

**CITY OF HOMER  
HOMER, ALASKA**

Mayor/Smith

**ORDINANCE 19-09(S)**

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,  
ACCEPTING AND APPROPRIATING A \$100,000 SERVICE  
EXTENSION FEE AND AUTHORIZING THE EXTENSION OF CITY OF  
HOMER WATER SERVICES TO LOT 2B, PUFFIN ACRES MILEPOST 3  
EAST END ROAD IN KACHEMAK CITY.

WHEREAS, In 2004, in conjunction with the Alaska Department of Transportation East End Road Improvement Project, the City of Homer was afforded a very cost effective opportunity to extend the water and sewer lines along East End Road to Kachemak Drive; and

WHEREAS, When the East End Sewer was extended, Kachemak City was allowed to pay for a portion of the sewer improvement (based on the area and lots potentially served) with grant monies and assessments Kachemak City levied on Kachemak City benefited lots; and

WHEREAS, Resolution 04-42(A) authorized the City of Homer to proceed with the petitioning process as outlined in HCC 7.04.030 that eventually established the East End Road Sewer Local Improvement District (LID) and the East End Road Water LID; and

WHEREAS, While approximately half of the cost of the construction was allocated to the lots within the LID, the unallocated portion became known as the "Kachemak City Share"; and

WHEREAS, The Kachemak City Share of East End Road Water Extension Improvements was calculated at \$265,069.88 (.484% of the total based on the area and lots potentially served plus a standard 5% administrative fee) for creating water assessments to be collected in some fashion at such time as connections are permitted; and

WHEREAS, The City of Homer has been approached by East End Partners, LLC, a company constructing affordable housing units in Kachemak City, that needs access to a reliable water source; and

WHEREAS, Affordable housing has been identified as a need by the City of Homer in the Comprehensive Plan and Comprehensive Economic Development Strategy; and

WHEREAS, East End Partners, LLC will build 24 units of varying sizes that will help fill this need for the greater Homer area; and



WHEREAS, East End Partners, LLC has proposed to pay a service connection fee of \$100,000 to have access to City water; and

WHEREAS, The service connection fee will go to the Homer Accelerated Water and Sewer Program (HAWSP) to help fund future water system distribution improvements; and

WHEREAS, The connection of City water fronting Lot 2B does not change the City's policy on extending water outside City limits established in Resolution 04-42(A); and

WHEREAS, At which time when a sewer-only customer in Kachemak City hooks up to City water, their water usage will be metered and no longer billed under the sewer-only rate structure; and

WHEREAS, A resolution amending the fee schedule to enact a water service fee of 4.85% of total charges charged to every water customer outside of City Limits in lieu of City of Homer sales tax will follow upon the passage of this Ordinance.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY 2019 Capital Budget by accepting \$100,000 from East End Partners, LLC and appropriating it to the Homer Accelerated Water and Sewer Program for future water and sewer distribution improvements as follows:

Appropriation/Transfer From:

<u>Description</u>	<u>Amount</u>
Service connection fee for Lot 2B, Mile Post 3, East End Road, Kachemak City	\$100,000

Section 2. The \$100,000 service connection fee is an independent arrangement between the City of Homer and East End Partners, LLC and will not be applied to any potential future agreement to extend water to the lots along East End Road in Kachemak City that front a water main.

Section 3. This ordinance is a budget amendment ordinance only, is not permanent in nature and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 26 day of March, 2019.



CITY OF HOMER

Ken Castner

KEN CASTNER, MAYOR

ATTEST:

Melissa Jacobsen

MELISSA JACOBSEN, MMC, CITY CLERK



YES: 4

NO: 3

ABSTAIN: 0

ABSENT: 0

First Reading: Mar 02.11.19

Public Hearing: 02.25.19

Second Reading: 03.11.19 + 03.26.19

Effective Date: 03.27.19

Reviewed and approved as to form.

Katie Koester

Katie Koester, City Manager

Date: 3.28.19

Holly C. Wells, City Attorney

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