

PORT AND HARBOR ADVISORY COMMISSION

Regular Meeting

Wednesday, March 23, 2016



Anchorage Boat Show, March 3 - 6, 2016

Booth collaboration was between Bay
Weld Boats, Homer Marine Trades
Association, & the Homer Port & Harbor

5:00 P.M.
City Hall Council Chambers
491 E. Pioneer Ave.
Homer, AK 99603



**NOTICE OF MEETING
REGULAR MEETING AGENDA**

1. CALL TO ORDER

2. APPROVAL OF THE AGENDA

3. PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA

4. RECONSIDERATION

5. APPROVAL OF MINUTES

- A. February 24, 2016 Regular Meeting Minutes **Page 5**

6. VISITORS/PRESENTATIONS (30 minutes)

- A. R&M Consultants RE: DWD Expansion, Upland Improvements and East Harbor Conceptual

7. STAFF & COUNCIL REPORT/COMMITTEE REPORTS/ BOROUGH REPORTS

- A. Port and Harbor Director's Report for March 2016 **Page 13**

8. PUBLIC HEARING

9. PENDING BUSINESS

- A. Harbor Rate Study **Page 15**
- i. Memo to Port & Harbor Commission from Port Director Re: Northern Economics Rate Study & Presentation dated 1/20/2016, and Rate Comparison Attachments
 - ii. 2016 Northern Economics Rate Study
 - iii. 2016 Presentation of Northern Economics Rate Study
- B. Head Tax for Passenger Vessels **Page 47**
- i. Memo to Port & Harbor Commission from Port Director Re: Passenger Head Tax in Homer Harbor dated 2/17/2016

10. NEW BUSINESS

- A. Land Allocation Plan **Page 49** (Bring Draft Plan handed out 1/27)
- B. Commercial Marijuana on the Homer Spit **Page 51**

11. INFORMATIONAL ITEMS

- A. Harbormaster's Monthly Statistical Report for February 2016 **Page 55**
- B. Water/Sewer Bills Report for February 2016 **Page 57**
- C. Crane and Ice Report **Page 59**
- D. Deep Water Dock Report **Page 61**
- E. Pioneer Dock Report **Page 63**
- F. Dock Water Report **Page 65**
- G. Commissioner Attendance at City Council Meeting **Page 67**

12. COMMENTS OF THE AUDIENCE

13. COMMENTS OF THE CITY STAFF

14. COMMENTS OF THE COUNCILMEMBER (If one is assigned)

15. COMMENTS OF THE CHAIR

16. COMMENTS OF THE COMMISSION

- 17. ADJOURNMENT/NEXT REGULAR MEETING IS SCHEDULED FOR WEDNESDAY, APRIL 27, 2016 at 5:00 p.m.** in the City Hall Cowles Council Chambers located at 491 E. Pioneer Ave, Homer, Alaska

Session 16-02, a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Chair Ulmer at 5:00 p.m. on February 24, 2016 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER CARROLL, DONICH, HARTLEY, STOCKBURGER, ULMER, ZIMMERMAN

STAFF: HARBORMASTER HAWKINS
DEPUTY CITY CLERK JACOBSEN

APPROVAL OF THE AGENDA

ZIMMERMAN/CARROLL MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA

Scott Adams, city resident, commented he's interested in hearing what they come up with about the head tax.

Mako Haggerty, non-resident, commented regarding a head tax. He is curious about their ideas, who are they going to charge, and how much. He is opposed to it. He already pays \$4 a head to take people over to the state park, which he passes along to the customers so consequently the park is getting more and more expensive. It makes it hard for young families, for example, to get across the bay. If there is a tax he would like to see it be minimal, spread out amongst all users, and include cruise ships. He doesn't understand why the city bends over backward for the cruise ships and the chamber loves them.

There was brief discussion about cruise ship taxes.

Louise Seguela, non-resident, commented in opposition to a head tax. As a water taxi operation they collect sales tax and park fees which are included in their fares. They have been thinking about raising their prices this year because of overhead and cost of living. Including a head tax with that will hurt their business and be hard on their family. There are probably other ways to raise money for the harbor that don't include burdening water taxi's especially.

Dave Lyons, non-resident, commented about the differences between a head tax for a charter operator who takes six people out for the day, compared to a water taxi that runs 60 to 100 people per day. He thinks it's unfair and disproportionate to divide it like that. Mr. Lyons talked about other taxes at the harbor, such as the amount of fuel tax from the number of people he runs. He suggested there should be better options than asking them to collect a head tax on the city's behalf.

Ray Bellamy, non-resident, doesn't think a head tax is fair. He commented about the moorage rates. His thought is that we shouldn't change anything unless the harbor needs more money and then everyone's can go up equally. Once you start making a different rate for different sized boats you have to consider if they are transient. He has two large boats and paid year round moorage since 1990 and 1991, but he doesn't have a stall. He is pushed from one side to another and addressed some of the inconvenience of being transient, which needs to be added into this mix. Mr. Bellamy also commented that you can't compare Homer to Kodiak as they don't offer the same services.

Roark Brown, city resident, commented in opposition to the graduated rate schedule and thinks the rates should be raised equally and not punish the business generators. If we really need the money we're willing to pay more for the harbor. He also commented in opposition to a head tax. He's getting nickle and dimed to death and the only thing that doesn't go up is his take home pay. He touched on his expenses, added that the sales tax isn't capped for his industry, and that he can't afford to raise his rates. He doesn't support the pavilion; he'd rather have more parking. Mr. Brown commented about the economic benefit of the cruise ships. When Princess was here they brought \$10,000 per hour the boat was here that went into our local economy. It is pretty valuable and money that has come in from the cruise ships has been used to make improvements to the harbor like the walking paths, bathrooms, and other good stuff. When Whittier raised their head tax, the ships left for a while and he would hate to see that happen here.

CONSIDERATION

APPROVAL OF MINUTES

A. December 16, 2015 Regular Meeting Minutes

HARTLEY/DONICH MOVED TO APPROVE THE MINUTES.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS/PRESENTATIONS

STAFF & COUNCIL REPORT/COMMITTEE REPORTS/ BOROUGH REPORTS

- A. Port and Harbor Director's Report for February 2016
 - I. Randolph Yost Informational Sheet

Harbormaster Hawkins briefly reviewed his staff report.

In response to questions he explained the upcoming Deepwater Dock Uplands Improvement Project and the jack up rig, Randolph Yost.

The Commission also briefly discussed that the welding program is expected to be cut from the high school curriculum and how that will have a negative impact on the marine trades.

PUBLIC HEARING

PENDING BUSINESS

- A. Harbor Rates
- i. Memorandum from Port Director/Harbor Master Hawkins Re: Northern Economics Rate Study and Presentation to Commission

There was brief discussion to clarify what has happened at the council level, which was to implement the 3.2% increase per year plus the CPI for the year and that a graduated linear foot rate and implementation schedule be developed.

Discussion ensued and the following points were addressed:

- The Commission could make a recommendation to go back to a flat linear rate.
- The consultant brought back a proposal that phases in an increase so as not to have such a large increase initially.
- The consultant's report doesn't take in how to address the \$58,000 shortfall per year with other alternative. This is where the commission started talking about head tax and parking as ideas.
- Developing a graduated linear rate that is capped at 86 feet and boats over 86 feet pay the linear rate, they shouldn't have to pay more since they don't have a stall.
- Penalizing income generators with a graduated rate seems insane. The consultant said he would look into that at the last meeting.
- We have solved our income with the resolution implementing the 3.2% plus CPI increase each year. Now we are addressing the structure by which to assess the rates.
- There are variables like whether the same fleet returns or if more return, it's not exact relating to the \$50,000 shortfall each year.
- Seward's industry is benefitting from the ADA loan program in developing an industrial repair facility.
- In looking at a 5.5 per foot per year increase, the average is \$45.49, so it seems like it's better to keep it simple with a flat rate.
- Looking forward, consideration needs to be given to what should rate look like with the upcoming harbor expansion.
- A way to address future expansion could be to adopt the sliding scale and look at one or two cent increases to start rather than starting at five cents. That puts the new structure in place and the increase could be adjusted as needed in the future.

They touched on some of the features of the deep water dock expansion that will accommodate larger vessels with a deeper draft and the rates these type vessels currently pay at the deep water dock. Deep water dock and Pioneer dock rates are separate from these regular moorage rates.

Harbor Master Hawkins encouraged that prior to the next meeting, the commission to pick a couple of their favorite vessels sizes and run them through alternative A, B, and the current rate and compare and contrast how it works out.

The commission requested a comparison for other harbors for 32, 58, and 86 foot vessels.

NEW BUSINESS

A. Fish Dock Crane Card Training/Certification Program

Harbormaster Hawkins reviewed the staff report and information about new management of the crane card access at the fish dock. He reviewed past issues and explained some specifics about the new program.

- It's an OSHA-approved program that will replace our old one.
- It will be an online, user-pay, interactive program that potential operators will be able to access via link from our website.
- The fee for the approximately one-hour interactive class is \$50.00.
- Once the "student" pays for and completes the training, they will be able to print out a certificate that they will bring into the City's Ice Plant/Fish Dock.
- The Fish Dock employee will copy the certificate, give an on-the-dock orientation of our crane operations, and observe the student demonstrate their abilities in actual operations before issuing an operators permit.

This was provided as an informational item and no action was necessary.

B. Head Tax for Passenger Vessels

Commissioner Zimmerman noted two points in the Harbormaster's memo

- Much of our operation cost is centered on facilitating to the summertime multitude, referring to Harbor staff;
- Use in the harbor is no longer confined to just boat owners and dock users, the use is much bigger and more complicated than that.

He said that is what brings us to this. He understands the people who don't want a head tax. We are raising moorage rates to try and make ends meet. Cost of living is going up, cost of maintaining the harbor is going up, it's all getting stretched thinner and thinner. He questions how we are supposed to deal with the wear and tear of the facilities that aren't being used by slip holders, yet still being paid for by slip holders.

Chair Ulmer commented there are other things that the city has to pay for, like the public safety building. If we want to make improvements in our city, we need to tax the visitors. That's what happens when they go to Hawaii, but that doesn't mean they won't go again. Same with renting a car in Anchorage, it's just how it works. It's better than taxing our residents out of town. In their business they pay taxes to the city that is more than twice what they make in their business.

Commissioner Donich noted in the discussions tonight and what they have been talking about, it all comes down to no one user group wants to get picked on. The key is how you address everyone. People joke about putting a toll booth on the spit, but the more he thinks about it the more it makes sense. There has to be some easier solutions. In talking to Seward harbor users, their head tax was supposed to be for fish cleaning facilities and was supposed to sunset, but it's still being collected. He

noted with our fish cleaning facilities can be used by private boat owners, but not by the commercial or charter operators. He thinks they need to look at other ways. He is interested in having more information about the cost to the harbor to maintain the pavilion, how much it costs to have the harbor the way it is for the visitors, and how much money we need to raise. That would give us a better idea how much a tax would be.

Commissioner Hartley suggesting finding out the legalities of what the City can do relating to a head tax and how to administer it properly. We have to recognize a big majority of the people here are users of the harbor to some degree and a lot of those people aren't paying for slips.

Commissioner Stockburger agrees that we need to come up with a dollar amount and continue looking in to other options like parking.

Commissioners engaged in discussion with the Mr. Haggerty, Mr. Lyons, and Ms. Seguela who all run water taxi's. When the Commission asked about a dollar amount as low as \$2.50 per person they replied it's too much. They can run anywhere from 1000 to 4000 passengers a year depending on the capacity of the boats. There are people walking the docks all the time who aren't getting on a boat at all. What they need is a dock user fee. The Commission explained they are trying to look at the whole picture.

The commission requested continuing the discussion at their next meeting.

INFORMATIONAL ITEMS

- A. Harbormaster's Monthly Statistical Report for January 2016
- B. Water/Sewer Bills Report for January 2016
- C. Crane and Ice Report
- D. Deep Water Dock Report
- E. Pioneer Dock Report
- F. Dock Water Report
- G. Woodward Creek Coalition Invite for 2/24/2016 Celebration
- H. 2015 EOY Statistic Reports: Fuel Wharfage, Parking, Load & Launch, & Harbor Statistics
- I. Commissioner Attendance at City Council Meeting

There was brief discussion about the stall wait list and differences relating to stall sizes, services available, and recent improvements.

COMMENTS OF THE AUDIENCE

Mako Haggerty, non-resident, commented that he's had boats for a long time, working his way up from Eureka, CA up the coast and this is the finest harbor he's been in, so kudos to the staff. They are first class; also he thanked Mr. Brown for his comments about the cruise ships, he wasn't aware what they contribute to the community. He also supports the pavilion project. Mr. Haggerty said his biggest complaint with the fees and head tax is the accounting. The time it takes to do all the paperwork related to the fees is time away from being able to work on his boats. He doesn't mind paying the

extra fees as long as everyone else is paying them, it's a great harbor and he doesn't mind paying for it, but please don't give him more paperwork.

Louise Seguela, non-resident, doesn't support a head tax. The additional fee cuts into her sales directly and impacts her sales and hurts their bottom line. It's all on the businesses who are taking people out on their boats. She would rather see a toll booth, moorage rates go up, pay toilets, anything but this. They are a small business, and for them, it's a lot.

Dave Lyons, non-resident, commented they are close to a price break for the service they offer, much more and the park will be even more neglected than it already is. The park across the bay is a large draw and if we can't get people there because it's cost prohibitive, it will cease to become the draw. He's happy with the improvements at the harbor, the fish hook, the walking path and the flags. His office is located a good distance from the pavilion and doesn't see a direct benefit from it, so he has mixed feeling about it.

Scott Adams, city resident, commented that with the rate increase they need to find a number they can live with and make it a straight percentage instead of all these other formulas. It's unfortunate to see that vessels over 18 feet are going to carry most of the cost. He doesn't think measuring length and width of vessels is a good deal because a lot of boats in the harbor are here for a short time yet paying yearly stall fees. When those stalls are empty the harbor continually rents them out for transient. He doesn't agree with the new requirements for the cranes. Out west all his training was hands on and most who fish do more on the water than on the dock and if anything renewals should be every 5 years, like CPR and merchant marine licenses. He thanked them for their help in getting the campers moved from the Seafarers Memorial. He requests some signs be put along that says seafarer parking only and 3 hours minimum, or something like that. He commented about the space across the street being used to store shelter decks, tying up that parking. He encouraged them to check out costs related to the pavilion. He supports overslope, it's a great improvement if it adds value.

COMMENTS OF THE CITY STAFF

Deputy City Clerk Jacobsen advised the Commission that the ordinance regarding winter camping on the spit will be introduced at the next council meeting. She also commented there is still a seat open on the commission and it needs to be filled by a city resident as both non-resident seats are taken. The Clerk's office has been advertising the vacancy.

Harbormaster Hawkins commented they are working on a project to install a stormsceptor to drain the the 30 acres where they park the trailers using some additional money from the launch ramp project. He will be attending the boat show in Anchorage March 3-6, he will attend some other meetings while he is there to discuss the Deepwater Dock expansion and also getting the ball rolling on East Harbor. They will be seeing some improved drawings. The pavilion project is underway and he's doing his best to help build the best pavilion with low maintenance costs that serves a purpose. There are some positive things about it like helping manage the large numbers of people who congregate in that area, hopefully get the kids out of the middle of the parking lot, and hopefully solve the bus issues when dropping kids off. He's working with the Pratt Museum in developing interpretive signage that will go around the harbor in key locations. This is being done with cruise ship monies.

COMMENTS OF THE COUNCILMEMBER *(If one is assigned)*

COMMENTS OF THE CHAIR

Chair Ulmer thanked the public who spoke to them tonight.

COMMENTS OF THE COMMISSION

Commissioner Stockburger thanked everyone for coming. He appreciated Dave's comments about the pavilion and some other things we've done to provide a good experience for people who are visiting. Those are things that keep people coming back and telling their friends to come, but we don't want to have the perception that we are always asking for money. We got side tracked from charging more to store their boats and some of the other ways to look at raising money.

Commissioner Hartley said over the last 5 or 6 years the harbor has changed tremendously. He gets more comments from people that it's a nice place to be now. The hard work of the Harbormaster and his crew has paid off for us big time. He thinks we need to look at all the different ways we can to take advantage of the money that's there.

Commissioner Zimmerman thanked everyone for coming in. We are just starting to float the idea of a head tax, but it appears to be sinking quickly. He hopes they understand we need to look at where the money is being spent in the harbor and whose paying for it to try to find an equitable way for all this to happen. He said they are open to hearing new ideas the public may have.

Scott Adams commented from the audience about raising fees for water going across the dock.

Commissioner Donich said he appreciates everyone coming. The more they look into the harbor rates, he hasn't really heard anyone say "I don't want the rates to go up" but hears them say "I don't want my industries rates to go up". It's debatable who brings more money in, we all bring money into the harbor and it's all important. He has heard it from the audience and agrees with seeing them raise rates rather than add a head tax. He is interested in knowing how much the fuel tax is and how much it money generates for the harbor. He would also like to know the estimated the cost to the harbor for the pavilion, he doesn't think it is going to be that much to maintain.

Commissioner Carroll commented that he agrees there are some positive things about the pavilion. But when you talk about expenses like having a bus turnaround, paved area around the restroom, and restroom improvements, these are the kinds of expenses that are looking at us. In this business of supporting the harbor we have sort of a toreador effect, the red flag is we have to raise rates to support the harbor, but every time you bring it to a user, then let that bull go by. He thinks if there are new services, the industry benefitting needs to step up to the plate and be willing to pay. Lastly, his problem with the progressive rate is it's ideological, because the jobs and additional income that comes to the harbor far outweighs the expense of turnaround space and heavier constructed infrastructure. Jobs are important for the people who are here year round. Tourists are only here for 90 days.

PORT AND HARBOR ADVISORY COMMISSION
REGULAR MEETING
FEBRUARY 24, 2016

ADJOURN

There being no further business to come before the Commission the meeting adjourned at 7:25 p.m. The next regular meeting is scheduled for Wednesday, February 24, 2015 at 5:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____



MARCH 2016 PORT & HARBOR STAFF REPORT

1. Administration

Staff met with:

- Homer Rotary – Presentation Re: Harbor Improvements & Current Projects
- IT Staff – Camera Installation on Fish Dock
- Jake Buttikofer, Sugar – Teleconference Re: New Port & Harbor Software Program
- City Attorney – Tariff Amendments, Load & Launch Ramp Citation/Code Change, & Fish Dock crane use contract
- Quentin Chandler, KBBI – Interview Re: Petro Marine Lease
- R&M Consultants & ADOT – Teleconference Re: Homer DWD Uplands Concept Alternatives
- Chamber of Commerce – Presentation Re: Harbor Improvements & Current Projects
- ADOT Event Re: Pioneer Dock Ferry Terminal Improvement Final Inspection
- Jeff Monroe, Marpro Associates – Homer Terminal Tariff Revisions
- Department Head Staff Meeting
- R&M Consultants – In-person Anchorage Meetings Re: Deep Water Dock Economics Study, Upland Improvements, & Barge Berth Alternatives

2. Operations

The month of March has brought about the transition from winter to spring. Approximately 60 recreational vessels were added to the harbor's moorage inventory during the weekend of March 12th with total occupancy at 475 vessels. We believe the factors driving the increased presence of early spring recreational traffic is the unseasonable warm weather, low fuel prices, and the popularity of the winter king salmon sport fishery. Operations and administrative staff have been working closely with the Homer Chamber of Commerce as the winter king salmon tournament approaches.

Landings at all harbor facilities included the following vessels: Emmett Foss, L/C Devon, Bismark Sea & DBL106, Java Sea & DBL78, Pacific Wolf & DBL54, Anna T, Millennium Star, Bob Franco, Tustumena, CISPRI Perseverance, and Randolph Yoast.

Operations staff has been working with contractors and vessels owners to relocate commercial gear and equipment into a designated 50,000 square foot temporary storage site. Efforts are being made in preparation of the Deep Water Dock (and wood chip pad) cargo storage capital project. Also, the Port Director and Deputy Harbormaster have reviewed approximately 50 applications for the new harbor officer position and are currently in the process of conducting interviews.

Other notable incidents:

- On 2/26, harbor officers responded to an EMS call involving a 45 year old male who suffered a head injury aboard a 100' fishing vessel.
- On 3/3, harbor officers reported to HPD after finding suspicious items located at a camp site at the Pier 1 Theatre that were believed to be involved in a theft reported by a local business.
- On 3/4, harbor officers towed a 58' disabled fishing vessel to the Fish Dock to off-load its catch and then returned it to its stall for repairs.

- On 3/4, a minor collision/accident was reported involving a 40' survey vessel and a 28' recreational vessel.
- On 3/7, a graveyard shift harbor officer contacted the driver of a suspicious truck and trailer laden with ten 50-gallon drums in the vicinity of the Ramp 2 oil recycling station.
- On 3/8, harbor officers responded to a fuel spill involving a 50' commercial fishing vessel.

3. Ice Plant

The Ice Plant is officially open for ice sales as of March 14th.

4. Port Maintenance

Port Maintenance has been busy refurbishing the Port and Harbor's 40' aluminum gangway for vessel at the Deep Water Dock or Pioneer Dock; building more aluminum harbor carts; doing low tide repairs on the grids and Hickory berth fenders; burning piles of slash/wood debris; and have advertised for a Temporary Maintenance Tech.



City of Homer

www.cityofhomer-ak.gov

Port and Harbor

4311 Freight Dock Road
Homer, AK 99603

port@cityofhomer-ak.gov

(p) 907-235-3160

(f) 907-235-3152

Memorandum

TO: PORT & HARBOR ADVISORY COMMISSION
FROM: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER
DATE: JANUARY 20, 2016
SUBJECT: NORTHERN ECONOMICS RATE STUDY AND PRESENTATION TO COMMISSION

Included in your packet are the Power Point presentation and backup Memorandum from Northern Economics on the Rate Study for Homer Harbor that they were contracted to prepare. Staff has worked closely with the Northern Economics team throughout this process providing backup information, moorage data, and by acting as a sounding board.

Mike Fisher of Northern Economics will be at the meeting to present his teams findings and to answer any questions that the Commission has on this subject.

Staff has also included the regional rate comparison in your packet from our March 2015 meeting as backup information.

Recommendations:

Staff recommends keeping this on the commission's agenda for two meetings in order that the public have time to comment on this important subject.

Annual Moorage Rates Comparison

rev 3/12/2015

RESERVED MOORAGE								
Based on Homer Harbor Stall Sizes*								
Harbor	Rate Formula	20'	24'	32'	40'	50'	60'	75'
Homer	\$41.70 x length + fee	\$884.00	\$1,050.80	\$1,384.40	\$1,718.00	\$2,135.00	\$2,552.00	\$3,177.50
Kodiak	0-40 ft: \$30.00 x length	\$600.00	\$720.00	\$960.00	\$1,200.00	\$2,050.00	\$2,460.00	\$4,575.00
	40-60 ft: \$41.00 x length							
	61-80 ft: \$61.00 x length							
	81-100 ft: \$71.50 x length							
Seward	\$47.47 x length + fee	\$1,009.40	\$1,259.28	\$1,639.04	\$2,018.80	\$2,553.50	\$3,028.20	\$3,740.25
Valdez	\$34.46 x length	\$689.20	\$827.04	\$1,102.72	\$1,288.80	\$1,378.40	\$2,067.60	\$2,584.50
	Tour Boats: \$69.46 x length	-	-	-	-	-	\$4,167.60	\$5,209.50
Whittier	\$64.20 x length	\$1,284.00	\$1,540.80	\$2,054.40	\$2,568.00	\$3,210.00	\$3,852.00	\$4,815.00

TRANSIENT MOORAGE								
Based on Varied Boat Sizes								
Harbor	Rate Formula	18'	24'	32'	45'	58'	70'	85'
Homer	\$41.70 x length + admin fee	\$800.60	\$1,050.80	\$1,384.40	\$1,926.50	\$2,468.60	\$2,969.00	\$3,594.50
Kodiak	0-40 ft: \$30.00 x length	\$540.00	\$720.00	\$960.00	\$1,845.00	\$2,378.00	\$4,270.00	\$6,077.50
	40-60 ft: \$41.00 x length							
	61-80 ft: \$61.00 x length							
	81-100 ft: \$71.50 x length							
Seward	\$52.23 x length + fee	\$1,000.14	\$1,373.52	\$1,791.36	\$2,530.35	\$3,209.34	\$3,836.10	\$4,679.55
Valdez	\$39.63 x length	\$713.34	\$951.12	\$1,268.16	\$1,482.40	\$1,783.35	\$2,774.10	\$3,368.55
Whittier	\$64.20 x length***	\$1,155.60	\$1,540.80	\$2,054.40	\$2,889.00	\$3,723.60	\$4,494.00	\$5,457.00

* Not all harbor have stalls that are comparable. Because of this, costs are estimated on how much it would be if that size of vessel moored in a Homer slip at a different harbor's rate. This ensures accurate comparisons.

**Kodiak's rates are based on a Graduated Linear Method

***At this time, no annual transient passes are being given in Whittier

Daily moorage rates by vessel length (dollars per foot)

26'		36'		44'		56'		60'	
Skagway	\$0.35	Skagway	\$0.35	Skagway	\$0.35	Skagway	\$0.35	Skagway	\$0.35
Wrangell (Prepaid)	\$0.40	Wrangell (Prepaid)	\$0.40	Wrangell (Prepaid)	\$0.40	Wrangell (Prepaid)	\$0.40	Wrangell (Prepaid)	\$0.40
Hoonah	\$0.50	Hoonah	\$0.50	Hoonah	\$0.50	Hoonah	\$0.50	Hoonah	\$0.50
Kodiak	\$0.50	Kodiak	\$0.50	Craig	\$0.50	Craig	\$0.50	Craig	\$0.50
Craig	\$0.50	Craig	\$0.50	Haines	\$0.50	Haines	\$0.50	Haines	\$0.50
Haines	\$0.50	Haines	\$0.50	Petersburg	\$0.50	Petersburg	\$0.50	Petersburg	\$0.50
Petersburg	\$0.50	Petersburg	\$0.50	Bellingham (Nov-Mar)	\$0.50	Bellingham (Nov-Mar)	\$0.50	Bellingham (Nov-Mar)	\$0.50
Bellingham (Nov-Mar)	\$0.50	Bellingham (Nov-Mar)	\$0.50	Juneau	\$0.54	Juneau	\$0.54	Juneau	\$0.54
Juneau	\$0.54	Juneau	\$0.54	Juneau- Auke Bay	\$0.54	Juneau- Auke Bay	\$0.54	Juneau- Auke Bay	\$0.54
Juneau- Auke Bay	\$0.54	Juneau- Auke Bay	\$0.54	Seattle (Active C. Fishing)	\$0.62	Seattle (Active C. Fishing)	\$0.62	Seattle (Active C. Fishing)	\$0.62
Seattle (Active C. Fishing)	\$0.62	Seattle (Active C. Fishing)	\$0.62	Seward (Tenant)	\$0.64	Seward (Tenant)	\$0.64	Seward (Tenant)	\$0.64
Seward (Tenant)	\$0.64	Seward (Tenant)	\$0.64	Ketchikan	\$0.68	Ketchikan	\$0.68	Ketchikan	\$0.68
Ketchikan	\$0.68	Ketchikan	\$0.68	Kodiak	\$0.69	Kodiak	\$0.69	Kodiak	\$0.69
Seward (Transient)	\$0.70	Seward (Transient)	\$0.70	Seward (Transient)	\$0.70	Seward (Transient)	\$0.70	Seward (Transient)	\$0.70
Bellingham (Apr-Oct)	\$0.75	Bellingham (Apr-Oct)	\$0.75	Bellingham (Apr-Oct)	\$0.75	Bellingham (Apr-Oct)	\$0.75	Bellingham (Apr-Oct)	\$0.75
Wrangell (Invoiced)	\$0.80	Wrangell (Invoiced)	\$0.80	Wrangell (Invoiced)	\$0.80	Wrangell (Invoiced)	\$0.80	Wrangell (Invoiced)	\$0.80
Seattle (Recreational)	\$0.80	Seattle (Recreational)	\$0.80	Seattle (Recreational)	\$0.80	Seattle (Recreational)	\$0.80	Seattle (Recreational)	\$0.80
Sitka	\$0.87	Sitka	\$0.87	Sitka	\$0.87	Sitka	\$0.87	Sitka	\$0.87
Homer	\$1.22	Homer	\$1.22	Homer	\$1.22	Homer	\$1.22	Homer	\$1.22

NOTES:

***Bold** = multiple **daily** rate categories

*Whittier not included due to lack of **daily** rate data available

Monthly moorage rates by vessel length (dollars per foot)

26'		36'		44'		56'		60'	
Wrangell Summer Floats	\$0.65	Wrangell Summer Floats	\$0.65	Wrangell Summer Floats	\$0.65	Wrangell Summer Floats	\$0.65	Wrangell Summer Floats	\$0.65
Hoonah	\$2.77	Hoonah	\$2.50	Hoonah	\$2.73	Hoonah	\$2.58	Hoonah	\$3.09
Wrangell	\$3.50	Wrangell	\$3.50	Wrangell	\$3.50	Wrangell	\$3.50	Wrangell	\$3.50
Skagway	\$3.50	Skagway	\$3.50	Skagway	\$3.50	Skagway	\$3.50	Skagway	\$3.50
Craig	\$4.00	Craig	\$4.00	Craig	\$4.00	Craig	\$4.00	Craig	\$4.00
Juneau	\$4.20	Juneau	\$4.20	Juneau	\$4.20	Juneau	\$4.20	Juneau	\$4.20
Haines	\$5.00	Haines	\$5.00	Haines	\$5.00	Haines	\$5.00	Haines	\$5.00
Bellingham (Active C. Fish)	\$5.90	Seattle (Active C. Fishing)	\$5.83	Seattle (Active C. Fishing)	\$5.83	Seattle (Active C. Fishing)	\$5.83	Seattle (Active C. Fishing)	\$5.83
Petersburg	\$6.00	Bellingham (Active C. Fish)	\$5.90	Bellingham (Active C. Fish)	\$5.90	Bellingham (Active C. Fish)	\$5.90	Bellingham (Active C. Fish)	\$5.90
Homer	\$6.39	Petersburg	\$6.00	Petersburg	\$6.00	Petersburg	\$6.00	Petersburg	\$6.00
Bellingham (Recreational)	\$6.92	Homer	\$6.39	Homer	\$6.39	Homer	\$6.39	Homer	\$6.39
Juneau- Auke Bay	\$7.05	Juneau- Auke Bay	\$7.05	Juneau- Auke Bay	\$7.05	Juneau- Auke Bay	\$7.05	Juneau- Auke Bay	\$7.05
Ketchikan	\$7.10	Ketchikan	\$7.10	Ketchikan	\$7.10	Ketchikan	\$7.10	Ketchikan	\$7.10
Seward (Reserved)	\$8.55	Bellingham (Recreational)	\$7.13	Bellingham (Recreational)	\$7.56	Seattle (Commercial)	\$7.82	Seattle (Commercial)	\$7.82
Seattle (Recreational)	\$8.81	Seattle (Commercial)	\$7.82	Seattle (Commercial)	\$7.82	Bellingham (Recreational)	\$7.86	Seward (Reserved)	\$8.55
Seward (Transient)	\$9.40	Seward (Reserved)	\$8.55	Seward (Reserved)	\$8.55	Seward (Reserved)	\$8.55	Bellingham (Recreational)	\$9.16
Sitka	\$14.94	Seattle (Recreational)	\$8.94	Seward (Transient)	\$9.40	Seward (Transient)	\$9.40	Seward (Transient)	\$9.40
Seattle (Active C. Fishing)	<i>min. 30'</i>	Seward (Transient)	\$9.40	Seattle (Recreational)	\$9.73	Seattle (Recreational)	\$9.76	Seattle (Recreational)	\$9.76
Seattle (Commercial)	<i>min. 30'</i>	Sitka	\$14.94	Sitka	\$14.94	Sitka	\$14.94	Sitka	\$14.94

NOTES:

***Bold** = multiple **monthly** rate categories

*Whittier and Kodiak not included due to lack of **monthly** rate data available

*Hoonah monthly rates based on stall length. For this comparison, the most appropriate stall size for the vessels above was chosen, and that monthly rate was divided by the length of the vessel for \$ per foot.

Annual moorage rates by vessel length (dollars per foot)

26'		36'		44'		56'		60'	
Skagway	\$13.00	Skagway	\$13.00	Skagway	\$13.00	Skagway	\$13.00	Skagway	\$13.00
Craig	\$15.75	Craig	\$15.75	Craig	\$15.75	Craig	\$15.75	Craig	\$15.75
Haines	\$20.00	Haines	\$20.00	Hoonah	\$24.00	Hoonah	\$24.00	Hoonah	\$24.00
Hoonah	\$24.00	Hoonah	\$24.00	Wrangell	\$25.00	Wrangell	\$25.00	Wrangell	\$25.00
Wrangell	\$25.00	Wrangell	\$25.00	Haines	\$26.00	Haines	\$26.00	Haines	\$26.00
Ketchikan (Inside City)	\$26.30	Ketchikan (Inside City)	\$26.30	Ketchikan (Inside City)	\$26.30	Ketchikan (Inside City)	\$26.30	Ketchikan (Inside City)	\$26.30
Kodiak	\$30.00	Kodiak	\$30.00	Ketchikan (Outside City)	\$31.58	Ketchikan (Outside City)	\$31.58	Ketchikan (Outside City)	\$31.58
Ketchikan (Outside City)	\$31.58	Ketchikan (Outside City)	\$31.58	Sitka	\$33.60	Sitka	\$33.60	Sitka	\$33.60
Sitka	\$33.60	Sitka	\$33.60	Petersburg	\$38.00	Homer	\$40.50	Homer	\$40.50
Petersburg	\$34.00	Petersburg	\$34.00	Homer	\$40.50	Kodiak	\$41.00	Kodiak	\$41.00
Homer	\$40.50	Homer	\$40.50	Kodiak	\$41.00	Petersburg	\$44.00	Petersburg	\$44.00
Seward (Tenant)	\$47.47	Seward (Tenant)	\$47.47	Seward (Tenant)	\$47.47	Seward (Tenant)	\$47.47	Seward (Tenant)	\$47.47
Juneau	\$47.88	Juneau	\$47.88	Juneau	\$47.88	Juneau	\$47.88	Juneau	\$47.88
Seward (Transient)	\$52.23	Seward (Transient)	\$52.23	Seward (Transient)	\$52.23	Seward (Transient)	\$52.23	Seward (Transient)	\$52.23
Bellingham (Active C. Fish)	\$69.03	Bellingham (Active C. Fish)	\$69.03	Bellingham (Active C. Fish)	\$69.03	Bellingham (Active C. Fish)	\$69.03	Bellingham (Active C. Fish)	\$69.03
Juneau- Auke Bay	\$80.37	Seattle (Active C. Fishing)	\$69.96	Seattle (Active C. Fishing)	\$69.96	Seattle (Active C. Fishing)	\$69.96	Seattle (Active C. Fishing)	\$69.96
Bellingham (Recreational)	\$80.97	Juneau- Auke Bay	\$80.37	Juneau- Auke Bay	\$80.37	Juneau- Auke Bay	\$80.37	Juneau- Auke Bay	\$80.37
Seattle (Recreational)	\$105.72	Bellingham (Recreational)	\$83.43	Bellingham (Recreational)	\$88.46	Bellingham (Recreational)	\$91.97	Seattle (Commercial)	\$93.84
Seattle (Active C. Fishing)	<i>min. 30'</i>	Seattle (Commercial)	\$93.84	Seattle (Commercial)	\$93.84	Seattle (Commercial)	\$93.84	Bellingham (Recreational)	\$107.18
Seattle (Commercial)	<i>min. 30'</i>	Seattle (Recreational)	\$107.28	Seattle (Recreational)	\$116.76	Seattle (Recreational)	\$117.12	Seattle (Recreational)	\$117.12

NOTES:

***Bold** = multiple **annual** rate categories

*Whittier not included due to lack of **annual** rate data available

Memorandum

Date: January 12, 2016
To: Bryan Hawkins, Port Director, City of Homer
From: Northern Economics, Inc.
Re: Homer Harbor Rate Structure

This memo evaluates alternative rate structures for the Homer Harbor. Homer’s current moorage rate structure is a flat fee charged per linear foot of vessel length or stall length, whichever is greater. The City of Homer is interested in investigating graduated rate structures in which the rate charged per foot would vary by vessel size. The purpose of this study is to provide an objective analysis of alternative rate structures and options for Homer Harbor.

Recommendations

Based on the findings of this rate structure analysis, Northern Economics makes the following recommendations to be considered by the Port and Harbor Commission.

Recommended alternatives

Northern Economics recommends two rate structure alternatives to be moved forward for further discussion and evaluation by the Port and Harbor Commission. The first recommended alternative, Alternative A, is a progressive graduated rate structure with tiers set at a constant interval of 5 feet and a rate increase between tiers starting at 1.0 percent and decreasing to 0.1 percent with larger vessel sizes. The second recommended alternative, Alternative B, is a progressive continuous rate structure in which the annual moorage rate is calculated using the following equation:

$$\text{Permanent Moorage Rate} \left(\frac{\$}{\text{foot}} \right) = \frac{\$43.19 + \frac{\$0.05}{\text{foot}} \times \text{vessel length (feet)}}{\text{foot}}$$

The recommended alternatives were selected from a list of five rate structure options that exemplify the most common trends found throughout the rate structures sampled for this study.

Two different approaches to applying the recommended alternatives have also been identified. The first approach is a rate structure that starts at a minimum vessel length of 6 feet and progresses consistently out to 200 feet, the maximum vessel length serviced by the harbor, similar to the current flat rate structure. The second approach is to place a cap on the rate structure for vessels that are too large to fit into a stall and instead must side tie to a transit raft. This second approach would result in a progressive rate for vessels up to 86 feet in length and a flat rate for larger vessels that are required to use a transient raft instead of a stall. The second approach is aimed at adjusting the rate structure for the different level of service provided to vessels that use a stall compared to vessels using the transient raft.

User group differentiation

Some of the harbors sampled in the rate structure review charge different rates based on the user type, typically differentiating between recreational and commercial users. The harbors that implemented different user-based rate structures typically catered strongly to a single user group, most commonly commercial fishing, unlike Homer’s harbor which accommodates a variety of user groups. Reduced rates for commercial users are often subsidized by other local government departments through transfers and are used as a tool to increase sales tax revenues and job creation within the community or a specific industry. Northern Economics does not recommend that Homer adopt a user-based rate structure at this time since the harbor serves a diverse group of users and does not receive any financial benefits from the city for sales tax revenues its users generate

Continue to offer discounts for longer reserved moorage

Homer Harbor currently offers discounts for yearly, semi-annual, and monthly billing cycles for reserved moorage. These discounts help to reduce administrative costs associated with billing and collecting reserved moorage fees and assist in managing cash flows within the harbor. Northern Economics recommends maintaining this practice under the selected rate structure.

Transition over multiple years

Northern Economics recommends transitioning to the selected rate structure over multiple years to mitigate steep increases in moorage rates that could potentially shock the market and negatively impact demand. Continued annual increases based on the change in the Anchorage Consumer Price Index (CPI), as well as the 3.2 percent annual increase established by Resolution 15-072, should also be factored into the transition plan. Due to the progressive nature of the recommended alternative rate structures, vessels with longer lengths may require a longer transition period than smaller vessels. Table 1 illustrates an example of a transition plan for the two recommended alternatives. This example uses the average annual increase in CPI between 2010 and 2014, 2.3 percent, as a proxy for future annual CPI-based rate adjustments. The columns for years 1 through 7 show the annual percentage increase in moorage rates during the example transition plans. The shaded cells indicate years in which an additional rate increase is added to the annual CPI and Resolution 15-072 rate adjustment to bring the current flat rate structure in line with the recommended alternatives.

Table 1. Example Transition Plan: Percent Increase in Moorage Rate by Year

Alternative	Vessel Length (ft)	% Change From Flat	Res. 15-072 Increase	Average Increase in CPI (%)	Moorage Rate Increase (%) by Year						
					1	2	3	4	5	6	7
Alternative A	18	1.0	3.2	2.3	6.5	5.5	5.5	5.5	5.5	5.5	5.5
	32	3.9	3.2	2.3	7.5	7.5	5.5	5.5	5.5	5.5	5.5
	54	7.5	3.2	2.3	8.0	8.0	8.0	5.5	5.5	5.5	5.5
	86	13.1	3.2	2.3	8.1	8.1	8.1	8.1	8.1	5.5	5.5
	112	16.4	3.2	2.3	8.2	8.2	8.2	8.2	8.2	8.2	5.5
Alternative B	18	1.4	3.2	2.3	6.9	5.5	5.5	5.5	5.5	5.5	5.5
	32	3.0	3.2	2.3	7.0	7.0	5.5	5.5	5.5	5.5	5.5
	54	5.5	3.2	2.3	7.3	7.3	7.3	5.5	5.5	5.5	5.5
	86	9.2	3.2	2.3	7.8	7.8	7.8	7.8	5.5	5.5	5.5
	112	12.2	3.2	2.3	7.9	7.9	7.9	7.9	7.9	5.5	5.5
Current Structure	18	-	3.2	2.3	5.5	5.5	5.5	5.5	5.5	5.5	5.5
	32	-	3.2	2.3	5.5	5.5	5.5	5.5	5.5	5.5	5.5
	54	-	3.2	2.3	5.5	5.5	5.5	5.5	5.5	5.5	5.5
	86	-	3.2	2.3	5.5	5.5	5.5	5.5	5.5	5.5	5.5
	112	-	3.2	2.3	5.5	5.5	5.5	5.5	5.5	5.5	5.5

Table 2 shows the annual moorage fees that would result from the transition plan illustrated in Table 1. The transition plan takes place over six years for Alternative A and five years for Alternative B with a maximum annual increase in annual moorage rates of 8.2 percent when the annual CPI-based adjustments and Resolution 15-072 annual increases are factored in.

Table 2. Example Transition Plan- Annual Moorage by Year

Alternative	Vessel Length (ft)	Annual Moorage Fee (\$) by Year							
		Current	1	2	3	4	5	6	7
Alternative A	18	782.82	833.70	879.56	927.93	978.97	1,032.81	1,089.62	1,149.55
	32	1,391.68	1,495.40	1,606.85	1,695.23	1,788.47	1,886.83	1,990.61	2,100.09
	54	2,348.46	2,536.63	2,739.87	2,959.41	3,122.17	3,293.89	3,475.06	3,666.18
	86	3,740.14	4,043.95	4,372.44	4,727.61	5,111.63	5,526.85	5,830.83	6,151.52
	112	4,870.88	5,271.95	5,706.05	6,175.89	6,684.42	7,234.82	7,830.54	8,261.22
Alternative B	18	782.82	836.68	882.69	931.24	982.46	1,036.49	1,093.50	1,153.64
	32	1,391.68	1,489.02	1,593.17	1,680.80	1,773.24	1,870.77	1,973.66	2,082.21
	54	2,348.46	2,520.83	2,705.84	2,904.44	3,064.18	3,232.71	3,410.51	3,598.09
	86	3,740.14	4,031.85	4,346.31	4,685.29	5,050.72	5,328.50	5,621.57	5,930.76
	112	4,870.88	5,257.50	5,674.80	6,125.23	6,611.41	7,136.18	7,528.67	7,942.75
Current Structure	18	782.82	825.88	871.30	919.22	969.78	1,023.11	1,079.39	1,138.75
	32	1,391.68	1,468.22	1,548.97	1,634.17	1,724.05	1,818.87	1,918.91	2,024.45
	54	2,348.46	2,477.63	2,613.89	2,757.66	2,909.33	3,069.34	3,238.16	3,416.26
	86	3,740.14	3,945.85	4,162.87	4,391.83	4,633.38	4,888.21	5,157.07	5,440.70
	112	4,870.88	5,138.78	5,421.41	5,719.59	6,034.17	6,366.05	6,716.18	7,085.57

Once a transition plan is developed, Northern Economics recommends publishing planned rate increases a few year in advance to allow vessel owners to plan ahead and make necessary adjustments to absorb the moorage rate increases.

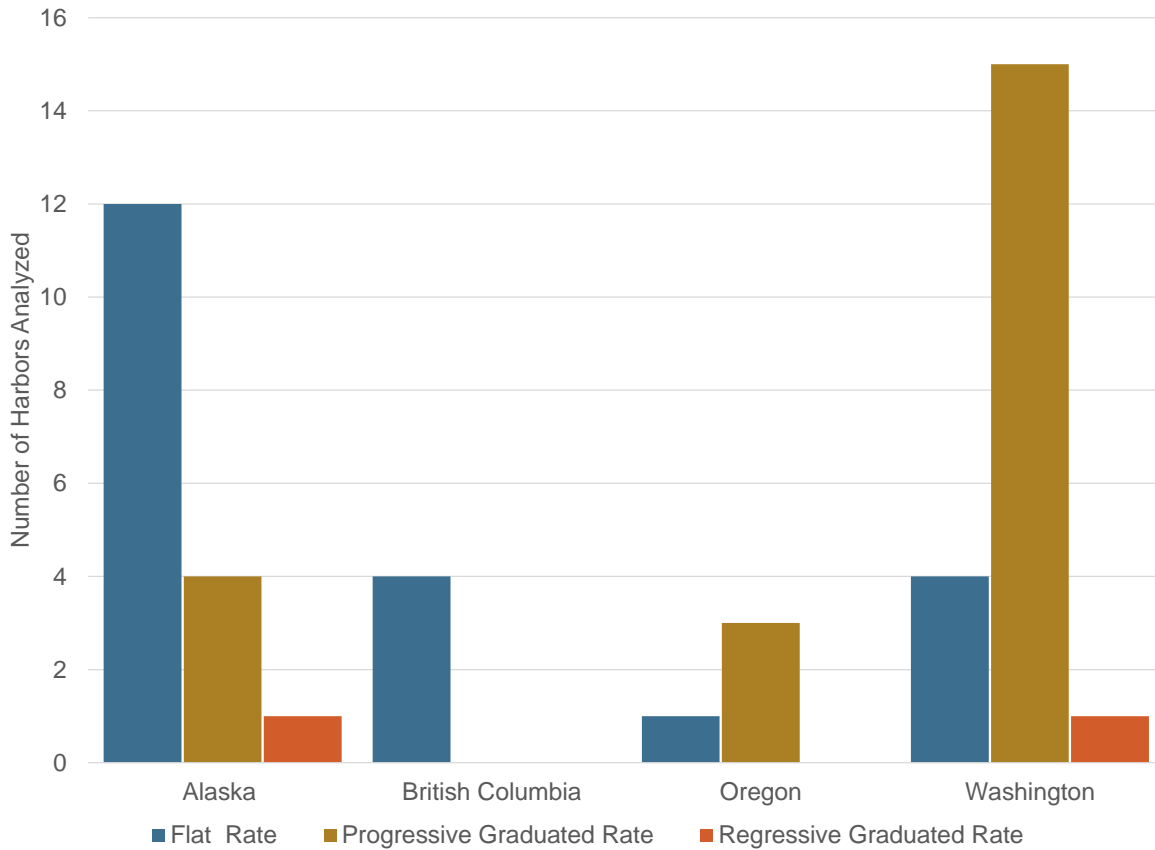
Rate Structure Review

Northern Economics analyzed the permanent moorage rate structures of 45 harbors across Alaska, British Columbia, Washington, and Oregon. Three distinct rate structures were identified within these harbors:

- **Flat Rate:** moorage rate per foot is constant, regardless of vessel or slip size.
- **Progressive Graduated Rates:** moorage rate per foot increases with the vessel or slip size.
- **Regressive Graduated Rates:** moorage rate per foot decreases with the vessel or slip size.

Of the 45 rate structures analyzed, 22 had flat rates and 23 had graduated rates. Of those with graduated rates, 21 were progressive and 2 were regressive. Figure 1 illustrates the distribution of the harbors analyzed by location and rate structure type. While flat rate structures are most common among Alaska harbors, both progressive and regressive rate structures are also being used in the state. Graduated rate structures are prevalent in Oregon and Washington.

Figure 1. Frequency of Rate Structure Types by Location



Source: websites and rate sheets collected from harbors

Table 3 lists the harbors analyzed in this study with the details about their graduated rate structures. These data were used as the basis for the five rate structure options and resulting recommended alternatives presented in this report.

Table 3. Graduated Rate Structures by Port

Port ^a	State	Graduation	Tier Size (ft)	Rate Change per Tier (%)	Transient Structure
Astoria	OR	Progressive	9	3-10	Graduated
Bainbridge	WA	Progressive	8	6-9	Graduated
Ballard Mill	WA	Progressive	2-8	6-9	Only offer Monthly
Bandon	OR	Progressive	various	\$0.01 ^b	Graduated
Bellingham	WA	Progressive	3-11	2-17	Graduated
Blaine	WA	Progressive	3-14	1-16	Flat Rate
Bremerton	WA	Progressive	4	2-9	Flat Rate
Dana Point	OR	Progressive	5	2-22	Flat Rate
Elliot Bay	WA	Progressive	2-10	2-9	Flat Rate
Everett	WA	Progressive	2-5	5-22	Permanent + Flat Fee
Fishermen's Terminal	WA	Progressive	10	1-9	Graduated
Friday Harbor	WA	Progressive	2-10	1-2	Graduated
Haines	AK	Progressive	40	\$6 ^c	Flat Rate
Kennewick	WA	Regressive	5-20	1-25	Flat Rate
Kodiak	AK	Progressive	20	7-20	1/60 of Annual
Olympia	WA	Progressive	8	4-13	Flat Rate
Petersburg	AK	Progressive	8-12	11-15	Flat Rate
Port Angeles	WA	Progressive	10	6-9	Graduated
Port Townsend	WA	Progressive	2-5	1-8	Flat Rate
Shilshole Bay	WA	Progressive	2-10	1-16	Graduated
Tacoma	WA	Progressive	2	various	Only offer Monthly
Thome Bay	AK	Regressive	5-13	1-2	Graduated
Unalaska	AK	Progressive	10	7-23	Graduated

Notes:

^a Harbors with flat rate structures are not included in the table. These harbors included Brentwood Bay (BC), Chenega Bay, Comox (BC), Cordova, Dillingham, Grays Harbor (WA), Juneau, Kalama (WA), Ketchikan, Kingston (WA), Nanaimo (BC), Nome, Poulsbo (WA), Seward, Sitka, Skagway, Toledo (OR), Valdez, Whittier, and Wrangell.

^b Rate structure uses a \$0.01 increase between tiers instead of a consistent percent change between tiers

^c Rate structure uses a \$6 increase between tiers instead of a consistent percent change between tiers

Source: Websites and rate sheets collected from harbors.

Separate rate structures for transient and permanent moorage were common throughout the rate structures sampled, but the structure of transient moorage and premium over the permanent rate varied significantly between ports. In all cases, daily transient moorage rates were higher than the permanent moorage rates. Some harbors apply a separate graduated rate structure for transient moorage, but there were also a number of harbors that use a flat rate structure for transient moorage.

Rate Structure Options for Homer

Within graduated rate structures there are two main variables that can be manipulated to produce a customized rate structure. The first is the size and number of tiers within the graduated scale. These tiers can be set to a single uniform size or vary based on vessel size, slip size, or demand. Often tiers are matched with fleet or infrastructure characteristics, such as slip sizes, popular recreational vessels, or species-specific commercial fishing vessel lengths. The second variable is the extent of change

between tiers. The degree of change between tiers may be constant or vary across tiers. Often the rate change is proportional to the size of the tiers.

Based on the rate structure review, Northern Economics developed five rate structure options that illustrate the most common attributes found in the graduated rate structures sampled. These structure options illustrate how a graduated rate structure could be applied to Homer.

Option 1: A progressive graduated rate structure in which the tiers correspond to the slip sizes available in Homer Harbor. The rate increase for each tier ranges from 2 to 5 percent and increases at a decreasing rate.

Option 2: A progressive graduated rate structure with smaller tiers set at a constant interval of 5 feet. The rate increase for each tier ranges from 1.0 to 0.1 percent and increases at a decreasing rate.

Option 3: A progressive graduated rate structure with fewer tiers set at a constant interval of 20 feet. The rate increase for each tier ranges from 4 to 10 percent and increases at an increasing rate

Option 4: A regressive graduated rate structure with tiers set at a constant interval of 10 feet. The rate decrease for each tier ranges from 1 to 4 percent and decreases at an increasing rate.

Option 5: A progressive continuous rate structure in which the annual moorage rate is calculated using the following equation:

$$\text{Permanent Moorage Rate} \left(\frac{\$}{\text{foot}} \right) = \frac{\$43.19 + \frac{\$0.05}{\text{foot}} \times \text{vessel length (feet)}}{\text{foot}}$$

To narrow down the five options presented above, Northern Economics considered the pros and cons of each rate structure and how well each option could be adapted to fit Homer Harbor. Table 4 summarizes the pros and cons identified for each rate structure option.

Table 4. Rate Structure Options Pros and Cons

Rate Structure	Pros	Cons
Option #1	Tiers are directly tied to the infrastructure used (slip size)	Larger tiers and bigger rate jumps between tiers
Option #2	Smaller tiers and rate increases, facilitating a smoother transition between tiers	Incentivizes vessel owner to try to fit into the lowest tier possible
Option #3	Simple rate structure with few tiers	Large tiers and big rate jumps between tiers
Option #4	Reduces rates for larger vessels	Does not reflect the cost of accommodating larger vs. smaller vessels
Option #5	Logical and justifiable rates charged per foot of vessel length	Very detailed rate sheets needed for successful implementation

Tier Size

One of the main differentiating factors between the five rate structure options presented above is tier size. Option 3 has the largest tiers (20 feet), followed by Option 1 (corresponding with slip size, ranging from 2 to 25 feet) and Option 4 (10 foot). Option 2 has the smallest tier size (5 feet). Option 5 employs a continuous rate that effectively has a tier size of 1 foot.

Transitioning from a flat rate structure to a graduated rate structure that uses fewer but larger tiers may be seen as a drastic change and cause some dissention among customers whose vessels are close to the transition points between tiers. Larger rate increases between tiers may also be seen as biased towards smaller vessel sizes or a specific user group. For these reasons, Northern Economics recommends implementing a rate structure that uses smaller tier sizes.

Regressive vs Progressive

The majority of the graduated rate structures sampled are progressive, meaning that they employ an increasing rate change between tiers. Progressive rates reflect the logic that larger vessels requiring larger turning basins and exert more force on harbor infrastructure, resulting in decreased utilization of the harbor basin and more wear and tear on facilities than smaller vessels. Larger vessel owners are thus charged a higher rate per foot to account for the increased costs associated with infrastructure designed to accommodate their vessels.

Regressive graduated structures were the least common structure found within the sample. Regressive structures are often used at harbors that want to attract larger vessels to fill available capacity or attract commercial vessels that bring in additional revenue to local governments through other taxes or fees. Homer Harbor currently has a waiting list, attracts a diverse range of harbor users and vessels sizes, and does not receive a financial benefit from the City of Homer's tax revenues. For these reasons Northern Economics does not recommend a regressive rate structure for Homer Harbor.

Recommended Alternative Rate Structures for Homer

Based on the criteria discussed above, Northern Economics recommends Options 2 and 5 as potential alternative rate structures for Homer Harbor. Moving forward, Option 2, a progressive rate structure with smaller tiers and rate increases, will be referred to as Alternative A and Option 5, the continuous progressive rate structure, will be referred to as Alternative B.

Northern Economics developed rate tables for each alternative, shown in Table 5 and Table 6, using the 2016 flat rate of \$43.49 per foot as the starting point for each structure.

Table 5 contains the rate structure for Alternative A, a progressive graduated structure using consistent 5-foot tiers. The rate changes between tiers increases incrementally at a decreasing rate between 1.0 percent and 0.1 percent. Under Alternative A, annual moorage for a 30 foot vessel would be \$1,343.24, which is 53 percent more than the annual moorage for a 20 foot vessel. Compared to the 2016 flat rate structure, the annual moorage under alternative A for a 30 foot vessel would increase by just over 3 percent.

Table 5. Rate Table, Alternative A

Vessel Size	% Increase in Tier	Annual Rate (\$/foot)
0-15	-	43.49
16-20	1.00	43.92
21-25	0.98	44.35
26-30	0.95	44.77
31-35	0.93	45.19
36-40	0.90	45.60
41-45	0.88	45.99
46-50	0.85	46.39
51-55	0.83	46.77
56-60	0.80	47.14
61-65	0.78	47.51
66-70	0.75	47.86
71-75	0.73	48.21
76-80	0.70	48.55
81-85	0.68	48.88
86-90	0.65	49.19
91-95	0.63	49.50
96-100	0.60	49.80
101-105	0.58	50.08
106-110	0.55	50.36
111-115	0.53	50.62
116-120	0.50	50.88
121-125	0.48	51.12
126-130	0.45	51.35
131-135	0.42	51.57
136-140	0.40	51.77
141-145	0.37	51.97
146-150	0.35	52.15
151-155	0.32	52.32
156-160	0.30	52.48
161-165	0.27	52.62
166-170	0.25	52.75
171-175	0.22	52.87
176-180	0.20	52.98
181-185	0.17	53.07
186-190	0.15	53.15
191-195	0.12	53.22
196-200	0.10	53.27

Alternative B is a progressive continuous rate structure in which the annual moorage rate per foot increases consistently by \$0.05 per foot. The rate is calculated according to the formula:

$$\text{Permanent Moorage Rate} \left(\frac{\$}{\text{foot}} \right) = \frac{\$43.19 + \frac{\$0.05}{\text{foot}} \times \text{vessel length (feet)}}{\text{foot}}$$

Table 6 displays the calculated annual moorage rates under Alternative B. The rate increase per foot for this alternative was developed to mirror the rates presented in Alternative A.

Table 6. Rate Table, Alternative B

Vessel Length (ft)	Annual Rate (\$/ft)	Vessel Length (ft)	Annual Rate (\$/ft)	Vessel Length (ft)	Annual Rate (\$/ft)	Vessel Length (ft)	Annual Rate (\$/ft)	Vessel Length (ft)	Annual Rate (\$/ft)	Vessel Length (ft)	Annual Rate (\$/ft)
6	43.49	40	45.19	74	46.89	108	48.59	142	50.29	176	51.99
7	43.54	41	45.24	75	46.94	109	48.64	143	50.34	177	52.04
8	43.59	42	45.29	76	46.99	110	48.69	144	50.39	178	52.09
9	43.64	43	45.34	77	47.04	111	48.74	145	50.44	179	52.14
10	43.69	44	45.39	78	47.09	112	48.79	146	50.49	180	52.19
11	43.74	45	45.44	79	47.14	113	48.84	147	50.54	181	52.24
12	43.79	46	45.49	80	47.19	114	48.89	148	50.59	182	52.29
13	43.84	47	45.54	81	47.24	115	48.94	149	50.64	183	52.34
14	43.89	48	45.59	82	47.29	116	48.99	150	50.69	184	52.39
15	43.94	49	45.64	83	47.34	117	49.04	151	50.74	185	52.44
16	43.99	50	45.69	84	47.39	118	49.09	152	50.79	186	52.49
17	44.04	51	45.74	85	47.44	119	49.14	153	50.84	187	52.54
18	44.09	52	45.79	86	47.49	120	49.19	154	50.89	188	52.59
19	44.14	53	45.84	87	47.54	121	49.24	155	50.94	189	52.64
20	44.19	54	45.89	88	47.59	122	49.29	156	50.99	190	52.69
21	44.24	55	45.94	89	47.64	123	49.34	157	51.04	191	52.74
22	44.29	56	45.99	90	47.69	124	49.39	158	51.09	192	52.79
23	44.34	57	46.04	91	47.74	125	49.44	159	51.14	193	52.84
24	44.39	58	46.09	92	47.79	126	49.49	160	51.19	194	52.89
25	44.44	59	46.14	93	47.84	127	49.54	161	51.24	195	52.94
26	44.49	60	46.19	94	47.89	128	49.59	162	51.29	196	52.99
27	44.54	61	46.24	95	47.94	129	49.64	163	51.34	197	53.04
28	44.59	62	46.29	96	47.99	130	49.69	164	51.39	198	53.09
29	44.64	63	46.34	97	48.04	131	49.74	165	51.44	199	53.14
30	44.69	64	46.39	98	48.09	132	49.79	166	51.49	200	53.19
31	44.74	65	46.44	99	48.14	133	49.84	167	51.54		
32	44.79	66	46.49	100	48.19	134	49.89	168	51.59		
33	44.84	67	46.54	101	48.24	135	49.94	169	51.64		
34	44.89	68	46.59	102	48.29	136	49.99	170	51.69		
35	44.94	69	46.64	103	48.34	137	50.04	171	51.74		
36	44.99	70	46.69	104	48.39	138	50.09	172	51.79		
37	45.04	71	46.74	105	48.44	139	50.14	173	51.84		
38	45.09	72	46.79	106	48.49	140	50.19	174	51.89		
39	45.14	73	46.84	107	48.54	141	50.24	175	51.94		

Effect of Rate Structures on Moorage Fees Paid by Vessel Owners

To demonstrate the impact of the alternative rate structures on vessel owners, Table 7 shows the annual moorage payment (not including sales tax and the administrative fee) for vessels ranging from 18 to 80 feet in length under the alternative rate structures and the 2016 flat rate of \$43.49 per foot. The table also shows the percent change in moorage payments relative to the 2016 flat rate.

Table 7. Annual Moorage Revenue and Change by Alternative and Vessel Length

Rate Structure	Vessel Length (ft.)						
	18	24	32	42	54	68	80
Annual Moorage Payment (\$)							
Alternative A	790.65	1,064.48	1,446.04	1,931.76	2,525.47	3,254.74	3,883.86
Alternative B	793.62	1,065.36	1,433.28	1,902.18	2,478.06	3,168.12	3,775.20
2016 Flat Rate	782.82	1,043.76	1,391.68	1,826.58	2,348.46	2,957.32	3,479.20
Change From 2016 Flat Rate (%)							
Alternative A	1.0	2.0	3.9	5.8	7.5	10.1	11.6
Alternative B	1.4	2.1	3.0	4.1	5.5	7.1	8.5

Figure 2 compares the 2016 annual flat rate per foot with the two recommended alternative rate structures.

Figure 2. Comparison of Alternative Rate Structures by Vessel Length

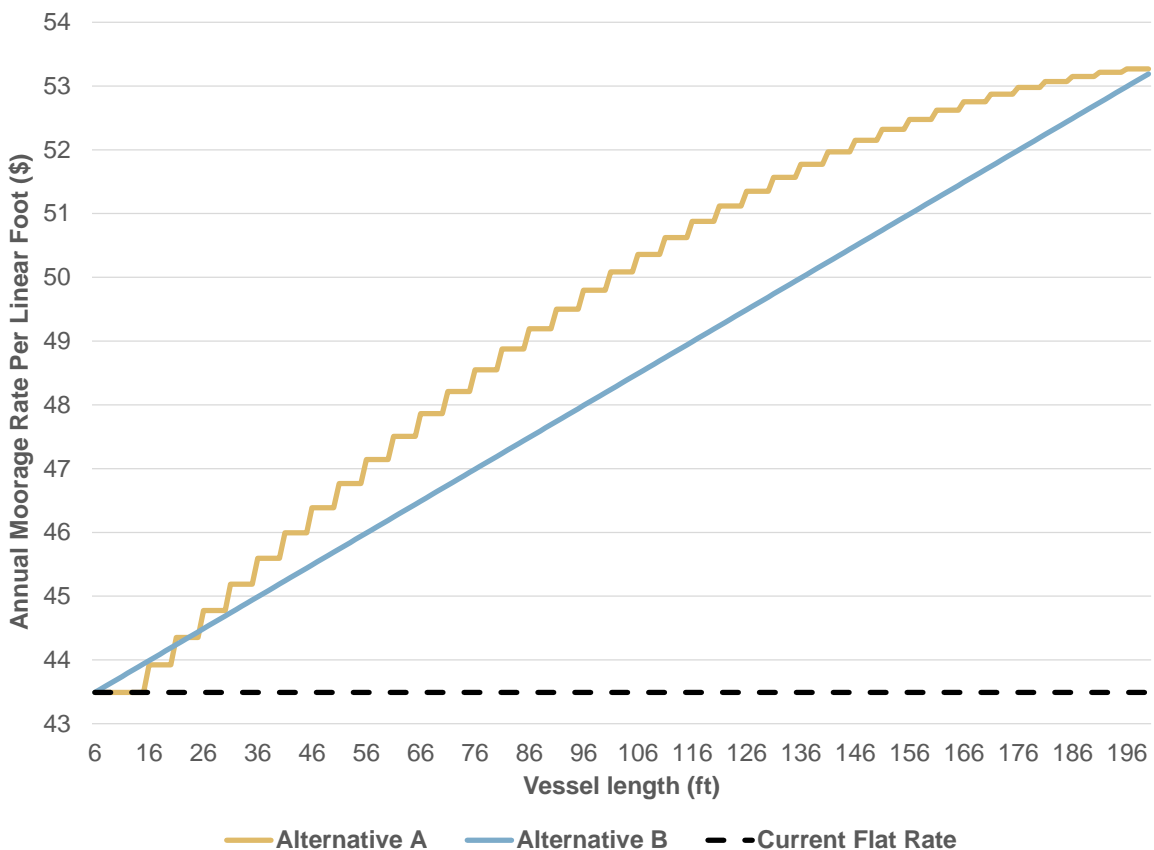
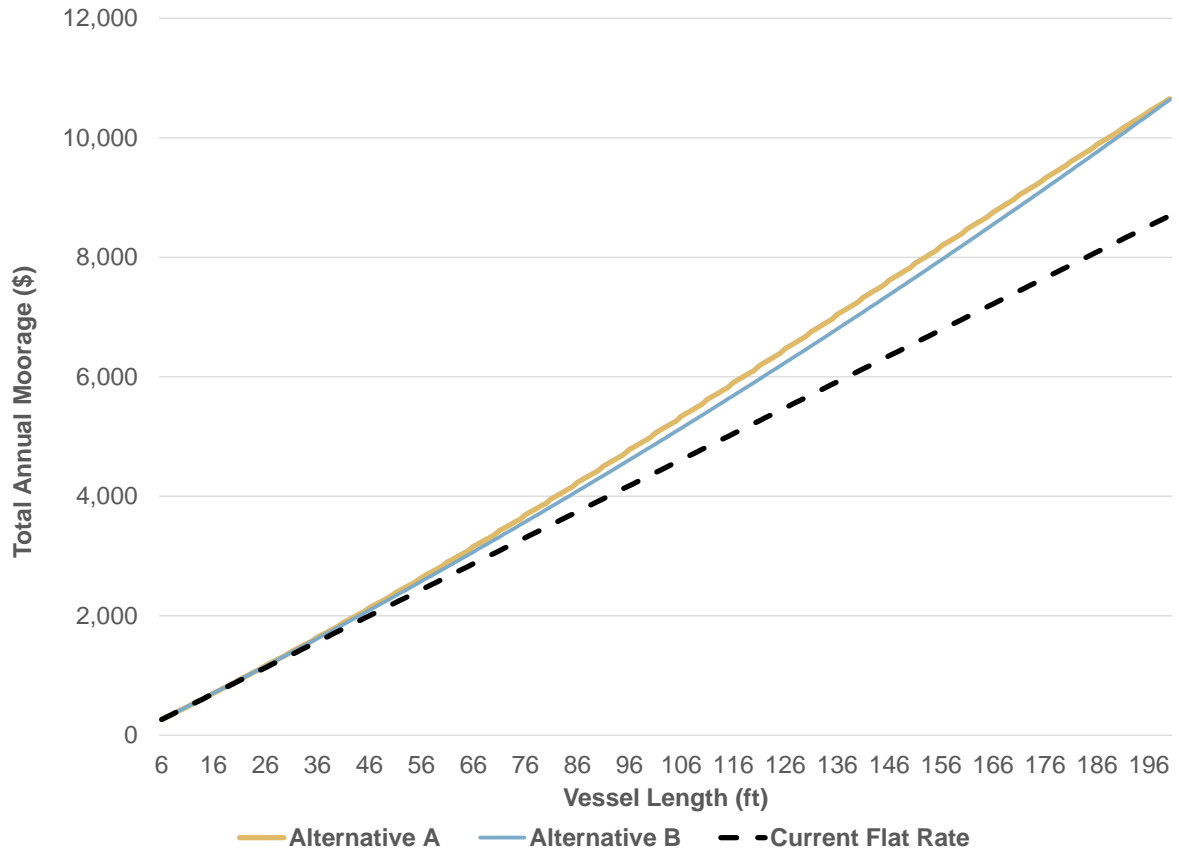


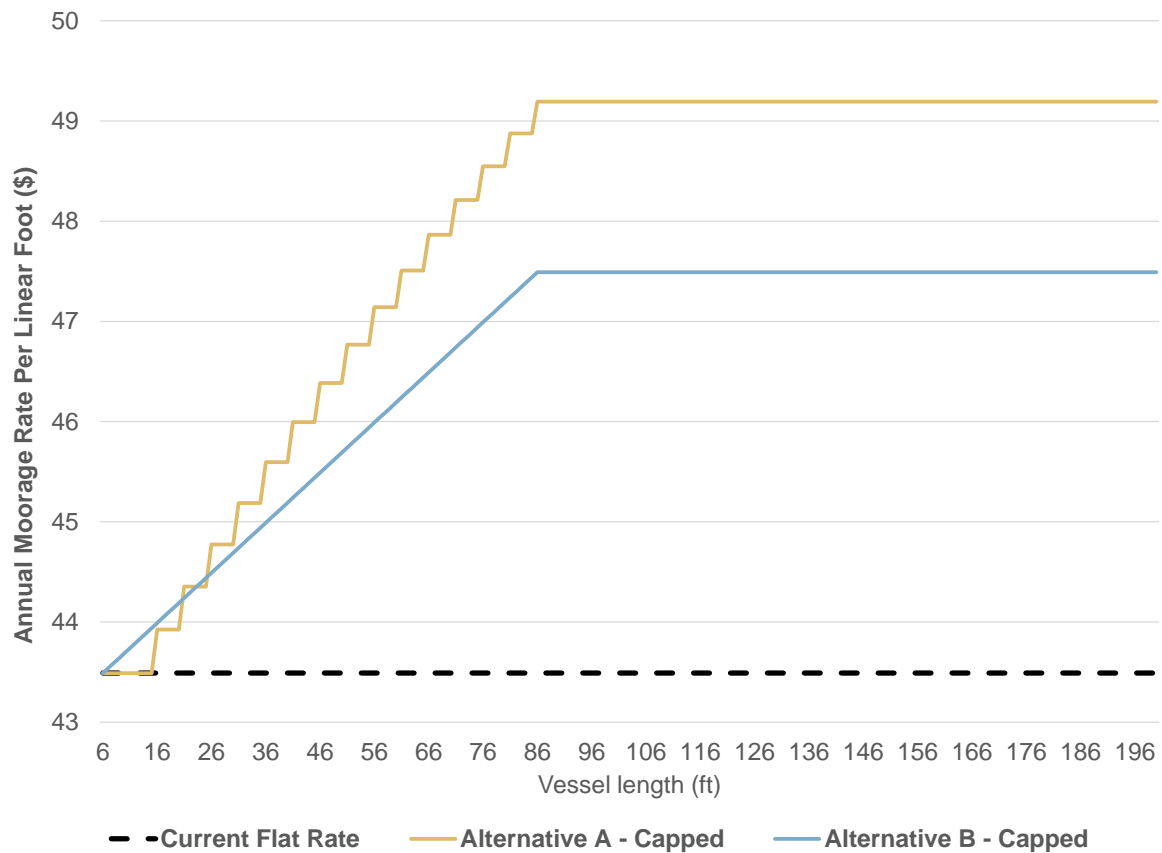
Figure 3 shows the total annual moorage by vessel length for the two recommended alternatives as well as the 2016 flat rate structure. Sales tax and administration fees are not included in the rates.

Figure 3. Comparison of Annual Moorage under Recommended Alternatives by Vessel Length



Homer Harbor has 883 stalls ranging from 18 feet to 75 feet and can accommodate vessels up to 86 feet in length. Vessels longer than 86 feet use the harbor by side tying to transit rafts. Due to the lower level of service offered to vessels at the transit rafts, one modification could be to add a cap on the annual rate for vessels over 86 feet in length. Figure 4 shows the two recommended alternatives with the rate cap.

Figure 4. Annual Moorage Rate under Recommended Alternatives with Cap



Differentiation by User Type

In addition to length-based rate structures, some harbors charge different rates based on the user type. Four harbors within the sample have class-based divisions, all of which are divided into recreational vessels and commercial vessels. Fishermen’s Terminal in Seattle and Blaine Harbor in Bellingham each apply separate graduated rate structures for commercial and recreational vessels. In both cases, the monthly moorage rate per foot is significantly less, between 13 and 39 percent at Fishermen’s Terminal and between 28 and 35 percent at Blaine Harbor for commercial vessels. The tiers used in the graduated rate structure for commercial vessels are also much larger than those used for recreational vessels. Commercial-specific rate structures are also set to accommodate larger vessels, with the first tiers ending at 80 feet under both rate structures.

The Port of Nanaimo and Comox Valley Harbor in British Columbia also charge separate moorage rates for commercial and recreational vessels. Both of these harbors use separate flat rate structures for each user type. Moorage for commercial vessels is 32 to 35 percent less than the moorage for recreational vessels at both of these harbors.

Table 8. Commercial Moorage Discounts by Harbor

Harbor	Rate Structure	Discount for Commercial Relative to Recreational (%)
Blaine	Graduated-Progressive	28-35
Comox	Flat Rate	34
Fishermen's Terminal	Graduated-Progressive	13-39
Nanaimo	Flat Rate	32-35

Source: Websites and rate sheets collected from harbors.

Both Fishermen’s Terminal and Blaine Harbor require proof of active commercial fishing in order to qualify for the commercial rates. Fish tickets, landing permits, or fishing permits from the current or previous season are acceptable as proof of active commercial fishing. Both harbors emphasize that the vessel must be actively participating in commercial fishing activities and require that these documents be submitted every two years for long term tenants.

Blaine Harbor implemented a reduced rate structure for commercial vessels in 2011 in an effort to promote the local fishing and maritime trade community. Commercial users are subsidized through the Economic Development Fund. Blaine Harbor’s goal in offering reduced commercial moorage is to attract vessels from other harbors, increase taxes paid to Whatcom County, and promote job creation within the community. After a review of its active commercial fishing rate structure in 2014, Blaine’s Port Commission approved a two percent increase in commercial rates starting in 2017 in an attempt to reduce the amount of subsidy provided by the Economic Development Fund.

Fishermen’s Terminal has a long history of supporting the commercial fishing industry, and for its first 88 years in operation this facility was exclusively for commercial fishing vessels. Fishermen’s Terminal is part of the larger Port of Seattle system, which includes Sea-Tac Airport, cargo terminals, cruise ship terminals, Bell Harbor Marina, and Shilshole Bay Marina. The facilities within this port system are focused on specific user groups and Fishermen’s Terminal, as the name suggests, caters primarily to commercial fishermen. The reduced rate structure for active commercial vessels, like Blaine Harbor, was implemented to encourage commercial fishing activities within the community. Fishermen’s Terminal does not operate as an enterprise and is not expected to break even, but instead is used as an economic driver that results in increased revenues through other tax structures in King County. While this program is not directly subsidized, the Port of Seattle receives a portion of the revenues collected through King County property taxes and the Port Authority then distributes a portion of the transferred revenues to Fishermen’s Terminal.

In the case of both Blaine Harbor and Fishermen’s Terminal, user-specific rate structures are used as an economic stimulant with the goal of generating additional revenues through other local tax structures. Subsidies or transfers from local governments allow for the ports implementing these rate structures to be compensated for the increased economic activity they are encouraging.

Harbor Rate Structure Alternatives

Presentation to

Homer Port and Harbor Commission

Mike Fisher

January 27, 2016



Northern
Economics

Agenda

- Approach
- Findings
- Recommendations
- Commission input

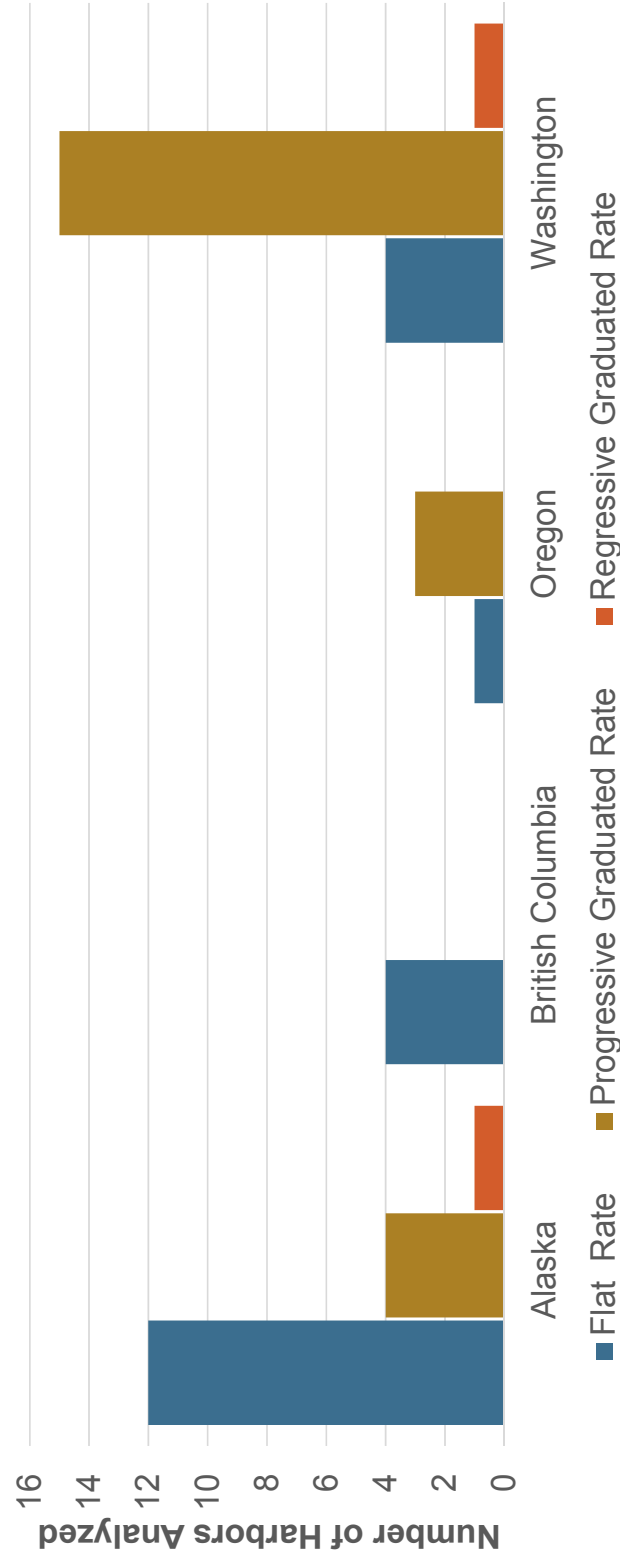
Approach

■ Evaluate alternative rate structures for the Homer Harbor

- Gather and review rate sheets from 45 harbors in Alaska, British Columbia, Oregon, and Washington.
- Identify common rate structure trends
- Present recommendations to the Port and Harbor Commission for feedback

Findings: Rate Structure Review & Analysis

- **Three common rate structures**
 - **Flat:** moorage per foot is constant
 - **Progressive Graduated:** rate increases with vessel size
 - **Regressive Graduated:** rate decreases with vessel size



Findings: Graduated Rate Structures

- **Two main variables**
 - Size and number of tiers
 - Rate change between tiers
- **These can be uniform or varied**
 - Infrastructure
 - Fleet characteristics
 - Demand

Recommendations

- **Progressive rate structure**
 - Larger vessels require more space and stronger facilities
 - No mechanism for harbor to benefit from economic activity
- **Small tier sizes**
 - Avoids major jumps in rates
- **Small rate increases**
 - Gradual change from flat rate
 - Minimize budget impact

Recommendations: Rate Structure Alternatives

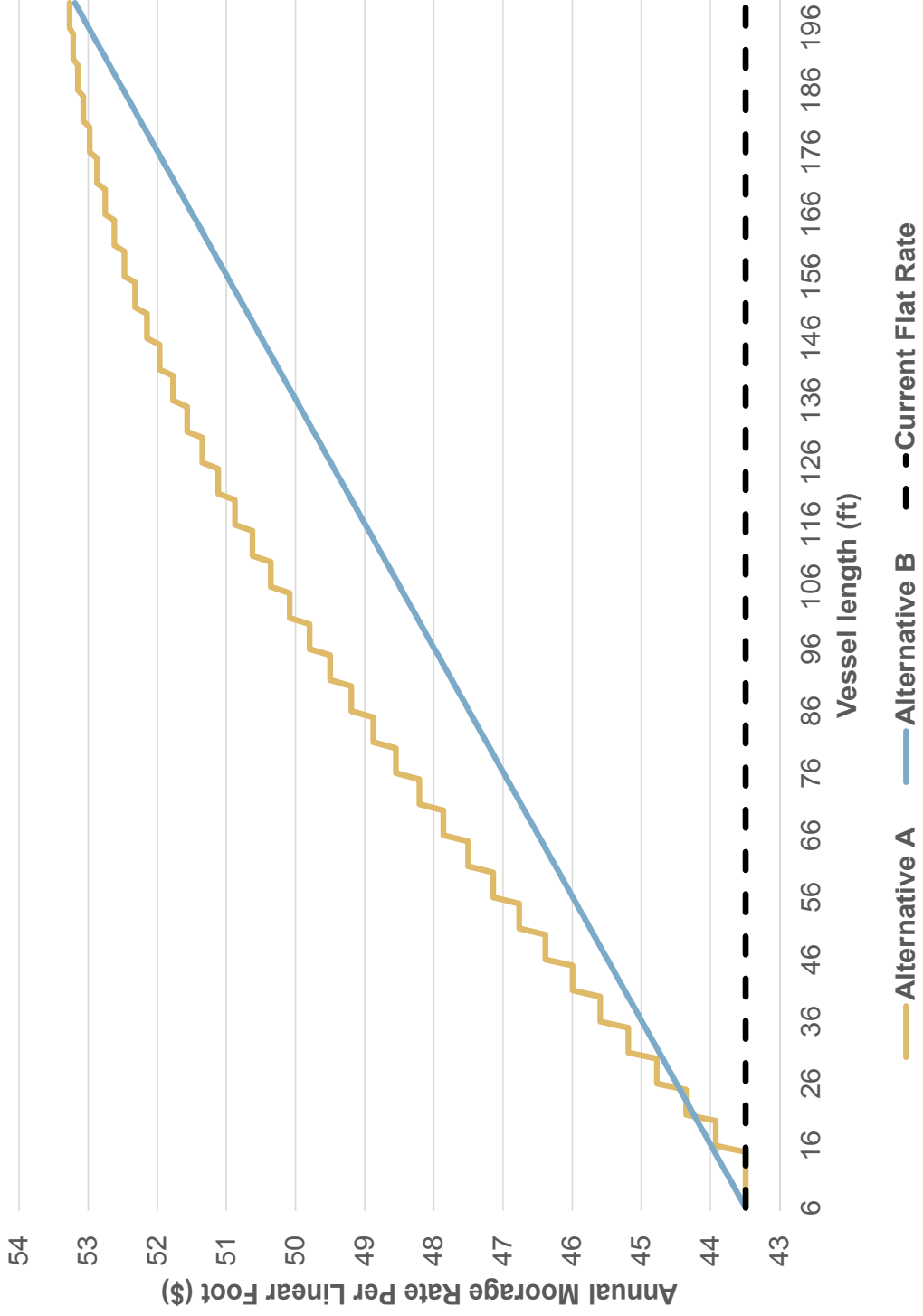
■ **Alternative A:**

- Progressive graduated rate structure
- Constant tiers of 5 feet
- Rate increase starts at 1 percent
- Rate change decreases with vessel size

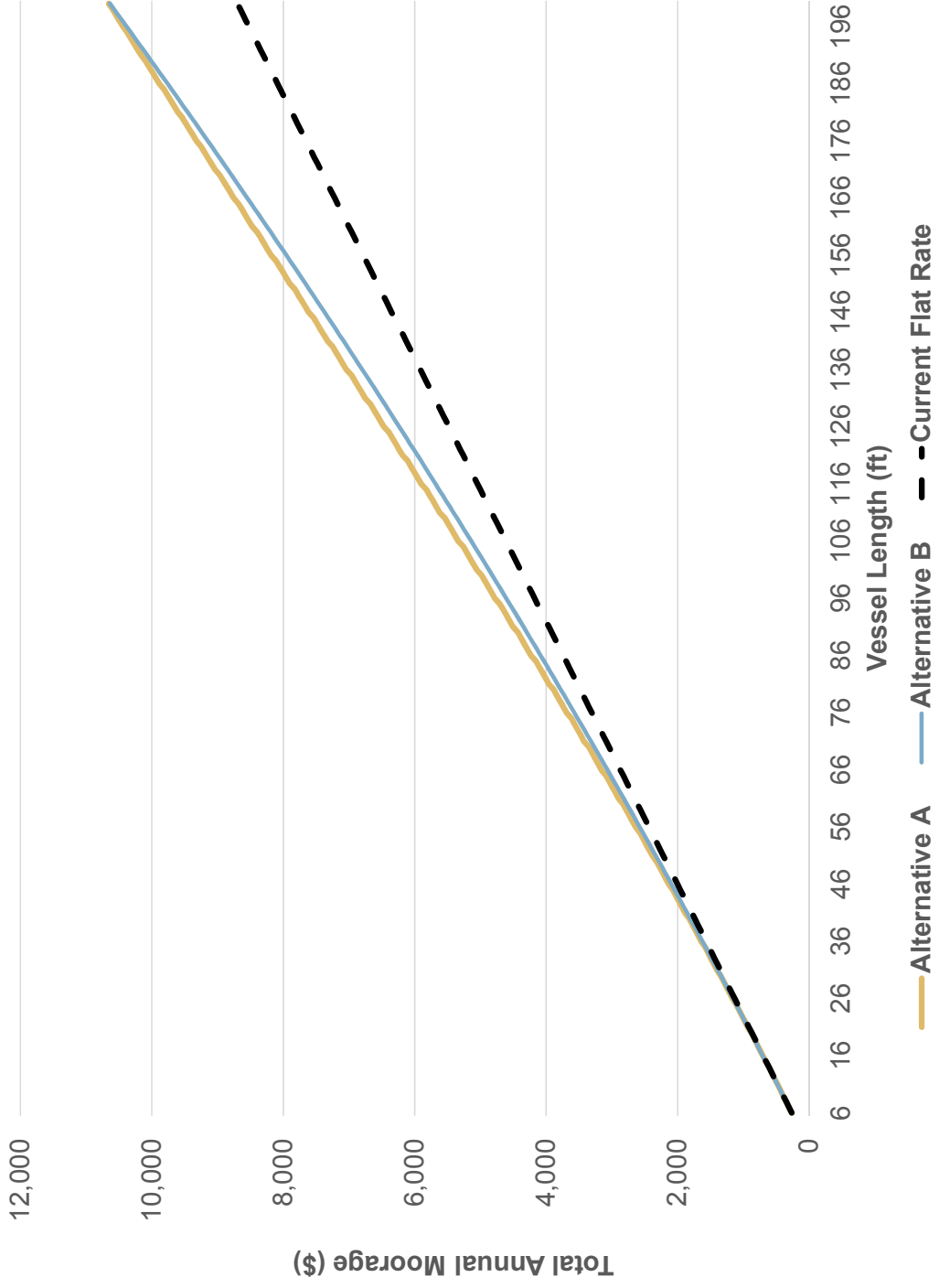
■ **Alternative B:**

- Progressive continuous rate structure
- Base rate starts at the current flat rate
- Rate increases by 5 cents per foot

Comparison of Alternatives



Comparison of Alternatives



Recommendations: Transition Plan

■ Implement increases over multiple years

Alternative	Vessel Length (ft)	% Change From Flat	Res. 15-072 Increase	Average Increase in CPI (%)	Moorage Rate Increase (%) by Year							
					1	2	3	4	5	6	7	
Alternative A	18	1.0	3.2	2.3	6.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
	32	3.9	3.2	2.3	7.5	7.5	5.5	5.5	5.5	5.5	5.5	5.5
	54	7.5	3.2	2.3	8.0	8.0	8.0	5.5	5.5	5.5	5.5	5.5
	86	13.1	3.2	2.3	8.1	8.1	8.1	8.1	8.1	8.1	5.5	5.5
	112	16.4	3.2	2.3	8.2	8.2	8.2	8.2	8.2	8.2	8.2	5.5
Alternative B	18	1.4	3.2	2.3	6.9	5.5	5.5	5.5	5.5	5.5	5.5	5.5
	32	3.0	3.2	2.3	7.0	7.0	5.5	5.5	5.5	5.5	5.5	5.5
	54	5.5	3.2	2.3	7.3	7.3	7.3	5.5	5.5	5.5	5.5	5.5
	86	9.2	3.2	2.3	7.8	7.8	7.8	7.8	7.8	5.5	5.5	5.5
	112	12.2	3.2	2.3	7.9	7.9	7.9	7.9	7.9	7.9	7.9	5.5

Adjustment Options for Alternatives

- **We are seeking Commission input on:**
 - Graduated or continuous
 - Rate of increase
 - Start at current rate or lower
 - Total increase over current revenues
 - Impacted user groups
 - Rate cap at specified length
 - Other exemptions



Memorandum

TO: PORT & HARBOR ADVISORY COMMISSION
FROM: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER
DATE: FEBRUARY 17, 2016
SUBJECT: PASSENGER HEAD TAX IN HOMER HARBOR

As part of our ongoing conversation about a sustainable Port and Harbor Enterprise, please refresh your memory from a recent trip I took to Juneau. One key point I would like to make on fee structures is the fact that our current budget is structured around vessel moorage in the harbor implemented over 50 years ago, without ever any real substantiated change to the basic fee structure. However, when you step back and look at the actual use of the facilities today, we have to admit that use of our harbor facility has changed. Not only are we facilitating a first-class harbor catering to commercial and industrial uses, but also as a destination point in Alaska, and much of our operations cost is centered on facilitating to the summertime multitude.

Background Information: Pacific Coast Congress Conference in Juneau, Alaska

The first day of the conference was Wednesday, September 16th in the Westmark Baranof Hotel in downtown. Good venue and great when you have the meeting in a place that can fill all the needs: lodging, meeting, and food.

Downtown Juneau is very walkable. The conference was planned around the last two days of cruise ship landings so that we could experience an average “trap day” in the downtown. Very thought-provoking; Juneau received over 1,000,000 cruise ship passengers this year. One of the shop owners told me that they had to pass an ordinance a few years ago making it illegal to use umbrellas on the sidewalks downtown because people were getting hurt by the pointed tips. Don’t know if it’s true or not but the fact is that I didn’t see a single umbrella on the sidewalks, and yes it was raining.

The attached agenda holds interesting information on some of the topics and speakers at the conference. The last topic had to do with changes in how the public is using harbors. Nationwide, more and more harbors are being used as “adventure centers” with many Lower 48 harbors seeing as much as 65% increase in this use. Adventure or eco-tourism in Homer could be taking a taxi boat to the State park, renting kayaks and going for a paddle, going for a ride on one of the tour boats, charter fishing, paddle boarding, biking or walking the trails, fishing in the lagoon or off the end of the spit, using the kayak trails, and so on. Maybe we’re not seeing as big an increase as what this report is stating, but I think we can all agree that adventure tourism is alive and well in Homer, Alaska. What struck me in this presentation is that it was being presented as an opportunity to be marketed to and that other communities are working to bring more of this business to their harbors. Conversely, here in Homer we behave as though this use is a burden and grump and gripe about there being too many people on the Spit in the summer. It makes you think: Do we have a thinking error? Are we missing out on opportunity? Do we have any choice in the matter?

I have been saying that the reason we are looking at rate models for over the past year, is that the use in and out of the harbor has changed since it was first built. Use is no longer confined to just boat owners and dock users; the use is much bigger and more complicated than that. I believe that we need to try and wrap our heads around this view and see if we can come up with a way to spread the operations costs over as wide a population of users as possible.

Also, FYI, one of the questions that came up in this discussion was “what can we do or build to support and encourage adventure tourism business in our town?” and the answer came back without hesitation: RESTROOMS! You can’t seem to have enough of them.

There you go, Homer ahead of the curve...again!

Recommendation

Informational Item



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

TO: Port and Harbor Advisory Commission
FROM: Julie Engebretsen, Deputy City Planner
DATE: January 27, 2016
SUBJECT: Land Allocation Plan

Background

The Land Allocation Plan is a listing of each property the City owns. Each year, the City Council reviews and approves which city properties should be made available for lease, through the Land Allocation Plan. Each Commission provides comments by memorandum to the Council on which lands should be leased. Council will consider the comments, and then pass a resolution adopting the draft plan for the year, including any changes to lots available for lease.

Most City leasing occurs on the Spit and at the airport terminal. A map of the Spit is attached. The Port and Harbor Commission usually provides the most detailed comments about the Spit, as they typically are most familiar with area operations and long term leases. The full Draft 2016 Land Allocation Plan is attached for your convenience.

Below is a list of changes to municipal lands over the past year.

New Land Acquisitions

- Purchased property behind the Post Office to the extension of Grubstake Ave to Lake Street. Ordinance 15-30 stated the proceeds from the sale of the lot would be used to reimburse the state grant (about 75%) and the HART fund (about 25%). Sale of cabins resulted in \$92,789.91, appropriated to the Waddell Way Road Improvement Project.
- Acquired 40 acres of Borough tax foreclosed property in the Bridge Creek Watershed Protection District. Recommend designate for Watershed Protection Purposes.

Land Changes in 2015

- In the 2015 plan, Council designated several parcels for sale. City Administration moved forward with the properties in the Lillian Walli Estates Subdivision, but to date has not received any offers.

Staff Recommendations:

1. Make recommendations on any lands that should be available for lease.
2. Consider the following:
 - A. Designate the 40 acres acquired through tax foreclosure for watershed protection purposes. (Page F-7)
 - B. The old harbormaster office property on page D 20, and is designated for parking and restrooms. Expand designation to include Boat House.

Attachments

1. 2016 Draft Land Allocation Plan



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum

TO: CHAIR ULMER AND THE PORT AND HARBOR ADVISORY COMMISSION
FROM: MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK
DATE: MARCH 16, 2016
SUBJECT: COMMERCIAL MARIJUANA IN MARINE COMMERCIAL DISTRICT

Commissioner Zimmerman requested commercial marijuana on the spit be included on the March Commission's agenda.

This memo provides a brief overview of the actions taken regarding this topic.

The Planning Commission moved to disallow retail sales of marijuana in the Marine Commercial district, but the motion failed for lack of a majority.

Retail sales of marijuana in the Marine Commercial district with a conditional use permit was allowed when the zoning ordinance went to council.

City Council amended the ordinance that retail sales not be allowed in the Marine Commercial district at the January 25, 2016 meeting and the final zoning ordinance was adopted at the March 14, 2016 meeting.

Zoning for
 Marijuana

There was brief discussion.

VOTE (Amendment): NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

There was brief discussion.

VOTE (Main motion as amended): NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

There was discussion about buffers that are outlined by the state. City Planner Abboud said he would bring that back with information along with the license restrictions.

Discussion ensued regarding allowing retail on the spit and the comments from the public tonight.

HIGHLAND/ERICKSON MOVED TO DISALLOW RETAIL FOR MARIJUANA IN MARINE COMMERCIAL.

Commissioner Highland said tonight's public comments included good reasons to be concerned about retail sales out there.

Commissioner Venuti noted there are bars and liquor stores on the spit now that sell cheap liquor which he thinks is more dangerous.

Commissioner Erickson agrees with the public comments about not allowing retail in marine commercial.

Commissioner Bradley commented that a CUP is required for retail in marine commercial which is fairly restrictive.

Commissioner Stroozas expressed his thought that the fishing hole is a recreational facility for families with kids and youth based fishing events that are held there. Based on state buffers, that could justify disallowing retail on the spit. If the CUP remains in place, then an applicant complies with all the regulations, the Commission would have to allow it.

VOTE: YES: ERICKSON, STROOZAS, HIGHLAND
 NO: STEAD, BRADLEY, VENUTI

Motion failed for lack of a majority.

No further amendments were proposed and another public hearing is scheduled for December 2nd.

Plat Consideration

VAN DYKE/SMITH– MOVED THAT MARINE COMMERCIAL BE A NO SALE ZONE.

Councilmember Lewis questioned the depiction of the Spit as a great, wholesome place with Salty Dawg Saloon, other bars and liquor stores, and five or six guys sitting out at night after a day's charter pounding down beers. It's not a good analogy to restrict the cannabis business there. On his visit to Denver he did not see derelicts hanging outside. There are laws on advertising.

Councilmember Smith asked what the economic benefit is that we are projecting versus the social costs.

Councilmember Lewis answered the problems are already there; we aren't going to bring anything new. The product and alcohol are there and some will use both. Those that want to use one or the other will use one or the other. It will not create more smoking and driving. Those that are going to do it will regardless if it is legal or not.

Mayor Wythe commented the majority of properties on the Spit are City of Homer properties. In complying with the eight guiding principles to keep us out of the federal target zone, one of those is growing marijuana on public lands and the public safety and environmental dangers posed by marijuana production. Although there wouldn't be marijuana growing on the Spit, people could not lease city properties to sell marijuana. We can start smaller and if it makes sense we can grow.

VOTE: (amendment) YES. ADERHOLD, ZAK, SMITH, VAN DYKE
VOTE: NO. REYNOLDS, LEWIS

Motion carried.

ZAK/VAN DYKE – MOVED TO AMEND TO MAKE THE HOMER SPIT A BUFFER ZONE.

City Planner Abboud advised no buffer is needed if Marine Commercial is a no sale zone. Adding a buffer to the Spit could be decided by the Planning Commission at a later date.

VOTE: (amendment) YES. VAN DYKE, ZAK, SMITH
VOTE: NO. REYNOLDS, ADERHOLD, LEWIS

Mayor Wythe broke the tie with a NO vote.

Motion failed.

ADERHOLD/LEWIS - MOVED TO AMEND LINE 20 to CHANGE the WORD "MANUFACTURER" TO "MANUFACTURE."

There was no discussion.

Port & Harbor Monthly Statistical & Performance Report

For the Month of: **February 2016**

<u>Moorage Sales</u>	<u>2016</u>	<u>2015</u>	<u>Stall Wait List</u>		
Daily Transient	39	19	No. on list at Month's End	<u>2016</u>	<u>2015</u>
Monthly Transient	61	38	20' Stall	37	9
Semi-Annual Transient	1	0	24' Stall	24	15
Annual Transient	12	3	32' Stall	54	18
Annual Reserved	1	0	40' Stall	29	20
			50' Stall	28	27
			60' Stall	3	4
			75' Stall	3	2
<u>Grid Usage</u>			Total:	178	95
1 Unit = 1 Grid Tide Use	<u>2016</u>	<u>2015</u>			
Wood Grid	5	1			
Steel Grid	1	0			
			<u>Docking & Beach/Barge Use</u>		
			1 Unit = 1 or 1/2 Day Use	<u>2016</u>	<u>2015</u>
<u>Services & Incidents</u>	<u>2016</u>	<u>2015</u>	Deep Water Dock	23	36
Vessels Towed	0	1	Pioneer Dock	27	21
Vessels Moved	3	44	Beach Landings	0	2
Vessels Pumped	2	1	Barge Ramp	3	10
Vessels Sunk	0	0			
Vessel Accidents	0	0	<u>Marine Repair Facility</u>	<u>2016</u>	<u>2015</u>
Vessel Impounds	0	0	Vessels Hauled-Out	0	0
Equipment Impounds	1	0	Year to Date Total	1	1
Vehicle Impounds	0	0			
Property Damage	0	2	<u>Wharfage (in short tons)</u>		
Pollution Incident	3	1	In Tons, Converted from Lb./Gal.	<u>2016</u>	<u>2015</u>
Fires Reported/Assists	0	0	Seafood	260	192
EMT Assists	2	0	Cargo/Other	269	146
Police Assists	0	2	Fuel		26,473
Public Assists	14	34			
Thefts Reported	0	0			
			<u>Ice Sales</u>	<u>2016</u>	<u>2015</u>
<u>Parking Passes</u>	<u>2016</u>	<u>2015</u>	For the Month of February	*	*
Long-term Pass	3	1	*Shut Down for Maintenance		
Monthly Long-term Pass	0	0	Year to Date Total	0	0
Seasonal Pass	0	0			
			<u>Difference between</u>		
<u>Crane Hours</u>	<u>2016</u>	<u>2015</u>	<u>2015 YTD and 2016 YTD:</u>	0 tons	
	171.7	100.8			

Port & Harbor Water/Sewer Bills

Service Period End Date: February 29, 2016

Meter Reading Period: 1/19 to 2/19/2016

Meter Address - Location	Acct. #	Meter ID	Service/ Customer Charge	Water Charges	Sewer Charges	Total Charges	Previous Reading	Current Reading	Total Usage (gal)
810 FISH DOCK ROAD - Fish Grinder	1.0277.01	84810129	\$9.50	-	-	\$9.50	316,700	316,700	-
4244 HOMER SPIT RD - SBH & Ramp 2	1.0290.01	84872363	\$9.50	-	-	\$9.50	8,144,800	8,144,800	-
4166X HOMER SPIT RD - SBH & Ramp 4	1.0345.01	70291488	\$9.50	-	-	\$9.50	22,616,300	22,616,300	-
4171 FREIGHT DOCK RD - SBH & Ramp 6	1.0361.01	71145966	\$9.50	-	-	\$9.50	103,200	103,200	-
4690C HOMER SPIT RD - Pioneer Dock	1.0262.01	70315360	\$9.50	\$216.91	-	\$226.41	2,938,000	2,957,900	19,900
4690A HOMER SPIT RD - Pioneer Dock	1.0261.01	70315362	\$19.00	\$19.62	-	\$38.62	412,700	414,500	1,800
4666 FREIGHT DOCK RD - Deep Water Dock	1.0357.01	70564043	\$19.00	\$560.26	-	\$579.26	8,060,200	81,116	51,400
4448 HOMER SPIT RD - Steel Grid	1.0230.01	80394966	\$9.50	-	-	\$9.50	229,800	229,800	-
795 FISH DOCK ROAD - Fish Dock/Ice Plant	1.0180.01	70291512	\$19.00	\$356.43	\$30.16	\$405.59	864,666,400	864,699,100	32,700
4147 FREIGHT DOCK RD - SBH & Ramp 6 Restroom	1.4550.01	70315668	\$19.00	\$19.62	\$41.76	\$80.38	915,800	917,600	1,800
4147X FREIGHT DOCK RD - Ramp 6 Fish Cleaning	1.0457.01	80856895	\$19.00	-	-	\$19.00	1,441,100	1,441,100	-
4001 FREIGHT DOCK RD - L&L Ramp Restrooms	10.4550.01	70364713	\$19.00	\$28.34	\$60.32	\$107.66	1,254,800	1,257,400	2,600
4667 HOMER SPIT RD L - Port Maintenance	1.0109.01	70257255	\$19.00	\$42.51	\$90.48	\$151.99	672,700	676,600	3,900
4667 HOMER SPIT RD - Bldg Near Water Tank	1.0100.02	70315820	\$9.50	-	-	\$9.50	320,400	320,400	-
4667 FREIGHT DOCK RD - DWD Restroom	1.0495.01	84920900	\$19.00	\$13.08	\$27.84	\$59.92	35,000	36,200	1,200
4311 FREIGHT DOCK RD - Port & Harbor Office	5.1020.01	83912984	\$19.00	\$20.71	\$29.83	\$69.54	21,700	23,600	1,900
4000 FREIGHT DOCK RD - Ramp 5 Restroom	5.125.01	86083228	\$19.00	-	-	\$19.00	-	-	-
4425 FREIGHT DOCK RD - Sys 5 & Ramp 8	5.1050.01	86094861	\$19.00	\$57.77	-	\$76.77	71,800	77,100	5,300

Overall Charges: \$1,891.14 Overall Water Usage: 122,500

Water/Sewer Monthly Comparison								
CY 2013 to Current								
	2013		2014		2015		2016	
January	\$1,039.71	62,100	\$3,545.49	288,500	\$2,526.35	183,700	\$1,216.22	68,800
February	\$995.09	57,300	\$4,042.38	322,400	\$2,015.14	140,800	\$1,891.14	122,500
March	\$3,777.17	91,400	\$3,968.26	320,400	\$3,339.49	253,700		
April	\$2,825.07	208,200	\$5,792.92	452,200	\$4,997.38	467,700		
May	\$11,647.05	1,176,600	\$12,019.73	973,600	\$6,982.27	541,900		
June	\$19,728.26	1,660,800	\$13,396.30	1,106,200	\$14,116.19	1,134,100		
July	\$73,511.61	6,344,600	\$16,516.50	1,348,000	\$12,038.01	919,900		
August	\$18,766.53	1,547,500	\$15,883.21	1,279,500	\$15,033.97	1,197,000		
September	\$12,784.77	1,057,600	\$13,105.89	1,073,100	\$15,661.07	1,307,300		
October	\$6,823.64	558,200	\$3,874.68	266,000	\$5,445.90	406,300		
November	\$5,696.76	456,800	\$3,658.86	283,400	\$1,917.85	106,100		
December	\$2,699.74	186,900	\$1,748.09	111,900	\$1,284.30	30,100		
YTD Total	\$160,295.40	13,408,000	\$97,552.31	7,825,200	\$85,357.92	6,688,600	\$3,107.36	191,300

WEEKLY CRANE TIME / TONS OF ICE
City of Homer - Fish Dock 2015

Date From	Date To	Crane Hours (Weekly)	YTD Crane	Tons of Ice (Weekly)	YTD Ice
1/4/2016	1/10/2016	6	6	shut down for maintenance	
1/11/2016	1/17/2016	24	30	shut down for maintenance	
1/18/2016	1/24/2016	29.1	59.1	shut down for maintenance	
1/25/2016	1/31/2016	28.5	87.6	shut down for maintenance	
2/1/2016	2/7/2016	30.1	117.7	shut down for maintenance	
2/8/2016	2/16/2016	64.5	182.2	shut down for maintenance	
2/15/2016	2/21/2016	40.2	222.4	shut down for maintenance	
2/22/2016	2/28/2016	36.9	259.3	shut down for maintenance	
2/29/2016	3/6/2016	32.3	291.6	shut down for maintenance	
3/7/2016	3/13/2016	51.3	342.9	shut down for maintenance	
3/14/2016	3/20/2016				
3/21/2016	3/27/2016				
3/28/2016	4/3/2016				
4/4/2016	4/10/2016				
4/11/2016	4/17/2016				
4/18/2016	4/24/2016				
4/25/2016	5/1/2016				
5/2/2016	5/8/2016				
5/9/2016	5/15/2016				
5/16/2016	5/22/2016				
5/23/2016	5/29/2016				
5/30/2016	6/5/2016				
6/6/2016	6/12/2016				
6/13/2016	6/19/2016				
6/20/2016	6/26/2016				
6/27/2016	7/3/2016				
7/4/2016	7/10/2016				
7/11/2016	7/17/2016				
7/18/2016	7/24/2016				
7/25/2016	7/31/2016				
8/1/2016	8/7/2016				
8/8/2016	8/14/2016				
8/15/2016	8/21/2016				
8/22/2016	8/28/2016				
8/29/2016	9/4/2016				
9/5/2016	9/11/2016				
9/12/2016	9/18/2016				
9/19/2016	9/25/2016				
9/26/2016	10/2/2016				
10/3/2016	10/9/2016				
10/10/2016	10/16/2016				
10/17/2016	10/23/2016				
10/24/2016	10/30/2016				
10/31/2016	11/6/2016				
11/7/2016	11/13/2016				
11/14/2016	11/20/2016				
11/21/2016	11/27/2016			shut down for maintenance	
11/28/2016	12/4/2016			shut down for maintenance	
12/5/2016	12/11/2016			shut down for maintenance	
12/12/2016	12/18/2016			shut down for maintenance	
12/19/2016	12/25/2016			shut down for maintenance	
12/26/2016	1/1/2017			shut down for maintenance	
				shut down for maintenance	

Deep Water Dock 2015

Date	Vessel	LOA	Times	Billed	\$ Dock	Srv Chg
1/3	Tustumena	296	1900/2200	St of AK	788.00	52.00
1/7	Swiftwater	218	1000/2100	Turnagain Ma	788.00	52.00
1/13	DBL 54	300	0820/1215	Kirby Offshor	788.00	52.00
1/13	Pacific Wolf	121	0845/1215	Kirby Offshor	506.00	52.00
1/17	Java Sea & DBL 78	395	0430/0900	Kirby Offshor	1,206.00	52.00
1/17	Java Sea INSIDE	121	0900/	Kirby Offshor	506.00	na
1/18	Java Sea & DBL 78	395		Kirby Offshor	1,206.00	
1/18	Java Sea INSIDE	121	/1000	Kirby Offshor	253.00	na
1/19	Java Sea & DBL 78	395	/0245	Kirby Offshor	1,206.00	
1/27	Tustumena INSIDE 1/6	296	0915/1200	St of AK	131.28	na
1/30	Java Sea & DBL 78	395	0500/	Kirby Offshor	1,206.00	52.00
1/31	Java Sea & DBL 78	395	/2020	Kirby Offshor	1,206.00	
1/31	Millennium Star	105	1800/	Olympic	253.00	na
2/1	Millennium Star INSIDE	105	/1200	Olympic	253.00	
2/4	Perseverance	207	1000/	Cispri	788.00	52.00
2/5	Perseverance	207		Cispri	788.00	
2/6	Perseverance	207	/1030	Cispri	788.00	
2/9	Millennium Star INSIDE	105	1350/	Olympic	253.00	na
2/10	Millennium Star INSIDE	105		Olympic	506.00	
2/11	Millennium Star INSIDE	105	/0900	Olympic	253.00	
2/16	PacWolf & DBL54 INSIDE	395	0745/1645	Kirby Offshor	603.00	na
2/23	Tustumena	296	1900/2030	St of AK	788.00	52.00
2/24	DBL 106	383	1630/	Kirby Offshor	1,206.00	52.00
2/24	Bismarck Sea INSIDE	125	1730/	Kirby Offshor	253.00	na
2/25	DBL 106	383		Kirby Offshor	1,206.00	
2/25	Bismarck Sea INSIDE	125		Kirby Offshor	506.00	
2/26	DBL 106	383	/2120	Kirby Offshor	1,206.00	
2/26	Bismarck Sea INSIDE	125	/2100	Kirby Offshor	506.00	
03/17/16				Year to Date Totals:	\$19,946.28	\$468.00

Pioneer Dock 2015

Date	Vessel	LOA	Times	Billed	\$ Dock	Srv Chg
1/8	Pacific Wolf & DBL54	395	0030/1315	Kirby Offshore	1,206.00	52.00
1/13	Perseverance	207	0600/1400	Cispri	788.00	52.00
1/22	Pacific Wolf & DBL55	395	0730/1400	Kirby Offshore	1,206.00	52.00
1/23	Bob Franco	120	0030/	Olympic	506.00	52.00
1/24	Bob Franco	120	/1200	Olympic	506.00	
2/5	Pacific Wolf & DBL54	395	0800/1220	Kirby Offshore	1,206.00	52.00
2/12	Perseverance	207	1015/1600	Cispri	788.00	52.00
03/17/16				Year to Date Totals:	\$6,206.00	\$312.00

Ferry Landings 2016

	Pioneer Dock	Deep Water Dock
January	14	2
February	21	1
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

Water Usage 2015

Pioneer Dock							Deep Water Dock						
Date	Vessel	Beg. Read	End Read	Gal.	Charged	Conx Fee	Date	Vessel	Beg. Read	End Read	Gal.	Charged	Conx Fee
1/15	Tustumena	2,924,600	2,933,100	8,500	\$ 329.88	\$ 102.00	1/31	Java Sea	8,060,000	8,062,000	2,000	\$ 194.05	\$ 102.00
1/16	Tustumena	2,933,100	2,938,190	5,090	\$ 197.54	\$ 102.00	2/1	Millennium Star	8,062,000	8,064,000	2,000	\$ 194.05	\$ 102.00
1/22	Tustumena	2,938,190	2,948,895	10,705	\$ 415.46	\$ 102.00	2/4	Perseverance	8,064,000	8,105,000	41,000	\$ 1,591.21	\$ 102.00
1/23	Bob Franco	2,948,895	2,953,055	4,160	\$ 194.05	\$ 102.00	2/4	Bob Franco	8,105,000	8,108,700	3,700	\$ 194.05	\$ 102.00
1/28	Tustumena	2,953,055	2,957,900	4,845	\$ 194.05	\$ 102.00	2/10	Millennium Star	8,108,000	8,111,000	3,000	\$ 194.05	\$ 102.00
2/5	Pacific Wolf	412,700	414,500	1,800	\$ 194.05	\$ 102.00							
2/28	Tustumena	2,957,900	2,967,910	10,010	\$ 388.49	\$ 102.00							
				-									
Year to Date Totals:				45,110	\$ 1,913.52	\$ 714.00	Year to Date Totals:				51,700	\$ 2,367.41	\$ 510.00
<u>Notes:</u>							<u>Notes:</u>						
Washing down dock results in missing begin/end reads							Washing down dock results in missing begin/end reads						
\$194.05 Min Charge							\$194.05 Min Charge						
\$102.00 CONX							\$102.00 CONX						

2016 HOMER CITY COUNCIL MEETINGS
PORT & HARBOR ADVISORY COMMISSION ATTENDANCE

It is the goals 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 Council approves the consent agenda and any scheduled visitors it is then time for staff reports, commission reports and borough reports. That is when you would stand and be recognized by the Mayor to approach and give a brief report on what the Commission is currently addressing, projects, events, etc. **A commissioner is scheduled to speak and has a choice at which council meeting they will attend. It is only required to attend one meeting during the month that you are assigned.** However, if your schedule permits please feel free to attend both meetings. Remember you cannot be heard if you do not speak.

The following Meeting Dates for City Council for 2016 is as follows:

January 11, 25	<u>Ulmer</u>
February 8, 22	<u>Stockburger</u>
March 14, 28	<u>Hartley</u>
April 11, 25	<u>Carroll</u>
May 9, 23	<u>Zimmerman</u>
June 13, 27	<u></u>
July 25	<u></u>
August 8, 22	<u>Ulmer</u>
September 12, 26	<u>Zimmerman</u>
October 10, 24	<u>Donich</u>
November 28	<u>Donich</u>
December 12	<u>Stockburger</u>