

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

3 Mayor/Smith

4 **ORDINANCE 19-09(S)**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
7 ACCEPTING AND APPROPRIATING A \$100,000 SERVICE
8 EXTENSION FEE AND AUTHORIZING THE EXTENSION OF CITY OF
9 HOMER WATER SERVICES TO LOT 2B, PUFFIN ACRES MILEPOST 3
10 EAST END ROAD IN KACHEMAK CITY.
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12 WHEREAS, In 2004, in conjunction with the Alaska Department of Transportation East
13 End Road Improvement Project, the City of Homer was afforded a very cost effective
14 opportunity to extend the water and sewer lines along East End Road to Kachemak Drive; and
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16 WHEREAS, When the East End Sewer was extended, Kachemak City was allowed to pay
17 for a portion of the sewer improvement (based on the area and lots potentially served) with
18 grant monies and assessments Kachemak City levied on Kachemak City benefited lots; and
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20 WHEREAS, Resolution 04-42(A) authorized the City of Homer to proceed with the
21 petitioning process as outlined in HCC 7.04.030 that eventually established the East End Road
22 Sewer Local Improvement District (LID) and the East End Road Water LID; and
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24 WHEREAS, While approximately half of the cost of the construction was allocated to the
25 lots within the LID, the unallocated portion became known as the "Kachemak City Share"; and
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27 WHEREAS, The Kachemak City Share of East End Road Water Extension Improvements
28 was calculated at \$265,069.88 (.484% of the total based on the area and lots potentially served
29 plus a standard 5% administrative fee) for creating water assessments to be collected in some
30 fashion at such time as connections are permitted; and
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32 WHEREAS, The City of Homer has been approached by East End Partners, LLC, a
33 company constructing affordable housing units in Kachemak City, that needs access to a
34 reliable water source; and
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36 WHEREAS, Affordable housing has been identified as a need by the City of Homer in the
37 Comprehensive Plan and Comprehensive Economic Development Strategy; and
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39 WHEREAS, East End Partners, LLC will build 24 units of varying sizes that will help fill
40 this need for the greater Homer area; and
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42 WHEREAS, East End Partners, LLC has proposed to pay a service connection fee of
43 \$100,000 to have access to City water; and

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

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

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

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

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59 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

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

64
65 Appropriation/Transfer From:

66

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

71
72 Section 2. The \$100,000 service connection fee is an independent arrangement
73 between the City of Homer and East End Partners, LLC and will not be applied to any potential
74 future agreement to extend water to the lots along East End Road in Kachemak City that front
75 a water main.

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

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80 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 26 day of March,
81 2019.

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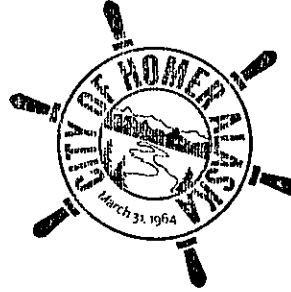
CITY OF HOMER

Ken Castner
KEN CASTNER, MAYOR

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ATTEST:

Melissa Jacobsen
MELISSA JACOBSEN, MMC, CITY CLERK



YES: 4
NO: 3
ABSTAIN: 0
ABSENT: 0

First Reading: Ma 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
Holly C. Wells, City Attorney
Date: 5.1.19