



Agenda

Port & Harbor Advisory Commission Regular Meeting

Wednesday, October 11, 2023 at 5:30 PM

City Hall Cowles Council Chambers In-Person & Via Zoom Webinar

Homer City Hall

491 E. Pioneer Avenue
Homer, Alaska 99603
www.cityofhomer-ak.gov

Zoom Webinar ID: 954 2610 1220 Password: 556404

<https://cityofhomer.zoom.us>
Dial: 346-248-7799 or 669-900-6833;
(Toll Free) 888-788-0099 or 877-853-5247

CALL TO ORDER, 5:30 P.M.

AGENDA APPROVAL

PUBLIC COMMENTS ON MATTERS ALREADY ON THE AGENDA (3 minute time limit)

RECONSIDERATION

APPROVAL OF MINUTES

- [A.](#) Unapproved September 27, 2023 PHC Minutes

VISITORS / PRESENTATIONS

STAFF & COUNCIL REPORT / COMMITTEE REPORTS

- [A.](#) Port & Harbor Staff Report - October 2023
- [B.](#) Homer Marine Trades Association (HTMA) Report

PUBLIC HEARING

PENDING BUSINESS

- [A.](#) Harbor Expansion

NEW BUSINESS

- [A.](#) Review of Base Lease
- [B.](#) Approve 2024 Meeting Scheule

INFORMATIONAL MATERIALS

- [A.](#) Port Operations Report - Quarterly Statistics
- [B.](#) October City Newsletter

[C.](#) October City Manager's Report to Council

[D.](#) Port & Harbor Advisory Commission 2023 Calendar

COMMENTS OF THE AUDIENCE (3 minute time limit)

COMMENTS OF THE CITY STAFF

COMMENTS OF THE MAYOR

COMMENTS OF THE COMMISSION

ADJOURNMENT

Next Regular Meeting is **Wednesday, November 8th, 2023 at 5:30 p.m.** All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar.

1. CALL TO ORDER, 5:30 P.M.

Session 23-08, a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Chair Crisi Matthews at 5:31 p.m. on September 27, 2023 in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar.

PRESENT: COMMISSIONERS FRIEND, MATTHEWS, PITZMAN, SIEKANIEC, SHAVELSON, VELSKO, ZEISET

CONSULTING: PORT DIRECTOR HAWKINS, MAYOR CASTNER

STAFF: PORT ADMINISTRATIVE SUPERVISOR WOODRUFF
DEPUTY CITY CLERK PETTIT

2. AGENDA APPROVAL

ZEISET/SIEKANIEC MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

3. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA (3 minute time limit)

4. RECONSIDERATION

5. APPROVAL OF MINUTES

5.A. Unapproved August 23, 2023 PHC Minutes

FRIEND/VELSKO MOVED TO APPROVE THE AUGUST 23, 2023 MINUTES.

Commissioner Shavelson asked Deputy City Clerk Pettit why his draft of the communications template was not included in the minutes. Mr. Pettit clarified by stating that these are action minutes, meaning that the minutes capture what was done rather than what was said. Mr. Shavelson explained that he put a lot of time and effort into the communications template, and that he would like to see a reference to his memorandum included in the minutes.

SHAVELSON/ZEISET MOVED TO AMEND THE AUGUST 23, 2023 MINUTES BY INCLUDING A REFERENCE TO HIS MEMORANDUM IN THE MINUTES.

There was no discussion.

VOTE (Amendment): NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

VOTE (Main Motion): NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.ⁱ

6. VISITORS/PRESENTATIONS

6.A. Amy Burnett, HDR

Chair Matthews introduced Amy Burnett with HDR. Ms. Burnett took the podium and thanked the Commission for having her. She said that her purpose for attending tonight's meeting was to provide context, provide feedback in real time and answer any questions from the Commissioners. She added that the communications plan itself is a communication tool that will show the public that we plan to communicate with them on a regular basis.

There were lengthy discussions regarding various aspects of the communications plan. Ms. Burnett assured the Commission that the communications plan is intended to educate and inform, not to advocate. She also spoke to communication from those outside of the project, and maybe even against the project, noting that it's important to manage those people even though they aren't our audience. She wrapped up her opening thoughts by restating to the Commissioners that this is just the beginning, and inserted that it's important for the pace of communication to match the pace of activity.

Mayor Castner spoke to the press release that went out in the media after the meeting that took place over the weekend, stating that to him it was advocacy. He voiced some concerns regarding not mentioning the State of Alaska when talking about funding, and further said that not including them as a partner in the local contribution is a mistake. He added that there need to be more boots on the ground, laypeople, neighbors, etc. included in the press releases. The Mayor also has some worries about the fact that the Harbor isn't a listed project with the Army Corps of Engineers for 2024 or 2025. He believes that anyone who thinks that the City might have money come July for the project is so extremely optimistic as to be dishonest.

Commissioner Velsko inquired about when the details in the communications plan get edited and how. She noted that last meeting the Commission sent some edits to HDR and she didn't see those changes anywhere. Ms. Burnett responded by informing the Commission that she didn't receive that level of detail in the feedback that she received, but urged Commissioners to send her their feedback.

Chair Matthews shared her thoughts with Ms. Burnett, claiming that the communication is retroactive and not proactive enough as an owner's representative. Ms. Burnett acknowledged Chair Matthews concerns, and added that she believes the biggest challenge they're facing right is a lack of internal communications between City Staff, the Mayor, the Council, the Commission, in addition to a lack of trust. She's hopeful that there is an opportunity to improve that. Commissioners Shavelson and Siekaniec expressed how valuable the Harbor is to the community, but asked Ms. Burnett when we also acknowledge that it's inadequate. Ms. Burnett added that she sees that message as simultaneous.

Commissioner Shavelson added his final thoughts, saying that he sees the need to promote the drumbeat of communication. He stated that he wants HDR to get the Commission information as far in advance as possible. Chair Matthews closed the presentation by thanking Ms. Burnett for coming to tonight's meeting and sitting in the hot seat.

6.B. Stephanie Green, Homer Insurance Center

Chair Matthews introduced Stephanie Green with the Homer Insurance Center. Chair Matthews briefed Ms. Green by informing her that with the stall renewals this year, the Port and Harbor Staff have requested that everyone who is renewing their reserved stall furnishes proof of insurance for their vessel as well. Chair Matthews then asked Ms. Green what the Commission should expect in terms of challenges for any particular person, whether that be commercial or private.

Ms. Green noted that there are a lot of unhappy customers calling her office to get insurance, and that many of the individuals that have personal use boats feel that they should be able to make the decision of whether or not to get insurance on their own. She provided some background on the process of getting a boat insured by contrasting between the differences of what's required for a personal use boat versus a commercial boat.

Mayor Castner indicated that the insurance requirement has been put off until 2024, adding that the Commission was going to take some time to work on it. He stated that he's a community guy and that he likes doing things that are easy for the community. He suggested the City look into pool insurance to cover the vessels that come and go. Furthermore, he said that the individual requirement works okay for people that are moored here, but it really falls apart for transient moorage.

Ms. Green compared the Harbor to the mall: the City owns the Harbor, and the City has its own liability insurance, but then there's every little bubble inside of the Harbor that the City doesn't have control of. She added that having people get liability insurance is comprehensive because if there is an accident, then the City of Homer is less likely to get sued. She explained the waiver of subrogation, noting that it makes boat owners responsible for their actions if they create a situation where someone gets hurt, or cause damage to someone else. The waiver of subrogation essentially protects the City from having someone go after their insurance.

Ms. Green summarized her final thoughts, stating that all the City should be worried about requiring is liability insurance. Port Administrative Supervisor Woodruff confirmed that that is all that the Port & Harbor is going to require. She noted that they haven't set a floor on it at this point.

7. STAFF & COUNCIL REPORT/COMMITTEE REPORTS

7.A. Port Finance/Budget Report – FYTD Report for August 2023; fund balance update

Chair Matthews begun the discussions regarding budgets by questioning why total salaries and benefits went up about \$500,000. She added that she assumed the increase could be explained by the fact that some employees have shifted from seasonal to full-time. Port Administrative Supervisor Woodruff confirmed that the increase is partly due to adding positions, one full-time position and transitioning the two seasonal employees to year-round. She furthered her explanation, adding that the money moved in the budget from "part-time wages and benefits" to "salary and wages." Lastly, Ms. Woodruff claimed that they've added an additional

seasonal parking enforcement and one or two more seasonal harbor assistants due to the campground enforcement.

Commissioner Siekaniec inquired about the transfers to other funds and the surplus in FY22, noting that the transfers to other funds was \$1.5 Million, whereas in FY23 there's only \$65,000 in transfers with an over \$2 Million surplus. Ms. Woodruff explained that all the money that would've been transferred to the general reserves in the last fiscal year was instead used in part to create the new harbor match fund, and the rest of the money that created the harbor match was transferred from the general reserves.

Chair Matthews added that money cannot be pulled from the harbor match if it turns out that the City is short with the Army Corps of Engineers because it is being held for the float replacement project, and furthermore, much of the harbor general reserve is already encumbered. Ms. Woodruff confirmed this, and stated that the available balance in the harbor general is there in case the Commission wishes to cover additional expenses related to the harbor expansion out of the harbor reserves, and in turn that is what would be available for Council to appropriate. Mayor Castner claimed that it's not going to happen because it would take a lot of wrangling to get it out of the harbor reserves given where the project sits with the City Council.

7.B. Port & Harbor Staff Report – September 2023

Port Director Hawkins fielded questions from the Commission regarding the Port Harbor Expansion. Chair Matthews asked about a path forward to get more funding for the project. Mr. Hawkins stated that there was no clear path forward yet, but assured the Commission that this wasn't by any means an emergency. There is still money, and the additional funding they need is mostly for geophysical work, which he said doesn't need to happen immediately. Mr. Hawkins added his final thoughts to the funding component by saying that the City should be focused on not spending more than the Corps of Engineers. Mayor Castner voiced some frustrations about the new plan that's being proposed for the project, and why no one is challenging it. He said that he felt a study of the bottom of the Harbor was included in the original \$3 Million. He added that he felt a steel revetment would solve most of the problems that the rock revetment poses. When asked about the geophysical work that needs to be done, Mr. Hawkins noted that there have been test holes dug out in various areas of the harbor for numerous projects over the past decade or so. He added that the Corps didn't see this data as adequate enough for the future work that needs to be done in the harbor.

Commissioner Shavelson asked that the memo that the Commission moved last October regarding employee housing on the Spit be passed along to City Planner Foster. Port Administrative Supervisor Woodruff made note of this and assured Mr. Shavelson that she would see it through.

7.C. Homer Marine Trades Association (HMTA) Report

Commissioner Zeiset informed the Commission that Saturday, September 30th is the HMTA's meeting at Odin Mead. He added that HTMA is getting backing into Focus on Learning (FOL) at the high school and that they are looking for presenters. Mr. Zeiset said that it helps kids at the high school to engage with the industry and realize the different types of career paths that are out there.

8. PUBLIC HEARING(S)

9. PENDING BUSINESS

9.A. Harbor Expansion Communications Plan

Port Administrative Supervisor Woodruff informed the Commissioners that the materials in the packet this month were the same as last month for this topic. She said her intention was to carry it forward in case anyone wanted to make a motion on it.

The Commission reached a general consensus that it would be best to table the Harbor Expansion Communications Plan into Pending Business for October's meeting.

10. NEW BUSINESS

10.A. Insurance Requirements

Port Administrative Supervisor Woodruff apologized to the Commission. This portion of the packet was prepared for a letter that was supposed to go out prior to the meeting, but the letter never went out, so there was no attachment to review. She concluded by noting that the insurance requirements with the stall renewals were back under review. Port Director Hawkins informed everyone that he had sent the insurance requirements document to the City Attorney for review, and that he was still waiting to hear back.

10.B. Tariff Changes & Moorage Rate Considerations

Port Administrative Supervisor Woodruff said that she wanted the Commission to schedule another work session for October. She noted that she was including things that came up at the last meeting (information on rates for trailer parking at other harbors, approximate cost to operate the harbor skiff per hour, information on estimated replacement and maintenance costs for the electrical power pedestals, and information on float replacement costs and timeline) to help guide the conversation at said work session. She welcomed feedback from the Commissioners on other items that they would like to see covered at the future work session.

The Commissioners reached a consensus to have a work session on October 12th at 5:30 p.m. to iron out some of the specifics for next year's tariff.

10.C. Homer Harbor Expansion

Port Administrative Supervisor Woodruff informed everyone that they can be in support of potential additional city funds being allocated for the for the local match portion of an increased project cost. She added that the Commission can have more discussion, make a motion against it, or just not take any action if the Commission is unsure where it stands.

Mayor Castner provided more background on this by adding that four years ago the Corps told Congress there were to be no new starts. He added that there were rules of the road that he didn't understand, and he didn't know where some of the money for the project went. He noted that the project still has Council's support and is also listed as Council's number one project. The Mayor said that we can't keep hiding bad news or good news from the Community, and urged Commissioners to start using him as a resource more throughout this process.

Commissioner Siekaniec said that in general, he's in support of getting more money for the project. He added that as of right now, he has no opinion on asking for more local matching funds because he believes it's too soon to do so. Port Director Hawkins agreed with Mr. Siekaniec, adding that he was uncertain of where to go with this as well.

Commissioner Shavelson referred to some comments made by the Mayor earlier in the meeting, agreeing that if the Corps is going to ask for more money, the Commission needs an explanation of why. Chair Matthews voiced her concerns about the lobbyist budget that she doesn't feel their utilizing to its fullest capabilities. She added that there's an owner's representative that should be assisting in trying to translate some of the things that the Mayor is having to figure out on his own.

10.D. Homer Harbor Fleet Plan

Port Administrative Supervisor Woodruff opened the discussion by noting most of the Homer Harbor Fleet Plan document already existed, they just made the cost more realistic, made notes of what was missing, what needed replaced, etc. She added that they identified one potential future purchase, which would be a smaller, compact, hybrid/electric vehicle for parking and campground enforcement purposes. Lastly, Amy reasoned that there should be an increase to the budgeted transfers to the fleet fund in the next biennial cycle.

10.E. Amendment to Copper River Seafoods Lease

Port Director Hawkins directed everyone to the memo regarding Copper River Seafoods lease. He added that Copper River Seafoods is asking to amend their lease in order to have more time to build their building. Mr. Hawkins feels that they value the lease and claims they've been proving so with their activities on the dock. He mentioned that the slab and plumbing work on the property was previously constructed by Snug Harbor, and further that Copper River Seafoods has paved the lot since taking over the lease.

Chair Matthews chimed in, stating that should would tend to recommend it for approval. She added that she liked the look of the newer looking building, and that she supports their timeline of 2026 so that it gives the Commission time to work with planning and the city code in hopes of including an additional facility within their proposed footprint for people to sleep on site.

When asked why the Copper River Seafoods is being required to build a structure, Mr. Hawkins explained that having a permanent structure on the lot was an original goal of leasing the property.

ZEISET/FRIEND MOVED TO APPROVE THE LEASE WITH THE AMENDED CHANGE TO DELAY THE BUILDING AS WRITTEN.

Chair Matthews said that she doesn't foresee an issue with the proposed extension. She mentioned that the new timeline might assist Copper River Seafoods in that the City can develop the provision that they need for additional housing density inside the building. She concluded by saying that she sees this as a win-win situation as it keeps them moving and in compliance.

Commissioner Shavelson added that he would like to see additional housing required in code if it's needed for the business, but more generally, just wants to make it easier to provide housing in order to alleviate parking as well as alleviating the housing crisis during the summer. Commissioner Siekaniec inserted that he's in favor of loosening the code to allow for it, but said that his opinion changes when we start requiring it.

Chair Matthews requested Deputy City Clerk Pettit to take a roll call vote.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

10.F. Homer Harbor Business Plan

Port Administrative Supervisor Woodruff introduced the Homer Harbor Business Plan by noting that David Parker, who originally devised the plan, is no longer with the City. With that in mind, she added that any changes to the plan will come from Harbor staff and the timeline for the plan might look a little different without the extra capacity of an individual working in the special projects role.

Chair Matthews added that the business plan contains some good, recent, historical information, but that she would like to see some more insight into future forecasting. She said that the comparison between Homer and Seward helped to show the disparity between the two harbors, but not what Homer can be doing differently to achieve similar results.

Mayor Castner and Commissioner Shavelson agreed that they didn't see this as a business plan per se, but rather the bones of a business plan. They both stated that they view this initial collection of information as valuable, and the Mayor added that the flow chart certainly needs to include the Port & Harbor Commission somewhere within it.

The Commission reached a general consensus to continue working on the Homer Harbor Business Plan.

10.G. Rescheduling October Meeting

Chair Matthews informed the Commission that there would be four members missing for their regular scheduled meeting on October 25th, resulting in there being no quorum for the meeting. She suggested moving the meeting up to October 11th. Commissioner Friend noted that he would be out of town, but he can attend by Zoom.

SIEKANIEC/SHAVELSON MOVED TO RESCHEDULE THE OCTOBER REGULAR MEETING FOR OCTOBER 11TH AT 5:30 PM.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

11. INFORMATIONAL MATERIALS

11.A. Port Operations Report

11.B. September City Newsletters

11.C. September City Manager's Reports to Council

11.D. 2023 Commission Calendar

11.E. Public Comment Received on Port Expansion

12. COMMENTS OF THE AUDIENCE (3 minute time limit)

13. COMMENTS OF THE CITY STAFF

Port Director Hawkins and Port Administrative Supervisor Woodruff thanked the Commissioners for a good meeting.

14. COMMENTS OF THE MAYOR

Mayor Castner informed the Commission that the Champion is no longer in the harbor, it's been towed out and is on its way to the ship yard in Seward. The Mayor added that he has had talks with Kevin Smith from AMLJIA regarding the insurance pool question, as well as the City's general liability and fire insurance that's being carried by AMLJIA.

15. COMMENTS OF THE COMMISSION

16. ADJOURNMENT

There being no further business to come before the Commission Chair Matthews adjourned the meeting at 8:32 p.m. The next Regular Meeting is Wednesday, October 11, 2023 at 5:30 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar.

Zach Pettit, Deputy City Clerk

Approved: _____

ⁱ Clerk's Note: it was determined after the meeting that the memo being reference was not provided to staff until after the meeting on August 23, 2023. No amendments were made to the August 23, 2023 Regular Meeting minutes.



Memorandum

To: Port and Harbor Advisory Commission
From: Amy Woodruff, Port Administrative Supervisor
Date: October 4, 2023
Subject: October Staff Report

Harbor Expansion Information

As previously requested, here is the amount spent to-date in the two categories with HDR:

Owner Representative: \$149,980.07 spent of \$408,073.00 (36.8%), \$258,092.93 remaining.

Work in Kind: \$99,407.59 spent of \$379,660.00 (26.2%), \$280,252.41 remaining.

USACE – Quarterly report is pending, will submit in supplemental if available prior to meeting date.

Tariff Revisions – Requested comparisons & information

Estimated Hourly cost to operate the skiff

Total annual maintenance for the skiff is approximately \$4,000, when you factor in fuel costs and an estimate number of hours of operation, the cost per hour to operate the skiff is \$165.

Parking revenue per acre.

The trailer parking area is approximately 9 acres. The following table shows total revenues and revenues per acre since the parking impact levy was adopted in 2018. For comparison, at the average lease rate of \$1.30 /square foot/year, an acre of leased property would generate \$627,948.80. Please note that this is not really an apples-to-apples comparison but does help give a sense of scale to the numbers provided below.

2018	\$ 34,680.71	\$ 3,853.41
2019	\$ 67,320.77	\$ 7,480.09
2020	\$ 69,176.91	\$ 7,686.32
2021	\$ 72,045.49	\$ 8,005.05
2022	\$ 66,262.90	\$ 7,362.54
2023	\$ 66,191.51	\$ 7,354.61

Insurance requirements at other harbors

Insurance Requirements	Seward	Whittier	Valdez	Kodiak	Homer
Short Term/daily transient	must attest that they have it, do not require proof	must attest that they have it, do not require proof	not required	Required when a vessel is believed not to be seaworthy	must attest that they have it, do not require proof
Long Term Transient	must attest that they have it, do not require proof	300,000	not required	Required when a vessel is believed not to be seaworthy	must attest that they have it, do not require proof
Reserved noncommercial	No minimum, Must provide proof twice a year	300,000	No minimum, Must provide proof once a year	Required when a vessel is believed not to be seaworthy	No minimum, Must provide proof once a year
All Commercial	1,000,000	300,000	No minimum, Must provide proof once a year	Required when a vessel is believed not to be seaworthy	300,000

Work skiff arrangements at other harbors

Seward – seine skiffs are charged moorage like any other vessel when they are in the water.

Valdez - seine skiffs are not charged when rafted with the mother ship unless they are interfering with other boats.

Whittier - Charges moorage

Kodiak – has an area where small skiffs can moor at no cost for an indefinite period of time.

Homer -- waives moorage for seine skiffs when moored with the mother ship

Trailer & Launch Ramp rates at other harbors

Trailer Parking Rates	Seward	Whittier	Valdez	Kodiak	Homer
Daily Rate:	\$ 10.00	\$ 22.00	\$ 12.50	\$ 7.00	\$0.00 up to 7 days
Monthly Rate:	--	--	\$60.00 (Winter Only)	\$ 100.00	Not permitted
Vehicle & Trailer Pass:	\$ 200.00	--	--	--	N/A

	Seward	Whittier	Valdez	Kodiak	Homer*
Single Launch	\$ 13.00	\$ 25.00	\$ 10.00	\$ 10.00	\$ 20.00
Annual Pass	\$ 130.00	\$ 160.00	\$ 75.00	\$ 132.50	\$ 200.00

* Homer Rates include 7 consecutive days of free trailer parking

Not provided:

Estimated lifetime cost of ownership for power pedestals—*this information will be available for next year's tariff revisions.*

**Homer Marine Trades Association
Regular Business Meeting
September 13, 2023
Harbormaster's Office**

MINUTES

Call to Order: The meeting was called to order by President Pro-tem, Mark Zieset at 6:10 p.m.

Officers/Directors present/quorum: Cinda Martin, Mark Zieset, Kate Mitchell, Bruce Friend, Adam Smude and Jen Hakala (telephonically). Claire Neaton, Aaron Fleenor, Eric Engebretsen, Josh Hankin-Foley were absent/excused. A quorum was established.

Guest Presentations:

- Harbormaster Bryan reported that the expansion study is progressing and they have been told by the Army Corps that several cost overruns have been identified and they anticipate the total cost to be in excess of \$3 million. The City intends to seek out additional funding from the State, Feds and City budgets. They have been actively meeting with Army Corps headquarters and Senator Murkowski about options. They are talking about taking a 6 – 16 month pause to get additional funds appropriated. HDR is working on identifying the fleet to gage the size of the expansion. The next public meeting is set for 9/23 at the College and will include some breakout sessions. Bryan also reported that the Harbor has requested proof of insurance on all vessels this year and they are finding a lot of vessels in all size classes that are uninsured. He'll be attending the Alaska Harbormasters Conference in two weeks in Ketchikan.

Approval of Agenda – Motion by Bruce Friend to approve the Agenda as presented, 2nd and carried.

Approval of Minutes of August 9, 2023 meeting: Motion by Adam Smude to approve the minutes as written, 2nd and carried.

Treasurer's Report –Jen Hakala prepared current financials for review including the Statement of Financial Position, Trial Balance and A/R Aging, attached for the record. There is \$26,844 in the checking account. Amy reported that an email was sent out to all existing members to ask if they wanted to renew prior to invoicing to avoid outstanding invoices and chasing down renewals all year. The A/R amount reflects only those renewals that have been invoiced to date.

Communication Director's Report – Amy reported on the following:

- Membership – focusing on renewal and reaching out to some new potential members, UCITA and Lane Chesley have expressed interest. She is targeting some other organizations and businesses.
- Website – she has been working on new listings and recognizes that there is an issue with alphabetizing; she will be checking in with Grady to see what is happening. She will clean up categories and make sure members are appropriately placed before the brochure deadline.

Committee Reports:

- Advertising – Kate
 - Tide Book – deadline 9/15 to submit to Pioneer Printing; Amy noted that all advertisers have been renewed and they are ready to submit

- Print – Fisherman’s News and Pacific Fishing need to be decided upon by December to print in the January issues. Typically the cost comes out of the Harbor’s advertising budget.
- Committee – recommendation by Mark to re-form the committee to generate new ideas and formulate a yearly plan and budget; several board members are interested; meeting date to be scheduled by Mark
- Website/Social Media – Josh/Amy will get back on Social Media after the Annual Meeting and membership renewals are done
- Radio – Mark (re-visit February agenda)
- Podcast options – Amy suggested including the topic in Advertising Committee for future discussions and also recommends Spotify
- Workforce Development - Aaron
 - FOLs – Cinda communicated with Darmara at the HHS who will coordinate with us for space and advertising within the school.
 - KPC courses – no response from Jill to date
- Scholarship – Cinda had no report
- Membership – Amy covered in her report

Old Business:

- Annual To-Do List – Mark review/action items
 - Trade Show Banner - will need to get ads solidified soon as the PME is early this year 11/8-10/23. Amy plans to send out emails to past advertisers, Mark will work with Danny at NW Signs.
- PME 2023 – status of booth space commitments/availability; we have 1 space left but have had no response yet. Amy will contact a couple of members that had expressed interest earlier in the year. Bryan suggested that we have a drawing to bring people into the booth suggested a brailer bag filled with member schwag – guess the value of the contents; will put together after the Annual Meeting.
- Annual Meeting planning – Saturday, 9/30 5pm
 - Bylaw Revisions – notices out by 9/20 – Motion by Kate Mitchell to recommend the addition of Reciprocal Member to our Bylaws as written to the membership at the annual meeting, 2nd and carried.

ARTICLE II – MEMBERSHIP

AMEND TO ADD:

Section 4. Reciprocal Member. For organizations with which the Board of Directors agree to trade annual non-voting membership. Reciprocal memberships will include a listing on HMT website and brochures, and be given opportunity in cooperative advertising offered to the general membership.

Renumber remainder of Article II.

- Agenda – see attached draft; include PME drawing and FOL’s presenters; add Amy’s report to Marketing segment
- Refreshments – Amy/Jen reported that she inquired about the cost of refreshments to stay within our \$400 budget; he emailed back that the budget was on the low side based on 45 people but they could work with it. Motion by Kate to add another \$100 to the budget for a total of \$500 for refreshments, 2nd and carried.

- Ballots – 3 board seats open at this point; George Hall would like to be considered. Cinda will create the ballot, reach out to last 3 members who have not responded; send recruits to her to be listed.
- Chalkboard TV update – Amy reported that they did come to Homer and went on a fishing charter but didn't contact anyone we connected them to

New Business:

- None

Action Items: Amy

- Advertise Annual Meeting include notice regarding Bylaw revision
- Continue invoicing renewals
- Continue building out the membership
- Work with Cinda on FOL schedule, email blast

Next Meeting: Tentatively Wednesday, October 11th at 6pm, space TBD

Adjournment: There being no further business to come before the board of directors, the meeting was adjourned at 7:58 p.m.

Respectfully submitted,

Cinda Martin
HMTA Secretary



PHC 23-0xx

ACTION ITEM REPORT

Homer Harbor Expansion

To: Port and Harbor Advisory Commission
From: Amy Woodruff, Port Administrative Supervisor
Meeting Date: 27 September 2023

Summary Statement:

The Homer Harbor Expansion was recently named as the first priority for the City of Homer's 2024-2029 Capital Improvement Plan. Given the increase to the total project cost to a total of \$4.15 Million, the City needs an additional \$575,000 in local match to complete the Study. To meet that requirement, City Council would need to appropriate additional funds, and the City may also consider requesting additional State funds to cover a portion of the local match costs. Council will deliberate on this at an upcoming meeting and would appreciate the perspective of the Commission.

Staff Recommendation:

Consider making a motion of support for additional Local Match funding for the Homer Harbor Expansion.

Attachments:

Description of reasons for additional budget request from USACE

Commented [AW1]: Will have for you Thursday AM



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: Port Director Bryan Hawkins
Date: October 5, 2023
Subject: General Investigation Study Budget

In the discussions at our September Commission Meeting, Commissioners requested information on the additional Geophysical studies that the US Army Corps of Engineers (USACE) is requiring as a part of the General Investigation Study. The images below provide a reference on the area to be studied.



This core sampling would normally be a part of the second phase of the USACE process, the Pre-construction Engineering, and Design phase. The Corps has requested that we move it into the General Investigation phase for the following reasons:

- The results of this study will inform choices about the materials, design, and location (within the area defined above) of the preferred alternative
- The materials and design decisions could significantly impact the cost of the preferred alternative, without a meaningful change to the benefits calculation
- Without this data, the USACE protocol would require us to assume the worst-case conditions, and design a preferred alternative that would hold up under those conditions
- Such a design could be so costly that the Benefit Cost Ratio (BCR) for the project is not favorable—while there remains a possibility that the true conditions require a less resilient design that would be less costly to build and would yield a favorable BCR

These survey costs are costs that would be incurred no matter what—USACE is simply choosing to shift the timing of the sampling in a way that gives the project the best chance of success.

When the City received notice of the scope of the proposed work-in-kind, we spoke with Ronnie McPherson and KC Kent at HDR. The HDR team recommends breaking the geophysical work down into two phases: Phase 1 would be a Sub-Bottom Profile done with a survey crew from a boat. Phase 2 would involve drilling cores. This approach allows us to identify which areas are the best site candidates using a less costly survey method, and possibly reduce the total number of cores drilled in Phase 2. This could reduce the costs for the geophysical project. The recommended timing for Phase 2 is during the spring, summer, or fall, when daylight conditions allow us to meet wildlife watch criteria with less costly approaches.

Information on USACE Funding Process

“Unlike federal funding for highways and municipal water infrastructure, most federal funds provided to USACE are not distributed by formula to states or through competitive grant programs. Instead, USACE generally is directly engaged in the planning and construction of projects. [...]



The process begins for an upcoming fiscal year with the submission of the President’s budget request, typically in early February; that is, the request for a fiscal year is submitted roughly eight months before the start of that fiscal year. The request’s appendix includes requested funding levels for different USACE accounts (e.g., Investigations, Construction, Operation and Maintenance). USACE also releases more detailed documents (i.e., press book, budget justifications) providing information on the projects that the request would fund. Congress may consider the President’s budget request, Member requests (e.g., Community Project Funding [CPF] and Congressional Directed Spending [CDS] requests), stakeholder interests, and other factors when creating an annual Energy and Water Development appropriations bill and its USACE civil works title. In reports accompanying appropriations bills, Congress provides direction to USACE on how to allocate enacted appropriations to various USACE activities and types of projects, including funding of CPF/CDS studies and projects. In the months following enactment, the Administration develops a work plan to allocate additional funding to specific studies and projects that aligns with congressional direction.

Via <https://sgp.fas.org/crs/natsec/R46320.pdf>



PHC 23-0xx

ACTION ITEM REPORT

Review of City Base Lease

To: Port and Harbor Advisory Commission
From: Amy Woodruff, Port Administrative Supervisor
Meeting Date: 12 October, 2023

Summary Statement: Commissioners have expressed a desire to review the City's Base Lease document and offer recommendations for revision. In a previous work session with City Council, the City Manager indicated that he was open to receiving feedback from the commission.

Mid-range goal from the 2023-2024 Strategic Plan:

11. Maximize financial returns for the city leases and promote cohesive Maritime aesthetic on the Spit

Task (Commission): Review City base lease and provide zoning recommendations to Planning Department

Staff Recommendation: Discuss the base lease document and either make a motion to the City Manager with recommendations or postpone this item to a future meeting to allow for additional review & discussion.

Attachments:

- A. City of Homer Base Lease
- B. HCC 18.08- City Property Leases

Commented [AW1]: Zach—hoping you have access to a way to excerpt this chapter that looks nice. I can cut/paste from the internet but it's a little messy.

GROUND LEASE AND SECURITY AGREEMENT

BETWEEN

CITY OF HOMER, ALASKA

AND

Dated _____, 20__

GROUND LEASE AND SECURITY AGREEMENT

GROUND LEASE AND SECURITY AGREEMENT ("Lease") dated as of _____, 20____, between the CITY OF HOMER, an Alaska municipal corporation ("Landlord"), whose address is 491 East Pioneer Avenue, Homer, Alaska 99603, and _____ a _____ [state of organization] _____ [type of entity] ("Tenant"), whose address is _____.

[USE THE FOLLOWING PARAGRAPH WHEN TENANT IS NOT A NATURAL PERSON]

[Attached as **Exhibit A** is a schedule naming each owner of Tenant and describing the percentage of ownership of each. Also attached to **Exhibit A** are a certificate of good standing issued by the state under whose laws Tenant is organized, and, if Tenant is a foreign entity, a certificate of authority issued by the State of Alaska. Attached as **Exhibit B** is a true and correct copy of a resolution of Tenant authorizing Tenant to enter into this Lease and authorizing the undersigned individual(s) or officer(s) to execute the Lease on behalf of Tenant.]

RECITALS

WHEREAS, Landlord owns certain properties having a strategic location near the waterfront and marine-related public infrastructure; and

WHEREAS, it is the policy of Landlord to retain ownership of these properties, and to make them available for leasing, in order to encourage growth in targeted economic sectors, to insure that Landlord receives the maximum benefit from a large investment in public infrastructure, and to provide land for businesses that require close proximity to the waterfront or infrastructure to operate efficiently and profitably; and

WHEREAS, Landlord has accepted Tenant's proposal to lease and develop the property leased herein, because Tenant's proposed use of the property should further Landlord's goals for the development of Landlord's properties, and Tenant's proposal to lease and develop the property is a material inducement to Landlord leasing the property to Tenant; and

[USE THE FOLLOWING PARAGRAPH WHEN TENANT IS DEVELOPING THE PROPERTY]

[WHEREAS, Tenant has made its own determination that its proposed development of the property will be economically feasible, and that the term for which it is leasing the property will be sufficient to amortize Tenant's investment in developing the leased property under Tenant's proposal.]

NOW, THEREFORE, in consideration of the matters recited above, and the mutual covenants herein, the parties agree as follows:

ARTICLE 1. DEFINITIONS AND ATTACHMENTS

1.01 Definitions. As used herein, the term:

(a) "Additional Rent" includes all amounts defined or referred to in this lease as additional rent, as well as all charges in the nature of rent such as taxes, utilities and insurance, regardless of whether such amounts are due directly to or collectible by Landlord or to a third party

under the terms of this Lease or under applicable law and including any of the preceding amounts that Landlord pays to a third party on behalf of Tenant, before or after any event of default.

(b) “Annual Rent Adjustment” and “Annual Rent Adjustment Date” are defined in Section 4.01(b).

(c) “Base Rent” is defined in Section 4.01.

(d) “Complete” and “Completion” mean, with regard to an improvement, that construction of the improvement is finished and the improvement is fully operational and ready for occupancy or use for its intended purpose, including without limitation the issuance of any applicable certificate of occupancy and other applicable permits, licenses, certificates or inspection reports necessary to the improvement’s legally authorized use.

(e) “Council” means the City Council of the City of Homer, Alaska.

(f) “Default Rate” means an annual rate of interest equal to the lesser of (i) the maximum rate of interest for which Tenant may lawfully contract in Alaska, or (ii) ten and one-half percent (10.5%).

(g) “Environmental Laws” means all local, state, and federal laws, ordinances, regulations, and orders related to environmental protection; or the use, storage, generation, production, treatment, emission, discharge, remediation, removal, disposal, or transport of any Hazardous Substance.

(h) “Excusable Delay” means delay due to strikes, acts of God, inability to obtain labor or materials, orders of any governmental authority having jurisdiction, removal of Hazardous Materials discovered at any time after the commencement of the Term, enemy action, civil commotion, fire, unusual inclement weather, unavoidable casualty or similar causes beyond the reasonable control of Tenant.

(i) “Extended Term” is defined in Section 3.05 if this Lease provides for extension at the option of the Tenant.

(j) “Five Year Rent Adjustment” and “Five Year Rent Adjustment Date” are defined in Section 4.01(a).

(k) “Hazardous Substance” means any substance or material defined or designated as hazardous or toxic waste; hazardous or toxic material; hazardous, toxic, or radioactive substance; or other similar term by any federal, state, or local statute, regulation, or ordinance or common law presently in effect or that may be promulgated in the future as such statutes, regulations, and ordinances may be amended from time to time.

(l) “Initial Term” is defined in Section 3.01.

(m) “Lease Ordinance” means such ordinances or other portions and provisions of the Homer City Code as may be enacted from time to time to dictate Landlord’s policies and requirements in leasing real property, currently enacted as Chapter 18.08 of the Homer City Code, as such may be amended, reenacted, supplemented or recodified from time to time, and as used herein the term shall refer to the Lease Ordinance as currently in effect at the time its terms would have operative effect on this Lease.

(n) “Leasehold Mortgage” is defined in Section 13.01.

- (o) “Property” is defined in Section 2.01.
- (p) “Rent” means Base Rent plus any Additional Rent.
- (q) “Qualified Mortgagee” is defined in Section 13.03.
- (r) “Required Improvements” is defined in Section 6.02.
- (s) “Term” means the Initial Term plus any Extended Term.

1.02 Attachments. The following documents are attached hereto, and such documents, as well as all drawings and documents prepared pursuant thereto and all documents, policies and endorsements delivered hereunder, including without limitation all copies of required insurance policies and/or endorsements, shall be deemed to be a part hereof:

Exhibit “A” Schedule of Organization, Owners, Percentage of Ownership

Exhibit “B” Conformed Copy of Resolution Authorizing Lease and Authorizing Signers to Sign Lease Agreement on Behalf of Tenant

Exhibit “C” Legal Description of Property

Exhibit “D” Tenant’s Lease Proposal

Exhibit “E” Site Plan

Exhibit “F” Required Improvements Floor Plan

Exhibit “G” Permission to Obtain Insurance Policies

ARTICLE 2. THE PROPERTY

2.01 Lease of Property. Subject to the terms and conditions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the following described property (the “Property”):

[insert legal description], Homer Recording District, State of Alaska, as depicted on **Exhibit C**, containing _____ square feet, more or less, also known as Kenai Peninsula Borough Tax Parcel No. _____;

subject, however, to reservations, restrictions, easements and encumbrances of record, and to encroachments that may be revealed by an inspection of the Property.

2.02 Quiet Enjoyment. Landlord covenants that Tenant, upon paying the Rent and other charges and performing its other obligations under this Lease shall have quiet enjoyment of the Property during the Term without hindrance or interference by Landlord or by any person claiming an interest in the Property through Landlord.

2.03 Property Accepted “As Is.” Tenant has inspected the Property, has made its own determination as to the suitability of the Property for Tenant’s intended use, and accepts the Property “AS IS.” None of landlord, its agents, or its employees make any warranties, expressed or implied, concerning the condition of the Property, including without limitation the habitability or fitness of the Property for any particular purpose, including those uses authorized by this Lease, or subsurface and soil conditions, including the presence of any Hazardous Substance.

2.04 No Subsurface or Mineral Rights. This Lease does not confer mineral rights, any rights to extract natural resources, or any rights with regard to the subsurface of the Property below the level necessary for the uses of the Property permitted in this Lease, all of which rights are, as between Landlord and Tenant, reserved to Landlord.

ARTICLE 3. TERM

3.01 Lease Term. The term of this Lease is _____ years, commencing on _____
_____, 20____, and ending on _____, 20____ (the "Term").

3.02 Lease Renewal.

(a) Tenant represents and warrants that it has determined that the duration of the Term, including any available Extended Terms, will be sufficient for Tenant to amortize any investment that it makes in connection with this Lease, including without limitation any investment in leasehold improvements, including any Required Improvements as Tenant may be required to develop. Tenant acknowledges that it has no right of any kind to continue using or occupying the Property after the expiration or earlier termination of the Term, including without limitation any option to renew this Lease, or any option to extend the Term other than as may be provided in Section 3.05.

(b) Notwithstanding the preceding subsection (a), not less than 12 months and not more than 18 months before the expiration of the Term, Tenant may apply to Landlord to enter into a new lease for the Property that is exempted from competitive bidding under and pursuant to the Lease Ordinance.

3.03 Surrender of Possession. Upon the expiration or earlier termination of the Term, unless Tenant and Landlord have entered into a new lease for the Property commencing upon the termination of the Term, Tenant shall promptly and peaceably surrender the Property, clean, free of debris, and in as good order and condition as at the commencement of the Term, ordinary wear and tear excepted. If Tenant fails to surrender the Property in the required condition, Landlord may restore the Property to such condition and Tenant shall pay the cost thereof, plus interest at the Default Rate, on demand. Section 6.08 governs the disposition of improvements on the Property at the expiration or earlier termination of the Term.

3.04 Holding Over. Tenant's continuing in possession of the Property after the expiration or earlier termination of the Term will not renew or extend this Lease. In the absence of any agreement renewing or extending this Lease, Tenant's continued possession of the Property after the end of the Term will be a tenancy from month to month, terminable upon 30 days written notice by either party at any time, at a monthly rental equal to 150% of the monthly Base Rent in effect at the end of the Term, subject to all other terms of this Lease. For good cause, Landlord may waive all or part of the increase in Base Rent during the holdover period.

[USE ONE OF THE FOLLOWING PARAGRAPHS DEPENDING ON WHETHER THE LEASE PROVIDES OPTIONS FOR EXTENDED TERMS, WHICH BY ORDINANCE ARE LIMITED TO TWO OPTIONS EACH FOR NO MORE THAN 25% OF THE ORIGINAL TERM]

[3.05. Omitted.]

[3.05. Options to Extend Lease Term.]

(a) At its option and in its sole discretion, Tenant may seek to extend the Term for [one (1)/two (2)] additional, consecutive _____ month periods (each an “Extended Term”), provided that:

- (1) Tenant gives Landlord written notice of its exercise of the option not more than one year and not less than 120 days before day the Term would otherwise expire; and
- (2) the City Manager determines that the lessee is in full compliance with the terms of the lease at the time of renewal.

(b) Tenant’s failure to exercise an option to extend the Term in strict compliance with all the requirements in subsection (a) renders that option and all options as to subsequent Extended Terms null and void.]

ARTICLE 4. RENT, TAXES, ASSESSMENTS AND UTILITIES

4.01 Base Rent. Tenant shall pay to Landlord an initial annual rent of \$_____ (as such may later be adjusted per the terms of this Lease, the “Base Rent”). Base Rent is payable monthly in advance in installments of \$_____, plus sales and all other taxes Landlord is authorized or obligated to collect on such transactions, on _____, 20__, and on the _____ day of each month thereafter, at the office of the City of Homer, 491 East Pioneer Avenue, Homer, Alaska 99603-7645, or at such other place as Landlord may designate in writing. All Base Rent shall be paid without prior demand or notice and without deduction or offset. Base Rent that is not paid on or before the due date will bear interest at the Default Rate. Base Rent is subject to adjustment as provided in Section 4.02.

4.02 Rent Adjustments.

(a) **Five-Year Appraised Rent Adjustments.** In the fifth year of the Term, and in every fifth year thereafter, Landlord will obtain an appraisal by a qualified real estate appraiser of the fair rental value of the Property as if privately owned in fee simple, excluding the value of alterations, additions or improvements (other than utilities) made by Tenant (or by Tenant’s predecessors under the Lease, if Tenant is party to this Lease by assignment). Following receipt of each such appraisal, the Base Rent will be adjusted (the “Five Year Rent Adjustment”), effective on the anniversary of the commencement of the term (each such date is a “Five Year Rent Adjustment Date”), to an amount equal to the greater of (1) the area of the Property in square feet, multiplied by the fair rental value per square foot determined by the appraisal, and (2) the Base Rent in effect immediately before the Five Year Rent Adjustment Date. The Base Rent as adjusted on a Five Year Rent Adjustment Date thereafter shall be the Base Rent.

(b) **Annual Rent Adjustments.** In addition to the rent adjustments under Section 4.02(a), the Base Rent also shall be adjusted annually (the “Annual Rent Adjustment”), effective on the anniversary of the commencement of the term in every year without a Five Year Rate Adjustment (each such date is an “Annual Rent Adjustment Date”), by the increase, if any, for the previous year in the cost of living as stated in the Consumer Price Index, All Urban Consumers, Anchorage, Alaska Area, All Items 2000 – present = 100 (“CPI-U”), as published by the United States Department of Labor, Bureau of Labor Statistics most recently before the Annual Rent Adjustment Date. If the CPI-U is revised or ceases to be published, Landlord instead shall use such revised or other index, with whatever adjustment in its application is necessary, to most nearly approximate in Landlord’s judgment the CPI-U for the relevant period.

4.03 Taxes, Assessments and Other Governmental Charges. Tenant shall pay prior to delinquency all taxes, installments of assessments that are payable in installments and other governmental charges lawfully levied or assessed upon or with respect to the Property,

improvements on the Property and personal property that is situated on the Property; provided that Tenant may contest in good faith any such tax, assessment or other governmental charge without subjecting the Property to lien or forfeiture. If an assessment on the Property that is not payable in installments becomes due during the Term, Tenant shall be obligated to pay the fraction of the assessment that is determined by dividing the number of years remaining in the Term by 10. If the Term of this Lease is subsequently extended renewed (i.e. if Tenant and Landlord later enter into a new lease without putting the Property out for competitive bidding as referenced in Section 2.02), then the part of the assessment that Tenant shall be liable for shall be determined by adding the extended or renewal term to the number of years remaining in the Term when the assessment became due. If the Term commences or expires during a tax year, the taxes or assessments payable for that year will be prorated between Landlord and Tenant. Tenant shall exhibit to Landlord, on demand, receipts evidencing payment of all such taxes, assessments and other governmental charges. Any taxes, installments of assessments on the Property that are due to or collectible by Landlord, or for which Landlord becomes liable that are attributable to any portion of the Term, shall be Additional Rent.

4.04 Utility Charges. Tenant shall pay all charges for utility and other services provided to or used on the Property, including without limitation gas, heating oil, electric, water, sewer, heat, snow removal, telephone, internet service and refuse removal. Tenant shall be solely responsible for the cost of utility connections. Any of the preceding due to or collectible by Landlord shall be Additional Rent.

4.05 Tenant to Pay for City Services. Tenant shall pay for all services provided by the City of Homer that are related to the use or operation of the Property, improvements thereon and Tenant's activities thereon, at the rates established by the City of Homer from time to time for such services, including without limitation wharfage, crane use, ice, and other Port and Harbor services. Tenant shall provide the City of Homer with the information necessary to determine the amount of service charges owed, keep written records of such information for not less than two years after such charges are due, and, upon request, make such records available to the City of Homer for inspection and audit.

4.06 Additional Rent and Landlord's Right to Cure Tenant's Default. All costs or expenses that Tenant is required to pay under this Lease at Landlord's election will be treated as Additional Rent, and Landlord may exercise all rights and remedies provided in this Lease in the event of nonpayment. If Tenant defaults in making any payment required of Tenant or defaults in performing any term, covenant or condition of this Lease that involves the expenditure of money by Tenant, Landlord may, but is not obligated to, make such payment or expenditure on behalf of Tenant, and any and all sums so expended by Landlord, with interest thereon at the Default Rate from the date of expenditure until repaid, will be Additional Rent and shall be repaid by Tenant to Landlord on demand, provided, however, that such payment or expenditure by Landlord will not waive Tenant's default, or affect any of Landlord's remedies for such default.

4.07 Security Deposit. Upon execution of this Lease, and in addition to any other security or credit support provided by or for the benefit of Tenant in entering into this Lease, Tenant shall deposit with Landlord an amount equal to 10% of the annual Base Rent as security for Tenant's performance of its obligations under this Lease. Landlord may commingle the security deposit with other funds of Landlord, and its obligations with respect to such security deposit shall only be as a debtor and not as a trustee or fiduciary. If Tenant defaults in performing any obligation under this Lease, including without limitation the payment of rent, Landlord may apply all or any portion of the security deposit to the payment of any sum in default or any damages suffered by Landlord as result of the default, or any sum that Landlord may be required to incur by reason of the default. Upon demand, Tenant shall deposit with Landlord the amount so applied so that Landlord will have the full deposit on hand at all times during the Term.

***[USE THE FOLLOWING PARAGRAPH FOR FISH PROCESSORS WITH ACCESS TO
OUTFALL LINE]***

[4.08 Outfall Line Connection Agreement. Tenant shall connect to the City of Homer fish processor outfall line. On or before the commencement of the Term of this Lease, Tenant shall enter into a Fish Processor Outfall Line Connection Agreement with Landlord, and thereafter at its own expense install and maintain a fish grinder as required by the Fish Processor Outfall Line Connection Agreement. Tenant shall comply with the terms of the Fish Processor Outfall Line Connection Agreement until the earlier to occur of (i) the expiration or earlier termination of the Term, and (ii) the date the City of Homer ceases to maintain the outfall line. Any default under the Fish Processor Outfall Line Connection Agreement shall be considered a default under this Lease.]

ARTICLE 5. SECURITY INTEREST

To secure the performance of Tenant's obligations under this Lease, including without limitation the obligations to pay rent and other sums to be paid by Tenant, Tenant grants to Landlord a lien and security interest in the following collateral: ("Collateral"): (1) all security deposits or other monies owing from Landlord to Tenant (as collateral in the possession of the secured party); (2) all insurance proceeds from any policy insuring the Property or improvements thereon; (3) all compensation payable to Tenant as a result of eminent domain proceedings or a transfer in lieu thereof; (4) all rents from Tenant's subletting of all or a part of the Property; and (5) all improvements on the Property, including any Required Improvements. Said lien and security interest will be in addition to Landlord's liens provided by law.

This Lease shall constitute a mortgage by Tenant as mortgagor of all right, title and interest of Tenant in and to any and all improvements on the Property, including any Required Improvements, in favor of Landlord as mortgagee, and the recorded memorandum of this Lease shall reference Landlord as mortgagee of such improvements. In addition, Tenant shall execute, such financing statements and other instruments as Landlord may now or hereafter reasonably request to evidence the liens, mortgages and security interests granted by Tenant hereunder, including any deed of trust pertaining to additions, alterations and improvements on the Property. This Lease also constitutes a security agreement under the Uniform Commercial Code as enacted in Alaska ("UCC"), and Landlord will have all rights and remedies of a secured party under the UCC regarding the Collateral.

ARTICLE 6. USE AND IMPROVEMENT OF PROPERTY

6.01 Use of Property. Tenant shall use and, if applicable, improve the Property only in the manner described in Tenant's proposal or application for the Property as more fully set forth on **Exhibit D**. Tenant's undertaking to use and, if applicable, improve the Property as described on Exhibit D is a material inducement to Landlord leasing the Property to Tenant, and Tenant shall not use or improve the Property for any purpose other than as described on Exhibit D without Landlord's written consent, which consent Landlord may withhold in its sole discretion.

6.02 Required Improvements. Tenant shall, at Tenant's sole expense, construct, and at all times during the Term keep and maintain as the minimum development on the Property the Required Improvements as described on Exhibit D and as depicted more specifically in the site plan and floor plans in **Exhibit E** and **Exhibit F**, respectively. If the Required Improvements are not in place at the commencement of the Term, Tenant shall commence construction of the Required Improvements within one year after the date of commencement of the Term, prosecute the construction of the Required Improvements with diligence, and Complete construction of the Required Improvements within one additional year.

6.03 Construction Prerequisites. Tenant may not commence any construction on the Property, including without limitation construction of the Required Improvements, without first satisfying the following conditions:

(a) Not less than thirty (30) days before commencing construction, Tenant shall submit to Landlord preliminary plans and specifications, and an application for a City of Homer zoning permit, for the construction, showing the layout of proposed buildings and other improvements, ingress and egress, dimensions and locations of utilities, drainage plans, and any other information required for the zoning permit or other required permits. The preliminary plans and specifications are subject to Landlord's approval, which will not be unreasonably withheld, as well as all specific requirements for the issuance of any permits or zoning variances. Landlord shall communicate approval or disapproval in the manner provided for notices hereunder, accompanying any disapproval with a statement of the grounds therefor. Tenant shall be responsible for complying with all laws governing the construction, including any specific requirements for the issuance of any permits or zoning variances, notwithstanding Landlord's approval of preliminary plans and specifications under this paragraph.

(b) Not less than fifteen (15) days before commencing construction, Tenant shall deliver to Landlord one complete set of final working plans and specifications as approved by the governmental agencies whose approval is required for Tenant to commence construction. The final working plans and specifications shall conform substantially to the preliminary plans and specifications previously approved by Landlord, subject to changes made to comply with suggestions, requests or requirements of a governmental agency or official in connection with the application for permit or approval.

(c) Not less than five (5) days before commencing construction, Tenant shall give Landlord written notice of its intent to commence construction, and furnish to Landlord the following:

- (1) Proof that all applicable federal, state and local permits required for the construction have been obtained.
- (2) For construction, alteration or restoration of Required Improvements, a current certificate of insurance with the coverages specified in Section 9.04(c).

6.04 Extensions of Time for Completion of Required Improvements. Landlord shall grant an extension of the time to Complete the Required Improvements for a period of time equal to the duration of an Excusable Delay, upon Tenant's written request describing the nature of the Excusable Delay, provided Tenant has commenced construction in a timely manner and is proceeding diligently to Complete construction.

6.05 Additional and Replacement Improvements.

(a) Construction of alterations, additions improvements that are not consistent with terms of this Lease or the proposed uses for the Property set forth on Exhibit D is prohibited unless the improvements are authorized by an amendment to this Lease approved by the Council via resolution.

(b) Subject to Section 6.05(a), upon satisfying the conditions in section 6.03, Tenant at any time may, but is not obligated to, construct new improvements on the Property and demolish, remove, replace, alter, relocate, reconstruct or add to existing improvements; provided that Tenant is not then in default under this Lease and provided further that Tenant continuously maintains on the Property the Required Improvements, or their equivalent of equal or greater value. Once any work is begun, Tenant shall with reasonable diligence prosecute to Completion all construction of

improvements, additions, alterations, or other work. All salvage resulting from such work will belong to Tenant, who is responsible for its removal and lawful disposal.

6.06 As-Built Survey. Within 30 days after Completion of construction of any improvements on the Property involving construction, alteration, addition, removal or demolition of the foundation, structure, utility services, ingress and egress, or any major changes of all or any part of any structure or improvement on the Property, Tenant shall provide Landlord with three copies of an as-built survey of the Property prepared by a registered professional surveyor, showing the location of all improvements on the Property, including underground utilities, pipelines and pre-existing improvements. Tenant shall accompany the as-built survey with a description of all changes from the approved plans or specifications made during the course of the work.

6.07 Ownership of Improvements. Other than the Required Improvements, any and all buildings, fixtures and improvements of any nature whatsoever constructed or maintained on the Property by Tenant will be and remain the property of Tenant at all times during the Term and may be removed or replaced by Tenant during the Term, subject to the provisions Section 6.08.

6.08 Disposition of Improvements at End of Term.

(a) Unless excepted by operation of the following subsection (b), any and all buildings, fixtures and improvements of any nature whatsoever constructed or maintained on the Property become the property of Landlord upon expiration or earlier termination of the Term.

(b) One year before the expiration of the Term, the Landlord and Tenant shall determine if the buildings, fixtures and improvements constructed or maintained on the Property, including the Required Improvements, are structurally sound and in good condition. If such buildings, fixtures and improvements constructed or maintained on the Property are structurally sound and in good condition, Tenant shall leave such improvements intact with all components, including without limitation doors, windows, and plumbing, electrical and mechanical fixtures and systems, in good condition and ready for use or occupancy, upon expiration of the Term, and Tenant shall execute, acknowledge, and deliver to Landlord a proper instrument in writing releasing and quitclaiming to Landlord all of Tenant's interest in such buildings, fixtures and improvements. Tenant shall be obligated to and shall remove, prior to the expiration of the Term, any buildings, fixtures and improvements constructed or maintained on the Property that are not structurally sound and in good condition, and Landlord shall not have or obtain any ownership interest in such buildings, fixtures and improvements by reason of this Lease.

(c) If Landlord terminates this Lease because of a default by Tenant prior to the expiration of the Term, any buildings, fixtures and improvements constructed or maintained on the Property shall, at Landlord's option, become the property of Landlord, which may use or dispose of them in its sole discretion. If Landlord elects not to obtain ownership of such buildings, fixtures and improvements under the preceding sentence or elects to remove any of such buildings, fixtures or improvements for any reason, Tenant shall be obligated to and shall remove such buildings, fixtures or improvements.

(d) Tenant shall notify Landlord before commencing the removal of an improvement as required under the preceding subsections (b) and/or (c) and coordinate the removal work with Landlord. Once Tenant commences the removal work, Tenant shall prosecute the removal with reasonable diligence to Completion and shall repair all damages to the Property caused by such removal no later than the expiration of the Term. All salvage resulting from such work will belong to Tenant, who is responsible for its removal and lawful disposal.

(e) If Tenant fails to remove any improvements from the Property that Tenant is required to remove under and per the terms of the preceding subsections (b), (c) and/or (d), Tenant

shall pay Landlord the costs that Landlord incurs in removing and disposing of the improvements and repairing damages to the Property caused by such removal.

ARTICLE 7. CARE AND USE OF THE PROPERTY

7.01 Maintenance of the Property. Tenant at its own cost and expense shall keep the Property and all buildings and improvements that at any time may be situated thereon in a clean, safe and orderly condition, and in good repair at all times during the Term.

7.02 Repair of Improvements.

(a) Except as provided in Section 7.02(b), in the event any buildings or improvements situated on the Property by Tenant are damaged or destroyed by fire, earthquake, tsunami, or other casualty, Tenant shall at Tenant's expense restore the same to good and tenantable condition or shall remove the same as soon as is reasonably possible, but in no event may the period of restoration exceed 18 months nor may the period of removal exceed 45 days.

(b) Unless Tenant is excused from the obligation under this paragraph, if the Required Improvements or any part thereof are damaged or destroyed by fire, earthquake, tsunami, or other casualty, rendering the Required Improvements totally or partially inaccessible or unusable, Tenant shall at Tenant's expense restore the Required Improvements to substantially the same condition as they were in immediately before such damage, provided that:

- (1) if the cost of repairing or restoring the Required Improvements, less any available insurance proceeds not reduced by applicable deductibles and coinsurance, exceeds 10% of the replacement cost of the Required Improvements, then Tenant may terminate this Lease by giving notice to Landlord of Tenant's election to terminate within 15 days after determining the restoration cost and replacement cost, and this Lease shall terminate as of the date of such notice;
- (2) if the repair or restoration of the Required Improvements would be contrary to law, either party may terminate this Lease immediately by giving notice to the other party; or
- (3) if such damage or casualty to the Required Improvements occurs within three years before the end of the Term, Tenant may, in lieu of restoring or replacing the Required Improvements, terminate this Lease by giving written notice of termination to Landlord within 120 days after such damage or casualty.

Nothing in this paragraph relieves Tenant of the obligation to surrender the Property upon the expiration or earlier termination of the Term in the condition required by Section 3.03.

7.03 Nuisances Prohibited. Tenant at all times shall keep the Property in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; junk, abandoned or discarded property, including without limitation vehicles, equipment, machinery or fixtures; and litter, rubbish or trash. Tenant shall not use the Property in any manner that will constitute waste or a nuisance. Landlord, at Tenant's expense and without any liability to Tenant, may remove or abate any such junk, abandoned or discarded property, litter, rubbish or trash, or nuisance on the Property after 15 days written notice to Tenant, or after (4) four hour notice to Tenant in writing, by telephone, facsimile or in person if Landlord makes a written finding that such removal or abatement is required to prevent imminent harm to public health, safety or welfare. Tenant shall pay Landlord all the costs of such removal, plus interest at the Default Rate, as Additional Rent under this Lease. This section does not limit or waive any other remedy available to the City of Homer to abate any nuisance or for the violation of the Homer City Code.

7.04 Compliance with Laws. Tenant's improvement and use of the Property shall comply with all governmental statutes, ordinances, rules and regulations, including without limitation the City of Homer Zoning Code and all applicable building codes, now or hereafter in effect.

7.05 Liens. Except as provided in Article 13, Tenant may not permit any lien, including without limitation a mechanic's or materialman's lien, to be recorded against the Property. If any such lien is recorded against the Property, Tenant shall cause the same to be removed; provided that Tenant may in good faith and at Tenant's own expense contest the validity of any such lien without subjecting the Property to foreclosure, and in the case of a mechanic's or materialman's lien, if Tenant has furnished the bond required in A.S. 34.35.072 (or any comparable statute hereafter enacted providing for a bond freeing the Property from the effect of such a lien claim). Tenant shall indemnify and save Landlord harmless from all liability for damages occasioned by any such lien, together with all costs and expenses (including attorneys' fees) incurred by Landlord in negotiating, settling, defending, or otherwise protecting against such lien and shall, in the event of a judgment of foreclosure of the lien, cause the same to be discharged and removed prior to any attempt at execution of such judgment.

7.06 Radio Interference. Upon Landlord's request, Tenant shall discontinue the use on the Property of any source of electromagnetic radiation that interferes with any government operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

7.07 Signs. Tenant may only erect signs on the Property that comply with state and local sign laws and ordinances. City Planning Department approval is required prior to the erection of any sign on the Property.

7.08 Garbage Disposal. Tenant shall keep any garbage, trash, rubbish or other refuse in industry standard containers until removed, and cause all garbage, trash, rubbish or other refuse on the Property to be collected and transported to a Kenai Peninsula Borough solid waste facility or transfer station at least once a week. Tenant may not place garbage, trash, rubbish or other refuse from the Property in Landlord's garbage disposal facilities on the Homer Spit or any other public facility.

7.09 Access Rights of Landlord. Landlord's agents and employees shall have the right, but not the obligation, to enter the Property at all reasonable times to inspect the use and condition of the Property; to serve, post or keep posted any notices required or allowed under the provisions of this Lease, including notices of non-responsibility for liens; and to do any act or thing necessary for the safety or preservation of the Property.

[OPTIONAL PARAGRAPH 7.__ APPLICABLE FOR USE OF FISH DOCK]

[7. Fish Dock Use Permit. Before using the City of Homer Fish Dock, Tenant shall obtain a City of Homer Fish Dock Use Permit. Tenant shall continue to have a current Fish Dock Use Permit in force until the earlier to occur of (i) the expiration or earlier termination of the Term, and (ii) the date Tenant ceases to use the Fish Dock.]

[OPTIONAL PARAGRAPH 7.__ APPLICABLE FOR USE OF OTHER DOCKS]

7. Terminal Use Permit. Before using City of Homer Docks other than the Fish Dock, Tenant shall obtain a City of Homer Terminal Use Permit. Tenant shall continue to have a current Terminal Use Permit in force until the earlier to occur of (i) the expiration or earlier termination of the Term, and (ii) the date Tenant ceases to use City of Homer Docks other than the Fish Dock.

ARTICLE 8. ASSIGNMENT AND SUBLEASE

8.01 Assignment or Sublease Absent Consent is Void.

(a) Tenant shall not assign or sublease its interest in this Lease or in the Property without compliance with applicable provisions of the Lease Ordinance, including applying for and receiving consent of Council, and any attempted assignment or sublease absent such compliance is and shall be null and void and of no effect and, at Landlord's election, will constitute an event of default hereunder.

(b) If Tenant seeks to assign or sublease its interest in this Lease or in the Property, in addition to compliance with applicable provisions of the Lease Ordinance, Tenant shall request consent of Council to such assignment or sublease in writing at least 30 days prior to the effective date of the proposed assignment or sublease, accompanied by a copy of the proposed assignment or sublease. If Tenant subleases any portion of the Property, Tenant shall be assessed Additional Rent equal to 10% of the current Base Rent for the subleased area.

(c) No consent to any assignment or sublease waives Tenant's obligation to obtain Landlord's consent to any subsequent assignment or sublease. An assignment of this Lease shall require the assignee to assume the Tenant's obligations hereunder, and shall not release Tenant from liability hereunder unless Landlord specifically so provides in writing.

8.02. Events that Constitute an Assignment. If Tenant is a partnership or limited liability company, a withdrawal or change, voluntary, involuntary or by operation of law, of one or more partners or members owning 25% or more of the entity, or the dissolution of the entity, will be deemed an assignment to the Tenant as reconstituted, subject to Section 8.01 and the Lease Ordinance. If Tenant is a corporation, any dissolution, merger, consolidation or other reorganization of Tenant, or the sale or other transfer of a controlling percentage of the capital stock of Tenant, or the sale of 25% of the value of the assets of Tenant, will be deemed an assignment to the Tenant as reconstituted, subject to Section 8.01 and the Lease Ordinance; provided that if Tenant is a corporation the stock of which is traded through an exchange or over the counter, a sale or other transfer of a controlling percentage of the capital stock of Tenant will not constitute such an assignment. The phrase "controlling percentage" means the ownership of, and the right to vote, stock possessing at least 25% of the total combined voting power of all classes of Tenant's capital stock issued, outstanding and entitled to vote for the election of directors.

8.03. Costs of Landlord's Consent to be Borne by Tenant. As a condition to Landlord's consent to any assignment or sublease under section 8.01 and the Lease Ordinance, Tenant shall pay Landlord's reasonable costs, including without limitation attorney's fees and the expenses of due diligence inquiries, incurred in connection with any request by Tenant for Landlord's consent to the assignment or sublease.

ARTICLE 9. LIABILITY, INDEMNITY AND INSURANCE

9.01 Limitation of Landlord Liability. Landlord, its officers and employees shall not be liable to Tenant for any damage to the Property or the buildings and improvements thereon, or for death or injury of any person or damage to any property, from any cause; however, this provision shall not affect the liability of Landlord, its officers and employees on any claim to the extent the claim arises from their negligence or willful misconduct.

9.02 Indemnity Generally. Tenant shall indemnify, defend, and hold harmless Landlord, its officers and employees from all claims arising from death or injury of any person or damage to any property occurring in or about the Property; however, this provision shall not apply to any claim to the extent the claim arises from the sole negligence or willful misconduct of Landlord, its officers and employees.

9.03 Indemnity for Emergency Service Costs. Without limiting the generality of Section 9.02, in the event of a major fire or other emergency, Tenant shall reimburse Landlord for the cost of providing fire-fighting and other emergency service to Tenant, the Property or at any other location where the fire or emergency requiring response arises from or is related to the use of the Property or Tenant's operations. For purposes of this section, a major fire or other emergency is one that requires more than five man-hours of effort by the City of Homer Fire Department.

9.04 Insurance Requirements.

(a) Without limiting Tenant's obligations to indemnify under this Lease, Tenant at its own expense shall maintain in force such policies of insurance with a carrier or carriers reasonably satisfactory to Landlord and authorized to conduct business in the state of Alaska, as Landlord may reasonably determine are required to protect Landlord from liability arising from Tenant's activities under this Lease, including the minimum insurance requirements set forth for tenants under the Lease Ordinance. Landlord's insurance requirements in the Lease Ordinance (or any superseding policy permitted under the Lease Ordinance) specify only the minimum acceptable coverage and limits, and if Tenant's policy contains broader coverage or higher limits, Landlord shall be entitled to such coverage to the extent of such higher limits.

(b) Without limiting the generality of the foregoing, Tenant shall maintain in force at all times during the Term the following minimum policies of insurance:

- (1) Comprehensive general liability insurance with limits of liability not less than a combined single limit for bodily injury and property damage of \$1,000,000 each occurrence and \$2,000,000 aggregate. This insurance shall also be endorsed to provide contractual liability insuring Tenant's obligations to indemnify under this Lease.
- (2) Comprehensive automobile liability covering all owned, hired and non-owned vehicles with coverage limits not less than \$1,000,000 occurrence combined single limit for bodily injury and property damage.
- (3) Workers' compensation insurance as required by AS 23.30.045. This coverage shall include employer's liability protection not less than \$1,000,000 per person, \$1,000,000 per occurrence. Where applicable, coverage for all federal acts (i.e. U.S. Longshoremen and Harbor Worker's Compensation and Jones Acts) shall also be included. The workers' compensation insurance shall contain a waiver of subrogation clause in favor of Landlord.
- (4) Environmental remediation and environmental impairment liability, including sudden and accidental coverage, gradual pollution coverage, and clean-up cost coverage associated with any activity by Tenant or others on, from, or related to the Property, with coverage limits not less than \$1,000,000 for any one accident or occurrence. Coverage shall extend to loss arising as a result of the work or services or products furnished, used or handled in connection with Tenant's operations contemplated under this Lease.

[**ALTERNATIVE 9.04(b)(4) — Optional provision waiving environmental insurance based on the authorized uses of Section 6.01.**]

[(4) Based on the authorized uses of the Property stated in Section 6.01, environmental insurance is not required. However, if Tenant uses the Property, with or without authorization from the Landlord, for purposes other than those stated in paragraph Section 6.01, if Landlord so elects, and within 10 days after Landlord gives notice of such election, Tenant shall procure and at all times

thereafter maintain, at its expense, environmental remediation and environmental impairment liability, including sudden and accidental coverage, gradual pollution coverage, and clean-up cost coverage associated with any activity by Tenant or others on, from, or related to the Property, with coverage limits not less than \$1,000,000 for any one accident or occurrence. Coverage shall extend to loss arising as a result of the work or services or products furnished, used or handled in connection with Tenant's operations contemplated under this Lease.]

- (5) Property insurance covering the Required Improvements described in Section 6.02 in an amount not less than full replacement cost of the Required Improvements. This policy shall include boiler and machinery coverage.

- (c) During any construction of the Required Improvements and during any subsequent alteration or restoration of the Required Improvements at a cost in excess of \$250,000 per job, Tenant shall maintain builder's risk insurance in an amount equal to the completed value of the project.

- (d) Tenant shall furnish Landlord with certificates evidencing the required insurance not later than the date as of which this Lease requires the insurance to be in effect, and the provision of any such certificates due at or prior to the commencement of the Term shall be a condition precedent to the commencement of the Term. The certificates and the insurance policies required by this Section shall contain a provision that coverages afforded under the policies will not be cancelled or allowed to expire, and limits of liability will not be reduced, without at least 30 days' prior written notice to Landlord. Landlord shall be named as an additional insured under all policies of liability insurance required of Tenant. Landlord's acceptance of a deficient certificate of insurance does not waive any insurance requirement in this Lease. Tenant also shall grant Landlord permission to obtain copies of insurance policies from all insurers providing required coverage to Tenant by executing and delivering to Landlord such authorizations substantially in the form of **Exhibit G** as Landlord may request.

ARTICLE 10. ENVIRONMENTAL MATTERS

10.01 Use of Hazardous Substances. Tenant shall not cause or permit the Property to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce or process any Hazardous Substance, except as is necessary or useful to Tenant's authorized uses of the Property stated in Section 6.01, and only in compliance with all applicable Environmental Laws. Any Hazardous Substance permitted on the Property as provided in this section, and all containers therefor, shall be handled, used, kept, stored and disposed of in a manner that complies with all applicable Environmental Laws, and handled only by properly trained personnel.

10.02 Prevention of Releases. Tenant shall not cause or permit, as a result of any intentional or unintentional act or omission on the part of Tenant or any of its agents, employees, contractors, tenants, subtenants, invitees or other users or occupants of the Property, a release of any Hazardous Substance onto the Property or onto any other property.

10.03 Compliance with Environmental Laws. Tenant at all times and in all respects shall comply, and will use its best efforts to cause all tenants, subtenants and other users and occupants of the Property to comply, with all Environmental Laws, including without limitation the duty to undertake the following specific actions: (i) Tenant shall, at its own expense, procure, maintain in effect and comply with all conditions of, any and all permits, licenses and other governmental and regulatory approvals required by all Environmental Laws, including without limitation permits required for discharge of (appropriately treated) Hazardous Substances into the ambient air or any sanitary sewers serving the Property; and (ii) except as discharged into the ambient air or a sanitary sewer in strict compliance with all applicable Environmental Laws, all Hazardous Substances from or on the Property to be treated and/or disposed of by Tenant will be removed and transported

solely by duly licensed transporters to a duly licensed treatment and/or disposal facility for final treatment and/or disposal (except when applicable Environmental Laws permit on-site treatment or disposal in a sanitary landfill).

10.04 Notice. Tenant shall promptly give Landlord (i) written notice and a copy of any notice or correspondence it receives from any federal, state or other government agency regarding Hazardous Substances on the Property or Hazardous Substances which affect or will affect the Property; (ii) written notice of any knowledge or information Tenant obtains regarding Hazardous Substances or losses incurred or expected to be incurred by Tenant or any government agency to study, assess, contain or remove any Hazardous Substances on or near the Property, and (iii) written notice of any knowledge or information Tenant obtains regarding the release or discovery of Hazardous Substances on the Property.

10.05 Remedial Action. If the presence, release, threat of release, placement on or in the Property, or the generation, transportation, storage, treatment or disposal at the Property of any Hazardous Substance (i) gives rise to liability (including but not limited to a response action, remedial action or removal action) under any Environmental Law, (ii) causes a significant public health effect, or (iii) pollutes or threatens to pollute the environment, Tenant shall, at its sole expense, promptly take any and all remedial and removal action necessary to clean up the Property and mitigate exposure to liability arising from the Hazardous Substance, whether or not required by law.

10.06 Indemnification. Subject to Section 10.09, Tenant shall indemnify, defend, and hold harmless Landlord, its officers and employees from and against any and all claims, disbursements, demands, damages (including but not limited to consequential, indirect or punitive damages), losses, liens, liabilities, penalties, fines, lawsuits and other proceedings and costs and expenses (including experts', consultants' and attorneys' fees and expenses, and including without limitation remedial, removal, response, abatement, cleanup, legal, investigative and monitoring costs), imposed against Landlord, arising directly or indirectly from or out of, or in any way connected with (i) the failure of Tenant to comply with its obligations under this Article; (ii) any activities on the Property during Tenant's past, present or future possession or control of the Property which directly or indirectly resulted in the Property being contaminated with Hazardous Substances; (iii) the discovery of Hazardous Substances on the Property whose presence was caused during the possession or control of the Property by Tenant; (iv) the clean-up of Hazardous Substances on the Property; and (v) any injury or harm of any type to any person or damage to any property arising out of or relating to Hazardous Substances on the Property or from the Property on any other property. The liabilities, losses, claims, damages, and expenses for which Landlord is indemnified under this section shall be reimbursable to Landlord as and when the obligation of Landlord to make payments with respect thereto are incurred, without any requirement of waiting for the ultimate outcome of any litigation, claim or other proceeding, and Tenant shall pay such liability, losses, claims, damages and expenses to Landlord as so incurred within 10 days after notice from Landlord itemizing in reasonable detail the amounts incurred (provided that no itemization of costs and expenses of counsel to Landlord is required where, in the determination of Landlord, such itemization could be deemed a waiver of attorney-client privilege).

10.07 Survival of Obligations. The obligations of Tenant in this Article, including without limitation the indemnity provided for in Section 10.06, are separate and distinct obligations from Tenant's obligations otherwise provided for herein and shall continue in effect after the expiration of the Term.

10.08 Claims against Third Parties. Nothing in this Article shall prejudice or impair the rights or claims of Tenant against any person other than Landlord with respect to the presence of Hazardous Substances as set forth above.

10.09 Extent of Tenant's Obligations. Tenant's obligations under this Article apply only to acts, omissions or conditions that (i) occur in whole or in part during the Term or during any time of Tenant's possession or occupancy of the Property prior to or after the Term of this Lease; or (ii) are proximately caused in whole or in part by the occupancy of, use of, operations on, or actions on or arising out of the Property by Tenant or its employees, agents, customers, invitees or contractors.

10.10 Inspection at Expiration of Term. Within 90 days before the expiration of the Term, Tenant shall at its own expense obtain a Phase I environmental inspection of the Property, and conduct any further inspection, including without limitation test holes, that is indicated by the results of the Phase I inspection. Tenant, at its own expense, shall remediate any contamination of the Property that is revealed by the inspections and that is Tenant's responsibility under this Article.

ARTICLE 11. CONDEMNATION

11.01 Article Determines Parties' Rights and Obligations. If any entity having the power of eminent domain exercises that power to condemn the Property, or any part thereof or interest therein, or acquires the Property, or any part thereof or interest therein by a sale or transfer in lieu of condemnation, the interests of Landlord and Tenant in the award or consideration for such transfer and the effect of the taking or transfer upon this Lease will be as provided in this Article.

11.02 Total Taking. If all of the Property is taken or so transferred, this Lease and all of Tenant's interest thereunder will terminate on the date title to the Property vests in the condemning authority.

11.03. Partial Taking. If the taking or transfer of part of the Property causes the remainder of the Property to be not effectively and practicably usable in the opinion of the Tenant for the purpose of operation thereon of Tenant's business, this Lease and all of Tenant's interest thereunder will terminate on the date title to the Property vests in the condemning authority. If the taking or transfer of part of the Property leaves the remainder of the Property effectively and practicably usable in the opinion of Tenant for the operation of Tenant's business, this Lease and all of Tenant's interest thereunder will terminate as to the portion of the Property so taken or transferred on the date title to the Property vests in the condemning authority, but will continue in full force and effect as to the portion of the Property not so taken or transferred, and the Base Rent will abate in the proportion that the portion of the Property taken bears to all of the Property.

11.04 Compensation. Landlord and Tenant each may make a claim against the condemning or taking authority for the amount of just compensation due to it. Tenant shall make no claim against Landlord for damages for termination of the leasehold or interference with Tenant's business, even if Landlord is the condemning or taking authority. Neither Tenant nor Landlord will have any rights in or to any award made to the other by the condemning authority; provided, that if a single award to Landlord includes specific damages for loss of Tenant's leasehold interest separately awarded in the eminent domain proceeding and not as a part of the damages recoverable by Landlord, Landlord will transmit such separately awarded damages to Tenant.

ARTICLE 12. DEFAULT

12.01. Events of Default. Each of the following shall constitute an event of default under this Lease:

(a) The failure of Tenant to pay Rent or any other sum of money due under this Lease within ten (10) days after the date such payment is due.

(b) The failure of Tenant to perform or observe any covenant or condition of this Lease, other than a default in the payment of money described in the preceding subsection (a), which is not cured within thirty (30) days after notice thereof from Landlord to Tenant, unless the default is of a kind that cannot be cured within such 30-day period, in which case no event of default shall be declared so long as Tenant shall commence the curing of the default within such 30 day period and thereafter shall diligently and continuously prosecute the curing of same.

(c) The use of the Property or buildings and improvements thereon for purposes other than those permitted herein, to which Landlord has not given its written consent.

(d) The commencement of a case under any chapter of the federal Bankruptcy Code by or against Tenant, or the filing of a voluntary or involuntary petition proposing the adjudication of Tenant as bankrupt or insolvent, or the reorganization of Tenant, or an arrangement by Tenant with its creditors, unless the petition is filed or case commenced by a party other than Tenant and is withdrawn or dismissed within ninety (90) days after the date of its filing.

(e) The admission in writing by Tenant of its inability to pay its debts when due; the appointment of a receiver or trustee for the business or property of Tenant, unless such appointment shall be vacated within ten (10) days after its entry; Tenant making an assignment for the benefit of creditors; or the voluntary or involuntary dissolution of Tenant.

12.02 Landlord's Remedies. Upon the occurrence of an event default, Landlord has all of the following remedies, all in addition to any other remedies that Landlord may have at law or in equity:

(a) Landlord may terminate this Lease by written notice to Tenant, upon which termination Tenant shall immediately surrender possession of the Property, vacate the Property, and deliver possession of the Property to Landlord. Tenant hereby makes a present grant to Landlord of a full, free and irrevocable license to enter into and upon the Property, in the event Landlord terminates this Lease in accordance with this subsection (a), and to repossess the Property, to expel or remove Tenant and any others who may be occupying or within the Property, and to remove any and all property therefrom, using such force as may be necessary, with or without process of law, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without relinquishing Landlord's right to rent or any other right given to Landlord hereunder or by operation of law.

(b) Landlord may by written notice declare Tenant's right to possession of the Property terminated without terminating this Lease. Tenant hereby makes a present grant to Landlord of a full, free and irrevocable license to enter into and upon the Property, in the event Landlord terminates Tenant's right of possession in accordance with this subsection (b), and to repossess the Property, to expel or remove Tenant and any others who may be occupying or within the Property, and to remove any and all property therefrom, using such force as may be necessary, with or without process of law, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without relinquishing Landlord's right to rent or any other right given to Landlord hereunder or by operation of law.

(c) Subject to Section 12.01(e), Landlord may relet the Property in whole or in part for any period equal to or greater or less than the remainder of the Term, as applicable, for any sum that Landlord may deem reasonable.

(d) Landlord may collect any and all rents due or to become due from subtenants or other occupants of the Property.

(e) Landlord may recover from Tenant, with or without terminating this Lease, actual attorney's fees and other expenses incurred by Landlord by reason of Tenant's default and elect to recover damages described under either (1) or (2):

- (1) from time to time, an amount equal to the sum of all Base Rent and other sums that have become due and remain unpaid, less the rent, if any, collected by Landlord on reletting the Property reduced by the amount of all expenses incurred by Landlord in connection with reletting the Property; or
- (2) immediately upon Tenant's default, an amount equal to the difference between the Base Rent and the fair rental value of the Property for the remainder of the Term, discounted to the date of such default at a rate per annum equal to the rate at which Landlord could borrow funds for the same period as of the date of such default.

(f) Reentry or reletting of the Property, or any part thereof, shall not terminate this Lease, unless accompanied by Landlord's written notice of termination to Tenant.

12.03 Assignment of Rents. Tenant immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any subletting of all or a part of the Property, and Landlord, as assignee and attorney-in-fact for Tenant, or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this Lease, except that Tenant has the right to collect such rent until the occurrence of an event of default by Tenant.

ARTICLE 13. LEASEHOLD MORTGAGES

13.01. Mortgage of Leasehold Interest. Tenant shall have the right at any time, and from time to time, to subject the leasehold estate and any or all of Tenant's improvements situated on the Property to one or more deeds of trust, mortgages, and other collateral security instruments as security for a loan or loans or other obligation of Tenant (each a "Leasehold Mortgage"), subject to the remainder of this Article 13.

13.02 Subordinate to Lease. The Leasehold Mortgage and all rights acquired under it shall be subject and subordinate to all the terms of this Lease, and to all rights and interests of Landlord except as otherwise provided in this Lease.

13.03 Notice to Landlord. Tenant shall give Landlord notice before executing each Leasehold Mortgage, and shall accompany the notice with a true copy of the note and the Leasehold Mortgage as proposed for execution. Upon Landlord's written consent to the Leasehold Mortgage and upon execution of the Leasehold Mortgage by all parties, the mortgagee shall become a Qualified Mortgagee as that term is used in this Lease. Tenant also shall deliver to Landlord a true and correct copy of any notice from a Qualified Mortgagee of default or acceleration of the maturity of the note secured by a Leasehold Mortgage promptly following Tenant's receipt thereof.

13.04 Modification or Termination. No action by Tenant or Landlord to cancel, surrender, or materially modify the economic terms of this Lease or the provisions of Article 11 will be binding upon a Qualified Mortgagee without its prior written consent.

13.05 Notice to Qualified Mortgagee.

(a) If Landlord gives any notice hereunder to Tenant, including without limitation a notice of an event of default, Landlord shall give a copy of the notice to each Qualified Mortgagee at the address previously designated by it.

(b) If a Qualified Mortgagee changes its address or assigns the Leasehold Mortgage, the Qualified Mortgagee or assignee may change the address to which such copies of notices hereunder shall be sent by written notice to Landlord. Landlord will not be bound to recognize any assignment of a Qualified Mortgage unless and until Landlord has been given written notice thereof, a copy of the executed assignment, and the name and address of the assignee. Thereafter, the assignee will be deemed to be the Qualified Mortgagee hereunder with respect to the assigned Leasehold Mortgage.

(c) If a Leasehold Mortgage is held by more than one person, Landlord shall not be required to give notices to the Qualified Mortgagee of the Leasehold Mortgage unless and until all of the holders of the Leasehold Mortgage give Landlord an original executed counterpart of a written designation of one of their number to receive notices hereunder. Notice given to the one so designated is effective as notice to all them.

13.06 Performance of Tenant Obligations.

(a) A Qualified Mortgagee may perform any obligation of Tenant and remedy any default by Tenant under this Lease within the time periods specified in the Lease, and Landlord shall accept such performance with the same force and effect as if furnished by Tenant; provided, however, that the Qualified Mortgagee will not thereby be subrogated to the rights of Landlord.

(b) Tenant may delegate irrevocably to a Qualified Mortgagee the non-exclusive authority to exercise any or all of Tenant's rights hereunder, but no such delegation will be binding upon Landlord unless and until either Tenant or the Qualified Mortgagee gives Landlord a true copy of a written instrument effecting such delegation.

(c) If Tenant defaults in the payment of any monetary obligation hereunder, Landlord shall not terminate this Lease unless and until Landlord provides written notice of such default to each Qualified Mortgagee and no Qualified Mortgagee cures such default within 10 days after the expiration of any grace or cure periods granted Tenant herein. If Tenant defaults in the performance of any non-monetary obligation hereunder, Landlord shall not terminate this Lease unless and until Landlord provides written notice of such default to each Qualified Mortgagee and no Qualified Mortgagee cures such default within 30 days after the expiration of any grace or cure periods granted Tenant herein.

13.07 Possession by Qualified Mortgagee. A Qualified Mortgagee may take possession of the Property and vest in the interest of Tenant in this Lease upon the performance of the following conditions:

(a) The payment to Landlord of any and all sums due to Landlord under this Lease, including without limitation accrued unpaid rent.

(b) The sending of a written notice to Landlord and Tenant of the Qualified Mortgagee's intent to take possession of the Property and assume the Lease.

(c) The curing of all defaults not remediable by the payment of money within an additional 30 days after the date upon which such default was required to be cured by Tenant under the terms of this Lease.

13.08 No Liability of Mortgagee Without Possession. A Qualified Mortgagee shall have no liability or obligation under this Lease unless and until it sends to Landlord the written notice described in paragraph 13.07(b). Nothing in this Lease or in the taking of possession of the Property and assumption of the Lease by a Qualified Mortgagee or a subsequent assignee shall relieve Tenant of any duty or liability to Landlord under this Lease.

13.09 New Lease. If a Qualified Mortgagee acquires Tenant's leasehold as a result of a judicial or non-judicial foreclosure under a Leasehold Mortgage, or by means of a deed in lieu of foreclosure, the Qualified Mortgagee thereafter may assign or transfer Tenant's leasehold to an assignee upon obtaining Landlord's written consent thereto, which consent will not be unreasonably withheld or delayed but which assignment will be subject to all of the other provisions of Article 8 and any provisions of the Lease Ordinance concerning acceptable assignees. Upon such acquisition by a Qualified Mortgagee or its assignee of Tenant's leasehold, Landlord will execute and deliver a new ground lease of the Property to the Qualified Mortgagee or its assignee not later than 120 days after such party's acquisition of Tenant's leasehold. The new ground lease will be identical in form and content to this Lease, except with respect to the parties thereto, the term thereof (which will be co-extensive with the remaining Term hereof), and the elimination of any requirements that Tenant fulfilled prior thereto, and the new ground lease will have priority equal to the priority of this Lease. Upon execution and delivery of the new ground lease, Landlord will cooperate with the new tenant, at the sole expense of said new tenant, in taking such action as may be necessary to cancel and discharge this Lease and to remove Tenant from the Property.

ARTICLE 14. GENERAL PROVISIONS

14.01 Authority. Tenant represents and warrants that it has complete and unconditional authority to enter into this Lease; this Lease has been duly authorized by Tenant's governing body; this Lease is a binding and enforceable agreement of and against Tenant; and the person executing the Lease on Tenant's behalf is duly and properly authorized to do so.

14.02 Estoppel Certificates. Either party shall at any time and from time to time upon not less than 30 days prior written request by the other party, execute, acknowledge and deliver to such party, or to its designee, a statement in writing certifying that this Lease is in full force and effect and has not been amended (or, if there has been any amendment thereof, that the same is in full force and effect as amended and stating the amendment or amendments); that there are no defaults existing, (or, if there is any claimed default, stating the nature and extent thereof); and stating the dates to which the Base Rent and other charges have been paid in advance. The requesting party shall pay the cost of preparing an estoppel certificate, including the cost of conducting due diligence investigation and attorney's fees.

14.03 Delivery of Notices -Method and Time. All notices, demands or requests from one party to another shall be delivered in person or be sent by (i) mail, certified or registered, postage prepaid, (ii) reputable overnight air courier service, or (iii) electronic mail or facsimile transmission (accompanied by reasonable evidence of receipt of the transmission and with a confirmation copy mailed by first class mail no later than the day after transmission) to the address for the recipient in Section 14.04 and will be deemed to have been given at the time of delivery or, if mailed, three (3) days after the date of mailing.

14.04 Addresses for Notices. All notices, demands and requests from Tenant to Landlord shall be given to Landlord at the following address:

City Manager
City of Homer
491 East Pioneer Avenue
Homer, Alaska 99603
Facsimile: (907) 235-3148
Email: _____

All notices, demands or requests from Landlord to Tenant shall be given to Tenant at the following address:

Facsimile: _____
Email: _____

Each party may, from time to time, designate a different address or different agent for service of process by notice given in conformity with Section 14.03.

14.05 Time of Essence. Time is of the essence of each provision of this Lease.

14.06 Computation of Time. The time in which any act provided by this Lease is to be done is computed by excluding the first day and including the last, unless the last day is a Saturday, Sunday or a holiday, and then it is also excluded. The term “holiday” will mean all holidays as defined by the statutes of Alaska.

14.07 Interpretation. Each party hereto has been afforded the opportunity to consult with counsel of its choice before entering into this Lease. The language in this Lease shall in all cases be simply construed according to its fair meaning and not for or against either party as the drafter thereof.

14.08 Captions. The captions or headings in this lease are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Lease.

14.09 Independent Contractor Status. Landlord and Tenant are independent contractors under this Lease, and nothing herein shall be construed to create a partnership, joint venture, or agency relationship between Landlord and Tenant. Neither party shall have any authority to enter into agreements of any kind on behalf of the other and shall have no power or authority to bind or obligate the other in any manner to any third party.

14.10 Parties Interested Herein. Nothing in this Lease, express or implied, is intended or shall be construed to give to any person other than Landlord, Tenant and any Qualified Mortgagee any right, remedy or claim, legal or equitable, under or by reason of this Lease. The covenants, stipulations and agreements contained in this Lease are and shall be for the sole and exclusive benefit of Landlord, Tenant and any Qualified Mortgagee, and their permitted successors and assigns.

14.11 Multi-Party Tenant. If Tenant is comprised of more than one natural person or legal entity, the obligations under this Lease imposed upon Tenant are joint and several obligations of all such persons and entities. All notices, payments, and agreements given or made by, with, or to any one of such persons or entities will be deemed to have been given or made by, with, or to all of them, unless expressly agreed otherwise by Landlord in writing.

14.12 Broker's Commissions. Each of the parties represents and warrants that there are no claims for brokerage commissions or finders' fees in connection with the execution of this Lease, and agrees to indemnify the other against, and hold it harmless from, all liability arising from any such claim including, without limitation, the cost of counsel fees in connection therewith.

14.13 Successors and Assigns. This Lease shall be binding upon the successors and assigns of Landlord and Tenant, and shall inure to the benefit of the permitted successors and assigns of Landlord and Tenant.

14.14 Waiver. No waiver by a party of any right hereunder may be implied from the party's conduct or failure to act, and neither party may waive any right hereunder except by a writing signed by the party's authorized representative. The lapse of time without giving notice or taking other action does not waive any breach of a provision of this Lease. No waiver of a right on one occasion applies to any different facts or circumstances or to any future events, even if involving similar facts and circumstances. No waiver of any right hereunder constitutes a waiver of any other right hereunder.

14.15 Attorney's Fees.

(a) If Landlord is involuntarily made a party to any litigation concerning this Lease or the Property by reason of any act or omission of Tenant, or if Landlord is made a party to any litigation brought by or against Tenant without any fault on the part of Landlord, then Tenant shall pay the amounts reasonably incurred and expended by Landlord, including the reasonable fees of Landlord's agents and attorneys and all expenses incurred in defense of such litigation.

(b) In the event of litigation between Landlord and Tenant concerning enforcement of any right or obligation under this Lease, the non-prevailing party shall reimburse the prevailing party for the attorney's fees reasonably incurred and expended by the prevailing party in the litigation.

14.16 Severability. If any provision of this Lease shall for any reason be held to be invalid, illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Lease, such provision shall be construed so as to make it enforceable to the greatest extent permitted, such provision shall remain in effect to the greatest extent permitted and the remaining provisions of this Lease shall remain in full force and effect.

14.17 Entire Agreement, Amendment. This Lease constitutes the entire and integrated agreement between Landlord and Tenant concerning the subject matter hereof, and supersedes all prior negotiations, representations or agreements, either written or oral. No affirmation, representation or warranty relating to the subject matter hereof by any employee, agent or other representative of Landlord shall bind Landlord or be enforceable by Tenant unless specifically set forth in this Lease. This Lease may be amended only by written instrument executed and acknowledged by both Landlord and Tenant.

14.18 Governing Law and Venue. This Lease will be governed by, construed and enforced in accordance with, the laws of the State of Alaska. Any action or suit arising between the parties in relation to or in connection with this Lease, or for the breach thereof, shall be brought in the trial courts of the State of Alaska for the Third Judicial District at Homer.

14.19 Execution in Counterparts. This Lease may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same document.

[OPTIONAL SPECIAL PROVISIONS]

14.20 Prior Lease Amended And Superseded. Landlord and Tenant are parties to a prior lease affecting the Property dated _____, ____, a memorandum of which has been recorded in the records of the Homer Recording District under Document No. _____ (the "Prior Lease"). This Lease replaces and supersedes the Prior Lease effective as of _____, 20__, and on and

after that date the Prior Lease shall have no force or effect, except that it shall remain in effect as to events, rights, obligations, or remedies arising or accruing under the Prior Lease prior to that date.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first set forth above.

Landlord:

Tenant:

CITY OF HOMER

TENANT NAME

By: _____
Katie Koester, City Manager

(Name, Title)

ACKNOWLEDGMENTS

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on _____, 20__, by _____, City Manager of the City of Homer, an Alaska municipal corporation, on behalf of the City of Homer.

Notary Public in and for Alaska
My Commission Expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on _____, 20__, by _____, as _____ (title) of _____ (name of entity) on behalf of _____ (name of entity).

Notary Public in and for Alaska
My Commission Expires: _____

EXHIBIT A

**SCHEDULE OF ORGANIZATION, OWNERS,
PERCENTAGE OF OWNERSHIP**

Tenant, _____, is a _____ organized under the laws of the state of _____. Attached to this exhibit is a certificate issued by that state certifying that Tenant is in good standing and describing its legal organization. If Tenant is a foreign entity authorized to conduct business in Alaska, its certificate of authority is also attached

The _____ (specify whether shareholders, partners, members, etc.) and their percentage of ownership are as follows:

Name _____ %

Address: _____

Name _____ %

Address: _____

Name _____ %

Address: _____

TOTAL 100 %

EXHIBIT B

**CONFORMED COPY OF RESOLUTION AUTHORIZING LEASE AND
AUTHORIZING SIGNERS TO SIGN LEASE AGREEMENT ON BEHALF
OF TENANT**

EXHIBIT C
LOCATION OF PROPERTY
(Section 2.01)

EXHIBIT D
TENANT'S PROPOSED USE OF THE PROPERTY
(Section 6.01)

EXHIBIT E

SITE PLANS

(Section 6.02)

EXHIBIT F

FLOOR PLANS

(Section 6.02)

EXHIBIT G

PERMISSION TO OBTAIN INSURANCE POLICIES

(Section 9.04(d))

The City of Homer is hereby granted permission to request and obtain copies of _____ (“Tenant”) insurance policies from Tenant’s broker and/or insurer, _____. Tenant requests the broker/insurer to provide the City of Homer with information about and copies of all of Tenant’s insurance policies providing the type of coverage required by the Lease between Tenant and the City of Homer.

It is understood that the Tenant may revoke this permission at any time by written notice to City of Homer and to Tenant’s broker and/or insurer; however, such revocation will constitute a default of Tenant’s lease from the City of Homer.

Date: _____

TENANT NAME

By:

_____ (printed name)
_____ (title)

By: _____
_____ (printed name)
_____ (title)

Chapter 18.08

CITY PROPERTY LEASES

Sections:

- 18.08.005 Purpose.
- 18.08.010 Definitions.
- 18.08.020 Land allocation plan – Property available for lease.
- 18.08.030 Standardized leases.
- 18.08.040 Council approval of leases.
- 18.08.045 Lease applications.
- 18.08.050 Requests for proposals – Competitive bidding process.
- 18.08.060 Criteria for evaluating and approving proposals and competing lease applications.
- 18.08.065 Lease application and proposal documents.
- 18.08.070 Notice to award.
- 18.08.075 Lease rental rates.
- 18.08.080 Lease execution and final approval.
- 18.08.090 Development and use.
- 18.08.100 Appraisal.
- 18.08.110 Options to renew.
- 18.08.120 Improvements.
- 18.08.130 Lease renewal.
- 18.08.140 Sublease.
- 18.08.150 Early termination.
- 18.08.160 Assignment.
- 18.08.170 Insurance.
- 18.08.175 Exception – Leasing to government entities.
- 18.08.180 Assessments – Capital improvement projects.
- 18.08.190 Connection to utilities.
- 18.08.195 Processing and filing fees.
- 18.08.200 Time is of the essence – Lease applications, proposals, and negotiations.

18.08.005 Purpose.

The purpose of this chapter is to ensure that the lease of City-owned property maximizes the value of City assets and that the City awards leases that provide the highest and best use of City-owned property. It is the policy of the City to lease its property in a fair and nondiscriminatory way. [Ord. 18-16(S)(A) § 1, 2018].

18.08.010 Definitions.

For the purpose of this chapter, the following words and phrases are defined as set forth in this section:

“Applicant” means a person applying to lease or acquire an interest in City-owned real property and includes bidders and proposers.

“Appraisal” means a valuation or estimation of value of property by an Alaska certified general real estate appraiser or an otherwise qualified appraiser selected by the City Manager.

“Assignment” means a transfer of a leasehold interest or rights to a leasehold interest, in its entirety, in City-owned real property.

“City Manager” means the City of Homer Manager or their designee.

“Fair market rent” means the rental income that a public or private property would most likely command in the open market, indicated by the current rents paid for comparable space as of the date of the appraisal.

“Irregularities” means deviations from the request for proposal that are not substantive in nature and/or typographical or scrivener errors that do not impact the integrity or responsiveness of the proposal.

“Long-term lease” means a written agreement granting exclusive possession or use of City-owned real property for more than one year.

“Short-term lease” means a written agreement granting exclusive possession or use of City-owned real property for one year or less.

“Sublease” means a leasing by a tenant or lessee of part or all of a leased premises to another entity or entities with the original lessee retaining the rights and interest under the original lease.

“Surveyor” means a registered professional land surveyor. [Ord. 21-02 § 2, 2021; Ord. 18-16(S)(A) § 1, 2018].

18.08.020 Land allocation plan – Property available for lease.

a. Unless dedicated or reserved to another purpose, all real property including tide, submerged or shore lands to which the City has a right, title and interest as owner or lessee, or to which the City may become entitled, may be leased as provided in this chapter. In the case of any conflict between this chapter and any local, State or Federal law governing the leasing of City tide and submerged lands, the law governing the leasing of City tide and submerged lands shall prevail.

b. The City administration shall maintain a list of all City-owned properties authorized for lease by Council. This list shall be adopted annually and contain the information required under this chapter. The list may be called the land allocation plan and will be made available to the public.

c. Council shall adopt a land allocation plan that identifies:

1. City-owned property available for lease;
2. The property description, lease rate, preferred length of the lease term for each available parcel; and
3. Any requirements, preferences or restrictions regarding use and/or development.

d. Council may identify property in the land allocation plan that is subject to competitive bidding. Property subject to competitive bidding in the land allocation plan need only identify the property description in the land allocation plan but all other terms required in subsection (c) of this section shall be identified in the request for proposal for such properties.

e. Prior to the adoption of the land allocation plan, Council shall hold a work session. Commission members and City staff may provide recommendations to Council during the work session regarding City-owned property available for lease and the terms of such leases.

f. The City shall provide public notice of the adoption of the land allocation plan and the City-owned real property available for lease no more than 60 days after its adoption.

g. All uses and activities on City-owned real property available for lease are subject to all applicable local, State, and Federal laws and regulations.

h. The Council may restrict specific City-owned properties to certain uses or classes of use that serve the City’s best interest. [Ord. 22-49 § 1, 2022; Ord. 18-16(S)(A) § 1, 2018].

18.08.030 Standardized leases.

a. The City Manager shall develop a standardized ground lease that contains provisions generally applicable to the lease of City-owned property and a standardized building lease that contains provisions generally applicable to the lease of space in City-owned buildings. The standard lease documents shall be reviewed by the City Attorney and approved by Council.

b. Lease terms may deviate from the standardized lease terms when the City Manager determines such deviations are reasonable and necessary to protect the City’s best interests and Council approves the lease as required in HCC 18.08.040. [Ord. 18-16(S)(A) § 1, 2018].

18.08.040 Council approval of leases.

- a. All long-term leases for more than five years shall be approved by Council via ordinance. All long-term leases for five years or less shall be approved by Council via resolution.
- b. The City Manager may execute short-term leases without Council approval when the City Manager determines that a short-term lease is in the best interest of the City and notifies the Council in writing of the short-term lease and its essential terms.
- c. Short-term leases are not required to go through the competitive bidding process unless the short-term lease would result in the lease of City-owned property to the same lessee for more than one consecutive year.
- d. Except as expressly provided in this chapter, property leased by the City from a third party that is available for sublease or the lease of space in City-owned buildings located on real property owned by a third party is exempt from this chapter. [Ord. 18-16(S)(A) § 1, 2018].

18.08.045 Lease applications.

- a. Except for property subject to competitive bidding under this chapter, persons interested in leasing City property may submit a lease application to the City Clerk. The City Manager shall consider all applications and determine if an application is complete and meets the criteria identified in the land allocation plan and in HCC 18.08.060.
- b. When the City receives more than one lease application for a parcel that meets the criteria established for that parcel in the land allocation plan, the City Manager shall evaluate the applications using the criteria in HCC 18.08.060 and award the lease most advantageous to the City. If both applicants are equally advantageous to the City, the City Manager shall award the lease to the applicant who submitted a completed application first.
- c. Applicants may be charged a nonrefundable lease application fee as set forth in the City of Homer fee schedule. [Ord. 22-49 § 2, 2022; Ord. 18-16(S)(A) § 1, 2018].

18.08.050 Requests for proposals – Competitive bidding process.

- a. The City Manager may issue a request for proposals to lease specific property identified in the land allocation plan at any time after posting the notice required in HCC 18.08.020(f).
- b. A request for proposal advertised by the City must identify the property description of the property available for lease, the time frame for the submission of requests for proposals, any preferred uses or industries, and the overall criteria the City intends to use to score and rank proposals.
- c. The City Manager must obtain approval from the Council before requesting proposals to lease property not identified in the land allocation plan as property available for lease.
- d. The City Manager shall consider all responses to the City's request for proposals that are timely, responsible and responsive. Untimely submissions shall be rejected. The City Manager reserves the right to reject any and all proposals in the City's best interest.
- e. The City Manager may rescind a notice to award at any time prior to the execution of a lease if the proposer can no longer meet the terms of the proposal. If the City Manager rescinds a notice to award, the City Manager may negotiate with the next most responsive proposer and submit a new recommendation for award to Council under HCC 18.08.070 and Council may approve the award of the proposal to that recommended proposer. If negotiations with the next most responsive bidder are unsuccessful, all bids must be rejected and a new request for proposal may be issued.
- f. The Council may approve other bidding or proposal procedures or exceptions to these procedures via resolution. [Ord. 22-49 § 3, 2022; Ord. 18-16(S)(A) § 1, 2018].

18.08.060 Criteria for evaluating and approving proposals and competing lease applications.

- a. The criteria for evaluating proposals shall include, but are not limited to, the following:
 1. Compatibility with neighboring uses and consistency with applicable land use regulations including the Comprehensive Plan;

2. The development plan including all phases and timetables;
3. The proposed capital investment;
4. Experience of the applicant in the proposed business or venture;
5. Financial capability or backing of the applicant including credit history, prior lease history, assets that will be used to support the proposed development;
6. The number of employees anticipated;
7. The proposed rental rate;
8. Other financial impacts such as tax revenues, stimulation of related or spin-off economic development, or the value of improvements left behind upon termination of the lease;
9. Other long-term social economic development; and
10. The residency or licensure of the applicant in the City, Kenai Peninsula Borough, and/or the State of Alaska, as identified in the City's request for proposal and permitted under State and Federal law.

b. Determination of rent shall take into consideration the following factors:

1. Appraisal or tax assessed valuation;
2. Highest and best use of land;
3. Development (existing and planned);
4. Economic development objectives;
5. The location of the property; and
6. Alternative valuation methodologies as negotiated by both parties. [Ord. 18-16(S)(A) § 1, 2018].

18.08.065 Lease application and proposal documents.

Upon request by the City Manager or as required in a request for proposal or the lease allocation plan, an applicant or proposer shall provide, at its sole expense, the following:

- a. A property improvement plan with information regarding planned improvements by lessee, including schedule for commencement and completion of proposed improvements;
- b. A survey of the property subject to the proposed lease; and/or
- c. If only a portion of a lot is to be leased, a subdivision plat. [Ord. 18-16(S)(A) § 1, 2018].

18.08.070 Notice to award.

- a. Upon a determination that a proposal meets the criteria under HCC 18.08.060, the City Manager shall recommend the proposal to Council for acceptance. If Council approves the recommendation, the City Manager shall issue a notice to award the lease to the successful proposer. The City Manager's recommendation shall be presented to Council in a written memorandum identifying the recommended winning proposer, the property description, the essential terms of the proposed lease, and the reasons the City Manager recommended the award.
- b. The City Manager shall submit any recommendation for approval of a proposal under this chapter for property located on the Homer Spit to the Port and Harbor Advisory Commission for review and comment prior to recommending a proposal to Council.
- c. If the Council adopts the City Manager's recommendation, the City Manager shall negotiate with the selected proposer and present a final lease to the Council for approval. A notice of tentative award is conditional upon the

City Manager's successful negotiation of a final written lease consistent with the terms upon which the award was based.

d. The City Manager may rescind a notice to award. A notice to award becomes void on the date the City Manager provides written notice to the proposer that the award has been rescinded. [Ord. 22-49 § 4, 2022; Ord. 18-16(S)(A) § 1, 2018].

18.08.075 Lease rental rates.

a. Except as otherwise provided in this section, all property shall be leased at no less than "fair market rent."

b. Payments of a higher than fair market rent resulting from a proposal or lease application is generally in the public interest and will help to establish fair market rent using current market forces.

c. The Council may establish a minimum rent or "asking price." It may set a minimum rent at an amount equal to or higher than the estimated "fair market rent" if it finds that it is in public interest to do so. It may set uniform rental rates for a class of similar properties that remain available for leasing after the conclusion of a competitive lease offering.

d. Except as otherwise provided in this chapter, Council may approve a lease of City land for less than fair market rent only if the motion approving the lease contains a finding that the lease is for a valuable public purpose or use, and a statement identifying such public purpose or use.

e. The lease shall provide for payment of interest or a late fee for rent past due, and provide for recovery by the City of attorneys' fees and costs to the maximum extent allowed by law in the event the City is required to enforce the lease in court, and such additional provisions pertaining to defaults and remedies as the City Manager may determine to be in the City's interest.

f. Lease amount to be adjusted annually based on the Anchorage Consumer Price Index. [Ord. 18-16(S)(A) § 1, 2018].

18.08.080 Lease execution and final approval.

a. After a notice to award a lease is approved by Council or a lease application is approved by the City Manager, the City Manager is responsible for finalizing and executing the lease agreement with the successful applicant or proposer. After Council's approval of the notice to award but before Council approval under HCC 18.08.040, the City Manager may negotiate nonessential long-term lease terms and make changes necessary to clarify the terms of the long-term lease or correct clerical errors.

b. The City Manager has authority to negotiate all terms of short-term leases subject to the provisions of this chapter.

c. After a lease is executed by both parties, the City Manager shall draft and the City Clerk shall record a memorandum of lease. [Ord. 22-49 § 5, 2022; Ord. 18-16(S)(A) § 1, 2018].

18.08.090 Development and use.

a. All leases must require the lessee to comply with all applicable local, State, and Federal laws.

b. Except as provided otherwise in the lease agreement, an as-built survey including elevations performed by a surveyor shall be provided to the City within six months of completion of development on the leased property. Each additional structure or significant improvement shall require an updated as-built survey. All surveys are to be provided by lessees at their expense.

c. Except as provided otherwise in the lease agreement, at the time each as-built survey is submitted, a statement of value including leaseholds and all improvements shall be provided. The statement of value shall be either a letter of opinion or appraisal completed by an appraiser.

d. All development requirements and performance standards contained in the lease shall be strictly enforced and if not complied with or negotiated for modification shall be cause for the lease to be terminated. Failure to enforce the terms of the lease shall not constitute waiver of any such term.

e. The City may require a lease of City-owned property to be secured by any means that meet the City's best interest, including, without limitation, a security deposit, surety bond or guaranty. [Ord. 18-16(S)(A) § 1, 2018].

18.08.100 Appraisal.

a. An appraisal of the fair market rent of the property will be required before final approval of a new lease or the transfer of a lease and within two years prior to the renewal of a lease.

b. The requirement of an appraisal may be waived at the discretion of the City Manager for short-term leases.

c. All leased properties shall be appraised every five years from the effective date of the lease. The City may choose to have the property appraised at less than five-year intervals in order to appraise multiple properties at one time. An increase in rental rates resulting from appraisals occurring in less than five years from the last appraisal shall not be applied prior to date of appraisal permitted under this section or the effective date of the transfer or renewal of a lease.

d. Except as otherwise provided under this section or in a specific lease, lease rates shall be increased on the anniversary of the lease effective date to reflect property appraisal values. A lessee shall be notified of any increase in the appraised value of the property at least 30 days before the increased rental rate becomes effective.

e. In the event an appraisal reports a decrease in fair market rent, a lessee may petition or the City Manager may recommend to Council a reduction in the lease rate. Council may approve a reduction if it determines via resolution that such reduction corresponds with the appraised fair market rent and is in the City's best interest.

f. Each year, the City will select and retain an appraiser to appraise all leased City-owned property due for appraisals in that year. The City will have sole discretion to select the appraiser and bears the cost of the appraisal. [Ord. 18-16(S)(A) § 1, 2018].

18.08.110 Options to renew.

a. Leases may contain no more than two options to renew and each option must not exceed 25 percent of the length of the initial lease term.

b. A lessee may not exercise an option to renew unless the City Manager determines that the lessee is in full compliance with the terms of the lease at the time of renewal.

c. A lessee whose initial lease and all options have expired shall have no automatic right of further renewal or extensions. [Ord. 18-16(S)(A) § 1, 2018].

18.08.120 Improvements.

a. Except as otherwise provided in the lease agreement, construction of improvements shall take place only after review and approval of the construction plans by the City Manager and only after all applicable permits have been secured and legal requirements met.

b. Improvements not included in the lease agreement or improvements that are inconsistent with or deviate from those permitted in the lease agreement must be approved by Council via resolution. Council shall only approve such improvements upon recommendation by the City Manager and after review by the Port and Harbor Commission, the Homer Advisory Planning Commission, and any other commission determined to be appropriate by the City Manager. Inconsistent improvements may be approved if the proposed changes to the improvements serve the City's best interest and/or when changes are necessary due to relevant changes in industry or the local economy.

c. All improvements constructed upon leased property become the property of the City upon termination of the lease unless otherwise provided in the lease agreement or agreed to by the parties in writing.

d. Lessee shall be responsible for all taxes, including property taxes on the leasehold interest in the real property and improvements and any sales tax on rent payments. [Ord. 18-16(S)(A) § 1, 2018].

18.08.130 Lease renewal.

a. Council, upon written recommendation by the City Manager, may exempt the renewal of a lease from competitive bidding if Council finds such exemption serves the City's best interests.

b. A lessee seeking to enter into a new lease with the City exempted from competitive bidding under this section must submit a lease application and a written request for a new lease to the City Manager at least 12 months but no more than 18 months prior to the expiration of the existing lease. The City Manager shall notify Council of new lease requests under this section. The City will review the application but is under no obligation to enter into a new lease.

c. If Council approves the new lease without a competitive process, it must do so by resolution within six months prior to the date of lease termination.

d. Council shall consider the following factors when determining whether to exempt a lease from competitive bidding under this section:

1. Lessee's past capital investment and binding commitment to future capital investment;
2. Lessee's financial condition and prior lease history;
3. The number of persons employed and the prospect for future employment;
4. Tax revenues and other financial benefits to the City anticipated in the future if the lease is renewed;
5. Consistency of past use and intended future use with all applicable laws, including land use codes and regulations, the Comprehensive Plan, and overall economic development plan;
6. Other opportunities for use of the property that may provide greater benefit to the City; and
7. Other social, policy, and economic considerations as determined by Council. [Ord. 22-49 § 6, 2022; Ord. 18-16(S)(A) § 1, 2018].

18.08.140 Sublease.

a. City property may be subleased if expressly permitted in the lease agreement and approved by Council.

b. Except as provided otherwise in the lease agreement, all subleases must be in writing, executed by the parties, and approved by the City Manager or their designee.

c. Approval must be granted prior to occupancy of the leased premises by a subtenant.

d. Subleasing shall not be used to transfer substantially all of a leasehold interest.

e. All subleases must comply with all applicable Federal, State, and local laws. [Ord. 22-49 § 7, 2022; Ord. 21-02 § 1, 2021; Ord. 18-16(S)(A) § 1, 2018].

18.08.150 Early termination.

Except as provided otherwise in the lease agreement, Council shall approve the termination of a lease for failure to comply with the lease terms. The City Attorney shall be consulted prior to termination of a long-term lease for failure to comply with lease terms. The City Manager may only terminate a lease for failure to comply with the lease terms after receiving Council approval to do so. The City Manager shall seek approval to terminate under this section in executive session. The name of lessee and description of the leased property shall not be included in any public notices or documents circulated by the City unless and until Council approves termination of the lease under this section. The City Manager shall notify a lessee in writing that Council will be considering termination of the lease and provide the date, time, and place of the meeting at which Council will consider such termination. Lessee may waive the right to confidentiality under this section and request Council hold its discussion of termination in public. This section shall not prevent the City from sending lessee, or other parties with an interest in the lease, notifications and/or correspondence related to the lease or lessee's compliance with its terms. [Ord. 18-16(S)(A) § 1, 2018].

18.08.160 Assignment.

a. Except as provided in the lease agreement, Council must approve the assignment of a lease to another party.

b. Except as otherwise provided in this section or the lease agreement, the City Manager must make a determination that a lessee is in full compliance with a lease before an assignment will be effective. The City Manager may, in his or her sole discretion, consent to assignment of a lease where lessee is in full compliance with the lease terms except for payments owed so long as assignor and/or assignee agree in writing to pay the full amount owed within 90 days of the assignment. An assignment shall not be effective and shall constitute default by lessee if full payment is not received within 90 days of the assignment.

c. Except as otherwise provided in the lease agreement, if the lessee is in good standing and eligible to assign the lease, the following procedures apply:

1. The lessee shall file a written request for assignment and a complete new lease application to the City Manager;
2. The City Manager shall review the request and new lease application and determine whether the proposed assignee can fulfill the terms of the lease and the requirements of this chapter and is in the City's best interests;
3. The City Manager shall make a recommendation on the assignment to Council for final action; and
4. Council shall approve or deny the request for assignment via resolution.
5. Assignment of long-term leases on the Homer Spit shall be reviewed by the Port and Harbor Advisory Commission prior to submission to Council for approval.

d. Council may approve assignment of a lease to a bank or other financial institution if it determines the assignment is in the best interest of the City and the City Manager recommends approval.

e. Where a lessee intends to assign the lease as part of a sale of the business located on the leased lot, the person who intends to purchase the business may apply to extend the lease term to allow the continuation of the business and to secure financing for the purchase of that business. Any significant changes in the terms (use) of the existing lease must be reviewed by the Port and Harbor Commission and approved by City Council by resolution as an amendment to the lease. [Ord. 22-49 § 8, 2022; Ord. 18-16(S)(A) § 1, 2018].

18.08.170 Insurance.

a. All lessees shall keep in force for the full term of the lease public liability insurance in the amount of not less than \$1,000,000 coverage per occurrence for bodily injury, including death, and property damage. The City shall be named as an additional insured.

b. Lessees who intend to conduct activities which could potentially have significant risk of environmental contamination shall also obtain not less than \$2,000,000 in environmental impact insurance and/or environmental clean-up policy, or the equivalent subject to review and approval by the City Manager. The City shall be named as an additional insured. The City will determine on a case-by-case basis whether a lease of City property will involve a significant risk of environmental contamination due to the use of the property, the presence of hazardous materials, or the location of the property.

c. Certificates of insurance showing the required insurance is in effect and identifying the City as an additional insured shall be provided to the City at the time a lease becomes effective and annually thereafter, and upon every change in insurance provider or insurance coverage.

d. All insurance policies must be in effect for the duration of the lease term, or longer if stated in the lease, and the City must be notified of any changes to policies.

e. Insurance requirements that exceed those required in this section may be imposed in the terms of a lease agreement. [Ord. 18-16(S)(A) § 1, 2018].

18.08.175 Exception – Leasing to government entities.

a. Except as otherwise prohibited by law, leases to Federal or State government entities or political subdivisions or agencies of the State of Alaska or the United States may be exempted from this chapter upon a finding by Council that it is in the City's best interest to do so.

b. The City may lease real property to the United States, the State of Alaska, a political subdivision of the State, or an agency of any of these entities, for less than fair market rent if Council determines it is in the City's best interest to do so. [Ord. 18-16(S)(A) § 1, 2018].

18.08.180 Assessments – Capital improvement projects.

a. Lessees of City property shall pay all real property special assessments levied and assessed against the property to the full extent of installments billed during the lease term.

b. In the event the City completes a capital improvement project which directly benefits the leasehold property and no local improvement district is formed to pay the cost of that project, the City may, in its sole discretion, impose, and the lessee shall pay as additional rent, the leasehold property's proportionate share of the cost of the project. The amount of additional rent imposed annually by the City under this subsection shall not exceed the amount which would have been payable annually by the lessee if a local improvement district had been formed which provided for installment payments on a schedule and bearing interest at rates typical of other local improvement districts of the City for that type of capital improvement. [Ord. 18-16(S)(A) § 1, 2018].

18.08.190 Connection to utilities.

Lessees of City real property shall connect to City utilities and bear all costs of connections and adhere to all applicable local, State and Federal regulations. Connections to newly installed City utilities shall be made as soon as possible after completion. [Ord. 18-16(S)(A) § 1, 2018].

18.08.195 Processing and filing fees.

Fees for lease applications, lease, subleases and assignments, and other related fees are contained in the City of Homer fee schedule. Failure to pay required fees may result in the rejection of a lease application or denial of lease renewal, assignment, or sublease. [Ord. 22-49 § 9, 2022; Ord. 18-16(S)(A) § 1, 2018].

18.08.200 Time is of the essence – Lease applications, proposals, and negotiations.

The City Manager may consider all City lease applications and proposals that are responsive, responsible, in compliance with the provisions of this chapter and in the City's best interest. If the City, in its sole discretion, determines that it will be unable to reach an acceptable agreement with a proposer within a reasonable period of time, the City reserves the right to terminate negotiations with any proposer should it be in the City's best interest. [Ord. 22-49 § 10, 2022].



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: ADVISORY BODIES
FROM: MELISSA JACOBSEN, MMC, CITY CLERK
DATE: OCTOBER 4, 2023
SUBJECT: MEETING SCHEDULE FOR 2024

Please review the draft resolution that establishes your meetings for 2024 and make any changes by way of motion.

Requests for meeting schedule changes will then go to City Council, who will be setting the 2024 meeting schedule for Council and Advisory Bodies via resolution no later than their November 27, 2023 meeting.

Recommendation

Review the attached draft resolution; make a motion to approve the resolution either as-is or with amendments and recommend adoption by City Council.

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 23-1xx

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
ESTABLISHING THE 2024 REGULAR MEETING SCHEDULE FOR CITY
COUNCIL, ECONOMIC DEVELOPMENT ADVISORY COMMISSION,
LIBRARY ADVISORY BOARD, PARKS ART RECREATION AND
CULTURE ADVISORY COMMISSION, PLANNING COMMISSION,
PORT AND HARBOR ADVISORY COMMISSION, AND AMERICANS
WITH DISABILITIES ACT (ADA) ADVISORY BOARD.

WHEREAS, Pursuant to Homer City Code (HCC) Section 1.14.020, the City Council annually sets the schedule for regular and some special meetings, noting the dates, times and places of the City Council, Planning Commission, Advisory Commissions and Boards; and

WHEREAS, The public is informed of such meetings through notices located at the City Clerk's Office, Clerk's Calendar on KBBI, the City Clerk's Website, and postings at the Public Library; and

WHEREAS, HCC 1.14.020 - 040 states that meetings may be advertised in a local paper of general circulation at least three days before the date of the meeting and that special meetings should be advertised in the same manner or may be broadcast by local radio at least twice a day for three consecutive days or two consecutive days before the day of the meeting plus the day of the meeting; and

WHEREAS, HCC 1.14.010 notes that the notice of meetings applies to the City Council and all commissions, boards, committees, subcommittees, task forces and any sub-unit of the foregoing public bodies of the City, whether meeting in a formal or informal meeting; that the failure to give the notice provided for under this chapter does not invalidate or otherwise affect any action or decision of a public body of the City; however, this sentence does not change the consequences of failing to give the minimum notice required under State Statute; that notice will ordinarily be given by the City Clerk; and that the presiding officer or the person or persons calling a meeting are responsible for notifying the City Clerk of meetings in sufficient time for the Clerk to publish notice in a newspaper of general circulation in the City; and

WHEREAS, This Resolution does not preclude additional meetings such as emergency meetings, special meetings, worksessions, and the like; and

WHEREAS, Council adopted Resolution 06-144 on October 9, 2006 establishing the Regular Meeting site for all bodies to be the City Hall Cowles Council Chambers.

NOW, THEREFORE, BE IT RESOLVED by the Homer City Council, that the 2024 meeting schedule is established for the City Council, Economic Development Advisory Commission, Library Advisory Board, Parks Art Recreation and Culture Advisory Commission, Planning Commission, Port and Harbor Advisory Commission, and the American with Disabilities Act (ADA) Advisory Board of the City of Homer, Alaska, as follows:

HOLIDAYS – City Offices closed:

January 1, New Year's Day, Monday	February 19, Presidents' Day, third Monday	March 25, Seward's Day, last Monday	May 27, Memorial Day, last Monday	July 4, Independence Day, Thursday	September 2, Labor Day, first Monday
October 18, Alaska Day, Friday	November 11, Veterans Day, Monday	November 28 Thanksgiving Day, Fourth Thursday	November 29, Friday, the day after Thanksgiving	December 25, Christmas, Wednesday	

*If a holiday is on a Sunday, the following Monday is observed as the legal holiday; if on a Saturday, the preceding Friday is observed as the legal holiday pursuant to the City of Homer Personnel Rules and Regulations.

CITY COUNCIL (CC)

January 8, 22	February 12, 26	March 11, 26*	April 8, 22	May 13, 28*	June 10, 24
July 22**	August 12, 26	September 9, 23	October 1 Election	October 14, 28 Oath of Office October 14	Canvass Board October 4
November 5 Runoff Election	November 12, 25	December ***If needed			

*Second meeting in March and May will be held on a Tuesday due to Seward's Day and Memorial Day respectively, first meeting in November will be held on a Tuesday due to Veterans Day

**There will be no First Regular Meeting in July.

*** The City Council will not schedule a regular meeting in December to allow for attendance at AML Annual Conference and may hold Special Meetings as needed.

City Council's Regular Committee of the Whole Meetings at 5:00 p.m. to no later than 5:50 p.m. prior to every Regular Meeting which are held the second and fourth Monday of each month at 6:00 p.m. Council will not conduct a First Regular Meeting in July or a meeting in December.

ECONOMIC DEVELOPMENT ADVISORY COMMISSION (EDC)

January 9	February 13	March 12	April 9	May 14	June 11
July 9	August 13	September 10	October 8	November 12	December 10

Economic Development Advisory Commission Regular Meetings are held on the second Tuesday of each month at 6:00 p.m.

LIBRARY ADVISORY BOARD (LAB)

January 16	February 20	March 19	April 16	May 21	
	August 20	September 17	October 15	November 19	December 17

Library Advisory Board Regular Meetings are held on the third Tuesday of January through May and August through December at 5:30 p.m.

PARKS, ART, RECREATION AND CULTURE ADVISORY COMMISSION (PARC)

	February 15	March 21	April 18	May 16	June 20
	August 15	September 19	October 17	November 21	

Parks, Art, Recreation and Culture Advisory Commission Regular Meetings are held on the third Thursday February through June and August through November at 5:30 p.m.

PLANNING COMMISSION (PC)

January 3, 17	February 7, 21	March 6, 20	April 3, 17	May 1, 15	June 5, 19
July 17*	August 7, 21	September 4, 18	October 2, 16	November 6*	December 4*

*There will be no First Regular Meeting in July or Second Regular Meetings in November and December.

Planning Commission Regular Meetings are held on the first and third Wednesday of each month at 6:30 p.m.

PORT AND HARBOR ADVISORY COMMISSION (PHC)

January 24	February 28	March 27	April 24	May 22	June 26
July 24	August 28	September 25	October 23	November 27	December 11

Port and Harbor Advisory Commission Regular Meetings are held on the fourth Wednesday of month January through November and the second Wednesday of December at 5:30 p.m.

AMERICANS WITH DISABILITIES ACT (ADA) ADVISORY BOARD (ADAAB)

	February 8		April 11	May 9	June 13
July 11	August 8		October 10	November 14	

The Americans with Disabilities Act (ADA) Advisory Board Regular Meetings are held on the second Thursday at 5:00 p.m. in the months of February, April, May, June, July, August, October, November, with additional meetings called as needed.

PASSED AND ADOPTED by the Homer City Council this _____ day of November, 2023.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Impact: Advertising of meetings in regular weekly meeting ad and advertising of any additional meetings.



OCTOBER 2023 PORT OPERATIONS REPORT

(Special Travel Edition)

1. Administration

The September operations report just came out at the last PHC meeting so this time, as many of our staff have had the recent opportunity to attend the AAHPA or Pacific Coast Congress conferences, this operations report is going to be a travel edition combining our various trip reports.

I traveled to Ketchikan for the annual Alaska Association of Harbormasters and Port Administrators Board meeting and Conference from the 23rd through the 29th.

On the business side the membership passed resolutions supporting three harbor infrastructure recapitalization projects for Sitka, Whittier, and Juneau totaling 8 million dollars. We also passed a resolution supporting raising the maximum amount in the Muni harbor grant from 5 million to 7.5 million dollars. We held elections and I was re-elected as President for the organization.

We raised \$8,000 for our scholarship fund by selling raffle tickets and Transpac committed to funding a \$5,000 STEM scholarship again this year. We also worked on bringing in help for the scholarship committee from the membership this year and committed to working on the scoring criteria and getting the notifications out before Christmas. There were some great prizes donated to the raffle including a 10 day cruise to Mexico as the grand prize. I sold tickets, invested dollars into the fun, and won a Tee shirt from Haines harbor! That's all right, didn't want to go on some silly cruise anyway.

The conference was attended with over 100 members which I'm pleased to say is better than pre Covid attendance.

The main portion of the conference was focused on presentations and we had a wide range of presenters. One of the highlights for me every year is the Call to Ports, which is where harbors from around the State do short presentations on what's going on locally with their facilities. Chris Clark representing MARAD (US DOT) maritime gave us an update on grant funding and the US Marine Highway Route change for Alaska. Long, long story short now all of Alaska is included in the US marine highway system! The route change now includes all of Western Alaska, the Arctic and the major river systems in our State. There are several reasons why this milestone event is important but strictly from a funding standpoint if your community was not on the Marine Highway route you would not be eligible to apply for Federal transportation funding through the MARAD grant programs. AAHPA weighed in on this important issue in 2020 and has been following up on the progress as best we could. Many of the Western Alaska port and harbor communities pushed for this designation to be changed. We also learned that MARAD is considering locating a Regional Rep in Alaska to help facilitate grants and communications with the Federal marine highway program/system.

There were many highlights for me but my favorite field trip was when we drove out to Wards Cove and took a tour of the new Cruise ship facility that Norwegian Cruise Lines had Turnagain Marine Engineering and Transpac manufacturing build for them at the old saw mill site. This is 100' by 500' floating dock supported by massive dolphins and a drive down float capable of docking two of the Panamax cruise ships at once. Turn-key the new dock cost 44 million dollars and this was done using the design build management model. I'm told that it was delivered and installed with Zero change orders. The Homer team had the privilege of talking with the engineers and learning how it was built,

shipped to the site, and installed. I'm told that it is built to withstand 14' seas, not that they'll ever encounter that in Wards Cove, but it just goes to show what they can do. Very cool stuff!

Next years Conference is coming to a town near you.... Homer.

- Bryan



2. Operations

Thank you for providing me the opportunity for continued education in the path of my career by attending the 2023 AAHPA conference in Ketchikan, Alaska. The conference provides an excellent opportunity for collaboration and networking with maritime industry professionals. Relevant activities and learning takeaways included:

- I was honored to present to the conference on Homer's port & harbor growth, capacity building, and future planning. Key speaking points were port expansion & general investigation, our PIDP grant application involving comprehensive float system replacement with matching funds derived from new revenue streams involving parking and camping.
- Methods of increasing port & harbor tariff rates and moorage fees pertaining to a balanced and sustainable budget.
- Building resilient waterfront communities and infrastructure designed to endure the impacts of climate change
- Video surveillance technology
- Facility security vulnerabilities and I/T integrity

- MARAD, the US Marine Highway, the new Alaska Route (M-11), and PIDP grant funding
- USACOE Alaska projects
- Principals in the prevention and abating derelict and abandoned vessels.
- 2024 AAHPA conference -- planning and hosting in Homer. Ways to include Seldovia harbor in the conference.

Sincerely,

Matt Clarke
Homer Harbormaster

3. Ice Plant/Port Maintenance

****AAHPA Fall Conference Trip Report****

Date: 09-24 thru 09-29-2023

Location: Ketchikan AK.

Attending: Port Maintenance Supervisor Del Masterhan.

Objective: Bring working Alaska Harbor staff together with other sustaining members for Harbor networking, operational and maintenance ideas.

Summary: Spent 3 days participating with the conference speakers about: cyber security, building within budgets, harbor pollution controls and Alaska harbors projects/ Harbor Masters and what it takes to make all the above happen.

Key Takeaways: I spent a day with Ketchikan Port Maintenance and traded Dock and Harbor Infrastructure repair procedures.

Relevance to Our Work:

The information that I gathered at this conference will be applied to our projects or initiatives where applicable.

Networking Opportunities:

Valuable connections were made with Alaska Harbor management attendees and industry professionals. This I feel will greatly enhance my ability to maintain harbor infrastructure and employee supervision.

-Del Masterhan, Port Maintenance Supervisor

CITY OF HOMER NEWSLETTER



VOL. III - ISSUE II | OCTOBER 2023

WHAT'S INSIDE?

MONTHLY NEWSLETTER FROM THE OFFICE OF THE CITY MANAGER

ELECTION DAY IS TUESDAY, OCTOBER 3, 2023

Polling places for the City of Homer and Kenai Peninsula Borough regular election will be open 7:00 a.m. to 8:00 p.m. at the following locations:

Homer No. 1, 06-230: City Hall Cowles Council Chambers, downstairs in the City Hall Building located at 491 E. Pioneer Avenue. Entrance is located off Kachemak Way, towards the rear of the facility.

Homer No. 2, 06-240: Homer Methodist Church located at 770 East End Road.

Where's The Voter Pamphlet?

The Kenai Peninsula Borough is no longer automatically mailing voter pamphlets. It is published on the Borough's election webpage kpb.us/voterpamphlet.

Printed copies are available at the Clerk's Office at Homer City Hall and the Borough Annex Office at 638 East Pioneer Avenue. KPB Annex office hours are 8 am to 4:30 pm Monday through Friday.

Questions? Contact the City Clerk's Office at (907) 235-3130 or email clerk@cityofhomer-ak.gov



Helpful Links:

- [How to Vote Absentee by Mail or In-Person](#)
- [Check Your Voter Status & Find Your Polling Location](#)
- [View the Voter Pamphlet for Sample Ballots & Candidates](#)
- [City of Homer 2023 Candidacy Filing](#)

- Library Events
- Community Corner
- Public Works
- Homer Local Hazard Mitigation Plan
- Homer Airport Terminal New Artwork
- Homer Public Library
- Public Safety Corner - Halloween!
- Parks
- Port & Harbor
- Harbor Expansion Study Update
- Community Recreation
- Homer Volunteer Fire Department
- Meet City Staff
- Municipal Art Collection
- Stay Connected with City Council

Discover something new today and see the latest City project updates information! Learn about ways community members can get involved at City Hall and in the Homer community.

Follow us on Social Media

- City Hall: [@cityofhomerak](#)
- Parks & Recreation: [@homerparksandrec](#)
- Homer Public Library: [@homerpubliclibrary](#)
- Homer Police: [@homerpolice](#)
- Fire Department: [@HomerVolFireDept](#)

Subscribe to the Monthly Newsletter

www.cityofhomer-ak.gov/citymanager/monthly-email-newsletter

LIBRARY EVENTS

VIRTUAL AUTHOR TALKS

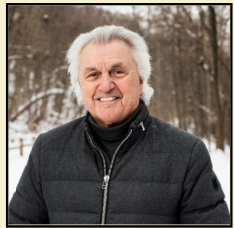
Zoom in and listen to your favorite authors talk about their latest books. For a complete list of Upcoming Speakers, go to library.org/homerlibrary/upcoming.



October 10 at noon
European Travel Tips & Tools
with Guidebook Author Rick Steves

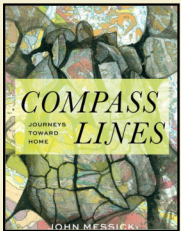


October 18 at 10 am
Master of Suspense:
An author talk with Ruth Ware



October 26 at 3 pm
A Lifetime of Writing: A Conversation
with International Bestselling Author
John Irving

SPECIAL & ONGOING EVENTS



October 6 at 6:00 pm
Visit by John Messick,
author of Compass Lines



October 26 at 6:30 pm
Visit by local writer Robert
Stark, author of Warflower



Councilmember Conversations
Noon to 1 pm, the second Tuesday of
each month, September - May, at the
Homer Public Library.

October 10: Donna Aderhold

CHECK OUT MORE LIBRARY
PROGRAMS AND EVENTS



Homer Public Library
500 Hazel Street - 907-235-3180
circ@ci.homer.ak.us
www.cityofhomer-ak.gov/library



COMMUNITY CORNER

What's happening around the City of Homer



**SOUTH PENINSULA HOSPITAL'S
WELLNESS WEDNESDAYS RETURN IN OCTOBER!**



5:00 - 5:15 PM: TASTY SNACKS AND SETTLING IN
5:15 PM - 5:45 PM: BITE SIZED HEALTH EDUCATION
6:00 - 7:00 PM: YOGA
FREE

SAFESITTER COURSE

Safe Sitter teaches young teens important safety skills, how to handle emergencies, how to treat illnesses and injuries, CPR basics, business skills, how to screen jobs, set a wage, and more.



- **Date**
October 13 & 14
- **Time**
9 am to 2:30 pm
- **Age**
Grades 6 through 8
- **Location**
South Peninsula Hospital
- **Fee**
\$50 - scholarships available
- **Info & Registration**
wellness@sphosp.org
(907)235-0285

PUBLIC WORKS

STATE OF AK DOT AND PUBLIC WORKS RESPOND TO EAST END ROAD FLOOD EVENT

Heavy rain last week caused a flash flood in a steep canyon just west of the new Meadows Subdivision in Kachemak City. The flood waters undermined the steep slopes of the drainage and swept mud and debris-laden water downstream over East End Road and into commercial areas downstream, temporarily closing the road and nearby businesses.

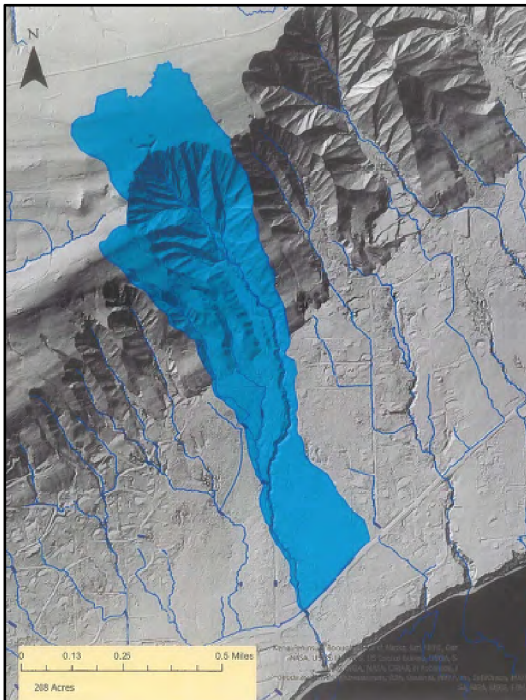
The Alaska Department of Transportation responded with equipment to clear the road and open the ditches, and while doing so inadvertently sheared off the top of a City of Homer manhole. This left a 24" opening through which mud and debris poured for many hours, spiking flows to Homer's Waste Water Treatment Plant with over 500,000 gallons of cold, muddy water.

This extra inflow placed heavy demand on Homer's waste water facility. Public Works staff responded with the Vector Truck to pump out the manhole, clear debris, and repair the damaged section of pipe.

In an effort to restore road access as quickly as possible, the City allowed DOT to deposit the ditch spoils onto the Public Works' ditch spoil yard on East End Road, which the State will remove to not overload the yard's limited capacity.



Traffic passing through the flooded section of East End Road at Kachemak Drive.



How did this happen? The graphic (at left) shows the stream's substantial natural drainage area. Over time, water movement has eroded the slope, which now, in long stretches, is about 75 feet deep and 100 feet wide. The recent heavy rains continued the steep slope scouring, taking mud and debris with it as it rushed downstream. The diversion of smaller streams (away from developments and into the main channel) adds even more water to the main channel before it crosses East End Road, likely exacerbating the situation. It is also quite likely the culvert at East End Road is undersized for larger flood events.

Why does this matter to Homer? First, it's a clear example the importance of working closely with the State to encourage stormwater management and proper road maintenance, as actions upstream can adversely affect City of Homer utilities, residences and businesses. Further, this situation (where upstream development has the ability to adversely affect downstream properties) exists in other drainages in Homer. As we address this situation in the near future, it's good to have this real life example of the importance of effective storm water management

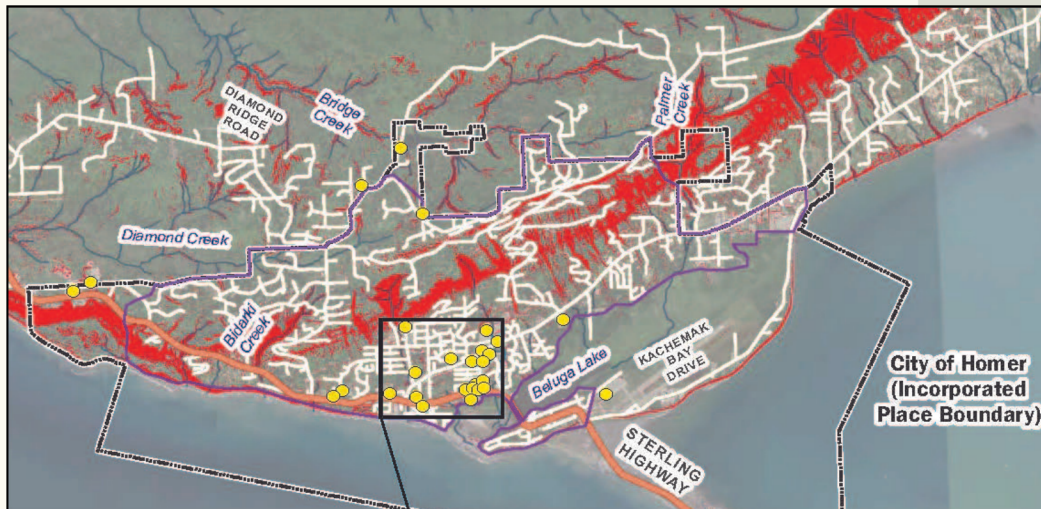
HOMER HAZARD MITIGATION PLAN

Homer's Hazard Mitigation Plan identifies and profiles hazards, analyzes the people and facilities at risk, and develops mitigation actions to reduce or eliminate hazard risk.

One of the hazards identified in Homer is landslides and mudslides.

While the susceptibility of hillsides to landslides depends on variations in geology, topography, vegetation, and weather, steep slopes are often the focus because they can gradually or rapidly erode and have the potential for failure, creating significant damages downstream.

The slopes in Homer at greatest risk of slides are greater than 20 degrees. Approximately 17% (1,504 acres) of Homer is in this hazard area.



The highest concentration of these slopes (highlighted red in the map, above) is along the bluffs running between Skyline Drive East End Road and on the west end of the City, just south of the Sterling Highway (Bluff Point).

The Alaska Division of Geological and Geophysical Surveys has identified over 1,000 slope failure scars in the Homer and Kachemak City using aerial photographs and light detection and ranging (LIDAR) data. Several factors can contribute to destabilize a slope, including earthquakes, increased water saturation (from groundwater or flooding), erosional undercutting, indiscriminate development, loss of vegetation or the creation of cut-and-fill slopes in areas of unstable geologic conditions.

Notable landslide failures in the last ten years include:

2013 16-foot mudslide down Bear Creek Drive caused by heavy rains that saturated the narrow Bear Creek Canyon. The slide sent trees and debris down Bear Creek, jamming a culvert on the uphill side of East End Road. A disaster declaration was made for several rain-soaked areas in the Kenai Peninsula Borough.

2015 Landslide on Kachemak Drive near the Homer Airport that took out a 100-foot section of the east bound lane of Kachemak Drive, pushing clumps of spruce and alder trees into Mud Bay. The slide resulted in the closure of Kachemak Drive approximately 0.5-mile from Homer Spit Road to the top of the hill.

At least one severe landslide occurred in Homer above Kachemak following the 1964 Great Alaskan Earthquake.

Shallow landslides can occur at any time but are more likely to happen when the ground is nearly saturated. However, deep-seated landslides are generally triggered by deep infiltration of rainfall over many months.

Mitigation Measures Suggested in the LHMP

Landslide Zone

Regulate development through zoning and permitting in landslide prone areas.

Hillside Protection

Stabilize landslide-prone areas through stability improvement measures, including interceptor drains, in situ soil piles, drained earth buttresses, and subdrains.

PUBLIC WORKS

NEW ARTWORK INSTALLED AT HOMER AIRPORT TERMINAL



Next time you fly in or out of Homer, take some time with the gorgeous new artwork in the terminal by Homer naturalist Kim McNett. The three panels celebrate the peatland ecosystems that surround the Homer airport.

McNett said it was “*delightful to honor all of the peatland species through art*”, and it “*warms [her] heart to know the artwork will lend an enduring appreciation and identity to these local treasures.*”

This project was made possible by the efforts of Homer Drawdown, a climate solution community whose members include the Peatland Project of 2021, the Bunnell Street Arts Center, City of Homer, Kachemak Bay Conservation Society and the Rasmuson Foundation. An artist reception is being planned for November.

Peatlands also play a critical role in the [City of Homer Green Infrastructure Slope Stability project](#) — which is conserving and recharging peatlands in the Beluga Wetlands not only for their ecological services, but to help manage stormwater runoff to reduce contaminants entering Kachemak Bay and reduce coastal erosion.

What are peatlands?

Peatlands are a special kind of wetland with deep, carbon-rich, saturated soil. Though peatlands only cover 3% of Earth’s surface, they store more carbon than any other terrestrial ecosystem -- twice that of all the world’s forests combined!

Why are peatlands important?

In addition to enormous carbon sequestration, peatlands in the vicinity of the Homer airport and Kachemak Drive provide other important services. They:

- mitigate the effects of climate change by recharging aquifers and reducing the severity of wildfires and flood events;
- mitigate storm-water runoff and associated flooding and erosion along Kachemak Drive;
- naturally remove harmful toxins from groundwater before it enters our streams, lakes and Kachemak Bay;
- provide essential winter moose habitat and critical migratory bird and salmon habitat.

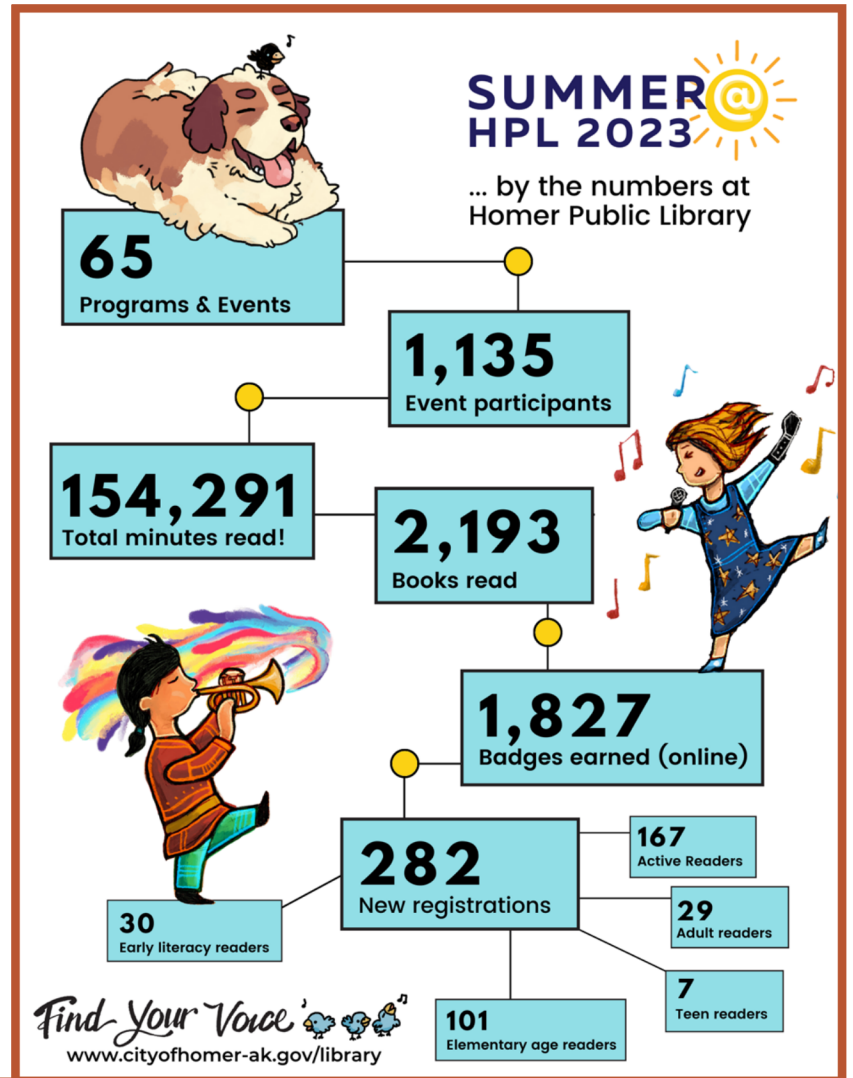
Globally, peatlands are recognized as the highest priority habitat to preserve in the face of climate change.

LIBRARY

SUMMER @ HPL A SUCCESS!

Homer Public Library's 2023 Summer Reading Program, *Find Your Voice*, is officially over and officially a success! The program's 65 events served 1,135 participants who enjoyed a variety of creative and connecting literary events led by skilled local community members in collaboration with Youth Service Librarian Cinda Nofziger. The outdoor celebration on July 29 that marked the end of the Summer Reading Program was a festive and busy event, with music, books, games, BOB the Bookmobile, exciting raffle drawings, food, and local ice cream.

A large part of the Program's success is due to a generous grant from the Homer Foundation's Opportunity Fund and the outpouring of generosity by Homer's outstanding local businesses who provided fabulous prizes and donations. Thank you!



AFTER-SCHOOL @THE LIBRARY

For Elementary Students

EVERY THURSDAY 3:30 PM - 4:30 PM

- September**
 - Books, books, books!
- October**
 - Board Games
- November**
 - LEGOs
- December**
 - Arts & Crafts





In this section, we aim to keep readers informed about the latest developments in public safety in the community. Whether it's news about crime prevention, emergency preparedness, or updates on local law enforcement activities, we've got you covered. Our goal is to promote a safe and secure environment for all community members and visitors of Homer, and we believe that staying informed is a crucial part of achieving that. Read on to learn more about what's happening in public safety in Homer.

HALLOWEEN IN HOMER

Get your costumes ready, gather your little goblins and come out for delightful scares and sweet treasures.



The Chamber of Commerce team is brewing up a cauldron of enchanting surprises for you. From creative decorations to interactive experiences, they are conjuring up an event that will thrill both the young and the young at heart. Tune in for updates and sneak peeks coming soon to:

<https://www.homeralaska.org/events/annual-events/pioneer-ave-trick-or-treat/>

Whether you're chauffeuring your children on a candy quest or just driving home from work, please slow down, be cautious in low lighted areas, and mindful of costumed children who might excitedly dart into the road chasing after their friends and not see a car. Also, make sure your trick-or-treater can be seen. Reflective tape and flashlights help motorists see pedestrians in the dark. Have fun and be safe everyone!

HALLOWEEN NIGHT ONE-WAY TRAFFIC CONTROLS

Halloween is one of the most anticipated times of the year for young children. We don't want any tricks when it comes to being safe and seen on our dark October roads.

To help keep trick-or-treaters as safe as possible on Halloween, streets in the Mountainview neighborhood will be open to one way traffic only from 5 to 8 pm on Tuesday, October 31.

- **Vehicles:** One way traffic will be directed from Pioneer to go up Main Street, around Mountain View (clockwise), and across Bayview.
- **Pedestrians:** One lane of the road will be reserved for pedestrians only.
- **Park & Walk:** Due to limited parking on the route, plenty of parking is available at the high school and other side streets for you to park and walk the neighborhood.

The Homer Police Department is working with volunteers to create a smooth, safe traffic flow for trick or treating in the Bayview and Mountain View neighborhoods. You can do your part, too!



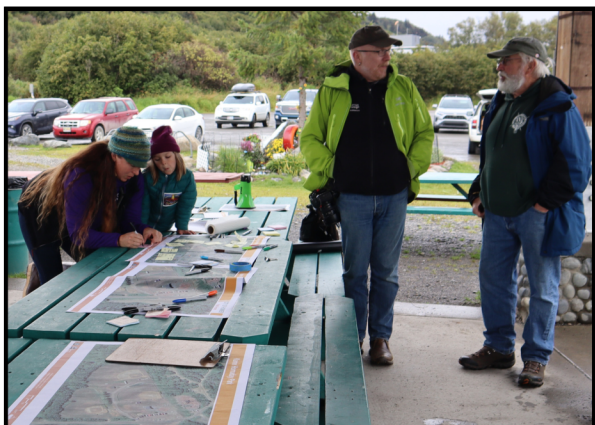
PARKS

PARK MASTER PLANS UNDERWAY

September 12th and 13th were rainy, cool fall days, but that didn't keep park enthusiasts away! Consultants Peter Briggs and Linda Pringle from Corvus Design were in Homer to host a series of meetings with the general public, user groups, City Council and staff as part of the initial process for developing Master Plans for Bayview Park and Karen Hornaday Park.



The public discussed a range of considerations for park improvements.



Despite the challenging weather, turnout was good and there were great conversations. Several Council Members and Commissioners joined staff from the City Manager's Office, Economic Development, Public Works, Parks, and Building Maintenance to engage the public about park needs and to meet with representatives from Little League, Softball, and Sprout Family Services to address specific user-group concerns regarding on-site and weather friendly venues. The information gathered from these meetings is being combined with the public input also being gathered on the City's website for both projects to inform design options. Stay tuned for updates in the near future as the designers process this large volume of public input.

PORT & HARBOR

EROSION ISSUE AT THE DEEP WATER DOCK REPAIRED

In July, Harbor maintenance staff noticed a hole forming next to the approach to the Deep Water Dock. A recent check revealed that erosion had undermined the foundation of the approach where the dock trestle transitions to shore.

Upon discovering the damage had progressed to where daylight shown through all the way to the road surface, with a 1-inch steel plate to accommodate truck and crane traffic as scheduled.

This is the second time erosion has damaged the Deep Water Dock approach. Working with Public Works and HDR, a plan was devised for what we hope will be a permanent solution. Public Work crews excavated the affected area and then built it back with concrete blocks and heavy road fabric. Staff will continue to work to beef up the water side of the approach bulkhead before winter sets in.



HOMER HARBOR EXPANSION

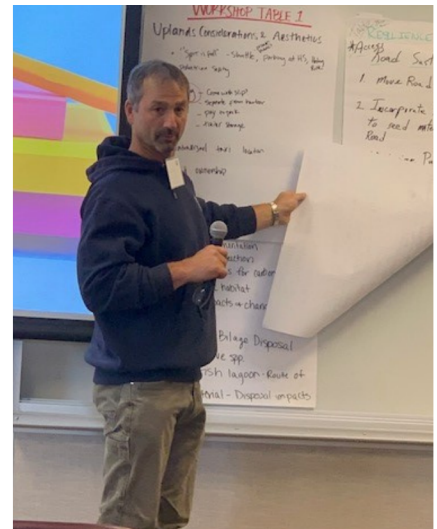
RECAP OF THE SEPTEMBER 23 PUBLIC MEETING

City staff teamed up with the Army Corps of Engineers and HDR to host a public meeting on September 23rd to share updates on the Harbor Expansion Study and engage the public to collect feedback. Over 60 people attended the meeting on a sunny Saturday morning.

In the first hour, presenters spoke about the Army Corps' study process, how the team narrowed from fourteen alternatives to the current five under consideration, and what comes next. Community members then had the opportunity to join breakout groups to discuss one of the following themes in greater depth:

- Uplands consideration & Aesthetics
- Resiliency & Sustainability
- Reduced Environmental Impact
- Balanced Harbor Design, Logistics
- Business & Economic Opportunities

The group reunited to share highlights from their conversations, and the meeting closed with a Q&A session. Many themes emerged, including the importance of affordable employee housing, curiosity about project timeline and cost estimates (see the Study Update below for more details), and the vital role the harbor plays in this community. Thank you to all who joined us for this meeting. The next public meeting will be timed to align with the release of the Tentatively Selected Plan.



Harbormaster Matt Clarke shares insights from the Business & Economic Opportunities breakout session

STUDY UPDATE



The pace of progress on the study has been great, but the City recently learned it may be put on pause. The USACE has informed the City that their FY23 Federal funds will carry USACE activities into January 2024. However, Federal funding for FY24 has not yet been secured, so they are anticipating a slowdown and possible pause in the study for the next 6 to 16 months.

While all USACE general investigation studies (GI's) are incrementally funded, it is unprecedented for a study to pause like this for lack of continuation funding. The Homer Harbor Expansion study, however, falls into a unique and very small cohort of new start GI's nationwide that were started through congressionally designated spending appropriations. The procedure for securing continuation funding for these studies in the FY24 Federal budget (either through a second federal appropriation or through inclusion in the USACE workplan) was unclear and no funding was included. It is our understanding that all new start GI's funded through FY23 Federal appropriations are in the same position, and efforts are underway to remediate the Federal funding issues and progress the various studies.

The City is working closely with the USACE and diligently investigating all opportunities to keep the harbor expansion study on schedule or minimize the impacts of a delay. The work done to date on the study is not time-sensitive and will remain relevant at the resumption of the study. We appreciate all the efforts of our local USACE project team. They have been open to creative solutions to stretch the current funding, utilize work in kind, and generally optimize the budget; they just recently secured an additional \$50,000 in reprogrammed funds from a study in Hawaii.

The USACE anticipates resuming the study in July 2024 by receiving continuation funding through a balance of unused funds in the USACE FY24 workplan, or possibly later through inclusion in the FY25 Federal Budget. To our knowledge no GI has ended due to lack of Federal funding. We trust that the federal government will ultimately fulfill its commitment to the Homer Harbor Expansion study.

Additionally, geotechnical sampling and ship simulation are being recommended during the study phase, which in the past have been conducted during a project's engineering and design phase. Adding these components to the GI will increase the study cost above the budgeted \$3M, requiring an increase in sponsor matching funds, which is ultimately a City Council decision. The City and HDR are working with the USACE to keep those costs down while gathering sufficient data to support basin design assumptions which is important to mitigating risk associated with identifying construction costs.

COMMUNITY RECREATION



COSMIC HAMLET PICKLEBALL TOURNAMENT RECAP

The 2nd Annual “Cosmic Hamlet Pickleball Tournament” was held on Labor Day weekend September 1-3. The event was co-sponsored with Homer Pickleball Club and attracted many participants. We expect this to grow every year despite the challenges and limitations of using the HERC gym. The numbers include:



- 73 players entered, an increase over last year's tournament
- 51 teams played in the tournament
- 30 players were from Homer, 43 were from out of town (largely Anchorage and from other communities on the Peninsula)
- 3 Major Sponsors - Story Real Estate, Grace Ridge Brewery and Homer's Jeans
- 21 Homer businesses provided door prizes
- 45 door prizes were given out

The Homer Community Recreation program has a constant flow of new opportunities. Please check out our many activities, programs and special events here: <https://www.cityofhomer-ak.gov/com-rec/current-programs-events>.

FIRE DEPARTMENT

SEPTEMBER TRAININGS

Throughout the month of September, trainees in HVFD's 2023 Firefighter 2 class has been covering a wide variety of skills trainings to prepare them for their State certification test the first week of October. Their trainings include vehicle extrication, special rescue team operations, fire origin and cause, and much more. Four members from HVFD and four from Seward Fire Department worked hard and made this class great. We look forward to congratulating them when they graduate in October with State and National certifications!



HVFD's newest Volunteer putting in the extra time for Extrication Training.



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VEIS (Vent, Enter, Isolate, Search) Training teaches firefighters advanced levels of fire rescue tactics.

CITY STAFF
SEPTEMBER ANNIVERSARIES

We would like to recognize City staff members with anniversaries last month. Thank you for the dedication, commitment, and service you've provided the City and taxpayers of Homer over the years. You all are an integral part of what makes the City of Homer a great place to work .

Aaron Glidden	Port	19 Years
Ryan Browning	Police	13 Years
Tracie Whitaker	Police	9 Years
Lisa Linegar	Police	8 Years
Jakob Richter	Fire	4 Years
Charles Benson	Police	2 Years
Samantha Cunningham	Fire	2 Years
Jessica McGuire	Finance	1 Year

MEET CITY
STAFF

Meet Cinda Nofziger

Lions and Tigers and Bears, Oh My! I love being the youth services librarian at the Homer Public Library. I help plan and run programs for area youth from wee-ones to young adults, including our summer reading program. Year round, I get to host storytimes for our youngest patrons, and after school activities for elementary kids as well as tweens and teens. Shout out to the Teen Advisory Board! You can also catch me on KBBI radio each month for radio story hour where young and old alike can listen to stories and take a much needed dance break! I also manage the collections of materials for children and young adults.



wonders of the Homer Public Library when it was located on Pioneer. My previous employment includes stints at the Gear Shed, Albany County Public Library, and Head of Reference at the University of Michigan. Please say hello the next time you visit the library!

EMPLOYEE
HIGH FIVE!

Everyone in town knows that phone service was down for an extended period recently. What most people don't realize is that the water treatment plant relies on the phone system to alert operators to problems with the system. Another thing that some people don't know is that the drinking water system supplies water to the fire hydrants in town.



The on call operator, Jason Hoffman, contacted his supervisor about the lack of comms at the WTP. They assessed the situation, if the plant had a shutdown, without the phone system operating, reaction time would be dangerously long, especially if there were a fire or some other emergency in town. It was decided someone should stay at the plant all night to insure uninterrupted service, Jason volunteered. This shows his dedication, not only to his job but to the health and safety of our community.

High five, Jason!

My favorite part of my job is getting to know and hang out with so many of our community's wonderful youth—from the littles who are just learning about books to the teens who use the library to study, socialize, and craft their own stories. Everyone brings a super fun energy to the building and I feel so lucky to be a part of it. Our area kiddos make my job fun, exciting, and so very meaningful. I also have some wonderful colleagues!

When I'm not at the library, you might find me reading, watching British mysteries, hanging out with my family crew, Jazzercising (yes, Jazzercising), and going on Homer adventures. I've served as the youth librarian and have lived full-time in Homer for two years now, but Homer has always felt like home for as long as I can remember. I still think so fondly of Grandma Hilda Stoltzfus introducing me to the

CITY OF HOMER ROSTER

Mayor - Ken Castner (2024)

City Council

Donna Aderhold (2024)

Jason Davis (2025)

Shelley Erickson (2024)

Storm P. Hansen-Cavasos (2025)

Rachel Lord (2023)

Caroline Venuti (2023)

City Staff Leadership

Rob Dumouchel, City Manager

Melissa Jacobsen, MMC, City Clerk/Deputy Director of Administration

Mark Robl, Chief of Police

Bill Jirsa, Chief Technology Officer

Julie Engebretsen, Economic Development Manager

Elizabeth Walton, Finance Director

Mark Kirko, Fire Chief

Dave Berry, Library Director

Andrea Browning, Personnel Director

Bryan Hawkins, Port Director

Jan Keiser, Public Works Director/City Engineer

Ryan Foster, City Planner

Mike Illg, Community Recreation Manager

Commissions and Boards

ADA Advisory Board

Economic Development Advisory Commission

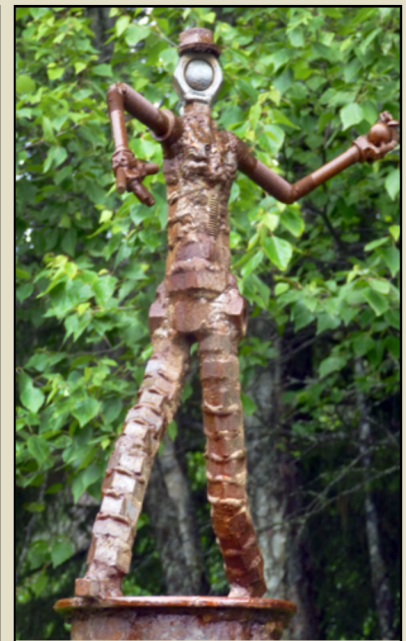
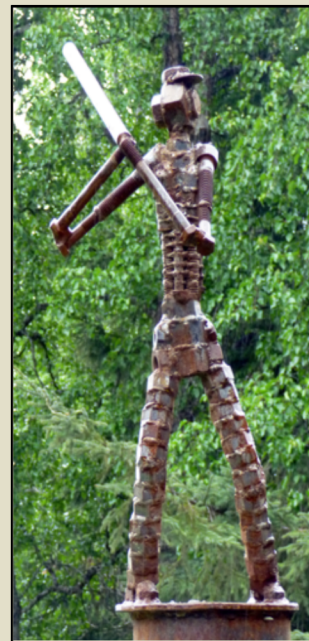
Library Advisory Board

Parks, Art, Recreation and Culture Advisory Commission

Planning Commission

Port and Harbor Advisory Commission

MUNICIPAL ART COLLECTION



These two ball players can be seen hanging out at Jack Gist Park, no matter the season.

These sculptures were constructed by artist Don Henry in 2009 out of welded found objects.

Learn more about the municipal art collection at:

[www.cityofhomer-ak.gov/
prac/city-homer-municipal-art-collection](http://www.cityofhomer-ak.gov/prac/city-homer-municipal-art-collection)

STAY CONNECTED TO CITY COUNCIL

Go to cityofhomer-ak.gov/cityclerk/stay-connected-city-council to find instructions on how to listen, provide testimony, and participate in the meetings via Zoom.

October UPCOMING MEETINGS

3 7 am - 8 pm	Election Day for 2023 City & Borough Regular Election
4 5:30 pm	Planning Commission Worksession
4 6:30 pm	Planning Commission Regular Meeting
9 4 pm	City Council Worksession - HERC
9 5 pm	City Council Committee of the Whole
9 6 pm	City Council Regular Meeting
10 6 pm	Economic Dev. Advisory Commission Regular Meeting
11 5:30 pm	Port & Harbor Advisory Commission Regular Meeting
12 5:30 pm	ADA Advisory Board Regular Meeting
12 5:30 pm	Port & Harbor Advisory Commission Worksession
16 5:30 pm	Planning Commission Worksession
16 6:30 pm	Planning Commission Regular Meeting
17 5:30 pm	Library Advisory Board Regular Meeting
19 5:30 pm	Parks, Art, Rec & Culture Commission Regular Meeting
23 5 pm	City Council Committee of the Whole
23 6 pm	City Council Regular Meeting

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JOIN OUR TEAM

- Find current job listings for the City of Homer
- Sign up for Job Alerts
- Apply Online at:
cityofhomerak.applicantpro.com/jobs

CURRENT JOB LISTING

- [Harbor Officer I](#)
- [Firefighter/ EMT](#)



ABOUT THIS NEWSLETTER

The City of Homer Newsletter is published monthly. For questions or comments, please contact the Office of the City Manager at citymanager@ci.homer.ak.us.

City of Homer

491 E. Pioneer Avenue, Homer, Alaska 99603
907-235-8121

www.cityofhomer-ak.gov



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www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum

TO: Mayor Castner and Homer City Council
FROM: Rob Dumouchel, City Manager
DATE: October 4, 2023
SUBJECT: City Manager's Report for October 9, 2023 Council Meeting

Transportation Plan's Public Meeting Update

Over 40 people turned out to comment on the Public Review Draft of the Transportation Plan. Next steps include collecting public comments until October 10th, providing comments to project consultant Kinney Engineering, and revising the plan so it is ready for presentation to the Planning Commission. Stay tuned for the next draft near the end of the year or early 2024.



Audit Update

The current audit has been a topic of discussion at recent meetings. I have written a memo, attached to this report, which provides more context for Council and the public to understand the challenges we've faced in

the last two years related to audit timing. The cumulative impacts of COVID, the administration of large amounts of grant and relief dollars, the change in fiscal year, the truncation of FY21, a software transition, new accounting rules, and staffing shortages in the accounting world have all contributed to a delayed audit for FY22. We're working on options for acceleration of the FY23 audit that would get us caught up and into a better rhythm for future audits.

Airport Sidewalk Repair Update

The City issued an Invitation to Bid for the Airport Terminal Sidewalk Replacement Project that was advertised in the Homer News August 24 and 31, 2023 and no bids were received for the project. The Invitation to Bid was extended and re-advertised on September 14 & 21, 2023 and in the Peninsula Clarion on September 16, 2023, and again, no bids were received. Public Works Director Keiser's has suggested that we issue another invitation to bid for the project in the spring.

ICMA Conference

I am currently attending the International City Manager Association (ICMA) conference in Austin, TX. I attended micro-certification courses titled "Building High Performing Board-Manager Relations" and "Tackling Wicked Problems: Building Capacity for Deliberative Engagement." I've also attended many sessions on topics related to governance, staff transitions and institutional knowledge transfer, rural community management, conflict resolution, multigenerational workplace management, revenue generation, ethics, and more. On the way to Austin, I attended an AMLJIA meeting of the board of trustees.

Attachments:

October Employee Anniversaries
Audit Update Memorandum
Panel Discussion Flyer
Council Work Session Scheduling



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum

TO: MAYOR CASTNER AND CITY COUNCIL
FROM: Andrea Browning
DATE: October 9, 2023
SUBJECT: October Employee Anniversaries

I would like to take the time to thank the following employees for the dedication, commitment and service they have provided the City and taxpayers of Homer over the years.

Charles Lee

Police

3 Years

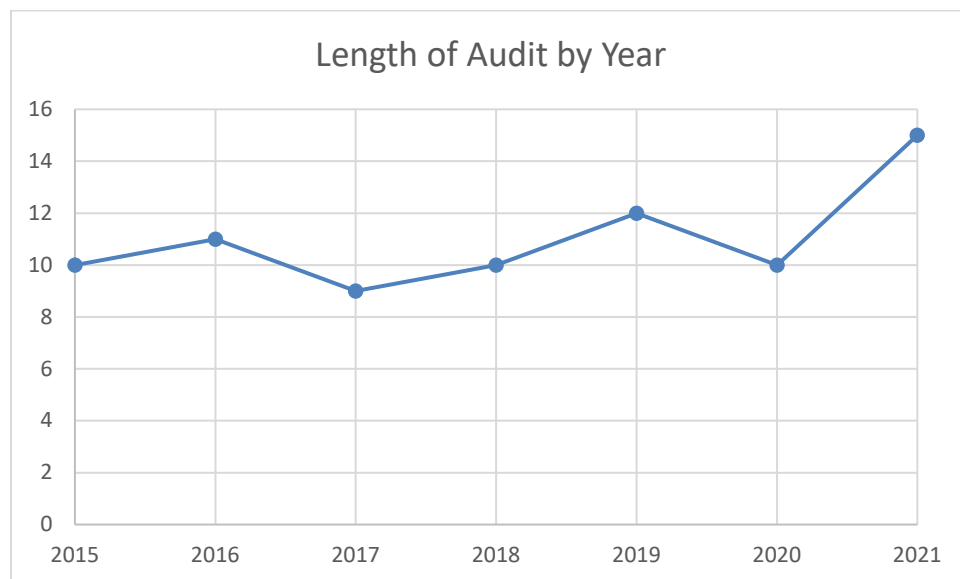


MEMORANDUM

FY22 Audit Context and Discussion

Item Type: Informational Memorandum
Prepared For: Mayor Castner and Homer City Council
Date: 4OCT23
From: Rob Dumouchel, City Manager

The FY22 audit is nearing completion and has taken more time than both Council and staff would have liked. Many factors have contributed to the delay. The timing of the audit has generated some comments at Council meetings, and this memo is written with the intent of providing context for the discussion as it is important to understand the current situation.



Going back to 2015, audits have taken anywhere from 9 to 15 months to complete. The majority have been between 10 and 12 months. Where we began to have challenges is after 2020. My perspective is that the cumulative impacts of a number of items have slowed down our progress:

- The general impacts of the pandemic on staff and contractors.
- The Influx of COVID relief funds (CARES Act, ARPA, etc.) brought millions of additional dollars to the City that were processed through the City for various emergency relief grants to

businesses, non-profits, and individuals. Additionally, funds were made available for City purposes, pass through grants, and projects related to pandemic response and mitigation which required a significant amount of administration.

- Ordinance 20-89 changed the City's fiscal year from a January 1 - December 31 calendar year, to a July 1 – June 30 fiscal year. The change was a logical move that I believe is good long term decision for the City, however, the move has been very labor intensive for staff in the fiscal years immediately following the change.
- FY21 was truncated to six months as part of the fiscal year change which gave the FY21 audit a late start because the actual fiscal year was shorter than the time required for the FY20 audit to be completed.
- A major update to our finance software, Caselle, was undertaken after the FY21 audit was complete to account for the fiscal year change in our system.
- GASB rule 87¹, which impacts reporting related to leases, was implemented and has caused difficulties for many local governments in integrating the new standard.
- There is a nationwide shortage of accounting professionals in the public and private sectors which impacts the schedules of our partner finance firms and our auditing firm. For instance, BDO USA is reportedly pursuing a significant increase to its offshore workforce in an attempt to combat the decrease in workers interested in becoming auditors². Similarly, many municipalities in Alaska, from big cities like Anchorage³ to small cities like Seward⁴, are having to use finance consultants to mitigate the impacts of unfilled Finance positions in their organizations.
- Significantly more local governments than usual have been required to conduct federal single audits due to COVID relief funding creating pressure on auditing firms.⁵

¹ GASB = Governmental Accounting Standards Board which is the source of generally accepted accounting principles used by state and local governments in the United States. <https://gasb.org/page/PageContent?pagelid=/standards-guidance/pronouncements/summary--statement-no-87.html&isStaticPage=true>

² <https://www.ft.com/content/5e2a3d0d-57cf-4e9a-a8ea-d3877e124037>

³ Anchorage contracted with three finance firms to support the Controller Division which was at approximately 52% of total staffing in February of 2023 <https://www.adn.com/alaska-news/anchorage/2023/02/22/municipality-of-anchorage-to-pay-up-to-2m-to-outsource-finance-work-due-to-employee-vacancies/>

⁴ Seward uses a financial consultant to support the operations of an understaffed Finance Department. Seward also went four years without a long-term finance director until promoting an existing staff member in August 2023 https://www.sewardjournal.com/news/local/city-names-jusino-new-finance-director/article_bfa5315e-47ab-11ee-a8c8-5f9a93dd4d0f.html

⁵ "...the demand for government auditors in the private sector has likely increased because more localities will be subject to the federal government's single audit requirement. Under the rule, governments that spend \$750,000 or more of federal awards in any given year are subject to the federal Single Audit Act, which requires they submit an external audit to verify they've spent the money according to the guidelines. In some cases, governments in 2022 were going through the single audit process for the first time ever, according to Mary Foelster, senior director of governmental auditing and accounting. She added that 'the increase in the demand for new government audits came during the same time as entities and firms were trying to work on the backlog of previous audits [for governments who were given filing extensions during the pandemic].'" <https://www.route-fifty.com/workforce/2023/04/how-auditor-shortage-could-hurt-local-governments/385337/>

- The late finish for FY21's audit delayed the start of the FY22 audit.

Staff put a lot of effort into attempting to close the current audit by the end of June 2023. We were able to distribute draft financial statements to Council on June 14th. Unfortunately, issues mainly related to implementation of the new GASB 87 rules impacted our ability to finish at that time. We have worked diligently with the auditors to provide any additional information they have requested, and they have made great efforts to keep us on their busy schedule to continue moving things forward.

As the FY22 audit draws to a close, I have asked Finance staff to investigate options to accelerate the FY23 audit. Over the last year we've been pulling together resources to make that objective attainable. We have an existing relationship with Porter & Allison, Inc. to assist in the preparation of financial statements, but we also added two accounting firms to our term contract list in fall of 2022 (Resolution 22-068). Earlier this year the Council approved an increase in funding for professional services for the Finance Department in the FY24/25 budget which was requested to help with priority projects like completing the audit in a timely fashion.

While most of the City was able to move on from the fiscal year change without much of a problem, it did create challenges for Finance which were expected to, and did, have an impact for the years immediately following the change. Getting the current two-year budget complete got us past the fiscal year change on the budget side, and getting past the FY22 audit and accelerating the FY23 audit to overcome the delayed starts on the last two audits should get us back to our regular rhythm for auditing. I would like to make significant reductions in the time it takes to complete future audits, but in the short term, we need to clear out the current cumulative factors to give us a clean slate to work from.



Panel Discussion: What is Driving Change in Homer?



Sarah Richardson



Derotha Ferraro



Katie Gavenus



Julie Engebretsen



Brad Anderson

Join us for a discussion on why & how the greater Homer-area is changing:
demographics and healthcare; changing environment; economic
development; small business perspective; and real estate trends.

**Thursday,
October 12**

**6:00 pm - 8:00pm
at the Homer Library
500 Hazel Ave,
Homer, AK 99603**



**Jane Rohr,
Moderator**

WORK SESSION

AGENDA CALENDAR 2023

Council Meeting Dates	4:00 p.m. Worksession Topic
Monday, May 8	
Tuesday, May 22	<i>Coast Guard ws 2 5 COW @ 4</i>
Monday, June 12	<i>2023 City of Homer Salary and Benefits Survey</i>
Monday, June 26	<i>FY24/25 Capital Budget</i>
Monday, July 24	<i>HDR-Homer Harbor Expansion Alternatives Screening and Next Steps</i>
Monday, August 14	<i>HERC & Hazardous Materials Update – Economic Development Manager & Recreation Manager</i>
Monday, August 28	<i>2024-2029 Capital Improvement Plan & FY25 Legislative Priorities - Special Projects & Communications Coordinator</i>
Monday, September 11	<i>HHE study funding and timeline status by the USACE Project Development Team</i>
Monday, September 25	<i>Ord 23-49 Amend Title 2 & Re-Organization</i>
Monday, October 9	<i>HERC – Economic Development Manager & Recreation Manager</i>
Monday, October 18 (off cycle)	<i>Joint Work Session with Planning Commission</i>
Monday, October 23	<i>Finance</i>
Monday, November 27	<i>Recreation</i>
Monday, December 11	
Monday, December 18 If needed	

PORT & HARBOR ADVISORY COMMISSION 2023 Calendar

	AGENDA ITEM DEADLINE TO PORT STAFF	PHC MEETING	CITY COUNCIL MEETING FOR REPORT*	ANNUAL TOPICS/EVENTS
JANUARY	Wednesday 1/18 5:00 p.m.	Wednesday 1/25 5:00 p.m.	Monday 2/13 6:00 p.m. [Siekaniec]	<ul style="list-style-type: none"> • Clerk Reappointment Notices Sent Out
FEBRUARY	Wednesday 2/15 5:00 p.m.	Wednesday 2/22 5:00 p.m.	Monday 2/27 6:00 p.m. [Matthews]	<ul style="list-style-type: none"> • Terms Expire February 1st • Election of PHC Officers • Economic Development Worksession: Land Allocation Plan & Comp Plan
MARCH	Wednesday 3/15 5:00 p.m.	Wednesday 3/22 5:00 p.m.	Tuesday 3/28** 6:00 p.m. [Friend]	
APRIL	Wednesday 4/19 5:00 p.m.	Wednesday 4/26 5:00 p.m.	Monday 5/8 6:00 p.m. [Pitzman]	<ul style="list-style-type: none"> • City Budget Review/Develop Requests *may be n/a during non-budget years • Amend Commission's Bylaws
MAY	Friday 5/12 12:00 p.m.	Wednesday 5/24 6:00 p.m.	Monday 6/12 6:00 p.m. [Friend]	<ul style="list-style-type: none"> • Annual Review of Strategic Plan & Goals – Set Worksession for June • 2nd Meeting – Amend Commission Bylaws Meetings • Draft Homer Harbor Expansion (HHE) Project Charter • Draft HHE Project Communications Plan • Draft Port & Harbor Business Plan • Draft Harbor Fleet Management Plan
JUNE	Friday 6/16 12:00 p.m.	Wednesday 6/28 5:30 p.m.	Monday 7/24 6:00 p.m.	<ul style="list-style-type: none"> • Capital Improvement Plan Annual Review w/ Special Projects & Communications Coordinator Carroll
JULY	Friday 7/14 12:00 p.m.	Wednesday 7/26 5:30 p.m.	Monday 8/14 6:00 p.m.	
AUGUST	Friday 8/11 12:00 p.m.	Wednesday 8/23 5:30 p.m.	Monday 8/28 6:00 p.m. [Velsko]	<ul style="list-style-type: none"> • Capital Improvement Plan Annual Review (<i>follow-up if needed</i>)
SEPTEMBER	Friday 9/15 12:00 p.m.	Wednesday 9/27 5:30 p.m.	Monday 10/9 6:00 p.m. [Zeiset]	<ul style="list-style-type: none"> • Spit Comprehensive Plan Annual Review • AAHPA Conference Sep. 25-29th
OCTOBER	Friday 10/13 12:00 p.m.	Wednesday 10/25 5:30 p.m.	Monday 11/27 6:00 p.m. [Zeiset]	<ul style="list-style-type: none"> • Approve Meeting Schedule for Upcoming Year
NOVEMBER	Friday 10/27 12:00 p.m.	Wednesday 11/8 5:30 p.m.		<ul style="list-style-type: none"> • Seattle Fish Expo •

DECEMBER	Friday 12/1 12:00 p.m.	Wednesday 12/13 5:30 p.m.	Monday 1/8/2024 • Land Allocation Plan Annual Review 6:00 p.m. [Siekaniec]
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*The Commission’s opportunity to give their report to City Council is scheduled for the Council’s regular meeting following the Commission’s regular meeting, under Agenda Item 8 – Announcements/ Presentations/ Borough Report/Commission Reports.

**City Council’s March meeting will be held on a Tuesday due to Seward’s Day.

**There will be no First Regular Meeting in July or November.

*** The City Council traditionally cancels the last regular meeting in December and holds the first regular meeting and one to two Special Meetings as needed.