

CALL TO ORDER

Session 24-02 a Regular Meeting of the Economic Development Advisory Commission was called to order by Chair Karin Marks at 6:01 p.m. on February 13, 2024 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar, and opened with the Pledge of Allegiance.

PRESENT: COMMISSIONERS MARKS, AREVALO, BRENNAN, BROWN, HASCHE, KIM & PITZMAN

ABSENT: STUDENT REPRESENTATIVE PEARSON

STAFF: ECONOMIC DEVELOPMENT MANAGER ENGBRETSSEN & DEPUTY CITY CLERK PETTIT

AGENDA APPROVAL

Chair Marks read the supplemental items into the agenda: **Under Pending Business Item A Short Term Rental Ordinance – Public Comment Received on Short Term Rental Ordinance**. She requested a motion and second to approve the agenda as amended.

PITZMAN/BRENNAN MOVED TO APPROVE THE AGENDA AS AMENDED.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Dorothy Duncan commented via Zoom, stating that she didn't the need for the proposed short term rental ordinance, especially since the Commission has determined that it's not related to housing.

RECONSIDERATION

CONSENT AGENDA

A. Unapproved Minutes for the Regular Meeting on May 9, 2023

B. Unapproved Minutes for the Regular Meeting on January 9, 2024

AREVALO/PITZMAN MOVED TO APPROVE THE CONSENT AGENDA.

Commissioner Arevalo suggested some changes for the meeting minutes of January 9, 2024. Her proposed changes were to re-word the paragraph of what the Mayor said under the EDC's Strategic Plan portion of the minutes. Deputy Clerk Pettit agreed to implement the changes for the January 9, 2024 regular meeting minutes.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

VISITORS/PRESENTATIONS

STAFF & COUNCIL REPORT/COMMITTEE REPORTS

A. EDC Staff Report

- B. Chamber Director Report
- C. Homer Marine Trades Association Report
- D. Kenai Peninsula Economic Development District Report
- E. Port Expansion
- F. Guiding Homer's Growth Group
- G. HERC Update
- H. Housing Update

PUBLIC HEARING

PENDING BUSINESS

- A. Short Term Rental Ordinance

BROWN/KIM MOVED TO ADOPT ORDINANCE 23-61 EDC FEBRUARY DRAFT AS PRESENTED.

Commissioner Brown stated that she was going to be voting against this draft of the ordinance, and she strongly encouraged all other members of the EDC to vote against it as well. She explained her reasoning for voting against it, stating that the first two whereases that the ordinance was drafted on have been stricken from the document, adding that there was no question that those two reasons were the premise for this ordinance in the first place. She continued, voicing that she's not attuned to supporting something that there's not a need for. She felt strongly that the ordinance isn't addressing the problems listed.

Commissioner Arevalo said that she was at a mental crossroad, claiming that this ordinance doesn't do a lot of anything in actuality, but added that it does bring forth some points that bear further discussion. She warned the Commission about scrapping the entire ordinance as a whole, explaining that doing so might make it hard for the ordinance to be brought back at a later time.

Commissioner Pitzman agreed with Ms. Arevalo in terms of this ordinance not doing a whole lot. Mr. Pitzman stated that he felt a lot of good things come out of regulation, pointing to his experience in the commercial fishing industry and the safety precautions that have been put in place within that industry as a result of regulations. Mr. Pitzman provided that he even has a rental in Homer, and would still be willing to provide his business license and meet all other proposed requirements of the ordinance. He added that communities change over time and the City needs to be able to react to changing times. His closing thoughts were that the City is well within its right to know who's conducting business within the City limits, and furthermore that the proposed ordinance is so innocuous in his opinion that he is in support of it.

Commissioner Hasche stated that he felt lines 19 through 21 should be stricken from the document. He was in favor of making the ordinance smaller.

Commissioner Brennan stated that she is still confused as to why this ordinance is being put forth. She continued, saying that overall she would be voting no in support of the ordinance, simply because that's what she's hearing from the majority of everyone, and that the ordinance isn't solving the issues that it was intended to.

Commissioner Kim said that he wished he had more context from Council Members Aderhold and Davis. He added that the policy objectives of this ordinance are not clear, and he felt that was being echoed by many in the room. He also said that the language of the ordinance doesn't clearly reflect what they're trying to do. Mr. Kim said that his overall feeling is that the ordinance needs a lot of work. He reasoned that the proposed outcomes don't seem unreasonable to him, but that he's also not a short term rental owner.

Commissioner Brown commented again, reiterating that she felt the ordinance needs to be voted down. She felt strongly that this proposed ordinance doesn't do anything to remedy the housing issues that are being raised.

Commissioner Pitzman took the floor again to explain that he's operating on the basis that the City having this information (registration, self-certification, emergency contact), they will be able to make informed decisions now and in the future. He added that it seems the ordinance should be kicked back to Council for them to have another look at it. Chair Marks stated that what Mr. Pitzman said would be a good lead into the process.

Chair Marks stated that she felt the wherases and the reason for doing something are very important. She continued, saying that she agreed that having statistics is important, but at the same time to pass something just so they can have some information might not be a good reason to have another ordinance. She suggested rather than amending it, it should be sent back to City Council with the basics of what's been said at the meeting tonight.

HASCHE/PITZMAN MOVED TO AMEND THE EDC DRAFT OF ORDINANCE 23-61 BY STRIKING OUT LINES 19 THROUGH 21.

Commissioner Pitzman stated that it's difficult to pick out the wherases, and that it seems that Council needs to readdress the whole whereases section and take another look at where this is coming from.

There was no further discussion on the amendment.

Chair Marks requested a roll-call vote for the amendment.

VOTE (AMENDMENT): NO: MARKS, AREVALO, BROWN, PITZMAN, BRENNAN, KIM.

VOTE (AMENDMENT): YES: HASCHE.

The motion for amendment failed with 6 against and 1 in favor.

Chair Marks requested a roll-call vote for the main motion.

VOTE (MAIN MOTION): NO: PITZMAN, BRENNAN, KIM, MARKS, HASCHE, BROWN, AREVALO.

The motion to adopt the EDC Draft of Ordinance 23-61 failed with 7 votes against and 0 in favor.

AREVALO/PITZMAN MOVED THAT THE EDC RECOMMENDS THAT CITY COUNCIL BRING THIS ORDINANCE BACK TO THE DRAWING BOARD AND DRILL DOWN DEEPER INTO THE ISSUES THAT THEY ENVISIONED THAT THIS ORDINANCE WOULD ADDRESS AND TAKE INTO CONSIDERATION ALL POINTS MADE BY THE EDC, THE PLANNING COMMISSION, AND MEMBERS OF THE PUBLIC.

Commissioner Kim stated that he felt it might be prudent of the Commission to give an economic reason for sending it back. He added that providing clear goals so that the Council knows what the Commission is asking of them would be a good idea.

Chair Marks requested a roll-call vote for the motion proposed by Commissioner Arevalo.

VOTE: YES: AREVALO, BROWN, KIM, BRENNAN, PITZMAN, MARKS, HASCHE.

Motion carried.

Commissioner Brown provided her reasons for voting to send the ordinance back to City Council, stating that the original ordinance is not necessary based on the objectives that she believes were the purpose of it. Further, she said that it's not solving a problem clearly.

Commissioner Kim stated that he voted against the ordinance because it lacks explicit policy objectives, the corresponding language doesn't clearly reflect these policy objectives, and that a lot more work can be done to address the root issues.

Commissioner Arevalo voted against the ordinance, stating that while she sees many flaws with the ordinance, she doesn't believe it should be scrapped entirely because there are issues that, with modification, could potentially be addressed, and also because the Commission is uncertain as to some of the objectives behind the authors of the ordinance. She concluded that the ordinance isn't very clear to anyone and could use some work.

Commissioner Hasche stated his reasons for sending the ordinance back to City Council, citing lack of enforceability and his feeling that the ordinance doesn't address the problems that it set out to solve.

Commissioner Pitzman said that his reason for sending the ordinance back to City Council was for them to reconsider it, and to modify the intent and the wherases to line up more closely with the ordinance.

Commissioner Brennan provided her reason for voting to send the ordinance back to the Council, stating that it was mostly due to the reason that she keeps finding perceptions and feelings rather than facts throughout the ordinance and documents pertaining to it. She pointed to the City Manager's memo from October that claims that short term rentals are clearly a contributor to the lack of availability and affordability in our local housing markets, stating that after months of meetings and forums the Commission has not been able to prove that's true.

Chair Marks gave her reasons for voting to send the ordinance back to City Council, saying that she thinks this ordinance unduly reflects zeroing in on one business sector. She added that she would like to see something addressed on a broader business-like situation, so that the entire business community is looked at in general.

- B. Winter Survey
Memorandum from Economic Development Manager as backup

Commissioner Arevalo departed the meeting at 7:37 p.m. for personal reasons.

BRENNAN/KIM MOVED TO FORWARD THE IDEA OF A WINTER SURVEY TO THE COMPREHENSIVE PLAN STEERING COMMITTEE TO BE INCLUDED IN THE COMMUNITY PARTICIPATION PLAN.

Commissioner Kim asked if it was possible to attend the Chamber of Commerce luncheon to get traction for this idea.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- C. Looking Ahead to the 2024 Strategic Plan
Memorandum from Economic Development Manager as backup

KIM/BRENNAN MOVED TO ADOPT THE 2024-25 EDC STRATEGIC PLAN.

Commissioner Kim inquired if it would be possible in a future meeting to plot this out into a calendar so that the Commission has an actionable working plan. Ms. Engebretsen confirmed that yes, this would be possible. Chair Marks insisted that the Commission needs to bring forth what the next big project will be.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

INFORMATIONAL MATERIALS

- A. City Manager's Report
- B. City of Homer Newsletter
- C. EDC Meeting Calendar

Chair Marks noted the informational materials in the packet. She added that a change needed to be made to the EDC calendar, and Ms. Engebretsen stated that she would be able to assist with any changes that were needed.

COMMENTS OF THE AUDIENCE

Scott Adams, city resident, thanked City staff and the Commission for their hard work. He added that he's glad the short term rental ordinance is going to be sent back to Council for their review.

COMMENTS OF THE CITY STAFF

Economic Development Manager Engebretsen shared with the Commission that the Planning Commission has guidelines and rules for making amendments to City Code. She added that it's been interesting working with the short term rental ordinance as it was the first one she's worked with that doesn't involve Title 21 of City Code.

Deputy City Clerk Pettit stated that it was a good meeting and the Commission worked through some really important items tonight. He also thanked the public for attending tonight's meeting.

COMMENTS OF THE MAYOR/COUNCIL MEMBER (If Present)

COMMENTS OF THE COMMISSION

Commissioner Kim thanked City staff and members of the public for attending. He thanked Scott Adams specifically for showing up to many meetings and providing his input. He said that he respectfully disagreed with Mr. Adam's comment about the short term rental ordinance wasting the Commission's time as Mr. Kim felt that it was a great training exercise for the Commission.

Commissioner Hasche stated that he's looking forward to the March meeting, where another version of this ordinance will surely be up for discussion in his opinion.

Commission Pitzman thanked the community members for their input as well as the input from fellow Commissioners as it aids him in forming his own opinions.

Commissioner Brennan thanked the audience members for taking time out of their lives to gather facts, testify, et cetera.

Chair Marks thanked the public, City staff and the Commissioners. She is feeling very positive that the Commission got into the weeds in dealing with the short term rental ordinance. She added that it wasn't wasted energy dealing with the short term rental ordinance, and that she really does believe this was part of getting the Borough to take a look at their software and do something.

ADJOURNMENT

There being no further business to come before the Commission, Chair Marks adjourned the meeting at 8:00 p.m. The next regular meeting is Tuesday, March 12, 2024 at 6:00 p.m. All meetings are scheduled to be held in the City Hall Cowles Council Chambers and via Zoom Webinar.

ZACH PETTIT, DEPUTY CITY CLERK I

Approved: _____