

Session 21-03, a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Chair Steve Zimmerman at 5:09 p.m. on March 24, 2021 in the Cowles Council Chambers, City Hall located at 491 E Pioneer Avenue, Homer, Alaska via Zoom Webinar.

PRESENT: COMMISSIONERS ZIMMERMAN, ZEISET, STOCKBURGER, ULMER, ERICKSON, MATTHEWS, AND SIEKANIEC

ABSENT: STUDENT REPRESENTATIVE ENGBRETSSEN

STAFF: PORT DIRECTOR/HARBORMASTER HAWKINS
DEPUTY CITY CLERK TUSSEY

The Port and Harbor Advisory Commission met in a worksession from 4:30 p.m. to 5:00 p.m. prior to the meeting. This worksession was facilitated by City Clerk Jacobsen regarding advisory body training.

There was a delay in the meeting being called to order due to Zoom connectivity issues.

AGENDA APPROVAL

Chair Zimmerman asked for a motion to approve the agenda.

STOCKBURGER/ULMER MOVED TO APPROVE THE AGENDA WITH THE AMENDMENT OF ADDING 2022 BUDGET PLANNING – IDENTIFYING OTHER REVENUE SOURCES UNDER PENDING BUSINESS.

Commissioner Stockburger commented that the commission was going to continue their discussion on recognizing other sources of revenue. There was brief discussion with Deputy City Clerk Tussey on how amending the agenda would allow discussion on the item but no action could be taken without proper advertisement.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

RECONSIDERATION

APPROVAL OF MINUTES

A. February 24, 2021 Regular Meeting Minutes

Chair Zimmerman asked for a motion to approve the minutes.

ULMER/STOCKBURGER MOVED TO APPROVE THE MINUTES.

Commissioner Stockburger requested the minutes be amended to better clarify his comments under Informational Materials. He had commented on marine repair facility statistics and requested if the stats could show a running total or a yearly update to better reflect to-date use.

STOCKBURGER/ZEISET MOVED TO AMEND THE MINUTES AS STATED.

There was no discussion.

VOTE (amendment): NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

VOTE (main motion): NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

VISITORS/PRESENTATIONS

STAFF & COUNCIL REPORT/COMMITTEE REPORTS

A. Port & Harbor Staff Report for March 2021

Port Director Hawkins facilitated discussion on his written report, noting the following topics:

- Numerous meetings with various agencies regarding the Port Expansion Project and where the City is at in keeping the project moving forward.
- Positive work with J&H Consulting and their work to promote the City at the State Capitol.
- Harbor Officers catching flooding vessels in the harbor due to freeze-thaw cycles affecting potable water plumbing.
- Efforts to move the North Pacific out of the harbor, dismantling it, and auctioning off pieces of the derelict vessel.
- Erosion issues to different properties on the Spit due to storms/weather, and steps being taken to mitigate damage.
- Inquiries on dredging activity and the reopening of campgrounds.
- Continued discussions with Shorelock to help slow erosions and testing the product in Homer; will be on the April agenda for PHC feedback.
- Springtime reopening activity at the Ice Plant.

B. Homer Marine Trades Association Report

Commissioner Zeiset provided a verbal report on the HMTA:

- While HMTA is a non-political organization, they did submit public comments in favor of State House Bill 100, which directly affects the funding for marine classes in Homer, to ensure the funding for that education continues.
- It's that time of the year where everyone is ramping up for the busy season.

PUBLIC HEARING

PENDING BUSINESS

The agenda was amended under “Approval of the Agenda” to include Item A.

A. 2022 Budget Planning – Identifying Other Revenue Sources

Chair Zimmerman introduced the item and deferred to Commissioner Stockburger to begin discussion.

Mr. Stockburger provided a recap of what the commission discussed at the last PHC meeting. During that discussion, Port Director Hawkins had proposed the idea of budgeting \$1 million for reserves to help pay to maintain our aging infrastructure. A concern brought up by Mr. Stockburger was that if we can’t meet our other obligations one year yet we’re paying the reserves that set amount, would that be an issue?

Port Director Hawkins noted that it was a valid point and would be an issue; they would have to go back to Council to amend the budget if that were to happen. Mr. Hawkins suggested that it at least be set as a goal/priority. He further explained City staff’s current efforts with the City Manager to adjust administrative fees with fairness in mind, and that rewriting of the 2022 budget is happening now.

Discussion ensued on the Harbor Enterprise budget, various ideas to bring more revenue in to the Enterprise Fund, the need for more conversations/education at the City and Borough levels on how the harbor infrastructure brings in tax dollars/income, and to eventually move away from the idea that we’re not a subsidized facility.

Mr. Stockburger spoke to the value of the harbor and the need to sustain it for the long-term. He felt they need to figure out how to get people to pay their share for the use of the harbor. Not just for moorage but in the form of fees for ramp use (commercial vs. recreational), dock access, and parking. He opined that other users of the harbor, whether it’s through the use of the docks, commercial use of the Load and Launch Ramp, or vehicle parking, should be paying more for the use of this facility and take the onus off of the moorage slip lessees. In response to Commissioner Ulmer’s request for clarification, Mr. Stockburger explained how there’s a difference between those who pay moorage as part of their business and benefit from the harbor facility to make money, and the type of moorage paid to keep a recreational boat in the harbor.

Commissioner Matthews pointed out that charter businesses may have less of an impact on dock damage given their experience running vessels, and generate a lot of sales tax revenue to the area. She advised caution on adding too many more fees to their costs to come down to launch from Homer so as not to discourage their business.

Commissioner Zeiset commented that charging for prime parking should be discussed as an additional revenue source. He inquired into the parking study that was supposed to have taken place in 2020 that got delayed due to COVID and would like to know the status of that study. Port Director Hawkins spoke to the study and that it was in the works at the staff level. Mr. Zeiset voiced his support for the study

and how it will greatly help their conversation on the matter. In response to Ms. Matthew's inquiry on parking timeline changes, Mr. Hawkins explained how the Port and Harbor already has the power per City Code to set up signage and establish additional paid parking lots.

The commission requested to have 2022 Budget Planning – Identifying Other Revenue Sources on the April agenda, specifically to continue the discussion on parking on the Spit and paid parking.

Chair Zimmerman commented on how the Port and Harbor does not receive any of the sales tax revenue that's collected from businesses on the Spit. In response to the subject of sales tax, Ms. Matthews shared feedback she received from a councilmember: if Council is allocating City funds for port-related studies, that is sales tax revenue coming back to the enterprise, just in a different form. Mr. Hawkins corroborated that comment; the Port Expansion study funds came from the general reserves, the lobbyist contract was jointly funded but has been mostly for port-related projects, and the parking study is coming out of Planning's budget. There is a lot of support. He said he will bring more information back to the commission for consideration.

There was further discussion on having parking on the next meeting agenda to consider setting up more paid parking spaces for this upcoming season, limitations to charging parking fees in State right-of-ways, and start planning a multi-year parking lot improvement/parking fee plan. It was requested that staff include an overview map of all current City-owned parking spots that shows what is currently paid parking and what isn't to help implement additional paid parking areas.

NEW BUSINESS

- A. Alaska Custom Seafoods Lease
 - i. Notice of Default dated March 8, 2021
 - ii. Resolution 19-009
 - iii. Port & Harbor Advisory Commission January 23, 2019 Regular Meeting Minutes Excerpt
Re: Alaska Custom Seafoods Lease Amendment Application

Chair Zimmerman introduced item by reading the title and deferred to Port Director Hawkins.

Mr. Hawkins explained how this agenda item was the commission's requested notice if Alaska Custom Seafoods defaulted on their lease again. Much of the lease had been rewritten/amended in 2018 to accommodate Alaska Custom Seafoods, and ensure Mr. Faulkner was operating within his lease since his original use of the property had changed significantly. Mr. Faulkner had remained in default with the City for some time up until the lease rewrite in 2018 to bring him into compliance. The commission reviewed the requested amendment at their January 23, 2019 regular meeting and recommended that Council approve the changes to Alaska Custom Seafood's property improvement plan under the condition that any issues with the lease be immediately brought back before the commission for consideration and recommendations of further action by the City Manager and Council.

There was discussion on the following topics:

- Clarification on the property in question; where it was located, what portions are City-owned and lessee-owned, and what sublease businesses operated on the lot.

- Consultation with staff on what recommendations should be taken.
- Commissioners felt the City bent over backwards to bring the lessee into compliance and it does not seem that much has changed or improved; next step is for this to go to Council.
- Current status of the lease and the reasons for default, including having a delinquent account balance with the City, property taxes are in arrears, and lack of proof of insurance.
- How eviction would affect the three subleases on the property and, if the City used eviction as a lease default remedy, if there was a way to maintain/take over the subleases so the lot does not stay vacant all summer.
- There is no provision in the lease for the City to take over any subleases; that should be included in future leases.

MATTHEWS/ULMER MOVE TO NOTIFY COUNCIL OF THE DEFAULTED LEASE WITH ALASKA CUSTOM SEAFOODS.

In response to requests for guidance on the matter, Mr. Hawkins said that it's pretty clear in City Code that the action is eviction. Commissioners concurred that eviction does seem to be the route to go. There was discussion and questions directed to staff on the general timeframe and how that affects the sublessees going into summer. Commissioner Matthews suggested that in the eviction process, the "areas to cure" could include transfer of lease for the subleases.

ZIMMERMAN/SIEKANIEC MOVED TO AMEND TO INCLUDE THE REQUEST THAT CONSIDERATIONS BE TAKEN TO ASSIST THE SUBLESSEES ON THE PROPERTY.

Chair Zimmerman commented that he would like to see Council look at a way to keep those subleasees operating so if they do decide to evict, we're not kicking three other businesses off. During discussion with the commission he clarified that in that scenario the City would be the landlord and would charge a small per-square-foot rate for the season, similar to the short-term leases the City used to provide at the other end of the harbor.

VOTE (amendment): NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

VOTE (main motion): NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- B. PARCAC Recommendations on Personal Watercraft (PWC)
- i. Parks, Art, Recreation & Culture Advisory Commission February 18, 2021 Regular Meeting Minutes Excerpt Re: Personal Watercraft
 - ii. Draft Ordinance 20-46 Amending HCC 19.20.020 to Address Personal Watercraft
 - iii. Port & Harbor Advisory Commission January 27, 2021 Regular Meeting Minutes Excerpt Re: Personal Watercraft

Chair Zimmerman introduced the item by reading the title and opened the floor for discussion.

Port Director Hawkins commented on how the commission has already discussed the use of personal watercraft, and his takeaway from that conversation was that the Port and Harbor is going to treat them the same as vessels. They will have to follow the same posted rules, such as no-wake speeds, and paying for their launch at the Load and Launch Ramp. The commission had also discussed stronger enforcement of the no-wake policy at the entrance of the harbor, especially when it came to safety concerns for smaller watercraft.

Mr. Hawkins recapped what was discussed at the PARCAC meetings he attended. The recommended regulations from PARCAC were 1.) Personal Watercraft can only be launched and or retrieved from the Load & Launch Ramp in the Harbor; and 2.) Motorized Watercraft are prohibited from being launched, landed or retrieved from any City beach with the exception of official business use.

Discussion ensued on what kind of amendments the commission would like to make, with discussion covering the following areas:

- Beach rules that are already in place; you can't launch from the beach because vehicles aren't allowed in those areas.
- These proposed rules are in relation to City-owned beaches; personal watercraft could be launched on private land, but tidelands from high-tide and out are City property.
- Technically it would be illegal if they pulled up to a beach just to hop off to stretch their legs.
- Policing/enforcing these policies.
- Personal watercraft vs. motorized watercraft; State's definition for a personal water craft (PWC) and what terminology should be included in the code amendment.
- Motorized vessels currently being hauled out do complete a Beach Landing/Barge Use Agreement with the Harbormaster's Office beforehand; this is part of that "official business use" caveat.
- Clarification of what part of HCC is being amended (Parks and Recreational Facilities); that code does include penalties if sections of Chapter 19 are violated.

STOCKBURGER/ZIMMERMAN MOVED TO INCLUDE "...OR WITH HARBORMASTER APPROVAL." TO HCC 19.20.020(J).

There was discussion on leaving the terminology as motorized watercraft.

Commissioners requested better signage at the beaches for education/enforcement purposes; all of the rules should be enforced equally, and better signage would help with that.

Commissioner Zeiset clarified how without adding in "harbormaster's approval" that emergency beach landings would not be allowed, referring to the example of when a broken-down vessel had to do an emergency beach landing on the south end of the Spit. He commented how in those situations, he loves the idea of being able to work with somebody individually. If someone's boat breaks down and they're forced to drift into the beach because they have no other choice, we're not slapping them with a fine. It gives working space for different situations.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

INFORMATIONAL MATERIALS

- A. Port & Harbor Monthly Statistical Report for February 2021
- B. Water/Sewer Bills Report for February 2021
- C. Crane & Ice Report
- D. Dock Activity Reports
- E. PHC 2021 Meeting Calendar

Commissioner Stockburger clarified his comments regarding marine repair facility statistics and thanked harbor staff for including the to-date numbers. There was discussion on statistics and revisions to the PHC meeting schedule. Deputy City Clerk Tussey responded to questions regarding the meeting schedule and when commissioners are expected to give their City Council reports.

COMMENTS OF THE AUDIENCE

COMMENTS OF THE CITY STAFF

Deputy City Clerk Tussey commented it was a great meeting.

Port Director Hawkins commented that he will not be here for the next meeting; he is taking leave time to visit family and meet a new grandchild.

COMMENTS OF THE CITY COUNCILMEMBER

COMMENTS OF THE CHAIR

Chair Zimmerman thanked the commission for a lively meeting.

COMMENTS OF THE COMMISSION

Commissioner Matthews reminded commissioners that Winter King Salmon Tournament will be taking place next month.

Commissioner Ulmer thanked Deputy City Clerk Tussey and Port Director Hawkins for all their work.


Commissioner Zeiset congratulated Port Director Hawkins on the new family member.

Commissioner Stockburger thanked the commission for the meeting and the further discussion on 2022 budget and other revenue resources.

Commissioners Erickson and Siekaniec did not have additional comments.

ADJOURNMENT

There being no further business to come before the Commission the meeting adjourned at 7:15 p.m. The next regular meeting is scheduled for Wednesday, April 28, 2021 at 5:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska via Zoom Webinar.



RACHEL TUSSEY, CMC, DEPUTY CITY CLERK I

Approved: April 28, 2021