

Session 14-01 a Regular Meeting of the Vessel Haul Out Task Force was called to order by Acting Chair Howard at 3:35 p.m. on March 3, 2014 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: Carroll, Hawkins, Howard, Lewis, Pate, Stockburger

ABSENT: Hoppe (excused)

STAFF: Deputy City Clerk Jacobsen

### **AGENDA APPROVAL**

Acting Chair Howard called for a motion to approve the agenda as written.

PATE/STOCKBURGER SO MOVED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

### **PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA**

Earl Brock commented that he is currently hauling larger vessels out on the spit using air bags, He is excited to be able to contribute to the formation and possible future of this project.

### **RECONSIDERATION**

### **APPROVAL OF SYNOPSIS**

### **VISITORS**

### **STAFF AND COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS**

### **PUBLIC HEARING**

### **PENDING BUSINESS**

### **NEW BUSINESS**

A. Election of Chair and Vice Chair

Mr. Lewis nominated Mrs. Howard as Chair. There were no further nominations and no objection expressed for Mrs. Howard as Chair.

Mr. Lewis nominated Mr. Carroll as Vice Chair. There were no further nominations and no objection expressed for Mr. Carroll as Vice Chair.

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- B. Review Scope of Work
- a. Resolution 14-015 establishing Task Force
  - b. Memo to Port & Harbor Advisory Commission Re: Potential Port of Homer Haul-Out & Repair Facility

Harbormaster Hawkins reviewed reviewed the benefits and challenges of a haul-out and repair facility. The facility would be an overall benefit to the community, a new tax base for the City, revenue stream for the enterprise, a facility for larger vessels, and capitalizing on the chip pad. Challenges include financial burden to the enterprise fund when the harbor operates the facility, environmental aspects, logistics of who will run the facility, and finding funding for the travel lift and its infrastructure.

There was discussion that a problem other harbors are having is the burden of the facility falls on the enterprise fund. Harbormaster Hawkins said he is not aware of any of the harbors who utilize a third party to run their haul out and repair facility. He explained that they are able to get the equipment through grants and state appropriations. To him the short fall would be not having the revenue stream to maintain the facility because you're in trouble ten years later when repairs are needed. He doesn't see why a public/private partnership couldn't work.

The need for a haul out and repair facility is there. It would need to accommodate vessels in the range of 70 tons up to 350 tons. They talked about other harbors that have haul out services and support facilities. Concern was raised as to whether this would adversely affect other business. Harbormaster Hawkins doesn't think that it will. He noted that Northern Enterprises can work with boats up to 70 tons and machines designed to move the larger vessels aren't sized to move the smaller ones. They reviewed some of the options for haul out including airbags, travel lifts, stationary lifts to trailers, marine travel lifts, boat transporters, and railways.

Discussion ensued about ways for public outreach. Mr. Carroll suggested getting a survey out to the main user groups. Their knowledge and experience will provide good feedback for the task force to consider. Harbormaster Hawkins said he could prepare a survey and the consensus of the group was for him to send it out; they didn't see a need to review it first. Suggested questions include:

- Would you do an annual haul out in Homer?
- Where they are doing haul outs currently?
- What is the cost?
- List available services they would want to have available that they could choose from.
- What time of year would you haul out?
- How long would they be staying?
- Would they be interested in participating in a private cooperative?
- What ancillary services would they need?

Harbormaster Hawkins noted this would be a maintenance yard, not a boat storage yard. His preference is a contractor/operator leasing and running the facility. For the harbor to do it they would be looking at another department.

- C. Establish Task Force Meeting Schedule

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At the next meeting they will have the Port and Harbor's Economic Opportunity presentation. They expect a 30 day turnaround for the survey and will review the results in April. They would like to Skype with Wrangell to hear about their operation, but didn't set a specific date for it.

They confirmed meetings on March 17<sup>th</sup> and 31<sup>st</sup>.

**INFORMATIONAL ITEMS**

A. Port & Harbor's Economic Opportunity Presentation

**COMMENTS OF THE AUDIENCE**

Larry Slone, city resident, commented that they should be conservative on the build it and they will come notion. We don't know what the future holds, but we know it will be different and likely will not be as free flowing with funds as it has been in the past. Fisheries are being impacted negatively worldwide and that will affect our fisheries. He thinks global warming is valid and should be taken into consideration in their thought process as a distinct possibility. Regarding the survey, Mr. Slone suggested making it more dynamic by expanding the terms and timeframes by asking if they anticipate any potential change in the fisheries or industry that might preclude them from participating with, or using the facility.

Earl Brock gave a brief history of his time in Homer since he moved here from Bethel. He has been hauling boats out in the fall for about 7 or 8 years and currently can haul boats from 100 tons to 1000 tons using airbags. He has a business plan that involves moving his family here permanently. When he heard about this vessel haul out discussion he became concerned that the City was going to come in with a couple million dollars and take over with new equipment that will be used 20 to 30 times a year. The cost of ownership and operation has to be taken into consideration as part of the equation. Last year he was responsible for close to \$300,000 worth of work being done here on a 180 foot barge. He has brought work to the community and will continue to do so and the additional opportunity for boat owners to be able to work on their boats close to home. He thinks the most important thing to think about is that with capital investment come big operating costs. He would like to present some options to the group at a meeting in the near future that will make sense for Homer. A small capital investment and a partnership for the Community, for use of the chip pad and a way to build a business and not build it and they will come. It is his goal to be a part of this.

In talking with Chair Howard, Mr. Brock said he would be able to give a 15 minute presentation to the group on April 7<sup>th</sup>.

**COMMENTS OF CITY STAFF**

Deputy City Clerk Jacobsen said she will schedule the task force for the first and third Mondays at 3:30 for the next few months so they will have a confirmed spot on the calendar.

**COMMENTS OF THE TASK FORCE**

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Mr. Carroll said he is excited about the survey, he thinks it's important. He doesn't think they will get a real accurate picture as people may be overly optimistic, but the breadth of it will tell them a lot. His opinion of what will make this live or die is organization. He thinks people will be listening to how it will work and start laying out ideas. He said in Seward they will let you work on your boat but have to have a million dollars in insurance. The way this shapes itself in Homer will be very important because he doesn't see the City jumping into an \$8 million travel lift.

Mr. Stockburger agreed that we need to ease into this and at least get it started. We have a good start with the community, location, and tradesmen in the area. We are in a good location between several of the fisheries and people who steam by would probably stop here. He's excited about making this happen. He agrees that it won't be one entity doing this but multiple entities, and it will be good for everyone to keep an eye on costs. Pulling boats out of the water here will benefit the harbor and the tradesmen.

Mr. Pate concurs with the other statements. He was pleased when he read in the packet that the Harbormaster doesn't want to have a new enterprise. Partnership, a Co-op, or a third party vendor are all good options. If it is economically viable, it will be attractive to those types of entities and if it's not, the City shouldn't be doing it either. He noted that he was recently in a meeting where he heard information from Kodiak and Wrangell and he realized the differences in the communities. In Kodiak it was an augmentation of a huge marine operation and in Wrangell it was the salvation of the city having the timber industry fade and go away.

Mr. Lewis and Mr. Hawkins had no comment.

Chair Howard likens this to previous talks about sensitivity of the city to put into private enterprise. When we socialized the gas system, there were some businesses that quickly had to reinvent themselves. In government we have to go with the good of the whole. On the surface this may appear to be threatening but if we do it correctly we can be sensitive and embrace the existing businesses. It's a time to grow and a time to change. It comes with some fear and apprehension, but as we work through it we say thumbs up or thumbs down and go from there.

**ADJOURN**

There being no further business to come before the Task Force the meeting adjourned at 4:50 p.m. The next regular meeting is scheduled for March 17, 2014 at 3:30 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

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MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: \_\_\_\_\_