

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

3 Mayor

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 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
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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 WHEREAS, Revenue from the leasing of Lot 42 will generate an estimated return on
44 investment of 16 years; and

45
46 WHEREAS, The Alaska Mental Health Trust Authority is a state corporation that
47 administers the Alaska Mental health Trust, a perpetual trust, to improve the lives of
48 beneficiaries. The Trust operates much like a private foundation, using its resources to ensure
49 that Alaska has a comprehensive integrated mental health program; and

50
51 WHEREAS, The Community of Homer has many needs and services that fall under the
52 mission of AMTHA and requests that the proceeds from the sale of Lot 42 are used to improve
53 the lives of beneficiaries in the City of Homer to the greatest extent permissible by law.

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55 NOW THEREFORE, The City of Homer Ordains:

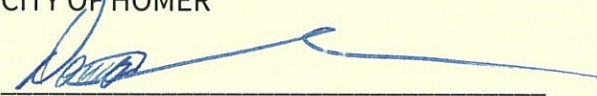
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57 Section 1: The FY 2017 Operating Budget is hereby amended by appropriating \$250,600
58 from the Port and Harbor Depreciation Reserve for the purchase of Kenai Peninsula Borough
59 Parcel No. 18103418.

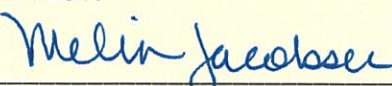
60
61 Section 2: The FY 2017 Operating Budget is further amended by authorizing a \$300,000
62 loan over 10 years at 3% with no penalty for early pay off from the General Fund to the Port
63 and Harbor Enterprise Fund for the purchase of Kenai Peninsula Borough Parcel No. 18103418
64 with the first payment due in 2018.

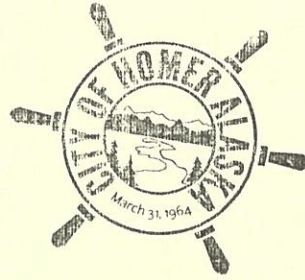
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66 Section 3: The City Council approves the acquisition of Lot 42 and the Core Harbor
67 Property for \$550,600 subject to the City Attorney's review as to form and the essential terms
68 reflected in this Ordinance. The City Manager retains the ability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

70
71 Section 4: This ordinance is a budget amendment ordinance, is not permanent in
72 nature, and shall not be codified.

73
74 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER THIS 21 DAY OF November,
75 2017.

76
77 CITY OF HOMER
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79
80 DONNA ADERHOLD, MAYOR PRO TEMPORE


81
82 ATTEST:
83 
84
85 MELISSA JACOBSEN, MMC, CITY CLERK



86
87 YES: 6
88 NO: 0
89 ABSTAIN: 0
90 ABSENT: 0

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92 First Reading: 10.30.17
93 Public Hearing: 11.27.17
94 Second Reading: 11.27.17
95 Effective Date: 11.28.17

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97 Reviewed and approved as to form:

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100 
101 Mary K. Koester, City Manager


Holly Wells, City Attorney

102
103 Date: 11.29.17

Date: 12.1.17