

Agenda Port & Harbor Advisory Commission Worksession

Wednesday, April 30, 2025 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: 925 6798 0403 Password: 278396

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

DISCUSSION TOPIC(S)

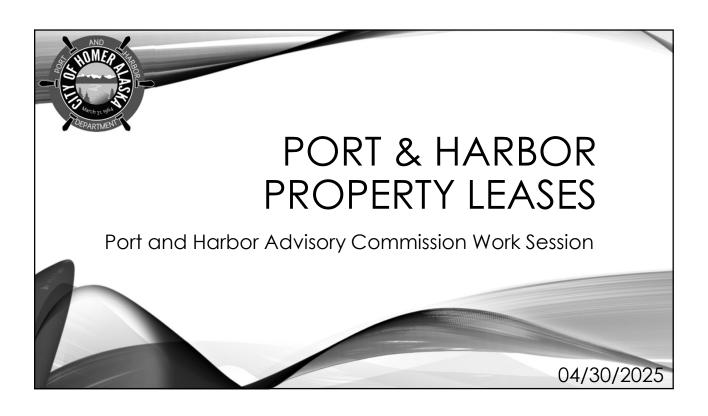


A. Port & Harbor Property Leases

COMMENTS OF THE AUDIENCE (3 minute time limit)

ADJOURNMENT

Next Regular Meeting is Wednesday, May 28, 2025 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.





- Preliminary Basics Foundation
- The PREDICAMENT Compliance
- The PROCESS Applying, Approving
- The PLAN Looking Ahead



CITY CODE 18.08 'City Property Leases'

"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."



Base Lease Recitals

- "City's policy is to retain ownership of these properties and make them available for leasing in order to encourage growth in targeted economic sectors, to insure that Landlord (City) receives the maximum benefit.
- City accepts Lease proposal to lease because it should further the Landlord's goals for the development of the Landlord's properties.
- NOW THEREFORE, in consideration of the matters recited above, and the mutual covenants herein, the parties agree as follows:"
 The LEASE is what follows.



Lease on Paper vs Lease in Practice

- The City hired a Port Property Associate to bring <u>Paper</u> and <u>Practice</u> in sync.
 - Role: Port & Harbor lease and Airport sublease management.



•What's on Paper (sometimes):

- is not realistic or practical
- is not read, is ignored or misunderstood
- is in conflict with Tenant's desires
- is in conflict with Landlord's desires



THE PREDICAMENT: LEASES

- Insurance requirements
- 'Temporary' structures
- Usage: Zoning violations
- Agreed plan not followed
- •Improvements notifications, permits
- Required Licenses, Permits...



THE PREDICAMENT: SUBLEASES

- Subleases without approval by City Council or City Manager
- Clarity in categories of subleases
- Food trucks, vending machines...
- Sublease Assignments transfers



Individual interest

- Obtain information
- Consider potential
- Explain process
- . . .

Request for Proposals

- Land Allocation Plan says if required
- Competitive public process
- One proposal moves forward



THE PROCESS: LEASE APPROVAL

Lease Application

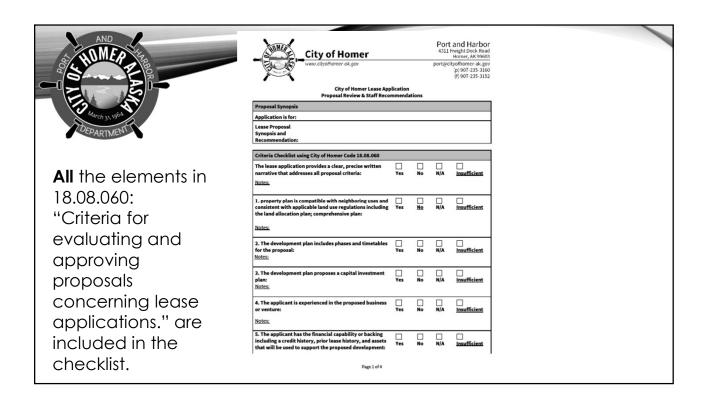
- Gather information
- Collect documents
- •\$1,000 fee payment

AND THE MARCH 31, VICA TO THE MARCH 31, VICA	City Lease Application For City-Owned Real Property Park (1972) Lass Application Parpose Request for New Lesses - Applicant is not currently a City lesses Request for New Lesses - Applicant is a current teases with no neuralining options to ransew Request for Audignment of Lesses - Applicant is requesting to have an exhiling lesses transferred to a new	
A quick review is conducted before a full review, looking	Property Information Physical Address: Square Poolsage: I Eggl Description of Property:	
	Applicant information Business Name: Representative's Full Name & Title: Mailing Address: City, Slain, 2IP Code: Phone Number(s): Email:	
for informational gaps, additional requirements	Dustinese Entity & Fizancial information Sole or individual Proprietonakly Attached documentation must provide owner's full name, address, and varify they are the sole owner. Is entity authorized to do businese in Aleska? Ho Yes - As of what date: Partnershy - Attached documentation must provide Partners' full names, addresses, and share percentages. Date of Organization: Type of Partnershy	
	Page 1 of S	



Lease Application Review - Checklist

• The Checklist checks the Lease Application using City Code 18.08.060 "Criteria for evaluating and approving proposals and competing lease applications."





Lease Application Checklist Reviewed:

- Check Lease purpose, documents, plans against City goals...
 - by Port Property Associate, Administrative Supervisor, Port Director.
 - by City Planning, Community Development and Public Works as appropriate.



- Checklist is submitted to City Manager for review and approval.
 - If approved, then submitted to Port Commission & City Council for review.
 - If not approved, the applicant is notified and the process stops here.



THE PROCESS: LEASE APPROVAL

- 'Performance Standards' two ways that we require consistency with stated goals:
 - Property development plans & Required Improvements
 - Property usage and purpose



- After CM Approval, PHC reviews application, checklist, and documents
 - Provide input on length of term, lease rate, draft lease agreement, purpose, and any Required Improvements
 - Make motion to City Council with recommendation(s)



THE PROCESS: LEASE APPROVAL

- Before submitting to City Council:
 - Regular communication with the Lessee
 - Go over key points of the lease to increase likelihood of future compliance.

• . . .



After Council approves:

- Work with mortgage lender to ensure they understand lease terms (if applicable)
- Negotiate documents (if applicable)
- Sign and record lease documents



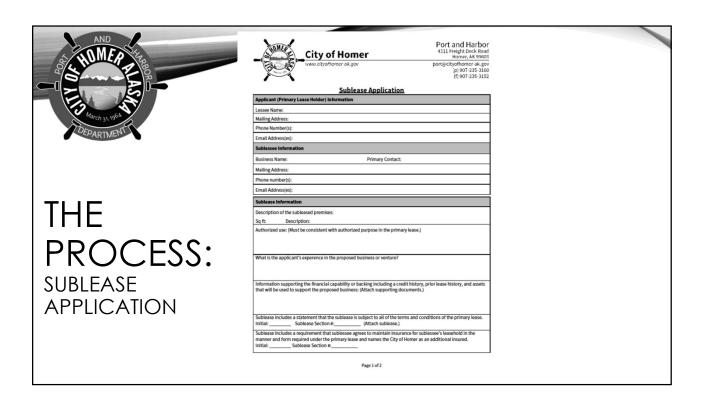
""Sublease" means a leasing by a tenant or lessee of part or all of a leased premises to another entity or entities with the original lessee retaining the rights and interest under the original lease." – HCC 18.08.10 Definitions



•Lessee is responsible for communication with and gathering information and fees from the Sublease Tenant.



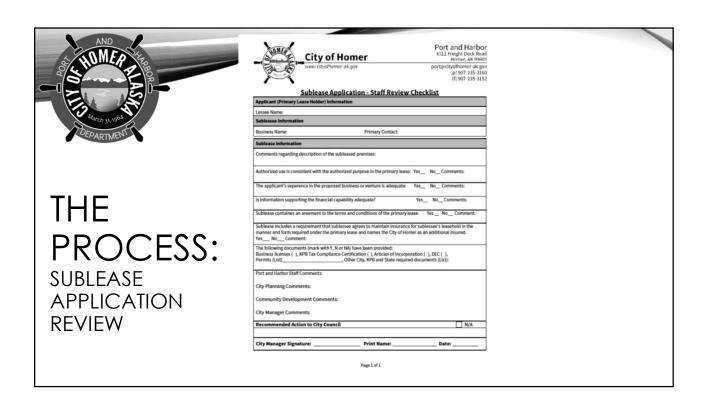
- •Sublease Application Form:
 - Subject to the purpose and use and all terms and conditions of the Prime Lease
 - Insurance requirements are also the same.
 - •Licensure and permits to comply with City Borough and State are also required.





Review Process:

- Simplified
- Includes the same City Staff and Departmental Staff reviews and approvals as the Lease





•After Approval by the City Manager, the Sublease requires same City Council approval process as a standard lease.



- Editing Paper (Code & Lease) because in places they are:
 - Incompatible with the Open Meetings Act
 - Lack clarity and consistency.
 - Neither practical to implement nor beneficial to either City or Tenant.



- Identify areas in Title 18.08 and the Base Lease needing to be amended, added & removed.
- Amend sections that don't reflect reality.
 - Automobile Liability Insurance: require only where business type creates exposure for the City.



- Base Lease sections that don't reflect reality
 - Sublease Fee of 10% of base rent for the square footage they occupy.
 - Recommend change of \$500/sublease/year fee, starting the year after Application is approved.



- Reduce Sublease Application Fee Recommend to Council:
 - Creating a \$500 Sublease Application Fee which would be applied instead of the "Lease Application Fee" of \$1000.



Enforce approval of all subleases:

- Require all Subleases over one year to have City Council approval – per City Code
 - If apply by May 23rd, waive the current \$1000 fee.
 - If request is ignored or rejected, disallow the business to continue to operate.



Enforce approval of all subleases:

- Possible carve-out exception for Food Trucks operating 10 days or less during the year?
 - Charge a 10-day fee (ex. \$250/yr)
 - Port and Community Development approval
 - Greater than 10 days/year: standard sublease.



- Further identify, clarify & codify Sublease management changes where appropriate.
- Future consideration: Allow City Manager approval of all Subleases (or all subleases under X years), currently only ≤ one year.



- Increase Collaboration with:
 - Other City Departments utilize their expertise
 - Port and Harbor Advisory Commission to:
 - Maximize the value of City assets
 - Share Information Receive Input
 - City Council member on Title 18 edits.



- Meeting with Lease Applicants to discuss process, the lease document...
 - Develop a 1-2 page Lease Summary identifying often missed Lease requirements
 - Annual site visits & Lease review checklist 'Performance Standard'.