

REGULAR MEETING AGENDA

1. **Call to Order**
2. **Approval of Agenda**
3. **Public Comment:** The public may speak to the Commission regarding matters on the agenda that are not scheduled for public hearing or plat consideration. (3 minute time limit).
4. **Reconsideration**
5. **Adoption of Consent Agenda**

All items on the consent agenda are considered routine and non-controversial by the Planning Commission and are approved in one motion. There will be no separate discussion of these items unless requested by a Planning Commissioner or someone from the public, in which case the item will be moved to the regular agenda and considered in normal sequence.

 - A. Approval of Minutes of October 7, 2015 meeting **Page 1**
 - B. Time Extension: Misty Mountain preliminary plat **Page 7**
6. **Presentations**
7. **Reports** Staff Report PL 15-72 City Planner's Report **Page 11**
8. **Public Hearings** Testimony limited to 3 minutes per speaker. The Commission conducts Public Hearings by hearing a staff report, presentation by the applicant, hearing public testimony and then acting on the Public Hearing items. The Commission may question the public. Once the public hearing is closed the Commission cannot hear additional comments on the topic. The applicant is not held to the 3 minute time limit.
 - A. Staff Report PL 15-68 CUP 15-05 Conditional Use Permit at 315 Klondike Avenue to increase the building setback in the Town Center District **Page 13**
 - B. Staff Report PL 15-73 Amending the Bridge Creek Watershed Protection District standards for impervious coverage. **Page 41**
9. **Plat Consideration**
10. **Pending Business**
 - A. Staff Report PL 15-7 Zoning for Marijuana **Page 45**
11. **New Business**
12. **Informational Materials**
 - A. City Manager's Report October 12, 2015 **Page 51**
 - B. 2015 Commissioner Attendance at City Council meetings **Page 63**
13. **Comments of the Audience:** Members of the audience may address the Commission on any subject. (3 min limit)
14. **Comments of Staff**
15. **Comments of the Commission**
16. **Adjournment:** Next regular meeting is scheduled for November 4, 2015. A work session maybe be held at 5:30 pm. Meetings will adjourn promptly at 9:30 p.m. An extension is allowed by a vote of the Commission.



Session 15-15, a Regular Meeting of the Homer Advisory Planning Commission was called to order by Chair Stead at 6:30 p.m. on October 7, 2015 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS BOS, BRADLEY, HIGHLAND, STEAD, STROOZAS, VENUTI

ABSENT: ERICKSON

STAFF: DEPUTY CITY PLANNER ENGBRETSSEN
DEPUTY CITY CLERK JACOBSEN
PUBLIC WORKS DIRECTOR MEYER

Approval of Agenda

Chair Stead called for a motion to approve the agenda.

HIGHLAND/VENUTI SO MOVED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Public Comment

The public may speak to the Planning Commission regarding matters on the agenda that are not scheduled for public hearing or plat consideration. (3 minute time limit).

There was no public comment.

Reconsideration

Adoption of Consent Agenda

All items on the consent agenda are considered routine and non-controversial by the Planning Commission and are approved in one motion. There will be no separate discussion of these items unless requested by a Planning Commissioner or someone from the public, in which case the item will be moved to the regular agenda and considered in normal sequence.

- A. Approval of Minutes of September 16, 2015
- B. Decision and Findings for CUP 15-04 at 5185 Slavin Dr.
- C. Marley Subdivision Time Extension

Chair Stead called for a motion to approve the consent agenda.

HIGHLAND/BRADLEY SO MOVED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Presentations

A. Carey Meyer, Public Works Director, Waddell Way Improvements

Public Works Director Meyer reviewed the 35% design for the Waddell Way road improvements and project status. He reviewed the properties affected, rights of way in place and what will be created through platting. Mr. Meyer explained that this project will have the city's first street lights which will be LED lights that are 24 feet tall. This is an effort to minimize light pollution that can be created by taller poles, but will require closer placement of poles to have appropriate lighting along the street. He anticipates up to 10 street lights and that some of the cost will be recouped having lower energy usage with the LED lights. Relating to street naming, Mr. Meyer explained they are proposing that the road east to west be named Grubstake as it is an extension of that road. The north south connection hasn't been named yet. He reviewed the platting requirements that will be forthcoming to the Commission, HEA is participating with the platting, and they are working on a solution for the driveway design for the HEA construction yard.

Reports

A. Staff Report PL 15-67, City Planner's Report

Deputy City Planner Engebretsen reviewed the staff report included in the packet.

Public Hearings

Testimony limited to 3 minutes per speaker. The Commission conducts Public Hearings by hearing a staff report, presentation by the applicant, hearing public testimony and then acting on the Public Hearing items. The Commission may question the public. Once the public hearing is closed the Commission cannot hear additional comments on the topic. The applicant is not held to the 3 minute time limit.

Plat Consideration

Pending Business

A. 2015 Commissioner Attendance at City Council Meetings

Commissioner Stroozas agreed to attend on December 7th and Commissioner Bradley said she could attend on November 9th.

B. Staff Report PL 15-69, Bridge Creek Watershed Protection District

Deputy City Planner Engebretsen reviewed the staff report.

There was brief discussion in support of providing 50% relief for walk ways and driveways provided appropriate retention measures are in place.

It was confirmed the Commission will hold a public hearing at their next meeting and then it should be ready to go back to City Council.

New Business

A. Staff Report PL 15-70, Zoning for the Marijuana Industry

Deputy City Planner Engebretsen reviewed the staff report, including activities and buffers for particular land uses like schools and churches. The goal is to have a zoning ordinance to City Council by the end of the year so our regulations will be in place before the state's February deadline to start receiving applications for marijuana businesses.

The commission reviewed the activities including retail, cultivation, manufacturing/processing, and testing.

Deputy City Planner Engebretsen explained the Cannabis Advisory Commission (CAC) has addressed allowing small scale cultivation, less than 500 square feet, allowable in the rural residential neighborhood. Things they might think about include a minimum lot size or separation distance from the property line. She also noted the laydown from the Library Advisory Board recommending the library have the same setback as schools and she offered to provide a map of different scenarios.

Chair Stead's opinion is a 200 foot setback for the library, he recognized that youth do frequent the library, but it doesn't have the same concentration of youth as a school.

Commissioner Highland questioned if marijuana licenses would be limited by population like liquor licenses are. Chair Stead said he wasn't aware of a restriction yet and we don't know what the marijuana control board will do. Deputy City Planner Engebretsen was unsure if they could limit based on population locally, but noted there are a lot of hurdles to get into the business.

They reviewed the table proposing allowances for marijuana related activities.

Allowing cultivation in the Bridge Creek Watershed Protection district is recommended as allowable through a conditional use permit. A grow operation would likely trigger other conditional uses depending on impervious surface and other things. Relating to a small operation less than 550 feet, the concern is fertilizers, pesticides, and the potential of chemicals not being processed properly, going into septic systems and draining out into the watershed.

Commissioner Bos suggested small scale cultivation not be allowed in rural residential. Chair Stead noted that the CAC's perspective is that 75% of Homer is rural residential and that is why they support small operations. Mr. Bos said he understands there are people who want to grow it but also that there are their neighbors who won't want it next door. He thinks it's a good place to start. Deputy City Planner Engebretsen suggested looking at two options like A- not at all or B- under some specific conditions, so people have some options to consider and testify about.

Commissioner Highland commented that residential is mixed in most of the districts and there are ramifications of marijuana related activities that warrant something keeping it more restrictive in the beginning. If it is less restrictive and down the road we want to change regulation, we are left dealing with nonconforming uses.

Deputy City Planner Engebretsen confirmed for the next meeting staff will bring back two options to consider for rural residential, one not at all and two by CUP with rigorous standards like minimum lot size and separation distances to establish grounds to allow or deny.

There was general discussion about the lengthy process of getting licensed for an operation, and the stringent regulations for the marijuana related activities once they are licensed.

Under the manufacturing table it was suggested to eliminate CBD and include GC1 and GC2 as a CUP. Lot sizes in the CBD are too small and flammable materials are used at times in the process. Exclude Town Center and Gateway Business and Marine districts as well.

No changes were suggested for the table under testing.

Regarding retail, there was discussion of the notion of limiting the number of retail operations. Deputy City Planner Engebretsen explained that in staff's discussion, these stores can't sell other things. It raises the question how many can the community really support? The spit has a short retail season and there are a lot of hurdles to get a license from the state. It's questionable if it will be worth doing it out there. No changes were suggested.

Deputy City Planner Engebretsen said they will bring back a draft ordinance for the Commission to review.

B. Staff Report PL 15-71 Transportation Recommendations

Deputy City Planner Engebretsen reviewed the staff report.

BOS/HIGHLAND MOVED TO FORWARD THE TRANSPORTATION RECOMMENDATIONS TO COUNCIL.

There was brief discussion in support of the recommendations.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Informational Materials

- A. City Manager's Report September 28, 2015
- B. Town Hall Potential Revenue Solutions Pros/Cons

Comments of the Audience

Members of the audience may address the Commission on any subject. (3 minute time limit)

Comments of Staff

Deputy City Planner Engebretsen thanked the Commission for their input tonight. She thinks the marijuana discussion will move fairly quickly and hopes we can communicate in a clear fashion so people can join the conversation and not get too bogged down.

Comments of the Commission

Commissioner Highland commented in thinking about the budget and things that could get cut she questions if there is talk about volunteerism in the city. She thinks that's where we'll have to go with a lot of things. Regarding cannabis, she thinks unless things are in the newspaper people won't see it. Outreach is difficult and she thinks if there can be an article in the paper it would help the public know what is being discussed.

Deputy City Planner Engebretsen noted there is information in the papers regarding the marijuana regulation process and for people who are interested, it's readily available. As far volunteerism, it's huge in our community but it's a question of services.

Commissioner Bradley thanked everyone for the meeting. She is interested in seeing how the new intersection at Pioneer and Main will turn out. It's a little tricky right now. She invited everyone to attend the Pratt Museum's 30th annual Ritz on Friday.

Commissioner Bos said it was a good meeting.

Commissioner Venuti commented the Governor will be in town on Friday speaking at the Senior Center. In regard to whether the public gets notified or not, he thinks the same people who don't vote, don't pay attention. You're either interested in this stuff or you aren't. He said it was an interesting meeting.

Commissioner Stroozas said it was a good meeting; he apologized for missing the last one. It's been a busy month for him and now he can wind down and strategize for next time. He thanked everyone who supported him and wished everyone a good night.

Adjourn

There being no further business to come before the Commission, the meeting adjourned at 8:33 p.m. The next regular meeting is scheduled for October 21, 2015 at 6:30 p.m. in the City Hall Cowles Council Chambers. A worksession will be held at 5:30 p.m.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____





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MIKE NAVARRE
BOROUGH MAYOR

10/5/2015

City of Homer
491 East Pioneer Avenue
Homer Alaska 99603-7645

RE: Misty Mountain (N/C)
Time Extension Request; KPB File 2006-267

On behalf of the owner, the surveyor is requesting a 2-year time extension for Misty Mountain Subdivision, which is in the Bridge Creek Watershed Protection District.

The proposed subdivision received preliminary plat approval by the KPB Planning Commission on October 09, 2006. Approved time extension requests have since extended preliminary plat approval to October 14, 2015. Per KPB Planning Commission Resolution 89-27, concurrence by the city advisory planning commission is required for this request.

The time extension request is tentatively scheduled for the November 09 Planning Commission meeting as a consent agenda item. Platting staff is recommending that approval be extended through November 09, 2017, subject to concurrence of the Homer Advisory Planning Commission.

Thank You,

Liz Solomon
Platting Technician
esolomon@kpb.us



AGENDA ITEM C. CONSENT AGENDA

1. Time Extension Request
 - b. Misty Mountain (N/C) Time Extension
 KPB File 2006-267; [Imhoff/Rand, Tucker]
 Location: North of Homer City Limits within Bridge Creek Watershed Protection District; Kachemak Bay APC

STAFF REPORT

PC Meeting: 11/09/2015

2006

This subdivision was conditionally approved by the KPB Plat Committee on October 9, 2006, which was valid through October 9, 2007.

2007

The surveyor requested a 2-year time extension on August 13. This request was approved September 10, extending preliminary plat approval to September 10, 2009.

2009

On August 11, the surveyor requested a 2-year time extension. This request was approved September 14, extending preliminary plat approval to September 14, 2011.

2011

On August 13, the surveyor again requested a 2-year time extension on behalf of the Owners, who did not wish to create any lots at that time because of the increase in property taxes. That request was approved on September 12, extending the preliminary plat approval to September 12, 2013.

2013

The surveyor, on the behalf of the owners, requested another 2-year time extension on September 11, due to the uncertainty in the local real estate market. That request was approved October 14, which extended preliminary plat approval to October 14, 2015.

2015

On behalf of the Owners, another 2-year time extension was requested by the surveyor on September 28, 2015.

Notice of the time extension request was mailed to the City of Homer with a request for comments.

There have been no changes in the area that would affect this plat.

Approval of the requested time extension will extend preliminary approval to 2017, which is 11 years after the initial preliminary plat approval. **The owner and surveyor are put on notice** that staff may recommend any additional time extension requests revert the subdivision review to the new subdivision code (KPB 20.25, 20.30, and 20.60).

STAFF RECOMMENDATIONS: Extend preliminary plat approval for two years, through November 09, 2017, subject to the following:

1. Copy of plat with current utility reviews being submitted with the final plat
2. Plat must comply with any subsequent changes to Kenai Peninsula Borough Code up to February 11, 2014

3. Concurrence by the Homer Advisory Planning Commission

NOTE: An appeal of a decision of the Planning Commission may be filed to the Board of Adjustment in accordance with the requirements of the Kenai Peninsula Borough Code of Ordinances, Chapter 21.20.250. An appeal must be filed with the borough clerk within 15 days of date of notice of the decision; using the proper forms; and, be accompanied by the \$300 filing and records preparation fee.

END OF STAFF REPORT



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STAFF REPORT PL 15-72

TO: Homer Advisory Planning Commission
FROM: Rick Abboud
MEETING: October 21, 2015
SUBJECT: City Planner's Report

International Economic Development Council (IEDC) conference in Anchorage: As you may know because of my absence at the last Planning Commission meeting, I attended the IEDC meeting in Anchorage. A thousand attendees showed up for the conference. Bryan Zac, Ken Sprague and his wife, Nickie attended from Homer. Although I became ill during my trip, I was able to attend may of the sessions.

Discovering Economic Development Opportunity in Protected Lands: Collaboration between local and federal agencies was discussed. Many of these actually take an act of congress to accomplish. I was interested in the success of the bird watching industry in New Jersey. It would be great to have a nearby population of \$30 million from which to pull. Their success was derived from year-round birding activities and in conjunction with other attractions such as biking, trails, a zoo, golf, and wineries.

The Push and Pull of Zoning Regulations: It was suggested that market forces were a greater diver than zoning restrictions. Support for Smart Growth principles such as greater floor area ratios, increased connections, and less parking requirements were suggested along with the creation of clear and flexible regulations. Suggestions include creating a place where people want to be and to extend quality of life opportunities for those who may be looking to relocate.

Putting Economic Development in the Hands of the Locals: I learned about the "3" "C's": Connect, convene, cajole, and cheerlead. It was stated that "talent is looking for a place before a job." Live, work, and play opportunities should be promoted. Some suggestions for business survey were presented. This again suggested that quality of life issues were among the top concerns for economic development retention and attraction.

Vacant Spaces to Happening Places: How to Orchestrate a Turnaround: Talk of some mega projects was a substantial part of this session. While interesting, creating the new Sacramento Kings stadium does not transfer to Homer very well. Another presenter talked of creative place making. They used an arts based strategy, which made me think of our old town activities in Homer. Houses were actually turned over to artists. Empty windows were used as art displays. I have found through this and other examples, that once the artist community moves into a disenfranchised part of town it seem to become the next up and coming trendy place.

Town Hall > 25,000: Here we had active participation in discussions of issues for smaller community and ideas of how to address them. A book, *Boom Town USA* was suggested reading. Subjects included everything from the effects of box stores to how to retain youth to stay and work in the community. There was talk of how to leverage local business and work to create more local supply chains. Connection with local schools to connect with students to support local industry was supported. The creation of regional alliances was suggested

Breath of Fresh Air: Cultivating an Outdoor Recreation Cluster: Brand strategy was discussed, know your market. Become the gateway to the *natural*. Some communities created an anchor activity to entice visitors. Need to find what really sets you apart from the others. The love/hate relationship with visitors was discussed (hmmm seem to have a bit of that around here). I was suggested to match the built environment with the natural one.

Constructive Criticism: Economic Development Websites under the Microscope: This particular session was of great interest to me. Being a bit of a technology geek, I was ready to soak up all of the information. Two site selectors and two web designers critiqued four different sites. I learned about use of white space, font, security, fixed navigation, use of video, Google Analytics and many other bits of helpful advice to make a website more friendly.

Educational opportunity: On October 20-21st, two FEMA courses: Tsunami Awareness (Oct. 20th) and Coastal Community Resilience (Oct. 21st) will be offered at Islands and Ocean Visitor Center. FEMA CEUs are available. Online registration is available at <https://ndptc.hawaii.edu/training>.

APA Alaska Annual Conference: APA is offering Commissioner training Sunday November 15th and the rest of the conference will continue Monday and Tuesday. If you are able to attend, I may be able to cover conference fees. The budget is tight and I may not have funds for travel. Let me know if you are interested.

Towers: After my presentation to the Council, I plan to navigate further and get help from a contractor to further review and administer the ordinance.

Cannabis Advisory Commission: The next meeting is October 22nd.

Runoff Election: Are you ready to vote again? November

Special Election/Revenue/City Budget: And vote again in December on the use of HART funds for operation?



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Staff Report PL 15-68

TO: Homer Advisory Planning Commission
THROUGH: Rick Abboud, City Planner
FROM: Julie Engebretsen, Deputy City Planner
DATE: October 21, 2015
SUBJECT: CUP 15-05 315 Klondike Ave

Synopsis The applicant proposes to build a small office building near the existing Land Trust office. A Conditional Use Permit (CUP) is required per HCC 21.20.040(b)(4) Increased setback from right of way.

Applicants: Kachemak Heritage Land Trust
Sam Means, President
315 Klondike Ave
Homer, AK 99603

Location: 315 Klondike Ave
Parcel ID: 17719231
Size of Existing Lot: 3.47 acres
Zoning Designation: Town Center District
Existing Land Use: Small commercial office, vacant land
Surrounding Land Use: North: Mixed commercial – Captain’s coffee, Bay Realty Buildings
South: Vacant
East: Residential/small commercial offices
West: Vacant

Wetland Status: No wetlands in area of proposed development
Flood Plain Status: Zone D, Areas where flood hazards are undetermined, but possible.

Utilities: Public utilities serve the site.
Public Notice: Notice was sent to 34 property owners of 43 parcels as shown on the KPB tax assessor rolls.

PUBLIC WORKS COMMENTS: None
FIRE DEPARTMENT COMMENTS: No fire department issues.
PUBLIC COMMENTS: None as of the printing of the staff report.

ANALYSIS: The applicant proposes to build a small office building, 12' x 24' or 240 square feet, near the existing Land Trust office. A Conditional Use Permit (CUP) is required per HCC 21.20.040(b)(4) Increased setback from right of way. The Town Center District has both a building setback requirement, and a build – to line, meaning a building must typically be within 10-20 feet of the right of way. The point of this regulation is to have all building constructed close to sidewalks and pedestrian activity. For this project, the building is not near a street and the requirement may be relaxed through the CUP process.

PARKING:

The applicant has future expansion plans for a public park and community space, and potentially a new building. These improvements are not part of the current application, but staff has reviewed the parking plans with future expansion in mind. Staff has worked with the applicant to design a total of 9 parking spaces, including one ADA space. Only four spaces are required per code, however the applicant typically has more staff on site, visitors, and a company vehicle. **Staff recommends Condition 1: a minimum of 6 required parking spaces;** 4 for employees, one for the KHLT vehicle and one ADA van accessible parking stall. The Town Center District has more regulations about parking in front of building entrances. Staff anticipates the parking layout will need to change slightly, to allow for walkways to the main door of both buildings.

The Commission may notice there is an HEA pole within the parking lot. The applicant will not use that area for parking. In the future as the property develops, this area can be used to meet parking lot landscaping requirements. The applicant has discussed parking with staff and is in agreement with this parking plan.

The criteria for granting a Conditional Use Permit is set forth in HCC 21.71.020, General conditions, and establishes the following conditions:

a. The applicable code authorizes each proposed use and structure by conditional use permit in that zoning district;

Finding 1: HCC 21.20.020(c) authorizes offices as a permitted use, HCC 21.20.020(z) authorizes more than one building containing a permitted principle use on a lot, and HCC 21.20.040(b)(4) authorizes an increased setback from a street right of way in the Town Center District.

b. The proposed use(s) and structure(s) are compatible with the purpose of the zoning district in which the lot is located.

Purpose: The primary purpose of the Town Center District is to provide a centrally located area in Homer for a core business area and a community focal point. Pedestrian-friendly designs and amenities are encouraged.

Finding 2: The business office use and office building are structures and a land use that are compatible with and supported by the purpose of the Town Center District.

c. The value of the adjoining property will not be negatively affected greater than that anticipated from other permitted or conditionally permitted uses in this district.

Analysis: Other land uses in the TCD could generate a lot of traffic such as large retail, farmers market and schools.

Finding 3: A business office is not expected to negatively impact the adjoining properties greater than other permitted or conditional uses.

d. The proposal is compatible with existing uses of surrounding land.

Analysis: Existing surrounding uses include vacant land, single family residences, offices and retail.

Finding 4: The proposed office building is compatible with the existing uses of surrounding land, which include business offices, residences, retail and vacant land.

e. Public services and facilities are or will be, prior to occupancy, adequate to serve the proposed use and structure.

Finding 5: Existing public, water, sewer, and fire services are adequate to serve the site.

f. Considering harmony in scale, bulk, coverage and density, generation of traffic, the nature and intensity of the proposed use, and other relevant effects, the proposal will not cause undue harmful effect upon desirable neighborhood character.

Analysis: The Kachemak Heritage Land Trust is a small non-profit organization that does not generate very much traffic. Currently, on an average day, there are 6 employees and occasional visits by customers and board members. A multifamily apartment complex would generate more traffic during more hours of the day than a business office.

Finding 6: The construction of a small business office will be in harmony with the bulk, scale, and coverage of the mixed use neighborhood character.

g. The proposal will not be unduly detrimental to the health, safety or welfare of the surrounding area or the city as a whole.

Finding 7: The construction of a small office and parking lot improvements is not detrimental to the health, safety or welfare of the surrounding neighborhood or the City as a whole.

h. The proposal does or will comply with the applicable regulations and conditions specified in this title for such use.

Analysis:

- Fire Marshal approval is required.
- HCC 21.20.070(e) Landscaping requirements. More than 15% of the lot contains native landscaping.
- HCC 21.20.050(a) Architectural standards. The new office will be a wooden building, with earth tone paint, probably a green shade.
- HCC 21.20.050(e) All development shall comply with the commercial streetscape guidelines of site design section of the Community Design Manual.
 - Most of this section of the CDM address the location of parking and loading areas in relation to the streetscape and the building. On this property, the parking is to the rear of the building, with the front facing the community park and future town center area.

COMMERCIAL STREETSCAPE

To enhance the visual quality and the pedestrian environment of commercial streets and activity centers, an increased emphasis should be placed on landscaping, pedestrian walkways and architecture. Parking lots and service areas should be visually diminished by keeping them to the side or rear of the buildings.

1. **Locate structure near front setback line.** *Staff response is italicized. Plan does not meet this requirement and is the subject of this CUP.*
2. **Orient service and delivery areas away from the street.** *Plan meets this requirement.*
3. **Limit the number of curb cuts.** *Plan meets this requirement.*
4. **Limit width of driveways to 15, 24 or 34 feet.** *Plan meets this requirement.*
5. **Link dissimilar buildings with common site amenities.** *Building color will be cohesive and both are single story wooden structures.*
6. **Provide covering over walkways where appropriate.** *N/A awnings not used.*
7. **Place no more than 50% of required parking in front of buildings.** *Park is to the side/rear of the buildings from the right of way and from the future town center.*
8. **Avoid parking in front of building entrance.** *Parking spaces in front of the main*

building entrance interfere with entrance visibility and access. These shall be avoided.

Staff recommendations:

Condition 2: Shift parking space #1 to the west, to create a minimum 3 foot wide walkway to the front door. (See photo at end of staff report for an example)

Condition 3: Shift spaces 8 and 9 to the east. Space 8 will become the ADA van space. Space 7 is eliminated as a parking space and becomes the required 96 inch width ADA access aisle.

9. Choose awning designs appropriate to building style. *N/A, awnings not used.*

10. Ground signs should be constructed from natural materials. *N/A ground signs not used. Signage is already existing (wooden).*

Finding 8: The proposal complies with the regulations and conditions of Homer City Code Title 21.

i. The proposal is not contrary to the applicable land use goals and objectives of the Comprehensive Plan.

Analysis: Goals of the Town Center Comprehensive Plan include sustainable landscaping, good architecture by using locally relevant material, such as wood siding, and pedestrian connectivity. KHLT provides pedestrian access from the Poopdeck Trail to the community garden area of the site. Additionally, with the expansion of the parking lot to the west, it will be possible when warranted to extend pedestrian access from the adjoining commercial development, up to Pioneer Ave. The current development proposal implements some of the development goals of the Town Center Plan.

Finding 9: The proposal is not contrary to the applicable land use goals and objects of the Comprehensive Plan.

j. The proposal will comply with the applicable provisions of the Community Design Manual (CDM).

Finding 10: Outdoor lighting must be down lit per HCC 21.20.090 and the CDM and complies with the applicable provisions of the CDM.

HCC 21.71.040(b). b. In approving a conditional use, the Commission may impose such conditions on the use as may be deemed necessary to ensure the proposal does and will continue to satisfy the applicable review criteria. Such conditions may include, but are not limited to, one or more of the following:

1. Special yards and spaces: No specific conditions deemed necessary

- 2. Fences and walls:** No specific conditions deemed necessary
- 3. Surfacing of parking areas: Condition 4:** KHLT shall delineate parking stalls. Since the parking lot is gravel and striping parking stalls is not practical, wheel stops may be used delineate parking stalls. KHLT may choose to use commercially available wheel stops such as concrete, or plastic, or may use logs, telephone poles or other common materials.
- Condition 5:** The wheel stops will be placed so there is adequate room for people to walk between buildings south of the parking lot cars. (ie, walkway/trail to the south of spaces 1-6). (See photo at end of staff report for example)
- 4. Street and road dedications and improvements:** No specific conditions deemed necessary.
- 5. Control of points of vehicular ingress and egress:** No specific conditions deemed necessary.
- 6. Special provisions on signs:** No specific conditions deemed necessary.
- 7. Landscaping:** No specific conditions deemed necessary.
- 8. Maintenance of the grounds, building, or structures:** No specific conditions deemed necessary.
- 9. Control of noise, vibration, odors or other similar nuisances:** No specific conditions deemed necessary.
- 10. Limitation of time for certain activities:** No specific conditions deemed necessary.
- 11. A time period within which the proposed use shall be developed:** No specific conditions deemed necessary.
- 12. A limit on total duration of use:** No specific conditions deemed necessary.

PUBLIC WORKS COMMENTS: None

FIRE DEPARTMENT COMMENTS: No fire department issues.

PUBLIC COMMENTS: None as of the printing of the staff report.

STAFF COMMENTS/RECOMMENDATIONS:

Planning Commission approve CUP 15-05 with findings 1-10 and the following conditions, 1-5.

Condition 1: A minimum of 6 parking spaces are required.

Condition 2: Shift parking space #1 to the west, to create a minimum 3 foot wide walkway to the front door.

Condition 3: Shift spaces 8 and 9 to the east. Space 8 will become the ADA van space. Space 7 is eliminated as a parking space and becomes the required 96 inch width ADA access aisle.

Condition 4: KHLT shall delineate parking stalls.

Condition 5: The wheel stops will be placed so there is adequate room for people to walk between buildings south of the parking lot cars. (ie, walkway/trail to the south of spaces 1-6).

Attachments

- Application
- Public Notice
- Aerial Photograph

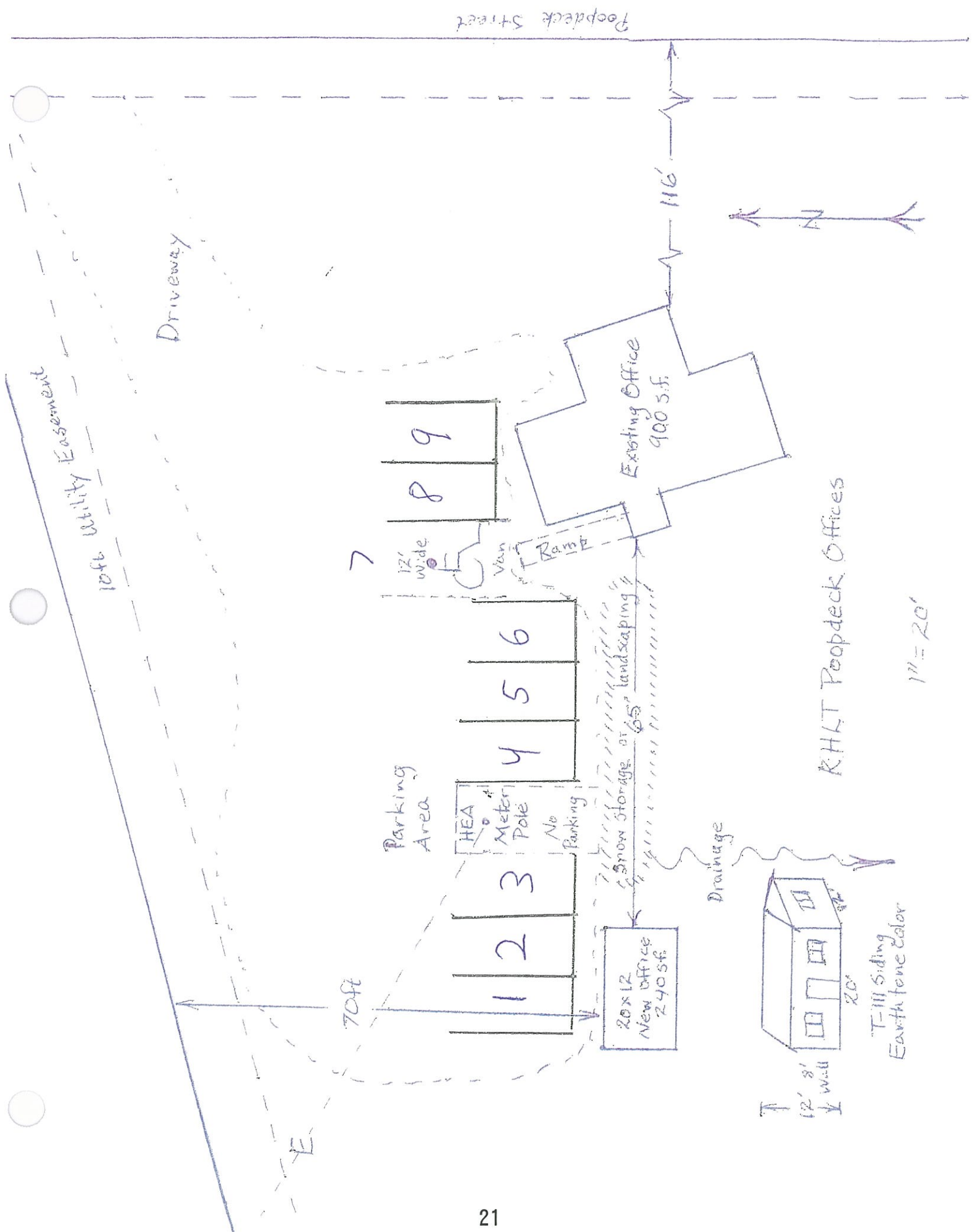


Access Aisle and secondary walkway to building entrance

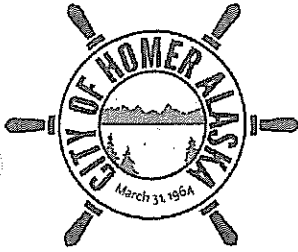


Walkway in front of wheel stops









City of Homer

www.cityofhomer-ak.gov

Planning
491 East Pioneer Avenue
Homer, Alaska 99603

Planning@ci.homer.ak.us
(p) 907-235-3106
(f) 907-235-3118

Applicant

Name: Sam Means, President, KHLT

Telephone No.: 907-235-3733

Address: 315 Klondike Ave

Email: smeans51@gmail.com

Property Owner (if different than the applicant):

Name: Kachemak Heritage Land Trust

Telephone No.: 907-235-5263

Address: 315 Klondike Avenue

Email: smeans51@gmail.com

PROPERTY INFORMATION:

Address: 315 Klondike Ave Lot Size: 3.47 acres KPB Tax ID # 17719231

Legal Description of Property: Lot 16A-1 Nils O Svedlund Sub. No. 10

For staff use:

Date:

Fee submittal: Amount

Received by:

Date application accepted as complete

Planning Commission Public Hearing Date:

revised application

10/11/15

10/21/15

Conditional Use Permit Application Requirements:

1. A Site Plan
2. Right of Way Access Plan
3. Parking Plan
4. A map showing neighboring lots and a narrative description of the existing uses of all neighboring lots. (Planning can provide a blank map for you to fill in).
5. Completed Application Form
6. Payment of application fee (nonrefundable)
7. Any other information required by code or staff, to review your project

Circle Your Zoning District

	R R	U R	R O	CB D	TC D	GB D	GC 1	GC 2	M C	M I	OS R	BCWP D
Level 1 Site Plan	x	x	x			x			x		x	x
Level 1 ROW Access Plan	x	x							x		x	
Level 1 Site Development Standards	x	x										
Level 1 Lighting			x	x	x	x	x	x	x	x		
Level 2 Site Plan			x	x	x		x	x		x		
Level 2 ROW Access Plan			x	x	x		x	x		x		
			x**									
Level 2 Site Development Standards				x	x	x	x	x				
Level 3 Site Development Standards									x	x		
Level 3 ROW Access Plan						x						
DAP/SWP questionnaire				x	x	x	x	x				

Circle applicable permits. Planning staff will be glad to assist with these questions.

- Y N Are you building or remodeling a commercial structure, or multifamily building with more than 3 apartments? If yes, Fire Marshal Certification is required. Status: *Application submitted 9-16-15*
- Y N Will your development trigger a Development Activity Plan?
Application Status: _____
- Y N Will your development trigger a Storm water Plan?
Application Status: _____
- Y N Does your site contain wetlands? If yes, Army Corps of Engineers Wetlands Permit is required. Application Status: *Full wetland delineation attached. Not constructing in the wetlands.*
- Y N Is your development in a floodplain? If yes, a Flood Development Permit is required.
- Y N Does your project trigger a Community Design Manual review?
If yes, complete the design review application form. The Community Design Manual is online at: <http://www.ci.homer.ak.us/documentsandforms>
- Y N Do you need a traffic impact analysis?
- Y N Are there any nonconforming uses or structures on the property?
- Y N Have they been formally accepted by the Homer Advisory Planning Commission?
- Y N Do you have a state or city driveway permit? Status: *N/A - existing*
- Y N Do you have active City water and sewer permits? Status: *Currently served by city water and sewer.*

1. Currently, how is the property used? Are there buildings on the property? How many square feet? Uses within the building(s)? *An existing 900 sf. log cabin is used as an office building. A dilapidated 700 sf. shop/shed ("the Squirrel Shed") will be removed to make way for a new 240 sf. office building.*

2. What is the proposed use of the property? How do you intend to develop the property? (Attach additional sheet if needed. Provide as much information as possible).
Construction of a 240 sf. building for additional office space will relieve overcrowding in our existing 900 sf. office building. It would be uneconomical, inefficient and impractical to build an addition to the existing 50 year old log cabin used as the headquarters building for Kachemak Heritage Land Trust.

3.

CONDITIONAL USE INFORMATION: (Please use additional sheet(s), if necessary)

- a. What code citation authorizes each proposed use and structure by conditional use permit?
HCC 21.20.040(b)(4) Increased setback from right of way.

- b. Describe how the proposed uses(s) and structures(s) are compatible with the purpose of the zoning district. *A new 240 sf. office building constructed on the footprint of a dilapidated shop/shed (which will be removed) on KHLT property currently being used for office purposes should be compatible with the Town Center District zoning designation.*
- c. How will your proposed project affect adjoining property values? *Unknown. However, because the new building is screened by natural vegetation from adjoining properties and there are no foreseeable increased traffic impacts, adjoining property values should not be affected.*
- d. How is your proposal compatible with existing uses of the surrounding land? *This project continues the quiet, low impact use of KHLT property as an office. Surrounding land uses will not be affected.*
- e. Are/will public services adequate to serve the proposed uses and structures? *Yes. The existing office is served by public water and sewer. HEA provides electricity and Enstar provides natural gas. The new office building will not have water and sewer, but will be served with electricity and natural gas.*
- f. How will the development affect the harmony in scale, bulk, coverage and density upon the desirable neighborhood character, and will the generation of traffic and the capacity of surrounding streets and roads be negatively affected? *The impact to the surrounding neighborhood will be unnoticeable. An increase in traffic is not expected. Current KHLT staff will simply have new and adequate office space to work in.*
- g. Will your proposal be detrimental to the health, safety or welfare of the surrounding area or the city as a whole? *No.*
- h. How does your project relate to the goals of the Comprehensive Plan?
The 2006 Town Center Plan and the 2008 Comprehensive Plan are online at:
<http://www.ci.homer.ak.us/documents/planning>.
This project is consistent with the 2008 Comprehensive Plan and the 2006 Town Center Plan.
- i. The Planning Commission may require you to make some special improvements. Are you planning on doing any of the following, or do you have suggestions on special improvements you would be willing to make? **(circle each answer)**

No special improvements beyond the addition of a second, 240 sf office.

1. Y/N Special yards and spaces.
2. Y/N Fences, walls and screening.
3. Y/N Surfacing of parking areas.
4. Y/N Street and road dedications and improvements (or bonds).
5. Y/N Control of points of vehicular ingress & egress.
6. Y/N Special provisions on signs.
7. Y/N Landscaping.
8. Y/N Maintenance of the grounds, buildings, or structures.

9. Y/N Control of noise, vibration, odors, lighting, heat, glare, water and solid waste pollution, dangerous materials, material and equipment storage, or other similar nuisances.
10. Y/N Time for certain activities.
11. Y/N A time period within which the proposed use shall be developed.
12. Y/N A limit on total duration of use.
13. Y/N Special dimensional requirements such as lot area, setbacks, building height.
14. Y/N Other conditions deemed necessary to protect the interest of the community.

PARKING

1. How many parking spaces are required for your development? *One parking space per 300 sf of office space.*
If more than 24 spaces are required see HCC 21.50.030(f)(1)(b).
2. How many spaces are shown on your parking plan? *6-8*
3. Are you requesting any reductions? *No.*

Include a site plan, drawn to a scale of not less than 1" = 20' which shows existing and proposed structures, clearing, fill, vegetation and drainage.

I hereby certify that the above statements and other information submitted are true and accurate to the best of my knowledge, and that I, as applicant, have the following legal interest in the property:

CIRCLE ONE: Owner of record Lessee Contract purchaser

Applicant signature:

Kachemak Heritage Land Trust

Date:

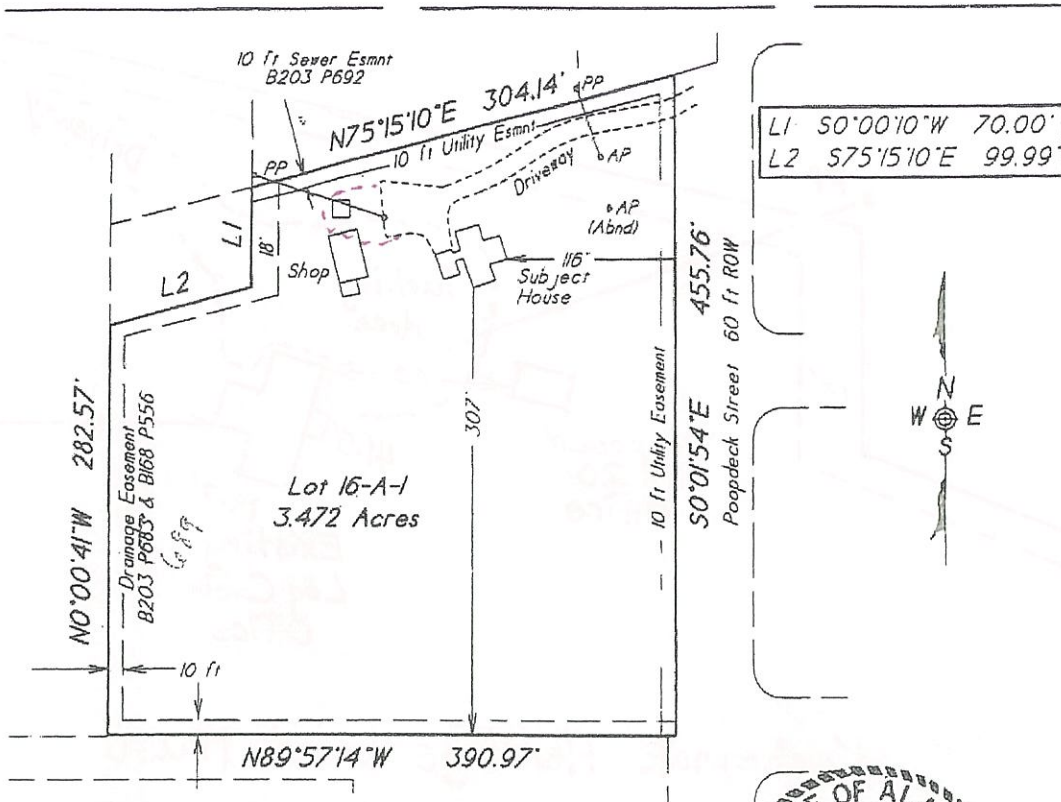
10-1-15

Property Owner's signature:

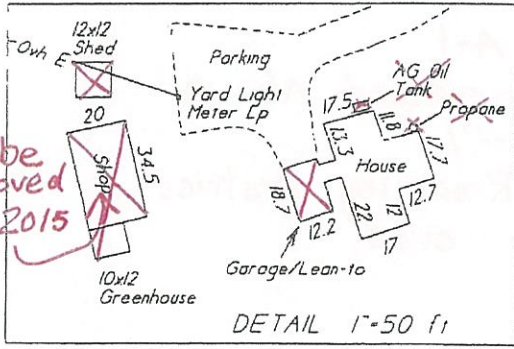
Robert Sheans, President

Date:

10-1-15



L1 50°00'10"W 70.00'
L2 57°15'10"E 99.99'



To be removed
Oct. 2015



Structures Removed

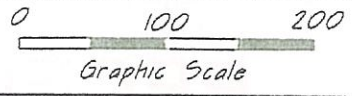
NOTES:

1. Subject structure is one story log house on basement.
2. This lot is served by City of Homer water and sewer.
3. This survey is valid for above ground improvements only and is based on the record plat.
4. This document may not be recorded or copies sold without the written permission of the Surveyor. This Survey is to be used only for the purposes intended and is valid for 120 days from the date of original survey after which it must be recertified.

I hereby Certify that I have surveyed the following property and that no visible encroachments exist

Lot 16-A-1 Nils O. Svedlund No. 10

Exclusion Note: It is the responsibility of the Owner(s) to determine the existence of any easements, covenants, or restrictions which do not appear on the recorded subdivision plat. Under no circumstances should any data hereon be used for construction or for the establishment of fence or boundary lines.



ASBUILT SURVEY

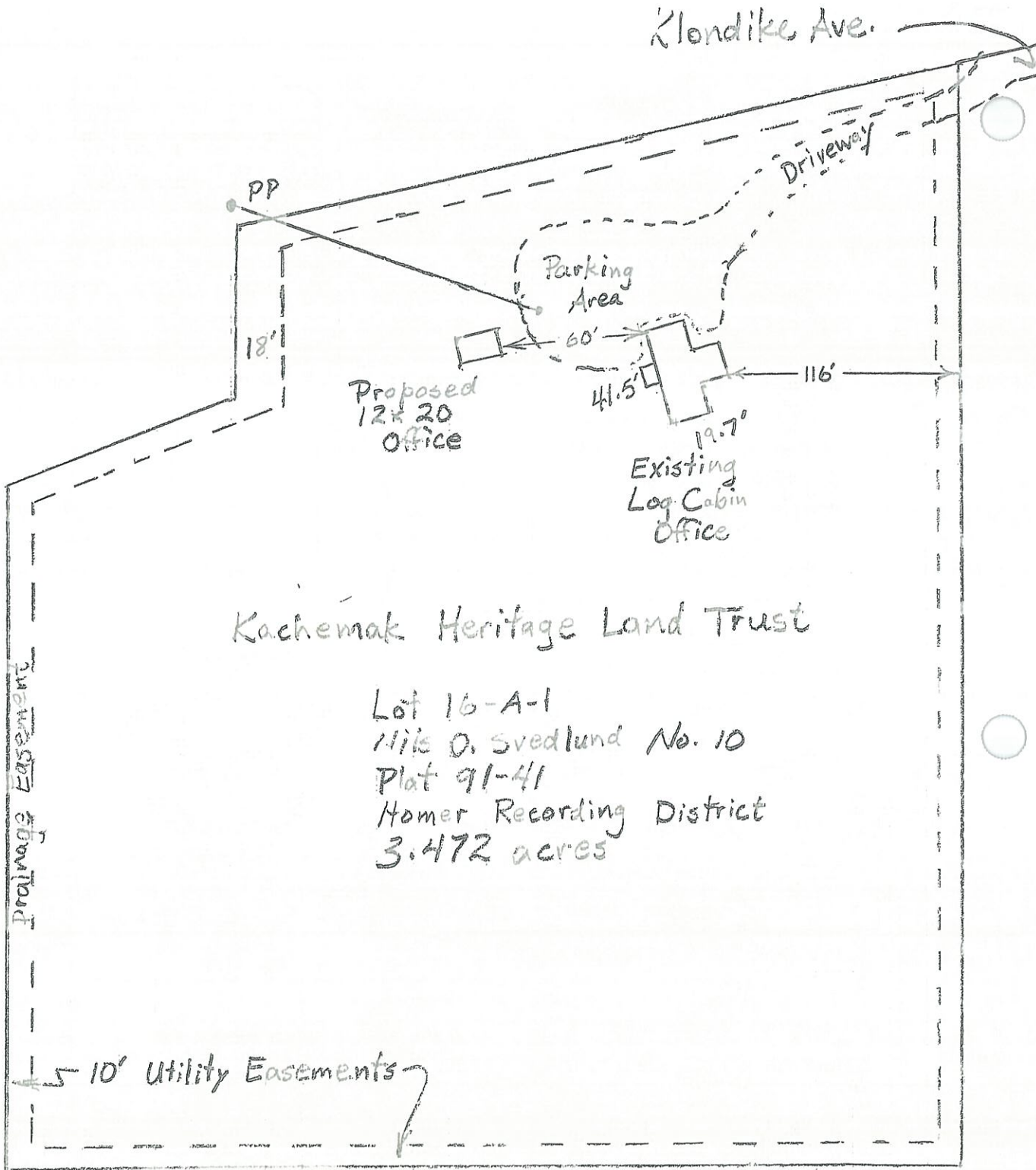
Lot 16-A-1 Nils O. Svedlund No. 10
as shown on Plat No. 91-41
Homer Recording District

Located in the NW 1/4
Section 20, T6S, R13W, SM

Third Judicial District, Alaska

Clients: David Huebsch PO Box 83 Kasilof Ak 99610	Surveyed By: Roger W. Imhoff, RLS PO Box 2588 Homer Ak 99603
Date of Survey 1-22-02	File L16A1nilsosvedlund.vcd
Drawn RWI	Scale 1" = 100 ft

27 FILE



Kachemak Heritage Land Trust

Lot 16-A-1
 Mils O. Svedlund No. 10
 Plat 91-41
 Homer Recording District
 3.472 acres

10' Utility Easements

1" = 60'

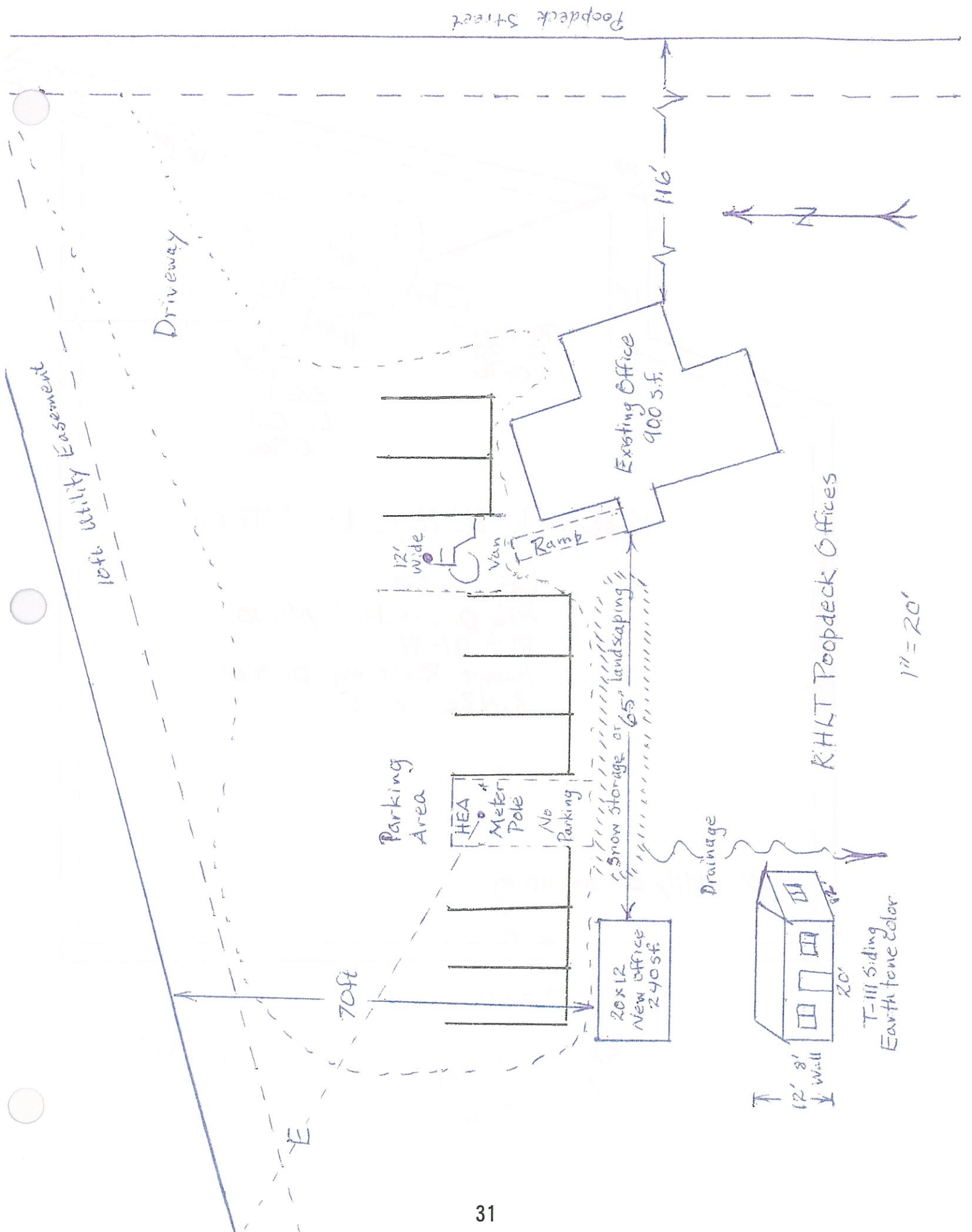
Site Plan
 R/W Access Plan
 Parking Plan

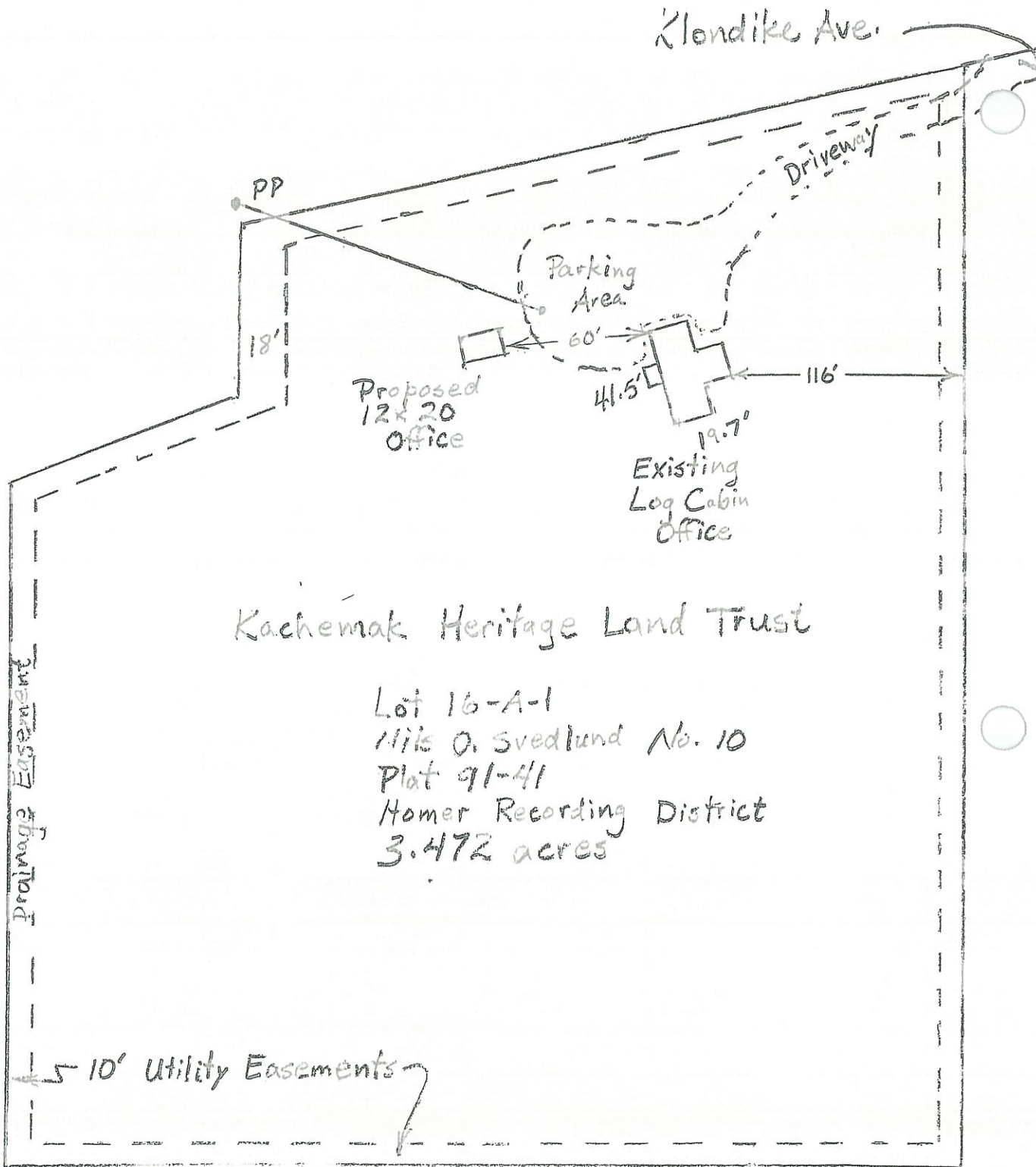
RECEIVED

SEP 16 2015

CITY OF HOMER
 PLANNING/ZONING







Kachemak Heritage Land Trust

Lot 16-A-1
 1/16 O. Svedlund No. 10
 Plat 91-41
 Homer Recording District
 3.472 acres

5 10' Utility Easements

1" = 60'

Site Plan
 R/W Access Plan
 Parking Plan

RECEIVED

SEP 16 2015

CITY OF HOMER
 PLANNING/ZONING

PUBLIC NOTICE

Public notice is hereby given that the City of Homer will hold a public hearing by the Homer Advisory Planning Commission on Wednesday, October 21, 2015 at 6:30 p.m. at Homer City Hall, 491 East Pioneer Avenue, Homer, Alaska on the following matter:

Request for Conditional Use Permit (CUP) 2015-05 at 315 Klondike Avenue.

T 6S R 13W SEC 20 Seward Meridian HM 0910041 NILS O SVEDLUND SUB NO 10 LOT
16 A-1

In the Town Center District a Conditional Use Permit is required per HCC 21.20.040(b)(4) to increase the building setback from rights-of-way. An old shed is being removed and a new 240 square foot, single story office building will be constructed approximately 225 feet from the Poopdeck Street right-of-way.

Anyone wishing to present testimony concerning this matter may do so at the meeting or by submitting a written statement to the Homer Advisory Planning Commission, 491 East Pioneer Avenue, Homer, Alaska 99603, by 4:00 p.m. on the day of the meeting.

The complete proposal is available for review at the City of Homer Planning and Zoning Office located at Homer City Hall. For additional information, please call Rick Abboud, at the Planning and Zoning Office at 235-3106.

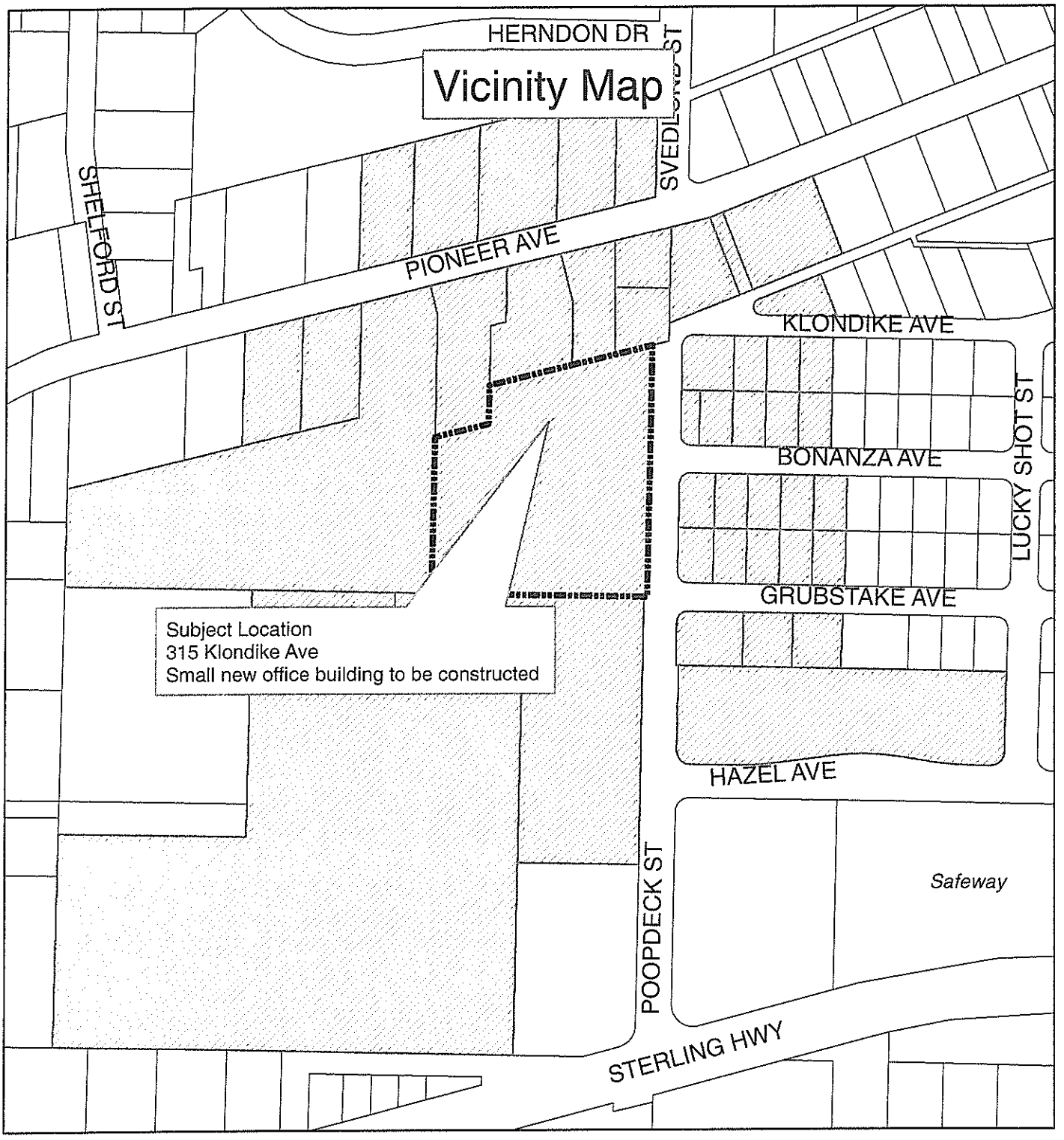
NOTICE TO BE SENT TO PROPERTY OWNERS WITHIN 300 FEET OF PROPERTY.

.....

VICINITY MAP ON REVERSE



Vicinity Map



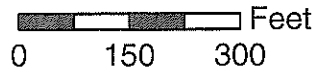
Subject Location
 315 Klondike Ave
 Small new office building to be constructed



City of Homer
 Planning and Zoning Department
 October 2, 2015

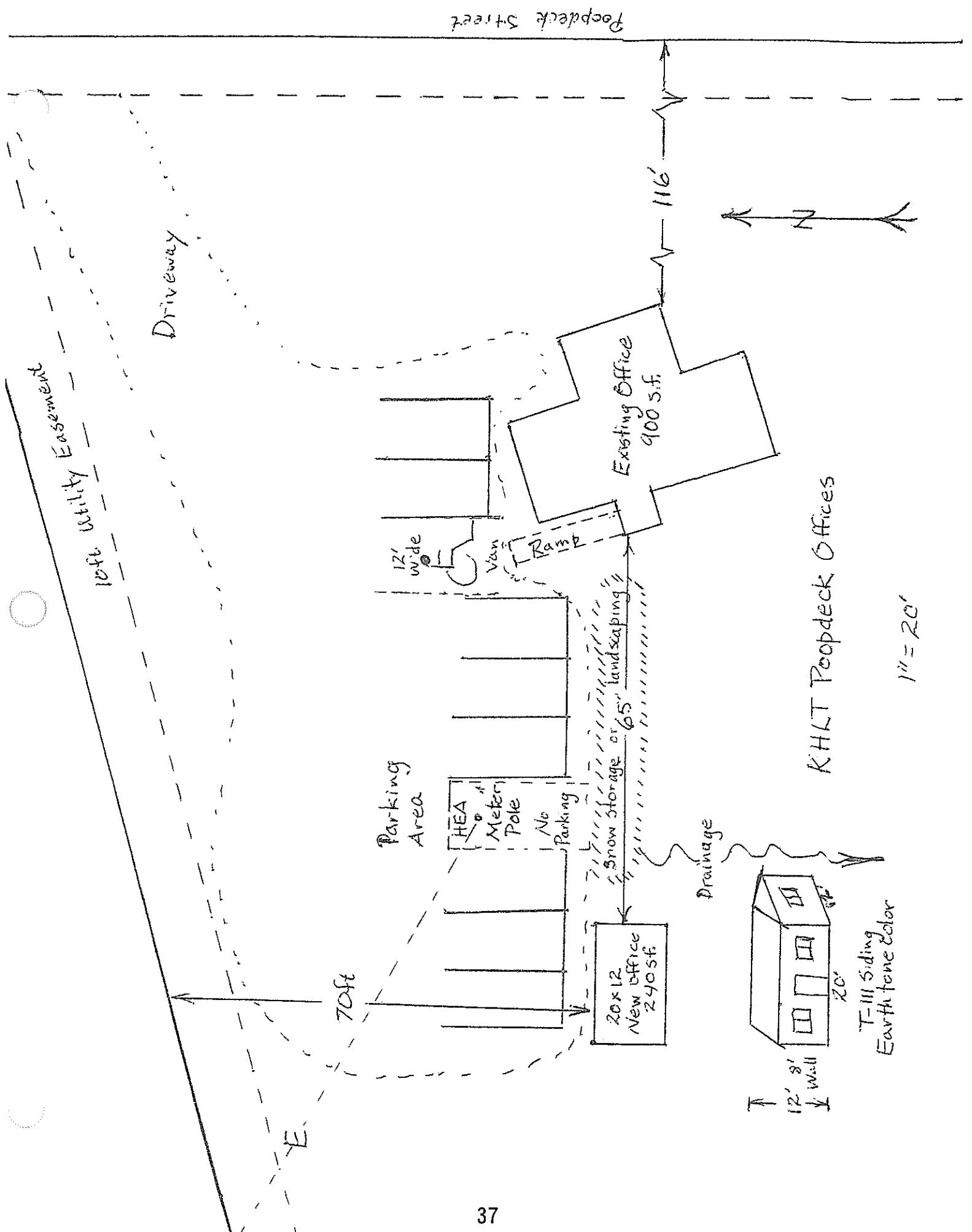
Request for Conditional Use Permit 15-05,
 315 Klondike Ave

Parcels w/in 300 feet are marked
 and land owners notified



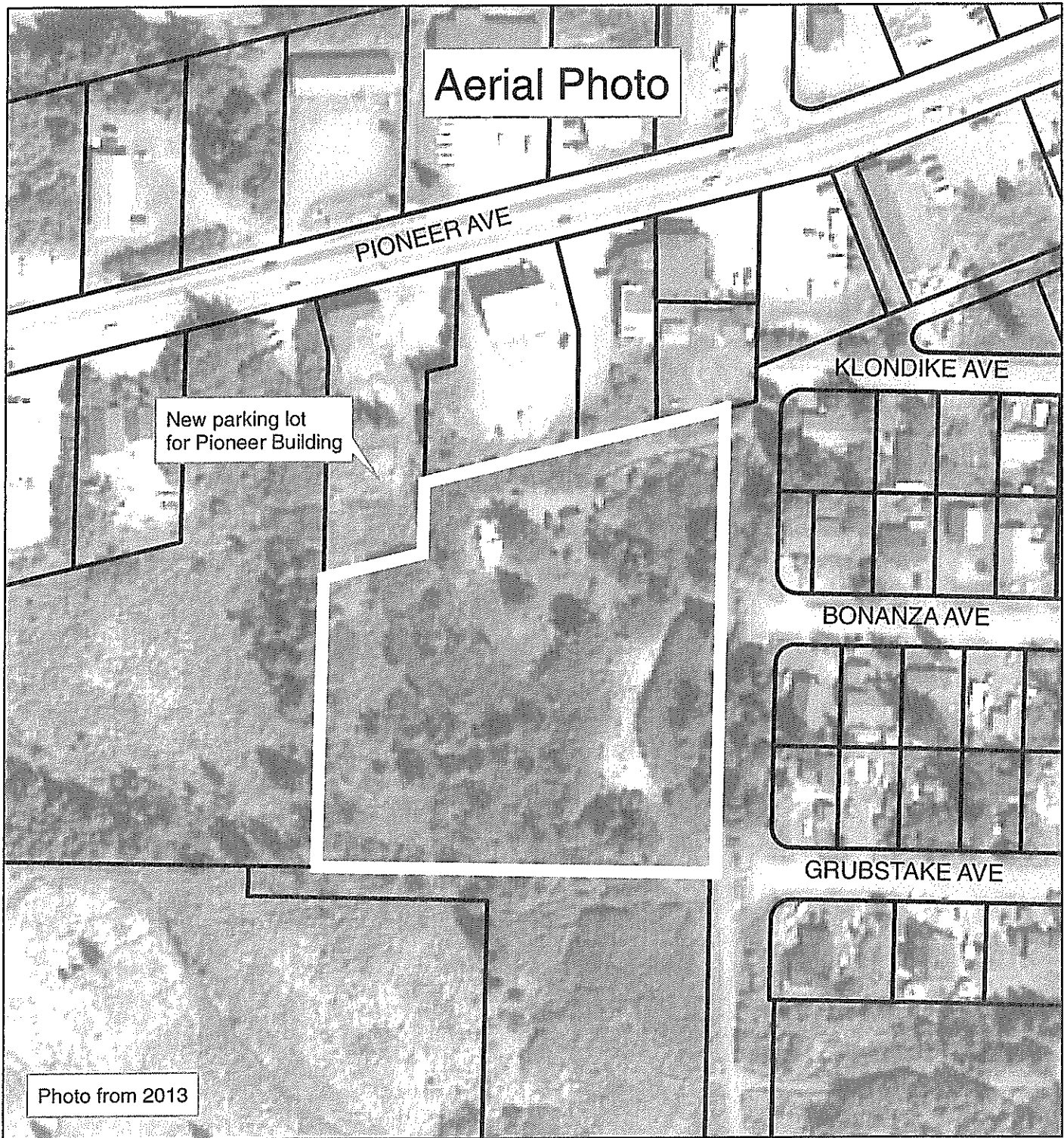
Disclaimer:
 It is expressly understood the City of Homer, its council, board, departments, employees and agents are not responsible for any errors or omissions contained herein, or deductions, interpretations or conclusions drawn therefrom.







Aerial Photo



New parking lot
for Pioneer Building

Photo from 2013



City of Homer
Planning and Zoning Department

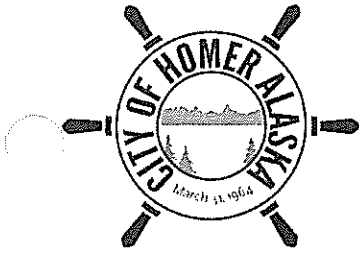
October 2, 2015

Request for Conditional Use Permit 15-05,
315 Klondike Ave



*Disclaimer:
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or conclusions drawn therefrom.*





City of Homer

www.cityofhomer-ak.gov

Planning

491 East Pioneer Avenue
Homer, Alaska 99603

Planning@ci.homer.ak.us

(p) 907-235-3106

(f) 907-235-3118

Staff Report PL 15-73

TO: Homer Advisory Planning Commission
FROM : Rick Abboud, City Planner
DATE: October 21, 2015
SUBJECT: Draft ordinance for the Bridge Creek Watershed Protection District.

This draft ordinance accomplishes several things for those developing in the Bridge Creek Watershed Protection District (BCWPD) on lots smaller than 2.5 acres. This ordinance will save applicants time and provide clear and consistent expectations when developing in the Homer's watershed. This ordinance:

1. Allows the City Planner to approve mitigation plans for lots smaller than 2.5 acres that choose to develop an impervious coverage up to 6.4% of the lot area (lines 23-25).

Currently, all lots in the BCWPD are allowed up to 4.2% of impervious coverage. Lots less than 2.5 acres may develop up to 6.4%, if the Planning Commission approves the mitigation plan. The Planning staff is familiar with these mitigation methods and can provide assistance to applicants. This will avoid delays when scheduling before the Commission, while letting the applicant work with one staff person instead of seven Commissioners.

2. Describes standards for calculating the amount of mitigation needed (lines 28-39).

Currently, how to mitigate for the impervious coverage is not defined. This leads applicants to design for what feels like to them, a moving target. The ordinance eliminates the moving target by outlining standards for storm water mitigation. The ordinance describes the rain event (a 10 year event for 3 hours, equal to 0.5" per hour) for which the developer is to mitigate, so applicants will have clear expectations on what their mitigation plan needs to accomplish. The ordinance outlines acceptable mitigation measures and provides the ability to consider mitigation methods not listed.

3. 50% of the driveways and walkways may be excluded (lines 46-52).

This clarifies that up to 50% of the driveways and walkways may be excluded from the impervious calculations when a mitigation plan considers the entire impervious coverage proposed. Consideration for a proposal of greater than 50% will require approval of the Planning

Commission. Currently, driveways may be fully excluded with approval of the Commission. A 50% exclusion would have accommodated all previous application with the exception of one.

The Planning Department shall evaluate each amendment to this title that is initiated in accordance with HCC 21.95.010 and qualified under HCC 21.95.030, and may recommend approval of the amendment only if it finds that the amendment:

- a. Is consistent with the Comprehensive Plan and will further specific goals and objectives of the plan.

Discussion: The Comprehensive Plan, Ch. 4, Goal 2: "Maintain the quality of Homer's natural environment and scenic beauty." A strategy to accomplish this goal includes "recommend that appropriate standards be adopted so that where development does occur it is designed to respect environmental functions and characteristics." Examples include "site development policies for drainage, vegetation, and grading." This amendment directly correlates to accomplishing this goal.

Staff response: This amendment is consistent with the Comprehensive Plan.

- b. Will be reasonable to implement and enforce.

Staff response: This code amendment will be reasonable to implement and enforce. Standards for mitigation calculation are more certain than current policy.

- c. Will promote the present and future public health, safety and welfare.

Staff response: Public health, safety and welfare are promoted in the creation of standards to help mitigate potential negative impacts on the Bridge Creek Reservoir.

- d. Is consistent with the intent and wording of the other provisions of this title.

Staff response: This amendment is consistent with the intent and wording of other provisions of this title. The amendments have been reviewed by the City Attorney and are deemed consistent with the intent and wording of the other provision of this title.

Staff Recommendation: Hold public hearing. Move to recommend adoption by the City Council.

Att: Draft Ordinance public hearing version

CITY OF HOMER
ORDINANCE 15-xx

AN ORDINANCE OF THE HOMER CITY COUNCIL AMENDING
HOMER CITY CODE 21.40.070, REQUIREMENTS, REGARDING
STANDARDS FOR IMPERVIOUS COVERAGE IN THE BRIDGE
CREEK WATERSHED PROTECTION DISTRICT.

THE CITY OF HOMER ORDAINS:

Section 1. Homer City Code 21.40.070, Requirements, is amended to read as follows:

21.40.070 Requirements. The requirements of this section shall apply to all structures and uses in the BCWP district unless more stringent requirements are required pursuant to Chapter 21.71 HCC. The City of Homer water utility is exempt from this section.

a. Impervious Coverage.

1. Lots two and one-half acres and larger shall have a maximum total impervious coverage of 4.2 percent.

2. Lots smaller than two and one-half acres shall have a maximum total impervious coverage of 4.2 percent, except as provided in subsection (a)(3) of this section.

3. Lots smaller than two and one-half acres may be allowed impervious coverage up to 6.4 percent if (a) the owner submits a lot-specific mitigation plan for the City Planner's ~~Planning Commission's~~ approval, and (b) if approved, thereafter implements and continuously complies with the approved plan. The mitigation plan must be designed to mitigate the effect of impervious coverage on water flow and the effect of loss of vegetation created by the impervious coverage and shall comply with the following performance standards:

a. Disturbed areas shall be reseeded by August 31st

b. Storm water retention for the proposed new impervious surface must be provided on site.

1. The post-development stormwater discharge rate shall not exceed the pre-development peak discharge rate (PDR) for the 10-year frequency storm event, consisting of rainfall for a period of three consecutive hours at a rate of one-half inch per hour.

2. Retention may be provided in the form of one or a combination of dry wells, rain barrels, rain gardens, foot drain retention or other method approved by the City Planner.

~~c. For the purpose of calculating impervious coverage for mitigation plans on lots smaller than two and one half acres, driveways and walkways may be calculated as 70% impervious and structures as 90% impervious.~~

[**Bold and underlined added.** Deleted language stricken through.]

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b. Impervious Coverage Calculations.

1. For the purpose of calculating impervious coverage on lots smaller than two and one-half acres, 50% of driveways and walkways may be ~~partially or fully~~ excluded from the calculation, if constructed and maintained in accordance with a mitigation plan in consideration of the entire impervious coverage proposed, submitted and approved in accordance with subsection (a)(3) of this section.

2. Consideration for any exclusion greater than 50% shall require approval of the Planning Commission.

Section 2. This Ordinance is of a permanent and general character and shall be included in the City Code.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of _____ 2014.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

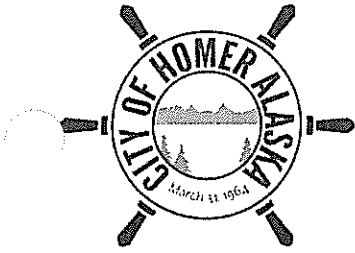
_____, City Manager

Thomas F. Klinkner, City Attorney

Date: _____

Date: _____

[**Bold and underlined added.** Deleted language stricken through.]



City of Homer

www.cityofhomer-ak.gov

Planning

491 East Pioneer Avenue
Homer, Alaska 99603

Planning@ci.homer.ak.us
(p) 907-235-3106
(f) 907-235-3118

Staff Report PL 15-74

TO: Homer Advisory Planning Commission
THROUGH: Rick Abboud, City Planner
FROM: Julie Engebretsen, Deputy City Planner
DATE: October 21, 2015
SUBJECT: Zoning for the Marijuana Industry

Introduction

At the October 7th HAPC meeting, the Commission was provided a basic introduction to potential zoning for marijuana activities. The minutes are attached to this staff report. The Commission discussed the four types of activities, and the various zoning districts. Two main points of discussion arose. First was the topic of small scale cultivation in the Rural Residential District. The Commission was of two minds; not allowing limited cultivation in the RR district, and if a conditional use, what the review standards would be. The second topic was, what the standards would be for a conditional use permit for any marijuana activities in any of the districts. This staff report offers some ideas for conditional use permit standards, and possibly finalizes the buffer distances.

Draft Ordinance Time line:

October 21: HAPC meeting
October 22: CAC meeting October 22
November 4th: HAPC public hearing on draft land use ordinance
December 2nd: Second HAPC public hearing and recommendation to City Council
January/February: City Council Adoption
February 24th: State begins taking license applications

Buffers

Buffers:	Schools	1000
	Churches	500
	Jail	500
	Youth/rec center	500
	Library	200
	Parks (see below)	200

The HAPC reviewed the buffers, and the comments of the Library Advisory Board. The LAB had request a buffer, the same as schools, for the library. The Planning Commission felt a 200

foot buffer would be adequate. Buffering from a large number of school aged children that use a facility on a regular basis may become one of the criteria for a conditional use permit.

Parks: Staff recommends naming the specific parks where the 200 foot buffer would apply. Staff initially thought of defining ‘park’ as a place where there was play equipment or obvious draws for children, however, its much more clear to just name the facility!

Staff Recommendation: Parks with a 200 ft buffer: Jack Gist, Hornaday, Bayview, Ben Walters.

CUP standards for all Marijuana Activities

Standards for ALL Marijuana CUP’s:

- Down lighting, probably following the existing rules we have in commercial districts, but would also apply to small grows in RR
- If there is a high density of school age children, that may be grounds for denial of a permit. IE, a daycare center with more than 16 kids. Under the draft state regulations, licensed daycares will not have a buffer. **Commission discussion point: Are there buildings or places other than the library that should have a buffer, and why?**

Rural Residential limited cultivation standards

Option A: No small scale growing allowed, only personal use as allowed under the law.

Option B: Conditional Use Permit Standards

- Activity would be allowed outright on 40,000 sq ft lots
- Minimum lot size is 20,000 sq ft, and a CUP required on lots 20,000-39,999 sq ft
- New structures built for cultivation should be at least 20 feet from the nearest lot line. The goal would be separation between the grow and the neighboring property. Grows may include exterior lighting, security cameras and occasional smell – theoretically there won’t be any odor.

Commission Discussion point: Under what conditions would you approve a CUP for a small grow in Rural Residential?

Land Use Table – 10/15 DRAFT

Zoning District Groupings

Residential	Commercial	Industrial	Other
Rural residential	Central business	East End Mixed	Bridge Creek
Urban residential	Town center	General commercial 2	Marine Commercial

Residential office	Gateway		Marine Industrial
	General commercial 1		

Cultivation

Residential	Commercial	Industrial	other
Small scale only RR* (500ft, or less)	Sm. and Lg. scale – CBD,GC1 TCD(Conditional Use) only	Sm. and Lg. scale <ul style="list-style-type: none"> • Primary Use, permitted 	Sm. & Lg. <ul style="list-style-type: none"> • Conditional Permit Bridge Creek only

Manufacturing

Residential	Commercial	Industrial	other
Not allowed	CBD (Conditional) GC1 (CUP)	EEMUD (permitted) GC2 CUP	Not allowed

HAPC CBD concerns: lot size, and flammable materials. No manufacturing in CBD.

Testing

Residential	Commercial	Industrial	other
Not allowed	Allowed	Allowed	Not allowed

Retail

Residential	Commercial	Industrial	other
Not allowed	Allowed	Allowed	Not allowed except Marine Commercial permitted

Staff Recommendation

1. Commission discuss: Are there buildings or places other than the library that should have a buffer, and why?
2. Under what conditions would you approve a CUP for a small grow in Rural Residential?
3. Staff Recommendation: Parks with a 200 ft buffer: Jack Gist, Hornaday, Bayview, Ben Walters.

Attachments

Minutes of 10/7/2015 HAPC



There was brief discussion in support of providing 50% relief for walk ways and driveways provided appropriate retention measures are in place.

It was confirmed the Commission will hold a public hearing at their next meeting and then it should be ready to go back to City Council.

New Business

A. Staff Report PL 15-70, Zoning for the Marijuana Industry

Deputy City Planner Engebretsen reviewed the staff report, including activities and buffers for particular land uses like schools and churches. The goal is to have a zoning ordinance to City Council by the end of the year so our regulations will be in place before the state's February deadline to start receiving applications for marijuana businesses.

The commission reviewed the activities including retail, cultivation, manufacturing/processing, and testing.

Deputy City Planner Engebretsen explained the Cannabis Advisory Commission (CAC) has addressed allowing small scale cultivation, less than 500 square feet, allowable in the rural residential neighborhood. Things they might think about include a minimum lot size or separation distance from the property line. She also noted the laydown from the Library Advisory Board recommending the library have the same setback as schools and she offered to provide a map of different scenarios.

Chair Stead's opinion is a 200 foot setback for the library, he recognized that youth do frequent the library, but it doesn't have the same concentration of youth as a school.

Commissioner Highland questioned if marijuana licenses would be limited by population like liquor licenses are. Chair Stead said he wasn't aware of a restriction yet and we don't know what the marijuana control board will do. Deputy City Planner Engebretsen was unsure if they could limit based on population locally, but noted there are a lot of hurdles to get into the business.

They reviewed the table proposing allowances for marijuana related activities.

Allowing cultivation in the Bridge Creek Watershed Protection district is recommended as allowable through a conditional use permit. A grow operation would likely trigger other conditional uses depending on impervious surface and other things. Relating to a small operation less than 550 feet, the concern is fertilizers, pesticides, and the potential of chemicals not being processed properly, going into septic systems and draining out into the watershed.

Commissioner Bos suggested small scale cultivation not be allowed in rural residential. Chair Stead noted that the CAC's perspective is that 75% of Homer is rural residential and that is why they support small operations. Mr. Bos said he understands there are people who want to grow it but also that there are their neighbors who won't want it next door. He thinks it's a good place to start. Deputy City Planner Engebretsen suggested looking at two options like A- not at all or B- under some specific conditions, so people have some options to consider and testify about.

Commissioner Highland commented that residential is mixed in most of the districts and there are ramifications of marijuana related activities that warrant something keeping it more restrictive in the beginning. If it is less restrictive and down the road we want to change regulation, we are left dealing with nonconforming uses.

Deputy City Planner Engebretsen confirmed for the next meeting staff will bring back two options to consider for rural residential, one not at all and two by CUP with rigorous standards like minimum lot size and separation distances to establish grounds to allow or deny.

There was general discussion about the lengthy process of getting licensed for an operation, and the stringent regulations for the marijuana related activities once they are licensed.

Under the manufacturing table it was suggested to eliminate CBD and include GC1 and GC2 as a CUP. Lot sizes in the CBD are too small and flammable materials are used at times in the process. Exclude Town Center and Gateway Business and Marine districts as well.

No changes were suggested for the table under testing.

Regarding retail, there was discussion of the notion of limiting the number of retail operations. Deputy City Planner Engebretsen explained that in staff's discussion, these stores can't sell other things. It raises the question how many can the community really support? The spit has a short retail season and there are a lot of hurdles to get a license from the state. It's questionable if it will be worth doing it out there. No changes were suggested.

Deputy City Planner Engebretsen said they will bring back a draft ordinance for the Commission to review.

B. Staff Report PL 15-71 Transportation Recommendations

Deputy City Planner Engebretsen reviewed the staff report.

BOS/HIGHLAND MOVED TO FORWARD THE TRANSPORTATION RECOMMENDATIONS TO COUNCIL.

There was brief discussion in support of the recommendations.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Informational Materials

- A. City Manager's Report September 28, 2015
- B. Town Hall Potential Revenue Solutions Pros/Cons

Comments of the Audience

Members of the audience may address the Commission on any subject. (3 minute time limit)



City of Homer

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City Manager's Report

TO: Honorable Mayor Wythe and Homer City Council

FROM: Katie Koester, City Manager

DATE: October 12, 2015

SUBJECT: City Manager's Report

A short City Manager's report this meeting reflects the amount of time and effort budget preparations have consumed. Staff has been swamped with preparing budget, leaving little time for other pursuits and City business.

Accolades for Homer Public Library Staff

Children's Librarian Claudia Haines has been asked to co-author a book about media mentorship. It will follow up the recent publication of the Association of Library Service to Children white paper "Media Mentorship in Libraries Serving Youth" (which she co-authored) and give librarians solid examples of what media mentorship can look like and ideas for ways to take on the role of media mentor in their communities. The book will be published by ALA Editions (American Library Association) in 2016.

Claudia has also been invited to speak at an event, "Supporting Diverse Families With Media," at Stanford University on October 30. Though she is using personal time to participate, the City is proud that Claudia's contributions to childhood literacy extend far beyond Homer.

Natural Gas Payments

At the last Council meeting we discussed extending the grace period for payment of the Natural Gas HSAD to October 6. This over 30-day grace period would allow people to pay after they received their Permanent Fund Dividend. The Finance Department sent out delinquency notices to almost 600 lot owners who had not made a payment. About half of those lot owners made a payment: we are left with 308 lots that have not paid, received a deferral or exemption. Without interest, this represents over \$1 million dollars (total value of assessments). Per Resolution 15-081(S) and 15-017, a 10% fine (\$326.58) will be added to their amount due and the interest rate will increase from 4% to 10.5%. There are a few parcels that we are still working though issues with. For example, AKDOT&PF has refused to pay on 8 of their lots and I am asking them for either payment for benefited parcels or to bring an official request for exemption to the Council.

ENC:

Homer Foundation quarterly report

HOMER FOUNDATION
 Quarterly Report to Fund Holders
April - June 2015

Fund Holder City of Homer
 Fund **City of Homer Fund**

Fund Type: Field of Interest
 Fund Code: 1305

PORTFOLIO SHARE (Corpus)

Beginning Balance	212,584.70
Contributions*	5,000.00
* Note: \$14,000 of the City's \$19,000 allocation went to grants, \$5,000 to the corpus of the fund.	
Withdrawals	-
Portfolio Market Change	(710.38)
Ending Balance	216,874.32

AVAILABLE FOR DISTRIBUTION (Earnings)

Beginning Balance	21,107.07
Earnings Allocation	626.44
Grants Awarded: none from this fund	-
	-
	-
Grants Total	-
Transfers to Restricted Fund	(16,134.00)
Ending Balance	5,599.51

2016 BUDGET MESSAGE

Fiscal Year 2016

Introduction

Homer City Code Section 3.05.010 requires that the City Manager provide the City Council with a budget proposal for the next fiscal year by the third Friday in October. HCC 3.05.011 states that the budget proposal should be accompanied by a budget message which summarizes the proposal, highlights significant changes from the previous year's budget, and addresses other important fiscal policy considerations.

The City of Homer has been impacted by the down turn in the price of oil and the ensuing State revenue shortfall. After years of belt tightening from the elimination of sales tax on non-prepared food and not funding reserves, the City is in an untenable fiscal situation without drastic cuts to services. The State has reduced the City's contract for providing community jail services by 40%. Other state assistance, Revenue Sharing, is scheduled to shrink and disappear altogether, prompting Council to remove Revenue Sharing from the operating budget via Ordinance 15-16. Add a decline in sales tax revenue and the City of Homer faces a projected decline in revenue of \$884,984. Coupled with the increasing cost of doing business, the City faces a \$1,192,596 million gap between 2015 adopted budget and 2016 projections.

Since July of 2015 the Mayor and Council have engaged the community in a conversation about core services, cuts and potential revenue. To that end, I am presenting two budgets to the City Council. Budget A - "the assumes revenue budget" - assumes \$1 million in revenue to the General Fund will be approved by Council and the voters. Budget A is by no means a lavish budget; it contains \$725,000 in cuts to personnel and non-personnel expenditures and approves no new capital projects. Budget B is a bare bones budget and absorbs the shortfall with reductions in services. Budget B is austere and will have many consequences for the community; reduced responsiveness for first responders, reduced hours at the library, reduced public meetings, reduced recreation opportunities, and an overall reduction in our ability to respond quickly and efficiently to the public.

Budget A and Budget B proposals for Fiscal Year 2016 are outlined below. The Draft Budget will be presented in its entirety on October 12. An amendment representing the changes needed to balance the budget with cuts to services (Budget B) will be incorporated into the enacting Ordinance presented on October 26. The proposed reductions in Budget B are also detailed in this budget message below. Budget A will be conditional upon the approval of revenue. Without revenue, Budget B will automatically become effective. The Worksession and Committee of the Whole meeting on October 12th is dedicated to a presentation of the draft budget. The Finance Director will be there to talk about revenue projections, proposed expenditures, and to make sure everyone understands the budget layout and where to find the information they need. The City Manager and Department Heads will be available to discuss expenditures and overall fiscal policy. It is my goal to make sure the Council understands the

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budget, the assumptions that went into putting it together and differences between the two proposed budgets. These are drafts budget, commonly referred to as the “Manager’s Budget.” Once the budget ordinance is introduced by Council, (scheduled for October 26), they become the Council’s budgets and amendments can be made as Council deems appropriate.

General Fund

The draft budget contains revenue projections that we consider to be realistic and conservative. The projections are based on audited numbers from Fiscal Year 2014 and revenue received so far for Fiscal Year 2015 through the end of September. This data is supplemented with tax, property valuation, and economic projections provided by the Borough and the State. Finally, we take into consideration information about economic trends provided by local and state sources. We have projected, based upon the information available to us, that revenues will decrease over last year. The impact of the state’s fiscal situation and the declining price of oil is affecting all Alaskan organizations. In FY2015 the City received a \$330,000 cut to our community jail contract. Revenue sharing, representing \$341,000 in FY 2015, was removed from the operating budget based on the knowledge that the state is tapering off this program. These declines in revenue combined with anticipated lower sales tax returns project a significant gap for 2016. We project that without a new revenue source to the General Fund, total General Fund Revenues in 2016 (\$10,609,675) will decrease by \$933,984 or 8.1% over the 2015 Adopted Budget. We project that sales tax (\$4,950,746) will decrease by \$100,381 or 2.0 % over the 2015 budget and that Real Property Tax (\$3,152,711) will increase by \$34,075 or 1.1%. In order to present a balanced budget without significant cuts to services the community values, Budget A assumes \$1 million in new revenue to the General Fund which would bring General Fund revenue to \$11,658,093.

As always, we are preparing a budget with limited information regarding revenues. New property tax information and additional third quarter sales tax information will become available in November. Therefore, it is possible that the Council will be able make budget amendments based upon this new information prior to final adoption of the budget in December.

Increased Expenses

- Health Insurance: As anticipated, health insurance costs are predicted to increase by a minimum of 10% this year. We should have a better handle on the exact increase by the November meeting. In 2015 the City experienced substantial savings from changes to the employee benefit package and switching from self-funding to private insurance. This savings was used to balance the 2015 operating budget instead of put into the health insurance fund to cushion against future increases.
- Utilities are predicted to increase. The savings from City facilities converting to natural gas has been realized in the 2015 budget. The cost of electric has increased sharply from year to year and sewer is scheduled to increase by 6.5%.
- Personnel: The City’s biggest expense, and largest asset, is the employees that provide City services. The 2016 budget does not include a cost of living increase for employees. However, there are, as always, personnel increases. In early 2015 patrol officers were refactored to come

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closer within range of the salaries of neighboring communities. A modest increase based on merit is budgeted for eligible employees, but not always awarded.

HCC 3.05.045 requires that the City Budget must be balanced. The 2016 draft Budget A and Budget B are “balanced” in the sense that expenditures do not exceed revenues. However, budget A is conditional upon adoption of a new revenue source for General Fund. The enacting budget ordinance is written so that if voters do not approve new revenue, budget B will become effective.

BUDGET A – ASSUMES REVENUE

Budget A total General Fund Revenues are projected to be \$11,658,093 and proposed expenditures are \$11,658,093. Budget A assumes \$1,000,000 in revenue to the General Fund will be approved by voters. Budget A is a minimalist budget. Personnel cuts were made to Planning, Administration, Finance, Police Department and Public Works and all the departments were squeezed in their non-personnel operating budgets. No new general fund capital projects were approved despite the dire need for maintenance projects such as a new roof for City Hall and vehicles for Public Works and the Police Department. The departments have been incredibly lean with their budgets this year have been very frugal and conservative in their budget requests and fiscal management. Budget A does include an approximate \$600,000 transfer to reserve accounts. It is no longer tenable to not fund our reserves; we are forced into making emergency purchases out of general fund fund-balance and/or run the reserves into a negative balance when critical equipment breaks. Under the advice of the auditor, \$114,428 of the transfer to reserves wipes out negative balances that have accumulated in many reserve accounts. Another \$97,000 is a mandatory transfer to the Public Works Fleet Reserve to fund lease payments on a street sweeper and dump truck that were approved in 2014 and 2015, respectively. That leaves just over \$390,000 distributed among the remaining reserve accounts, including fleet reserves.

Many of the capital requests departments made for 2016 cannot be ignored. If budget A is approved, it is my intention to reassess the most critical capital needs at midyear and present an adjustment to Council once there is a clear picture of our revenue situation and the impact of any potential further cuts from the state. Below are several noteworthy changes in the General Fund that should be highlighted.

Decreased Expenses

This budget contains the reduction of 6.5 positions. This will impact City staff’s ability to be responsive to the public and efficiently and effectively perform our duties as public servants. Budget A also includes over \$150,000 in non-personnel cuts. These cuts represent everything from being squeezed on tools, equipment and office supplies to reducing the line item for professional services. These reductions give departments less flexibility to respond to emergency situations and will require vigilance to administer. I expect they will need to be tweaked and increased in the coming years as we gain experience living within such tight margins.

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Proposed Cuts to City of Homer Operating Budget: Budget A

Department/ Division	Reduction	Amount	Impact
Homer Police Department	2 positions - dispatch and jail officer	\$ 155,000	Less coverage in dispatch & jail. Increased liability
Planning	1 position - code enforcement	\$ 78,000	Less code enforcement
Library	Books and supplies	\$ 29,000	Slashes books budget - Older circulation
City Manager's Office	.4 position - admin assistant	\$ 28,000	Less responsiveness to public. Less capacity in admin.
Finance	1 position	\$ 127,000	Short term impact in ability to produce timely and accurate reports
Public Works	2.5 positions – 1 project manager, .5 admin assistant and .5 equipment operator	154,000	Less ability to take on new projects. Less administrative capacity. Less capacity for large snow events. Temp building maintenance goes to part time.
Senior Center		\$10,000	2015 one time request
Homer Hockey Association		\$14,000	2015 one time request

Total personnel \$ 571,000

Non-personnel \$ 154,000

Total \$ 725,000

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Budget Priorities

This section contains the City Manager's budget priorities for items that are presently not included in the budget. If revenue projections improve before December or by mid-year 2015, I would recommend that the following be added to the budget.

- Personnel: Budget A proposed 6.5 full time equivalent cuts to personnel. These cuts will have an effect on the ability to provide services and should be reinstated when the revenue picture allows. Priority staffing will be a jail officer at the police department, a temporary equipment operator in public works, and additional help for the fire department.
- Capital projects. There are a number of well documented capital project needs. Chief among the priorities is a patrol vehicle for the Police Department, a small sander and trailer for Public Works, a light tower for the Fire Department and roof replacement for City Hall. These projects are justified and needed and I hope to be able to address them at midyear.

Other Changes of Note:

Unfortunately, revenue limitations required cuts that will impact our efficiency and responsiveness. In addition to the personnel priorities listed above, administrative support positions have been cut or reduced across the City that will need to be replaced so staff can do their important work and be responsive to the public. Long standing needs for a new patrol officer, a full time building maintenance position and a half time position at the Community Recreation Program continue to be badly needed and justified. Though the proposed budget contains \$600,000 in transfers to General Fund depreciation accounts or fleet reserves, far more would be necessary to catch up after 3 consecutive years of not funding reserves. To put things in perspective, in 2006 Council set a goal of accumulating 40% of depreciable assets (combined value of \$72) in General Fund and Water Sewer reserves. The City would need to put \$2.9 million each year to reach that goal over the next 10 years. Water sewer and General Fund transfer to reserves in Budget A total just over \$1 million.

On the capital and equipment side, this budget contains no new General Fund capital projects. The budget contains a description of all capital and equipment requests submitted by department heads so Council can understand the full need out there and the impact of not funding these important priorities.

BUDGET B – BARE BONES

The bare bones budget, Budget B, is balanced without a revenue stream to General Fund. Budget B total General Fund Revenues are projected to be \$10,609,675 and proposed expenditures are \$10,609,675. This is truly a bare bones budget and makes severe cuts to important services such as parks and recreation, hours the library is open, marketing the City of Homer and services provided by area non-profits. Budget B replicates Budget A with the exception of the items below that represent a direct cut to services. This includes a total of 3 additional positions (full time equivalent) and 3 temporary positions. Not only does Budget B not fund reserves, it cripples our ability to provide services to the public. Everything from responsiveness when an emergency call is placed to indoor recreational space has been reduced in Budget B.

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Proposed Cuts to City of Homer Operating Budget: Budget B

(Reductions are in addition to cuts proposed in Budget A)

Department/ Division	Budget B - Bare Bones	Addition to A	Impact
Homer Police Department	1 position - patrol officer	\$90,700	Less officer time on streets. Increased liability
Homer Volunteer Fire Department	2 temporary seasonal positions	\$33,900	Potential impact to response during busy summer month. Overworked employees
Library	1.2 (FTEs) positions	\$82,800	Close library for a minimum of 12 additional hours, bringing us under the minimum required to be in compliance with state.
Clerks	.4 position	\$34,600	Less ability to support public meetings. Longer time for minutes to turn around. Need to reduce committees/ Commissions
Community Recreation	.4 position and less temporary hours	\$49,000	Only drop-in activities. No educational programing, special classes or activities. \$15,000 less in revenue.
HERC	Mothball HERC 1	\$31,000	No activities at HERC
Lobbyist	Do not renew contract	\$22,000	No presence in Juneau. 1/2 paid for by Enterprise
Economic Development	No non-visitor advertising	\$8,000	Eliminates City directed non- visitor industry promotion
Public Works	1/2 of overtime winter equipment operator hours and temporary park maintenance	\$20,000	Less responsive snow removal. Less park maintenance (cleaning restrooms, beautification projects)
Homer Foundation	70% Cut	\$13,300	Less grants to non-profits through HF.
Homer Chamber of Commerce	70% Cut	\$35,700	Severely reduced marketing of Homer
Pratt	70% Cut	\$46,600	Reduced educational programing at Pratt
Total		\$467,600	

*BB Funds payment of street sweeper and dump truck from reserves (\$97,000).

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Fiscal Policy Considerations

There are several important General Fund policy considerations that I believe the Council should take into consideration as it moves ahead with budget discussions.

- **Continued Revenue Cuts from the State.** The FY2016 revenue shortfall can be directly related to cuts from the state as they face their own revenue shortfall and go through the exercise of trimming their budget. The state has a long ways to go before revenue meets expenditures. I anticipate continued impact to municipalities from the state's fiscal situation. This could take the form of decreased PERS relief, further cuts to contracts such as community jails and road maintenance or defunding maintenance of Alaska Land Mobile Radio on behalf of municipalities. 2016 will be a year of playing defense in Juneau for Alaskan municipalities.
- **Core Programs:** In the face of looming revenue shortfalls, the Council and the public has engaged in a productive and thoughtful discussion about what the public values and core services. At the July 20 Town Hall meeting around 100 participants engaged in an exercise prioritizing the importance of the service and the level of the service provided for all City services. Results showed that for the most part the public who participated felt like all services the City provided were critical and delivered at the right level. This was backed up by participants supporting a cadre of revenue options. An online survey where participants were forced to prioritize core services listed Fire and EMS, Police and Public Safety and Winter Road Maintenance as the top three priorities. The City needs additional revenue just to take care of its most basic services and functions. The public has been asked to identify where the money would come from or to show that they were willing to pay for it. Suspending the Homer Accelerated Roads and Trails program and a seasonal sales tax increase have both been put forward as viable options to maintain services and will prompt lively debate as the Council and public debate the budget.
- **The Disconnect:** There continues to be a huge disconnect between what the public wants and what we can afford. Everyone loves capital projects. There is no shortage of ideas about new programs, new services, and new infrastructure. City staff has done an excellent job of increasing efficiency and "doing more with less." However, we are at the limit of our ability to maintain current infrastructure. Every new road, trail, and facility comes with an increased operating and maintenance cost that needs to be considered.
- **Depreciation:** This budget contains \$600,000 in transfers to reserves. This is not sufficient to make up for three consecutive years of not funding depreciation, but it is a great start. In 2006 Council adopted Resolution 06-100 with a goal of funding reserves at 40% of depreciable capital assets (excluding land) by 2016. Year-to-date, reserves are funded at 8% of depreciable assets.

Port and Harbor Enterprise Fund

The Draft FY 2016 Budget projects revenues of (\$4,688,729), which is about \$48,000 less than 2015 budgeted and approximately \$120,000 less than the 2014 actual.

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The projected revenues are sufficient to cover basic maintenance and operations. The Enterprise Fund is balanced in the sense that expenditures do not exceed revenues. This Budget contains revenues of \$4,688,729 and expenditures of \$ 4,688,729. The budget contains a transfer to depreciation accounts of approximately \$599,668 and a transfer to the Bond Payment Reserve of \$300,000 and \$57,648 loan payment to general fund. Due to cuts to the General Fund budget that the Overhead Administration Cost Allocation is based on, it comes in about \$573,691, which is \$32,235 less than last year (\$605,925).

We believe these numbers to be fairly conservative. After much study by the Port and Harbor Commission and support from Council, Harbor moorage rates were increased by 4.3%. Unlike in years past, we do not project an increase in activity at the Deep Water Dock and Pioneer Dock due to a slowdown in oil and gas exploration in the Inlet related to the low price of oil. Transfers to the reserves for fiscal year 2016 reflect the effort to keep customer costs as low as possible but still build a reserve that will meet our long term goals.

Expenditures have changed very little from last year. Total expenditures (\$4,688,729) represent a 1% decrease. The Port and Harbor staff has been very frugal and efficient when it comes to costs that are within their control. The fee increases instituted in 2012 and 2013 are doing exactly what they were intended to do; cover the cost of bond repayment and provide additional revenue for depreciation. Overall, the Enterprise Fund is in pretty good shape. The chief operational need is to increase Harbor operations staff to maintain to provide needed coverage. The 2016 draft budget includes one new position, harbor officer. Harbor operations have not increased staffing levels in 25 years - even with millions of dollars in expansion projects that have taken place. The Port and Harbor customer base continues to expand and so does the need for trained personnel to ensure all the diverse needs are met.

This year's Port and Harbor draft budget is largely a status quo budget with the exception of one additional position and the necessary increases to the moorage fees in the harbor to help fund the reserves. We believe that the other port related rates are competitive at the current levels and don't recommend any increases. The Port and Harbor would benefit from taking time this winter to review and reevaluate the rate structure for the Fish Dock. After a careful review we may find it necessary to make changes to encourage sales. This draft budget contains a few capital expenditures that will improve safety, operations, and service delivery to Port and Harbor customers: consulting services for a tariff upgrade, new billing software, and refurbishment of a fish dock crane and fire cart. Capital requests are all explained and justified in the budget document and can be discussed more fully at the Committee of the Whole.

Budget Priorities

If the revenue picture were to change in a positive way, I would recommend increasing funding of depreciation. The depreciation account fund balance is insufficient for the amount of assets the Port and Harbor owns and maintains. Transfers to this account are far below what is recommended by the auditors.

City of Homer

Respectfully Submitted,

Katie Koester
City Manager

Budget Policy Considerations

- Depreciation: The depreciation fund balance remains insufficient given the assets of the Port and Harbor. Recommendations contained in the rate study, as amended by the Port and Harbor Commission, as soon as FY 2016.
- Revenues for Operations: Fees were increased recently to cover anticipated bond payments. However, this left little room for additional fee adjustments to cover increasing maintenance and operations costs and the need to grow the depreciation reserves. The City recently received the rate study it commissioned from Northern Economics. The study addresses maintenance and operations and the level of revenues that are needed to make the enterprise fund sustainable. An automatic fee increase tied to the inflation index has been adopted by Council and will become effective January 1, 2016.
- Revenues in General: Significant structural changes are occurring in the commercial and sport fishing industries, as well as oil and gas exploration and development in Cook Inlet. It will be important to monitor these changes and their potential impacts upon the revenues and business model of the port and harbor.

Water and Sewer Special Revenue Fund

The rate restructuring implemented in 2015 and reorganization of labor costs has had the intended positive effect on the water and sewer special revenue fund; 2016 anticipates a \$439,745 transfer to reserves in the water sewer budget. This includes the minimum required contribution of \$100,000 from each of water and sewer funds to depreciation; \$305,928 for water and \$133,807 for sewer. This draft budget projects that combined water and sewer revenues will be \$3,745,746 in 2016. This represents a slight decrease (by \$48,338) in revenues from the FY 2015 budget. The water and sewer fund continues to benefit from the rate restructuring implemented in 2015 and Public Works and water and sewer reorganization (personnel reallocation). The Water and Sewer Fund is balanced in the sense that expenditures do not exceed revenues. It is always hard to project water and sewer revenue. Based on 2015 experience, water surplus exceeds sewer. This could be due to 2015 being a second unseasonable warm summer. The 6.5% sewer rate increase adopted by Council should help with 2016 sewer revenue.

The draft budget contains a number of capital expenditures which will come out of depreciation and fleet reserve accounts. These expenditures include non-routine maintenance of the fire hydrants (painting), replacing the influent pump station mixer and raw water pump and a computer systems upgrade.

Policy Considerations

- Increasing Customers: This has been discussed many times before. One of the fundamental flaws that needs to be addressed is that we have an expensive and expansive treatment, collection and distribution infrastructure and very few customers to pay for maintenance and operations. There are many ideas for increasing the customer base from in-filling, to expanding the system to the rest of the city, to identifying new buyers for bulk water. All of these ideas should be explored further.

2015 Homer City Council Meetings
Planning Commissioner Attendance

It is a goal of the Commission to have a member speak regularly to the City Council at council meetings. There is a special place on the council's agenda specifically for this. After the Council approves the consent agenda, there is a spot for visitors, and then agenda item number seven, announcements, reports from Commissions, the Borough, etc. That is when you would jump up and speak. If the mayor moves on to public hearings, you have waited too long! Typically if there is no visitor or special presentation, you would be talking within the first half hour (or less) of the Council meeting. The Regular meeting start time is 6:00 p.m.

Each commissioner is assigned a month and is responsible for attending one of the two council meetings, ***OR finding another commissioner to do it in their place*** if they will not be attending the meeting.

<u>Meeting Date</u>	<u>Commissioner</u>
October 12, 26	Tom Bos (12 th)
November 9, 23	Savanna Bradley (9 th)
December 7	Tom Stroozas

Budget is given to department heads in July, August to return to city manager for first presentation to council on September.

Budget related council meetings, check schedule at that time: October, November, December

The regular December meeting is when the Budget is finally approved by City Council.

Any Special Meetings are usually schedule the first Monday of the month.

