



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.



PORT & HARBOR PROPERTY LEASES

Port and Harbor Advisory Commission Work Session

04/30/2025



PORT PROPERTY LEASES

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



PRELIMINARY BASICS

- **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."



PRELIMINARY BASICS

- **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.



THE PREDICAMENT: LEASE COMPLIANCE

• **Lease on Paper vs Lease in Practice**

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



THE PREDICAMENT:

• **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



THE PROCESS: LEASE APPROVAL

• 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



A quick review is conducted before a full review, looking for informational gaps, additional requirements...



City Lease Application
For City-Owned Real Property

Homer Port & Harbor
4811 Freight Dock Road
Homer, AK 99603
Phone: (907)235-3360
Fax: (907)235-3352
port@cityofhomer.ak.gov


Lease Application Purpose	
<input type="checkbox"/>	Request for New Lease; New Lease - Applicant is not currently a City lessee
<input type="checkbox"/>	Request for New Lease; Existing Lease - Applicant is a current lessee with no remaining options to renew
<input type="checkbox"/>	Request for Assignment of Lease - Applicant is requesting to have an existing lease transferred to a new owner/business
Property Information	
Physical Address:	
Square Footage:	<input type="checkbox"/> Full Lot <input type="checkbox"/> Portion of Lot <small>KPS Parcel No.:</small>
Legal Description of Property:	
Applicant Information	
Business Name:	
Representative's Full Name & Title:	
Mailing Address:	
City, State, ZIP Code:	
Phone Number(s):	
Email:	
Business Entity & Financial Information	
<input type="checkbox"/> Sole or Individual Proprietorship - Attached documentation must provide owner's full name, address, and verify they are the sole owner.	
Is entity authorized to do business in Alaska? <input type="checkbox"/> No <input type="checkbox"/> Yes - As of what date:	
<input type="checkbox"/> Partnership - Attached documentation must provide Partners' full names, addresses, and share percentages.	
Date of Organization:	Type of Partnership:
Is Partnership authorized to do business in Alaska? <input type="checkbox"/> No <input type="checkbox"/> Yes - As of what date:	

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THE PROCESS: LEASE APPROVAL

- **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."



All the elements in 18.08.060:
 “Criteria for evaluating and approving proposals concerning lease applications.” are included in the checklist.



City of Homer
www.cityofhomer.ak.gov

Port and Harbor
 4511 Freight Dock Road
 Homer, AK 99603
 port@cityofhomer.ak.gov
 (p) 907-235-3160
 (f) 907-235-3152

**City of Homer Lease Application
 Proposal Review & Staff Recommendations**

Proposal Synopsis				
Application is for:				
Lease Proposal Synopsis and Recommendation:				

Criteria Checklist using City of Homer Code 18.08.060					
The lease application provides a clear, precise written narrative that addresses all proposal criteria:		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A	<input type="checkbox"/> Insufficient
<i>Notes:</i>					
1. property plan is compatible with neighboring uses and consistent with applicable land use regulations including the land allocation plan; comprehensive plan:		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A	<input type="checkbox"/> Insufficient
<i>Notes:</i>					
2. The development plan includes phases and timetables for the proposal:		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A	<input type="checkbox"/> Insufficient
<i>Notes:</i>					
3. The development plan proposes a capital investment plan:		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A	<input type="checkbox"/> Insufficient
<i>Notes:</i>					
4. The applicant is experienced in the proposed business or venture:		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A	<input type="checkbox"/> Insufficient
<i>Notes:</i>					
5. The applicant has the financial capability or backing including a credit history, prior lease history, and assets that will be used to support the proposed development:		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A	<input type="checkbox"/> Insufficient

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THE PROCESS: LEASE APPROVAL

- **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.



THE PROCESS: LEASE APPROVAL

- **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



THE PROCESS: LEASE APPROVAL

- **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.
 - ...



THE PROCESS: LEASE APPROVAL

- **After Council approves:**

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



SUBLEASES

““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




THE PROCESS: SUBLEASE APPROVAL

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




THE PROCESS: SUBLEASE APPROVAL

- **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.



THE PROCESS: SUBLEASE APPLICATION




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Port and Harbor
4311 Freight Dock Road
Homer, AK 99603
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(p) 907-235-3160
(f) 907-235-3152

Sublease Application


Applicant (Primary Lease Holder) Information	
Lessee Name:	
Mailing Address:	
Phone Number(s):	
Email Address(es):	
Sublessee Information	
Business Name:	Primary Contact:
Mailing Address:	
Phone number(s):	
Email Address(es):	
Sublease Information	
Description of the subleased premises:	
Sq ft:	Description:
Authorized use: (Must be consistent with authorized purpose in the primary lease.)	
What is the applicant's experience in the proposed business or venture?	
Information supporting the financial capability or backing including a credit history, prior lease history, and assets that will be used to support the proposed business: (Attach supporting documents.)	
Sublease includes a statement that the sublease is subject to all of the terms and conditions of the primary lease.	
Initial:	Sublease Section #: (Attach sublease.)
Sublease includes a requirement that sublessee agrees to maintain insurance for sublessee's leasehold in the manner and form required under the primary lease and names the City of Homer as an additional insured.	
Initial:	Sublease Section #:

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THE PROCESS: SUBLEASE APPROVAL

- **Review Process:**
 - Simplified
 - Includes the same City Staff and Departmental Staff reviews and approvals as the Lease



THE PROCESS: SUBLEASE APPLICATION REVIEW



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Sublease Application - Staff Review Checklist

Applicant (Primary Lease Holder) Information	
Lessee Name: _____	
Sublessee Information	
Business Name: _____	Primary Contact: _____
Sublease Information	
Comments regarding description of the subleased premises: _____	
Authorized use is consistent with the authorized purpose in the primary lease: Yes ___ No ___ Comments: _____	
The applicant's experience in the proposed business or venture is adequate: Yes ___ No ___ Comments: _____	
Is information supporting the financial capability adequate? Yes ___ No ___ Comments: _____	
Sublease contains an agreement to the terms and conditions of the primary lease. Yes ___ No ___ Comment: _____	
Sublease includes a requirement that sublessee agrees to maintain insurance for sublessee's leasehold in the manner and form required under the primary lease and names the City of Homer as an additional insured. Yes ___ No ___ Comment: _____	
The following documents (mark with Y, N or NA) have been provided: Business licenses (), KPB Tax Compliance Certification (), Articles of Incorporation (), DEC (), Permits (List) _____ Other City, KPB and State required documents (List): _____	
Port and Harbor Staff Comments: _____	
City Planning Comments: _____	
Community Development Comments: _____	
City Manager Comments: _____	
Recommended Action to City Council <input type="checkbox"/> N/A	
City Manager Signature: _____	Print Name: _____ Date: _____

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THE PROCESS: SUBLEASE APPROVAL

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



THE PLAN: LOOKING AHEAD

- **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.



THE PLAN: LEASES LOOKING AHEAD

- 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.



THE PLAN: LEASES

LOOKING AHEAD

- 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.



THE PLAN: SUBLEASES

LOOKING AHEAD

- **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.



THE PLAN: SUBLEASES

LOOKING AHEAD

- **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.



THE PLAN: SUBLEASES

LOOKING AHEAD

- **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.



THE PLAN: SUBLEASES

LOOKING AHEAD

- 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 \leq one year.



THE PLAN: COLLABORATION

LOOKING AHEAD

- **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.



THE PLAN: COMMUNICATION

LOOKING AHEAD

- **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'.