

Session 19-12, a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Chair Steve Zimmerman at 5:09 p.m. on December 11, 2019 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS ULMER, STOCKBURGER, ZEISET, HARTLEY, ZIMMERMAN, CARROLL

ABSENT: COMMISSIONER DONICH (excused)

STAFF: PORT DIRECTOR/HARBORMASTER HAWKINS
DEPUTY CITY CLERK TUSSEY

AGENDA APPROVAL

Chair Zimmerman asked for a motion to approve the agenda.

STOCKBURGER/HARTLEY MOVED TO APPROVE THE AGENDA AS WRITTEN.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Crisi Matthews, seasonal resident, commented on City land use out on the Spit, specifically retail industry activity, parking, and concerns with erosion to property. She also introduced herself and voiced her desire to serve on the commission the next time there's an opening.

Commissioners directed questions to Ms. Matthews and facilitated discussion regarding some of her retail statistics and erosion control in front of her boardwalk on the Spit.

RECONSIDERATION

APPROVAL OF MINUTES

A. Regular Meeting Minutes for October 23, 2019

Chair Zimmerman asked for a motion to approve the minutes.

ULMER/STOCKBURGER MOVED TO APPROVE THE MINUTES.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS/PRESENTATIONS

STAFF & COUNCIL REPORT/COMMITTEE REPORTS

- A. Port & Harbor Staff Report for November & December 2019
- i. Memo from Matt Clarke, Deputy Harbormaster Re: 2019 Pacific Marine Expo

Port Director Hawkins responded to questions from the commission on the following topics:

- Winter maintenance activity at the Ice Plant and record year for ice sales
- Success of Alaska Association Harbormasters and Port Administrators (AAHPA) scholarship fundraising; a \$2,500 sponsor-funded and two \$3,500 AAHPA scholarships will be awarded for marine-related education
- PAS Program and Homer Spit erosion control and mitigation plans
- Coordination with US Department of Transportation Maritime Administration on developing better relationship with AAHPA
- Vessel activity at the Deep Water Dock
- Deputy Harbormaster Clark's attendance at the 2019 Pacific Marine Expo in Seattle, WA

- B. Homer Marine Trades Association Report

Commissioner Zeiset reported on HMTA activity. He noted the decent turnout for the Pacific Marine Expo and shared information regarding an upcoming holiday meeting, open to the public, at Northern Enterprise Boatyard on December 19th. There was brief discussion on topics related to the Expo and meeting, including student attendance at marine classes and unveiling of a larger boat lift at the boat yard.

PUBLIC HEARING

PENDING BUSINESS

- A. 2020 Draft Land Allocation Plan
- i. HCC 18.08.020 Land Allocation Plan
 - ii. Land Allocation Plan, Section A: Lands Available for Lease
 - iii. Draft 2020 LAP Homer Spit Map
 - iv. HCC 18.28 Tidelands

Chair Zimmerman noted the two motions that City staff is looking for: 1) recommend any changes to the Land Allocation Plan (LAP) and, 2) make a recommendation on if the City should work on updating the Tidelands code. He commented on how Overslope policy affects their suggestions for the LAP, prompting commission discussion on the subject and Port Director Hawkins providing clarification on what City Code says about Overslope. It was noted by the Chair and Staff that Overslope can be discussed in more detail in the next agenda item.

Commissioner Hartley requested a status update on Lot 11; he opined if they should suggest it be available in the same short-term lease status as Lot 12. Commissioner Stockburger questioned how the square footage rate is calculated; his concern is that it's too high to attract new leasing opportunities. Discussion ensued with Staff on how those rates could be reflected in the LAP, perhaps as a range instead of one approximate amount. Commissioner Carroll inquired on the current short-term leases on Lots 9A, 10A, and 12, what they're being used for and how those short-term rates are calculated. Port Director Hawkins explained, also stating that he can put together a detailed report on the current 28 leases for the commission to review at a later meeting. He noted that there isn't much land available; we're already built out.

Discussion ensued on leasing Homer Spit land, how the rates are calculated based on appraisals, and the nuances of dealing with vacant land versus building infrastructure (boardwalks) to lease out. Commissioner Stockburger noted that a public member sitting in the audience is a boardwalk owner on Spit land and asked if they could share rate/leasing information with the commission.

STOCKBURGER/ZEISET MOVED TO SUSPEND RULES TO ALLOW CRISI MATTHEWS TO PARTICIPATE TO HELP GET INFO FOR MAKING DECISIONS.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT

Motion carried.

Ms. Matthews spoke to her experience with leasing boardwalk space on the Spit:

- Their boardwalk has the last available space for new construction, which is leased for a new business next year.
- They have been able to flip four viable businesses on their boardwalk, making them turn-key ready for renters to come in and lease.
- If there were more City-owned, available spots with turn-key structures, the City would have them filled.
- They have published rates on their website broken down by square foot ranges, with the per-square foot rate decreasing as the building size/space utilized increases.

Deputy City Clerk Tussey explained to the commission that the City's appraisal system/calculating rates is similar for larger square foot leases. Appraisals are ordered from Derry & Associates, who have been appraising Spit land for decades, on just the land as if it was vacant. That rate sets the basis; the actual rate is subject to change during lease negotiations, annual rate increases, and 5-year appraisals.

The commission continued discussion on Mr. Stockburger's concern that lease rates were too high for incentivizing businesses, rate information provided by Ms. Matthews, effects of economic downturn, how rates should be presented in the LAP, and the equation for calculating the appraised value.

Chair Zimmerman asked the commission if they had any recommendations for changes to lands available for long term lease. There was discussion on the piece of overslope near the Fish Dock that had been recommended for inclusion by the PHC earlier in the year, but not approved by City Council. Staff clarified that it would likely not be approved if they recommended it again since the commission had been given direction by City Council to work on Overslope policy per Resolution 19-022.

The commission mutually agreed that there were no lease suggestions for the Land Allocation Plan at this time since they still need to update Overslope Development policy.

Chair Zimmerman introduced the topic of updating the Tidelands section of City Code and asked the commission what they would like to do. Deputy City Clerk Tussey suggested the commission decide as a group if they would like to work on Tideland code based on Staff's recommendation. If they agree that it needs to be rewritten, then determine how, such as working with staff and/or scheduling a worksession.

The commission voiced a mutual desire to have more information and additional time to read up on Tidelands City Code.

ULMER/HARTLEY MOVE TO RECOMMEND STAFF BRING TIDELAND MATERIAL BACK TO THE COMMISSION AND THAT COMMISSIONERS COME PREPARED TO THE NEXT MEETING.

STOCKBURGER/ULMER MOVE TO AMEND TO INCLUDE A CONCENTRATE ON TIDELAND LEASES.

Mr. Stockburger opined that leasing tidelands is going to open possibilities up that may not have been considered when the original code was written. He believes Staff would have a good idea of how boats rolling up the tidelands (because they now have access to the uplands) will affect the Spit. He also noted that there are a few large barges currently hauled out for repairs on other upland lots and feels there is an opportunity to make revenue by just letting people get their boats out of the water.

Commissioner Carroll commented that the code hasn't been updated since 1960, but if there's been no conflict then he's happy with how it is. He feels though that staff should be the ones to find the issues and then bring them back to the commission to review.

Deputy City Clerk Tussey pointed out in Deputy City Planner Engebretsen's memo that staff is looking for a recommendation with guidance from the City Attorney, so the motion being requested from the commission is to give City Staff a "go-ahead" to work on updating this section of code, with additional input from the City Attorney. There was brief discussion on how the main motion will fulfill that recommendation.

VOTE (amendment): NON-OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was no further discussion.

VOTE (main motion as amended): NON-OBJECTION: UNANIMOUS CONSENT

Motion carried.

- B. Overslope Development Follow-up
- i. Resolution 19-022
 - ii. Memorandum to City Council 3/18/19
 - iii. 1/23/19 PHC Meeting Minutes Excerpt
 - iv. 2/27/19 PHC Meeting Minutes Excerpt
 - v. 3/27/19 PHC Meeting Minutes Excerpt
 - vi. 2/27/19 PHC Packet Excerpt

Chair Zimmerman introduced the subject of updating Overslope code/policy, especially if the commission wants to lease overslope property, and opened the floor for discussion on how to address the problem.

The commission discussed issues the City faces with putting overslope out there for lease, bringing up the following points:

- Costs that lessees would have to pay to build the infrastructure on top of renting the overslope land; if we're going to lease it we should make it affordable.
- The City investing in building the boardwalk and then renting out the space, and reiterating that it's the City's job to encourage growth and find revenue sources.
- Finding funding sources for the City to go that route, such as bonds.
- The unfairness of having a private business spend the resources to build a private boardwalk, but is still required by City Code to leave a portion of it open for public access.
- The way the policy/code is currently written requires a person to build the whole infrastructure and lease the land, which isn't going to happen, so it will be up to the City to build the platform.
- Possibility of being in direct competition with private business leasing out boardwalk space.
- Staff needing a better written policy to work from when prospective businesses/investors come to the City to lease overslope.

Chair Zimmerman initiated discussion on how the commission wants to work on rewriting code, and if they would want to formulate a recommendation to City Council coming up with a plan to build overslope infrastructure. He suggested that the commission look at the Overlay District code and see what they'd like to change to make people want to develop the overslope and to make the leasing process more functional.

The commission discussed going through the code piece by piece because there is a lot to go through, and shared ideas about the City determining if they'd construct the infrastructure, but also having the code written better to address the possibility of private enterprise coming in. Commissioner Ulmer suggested they have a worksession. Mr. Hawkins provided reasons for having Planning Staff included in that conversation. There was further discussion on what the code does and doesn't cover, and what should be included in a worksession discussion. Ms. Tussey suggested holding the worksession before their next regular meeting.

STOCKBURGER/ULMER MOTION TO HAVE A WORKSESSION TO DISCUSS OVERSLOPE DEVELOPMENT PLAN BEFORE THE REGULAR MEETING ON JANUARY 22, 2019 AT 4:00 PM.

There was discussion on having Planning Staff attend the worksession and what kind of packet materials should be provided, such as what zoning code conflicts are there, additional Planning info, and code change suggestions from Port and Harbor Staff.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT

Motion carried.

C. Homer Spit Parking Plan

Port Director Hawkins briefed the commission on Councilmember Lord's resolution that was approved at the December 9th City Council meeting to fund a parking study that could provide recommendations for managing parking on the Homer Spit.

Discussion ensued on the failure of the Conditional Use Permit request at the PC level for the Seafarer's Memorial Parking Lot Expansion project. It was noted how much in HART funds were used for the design phase of the project, that it was recognized as a Capital Improvement Project in 2013 by City Council, and then was put on the back burner while more pressing port and harbor projects were completed. Commissioner Hartley stated that the Port and Harbor Commission has spent a considerable amount of time talking about parking, and suggested that the Planning Commission should step up to address the Spit parking issue.

Chair Zimmerman directed questions to Mr. Hawkins on how Port and Harbor Staff will be addressing parking fees in the 2020 summer season in the gravel lot between Ramp 3 and 4. Mr. Hawkins spoke about the meeting he will be having with ADOT&PF in Anchorage regarding Homer Spit Road improvements from a pedestrian safety standpoint. In response to Mr. Zimmerman and Mr. Hartley's thoughts on increasing parking fees, Mr. Hawkins proposed that the commission should come up with a permit system for vessel owners that pay annual moorage in the harbor since they are the main customers. There was discussion on the possibility of having a proposal before the commission by spring so a policy could be established by May in time for the summer season.

Discussion ensued on long term planning and the challenges of making user groups understand what it is the harbor provides and the needs of other user groups. Mr. Hartley shared his feelings that the PC did not understand how the harbor and parking worked out on the Spit and who is paying for all of it; that it is the stall lessees paying for it, not the City. Mr. Hawkins explained how the Army Corp of Engineers contract for dredging will be renewed soon, and changes will be made to where dredged materials will be stored and improvements made to the area behind Bob's Trophy Charters. Commissioner Zeiset shared his opinions regarding parking and signage. Stockburger commented on how impressed he was with the organization of the Ramp 2 parking lot this past summer, using just pylons and tape.

Chair Zimmerman confirmed with the commission that they have Homer Spit Parking Plan on the January agenda.

NEW BUSINESS

INFORMATIONAL MATERIALS

- A. Letter from The Nature Conservancy Re: Land Donation to City of Homer
- B. Letter from Dave Brann Re: Alternatives to "Paving Paradise"
- C. Kachemak Bay Birders Letter Re: Seafarer's Memorial Parking Expansion
- D. Port & Harbor Monthly Statistical Report for October & November 2019
- E. Water/Sewer Bills Report for October & November 2019
- F. Crane & Ice Report
- G. Dock Activity Reports
- H. PHC 2020 Meeting Calendar
- I. Commissioner Attendance at 2020 City Council Meetings

The commission took a moment to review and comment on the letters provided and the 2020 City Council meeting calendar. Commissioner Zeiset volunteered for September meetings, Mr. Stockburger for February and October, Ms. Ulmer for June and July, Mr. Zimmerman for March and April, Mr. Donich for January and May, and Mr. Carroll for August and December; November was left blank since the commission does not meet that month.

COMMENTS OF THE AUDIENCE

COMMENTS OF THE CITY STAFF

Port Director Hawkins commented on the load-out of 10,000 Sulphur bags from Nikiski, which is on schedule and leaving later this week. He also updated the commission on the derelict vessel Kupreanof; the City entered into an agreement with Kachemak Marine Haul Out to have it removed.

Deputy City Clerk Tussey reminded the commission that there is still an opening for a Homer-area high school Student Representative and that the Port and Harbor Commission has never had one.

COMMENTS OF THE CITY COUNCILMEMBER

COMMENTS OF THE CHAIR

Chair Zimmerman thanked the commission for a good meeting.

COMMENTS OF THE COMMISSION

Commissioner Ulmer commended the commission for their good work.

Commissioner Carroll commented on the variety of topics they covered and his frustrations over the Seafarer's Memorial Parking Expansion project failing.

Commissioner Hartley shared that he hates to be leaving the parking issue in limbo, but that he hopes the commission will get it all worked out next year. He announced that he is not intending to renew his appointment next year.

Commissioner Zeiset commented on Port Director Hawkins's great presentation at the PC meeting, and his frustrations at the Seafarer's Memorial Parking Expansion project failing.

Commissioner Stockburger commented on the parking issue outliving everyone.

ADJOURNMENT

There being no further business to come before the Commission the meeting adjourned at 7:24 p.m. The next regular meeting is scheduled for Wednesday, January 22, 2020 at 5:00 p.m. and a Worksession at 4:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

RACHEL TUSSEY, DEPUTY CITY CLERK I

Approved: _____