer Spit at the mouth of the Homer Harbor and  
17 is currently leased by Icicle Seafoods as part of their Homer-based fish processing operations;  
18 and  
19

20 WHEREAS, The City Administration has been in negotiations with Alaska Mental Health  
21 Trust Authority Land Office ("TLO") for 3 years regarding Lot 42 and a long piece of land  
22 extending into the mouth of the Harbor in which the City and the TLO claimed conflicting  
23 ownership rights (This property is described in Exhibit A to this Ordinance and hereafter called  
24 the "Core Harbor Property"); and  
25

26 WHEREAS, The purchase of Lot 42 is in the best interest of the Port and Harbor who will  
27 benefit from owning land near the Fish Dock; and  
28

29 WHEREAS, Acquisition of quitclaim deeds from the Trust for the Core Harbor Property  
30 ensures the City has clean title of property essential to the City's Harbor operation and  
31 management and protects the City from potentially costly litigation and/or administrative  
32 disputes between the City and the Trust; and  
33

34 WHEREAS, Homer City Code 18.06.040 authorizes the acquisition of real property; and  
35

36 ~~WHEREAS, Splitting the purchase between the Port and Harbor Enterprise Fund and a~~  
37 ~~low interest loan from the General Fund to the Port and Harbor Enterprise mitigates the~~  
38 ~~financial hit to either fund and allows the City General Fund a guaranteed return on investment~~  
39 ~~of 3%; and~~  
40

41 WHEREAS, The City of Homer recently entered into a long term lease with Icicle  
42 Seafoods for Lot 41; and

43  
44 WHEREAS, Revenue from the leasing of Lot 42 will generate an estimated return on  
45 investment of 16 years.

46  
47 NOW THEREFORE, The City of Homer Ordains:

48  
49 Section 1: The FY 2017 Operating Budget is hereby amended by appropriating ~~\$250,600~~  
50 **\$550,600** from the Port and Harbor Depreciation Reserve for the purchase of Kenai Peninsula  
51 Borough Parcel No. 18103418.

52  
53 Section 2: ~~The FY 2017 Operating Budget is further amended by authorizing a \$300,000~~  
54 ~~loan over 10 years at 3% with no penalty for early pay off from the General Fund to the Port~~  
55 ~~and Harbor Enterprise Fund for the purchase of Kenai Peninsula Borough Parcel No. 18103418~~  
56 ~~with the first payment due in 2018.~~

57  
58 Section 3 2: The City Council approves the acquisition of Lot 42 and the Core Harbor  
59 Property for \$550,600 subject to the City Attorney's review as to form and the essential terms  
60 reflected in this Ordinance. The City Manager retains the ability to negotiate all other terms of  
61 the acquisition and related agreements, deeds, and other documents.

62  
63 Section 4 3: This ordinance is a budget amendment ordinance, is not permanent in  
64 nature, and shall not be codified.

65  
66 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER THIS \_\_\_ DAY OF \_\_\_\_\_,  
67 2017.

68  
69 CITY OF HOMER

70  
71 \_\_\_\_\_  
72 BRYAN ZAK, MAYOR

73  
74 ATTEST:

75  
76 \_\_\_\_\_  
77 MELISSA JACOBSEN, MMC, CITY CLERK

78  
79 YES:

80 NO:

81 ABSTAIN:

82 ABSENT:

83  
84 First Reading:

85 Public Hearing:

86 Second Reading:

87 Effective Date:

88

89 Reviewed and approved as to form:

90

91

92

93 \_\_\_\_\_  
Mary K. Koester, City Manager

94

95 Date:\_\_\_\_\_

\_\_\_\_\_

Holly Wells, City Attorney

Date:\_\_\_\_\_