



Agenda

City Council Regular Meeting

Monday, January 27, 2025 at 6:00 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: 205 093 973 Password: 610853
<https://cityofhomer.zoom.us>
Dial: 346-248-7799 or 669-900-6833;
(Toll Free) 888-788-0099 or 877-853-5247

CALL TO ORDER, PLEDGE OF ALLEGIANCE

AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual)

MAYORAL PROCLAMATIONS AND RECOGNITIONS

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA

RECONSIDERATION

CONSENT AGENDA (Items listed below will be enacted by one motion. If a separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- a. Homer City Council Unapproved Regular Meeting Minutes of January 13, 2024. City Clerk. Recommend adoption.
- b. Memorandum CC-25-024 from Mayor re: Appointment of William Roth to the Port and Harbor Advisory Commission. Recommend approval.
- c. Ordinance 25-07, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Appropriating \$67,480.81 from the Homer Accelerated Water and Sewer Program (HAWSP) for the Purpose of Reimbursing Seven Property Owners in the Bunnell Ave/Charles Way Special Assessment District For the Cost of E-One Lift Stations. City Manager. Introduction January 27, 2025 Public Hearing and Second Reading February 10, 2025.

Memorandum CC-25-030 from City Manager as backup.

- d. Ordinance 25-10, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Reappropriating FY23 State of Alaska Community Assistance Program Payment in the Amount of \$40,000 from the Workstation Upgrade to Microsoft Office 2021 Project. City Manager/Chief Technology Officer. Introduction January 27, 2025 Public Hearing and Second Reading February 10, 2025.

Memorandum CC-25-034 from Chief Technology Officer as backup.

- e. Resolution 25-006, A Resolution of the City Council of Homer, Alaska, Approving a Lease Assignment from Eagle Eye Charters, LLC DBA Bob's Trophy Charters to The Dragging Anchor, LLC; Approving Amendments to the Assigned Lease Under Sections 2.02 Quiet Enjoyment, 6.01 Use of Property, 6.02 Required Improvements, and 14.04 Addresses for Notices, Authorizing the City Manager to Negotiate and Execute the Appropriate Documents for the Assignment, Amendment and Extension of the Current Twenty Year Lease to a Full Twenty Year Lease with Options for Two Consecutive Five Year Renewals at an Initial Annual Base Rent of \$7,984.34 for Tract 1-B, Fishing Hole Subdivision No. 2. City Manager.

Memorandum CC-25-035 from Port Director as backup.

- f. Resolution 25-007, A Resolution of the City Council of Homer, Alaska, Stating the City's intention to Formally Partner with the State of Alaska Department of Transportation and Public Facilities in Local Sponsorship of a US Army Corps of Engineers General Investigation to Address Homer Spit Coastal Erosion and Requesting the State of Alaska to Appropriate \$1,200,000 in the State FY2026 Capital Budget as the State's Share of the Local Sponsor Match Requirement of \$1.5 Million. Mayor.

VISITORS

ANNOUNCEMENTS / PRESENTATIONS / REPORTS (5 Minute limit per report)

- a. Strategic Planning Worksession Report
- b. Special Meeting Report
- c. Committee of the Whole Report
- d. Mayor's Report
- e. Borough Report
- f. Americans with Disabilities Act Advisory Board
- g. Economic Development Advisory Commission
- h. Planning Commission
- i. Port and Harbor Advisory Commission
- j. Conversations with a Councilmember
 - i. Councilmember Erickson
- k. HART Policy Review
 - i. Memorandum CC-25-025 from Councilmembers Aderhold and Parsons

PUBLIC HEARING(S)

- a. Ordinance 25-01, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.10.030 Amending the Homer City Zoning Map to Rezone a Portion of the Rural Residential (RR) Zoning District to General Commercial 1 (GC1) Zoning District. Planning Commission. Introduction January 13, 2025 Public Hearing and Second Reading January 27, 2025.

Memorandum CC-25-004 from City Planner as backup.

Memorandum CC-25-029 from City Planner as backup.

- b. Ordinance 25-02, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Appropriating \$135,000 for the Purchase of Twenty Acres located North of Karen Hornaday Hillside Park with the Intent to Designate and Hold the Land as Public Park Land. Aderhold/Erickson/Hansen. Introduction January 13, 2025 Public Hearing and Second Reading January 27, 2025.

Memorandum CC-25-005 from Community Development Director as backup.

- c. Ordinance 25-03, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Accepting and Appropriating a Donation for the Homer Early Childhood Coalition through Sprout in the Amount of \$4,296.81 for an ADA Accessible Picnic Table and Other Improvements at Bayview Park. City Manager/Public Works Director. Introduction January 13, 2025 Public Hearing and Second Reading January 27, 2025.

Memorandum CC-25-006 from Parks Maintenance as backup.

- d. Ordinance 25-04, An Ordinance of the City Council of Homer, Alaska, Amending the FY2025 Capital Budget by Appropriating an Additional \$8,200 from the Port Reserves for Task Order 24-02 for Professional and Technical Assistance with the City's Application to the Port Infrastructure Development Program to Replace Float Systems 4 and 1 in the Small Boat Harbor. City Manager/Port Director. Introduction January 13, 2025 Public Hearing and Second Reading January 27, 2025.

Memorandum CC-25-007 from Port Director as backup.

Memorandum CC-25-032 from Port Director as backup.

- e. Ordinance 25-05, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Appropriating \$24,000 from the Port Reserves Fund to Replace the Fish Grinder Motor and Gearbox. City Manager/Port Director. Introduction January 13, 2025 Public Hearing and Second Reading January 27, 2025.

Memorandum CC-25-008 from Port Director as backup.

- f. Ordinance 25-06, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Appropriating an Additional \$2,193 from the Port Reserves Fund for the

Ammonia Storage Tank for the City Ice Plant. City Manager/Port Director. Introduction January 13, 2025 Public Hearing and Second Reading January 27, 2025.

Memorandum CC-25-009 from Port Director as backup.

ORDINANCE(S)

- [a.](#) Ordinance 25-08, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code to Add Chapter 2.30 Entitled Incident Management Planning. Erickson. Introduction January 27, 2025 Public Hearing and Second Reading February 10, 2025.
- [b.](#) Ordinance 25-09, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Appropriating \$50,000 from the Port Reserves Fund for the Purpose of Obtaining Professional Grant Writing Services to Assist with a Federal FY2025 Port Infrastructure Development Program Grant Application to Replace Float Systems 4 and 1 in the Small Boat Harbor. City Manager/Port Director. Introduction January 27, 2025 Public Hearing and Second Reading February 10, 2025

Memorandum CC-25-033 from Port Director and Special Projects Coordinator as backup.

CITY MANAGER'S REPORT

- [a.](#) City Manager's Report
 - City Council Worksession & Visitor Calendars – Updated
 - Employee Anniversaries for January 2025
- [b.](#) Financial Report
 - General Fund Expenditure Report - Actuals through December 2024 50% FY Elapsed
 - Financial Reporting Calendar 2025

PENDING BUSINESS

- [a.](#) Ordinance 24-61, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Appropriating \$2,000,000 from the Homer Accelerated Roads and Trails (HART) Fund to the Ohlson Lane and West Bunnell Avenue Road Reconstruction Project. City Manager/Public Works Director. Introduced November 12, 2024, Public Hearing November 25, 2024 Postponed to January 27, 2025.

Memorandum CC-24-232 from Public Works Director as backup.

- [b.](#) Ordinance 24-67, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Appropriating an Additional \$100,000 from the Homer Accelerated Roads and Trails (HART) Roads Fund to the Beluga Slough Green Infrastructure Stormwater Treatment System Project. City Manager/Public Works Director. Introduced November 25, 2024 Postponed to January 27, 2025. Public Hearing and Second Reading February 10, 2025.

Memorandum CC-24-245 from Public Works Director as backup.

Ordinance 24-67(S), An Ordinance of the City Council of Homer, Alaska, Amending the FY2025 Capital Budget by Appropriating an Additional ~~\$100,000~~ **\$360,000** from the Homer Accelerated Roads and Trails (HART) Roads Fund to the Beluga Slough Green Infrastructure Stormwater Treatment System **Management** Project. City Manager/Public Works Director.

Memorandum CC-25-031 from Public Works Director as backup.

NEW BUSINESS

- [a.](#) Memorandum CC-25-027 from Parks Art Recreation & Culture Advisory Commission re: Strategic Plan & Goals
- [b.](#) Memorandum CC-25-028 from City Clerk re: Vacation of a Portion of B Street Right of Way and Associated Utility Easements South of Bay Avenue granted by Bay View Subdivision Plat HM839
- [c.](#) Memorandum CC-25-026 from Port Director re: Port & Harbor Liability Insurance Requirements

RESOLUTIONS

COMMENTS OF THE AUDIENCE

COMMENTS OF THE CITY ATTORNEY

COMMENTS OF THE CITY CLERK

COMMENTS OF THE CITY MANAGER

COMMENTS OF THE MAYOR

COMMENTS OF THE CITY COUNCIL

ADJOURNMENT

The next Regular Meeting is Monday, February 10, 2025 at 6:00 p.m., Committee of the Whole at 5:00 p.m. A worksession is scheduled for 4:00 p.m. A worksession is scheduled for Monday, February 3, 2025 at 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Session 25-02 a Regular Meeting of the City Council of Homer, Alaska was called to order on Monday, January 13, 2025 by Mayor Lord at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance. City Council held a worksession at 3:30 p.m. on the Homer Accelerated Roads and Trails Fund and Program and had an update on the Homer Spit Storm Surge Erosion at the Committee of the Whole at 5:00 p.m.

PRESENT: COUNCILMEMBERS ERICKSON, HANSEN, DAVIS, ADERHOLD, VENUTI, PARSONS

STAFF: CITY MANAGER JACOBSEN
CITY CLERK KRAUSE
PORT DIRECTOR HAWKINS
CHIEF TECHNOLOGY OFFICER JIRSA
COMMUNITY DEVELOPMENT MANAGER ENGBRETSSEN
PUBLIC WORKS DIRECTOR KORT
FINANCE DIRECTOR FISCHER

AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual)

Mayor Lord read the supplemental items into the record as follows: **CONSENT AGENDA** item a. Homer City Council Unapproved Special Meeting Minutes of January 7, 2025. Item c. Marijuana License Renewals, Memorandum from Police Chief Application and Memorandum from the City Planner re: Non-Objection for Uncle Herb's Renewal **ANNOUNCEMENTS/PRESENTATIONS/REPORTS** Item i. is incorrectly listed as EDC Reports and is corrected to read AML Conference Reports. Email from Councilmember Erickson **CITY MANAGER'S REPORT** item a. Memorandum CC-25-022 Supplement to the City Manager's Report

ADERHOLD/VENUTI MOVED TO AMEND THE AGENDA WITH THE SUPPLEMENTAL ITEMS AS READ AND ADDRESS VISITORS AFTER AGENDA APPROVAL TO ALLOW SENATOR STEVENS TO MAKE HIS PRESENTATION DUE TO SCHEDULING CONFLICTS

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

- a. Senator Gary Stevens

Mayor Lord welcomed Senator Stevens and invited him to speak to Council.

Senator Stevens provided information on the following:

- BSA Funding and adequately funding schools
- PFD Funding and the use of the fund for government and not over spending
- Elections reform
 - o Witness signature

- Small issues that require attention
- Hiring and Retirement System
 - \$3B remaining from the previous Direct Contribution system
- Fisheries are really top importance

Mayor Lord expressed her appreciation to Senator Stevens and commented that she is looking to future monthly updates from him and noted that they are scheduling an ongoing Legislative Report on the Council meeting agenda going forward with him and Representative Vance.

MAYORAL PROCLAMATIONS AND RECOGNITIONS

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA

RECONSIDERATION

CONSENT AGENDA (Items listed below will be enacted by one motion. If a separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- a. Homer City Council Unapproved Regular Meeting Minutes of November 25, 2024 and Special Meeting Minutes of January 7, 2025 (*Refer to Supplemental Packet*). City Clerk. Recommend adoption.
- b. Memorandum CC-25-002 from City Clerk re: Liquor License Renewals for La Baliene Cafe, American Legion Post #16 and Odin Mead. Recommend approval.
- c. Memorandum CC-25-003 from City Clerk re: Marijuana License Renewals, Premise Changes and Walkup/Drive Through Applications for Alaska Loven It, Cosmic Cannabis Company, Kachemak Cannabis Company and Uncle Herb's. Recommend approval.
- d. Memorandum CC-25-010 from City Clerk re: Travel Authorization for Mayor Lord and Councilmembers to Attend the Alaska Municipal League Winter Conference in Juneau, Alaska February 18-20, 2025. Recommend approval.
- e. Ordinance 25-03, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Accepting and Appropriating a Donation for the Homer Early Childhood Coalition through Sprout in the Amount of \$4,296.81 for an ADA Accessible Picnic Table and Other Improvements at Bayview Park. City Manager/Public Works Director. Introduction January 13, 2025 Public Hearing and Second Reading January 27, 2025.

Memorandum CC-25-006 from Parks Maintenance as backup.

- f. Ordinance 25-04, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Appropriating an Additional \$8,200 from the Port Reserves for Task Order 24-02 for Professional and Technical Assistance with the City's Application to the Port Infrastructure Development Program to Replace Float Systems 4 and 1 in the Small Boat Harbor. City Manager/Port Director. Introduction January 13, 2025 Public Hearing and Second Reading January 27, 2025.

Memorandum CC-25-007 from Port Director as backup.

- g. Ordinance 25-05, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Appropriating \$24,000 from the Port Reserves Fund to Replace the Fish Grinder Motor and Gearbox. City Manager/Port Director. Introduction January 13, 2025 Public Hearing and Second Reading January 27, 2025.

Memorandum CC-25-008 from Port Director as backup.

- h. Ordinance 25-06, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Appropriating an Additional \$2,193 from the Port Reserves Fund for the Ammonia Storage Tank for the City Ice Plant. City Manager/Port Director. Introduction January 13, 2025 Public Hearing and Second Reading January 27, 2025.

Memorandum CC-25-009 from Port Director as backup.

- i. Resolution 25-001, A Resolution of the City Council of Homer, Alaska, Awarding a Contract to Prism Design and Construction LLC of Anchorage, Alaska, in the Amount of \$317,440.28 for the Fuel Island Replacement Project and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/City Engineer.

Memorandum CC-25-015 from City Engineer as backup.

- j. Resolution 25-002, A Resolution of the City Council of Homer, Alaska, Adopting an Alternative Allocation Method for the FY23 Shared Fisheries Business Tax Program and Certifying that this Allocation Method Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity in FMA 14: Cook Inlet Area. City Manager/Port Director.

Memorandum CC-25-016 from Port Director as backup

- k. Resolution 25-003, A Resolution of the City Council of Homer, Alaska, Confirming the Appointment of Elizabeth Fischer as Treasurer and Jenna deLumeau as Deputy Treasurer for Calendar Year 2025.
- l. Resolution 25-004, A Resolution of the City Council of Homer, Alaska, Confirming the City Manager's Appointment of Julie Engebretsen as the Acting City Manager for Calendar Year 2025. City Manager.
- m. Resolution 25-005, A Resolution of the City Council of Homer, Alaska, Acknowledging the Results of the Invitation to Bid for City Owned Cold Storage Seasonal 2025 Rental Units. City Clerk.

Memorandum CC-25-017 from Port Director as backup

ADDERHOLD/VENUTI MOVE TO APPROVE THE CONSENT AGENDA AS READ.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ANNOUNCEMENTS/PRESENTATIONS/REPORTS (5 minute limit per report)

- a. Worksession Report

City Manager Jacobsen reported that Council facilitated a discussion on the Homer Accelerated Roads and Trails Fund and Policy touching on the renewal of the program by the voters and projects

b. Committee of the Whole Report

Councilmember Aderhold reported that Council spoke about Ordinance 25-04 on the Consent Agenda, allocating additional funds for cost overages. There were no discussions on the Regular Agenda items. The main topic for the meeting was the Spit Erosion and Jason Baxley reported on the work completed and the work that was needed. They are expecting to reconvene and have the project completed by mid-February. The intent is to protect only the road. Mr. Baxley stated he was available to questions from the property owners and will be onsite in February.

c. Mayor's Report

Mayor Lord reported she included a brief report in her newsletter which is available on the website on the Mayor's webpage, shared challenge and power as well as competition for funding; there are a lots of meetings with Council coming up, every Monday in January and January 18, 2025 a worksession for strategic planning and establishing priorities. It will be great to know everyone's priorities as they are numerous and very little money and going into budget development it would be great to have the information when allocating those resources.

d. Borough Report

Kelly Cooper, Borough Assemblyperson, reported on the following for Kenai Peninsula Borough:

- receiving an Audit Review from BDO on the school district;
- report from River Center regarding the FEMA maps and if not approved by the deadline they are ineligible for disaster funding;
- first meeting of the tourism group with the next meeting on the 29th of this month;
- Starting their budget process in April;
- Accepted 65\$K for cybersecurity and lucky to have the staff that they have;
- adopted the Homer Transportation Plan
- declared a vacancy on the assembly to replace Bill Elam

e. Planning Commission

f. Library Advisory Board

Beatrix McDonough, Student Representative reported:

- receiving a report on Planet Youth
- Dave Berry presented the proposed FY26/FY27
 - cutting materials and internet services
 - ✓ the library did receive a grant for materials and internet.

Marcia Kuzsmaul, Board member reported:

- banner year for the endowment fund with donations from \$10 - \$10,000
 - 7 new fish will adorn the fish wall
 - They have reached 85% of the goal established in 2020

- Encouraged donating
- Expressed appreciation to those that think of the library

g. Parks Art Recreation and Culture Advisory Commission

h. Port and Harbor Advisory Commission

i. AML Conference Reports

- Memorandum CC-25-013 Report from Councilmember Aderhold
- Memorandum CC-25-014 Report from Councilmember Parsons
- Email from Councilmember Erickson provided details on her attendance at the conference and was included in the supplemental packet.

PUBLIC HEARING(S)

- a. Ordinance 24-64, An Ordinance of the City Council of Homer, Alaska, Extending the Exemption of Work and Seine Skiffs Attached to Motherships from Moorage Fees through 2025. City Manager/Port Director. Introduction November 25, 2024 Public Hearing and Second Reading January 13, 2025.

Memorandum CC-24-239 from Port Director as backup
Memorandum CC-25-012 from Port Director as backup

Mayor Lord introduced Ordinance 24-64 and opened the Public Hearing.

Will Roth, resident, commented on the economic impact that seiners have on the city and noted that they are larger businesses and encouraged the Council to support Kodiak's tariff and noted that many seiners are moving their businesses to Valdez since it was cheaper for them to operate. Since there is not a billboard that advertises their businesses so no one knows about them. If they must pay for

Megan Carazza, resident, stated that she moved her business to Valdez and has it dry docked for \$120 per month, Homer for transient is \$600 per month, reported experiencing a market drop and today has received two texts from Homer Students wanting a summer fishing job. She noted that it was cost prohibitive to work out of Homer harbor and advocated for an industry standard.

Richard Roth, non-resident, provided comments on the number of seiners and those with licenses and the value that brings to the Lower Peninsula area and Homer.

Steven Roth, city resident, provided a picture and commented on Kodiak having a seine friendly rules applying for a limited period, that it is not an option to have a skiff but a requirement. In Kodiak it does not have high cost impacts to the City of Homer.

Kaytlen Roth, city resident, bookkeeper for their operations, cited the expenditures for the business that are directly related to fishing which is spent in Homer for one operation, requesting consideration and recognition that they are a staple to the other businesses that service the marine/fishing industry.

Garrity Fabich, city resident, commented against the ordinance and that if they are paying for a full moorage they might as well take a good spot, he advocated for a compromise in setting a span of time but would like to be able to get it on the water and test before using it as well citing some of the dangers to them if that is not done.

Robert Roth, city resident, commented that he would like to see the city build a toll road and every one could pay to enter the city.

Matthew Davidson, non-city resident, commented he been coming to Homer from Florida for three winters now and that he was just getting into the seiner business, and that the ordinance disproportionately affects smaller vessels and those businesses just starting out.

Emma Thiessen, provided comment on this action disproportionately affects the smaller businesses especially those trying to get into the fishing business since they have smaller boats and cannot put their skiff on the back of their back deck, it puts a strain on a boat causing safety concerns.

Ellis Gugel, third generation seiner, runs on very narrow margins, additional costs can set them back but poses a safety issues, he provided what he depends on the skiff and that the wet time in the harbor is extremely important to get the hours on the equipment.

Erik Bakke, non-resident, commented on leaving his career in the software industry and getting into fishing, noting it has been death by a thousand paper cuts, fees left and right. Homer charges three times more than Valdez and twice as Whittier, he does not get any additional services and in fact receives additional services in Valdez and Whittier that are not offered in Homer. He agreed with the previous comment on the value and safety of the operations and encouraged the Council not to add additional costs.

Cameron Hagen, city resident, first generation, coach, business owner weld and fabricate boats expressed he does not care about the additional costs however the costs to be involved in this business can take more than it gives and encouraged the Council to take some time and consider allowing a space of time that they are charged.

Weston Sauer, moved here from Georgia and loves fishing and supports what everyone has previously stated.

Avery Hoyer, resident, moved from Texas, and works with the Roth's because of commercial fishing there is opportunity for others to come here and provide additional services which creates more businesses and adding higher fees discourages those businesses.

Christopher Clucas, city resident, supported the comments of others previously stated.

Mary Griswold, city resident, commented in opposition noting the unfairness and inequity to other Harbor users and encouraged the Council to implement the fees.

Mayor Lord closed the public hearing and requested a motion.

ADERHOLD/VENUTI MOVED TO ADOPT ORDINANCE 24-64 BY READING OF TITLE FOR SECOND AND FINAL READING.

Councilmembers expressed appreciation for the attendance and comments provided from the affected fishing businesses, noting the harbor has many expenses and to pay for the harbor is directly related to the services related to fishing and it is only paid by the moorage and fees. There has been impacts to crab fishing, set netters, but it appears that there is special treatment for one faction.

Port Director Hawkins provided input for Council that there is a need for the harbor to operate. As long as we have had a harbor, the seiners have not had to pay for a skiff, it has been status quo for approximately 40 years, back in the day they recorded moorage on library index cards and 25 years ago they purchased the first software and a work skiff was registered and entered in to the system, then they must remove the skiffs in order not to include them into the bills which requires a lot of staff time.

Further comment on needing long term solutions but expressed support the extension of the exemption for one more year was made by the majority of Council.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- b. Ordinance 24-65, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Accepting and Appropriating 2018 East Side Set Gillnet (ESSG) and 2020 Upper Cook Inlet (UCI) Salmon Disaster Relief Funds in the Amount of \$20,799.96 to the Port and Harbor Enterprise Fund. City Manager/Port Director. Introduction November 25, 2024 Public Hearing and Second Reading January 13, 2025.

Memorandum CC-24-241 from Special Proj. & Comm. Coordinator as backup

Mayor Lord introduced Ordinance 24-65 and opened the Public Hearing, seeing no one coming forward to provide testimony on Zoom or in person the Public Hearing was closed and a motion requested.

ADERHOLD/VENUTI MOVED TO ADOPT ORDINANCE 24-65 BY READING OF TITLE FOR SECOND AND FINAL READING.

There was no discussion

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- c. Ordinance 24-66, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Accepting and Appropriating a FY2025 Designated Legislative Grant from the State of Alaska for the Purpose of Additional Match Funds for the US Army Corps of Engineers General Investigation into the Larger Vessel Harbor Expansion and Authorizing the City Manager to Execute the Appropriate

Documents. City Manager. Introduction November 25, 2024 Public Hearing and Second Reading January 13, 2025.

Memorandum CC-24-242 from Special Proj. & Comm. Coordinator as backup

Mayor Lord introduced Ordinance 24-66 and opened the Public Hearing, seeing no one coming forward to provide testimony on Zoom or in person the Public Hearing was closed and a motion requested.

ADDERHOLD/VENUTI MOVE TO ADOPT ORDINANCE 24-66 BY READING OF TITLE FOR SECOND AND FINAL READING.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Lord called for a recess at 7:25 p.m. The meeting was called back to order at 7:31 p.m.

ORDINANCE(S)

- a. Ordinance 25-01, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.10.030 Amending the Homer City Zoning Map to Rezone a Portion of the Rural Residential (RR) Zoning District to General Commercial 1 (GC1) Zoning District. Planning Commission. Introduction January 13, 2025 Public Hearing and Second Reading January 27, 2025.

Memorandum CC-25-004 from City Planner as backup

Mayor Lord introduced Ordinance 25-01 and requested a motion.

ADDERHOLD/VENUTI MOVED TO INTRODUCE ORDINANCE 25-01 BY READING OF TITLE.

Discussion ensued on the proposed zoning change regarding the descriptive word of “derelict” used in the application, what the differences were from the initial plan submitted and providing those changes for Council.

City Planner Foster provided input on the lot, property on Bay Avenue was currently zoned Rural Residential and this project still has to go through multiple steps before they can be issued a zoning permit.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- b. Ordinance 25-02, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Appropriating \$135,000 for the Purchase of Twenty Acres located North of Karen Hornaday Hillside Park with the Intent to Designate and Hold the Land as Public Park Land. Aderhold/Erickson/Hansen. Introduction January 13, 2025 Public Hearing and Second Reading January 27, 2025.

Memorandum CC-25-005 from Community Development Director as backup

Mayor Lord introduced Ordinance 25-02 and a motion was requested.

ADERHOLD/VENUTI MOVED TO INTRODUCE ORDINANCE 25-02 BY READING OF TITLE.

Councilmember Erickson expressed appreciation for the efforts and actions by the group of citizens as it checks a number of boxes for purchase by the city.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

CITY MANAGER'S REPORT

a. City Manager's Report

From the Supplemental Packet: Memorandum CC-25-022 from City Manager re: Supplement to the City Manager's Report

City Manager Jacobsen noted her report in the packet and will be happy to answer any questions. She facilitated or responded to the following topics:

- Laydown for Smart Growth Institute 2025 noting she has reached out to get cost information on the institute.
 - o Councilmember Aderhold felt this opportunity was tailor made for Councilmember Parsons and goes along with the approval of the Transportation Plan.
- Kachemak City's letter inquiring about water service
 - o Preference to sit down and have a general discussion with Kachemak City Council
 - Establish a joint worksession but not before 5:30 p.m.
 - First available date is March 10th
- Allowing and providing incentives for development outside city limits when there is not the ability to provide oversight
- The Housing Development never contacted or approached the City or Council with their project.
- Homer News being digitized was great news.

PENDING BUSINESS

NEW BUSINESS

- #### **a. Memorandum CC-25-010 from ADA Coordinator re: Request for Authorization to Allow the ADA Advisory Board to seek Recommendations on Possible Accessibility Options and Solutions for the Homer Harbor Floats.**

Mayor Lord introduced Memorandum CC-25-010 and deferred to Councilmember Parsons.

Councilmember Parsons explained the purpose of the memorandum providing a little background on the work being done by the ADA Board and this is to make it formal authorization allowing the ADA Advisory Board to seek design input noting there was no monetary request.

Councilmembers expressed concerns and commented the following:

- on costs increasing maintenance and impacts to existing infrastructure that may require more ADA accesses
 - o such as are they going to require installing an elevator on both sides of the Harbor
- liability to the City and the operations
- the harbor provides accessible stalls and one ramp is not as steep but there are some ideas that should be explored
- there are items listed in the Transition Plan that need to be addressed
 - o Difficult getting into City Hall
 - o Previous proposed projects such as the fishing hole platform
- This was not a budget request
- Not knowing what the solution could be or if there is any solution
- Having a larger conversation with staff and that the message is getting to the Advisory Bodies for the opportunity for more structure

City Manager Jacobsen recommended that City Council direct the ADA Advisory Board to draft the language on what, such as a request for proposals or information, they would like the entity(s) to provide regarding Accessibility Options for the Homer Harbor floats and provide a list of potential vendors and other harbors and have it reviewed by Staff.

ADERHOLD/VENUTI MOVED THAT CITY COUNCIL REQUEST THE ADA ADVISORY BOARD DRAFT A REQUEST FOR INFORMATION FOR RECOMMENDATIONS ON POSSIBLE ACCESSIBILITY OPTIONS AND SOLUTIONS FOR THE HOMER HARBOR FLOATS, A LIST OF POTENTIAL VENDORS AND OTHER HARBORS FOR THE CITY TO FORMALIZE

Councilmember Erickson requested that they include the ADA regulations and liabilities, costs to infrastructure, staffing a more complete picture.

City Attorney Gatti stated that a simple motion to recommend the ADA Board to continue with its quest to develop information about ADA accessibility for harbor activities, noting that may be too broad and restated it to reflect the Homer Harbor Floats. He then noted that he has worked with staff on harbor ADA compliance issues, and concerns with the tides. He pointed out that it may be jumping ahead since the research may show it is not possible to do anything more.

Further discussion on Commissions or Board sending out anything on letterhead prior to direction of the Council, individuals doing research even member of Council do that, sending out to engineering schools a formal design will be required.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- b. Memorandum CC-25-011 from Recreation Champions Working Group re: Proposed Community Recreation Center Site Selection Recommendation.

Mayor Lord introduced Memorandum CC-25-011 and deferred to Councilmembers Aderhold and Erickson

Councilmember Aderhold reviewed the memorandum providing a summary of the findings. She noted that the Town Center location was further reviewed and recommend the city get input from the neighboring property owners, believing it was valuable to hear from the broader community before making decision.

Councilmember Erickson commented on the process reviewing the different parcels, stating it was important that they will be able to expand in the future and this property checks a number of boxes by developing town center, infrastructure connections, may be a bit more upfront costs but in the end costs would be less. She further stated that the property offers so many opportunities.

Councilmember Davis commented that he liked the idea in principle and would be curious to see the previously submitted design for town center project.

Mayor Lord noted that Council expressed a consensus to review the previous town center project documents.

Council approved the recommendations as stated in the memorandum by Consensus.

RESOLUTION(S)

COMMENTS OF THE AUDIENCE

William Roth, city resident, expressed his apologies for not being better prepared by having a proposal to present to Council as an alternative and expressed his appreciation for Council's actions on Ordinance 24-64.

Wayne Aderhold, city resident, commented on being a political science student and noted that there was still room in the class and which is held on Mondays and the opportunity to participate on Model United Nations in Anchorage.

Robert Roth, city resident, commented on the charges by the Harbor for those users that use it the least.

COMMENTS OF THE CITY ATTORNEY

City Attorney Gatti had no comments.

COMMENTS OF THE CITY CLERK

City Clerk Krause announced the vacancies on the Advisory bodies for Port and Harbor, EDC and ADA Advisory Board.

COMMENTS OF THE CITY MANAGER

City Manager Jacobsen commented on the great first official meeting of the year and hearing some great input from everyone.

COMMENTS OF THE MAYOR

Mayor Lord expressed her appreciation for the Council and Happy Spring number five, gave a shout out to the Nordic Ski Club for their work on Lookout and McNeil.

COMMENTS OF THE CITY COUNCIL

Councilmember Hansen on switching meetings or classes from Mondays to Tuesdays for the Political Science class and she will sign up and her recent experience attending a class at the Bunnell Art Center complimenting the building.

Councilmember Erickson noted the passing of another long time Homer resident, Floyd Seekins and a memorial will be held this weekend. She then commented on the children leaving and coming back and working in a profession that is really hard and is not for everyone with regards to the fishing.

Councilmember Davis expressed his appreciation for the Public Works Department and the plowing on West Fairview.

Councilmember Aderhold had no comments.

Councilmember Parsons gave a shout out to Jenny Carroll and Julie Engebretsen for the award of a \$2 million grant, Bryan Hawkins 25 years with the City and Mark Robl's 40 years and expressed appreciation to the Clerk's Office and City Manager for everything they do for them.

Councilmember Venuti commented on a recent experience seeing families using the Bayview Park and how wonderful it was seeing the little children playing. She then commented on a recent experience with Kachemak Way and Fairview with speeding vehicles and finding a road sign by her door.

ADJOURNMENT

Mayor Lord adjourned the meeting at 8:55 p.m. Next Regular Meeting is Monday, January 27, 2025 at 6:00 p.m. Committee of the Whole at 5:00 p.m. A Special Meeting at 3:30 p.m. There will be a worksession on Saturday, January 18, 2025 and a worksession on Monday, January 20, 2025 at 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

RENEE KRAUSE, MMC, CITY CLERK

APPROVED: _____



MEMORANDUM

Appointment of William Roth to the Port & Harbor Advisory Commission

Item Type: Action Memorandum
Prepared For: Homer City Council
Date: January 27, 2025
From: Mayor Lord

William Roth is appointed to the seat vacated by Mark Zeiset on the Port & Harbor Advisory Commission with a term that will expire on February 1, 2028.

Recommendation

Confirm the appointment of William Roth to the Port & Harbor Advisory Commission.

Attachments:

Application of William Roth for the PHAC

From: [Application for Appointment to an Advisory Body](#)
To: [Department Clerk](#)
Subject: ** Application for Appointment **
Date: Tuesday, January 14, 2025 9:50:41 PM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Submitted on Tuesday, January 14, 2025 - 9:50pm

Submitted by anonymous user: 104.254.229.105

Submitted values are:

Applicant Information

Full Name William G. Roth

Physical Address Where you Claim Residency 41282
Skittles Street

Mailing Address PO Box 1230

Phone Number(s) 9074354683

Email riptidemarinesurveys@gmail.com

Advisory Bodies Port & Harbor Advisory

Commission – Meetings held on the 4th Wednesday of January, February, March, April, September, and October at 5:00 p.m.; the 4th Wednesday of May, June, July, and August at 6:00 p.m.; and the 2nd Wednesday of December at 5:00 p.m.

Residency

Are you a City Resident? No

How long have you been a resident of the South Peninsula Area? 28 Years

Background Information

Have you ever served on a similar advisory body?

Homer ADFG 1 term, Alternate Seat.

Other memberships NPFA, KSA,

Special Training & Education

Marine Electrician, and Marine Surveyor, grew up on fishing vessels and have been operating my own vessel since I was 17

Why are you interested in serving on the selected Advisory Body?

My whole life revolves around boats! As a Marine Surveyor and a Marine Electrician, I have been on, and worked on, every type of boat our harbor has, including oil tankers, dive vessels, tugs, pilots vessels, yachts, sail boats, seiners, longliners, drifters, crabbers, sports boats, skiffs, research vessels such as the Tiglax ect. I believe my experience in the field will bring a valuable asset to the table for information about the vessels and the supporting infrastructure they require.

I am business savvy, and often a mentor to young business people in Homer in the marine industries.

I personally have conducted major projects on my own vessel that were featured in National Fishermen, and am very familiar with all the local marine businesses that attract so many to our local port.

I'm looking forward to the opportunity to help pull young people into the loop on local harbor development and do my part to serve and represent the Homer people to the best of my ability.

Thanks!

William Roth
907-435-4683

For Port & Harbor Commission Only: Do you use the Homer Port and/or Harbor on a regular basis? Yes
If yes, what is your primary use? Comercial and Rec.
The results of this submission may be viewed at:

<https://www.cityofhomer-ak.gov/node/9051/submission/52794>



MEMORANDUM

Ordinance 25-07, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating \$67,480.81 from the Homer Accelerated Water and Sewer Program (HAWSP) for the Purpose of Reimbursing Seven Property Owners in the Bunnell Ave/Charles Way Special Assessment District For the Cost of E-One Lift Stations.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: January 20, 2025
From: Melissa Jacobsen, City Manager

From 2021-2024 the City worked with property owners to create and complete the Charles Way/Bunnell Avenue water and sewer special assessment district (SAD).

Lift stations are necessary for sewer in the area. In 2021 when the district was being negotiated, a memorandum dated November 15, 2021 to property owners in the district stated “we will be installing E-One lift stations for existing homes as part of the project, which would make the costs eligible for the long term financing”. Water and sewer SADs are financed through Alaska Department of Environmental Conservation (ADEC) Clean Water and Drinking Water loans which provides the opportunity for property owners to pay their assessments over time with a low interest rate.

When the district was approved and constructed the City purchased and installed E-One lift stations on 11 of the 18 lots in the district. The cost of purchase and installation was \$12,400 per unit, \$136,400 total, and was distributed among all the property owners in the district.

This came to the attention of the current administration in late August or early September when Public Works staff was contacted by Chris Long, a property owner in the SAD, who is seeking relief from the cost of having to install an E-One lift station on a lot he owns that was vacant when the SAD was built out.

Mr. Long owns 261 E. Bunnell Ave and the lot next door that was vacant when the district was developed and built out. Mr. Long contacted Public Works with a complaint that his empty lot is being assessed at the same rate as his two neighbors who were provided a lift station. When developing is vacant lot he had to purchase and install his own E-One lift station at the cost of \$17,951.68. He has requested to be reimbursed for the invoices he provided.

Because the cost of the E-One lift stations was distributed among the entire district, staff believes the property owners who did not receive the benefit of the lift stations should be reimbursed their portion of the assessment from the Homer Accelerated Water and Sewer Program (HAWSP) fund. A “hybrid assessment methodology” of benefitted area for some parcels and equal shares for others was used to create this district, the reimbursements are based on the methodology used for each parcel. The City is a property owner in the district that was assessed using the benefitted area methodology and will also receive this reimbursement.

I appreciate Mr. Long’s patience while I worked with Public Works staff and Finance staff on the necessary research to unravel this matter.

RECOMMENDATION: Adopt an ordinance to appropriate HAWSP funds for the purpose of reimbursing a portion of the sewer assessment to property owners in the Charles Way/Bunnell Ave who did not receive the benefit of an E-One lift station.

Attachments:

November 2021 mail out to property owners in the district
Resolution 24-067 and final assessment roll
Letter and invoices from Chris Long



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

November 16, 2021

Dear Property Owner,

The Charles Way/Bunnell Avenue Water and Sewer Special Assessment District (SAD) has been amended to use a benefitted area methodology and reduce the size of the improvement district.

Enclosed with this letter you will find a memorandum from Public Works Director Jan Keiser explaining the changes, an updated preliminary assessment roll, an update map of the proposed district, and an objection form.

A resolution to acknowledge the sufficiency of the Charles Way/Bunnell Avenue Water and Sewer SAD and approving the improvement plan, estimated cost of improvement, and assessment methodology will be before Council at their regular meeting on December 13, 2021. The meeting begins at 6:00 p.m. and will be conducted in person at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and virtually by Zoom Webinar ID: 205 093 973 and Passcode: 610853.

A notice of public hearing and right to object was mailed to property owners in the Charles Way/Bunnell Avenue Water and Sewer SAD on June 3, 2021 and a public hearing was held on August 9, 2021. City Council postponed action on this matter to allow Public Works to address the concerns raised by property owners, and postponed a second time to allow for noticing property owners of the updated district boundaries, methodology, and estimated assessment amounts.

If you object to the updated Charles Way/Bunnell Avenue Water and Sewer SAD, please put your objections in writing on the form included and return it to the City Clerk's office before 5:00 p.m. on Monday, December 13, 2021. You may submit it by email to clerk@ci.homer.ak.us, by fax 907-235-3143, or deliver it to City Hall. There are drop boxes at both entrances City Hall for delivery after hours. There is an opportunity to make verbal comments regarding the SAD at the meeting in person or by Zoom.

The City Council Agenda Packet and copies of the resolution and supporting documents will be posted on the City of Homer website by the end of day, Thursday, December 9, 2021.

Please feel free to contact me at the phone number or email above if you have questions.

Respectfully,

Melissa Jacobsen, City Clerk



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907-235-3170

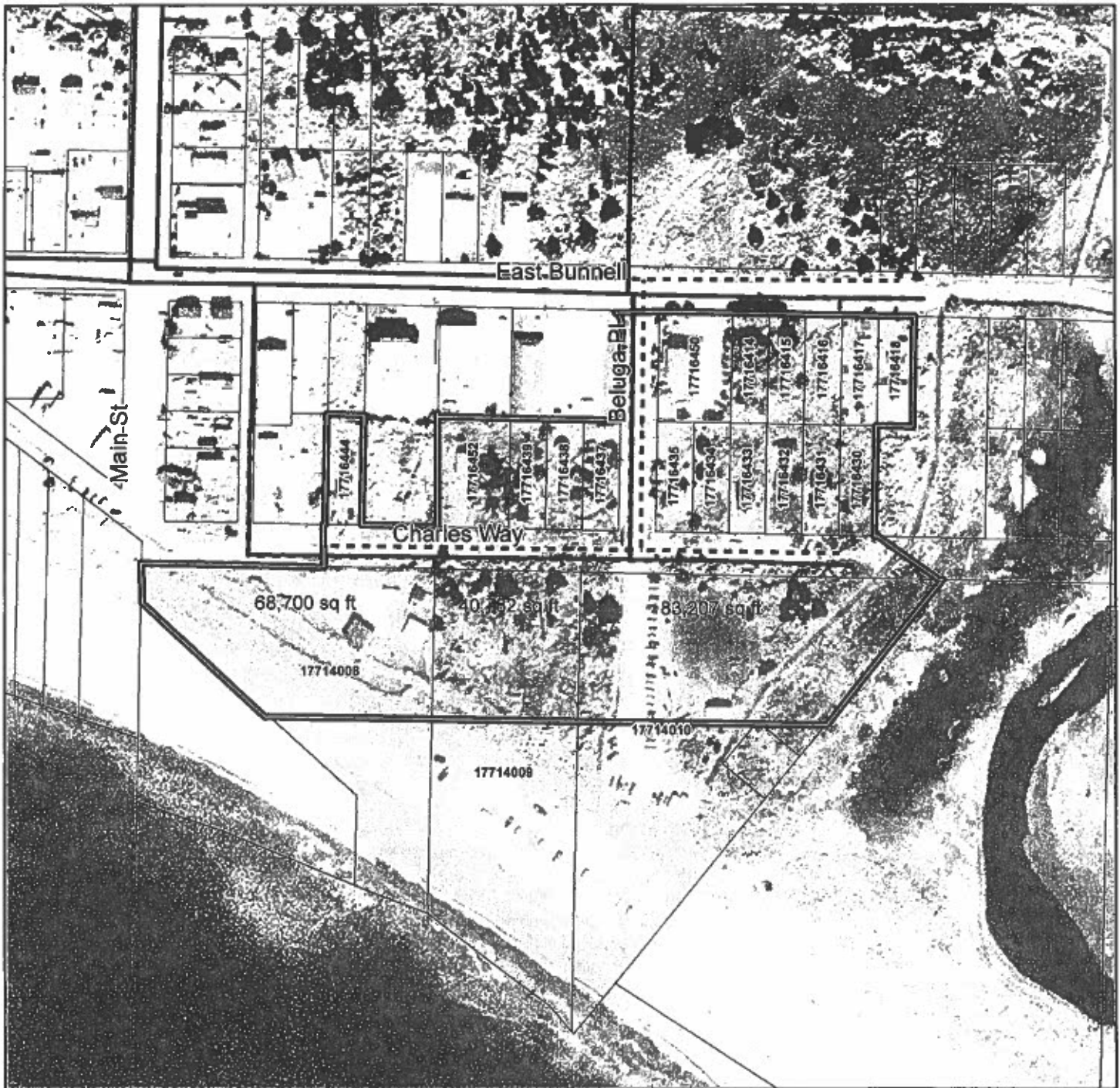
(f) 907-235-3145

Memorandum

TO: Property Owners in Bunnell Road/Charles Way Neighborhood
FROM: Janette Keiser, PE, Director of Public Works
DATE: November 15, 2021
SUBJECT: Update – Charles Way /Bunnell Ave Water & Sewer Special Assessment Districts

Purpose of Memorandum: On May 10, 2021, the City Council adopted Resolution 21-030 initiating the process for creating Special Assessment Districts to bring City water and sewer to this neighborhood. The project is challenging because of the neighborhood's geography – flat ground, high water table and surrounding wetlands. Plus, it is a mixed-use neighborhood, with seasonal homes, full-time residents, multiple businesses, undeveloped areas and a popular City park. We've held multiple neighborhood meetings, met with individual property owners, and held at least one public hearing to better understand the neighborhood's needs and concerns. We've also conducted preliminary engineering to better understand the neighborhood's technical constraints. This work has led us to adopt new strategies that will reduce minimize costs and adverse environmental impact.

- a. **Boundaries of the District.** We have shrunk the size of the District by only including properties, which would benefit from City water and sewer. Primarily, we have excluded properties, which are already served by City water and sewer via a "spaghetti line", which were permitted and inspected by the City.
- b. **Spaghetti Lines.** We plan to re-purpose the existing "spaghetti lines" by connecting the new main extensions to them, thereby reducing costs and reducing environmental impact.
- c. **Disruption to Wetlands.** Multiple residents expressed concern that construction would adversely affect the neighborhood's extensive wetlands. We have re-aligned the water/sewer main routes to avoid the most sensitive part of the wetlands, next to Beluga Slough. Further, we plan to use "directional drilling" rather than open trenching to install most of the water/sewer main extensions. These strategies will minimize environmental impact.
- d. **Method of Assessment.** We have, in a separate memorandum, recommended adoption of the "Benefited Area" method of assessment. This strategy allocates a more equitable share of the assessments to the larger properties, such as Bishop's Beach Park.
- e. **Financing has been extended.** We will be installing the E-One units for existing homes as part of the project, which should make the costs eligible for the long term financing.



Legend

- Special Assessment District
- Parcels Concerned
- Proposed Sewer Main
- Proposed Water Main
- Existing Sewer Main
- Existing Water Main

Coordinate System: NAD 1983 StatePlane Alaska 4 FIPS 5004 Feet
 Projection: Transverse Mercator
 Datum: North American 1983
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 False Northing: 0.0000
 Central Meridian: -150.0000
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 Latitude Of Origin: 54.0000
 Units: Foot US

CHARLES WAY/EAST BUNNELL WATER & SEWER EXTENSION SPECIAL ASSESSMENT DISTRICT



200 100 0 200 Feet



Dept. of Public Works
November 16, 2021

Disclaimer:
 It is expressly understood the City of Homer, its council, board, departments, employees and agents are not responsible for any errors or omissions contained herein, or deductions, interpretations or conclusions drawn therefrom.

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 24-067

A RESOLUTION OF THE HOMER CITY COUNCIL CONFIRMING THE
ASSESSMENT ROLL, ESTABLISHING DATES FOR PAYMENT OF
SPECIAL ASSESSMENTS AND ESTABLISHING DELINQUENCY,
PENALTY, AND INTEREST PROVISIONS FOR THE CHARLES
WAY/BUNNELL AVENUE WATER IMPROVEMENT SPECIAL
ASSESSMENT DISTRICT

WHEREAS, In compliance with Homer City Code Chapter 17, Improvement Districts, the
Homer City Council created the Charles Way Bunnell Avenue Water and Sewer Special
Assessment District with Resolution 21-017(A); and

WHEREAS, The Notice of Public Hearing and Notice of Right to Object dated May 10,
2024 was mailed to property owners in the district advising that written objections must be
filed with the City Clerk no later than May 21, 2024; and

WHEREAS, A Public Hearing was held on May 28, 2024 to hear objections to the final
assessment roll; and

WHEREAS, No written objections were filed by May 21, 2024; and

WHEREAS, The final assessment roll as presented by the City Clerk is attached hereto
as Attachment A, is hereby confirmed as the official assessment roll for the Charles Way Bunnell
Avenue Special Assessment Districts and the Mayor and Clerk shall be directed to sign same.

NOW, THEREFORE, BE IT RESOLVED that on or before 5:00 p.m. on October 1, 2024 all
assessments in the Charles Way Bunnell Avenue Water and Sewer Special Assessment Districts
shall become due and payable in full. All assessments not paid in full by this date shall be
considered delinquent and in default and shall have added a penalty the rate of ten and one
half percent (10.5%) per annum until paid. Should default occur, the City of Homer will institute
a civil action for a foreclosure of the assessment lien. Foreclosure shall be against all property
on which assessments are in default. All costs including collection and legal fees resulting from
such action, shall be added and incorporated into the assessed amount due plus interest and
penalties and shall be reimbursed from the proceeds of foreclosure sale of the assessed real
property.

BE IT FURTHER RESOLVED that an optional twenty (20) year payment plan for the water
and sewer assessments is offered whereby the assessments may be paid in equal yearly
installments plus interest of one and one half percent (1.5%) per annum on the unpaid balance
of the assessment. The first such installment shall be due and payable without interest on or

before 5:00 p.m. October 1, 2024 and each installment thereafter shall be due on or before October 1 of each year, plus interest on the unpaid balance of the assessment. If any annual installment payment is not received when due, the entire outstanding principle amount of the assessment shall be in default and shall be immediately due and payable. The entire outstanding assessment principle (including the annual installment) shall have added a penalty of ten and one half percent (10.5%) on the outstanding principle. The principle shall draw an additional interest at the rate of ten and one half percent (10.5%) per annum until paid. Should default occur, the City will institute civil action for foreclosure of the assessment lien. Foreclosure shall be against all property on which assessments are in default. All costs including collection and legal fees resulting from such action shall be added and incorporated into the assessed amount due plus interest and penalties, and shall be reimbursed from the proceeds of foreclosure sale of the assessed real property.

PASSED AND ADOPTED by the Homer City Council on this 10th day of June, 2024.

CITY OF HOMER



KEN CASTNER, MAYOR

ATTEST:

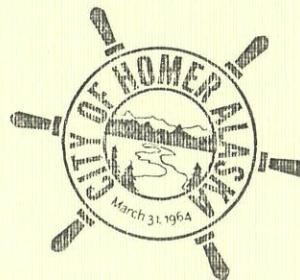


RENEE KRAUSE, MMC, ACTING CITY CLERK

Fiscal Note: Total Project Costs - Water: \$376,848.70 Sewer: \$328,800.33

HAWSP 25% Share - Water: \$94,212.18 Sewer: \$82,200.83

Property Owner 75% - Water: \$282,172.26 Sewer: \$246,599.50



FINAL ASSESSMENT ROLL**Bunnell Avenue/Charles Way Water & Sewer Improvement Special Assessment District** DATE: **April 25, 2024**TOTAL PROJECT WATER: **\$602,538.70 - \$225,690 (ADEC Principle Subsidy) = 376,848.70**TOTAL PROJECT SEWER: **\$328,800.33**Districts shall be assessed 75% property owner share of the project. WATER: **\$282,172.26** SEWER: **\$246,599.50**HOMER ACCELERATED WATER AND SEWER PROGRAM (HAWSP) SHARE: WATER: **\$94,212.18** SEWER: **\$82,200.83**

	PROPERTY OWNER NAME & ADDRESS	LEGAL DESCRIPTION & PARCEL NUMBER	ASSESSED PROPERTY VALUE	ASSESSED ESTIMATED PROPERTY OWNER SHARE OF ASSESSMENT ASSESSMENT METHOD
1.	DAM REVOCABLE TRUST 2019 PO BOX 399 DIVIDE CO 80814-0399	T 6S R 13W SEC 20 Seward Meridian HM 0670365 W R BENSON SUB AMENDED LOT 154 #17716418	\$52,600	Water \$6,973.21 Sewer \$6,384.86
2.	GUETSCHOW RUBEN PO BOX 1071 PAHOA HI 96778-1071	T 6S R 13W SEC 20 Seward Meridian HM 0670365 W R BENSON SUB AMENDED LOT 153 #17716417	\$47,900	Water \$6,973.21 Sewer \$6,384.86
3.	LONG, CHRIS 879 LINDA CT. HOMER, AK 99603-7222	T 6S R 13W SEC 20 Seward Meridian HM 0670365 W R BENSON SUB AMENDED LOT 152 #17716416	\$45,900	Water \$6,973.21 Sewer \$6,384.86
4.		T 6S R 13W SEC 20 Seward Meridian HM 0670365 W R BENSON SUB AMENDED LOT 151 #17716415	\$244,200	Water \$6,973.21 (Property has sewer)
5.	CONNOLLY NANCY C 303 TORQUAY CT UNIT B RIDGE NY 11961-8358	T 6S R 13W SEC 20 Seward Meridian HM 0670365 W R BENSON SUB AMENDED LOT 150 #17716414	\$49,600	Water \$6,973.21 Sewer \$6,384.86
6.	LINDSEY RONALD J SAVIDGE BARBARA A PO BOX 1867 HOMER AK 99603-1867	T 6S R 13W SEC 20 Seward Meridian HM 0670365 W R BENSON SUB AMENDED LOT 162 #17716444	\$85,900	Water \$6,973.21 Sewer \$6,384.86
7.	JOHNSON PAUL MATTHEW 124 E 23 RD AVE ANCHORAGE, AK 99503-2010 PEREIRA, KATHERIN 3476 S. HORSESHOE LAKE RD WASILLA, AK 99623	T 6S R 13W SEC 20 Seward Meridian HM 2008066 W R BENSON'S SUB 2008 REPLAT LOT 165-A #17716452	\$186,200	Water \$13,946.42 Sewer \$12,769.72

FINAL ASSESSMENT ROLL

Bunnell Avenue/Charles Way Water & Sewer Improvement Special Assessment District DATE: **April 25, 2024**

TOTAL PROJECT WATER: **\$602,538.70 - \$225,690 (ADEC Principle Subsidy) = 376,848.70**

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HOMER ACCELERATED WATER AND SEWER PROGRAM (HAWSP) SHARE: WATER: **\$94,212.18** SEWER: **\$82,200.83**

	PROPERTY OWNER NAME & ADDRESS	LEGAL DESCRIPTION & PARCEL NUMBER	ASSESSED PROPERTY VALUE	ASSESSED ESTIMATED PROPERTY OWNER SHARE OF ASSESSMENT ASSESSMENT METHOD
8.	LARSON BJORN & RAUPP SASHA H PO BOX 1435 HOMER AK 99603-1435	T 6S R 13W SEC 20 Seward Meridian HM 0670365 W R BENSON SUB AMENDED LOT 167 #17716439	\$51,500	Water \$6,973.21 Sewer \$6,384.86
9.	BAUGHER TINA M 209 W DIMOND BLVD STE 4 ANCHORAGE AK 99515-1932	T 6S R 13W SEC 20 Seward Meridian HM 0670365 W R BENSON SUB AMENDED LOT 168 #17716438	\$50,700	Water \$6,973.21 Sewer \$6,384.86
10.		T 6S R 13W SEC 20 Seward Meridian HM 0670365 W R BENSON SUB AMENDED LOT 169 #17716437	\$43,300	Water \$6,973.21 Sewer \$6,384.86
11.	VERNON ROBERT GORDON PO BOX 3 HOMER AK 99603-0003	T 6S R 13W SEC 20 Seward Meridian HM 0670365 W R BENSON SUB AMENDED LOT 171 #17716435	\$157,400	Water \$6,973.21 Sewer \$6,384.86
12.		T 6S R 13W SEC 20 Seward Meridian HM 0670365 W R BENSON SUB AMENDED LOT 172 #17716434	\$41,300	Water \$6,973.21 Sewer \$6,384.86
13.	LOGAN CHRISTINA ARLYNE 2303 TULIK DR ANCHORAGE AK 99517-1132	T 6S R 13W SEC 20 Seward Meridian HM 0670365 W R BENSON SUB AMENDED LOT 173 #17716433	\$175,200	Water \$6,973.21 Sewer \$6,384.86
14.		T 6S R 13W SEC 20 Seward Meridian HM 0670365 W R BENSON SUB AMENDED LOT 174 #17716432	\$58,100	Water \$6,973.21 Sewer \$6,384.86
15.	HILLSTRAND NANCY PO BOX 7 HOMER AK 99603-0007	T 6S R 13W SEC 20 Seward Meridian HM 0670365 W R BENSON SUB AMENDED LOT 175 #17716431	\$102,100	Water \$6,973.21 Sewer \$6,384.86
16.		T 6S R 13W SEC 20 Seward Meridian HM 0670365 W R BENSON SUB AMENDED LOT 176 #17716430	\$36,000	Water \$6,973.21 Sewer \$6,384.86

FINAL ASSESSMENT ROLL**Bunnell Avenue/Charles Way Water & Sewer Improvement Special Assessment District** DATE: **April 25, 2024**TOTAL PROJECT WATER: **\$602,538.70 - \$225,690 (ADEC Principle Subsidy) = 376,848.70**TOTAL PROJECT SEWER: **\$328,800.33**Districts shall be assessed 75% property owner share of the project. WATER: **\$282,172.26** SEWER: **\$246,599.50**HOMER ACCELERATED WATER AND SEWER PROGRAM (HAWSP) SHARE: WATER: **\$94,212.18** SEWER: **\$82,200.83**

	PROPERTY OWNER NAME & ADDRESS	LEGAL DESCRIPTION & PARCEL NUMBER	ASSESSED PROPERTY VALUE	ASSESSED ESTIMATED PROPERTY OWNER SHARE OF ASSESSMENT ASSESSMENT METHOD
17.	HOMER CITY OF 491 E PIONEER AVE HOMER AK 99603-7624	T 6S R 13W SEC 20 Seward Meridian HM PTN GL 2 BEGIN S 1/16 CORNER SECS 19 & 20 & NW CORNER LOT 2 TH S 89 DEG 57'30" E 600 FT ALONG N BOUND LT 2 TO POB TH S 0 D EG 2' E 391 FT TO CORNER 2 ON MHW KACHEMAK BAY TH S 59 DEG 30' E 150 FT TO CORNE R 3 TH N 38 DEG 0' E 592.6 FT TO CORNER 4 TH N 89 DEG 57'37" W ALONG N BOUNDRY O F GL 2 494.3 FT TO POB SAVE & EXC THAT PTN DESCRIBED IN W/D 88 @ 820 #17714010	\$593,900	Water \$133,925.38 Sewer \$117,041.74
18.	JOHNSON PAUL MATTHEW 124 E 23RD AVE ANCHORAGE, AK 99503-2010 PEREIRA, KATHERIN 3476 S. HORSESHOE LAKE RD WASILLA, AK 99623	T 6S R 13W SEC 20 Seward Meridian HM PTN GL 2 BEGIN 400 FT E OF 1/16 CRNR COMMO N TO SEC 19 & 20 TH E 200 FT ALONG N BOUND OF GL 2 TH S TO BEACH LINE TH W 200 F T TH 339 FT N TO POB #17714009	\$4,300	Water \$14,851.17 Sewer \$13,699.97
19.	VANN REVOCABLE TRUST PO BOX 561 KASLOF AK 99610-0561	T 6S R 13W SEC 20 Seward Meridian HM PTN GL 2 BEGIN INTERSECTION OF N BOUNDARY LT 2 & RR ROW TH E TO PT 400 FT FROM 1/16 CRNR TH S TO BEACH TH NW 100 FT TH N T O NORTH SIDE OF OLD RR ROW TH NW TO POB #17714008	\$248,000	Water \$14,851.17 Sewer \$13,699.97

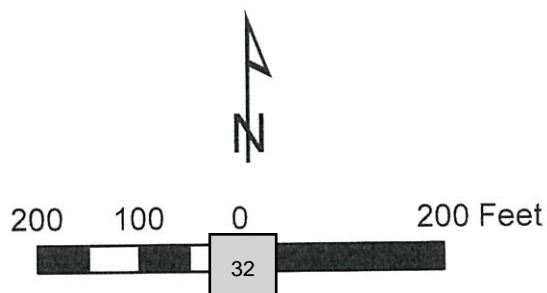


Legend

- Special Assessment District
- Parcels Concerned
- Proposed Sewer Main
- Proposed Water Main
- Existing Sewer Main
- Existing Water Main

Coordinate System: NAD 1983 StatePlane Alaska 4 FIPS 5004 Feet
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 Central Meridian: -150.0000
 Scale Factor: 0.9999
 Latitude Of Origin: 54.0000
 Units: Foot US

CHARLES WAY/EAST BUNNELL WATER & SEWER EXTENSION SPECIAL ASSESSMENT DISTRICT



Dept. of Public Works
November 16, 2021

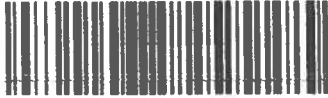
Disclaimer:
 It is expressly understood the City of Homer, its council, board, departments, employees and agents are not responsible for any errors or omissions contained herein, or deductions, interpretations or conclusions drawn therefrom.

Hi Melissa, it's Chris Long. I wanted to give you my invoices for all of the money I've spent on this water project. I would like to know what the plan will be for this? I would like to be reimbursed on these invoices. I have already started paying on the assessment of the property. So I feel like this is the best solution. I'm not trying to be a thorn in your side but I really feel like this needs a resolution. This is a lot of money that I have had to put forward and it has put some unwanted stress on me and my business. Thanks for your attention on this matter.



Invoice

Remit To
Northwest Pump Dept. LA 25257 Pasadena, CA 91185-2680



Customer #	Ship To	Invoice Date	Invoice #
10903	21	9/13/24	3522495-00
PO #	Placed By	Taken By	Page #
	Chris	Rachel Valentine	1 of 1

Bill To
Visa /Mastercard Sales
. OR .

Ship To
Visa/MC Sales - Anch/Industr 1041 E 70th Ave INDUSTRIAL SALES Anchorage AK 99518

Instructions					
*** Need CC Information **					
Warehouse	Ship Via	Reference	Sales Rep	Terms	Due Date
1301	Will Call		James, Jesse	Visa/MC	

Notes

Line #	Product and Description	Qty Ordered	Qty Backordered	Qty Shipped	UM	Price		Amount
1	D204B26E10BG EONE MODEL DH071 240V MODEL WIRED PRESSURE STANDARD VENT FOR STATION WITH ACCESSWAYS	1.00	0.00	1.00	EACH	8,195.00		8,195.00
2	NB0184P01 VALVE ASM, LAT, SS, FIEL SVC, NPT	1.00	0.00	1.00	each	183.00		183.00
3	SE1A210C2AA E-One Sentry ProtectPlus with Protection Package	1.00	0.00	1.00	each	853.00		853.00
4	PB0503P02 E-One Grommet, CC Disch Valve, Blue	1.00	0.00	1.00	each	5.40		5.40

4 Lines Total	Qty Shipped Total	4.00	Subtotal	9,236.40
			Taxes	0.00
			Total	9,236.40

For Payment-related questions or concerns please contact
Lan Heng at (503) 205 2151 or Lan.Heng@nwpump.com

Pay your statement or invoices online using the link below
<https://www.e-billexpress.com/ebpp/NWPump/Login/Index>



Payment receipt

You paid \$8,250.00

to South Peninsula Dirt Works, LLC on 11/4/2024

Invoice no.	1412
Invoice amount	\$8,250.00
Total	\$8,250.00
Status	Paid
Payment method	Credit Card
Authorization ID	MU0228960774

Thank you

South Peninsula Dirt Works, LLC

+19072021655

www.southpeninsuladirtworks.com | office@southpeninsuladirtworks.com
PO Box 2941, Homer, AK 99603

No additional transfer fees or taxes apply.

Intuit Payments Inc (IPI) processes payments as an agent of the business. Payments processed by IPI constitute payment to the business and satisfies your obligation to pay the business, including in connection with any dispute or case, in law or equity. Money movement services are provided by IPI pursuant to IPI's licenses (NMLS #1098819, <https://www.intuit.com/legal/licenses/payment-licenses>). IPI is located at 2700 Coast Avenue, Mountain View, CA 94043, 1-888-536-4801.

Eayrs Plumbing & Heating
1208 Lakeshore Drive
Homer, AK 99603
(907)235-2333
(907)235-3866

Invoice No: 46584
Date: 11/05/24

Page: 1

Sold To: Cash

Customer No: 0
Phone No:

Ship To:

Cust. Order #:

Salesperson: #5 - David

Product Code	Item Description	Qty	Unit Price	Amount
NLF25AUBZ3F	3/4 WATER PRESSURE REDUCE VLV	1	279.20	279.20*
3BRNFL	3/4 X 21/2 STANDARD BRASS NIPP	2	7.22	14.44*
PFXSCVF L105444	3/4 SPRING THREAD CHECK VLV	1	22.99	22.99*
FNWX410CF	3/4 LF THREADED BALL VALVE	1	18.99	18.99*
FNWX410CG	1 THREAD BALL VALVE	1	29.99	29.99*
IBRLFBGF	1 X 3/4 STD BRASS HEX BUSH	1	7.22	7.22*
P316SMAG	1 POLYMATE 316SS HDPE MALE AD	1	58.58	58.58*

Sub-Total: 431.41

Shipping: 0.00

Tax [7.85]: 33.87 *

Total: 465.28

Visa long: 465.28

Amount Paid: 465.28

Amount Due: 0.00

Change: 0.00

T h a n k
Y o u

**CITY OF HOMER
HOMER, ALASKA**

City Manager

ORDINANCE 25-07

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA AMENDING THE FY25 CAPITAL BUDGET BY APPROPRIATING \$67,480.81 FROM THE HOMER ACCELERATED WATER AND SEWER PROGRAM (HAWSP) FOR THE PURPOSE OF REIMBURSING SEVEN PROPERTY OWNERS IN THE BUNNELL AVE/CHARLES WAY SPECIAL ASSESSMENT DISTRICT FOR THE COST OF E-ONE LIFT STATIONS.

WHEREAS, The Bunnell Ave/Charles Way Water and Sewer Special Assessment District (SAD) was deemed sufficient and the improvement plan, estimated cost, and assessment methodology were approved by Resolution 22-023 on March 29, 2022; and

WHEREAS, The Bunnell Ave/Charles Way SAD Final Assessment Roll for the 18 benefitted parcels was confirmed by Resolution 24-067 on June 10, 2024; and

WHEREAS, In a memo dated November 15, 2021 property owners were notified that the City would be installing E-One lift stations for existing homes as part of the sewer project to make the costs eligible for long term financing; and

WHEREAS, Eleven properties benefitted from the purchase and installation of the E-One lift stations; and

WHEREAS, Records indicate the cost to furnish and install the E-One lift stations totaled \$136,400, was included in the total cost of the district, and divided among property owners including the seven properties that did not benefit from the cost; and

WHEREAS, The total cost of the units is reduced to \$102,300 to reflect 75% property owner share of the cost. This cost is then distributed across the 18 properties per the “hybrid assessment methodology”; and

WHEREAS, The total reimbursement equates to \$67,480.81 for those seven parcels that did not benefit from the cost. The City of Homer is one of those seven parcels impacted and per the “hybrid assessment methodology” the allocated reimbursement for the City parcel is \$48,553.91. The remaining \$18,926.90 is to be reimbursement to the other six impacted parcels per the same methodology; and

WHEREAS, The purpose of this appropriation is to reimburse the owners of the seven parcels in an effort to resolve the inequity of the cost of furnishing and installing the E-One units to those owners who did not receive the benefit.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY25 Capital Budget by appropriating \$67,480.81 as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
205	HAWSP – City Parcel	\$48,553.91
205	HAWSP – Other Impacted Property Owners	\$18,926.90

Section 2. This ordinance is a budget amendment only, is not of a permanent nature and is a non code ordinance.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this ____ day of _____, 2025.

CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

RENEE KRAUSE, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

	Parcel Owner Name & Address	Parcel Number	Assessed Property Value	Assessed Estimated Property Owner Share of	Actual E-One Physically verified Installed	Sewer	Lift Station
1	DAM REVOCABLE TRUST 2019 PO BOX 399 DIVIDE, CO 80814-0399	#17716418	\$ 52,600.00	Water \$6,973.21 Sewer \$6,384.86	Yes	\$ 6,384.86	\$ 2,648.71
2	GUESCHOW, RUBEN PO BOX 1071 PAHOA, HI 96778-1071	#17716417	\$ 47,900.00	Water \$6,973.21 Sewer \$6,384.86	Yes	\$ 6,384.86	\$ 2,648.71
3	LONG, CHRIS 879 LINDA CT.	#17716416	\$ 45,900.00	Water \$6,973.21 Sewer \$6,384.86	No	\$ 6,384.86	\$ 2,648.71
4	HOMER, AK 99603-7222	#17716415	\$ 244,200.00	Water \$6,973.21 (Property has sewer)	Not Required - Already Connected	\$ -	\$ -
5	CONNOLLY, NANCY C 303 TORQUAY CT. UNIT B RIDGE, NY 11961-8358	#17716414	\$ 49,600.00	Water \$6,973.21 Sewer \$6,384.86	No	\$ 6,384.86	\$ 2,648.71
6	LINDSEY, RONALD SAVIDGE BARBARA A PO BOX 1867 HOMER, AK 99603-1867	#17716444	\$ 85,900.00	Water \$6,973.21 Sewer \$6,384.86	Yes	\$ 6,384.86	\$ 2,648.71
7	JOHNSON, PAUL MATTHEW 124 E 23RD AVE ANCHORAGE, AK 99503-2010 PEREIRA, KATHERIN 3476 S. HORSESHOE LAKE RD WASILLA, AK 99623	#17716452	\$ 186,200.00	Water \$13,946.42 Sewer \$12,769.72	Yes	\$ 12,769.72	\$ 5,297.43
8	LARSON, BJORN & RAUPP SASHAH PO BOX 1435 HOMER, AK 99603-143	#17716439	\$ 51,500.00	Water \$6,973.21 Sewer \$6,384.86	Yes	\$ 6,384.86	\$ 2,648.71
9	BAUGHER, TINA M 209 W DIMOND BLVD STE4	#17716438	\$ 50,700.00	Water \$6,973.21 Sewer \$6,384.86	Yes	\$ 6,384.86	\$ 2,648.71
10	ANCHORAGE, AK 99515-1932	#17716437	\$ 43,300.00	Water \$6,973.21 Sewer \$6,384.86	No	\$ 6,384.86	\$ 2,648.71
11	VERNON, ROBERT GORDON PO BOX 3	#17716435	\$ 157,400.00	Water \$6,973.21 Sewer \$6,384.86	Yes	\$ 6,384.86	\$ 2,648.71
12	HOMER, AK 99603-0003	#17716434	\$ 41,300.00	Water \$6,973.21 Sewer \$6,384.86	No	\$ 6,384.86	\$ 2,648.71
13	LOGAN, CHRISTINA ARLYNE 2303TULIKDR	#17716433	\$ 175,200.00	Water \$6,973.21 Sewer \$6,384.86	Yes	\$ 6,384.86	\$ 2,648.71
14	ANCHORAGE, AK 99517-1132	#17716432	\$ 58,100.00	Water \$6,973.21 Sewer \$6,384.86	Yes	\$ 6,384.86	\$ 2,648.71
15	HILLSTRAND, NANCY PO BOX 7	#17716431	\$ 102,100.00	Water \$6,973.21 Sewer \$6,384.86	Yes	\$ 6,384.86	\$ 2,648.71
16	HOMER, AK 99603-0007	#17716430	\$ 36,000.00	Water \$6,973.21 Sewer \$6,384.86	No	\$ 6,384.86	\$ 2,648.71
17	HOMER, CITY OF 491 E PIONEER AVE HOMER, AK 99603-7624	#1771401	\$ 593,900.00	Water \$133,925.38 Sewer \$117,041.74	No	\$ 117,041.74	\$ 48,553.91
18	JOHNSON, PAUL MATTHEW 124 E 23RD AVE ANCHORAGE, AK 99503-2010 PEREIRA, KATHERIN 3476 S. HORSESHOE LAKE RD WASILLA, AK 99	#17714009	\$ 4,300.00	Water \$14,851.17 Sewer \$13,699.97	No	\$ 13,699.97	\$ 5,683.33
19	VANN REVOCABLE TRUST PO BOX 561 KASILOF, AK 99610-0561	#17714008	\$ 248,000.00	Water \$14,851.17 Sewer \$13,699.97	Yes	\$ 13,699.97	\$ 5,683.33
						\$246,599.50	\$102,300.00



MEMORANDUM

Ordinance 25-10, An Ordinance Amending the FY25 Capital Budget by Reappropriating FY23 State of Alaska Community Assistance Program Payment in the Amount of \$40,000 from the Workstation Upgrade to Microsoft Office 2021 Project.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and City Council
Date: January 15, 2025
From: Bill Jirsa, Chief Technology Officer
Through: Melissa Jacobsen, City Manager

Ordinance 25-10 requests approval to re-appropriate \$40,000 from the State of Alaska Community Assistance Grant, initially allocated for upgrading Microsoft Office 2016 to Office 2021. The funds will be used to conduct a feasibility project evaluating cloud-based office productivity software and preparing a cloud adoption plan that meets the City's budget and needs.

Background

Improving the City's *digital maturity* is one of four IT Department objectives for the coming fiscal budget period. Digital maturity refers to how well an organization employs technology to drive value and success.

One of the budget items that impacts digital maturity is office productivity software: tools like Microsoft Office (Outlook, Word, Excel, and PowerPoint) that determine how information is captured or created, processed, managed and stored. While an upgrade from Microsoft Office 2016 to Microsoft Office 2021 will extend vendor support for essential tools, the conventionally licensed "classic" versions of Microsoft Office increasingly represent a "locked-in-time" version of the software.

Since 2013, Microsoft has promoted the "cloud-based" Office 365 as the primary means of obtaining Microsoft Office tools. At the same time Microsoft has ceased developing new features for the classic office software, adding additional pressure for hold-out organizations like the City of Homer to migrate to the cloud. Microsoft has announced the end of support for the latest version of the classic suite, which many anticipate may be the last, in 2029. According to data from 2023, 84% of new Microsoft mailbox deployments were in the cloud, meaning the City of Homer is now on the trailing edge of new technology adoption in this area.

Proposal

The IT Department would like to use the funds appropriated for Microsoft Office 2021 to conduct a feasibility project aimed at evaluating City staff office software needs against the various licensing structures and features available for Office 365 and then recommend the most affordable and effective solution for the City of Homer's present and future needs.

Benefits of Office 365

Office 365 offers new opportunities to improve digital maturity. It includes new features aimed at boosting collaboration and streamlining workflows, features that are not included in the classic releases of Office. For instance, Office 365 includes options with the following tools that are not available in the classic version:

1. Content management and file sharing tools (SharePoint)
2. Survey and poll authoring tools (Microsoft Forms)
3. Collaborative task management tools (Microsoft Planner)
4. Diagramming and flow chart tools (Visio)
5. Workflow automation tools (Power Automate)
6. Social networking tools for private communication within organizations (Viva Engage)
7. Video conferencing, chat and file sharing features (Teams)
8. Generative AI tools (Copilot)

Additionally, migration to the cloud promises eventual return on investment in local infrastructure. Transferring the role of securing and maintaining the servers and equipment that software runs on reduces the subscriber's responsibility. Crucially, the full ROI only occurs after complete migration.

Risks and Considerations:

The proposal to operate in a hybrid cloud/on-premise environment through a pilot project period is intended to mitigate some of the risks involved with migrating to the cloud.

1. Cost: Office 365 abandons the notion of software as a capital asset and transfers it to an ongoing operational expense through subscriptions (Software as a Service, or SaaS). While the budgeted price for software will likely increase, there are eventual cost savings if migration is handled properly.
2. Over-licensing: Cloud subscriptions could drive up costs if the entire staff is assigned licenses for tools that many workers make little use of. One goal of the project is to determine the appropriate product licensing based on the actual needs of the workforce.
3. Adoption and training: Simply purchasing the tools does not ensure that their adoption will attain the desired outcome. The pilot team period is intended to drive adoption of the new tools by engaging key members of City staff who can identify opportunities to maximize the value of the tools.

Alternatives

The following options were considered as part of the initiation of this project:

Option	Pros	Cons
<p>Option 1 – Do Nothing Continuing to use Office 2016 is not a feasible option. Although the software will still function after the Microsoft retirement date October 14, 2025, newly discovered vulnerabilities will not be addressed. Continuing to operate over 125 computers with increasingly unacceptable cybersecurity risk would be reckless, and the risks would easily offset the cost of more reasonable options.</p>	<ul style="list-style-type: none"> • The only benefit of doing nothing is a modest savings. 	<ul style="list-style-type: none"> • Unacceptable security risk. • Probably violates compliance with data security rules. • Potentially breaks integrations with other essential applications. • Emboldens “shadow implementation” in other platforms when knowledgeable staff become frustrated with authorized tools.
<p>Option 2 –Microsoft Office 2024 Messaging from Microsoft indicates Office 2024 may be the last classic version of Office software, but it will meet the City’s most basic needs until its announced retirement date in 2029 (\$40,00 one-time cost).</p>	<ul style="list-style-type: none"> • Most affordable among feasible options: pay once and use for four more years. 	<ul style="list-style-type: none"> • Does not address digital maturity goals/continues the “locked-in-time” user experience. • Emboldens “shadow implementation” in other platforms when knowledgeable staff become frustrated with authorized tools. • Kicks the can down the road another 4 years, and significant parts of our on-premise infrastructure will be due for replacement again by that time.
<p>Option 3 – Consider Another Cloud Platform Microsoft Office is not without competitors. The most established of these is Google Workspace which offers competitive features and pricing.</p>	<ul style="list-style-type: none"> • Make immediate return on investment by retiring parts of the on-premise infrastructure. • Transfers operational burden of security management to service vendor. 	<ul style="list-style-type: none"> • Disruption from switching to Google Workspace: involves significant changes from the familiar tools and work environment, without significant benefits in features or price over Microsoft options. • Would likely break some important integrations with existing procedures and applications that would need to be re-built.

Option 4 – A Pilot Team Hybrid Environment for a Limited Period Migrate a selected portion of staff to Office365 for a limited period to help make well-informed decisions about which subscription levels are appropriate for which roles and carefully plan the final migration.	<ul style="list-style-type: none">• Significant savings compared to Option 5.• Operating in a hybrid environment for some period mitigates technical risks of abrupt migration to the new platform.	<ul style="list-style-type: none">• Delays the return on investment by requiring both cloud and on-premise environments for the duration of the migration.• Requires higher level of effort for careful analysis of role-based needs of City staff.
Option 5 – Migrate to Office 365 all at once The most straightforward means of adopting Office 365 would be to migrate the entire organization from Office 2016 on-premise to Office 365 in the cloud at one time.	<ul style="list-style-type: none">• Make immediate return on investment by retiring parts of the on-premise infrastructure.• Transfers operational burden of security management to Microsoft.• Simplified implementation: there is additional overhead to operate an organization in a hybrid environment (option 4).	<ul style="list-style-type: none">• Most expensive option. This could lock in operating expenses of \$50,000 - \$70,000/year.

Recommendation:

Re-appropriate the \$40,000 State of Alaska Community Assistance Funds identified to purchase Microsoft Office 2021 and use the funds to conduct a feasibility project that will help determine the most appropriate and affordable solution for the City of Homer.

Repurposing these funds will support a well-informed decision on the City's next-generation office productivity software and foster goals around digital maturity. Such a project also mitigates some of the financial and technical risks involved with migrating the entire workforce to a new platform.

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Chief Technology Officer

ORDINANCE 25-10

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE FY25 CAPITAL BUDGET BY REAPPROPRIATING
FY23 STATE OF ALASKA COMMUNITY ASSISTANCE PROGRAM
PAYMENT IN THE AMOUNT OF \$40,000 FROM THE WORKSTATION
UPGRADE TO MICROSOFT OFFICE 2021 PROJECT.

WHEREAS, Ordinance 23-43(S) appropriated \$40,000 in State of Alaska Community Assistance Program funds to upgrade City of Homer workstations to Microsoft Office 2021; and

WHEREAS, Subsequent consideration has identified the pressure to explore options for next-generation office productivity software to enable the most effective solution for City staff and elected officials; and

WHEREAS, Several upgrade options are available, including Microsoft Office 365, which offers enhanced tools and features, advanced support for collaboration, and the potential to improve productivity and efficiency across City departments; and

WHEREAS, A feasibility project involving a pilot team of approximately 20-25 staff members from various City departments using Microsoft Office 365 for up to one year will provide valuable data and insights into the suitability, effectiveness and limitations of this solution for the City of Homer workforce.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The funds originally allocated to “Upgrade City Workstations to Microsoft Office 2021” in the amount of \$40,000 are hereby re-appropriated to be used to fund a feasibility project to evaluate the next generation of office productivity software for the City of Homer staff and elected officials as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
151-7033	Office 365 Feasibility Project	\$40,000

Section 2. The feasibility project shall include the following:

- a. Assessment of the productivity software needs of the City of Homer workforce.
- b. Selection of a pilot team of 20-25 staff members from various City departments.

c. Engagement of contractors to assist with migration and licensing of Microsoft Office 365 for the pilot team for a period of one year.

d. Evaluation of the pilot team's experience with Microsoft Office 365, including features, collaboration tools, productivity gains, and cost-effectiveness.

e. Preparation of a report with recommendations on the most effective and affordable solution for the whole City of Homer workforce.

Section 3. The City Manager is authorized to negotiate and execute any necessary agreements or documents to implement this project.

Section 4. This is a budget amendment ordinance, is temporary in nature and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of February, 2025.

CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

RENEE KRAUSE, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

CITY OF HOMER
FINANCIAL SUPPLEMENT

PROJECT NAME	<u>PIDP Grant Application Assistance</u>	DATE	<u>01/22/2025</u>
DEPARTMENT	<u>Port and Harbor</u>	SPONSOR	<u>City Manager/Port Director</u>
REQUESTED AMOUNT	<u>\$ 50,000</u>		

DESCRIPTION	HDR, a term contractor with the City of Homer, experienced with transportation infrastructure project planning and developing Federal grant applications, assisted city staff with the FY2023 and FY2024 PIDP grant applications and attended the application debriefs. Administration requested an estimate from HDR to provide FY2025 PIDP application revision and resubmission support. If funds are appropriated, Administration will present a Resolution to City Council for authorization of a Task Order for FY2025 PIDP grant re-submission services.
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FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	100%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: PORT RESERVES		FUNDING SOURCE 2:		FUNDING SOURCE 3:	
Current Balance	<u>\$ 1,210,631</u>	Current Balance	<u> </u>	Current Balance	<u> </u>
Encumbered	<u>\$ 648,062</u>	Encumbered	<u> </u>	Encumbered	<u> </u>
Requested Amount	<u>\$ 50,000</u>	Requested Amount	<u> </u>	Requested Amount	<u> </u>
Other Items on Current Agenda	<u>\$ 36,393</u>	Other Items on Current Agenda	<u> </u>	Other Items on Current Agenda	<u> </u>
Remaining Balance	<u>\$ 476,176</u>	Remaining Balance	<u> </u>	Remaining Balance	<u> </u>
FUNDING SOURCE 4:		FUNDING SOURCE 5:		FUNDING SOURCE 6:	
Current Balance	<u> </u>	Current Balance	<u> </u>	Current Balance	<u> </u>
Encumbered	<u> </u>	Encumbered	<u> </u>	Encumbered	<u> </u>
Requested Amount	<u> </u>	Requested Amount	<u> </u>	Requested Amount	<u> </u>
Remaining Balance	<u> </u>	Remaining Balance	<u> </u>	Remaining Balance	<u> </u>



Memorandum

Resolution 25-006, Approving a Lease Assignment from Eagle Eye Charters, LLC DBA Bob's Trophy Charters to The Dragging Anchor, LLC; Approving Amendments to the Assigned Lease Under Sections 2.02 Quiet Enjoyment, 6.01 Use of Property, 6.02 Required Improvements, and 14.04 Addresses for Notices, Authorizing the City Manager to Negotiate and Execute the Appropriate Documents for the Assignment, Amendment and Extension of the Current Twenty Year Lease to a Full Twenty Year Lease with Options for Two Consecutive Five Year Renewals at an Initial Annual Base Rent of \$7,984.34 for Tract 1-B, Fishing Hole Subdivision No. 2.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and Homer City Council
Meeting Date: January 27, 2025
From: Bryan Hawkins, Port Director
Through: Melissa Jacobsen, City Manager

Summary Statement:

The City Manager and Homer Port and Harbor Staff have reviewed the City Lease Application and found David and Erika Atwood's proposal to be compatible with applicable land use regulations and meet the criteria outlined in City Code.

Staff recommends that The Dragging Anchor, LLC be assigned the lease from Eagle Eye Charters, LLC for the 1,500sqft lot, T 6S R 13W SEC 35 SEWARD MERIDIAN HM 0940043 THE FISHING HOLE SUB NO 2 TRACT 1-B with a base rent of \$7,984.34 per year (\$665.37/mo.) based on the 2022 appraisal and adjusted in line with the Consumer Price Index, and to extend the term to twenty years with two five-year options for renewal as permitted in Homer City Code 18.08.160 (e) "...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."

The Port and Harbor Advisory Commission discussed the proposal at their November 20, 2024, regular meeting and approved a motion recommending that the Council approve the Lease transfer to The Dragging Anchor.

Recommendation:

Adopt Resolution 25-006.

Attachments:

- City of Homer Lease Application Proposal Review and Staff Recommendations
- Excerpt from the Port and Harbor Advisory Committee minutes recommending approval of Lease Application from The Dragging Anchor, LLC .
- 2nd Assignment and 2nd Amendment to the Lease Agreement
- Assignment and 1st Amendment to Lease Agreement (December 22, 2022)
- Ground Lease and Security Agreement Between City of Homer, Alaska and Kachemak Corporation, dba Bob's Trophy Charters (January 1, 2017)
- The Dragging Anchor, LLC City Lease Application and supporting documents
- A separate confidential packet containing the applicant's confidential financial information



City of Homer Lease Application Proposal Review & Staff Recommendations

Proposal Synopsis

Application is for: Assignment of existing lease for Parcel 18103118 located at 3978 Homer Spit Road to Dragging Anchor LLC.

Lease Proposal Synopsis and Recommendation: Staff reviewed the application and found it to be complete. Staff recommends approving the assignment of this lease for a 20-year term with two 5-year extensions.

Criteria Checklist using City of Homer Code 18.08.060

The lease application provides a clear, precise written narrative that addresses all proposal criteria:



Yes



No



N/A



Insufficient

Notes:

The written narrative clearly addresses all of the criteria outlined in the proposal.

1. property plan is compatible with neighboring uses and consistent with applicable land use regulations including the land allocation plan; comprehensive plan:



Yes



No



N/A



Insufficient

Notes:

This Parcel is zoned for Marine Commercial uses, the specified use is compatible with land use regulations and neighboring uses.

2. The development plan includes phases and timetables for the proposal:



Yes



No



N/A



Insufficient

Notes:

3. The development plan proposes a capital investment plan:



Yes



No



N/A



Insufficient

Notes:

4. The applicant is experienced in the proposed business or venture:



Yes



No



N/A



Insufficient

Notes: Dave brings experience from the maritime and service industry and Erika from her experience at Salty Dawg and Kharacters Bar.

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:



Yes



No



N/A



Insufficient

Notes: Preliminary loan approval was provided by Northrim Bank. A projected profit and Loss Statement was provided.

6. The proposal states the number of employees anticipated:



Yes



No



N/A



Insufficient

Notes: The applicant specifies that they anticipate hiring 3-5 seasonal employees as baristas, cleaners, and for counter sales.

7. The proposed lease rate was included in the proposal.



Yes



No



N/A



Insufficient

Notes: It is implied that the applicant would assume the lease at the existing rate of \$665.37/month.

8. Information about 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 was included in the application.



Yes



No



N/A



Insufficient

Notes: No information on the financial impact of this proposal was provided.

9. Other long-term social economic development information was included in the proposal.



Yes



No



N/A



Insufficient

Notes:

10. Residency or licensure of the applicant has been established 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:



Yes



No



N/A



Insufficient

Notes: The applicant is confirmed to be a resident of the City of Homer.

18.08.060 (b) Determination of the rent amount shall take into consideration the following factors:

(Record comments below as appropriate.)

1. Appraisal or tax assessed valuation;

Appraised annual rental value (2022) was \$7026.60 or \$585.55/mo. Rent has been adjusted to match the increase in the Consumer Price Index.

2. The highest and best use of the land;

As this is an Assignment of an existing lease, the Lease rate was based on the current rate paid by the Lessee.

3. Development (existing and planned);

The applicant has no plans for major changes that would modify or add to any of the existing structures. The downstairs of the building will be redesigned to accommodate the new business, mainly involving modifying the office space by replacing office with racks and shelving.

4. Economic development objectives;

The proposal will contribute to resolving market inefficiencies by providing a method to transfer marine gear to people who will use it.

5. The location of the property;

The location of the business is well suited to its intended use.

6. Alternative valuation methodologies as negotiated by both parties. [Ord. 18-16(S)(A) 1,2018]. See (b)(1) above.

FOR ASSIGNMENTS ONLY – Current lessee is in full compliance with the lease terms and is eligible for lease assignment:

☒ **Yes** ☐ **No** ☐ **N/A** ☐ **Insufficient**

FOR CURRENT TENANTS ONLY – the lessee is in good standing:

☐ **Yes** ☐ **No** ☒ **N/A** ☐ **Insufficient**

All applicable documentation has been provided:

☒ Lease Application and Written Narrative

☒ **Yes** ☐ **No** ☐ **N/A** ☐ **Insufficient**

- ☒ Property Plan
- ☒ Development Plan
- ☒ Financial Information
- ☒ Business Entity and Licensing Information
- ☒ Verification that Insurance can be provided at Signing of Lease
- ☒ City Planning & Other Agency Approval Information

Comments/Recommendations from Planning & Zoning

Will Anderson, Associate Planner wrote the following:

“The Planning Department has reviewed the relevant sections of HCC Title 21. Should the applicant wish to modify their sign, it is recommended that they contact the Planning Department directly. Please refer to the notes below for additional details.

- The applicant’s listed uses are all permitted within the Marine Commercial District.
- Since the applicant is only making interior modifications, a zoning permit is not required at this time.
- As per HCC 21.60 Sign Code, should the applicant decide to place, construct, erect or modify their sign for advertising, a separate sign permit application must be submitted to the Planning Department. See exemption below
 - Identification Sign: Only address and name of occupant allowed on sign. “

Jean Arno, Public Works Inspector, recommended including the following in the Lease Amendment:
“Interruptions to business activities due to unplanned maintenance of the wastewater lift station facility on adjacent City property may necessitate temporary shutdown of the business or short-term disruption to parking. Additionally, despite preventative measures, odor generated by the lift station may be unavoidable from time to time.” (Mr. Atwood notified 01/16/2025)

Additional Comments/Recommendations from Port & Harbor Staff (if applicable)

- A clearer detailed schematic meeting the requirements of the lease application has been requested and will be submitted prior to the Port and Harbor Commission Meeting. (Received in person 01/17/2025mb)
- A Mobile Food Vendor Permit will be requested for submission prior to use of the 'Coffee Shop' (a mobile Coffee Cart). (Notified by email 01/17/2025)

☐ N/A

Comments from City Manager's Office

No additional comments

☐ N/A

Recommendation from Port & Harbor Advisory Commission (if applicable)

Approve the City Lease Application submitted by The Dragging Anchor

☐ N/A


Recommended Action to City Council

Approve the City Lease Application submitted by The Dragging Anchor

☐ N/A

Application Verified By:

City Manager Approval:



Date: 1.21.24

Attachments:

- 2017 Lease
- Assignments 1 & 2
- Application

10. NEW BUSINESS

10.A. End of Season Parking & Camping Reports, ADA Parking on the Homer Spit

Chair Siekaniec introduced the item by reading of the title and deferred to Harbormaster Clarke, who noted the following:

- Annual camping revenues: ~\$200,000 from April 1st – October 31st
 - 6,819 individual camping permits sold during that time
 - ~\$10,000 in camping revenues from Tent Camp West
 - ~\$82,000 in operating revenues for the campgrounds
 - Net take of ~\$117,000 from camping
 - Camping facility upgrades
 - 10 new, recycled plastic tables, 36-inch diameter, heavy steel grade firing, and mobile payment kiosks
- Annual parking revenues: ~\$231,000
 - ~\$30,000 generated from long-term parking passes

Mr. Clarke also reviewed key accomplishments and improvements made to parking in 2024, and provided a look ahead to future projects in 2025. There was also brief discussion regarding ADA parking on the Spit.

10.B. Application for Lease Transfer from Dragging Anchor LLC Memorandum PHC-24-025 from Port Administrative Supervisor as backup

Chair Siekaniec introduced the item by reading of the title and deferred to Port Administrative Supervisor Woodruff, who clarified what the lease transfer application entailed.

ZEISET/BRADSHAW MOVED TO RECOMMEND THAT CITY COUNCIL APPROVE THE LEASE TRANSFER TO DRAGGING ANCHOR LLC AND THE EXTENSION OF THE LEASE TERM.

Commissioner Shavelson encouraged City Council to think about the length of the lease before sending it back to the Commission. He suggested the idea of incorporating performance standards into the lease. Commissioner Bradshaw reasoned that it isn't the Commission's concern whether or not the lease term is being fulfilled, adding that he has a hard time telling someone what to do with their business. Commissioner Zeiset agreed with adding performance standards upfront, but added that it isn't the Commission's place to make a decision on leases that don't have standards outlined in the lease.

There was no further discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

10.C. Application for Non-Competitive Lease from Mike Yourkowski Memorandum PHC-24-026 from Port Administrative Supervisor as backup Letter from Mr. Yourkowski

2nd ASSIGNMENT AND 2st AMENDMENT TO LEASE AGREEMENT

This Assignment and First Amendment to Lease Agreement (“Assignment”) is made and entered into as of _____ (“Effective Date”) by and among the City of Homer, an Alaska municipal corporation (“Landlord”) whose address is 491 East Pioneer Avenue, Homer, Alaska 99603, and Eagle Eye Charters LLC, dba Bob’s Trophy Charters, an Alaska Limited Liability Company (“Tenant”) whose address is P.O. Box 2592 Homer, Alaska 99603, and The Dragging Anchor, LLC (“Assignee”) whose address is P.O. Box 2794 Homer, Alaska 99603, and assigns and amends the Lease recorded on _____, Number _____, Homer Recording District 309, Alaska.

RECITALS

WHEREAS, Tenant and Landlord are parties to that certain Ground Lease and Security Agreement (“Lease”) dated January 1, 2017 assigned to tenant in first assignment dated December 20, 2022, (a copy of which is attached hereto as Exhibit F) for the property designated as Tract 1-B The Fishing Hole Subdivision No. 2, for a term of twenty (20) years which expires December 31, 2036 with two (2) additional five (5) year renewal terms;

WHEREAS, Under Section 8.01 of the Lease Tenant shall not assign or sublease its interest in this Lease or in the Property without first obtaining the written consent of City Council, which will not be withheld unreasonably, and in accordance with Section 18.08.160(b) of the Code of Ordinances of the City of Homer, Alaska (“Homer City Code”), Tenant submitted to Landlord a written Request for Assignment on November 06, 2024;

WHEREAS, Landlord has reviewed the request and determined Tenant is in good standing and eligible to assign the lease, and Assignee’s application (attached hereto as Exhibit A) and determined the Assignee can fulfill the terms of the Lease and requirements under Homer City Code Chapter 18.08;

WHEREAS, the parties desire to amend the Lease to extend the term to twenty (20) years as provided for in Homer City Code Chapter 18.08 and provide options for two (2) additional five (5) year extensions;

WHEREAS, Tenant and Assignee have an agreed-upon closing date of _____ for the sale of Eagle Eye Charters LLC, dba Bob’s Trophy Charters, at which time the Assignee must provide Landlord sufficient documentation verifying the transfer of business assets and Certificate of Insurance to satisfy the requirements of Homer City Code Chapter 18.08 and the City Lease Application;

NOW, THEREFORE in consideration of the mutual consent of all listed parties and the receipt and legal sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Assignment/Assumption. Effective as of the Effective Date, Tenant hereby assigns and transfers to Assignee all of Tenant’s (a) right, title and interest, claim and demand in the Lease including, but not limited to, all renewal rights thereunder, and (b) rights to all improvements, tenements, hereditaments, and appurtenances belonging or appertaining to the Property. Assignee hereby accepts such Assignment, expressly assumes Tenant’s interest in the Lease and agrees to perform all the obligations imposed on the Tenant under the Lease (as amended by this Agreement and by first amendment dated December 20, 2022) as a direct obligation to Landlord.

2. **Extension of Term:** The term of the Lease is hereby extended to twenty (20) years, commencing on _____ and expiring on _____. Tenant shall have the option to extend the Lease for two (2) additional terms of five (5) years each upon the same terms and conditions as set forth in the Lease, except for the rent, which shall be adjusted as provided in Lease ARTICLE 4 RENT, TAXES ASSESSMENTS AND UTILITIES. Tenant must provide written notice to Landlord of its intention to exercise each option to extend at least [Notice Period] days prior to the expiration of the then-current term.

3. Landlord's Consent. Landlord provides its written consent dated _____ (a copy of which is attached hereto as Exhibit B), to the Assignment as set forth in Section 1 above.

4. Amendment to Lease.

4.1 **ARTICLE 2 THE PROPERTY, Section 2.02 Quiet Enjoyment, shall be amended to read as follows:**

Landlord covenants that the Tenant, upon paying the rent and other charges and performing its other obligations under the 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 the Landlord. **Interruptions to business activities due to unplanned maintenance of the wastewater lift station facility on adjacent City property may necessitate temporary shutdown of the business or short-term disruption to parking. Additionally, despite preventative measures, odor generated by the lift station may be unavoidable from time to time.**

3.2 ARTICLE 6 USE AND IMPROVEMENT OF PROPERTY, Section 6.01 Use of Property, shall be amended to read as follows:

Tenant's undertaking to use and improve the Property as described in Tenant's proposal to Landlord is a material inducement to Landlord leasing the Property to Tenant. Tenant shall ~~improve and use the Property in the manner described in Tenant's Proposal in Exhibit D~~ ~~Exhibit C~~ **Exhibit A of the First Second Amendment to this Ground Lease Agreement.** Tenant's proposed use of the Property is to ~~continue operating a fish charter business operate a booking office and overnight accommodations for their fishing charter business~~ **operate a new marine consignment store, and continue to offer a coffee shop, two rooms for rent on the second floor and space where Spit Spots can offer internet service.** Tenant shall not use or improve the Property for any purpose other than as described in Tenant's proposal without Landlord's written consent, which consent Landlord may withhold ~~in at~~ its sole discretion.

3.3 ARTICLE 6 USE AND IMPROVEMENT OF PROPERTY, Section 6.02 Required Improvements, shall be amended to read as follows:

~~Tenant shall, at Tenant's sole expense, construct and at all times during the Term and any Renewal Term keep and maintain as the minimum development on the Property the following improvements ("Required Improvements"):~~

- ~~• Exterior painting of the building by October 1, 2017~~
- ~~• Compliance with City of Homer's Sign Code, HCC 21.60 by October 1, 2017~~

~~The Required Improvements also are depicted in the site plan and floor plans in Exhibit E. Tenant shall commence construction of the Required Improvements within one year after the date of the commencement of the Term, prosecute the construction of the Required Improvements with diligence, and Complete construction within one additional year.~~

Tenant shall, at Tenant's sole expense, keep and maintain compliance with Fire Marshal to utilize second floor for residential or hotel occupancy. Documentation of Fire Marshal's approval must be submitted to Landlord before any overnight accommodations are permitted under this Lease.

3.4 ARTICLE 14 GENERAL PROVISIONS, Section 14.04 Addresses for Notices, shall be amended to read as follows:

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

~~Robert Dumouchel~~ **Melissa Jacobsen**, City Manager
City of Homer
491 East Pioneer Avenue
Homer, Alaska 99603
Facsimile: (907) 235-3148
Email: citymanager@cityofhomer-ak.gov

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

~~Cory DeCook~~
~~Eagle Eye Charters LLC, dba Bob's Trophy Charters~~
~~P.O. Box 2592~~
~~Homer, Alaska 99603~~
~~Email: corydecook@yahoo.com~~

David Atwood or Erika Atwood
The Dragging Anchor, LLC
PO Box 2794
Homer, AK 99603
Email: daveatwood@theThe Dragginganchor.com or eekettel@gmail.com

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.

5. No Further Verification. Except as set forth in this Agreement, all of the terms and provisions of the Lease shall continue to apply and shall remain unmodified and in full force and effect. Effective as of the date hereof, all references to the "Lease" shall refer to the Lease as amended by this Agreement.

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

LESSOR: CITY OF HOMER

By: _____
Melissa Jacobsen, City Manager

TENANT: EAGLE EYE CHARTERS LLC, DBA BOB'S TROPHY CHARTERS

By: _____
Cory DeCook, Owner

ASSIGNEE: THE DRAGGING ANCHOR, LLC

By: _____
David Atwood, Member

By: _____
Erika Atwood, Member

STATE OF ALASKA)
) SS.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on _____, 20__ by Melissa Jacobsen, 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 Cory DeCook, Owner of Eagle Eye Charters LLC, dba Bob's Trophy Charters, an Alaska Limited Liability Company.

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 David Atwood, Member of The Dragging Anchor, LLC, an Alaska Limited Liability Company.

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 Erika Atwood, Member of The Dragging Anchor, LLC, an Alaska Limited Liability Company.

Notary Public in and for Alaska
My Commission Expires: _____

After recording return to:
Renee Krause, MMC, City Clerk
City of Homer
491 E. Pioneer Avenue
Homer, AK 99603

EXHIBIT A

ASSIGNEE'S LEASE APPLICATION INCLUDING THE PROPOSED USE OF THE PROPERTY, & SCHEDULE OF ORGANIZATIONS, OWNERS, PERCENTAGE OF OWNERSHIP

Assignee, The Dragging Anchor, LLC, is an Alaska Limited Liability Company organized under the laws of the State of Alaska. Attached to this exhibit is the Assignee's lease application including the proposed use of the property, a certificate issued by that state describing its legal organization and certifying that the Assignee is licensed in the State of Alaska and is in good standing.

EXHIBIT B

**CONFORMED COPY OF CITY OF ORDINANCE AUTHORIZING ASSIGNMENT AND AMMENDMENTS OF
LEASE AND AUTHORIZING SIGNERS TO SIGN LEASE AGREEMENT**

EXHIBIT C

CERTIFICATE OF INSURANCE

As required per Section 9.04(d) of the Original Ground Lease found in Exhibit F.

EXHIBIT D

PERMISSION TO OBTAIN INSURANCE POLICIES

As required per Section 9.04(d) of the Original Ground Lease found in Exhibit F.

The City of Homer is hereby granted permission to request and obtain copies of The Dragging Anchor, LLC ("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: _____

The Dragging Anchor, LLC

By:

David Atwood, Member

By:

Erika Atwood, Member

EXHIBIT E

MOBILE FOOD VENDOR PERMIT ISSUED BY THE CITY OF HOMER

EXHIBIT F

ORIGINAL GROUND LEASE & SECURITY AGREEMENT

Attached to this exhibit is the Ground Lease and Security Agreement (“Lease”) dated January 1, 2017, entered into by the City of Homer and Kachemak Corporation, dba Bob’s Trophy Charters, and assigned as amended to The Dragging Anchor, LLC, herewith this 2nd Assignment and 2st Amendment to Lease Agreement.

ASSIGNMENT AND 1st AMENDMENT TO LEASE AGREEMENT

This Assignment and First Amendment to Lease Agreement ("Assignment") is made and entered into as of January 1, 2023 ("Effective Date") by and among the City of Homer, an Alaska municipal corporation ("Landlord") whose address is 491 East Pioneer Avenue, Homer, Alaska 99603, and Kachemak Corporation, dba Bob's Trophy Charters, an Alaska Business Corporation ("Tenant") whose address is 9952 East Gold Dust Place, Gold Canyon, AZ 85118, and Eagle Eye Charters LLC, dba Bob's Trophy Charters, an Alaska Limited Liability Company ("Assignee") whose address is P.O. Box 2592 Homer, Alaska 99603, and assigns and amends the Lease recorded on December 30, 2016, Number 2016-003955-0, Homer Recording District 309, Alaska.

RECITALS

WHEREAS, Tenant and Landlord are parties to that certain Ground Lease and Security Agreement ("Lease") dated January 1, 2017 (a copy of which is attached hereto as Exhibit E) for the property designated as Tract 1-B The Fishing Hole Subdivision No. 2, for a term of twenty (20) years which expires December 31, 2036 with two (2) additional five (5) year renewal terms.

WHEREAS, Under Section 8.01 of the Lease Tenant shall not assign or sublease its interest in this Lease or in the Property without first obtaining the written consent of City Council, which will not be withheld unreasonably, and in accordance with Section 18.08.160(b) of the Code of Ordinances of the City of Homer, Alaska ("Homer City Code"), Tenant submitted to Landlord a written Request for Assignment on June 13, 2022.

WHEREAS, Landlord has reviewed the request and determined Tenant is in good standing and eligible to assign the lease, and Assignee's application (attached hereto as Exhibit A) and determined the Assignee can fulfill the terms of the Lease and requirements under Homer City Code Chapter 18.08.

WHEREAS, Tenant and Assignee have an agreed-upon closing date of December 20, 2022 for the sale of Bob's Trophy Charters, at which time the Assignee must provide Landlord sufficient documentation verifying the transfer of business assets and Certificate of Insurance to satisfy the requirements of Homer City Code Chapter 18.08 and the City Lease Application.

NOW, THEREFORE in consideration of the mutual consent of all listed parties and the receipt and legal sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Assignment/Assumption. Effective as the Effective Date, Tenant hereby assigns and transfers to Assignee all of Tenant's (a) right, title and interest, claim and demand in the Lease including, but not limited to, all renewal rights thereunder, and (b) rights to all improvements, tenements, hereditaments, and appurtenances belonging or appertaining to the Property. Assignee hereby accepts such Assignment, expressly assumes Tenant's interest in the Lease and agrees to perform all the obligations

imposed on the Tenant under the Lease (as amended by this Agreement) as a direct obligation to Landlord.

2. Landlord's Consent. Landlord provides its written consent dated November 14, 2022 (a copy of which is attached hereto as Exhibit B), to the Assignment as set forth in Section 1 above.

3. Amendment to Lease.

3.1 ARTICLE 6 USE AND IMPROVEMENT OF PROPERTY, Section 6.01 Use of Property, shall be amended to read as follows:

Tenant's undertaking to use and improve the Property as described in Tenant's proposal to Landlord is a material inducement to Landlord leasing the Property to Tenant. Tenant shall improve and use the Property in the manner described in Tenant's Proposal in ~~Exhibit D~~ **Exhibit C of the First Amendment to this Ground Lease Agreement.** Tenant's proposed use of the Property is to ~~continue operating a fish charter business~~ **operate a booking office and overnight accommodations for their fishing charter business.** Tenant shall not use or improve the Property for any purpose other than as described in Tenant's proposal without Landlord's written consent, which consent Landlord may withhold in its sole discretion.

3.2 ARTICLE 6 USE AND IMPROVEMENT OF PROPERTY, Section 6.02 Required Improvements, shall be amended to read as follows:

Tenant shall, at Tenant's sole expense, construct and at all times during the Term and any Renewal Term keep and maintain as the minimum development on the Property the following improvements ("Required Improvements"):

- Exterior painting of the building by October 1, 2017
- Compliance with City of Homer's Sign Code, HCC 21.60 by October 1, 2017

The Required Improvements also are depicted in the site plan and floor plans in Exhibit E. Tenant shall commence construction of the Required Improvements within one year after the date of the commencement of the Term, prosecute the construction of the Required Improvements with diligence, and Complete construction within one additional year.

Tenant shall, at Tenant's sole expense, keep and maintain compliance with Fire Marshal to utilize second floor for residential or hotel occupancy. Documentation of Fire Marshal's approval must be submitted to Landlord before any overnight accommodations are permitted under this Lease.

3.3 ARTICLE 14 GENERAL PROVISIONS, Section 14.04 Addresses for Notices, shall be amended to read as follows:

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

Robert Dumouchel, City Manager
City of Homer
491 East Pioneer Avenue

Homer, Alaska 99603
Facsimile: (907) 235-3148
Email: citymanager@cityofhomer-ak.gov

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

Cory DeCook
Eagle Eye Charters LLC, dba Bob's Trophy Charters
P.O. Box 2592
Homer, Alaska 99603
Email: corydecook@yahoo.com

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.

4. No Further Verification. Except as set forth in this Agreement, all of the terms and provisions of the Lease shall continue to apply and shall remain unmodified and in full force and effect. Effective as of the date hereof, all references to the "Lease" shall refer to the Lease as amended by this Agreement.

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

LESSOR:

CITY OF HOMER

By: 
Robert Dumouchel, City Manager

TENANT:

KACHEMAK CORPORATION, DBA BOB'S TROPHY CHARTERS

By: 
Todd Strand, President and Shareholder

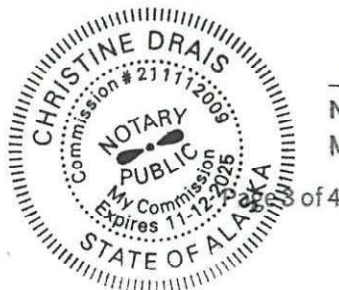
ASSIGNEE:


EAGLE EYE CHARTERS LLC, DBA BOB'S TROPHY CHARTERS

By: 
Cory DeCook, Owner

STATE OF ALASKA)
) SS.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on 22 December 2022 by Robert Dumouchel, City Manager of the City of Homer, an Alaska municipal corporation, on behalf of the City of Homer.

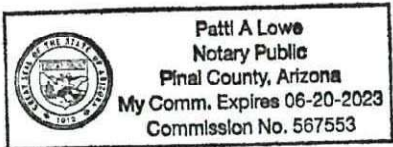



Notary Public in and for Alaska
My Commission Expires: 11-12-2025

Page 4 of 4

STATE OF ~~ALASKA~~ ^{ARIZONA})
county of: ~~Alaska~~ ^{Pinal}) SS.
THIRD JUDICIAL DISTRICT)

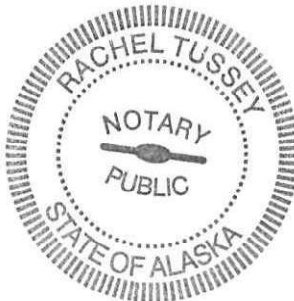
The foregoing instrument was acknowledged before me on December 20, 2022 by Todd Strand, President and Shareholder of Kachemak Corporation, dba Bob's Trophy Charters, an Alaska Business Corporation.



Patti A. Lowe
Notary Public in and for ~~Alaska~~ ^{ARIZONA}
My Commission Expires: 6/20/23

STATE OF ALASKA)
) SS.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on December 21, 2022 by Cory DeCook, Owner of Eagle Eye Charters LLC, dba Bob's Trophy Charters, an Alaska Limited Liability Company.



Cory DeCook
Notary Public in and for Alaska
My Commission Expires: 12/10/2026

After recording return to:
Melissa Jacobsen, MMC, City Clerk
City of Homer
491 E. Pioneer Avenue
Homer, AK 99603

GROUND LEASE AND SECURITY AGREEMENT

BETWEEN

CITY OF HOMER, ALASKA

AND

KACHEMAK CORPORATION, DBA BOB'S TROPHY CHARTERS

Dated January 1, 2017

GROUND LEASE AND SECURITY AGREEMENT

GROUND LEASE AND SECURITY AGREEMENT ("Lease") dated as of January 1, 2017, between the CITY OF HOMER, an Alaska municipal corporation ("Landlord"), whose address is 491 East Pioneer Avenue, Homer, Alaska 99603, and Kachemak Corporation, dba Bob's Trophy Charters, a State of Alaska corporation ("Tenant"), whose address is 24075 Lofton Ave. N, Chisago City, MN 55013.

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

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

(b) "Base Rent" is defined in Section 4.01.

(c) "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.

(d) "Council" means the City Council of the City of Homer, Alaska.

(e) "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%).

(f) "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.

(g) "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.

(h) "Extended Term" is defined in Section 3.02.

(i) "Five Year Rent Adjustment Date" is defined in Section 4.02(a).

(j) "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.

(k) "Landlord" means the City of Homer, Alaska.

(l) "Lease Policy" means the City of Homer Property Management Policy and Procedures, as adopted and amended from time to time by Council resolution.

- (m) "Leasehold Mortgage" is defined in Section 13.01.
- (n) "Property" is defined in Section 2.01.
- (o) "Qualified Mortgagee" is defined in Section 13.03.
- (p) "Required Improvements" is defined in Section 6.02.
- (q) "Tenant" means Kachemak Corporation, dba Bob's Trophy Charters.
- (r) "Term" is defined in Section 3.01.

1.02 Attachments. The following documents are attached hereto, and such documents, as well as all drawings and documents prepared pursuant thereto, 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/ Required Improvements

Exhibit "F" Certificates of Insurance

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 ("Property"):

Tract 1-B, T 6S R 13W SEC 35 Seward Meridian HM 0940043 THE FISHIN HOLE SUB NO 2, Homer Recording District, State of Alaska, as depicted on Exhibit C, containing 6,692 square feet, more or less, also known as Kenai Peninsula Borough Tax Parcel No. 181-031-18;

This lot is 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." Landlord, its agents and employees make no 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 Rights. This Lease confers no mineral rights or rights with regard to the subsurface of the Property below the level necessary for the uses of the Property permitted in this Lease.

ARTICLE 3. TERM

3.01 Lease Term. The term of this Lease is twenty (20) years, commencing on January 1, 2017, and ending on December 31, 2036 ("Term").

3.02. Options to Extend Lease Term.

(a) Tenant has the option to extend the Term for two (2) additional, consecutive five-year (5) year 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 the last day of the Term or current Extended Term, as the case may be;

(2) At the time Tenant exercises the option, and at all times thereafter until the Extended Term commences, Tenant is not materially in default of any term or condition of this Lease and has not made an assignment or subletting of this Lease or any interest in the Property except as permitted under this Lease; and

3) Tenant may exercise no more than one option to extend the Term during the Term or any Extended Term.

(b) Tenant's failure to exercise an option to extend the Term in strict compliance with all the requirements in Section 3.02(a) renders that option and all options as to subsequent Extended Terms null and void.

3.03 Lease Renewal.

(a) Tenant represents and warrants that it has determined that the duration of the Term, plus 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. 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 or the final Extended Term, including without limitation any option to renew this Lease, or any option to extend the Term other than as provided in Section 3.02.

(b) Not less than 12 months before the expiration of the Term or the final Extended Term, Tenant may apply to Landlord for a renewal of this Lease in the manner that a person then would apply for a new lease of the Property. In response to a timely application, the Council will determine whether to renew this Lease, and the term of any renewal, in its sole discretion. The Council is under no obligation to renew this Lease, or to renew this Lease for the term that Tenant requests. If the Council does not grant a timely application to renew this Lease, Tenant shall prepare to surrender possession of the Property as required by Section 3.04, and dispose of improvements on the Property as required by Section 6.08.

3.04 Surrender of Possession. Upon the expiration or earlier termination of the Term or the final Extended 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, and shall remove from the Property all personal property that was not present on the Property at the commencement of the Term. 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 or final Extended Term.

3.05 Holding Over. Tenant's continuing in possession of the Property after the expiration or earlier termination of the Term or final Extended 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.

ARTICLE 4. RENT, TAXES, ASSESSMENTS AND UTILITIES

4.01 Base Rent. Tenant shall pay to Landlord an initial annual rent of \$ 6,256.80 ("Base Rent"). Base Rent is payable monthly in advance in installments of \$521.40, plus tax, on January 1, 2017, and on the 1st 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.** Commencing January 1, 2017, 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 improvements (other than utilities) made by tenants. The appraisal may be performed as part of an appraisal of other properties of Landlord that are comparable in location and value. The Base Rent will be adjusted effective the anniversary date of the lease in the year of each appraisal (each such date is a "Five Year Rent Adjustment Date") to an amount equal to the greater of (i) the area of the

Property in square feet, multiplied by the fair rental value per square foot determined by the appraisal, and (ii) the adjusted Base Rent in effect immediately before the Five Year Rent Adjustment Date. The rent 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 January 1st, and on each January 1st thereafter, excluding each Five Year Rent Adjustment Date (each such date being an "Annual Rent Adjustment Date"), by the increase or decrease, 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 or an Extended 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 or Extended Term by 10. If this Lease subsequently is extended or renewed, the part of the assessment that Tenant shall pay 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.

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 and refuse removal. Tenant shall be solely responsible for the cost of utility connections.

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. Without limiting the generality of the preceding sentence, Tenant shall pay for wharfage, crane use, ice, and other Port and Harbor services at the rates established by the City of Homer from time to time. Tenant shall provide the City of Homer with the information necessary to determine wharfage, crane use, ice and other Port and Harbor service charges, 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, 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 will hold the security deposit, and may commingle it with other funds of Landlord. 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 or Renewal Term. If Tenant has fully complied with all of its obligations under this Lease through the first five years of the Term, Landlord will remit to Tenant any balance of the security deposit, without interest, within 30 days after the expiration of the first five years of the Term.

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 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 against environmental contamination or pollution; (3) all compensation payable to Tenant as a result of eminent domain proceedings or a transfer in lieu thereof; and (4) all rents from Tenant's subletting of all or a part of the Property. Said lien and security interest will be in addition to Landlord's liens provided by law.

This Lease 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. Tenant shall execute, such financing statements and other instruments as Landlord may now or hereafter reasonably request to evidence the security interest granted by Tenant.

ARTICLE 6. USE AND IMPROVEMENT OF PROPERTY

6.01 Use of Property. Tenant's undertaking to use and improve the Property as described in Tenant's proposal to Landlord is a material inducement to Landlord leasing the Property to Tenant. Tenant shall improve and use the Property in the manner described in Tenant's proposal in **Exhibit D**. Tenant's proposed use of the Property is to continue operating a fish charter business. Tenant shall not use or improve the Property for any purpose other than as described in Tenant's proposal 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 and any Renewal Term keep and maintain as the minimum development on the Property the following improvements ("Required Improvements"):

- Exterior painting of the building by October 1, 2017
- Compliance with City of Homer's Sign Code, HCC 21.60 by October 1, 2017

The Required Improvements also are depicted in the site plan and floor plans in **Exhibit E**. 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 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 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. Landlord shall communicate approval or disapproval in the manner provided for notices, accompanying any disapproval with a statement of the grounds therefor. Tenant shall be responsible for complying with all laws governing the construction, notwithstanding Landlord's approval of preliminary plans and specifications under this paragraph.

(b) Not less than five 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 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 improvements that are not consistent with terms of this Lease is prohibited unless the improvements are authorized by an amendment to this Lease approved by the Council.

(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. 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 any Extended Terms and may be removed or replaced by Tenant, subject, however, to (i) Tenant's obligations concerning the Required Improvements in Section 6.02; and (ii) the designation of improvements in **Exhibit D** for transfer to Landlord and retention on the Property at the expiration of the Term or Extended Term as provided in Section 6.08(a).

6.08 Disposition of Improvements at End of Term.

(a) One year before the expiration of the Term or Extended Term, the Landlord and Tenant shall determine if the improvements designated in the proposed use of the Property described in the preceding lease agreement, are structurally sound and in good condition or are ineligible for transfer to Landlord and retention on the Property at the expiration of the Term or Extended Term. If the improvements are eligible to remain, 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. 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 improvements. If the improvements are ineligible, Tenant shall remove all improvements constructed by Tenant or other occupants of the Property under this Lease before the expiration of the Term or Extended Term.

(b) Tenant shall notify Landlord before commencing the removal of an improvement as required under Section 6.08(a), 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 or Extended Term. All salvage resulting from such work will belong to Tenant, who is responsible for its removal and lawful disposal.

(c) If Tenant fails to remove any improvements from the Property that Tenant is required to remove under Section 6.08(a), Tenant shall pay Landlord the costs that it incurs in removing and disposing of the improvements and repairing damages to the Property caused by such removal.

(d) If Landlord terminates this Lease because of a default by Tenant, all improvements on the Property become the property of Landlord, which may use or dispose of them in its sole discretion. If Landlord elects to remove any improvements, Tenant shall pay Landlord the costs that it 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. Tenant shall not be required to restore the Required Improvements under the following circumstances:

(1) If the cost of repairing or restoring the Required Improvements, net of any available insurance proceeds not reduced by applicable deductibles and coinsurance, exceeds 10% of the replacement cost of the Required Improvements, 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.

(3) If any damage or casualty to the Required Improvements occurs within three years before the end of the Term or any Renewal 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.

(c) Under no circumstance shall Landlord be under any obligation to use or advance any of its own funds to restore any Required Improvements.

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 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 Homer Spit garbage disposal facilities.

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.

ARTICLE 8. ASSIGNMENT AND SUBLEASE

8.01 Consent Required for Assignment or Sublease. Tenant shall not assign or sublease its interest in this Lease or in the Property without first obtaining the written consent of the Council, which will not be withheld unreasonably. Any assignment or sublease without the consent of the Council will be voidable and, at Landlord's election, will constitute a default. Tenant shall request consent of the Council 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. Tenant shall be assessed additional rent, equal to 10% of the current Base Rent for the subleased area, but not upon a sublease of space within a building or other structure on the Property. 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 subject to Section 8.01. 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 subject to Section 8.01; 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 an assignment subject to Section 8.01. 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, 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 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. Landlord's insurance requirements shall specify 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) Tenant shall maintain in force at all times during the Term the following 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 also shall 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) 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. The policy shall include boiler and machinery coverage.

(c) During 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. The certificates of insurance shall be attached hereto as **Exhibit E**. 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 F 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 and any Renewal 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 any Extended 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 or final Extended 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 10 days after the due date.

(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 Section 12.01(a), which is not cured within 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 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) Terminate this lease by written notice to Tenant, upon which Tenant shall surrender possession and vacate the Property immediately, and deliver possession thereof to Landlord, and Tenant hereby grants to Landlord full and free license to enter into and upon the Property in such event with or without process of law and to repossess Landlord of the Property and 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, 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) By written notice declare Tenant's right to possession of the Property terminated without terminating this Lease, upon which Landlord will have all the rights to repossess the Property and remove Tenant and Tenant's property that are described Section 12.02(a).

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

(d) 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 or Renewal 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.

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, and subject to all of the other provisions of Article 8. 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:

Katie Koester, City Manager
City of Homer
491 East Pioneer Avenue
Homer, Alaska 99603
Facsimile: (907) 235-3148
Email: citymanager@cityofhomer-ak.gov

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

Todd Strand
Kachemak Corporation, dba Bob's Trophy Charters
9952 East Gold Dust Place
Gold Canyon, AZ 85118
Email: tstrand.mail@gmail.com

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 defendant 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.

14.20 Prior Lease. Landlord and Tenant are parties to prior leases ("Prior Leases") affecting the Property dated September 30, 1992, a memorandum of which has been recorded in the records of the Homer Recording District under Book 218, Page 001, and was amended per the Homer Recording District document under Book 224, Page 875; an additional prior lease affecting the Property is dated March 25, 2008. This Lease replaces and supersedes the Prior Leases effective as of December 31, 2016 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

KACHEMAK CORPORATION, DBA BOB'S
TROPHY CHARTERS

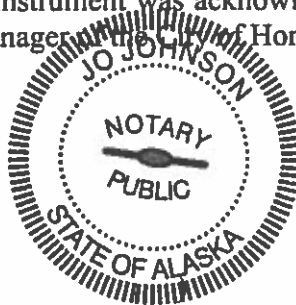
By: Katie Koester
Katie Koester, City Manager

By: Todd Strand
Todd Strand

ACKNOWLEDGMENTS

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

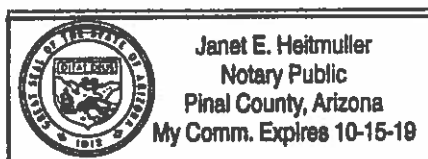
The foregoing instrument was acknowledged before me on December 28, 2016, by Katie Koester, City Manager of the City of Homer, an Alaska municipal corporation, on behalf of the City of Homer.



Jo Johnson
Notary Public in and for Alaska
My Commission Expires: January 5, 2020

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on 15 DECEMBER, 2016, by Todd Strand, as President of Kachemak Corporation, an Alaska municipal corporation, on behalf of Kachemak Corporation, dba Bob's Trophy Charters.



Janet E. Heitmuller
Notary Public in and for ~~Alaska~~ ARIZONA
My Commission Expires: OCT. 15, 2019

EXHIBIT A

SCHEDULE OF ORGANIZATION, OWNERS, PERCENTAGE OF OWNERSHIP

Tenant, Kachemak Corporation, dba Bob's Trophy Charters, is a corporation organized under the laws of the State of Alaska. 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 STATE
 of **ALASKA**

Department of Commerce, Community, and Economic Development
 Division of Corporations, Business, and Professional Licensing
 PO Box 110806, Juneau, AK 99811-0806
 (907) 465-2550 • Email: corporations@alaska.gov
 Website: Corporations.Alaska.gov

FOR DIVISION USE ONLY

Business Corporation
 Initial Biennial Report

Web-11/25/2016 7:11:29 AM

Entity Name: Kachemak Corporation
Entity Number: 10043838
Home Country: UNITED STATES

Home State/Province: ALASKA

Registered Agent

Name: Registered Agents Inc
Physical Address: 125 N. WILLOW ST STE B,
 KENAI, AK 99611
Mailing Address: 125 N. WILLOW ST STE B,
 KENAI, AK 99611

Entity Physical Address: 24075 LOFTON AVE. N, CHISAGO CITY, MN 55013

Entity Mailing Address: 24075 LOFTON AVE. N, CHISAGO CITY, MN 55013

Please include all officials. Check all titles that apply. Must use titles provided. All domestic business corporations must have a president, secretary, treasurer and at least one director. The secretary and the president cannot be the same person unless the president is 100% shareholder. The entity must also list any alien affiliates and those shareholders that hold 5% or more of the issued shares.

Name	Address	% Owned	Titles
Todd Strand	9952 E Gold Dust Place, Gold Canyon, AZ 85118	100	President, Shareholder
Laura Strand	9952 E Gold Dust Place, Gold Canyon, AZ 85118		Secretary, Treasurer
Laura Strand	9952 E Gold Dust Place, Gold Canyon, AZ 85118		Director

NAICS Code: 487210 - SCENIC AND SIGHT-SEEING TRANSPORTATION, WATER

New NAICS Code (optional):

Complete the below stock information on record with the Department. You may not change your authorized shares with this form. An amendment is required. Fill in number of shares issued.

Class	Series	Authorized	Par Value	Amount Issued
Common		551000	\$1.00	500000

I certify under penalty of perjury under the Uniform Electronic Transaction Act and the laws of the State of Alaska that the information provided in this application is true and correct, and further certify that by submitting this electronic filing I am contractually authorized by the Official(s) listed above to act on behalf of this entity.

Name: Todd Strand

EXHIBIT B

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

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 16-116

A RESOLUTION OF THE HOMER CITY COUNCIL APPROVING AN ASSIGNMENT OF LEASE FOR BOB'S TROPHY CHARTERS ON TRACT 1-B AND AWARDING TODD STRAND, DBA BOB'S TROPHY CHARTERS, A TWENTY-YEAR LEASE WITH TWO, FIVE-YEAR OPTIONS FOR TRACT 1-B, FISHING HOLE SUBDIVISION NO. 2, WITH AN ANNUAL BASE RENT OF \$6,256.80, AND AUTHORIZING THE CITY MANAGER TO MOVE FORWARD WITH LEASE NEGOTIATIONS AND EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, David and Diane Morris, long-time owners of Alaska High Hopes – Bob's Trophy Charters, have reached a tentative agreement to sell the building and business to Mr. Todd Strand, who wishes to continue operating Bob's Trophy Charters as a fishing charter business on the Homer Spit; and

WHEREAS, Per Chapter 13.3 of the City's Lease Policies and Procedures, Mr. Strand has submitted a new lease application form with his proposal and lease assignment request to the City of Homer for a new, twenty-year lease in order to complete the business sale and obtain the necessary financing; and

WHEREAS, The City Administration, the Lease Advisors, and the Port and Harbor Advisory Commission have reviewed the application and proposal and found it to be complete and responsive; and

WHEREAS, Mr. Strand has provided sufficient information to the City to show that Bob's Trophy Charters is being sold to a responsible party and is able to continue operating it as a viable fishing charter business; and

WHEREAS, The Lease Advisors and the Port and Harbor Advisory Commission recommend to City Council that the lease assignment request be granted to Bob's Trophy Charters, and a new twenty-year lease with two, five-year options be awarded to Mr. Todd Strand, dba Bob's Trophy Charters, for Tract 1-B for the purpose of operating a fishing charter business without the parcel being advertised through the Request for Proposals process.

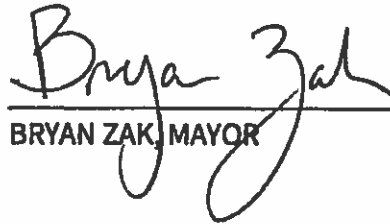
38 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves the
39 assignment of the lease on Tract 1-B to Mr. Todd Strand and that the City of Homer enter into
40 a new, twenty-year term lease with two five-year options to renew with Mr. Todd Strand, dba
41 Bob's Trophy Charters, for Tract 1-B, Fishing Hole Subdivision No. 2, with a base rent of
42 \$6,256.80 per year (subject to change as determined by lease negotiations and/or ordered
43 appraisal if needed), and authorizing the City Manager to move forward with lease
44 negotiations and execute the appropriate documents.

45
46 BE IT FURTHER RESOLVED that this assignment and new lease is contingent upon any
47 outstanding zoning code violations being resolved by David and Diane Morris before the
48 completion and signing of a new lease with Mr. Strand.

49
50 PASSED AND ADOPTED by the Homer City Council this 21st day of November, 2016.




CITY OF HOMER


BRYAN ZAK, MAYOR

58 ATTEST:

59
60
61
62
63


JO JOHNSON, MMC, CITY CLERK

64 Fiscal Note: Base lease will be \$6,256.80 annually, subject to change as determined by lease
65 negotiations and/or ordered appraisal if needed, and is adjusted annually to keep pace with
66 the Consumer Price Index.

EXHIBIT C
LOCATION OF PROPERTY

(Section 2.01)

Tract 1-B, T 6S R 13W SEC 35 Seward Meridian HM 0940043 THE FISHIN HOLE SUB NO 2, Homer Recording District, State of Alaska, as depicted on Exhibit C, containing 6,692 square feet, more or less, also known as Kenai Peninsula Borough Tax Parcel No. 181-031-18;

3978 Homer Spit Road, Homer, Alaska

LOT 3

3978 Homer Spit Rd.
KPB 181031.18

C/L HOMER SPIT ROAD

FREIGHT DOCK ROAD (100' R/W)

CI1
PROPOSED
PORTION OF
SUBDIVIS.
89-34), IN
AND 92-2,
35, T. 6 S
ALASKA,
DISTRICT

CITY OF HOMER
491 EAST PIONEER
HOMER, ALASKA 9

LEASE LOT AREAS

92-1 7802.59 SQ. FT.
92-2 6228.47 SQ. FT.

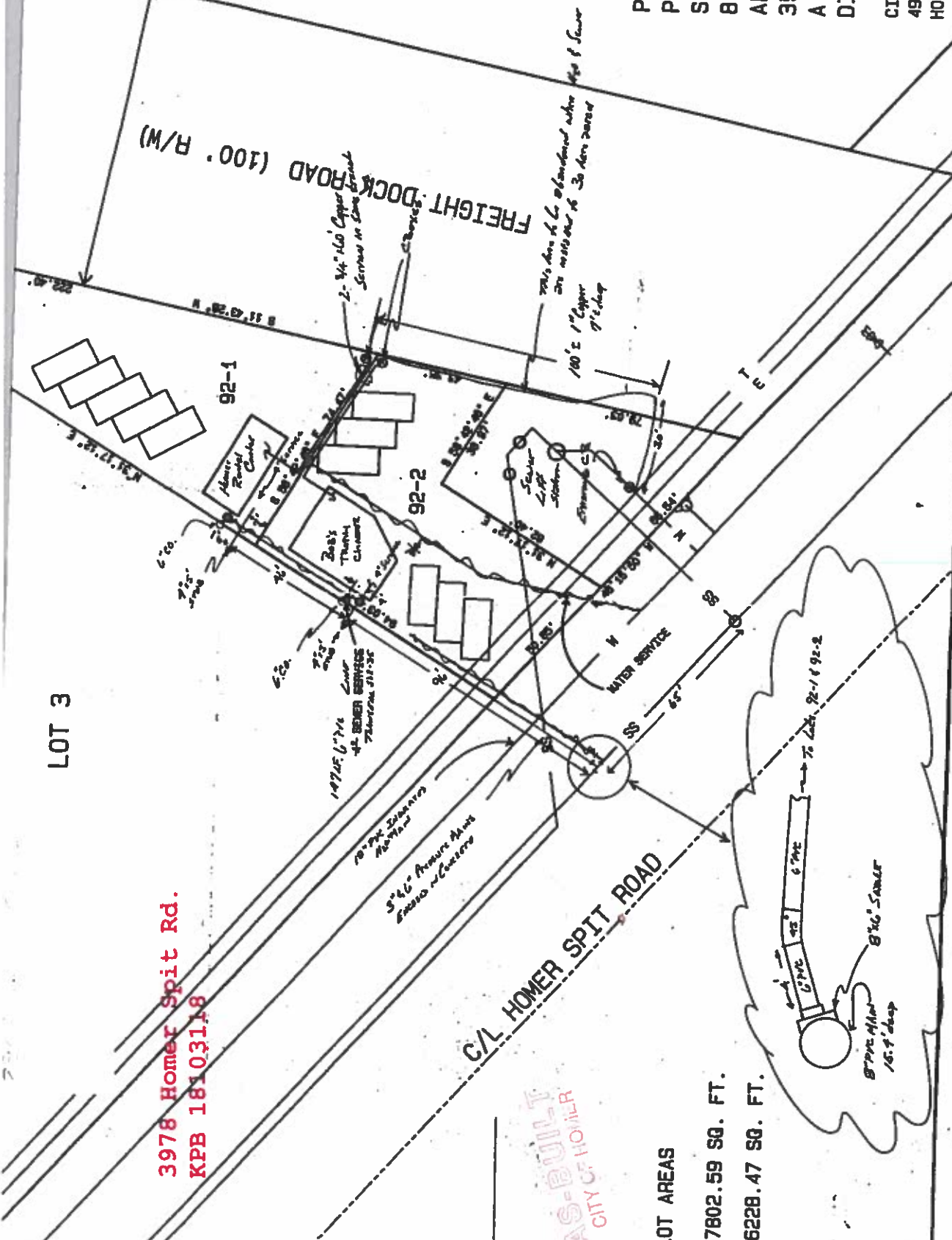


EXHIBIT D
TENANT'S PROPOSED USE OF THE PROPERTY
(Section 6.01)



Lease Application/Assignment Form

Directions:

1. Please submit this application form to the City Manager's Office, 491 Pioneer Avenue, Homer, AK, 99603.
2. Please answer all questions on this form, or put "N/A" in the space if it is non-applicable.
3. Please include all applicable fees in the form of a check, made payable to the City of Homer.

Applicant Name:	TODD P. STRAND
Business Name:	BOB'S TROPHY CHARTERS
Social Security Number:	476-86-9796
Mailing Address:	24075 LOFTON AVE. NO.
City, State, ZIP code:	CHISAGO CITY, MN 55013
Business Telephone No.	651-402-6606
Representative's Name:	TODD STRAND
Mailing Address:	_____
City, State, ZIP code:	_____
Business Telephone No.	_____
Property Location:	3978 HOMER SPIT ROAD HOMER, AK 99603
Legal Description:	TRACT 1-B FISHING HOLE SUBDIVISION NO. 2 HOMER RECORDING DISTRICT, STATE OF ALASKA
Type of Business to be placed on property:	FISHING CHARTER BOOKING OFFICE CURRENTLY ON THE SITE.
Duration of Lease requested:	20 YEARS
Options to re-new:	YES

**The following materials must be submitted when applying for a lease of
City of Homer real property**

1.	Plot Plan	<p>A drawing of the proposed leased property showing:</p> <p align="center"><i>SEE ATTACHED</i></p> <p><input checked="" type="checkbox"/> Size of lot - dimensions and total square footage (to scale)</p> <p><input checked="" type="checkbox"/> Placement and size of buildings, storage units, miscellaneous structures planned (to scale).</p> <p><input checked="" type="checkbox"/> Water and sewer lines – location of septic tanks, if needed.</p> <p><input checked="" type="checkbox"/> Parking spaces – numbered on the drawing with a total number indicated</p>																
2.	Development Plan	<p><input checked="" type="checkbox"/> List the time schedule from project initiation to project completion, including major project milestones.</p> <table border="0"> <thead> <tr> <th align="left">Dates</th> <th align="left">Tasks</th> </tr> </thead> <tbody> <tr> <td></td> <td><i>EXISTING BUILDING IS ON THE SITE, NO NEW CONSTRUCTION IS PLANNED</i></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td><i>By OCT. 2017 EXTERIOR PAINTING OF BUILDING</i></td> </tr> </tbody> </table> <p>For each building, indicate:</p> <table border="0"> <thead> <tr> <th align="left">Building Use</th> <th align="left">Dimensions and square footage</th> </tr> </thead> <tbody> <tr> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> </tbody> </table>	Dates	Tasks		<i>EXISTING BUILDING IS ON THE SITE, NO NEW CONSTRUCTION IS PLANNED</i>				<i>By OCT. 2017 EXTERIOR PAINTING OF BUILDING</i>	Building Use	Dimensions and square footage	_____	_____	_____	_____	_____	_____
Dates	Tasks																	
	<i>EXISTING BUILDING IS ON THE SITE, NO NEW CONSTRUCTION IS PLANNED</i>																	
	<i>By OCT. 2017 EXTERIOR PAINTING OF BUILDING</i>																	
Building Use	Dimensions and square footage																	
_____	_____																	
_____	_____																	
_____	_____																	
3.	Insurance	<p><i>POLICY TO BE ISSUED IF APPLICATION IS APPROVED.</i></p> <p><input checked="" type="checkbox"/> Attach a statement of proof of insurability of lessee for a minimum liability insurance for combined single limits of \$1,000,000 showing the City of Homer as co-insured. Additional insurance limits may be required due to the nature of the business, lease or exposure. Environmental insurance may be required. If subleases are involved, include appropriate certificates of insurance.</p>																
4.	Subleases	<p align="center"><i>NONE</i></p> <p><input checked="" type="checkbox"/> Please indicate and provide a detailed explanation of any plans that you may have for subleasing the property. The City of Homer will generally require payment of 25% of proceeds paid Lessee by subtenants. Refer to chapter 13 of the Property Management Policy and Procedures manual.</p>																
5.	Health Requirements	<p align="center"><i>N/A</i></p> <p><input checked="" type="checkbox"/> Attach a statement documenting that the plans for the proposed waste disposal system, and for any other necessary health requirements, have been submitted to the State Department of Environmental Conservation for approval. Granting of this lease shall be contingent upon the lessee obtaining all necessary approvals from the State DEC.</p>																

6.	Agency Approval	<input type="checkbox"/> Attach statement(s) of proof that your plans have been inspected and approved by any agency which may have jurisdiction of the project; i.e. Fire Marshall, Army Corps of Engineers, EPA, etc. The granting of this lease shall be contingent upon lessee obtaining approval, necessary permits, and/or inspection statements from all appropriate State and/or Federal agencies.
7.	Fees	<p><u>All applicable fees must be submitted prior to the preparation and/or execution of a lease.</u></p> <p><input checked="" type="checkbox"/> Application fee - \$30.00. Covers costs associated with processing the application. <i>Please make check payable to the City of Homer.</i></p> <p><input type="checkbox"/> Lease fee - \$300.00. Covers the costs of preparing and processing the actual lease.</p> <p><input checked="" type="checkbox"/> Assignment fee - \$250.00. Covers the costs of preparing and processing the lease transfer. <i>Please make check payable to the City of Homer.</i></p>
8.	Financial Data	<p><u>Please indicate lessee's type of business entity:</u></p> <p><input checked="" type="checkbox"/> Sole or individual proprietorship.</p> <p><input type="checkbox"/> Partnership.</p> <p><input type="checkbox"/> Corporation.</p> <p><input type="checkbox"/> Other – Please explain: _____</p> <hr/> <p><input checked="" type="checkbox"/> <u>Financial Statement – Please attach a financial statement showing the ability of the lessee to meet the required financial obligations.</u></p> <p style="text-align: center;">SEE ATTACHED</p> <p><input checked="" type="checkbox"/> <u>Surety Information</u> – Has any surety or bonding company ever been required to perform upon your default or the default of any of the principals in you organization holding more than a 10% interest</p> <p style="padding-left: 40px;"><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. If yes, please attach a statement naming the surety or bonding company, date and amount of bond, and the circumstances surrounding the default or performance.</p> <p><input checked="" type="checkbox"/> <u>Bankruptcy information</u> - Have you or any of the principals of your organization holding more than a 10% interest ever been declared bankrupt or are presently a debtor in a bankruptcy action?</p> <p style="padding-left: 40px;"><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. If yes, please attach a statement indicating state, date, Court having jurisdiction, case number and to amount of assets and debt.</p> <p><input checked="" type="checkbox"/> <u>Pending Litigation</u> – Are you or any of the principals of your organization holding more than a 10% interest presently a party to any pending litigation?</p> <p style="padding-left: 40px;"><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. If yes, please attach detailed information as to each claim, cause of action, lien, judgment including dates and case numbers.</p>

9.	Partnership Statement	<input checked="" type="checkbox"/> If the applicant is a partnership, please provide the following: Date of organization: <u>NINE</u> Type: <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership Statement of Partnership Recorded? <input type="checkbox"/> Yes <input type="checkbox"/> No Where _____ When _____ Has partnership done business in Alaska? <input type="checkbox"/> Yes <input type="checkbox"/> No Where _____ When _____ Name, address, and partnership share. If partner is a corporation, please complete corporation statement. <i>Please attach a copy of your partnership agreement.</i>																														
10.	Corporation Statement	<input checked="" type="checkbox"/> If the applicant is a corporation, please provide the following: Date of Incorporation: <u>NOT AT THIS TIME</u> State of Incorporation: _____ Is the Corporation authorized to do business in Alaska? <input type="checkbox"/> No <input type="checkbox"/> Yes. Is so, as of what Date? _____ Corporation is held? <input type="checkbox"/> Publicly <input type="checkbox"/> Privately If publicly held, how and where _____ is _____ the _____ stock _____ traded? _____ Officers & Principal Stockholders [10%+]: <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Name</th> <th style="text-align: left; border-bottom: 1px solid black;">Title</th> <th style="text-align: left; border-bottom: 1px solid black;">Address</th> <th style="text-align: left; border-bottom: 1px solid black;">Share</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table> <input type="checkbox"/> Please furnish a copy of Articles of Incorporation and By-laws. Please furnish name and title of officer authorized by Articles and/or By-laws to execute contracts and other corporate commitments. <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Name</th> <th style="text-align: left; border-bottom: 1px solid black;">Title</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>	Name	Title	Address	Share																	Name	Title								
Name	Title	Address	Share																													
Name	Title																															

11. Applicant References

Please list four persons or firms with whom the Applicant or its owners have conducted business transactions with during the past three years. Two references named shall have knowledge of your financial management history, of which at least one must be your principal financial institution. Two of the references must have knowledge of your business expertise.

Name: TODD MARKMAN
 Firm: RELIANCE BANK
 Title: PRESIDENT
 Address: 2300 NW 30TH STREET, FARIBAULT, MN
 Telephone: 507-409-1321
 Nature of business association with Applicant: BUSINESS BANKER & PERSONAL BANKER

Name: STEVE SMITH
 Firm: AMERICAN FAMILY INSURANCE COMP.
 Title: PRESIDENT
 Address: 2186 3RD STREET, WHITE BEAR LAKE, MN
 Telephone: 651-429-7737
 Nature of business association with Applicant: MY INSURANCE AGENT FOR OVER 30 YEARS

Name: KELLEY WHEELER
 Firm: BURKE, WHEELER AND ASSOCIATES
 Title: PRINCIPAL
 Address: 1453 HELMO AVE. NORTH, OAKDALE, MN
 Telephone: 651-738-4805
 Nature of business association with Applicant: CERTIFIED PUBLIC ACCOUNTANT HANDLES TAX RETURNS AND OTHER MATTERS

Name: BRUCE STANG
 Firm: STANG PRECISION INC.
 Title: PRESIDENT
 Address: 531 MINNIE STREET, PAYNESVILLE, MN
 Telephone: 320-243-3613
 Nature of business association with Applicant: MATERIAL SUPPLIER FOR OVER 25 YEARS

I hereby certify that the above information is true and correct to the best of my knowledge.

Signature:

Date:

Todd Markman

OCTOBER 20, 2016

Todd Strand
24075 Lofton Ave. No.
Chisago City, MN 55013
tstrand.mail@gmail.com
651-402-6606

October 20, 2016

City Of Homer
Attn: Rachel Tussey
4311 Freight Dock Road
Homer, AK 99603

Dear Ms. Tussey,

Over the past few weeks I have been negotiating with Dianne and David Morris on the purchase of their business, Bob's Trophy Charters. I'm very excited to say we have agreed on the terms of the purchase and are preparing to close the sale pending just a couple issues. One of the most important parts of their wonderful business is the building (booking office) they have on the Homer Spit which is on land leased from the city.

The business could be located elsewhere but I believe its best not only for the business but also for the City of Homer if I were able to secure a lease. It's an important landmark on the spit and has been located for many years at this site. Many people may consider it the entrance to the harbor and Bob's Trophy Charters helps welcome visitors to the Halibut Fishing Capital of the World. I feel it's in the cities best interest to approve the lease application I'm submitting so that Bob's Trophy Charters can continue to operate at the current location and in the current building. Its location is close in yet slightly away from the hi-traffic areas on the spit which provides customers the ability to conveniently check in for their fishing trips. The building may need to be repainted and I plan to have that done next summer. I sincerely hope this is something that can continue to be part of the community of Homer and the harbor environment.

Enclosed with this letter, please find the completed Lease Application form you sent me. Also enclosed is the application fee, a copy of my personal financial statement and a resume on myself. Please let me know if there is anything else you'll need and I'll be happy to provide it.

Sincerely,



Todd Strand

EXHIBIT E
SITE PLANS/REQUIRED IMPROVEMENTS
(Section 6.02)

EXHIBIT F
CERTIFICATES OF INSURANCE
(Section 9.04(d))



CERTIFICATE OF LIABILITY INSURANCE

 DATE (MM/DD/YYYY)
5/08/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
HOMER INSURANCE CENTER, INC
508 STERLING HWY, STE 201
HOMER, ALASKA 99603

PHONE 907-235-8881 FAX 907-235-3882
TOLL FREE 800-235-3882

INSURED
ALASKA HIGH HOPES CHARTERS &
CO. DBA: BOB'S TROPHY CHARTERS
PO BOX 1775
HOMER, AK 99603

INSURER(S) AFFORDING COVERAGE
INSURER A: GREAT DIVIDE INSURANCE CO. NAME # 125
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

COVERAGES

CERTIFICATE NUMBER: 11,068

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	ADD. TO POLICY	POLICY NUMBER	POLICY EFF. DATE	POLICY EXPIRATION DATE	LIMITS
GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	<input checked="" type="checkbox"/>	GC897718	5/05/2016	5/05/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (EA OCCURRENCE) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000
AUTOMOBILE LIABILITY ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DEF <input type="checkbox"/> RETENTION \$					COMBINED SINGLE LIMIT (EA OCCURRENCE) BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ EACH OCCURRENCE \$ AGGREGATE \$ DEFENSE COSTS \$
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/INDEMNITY OFFICER/EMBER EXCLUDED? (Mandatory in AK) If yes, describe under DESCRIPTION OF OPERATIONS below	<input checked="" type="checkbox"/>	N/A			E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER AS ADDITIONAL INSURED FOR COMPANY A

CERTIFICATE HOLDER

CITY OF HOMER
491 EAST PIONEER AVE
HOMER, AK 99603

FAX: 235-3152

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

[Signature]

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 Kachemak Corporation, dba Bob's Trophy Charters ("Tenant") insurance policies from Tenant's broker and/or insurer, HOMER INSURANCE CENTER. 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: 12-15-2016

KACHEMAK CORPORATION, DBA BOB'S
TROPHY CHARTERS

By:

Todd Strand, President
Todd Strand, President

GROUND LEASE AND SECURITY AGREEMENT

BETWEEN

CITY OF HOMER, ALASKA

AND

KACHEMAK CORPORATION, DBA BOB'S TROPHY CHARTERS

Dated January 1, 2017

GROUND LEASE AND SECURITY AGREEMENT

GROUND LEASE AND SECURITY AGREEMENT ("Lease") dated as of January 1, 2017, between the CITY OF HOMER, an Alaska municipal corporation ("Landlord"), whose address is 491 East Pioneer Avenue, Homer, Alaska 99603, and Kachemak Corporation, dba Bob's Trophy Charters, a State of Alaska corporation ("Tenant"), whose address is 24075 Lofton Ave. N, Chisago City, MN 55013.

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

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

(b) "Base Rent" is defined in Section 4.01.

(c) "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.

(d) "Council" means the City Council of the City of Homer, Alaska.

(e) "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%).

(f) "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.

(g) "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.

(h) "Extended Term" is defined in Section 3.02.

(i) "Five Year Rent Adjustment Date" is defined in Section 4.02(a).

(j) "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.

(k) "Landlord" means the City of Homer, Alaska.

(l) "Lease Policy" means the City of Homer Property Management Policy and Procedures, as adopted and amended from time to time by Council resolution.

- (m) "Leasehold Mortgage" is defined in Section 13.01.
- (n) "Property" is defined in Section 2.01.
- (o) "Qualified Mortgagee" is defined in Section 13.03.
- (p) "Required Improvements" is defined in Section 6.02.
- (q) "Tenant" means Kachemak Corporation, dba Bob's Trophy Charters.
- (r) "Term" is defined in Section 3.01.

1.02 Attachments. The following documents are attached hereto, and such documents, as well as all drawings and documents prepared pursuant thereto, 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/ Required Improvements

Exhibit "F" Certificates of Insurance

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 ("Property"):

Tract 1-B, T 6S R 13W SEC 35 Seward Meridian HM 0940043 THE FISHIN HOLE SUB NO 2, Homer Recording District, State of Alaska, as depicted on Exhibit C, containing 6,692 square feet, more or less, also known as Kenai Peninsula Borough Tax Parcel No. 181-031-18;

This lot is 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." Landlord, its agents and employees make no 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 Rights. This Lease confers no mineral rights or rights with regard to the subsurface of the Property below the level necessary for the uses of the Property permitted in this Lease.

ARTICLE 3. TERM

3.01 Lease Term. The term of this Lease is twenty (20) years, commencing on January 1, 2017, and ending on December 31, 2036 ("Term").

3.02. Options to Extend Lease Term.

(a) Tenant has the option to extend the Term for two (2) additional, consecutive five-year (5) year 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 the last day of the Term or current Extended Term, as the case may be;

(2) At the time Tenant exercises the option, and at all times thereafter until the Extended Term commences, Tenant is not materially in default of any term or condition of this Lease and has not made an assignment or subletting of this Lease or any interest in the Property except as permitted under this Lease; and

3) Tenant may exercise no more than one option to extend the Term during the Term or any Extended Term.

(b) Tenant's failure to exercise an option to extend the Term in strict compliance with all the requirements in Section 3.02(a) renders that option and all options as to subsequent Extended Terms null and void.

3.03 Lease Renewal.

(a) Tenant represents and warrants that it has determined that the duration of the Term, plus 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. 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 or the final Extended Term, including without limitation any option to renew this Lease, or any option to extend the Term other than as provided in Section 3.02.

(b) Not less than 12 months before the expiration of the Term or the final Extended Term, Tenant may apply to Landlord for a renewal of this Lease in the manner that a person then would apply for a new lease of the Property. In response to a timely application, the Council will determine whether to renew this Lease, and the term of any renewal, in its sole discretion. The Council is under no obligation to renew this Lease, or to renew this Lease for the term that Tenant requests. If the Council does not grant a timely application to renew this Lease, Tenant shall prepare to surrender possession of the Property as required by Section 3.04, and dispose of improvements on the Property as required by Section 6.08.

3.04 Surrender of Possession. Upon the expiration or earlier termination of the Term or the final Extended 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, and shall remove from the Property all personal property that was not present on the Property at the commencement of the Term. 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 or final Extended Term.

3.05 Holding Over. Tenant's continuing in possession of the Property after the expiration or earlier termination of the Term or final Extended 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.

ARTICLE 4. RENT, TAXES, ASSESSMENTS AND UTILITIES

4.01 Base Rent. Tenant shall pay to Landlord an initial annual rent of \$ 6,256.80 ("Base Rent"). Base Rent is payable monthly in advance in installments of \$521.40, plus tax, on January 1, 2017, and on the 1st 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.** Commencing January 1, 2017, 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 improvements (other than utilities) made by tenants. The appraisal may be performed as part of an appraisal of other properties of Landlord that are comparable in location and value. The Base Rent will be adjusted effective the anniversary date of the lease in the year of each appraisal (each such date is a "Five Year Rent Adjustment Date") to an amount equal to the greater of (i) the area of the

Property in square feet, multiplied by the fair rental value per square foot determined by the appraisal, and (ii) the adjusted Base Rent in effect immediately before the Five Year Rent Adjustment Date. The rent 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 January 1st, and on each January 1st thereafter, excluding each Five Year Rent Adjustment Date (each such date being an "Annual Rent Adjustment Date"), by the increase or decrease, 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 or an Extended 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 or Extended Term by 10. If this Lease subsequently is extended or renewed, the part of the assessment that Tenant shall pay 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.

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 and refuse removal. Tenant shall be solely responsible for the cost of utility connections.

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. Without limiting the generality of the preceding sentence, Tenant shall pay for wharfage, crane use, ice, and other Port and Harbor services at the rates established by the City of Homer from time to time. Tenant shall provide the City of Homer with the information necessary to determine wharfage, crane use, ice and other Port and Harbor service charges, 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, 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 will hold the security deposit, and may commingle it with other funds of Landlord. 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 or Renewal Term. If Tenant has fully complied with all of its obligations under this Lease through the first five years of the Term, Landlord will remit to Tenant any balance of the security deposit, without interest, within 30 days after the expiration of the first five years of the Term.

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 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 against environmental contamination or pollution; (3) all compensation payable to Tenant as a result of eminent domain proceedings or a transfer in lieu thereof; and (4) all rents from Tenant's subletting of all or a part of the Property. Said lien and security interest will be in addition to Landlord's liens provided by law.

This Lease 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. Tenant shall execute, such financing statements and other instruments as Landlord may now or hereafter reasonably request to evidence the security interest granted by Tenant.

ARTICLE 6. USE AND IMPROVEMENT OF PROPERTY

6.01 Use of Property. Tenant's undertaking to use and improve the Property as described in Tenant's proposal to Landlord is a material inducement to Landlord leasing the Property to Tenant. Tenant shall improve and use the Property in the manner described in Tenant's proposal in **Exhibit D**. Tenant's proposed use of the Property is to continue operating a fish charter business. Tenant shall not use or improve the Property for any purpose other than as described in Tenant's proposal 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 and any Renewal Term keep and maintain as the minimum development on the Property the following improvements ("Required Improvements"):

- Exterior painting of the building by October 1, 2017
- Compliance with City of Homer's Sign Code, HCC 21.60 by October 1, 2017

The Required Improvements also are depicted in the site plan and floor plans in **Exhibit E**. 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 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 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. Landlord shall communicate approval or disapproval in the manner provided for notices, accompanying any disapproval with a statement of the grounds therefor. Tenant shall be responsible for complying with all laws governing the construction, notwithstanding Landlord's approval of preliminary plans and specifications under this paragraph.

(b) Not less than five 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 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 improvements that are not consistent with terms of this Lease is prohibited unless the improvements are authorized by an amendment to this Lease approved by the Council.

(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. 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 any Extended Terms and may be removed or replaced by Tenant, subject, however, to (i) Tenant's obligations concerning the Required Improvements in Section 6.02; and (ii) the designation of improvements in **Exhibit D** for transfer to Landlord and retention on the Property at the expiration of the Term or Extended Term as provided in Section 6.08(a).

6.08 Disposition of Improvements at End of Term.

(a) One year before the expiration of the Term or Extended Term, the Landlord and Tenant shall determine if the improvements designated in the proposed use of the Property described in the preceding lease agreement, are structurally sound and in good condition or are ineligible for transfer to Landlord and retention on the Property at the expiration of the Term or Extended Term. If the improvements are eligible to remain, 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. 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 improvements. If the improvements are ineligible, Tenant shall remove all improvements constructed by Tenant or other occupants of the Property under this Lease before the expiration of the Term or Extended Term.

(b) Tenant shall notify Landlord before commencing the removal of an improvement as required under Section 6.08(a), 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 or Extended Term. All salvage resulting from such work will belong to Tenant, who is responsible for its removal and lawful disposal.

(c) If Tenant fails to remove any improvements from the Property that Tenant is required to remove under Section 6.08(a), Tenant shall pay Landlord the costs that it incurs in removing and disposing of the improvements and repairing damages to the Property caused by such removal.

(d) If Landlord terminates this Lease because of a default by Tenant, all improvements on the Property become the property of Landlord, which may use or dispose of them in its sole discretion. If Landlord elects to remove any improvements, Tenant shall pay Landlord the costs that it 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. Tenant shall not be required to restore the Required Improvements under the following circumstances:

(1) If the cost of repairing or restoring the Required Improvements, net of any available insurance proceeds not reduced by applicable deductibles and coinsurance, exceeds 10% of the replacement cost of the Required Improvements, 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.

(3) If any damage or casualty to the Required Improvements occurs within three years before the end of the Term or any Renewal 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.

(c) Under no circumstance shall Landlord be under any obligation to use or advance any of its own funds to restore any Required Improvements.

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 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 Homer Spit garbage disposal facilities.

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.

ARTICLE 8. ASSIGNMENT AND SUBLEASE

8.01 Consent Required for Assignment or Sublease. Tenant shall not assign or sublease its interest in this Lease or in the Property without first obtaining the written consent of the Council, which will not be withheld unreasonably. Any assignment or sublease without the consent of the Council will be voidable and, at Landlord's election, will constitute a default. Tenant shall request consent of the Council 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. Tenant shall be assessed additional rent, equal to 10% of the current Base Rent for the subleased area, but not upon a sublease of space within a building or other structure on the Property. 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 subject to Section 8.01. 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 subject to Section 8.01; 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 an assignment subject to Section 8.01. 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, 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 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. Landlord's insurance requirements shall specify 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) Tenant shall maintain in force at all times during the Term the following 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 also shall 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) 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. The policy shall include boiler and machinery coverage.

(c) During 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. The certificates of insurance shall be attached hereto as **Exhibit E**. 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 F** 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 and any Renewal 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 any Extended 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 or final Extended 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 10 days after the due date.

(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 Section 12.01(a), which is not cured within 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 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) Terminate this lease by written notice to Tenant, upon which Tenant shall surrender possession and vacate the Property immediately, and deliver possession thereof to Landlord, and Tenant hereby grants to Landlord full and free license to enter into and upon the Property in such event with or without process of law and to repossess Landlord of the Property and 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, 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) By written notice declare Tenant's right to possession of the Property terminated without terminating this Lease, upon which Landlord will have all the rights to repossess the Property and remove Tenant and Tenant's property that are described Section 12.02(a).

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

(d) 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 or Renewal 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.

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, and subject to all of the other provisions of Article 8. 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:

Katie Koester, City Manager
City of Homer
491 East Pioneer Avenue
Homer, Alaska 99603
Facsimile: (907) 235-3148
Email: citymanager@cityofhomer-ak.gov

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

Todd Strand
Kachemak Corporation, dba Bob's Trophy Charters
9952 East Gold Dust Place
Gold Canyon, AZ 85118
Email: tstrand.mail@gmail.com

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 defendant 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.

14.20 Prior Lease. Landlord and Tenant are parties to prior leases ("Prior Leases") affecting the Property dated September 30, 1992, a memorandum of which has been recorded in the records of the Homer Recording District under Book 218, Page 001, and was amended per the Homer Recording District document under Book 224, Page 875; an additional prior lease affecting the Property is dated March 25, 2008. This Lease replaces and supersedes the Prior Leases effective as of December 31, 2016 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:

CITY OF HOMER

By: Katie Koester
Katie Koester, City Manager

Tenant:

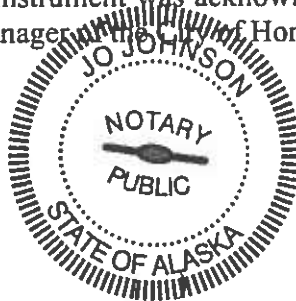
**KACHEMAK CORPORATION, DBA BOB'S
TROPHY CHARTERS**

By: Todd Strand
Todd Strand

ACKNOWLEDGMENTS

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

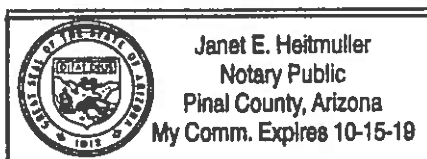
The foregoing instrument was acknowledged before me on December 28, 2016, by Katie Koester, City Manager of the City of Homer, an Alaska municipal corporation, on behalf of the City of Homer.



Jo Johnson
Notary Public in and for Alaska
My Commission Expires: January 5, 2020

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on 15 DECEMBER, 2016, by Todd Strand, as President of Kachemak Corporation, an Alaska municipal corporation, on behalf of Kachemak Corporation, dba Bob's Trophy Charters.



Janet E. Heitmuller
Notary Public in and for ~~Alaska~~ ARIZONA
My Commission Expires: OCT. 15, 2019



City Lease Application For City-Owned Real Property

Homer Port & Harbor
4311 Freight Dock Road
Homer, AK 99603
Phone: (907)235-3160
Fax: (907)235-3152
port@cityofhomer-ak.gov

Lease Application Instructions

- The information provided on the following form shall be used by City Staff, City Council, and the Port and Harbor Advisory Commission (for City land on the Homer Spit) during the review process of your lease proposal. It is considered public information and will be included in the public meeting packets.
- Any financial information/documents included with your application is considered confidential and will be used by City Staff only; it will not be part of the public review process.
- Please complete all sections of the form, or put "N/A" if non-applicable.
- All applicable fees must be included with your application in order to process the application. Payments can be made either by check payable to "City of Homer" or by credit card. Current fees established by the City Fee Schedule are:

Lease Application Fee – For New Long-Term Leases	\$1,000.00
Lease Amendment/Transfer Fee – For Assignment of an Existing Lease to a New Lessee	\$500.00

- Submit your completed application, required documents, and application fee to:

Homer Port & Harbor
4311 Freight Dock Road
Homer, AK 99603
Email: rkriegh@cityofhomer-ak.gov
Direct Phone: (907)235-3161

- Your application will go through an initial review to ensure completeness and Lease Staff will be in touch to coordinate any follow-up meetings, requests for missing information, and to schedule your lease application/proposal for the applicable public meetings.
- Lease applications and proposal are evaluated based on the criteria outlined in HCC 18.08.060.

Lease Application Questions?

Contact:
Roslyn Kriegh, Port Property Associate
Email: rkriegh@cityofhomer-ak.gov
Direct Phone: (907)235-3161



City Lease Application For City-Owned Real Property

Homer Port & Harbor
4311 Freight Dock Road
Homer, AK 99603
Phone: (907)235-3160
Fax: (907)235-3152
port@cityofhomer-ak.gov

Lease Application Purpose

- ☐ Request for New Lease; New Lessee – Applicant is not currently a City lessee
- ☐ Request for New Lease; Existing Lessee – Applicant is a current lessee with no remaining options to renew
- ☒ Request for Assignment of Lease – Applicant is requesting to have an existing lease transferred to a new owner/business

Property Information

Physical Address:	3978 Homer Spit Rd. Homer, AK 99603		
Square Footage:	.1500	<input checked="" type="checkbox"/> Full Lot <input type="checkbox"/> Portion of Lot	KPB Parcel No.: 18103118
Legal Description of Property:	T 6S R 13W SEC 35 SEWARD MERIDIAN HM 0940043 THE FISHIN HOLE SUB NO 2 TRACT 1-B		

Applicant Information

Business Name:	The Dragging Anchor LLC
Representative's Full Name & Title:	David Randolph Atwood Jr, Erika Esther Atwood
Mailing Address:	PO Box 2794
City, State, ZIP Code:	Homer, AK 99603
Phone Number(s):	Dave - (907) 299-4299, Erika (907) 299-6723
Email:	davidratwoodjr@gmail.com, eekettel@gmail.com, daveatwood@thedraggnganchor.com

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:	

<input checked="" type="checkbox"/>	Corporation – Attached documentation must provide the full names of Officers and Principal Stockholders (10%+), their addresses, and share percentages.	
	Date of Organization: September 18, 2024	Type of Corporation: LLC
	Is Corporation authorized to do business in Alaska? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes – As of what date: September, 18 2024	
	Corporation is held: <input checked="" type="checkbox"/> Privately <input type="checkbox"/> Publicly – How and where is stock traded:	
<input type="checkbox"/>	Other – Please explain:	
Proof of Financial Capability to Meet Obligations:	<input checked="" type="checkbox"/> Documentation of Payment History: Documents such as a credit report and score from one of the three credit bureaus (i.e. Experian, Equifax, TransUnion) or records of prior lease history.	
	<input checked="" type="checkbox"/> Documentation of Applicant's Financial Backing: Records showing applicant has secured the funding necessary to implement their development/improvement plan and/or purchase the business (if applicable).	
	<input type="checkbox"/> Documentation of Business' Vitality: Minimum of two years (past year and current year) of financial statements; this includes a Balance Sheet and Profit/Loss Statement (Revenue/Expense Statement).	
Surety Information:	Has any surety or bonding company ever been required to perform upon your default or the default of any of the principals in you organization holding more than a 10% interest? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes – Attach a statement naming the surety or bonding company, date and amount of bond, and the circumstances surrounding the default or performance.	
Bankruptcy information:	Have you or any of the principals of your organization holding more than a 10% interest ever been declared bankrupt or are presently a debtor in a bankruptcy action? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes – Attach a statement indicating state, date, Court having jurisdiction, case number and to amount of assets and debt.	
Pending Litigation:	Are you or any of the principals of your organization holding more than a 10% interest presently a party to any pending litigation? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes – Attach detailed information as to each claim, cause of action, lien, judgment including dates and case numbers.	

Lease Proposal

Type of Business/
Proposed Use of
the Property:

Marine Consignment Store. Continued room rentals and coffee stand

Requested Lease Term:	<input type="checkbox"/> Short Term Lease (One Year or Less) – Duration (in months): <input checked="" type="checkbox"/> Long Term Lease (More Than One Year) <ul style="list-style-type: none"> Standardized Lease is a 20-year term with two 5-year Options to Renew; City Manager may deviate from standardized lease term when reasonable and necessary, and approved by Council (18.08.030). No more than two Options to Renew; each option cannot exceed 25% of initial lease term (18.08.110). <div style="display: flex; justify-content: space-between;"> Duration (in years): 20 No. of Options to Renew: 2 </div>
Property Plan:	<input checked="" type="checkbox"/> Describe your Property Plan in your written narrative. Details should include but not be limited to: <ul style="list-style-type: none"> Proposed utilization of the lot/space, including parking If there are existing buildings on the property and what their proposed uses are Any intentions to rent out or sublease space on the property How the use is compatible with neighboring uses and consistent with applicable land use regulations including the Land Allocation Plan; Comprehensive Plan <input checked="" type="checkbox"/> Provide a detailed schematic (to scale) that shows the following: <ul style="list-style-type: none"> Size of lot – dimensions and total square footage Placement/size of existing buildings, storage units, and other miscellaneous structures Parking spaces – numbered on the drawing with a total number indicated Note: an as-built survey from a licensed surveyor may be required
Development Plan:	<p>Do you have a development and/or improvement plan for the property, including plans for repairs or maintenance to any existing buildings?</p> <div style="display: flex;"> <div style="flex: 1;"> <input type="checkbox"/> Yes </div> <div style="flex: 4;"> In your written narrative, provide as much information as possible on how you intend to develop/improve the property. Include a time schedule from project initiation to completion, major project milestones, cost estimate and financing plan, and any additional designs not already provided in the Property Plan's detailed schematic. </div> </div> <div style="display: flex;"> <div style="flex: 1;"> <input checked="" type="checkbox"/> No </div> <div style="flex: 4;"> In your written narrative, explain why. </div> </div>
City Planning & Other Agency Approvals:	<p>Does your business/proposed use and/or development plan require agency approval? The granting of any lease is contingent upon lessee obtaining approval, necessary permits, and/or inspection statements from all appropriate City, State and/or Federal agencies. This includes but is not limited to:</p> <ul style="list-style-type: none"> Applicable permits/approval from City Planning for zoning compliance, such as Conditional Use Permits, Zoning Permits Fire Marshall Plan Review and Permitting Waste Disposal System Plan Approval – Includes fish waste if applicable Other applicable permits/inspection statements from agencies such as U.S. Army Corps of Engineers, U.S. Environmental Protection Agency, and Alaska Department of Environmental Conservation Division of Environmental Health <div style="display: flex;"> <div style="flex: 1;"> <input type="checkbox"/> </div> <div style="flex: 4;"> Explain in your written narrative what necessary approvals, permits, and/or inspections are applicable to your business/proposed use and the current status of your application with those agencies. </div> </div> <div style="display: flex;"> <div style="flex: 1;"> <input type="checkbox"/> </div> <div style="flex: 4;"> Attach any relevant documentation that verifies completion or pending status. </div> </div>

Insurance Requirements:	<p>The granting of any lease is contingent upon lessee obtaining and keeping in full force insurance as outlined in HCC 18.08.170. Certificates of insurance showing the required insurance is in effect and identifying the City as an additional insured must 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.</p> <p><input checked="" type="checkbox"/> Provide proof of insurability for public liability insurance in the amount of not less than \$1,000,000 coverage per occurrence for bodily injury, including death, and property damage, and the City of Homer as co-insured. Additional insurance limits or types may be required due to the nature of the business, lease, or exposure.</p>
Benefits & Impacts on Community:	<p><input checked="" type="checkbox"/> In your written narrative answer the following questions:</p> <ul style="list-style-type: none"> • What experience do you have in the proposed business or venture? • How long have you resided or conducted business in the City, Kenai Peninsula Borough, and/or the State of Alaska? • What are some of the economic, social, and financial benefits and/or impacts your business/proposed use brings to the community?
Applicant References:	<p><input checked="" type="checkbox"/> In your written narrative, list four persons or firms with whom the Applicant or its owners have conducted business transactions with during the past three years. Two references named shall have knowledge of your financial management history, of which at least one must be your principal financial institution. Two of the references must have knowledge of your business expertise.</p> <p>Each reference must include the following:</p> <ul style="list-style-type: none"> • Full Name • Name of the organization/business and their title at this entity • Address • Phone number and email address • Nature of association with Applicant
Additional Information:	<p><input checked="" type="checkbox"/> Include in your written narrative, or attach relevant documentation, that you deem pertinent to your application/lease proposal. Criteria for evaluating and approving proposals and competing lease applications can be found under HCC 18.08.060.</p>

Required Attachments/Documentation

<input checked="" type="checkbox"/> Written Narrative
<input checked="" type="checkbox"/> Business Entity and Licensing Information <ul style="list-style-type: none"> • State of Alaska Business License • Current State of Alaska Biennial Report • If Partnership: Statement of Partnership/Partnership Agreement • If Corporation: Articles of Incorporation & Bylaws • Any additional documentation concerning the formation or operation of the entity
<input checked="" type="checkbox"/> Financial Information
<input checked="" type="checkbox"/> Property Plan – Detailed Schematic of Property
<input checked="" type="checkbox"/> Development Plan documents/plans, if any
<input checked="" type="checkbox"/> Proof of Insurability; verification that insurance can be provided at signing of lease



City Planning & Other Agency Approval Information, if any

Application Signatures

By signing, I agree that the above information is true and correct to the best of my knowledge. I certify that I am authorized to sign as the applicant on behalf of the entity I represent.

Signature: 

Date: 11/7/2024

Printed Name & Title: David Randolph Atwood Jr

Office Use Only

Received By & Date:		Fee Processed: \$		Date:
Date Application Accepted as Complete/Submitted for Review:		Application Timeout Date: (1 year from receipt)		
Submitted for Dept. Review: <input type="checkbox"/> Planning <input type="checkbox"/> Port & Harbor <input type="checkbox"/> Economic Development <input type="checkbox"/> Finance <input type="checkbox"/> Public Works				
Submitted for City Manager Review:		<input type="checkbox"/> Approved on:		<input type="checkbox"/> Denied on:
For Existing Leases Exempt from Competitive Bidding:	Current Lease Expires with No Options to renew: _____			
	6 mos. Prior to date of lease termination (Council Approval Deadline): _____			
	Request received within 12 to 18 mo. time from expiration of lease date: <input type="checkbox"/> Yes <input type="checkbox"/> No			

The Dragging Anchor will be Homer's new marine consignment store, and continued businesses. This venture will be brought to Homer by Dave and Erika Atwood with help from their son Ozzie. Dave brings experience from the maritime and service industry while Erika is a local celebrity gaining fame at the Salty Dawg and Kharacters Bar.

The market for the consignment shop will be commercial and charter fishermen, private boaters and tourists. Boaters and fishermen will find everything from anchors and buoys to bilge pumps, shackles and line. Consigned products will be provided by the community while new products will be sourced through vendors. The Dragging Anchor will also serve as a marine supply store where new products will be offered. New products will be consumables like 5200, heat shrink connections and a variety of hardware. We also hope that tourists and locals will find vintage and unique marine related curios.

A considerable marketing campaign will begin in March to begin procuring items for consignment from the community.

Since Homer has been a fishing and boating community for many years there are many marine related products that are lying around not being utilized by our community. Likewise, many of these products are often in demand. The Dragging Anchor is especially poised to meet the needs of both the consignor and the buyer given its location directly across from the harbor. We hope to provide easy access to boaters and fishermen for their marine supplies.

The Dragging Anchor will continue three segments of the business that have already been established on the property. First, the two rooms for rent in the upstairs of the building. The rooms will provide continuity of cash flow and meet a demand set by the tourists. While our tourist industry is heaviest during the summer months, we plan to offer rooms year round.

Second, we will also continue to offer a coffee shop during the summer months. We will offer coffee, drinks and an undetermined type of to-go food. We plan to operate this from the middle of April until the end of September.

Third, we will continue our relationship with Spit Spots, providing a space where they can offer quality internet service.

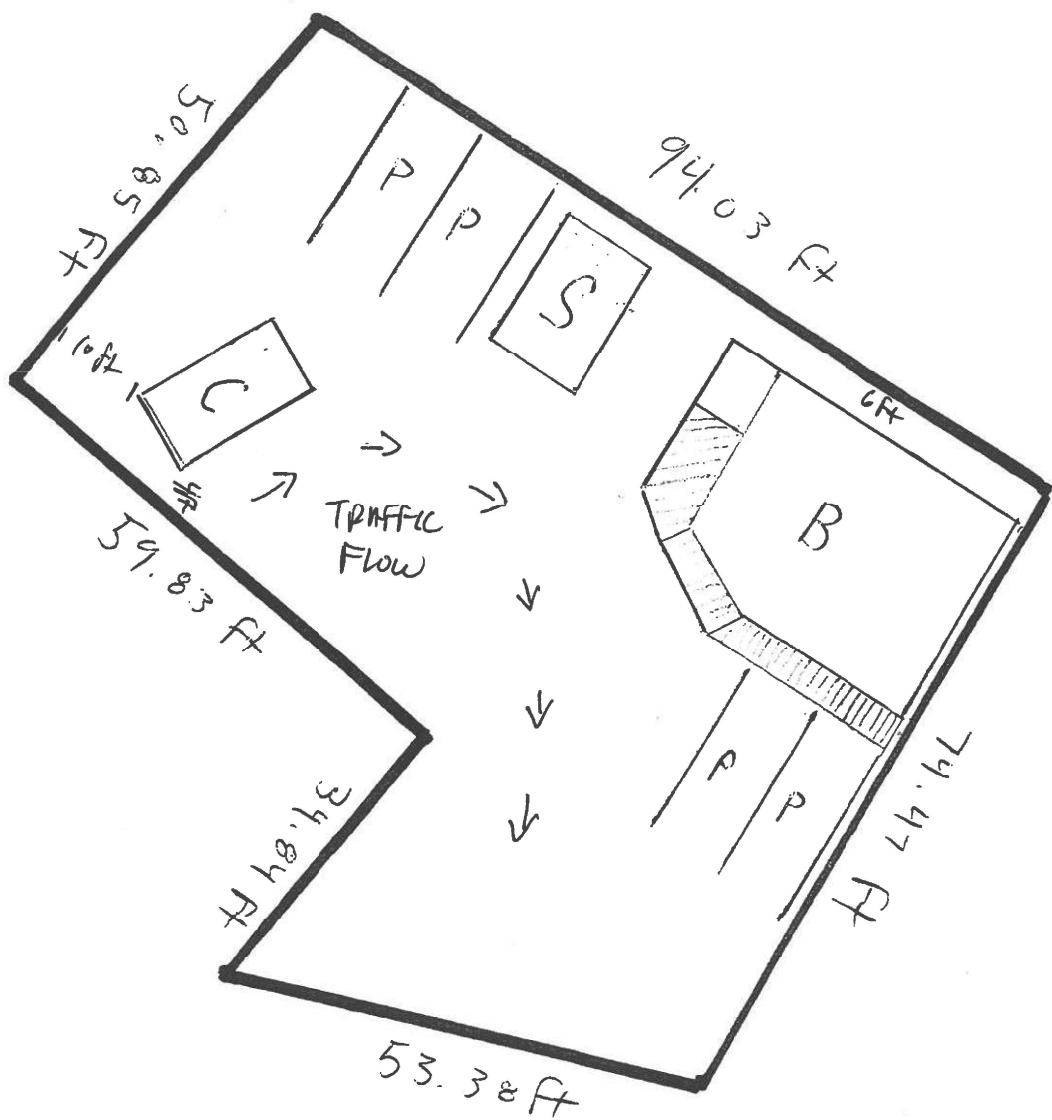
We have no plans for major changes that would modify or add to any of the existing structures. The only changes necessary are to the inside, downstairs of the main building. It will be redesigned to accommodate the new type of business. This will mainly involve removing the existing desks and office space and replacing it with racks and shelving.

General maintenance, landscaping and parking will continue similarly as it has in the past. The Fire Marshall Plan has been provided by the current owner.

We expect to need an additional 3-5 employees during the summer to meet the needs of our business. Positions will include baristas, cleaners and counter sales.

DRAWING - THE DRAGGING ANCHOR LLC

N ↑



P - PARKING SPACES - 8' x 20"
 B - BOILER - 24' 7" x 32' 2"
 S - SHED - 9' 10" x 16' 2"
 C - COFFEE STAND - 8' 3" x 16' 3"

State of Alaska
Department of Commerce, Community, and Economic Development
Corporations, Business, and Professional Licensing

Certificate of Organization

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community, and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

The Dragging Anchor LLC



IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective **September 18, 2024**.

A handwritten signature in black ink, appearing to read "Julie Sande".

Julie Sande
Commissioner

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing

PO Box 110806, Juneau, AK 99811-0806

This is to certify that

The Dragging Anchor LLC

PO Box 2794, Homer, AK 99603

owned by

The Dragging Anchor LLC

is licensed by the department to conduct business for the period

October 10, 2024 to December 31, 2025
for the following line(s) of business:

44-45 - Retail Trade



This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Julie Sande
Commissioner



THE STATE
of ALASKA

Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806
(907) 465-2550 • Email: corporations@alaska.gov
Website: corporations.alaska.gov

FOR DIVISION USE ONLY

Domestic Limited Liability Company

Initial Biennial Report

Entity Name: The Dragging Anchor LLC

Entity Number: 10285291

Home Country: UNITED STATES

Home State/Prov.: ALASKA

Physical Address: 455 ELDERBERRY DR, HOMER, AK
99603

Mailing Address: PO BOX 2794, HOMER, AK 99603

Registered Agent information cannot be changed on this form. Per Alaska Statutes, to update or change the Registered Agent information this entity must submit the Statement of Change form for this entity type along with its filing fee.

Name: David Atwood

Physical Address: 455 ELDERBERRY DR, HOMER, AK
99603

Mailing Address: PO BOX 2794, HOMER, AK 99603

Officials: The following is a complete list of officials who will be on record as a result of this filing.

- **Provide all officials and required information. Use only the titles provided.**
- **Mandatory Members:** this entity must have at least one (1) Member. A Member must own a %. In addition, this entity must provide all Members who own 5% or more of the entity. A Member may be an individual or another entity.
- **Manager:** If the entity is manager managed (per its articles or amendment) then there must be at least (1) Manager provided. A Manager may be a Member if the Manager also owns a % of the entity.

Full Legal Name	Complete Mailing Address	% Owned	Member
David Atwood, JR	PO Box 2794, Homer, AK 99603	50	X
Erika Atwood	PO Box 2794, Homer, AK 99603	50	X

If necessary, attach a list of additional officers on a separate 8.5 X 11 sheet of paper.

NAICS Code: 488330 - NAVIGATIONAL SERVICES TO SHIPPING

New NAICS Code (optional):

This form is for use by the named entity only. Only persons who are authorized by the above Official(s) of the named entity may make changes to it. If you proceed to make changes to this form or any information on it, you will be certifying under penalty of perjury that you are authorized to make those changes, and that everything on the form is true and correct. In addition, persons who file documents with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor. Continuation means you have read this and understand it.

Name: David Atwood

References

Tyson Alward
Shoreline
PO Box 204 Homer, AK 99603
(907) 630 0862
tyson@shorelinealaska.com
Longtime Business Associate

Rondy Bossell
Kharacters Bar
3851 Shelford St Homer AK 99603
(907) 299 3519
Employer

Mike Dye
Northrim Bank
601 E Pioneer Ave Suite 211 Homer, AK 99603
(907) 261 6228
Michael.Dye@nrim.com
Lender

Betsy Petterson
First National Bank of Alaska
11408 Kenai Spur Hwy.
Kenai, Alaska, 99611
(907) 283 6805
BPetterson@FNBAAlaska.com
Mortgage Lender

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 25-006

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING A LEASE ASSIGNMENT FROM EAGLE EYE CHARTERS LLC, DBA BOB'S TROPHY CHARTERS TO THE DRAGGING ANCHOR LLC; APPROVING AMENDMENTS TO THE ASSIGNED LEASE UNDER SECTIONS 2.02 QUIET ENJOYMENT, 6.01 USE OF PROPERTY, 6.02 REQUIRED IMPROVEMENTS, AND 14.04 ADDRESSES FOR NOTICES; AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE THE APPROPRIATE DOCUMENTS FOR THE ASSIGNMENT, AMENDMENT, AND EXTENSION OF THE CURRENT TWENTY YEAR LEASE TO A FULL TWENTY YEAR LEASE WITH OPTIONS FOR TWO CONSECUTIVE FIVE YEAR RENEWALS AT AN INITIAL ANNUAL BASE RENT OF \$7,984.34 FOR TRACT 1-B, FISHING HOLE SUBDIVISION NO. 2.

WHEREAS, Eagle Eye Charters, LLC, current Tenant of Tract 1-B, has reached a tentative agreement to sell the building located on the leased property to The Dragging Anchor LLC; and

WHEREAS, Under Section 8.01 of the Lease, Eagle Eye Charters, LLC shall not assign or sublease its interest in this Lease or in the Property without first obtaining the written consent of City Council, which will not be withheld unreasonably; and

WHEREAS, In accordance with Homer City Code 18.08.160(b), Eagle Eye Charters, LLC Submitted to the City a written request for Assignment on November 4, 2024 and the City Manager determined Eagle Eye Charters LLC is in good standing and eligible to assign the lease; and

WHEREAS, The Dragging Anchor, LLC submitted a completed Lease Application and written narrative to the City which details the Assignee's intentions to cease charter operations, maintain the coffee shop, and open a maritime gear consignment store in the building on Tract 1-B with the upstairs rooms rented accommodations; and

WHEREAS, The City has reviewed the request and The Dragging Anchor, LLC's application and determined they can fulfill the terms of the Lease and requirements under Homer City Code Chapter 18.08; and

WHEREAS, The Port and Harbor Advisory Commission reviewed the Assignment of Lease Request for The Dragging Anchor LLC at their November 20, 2024 regular meeting and

made a motion with discussion to support the Assignment of Lease from Eagle Eye Charters LLC to The Dragging Anchor LLC, and recommend for City Council approval; and

WHEREAS, Eagle Eye Charters, LLC and The Dragging Anchor, LLC have an agreed-upon closing date of January 31st, 2025 for the sale of the building located on Tract 1-B, at which time The Dragging Anchor LLC must provide the City sufficient documentation verifying the transfer of business assets and Certificate of Insurance to satisfy the requirements of Homer City Code Chapter 18.08 and the City Lease Application; and

WHEREAS, The Dragging Anchor LLC is responsible for securing Fire Marshal approval in order to operate seasonal room rentals in the upstairs level of the building.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves an Assignment of Lease from Eagle Eye Charters LLC dba Bob's Trophy Charters to The Dragging Anchor LLC; approves amendments to the assigned lease under sections 2.02 Quiet Enjoyment, 6.01 Use of Property, 6.02 Required Improvements, and 14.04 Addresses for Notices; and authorizes the City Manager to negotiate and execute the appropriate documents for the assignment and amendment of the lease for a full 20 year lease, term ending January 30, 2045 with two 5-year renewal options at an Annual Base Rent of \$7,984.34, for Tract 1-B, Fishing Hole Subdivision No. 2.

BE IT FURTHER RESOLVED that approval of the lease assignment is contingent upon The Dragging Anchor LLC providing the City sufficient documentation verifying the transfer of business assets and Certificate of Insurance to satisfy the requirements of Homer City Code Chapter 18.08 and the City Lease Application.

PASSED AND ADOPTED by the Homer City Council on this 27th day of January, 2025.

CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

RENEE KRAUSE, MMC, CITY CLERK

Fiscal Note: Initial Base Rent \$7,984.34 annually, adjusted annually in accordance with the Consumer Price Index and every five years as determined by ordered appraisals.

**CITY OF HOMER
HOMER, ALASKA**

Mayor

RESOLUTION 25-007

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA STATING THE CITY'S INTENTION TO FORMALLY PARTNER WITH THE STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES IN LOCAL SPONSORSHIP OF A US ARMY CORPS OF ENGINEERS GENERAL INVESTIGATION TO ADDRESS HOMER SPIT COASTAL EROSION AND REQUESTING THE STATE OF ALASKA TO APPROPRIATE \$1,200,000 IN THE STATE FY2026 CAPITAL BUDGET AS THE STATE'S SHARE OF THE LOCAL SPONSOR MATCH REQUIREMENT OF \$1.5 MILLION.

WHEREAS, The Homer Spit is a 4.5-mile-long remnant glacial spit extending into Kachemak Bay that supports critical multimodal transportation infrastructure including Alaska Route 1, part of Alaska's multimodal freight network, the Alaska State Ferry System and US Marine Highways M-5 and M-11 through the Homer Port and Harbor facility, and the State-owned and operated Homer Airport; and

WHEREAS, The Homer Spit and the Homer Spit Road is a critical infrastructure corridor supporting the Homer Port and Harbor, State and Federal assets and the regional economy through essential recreational, commercial, industrial and residential activities, including cargo transportation for communities throughout southcentral and western Alaska; and

WHEREAS, The Homer Spit Road provides access to critical State and Federal infrastructure, including utilities and communications connections, fuel storage and US Coast Guard assets; and

WHEREAS, The Homer Spit is the region's commerce and transportation hub, and an economic anchor supporting essential recreational, commercial, industrial and residential activities, including:

- essential cargo deliveries to over 130 non-road connected communities and remote work sites throughout southcentral and Western Alaska;
- fishing vessels from nearly every fishery in the State;
- a vital marine trades service sector;
- a state, national and internationally acclaimed sport fishing, recreational and tourism destination; and
- food security through cargo deliveries, pilot services for freight headed to the Don Young Port of Alaska and access to subsistence and personal use fisheries; and

WHEREAS, The west side of the Homer Spit has been subject to severe coastal erosion, which threatens the State-owned and maintained Homer Spit Road, the southern terminus of the Sterling Highway; and

WHEREAS, Previous erosion mitigation efforts included the State of Alaska Department of Transportation and Public Facilities joining with the United States Army Corps of Engineers (USACE) and the City of Homer to complete a General Investigation which led to the installation of 1,000 feet of rock revetment in 1992 and a subsequent 3,700 foot extension in 1998 to protect the Sterling Highway from erosive forces; and

WHEREAS, In the twenty years since, stronger more frequent storm surge events coupled with the absence of USACE-General-Investigation-recommended periodic beach nourishment accelerated beach lowering adjacent to and further south of the rock revetments at an alarming rate; and

WHEREAS, In that time, the Alaska Department of Transportation and Public Facilities was required to armor the Sterling Highway south of the USACE revetment in two different emergency revetment projects to further protect the Sterling Highway from erosion damage; and

WHEREAS, Annual storm surge events continue to erode significant amounts of State right-of-way, city land, utilities, commercial properties and undermining the existing rock revetment and road bed, and periodically overtop the Sterling Highway; and

WHEREAS, A November 16, 2024 ocean swell from a high tide storm surge event overtopped the Sterling Highway, scoured the base of a section of the rock revetment and collapsed one lane of the highway, spurring local and state disaster emergency declarations and emergency road repairs costing millions of dollars; and

WHEREAS, Given the repetitiveness of expensive emergency revetment and road repairs, the valuable resources already lost to erosion, the considerable Federal, State and regional infrastructure still at-risk, and the State and regional economic importance of the Homer Spit, there is the urgent need for a comprehensive, multi-agency mitigation and stabilization plan for long-term Homer Spit resiliency; and

WHEREAS, Federal involvement in erosion mitigation planning brings valuable expertise and federal resources to assist with the construction and long-term maintenance phases of erosion mitigation; and

WHEREAS, Federal involvement requires a USACE General Investigation; and

84 WHEREAS, The Alaska District of the USACE has requested Federal Funds for the Homer
85 Spit Revetment General Investigation in its annual budget for many years, but needs local
86 sponsors to leverage Federal funding for the new start General Investigation.

87
88 NOW, THEREFORE BE IT RESOLVED, The City of Homer, in recognition of the value of the
89 Homer Spit to the local economy, transportation and quality of life, intends to formally partner
90 with the State of Alaska and potential other affected stakeholders in the \$1.5M local sponsor
91 match requirement for entering into a Federal Cost Share Agreement with the USACE for a
92 General Investigation; and

93
94 BE IT FURTHER RESOLVED, The City of Homer urges the Alaska State Legislature to
95 partner with the City of Homer as a local sponsor by appropriating \$1,20,000 in the State's FY26
96 Capital Budget toward the local sponsor match requirement for a USACE General Investigation
97 study of Homer Spit erosion mitigation.

98
99 CITY OF HOMER

100
101
102
103 _____
104 RACHEL LORD, MAYOR

105 ATTEST:

106
107 _____
108 RENEE KRAUSE, MMC, CITY CLERK
109



MEMORANDUM

Homer Accelerated Roads & Trails (HART) Policy Review

Item Type: Action Memorandum
Prepared For: Mayor Lord and City Council
Date: January 20, 2025
From: Councilmembers Aderhold and Parsons

The City Council worksession on January 13 focused on the Homer Accelerated Roads and Trails (HART) Roads fund. We hit the high spots of the HART Roads fund's history, current financial position, and open encumbrances; the current Roads financial plan prepared by the Public Works Department; the future of HART and the need for a ballot measure to be placed on the October 2026 ballot asking voters to renew the 0.75% tax for Homer roads and trails; and ordinances and resolutions that will appear on our upcoming public hearing and regular meeting agendas.

During the worksession, Councilmembers Parsons and Aderhold were tasked with taking a deeper dive into the HART fund and HART policy manual and come back to the full council with suggested updates to be forwarded to the Planning and Parks, Art, Recreation, and Culture (PARCAC) commissions for their review and comment and review of the HART transfer for road and trail maintenance. This memo outlines our understanding of the tasks ahead of us as we work with staff through this process.

HART Policy Manual:

The HART policy manual was last updated in 2019. It was intended at that time that the Planning Commission would review the criteria for HART annually. The annual review has not happened since the 2019 update. We will explore with staff methods to ensure that annual reviews are scheduled and performed.

Since 2019, the HART Roads fund has been used for a variety of purposes, some explicitly listed in the criteria and some that may be considered marginal uses for the fund. We will work with staff to review the criteria to clarify how the City Council and public believe the fund should be used.

The City's new transportation plan has been approved by Council and adopted by the Kenai Peninsula Borough Assembly. We will work with staff to update the policy manual to appropriately reference the new plan.

In addition, after five years, there are likely other minor revisions to the manual that would be appropriate.

We will bring a recommended draft HART policy manual back to Council with a resolution for its adoption with the recommendation that the plan be sent to the Planning and PARCAC commissions for their review and comment before adoption.

Homer City Code (HCC) and Road Maintenance Transfer:

An October 2017 ballot measure approved by voters allows the 0.75% HART sales tax to be used for road and trail maintenance. Ordinance 17-040(A) amended Homer City Code (HCC) to ensure that a minimum of \$550,000 (\$500K for roads and \$50K for trails) would remain available for capital road and trail projects. HCC 3.05.017 states:

The annual budget will transfer a minimum of \$550,000 of the three-quarters percent dedicated sales tax levied for Homer Accelerated Roads and Trails exclusively for the purpose of funding street reconstruction improvements and related utilities, construction of new local roads, and construction of new local trails.

The stipulated \$550,000 is retained annually in the HART fund and this is what has been used in recent years for sidewalks, road reconstruction, etc. However, there are a couple of things related to this code for us to evaluate with staff and return to the full Council with recommendations.

- The HCC language is inconsistent with how the HART fund works. The 0.75% sales tax is deposited into the HART fund as a restricted fund. At the end of each fiscal year, the Finance Department transfers funds out of the HART fund to the general fund for road and trail maintenance, retaining the required \$550K within the fund. Thus, the HCC language needs to be reworded to reflect reality.
- Road and trail maintenance expenses increase each year with inflation and as the city adds new road-related infrastructure, making the minimum remaining in HART for capital projects extremely important as capital project expenses also increase.

Homer's understanding that we need to maintain what we have is incredibly valuable, and using HART funds for road and trail maintenance is very important for the health of the general fund. How do we weigh the need to use HART funds to maintain what we have with the need to rebuild and improve roads, build new sidewalks, etc.?

After our review of the road and trail maintenance transfer and city code, we will come back to Council with a recommendation regarding the road maintenance transfer (maintain as is or change in some way) and an ordinance to revise city code to be consistent with how the Finance Department handles the HART fund and transfer for maintenance.

Our activities during 2025 should set us up well for discussions beginning in January 2026 (see Melissa's memo outlining steps) to place a HART related measure on the October 2026 ballot.



MEMORANDUM

Ordinance 25-01 An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 21.10.030 Amending the Homer City Zoning Map to Rezone a Portion of the Rural Residential (RR) Zoning District to General Commercial 1 (GC1) Zoning District.

Item Type: Action Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: January 13, 2025
From: Ryan Foster, City Planner
Through: Melissa Jacobsen, City Manager

City staff received a completed zoning map amendment application by petition of the property owner, Doyon, Limited, per HCC 21.95.020 (e). The application was continued from the December 6, 2023 regular meeting to a special meeting on January 3, 2024, where a public hearing was held by the Planning Commission for a request to rezone the property at 1491 Bay Avenue from Rural Residential (RR) District to General Commercial 1 (GC1) District.

The motion to approve the rezoning request by the Homer Planning Commission passed by a vote of 4-3. Attached are Staff Report 23-061 and the January 3, 2024 Planning Commission Approved Meeting Minutes with detailed information on the application and public hearing.

RECOMMENDATION:

The Planning Commission motioned to recommend approval of the rezoning passed by a vote of 4-3.

Attachments:

Planning Commission Staff Report 23-061
January 3, 2024 Planning Commission Approved Meeting Minutes



City of Homer

www.cityofhomer-ak.gov

Planning

491 East Pioneer Avenue
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Staff Report PL 23-061

TO: Homer Planning Commission
FROM: Ryan Foster, City Planner
MEETING: December 6, 2023
SUBJECT: Application amending Zoning Map via Ordinance

Requested Action: Conduct a public hearing and recommend approval of the zoning map amendment to the Homer City Council

GENERAL INFORMATION

The applicant requests a change in zoning from Rural Residential, to General Commercial 1.

Applicant: Doyon, Limited
1 Doyon Place
Fairbanks, AK 99701
Location: 1491 Bay Avenue
Legal Description: T 6S R 13W SEC 21 SEWARD MERIDIAN HM 0000839 BAY VIEW SUB LOT 163
Parcel ID: 17921015
Size of Existing Lot: 1.35 acres
Zoning Designation: Rural Residential District
Existing Land Use: Vacant
Surrounding Land Use: North: Residential
South: Vacant
East: B Street ROW & Commercial
West: Residential

Comprehensive Plan: Goal 1 Objective D Implementation Item 3: "Support planning and zoning regulations that promote land use strategies that include compact, mixed-use development, higher density development, and infill."

Wetland Status: KWF Wetlands Assessment Tidal on southern half of the lot.
Flood Plain Status: Zone AE 20
Utilities: Public utilities service the site.
Public Notice: Notice was sent to 28 property owners of 26 parcels as shown on the KPB tax assessor rolls.

GENERAL INFORMATION

This application proposes a zoning map amendment to move the General Commercial 1 District Boundary west to encompass the subject lot. The applicant proposes a planned unit development consisting of a hotel, employee housing, and triplex residential units at 1563 Homer Spit Road, 1663 Homer Spit Road, and 1491 Bay Avenue. The rezoning is necessary to allow for a mixed-use planned unit development (residential and commercial); the Rural Residential District only allows planned unit development with residential uses only.

HCC 21.95.060 Review by Planning Commission

- a. The Planning Commission shall review each proposal to amend this title or to amend the official zoning map before it is submitted to the City Council.
- b. Within 30 days after determining that an amendment proposal is complete and complies with the requirements of this chapter, the Planning Department shall present the amendment to the Planning Commission with the Planning Department's comments and recommendations, accompanied by proposed findings consistent with those comments and recommendations.
- c. The Planning Department shall schedule one or more public hearings before the Planning Commission on an amendment proposal, and provide public notice of each hearing in accordance with Chapter 21.94 HCC.
- d. After receiving public testimony on an amendment proposal and completing its review, the Planning Commission shall submit to the City Council its written recommendations regarding the amendment proposal along with the Planning Department's report on the proposal, all written comments on the proposal, and an excerpt from its minutes showing its consideration of the proposal and all public testimony on the proposal.

21.95.050 Planning Department review of zoning map amendment.

The Planning Department shall evaluate each amendment to the official zoning map that is initiated in accordance with HCC 21.95.020 and qualified under HCC 21.95.030, and may recommend approval of the amendment only if it finds that the amendment:

a. Is consistent with the comprehensive plan and will further specific goals and objectives of the plan.

Applicant: Doyon, Limited's proposal for a year-round hotel and condos in Homer, Alaska, is intricately woven into the city's comprehensive plan, a strategic roadmap designed to guide Homer's growth while safeguarding its distinct character. Anchored within the Land Use chapter of the project, the development seamlessly aligns with the overarching vision of the city, particularly the outlined goals of increasing housing supply and diversity (Goal 1) and maintaining the pristine quality of Homer's natural environment (Goal 2).

The plan envisions Homer as a city that respects its environment, boasting a unique and vibrant atmosphere that is both wonderful to live in and inspiring to visit. The proposed project contributes to this vision by adhering to the plan's emphasis on encouraging high-quality buildings and fostering a mix of well-defined commercial districts (Goal 3 and Goal 4). By promoting compact, walkable community development and integrating green infrastructure elements, the story goes beyond a mere real estate venture; it becomes a harmonious addition to the cityscape, echoing the plan's call for a balanced blend of development and open space.

The Land Use chapter specifically advocates for zoning concepts that encourage a variety of housing options, reflecting income and lifestyle diversity in Homer. Doyon, Limited's proposal aligns with this objective by presenting a mixed-use development that caters to diverse needs while respecting the natural landscape. The plan's proposed land use recommendations map, designed to clarify intended types of uses, resonates with the project's commitment to striking a balance between development density and preserving environmentally crucial areas.

Furthermore, the proposal dovetails with the plan's vision for an integrated system of green spaces, providing aesthetic and functional benefits to the community. By protecting corridors for trails, managing stormwater, preserving wildlife habitat, and maintaining viewsheds, the development becomes a housing solution and a contributor to the city's ecological well-being.

In essence, Doyon, Limited's development proposal mirrors the forward-thinking approach embedded in Homer's comprehensive plan, contributing to the city's economic vitality while ensuring that growth occurs in a manner that is both sustainable and in harmony with the community's values.

Analysis: The Comprehensive Plan states (Goal 1 Objective D Implementation Item 3): "Support planning and zoning regulations that promote land use strategies that include compact, mixed-use development, higher density development, and infill." The proposed rezone is contiguous to the General Commercial 1 zoned properties at 1563 & 1663 Homer Spit Road, and complies with the general land use pattern set out in the Comprehensive Plan Land Use Recommendations Map. The General Commercial 1 district, with a proposed Conditional Use Permit Application for a Planned Use Development at this property, allows for greater mixed use opportunities. A currently vacant property will be consolidated with the existing General Commercial 1 properties.

Staff Finding: The zoning change is consistent with the Comprehensive Plan and will support higher density mixed-use infill development.

b. Applies a zoning district or districts that are better suited to the area that is the subject of the amendment than the district or districts that the amendment would replace, because either conditions have changed since the adoption of the current district or districts, or the current district or districts were not appropriate to the area initially.

Applicant: Adjacent zoning districts are GC1 and RR. The proposed re-zone will facilitate land use that is compatible with adjacent GC1 development. Every effort is being made to segregate this development from the residential area to the west.

Analysis: Conditions have changed since the original adoption of the zoning district boundaries. The Ocean Drive/Homer Spit corridor consists of the majority of land zoned for General Commercial 1 in Homer, and much of it has already been developed. There is a strong demand for General Commercial 1 zoned properties, with limited availability of undeveloped commercial properties, especially larger parcels, in the City. This proposed rezone would provide much needed acreage for a commercial project.

Staff Finding: The amendment would apply a zoning district that is better suited to the area because conditions have changed since the creation of the General Commercial 1 District boundaries.

c. Is in the best interest of the public, considering the effect of development permitted under the amendment, and the cumulative effect of similar development, on property within and in the vicinity of the area subject to the amendment and on the community, including without limitation effects on the environment, transportation, public services and facilities, and land use patterns.

Applicant: Consolidation of the properties allows a significant commercial investment to take place at the landmark location at the base of the Homer Spit. Benefit: complete renovation of a derelict site into a multi-million-dollar facility, increased employment opportunities with included employee housing option. The proposed development by Doyon, Limited holds great promise for enhancing property values in the area and contributing significantly to the local economy.

The development is separated from the adjacent property to the north by a retaining wall and difference in elevation. The development is separated from the adjacent property to the west by a 6' sight obscuring fence and 10' wide landscape buffer. The proposed development is carefully designed to be compatible with existing uses of the surrounding land. Through adherence to the planned unit development (PUD) regulations, the project aligns with the zoning district's provisions, ensuring that the mix of residential, commercial, and industrial elements integrates seamlessly into the existing landscape. The development plan considers the neighborhood's character, harmonizing scale, bulk, coverage, and density to preserve the desirable features of the surrounding area. By incorporating sustainable practices, on-site employee housing, and thoughtful design, the proposal aims to complement rather than disrupt the existing land uses, promoting a well-integrated and cohesive community.

Analysis: City water and sewer are available and access to 1491 Bay Ave would be via Homer Spit Road, an Alaska Department of Transportation maintained road. Full police and fire services are available. Public services and facilities are adequate to serve increased intensity land use. Development of this property via a Planned Unit Development with a hotel, workforce housing, and

tri-plex residences would increase infill within the community, and create more opportunities for mixed-use development that is difficult to come by since Homer has limited opportunity for larger scale mixed-use General Commercial 1 development.

Staff Finding: The rezoning of this 1.35-acre lot that is contiguous to the General Commercial 1 is in the best interests of the public as it supports higher density mixed-use infill development.

STAFF COMMENTS/RECOMMENDATIONS:

Planning staff has reviewed the ordinance per 21.95.050 and recommends the Planning Commission conduct a public hearing, and recommend approval to the City Council.

ATTACHMENTS

1. Application
2. Petition
3. Map of Rezone
4. Public Notice
5. Public Comments



City of Homer

www.cityofhomer-ak.gov

Planning

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Rezoning Application

For Staff Use Only

Fee Amount:	Received by:	Planning Commission Public Hearing Date:
Date application accepted as complete:		HAPC approval or denial date:

APPLICANT INFORMATION

Name: Doyon, Limited Phone Number: 907-375-4216

Address: 1 Doyon Place, Fairbanks AK, 99701

Property Owner (if different than applicant)

Name: Doyon Tourism, Inc. Phone Number: 907-375-4216

Address: 11500 Sukdu Way Anchorage, AK 99515

PROPERTY INFORMATION (if more than one lot, list on separate page)

Street Address: 1491 Bay Ave Lot size: 1.35 acres Tax parcel number: 17921015

Legal Description: Lot 163 Bay View Subdivision (HM 0000839)

Circle one: Is City water available? **YES/NO** City Sewer? **YES/NO** Electrical Service? **YES/NO**

What is the existing use of the property? Vacant

What is the proposed use of the property? Change the zoning for Lot 163 from Rural Residential to GC1. This rezone, along with the B St. right-of-way vacation will create 2 contiguous parcels with the existing commonly owned properties to the east. To be a hotel/condominium development with employee housing and parking in the northerly portion of the properties. There will be a 3-story hotel and 3 condominiums with 2 short-stay structures located on the southerly portion of the properties. No direct motorized access will be provided from the project to Bay Avenue or B Street.

What structures or land uses exist on the neighboring properties? (Examples: residential, commercial, vacant) List the zoning of these adjacent lots.

Structures/land use

Zoning

North: Professional office building, Storage units,
Waste management company, UPS Distribution Center

GC1

South: Tidelands, DOT, DNR

Open Space Rec

East: DNR, Homer Airport

GC2

West: Private residences, storage units,
short term rentals

Rural Residential

1. What is the public need and why is this rezone justified?

Consolidation of the properties allows a significant commercial investment to take place at the landmark location at the base of the Homer Spit.

2. Describe the benefits and detriments of this proposed rezoning to:

(a) the community.

(b) the neighboring landowners.

(c) you, the property owner.

Community

Benefit: complete renovation of a derelict site into a multi-million dollar facility, increased employment opportunities with included employee housing option. The proposed development by Doyon, Limited holds great promise for enhancing property values in the area and contributing significantly to the local economy.

Detriment: N/A

Neighboring landowners

The development is separated from the adjacent property to the north by a retaining wall and difference in elevation. The development is separated from the adjacent property to the west by a 6' sight obscuring fence and 10' wide landscape buffer. The proposed development is carefully designed to be compatible with existing uses of the surrounding land. Through adherence to the planned unit development (PUD) regulations, the project aligns with the zoning district's provisions, ensuring that the mix of residential, commercial, and industrial elements integrates seamlessly into the existing landscape. The development plan considers the neighborhood's character, harmonizing scale, bulk, coverage, and density to preserve the desirable features of the surrounding area. By incorporating sustainable practices, on-site employee housing, and thoughtful design, the proposal aims to complement rather than disrupt the existing land uses, promoting a well-integrated and cohesive community.

Property owner/developer

Benefit: facilitates completion of step 1 in the proposed project timeline.

Detriment: N/A

3. Can the proposed land use be developed in a manner that is compatible with development in adjacent zoning districts? If so, how? What effect will this change have on the surrounding properties?

Adjacent zoning districts are GC1 and RR. The proposed re-zone will facilitate land use that is compatible with adjacent GC1 development. Every effort is being made to segregate this development from the residential area to the west.

4. Can the existing public facilities, services, and utilities accommodate the proposed use without any detrimental affect on adjacent zoning districts? If so, how?

Existing city services and other utilities are sufficient to provide for the needs of this development.

5. Would rezoning to a district allowing the proposed use permit other uses, which would not be compatible with adjacent land use?

No

6. How does this proposal relate to the Comprehensive Plan and purposes of the zoning regulations?

Doyon, Limited's proposal for a year-round hotel and condos in Homer, Alaska, is intricately woven into the city's comprehensive plan, a strategic roadmap designed to guide Homer's growth while safeguarding its distinct character. Anchored within the Land Use chapter of the project, the development seamlessly aligns with the overarching vision of the city, particularly the outlined goals of increasing housing supply and diversity (Goal 1) and maintaining the pristine quality of Homer's natural environment (Goal 2).

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Furthermore, the proposal dovetails with the plan's vision for an integrated system of green spaces, providing aesthetic and functional benefits to the community. By protecting corridors for trails, managing stormwater, preserving wildlife habitat, and maintaining viewsheds, the development becomes a housing solution and a contributor to the city's ecological well-being.

In essence, Doyon, Limited's development proposal mirrors the forward-thinking approach embedded in Homer's comprehensive plan, contributing to the city's economic vitality while ensuring that growth occurs in a manner that is both sustainable and in harmony with the community's values.

7. How would the proposed change affect the public health safety and welfare of the surrounding area?

The proposed development by Doyon, Limited in Homer, Alaska, is conscientiously crafted to prioritize the health, safety, and welfare of the surrounding area and the city. The project adheres strictly to the established zoning regulations and city ordinances, ensuring that all aspects align with the community's well-being. Robust safety measures, both during construction and in the final built environment, have been incorporated to mitigate any potential risks. Additionally, the project emphasizes sustainable practices and environmental considerations to safeguard the local ecosystem's health. By engaging in comprehensive planning, Doyon, Limited aims to contribute positively to the community's welfare, creating a development that enhances the quality of life in the surrounding area without compromising safety or the city's overall health.

OTHER REQUIREMENTS

1. The applicant shall provide a map showing the area to be rezoned.
2. The applicant shall provide a petition, signed by a majority of the landowners within the proposed zoning area saying that they support the proposed change.

I hereby certify that the above statements and other information submitted are true and accurate to the best of my knowledge, and that I, as applicant, have the following legal interest in the property:

Owner of record, Doyon Tourism Inc., duly authorizes Patrick Duke, Senior Vice President & CFO to act for Doyon Tourism Inc., who has the following legal interest, Lot 163 Bay View Subdivision, and that the owner of record is knowledgeable of this application if I am not the owner. I also understand that this item will be scheduled for the Planning Commission Agenda only if all application materials are submitted.

Applicant Signature: _____




Property Owner Signature: _____



Petition

Proposed amendment:	The property at 1491 Bay Avenue consists of one 1.35 acre parcel. Currently the parcel is a part of the Rural Residential Zoning District. This request is to change the zoning of the entire property, T 6S R 13W SEC 21 SEWARD MERIDIAN HM 0000839 BAY VIEW SUB LOT 163 to the General Commercial 1 District.
HCC 21.95.020 (e) (3) (a)	"Each person signing this petition represents that the signer is a record owner of the lot whose description accompanies the signature; that the signer is familiar with the proposed zoning map amendment and the current zoning district of the lot; and that the signer supports the City Council's approval of the amendment."
Statement of Justification	This rezone along with the B St. right-of-way vacation will create 2 contiguous parcels with the existing commonly owned properties to the east. The amendment will facilitate development and land use that is compatible with the adjacent GC1 zoning district.

Printed Name	Signature of Property Owner or Designated Representative	Legal Description	Tax parcel number
Patrick Duke, SVP CFO		T 6S R 13W SEC 21 SEWARD MERIDIAN HM 0000839 BAY VIEW SUB LOT 163	17921015

MY SIGNATURE MEANS I AM IN FAVOR OF THIS AMENDMENT



Public Works Director Keiser agreed and reviewed the memorandum provided in the packet, noting she addressed comments made by the public at the December 6th hearing. She stated that the applicant has addressed a number of them and her recommendation to add specific conditions to the CUP in the event that it was approved, such as the viewing platform and pedestrian access. She noted that certain issues would be addressed if Homer had a building code but there is none, but a recommendation could be made for the requirements to be added, such as including a grease trap to prevent oil and fats to go into the sewer system. Chemicals were identified in the soil so a recommendation was made to construct using pile foundation to disturb as little of the soil as possible. These items she believed were easy to accommodate in the applicants design process.

There was a brief discussion on what is already included in the Conditions outlined in the suggested motion as presented by the Clerk.

Commissioner Stark noted the various items that the Commission should consider before making their motion and stated that they should make a motion to have separate deliberation meeting to have adequate time for review.

Chair Smith requested clarification on how that would be conducted.

Deputy City Clerk Krause advised that the Commission could take poll to determine which day and time would be best to schedule the meeting, noting that it would not be a public meeting.

STARK/SCHNEIDER MOVED TO HAVE THE COMMISSION SCHEDULE A DATE AND TIME TO BE DETERMINED TO SCHEDULE DELIBERATIONS.

There was a brief discussion on the time the Commission has to make their decision is 45 days from closing of the Public Hearing which was tonight.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

B. Staff Report 23-061, Application Amending Zoning Map via Ordinance

Chair Smith introduced the item, noted that the Staff Report 23-061 was provided in full at the December 6th meeting and if desired by the Commission a summary of the report can be provided.

City Planner Foster determined that the Commission did not want a summary of Staff Report 23-061 for the record.

Chair Smith invited the applicant to make their presentation or speak to their application.

Zach Dunlap, Operations Manager for Doyon Limited introduced Katie Kirsis, Seabright Surveying & Design to speak to the application.

Katie Kirsis, Seabright Surveying, stated she prepared the rezone application and the re-plat. She reviewed the findings that was presented by the City Planner in the report and agreed that they supported the approval of the rezoning for the parcel to allow the development of the project as designed. The two parcels are already zoned GC1 and this property would be contiguous if the vacation is approved, noting that it would be appropriate shift in the zoning limits.

Chair Smith opened the public hearing.

Beverly Bowman, own property across from the proposed employee housing and commented that the project as presented would impact her property in general. She would prefer that the area stay residential. The employee housing does not show parking on Bay Avenue but noted that there is room to park some cars there and expressed concern about that. She recommended reconfiguring the proposed design.

Peter Garay, city resident, he commented on some earlier concerns for the flight paths and suggested getting some input from actual pilots to see if the project would actually have some impacts from their perspective.

Penelope Haas, non-resident, clarified that comments can only be on the rezone, speaking on behalf of the 202 people who have signed the letter that was provided in opposition to the rezone for this location due to it being a sensitive area ecologically. It is outside the city center which the Comprehensive Plan has designated for dense development. So many people who don't live adjacent signed the letter is because they come and recreate here or get their boat. She noted the viewshed matters to these folks and urged the Commission to consider the broader public interest.

Rika Mouw, city resident, commented that this rural residential lot on Bay Avenue is heavily treed piece of land, and if rezoned it would be completely logged and excavated to bring it down to the elevation of 164A. She stated that it is a protection and division of the neighborhood and Kachemak Drive.

Rick Foster, city resident, Klondike Avenue, commented his appreciation for the Ms. Mouw statement and where's Frank when you need him about spot zoning because this action was definitely spot zoning and should remain rural residential.

Betty Seaman, city resident, property owner next to the proposed property for rezone commented that she lives 160 feet away from the boundary line and against the rezone, it will indelibly change the character of the neighborhood, she still was unsure even with the new diagram regarding the 30-40 foot drop and there will be this wall of 20-30 feet, a gently slope with concerns that it falls off that bluff. Ms. Seaman wanted them to preserve that piece of land in its natural state, to allow the wildlife to remain which would provide viewing opportunities for their customers. She noted all the wildlife that can be seen in that section of land. She questioned that if the city needs more commercial land what happens the next time land come up, they rezone one then it's a domino effect.

Glenn Seaman, city resident, commented that the project proposes to increase the housing supply, condos, they will be like Land's End. The condos are not going to be for regular people but those that can afford a million dollars according to one local realtor's opinion, not homes but investment property. He then addressed the serene pristine natural environment, and that it will be maintained but that was a matter of opinion. Mr. Seaman believed there was a lot of corporate speak, noted the geologist on staff and protections for the critical habitat but having the project built to the edge will not provide that. Mr. Seaman offered

comments on the size of the project, impacts to the rural residential neighborhood, traffic study and the deliberation by the Commission being open to the public.

Karin Marks, city resident, reiterated the fact that Doyon has already made changes to the design from comments made at the last meeting and was sure that more changes would be coming forward from this meeting; noted that there are positive things that can be worked out and as a general thought the growth of Homer and how everything was so rural in the early days. The comprehensive plan addresses central city as a general term and doesn't necessarily mean the center of the business district. The General Commercial District 1 is where we need to grow. Reminded them to review the economic vitality chapter 7 as well.

Scott Adams, city resident, commented on the development of Bay Avenue, the large old spruce trees that will be lost, oversized structures, amending the zoning to accommodate a large project, advocating for compromise.

Eric Engebretsen, city resident, commented that the location in retrospect is the least impact for placement of a project of scale, he can sympathize with the residents but believe that placement doesn't impact the viewshed there is commercial buildings all around except the one side. He stated that he could have purchased the property next door, clear cut the trees and they would not be having this conversation.

Nick Garay, city resident, stated his fiancée just purchased property adjacent to the proposed site and wondered if there was a point person to ask questions about the project if there are issues during development.

Jack Cushing, city resident, commented on the rezoning noting the zoning applied to surrounding property.

Chair Smith closed the public hearing and opened the floor to questions for the Staff and Applicant from the Commission and rebuttal of public comment from Staff and the applicant.

City Planner Foster rebutted comments that there are limited areas within the city where on street parking and parking will be available onsite for employees, regarding spot zoning with two parcels already designated rural residential once rezoned it would be contiguous to the two parcels. He explained what spot zoning would be and this was not it. Mr. Foster addressed the notion that this rural residential area is called out in the Comp Plan as transitional, there is a demand for GC1 and this is the largest of the two areas. He then referenced the Zoning Map on the wall pointing out that the area in question was central within the city.

City Planner Foster continued by addressing the impact to the zoning of rural residential versus recreational, the notion of providing a buffer of trees for the neighboring property would be a good thing and through the vacation it becomes contiguous and acknowledged the plans showing trees and fencing being utilized. The lot is zoned rural residential and by right could be developed as such with no Zoning amendments.

Lauren Egbert, Womer, reviewed the design of the employee housing and from Bay Avenue looking south the view is upon the residential unit; utilizing the grade it the hotel appears as a two story structure not a three story structure. They are planning a vegetated barrier whether natural or structured and will be looking to code to act as a guide on that subject.

Questions presented to the Applicant and Staff as follows:

- Buffer between the proposed project and the rural residential neighborhood
 - o Hotels are very modular in nature
 - o Loss of rooms with loss of height
- Clarification on treating this project as a PUD
 - o Directing back to addressing strictly the rezone
 - o It is referred to as a PUD due to the entire proposal which includes the housing, hotels, condos etc.
 - o Reiterated that it is contingent upon approval of the CUP
- There may be possible replacement of rooms by adding them to the 4th floor
- The subject property for rezone is private property and just because it was not done by the former owner doesn't mean it cannot or should not be done.
 - o Condos are residential, employee housing is residential
 - o Comprehensive Plan recommends the area of placement where the hustle and bustle is occurring

Chair Smith restated that the Commission was required to make a recommendation on this action tonight.

HIGHLAND/SCHNEIDER MOVED TO ADOPT STAFF REPORT 23-061 AND RECOMMEND COUNCIL APPROVAL OF THE AMENDMENT TO THE ZONING MAP FOR 1491 BAY AVENUE FROM RURAL RESIDENTIAL TO GENERAL COMMERCIAL ONE.

There was no further discussion.

VOTE. YES. SMITH, SCHNEIDER, CONLEY, STARK
NO. HIGHLAND, BARNWELL, VENUTI

Motion carried.

C. Staff Report 23-062, Vacation of B Street Right of Way South of Bay Avenue

Chair Smith introduced the item and noted for the record that the staff report was heard in detail at the last meeting and asked if the Commission needed a summary of that report provided.

The Commission did not indicate a summary was needed and a short recess was requested.

Chair Smith called for a recess at 11:20 p.m. The meeting was called back to order at 11:26 p.m. with a request for a motion to extend the meeting.

SCHNEIDER/BARNWELL MOVED TO CONTINUE THE MEETING TO 12:30 A.M.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.



MEMORANDUM

Ordinance 25-01 Request for additional information explaining the difference between the original application of CUP 23-08 Lighthouse Village PUD and the revised version approved by the Planning Commission on November 6, 2024

Item Type: Action Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: January 16, 2025
From: Ryan Foster, City Planner
Through: Melissa Jacobsen, City Manager

At the January 13, 2025 introduction of Ordinance 25-01, there was a request from the City Council for additional information, specifically, what the differences are between the original application for CUP 23-08 for a Planned Unit Development submitted for the December 6, 2023 Planning Commission meeting and the revised version approved by the Planning Commission on November 6, 2024.

With the revised submission, Doyon, Limited, provided a narrative on the revised changes on the application including significant changes made to address public comments on the original version. The following letter from the applicant provides a narrative for the revisions in the approved application submission.

“On behalf of Doyon, Limited, I am pleased to submit our revised application for the Lighthouse Village redevelopment, which is set to be reconsidered by the Planning Commission. Since our last presentation, we have carefully reviewed the feedback the commission and the community provided and made significant adjustments to the project to address the concerns raised.

The updated design reflects our deep commitment to ensuring this project aligns with Homer’s long-term planning goals while considering the local community's priorities. Over the past several months, we’ve engaged in meaningful discussions with community members, business owners, and other stakeholders. I am happy to report that our overwhelming feedback regarding the updated design has been highly positive. This response has further reinforced our belief that these changes represent the best path forward for the City of Homer and Doyon, Limited.

The most significant changes to the proposal include the following:

1. *Off-site Employee Housing: In response to feedback and to better accommodate the 30-foot vegetative buffer and the 20-foot pedestrian easement, we have removed the employee housing component from the development. This adjustment allows for a more environmentally sensitive design and improved walkability. Additionally, we have identified promising leads for off-site employee housing. We are still committed to ensuring that the housing needs of our employees are met without contributing to any existing housing shortages within the Homer community.*
2. *Addition of a 30-foot Vegetative Buffer: In response to comments regarding the development's visual impact and environmental footprint, we have introduced a 30-foot vegetative buffer on the west side of the site. This buffer will preserve natural viewsheds, create a transition zone between the development and adjacent areas, and support local wildlife habitats.*
3. *Addition of a 20-foot Pedestrian Easement: Understanding the community's desire for walkability and connection to local trails, we have added a 20-foot pedestrian easement between the vegetative buffer and development. This easement will improve access to the development for both residents and visitors, encourage non-vehicular transportation, and contribute to Homer's long-term vision of creating a connected and accessible city.*
4. *Reduction in Roof Height, Key Count, and Footprint: In response to the concerns regarding the Hotel's size, we have removed the fourth floor and rooftop bar; the roof height has been lowered due to the reduced building footprint and key count. The total number of hotel rooms has been reduced to 70, which will reduce the visual impact and ease pressure on local infrastructure. This reduction will alleviate pressure on local infrastructure, including parking and traffic while providing a high-quality, economically viable hospitality offering.*
5. *Reduced Number of Condo Units and Repositioning: The number of condominium units has decreased to seven individual units in three structures and has been repositioned within the site to better align with the surrounding landscape and community concerns. This adjustment reduces the impact on neighboring properties and enhances the overall layout of the development.*
6. *Addition of Two Viewing Platforms and Updated Path Design: To improve the guest and resident experience, we have added two strategically located viewing platforms, offering panoramic views of Homer's stunning natural beauty. The pedestrian path network has been redesigned to connect these viewing platforms with the development and the Homer Spit Trail, ensuring seamless integration with the city's existing recreational infrastructure.*

Additionally, we are submitting updated survey data demonstrating that the property does not meet the definition of a coastal bluff as outlined in Homer city code. This data confirms that the site's topographical characteristics are consistent with the findings from the initial review by the

City Planner, who previously determined that bluff-related restrictions do not apply to our development. We trust this clarification will address any concerns related to bluff regulations and confirm the site's suitability for our proposed project.

We have also actively sought community input on these revisions. Many in the community have expressed appreciation for the thoughtful changes made to address their concerns, particularly regarding the addition of the pedestrian easement, the reduction of the overall development footprint, and the inclusion of enhanced green spaces. These revisions have garnered broad support and reflect our ongoing commitment to working collaboratively with the city and residents to ensure the project's success.

This project represents a valuable opportunity for the City of Homer and Doyon, Limited. The updated proposal, incorporating community feedback and significant design improvements, balances economic development while preserving Homer's unique character.

As Alaskans, we appreciate our state's natural beauty and the strong connections within our small-town communities. We aim for our development ideas to reflect and enhance these local qualities while actively contributing to the local economy. We are confident that this revised plan will meet and exceed the expectations of the commission, the city, and the community.

We appreciate your time, consideration, and input during this process. We look forward to continuing our work together to make this development a valuable and lasting asset for Homer.”

**CITY OF HOMER
HOMER, ALASKA**

Planning Commission

ORDINANCE 25-01

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING HOMER CITY CODE 21.10.030 AMENDING THE HOMER
CITY ZONING MAP TO REZONE A PORTION OF THE RURAL
RESIDENTIAL (RR) ZONING DISTRICT TO GENERAL COMMERCIAL
1 (GC1) ZONING DISTRICT.

WHEREAS, City staff received a completed application by petition of the property owner, Doyon Limited, per HCC 21.95.020 (e); and

WHEREAS, The 2018 Homer Comprehensive Plan Land Use Recommendations Map designates the proposed area for Rural Residential zoning; and

WHEREAS, The Homer Planning Commission held a public hearing on January 3, 2024 as required by HCC 21.95.060(c); and

WHEREAS, The motion to approve the rezoning request by the Homer Planning Commission passed by a vote of 4-3; and

WHEREAS, The zoning district boundaries shall be as shown on the official Homer zoning map per HCC 21.10.020(c).

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer Zoning Map is amended to transfer the parcels listed on the attached Exhibit A from Rural Residential (RR) zoning district to the General Commercial 1 (GC1) zoning district as depicted on Exhibit B.

Section 2. The City Planner is authorized to note on the Homer Zoning Map the amendments enacted by this ordinance as required by Homer City Code 21.10.030(b).

Section 3. This Ordinance is a non-code ordinance of a permanent nature and shall be noted in the ordinance history of Homer City Code 21.10.030.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this ____ day of January, 2025.

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ATTEST:

RENEE KRAUSE, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:


Effective Date:

CITY OF HOMER

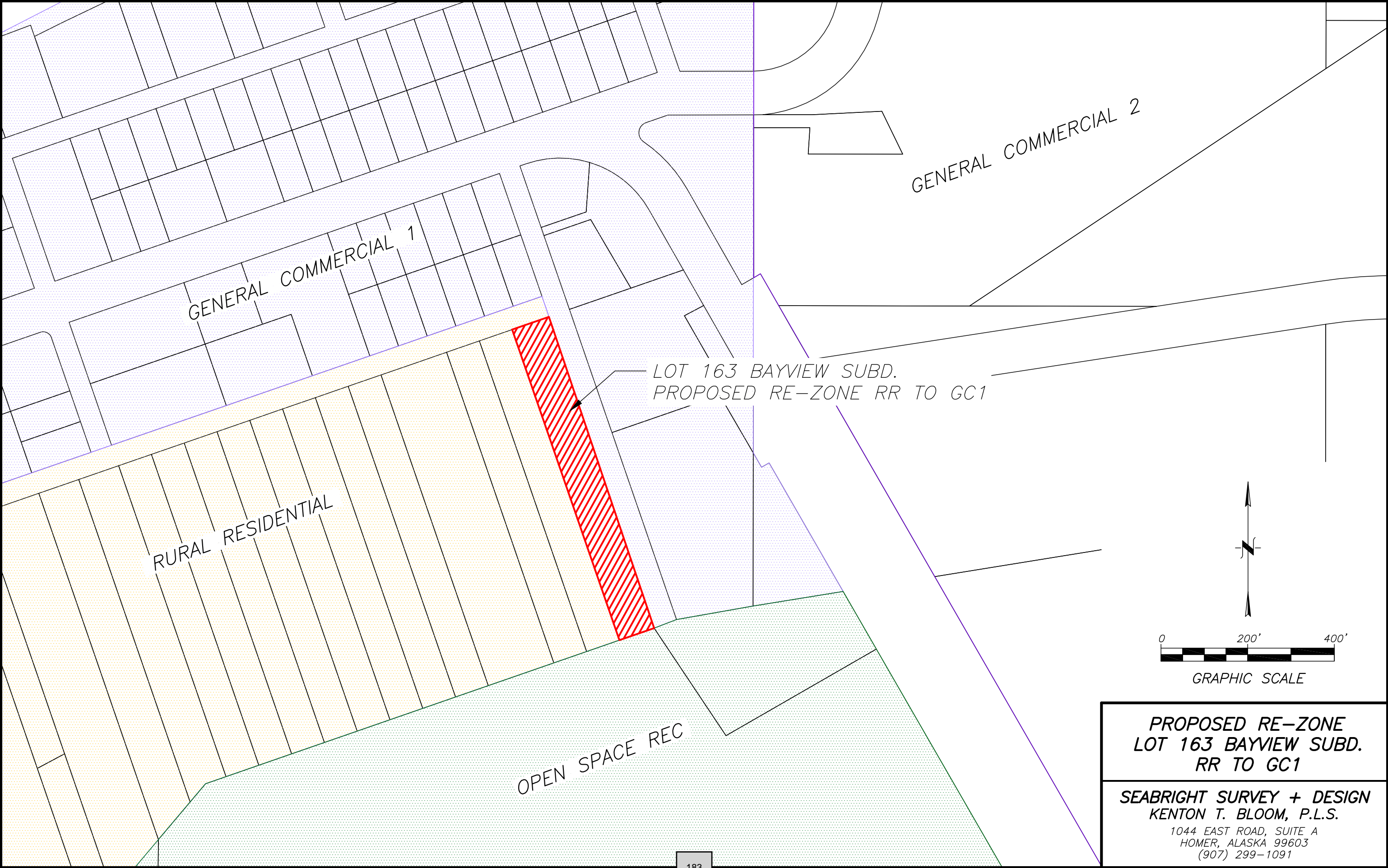
RACHEL LORD, MAYOR

Petition

Proposed amendment:	The property at 1491 Bay Avenue consists of one 1.35 acre parcel. Currently the parcel is a part of the Rural Residential Zoning District. This request is to change the zoning of the entire property, T 6S R 13W SEC 21 SEWARD MERIDIAN HM 0000839 BAY VIEW SUB LOT 163 to the General Commercial 1 District.
HCC 21.95.020 (e) (3) (a)	"Each person signing this petition represents that the signer is a record owner of the lot whose description accompanies the signature; that the signer is familiar with the proposed zoning map amendment and the current zoning district of the lot; and that the signer supports the City Council's approval of the amendment."
Statement of Justification	This rezone along with the B St. right-of-way vacation will create 2 contiguous parcels with the existing commonly owned properties to the east. The amendment will facilitate development and land use that is compatible with the adjacent GC1 zoning district.

Printed Name	Signature of Property Owner or Designated Representative	Legal Description	Tax parcel number
Patrick Duke, SVP CFO		T 6S R 13W SEC 21 SEWARD MERIDIAN HM 0000839 BAY VIEW SUB LOT 163	17921015

MY SIGNATURE MEANS I AM IN FAVOR OF THIS AMENDMENT



From: [mary.griswold](#)
To: [Renee Krause](#)
Cc: [Ryan Foster](#)
Subject: Ord 25-01 Bay Ave rezone from RR to GC1 public hearing
Date: Monday, January 20, 2025 10:34:26 AM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

I encourage you to approve the rezone of the lot at 1491 Bay Avenue from Rural Residential to General Commercial 1 and to approve the adjacent right of way vacation because together they will provide a legal pedestrian trail from Bay Avenue to the viewing platform on Doyon's property and from there public pedestrian access along the hotel sidewalks to the Homer Spit Road and Spit Trail.

I have walked the illegal trespass trail from the B Street right of way to the Spit Trail for more than a decade, until the path was blocked by a chain at the property line. Creating a legal connection to allow walking from the end of the Spit to downtown Homer without having to walk along most of vehicle-congested Ocean Drive is a wonderful opportunity.

This parcel can be cleared and built upon under its existing Rural Residential zoning designation. If you approve its rezone to General Commercial 1 (and the ROW vacation), Doyon will dedicate a 20-foot wide pedestrian trail easement to the City of Homer, construct an ADA accessible pedestrian trail, and leave a 30-foot wide vegetative buffer along the western property line of this parcel.

The Homer Planning Commission approved the revised Conditional Use Permit for Doyon's Planned Unit Development for a hotel and condominiums at its 11.06.24 meeting (Six Yes, Zero No, and one excused absence). The public generally accepted Doyon's scaled down design from the one that was so strenuously opposed the year before. (The Homer Planning Commission denied the original CUP application; Doyon appealed and was allowed to submit a revised proposal.) You can view the public comments under public hearings in the minutes from the 10.16.24 Homer Planning Commission meeting. Two of the conditions in the approved CUP are that this property at 1491 Bay Avenue must be rezoned from Rural Residential to General Commercial 1 and that the B Street right of way south of Bay Avenue must be vacated. These conditions must be approved by the City Council in order for the approved CUP to stand.

The Kenai Peninsula Borough Planning Commission approved the ROW vacation at its 01.13.25 meeting (Six Yes, Zero No, one recused, and one absent) with a condition among others that Doyon grant a 20-foot wide pedestrian easement from Bay Avenue to a wildlife viewing platform on its property. This ROW vacation approval is subject to City of Homer veto or approval.

If the ROW vacation and lot rezone are approved by the Homer City Council, the KPB Planning Commission is scheduled to consider, on 02.10.25, a replat of these three parcels into a different configuration. This replat will include the dedicated pedestrian trail easement. Many people were opposed to the ROW vacation because the promised pedestrian trail was not on a plat. It is depicted on Doyon's architectural drawings. No lot in the reconfigured property can straddle zoning districts so this lot must be rezoned before the new plat is considered. The KPB planning commissioners stated that the trail easement would be dedicated and visible on this replat.

Please support development of a strategic pedestrian trail connector between the Homer Spit and downtown Homer. Please approve Ordinance 25-01 to rezone this parcel from RR to GC1.

From: [Anne Coray](#)
To: [Department Clerk](#)
Subject: Doyon, Rezoning & Right-of Way
Date: Tuesday, January 21, 2025 1:25:24 PM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Please add my married name, Anne Kahn, to those requesting CONDITIONS to the proposed rezoning of Lot 163 (ordinance 25-01) and the vacation Right of Way (memorandum CC-25-xxx). Although I am not a birder per se, I believe the conditions set forth by the Kachemak Bay Conservation Society are reasonable and well conceived. Birding, and specifically the Shorebird Festival, are of huge economic importance to Homer, and visitors as well as locals will appreciate the council for taking their requests into consideration.
Please share with all council members.



Virus-free. www.avast.com

From: [Molly & Dave Brann](#)
To: [Department Clerk](#)
Subject: Rezone of Lot 163 Bayview Subdivisio
Date: Tuesday, January 21, 2025 4:18:17 PM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

To The City Council Members,

First of all, I want to say Thank You for the difficult work you do, for the City of Homer and the Citizens thereof.

I am writing to share my support for the position put forth by the Kachemak Bay Conservation Society related to the vacation of the B-Street Right-of-Way and the Rezone of Lot 163 Bayview Subdivision.

Without repeating all the reasons, I am saying I am in support of protecting bird habitat, protecting the nesting, feeding and migrating birds.

In the mid - late 1980s while teaching at Homer Middle School, I taught a Cross Curricula class called Birds of a Feather for jr. high kids to become familiar with our local and migrating birds. I also started The Shorebird Sister Schools Project which has grown into an international project studying migrating birds. When you get a chance, check out that website.

Once again, I am full support of doing what it takes to protect the birds and their habitat.

Thanks for your consideration of the above.

Sincerely,

Dave Brann

Jack & Susan Cushing

1423 Bay Avenue

Homer, AK 99603

(907) 399-1200 & (907) 299-5740

cushinghouse@gmail.com

January 21, 2025

Mayor Rachel Lord

Donna Aderhold, Council

Jason Davis, Council

Shelly Erickson, Council

Storm P. Hansen, Council

Bradley Parsons, Council

Caroline Venuti, Council

RE: REZONING OF LOT 163 BAYVIEW SUBDIVISION
VACATION OF PORTION OF B STREET ROW

After more than a year, Doyon has presented projected plans to the City of Homer Planning Department and the City of Homer general public. An avalanche of public testimony, written and oral, has been the response to Doyon's designs and their proclamation of being a good neighbor to follow Homer Comprehensive Plan and Codes. We are now at a crossroads, where Homer City Council has the final approval to rezone Lot 163 Bayview Subdivision from Rural to Commercial and to vacate the seaward portion of B Street ROW.

Our recommendation is for Homer City Council to DENY both of these requests until Doyon seriously comes to the table with a fair exchange for rezoning and vacation to receive a very valuable City property. To date, they have toned down their original aggressive design, redesigned a suitable bird viewing platform with ADA compatible path, decreased the number of town houses to be built on the edge of the wetlands, and offered to allow bird viewers and the public to access their property. All of these concessions will only serve to enhance their business opportunities, as they have stated. "We are a tourism business." However, Doyon refuses to give an official recorded easement in exchange for the large portion of the B Street ROW, and has not given proper access from the Spit Trail and Road on the seaward side of their property through the proposed vacation and viewing platform.

Bay Avenue is a de facto bike/pedestrian trail due to the dangerous travel on Ocean Drive to and from the Spit Trail. Only the exceptionally hardy travelers are ready to deal with the high speed deceleration of traffic coming off Spit Road on a blind curve and reduced shoulder. There must be a guarantee that specifically connects this Bay Avenue/B Street alternative clear through to the Spit Road crosswalk. Again, This guarantee must be an easement on the recorded plat.

It appears Doyon wants to take away B Street 750' x 50' ROW from the City of Homer saying to the effect that "There never was an easement. People who accessed the old Bird Viewing Platform were trespassing." This is simply not true. Three previous owners granted informal and semi-formal easement for public access. It was never framed by them as trespassing.

Some testimonies have expressed the view that people asking for clarity and correct process on this development are NIMBYs ("Not In My Back Yard") or "Anti-Development". To the contrary, the suggestions offered are good for development, offering people a safe way to enjoy their environment, private or public. Comments are within the intent and according to the Homer Comprehensive Plan. Every ROW in America at one time was undeveloped but reserved for future development. That is why ROWs are reserved. Otherwise, there wouldn't be any. So it is not a foregone conclusion that a ROW will be vacated at will, because a developer wants it. The conditions stated by the Homer Planning and Zoning Commission must be applied to this approval.

Unless Doyon is required by the Homer City Council to record a 20' easement and 30' vegetated buffer zone on the plat, they will continue to assert that B Street ROW, if vacated, is THEIR property into perpetuity. Doyon could reserve the right to close it off, have a gate when it suits them, (a concern stated by a KPB Planning Commissioner) and forever deny the City of Homer and its residents an easement to the water's edge. This is a trade. At this point, the City of Homer is getting the short end of the trade. If Doyon is required to sign over the easement to the City of Homer, officially noted on a recorded plat, then it will be a fair concession. Otherwise, there should not be transfer of valuable city property to the project and no rezoning.

(2

From: [Sammy Walker](#)
To: [Department Clerk](#)
Subject: Doyon development concerns
Date: Tuesday, January 21, 2025 10:59:51 AM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

I just wanted to reach out and express my concern over the proposed plan to vacate the B Street right of way and the city's decision to rezone lot 163. I understand that at this point we are somewhat locked into negotiations with Doyon and are obligated to make some concessions to them, but as a lifelong Homer resident I'm disappointed that the city appears to be prioritizing large scale development over opposition from residents.

I do not feel comfortable "donating" some of our most valuable waterfront land to an intrusive development that threatens our viewshed, bird habitat, and thus livelihoods, and I think at the very least the public should receive something back:

All of Doyon's concessions to us must be in writing. I (and others) would like to see guarantees of future public access. This could be accomplished with

1. A revised plat showing a 30' conservation easement that protects the existing woods in the B st ROW.
2. a revised plat with a 20' pedestrian easement to the birding platform.
3. A guarantee of a birding platform equivalent in size or larger than the current one, and a commitment by Doyon to work with local conservation groups and US Fish and Wildlife. This could be adequately implemented by a title restriction on the city land being given to Doyon.

Please consider this, I and many other young homerites rely on you to hold Doyon accountable to their promises; otherwise this would set a dangerous precedent for future City of Homer negotiations.

Thanks

Sammy Walker
Alaska Timberframe
907.399.8786



Kachemak Bay Conservation Society

3734 Ben Walters Ln, Homer, AK 99603

907 235.8214

kbayconservation@gmail.com

Wednesday, January 22, 2025

To:

Homer City Council

City of Homer Mayor

RE: REZONE OF LOT 163 BAYVIEW SUBDIVISION: Ordinance 25-01, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.10.030 Amending the Homer City Zoning Map to Rezone a Portion of the Rural Residential (RR) Zoning District to General Commercial 1 (GC1) Zoning District. Planning Commission. Introduction January 13, 2025 Public Hearing and Second Reading January 27, 2025.

VACATION OF PORTION OF B STREET ROW: New Business: Memorandum CC-25-xxx from City Clerk re: Vacation of a Portion of B Street Right of Way and Associated Utility Easements South of Bay Avenue granted by Bay View Subdivision Plat HM839

Dear Members of the City Council:

The proposed rezone of Lot 163 (Ordinance 25-01) and Right-of-Way vacation (Memorandum CC-25-xxx) would allow for intensive development of- and impact to- Mariner Park Lagoon, City-Owned-Land that is of internationally recognized importance for migratory birds, and has been used for decades by the birding community and Kachemak Bay Shorebird Festival, Alaska's largest wildlife viewing festival, and an important cornerstone of Homer's culture and economy.¹ The site overlooks Mariner Park Lagoon, which is designated as a Western Hemisphere Shorebird Reserve Network (WHSRN) Site of International Importance, which means that at least 100,000 shorebirds annually return here.²

To qualify for the WHSRN designation, the City of Homer—who owns the Lagoon—agreed to:

- **make shorebird conservation a priority**
- **protect and manage shorebird habitat** ³

¹ <https://www.homer.alaska.org/events/kachemak-bay-shorebird-festival/>

² <https://kachemakbaybirders.org/western-hemisphere-shorebird-reserve-network/>

³ <https://kachemakbaybirders.org/western-hemisphere-shorebird-reserve-network/>



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The City of Homer has pledged to ensure that this shorebird habitat will be protected on their property, and we should make-good on this promise, as it benefits both the public and developers.

We urge the Council to deny the ROW and the Rezone, and to ask the landowners to come up with a smaller plan that does not require these actions. A profitable hotel can be constructed in this location, with dimensions similar to the Aspen Suites Hotel, that would not require a Rezone and ROW Vacation, and that would have a more appropriate impact on bird habitat, traffic, the view-scape, and the environment, in keeping with our City's commitments to the WHSRN, the values of the community, and the wisdom of the current zoning for the area.

Your decisions on these questions should be in keeping with the best available information on the community values and Comprehensive Plan. The Comprehensive Plan directs us protect important ecological areas even if they are zoned commercial or otherwise for development:

"This [Comprehensive] plan takes two general approaches to guide development in relation to environmental conditions. One is to "overlay" information regarding environmental constraints and opportunities onto the Land Use Recommendations Map. This means, for example, that some portions of an area identified for development would be limited by the site-specific presence of steep slopes, wetland areas, drainage channels, etc. The second broad strategy is to recommend that appropriate standards be adopted so that where development does occur it is designed to respect environmental functions and characteristics."

This guidance reinforces the need to avoid or minimize habitat degradation from construction impacts, polluted runoff, and the disturbance of wildlife by the concentration of people and dogs in the area adjacent to the wetlands, where cranes nest and hundreds of thousands of shorebirds stop over every year in their spring in and fall migration. This is not the place for increased density and intensive commercial activity; it is a place for commercial activity of low impact and medium scale, as it has been zoned. Ecology aside, this is the wrong place for high-density commercial activity. We refer here to the City of Homer Comprehensive Plan for guidance:

"Objective A: Promote a pattern of growth characterized by a concentrated mixed-use center, and a surrounding ring of moderate-to-high density residential and mixed-use areas with lower densities in outlying areas.

Many of the community's most important goals are tied to the amount and location of growth. These goals include encouraging affordable housing, protecting environmental quality, creating a walkable community, and efficiently providing public services and facilities. The broad strategy behind this objective is to encourage concentrated residential and



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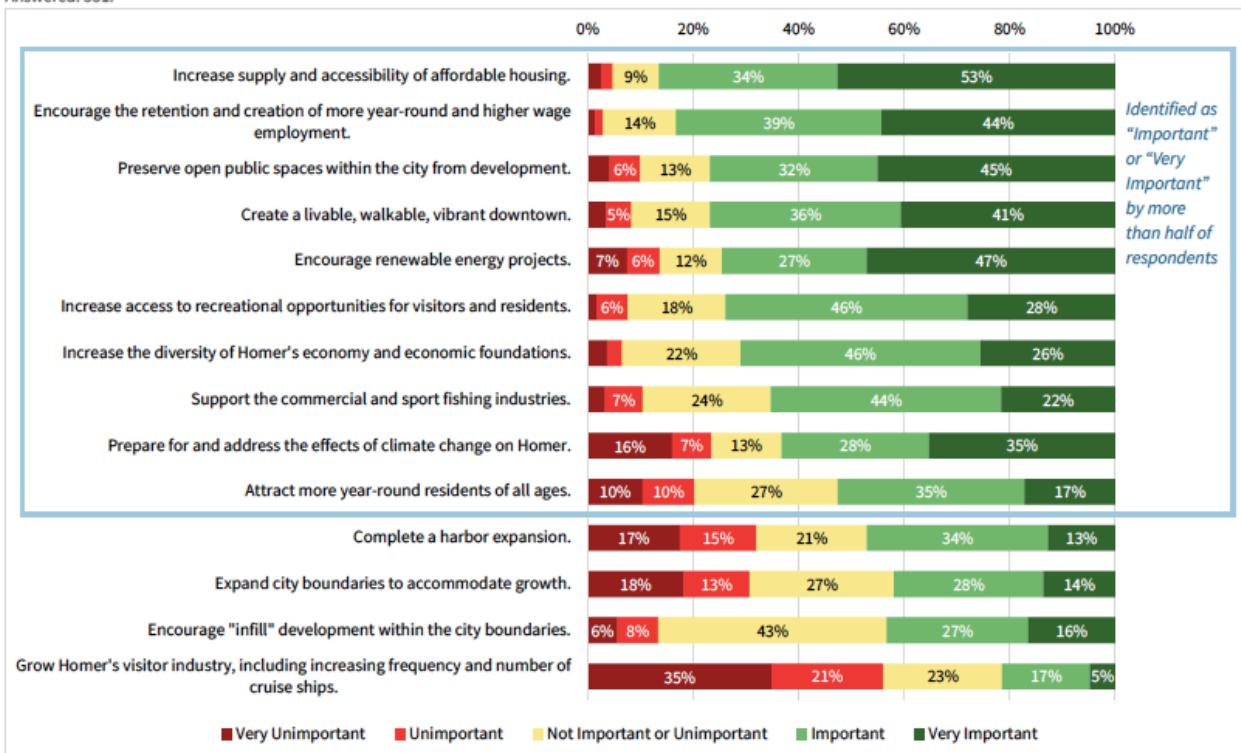
business growth in the central area of the city, with densities decreasing in outlying areas. The existing pattern of development in the city and current zoning generally follow this pattern. The alternative to this pattern – to allow this same quantity of growth to spread over a much wider area – works against all these goals.”

The Comprehensive Plan is clear about the community’s desire to concentrate growth in the City Center: we should not ignore this intention, and create what may be one of the largest buildings/complexes in Homer *outside* of the City Center. The location at the base of the Spit has not been zoned for dense development or tall buildings because of issues related to traffic congestion, tsunami inundation, and the need to conserve essential wildlife habitats, which have been discussed at length by the public at every meeting on this issue (see comments to this effect, with over 200 hundred signatures from the community). We should not allow a development that would undermine the safety and wellbeing of the local population and visitors or that would run strongly against the Comprehensive Plan’s clear guidance to direct dense development to the City Center.

We acknowledge that we are in the processes of re-writing our Comprehensive Plan, and so here is a quick analysis of how this project breaks down vis a vis the community’s top priorities, as ranked in the 2023 community survey.

Q13: Listed below are potential priorities for the greater Homer community to focus on for the next 10-20 years. For each potential priority, please indicate level of importance.

Answered: 551.





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#1 **“Increase supply an accessibility of affordable housing.”** The condos in the proposed project are not “affordable housing” by any measure. Note that the median income for Homer residents \$69,797,⁴ and so no special allowances should be made to the project on the basis of the condos.

#2 **“Encourage the retention and creation of year-round and higher wage employment.”** Hotel work is not “high wage” employment, and the applicants have not indicated how many year-round jobs they expect will be generated. If this hotel follows the pattern of other hotels in town, it will be a highly seasonal establishment, seeking to hire staff for low wages primarily in the summer months.

#3 **“Preserve open public spaces within the city from development.”** This property would is a good candidate for this priority. With some work to revegetate the filled area, it would make for world-class recreation and bird viewing park, with trails connecting to the spit and bird viewing platforms. While it is not the owner’s plan to preserve this property, and it is not the place of the Council to tell the owner what to do with their land, it is the place of the council to decide on the rezone and the ROW Vacation—denial of both of these requests would be in support of this value in this sensitive and unique ecological area.

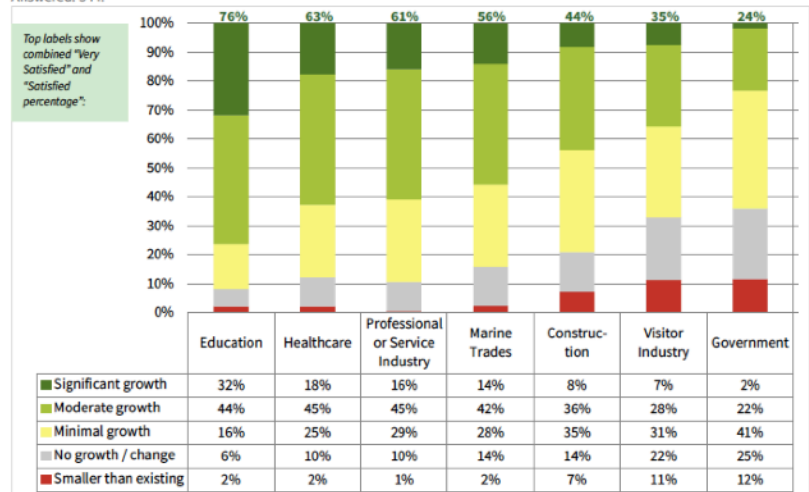
#4 **“Create a livable, walkable, vibrant downtown”** N/A, as this is not downtown. That said, walkability and connectivity are at issue here and ensuring access from B-Street to the Spit Road, via an access easement is essential.

5 **“Increase access to recreational opportunities for visitors and residents.”** The incorporation of the viewing platforms and trails in this proposal fit this description, thought they need to be instituted through easements on the title.

#6 **“Increase the diversity of Homer’s economy and economic foundations.”** This hotel and condo complex does not add to our economic diversity, instead, it advances the most unpopular priority listed on the survey, “Grow Homer’s visitor industry.” Over half the surveyed folks strongly oppose growing the tourism industry. The council should not rezone the property and vacate a right of way to support intensive growth of an industry

Q12: Please indicate your preferred level of growth for the following key economic sectors:

Answered: 544.



⁴ U.S. Census Bureau American Community Survey 2018 - 2022 Five Year Average for Homer.



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that has little to no community support. This finding is reenforced by another question on economic sectors where people want to see growth, which shows a strong preference for de-growth, no-growth and minimal growth in the “visitor industry.”⁵ Taken together, these values indicate that the application of “community standards” and the “welfare of the community” in this instance, mean that that it is not appropriate to rezone this area to allow for intensive visitor industry expiation in a location that so many people care about and are connected to, at the base of the Spit.

If, all things considered, the Council decides that you want to vacate the Right of Way and/or Rezone the lot, conditions must be set that (a) protect the environmental integrity of the site and (b) ensure long-standing historic public access to shorebird viewing, while granting the owners the right to develop their property. All conditions must be codified through title/deed restrictions. Without this level of assurance Doyon, or any future owner, could walk away from the agreements. Kachemak Bay Conservation Society urges the council in to set, as a minimum, the following conditions for vacation of B-Street Right of Way and Rezone of Lot 163 Bayview Subdivision:

1) A binding plan to ensure the protection of migratory birds and their habitat.

As noted above, approval of the rezone and ROW vacation would allow for large hotel/condo complex would be built in an area that has been used for decades by the Shorebird Festival, Alaska’s largest wildlife viewing festival, and a cornerstone of Homer culture and economy.⁶ The site overlooks Mariner Park Lagoon, which is designated as a Western Hemisphere Shorebird Reserve Network (WHSRN) Site of International Importance, which means that at least 100,000 shorebirds annually return here.⁷

To qualify for a WHSRN designation the City of Homer—who owns the Lagoon—agreed to:

- **make shorebird conservation a priority**
- **protect and manage shorebird habitat ⁸**

⁵ “Homer Comp Plan Survey and Map Summary” p. 24. Online at https://homercompplanupdate.com/wp-content/uploads/2024/09/09-06-24_HomerCompPlan-SurveyMap_Summary.pdf.

⁶ <https://www.homer.alaska.org/events/kachemak-bay-shorebird-festival/>

⁷ <https://kachemakbaybirders.org/western-hemisphere-shorebird-reserve-network/>

⁸ <https://kachemakbaybirders.org/western-hemisphere-shorebird-reserve-network/>



The City of Homer has agreed to ensure that this shorebird habitat will be protected on their property, and we should make-good on this promise, as it benefits both the public and the developers. Therefore, the City should require protection of shorebirds and their habitat in Mariner Park Lagoon. As a condition of the vacation of the ROW and the Rezone of the lot, developers should have to work with local US Fish and Wildlife Service, Friends of Alaska National Wildlife Refuges (the local sponsors of the Kachemak Bay Shorebird Festival), as well as the Kachemak Bay Birders (supporters of the WHSRN) to come up with appropriate and binding measures to protect migratory birds and their sensitive habitat. This could be implemented in many ways, through, for example, a title restriction placed on the land the City gives to Doyon.

Issues that need to be addressed include:

- Disruption of nesting birds and migratory shorebirds during their spring and fall migrations as a consequence of increased activity at the hotel and condos.
- Mitigation of impacts of condo-dwellers and their dogs present a hazard to nesting and migratory birds that must be properly mitigated.
- Proper mitigation of disruptive aspects of construction (like pile driving).
- A higher standard of stormwater management in this highly sensitive area.
- Window strikes, light and noise pollution, need to be mitigated.

It is the City's responsibility to ensure the integrity of the WHSRN, and we should not give up our land (via the ROW vacation) or allow for intensive development (via the rezone) without ensuring the hotel and the sensitive habitat can coexist on good terms. These basic measures are in the interest of both the land owners (who want their guests to have a good shorebird viewing experience) and the public (who have a cultural and economic stake in the matter).

2) Provide a revised plat showing a **conservation easement protecting the existing woods in the B Street Right of Way**. Doyon has said that they want to protect Rural Residential neighbors from the noise, lights, etc. of the hotel via a 30' vegetative buffer, and this promise was a condition of the CUP proposed to the Planning Commission: a conservation easement on the title is needed to legitimize that guarantee. The value of the 50 foot wide, 750 foot long piece of City land being asked for by the applicants is some of the most high-value land in Homer: wooded, waterfront property with killer views of shorebird habitat and Kachemak Bay. It is worth a lot, and asking for a guarantee that the some of it will be conserved (as has been promised) is fair and proper.

3) Provide a revised plat showing a **20-ft Pedestrian Access Easement from both B Street and the Spit Road to the viewing platform**. Only through a formal public easement can public access be assured, providing the necessary guarantee of "equal



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or superior access” required in KPB 20.70.180.⁹ An unsecured public access is an unacceptable trade for our public right of way.

According to Shorebird Festival managers, approximately 100 birders have historically accessed the “Lighthouse Village” viewing platform at any given time during the festival, with 50 -200 visitors generally coming each day. The B-Street Right-of-Way is the only guarantee the remains ensuring that access, and cannot be relinquished without ensured access. This easement for a trail should be placed on the fill in front of the most seaward structures and NOT share any use with a normal vehicle drive or parking area. To do so would endanger users.

4) A drainage easement also should be maintained on the B Street ROW. A higher standard of stormwater management in this highly sensitive area is necessary. The Drainage Easement identified by the planning commission and staff is a proper condition for ROW vacation.

5) The new viewing platform should be at least equivalent in size to the old platform. The Kachemak Bay Shorebird Festival has used this platform during the festival for bird surveys and viewing programs for the public. It was also used by the general public year round. Since so much of Homer tourism depends on having good access to bird and other wildlife viewing, it is important to restore this much used facility and make sure there are agreements on its maintenance and public use into the future. As with all other conditions, this commitment must be secured through title restriction.

Thank you for your ongoing commitment to the community of Homer and for your consideration of these important issues.

Sincerely,

Penelope Haas

Vice-President, Kachemak Bay Conservation Society

⁹ KPB 20.70.180. - Other access. Other lawful uses that exist or are feasible for the right-of-way shall be considered when evaluating a vacation request. When such uses exist or could exist within rights-of-way which are not suited for general road use, the commission shall not approve the vacation request, unless it can be demonstrated that equal or superior access is or will be available. The planning commission shall consider whether alternate uses present public safety issues which support approval of the vacation.



MEMORANDUM

Ordinance 25-02, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating \$135,000 for the Purchase of Twenty Acres located North of Karen Hornaday Hillside Park with the Intent to Designate and Hold the Land as Public Park Land.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: January 2, 2025
From: Julie Engebretsen, Community Development Director
Through: Melissa Jacobsen, City Manager

Introduction

In November 2024, several large parcels were offered for sale mostly north and west of Karen Hornaday Park. All but one parcel was quickly purchased by adjoining private property owners, in the interest of protecting their view shed but also with a long term idea of an expanded public trail system. The last parcel for sale, directly north of Hornaday Park, was purchased by Homer residents in the interest of preserving the community's trail connection options. The City is very slow to move on land purchases and could not have approved a direct purchase in the timeframe these parcels were selling. The buyers of this last parcel do not wish to own the land long term and are offering the City the opportunity to purchase the property for the price they paid for it. This is the parcel that has the old road up the side up the very steep canyon.

Analysis

Over time there has been interest in a trail system that would create trail access from central Homer up the bluff. There is additional interest in moose habitat corridors, preventing development on steep slopes and preserving green space. The community survey results from the Comprehensive Plan identified ten priorities and two of them include preserving open space and increasing access to recreation for visitors and residents. Woodard Canyon provides a unique opportunity to satisfy all these desires, within walking distance of the community core.

In the process of the area land purchases, Kachemak Heritage Land Trust and Moose Habitat Inc hosted a meeting of these area property owners and City staff to discuss what land ownership and trail connections could look like in the future. A trail system is heavily reliant on the purchase of this last parcel, because it has a natural trailhead with parking and restrooms at Hornaday Park, as well as an existing route up the bluff. Long term, staff recommends pursuit of a State of Alaska Recreational Trails Plan to do specific planning and work through these issues with willing land owners. In the near

term, the City can complete the purchase of this single parcel, and continue conversations with land owners.

RECOMMENDATION:

Adopt Ordinance 25-02

Attachments

Woodard Canyon Land Purchase Map
Excerpt of Woodard Creek Watershed Plan
Resolution 17-066

**CITY OF HOMER
HOMER, ALASKA**

Aderhold/Erickson
/Hansen

ORDINANCE 25-02

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
AMENDING THE FY25 CAPITAL BUDGET BY APPROPRIATING
\$135,000 FROM THE LAND RESERVES FUND TO PURCHASE 20
ACRES IN WOODARD CANYON IMMEDIATELY NORTH OF KAREN
HORNADAY PARK, FOR THE PURPOSES OF OPEN SPACE AND
RECREATION, PROTECTION OF STORMWATER DRAINAGE AND
STEEP SLOPES, AND PRESERVATION OF WILDLIFE CORRIDORS.

WHEREAS, From 1999 to 2002, a private effort to build a switchback road up the bluff
behind Karen Hornaday Park led to erosion problems and many hours of intervention by
officials with the City of Homer and the federal Environmental Protection Agency; and

WHEREAS, Debris flows from a 2002 flood in Woodard Canyon were serious enough to
force the City of Homer to become part of the National Flood Insurance Program; and

WHEREAS, That failed switchback road, while unable to support vehicle traffic, was
later successfully stabilized with gravel, drainage, and tree planting to create an excellent foot
trail leading up to expansive views of the city and Kachemak Bay; and

WHEREAS, Traditional foot trails up the Homer bluff have been increasingly cut off by
private landowners and no trespassing signs in the past five years, a trend documented by the
non-profit Homer Trails Alliance; and

WHEREAS, The half-mile-plus switchback trail behind Karen Hornaday would provide a
lasting and publicly accessible recreational opportunity for Homer residents and visitors, with
trailhead parking available in the city park; and

WHEREAS, A 2024 public survey in connection with revisions to the city's
comprehensive plan found "Preserve open public spaces within the city from development" to
be one of the top three public priorities, considered Important or Very Important by 77 percent
of the respondents; and

WHEREAS, Woodard Canyon has been identified by Moose Habitat, Inc. as one of the
last surviving wildlife corridors between Homer's uplands and the Homer bench; and

WHEREAS, Acquisition of the 20-acre parcel would provide legal access to a heretofore isolated 10-acre parcel of city land on the steep bluff; and

WHEREAS, Curbing steep slope development on the bluff in Homer is a priority for the city; and

WHEREAS, Acquisition of the parcel would be consistent with the goals for protecting the area downstream outlined in the 2016 Woodard Creek Watershed Plan, a cooperative effort supported by city, state and federal agencies; and

WHEREAS, The State of Alaska Department of Natural Resources (DNR) issued a new study in December 2024, mapping the potential for a major landslide in Woodard Canyon to flush a debris flow into Karen Hornaday Park and the west side of the hospital property; and

WHEREAS, City control of lower Woodard Canyon would enhance storm water protection efforts, combining with state DNR control of the canyon headlands and promised cooperation from the single private landowner between the state and city parcels; and

WHEREAS, The 20-acre parcel, under private ownership since the road project was abandoned in 2002, suddenly appeared on the real estate market in November 2024; and

WHEREAS, a small group of conservation-minded private Homer citizens acted quickly to buy the 20-acre parcel; and

WHEREAS, The Homer citizens obtained the 20-acre property for \$125,000, well under the 2024 Kenai Peninsula Borough appraised value of \$166,700; and

WHEREAS, The Homer citizens have offered to sell the property to the City at no profit, to ensure its permanent protection; and

WHEREAS, Up to an additional \$10,000 may be needed for due diligence and closing cost expenses; and

WHEREAS, The City Council of Homer, Alaska should draw funds from its land fund to acquire the 20 acres with a legal description of T6S R 13W Sec 18 Seward Meridian HM S1/2 NW1/4 SE1/4 for purposes of open space, recreation, watershed management and wildlife habitat purposes.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY25 Capital Budget by appropriating \$135,000 as follows:

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<u>Fund</u>	<u>Description</u>	<u>Amount</u>
150	Land Fund	\$135,000

Section 2. The City Manager is authorized to negotiate and execute the appropriate documents.

Section 3. This is a budget amendment ordinance, is not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of January, 2025.

CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

RENEE KRAUSE, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

CITY OF HOMER FINANCIAL SUPPLEMENT

PROJECT NAME	KHP Land Purchase	DATE	01/07/2025
DEPARTMENT	Council	SPONSOR	Aderhold/Erickson/Hansen
REQUESTED AMOUNT	\$ 135,000		

DESCRIPTION	The State of Alaska DNR issued a new study in December 2024, mapping the potential for a major landslide in Woodard Canyon to flush a debris flow into Karen Hornaday Park and the west side of the hospital property. City control of lower Woodard Canyon would enhance storm water protection efforts. The 20-acre parcel suddenly appeared on the real estate market in November 2024. A small group of conservation-minded private Homer citizens acted quickly to buy the 20-acre parcel. The Homer citizens obtained the property for \$125,000. The Homer citizens have offered to sell the property to the City at no profit, to ensure its permanent protection. Up to an additional \$10,000 may be needed for due diligence and closing cost expenses.
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FUNDING SOURCE(S)	LAND RESERVES	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	100%	0%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: HART Roads (160)	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance \$ 382,965	Current Balance _____	Current Balance _____
Encumbered \$ 21,986	Encumbered _____	Encumbered _____
Requested Amount \$ 135,000	Requested Amount _____	Requested Amount _____
Other Items on Current Agenda \$ 0	Other Items on Current Agenda _____	Other Items on Current Agenda _____
Remaining Balance \$ 225,979	Remaining Balance _____	Remaining Balance _____
FUNDING SOURCE 4:	FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance _____	Current Balance _____	Current Balance _____
Encumbered _____	Encumbered _____	Encumbered _____
Requested Amount _____	Requested Amount _____	Requested Amount _____
Remaining Balance _____	Remaining Balance _____	Remaining Balance _____



MEMORANDUM

Ordinance 25-03, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Accepting and Appropriating a Donation from the Homer Early Childhood Coalition through Sprout in the Amount of \$4296.81 for an ADA Accessible Picnic Table and Other Improvements at Bayview Park.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and City Council
Date: December 27, 2024
From: Chad Felice, P.W., Parks Maintenance
Through: Daniel Kort, Public Works Director
Through: Melissa Jacobsen, City Manager

Issue: The purpose of this Memorandum is to recommend allowing the City of Homer Public Works Department – Parks Division to accept a donation of \$4,296.81 from the Homer Early Childhood Coalition through Sprout for an ADA accessible picnic table and other improvements in Bayview Park.

Background: The City of Homer accepted the Healthy and Equitable Communities (HEC) Grant funding from the State of Alaska Department of Health, Division of Public Health in the amount of \$74,916 (Ordinance 23-36) for improvements to Bayview Park. HEC funding includes design, public outreach, and playground equipment installation. Grant funds have completed park design and public outreach.

In addition to the HEC grant, the project has benefited from a playground equipment donation from Rotary Club. To fulfill the City's HEC grant matching contribution, Ordinance 23-23 allocated \$52,314 from the HART Roads and Trails Fund for drainage improvements and pavement.

Recommendation: That the City Council approves the acceptance of \$4,296.81 from Homer Early Childhood Coalition through Sprout for and ADA accessible picnic table and other improvements at the Bayview Park.

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works

ORDINANCE 25-03

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
AMENDING THE FY25 CAPITAL BUDGET BY ACCEPTING AND
APPROPRIATING A DONATION FROM THE HOMER EARLY
CHILDHOOD COALITION THROUGH SPROUT IN THE AMOUNT OF
\$4,296.81 FOR AN ADA ACCESSIBLE PICNIC TABLE AND OTHER
IMPROVEMENTS AT BAYVIEW PARK.

WHEREAS, Ordinance 23-36 approved a Healthy & Equitable Communities (HEC) Grant
in the amount of \$74,916 for design, public outreach, and the purchase and installation of
playground equipment for the Bayview Park Improvements Project; and

WHEREAS, In addition to the HEC Grant, Bayview Park has benefited from a playground
equipment donation from the Rotary Club and City of Homer Accelerated Roads and Trails
funds for drainage improvements and pavement; and

WHEREAS, Homer Early Childhood Coalition through Sprout would like to donate
\$4,296.81 for an ADA picnic table and other improvements at Bayview Park.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY25 Capital Budget by accepting
and appropriating a donation from the Homer Early Childhood Coalition through SPROUT in
the amount of \$4,296.81 as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
151-7031	SPROUT Donation - Bayview Park Improvements	\$4,296.81

Section 2. This ordinance is a budget amendment only, is not of a permanent nature
and is a non-code ordinance.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this ____ day of January, 2025.

CITY OF HOMER

RACHEL LORD, MAYOR

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46 ATTEST:

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RENEE KRAUSE, MMC, CITY CLERK

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51 YES:

52 NO:

53 ABSTAIN:

54 ABSENT:

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56 First Reading:

57 Public Hearing:

58 Second Reading:

59 Effective Date:



MEMORANDUM

Ordinance 25-04, An Ordinance of the City Council of Homer, Alaska Amending FY25 Capital Budget by Appropriating an Additional \$8,200 from the Port Reserves for Task Order 24-02 for Professional and Technical Assistance with the City's Application to the Port Infrastructure Development Program to Replace Float Systems 4 and 1 in the Small Boat Harbor.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and City Council
Date: December 31, 2024
From: Bryan Hawkins, Port Director
Through: Melissa Jacobsen, City Manager

I would like to provide an update regarding the work completed in support of the 2024 Port Infrastructure Development Program (PIDP) grant application, which was submitted last spring. Throughout the process, our team collaborated closely with the HDR team to develop and finalize the application. During this process, it became clear that expanding the scope of work was essential in order to enhance the competitiveness of our submission.

The additional work undertaken included:

- Preparing letters of support
- Conducting a public survey
- Extending time to revise and strengthen the narratives
- Recalculating the Benefit Cost Ratio (BCR)
- Illustrating transportation connections to non-road connected communities across Alaska that our fleet services.

Given the tight timeline under which we were operating, our team worked diligently to meet the application deadline. Unfortunately, due to time constraints, we were unable to seek prior authorization from the Council for the necessary additional funding to cover these expanded efforts. I regret not having addressed this sooner and I apologize for that oversight. However, it is my belief that the extra costs incurred were justified as they directly contributed to the goal of submitting the most competitive application possible. If successful, the grant would have been significant win for the Enterprise.

Regrettably, Homer did not secure funding in this round. However, staff will be meeting with the grant administrators shortly to assess how we can improve our application for the next round. We will bring the findings from this meeting to the Council and are likely to recommend revisions and resubmission for the next opportunity.

Prior to the expenditure of the additional time and efforts the project was under the budget appropriated by Ordinance 24-12.

Recommendation:

I respectfully request City Council authorize the additional funding allocation to HDR Alaska for the expanded services provided under the amended Task Order 24-02 IIJA Grant Writing Assistance.

Thank you for your consideration and I remain available for any questions.

**CITY OF HOMER
HOMER, ALASKA**

City Manager/Port Director

ORDINANCE 24-12

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE FY24 CAPITAL BUDGET BY APPROPRIATING
\$30,000 FROM THE PORT RESERVES FUND FOR THE PURPOSE OF
ISSUING A TASK ORDER TO HDR ENGINEERING IN AN AMOUNT
NOT TO EXCEED \$30,000 FOR PROFESSIONAL AND TECHNICAL
ASSISTANCE WITH A FY2024 PORT INFRASTRUCTURE
DEVELOPMENT PROGRAM GRANT APPLICATION TO REPLACE
FLOAT SYSTEMS 4 AND 1 IN THE SMALL BOAT HARBOR.

WHEREAS, The City has long recognized the need to replace floats in the Small Boat Harbor that are past or near the end of their useful life; the project is designated a Legislative Priority project in the City's FY25 Capital Improvement Plan; and

WHEREAS, In 2023, the City contracted with HDR to assist with a FY2023 Port Infrastructure Development Program grant application for Federal assistance to replace Float Systems 4 and 1 in Homer's Small Boat Harbor; and

WHEREAS, After Federal review, the City's project, Homer Port FREIGHT, was submitted to the Secretary of the US Department of Transportation for final funding consideration, but was ultimately not selected for award; and

WHEREAS, In a debrief of the Homer Port FREIGHT submission with PIDP program officials, the City of Homer was highly encouraged to resubmit a proposal in the FY2024 PIDP grant cycle; and

WHEREAS, The US Department of Transportation Maritime Administration has published a preliminary Notice of Funding Opportunity for the FY 2024 PIDP for projects that improve the safety, efficiency, and reliability of the movement of goods into, out of, around, or within a port; and

WHEREAS, To be successful an application must demonstrate competitiveness on a national level in alignment with the program goals and the benefits provided by the project, which requires significant project planning time, engagement of partners and the public, environmental review, technical and benefit-cost analyses, identification of matching funds and grant writing; and

WHEREAS, HDR, a term contractor with the City of Homer, has expertise with transportation infrastructure project planning and developing Federal grant applications,

assisted city staff with the FY23 PIDP grant application and attended the application debrief;
and

WHEREAS, Administration requested a proposal from HDR to provide FY2024 PIDP application revision and resubmission support.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY24 Capital Budget by appropriating \$30,000 as follows:

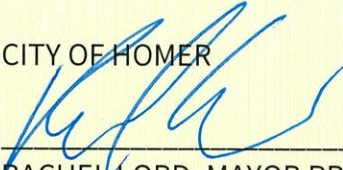
<u>Fund</u>	<u>Description</u>	<u>Amount</u>
456-0380	2024 PIDP Application & BCA	\$30,000

Section 2. The Homer City Council hereby authorizes a Task Order to HDR Engineering to assist the City with developing and writing a FY24 PIDP grant application in an amount not to exceed \$30,000 and authorizes the City Manager to negotiate and execute the appropriate documents.

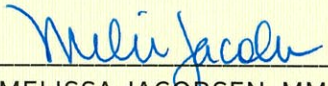
Section 3. This is a budget amendment ordinance, is not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 26th day of February, 2024.

CITY OF HOMER


RACHEL LORD, MAYOR PRO TEMPORE

ATTEST:


MELISSA JACOBSEN, MMC, CITY CLERK

YES: 6

NO: 0

ABSTAIN: 0

ABSENT: 0

First Reading: 2.12.24

Public Hearing: 2.26.24

Second Reading: 2.26.24

Effective Date: 2.27.24





MEMORANDUM

Ordinance 25-04 of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating an Additional \$8,200 From the Port Reserves for Task Order 24-02 for Professional and Technical Assistance with the City's Application to the Port Infrastructure Development Program to Replace Float Systems 4 and 1 in the Small Boat Harbor.

Item Type: Back-Up Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: January 15, 2025
From: Bryan Hawkins, Port Director
Through: Melissa Jacobsen, City Manager

I am writing to address comments regarding Ordinance 25-04 which would amend Task Order 24-02, and appropriate additional funding to pay for the amendments to the task order. During the January 13, 2025 City Council meeting, Councilmember Aderhold requested that staff provide further detail about why this Ordinance was brought forward so many months after the work in question was completed.

Port staff received email correspondence on September 26, 2024 from HDR's grant writing project manager that their staff would be finalizing invoicing for the project, and requesting an amendment to the Task Order to increase the scope to include the additional work carried out in April and May of 2024.

On October 1, 2024, Port staff accepted the offer from HDR to draft the amendment for Task Order 24-02. On December 2, 2024, Port staff received the draft amendment and the fee sheet detailing the expenses to be added to the scope.

Due to the timing of this submission, coupled with internal processes, Port staff was unable to prepare and present the amended task order to the City Council prior to the January 13, 2025 meeting. Looking ahead, we recognize that should a situation like this arise it's necessary to confirm whether there will be a cost overage before issuing a task order and bring legislation to Council for approval if needed.

We appreciate HDR's diligence and hard work with grant writing assistance for the PIDP application.

Thank you for your attention to this matter.

Recommendation: I respectfully request City Council authorize the additional funding allocation to HDR Alaska for the expanded services provided under the amended Task Order 24-02 IIJA Grant Writing Assistance.

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Port Director

ORDINANCE 25-04

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA AMENDING THE FY25 CAPITAL BUDGET BY APPROPRIATING AN ADDITIONAL \$8,200 FROM THE PORT RESERVES FOR TASK ORDER 24-02 FOR PROFESSIONAL AND TECHNICAL ASSISTANCE WITH THE CITY'S APPLICATION TO THE PORT INFRASTRUCTURE DEVELOPMENT PROGRAM TO REPLACE FLOAT SYSTEMS 4 AND 1 IN THE SMALL BOAT HARBOR.

WHEREAS, Ordinance 24-12 appropriated \$30,000 to work with HDR Engineering to assist with the FY2024 Port Infrastructure Development Program (PIDP) grant application to replace Float Systems 4 and 1 in Homer's Small Boat Harbor; and

WHEREAS, During the development of the application process, additional work by HDR Engineering was required and increased the total project cost to \$38,137.19; and

WHEREAS, The additional work included was extra time spent on letters of support and budget development, more than expected work on a public survey, time spent on the Budget Cost Analysis (BCA) to monetize safety values, rewriting more narrative sections than planned, and extensive map changes.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY25 Capital Budget by appropriating an additional \$8,200 as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
456-0380	2024 PIDP Application & BCA	\$8,200

Section 2. This ordinance is a budget amendment only, is not of a permanent nature and is a non code ordinance.

Section 3. The City Manager is authorized to execute and negotiate the appropriate documents.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this ____ day of January, 2025.

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ATTEST:

RENEE KRAUSE, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

CITY OF HOMER

RACHEL LORD, MAYOR

CITY OF HOMER
FINANCIAL SUPPLEMENT

PROJECT NAME	<u>Additional Funding - PIDP Application Assistance</u>	DATE	<u>01/07/2025</u>
DEPARTMENT	<u>Port and Harbor</u>	SPONSOR	<u>City Manager/Port Director</u>
REQUESTED AMOUNT	<u>\$ 8,200</u>		

DESCRIPTION	Ordinance 24-12 appropriated funds to work with HDR Engineering to assist with the FY2024 Port Infrastructure Development Program grant application to replace Float Systems 4 and 1 in Homer's Small Boat Harbor. During the development of the application process, additional work by HDR Engineering was required. The additional work included was extra time spent on letters of support and budget development, more than expected work on a public survey, time spent on the BCA to monetize safety values, rewriting more narrative sections than planned, and extensive map changes. The total cost for the project was estimated at \$30,000 in Ordinance 24-12. The additional time and effort increased the total project cost to \$38,137.19.
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FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	100%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: PORT RESERVES		FUNDING SOURCE 2:		FUNDING SOURCE 3:	
Current Balance	<u>\$ 1,210,631</u>	Current Balance	<u> </u>	Current Balance	<u> </u>
Encumbered	<u>\$ 648,062</u>	Encumbered	<u> </u>	Encumbered	<u> </u>
Requested Amount	<u>\$ 8,200</u>	Requested Amount	<u> </u>	Requested Amount	<u> </u>
Other Items on Current Agenda	<u>\$ 28,193</u>	Other Items on Current Agenda	<u> </u>	Other Items on Current Agenda	<u> </u>
Remaining Balance	<u>\$ 526,176</u>	Remaining Balance	<u> </u>	Remaining Balance	<u> </u>
FUNDING SOURCE 4:		FUNDING SOURCE 5:		FUNDING SOURCE 6:	
Current Balance	<u> </u>	Current Balance	<u> </u>	Current Balance	<u> </u>
Encumbered	<u> </u>	Encumbered	<u> </u>	Encumbered	<u> </u>
Requested Amount	<u> </u>	Requested Amount	<u> </u>	Requested Amount	<u> </u>
Remaining Balance	<u> </u>	Remaining Balance	<u> </u>	Remaining Balance	<u> </u>



MEMORANDUM

Ordinance 25-05, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2025 Capital Budget by Appropriating \$24,000 from the Port Reserves Fund to Replace the Fish Grinder Motor and Gearbox.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and City Council
Date: December 20, 2024
From: Bryan Hawkins, Port Director
Through: Melissa Jacobsen, City Manager

As part of the preparations for the demolition and reconstruction of the fish grinder building, the Port Maintenance staff was tasked with removing all operational machinery from the structure. The fish grinder, a large industrial sized meat grinder, is powered by a 30 horsepower electric motor through a heavy duty gear reduction box, providing the necessary torque to perform its function. The electric motor, gearbox and auto grinder were replaced with new units in 2014.

During the disassembly process, staff discovered that both the gearbox and motor had corroded to the point where repair was no longer feasible. However, the grinder is in good condition. We estimate that, without this inspection, we might have been able to get another year of operation from the components before failure occurred. However, as the equipment was being removed for the contractors, due to extensive corrosion the motor and gearbox effectively fell apart in the crew's hands and repair is now impossible. These components will need to be replaced.

Moving forward to better preserve the new motor and gearbox, staff will apply additional coats of high quality epoxy paint to protect the components before installation.

Recommendation:

Given that the fish grinder and outfall line are essential for supporting local Sport and Commercial fish processing operations, it is strongly recommended proceeding with the purchase of these replacement parts. This will ensure that the grind shack is fully operational in time for the spring start-up.

**CITY OF HOMER
HOMER, ALASKA**

City Manager/Port Director

ORDINANCE 25-05

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE FY 2025 CAPITAL BUDGET BY APPROPRIATING
\$24,000 FROM THE PORT RESERVES FUND TO REPLACE THE FISH
GRINDER MOTOR AND GEARBOX.

WHEREAS, During the reconstruction of the fish grinder building, the fish grinder was removed revealing extensive corrosion and an unrepairable motor and gearbox; and

WHEREAS, The motor and gearbox need to be replaced before the spring of 2025 as the fish grinder supports local Sport and Commercial fish processing operations; and

WHEREAS, The replacement motor and gearbox from Autio, shipping through Lynden in total quoted \$20,304.62; and

WHEREAS, A moderate contingency is included in the amount of \$3,695.38 for a total appropriation of \$24,000.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY25 Capital Budget by appropriating \$24,000 as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
456-0380	Fish Grinder Motor Repair	\$24,000

Section 2. This ordinance is a budget amendment only, is not of a permanent nature, and shall not be codified.

Section 3. The City Manager is authorized to negotiate and execute the appropriate documents.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this ____ day of January, 2025.

CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

RENEE KRAUSE, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

CITY OF HOMER
FINANCIAL SUPPLEMENT

PROJECT NAME	<u>Fish Grinder Motor and Gearbox Replacement</u>	DATE	<u>01/07/2025</u>
DEPARTMENT	<u>Port and Harbor</u>	SPONSOR	<u>City Manager/Port Director</u>
REQUESTED AMOUNT	<u>\$ 26,000</u>		

DESCRIPTION	During the reconstruction of the fish grinder building the fish grinder was removed from the site revealing extensive corrosion and an unrepairable motor and gearbox. The motor and gearbox need to be replaced before the spring of 2025 as the fish grinder supports local Sport and Commercial fish processing operations. The replacement motor and gearbox from Autio and shipping through Lynden in total quoted \$20,304.62. Port and Harbor maintenance staff will complete all work, and all costs will be charged to the Port & Harbor Enterprise Fund.
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FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	100%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: PORT RESERVES		FUNDING SOURCE 2:		FUNDING SOURCE 3:	
Current Balance	<u>\$ 1,210,631</u>	Current Balance	<u> </u>	Current Balance	<u> </u>
Encumbered	<u>\$ 648,062</u>	Encumbered	<u> </u>	Encumbered	<u> </u>
Requested Amount	<u>\$ 26,000</u>	Requested Amount	<u> </u>	Requested Amount	<u> </u>
Other Items on Current Agenda	<u>\$ 10,393</u>	Other Items on Current Agenda	<u> </u>	Other Items on Current Agenda	<u> </u>
Remaining Balance	<u>\$ 526,176</u>	Remaining Balance	<u> </u>	Remaining Balance	<u> </u>
FUNDING SOURCE 4:		FUNDING SOURCE 5:		FUNDING SOURCE 6:	
Current Balance	<u> </u>	Current Balance	<u> </u>	Current Balance	<u> </u>
Encumbered	<u> </u>	Encumbered	<u> </u>	Encumbered	<u> </u>
Requested Amount	<u> </u>	Requested Amount	<u> </u>	Requested Amount	<u> </u>
Remaining Balance	<u> </u>	Remaining Balance	<u> </u>	Remaining Balance	<u> </u>



MEMORANDUM

Ordinance 25-06, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating Additional \$2,193 from the Port Reserves Fund for the Ammonia Storage Tank for the City Ice Plant.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and City Council
Date: January 01, 2025
From: Bryan Hawkins, Port Director
Through: Melissa Jacobsen, City Manager

Purpose: The additional funds required to close out this project are to cover the additional shipping costs for the ammonia storage tank purchase.

The overrun was primarily due to our lack of familiarity with the logistics of the Seattle waterfront. This led to unforeseen handling costs as the 2300-pound tank passed through several intermediaries before reaching the Ice Plant. While it is frustrating to encounter a shipping cost overrun, I believe such situations are not entirely uncommon.

Looking ahead, we will make a more diligent effort to better estimate and account for these costs. However, there is often a delay between the approved appropriation and project completion, and costs can, and do, fluctuate rapidly. To prevent unnecessary strain on staff and council time going forward, I recommend incorporating a 20% contingency into our project budgets to cover similar unforeseen expenses in the future. As the funds are specific to the ordinance and project any unused dollars would stay in the fund when the project is closed out.

RECOMMENDATION: Request the Homer City Council to authorize additional funding of \$2,193 by amending the FY25 capital budget for the Ammonia Tank project.

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Port Director

ORDINANCE 25-06

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
AMENDING THE FY25 CAPITAL BUDGET BY APPROPRIATING AN
ADDITIONAL \$2,193 FROM THE PORT RESERVES FUND FOR THE
AMMONIA STORAGE TANK FOR THE CITY ICE PLANT.

WHEREAS, Ord 24-39 appropriated \$18,000 to purchase a secure tank to store the
coolant system ammonia safely and free of contamination, and provide an additional layer of
chemical storage safety in case of an emergency; and

WHEREAS, The appropriation included the cost to transport the ammonia tank from
Washington to Seattle, however the final transport cost exceeded the original quote of \$2,193;
and

WHEREAS, An additional appropriation is necessary to cover this additional cost.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY25 Capital Budget by
appropriating \$2,193 as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
456-0380	Ammonia Tank	\$2,193

Section 2. This ordinance is a budget amendment only, is not of a permanent nature
and is a non code ordinance.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this ____ day of January, 2025.

CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

RENEE KRAUSE, MMC, CITY CLERK

44
45 YES:
46 NO:
47 ABSTAIN:
48 ABSENT:
49
50 First Reading:
51 Public Hearing:
52 Second Reading:
53 Effective Date:

CITY OF HOMER
FINANCIAL SUPPLEMENT

PROJECT NAME	<u>Additional Funding - Ammonia Storage Tank</u>	DATE	<u>01/07/2025</u>
DEPARTMENT	<u>Port and Harbor</u>	SPONSOR	<u>City Manager/Port Director</u>
REQUESTED AMOUNT	<u>\$ 2,193</u>		

DESCRIPTION	Ordinance 24-39 appropriated funds to purchase a secure tank to store the coolant system ammonia safely and free of contamination. As well as provide an additional layer of chemical storage safety in case of an emergency. The quote we received from Lynden Transport to transport the ammonia tank from Washington to Seattle was more than the original quoted price. The total cost of the project was estimated at \$18,000 in Ordinance 24-39. Unanticipated additional shipping fees exceeded the appropriated funding by \$2,193.
-------------	--

FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	100%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: PORT RESERVES		FUNDING SOURCE 2:		FUNDING SOURCE 3:	
Current Balance	<u>\$ 1,210,631</u>	Current Balance	<u> </u>	Current Balance	<u> </u>
Encumbered	<u>\$ 648,062</u>	Encumbered	<u> </u>	Encumbered	<u> </u>
Requested Amount	<u>\$ 2,193</u>	Requested Amount	<u> </u>	Requested Amount	<u> </u>
Other Items on Current Agenda	<u>\$ 34,200</u>	Other Items on Current Agenda	<u> </u>	Other Items on Current Agenda	<u> </u>
Remaining Balance	<u>\$ 526,176</u>	Remaining Balance	<u> </u>	Remaining Balance	<u> </u>
FUNDING SOURCE 4:		FUNDING SOURCE 5:		FUNDING SOURCE 6:	
Current Balance	<u> </u>	Current Balance	<u> </u>	Current Balance	<u> </u>
Encumbered	<u> </u>	Encumbered	<u> </u>	Encumbered	<u> </u>
Requested Amount	<u> </u>	Requested Amount	<u> </u>	Requested Amount	<u> </u>
Remaining Balance	<u> </u>	Remaining Balance	<u> </u>	Remaining Balance	<u> </u>

**CITY OF HOMER
HOMER, ALASKA**

Erickson

ORDINANCE 25-08

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
AMENDING HOMER CITY CODE TO ADD CHAPTER 2.30 ENTITLED
INCIDENT MANAGEMENT PLANNING.

WHEREAS, It is in the best interest of the City to enact regulations for Incident
Management Planning.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. Homer City Code is hereby amended to add Chapter 2.30 entitled Incident
Management Planning and to read as follows:

Chapter 2.30
INCIDENT MANAGEMENT PLANNING

Sections:

2.30.010	Definitions.
2.30.012	Purpose.
2.30.020	Emergency management coordinator designation.
2.30.030	Declaration of disaster authority.
2.30.040	Intergovernmental agreements.
2.30.050	Emergency operations plan.
2.30.060	Emergency powers of the Emergency Management Coordinator.
2.30.080	Cleanup authority.
2.30.090	Financing.
2.30.110	Compensation.
2.30.120	Governmental or private liability.
2.30.130	Waiver of fees.

2.30.010 Definitions.

As used in this chapter:

“Disaster emergency” means the condition declared by proclamation of the mayor to
designate the imminence or occurrence of a disaster.

“Emergency Management Coordinator” means the City Manager or their designee.

“Incident” means an occurrence, natural or manmade, that necessitates a response to protect life or property. In this document, the word “incident” includes planned events as well as emergencies and/or disasters of all kinds and sizes, including, but not limited to, fire, flood, earthquake, landslide, mud slide, wind driven water, weather condition, volcanic activity, epidemic, air contamination, blight, infestation, explosion, riot, equipment failure, or shortage of food, water, fuel or clothing, or the release of petroleum products or a hazardous substance requiring prompt action to avert environmental danger or damage, cyberattack, or civil defense measures to mitigate or respond to acts of war toward the city or the United States of America by any enemy or the agents thereof.

2.30.012 Purpose.

The purposes of this chapter are to provide for the effective preparation for and carrying out of plans for emergency mitigation, preparedness, response, prevention and recovery for persons and property within the City in the event of an incident. Additionally, the purpose is to provide for the coordination of emergency functions and services of the City with other public agencies and affected private persons, corporations and organizations.

2.30.020 Emergency Management Coordinator designation.

The Emergency Management Coordinator (EMC) shall have full authority to coordinate and cooperate with the Kenai Peninsula Borough Office of Emergency Management and with the State of Alaska Division of Homeland Security and Emergency Management for response to and recovery from unforeseen emergencies and disasters.

2.30.030 Declaration of disaster authority.

The Mayor, upon being advised by the City Manager that the City’s resources are not sufficient to meet the emergency, can determine and declare that a disaster exists. The City Manager or designated alternate has the authority to declare a local disaster in the absence of the Mayor.

2.30.040 Intergovernmental agreements.

The City Manager may enter into intergovernmental arrangements with other political subdivisions, and the Alaska Division of Homeland Security and Emergency Management, for mutual aid in response to and recovery from disaster emergencies. Notification will be provided to the City Council at the next regular or special City Council meeting.

2.30.050 Emergency Operations Plan.

The City of Homer Emergency Operations Plan (EOP) will describe the system that will be used to manage the mitigation of disasters as defined in this chapter. It is an all-hazard, all-risk plan based on the National Incident Management System (NIMS) for comprehensive management of disaster emergency relief forces and disaster emergency operations.

The City will use an all-hazard disaster emergency management system that encompasses all types of disaster emergencies and enables each level of government to integrate with other

levels, public agencies, and with private sector resource providers under the NIMS Incident Command System (ICS).

This EOP is intended to meet disaster emergency planning requirements of all federal, state, borough, and city agencies and departments having jurisdiction over such matters. It is further intended that this document be used as a reference and training aid for municipal, regional, industry, and other emergency response personnel to ensure efficient and effective response to and management of disaster emergencies.

The EOP will be activated whenever there is a disaster emergency that could significantly threaten human health, property or the environment. Upon declaration of a disaster emergency, the designated person responsible for disaster emergency management is authorized to commit the resources necessary to carry out the provisions of this plan.

2.30.060 Emergency powers of the Emergency Management Coordinator.

In addition to any other powers conferred upon EMC by law, he or she may, upon proclamation of a disaster emergency:

A. Suspend the provisions of any regulatory ordinance prescribing procedures for the conduct of city business or the orders or regulations of any city department, if compliance with the provisions of the statute, order or regulation would prevent, or substantially impede or delay, action necessary to cope with the disaster emergency, provided that such rules and regulations must be confirmed by City Council at the earliest regular or special meeting of the City Council;

B. Use all of the resources of the city government as reasonably necessary to cope with the disaster emergency;

C. Direct and compel the relocation of all or part of the population from any stricken or threatened area in the city, if he or she considers relocation necessary for the preservation of life or for other disaster mitigation purposes;

D. Prescribe routes, modes of transportation and destination in connection with necessary relocation;

E. Control ingress and egress from a disaster area, the movement of persons within the area, and the occupancy of premises in it;

F. Make provisions for the availability and use of temporary housing;

G. Allocate, ration or redistribute food, water, fuel, clothing and other items he or she deems necessary;

H. Obtain vital supplies, equipment and other property found lacking and needed for the protection of the health, life and property of the people, and bind the city for the fair value thereof.

I. In accordance with intergovernmental agreements, the EMC may direct city employees to the aid of other communities when required and he or she may request aid from the state, or other political subdivision, be sent to the City when disaster conditions are beyond the capability of the city's resources to control.

2.30.080 Cleanup authority.

Debris and wreckage removal in disaster emergency or major disaster:

A. When a major disaster or emergency has been declared to exist in the City, the EMC may:

1. Through the use of City employees or other public employees including public emergency response volunteers, clear from publicly or privately owned land or water, debris and wreckage that may threaten public health, safety or property;

2. Apply for and accept state or federal funds and use those funds for the purpose of removing debris or wreckage from publicly or privately owned land or water.

2.30.090 Financing.

A. It is the intent of the City Council, and declared to be the policy of the City, that funds to meet disaster emergencies will always be available.

B. Emergency procurement will follow the City's most current Procurement Policy and Procedures Manual.

2.30.110 Compensation.

No compensation for personal services is authorized under this chapter except for contract services during proclaimed disaster emergencies and in accordance with Homer City Code.

2.30.120 Governmental or private liability.

A. This chapter provides for the City to exercise its governmental functions for the protection of the public peace, health and safety and neither the City nor agents or representatives of the City, or any individual, receiver, firm, partnership, corporation, association or trustee, or any agents thereof, in good faith carrying out, complying with or attempting to comply with any order, rule or regulation promulgated pursuant to this chapter shall be liable for any damage sustained to persons or property as the result of said activity.

B. Any person owning or controlling real estate premises who voluntarily and without compensation grants the city the right to inspect, designate and use the whole or parts of the premises during a declared disaster emergency shall not be civilly liable for the death of, or injury to, any person on or about such real estate or premises under such license, privilege or other permission, or for loss of or damage to the property of such persons.

2.30.130 Waiver of fees.

City Council may, via resolution, grant the City Manager authority to reduce or waive permit and application fees arising from a disaster emergency so long as the reduced or waived fees are incurred no more than one year after the expiration of such emergency.

Section 2. This Ordinance is of a permanent and general character. and shall be included in the City Code.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this ____ day of _____, 2025.

CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

RENEE KRAUSE, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:



MEMORANDUM

Ordinance 25-09, Amending the FY25 Capital Budget by Appropriating \$50,000 from the Port Reserves Fund for the Purpose of Obtaining Professional Grant Writing Services in an Amount Not to Exceed \$50,000 to Assist with a Federal FY2025 Port Infrastructure Development Program Grant Application to Replace Float Systems 4 and 1 in the Small Boat Harbor.

Item Type: Backup Memorandum
Prepared For: Mayor and City Council
Date: January 20, 2025
From: Port Director Hawkins and Special Projects Coordinator Carroll
Through: Melissa Jacobsen, City Manager

Summary Statement: The purpose of this Memorandum is to recommend appropriating Port & Harbor Reserve Funds for the purpose of developing a Task Order for professional services to assist with a FY25 Federal Port Infrastructure Development Program grant application for replacing Float Systems 4 and 1 in the Homer Small Boat Harbor.

Background: A 2023 Comprehensive Harbor Assessment rated Float Systems 4 and 1 in serious to critical condition; replacing them is a Legislative priority project in the City's FY26 Capital Improvement Plan.

The federal Port Infrastructure Development Program (PIDP), with augmented funding from the five-year Federal Infrastructure Improvement and Jobs Act, provides a key opportunity to leverage outside funds for the project. The City applied to the federally competitive PIDP for the float replacement project in FY23 and FY24. The applications made it to the Secretary of the US Department of Transportation for final funding consideration, but were ultimately not selected for award.

The Maritime Administration (MARAD) recently issued a preliminary Notice of Funding for the FY25 PIDP and staff have been strategizing on submitting a stronger application in the FY25 funding round, which is possibly the last round where the PIDP program has augmented funding. Staff have a scheduled debrief with MARAD in mid-February (prior to the April 30, 2025 application deadline) to understand areas for improvement; the FY25 application is also strengthened by a recent award from the Denali Commission for design, environmental and permitting work.

HDR Engineering, a Term Contractor with the City assisted Harbor administrative staff and Special Projects Coordinator Carroll with the previous applications. HDR provided invaluable expertise in the area of Cost Benefit Analysis, developing safety data and compelling letters of support and other

technical aspects of the application. Staff strongly feels a FY25 PIDP application will again benefit from participation from HDR and requested a cost estimate from HDR.

Staff will work with HDR for effective scope planning for the Task Order. Last year, the increased scope of services (leading to cost overrun) was extremely valuable to strengthening the application. Staff recognizes the importance of managing the effort and costs effectively, while also putting the best application forward in the competitive federal grant environment.

Recommendation: Adopt Ordinance 25-09 to appropriate funds needed to develop a Task Order to HDR Engineering to assist with a FY25 PIDP Grant application to replace harbor float systems in critical and serious condition. If City Council appropriates the funds, staff will bring a Resolution to City Council that authorizes a Task Order for HDR services.

**CITY OF HOMER
HOMER, ALASKA**

City Manager/Port Director

ORDINANCE 25-09

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE FY25 CAPITAL BUDGET BY APPROPRIATING
\$50,000 FROM THE PORT RESERVES FUND FOR THE PURPOSE OF
OBTAINING PROFESSIONAL GRANT WRITING SERVICES TO
ASSIST WITH A FEDERAL FY2025 PORT INFRASTRUCTURE
DEVELOPMENT PROGRAM GRANT APPLICATION TO REPLACE
FLOAT SYSTEMS 4 AND 1 IN THE SMALL BOAT HARBOR.

WHEREAS, The City has long recognized the need to replace floats in the Small Boat Harbor that have reached or are near the end of their useful life; and

WHEREAS, The project is designated a Legislative Priority project in the City's FY2026 Capital Improvement Plan; and

WHEREAS, The federal Port Infrastructure Development Program (PIDP), with augmented funding from the five-year Federal Infrastructure Improvement and Jobs Act, provides a key opportunity to leverage outside funds for the project; and

WHEREAS, In 2023 and 2024, the City applied to the PIDP for federal assistance to replace Float Systems 4 and 1 in Homer's Small Boat Harbor; and

WHEREAS, After Federal review, the City's project, Homer Port FREIGHT, was submitted to the Secretary of the US Department of Transportation for final funding consideration, but was ultimately not selected for award; and

WHEREAS, The US Department of Transportation Maritime Administration has published a preliminary Notice of Funding Opportunity for the FY 2025 PIDP for projects that improve the safety, efficiency, and reliability of the movement of goods around a port; and

WHEREAS, To be successful, a project's application must demonstrate competitiveness on a national level in alignment with the program's merit criteria and support a positive benefit cost ratio, which requires significant project planning time, engagement of partners and the public, environmental review, technical benefit-cost analyses and grant writing; and

WHEREAS, HDR, a term contractor with the City of Homer, experienced with transportation infrastructure project planning and developing Federal grant applications,

assisted city staff with the FY2023 and FY2024 PIDP grant applications and attended the application debriefs; and

WHEREAS, Administration requested an estimate from HDR to provide FY2025 PIDP application revision and resubmission support; and

WHEREAS, If funds are appropriated, Administration will present a Resolution to City Council for authorization of a Task Order for FY2025 PIDP grant re-submission services.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1: The Homer City Council hereby amends the FY25 Capital Budget by appropriating \$50,000 as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
456-0380	2025 PIDP Application & BCA	\$50,000

Section 2: This is a budget amendment ordinance, is not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of February, 2025.

CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

RENEE KRAUSE, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:



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 Lord and Homer City Council
FROM: Melissa Jacobsen, City Manager
DATE: January 8, 2025
SUBJECT: City Manager's Report for January 27, 2025 Council Meeting

RAISE Grant Award

The City of Homer has received a \$2 Million grant from the U.S. Department of Transportation (USDOT) for Rebuilding American Infrastructure with Sustainability and Equity (RAISE). This highly competitive federal grant program funds transportation infrastructure projects with significant local or regional impacts. As of June 2024, the RAISE program has provided more than \$15 billion across sixteen rounds of funding to local governments, Tribes, transit and port authorities, and states. This milestone achievement is a testament to the hard work of the City of Homer team and our dedicated partners. The grant will fund planning and design for Realizing Equitable and Accessible Connectivity in Homer, a project to develop sidewalks, trails, bikeways, and mobility hubs along key streets identified in Homer's Transportation Plan, and to address challenging, hard to develop routes that stand in the way of a connected, community-wide sidewalk network. Work will include public engagement, system-wide planning, design, environmental and equity analyses to ensure an inclusive approach. This award represents a critical step toward improving access for everyone in Homer. We appreciate the U.S. Department of Transportation for recognizing this project as one that will improve safety and mobility for the traveling public, and we thank the Alaska Congressional Delegation for advocating for this, and other important Alaskan infrastructure projects.

Grant Submitted

Community Development Director Engebretsen and Special Project Coordinator submitted a \$1.5M grant application to NOAA in early January. Via Resolution 24-077 in July 2024, Council supported a partnership between the City, University of Alaska and the Kachemak Bay National Estuarine Research Reserve to submit a grant application to the National Oceanic and Atmospheric Administration for funding to acquire and protect lands within the Bridge Creek Watershed Protection District. The grant also includes funding for a weather station, which can provide data for future landslide hazard research. Staff expects to learn the result of the application in late spring, with a potential grant agreement to Council in the summer.

Transportation Plan

Homer's new Transportation Plan has been adopted by the Kenai Peninsula Borough! This was the final step in the lengthy process to update this portion of the Comprehensive Plan. The community's work and input on this plan will serve Homer well as we embark on implementing the plan, working with the State of Alaska on the awarded HaPP loop project, and on the newly awarded federal RAISE grant. Staff from Administration, Public Works and Community Development will continue to work closely together on these transportation projects over the coming years.

Alaska Fire Chiefs Association Request to Legislature for Support

Next week at the Alaska Fire Chiefs Association will be meeting with legislators in Juneau to discuss several topics of interest within the Alaska fire service. Chief Kirko provided a copy of their letter and list of critical infrastructure needs from all over the state. The list was requested last year by Senator Stevens, who was instrumental in getting Kodiak the funding for their new fire station and has shown interest in supporting other Alaska public safety (fire/EMS) agencies as well.

FY24 Audit Update

The City Finance Department continues to focus on 2024 audit work in conjunction with Porter & Allison, the accounting firm that assists us in preparing our documentation, and BDO, the City's independent auditor. A copy of the 2024 Audit Planning Document from BDO is attached to this report.

Homer Comprehensive Plan Photo Contest and Open House Save the Date

A photo contest is underway, so help us showcase our vibrant community by sharing your pictures of Homer's unique and vibrant people and places. Submissions are due by January 31, 2025 and up to 5 winning photos will be selected. Winners will be selected by City communications staff and winning entries will be featured on the covers of the plan. Submit your photos on the website at <https://homercompplanupdate.com/> Also, the Open House for the Release of the Draft Comprehensive Plan is scheduled on Tuesday, February 11, 2025 from 5:00 to 8:00 p.m. at Islands & Ocean Visitors Center, 95 Sterling Highway, Homer, AK.

Lunch and Learn

Recognizing that we have a lot of fantastic new folks that have joined the City team over the last year we held a lunch time training session to learn about drafting ordinances, resolutions, and memorandums and 24 folks representing all departments joined in person or on Zoom! I led the session that took us through a legislation 101 track, and some of the more seasoned staff asked questions that took us down the road of substitutes, amendments, and other scenarios that led into legislation 202 type conversations. I really appreciated folks showing up to learn and I'm encouraged to do more of these sessions.

Attachments:

City of Homer 2024 Audit Planning Document
Letter from Alaska Fire Chief's Association



REPORT TO CITY COUNCIL

CITY OF HOMER, ALASKA

2024 AUDIT PLAN



Welcome

BDO USA, P.C.
3601 C St, Ste. 600
Anchorage, AK 99503
www.bdo.com

January 7, 2025

City Council

City of Homer, Alaska

We look forward to discussing with you the current year audit plan for the City of Homer, Alaska (the City). This report provides an overview of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

We are pleased to be of service to the Company, are committed to executing a quality audit, and look forward to discussing our audit plan, as well as other matters that may be of interest to you.

Respectfully,

BDO USA

Copy to: Rachel Lord, Mayor
Elizabeth Fischer, Finance Director
Jenna deLumeau, Controller

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The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors) and, if appropriate, management of the Company, and is not intended and should not be used by anyone other than these specified parties.

Executive Summary



Executive Summary

Audit timeline

- We will perform our year-end procedures during the months of December through January and February.

Audit strategy, including significant risks identified

- Our audit strategy, including significant risks identified, for the 2024 audit is outlined in the “Areas of Significant Risk” on page 12.

Other topics of interest

- Recent GASB Standards

Inquiries of Those Charged with Governance related to matters relevant to the audit (see page 16).



Audit Timeline

The following represents our anticipated schedule regarding our audit of the annual financial statements of the City:

	Dec	Jan	Feb	Mar
Planning	✓	✓		
Year-End Fieldwork		✓	✓	
Release Report on Financial Statements			✓	✓

OPTIONAL

Audit Overview & Strategy



Overview

Our audit strategy follows a risk-based approach, so that our audit work, including the nature, timing and extent of audit procedures planned, is focused on the areas of the financial statements where the risk of material misstatement is assessed to be significant as well as other areas of the financial statements where we have identified risks of material misstatement.

In preparation for our audit, we have discussed with City Council, management and internal audit significant matters including, but not limited to, market conditions, activities, and changes to the Company's business, systems, accounting principles and controls, and obtained management's view of potential audit risk in order to update our understanding of the Company. This is important to our identification and assessment of risks of material misstatement to the financial statements and related disclosures.

Key components of our audit objectives and strategy are highlighted within the executive summary section and explained in more detail in the following sections. The executive summary section is designed to facilitate discussion with the audit team, while the rest of the package serves as pre-read material for City Council.

We will continue to update the resulting assessment throughout the audit. We will communicate to you any significant changes to the planned audit strategy or the significant risks initially identified and communicated herein, and the reason for such changes, as applicable, when we present the results of our audit upon completion.



Terms of the Audit and Independence

AUDITOR'S RESPONSIBILITY

BDO USA, P.C., as your auditor, is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with the applicable financial reporting framework.

The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities.

TERMS OF THE AUDIT

Our establishment and understanding of the terms of the audit engagement have been documented in our annual engagement letter and includes the objectives of the audit along with the responsibilities of both the auditor and of management for your reference.

INDEPENDENCE

- ▶ Our engagement letter to you dated November 27, 2024, describes our responsibilities in accordance with professional standards and certain regulatory authorities regarding independence and the performance of our services. This letter also stipulates the responsibilities of the Company with respect to independence as agreed to by the Company. Please refer to that letter for further information.

Terms of the Audit and Independence

AUDITOR'S RESPONSIBILITY

BDO USA, P.C., as your auditor, is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with the applicable financial reporting framework. In addition, our audit will be conducted in accordance with standards for financial audits contained in the *Government Auditing Standards* (GAS or Yellow Book), issued by the Comptroller General of the United States.

The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities.

INDEPENDENCE

- ▶ Our engagement letter to you dated November 27, 2024, describes our responsibilities in accordance with professional standards and certain regulatory authorities and *Government Auditing Standards* regarding independence and the performance of our services. This letter also stipulates the responsibilities of the City with respect to independence as agreed to by the City. Please refer to that letter for further information.

TERMS OF THE AUDIT

Our establishment and understanding of the terms of the audit engagement have been documented in our annual engagement letter, which was provided to you on December 3, 2024, and includes the objectives of the audit along with the responsibilities of both the auditor and of management for your reference.

- ▶ We will plan and perform the audit of the financial statements for the year ended June 30, 2024, in accordance with *Government Auditing Standards*.
- ▶ We will perform tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Determining Our Planned Audit Strategy

We focus on areas with higher risk of material misstatement to the financial statements, whether due to error or fraud. Our audit strategy includes consideration of the following:

- ▶ Prior year audit results including discussions with management and those Charged with Governance regarding the City's operations, business activities, and risks.
- ▶ Inherent risk within the City (i.e., the susceptibility of the financial statements to material error or fraud) without regard to the effect of controls.
- ▶ A continual assessment of materiality thresholds based upon qualitative and quantitative factors affecting the City.
- ▶ Recent developments within the industry, regulatory environment, and general economic conditions.
- ▶ Recently issued and effective accounting and financial reporting guidance.
- ▶ The City's significant and critical accounting policies and procedures, including those requiring significant management judgments and estimates and those related to significant unusual transactions.
- ▶ The control environment, risk management and monitoring activities, and the possibility that internal controls may fail to prevent or detect a material misstatement due to error or fraud.
- ▶ The use of information systems and service organizations in the financial reporting process and overall IT environment.
- ▶ Extent to which we plan to use others, outside the core engagement team, to perform certain planned audit procedures or evaluate audit results related to significant risks that may require specialized skills or knowledge.

We will communicate to you any significant changes to the planned audit strategy, or to the significant risks initially identified, that may occur during the audit due to the results of audit procedures or in response to external factors, such as changes in the economic environment.

Detail of Significant Risks & Additional Audit Considerations



Areas of Significant Risk

Our areas of significant risk, which are risks with both a higher likelihood of occurrence and a higher magnitude of effect that require special audit considerations, are as follows. Our planned audit procedures for these risks are detailed starting on page 12.

Grant revenue recognition

Management override of internal controls

Grant Revenue Recognition

SUMMARY OF AREA OF SIGNIFICANT RISK

BDO has identified a significant risk related to recognizing grant revenue in accordance with approved agreements and applicable provisions. There is a risk that revenue recognized does not correlate with incurred expenses or according to stipulations in the applicable agreements. After considering all the inherent risk factors, the engagement team assessed the likelihood of a misstatement and magnitude of the potential misstatement and concluded on the level of assessed risk as significant.

SUMMARY OF PLANNED AUDIT PROCEDURES

In order to address this significant risk, we plan to perform the following procedures:

- We will refine our understanding of the grant revenue recognition process through a walkthrough of the revenue business process and evaluate the design of controls in this area.
- Our substantive procedures will include evaluating underlying grants based on inspection,, and inquiries directly with personnel at the City. We will select grants for detailed testwork of the underlying costs, revenue recognition, and cash receipts associated with the project.

Management Override of Controls

SUMMARY OF AREA OF SIGNIFICANT RISK

Management override of controls is presumed to be a significant risk by default for all entities. The presumptive risk is that management could use their position to circumvent controls in order to misstate or misappropriate assets. In addition, management could be in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

After considering all the inherent risk factors, the engagement team assessed the likelihood of a misstatement and magnitude of the potential misstatement and concluded on the level of assessed risk as Significant.

SUMMARY OF PLANNED AUDIT PROCEDURES

In order to address this significant risk, we plan to perform the following procedures:

- We will update our understanding of the FRCP business process, perform a walkthrough of the FRCP business process and evaluate the design of controls in this area.
- Our substantive procedures will include evaluating journal entries to test the reasonableness of entries made, as well as their applicable authorization.
- Inquiries will be made throughout the organization to determine if there is know or potential fraud issues.

Inquiries of Those Charged with Governance



Obtaining Information from Those Charged with Governance

We perform inquiries related to fraud and other matters to help inform our audit strategy and execution of our audit procedures. As part of the upcoming meeting with you, we would like to discuss the following topics with you to understand any matters of which you believe we should be aware, including, but not limited to:

- ▶ Your views about the risk of material misstatements due to fraud, including the risk of management override of controls
- ▶ How you exercise oversight over the Company's assessment of fraud risks and the establishment of controls to address these risks
- ▶ Your awareness of any actual, alleged or suspected fraud or illegal acts affecting the Company
- ▶ Your awareness of tips or complaints regarding the Company's financial reporting and your response to such tips and complaints
- ▶ Your awareness of other matters relevant to the audit including, but not limited to, violations or possible violations of laws or regulations
- ▶ Your awareness of noncompliance with laws and regulations to include consideration of noncompliance with provisions of contracts and grant agreements.
- ▶ Your awareness of any investigations or legal proceedings that have been initiated or are in process with respect to the period under audit.
- ▶ Your awareness of any significant communications between the Company and regulators
- ▶ Your understanding of the Company's relationships and transactions with related parties that are significant to the Company
- ▶ Any business relationships between a BDO firm and the Company or its affiliates
- ▶ Whether the Company has entered into any significant unusual transactions
- ▶ Your awareness of any other information that is important to the identification and assessment of risks of material misstatement

Other Topics



BDO's System of Quality Management

An effective quality management system in an audit firm is crucial for supporting the consistent performance of high-quality audits and reviews of financial statements, or other assurance or related services engagements under professional standards, and applicable legal and regulatory requirements.

Accordingly, BDO has implemented a system of quality management designed to provide reasonable assurance that its professionals fulfill their responsibilities and conduct engagements in accordance with those professional standards, and legal and regulatory requirements. The firm's system of quality management supports the consistent performance of quality audits through many ongoing activities including, at least annually, certification by leaders with responsibility for key controls and related processes. Our Assurance Quality Management team performs regular reviews and testing of key controls and processes throughout the system of quality management and identifies and communicates areas for improvement. In addition, our Audit Quality Advisory Council supports our system of quality management by providing guidance and input on audit quality initiatives.

As required by International Standard on Quality Management 1 (ISQM 1) under the International Auditing and Assurance Standards Board (IAASB), BDO has conducted an evaluation of the effectiveness of its system of quality management and concluded, as of July 31, 2023, that, except for certain deficiencies related to the execution of its issuer audits, that system provides the reasonable assurance that our professionals will perform audits and reviews of financial statements or related assurance services engagements in accordance with professional standards, and applicable legal and regulatory requirements. BDO has either implemented or is designing remedial actions to address those deficiencies prior to our next evaluation.



We will continue to provide you with updates on our progress. Currently, you may find discussion of BDO's system of quality management within our annual [Audit Quality Reports](#), the most recent of which is accessible [here](#).

[CLICK HERE TO ACCESS IAASB ISQM-1 IN ITS ENTIRETY >](#)

GASB Statement No. 99, Omnibus 2022

Effective Dates	Date per Pronouncement
	Effective as Noted Below

- ▶ This Statement address practice issues identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees.
- ▶ Effective Upon Statement Issuance - April 2022:
 - Extension of the period during which LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
 - Accounting of benefits distributed as part of the Supplemental Nutrition Assistance Program (SNAP)
 - Disclosures related to nonmonetary transactions
 - Pledges of future revenues when resources are not received by the pledging government
 - Clarification of provisions of Statement No. 34 related to the focus of the government-wide financial statements
 - Updates to terminology used in Statement No. 53 to refer to resource flow statements and to certain provisions in Statement No. 63
- ▶ Effective for Fiscal Years Beginning After June 15, 2022:
 - Determination of lease term and classification of leases as short-term in accordance with Statement No. 87
 - Clarification related to the determination of Public-Private Partnerships (PPP) term and recognition and measurement of installment payments and the transfer of PPP assets under Statement No. 94
 - Clarification of the provisions of Statement No. 96 related to Subscription Based Information Technology Arrangements (SBITA) term, classification of short-term SBITA, and recognition and measurement of a subscription liability
- ▶ Effective for Fiscal Years Beginning After June 15, 2023:
 - A government extending an exchange or exchange-like financial guarantee should recognize a liability and expense/expenditure related to the guarantee when qualitative factors and historical data indicate that it is more likely than not a government will be required to make a payment related to the guarantee. Statement No. 99 excludes guarantees related to special assessment debt, financial guarantee contracts within the scope of Statement No. 53, or guarantees related to conduit debt obligations.
 - Requirements related to the classification and reporting of derivative instruments within the scope of Statement No. 53 that do not meet the definition of an investment or hedging derivative instrument

GASB Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62

Effective Dates	Date per Pronouncement
	Fiscal Years Beginning After 6/15/2023

- ▶ This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.
- ▶ As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability.
- ▶ This Statement also addresses corrections of errors in previously issued financial statements.
- ▶ This Statement requires that:
 - changes in accounting principles and error corrections be reported retroactively by restating prior periods,
 - changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and
 - changes in accounting estimates be reported prospectively by recognizing the change in the current period.
- ▶ The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement.
- ▶ Statement No. 100 requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.
- ▶ This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.
- ▶ Statement No. 100 also addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

GASB Statement No. 101, *Compensated Absences*

Effective Dates	Date per Pronouncement
	Fiscal Years Beginning After 12/15/2023

- ▶ This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means.
- ▶ Requires recognition of a liability for leave that has not been used if:
 - the leave is attributable to services already rendered,
 - the leave accumulates, and
 - the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.
- ▶ Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.
- ▶ Statement No. 101 requires that a liability for certain types of compensated absences, including parental leave, military leave, and jury duty leave, not be recognized until the leave commences.
- ▶ In addition, this Statement requires that for specific types of compensated absences, a liability not be recognized until the leave is used.
- ▶ This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.
- ▶ With respect to financial statements prepared using the current financial resources measurement focus, Statement No. 101 requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.
- ▶ Statement No. 101 amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

GASB Statement No. 102, *Certain Risk Disclosures*

Effective Dates	Date per Pronouncement
	Fiscal Years Beginning After 6/15/2024

- ▶ The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints.
- ▶ Statement No. 102 defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources.
- ▶ Statement No. 102 defines a *constraint* as a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority.
- ▶ Requires a government to assess:
 - whether a concentration or constraint is known to the government prior to the issuance of the financial statements,
 - whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and
 - whether event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.
- ▶ For items meeting the above criteria, required disclosures include descriptions of:
 - the concentration or constraint,
 - each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements, and
 - Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

At BDO, our purpose is helping people thrive, every day. Together, we are focused on delivering exceptional and sustainable outcomes — for our people, our clients and our communities. Across the U.S., and in over 160 countries through our global organization, BDO professionals provide assurance, tax and advisory services for a diverse range of clients.

BDO is the brand name for the BDO network and for each of the BDO Member Firms. BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. www.bdo.com

Material discussed in this publication is meant to provide general information and should not be acted on without professional advice tailored to your needs.

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ALASKA FIRE CHIEFS ASSOCIATION

One Sealaska Plaza, Suite 200, Juneau, Alaska 99801

January 21, 2025

Subject: Request for Support for Much-Needed Fire Station Projects in Alaska

Dear Members of the Alaska State Legislature,

On behalf of the Alaska Fire Chiefs Association, we are reaching out to request your support for crucial fire station projects that are currently in need of attention and funding. Our organization represents all regions of Alaska and is dedicated to ensuring the safety and well-being of Alaskans by supporting and advocating for emergency service professionals across the state.

The state of Alaska faces unique challenges when it comes to emergency response, and it is imperative that our fire stations are adequately equipped and maintained to effectively address these challenges.

Many of our fire stations need essential upgrades and improvements to enhance their capabilities and response times. These projects include, but are not limited to, the following:

1. **Replacement and New Construction:** With many of the aging stations, renovations are just not feasible. These old stations need an entire replacement.
2. **Infrastructure Upgrades:** Aging fire stations require improvements to meet current safety standards and accommodate modern firefighting equipment.
3. **Training Facilities:** Establishing or upgrading training facilities will allow our firefighters to stay current with the latest techniques and technologies in firefighting and emergency response.

We understand the fiscal responsibilities faced by the Alaska State Legislature, however, we believe that investing in these fire station projects is crucial for the safety and security of our communities.

We kindly request your support in securing the necessary funding for these projects to ensure that your fire departments can continue to provide the highest level of service to the residents of Alaska.

Thank you for your time and consideration. We look forward to the opportunity to discuss these projects further and to collaborate on initiatives that will strengthen the fire service capabilities throughout our great state.

Sincerely,

A handwritten signature in blue ink, appearing to read "Forrest Kuiper".

Forrest Kuiper, President
Alaska Fire Chiefs Association

		NEW FIRE STATION CONSTRUCTION			
Community:	Project Name:	Scope:	Cost:	POC:	Email:
Anchorage, Municipality	Anchorage Fire Department Station 12 Relocation	Relocation & Co-locate AFD-APD Dispatch	\$15.8M	Douglas Schrage	Douglas.Schrage@anchorageak.gov
	Anchorage Fire Department Station 16 New Station	New Fire Station	\$10.8M		
	Anchorage Fire Department Station 11 Relocation	Relocation	\$10.8M		
Chugiak	Station Replacement	New station for current and future needs	\$15M	Scott Fisher	scott.fisher@cvfrd.com
Dillingham, City	Dillingham Fire Department Fire Station replacement	Downtown Station replacement	\$10.6M	Scott Runzo	scott.runzo@dillinghamak.us
Fairbanks North Star Borough	University of Alaska Fairbanks Arctic Emergency Services Facility	Replace Station 11, and house Fire/EMS/Police & CTC programs	\$72M	Forrest Kuiper	fjkuiper@alaska.edu
Fairbanks, City	City of Fairbanks Fire Department Station 2 replacment	Replace Station 2	\$20M	Andrew Coccaro	acoccaro@fairbanks.us
Kenai Peninsula Borough	Central Emergency Services Fire Station Replacement	Additional funds to replace Station #1	\$5.9M	Roy Browning	RBrowning@kpb.us
Girdwood Fire Department	Training Prop Building	Building a training prop building	\$300,000	Michelle Weston	chief@girdwoodfire.com
Homer, City	Homer Fire Department Headquarters Replacement	Headquarters station replacement	\$20M	Mark Kirko	mkirko@ci.homer.ak.us
Kenai, City	Publis Safety Building Replacement	Replacement of Public Safety Building	\$25M	Jay Teague	jteague@kenai.city
Ketchikan, City	Ketchikan Fire Department Station Replacement	Station 2 replacement	\$15M	Rick Hines	rickh@city.ketchikan.ak.us
Matanuska Susitna Borough	Willow Fire Department Replacement Station	Replacement public safety facility in willow	\$5M	Brian Davis	bdavis@matsugov.us
North Pole, City	North Pole Fire Department Replacement Station	Replace headquarters fire station	\$21.5M	Chad Heineken	cheineken@northpolefire.org
Palmer, City	Palmer Public Safety Facility	New Public Safety building	\$46.5M	John Prevost	jprevost@palmerak.org
Saxman, City	Saxman Fire Station Replacement	Fire Station replacement	\$10M	Steve Rydeen	stever@kgbak.us
Seward, City	Fire Station Replacement	Replacement of Fire Station (built in 1963)	\$25M	Clinton Crites	ccrites@cityofseward.net
Sitka, City	Sitka Fire Department Fire Training Facility	Fire Training Facility	TBD	Craig Warren	craig.warren@cityofsitka.org
Unalaska, City	Unalaska Fire Department New Fire Station & Training Facility	New fire station and training facility	\$20M	Ben Knowles	bknowles@ci.unalaska.ak.us
Valdez, City	City of Valdez Fire Department Replacement Station 4	Relocate and Replace Station 4	\$5M	Tracy Raynor	TRaynor@valdezak.gov
		Total	\$354M		
		RENOVATED FIRE STATION PROJECTS			
Community:	Project Name:	Scope:	Cost:	POC:	Email:
Anchorage, Municipality	Anchorage Fire Department Regional Preparatory Training Facility	Training facility for explorer post	\$5M	Douglas Schrage	Douglas.Schrage@anchorage.gov
Kodiak Island Borough	Bayside Fire Department Station Expansion	Expand station and dorms for volunteers	\$1.7M	Scott Ellis	sellis@kodiakak.us
Fairbanks North Star Borough	Chena Goldstream Fire Station(s) renovations	Stations 41 & 42 Expansion/renovations	\$5M	Frank Bracken	frank.bracken@cgfr.com
Kenai Peninsula Borough	Kachemack Emergency Services Renovations	Renovations and additions to St. 1 & 2	\$1.65M	Eric Schultz	ESchultz@kpb.us
	Western Emergency Services Renovations	Expansion and Renovations of Station 3	\$3.75M	Robert Mathis	RMathis@kpb.us
	Bear Creek Fire Renovations	Asphalt paving & Living Quarters	\$1.05M	Richard Brackin	RBrackin@kpb.us
	Cooper Landing Emergency Services Repairs & Maintenance	Building Maintenance and Repairs	\$93,000	Mitchel Dickinson	mitchel_dickinson@live.com
	Moose Pass Volunteer Fire Company Clean Water/Renewable	Clean water and renewable power study	\$60,000	Judy Ingersol	merrittpscooper@gmail.com
Ketchikan Gateway Borough	South Tongass Volunteer Fire Department Renovations	Station addition and foundation repairs.	\$74,000	Steve Rydeen	stever@kgbak.us
		Total	\$16.7M		

WORKSESSION SCHEDULE

AGENDA CALENDAR 2025

Council Meeting Dates	WORKSESSION/MEETING TOPICS
Monday, January 13	<i>Worksession, HART Fund 3:30 p.m.</i>
Saturday, January 18	<i>Strategic Planning Worksession 9 am – 1pm</i>
Monday, January 20 Off Cycle	<i>Worksession Budget – Department Budget Discussions 4-7pm</i>
Monday, January 27	<i>Special Meeting 3:30 p.m. CM 6 month review</i>
Monday, February 3	<i>Worksession Budget – Department Budget Discussions 4-7pm</i>
Wednesday, February 5 Off Cycle	<i>Joint Worksession with Planning Commission and Comp Plan Steering Committee at 5:00 p.m.-6:30</i>
Monday, February 10	<i>Worksession – Utility Rate Model Discussion COW – Draft Comp Plan</i>
Tuesday, February 11	<i>Draft Comp Plan Open House Event Islands & Ocean Visitor Center 5:30 – 7:30 pm</i>
Monday, February 24	<i>Worksession – Utility Rate Model Discussion (If Needed)</i>
Monday, March 10	<i>4:00 Kachemak City Worksession</i>
Monday, March 24	<i>Worksession Reserved for Budget Discussion</i>
Monday, April 14	<i>City Manager's Proposed Budget and Utility Rate Model to City Council</i>
	<i>Committee of the Whole – Council to Discuss Budget</i>
	<i>Regular Meeting – Public Hearing on Budget</i>
Monday, April 28	<i>Committee of the Whole – Council Discussion on Budget</i>
	<i>Regular Meeting – Introduction of Budget Ordinance, Fee/Tariff Ordinances</i>
Monday, May 12	<i>Committee of the Whole – Council Budget Discussion</i>
Tuesday, May 27	<i>Committee of the Whole – Council Budget Discussion</i>
	<i>Regular Meeting – Public Hearing</i>
Monday, June 9	<i>Regular Meeting Public Hearing & FY26/FY27 Budget Ordinance Adoption</i>
Monday, June 23	

Monday, July 21	
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Council Meeting Dates	WORKSESSION/MEETING TOPICS
Monday, August 11	
Monday, August 25	
Monday, September 8	
Monday, September 22	
Monday, October 13	
Monday, October 27	
Monday, November 10	
Monday, November 24	

VISTORS

AGENDA CALENDAR 2025

Council Meeting Dates	Visitor Scheduled
<i>Monday, January 13</i>	<i>Senator Stevens</i>
<i>Monday, January 27</i>	
<i>Monday, February 10</i>	<i>Patty Relay Pratt Museum – Budget Appropriation Request</i>
<i>Monday, February 24</i>	
<i>Monday, March 10</i>	
<i>Monday, March 24</i>	
<i>Monday, April 14</i>	
<i>Monday, April 28</i>	
<i>Monday, May 12</i>	
<i>Tuesday, May 27</i>	
<i>Monday, June 9</i>	
<i>Monday, June 23</i>	
<i>Monday, July 28</i>	
<i>Monday, August 11</i>	
<i>Monday, August 25</i>	
<i>Monday, September 8</i>	
<i>Monday, October 13</i>	
<i>Monday, November 10</i>	
<i>Monday, November 24</i>	



MEMORANDUM

January Employee Anniversaries

Item Type: Informational
Prepared For: Mayor Lord and City Council
Date: January 27, 2025
From: Andrea Browning, HR Director
Through: Melissa Jacobsen, City Manager

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.

Teresa Sundmark	Library	18	Years
Tomasz Sulczynski	IT	17	Years
Andrea Browning	Admin	13	Years
Brody Jones	Public Works	11	Years
Jona Focht	Dispatch	10	Years
Lynda Gilliland	Finance	7	Years
Amy Woodruff	Port	4	Years
Rose Benson	Port	3	Years
Ed Gross	Planning	1	Year
Kaleb Harvey	Police	1	Year

General Fund
Expenditure Report
Actuals through December 2024
50% Fiscal Year Elapsed

Current Fiscal Analysis

	FY25	FY25 YTD	
	ADOPTED	ACTUAL	
	BUDGET	\$	%
Revenues			
Property Taxes	\$ 4,225,672	\$ 5,180,838	123%
Sales and Use Taxes	9,296,032	5,592,604	60%
Permits and Licenses	41,723	19,232	46%
Fines and Forfeitures	8,381	1,806	22%
Intergovernmental	746,338	405,162	54%
Charges for Services	445,762	325,705	73%
Other Revenues	-	81,281	
Airport	202,406	99,242	49%
Operating Transfers	1,568,082	20,710	1%
Total Revenues	\$ 16,534,397	\$ 11,726,580	71%
Expenditures & Transfers			
Administration	\$ 2,201,751	\$ 997,975	45%
Clerks/Council	942,104	366,284	39%
Planning	446,281	183,868	41%
Library	1,126,251	532,417	47%
Finance	948,850	386,136	41%
Fire	1,973,062	909,690	46%
Police	4,416,940	2,313,869	52%
Public Works	3,663,001	1,565,078	43%
Airport	239,580	85,061	36%
City Hall, HERC	190,449	75,644	40%
Non-Departmental	191,000	166,000	87%
Total Operating Expenditures	\$ 16,339,269	\$ 7,582,022	46%
Transfer to Other Funds			
Leave Cash Out	\$ 178,375	\$ -	0%
Other	6,752	-	0%
Total Transfer to Other Funds	\$ 185,128	\$ -	0%
Transfer to CARMA			
General Fund Fleet CARMA	\$ -	\$ -	0%
General Fund CARMA	-	-	0%
Seawall CARMA	10,000	-	0%
Total Transfer to CARMA Funds	\$ 10,000	\$ -	0%
Total Expenditures & Transfers	\$ 16,534,397	\$ 7,582,022	46%
Net Revenues Over (Under) Expenditures	\$ 0	\$ 4,144,558	

These numbers are preliminary and are subject change

Water and Sewer Fund
Expenditure Report
Actuals through December 2024
50% Fiscal Year Elapsed

Current Fiscal Analysis

	FY25		FY25 YTD	
	ADOPTED		ACTUAL	
	BUDGET		\$	%
<u>Revenues</u>				
Water Fund	\$	2,494,551	\$ 1,410,036	57%
Sewer Fund		2,213,812	1,121,332	51%
Total Revenues	\$	4,708,362	\$ 2,531,367	54%
<u>Expenditures & Transfers</u>				
<u>Water</u>				
Administration	\$	350,977	\$ 191,049	54%
Treatment Plant		726,654	321,550	44%
System Testing		36,000	11,359	32%
Pump Stations		123,793	43,047	35%
Distribution System		393,195	210,438	54%
Reservoir		19,191	6,042	31%
Meters		288,507	28,510	10%
Hydrants		214,868	87,926	41%
<u>Sewer</u>				
Administration	\$	348,160	\$ 187,290	54%
Plant Operations		938,779	344,503	37%
System Testing		18,000	9,044	50%
Lift Stations		230,206	96,074	42%
Collection System		378,085	176,407	47%
Total Operating Expenditures	\$	4,066,415	\$ 1,713,240	42%
Transfer to Other Funds				
Leave Cash Out	\$	12,216	\$ -	0%
GF Admin Fees		-	-	0%
Other		15,597	-	0%
Total Transfer to Other Funds	\$	27,813	\$ -	0%
Transfers to CARMA				
Water	\$	325,376	\$ -	0%
Sewer		288,758	-	0%
Total Transfer to CARMA Funds	\$	614,134	\$ -	0%
Total Expenditures & Transfers	\$	4,708,362	\$ 1,713,240	36%
Net Revenues Over(Under) Expenditures	\$	0	\$ 818,127	

Port and Harbor Fund
Expenditure Report
Actuals through December 2024
50% Fiscal Year Elapsed

Current Fiscal Analysis

	FY25	FY25 YTD	
	ADOPTED BUDGET	ACTUAL	
		\$	%
<u>Revenues</u>			
Administration	\$ 640,736	\$ 396,179	62%
Harbor	4,045,337	3,231,565	80%
Pioneer Dock	302,106	173,958	58%
Fish Dock	578,477	430,093	74%
Deep Water Dock	188,651	128,682	68%
Outfall Line	4,800	-	0%
Fish Grinder	7,390	6,460	87%
Load and Launch Ramp	130,000	57,814	44%
Total Revenues	\$ 5,897,497	\$ 4,424,750	75%
<u>Expenditures & Transfers</u>			
Administration	\$ 1,227,954	\$ 677,937	55%
Harbor	1,658,848	709,706	43%
Pioneer Dock	89,120	44,665	50%
Fish Dock	817,052	336,034	41%
Deep Water Dock	107,656	68,960	64%
Outfall Line	13,500	3,140	23%
Fish Grinder	45,150	13,881	31%
Harbor Maintenance	558,501	265,829	48%
Main Dock Maintenance	54,546	22,386	41%
Deep Water Dock Maintenance	65,046	24,930	38%
Load and Launch Ramp	141,549	67,716	48%
Total Operating Expenditures	\$ 4,778,920	\$ 2,235,183	47%
Transfer to Other Funds			
Leave Cash Out	\$ 49,513	\$ -	0%
GF Admin Fees	-	-	0%
Debt Service	0	-	0%
Other	380,573	-	0%
Total Transfer to Other Funds	\$ 430,086	\$ -	0%
Transfers to Reserves			
Harbor	\$ 688,491	\$ -	0%
Load and Launch Ramp	-	-	0%
Total Transfer to Reserves	\$ 688,491	\$ -	0%
Total Expenditures & Transfers	\$ 5,897,496	\$ 2,235,183	38%
Net Revenues Over(Under) Expenditures	\$ 0	\$ 2,189,567	

City of Homer
Financial Reporting Schedule
for Calendar Year 2025

Dates	Event
1/13/2025	
1/27/2025	Monthly FY25 Year-To-Date (YTD) Report
2/10/2025	FY25 2nd Quarter Report
2/24/2025	Monthly FY25 YTD Report
3/10/2025	
3/24/2025	Monthly FY25 YTD Report
4/14/2025	
4/28/2025	Monthly FY25 YTD Report
5/12/2025	FY25 3rd Quarter Report
5/27/2025	Monthly FY25 YTD Report
6/9/2025	
6/23/2025	Monthly FY25 YTD Report
7/28/2025	Monthly FY25 Year-End Report - Preliminary
8/11/2025	FY25 4th Quarter Report
8/25/2025	Monthly FY25 YTD Report
9/8/2025	
9/22/2025	Monthly FY25 YTD Report
10/13/2025	
10/27/2025	Monthly FY25 YTD Report
11/10/2025	FY25 1st Quarter Report
11/24/2025	Monthly FY25 YTD Report



MEMORANDUM

Ordinance 24-61, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating \$2,000,000 from the Homer Accelerated Roads and Trails (HART) Fund to the Ohlson Lane and West Bunnell Avenue Road Reconstruction Project. City Manager/Public Works Director.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: October 15, 2024
From: Daniel Kort, Public Works Director
Through: Melissa Jacobsen, City Manager

Issue: Construction funds needed for the Ohlson Lane and West Bunnell Avenue Road Reconstruction Project.

Background:

This project began with a design and study by Nelson Engineering in 2023 which recommended that Public Works Department reconstruct the subgrade for Ohlson Lane and West Bunnell Avenue. On January 3, 2024, Nelson Engineering completed a 95% design for the subject project. Public Works expecting to receive the 100% design drawings in approximately one month. According to the cost estimate attached to the 95% design, the project will cost a total of \$2,370,409 to construct.

In addition to needed road improvement, this project will:

- Replace the 59-year-old cast iron pipe that is near the end of its service life and is prone to failure. This is an opportunity to replace the aging infrastructure to avoid having to dig up the newly constructed road in the near future to either repair or replace the pipe.
- Construct storm sewer in conjunction with the new curb for the street. The storm drain is being built to improve storm drainage issues in this neighborhood as well as to accommodate the projects new curb, curb bulb-outs for traffic calming and street parking.

Public Works submitted questionnaires to the Alaska Department of Environmental Conservation (ADEC) to apply for loans to cover both the water main replacement and storm drain portions of the construction project from the Alaska Drinking Water Fund and Alaska Clean Water Fund respectively. The ADEC added both the water main replacement and storm drain to their project priority list and both projects are 100% covered by principal forgiveness subsidy in the following amounts:

Ohlson & Bunnell Water Main Replacement: \$491,400

Ohlson & Bunnell Storm Drain Construction: \$324,000

The loan forgiveness totals to \$815,400 in loan subsidy which will cover a portion of the construction costs for the subject project. There are currently no other funds allocated for this construction project, meaning that to date, the City will be responsible for funding the balance of approximately \$1,555,009. That amount is expected to increase based on the 100% design, and current trends of cost increases.

Recommendation:

Public Works recommends that \$2,000,000 be allocated from the HART Roads Fund to cover construction costs for the Ohlson Lane and Bunnell Avenue Road Reconstruction Project.

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

ORDINANCE 24-61

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE FY25 CAPITAL BUDGET BY APPROPRIATING
\$2,000,000 FROM THE HOMER ACCELERATED ROADS AND TRAILS
(HART) ROAD FUND TO THE OHLSON LANE AND BUNNELL
AVENUE ROAD RECONSTRUCTION PROJECT.

WHEREAS, Nelson Engineering has completed a 95% Design for the Ohlson Lane and Bunnell Avenue Road Reconstruction Project and the 100% design is in process; and

WHEREAS, The Engineer's cost estimate submitted with the 95% design estimates the total construction cost at \$2,370,409; and

WHEREAS, The Public Works Department anticipates the revised total construction cost estimate to be approximately \$2,850,000; and

WHEREAS, No City funds have been budgeted for construction; and

WHEREAS, Public Works submitted questionnaires to the Alaska Department of Environmental Conservation to receive loans for a water main replacement and construction of a storm drain that are both part of this project; and

WHEREAS, The water main replacement and the storm construction are listed on the ADEC's intended use plans for 2025 in the amounts of \$491,400 and \$324,000 respectively; and

WHEREAS, ADEC has assigned principal forgiveness subsidy to both projects that will cover 100% of both ADEC loans; and

WHEREAS, The intent of this ordinance is to appropriate \$2,000,000 of HART Roads funds based on current estimates to ensure project funding and to ensure the City doesn't lose the benefit of the \$815,400 principal forgiveness for the storm water improvement and water line replacement which are necessary components of the project.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY25 Capital Budget by appropriating \$2,000,000 as follows:

Transfer from:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
160	HART Road Fund	\$2,000,000

Transfer to:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
215-XXXX	Ohlson Lane/Bunnell Avenue Road Reconstruction	\$2,000,000

Section 2. This is a budget amendment ordinance, is not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 25th day of November, 2024.

CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

RENEE KRAUSE, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

CITY OF HOMER FINANCIAL SUPPLEMENT

PROJECT NAME	Ohlson Ln/Bunnell Ave Road Reconstruction	DATE	11/05/2024
DEPARTMENT	Public Works	SPONSOR	City Manager/PW Director
REQUESTED AMOUNT	\$ 2,000,000		

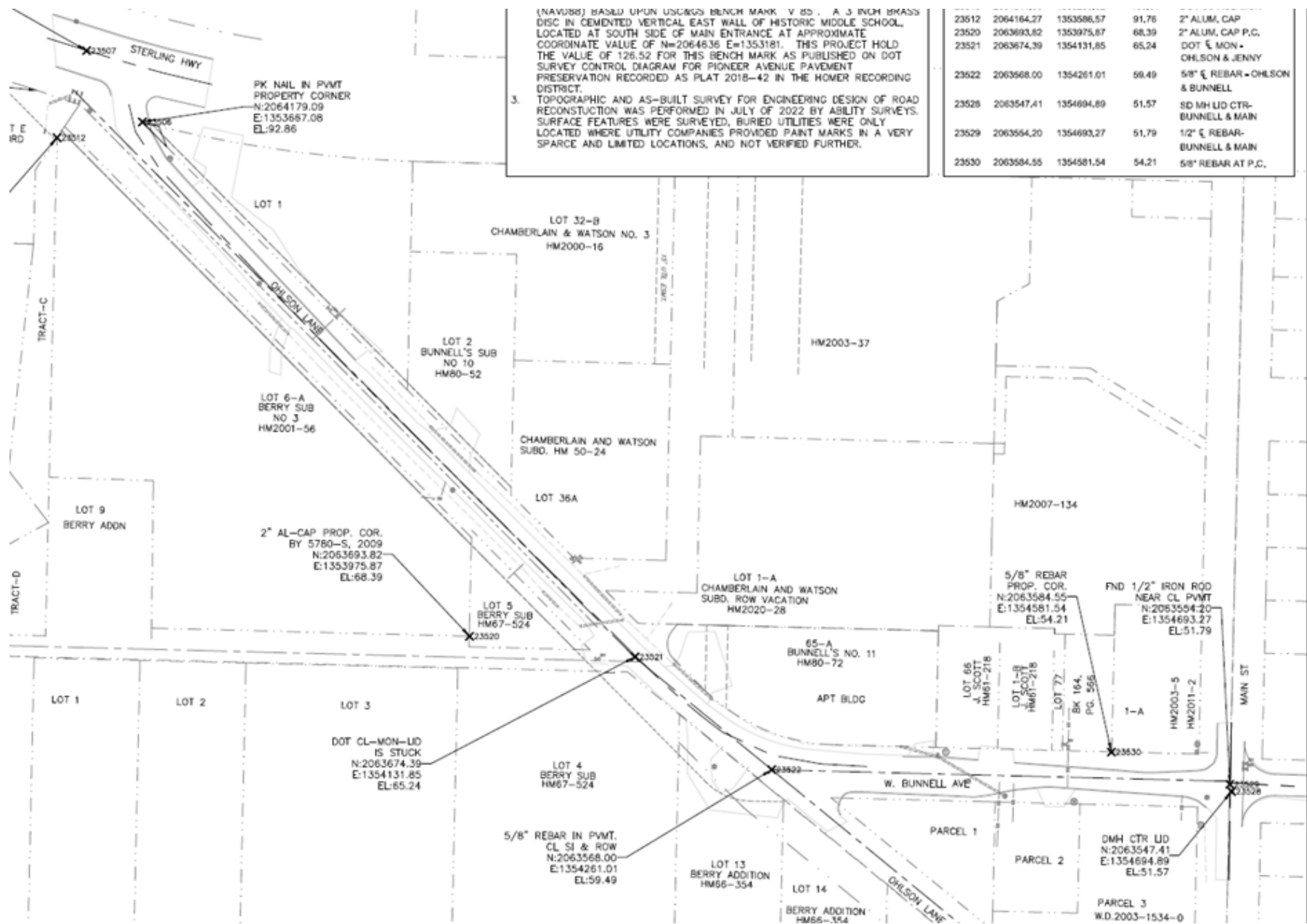
DESCRIPTION	<p>Nelson Engineering has completed a 95% Design for the Ohlson Lane and Bunnell Avenue Road Reconstruction Project and the 100% design is in process. The Engineer's cost estimate submitted with the 95% design estimates the total construction cost at \$2,370,409. The Public Works Department anticipates the revised total construction cost estimate to be approximately \$2,850,000.</p> <p>The intent of this ordinance is to appropriate \$2,000,000 of HART Roads funds based on current estimates to ensure project funding and to ensure the City doesn't lose the benefit of the \$815,400 principal forgiveness for the storm water improvement and water line replacement which are necessary components of the project.</p>
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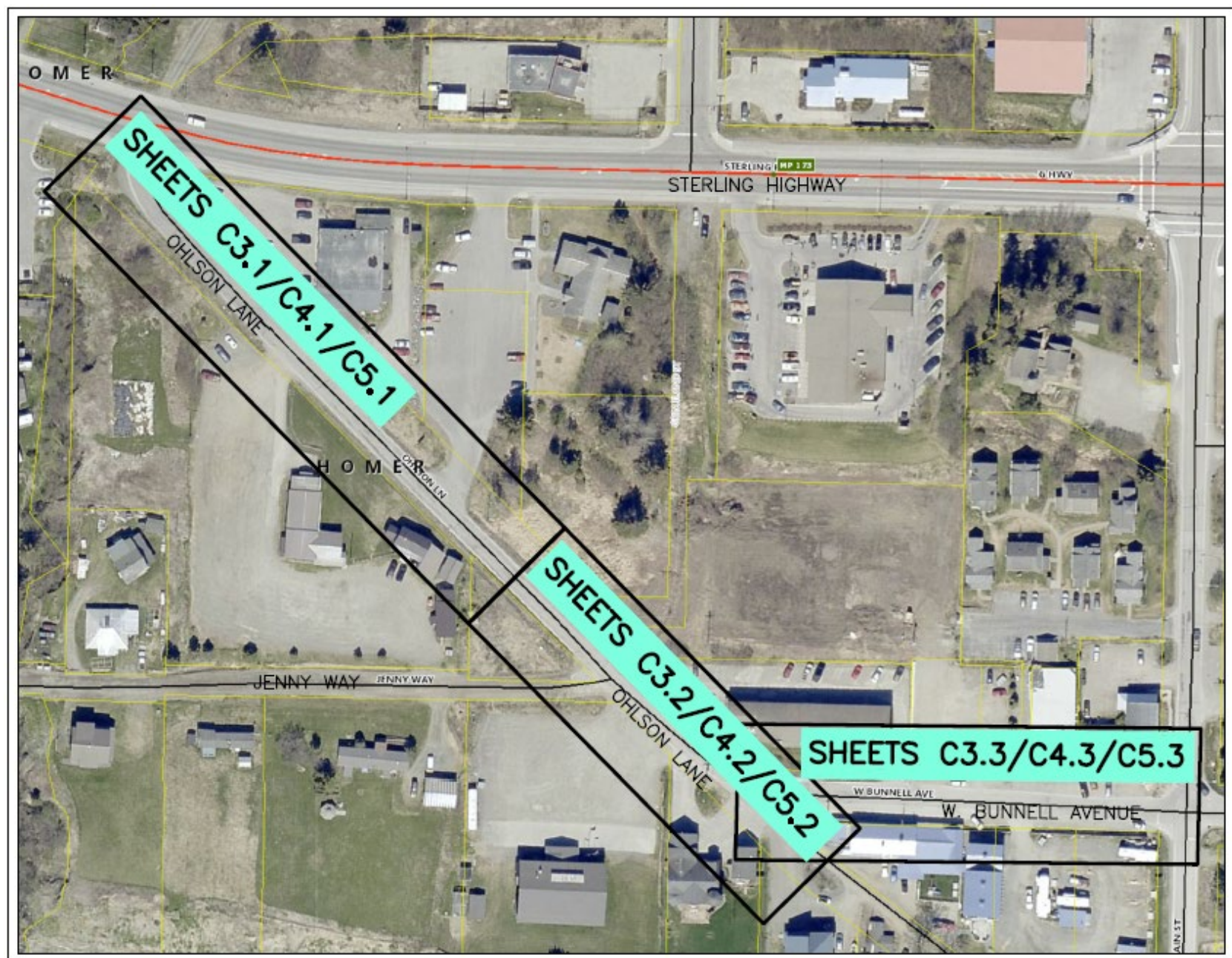
FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	100%	0%	0%	0%

FUNDING SOURCE 1: HART Roads (160)		FUNDING SOURCE 2:		FUNDING SOURCE 3:	
Current Balance	\$ 5,078,117	Current Balance	_____	Current Balance	_____
Encumbered	\$ 2,914,817	Encumbered	_____	Encumbered	_____
Requested Amount	\$ 2,000,000	Requested Amount	_____	Requested Amount	_____
Other Items on Current Agenda	\$ 0	Other Items on Current Agenda	_____	Other Items on Current Agenda	_____
Remaining Balance	\$ 163,300	Remaining Balance	_____	Remaining Balance	_____
FUNDING SOURCE 4:		FUNDING SOURCE 5:		FUNDING SOURCE 6:	
Current Balance	_____	Current Balance	_____	Current Balance	_____
Encumbered	_____	Encumbered	_____	Encumbered	_____
Requested Amount	_____	Requested Amount	_____	Requested Amount	_____
Remaining Balance	_____	Remaining Balance	_____	Remaining Balance	_____

Project	Ordinance	Encumbrance	FY Expire
SS4A Grant Match	24-49	14,510	FY27
Speed Monitoring Devices	24-46	40,000	FY27
Bayview Park Renovation Project - Accessibility	24-42, 23-23(A-3)	82,000	FY26/FY27
FY25 Operating Budget Transfer - Roads Maintenance	24-24(A)	1,161,227	FY25
Green Infrastructure Research - Appraisals	24-24(A)	50,000	FY27
Green Infrastructure Research	24-24(A)	10,000	FY27
Ground Water Research	24-24(A)	35,000	FY27
Mt Augustine Surface Water	23-23(A-3)	193,000	FY26
Bunnell Ave Road Restoration Project - Design	23-23(A-3)	50,000	FY26
Beluga Slough Green Infrastructure Project	23-23(A-3)	125,900	FY26
Ben Walters Sidewalk Construction	23-23(A-3)	374,440	FY26
8005 - Svedlund-Herndon Sidewalk Design	23-23(A-3)	20,150	FY26
Iris Court Drainage	23-23(A-3)	240,000	FY26
Kachemak Sponge Green Infrastructure Project Property	23-23(A-3)	418,100	FY26
Vehicle Replacement (E-130 and E-114)	23-23(A-3)	37,625	FY26
Lane Dividers for West Fairview / Eric Lane	23-23(A-3)	6,000	FY26
Adams Lane Path	23-23(A-3)	55,000	FY26
Master Transportation Plan Update	22-38	1,865	FY25

2,914,817







MEMORANDUM

Ordinance 24-67, An Ordinance of the City Council of Homer, Alaska Amending the FY2025 Capital Budget By Appropriating An Additional \$100,000 From the HART Roads Fund to the Beluga Slough Green Infrastructure Stormwater Treatment System Project.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and City Council
Date: November 14, 2024
From: Daniel Kort, Public Works Director
Through: Melissa Jacobsen, City Manager

I. Issue: The purpose of this Memorandum is to request an additional appropriation of \$100,000 from the HART Roads Fund to the Beluga Slough Green Infrastructure Stormwater Treatment System Project.

II. Background:

At its regular meeting of April 10, 2023, the City Council passed Ordinance 23-16(S) authorizing funding to support the Beluga Slough Green Infrastructure Storm Water Treatment System (Project) as follows:

a. \$153,307	2023-2025 Alaska Clean Water Actions (ACWA) Grant
b. \$81,313	HART Road Fund
c. <u>\$25,869</u>	Employee wages as in-kind services
\$260,489	Total Project Cost

The project intent is to develop a storm water treatment unit that filters out particulates, dissolved metals and other contaminants that storm water carries, before the water is discharged into the Beluga Slough on its way to Kachemak Bay.

The funding for this project has not fallen into place as originally planned. Some of matching funds which Public Works said would come from City staff hours actually came from Coble Geophysical Services instead. These expenses were coded to the Public Works operating budget (GL# 100-0177-5210).

The City of Homer has never designed or built any infrastructure of this nature before and there were unforeseen complications in the design causing design expenses for the first reporting period that were greater than expected. Additionally, City staff hours spent on the project were less than projected, therefore the Public Works Department utilized the additional work done by Coble Geophysical Services to fulfill the grant match obligations.

At its regular meeting of February 26, 2024, the City Council passed Resolution 24-026, which approved a change order to Coble Geophysical Services for this project. At the time, the estimate contained an error in the Project Costs associated with Coble Geophysical Services shown previously as \$87,217. The Project Cost list below shows the Coble Geophysical error corrected to \$90,876.87.

Project Costs		
	Coble Geophysical Services - Design Services	\$90,876.87
	Jay Rand - Concrete Vault Construction	\$85,000.00
	Fritz Creek Welding - Vault Materials	\$18,000.00
	Overflow Pipe	\$10,000.00
	Installation Contractor (Vendor TBD)	\$20,000.00
	City Staff (in-kind services)	\$25,869.00
	Total	\$249,745.87

This summary of Project Costs is over a year old and it no longer reflects current project costs. Public Works produced the following updated list in October, 2024:

Project Costs		
	Coble Geophysical Services - Design Services	\$90,876.87
	Bishop Engineering – Structural Design	\$6,000.00
	Jay Rand - Concrete Vault Construction	\$85,000.00
	Fritz Creek Welding - Vault Materials	\$18,000.00
	Homer Marine LLC - Construct Cover	\$15,000.00
	Excavation Contractor TBD - Excavation and Misc Construction	\$75,000.00
	City Staff (in-kind services)	\$25,869.00
	Total	\$315,745.87

Based on the updated project cost estimate, the projected budget shortfall is \$55,256.87. This project is very unique and under a short timeline requiring winter construction and significant dewatering costs due to its proximity to the adjacent flooded Beluga Slough and wetlands, therefore there is uncertainty of actual costs until the project is bid. Additionally, most of the projects the Public Works Department have bid out this year have come in well over the Engineer's Estimates even with generous contingencies. Given the current bidding climate, the Public Works Department believes it is advisable to have a contingency to account for higher than expected bids or unforeseen change orders, which is why this Ordinance requests an additional appropriation of \$100,000.

- III. RECOMMENDATIONS:** That the City Council appropriates an addition of \$100,000 from the HART Roads Fund to the Beluga Slough Stormwater Treatment System Project.

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

ORDINANCE 24-67

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
AMENDING THE FY25 CAPITAL BUDGET BY APPROPRIATING AN
ADDITIONAL \$100,000 FROM THE HOMER ACCELERATED ROADS
AND TRAILS (HART) ROADS FUND TO THE BELUGA SLOUGH
GREEN INFRASTRUCTURE STORMWATER TREATMENT SYSTEM
PROJECT.

WHEREAS, The Alaska Department of Environmental Conservation (ADEC) administers
the Alaska Clean Water Actions (ACWA) grant program that provides funding for projects that
support local stewardship of clean waters; and

WHEREAS, The Beluga Slough Green Infrastructure Storm Water Treatment System
reduces sediments and contaminants in storm water runoff before it discharges into the
natural wetlands of Beluga Slough and into the waters of Kachemak Bay, a designated critical
habitat area; and

WHEREAS, The City accepted the grant from ADEC in the amount of \$153,307 with
Ordinance 23-16(S) and appropriated local matching funds totaling \$107,182 for a total project
appropriation of \$260,489; and

WHEREAS, The total cost for the project was previously estimated at \$222,086 in
Resolution 24-026; and

WHEREAS, The cost estimated in Resolution 24-026 included a figure of \$20,000 for an
“Installation Contractor” that was based off of old typical construction prices and is now
outdated; and

WHEREAS, Public Works created a new estimate in October, this year, which estimates
the cost of the installation contractor at \$75,000 and the total project cost at \$315,746; and

WHEREAS, Construction project bids across the state have consistently exceeded the
Engineer’s Estimates.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY25 Capital Budget by appropriating an additional \$100,000 as follows:

Transfer from:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
160	HART Roads	\$100,000

Transfer to:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
151-7027	Beluga Slough Green Infrastructure Stormwater Treatment System – ACWA Grant	\$100,000

Section 2. The City Manager is authorized to execute the appropriate documents.

Section 3. This is a budget amendment ordinance, is temporary in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 13th day of January, 2025.

CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

RENEE KRAUSE, MMC, CITY CLERK

YES:

NO:

ABSENT:

ABSTAIN:

First Reading:

Public Hearing:

Second Reading:

Effective Date:



MEMORANDUM

Ordinance 24-67(S), An Ordinance of the City Council of Homer Alaska Amending the FY2025 Capital budget by Appropriating an Additional ~~\$100,000~~ \$360,000 from the Homer Accelerated Roads and Trails (HART) Roads Fund to the Beluga Slough Green Infrastructure Stormwater Treatment System Management Project.

Item Type: Backup Memorandum
Prepared For: City Council
Date: January 15, 2025
From: Daniel Kort, Public Works Director
Through: Melissa Jacobsen, City Manager

I. Issue: The purpose of this Memorandum is to request an additional appropriation of ~~\$100,000~~ \$360,000 from the HART Roads Fund to the Beluga Slough Green Infrastructure Stormwater Treatment System Management Project. **This Ordinance and Memorandum is intended to be a Substitution for the previous Ordinance 24-67 and Memorandum CC-24-246.**

II. Background:

At its regular meeting of April 10, 2023, the City Council passed Ordinance 23-16(S) authorizing funding to support the Beluga Slough Green Infrastructure Storm Water Treatment System (Project) as follows:

- | | |
|-----------------------|---|
| a. \$153,307 | 2023-2025 Alaska Clean Water Actions (ACWA) Grant |
| b. \$83,388.44 | HART Road Fund |
| c. <u>\$23,792.43</u> | Employee wages as in-kind services |
| \$260,487.87 | Total Project Cost |

The project intent is to develop a storm water treatment unit that filters out particulates, dissolved metals and other contaminants that storm water carries, before the water is discharged into the Beluga Slough on its way to Kachemak Bay.

The funding for this project has not fallen into place as originally planned. Some of matching funds which Public Works said would come from City staff hours actually came from Coble Geophysical Services instead. These expenses were coded to the Public Works operating budget (GL# 100-0177-5210).

The City of Homer has never designed or built any infrastructure of this nature before and there were unforeseen complications in the design causing design expenses for the first reporting period that were greater than expected. Additionally, City staff hours spent on the project were less than projected, therefore the Public Works Department utilized the additional work done by Coble Geophysical Services to fulfill the grant match obligations. To date, the match has consisted of \$6,868.81 in City staff hours and use of Public Works office space and \$15,969.03 in design services and materials provided by Coble Geophysical Services.

At its regular meeting of February 26, 2024, the City Council passed Resolution 24-026, which approved a change order to Coble Geophysical Services for this project. Memorandum CC-24-052, which supported Resolution 24-026 included the following estimate of current and projected expenses for the project. At the time, the estimate provided in Memo CC-24-052 contained an error in the Project Costs associated with Coble Geophysical Services shown previously as \$87,217. The Project Cost list below shows the Coble Geophysical error corrected to \$90,876.87.

Project Costs		
	Coble Geophysical Services - Design Services	\$90,876.87
	Jay Rand - Concrete Vault Construction	\$85,000.00
	Fritz Creek Welding - Vault Materials	\$18,000.00
	Overflow Pipe	\$10,000.00
	Installation Contractor (Vendor TBD)	\$20,000.00
	City Staff (in-kind services)	\$23,792.73
	Total	\$247,669.60

This summary of Project Costs is over a year old and it no longer reflects current project costs. Public Works produced the following updated list in October, 2024 **on January 13, 2025 after completion of the design, updated construction costs according to the completed design, and tally of all bid results:**

Project Costs		
	Coble Geophysical Services - Design Services	\$90,876.87
	Bishop Engineering – Structural Design	\$6,000.00
	Jay Rand - Concrete Vault Construction	\$85,000.00 \$86,000.00
	Fritz Creek Welding - Vault Materials	\$18,000.00 \$72,382.00
	Homer Marine LLC - Construct Cover	\$15,000.00

	Excavation Contractor TBD - Excavation and Misc Construction	\$75,000.00 <u>\$298,520.00</u>
	City Staff (in-kind services)	\$23,792.73
	Total	\$313,669.60 <u>\$592,571.60</u>

Based on the updated project cost estimate **from bids received**, the projected budget shortfall is ~~\$53,181.73~~ **\$332,083.73**. **With the pending grant deadline, this** This project is very unique and under a short timeline requiring winter construction and significant dewatering costs due to its proximity to the adjacent flooded Beluga Slough and wetlands, ~~therefore there is uncertainty of actual costs until the project is bid.~~ Additionally, ~~most of the projects the Public Works Department have bid out this year have come in well over the Engineer's Estimates even with generous contingencies.~~ Given the current bidding climate, **Due to recent project experience and winter construction adjacent to the Beluga Slough that is both a wetland and subject to tidal influences,** the Public Works Department believes it is advisable to have a contingency to account for higher than expected bids or unforeseen change orders, which is why this Ordinance requests an additional appropriation of ~~\$100,000~~ **\$360,000.00**.

- III. **RECOMMENDATIONS:** That the City Council appropriates an addition of ~~\$100,000~~ **\$360,000.00** from the HART Roads Fund to the Beluga Slough Stormwater Treatment System **Management** Project.

City Manager/
Public Works Director

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
AMENDING THE FY25 CAPITAL BUDGET BY APPROPRIATING AN
ADDITIONAL—\$100,000 **\$360,000** FROM THE HOMER
ACCELERATED ROADS AND TRAILS (HART) ROADS FUND TO THE
BELUGA SLOUGH GREEN INFRASTRUCTURE STORMWATER
TREATMENT SYSTEM **MANAGEMENT** PROJECT.

WHEREAS, The Beluga Slough Green Infrastructure Storm Water Treatment System reduces sediments and contaminants in storm water runoff before it discharges into the natural wetlands of Beluga Slough and into the waters of Kachemak Bay, a designated critical habitat area; and

WHEREAS, The total cost for the project was previously estimated at \$222,086 in Resolution 24-026; and

WHEREAS, Public Works created a new estimate in October, this year, which estimates the cost of the installation contractor at \$75,000 and the total project cost at \$315,746; and

WHEREAS, The Installation Contract bid was opened on January 13, 2025 and the low bid was \$298,520.00; and

WHEREAS, The Treatment Vault components design was originally appropriated via Resolution 23-103 for \$18,000 and the final design for the Treatment Vault was completed January 11, 2025 with a revised installed cost of \$72,382.00; and

WHEREAS, The Treatment Vault construction was appropriated via Resolution 23-104 for \$85,000, and a Purchase Order was issued based off of a cost estimate for \$76,000.00 which included exclusions such as no provision for winter construction, no ladder rungs provided, and no manhole frames and covers provided, therefore an updated winter construction cost was provided of \$86,000.00; and

WHEREAS, Construction project bids across the state have consistently exceeded the Engineer's Estimates.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY25 Capital Budget by appropriating an additional ~~\$100,000~~ **\$360,000** as follows:

Transfer from:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
160	HART Roads	\$100,000 <u>\$360,000</u>

Transfer to:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
151-7027	Beluga Slough Green Infrastructure	\$100,000 <u>\$360,000</u>
	Stormwater Treatment System <u>Management</u> – ACWA Grant	

Section 2. The City Manager is authorized to execute the appropriate documents.

Section 3. This is a budget amendment ordinance, is temporary in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of ~~January~~ **February**, 2025.

CITY OF HOMER

RACHEL LORD, MAYOR

83 ATTEST:

84

85 _____

86 RENEE KRAUSE, MMC, CITY CLERK

87

88 YES:

89 NO:

90 ABSENT:

91 ABSTAIN:

92

93 First Reading:

94 Public Hearing:

95 Second Reading:

96 Effective Date:

CITY OF HOMER FINANCIAL SUPPLEMENT

PROJECT NAME	Additional Funding - Beluga Slough Green Infrastructure (ACWA Grant)	DATE	11/21/2024
DEPARTMENT	Public Works	SPONSOR	City Manager/PW Director
REQUESTED AMOUNT	\$ 100,000		

DESCRIPTION	<p>The ADEC administers the ACWA grant program that provides funding for projects that support local stewardship of clean waters. The Beluga Slough Green Infrastructure Storm Water Treatment System reduces sediments and contaminants in storm water runoff before it discharges into the natural wetlands of Beluga Slough and into the waters of Kachemak Bay, a designated critical habitat area.</p> <p>The City accepted the grant from ADEC in the amount of \$153,307 with Ordinance 23-16(S) and appropriated local matching funds totaling \$107,182 for a total project appropriation of \$260,489. The total cost for the project was previously estimated at \$222,086 in Resolution 24-026. Public Works created a new estimate in October, this year, which estimates the total project cost at \$315,746.</p>
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FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	100%	0%	0%	0%

FUNDING SOURCE 1: HART Roads (160)		FUNDING SOURCE 2:		FUNDING SOURCE 3:	
Current Balance	\$ 5,090,105	Current Balance	_____	Current Balance	_____
Encumbered	\$ 2,914,817	Encumbered	_____	Encumbered	_____
Requested Amount	\$ 100,000	Requested Amount	_____	Requested Amount	_____
Other Items on Current Agenda	\$ 2,000,000	Other Items on Current Agenda	_____	Other Items on Current Agenda	_____
Remaining Balance	\$ 75,288	Remaining Balance	_____	Remaining Balance	_____
FUNDING SOURCE 4:		FUNDING SOURCE 5:		FUNDING SOURCE 6:	
Current Balance	_____	Current Balance	_____	Current Balance	_____
Encumbered	_____	Encumbered	_____	Encumbered	_____
Requested Amount	_____	Requested Amount	_____	Requested Amount	_____
Remaining Balance	_____	Remaining Balance	_____	Remaining Balance	_____

Project	Ordinance	Encumbrance	FY Expire
SS4A Grant Match	24-49	14,510	FY27
Speed Monitoring Devices	24-46	40,000	FY27
Bayview Park Renovation Project - Accessibility	24-42, 23-23(A-3)	82,000	FY26/FY27
FY25 Operating Budget Transfer - Roads Maintenance	24-24(A)	1,161,227	FY25
Green Infrastructure Research - Appraisals	24-24(A)	50,000	FY27
Green Infrastructure Research	24-24(A)	10,000	FY27
Ground Water Research	24-24(A)	35,000	FY27
Mt Augustine Surface Water	23-23(A-3)	193,000	FY26
Bunnell Ave Road Restoration Project - Design	23-23(A-3)	50,000	FY26
Beluga Slough Green Infrastructure Project	23-23(A-3)	125,900	FY26
Ben Walters Sidewalk Construction	23-23(A-3)	374,440	FY26
8005 - Svedlund-Herndon Sidewalk Design	23-23(A-3)	20,150	FY26
Iris Court Drainage	23-23(A-3)	240,000	FY26
Kachemak Sponge Green Infrastructure Project Property	23-23(A-3)	418,100	FY26
Vehicle Replacement (E-130 and E-114)	23-23(A-3)	37,625	FY26
Lane Dividers for West Fairview / Eric Lane	23-23(A-3)	6,000	FY26
Adams Lane Path	23-23(A-3)	55,000	FY26
Master Transportation Plan Update	22-38	1,865	FY25

2,914,817



MEMORANDUM

Parks, Arts, Recreation & Culture Advisory Commission Strategic Plan and Goals

Item Type: Informational
Prepared For: Mayor Lord and Homer City Council
Thru: Melissa Jacobsen, City Manager
Date: December 6, 2024
From: Parks, Art, Recreation & Culture Advisory Commission

Background

City Council through Resolution 24-019 directed the Commission to:

- Develop a Strategic Plan to guide the Commission work through 2024 and beyond that includes indoor recreation, outdoor parks, trails and sidewalks
- Develop and review policies related to community recreation and parks
- Develop a prioritized list of parks and recreation needs and associated costs that the City Council and City Manager can use to evaluate the CIP and prepare annual budgets.
- Evaluate the role that PARCAC should play in the arts in Homer
- Review the recreation fee schedule and evaluate opportunities for a scholarship fund.

Throughout 2024 the Commission focused on reviewing and developing a revised strategic plan and determined that a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis was required. The Commission contracted with a local consultant to assist in facilitating a SWOT. The Commission completed the SWOT Analysis as a prelude to defining and establishing their strategic plan including ongoing, short term and long term goals.

At their regular meeting on November 21, 2024 the Parks, Art, Recreation & Culture Advisory Commission unanimously approved their 2025-2026 Strategic Plan. Following is the SWOT Analysis results provided by the Consultant, the final draft of the Commission Strategic Plan and Goals for 2025-2026 and relevant minutes.

PARKS, ART, RECREATION, & CULTURE ADVISORY COMMISSION (PARCAC)

2025-2026 STRATEGIC PLAN - FINAL DRAFT FOR COUNCIL APPROVAL

1. On-going goals.

- a. **On-going Goal #1. Open Communications.** Provide timely, relevant comment to the City Council and as appropriate, other Commissions and Boards, on Parks, Art, Recreation & Cultural issues.
 - i. **Objective:** PARCAC's objective is to help inform the City Council and other Commissions and Boards, about matters within PARCAC's purview.
 - ii. **Actions:**
 1. PARCAC members will use staff reports and meeting minutes to stay informed about activities within the City that fall within PARCAC purview, discuss the activities, , at PARCAC meetings and forward appropriate comments to the City Council.
 2. At each PARCAC meeting, a PARCAC member will volunteer to make a report about the PARCAC meeting at the next available City Council meeting.
- b. **On-going Goal #2. Parks & Recreation Budget.** Gain a better understanding of the process, have more communication on budget/projects between City Staff and review budget at least annually.
 - i. **Objective:** PARCAC's objective is to serve as an advocate for the fiscal needs of items/programs that fall within PARCAC purview.
 - ii. **Actions:**
 1. PARCAC will conduct an annual review of the budget information and determine items to for endorsement.
 2. PARCAC will review the budget information and provide comments and recommendations to the City Manager and the City Council during the development of the new budgets.
 3. PARCAC supports the concept of a sustainable source of funding for Parks and Recreation and will advocate for this.
- c. **On-going Goal #3. Public Art.** Support inclusion of Public Art in City Facilities when planning upgrades, renovations and new projects.
 - i. **Objective:** PARCAC's objective is to ensure public art is included in City buildings on a consistent basis.
 - ii. **Actions:**
 1. PARCAC recognized the City has a standing operating procedure for accepting and decommissioning public art.
- d. **On-going Goal #4: Parks/Recreation/Arts/Culture Community.** Maintain working relationships with various cultural entities.
 - i. **Objective:** PARCAC will maintain relationships with Homer's arts and cultural community.
 - ii. **Actions:**
 1. PARCAC will invite community organizations involved with arts, culture, parks, trails and other matters within PARCAC's purview PARCAC meetings.
- e. **On-going Goal #5: Open & Green Spaces.** Preservation of areas of natural beauty and open green spaces throughout the City.
 - i. **Objective:** PARCAC's objectives are to (a) protect space designated within the City as open or green space and (b) increase the City's ownership of such spaces consistent with the City's Comprehensive Plan.

ii. **Actions:**

1. PARCAC will review land allocation plan and make recommendations.
2. PARCAC welcomes recommendations from the public or staff regarding lands that would best serve the community as open or green space.

2. **Short Term Goals:** These are intended to be goals that can be accomplished within 1-2 years.

a. **Short Term Goal #1: Organizational Issues.** Continue working with the City Council and the City Manager with the goal of the development of a Parks & Recreation Department.

- i. **Objective:** PARCAC's objective is to support an organizational structure for providing parks facilities and recreation services in a cost effective and efficient manner.

ii. **Actions:**

1. PARCAC will review and comment on options for an organizational structure for providing parks facilities and recreational services.

b. **Short Term Goal #2. Community Recreation Center.** Support and advocate for a new Community Recreation Center including a capital campaign.

- i. **Objective:** PARCAC's objective is to develop a short- term and long-term plan for developing and operating a Community Recreation Center.

ii. **Actions:**

1. PARCAC will keep informed of decisions and recommendations emanating from the Council's Recreation Champions by maintaining communication with them.
2. PARCAC will review and comment on the draft Community Recreation Center Development Plan when it's developed.
3. PARCAC will review and comment on the draft Community Recreational Center Operational Plan when it's developed.

c. **Short Term Goal #3: Operational Policies.** Support the development of policies for Parks and Community Recreation Programs.

- i. **Objective:** PARCAC's objective is to ensure the City's Parks and Community Recreation Programs are operating in accordance with reasonable municipal practices.

ii. **Actions:**

1. PARCAC will review and comment on any Operational Policies for the Use of Parks and Operational Policies for Community Recreation that are developed.

d. **Short Term Goal #4: Park Planning.** Support the update and development of Master Park Plans.

- i. **Objective:** PARCAC's objective is to promote the maintenance and capital needs of the City's parks are being provided for in a proactive matter.

ii. **Actions:**

1. PARCAC will review and comment on the Park Development Plan for each park that will include a list of capital and maintenance activities for each park once developed.
2. PARCAC acknowledges that a budget for accomplishing such maintenance and capital needs will need to be developed and will review and comment on this once a draft is developed.

- e. **Short Term Goal #5: Sustainable budgeting.** Research and advocate for the development or creation of depreciation reserves to maintain parks and recreation facilities.
 - i. **Objective:** PARCAC's objective is to support the City in creating a sustainable funding source for developing and maintaining parks and recreation facilities.
 - ii. **Actions:**
 - 1. PARCAC will review and comment on any funding plan for parks and recreation facilities that may be developed.
3. **Long Term Goals.** The long term goals, with are intended to be goals that can be accomplished within a 3-5 year timeframe.
- a. **Long Term Goal #1: Staffing.** Support staffing requests made by Staff or advocate for staffing as identified.
 - i. **Objective:** PARCAC's objective is to see that the staff developing and maintaining parks facilities and providing community recreation services is cost effective and provides the determined desired level of service
 - ii. **Actions:**
 - 1. PARCAC will review and discuss staffing levels with staff and advocate for additional staff as needed.
 - b. **Long Term Goal #2: Non-motorized Transportation.** Advocate for City Code to be updated to include sidewalks as well as parks & trails are identified as falling under PARCAC auspices.
 - i. **Objectives:** PARCAC's objective is to advocate for non-motorized transportation options in accordance with the City's Transportation Plan.
 - ii. **Actions:**
 - 1. PARCAC will advocate for the finalization and adoption of the Transportation Plan, and its eventual incorporation into the new Comprehensive Plan.
 - c. **Long Term Goal #3: Non-motorized Transportation.** Advocate for City Code or processes to include an opportunity for PARCAC to review and comment on proposed subdivisions for recommended trail and or sidewalk facilities and associated easements prior to the preliminary plat being submitted to the Kenai Peninsula Borough for approval.
 - i. **Objective:** PARCAC's objective is to be more proactive about identifying opportunities for non-motorized transportation.
 - ii. **Actions:**
 - 1. PARCAC will advocate that the Homer City Code be updated to accomplish the goals/objectives set forth in the new planning documents.

PARCAC Strategic Goals 2024

Ongoing Goals

Communication*	Provide timely, relevant comment to the City Council on Parks, Art, Recreation & Cultural issues.
Budget*	Review & advocate for operational and capital budget items related to P&R
Public Art	Advocating for inclusion of Public Art in City Facilities and or placed in or on City Parks and land.
Community Partnerships*	Maintain working relationships with various cultural entities such as Homer Council on the Arts, Local Art Galleries, The Pratt Museum, Pier One Theater, etc.
Open & Green Spaces	Preservation of areas of natural beauty and open green spaces throughout the City.

Short Term Goals: 1-2 years

Organizational Issues *	Establish a new Parks & Recreation Department
Community Recreation Center	Select site & facility design, begin capital campaign, operational & development plan
Operational Policies	Begin creating P&R policies and procedures document for parks and recreation
Park Planning	Review existing park plans and consider developing new park plans for all parks
Sustainable Budgeting	Research the development or creation of depreciation reserves to maintain parks and recreation facilities, continue to understand the budget, include setting fees and dedication of sales tax to fund projects and programs.

Long Term Goals: 3-5 years

Staffing	Review staffing plans and needs Addition .5 staff for Parks
Non-Motorized Transportation	Advocate for City Code to be updated to include sidewalks as well as parks & trails are identified as falling under PARCAC auspices
Non-Motorized Transportation	Advocate for City Code or processes to include an opportunity for PARCAC to review and comment on proposed subdivisions for recommended trail and or sidewalk facilities and associated easements prior to the preliminary plat being submitted to the KPB for approval.

*Identified in SWOT Analysis

City of Homer Parks, Arts, Recreation, and Culture Advisory Committee (PARCAC) SWOT Analysis

8/15/2024 (4:30 PM - 5:30 PM)



Overview

The City of Homer Parks, Arts, Recreation, and Culture Advisory Committee (PARCAC) represents a wide range of interests within the community. In preparation for the City of Homer's Strategic Planning process, PARCAC wanted to develop a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis. With a completed SWOT analysis, the committee seeks to create short, medium, and long-term goals to recommend to the City Council and community as part of the Strategic Planning efforts.

The SWOT analysis focused on answering the question: **"What key information from our past, present, and anticipated future will help inform our planning"**? By framing the process in this way, a group can better understand and anticipate changes over time and create a shared context for moving forward.

SWOT Event

Nine individuals participated in the SWOT event held on August 15th, 2024 from 4:30 PM - 5:30 PM at Homer City Hall.

During the meeting, participants were asked to individually brainstorm their ideas for each of six themes across three "eras": past (accomplishments and setbacks), present (strengths and weaknesses), and future (opportunities and threats). They then formed groups of three to focus on one era and generate as many ideas as they could for each. Afterward, groups had the opportunity to do a gallery walk to view other eras. They could then add on or highlight ideas that were particularly meaningful or important to keep in mind. Once the gallery walk was completed, groups reported out on their highlights. The meeting closed with reflections on what participants felt most proud of and brainstormed next steps for integrating the SWOT with the current Strategic Planning effort.

Below are the ideas generated for each era. Check marks ☒ indicate that an individual outside of the original group found this to be an important idea. The number of check marks equates to the number of individuals who found importance in the idea. Additionally, those ideas that are **BOLDED IN RED TEXT** are the ideas that each group identified as a highlight for reporting.

"What key information from our past, present, and anticipated future will help inform our planning"?

PAST	
Accomplishments	Setbacks
<ul style="list-style-type: none">• Playground at Karen Hornaday Park <input checked="" type="checkbox"/><input checked="" type="checkbox"/>• Beach policy• Sidewalk on Main Street <input checked="" type="checkbox"/>• Trails/parks -Jack Gist• Playground equipment• Community Recreation• Trail development <input checked="" type="checkbox"/>• HERC building	<ul style="list-style-type: none">• Loss of Parks and Maintenance staffing/funding <input checked="" type="checkbox"/>• Lack of space for community recreation <input checked="" type="checkbox"/>• Small tax base servicing large area• Loss of state funding• Small budget <input checked="" type="checkbox"/><input checked="" type="checkbox"/>• Merging arts and parks without guidance• Staff turnover, reorganizing of department <input checked="" type="checkbox"/><input checked="" type="checkbox"/>• Not prioritized, funding-wise <input checked="" type="checkbox"/>

PRESENT

Strengths

- **Strong advocacy and support from community** ✓✓✓
- Some successful funding for some projects
- **Knowledgeable and motivated staff** ✓✓
- Staff cooperation
- **Numerous community partnerships (schools, Chamber, etc.)** ✓
- Expanding attention for accessibility
- Seed money for Rec Center
- Ben Walters sidewalk
- New KHP Master Plan
- **Small but important improvements to parks**
- Have Strategic Plan drafted
- Have Trails financial plan
- Have HART funding for trails and sidewalks
- Everyone loves parks
- Increased use of outdoor spaces
- Rec program highly regarded/used
- Need/desire for activities

Weaknesses

- **Need more designated funding and staff** ✓✓
- **Resources don't support expectations** ✓✓✓
- Parks still need more work
- **Lack of effective, cohesive organizational structure (e.g. Parks and Rec Department)** ✓✓
- **Skepticism about follow through with Strategic Plan**
- Need advocacy and outreach at parks
- No trail connectivity ✓
- Deferred maintenance
- Need to merge arts and support better
- Lack of engagement at PARCAC from public
- Misunderstanding between Parks and Recreation and Economic Development
- Comprehensive Plan doesn't take into account practicality of implementation
- Need/desire for activities

FUTURE

Opportunities

- Allocation of funding for new facility
- Increased demand for community recreation ✓
- Growing, active population ✓
- Community recreation is more accessible
- New City staff with interest in Parks and Recreation ✓
- **Collaborative efforts between City clubs and organizations (fundraising and planning)** ✓✓
- **Working with City to prioritize land for future parks** ✓
- **Working closer with the Planning Commission** ✓✓✓
- Working towards a more walkable city ✓
- We have abundant natural assets and resources we could leverage and invest in

Threats

- Lack of green space access ✓
- Increased development without planning for open spaces ✓✓
- **Lack of funding** ✓✓✓✓
- Deferred maintenance ✓✓
- Lack of indoor recreation space ✓
- Borough and City funding
- Staffing ✓✓
- Accessibility issues ✓
- **Organizational structure (or lack thereof)** ✓✓✓✓
- Advocacy for the arts and parks
- Disconnect between ideal (recreation, beauty) and implementation, prioritization
- Ideas about economic values sometimes at odds with ideas about space, movement, and beauty
- Loss of space, competition for space (e.g. housing, vessel haul out)

SWOT Integration

Following report outs, the group was asked to look across the documented landscape and **reflect on what makes them feel proud**. Answers included:

- Community recreation
- Sidewalks
- Amazing strides with the resources we do have
- Increased walkability
- Plowing of sidewalks in winter
- Positive, healthy relationships
 - Special events
 - Bringing people together, returning people
 - Value of community relationships
- Community organizations like Little League and adult softball-these are opportunities that would not be available if there were no public parks that were free, accessible, and maintained.

Next, participants were asked, **“having heard the report outs, what insights can inform planning”**? Participants shared:

- More staffing
- Funding is crucial-staffing, resources
 - Funding base
- Leveraging and messaging the importance of parks in our lives
- Intangibles-not everything is just about economic value, there is value beyond economics
- Scarcity mindsets?
- Structures: prioritizing recreation as a culture of Homer, elevating that culture to get more support
- Importance of parks for mental health, physical health, and they also have economic impacts.

Analysis

PARCAC identified many areas for celebration as well as areas for concern, now and into the future. Participants shared that they are proud of playgrounds, trails, sidewalks, and increased walkability and accessibility of public spaces. They cite strong partnerships, community support, high-quality staff, and efficient and effective utilization of available resources. However, loss of staffing and resources, insufficient funding, and the lack of an organizational structure for Parks and Recreation pose threats to present and future progress. Participants, too, reflected deeply on values misalignment and the gap that is created between expectations and reality. This can fuel skepticism about follow-through on elements of the Strategic Plan.

Areas for Exploration

PARCAC is a high-functioning group with great potential for impact. Through discussion, key themes emerged around the lack of public knowledge about-and engagement with- PARCAC; mental models around concepts like intangibles (e.g. mental health, wellness) and scarcity mindsets (there isn't enough to go around); and how those things feed into (or not) a culture in Homer around recreation and also the prioritization of recreation when it comes to allocation of resources.

Digging into the underlying contradictions present would be a fruitful avenue for the City of Homer. Underlying contradictions are blocks or barriers that prevent an organization from realizing its vision and can be found in attitudes, beliefs, and structures/ways of operating. Contradictions are existing realities that can be internal or external factors (or both) that can block the way forward. Integrating a session that addresses Underlying Contradictions and Strategic Directions (ways of navigating Underlying Contradictions) would be a beneficial part of the ongoing Strategic Planning process.

It is abundantly clear that relationships hold immense power for PARCAC. Building on the strength of existing and potential relationships should continue to propel the work of PARCAC. PARCAC, too, should celebrate its achievements. Find ways to publicly celebrate the many successes of PARCAC and use that as a way to build transparency and make strides towards a community culture built around arts and recreation.

Next Steps

- Draft of the Strategic Plan needs to take a second look at (this) and consider re-prioritization of PARCAC; this SWOT analysis can help that process;
- Can potentially use this SWOT analysis effectively for PARCAC's space in the City's Comprehensive Plan.

Addendum: Potential Strategic Planning Next Steps: DISCUSSED WITH PARCAC 9/19/2024

- **Examine underlying contradictions during the broader City of Homer Strategic Planning process**
 - Unless the underlying contradictions present within the organizational structure of the City of Homer (inclusive of Council and Commissions) are addressed, the same patterns will repeat into the future
 - Acknowledge the disconnect between the prioritization of parks and recreation in the Comprehensive Plan and the allocation of resources for parks and recreation in Homer
- **Explore the development of a Parks and Recreation Department to provide needed organizational structure**
 - Dedicate staffing to develop and maintain services
- **Examine adequate funding for a Parks and Recreation Department**
 - Examine the current and aspirational allocation of resources in the budget for parks and recreation and consider how that aligns with public feedback on parks and recreation
 - Ensure sustainability of funding for Parks and Recreation
- **Continue building relationships with other local organizations to drive a culture that supports parks and recreation in Homer**
 - Marketing/awareness-raising (e.g. Chamber of Commerce)
 - Celebrations of collaborations and projects can elevate public awareness
 - Implementation of programs (e.g. Homer Council on the Arts, Little League, Rotary)
- **Explore community engagement as an activity for parks and recreation and strategies for engaging with the community**



MEMORANDUM

Vacation of a Portion of B Street Right of Way and Associated Utility Easements South of Bay Avenue granted by Bay View Subdivision Plat HM839

Item Type: Action Memorandum
Prepared For: Mayor Lord and City Council
Date: January 27, 2025
From: Renee Krause, MMC, City Clerk
Through: Melissa Jacobsen, City Manager

At their regular meeting on January 13, 2025 the Kenai Peninsula Borough Planning Commission granted approval of the referenced right of way vacation based on the consideration of the merits as per KPB 20.65.050(F).

Per AS 29.40.140, no vacation of a City right-of-way and/or easement may be made without the consent of the City Council.

The City Council has thirty days from January 13, 2025 in which to veto the decision of the Kenai Peninsula Borough Planning Commission.

The Homer Planning Commission forwarded a recommendation of denial regarding this vacation as reflected in the January 3, 2024 Notice of Action and minutes from the December 6, 2023 regular meeting and January 3, 2024 Special Meeting.

Recommendation:

Voice non objection and consent to vacate a portion of B Street right of way and associated utility easements lying south of Bay Avenue as granted by Bay View Subdivision Plat HM839.



January 14, 2025

**KENAI PENINSULA BOROUGH PLANNING COMMISSION
NOTICE OF DECISION
MEETING OF JANUARY 13, 2025**

RE: Vacate a portion of B Street right-of-way and associated utility easements, lying south of Bay Avenue, as granted by Bay View Subdivision, Plat HM 839

During their regularly scheduled meeting of January 13, 2025, the Kenai Peninsula Borough Planning Commission granted approval of the referenced right of way vacation based on the consideration of the merits as per KPB 20.65.050(F).

In accordance with AS 29.40.140, no vacation of a Borough right-of-way and/or easement may be made without the consent of the city council. The proposed vacation will be forwarded to the Homer City Council. The City Council shall have 30 calendar days from the date of approval February 13, 2025 in which to veto the Planning Commission decision. If the Planning Director receives no veto within the specified period, the City Council shall be considered to have given consent to the vacation.

The approval is subject to:

1. Consent by Homer City Council.
2. Compliance with the requirements for preliminary plats per Chapter 20 of the KPB Code.
3. Grant utility easements requested by the Homer City Council and utility providers.
4. Submittal of a final plat within a timeframe such that the plat can be recorded within one year of vacation consent (KPB 20.65.050(I)).

Please contact the Kenai Peninsula Borough's Planning Department at (907) 714-2200 if you have any questions.

Enc.

01-13-25 PC Meeting Materials

01-13-25 PC Draft Meeting Minutes

**ITEM #3 - RIGHT OF WAY VACATION
BAYVIEW SUBDIVISION LIGHTHOUSE VILLAGE REPLAT**

KPB File No.	2024-131V
Planning Commission Meeting:	January 13, 2025
Applicant / Owner:	Doyon Limited & Doyon Tourism, Inc.
Surveyor:	Katie Kirsis / Seabright Surveying LLC
General Location:	City of Homer
Legal Description:	B Street, South of Bay Avenue, Bayview Subdivision No 6, HM 839,

Staff report given by Platting Manager Vince Piagentini.

Commissioner Venuti informed Chair Brantley that he had voted on this item in his capacity as a planning commissioner for the City of Homer and requested that he be recused. Chair Brantley approved his request. Commissioner Venuti also requested to step down from the commission for this item as he wished to testify on this item as a member of the public.

Chair Brantley opened the item for public comment.

Zac Dunlap, Doyon Limited; 11500 Sukdu Way, Anchorage AK 99515: Mr. Dunlap is the petitioner for this vacation. He gave a brief history on this project and made himself available for question.

The following individuals spoke in support of the vacation request:

- Mike Stark; P.O. Box 2804, Homer AK 99603
- Mary Griswold; P.O. Box 1417, Homer, AK 99603

The following individuals expressed concerns or spoke in opposition to the vacation request:

- Susan Cushing; 1423 Bay Avenue, Homer AK 99603
- Karin Marks; 202 W. Pioneer Ave. #C, Homer AK 99603
- Rika Mouw; P.O. Box 212, Homer AK 99603
- Glenn Seaman; 1435 Bay Avenue, Homer AK 99603
- Franco Venuti; 818 Smoky Bay Way, Homer AK 99603

Seeing and hearing no one else wishing to comment, public comment was closed and discussion was opened among the committee.

MOTION: Commissioner Slaughter moved, seconded by Commissioner Whitney to grant the vacation as petitioned based on the means of evaluating public necessity established by KPB 20.65.050(D), based on staff recommendations and subject to the four conditions set forth in the staff report.

MOTION PASSED BY UNANIMOUS VOTE:

Yes - 6	Brantley, Epperheimer, Fikes, Gillham, Slaughter, Whitney
Recused - 1	Venuti
Absent - 1	Morgan

AGENDA ITEM F. PLAT COMMITTEE REPORT

Commissioner X report that the committee reviewed and granted preliminary approval to 9 plats.

AGENDA ITEM G. OTHER

- Planning Commission Training; Quasi-Judicial Matters (1/27/25): Commissioner Fikes noted that she will not be able to attend this training.

AGENDA ITEM H. PRESENTATIONS / PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chair Brantley asked if there was anyone who wished to comment on anything that was not on the agenda. There was no one who wished to comment.

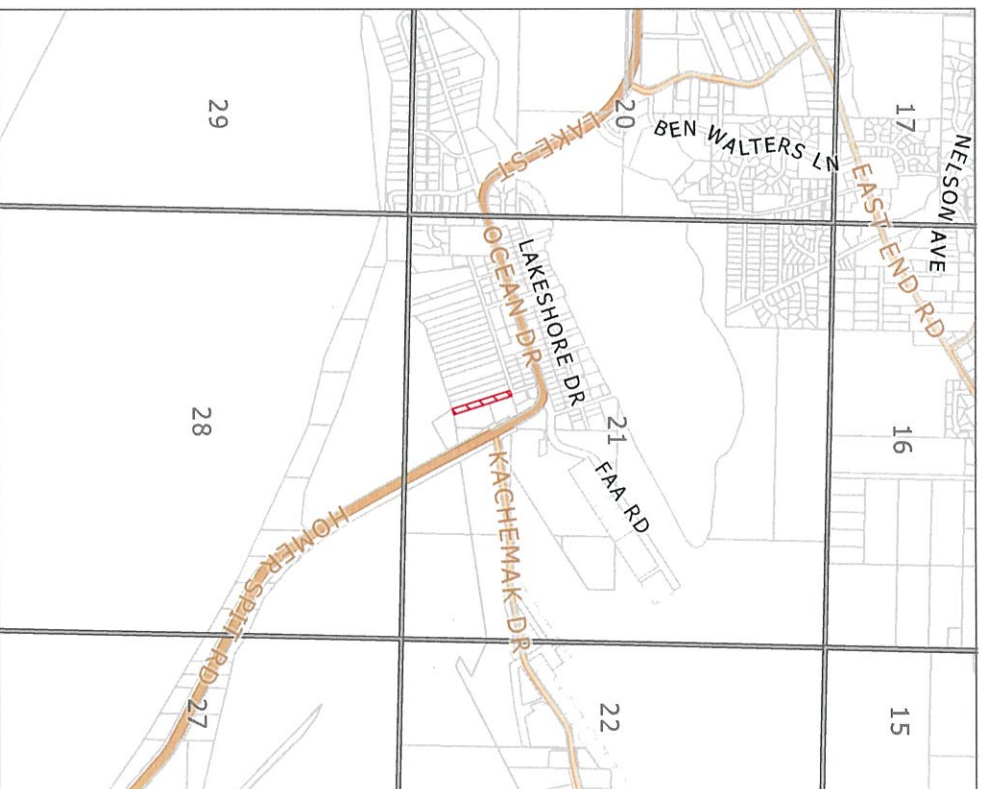
E. NEW BUSINESS

3. Right-Of-Way Vacation; KPB File 2024-131V

Seabright Surveying / Doyon Tourism & Doyon Limited

Request: Vacates a portion of B Street & associated utility easements south of Bay Avenue, granted by Bay View Subdivision, Plat HM 839

City of Homer



KPB File 2024-131V
T 06S R 13W SEC 21
Homer



KENAI PENINSULA BOROUGH
Planning

Aerial Map

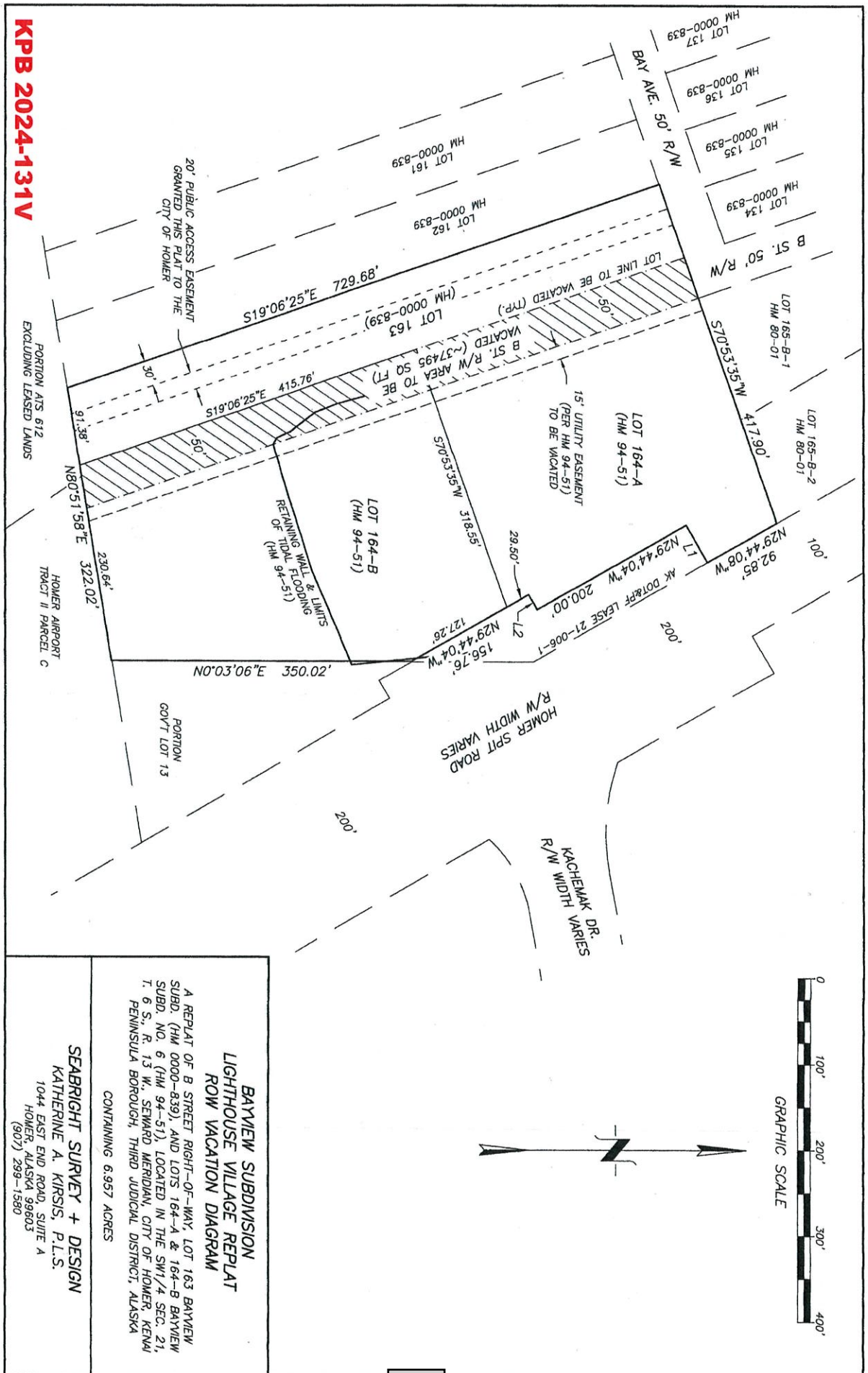
KPB File 2024-131V
12/20/2024



The information depicted hereon is for a graphical representation only of best available sources. The Kenai Peninsula Borough assumes no responsibility for any errors on this map.

E3-2

KPB 2024-131V

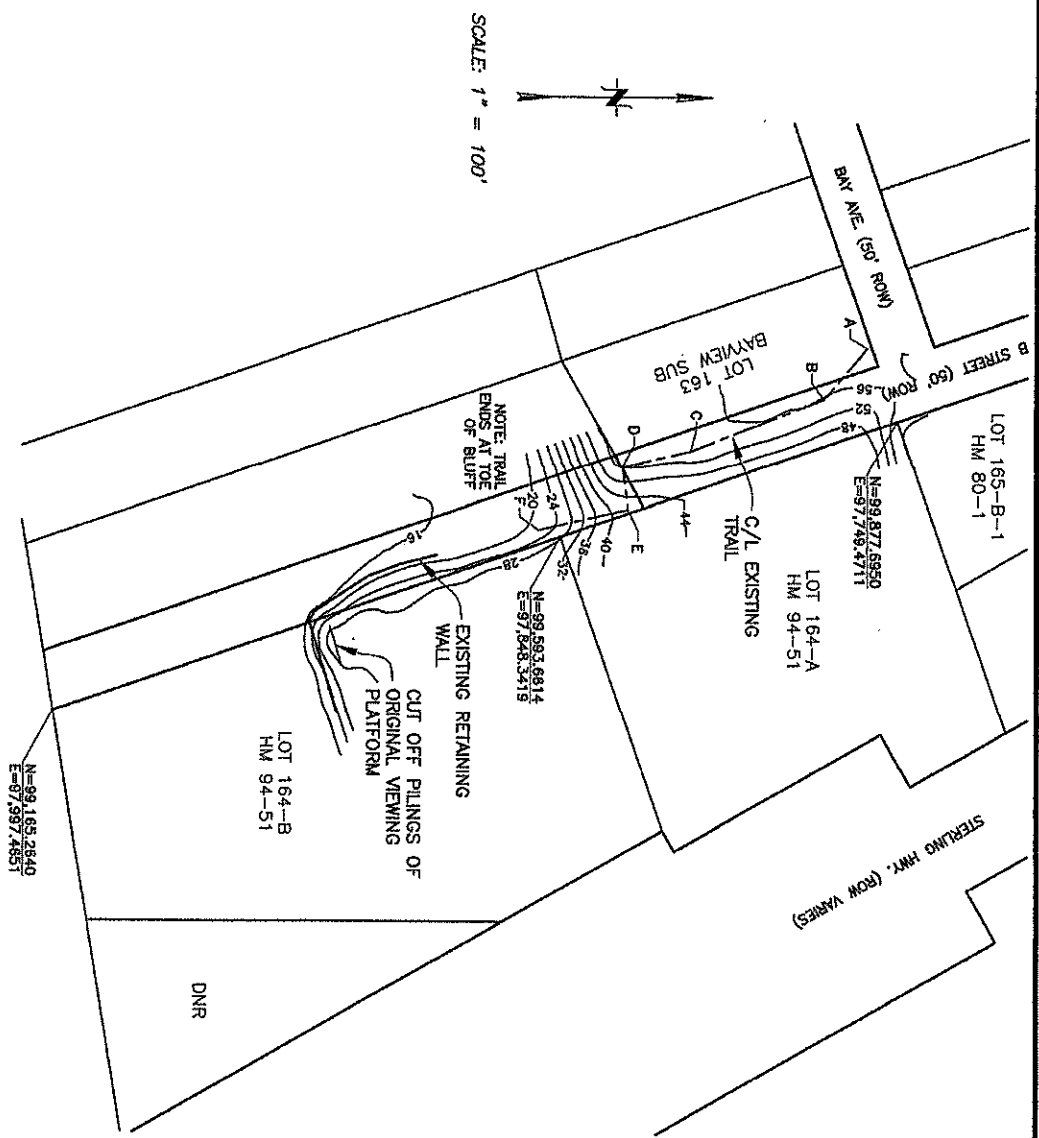


**BAYVIEW SUBDIVISION
LIGHTHOUSE VILLAGE REPLAT
ROW VACATION DIAGRAM**

A REPLAT OF B STREET RIGHT-OF-WAY, LOT 163 BAYVIEW SUBD. (HM 0000-839), AND LOTS 164-A & 164-B BAYVIEW SUBD. NO. 6 (HM 94-51), LOCATED IN THE SW1/4 SEC. 21, T. 6 S., R. 13 W., SEWARD MERIDIAN, CITY OF HOMER, KENAI PENINSULA BOROUGH, THIRD JUDICIAL DISTRICT, ALASKA

CONTAINING 6.957 ACRES

SEABRIGHT SURVEY + DESIGN
KATHERINE A. KIRSIS, P.L.S.
1044 EAST END ROAD, SUITE A
HOMER, ALASKA 99603
(907) 299-1580



EXISTING TRAIL ASBUILT DATA		
C/L TRAIL	NORTHING	EASTING
A	99,852.975	97,697.0690
B	99,815.8436	97,713.2791
C	99,703.6310	97,775.5149
D	99,646.1530	97,769.4549
E	99,650.5547	97,835.1824
F	99,535.1165	97,842.8005

SURVEY CONTROL

1. BASIS OF BEARING FOR THIS SURVEY WAS DETERMINED BY A HIGH PRECISION GPS SURVEY USING TOPCON DUAL-FREQUENCY HIGH V RECEIVERS, DIFFERENTIALLY CORRECTED AND PROCESSED WITH MAGNET OFFICE VERSION 3.1 SOFTWARE. NAD83 ALASKA STATE PLANE GRID COORDINATES (U.S. SURVEY FEET) OBTAINED FROM THE GPS OBSERVATIONS WERE BASED ON THE MGS PUBLISHED VALUES FOR FEDERAL BASE NETWORK CONTROL STATION "HOMAR" (PID T01055).
2. TRUE BEARINGS AND DISTANCES WERE DETERMINED BY ROTATING AND SCALING FROM GRID USING FEDERAL BASE NETWORK CONTROL STATION "HOMAR" AS A SCALING POINT. TRUE BEARINGS WERE DETERMINED BY ROTATING GRID INVERSE AZIMUTHS $-117^{\circ}13'.4''$. TRUE DISTANCES WERE OBTAINED BY DIVIDING GRID INVERSE DISTANCES BY 0.9999966896.
3. THE RESULTING SCALED COORDINATES WERE TRANSLATED TO A LOCAL COORDINATE SYSTEM BASED ON FEDERAL BASE NETWORK CONTROL STATION "HOMAR" $N=100,000$ $E=100,000$. ALL COORDINATE VALUES REPRESENT GROUND DISTANCES IN U.S. SURVEY FEET ORIENTED TO TRUE NORTH.
4. CONTOURS ARE KEP 10AR CONTOURS ROTATED AND TRANSLATED INTO THE HOMER COORDINATE SYSTEM.

2. TRUE BEARINGS AND DISTANCES WERE DETERMINED BY ROTATING AND SCALING FROM GRID USING FEDERAL BASE NETWORK CONTROL STATION "HOMAR" AS A SCALING POINT. TRUE BEARINGS WERE DETERMINED BY ROTATING GRID INVERSE AZIMUTHS $-117.13.4^{\circ}$. TRUE DISTANCES WERE OBTAINED BY DIVIDING GRID INVERSE DISTANCES BY 0.999998669.

3. THE RESULTING SCALED COORDINATES WERE TRANSLATED TO A LOCAL COORDINATE SYSTEM BASED ON FEDERAL BASE NETWORK CONTROL STATION "HOWAR" N=100,000 E=100,000. ALL COORDINATE VALUES REPRESENT GROUND DISTANCES IN U.S. SURVEY FEET ORIENTED TO TRUE NORTH.

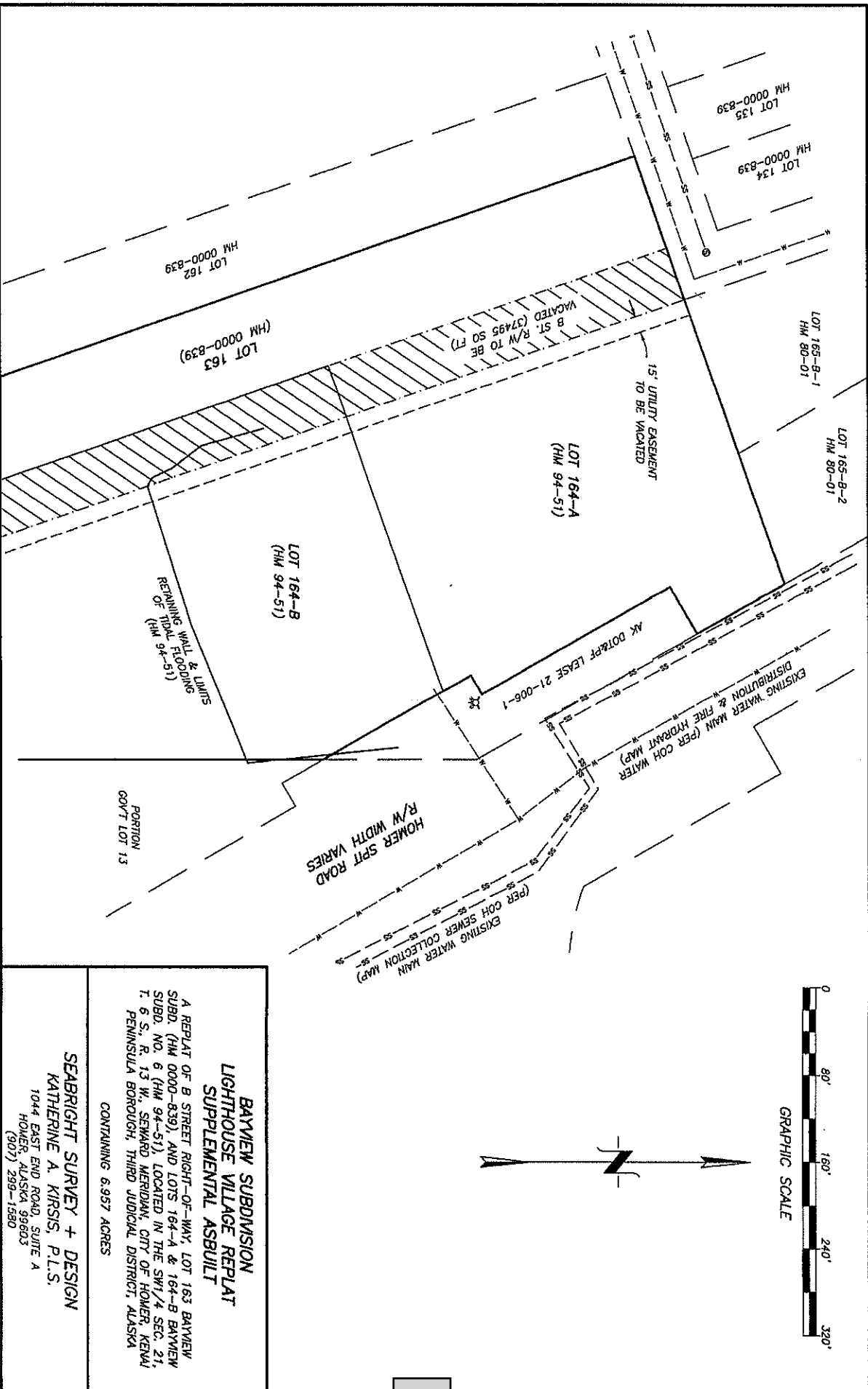
4. CONTOURS ARE KEPT UJAR CONTOURS ROTATED AND TRANSLATED INTO THE HOMER COORDINATE SYSTEM.



GRAPHIC SCALE

DECEMBER 2023

REVISION NO.	DATE	REVISION DESCRIPTION
		GEOVERA, LLC PO BOX 3235 HOMER, ALASKA 99603 (907) 399-4345
		B STREET TRAIL EXISTING ACCESS TRAIL TO VIEWING PLATFORM ASBUILT DRAWING CITY OF HOMER, ALASKA
		SHEET NO. 1 OF 1



AGENDA ITEM E. NEW BUSINESS

**ITEM #3 - RIGHT OF WAY VACATION
Bayview Subdivision Lighthouse Village Replat**

KPB File No.	2024-131V
Planning Commission Meeting:	January 13, 2025
Applicant / Owner:	Doyon Limited and Doyon Tourism, Inc. of Fairbanks, Alaska
Surveyor:	Katie Kirsis — Seabright Surveying LLC
General Location:	City of Homer
Legal Description:	B Street, South of Bay Avenue, Bayview Subdivision No 6, HM 839, Section 21, Township 6 South, Range 13 West, Seward Meridian

STAFF REPORT

Specific Request / Purpose as stated in the petition:

Vacate a portion of B Street right-of-way and associated utility easements, lying south of Bay Avenue, as granted by Bay View Subdivision HM 839.

Notification: The public hearing notice was published in the January 10th, 2025 issue of the Peninsula Clarion and the January 9th, 2025 issue of the Homer News as part of the Commission's tentative agenda.

The public notice was posted on the Planning Commission bulletin board at the Kenai Peninsula Borough George A. Navarre Administration building. Additional notices were mailed to the following with the request to be posted for public viewing.

Library of Homer

Post Office of Homer

17 certified mailings were sent to owners of property within 300 feet of the proposed vacation. ____ receipts had been returned when the staff report was prepared.

12 public hearing notices were emailed to agencies and interested parties as shown below;

State of Alaska Dept. of Fish and Game
State of Alaska DNR
State of Alaska DOT
State of Alaska DNR Forestry
City of Homer
Emergency Services of Homer

Kenai Peninsula Borough Office
Ninilchik Traditional Council
Alaska Communication Systems (ACS)
ENSTAR Natural Gas
General Communications Inc, (GCI)
Homer Electric Association (HEA)

Legal Access (existing and proposed):

Legal access to the proposed vacated right-of-way is along Bay Ave at the intersection with B St from the north. B Street comes from Ocean Dr and leads south to the intersection. This vacation is to be part of a proposed subdivision as shown on the drawing of the adjacent lots 163 HM 839 and 164A 7 164B of HM 94-51. On the east side of the subdivision is Homer Spit Road giving access to those two lots.

The vacation and subdivision are not affected by a section easement or a patent easement.

Block length is compliant due to the location of the parcel to the Kachemak Bay and the slopes to the bay. A dedication is not possible or practical.

KPB Roads Dept. comments	Out of Jurisdiction: Yes Roads Director: Griebel, Scott Comments: Within the City of Homer. No RSA comments or objections.
SOA DOT comments	

Site Investigation:

Steep areas and tidal wetlands affect the proposed vacated right-of-way as shown on the included Topography Survey. The City of Homer Planning Commission in their review and recommendations from the regular meeting of December 6, 2023 and special meeting of January 3, 2024 requested a drainage easement for drainage from Bay Ave to Kachemak Bay as part of the comment for Vacation of B Street Right-of-Way. **Staff recommends** the drainage easement be added as a requirement for approval of the vacation of B Street and to be added to the subdivision to complete the vacation of B Street for a finalizing.

There are steep areas that are shown on the Exhibit Coastal Topography Survey the surveyor supplied with the submittal that are included in the packet. The map shows the top and toe of the bank with elevations and an existing retaining wall extending across the property.

The Topography Survey also labels a "Tidal Mud Flats" on it that when checked against the KPB Wetlands Assessment the limits are the top of Bank for tidal wetlands.

The City of Homer staff report noted the property was in a FEMA designated Flood Zone of AE 20 on the south side of the property, but no panel number was given. **Staff recommends** for the subdivision, if the vacation is approved and proceeds to final version, the surveyor contact the City of Homer Planning for further information to be added concerning the FEMA Flood Zone data.

KPB River Center review	A. Floodplain Reviewer: Hindman, Julie Floodplain Status: Within City of Homer Comments: No comments B. Habitat Protection Reviewer: Aldridge, Morgan Habitat Protection District Status: Is NOT within HPD Comments: No comments
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Staff Analysis:

The property was originally platted from the SW1/4 of Section 21, Township 6 South, Range 13 SM Alaska. Bay View Subdivision HM 0839 was the first subdivision of this area creating 169 lots, one tract, a portion of Beluga Lake and several road right-of-ways, including B Street which was unnamed at the time. Several replats have been done through-out the Bay View Subdivision HM 0839, Bayview Subdivision No. 6 HM 94-57 replatted Lot 164 into the current configuration.

To the east of B Street is Lot 164-A and 164-B and to the west is Lot 163 which are owned by the applicant and are proposed to be combined with the vacation by a subdivision which will be heard at the February 10th, 2025 Plat Commission meeting. Further to the west are residential houses.to the south is Mariner Lagoon accessing out to Kachemak Bay.

B Street south of Bay Avenue was determined to unsuitable for road construction with City of Homer Resolution 06-50 by the Homer City Council on 24th of April, 2006. The area was still suitable for pedestrian use within the right-of-way though. A copy of the resolution is included in the packet.

City water and sewer are available to the site and are shown on the surveyor supplied exhibit As-built Supplemental.

Utilities are accessible and running onto the site. HEA sent a comment in concerning the adjacent utility easement to the proposed B Street right-of-way vacation in opposition to the utility easement vacation. GCI sent in a comment requesting a 25' portion of the north end of the adjacent utility easement not be vacated. Both their comments are included in the packet.

Future use of the site is indicated to be as a hotel on the north and condominium units on the south. The applicant has supplied an exhibit Architectural Site Plan that is included in the packet. It is noted that the Architectural site plan does show a sidewalk starting at Bay Ave within a proposed 20' Pedestrian Easement, crossing through the development that does have access to Homer Spit Rd. The sidewalk does not have a dedicated easement the entire way to Homer Spit Rd, but still has access. The 20' Pedestrian Easement is straight from Bay St to Mariner Lagoon, the same as B Street was. There is also to the west of the pedestrian easement a 30' area, not being developed that could be considered a buffer strip. This plan has been revised since being submitted originally to the City of Homer for the meeting in December of 2023 and has incorporated many changes and recommendations provided by the City of Homer and the public input including the sidewalk across the property to Homer Spit Rd and a bird viewing platform accessible by the public.

20.65.050 – Action on vacation application

- D. The planning commission shall consider the merits of each vacation request and in all cases the planning commission shall deem the area being vacated to be of value to the public. It shall be incumbent upon the applicant to show that the area proposed for vacation is no longer practical for the uses or purposes authorized, or that other provisions have been made which are more beneficial to the public. In evaluating the merits of the proposed vacation, the planning commission shall consider whether:

1. The right-of-way or public easement to be vacated is being used;

Applicant comment:

There is an existing, unmaintained footpath connecting Bay Avenue to tidal wetlands to the south. This footpath formerly provided access to a bird viewing platform that was partially within the right of way and partially on private property. Per COH Staff Report 23-062: "It is unclear if this [platform] was a permitted encroachment into the right of way; no city documentation or permits were found in City records. Regardless, the bird viewing platform has been demolished".

We are providing an exhibit that depicts the surveyed location of "B Street Trail" per the City of Homer HAPC 1/3/2024 Special Meeting Agenda Packet page 94. Per the minutes for the 1/3/2024 meeting: "Public Works reviewed the possibility of improving the existing public access and it was determined that the City could not make the improvements required for access and drainage due to cost impediment so it was removed from the project".

2. A road is impossible or impractical to construct, and alternative access has been provided;

Applicant comments:

Per City of Homer Staff Report 23-062: "The City of Homer determined this portion of B Street was 'unsuitable for road construction' in Resolution 2006-50. Vehicle access directly from B Street to Homer Spit Road is unlikely due to slope".

3. The surrounding area is fully developed and all planned or needed rights-of-way and utilities are constructed;

Applicant comments:

The surrounding area is fully developed and the subject properties involved in this replat have existing access to all utilities.

4. The vacation of a public right-of-way provides access to a lake, river, or other area with public interest or value, and if so, whether equal or superior access is provided;

Applicant comments:

The unmaintained footpath located on B St. Right-of-way provides access to tidal wetlands (per KWF wetlands assessment) via KPB #18101027, "That parcel known as parcel C on the Homer Airport Plan", the footpath also provided access to a bird viewing platform that was partially within the right-of-way and partially located on private property. The applicants propose to grant a 20' wide pedestrian access easement along the western boundary of the subdivision to provide public access to the tidal wetlands as well as a newly constructed viewing platform. The City of Homer determined they could not make the necessary improvements required for this public access. The developers are proposing to construct and maintain a boardwalk and viewing platform for the benefit of the public. Details will be finalized through the construction agreement between the city and the developer.

5. The proposed vacation would limit opportunities for interconnectivity with adjacent parcels, whether developed or undeveloped;

Applicant comments:

The proposed pedestrian access easement allows for the same level of interconnectivity between adjacent parcels as is currently existing.

6. Other public access, other than general road use, exist or are feasible for the right-of-way;

Applicant comments:

Road construction within this right-of-way is not feasible due to steep slopes. The best use of this land is pedestrian access. The applicants propose to replace an unmaintained footpath with a maintained boardwalk.

7. All existing and future utility requirements are met. Rights-of-way which are utilized by a utility, or which logically would be required by a utility, shall not be vacated, unless it can be demonstrated that equal or superior access is or will be available. Where an easement would satisfactorily serve the utility interests, and no other public need for the right-of-way exists, the commission may approve the vacation and require that a utility easement be granted in place of the right-of-way.

Applicant comments:

All utilities other than stormwater drainage have been constructed in this area and all adjacent properties have full utility access. Per COH Staff Report 23-066 Public Works Comments: "A drainage easement should be retained or accommodated for drainage from the Bay Avenue area". The applicants will grant a drainage easement to the City of Homer pursuant to final constructed location and the construction agreement between the developer and the city.

8. Any other factors that are relevant to the vacation application or the area proposed to be vacated.

Staff comments:

A KPB Planning Commission decision denying a vacation application is final. A KPB Planning Commission decision to approve the vacation application is subject to consent or veto by the Homer City Council. Homer City Council must hear the vacation within thirty days of the Planning Commission decision.

The Homer City Council will hear the vacation at their scheduled January 27, 2025 meeting, pending the outcome of this meeting.

If approved, Bayview Subdivision Lighthouse Village Replat will finalize the proposed right of way vacations. The Plat Committee is scheduled to review Bayview Subdivision Lighthouse Village Replat at the February 10, 2025 meeting.

KPB department / agency review:

Addressing	<p>Reviewer: Leavitt, Rhealyn Affected Addresses: 1563 HOMER SPIT RD, 1663 HOMER SPIT RD, 1491 BAY AVE</p> <p>Existing Street Names are Correct: Yes</p> <p>List of Correct Street Names: BAY AVE, HOMER SPIT RD, B ST</p> <p>Existing Street Name Corrections Needed:</p> <p>All New Street Names are Approved: No</p> <p>List of Approved Street Names:</p> <p>List of Street Names Denied:</p> <p>Comments: No other comments</p>	
Code Compliance	<p>Reviewer: Ogren, Eric Comments: No comments</p>	
Planner	<p>Reviewer: Raidmae, Ryan There are not any Local Option Zoning District issues with this proposed plat.</p> <p>Material Site Comments: There are not any material site issues with this proposed plat. Review Not Required</p>	
Assessing	<p>Reviewer: Windsor, Heather Comments: No comment</p>	

Utility provider review:

HEA	HEA has sent comment in opposition to the vacation of the adjacent utility easement and will only agree to the vacation once the utility has been re-routed and new easement are in place. The comment has been include din the packet.
ENSTAR	No comment or recommendation
ACS	
GCI	GCI has sent a comment
SEWARD ELECTRIC	
CHUGACH ELECTRIC	
TELALASKA	

RECOMMENDATION:

Based on consideration of the merits as per KPB 20.65.050(D) as outlined by Staff comments, Staff makes no recommend of APPROVAL OR DENIAL as petitioned, but is subject to:

1. Consent by Homer City Council

2. Compliance with the requirements for preliminary plats per Chapter 20 of the KPB Code including a submittal to and approval by the Plat Committee.
3. Grant utility easements requested by the Homer City Council and utility providers.
4. Submittal of a final plat within a timeframe such that the plat can be recorded within one year of vacation consent (KPB 20.65.050(I)).

KPB 20.65.050 – Action on vacation application

- H. A planning commission decision to approve a vacation is not effective without the consent of the city council, if the vacated area to be vacated is within a city, or by the assembly in all other cases. The council or assembly shall have 30 days from the date of the planning commission approval to either consent to or veto the vacation. Notice of veto of the vacation shall be immediately given to the planning commission. Failure to act on the vacation within 30 days shall be considered to be consent to the vacation. This provision does not apply to alterations of utility easements under KPB 20.65.070 which do not require the consent of the assembly or city council unless city code specifically provides otherwise.
- I. Upon approval of the vacation request by the planning commission and no veto by the city council or assembly, where applicable, the applicant shall have a surveyor prepare and submit a plat including the entire area approved for vacation in conformance with KPB 20.10.080. Only the area approved for vacation by the assembly or council may be included on the plat. The final plat must be recorded within one year of the vacation consent.
- J. A planning commission decision denying a vacation application is final. No reapplication or petition concerning the same vacation may be filed within one calendar year of the date of the final denial action except in the case where new evidence or circumstances exist that were not available or present when the original petition was filed.
- K. An appeal of the planning commission, city council or assembly vacation action under this chapter must be filed in the superior court in accordance with the Alaska Rules of Appellate Procedure.

The 2019 Kenai Peninsula Borough Comprehensive Plan adopted November, 2019 by Ordinance No. 2019-25. The relevant objectives are listed.

Goal 3. Preserve and improve quality of life on the Kenai Peninsula Borough through increased access to local and regional facilities, activities, programs and services.

- *Focus Area: Energy and Utilities*
 - o *Objective A - Encourage coordination or residential, commercial, and industrial development with extension of utilities and other infrastructure.*
 - *Strategy 1. Near – Term: Maintain existing easements (especially section line easements) in addition to establishing adequate utility rights of way or easements to serve existing and future utility needs.*
 - *Strategy 2. Near – Term: Maintain regular contact with utility operators to coordinate and review utility easement requests that are part of subdivision plat approval.*
 - *Strategy 3. Near – Term: Identify potential utility routes on Borough lands.*
- *Housing*
 - o *Objective D. Encourage efficient use of land, infrastructure and services outside incorporated cities by prioritizing future growth in the most suitable areas.*
 - *Strategy 1. Near – Term: Collaborate with the AK Department of Transportation, incorporated cities within the borough, utility providers, other agencies overseeing local services, and existing communities located adjacent to the undeveloped areas that are appropriate for future growth, to align plans for future expansion of services to serve future residential development and manage growth.*

Goal 4. Improve access to, from and connectivity within the Kenai Peninsula Borough

- *Focus Area: Transportation*

o *Objective B. Ensure new roads are developed in alignment with existing and planned growth and development.*

- *Strategy 2. Near – Term: Establish subdivision codes that dictate road construction standards to accommodate future interconnectivity and/or public safety.*
- *Strategy 3. Near – Term: Identify areas of anticipated growth to determine future access needs.*

END OF STAFF REPORT







KENAI PENINSULA BOROUGH
Planning

Aerial with 5-foot Contours

KPB File 2024-131V
12/20/2024



#839

FILED *for Recording*
June 9, 1953 at 3:30 p.m.
Vol. IV p. 8
Office of
U. S. COMMISSIONER
Homer, Alaska

**CITY OF HOMER
HOMER, ALASKA**

City Manager/Planning

RESOLUTION 06-50

A RESOLUTION OF THE HOMER CITY COUNCIL IDENTIFYING RIGHTS-OF-WAY WITHIN THE RURAL RESIDENTIAL AND URBAN RESIDENTIAL ZONING DISTRICTS THAT ACCESS KACHEMAK BAY DETERMINED TO BE UNSUITABLE FOR ROAD CONSTRUCTION.

WHEREAS, The Homer Advisory Planning Commission has received several requests to vacate rights-of-way that access Kachemak Bay; and

WHEREAS, The reason for seeking such vacation is to eliminate the required 20-foot building setback from a right-of-way; and

WHEREAS, The lots adjacent to the rights-of-way requested to be vacated are usually long, with building envelopes that are difficult to work within; and

WHEREAS, Preserving rights-of-way is generally considered good public policy; and

WHEREAS, Kenai Peninsula Borough Code 21.28.180, waterfront access provisions, allows for vacation of rights-of-way accessing public waters to be permitted only when the right-of-way is wholly impractical to all modes of transport including pedestrians, or when the use of the right-of-way causes severe harm and damage to adjacent properties which cannot be otherwise corrected and where such continued damage or harm would be contrary to the public interest; and

WHEREAS, The rights-of-way accessing Kachemak Bay within the Urban Residential and Rural Residential zoning districts are unlikely to be developed into streets or roads, but may be developed as pedestrian ways; and

WHEREAS, Maintaining the public's right to use and work within these rights-of-way is essential; and

WHEREAS, Maintaining the 20-foot setback is not needed to maintain sight triangles when adjacent to a right-of-way that will not be developed as road, and

WHEREAS, Platted access to Kachemak Bay are often located in sensitive areas, and

WHEREAS, Protecting these rights-of-way from road construction will help protect these sensitive areas.

NOW, THEREFORE, BE IT RESOLVED, That the City Council of Homer, Alaska hereby identifies the following rights-of-way as unsuitable for road construction: Leber Street south of Orca Way, Crittenden Drive south of Hidden Way, Victoria Place, Parson Lane south of the southernmost Ocean Drive Loop, Lake Street south of the southernmost Ocean Drive, B Street south of Bay Avenue, Campbell Lane, Morris Avenue..

PASSED AND ADOPTED by the Homer City Council this 24th day of April, 2006.

CITY OF HOMER

ATTEST:

JAMES C. HORNADAY, MAYOR

MARY L. CALHOUN, CMC, CITY CLERK
Fiscal information: unbudgeted.



City Clerk's Office

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City of Homer

www.cityofhomer-ak.gov

Planning

491 East Pioneer Avenue
Homer, Alaska 99603

Planning@ci.homer.ak.us

(p) 907-235-3106

(f) 907-235-3118

Staff Report 23-062

TO: Homer Advisory Planning Commission
FROM: Ryan Foster, AICP, City Planner
DATE: December 6, 2023
SUBJECT: Vacation of B Street Right of Way South of Bay Avenue

Requested Action: Conduct a public hearing and make a recommendation on the vacation of B Street Right of Way south of Bay Avenue

General Information:

Applicants:	Doyon, Limited 11500 Sukdu Way Suite 250 Anchorage, AK 99515	Doyon, Tourism 11500 Sukdu Way Suite 250 Anchorage, AK 99515
Seabright Survey + Design, 1044 East Road Suite A, Homer AK 99603		
Location:	B Street, South of Bay Avenue	
Parcel ID:	18101034, 18101035, 17921015	
Zoning Designation:	Rural Residential and General Commercial 1	
Existing Land Use:	The rural residential lot is vacant. The GC1 lots formerly held an auto wrecking yard/repair shop, boat storage, a restaurant and small shops.	
Surrounding Land Use:	North: Peninsula Solid Waste shop, ministorage, rooming house South: Mariner Lagoon East: Homer Spit Road and airport properties West: Residential	
Comprehensive Plan:	Chapter 4 Goal 1 Objective A: Promote a pattern of growth characterized by a concentrated mixed use center, and a surrounding ring of moderate to high density residential and mixed-use areas with lower densities in outlying areas.	
Wetland Status:	The 2005 wetland mapping shows no wetland areas. The area below the retaining wall is tidally influenced and ACOE permitting is required for any development activities.	
Flood Plain Status:	Flood Zone AE 20 on southern section of the right of way	
Utilities:	City water and sewer are available	
Public Notice:	Notice was sent to 42 property owners of 47 parcels as shown on the KPB tax assessor rolls.	

Analysis: This vacation is within the Rural Residential District. This action would vacate B Street, south of Bay Avenue. Unlike other platting processes, the final approval of this vacation is decided by the Homer City Council. Staff recommends the Commission recommend approval of this vacation, contingent on public access being dedicated (discussion to follow).

City of Homer Code does not address right of way vacations, but the Kenai Peninsula Borough code does. The Borough holds platting authority and the Homer Planning Commission is advisory to the Borough on platting matters. Staff is using relevant portions of KPB code for an analysis of the right of way vacation.

KPB 20.70.170. - Vehicular access. The planning commission shall not approve the vacation of a right-of-way unless an equal or superior right-of-way for vehicular access exists or will be provided in exchange. Where two or more access points are necessary for large vacant or semi-vacant areas of land, the commission shall consider density, use, projected development, and maintain sufficient rights-of-way to serve potential use.

Staff Response: The City of Homer determined this portion of B Street was “unsuitable for road construction” in Resolution 2006-50. Vehicle access directly from B Street to Homer Spit Road is unlikely due to slope.

KPB 20.70.180. - Other access. Other lawful uses that exist or are feasible for the right-of-way shall be considered when evaluating a vacation request. When such uses exist or could exist within rights-of-way which are not suited for general road use, the commission shall not approve the vacation request, unless it can be demonstrated that equal or superior access is or will be available. The planning commission shall consider whether alternate uses present public safety issues which support approval of the vacation.

KPB 20.70.200. - Waterfront access provisions. A right-of-way which serves to provide access to public waters shall not be vacated unless such a right-of-way is wholly impractical to all modes of transport including pedestrian or the use of such right-of-way causes damage to the right-of-way, adjacent properties, the waterbody or the watercourse, or threatens public safety which cannot otherwise be corrected and where such continued damage or threat would be contrary to the public interest.

KPB 20.70.210. - Other public areas. Dedications of land for use other than rights-of-way, which are considered for vacation, shall be approved only when it is in the public interest. The commission shall consider the intended purpose of the area, and any future uses of the area when making a decision. When a legitimate public purpose is or would be served by use of the area proposed for vacation, the commission shall not approve the vacation, unless the ownership of the land by the city or borough in a form other than dedicated would adequately serve the intended use.

Staff response: There is an existing footpath from Bay Avenue south toward Kachemak Bay. Staff was unable to determine in the field if the trail was in the right of way or on private property. Due to removal of buildings and site work, staff was also unable to determine if the trail continues all the way to the tidal marsh, or if it turns east into the old lighthouse village site. The southern portion of

the right of way also held a bird viewing platform. The platform was partially on lot 164 and partially within the right of way. It is unclear if this was a permitted encroachment into the right of way; no city documentation or permits were found in City records. Regardless, the bird viewing platform has been demolished.

Looking South from Bay Ave



Trail looking east to Kachemak Drive



Staff recommends: The vacation of the right of way be conditional on the creation of a public access route to accommodate pedestrian and bicycle access from Bay Avenue to Homer Spit Road.

Public Works Comments: A drainage easement should be retained or accommodated for drainage from the Bay Avenue area.

Staff Recommendation:

Planning Commission recommends approval of the vacation with the following comments:

Condition 1: Creation of a public access route to accommodate pedestrian and bicycle access from Bay Avenue to Homer Spit Road.

Condition 2: Drainage Easement or conveyance for drainage from Bay Avenue south to Kachemak Bay.

Attachments:

1. Vacation petition
2. Public Notice
3. Aerial Map



Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

PETITION TO VACATE PLATTED RIGHT OF WAY / PLATTED PUBLIC EASEMENT / PLATTED PUBLIC AREA

PUBLIC HEARING REQUIRED

Upon receipt of complete application with fees and all required attachments, a public hearing before the Planning Commission will be scheduled. The petition with all required information and attachments must be in the Planning Department at least 30 days prior to the preferred hearing date. By State Statute and Borough Code, the public hearing must be scheduled within 60 days of receipt of complete application.

Initially, a sketch may be included with the vacation petition for review by the Planning Commission. After the Planning Commission takes action on the vacation, a Subdivision Plat must be prepared by a licensed land surveyor. The plat will be processed in accordance with KPB 20.10.080. Platting authority is vested in the Planning Director.

SUBMITTAL REQUIREMENTS

A platted right of way vacation (ROWV) application will be scheduled for the next available planning commission meeting after a complete application has been received.

- ☐ - \$500 non-refundable fee to help defray costs of advertising public hearing. Plat fees will be in addition to the vacation fees.
- ☐ - City Advisory Planning Commission. Copy of minutes at which this item was acted on, along with a copy of City Staff Report.
- ☐ - B St. _____ platted public right of way proposed to be vacated was dedicated by the plat of Bayview _____ Subdivision, filed as Plat No. 0000-839 in the Homer _____ Recording District.
- ☐ - 3 copies of the plat or map showing the platted right of way to be vacated. Must not exceed 11 x 17 inches in size. Area to be vacated must be clearly depicted. Proposed alternative public access to be shown and labeled on the sketch.
- ☐ - **REASON FOR VACATING** The petitioner must attach a statement with reasonable justification for the vacation of the platted right of way / platted easement / platted public area.

Has the platted right of way been fully or partially constructed?	Yes	<input checked="" type="checkbox"/>	No
Is the platted right of way used by vehicles / pedestrians / other?	Yes	<input checked="" type="checkbox"/>	No
Is alternative right-of-way being provided?	Yes	<input checked="" type="checkbox"/>	No
Are there utility easements associated with the right of way to be vacated?	<input checked="" type="checkbox"/>	Yes	No
Is the platted right of way and or associated utility easement in use by any utility company?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
If so, which utility provider?			

LEGAL DESCRIPTION ADJOINING LAND:

Lot, Block, Subd. or street address Lot 163 Bayview Subd., Lots 164-A & 164-B Bayview Subd. No. 6	
Section, township, range Section 21, T6S, R13W	
City (if applicable) Homer	General area Base of Homer Spit

The petition must be signed by owners of a majority of the land affected by the platted right of way proposed to be vacated. Each petitioner must include address and legal description of his/her property. Attach additional signature sheets if needed.

Submitted by:

Land Owner

Name (printed): Doyon Tourism, Inc. (Patrick Duke, SVP CFO)	Signature
e-mail: dunlapz@doyon.com	Address: 11500 Sukdu Way ANC AK 99515
Owner of: Record	

Land Owner:

Name (printed): Doyon, Limited (Patrick Duke, SVP CFO)	Signature
e-mail: dunlapz@doyon.com	Address: 1 Doyon Place FAI AK 99701
Owner of: Record	

FOR OFFICE USE ONLY

RECEIVED BY _____

DATE SUBMITTED _____

KPB FILE # _____

**CITY OF HOMER PUBLIC HEARING NOTICE & NOTICE OF SUBDIVISION
PLANNING COMMISSION MEETING**

A public hearing on the matters below are scheduled for Wednesday, December 6, 2023 at 6:30 p.m. during the Regular Planning Commission Meeting. Participation is available virtually via Zoom webinar or in-person at Homer City Hall.

A proposal to vacate the B Street right-of-way within the Bayview Subdivision NO. 6 (HM 94-51), located in the SW1/4 SEC. 21, T. 6 S., R. 13 W., S.M.

Public notice is hereby given that a preliminary plat has been received proposing to subdivide or replat property. You are being sent this notice because you are an affected property owner within 500 feet of a proposed subdivision and are invited to comment.

Proposed subdivision under consideration is described as follows:

Bayview Subdivision Lighthouse Village Replat, Preliminary Plat

The location of the proposed subdivision affecting you is provided on the attached map. A preliminary plat showing the proposed subdivision may be viewed at the City of Homer Planning and Zoning Office. Subdivision reviews are conducted in accordance with the City of Homer Subdivision Ordinance and the Kenai Peninsula Borough Subdivision Ordinance. A copy of the Ordinance is available from the Planning and Zoning Office. **Comments should be guided by the requirements of those Ordinances.**

A copy of the proposals may be viewed at Homer City Hall, in the Clerk's Office Lobby on the lower level. In-person meeting participation is available in Cowles Council Chambers located downstairs at Homer City Hall, 491 E. Pioneer Ave., Homer, AK 99603.

To attend the meeting virtually, visit zoom.us and enter the Meeting ID & Passcode listed below. To attend the meeting by phone, dial any one of the following phone numbers and enter the Webinar ID & Passcode below, when prompted: 1-253-215-8782, 1-669-900-6833, (toll free) 888-788-0099 or 877-853-5247.

Meeting ID: 979 8816 0903

Passcode: 976062

Additional information regarding this matter will be available by 5pm on the Friday before the meeting. This information will be posted to the City of Homer online calendar page for December 1, 2023 at <https://www.cityofhomer-ak.gov/calendar>. It will also be available at the Planning and Zoning Office at Homer City Hall and at the Homer Public Library.

Written comments can be emailed to the Planning and Zoning Office at the address below, mailed to Homer City Hall at the address above, or placed in the Homer City Hall drop box at any time. Written comments must be received by 4pm on the day of the meeting.

If you have questions, contact Ryan Foster at the Planning and Zoning Office. Phone: (907) 435-3120, email: planning@ci.homer.ak.us or in-person at Homer City Hall.

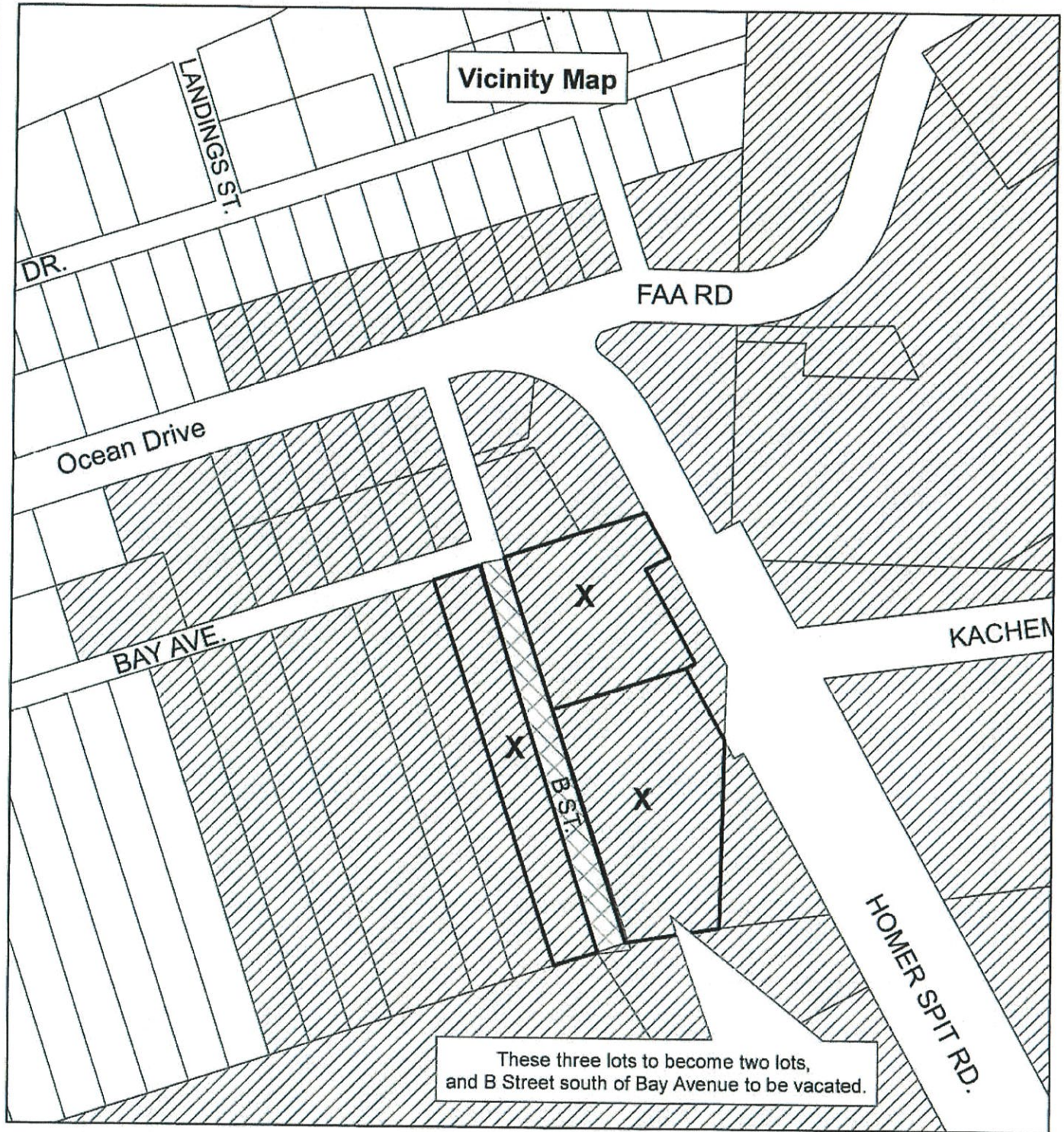
NOTICE TO BE SENT TO PROPERTY OWNERS WITHIN 500 FEET OF PROPERTY

Vicinity Map

536
329

Reverse

Vicinity Map



City of Homer
Planning and Zoning Department

11/20/23

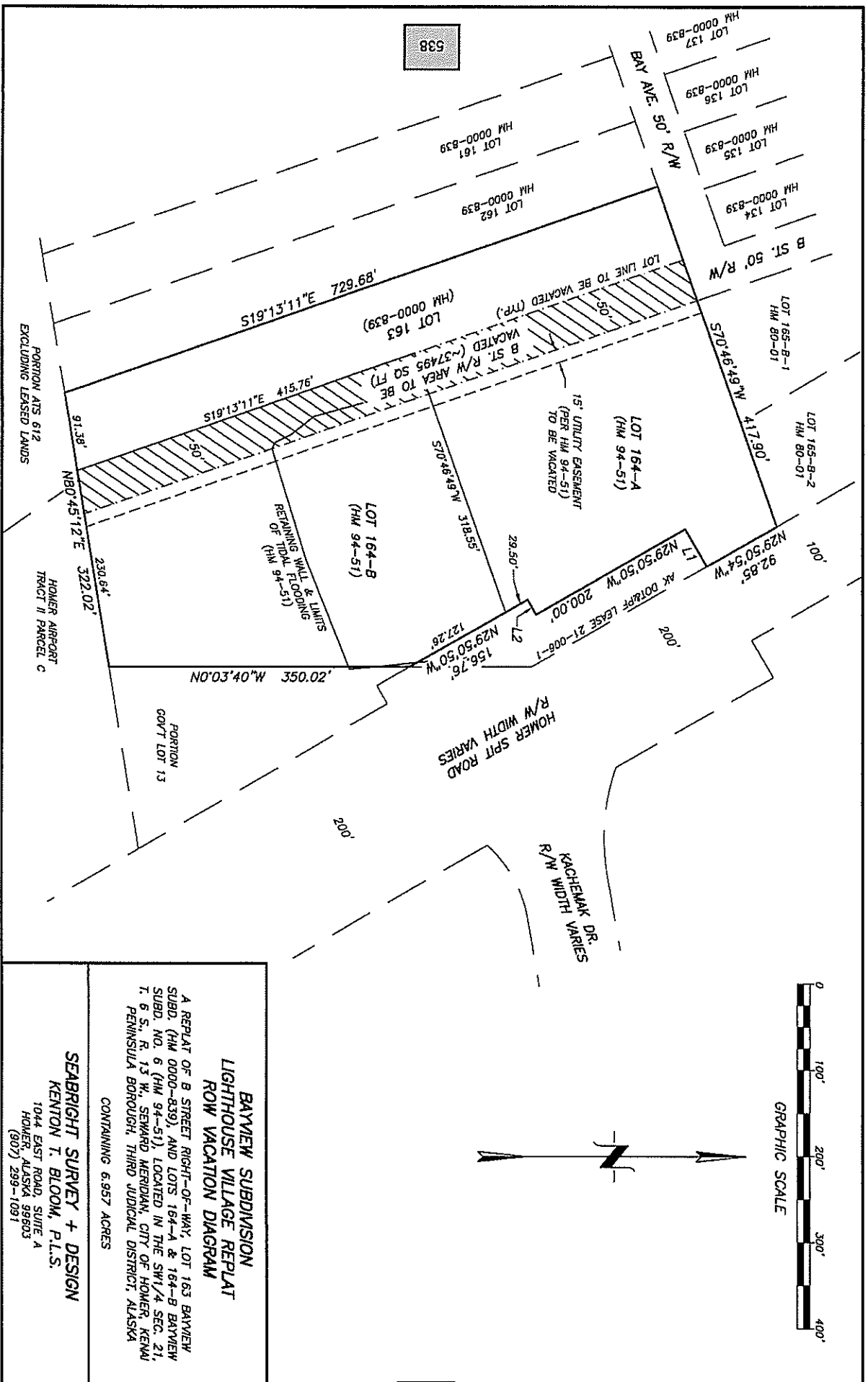
Vacation of a Portion of B Street and Bayview Sub Lighthouse Village Replat Preliminary Plat

Marked Lots are within 500 feet
and property owners notified.

0 250 500 Feet



Disclaimer:
It is expressly understood the City of
Homer, its council, board,
departments, employees and agents are
not responsible for any errors or omissions
contained herein, or deductions, interpretations
or conclusions drawn therefrom.



538

**BAYVIEW SUBDIVISION
LIGHTHOUSE VILLAGE REPLAT
ROW VACATION DIAGRAM**

A REPLAT OF B STREET RIGHT-OF-WAY, LOT 163 BAYVIEW SUBD. (H.M. 0000-839), AND LOTS 164-A & 164-B BAYVIEW SUBD. NO. 6 (H.M. 94-51), LOCATED IN THE SW1/4 SEC. 21, T. 6 S., R. 13 W., SEWARD MERIDIAN, CITY OF HOMER, KENAI PENINSULA BOROUGH, THIRD JUDICIAL DISTRICT, ALASKA

CONTAINING 6.957 ACRES

SEABRIGHT SURVEY + DESIGN
KENTON T. BLOOM, P.L.S.
1044 EAST ROAD, SUITE A
HOMER, ALASKA 99603
(907) 299-1091

1. THE 15' FRONTING RIGHTS-OF-WAY AND THE 20' WITHIN 5' OF SIDE LOT LINES IS A UTILITY EASEMENT GRANTED THIS PLAT. NO PERMANENT STRUCTURES SHALL BE CONSTRUCTED OR PLACED WITHIN A UTILITY EASEMENT WHICH WOULD INTERFERE WITH THE ABILITY OF A UTILITY TO USE SAID EASEMENT.

- [illegible]

THIS PLAN WAS APPROVED BY THE KENNA
PENINSULA BOROUGH PLANNING COMMISSION AT
THE MEETING OF

DATE _____

AUTHORIZED OFFICIAL _____

KENAI PENINSULA BOROUGH _____

BY: _____

PLANS FOR WASTEWATER DISPOSAL THAT MEET REGULATORY REQUIREMENTS ARE ON FILE AT THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION.

LINE TABLE		
LINE #	LENGTH	BEARING
L1	50.00'	N60°09'43"E
L2	20.00'	N60°08'36"E

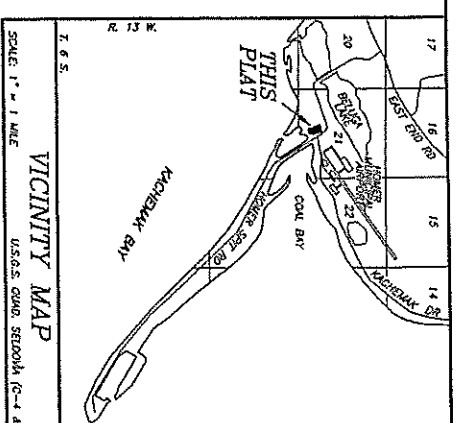
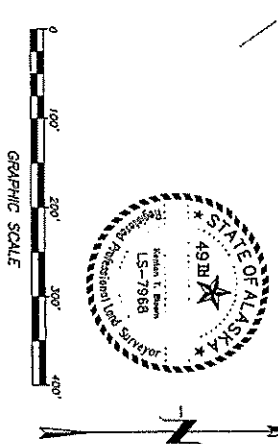
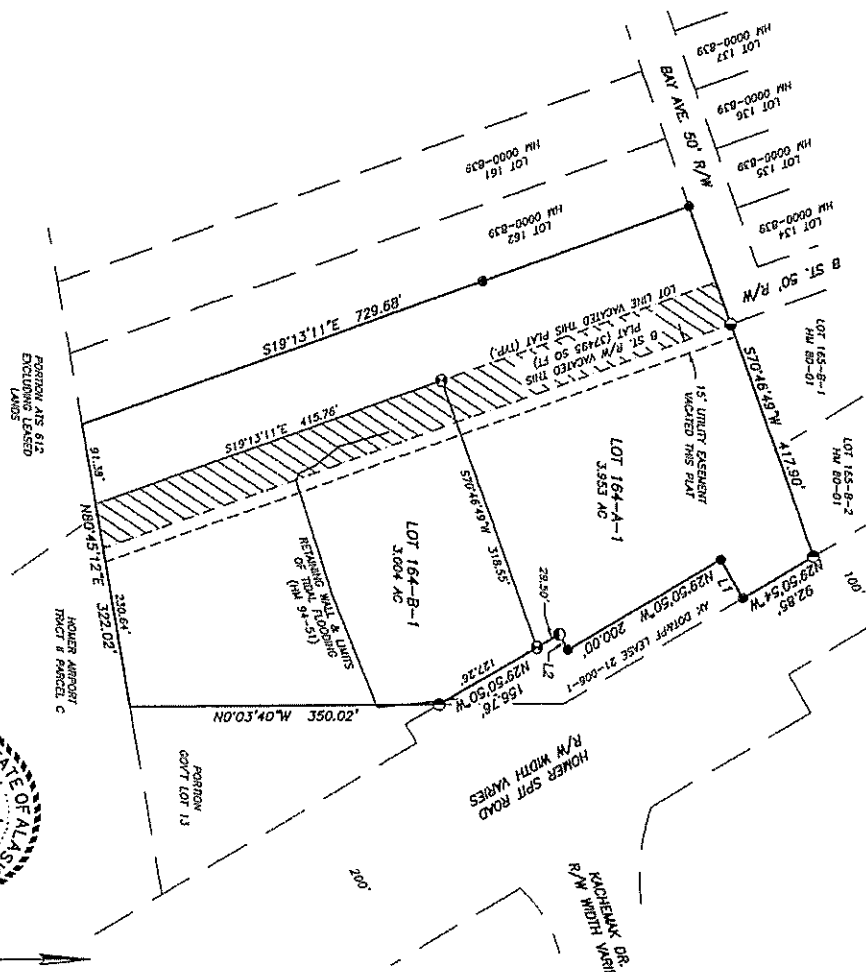
- ① SET 2" AC 7966-S 2024
- ② 2" AC 7610-S 1994
- ③ 2" AC 7610-S 1984
- ④ 2" AC 3608-S 1990
- 5/8" REBAR

FOR: _____
ACKNOWLEDGED BEFORE ME THIS _____
DAY OF _____, 2024

NOTARY PUBLIC FOR ALASKA
MY COMMISSION EXPIRES _____

FOR: _____
ACKNOWLEDGED BEFORE ME THIS _____
DAY OF _____, 2024

NOTARY PUBLIC FOR ALASKA
MY COMMISSION EXPIRES _____



I HEREBY CERTIFY THAT DORON, LIMITED IS THE OWNER OF THE REAL PROPERTY SHOWN AND DESCRIBED HEREIN, THAT ON BEHALF OF DORON, LIMITED, I HEREBY ADOPT THIS PLAN OF SUBDIVISION, AND BY MY FREE CONSENT DEMONSTRATE ALL RIGHTS OF WAY AND PUBLIC RIGHTS TO PUBLIC USE, AND GRANT ALL EXEMPTIONS TO THE USE SHOWN HEREIN.

I HEREBY CERTIFY THAT DODOM TOURISM, INC. IS THE OWNER OF THE REAL PROPERTY SHOWN AND DESCRIBED HEREIN. I HEREBY ADOPT THIS PLAN OF SUBDIVISION, AND BY MY FREE CONSENT DEDICATE ALL RIGHTS OF WAY AND PUBLIC AREAS TO PUBLIC USE, AND GRANT ALL EASEMENTS TO THE USE SHOWN HEREIN.

FORMER LOT 163
AUTHORIZED SIGNATORY FOR:
DOWRY TOURISM, INC.
11500 SURGE WAY, SUITE 230
ANCHORAGE, AK 99515

A REPLAT OF B STREET RIGHT-OF-WAY, LOT 163 BAYVIEW SUBD. (HM 0000-839), AND LOTS 164-A & 164-B BAYVIEW SUBD. (HM 94-51), LOCATED IN THE SW1/4 SEC. 2 T. 6 S., R. 13 W., SEWARD MERIDIAN, CITY OF HOOPER, KENAI PENINSULA BOROUGH, THIRD JUDICIAL DISTRICT, ALASKA

CONTAINING 6.957 ACRES

SEABRIGHT SURVEY + DESIGN
KENTON T. BLOOM, P.L.S.

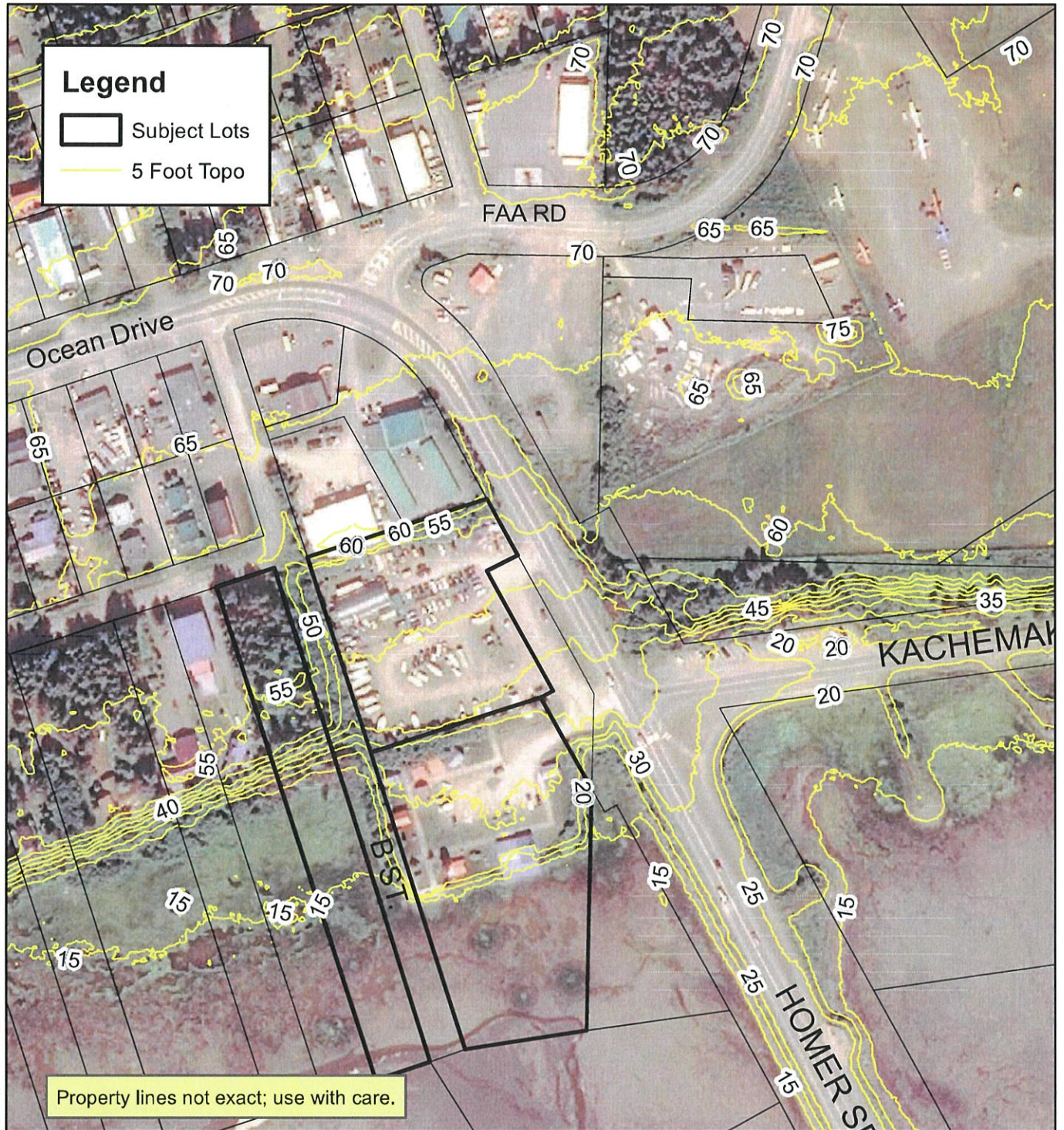
1044 EAST ROAD, SUITE A
HOMER, ALASKA 99603
(907) 299-1091

CLIENTS: DOYON, UNITED & DOYON TOURISM, INC.
11500 SIKDU WAY ANCHORAGE, AK 99515

DRAWN BY: KK	CHECK BY: KB	JOB #2023-88
DATE: 11/2023	SCALE: 1"=100'	SHEET 1 OF 1

Legend

-  Subject Lots
-  5 Foot Topo



City of Homer
Planning and Zoning Department

11/20/23

Aerial Map

0 200 400 Feet



Disclaimer:
It is expressly understood the City of Homer, its council, board, departments, employees and agents are not responsible for any errors or omissions contained herein, or deductions, interpretations or conclusions drawn therefrom.

STARK/HIGHLAND MOVED TO CONTINUE THE APPLICANTS PRESENTATION TO THE NEXT REGULAR MEETING.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

STARK/HIGHLAND MOVED TO CONTINUE THE PUBLIC HEARING TO THE NEXT REGULAR MEETING.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair Smith called for a motion to continue rebuttal of testimony by staff.

BARNWELL/SCHNEIDER MOVED TO CONTINUE THE REBUTTAL OF TESTIMONY BY STAFF TO THE NEXT REGULAR MEETING.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair Smith called for a motion to continue rebuttal of testimony by the applicant.

BARNWELL/SCHNEIDER MOVED TO CONTINUE THE REBUTTAL OF TESTIMONY BY APPLICANT TO THE NEXT REGULAR MEETING.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

C. Staff Report 23-062, Vacation of B Street Right of Way South of Bay Avenue

Chair Smith introduced the item and deferred to City Planner Foster

City Planner Foster reviewed Staff Report 23-062 for the record.

Public Works Director Keiser stated that upon hearing new information, she will be doing some research, referring to a possible existing agreement about the viewing platform and believed it to be an important consideration, the possible fill on the south side if the larger lot being in violation of the Corps of Engineer's permit and the existing pedestrian path possibly in the right of way or on the adjacent property. Public Works Department is generally the keeper of city rights of way whether for motorized, non-motorized or utility use. If there is an existing non-motorized use in that right of way then the City will want to keep that non-motorized use and she urged the Commission not to take any action until Public Works provides a report of additional facts related to those issues.

Chair Smith requested a motion to continue the applicant's presentation to the next meeting.

STARK/SCHNEIDER MOVED TO CONTINUE THE APPLICANT'S PRESENTATION TO THE NEXT REGULAR MEETING.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair Smith requested a motion to continue the Public Hearing.

STARK/SCHNEIDER MOVED TO CONTINUE THE PUBLIC HEARING TO THE NEXT REGULAR HEARING.

There was a brief discussion on the process at the next meeting with staff providing additional information and the time was winding down on the extension and they still haven't addressed the other CUP's.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair Smith requested motion to continue rebuttal of testimony from staff and the applicant.

BARNWELL/SCHNEIDER MOVED TO CONTINUE REBUTTAL OF TESTIMONY BY STAFF TO THE NEXT REGULAR MEETING.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

BARNWELL/SCHNEIDER MOVED TO CONTINUE REBUTTAL OF TESTIMONY BY THE APPLICANT TO THE NEXT REGULAR MEETING.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

D. Staff Report 23-063, Request for Conditional Use Permit CUP 23-09, More than One Building at 1149 Virginia Lynn Way

Chair Smith introduced the item by reading of the title and deferred to City Planner Foster.

City Planner Foster inquired if it was the Commission's intent to continue the next three Conditional Use Permits or address them tonight.

Chair Smith confirmed for the City Planner, after a brief discussion and with the consensus of the Commission that since the Doyon items were continued to the next regular meeting, the Commission would be in the same situation if they continued these items to the next meeting as well. He further noted that the applicant has expressed a preference to address the items tonight.

Chair Smith called for a motion to extend the meeting to 11:00 p.m.

SCHNEIDER/HIGHLAND MOVED TO EXTEND THE MEETING TO 11:00 P.M.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

City Planner Foster provided a summary review of Staff Report 23-063 for the Commission. He noted that this action was started in May of 2023, then Council amended the zoning code in August, that made the action a conditional use. He noted the aerial views provided in the packet stating that it appears there has been recent construction; the similar layout for all three projects.

Public Works Director Keiser provided information on water and sewer connections and that with the required setbacks the property was tightly constrained and recommended a preconstruction survey requirement to ensure the buildings were being constructed outside the setbacks.

Paul Heuper, applicant and property owner, commented that the City Planner did an excellent job representing the project and he was available for any questions. He expressed his appreciation for the willingness of the Commission to address this item at this meeting.

Chair Smith opened the Public Hearing.

Kathy Beachy, city resident and property owner, related her involvement in the development of the neighborhood, she expressed concerns for density, and the lack of available parking.

Scott Adams, city resident, expressed concerns on the density, and commented that there is already construction being conducted without a permit, and questioned if there are there covenants for that subdivision.

- Buffer between the proposed project and the rural residential neighborhood
 - o Hotels are very modular in nature
 - o Loss of rooms with loss of height
- Clarification on treating this project as a PUD
 - o Directing back to addressing strictly the rezone
 - o It is referred to as a PUD due to the entire proposal which includes the housing, hotels, condos etc.
 - o Reiterated that it is contingent upon approval of the CUP
- There may be possible replacement of rooms by adding them to the 4th floor
- The subject property for rezone is private property and just because it was not done by the former owner doesn't mean it cannot or should not be done.
 - o Condos are residential, employee housing is residential
 - o Comprehensive Plan recommends the area of placement where the hustle and bustle is occurring

Chair Smith restated that the Commission was required to make a recommendation on this action tonight.

HIGHLAND/SCHNEIDER MOVED TO ADOPT STAFF REPORT 23-061 AND RECOMMEND COUNCIL APPROVAL OF THE AMENDMENT TO THE ZONING MAP FOR 1491 BAY AVENUE FROM RURAL RESIDENTIAL TO GENERAL COMMERCIAL ONE.

There was no further discussion.

VOTE. YES. SMITH, SCHNEIDER, CONLEY, STARK
NO. HIGHLAND, BARNWELL, VENUTI

Motion carried.

C. Staff Report 23-062, Vacation of B Street Right of Way South of Bay Avenue

Chair Smith introduced the item and noted for the record that the staff report was heard in detail at the last meeting and asked if the Commission needed a summary of that report provided.

The Commission did not indicate a summary was needed and a short recess was requested.

Chair Smith called for a recess at 11:20 p.m. The meeting was called back to order at 11:26 p.m. with a request for a motion to extend the meeting.

SCHNEIDER/BARNWELL MOVED TO CONTINUE THE MEETING TO 12:30 A.M.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Katie Kirsis, Seabright Survey & Design stated they prepared the right of way vacation and provided a summary of the action noting that it would be included in the replat as well.

Zach Dunlap, applicant, stated that this vacation will allow them to extend the walkway which was depicted in the rendering provided in the supplemental packet.

Chair Smith opened the public comments.

Mark Mikols, city resident, commented on vacating the easement allows the public to trespass on private property. He questioned if that vacation would provide a legal access to the public.

Katie Kirsis responded that in exchange for vacating the right of way a pedestrian easement would be granted and would encompass the sidewalk providing perpetual legal access.

Rick Foster, city resident, Klondike Avenue, provided his experience dealing with vacation and believed that it would not be equal or superior to what is available now and believed that it would go to the Borough Planning Commission and City Council and it would be thrown out. He then added comments on Spot Zoning citing a similar location near the Research Reserve Buildings and that was determined to be spot zoning since it provided a similar buffer; then remarked on the Planned Unit Development was not widely accepted when first adopted due to the issues that may arise in the hands of weak planning director. We need to get rid of it and tighten the rules. Town Center is identified on the zoning map there is a central business district that is the focus of those districts.

Penelope Haas, non-resident, expressed comments regarding the applicant creating a little pathway, there is nothing equal to what is existing, the area is already protected, referred to building a large hotel across the land and large development that the public does not want and allowing the public to continue the use of what they already have.

Susan Cushing, city resident, expressed support for previous comments made, consideration for the future, viewing wildlife in that area to be vacated, removing one of the few remaining accesses to the beach at Mariner Park.

Rika Mouw, B Street Road Right of Way is priceless as an access to such a rare opportunity, it is a precious public asset and that privatizing this access would be similar to previous incident at Forest Trails taking out the trees, and it means so much more than a concrete sidewalk and viewing platform to many people.

Beverly Bowman, city resident, questioned if the City Planner was supposed to be impartial, it is spot zoning in her experience as a commercial real estate broker, spoke on the profit that Doyon is going to make, consideration of the existing residents and businesses on the spit if a tsunami hits

PW Director responded regarding the comment on illegally removing an easement providing clarification that this was not an easement but a right of way and the city was legally allowed to give away the land and previously done so on many occasions.

Glenn Seaman, city resident, commented that the borough has specific rules to vacate, and he feels that they will not follow the recommendations. He spoke about the platform and that it was not comparable, he reviewed the borough rules, if the commission votes to vacate that it should be similar to the previous owner.

Bette Seaman, city resident, commented on making it accessible as transportation so it needs to be wider to allow for passing people with strollers, questioned how they are going to have the platform that hangs out over the marsh. Questioned how wide the platform was and if it is only eight feet did not think that was wide enough.

Scott Adams, city resident by annexation, commented on the land being public land, value of the land, in the previous discussion according to a recent case of a property owner who wanted to close a trail that was used by snow machines that property owner lost. He warned that if they vacate this they are giving it away for just a trail and viewing platform.

Eric Engebretsen, city resident, commented on protecting land rights and uses, noted the trail goes to the left and the right but that does not give prescriptive rights to access private land.

Karin Marks, city resident, commenting on the process and the Commission can vote and then there is a vote at Council and the Borough and if the Commission passes this, it will go to City Council and allows Doyon to continue making improvements.

Chair Smith closed the public comments and offered rebuttal to Staff and the applicant.

City Planner Foster provided information on his duties and responsibilities as the staff liaison to the Commission. He reiterated the process of right of vacations noting that the Commission is not the final authority.

Staff and the Applicant responded and facilitated discussion on the following:

- Addressing the development, if the vacation is not approved.
 - o Applicant would go back to the drawing board
 - o Hope to come to a compromise, but it will be challenging
- provided the basis for placement of the hotel due to soil testing
- Important to encourage legal public access and believed it fit into the non-motorized transportation plan
 - o A pedestrian corridor would be established to the tide lands and platform
 - o Connection to Homer Spit Road would be tentative until the Applicant could review requirements, regulations
 - o Typical width of the pedestrian walkway was 15-20 feet
- Public Access and separation between the Rural Residential and General Commercial 1
 - o Clarification on spot zoning
 - o Screening
 - o Addressed by the Preliminary Plat
 - Provide continuous and contiguous to GC1
- There is an existing use for the Right of Way
 - o Improvement in the existing use
 - o Apparent value to the improvement of non-motorized connections and access
- Concerns on drainage easement
 - o Would provide improved drainage
- Details of the design have not been determined as yet by the applicant

- The city has no building department²
 - o Zoning Permit applications do not go to the level of detail needed for this project
 - o it is hoped that with the conditions established in the various documents that will be disseminated out of this, that the details will get solidified
- Public access creates issues between people, wildlife and dogs in the sensitive areas
 - o Employ known tactics to increase education for the public regarding sensitive areas
 - o Interpretive signage
- Clarification of a right of way and easement
 - o City has the authority to determine uses for a Right of Way
 - o Easements have a more defined restriction such as utility, pedestrian and use of that easement is limited to the restriction
 - o Public Access Easement is a term in the vernacular and would allow unrestricted public access along the route.
- Support was expressed by the Commission for the objectivity of the City Planner
 - o Required to provide technical analysis and review in accordance of the existing regulations
- Spacing requirements for pathways

STARK/SCHNEIDER MOVED TO ADOPT STAFF REPORT 23-062 AND RECOMMEND APPROVAL OF THE VACATION OF THE B STREET RIGHT OF WAY SOUTH OF BAY AVENUE WITH THE FOLLOWING COMMENTS:

1. CREATION OF A PUBLIC ACCESS ROUTE TO ACCOMMODATE PEDETRIAN BICYCLE ACCESS FROM BAY AVENUE ALL THE WAY TO HOMER SPIT ROAD.
2. DRAINAGE EASEMENT OR CONVENIENCE FOR DRAINAGE FROM BAY AVENUE SOUTH TO KACHEMAK BAY
3. RECOMMENDATIONS PROVIDED IN MEMORANDUM ON PAGE 86 OF THE PACKET FROM THE PUBLIC WORKS DIRECTOR FOR VACATING THIS PARCEL.

Discussion ensued on the following:

- Absent proof of equal and superior access action will fail at council level
- If this motion is passed Commissioner Venuti will be excusing himself at the Borough level
- Is it possible to create equal access given what the Mayor has stated and currently what is proposed by the Applicant is not spatially or otherwise?
 - o Define equal and better access based on Lot 163, there are lots of moving parts
 - It is existing trail the ends into the marsh land or onto private property
 - Applicant proposed a built walkway that is pedestrian and bicycle friendly
 - There is no possibility of the roadway to be constructed
- Public Works reviewed the possibility of improving the existing public access and it was determined that the City could not make the improvements required for access and drainage due to cost impediment so it was removed from the project
 - o Receiving a ten foot paved pedestrian/bicycle path that takes one from Bay Avenue to the Homer Spit Road would be a real asset to the City
- A partial trail that ends into private land versus a trail that proceeds from Bay Avenue to the proposed boardwalk that goes to Homer Spit Road
 - o Council hire an assessor appraise the access
 - o Require Doyon to maintain the pathway
- May be more tangibles for why it is better
- Lack of consideration for the vacation of the right of way to a private enterprise

² Public Works Director Keiser misspoke stating the city had no planning department

- The improved value may be a consideration
- Exchanging a right of way for an easement is not equal value

Chair Smith requested a motion to extend the meeting another hour at 12:30 a.m.

SCHNIEDER/HIGHLAND MOVED TO EXTEND THE MEETING TO 1:00 AM

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Further debate on the motion and points made were as follows:

- Council stated value of the right of way
- City has vacated similar right of way and did not require compensation to do so
- In review of the proposed non-motorized amenity Public Works would be very supportive but since the City has not building code unless there is a condition stated requiring this amenity there are no guarantees or assurance that the applicant will perform
 - The right to review plans and specifications is also needed.

STARK/BARNWELL MOVED TO ADD A COMMENT DESIGN SUBJECT TO APPROVAL BY THE HOMER CITY ENGINEER.

Additional discussion ensued on the city has approved trails standards to guide the construction so it is not arbitrary, corrected the verbiage to the motion.

VOTE. (Amendment.) NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair called for additional discussion on the main motion as amended.

Further discussion on the motion ensued with the following points made:

- Moving the right of way to the west to maintain a barrier between rural residential and GC1; how that action would impact the project and the applicant could respond to that question
- Right of Ways maintained by the city versus the property owner, preference for the maintenance to be taken on by the applicant
- Significant impacts would occur if the setback was created to more than what is required and would also impact the possible pedestrian access as well as drainage.

Chair Smith requested the Clerk to restate the motion and called for the vote.

STARK/SCHNEIDER MOVED TO ADOPT STAFF REPORT 23-062 AND RECOMMEND APPROVAL OF THE VACATION OF THE B STREET RIGHT OF WAY SOUTH OF BAY AVENUE WITH THE FOLLOWING COMMENTS:

1. CREATION OF A 10 FOOT PUBLIC ACCESS ROUTE TO ACCOMMODATE PEDESTRIAN AND BICYCLE ACCESS FROM BAY AVENUE ALL THE WAY TO THE HOMER SPIT ROAD.

2. DRAINAGE EASEMENT OR CONVEYANCE FOR DRAINAGE FROM BAY AVENUE SOUTH TO KACHEMAK BAY.

3. DESIGN SUBJECT TO BE APPROVED BY THE CITY OF HOMER ENGINEER

VOTE. NO. HIGHLAND, CONLEY, BARNWELL, VENUTI, SCHNEIDER

YES. STARK, SMITH

Motion failed.

PLAT CONSIDERATION

A. Staff Report 23-066, Bayview Subdivision Lighthouse Village Replat Preliminary Plat

Chair Smith Introduced the item by reading of the title and deferred to the Clerk regarding postponing this item to the next meeting.

Commissioner Highland requested postponement due to the hour.

Deputy City Clerk Krause deferred to the City Planner but noted that as far as process if allowed by the applicant they could do so.

City Planner Foster clarified that there are time limits and has 49 days and they are at 47 so he can send an email and the applicant can officially respond, or they can power through, the Applicant agreed to the postponement of this item to the next regular meeting.

Chair Smith requested a motion and second to continue to the next meeting.

HIGHLAND/SCHNEIDER MOVED TO POSTPONE STAFF REPORT THE BAYVIEW SUBDIVISION LIGHTHOUSE VILLAGE REPLAT PRELIMINARY PLAT TO THE NEXT REGULAR MEETING ON JANUARY 17, 2024.

Public Works Director Keiser stated that she will not be at the next meeting as tomorrow was her last day with the city and would like to provide some comments on the action.

1. Plats show the boundary of the wetlands and the applicant said that they were going to have a wetland delineation performed, she recommended having a requirement to see the wetland delineation added to plat so it is clear to all where it is

2. Referencing Note 8 refers to the Meeker easement, and for disclosure this Meeker easement is a problem that should be addressed. It was an easement between the city and Douglas Meeker in 1993 to allow encroachment into the city right of way by a retaining wall and the fill behind the retaining wall. This condition states that grantees at their expense shall restore the land within the above described easement to original condition at such time the grantee elects to remove said retaining wall. She recommended having a real estate attorney review and address the easement.



City of Homer

www.cityofhomer-ak.gov

Planning

491 East Pioneer Avenue

Homer, Alaska 99603

Planning@ci.homer.ak.us

(p) 907-235-3106

(f) 907-235-3118

January 3, 2024

Homer Advisory Planning Commission

Notice of Action

Request: Recommend denial of the vacation of B Street Right of Way south of Bay Avenue

Applicants:

Doyon, Limited
11500 Sukdo Way Suite 250
Anchorage, AK 99515

Kenton Bloom
Seabright Survey + Design
1044 East Road Suite A
Homer, AK 99603

At the special meeting of January 3, 2024 the Homer Advisory Planning Commission forwarded a **recommendation for denial** of the vacation of B Street Right of Way south of Bay Avenue, with staff report, and the attached draft minutes to the Kenai Peninsula Borough Planning Commission.

Should you have any questions, please contact the planning office at 907-235-3106.

Cc: Beverly Carpenter, Platting Technician, Kenai Peninsula Borough

DRAWN BY: KR	CHKD BY: KR	JOB #2023-88
DATE: 11/2024	SCALE: 1"=100'	SHEET #1 OF 1

Anderson, Heidi

From: OSP Design Group <ospdesign@gci.com>
Sent: Tuesday, December 10, 2024 8:57 AM
To: Anderson, Heidi
Cc: OSP Design Group
Subject: RE: Question on GCI comments on KPB Bayview Sub.Lighthouse Village Replat KPB 2024-131 and KPB 2024-131V
Attachments: Plat Prelim KPB 2024 131 Reduced 241210.pdf

CAUTION: This email originated from outside of the KPB system. Please use caution when responding or providing information. Do not click on links or open attachments unless you recognize the sender, know the content is safe and were expecting the communication.

Heidi,

We require a 25' long (from parcel boundary) X 15' wide easement as shown in attached map.

Thanks,

GCI | OSP Design

e: OSPDesign@gci.com | w: www.gci.com

From: Anderson, Heidi <handerson@kpb.us>
Sent: Tuesday, December 10, 2024 8:32 AM
To: OSP Design Group <ospdesign@gci.com>
Subject: Question on GCI comments on KPB Bayview Sub.Lighthouse Village Replat KPB 2024-131 and KPB 2024-131V

[EXTERNAL EMAIL - CAUTION: Do not open unexpected attachments or links.]

Good morning,

We would like to clarify if you are requesting a 25' Wide x 15' long Easement from the Property Boundary or if you need something different?

And are you wanting 25' wide for the entire easement or only the first 15'.

Thank you,

Heidi Anderson

Platting Technician, Planning Department

Office: 907-714-2200 **Direct:** 907-714-2207



Kenai Peninsula Borough
144 N. Binkley St. Soldotna, AK 99669
Handerson@kpb.us

From: OSP Design Group <ospdesign@gci.com>
Sent: Monday, December 9, 2024 4:30 PM
To: Anderson, Heidi <handerson@kpb.us>
Cc: OSP Design Group <ospdesign@gci.com>
Subject: RE: Question regarding GCI comments on KPB Bayview Subdivision Lighthouse Village Replat KPB 2024-131 and KPB 2024-131V

CAUTION: This email originated from outside of the KPB system. Please use caution when responding or providing information. Do not click on links or open attachments unless you recognize the sender, know the content is safe and were expecting the communication.

Heidi,

We are objecting to a part of the 15' utility easement vacation, we require a 25' easement from the parcel boundary for pole and anchors that currently reside inside as shown in attached plat map.

Thanks,

GCI | OSP Design
e: OSPDesign@gci.com | w: www.gci.com

From: Anderson, Heidi <handerson@kpb.us>
Sent: Friday, December 6, 2024 10:05 AM
To: OSP Design Group <ospdesign@gci.com>
Subject: Question regarding GCI comments on KPB Bayview Subdivision Lighthouse Village Replat KPB 2024-131 and KPB 2024-131V

[EXTERNAL EMAIL - CAUTION: Do not open unexpected attachments or links.]

Hi,

There wasn't a Map included in your reply for Bayview Sub. Lighthouse Village Replat KPB 2024-131 and KPB 2024-131V. I have attached both prelim Plats. One is for the ROW Vacation request.

Would you be objecting to the Entire ROW Vacation or part of it? If part of it, if you would please show on the Map, that would be great.

Thank you,

Heidi Anderson
Platting Technician, Planning Department



Kenai Peninsula Borough
144 N. Binkley St. Soldotna, AK 99669
Handerson@kpb.us

From: OSP Design Group <ospdesign@gci.com>
Sent: Wednesday, December 4, 2024 4:45 PM
To: Anderson, Heidi <handerson@kpb.us>
Cc: OSP Design Group <ospdesign@gci.com>
Subject: <EXTERNAL-SENDER>RE: PLAT REVIEW FOR December 16, 2024 MEETING: Plat Review State Group; GCI; Enstar; HEA; ACS

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Heidi,

In review GCI has the following comments or objections to the plats, attached are the signed plats for your records.

Comments:

Stone Step Estates (2024-125) the legal description in the title block needs to show the Township to be 05S and Range 12W for SECTION 33.

Objections:

Bayview Subdivision Lighthouse Village Replat (2024-131) GCI has an existing pole and anchors that need to remain within the easement of the 15' Utility easement vacation request.

Thanks,

GCI | OSP Design
e: OSPDesign@gci.com | w: www.gci.com

From: Anderson, Heidi <handerson@kpb.us>
Sent: Tuesday, November 26, 2024 4:39 PM
To: Marsengill, Dale <DMarsengill@HomerElectric.com>; ENSTAR ROW <row@enstarnaturalgas.com>; 'Biloon, Joselyn (DOT)' <joselyn.biloon@alaska.gov>; 'Robert M. Keiner State of Alaska DOT&PF' (bob.keiner@alaska.gov)' <bob.keiner@alaska.gov>; OSP Design Group <ospdesign@gci.com>; 'Percy, Colton T (DFG)' <colton.percy@alaska.gov>; 'Huff, Scott' <shuff@HomerElectric.com>; 'Duilio.Guerrero@acsalaska.com' <Duilio.Guerrero@acsalaska.com>
Cc: 'Zubeck, Brad' <BZubeck@HomerElectric.com>
Subject: PLAT REVIEW FOR December 16, 2024 MEETING: Plat Review State Group; GCI; Enstar; HEA; ACS

[EXTERNAL EMAIL - CAUTION: Do not open unexpected attachments or links.]

Hello,

Attached are the plats to be reviewed for the **December 16, 2024** meeting.

- Clan Maxwell Estates Lyon Addition (KPB 2024-122)
- Apache Acres Part Nine (KPB 2024-123)
- Kingswood Estates 2025 Addition (KPB 2024-124)
- Stone Step Estates (2024-125)
- Rumley Collie Subdivision Nine (2024-126)
- Hubbards View Subdivision 2024 (KPB 2024-129)
- Kyzer Subdivision Carlson Addition (KPB 2024-130)
- Bayview Subdivision Lighthouse Village Replat (2024-131)
- Dawn Estates Whittenberg Addition (2024-120R1)

Please provide comments by **December 4, 2024** to ensure the comments will be included in a preliminary plat staff report.

Preliminary plat comments will be accepted until the 1:00 p.m. Friday before the meeting date.

Thank you,

Heidi Anderson

Platting Technician, Planning Department

Office: 907-714-2200 **Direct:** 907-714-2207



Kenai Peninsula Borough

144 N. Binkley St. Soldotna, AK 99669

Handerson@kpb.us

1. THE 15' FRONTING RIGHTS-OF-WAY AND THE 20' WIDTH OF SIDE LOT LINES IS A UTILITY EASEMENT GRANTED THIS DAY. NO PERMANENT STRUCTURES SHALL BE CONSTRUCTED OR PLACED WITHIN A UTILITY EASEMENT WHICH WOULD IMPAIR THE ABILITY OF A UTILITY TO USE SAID EASEMENT.
2. THESE LOTS ARE SUBJECT TO CITY OF HOMER ZONING REGULATIONS, REFER TO HOMER CITY CODE FOR ALL CURRENTLY APPLICABLE ZONING AND SITE DEVELOPMENT RESTRICTIONS. OWNERS SHOULD CHECK WITH THE CITY OF HOMER PRIOR TO DEVELOPMENT ACTIVITIES.

FOR _____
ACKNOWLEDGED BEFORE ME THIS _____
DAY OF _____, 2025

NOTARY PUBLIC FOR ALASKA

MY COMMISSION EXPIRES _____

FOR: _____
ACKNOWLEDGED BEFORE ME THIS _____
DAY OF _____, 2025.

NOTARY PUBLIC FOR ALASKA
MY COMMISSION EXPIRES _____

THIS PLAY WAS APPROVED BY THE KENAI
PENINSULA BOROUGH PLANNING COMMISSION AT
THE MEETING OF

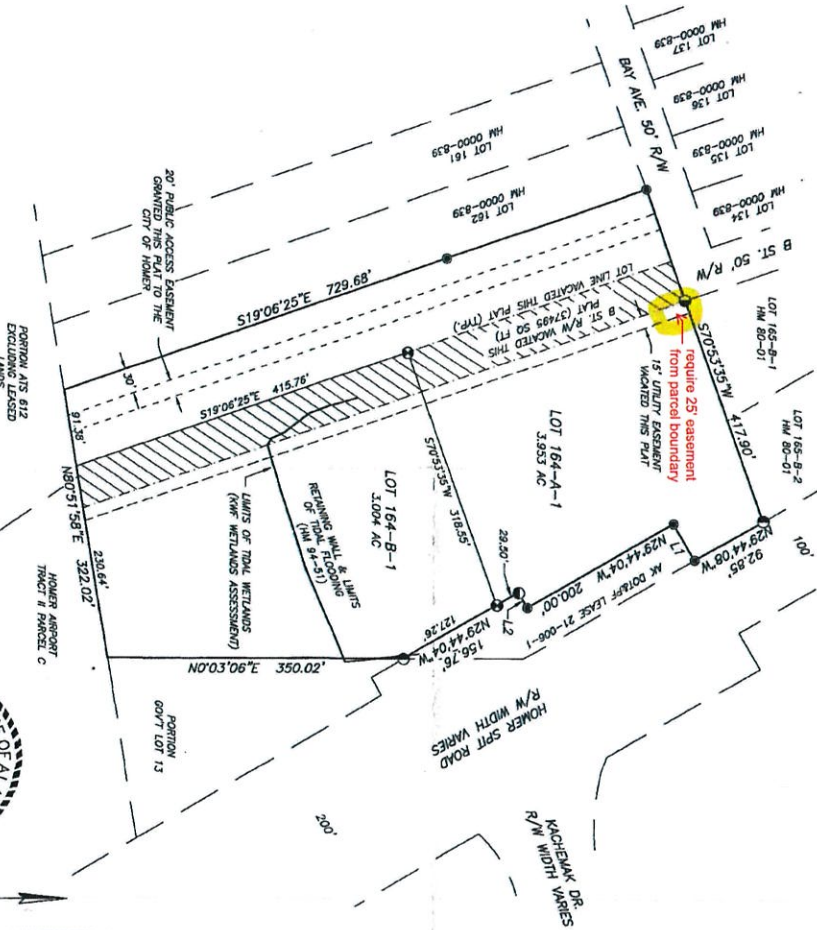
PLANS FOR WASTEWATER DISPOSAL THAT MEET REGULATORY REQUIREMENTS ARE ON FILE AT THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION.

LINE TABLE		
LINE #	LENGTH	BEARING
L1	50.00'	N60°15'29"E
L2	20.00'	N60°15'22"E

- SET 2" AC 7966-S 2024
- 2" AC 7610-S 1994
- 2" AC 7610-S 1994
- 2" AC 3666-S 1989
- 5/8" REBAR

THE UNDERSIGNED OFFICIAL, IDENTIFIED BY NAME AND TITLE IS AUTHORIZED TO ACCEPT AND HEREBY ACCEPTS ON BEHALF OF THE CITY OF HOMER FOR PUBLIC USES AND FOR PUBLIC PURPOSES THE 20' PUBLIC ACCESS EASEMENT GRANTED THIS PLAT. THE ACCEPTANCE OF LANDS FOR PUBLIC USE OR PUBLIC PURPOSE DOES NOT OBVIATE THE PUBLIC OR ANY GOVERNING BODY TO CONSTRUCT, OPERATE OR MAINTAIN IMPROVEMENTS.

DATE _____



SCALE: 1" = 1 MILE U.S.G.S. QUAD. SELDONIA (C-4 & C-5)

I HEREBY CERTIFY THAT DOYON, LIMITED IS THE OWNER OF THE REAL PROPERTY SHOWN AND DESCRIBED HEREON, THAT ON BEHALF OF DOYON, LIMITED, I HEREBY ADOPT THIS PLAN OF SUBDIVISION, AND BY MY FREE CONSENT DEDICATE ALL RIGHTS OF WAY AND PUBLIC AREAS TO PUBLIC USE, AND GRANT AL EASEMENTS TO THE USE SHOWN HEREON.

I HEREBY CERTIFY THAT DOTON TOURISM, INC. IS THE OWNER OF THE REAL PROPERTY SHOWN AND DESCRIBED HEREON, THAT I HEREBY AGREE ON BEHALF OF DOTON TOURISM, INC., I HEREBY ADOPT THE PLAN OF SUBDIVISION, AND BY MY FREE CONSENT DEDICATE ALL RIGHTS OF WAY AND PUBLIC AREAS TO PUBLIC USE, AND GRANT ALL EASEMENTS TO THE USE SHOWN HEREON.

LIGHTHOUSE VILLAGE REPLAT
A REPLAT OF B STREET RIGHT-OF-WAY, LOT 163 BAYVIEW
SUBD. (HIM 0000-839), AND LOTS 164-A & 164-B BAYVIEW
SUBD., NO. 6 (HIM 94-51), LOCATED IN THE SW 1/4 SEC. 2,
T. 6 S., R. 13 W., SEWARD MERIDIAN, CITY OF HOMER, KEN-
TUCKY, PENNSILVANIA, THIRD JUDICIAL DISTRICT, ALASKA

CONTAINING 6.957 ACRES

KAHERINE A. KIRSI, P.L.
1044 EAST END ROAD, SUITE A
HOMER, ALASKA 99603
(907) 299-1580

HOMER, ALASKA 996
(907) 299-1580

AGENTS: DOYON, LIMITED & DOYON TOURISM, INC.
11500 SUKDU WAY ANCHORAGE, AK 99515

DRAWN BY: KR	CHKD BY: KR
--------------	-------------

DATE: 11/2024	SCALE: 1"=100'
---------------	----------------

Page 1 of 1

From: [OSP Design Group](#)
To: [Anderson, Heidi](#)
Cc: [OSP Design Group](#)
Subject: RE: Question regarding GCI comments on KPB Bayview Subdivision Lighthouse Village Replat KPB 2024-131 and KPB 2024-131V
Date: Monday, December 9, 2024 4:32:35 PM
Attachments: [image001.png](#)
[image002.png](#)
[Plat Prelim KPB 2024 131 Reduced.pdf](#)

CAUTION: This email originated from outside of the KPB system. Please use caution when responding or providing information. Do not click on links or open attachments unless you recognize the sender, know the content is safe and were expecting the communication.

Heidi,

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Thanks,

GCI | OSP Design

e: OSPDesign@gci.com | w: www.gci.com

From: Anderson, Heidi <handerson@kpb.us>
Sent: Friday, December 6, 2024 10:05 AM
To: OSP Design Group <ospdesign@gci.com>
Subject: Question regarding GCI comments on KPB Bayview Subdivision Lighthouse Village Replat KPB 2024-131 and KPB 2024-131V

[EXTERNAL EMAIL - CAUTION: Do not open unexpected attachments or links.]

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Thank you,

Heidi Anderson
Platting Technician, Planning Department
Office: 907-714-2200 **Direct:** 907-714-2207



Kenai Peninsula Borough
144 N. Binkley St. Soldotna, AK 99669
Handerson@kpb.us

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Sent: Wednesday, December 4, 2024 4:45 PM
To: Anderson, Heidi <handerson@kpb.us>
Cc: OSP Design Group <ospdesign@gci.com>
Subject: <EXTERNAL-SENDER>RE: PLAT REVIEW FOR December 16, 2024 MEETING: Plat Review State Group; GCI; Enstar; HEA; ACS

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Heidi,

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To: Marsengill, Dale <DMarsengill@HomerElectric.com>; ENSTAR ROW <row@enstarnaturalgas.com>; 'Biloon, Joselyn (DOT)' <joselyn.biloon@alaska.gov>; 'Robert M. Keiner State of Alaska DOT&PF' <bob.keiner@alaska.gov> <bob.keiner@alaska.gov>; OSP Design Group <ospdesign@gci.com>; 'Percy, Colton T (DFG)' <colton.percy@alaska.gov>; 'Huff, Scott' <shuff@HomerElectric.com>; 'Duilio.Guerrero@acsalaska.com' <Duilio.Guerrero@acsalaska.com>

Cc: 'Zubeck, Brad' <BZubeck@HomerElectric.com>

Subject: PLAT REVIEW FOR December 16, 2024 MEETING: Plat Review State Group; GCI; Enstar; HEA; ACS

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Preliminary plat comments will be accepted until the 1:00 p.m. Friday before the meeting date.

Thank you,

Heidi Anderson

Platting Technician, Planning Department

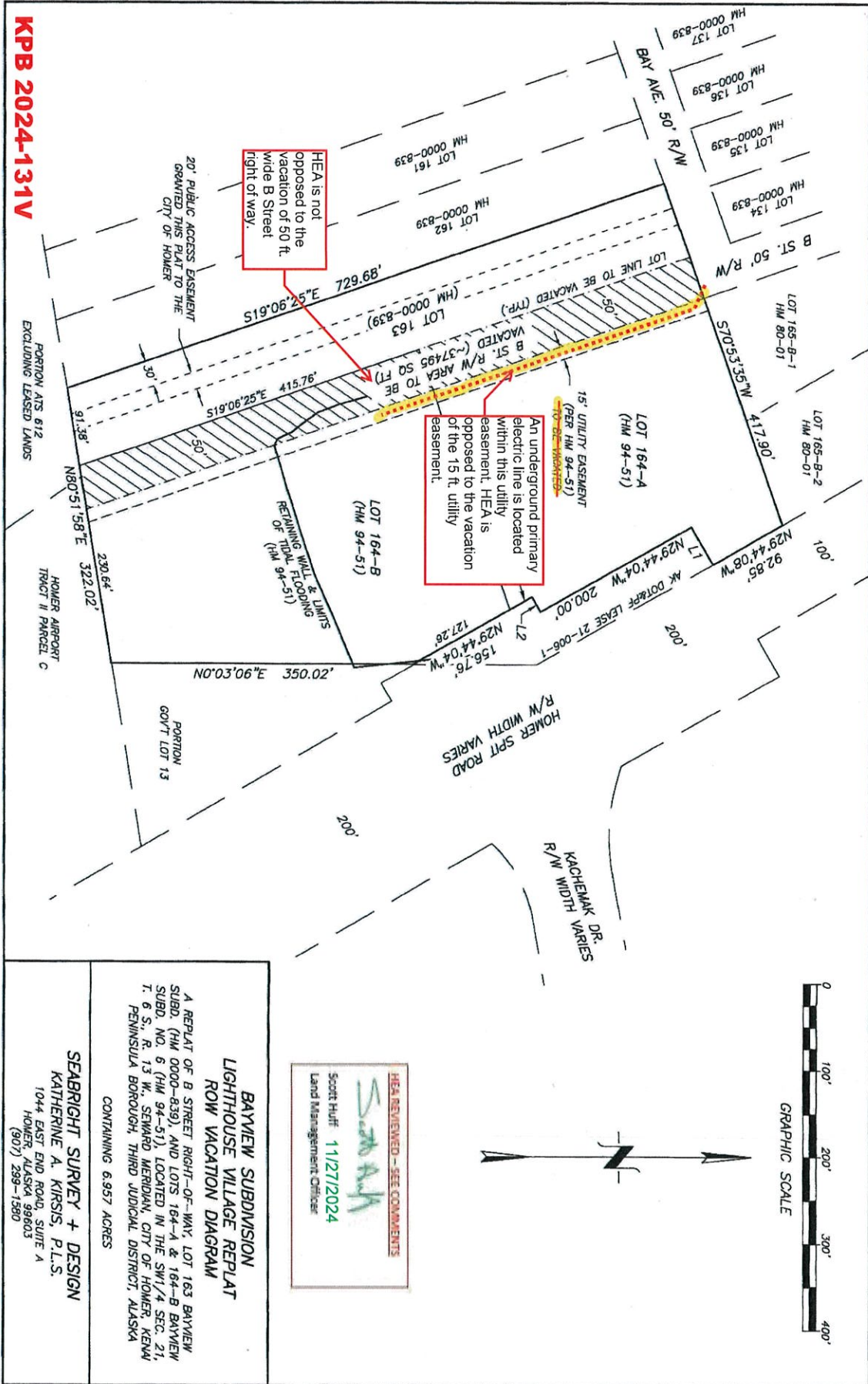
Office: 907-714-2200 **Direct:** 907-714-2207



Kenai Peninsula Borough

144 N. Binkley St. Soldotna, AK 99669

Handerson@kpb.us



KPB 2024-131V

E3-51

From: [Huff, Scott](#)
To: [Carpenter, Beverly](#)
Subject: <EXTERNAL-SENDER>RE: ROW VACATION REVIEW FOR January 13, 2025 MEETING: ROW State Review Group, HEA, ACS, ENSTAR, GCI
Date: Monday, December 23, 2024 2:54:56 PM
Attachments: [image001.png](#)
[image002.png](#)
[Sketch KPB 2024-131V Reduced HFA reviewed.pdf](#)
[Plat Prelim ROWV Diagram KPB 2024-133V Reduced HFA reviewed.pdf](#)

CAUTION: This email originated from outside of the KPB system. Please use caution when responding or providing information. Do not click on links or open attachments unless you recognize the sender, know the content is safe and were expecting the communication.

Beverly,

Attached are the two vacation plat reviews.

In regard to KPB 2024-131V, the landowner will need to set up a new job with HEA to re-route the existing line to an area that fits with the development. The owner is waiting until 2025 to start the new job as they have two years to complete the project and if they submit the application now the last couple days of 2024 will count against one of the calendar years.

After the job is set up, and a new location is engineered, then the land owner will need to grant easements for the new line. HEA will agree to the vacation of the utility easement ONLY after the electric line has been re-routed and new easements are in place. Let me know if you have any questions for this one as it is a little confusing with the order of events that need to take place.

Thanks,

SCOTT HUFF
907-335-6209

From: Carpenter, Beverly <BCarpenter@kpb.us>
Sent: Monday, December 23, 2024 12:46 PM
To: 'Biloon, Joselyn (DOT)' <joselyn.biloon@alaska.gov>; 'Donohue, Joseph M (DNR)' <joseph.donohue@alaska.gov>; 'hans.rinke@alaska.gov' <hans.rinke@alaska.gov>; 'Lorraine Kastner - CDE-CR DESIGN/ENGINEERING (lorraine.kastner@alaska.gov)' <lorraine.kastner@alaska.gov>; 'Robert M. Keiner State of Alaska DOT&PF (bob.keiner@alaska.gov)' <bob.keiner@alaska.gov>; Marsengill, Dale <DMarsengill@HomerElectric.com>; ENSTAR ROW <row@enstarnaturalgas.com>; 'OSP Design Group' <ospdesign@gci.com>; 'Percy, Colton T (DFG)' <colton.percy@alaska.gov>; Huff, Scott <shuff@HomerElectric.com>; 'Dulio.Guerrero@acsalaska.com' <Dulio.Guerrero@acsalaska.com>
Cc: Zubeck, Brad <BZubeck@HomerElectric.com>
Subject: ROW VACATION REVIEW FOR January 13, 2025 MEETING: ROW State Review Group, HEA, ACS, ENSTAR, GCI

Caution: This Email originated from outside HEA. DELETE IT NOW if it's from anyone @ HEA! Only click on links if you expected this message.

Hello,

Attached are the sketches to be reviewed for the **January 13, 2025** meeting.

- Bayview Subdivision Lighthouse Village Replat ROWV (KPB 2024-131V)
- Bridge Creek Coop Subdivision 2024 Replat ROWV (KBP 2024-133V)

Please provide comments by **12/31/2024** to ensure the comments will be included in a right-of-way vacation staff report.

Right-of-way vacation comments will be accepted until 1:00p.m. Friday before the meeting date.

Kind regards,

Beverly Carpenter
Platting Specialist, Planning Department
Office: 907-714-2200 **Direct:** 907-714-2210



Kenai Peninsula Borough
144 N. Binkley St. Soldotna, AK 99669
kpb.us

DESK PACKET

(MATERIALS SUBMITTED AFTER MEETING PACKET PUBLICATION)

3. Right-Of-Way Vacation; KPB File 2024-131V

Seabright Surveying / Doyon Tourism & Doyon Limited

Request: Vacates a portion of B Street & associated utility easements south of Bay Avenue, granted by Bay View Subdivision, Plat HM 839

City of Homer



DOYON
— Limited —

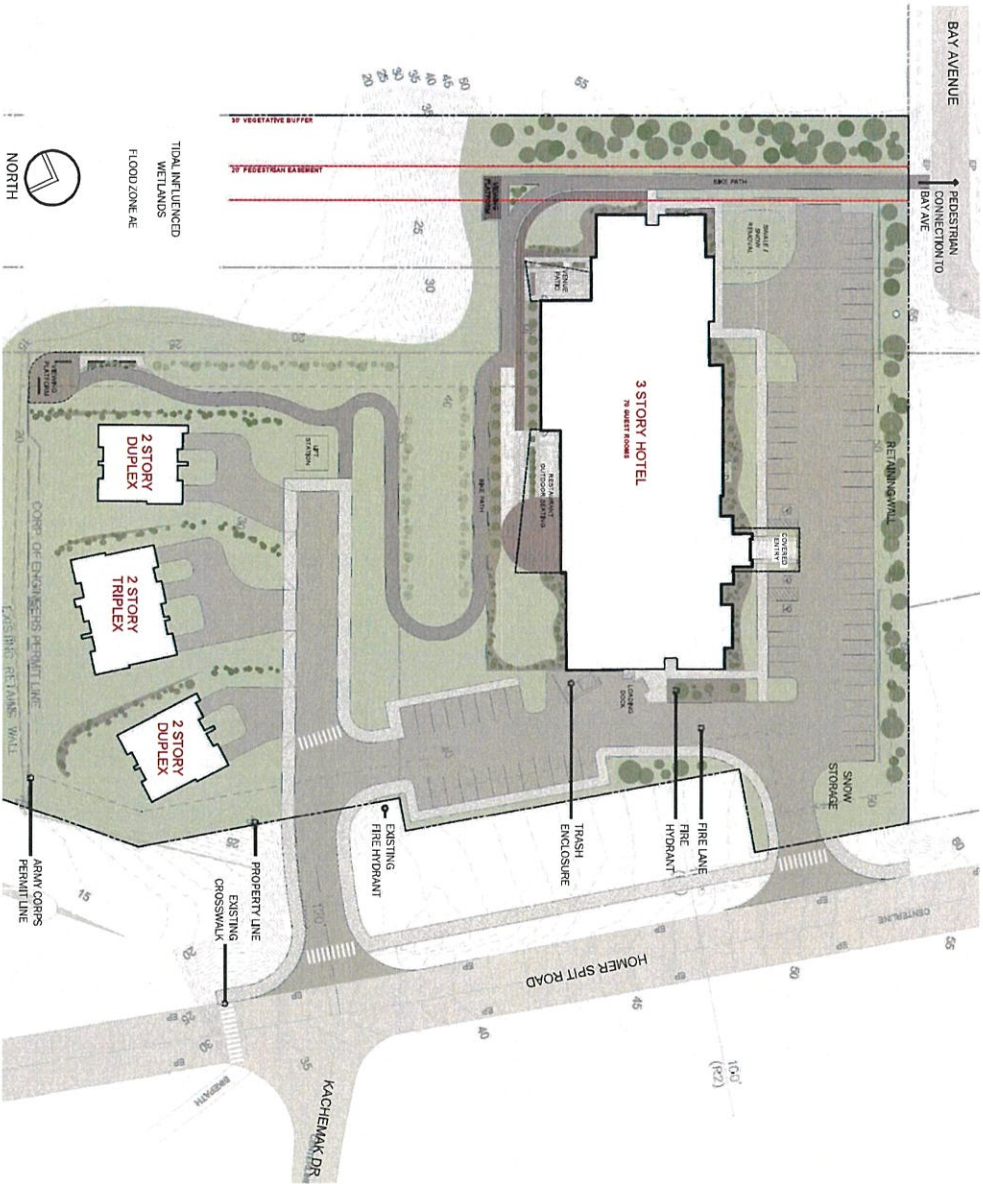
Homer Lighthouse Village

January 13th, 2025

Timeline



CONFIDENTIAL – FOR INTERNAL USE ONLY – PROPERTY OF DOYON, LIMITED







SCHEMATIC RENDERINGS - PEDESTRIAN PATHWAYS
 LIGHTHOUSE VILLAGE DEVELOPMENT | HOMER, ALASKA | OCT. 16, 2024



wanted to, as part of lower fill occurred within the B Street ROW. The city could have further developed that ROW but, as noted in Public Notice, the city did not have the resources to do so.

In Remanded Application CUP (see the figure below), Doyon proposed to vacate the B Street ROW in exchange for dedicating 50 feet of their land within lot 163 to include (1) a 20-foot public access easement and (2) a 30-foot natural vegetation buffer abutting adjacent residential lots. Although the 20-foot public access easement extends down to wetlands and southern border of the property, it functionally would stop at the proposed viewing platform adjacent (see area **circled in red**). This would guarantee pedestrians access to the viewing platform near the hotel but would not guarantee access to the viewing platform or the Spit Road. This pedestrian/bike trail continues in front of building, meandering in such a way to provide handicap access (see **blue line** on figure below). Doyon has said that this pathway would be open to public but has not offered to dedicate a public easement to ensure that pathway would be open to the public and provide access beyond this point. At their discretion, Doyon or any future owner could restrict access to hotel residents. We recommend that the Planning Commission require Doyon to establish a public easement from the upper viewing station to the lower bird viewing station by the condos. Only through a formal public easement can public access be assured, and guarantee of “equal or superior access” requirement in KPB 20.70.180 will be met.

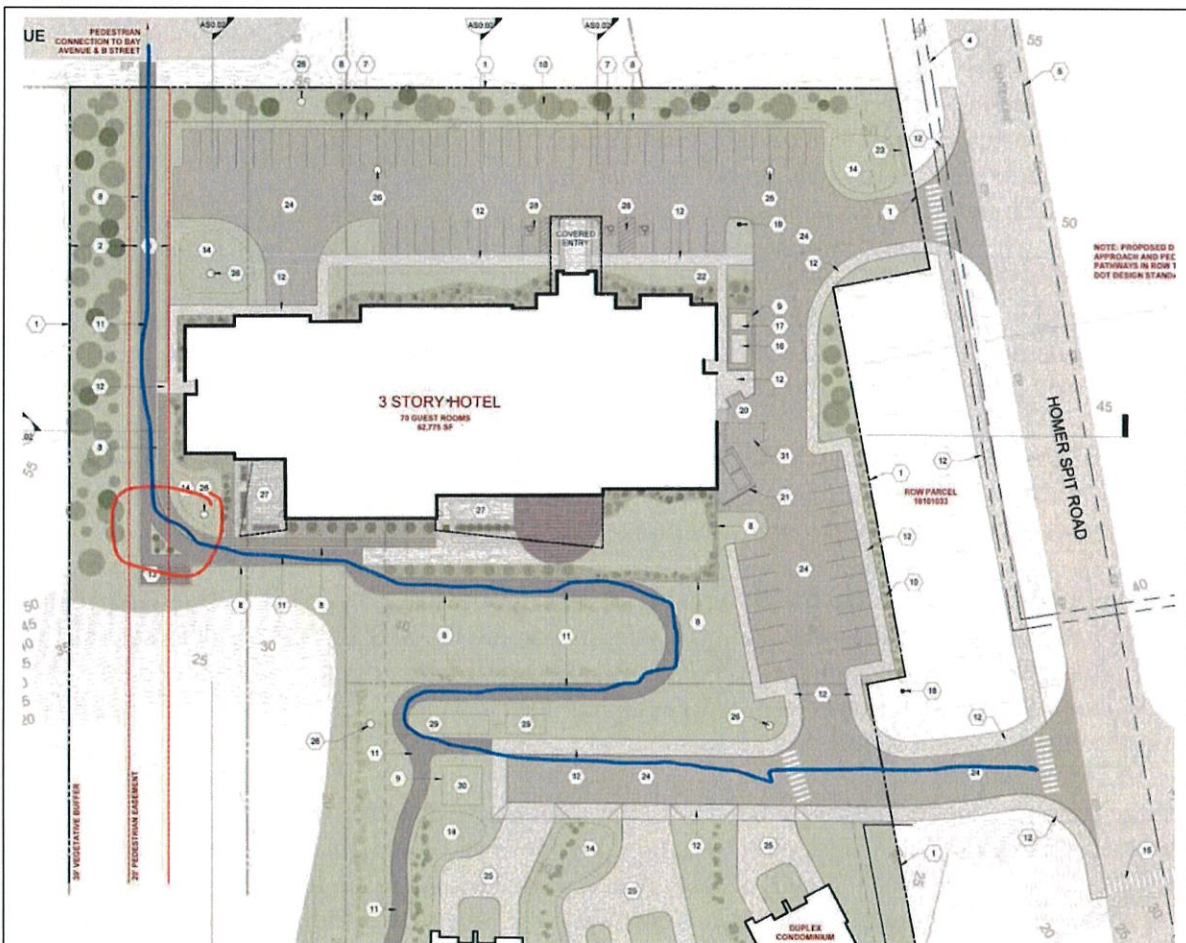


Figure AS0.01 from the Remanded Application. Doyon currently proposed a pedestrian easement up to first viewing station (circled in red). The paved pathway would extend in front of building, continuing down to the viewing station and an access road that leads to Homer Spit Road (blue line). No public easement is currently proposed for this section.



DOYON
Limited

SCHEMATIC RENDERINGS - UPPER VIEWING PLATFORM
LIGHTHOUSE VILLAGE DEVELOPMENT | HOMER, ALASKA | OCT. 16, 2024

WOMER
& ASSOCIATES
ARCHITECTS • ENGINEERS



Michael A. Armstrong
65240 Diamond Ridge Road
Homer, Alaska 99603
907-299-3469
wordfolk@gmail.com

Jan. 9, 2025

Kenai Peninsula Borough Planning Commission
re.: Right-Of-Way Vacation; KPB File 2024-131V (Homer B Street)

Dear Commissioners:

I am commenting on Doyon Corporation's application to vacate the lower portion of B Street as made in the above right-of-way vacation application. I am a borough resident. My main interest in this application is as an active birder and a member of the Kachemak Bay Shorebird Festival Steering Committee. I seek to preserve access to a traditional bird viewing platform that Doyon removed and in its new site plan intends to rebuild. I speak for myself and not as a member of the shorebird festival committee.

I have these comments:

- In return for vacating the easement and gaining title, Doyon proposes to grant a 20-foot wide pedestrian easement that will connect on its property to a trail and viewing platforms. I commend Doyon for granting this access and making these improvements.
- However, the ROW vacation application does not show that public access is preserved on Doyon's property. I recommend that as a condition of the vacation that the trail or sidewalk to the viewing platforms on Doyon property be made a public easement, and that the public shall also have the right to use sidewalks or trails connecting to the Homer Spit Trail.
- It is unclear in the ROW vacation if the 20-foot wide pedestrian easement goes all the way to the bottom or southern edge of the ROW to the wetlands. The Homer Planning Commission set in condition 3 of its Conditional Use Permit application approval that this easement be granted "as indicated in the site plan." I recommend that the KPB Planning Commission make as a condition of the vacation that this pedestrian right-of-way go all the way to the wetlands. While hiking down the bluff to the wetlands may be difficult for many users, keeping this access preserves a future option for the city of Homer to make access easier through improvements like a stairway or ramp. This also will preserve access for scientific purposes such as wetlands or habitat studies.

B.

- KPB code 20.65.060 (B), Title to vacated area, says this: "If the municipality acquired the street or other public area vacated for legal consideration or by express dedication to the municipality other than as a subdivision platting requirement, before the final act of vacation the fair market value of the street or public area shall be deposited with the platting authority to be paid to the municipality on final vacation." This matter should be addressed by making a fair market value assessment of the ROW to be vacated and as a condition of the vacation require Doyon to pay that fair market value. As compensation, if Doyon grants public access through its property, I think it would be acceptable that Doyon not have to pay fair market value for its acquisition.

- The existing B Street ROW offers a vegetated buffer between the Bay Avenue neighborhood and the new hotel project. Doyon's property on the west side of the B Street ROW also offers a similar vegetated buffer. As an additional condition of the ROW vacation, I recommend that Doyon be required not to remove this buffer.

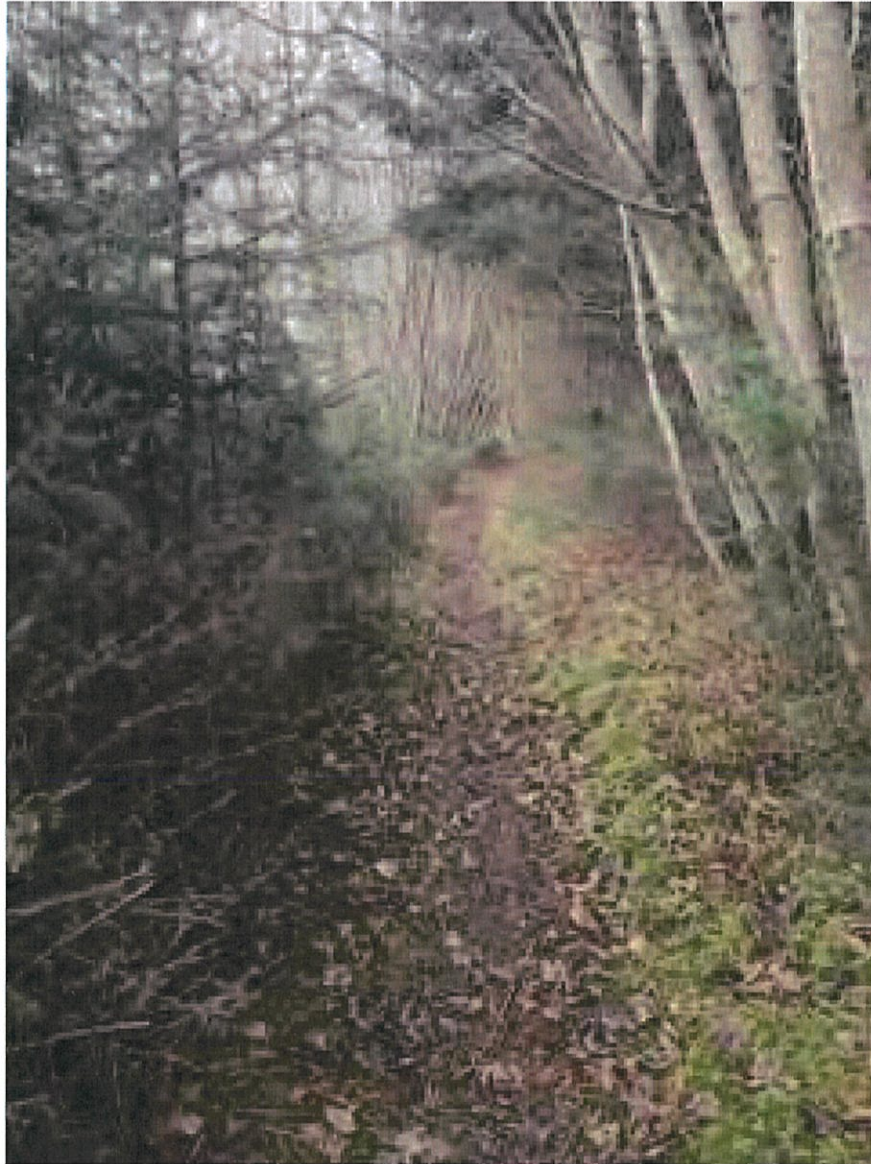
- A drainage easement also should be maintained on the B Street ROW.

- There also is the additional issue of the Homer Planning Commission having recommended that B Street not be vacated. The commission took this action before it granted the revised CUP that came back to it upon appeal. I am not sure how the KPB Planning Commission should resolve this. I suggest that the borough attorney or staff address this issue and provide advice on the best way forward.

Thank you for your consideration and public service. While there are some issues with this application, I think that a fair compromise can be reached that protects the public interest while allowing a commercial project to proceed.

Best,

Michael A. Armstrong



We should not vacate this Right of Way—beautiful, valuable City-owned waterfront property overlooking world-class shorebird bird habitat—unless the developers, Doyon, LLC, give us something of equal or better value in return. KPB Code 20.70.180 states that “... the commission shall not approve a vacation request, unless it can be demonstrated that equal or superior access is or will be available.” [Doyon is offering basically nothing in their application to the Borough.](#)

This Right of Way merits special consideration because:

- 1) it is high-value waterfront property owned by the City of Homer that we would be giving up.
- 2) It has historically been used to access a viewing platform for Homer’s Shorebird Festival, which is Alaska’s largest wildlife viewing festival. The site overlooks Mariner Park Lagoon, which is designated as a Western Hemisphere Shorebird Reserve Network (WHSRN) Site of International Importance, which means that at least 100,000 shorebirds annually return here.

It is imperative that access to the viewing platform from both B-Street and the Spit Road and the 30-ft vegetated buffer along the path (as promised by Doyon in their renderings and presentations to the Homer Planning Commission) is maintained and secured through an easement for public access.

The 20-foot public access easement from B-Street and 30-foot natural vegetation buffer and the public access path to

the Spit Road should be clearly delineated on a revised plat for this property before a ROW vacation is considered by the Borough Planning Commission or the Homer City Council.

Georganna Baker

115 Tulin Bluff East Court

Homer, Alaska

From: [Planning Dept.](#)
To: [Carpenter, Beverly](#); [Piagentini, Vincent](#)
Subject: FW: <EXTERNAL-SENDER>B street row
Date: Friday, January 10, 2025 8:08:00 AM

From: michael Bavers <mbavers@yahoo.com>
Sent: Thursday, January 9, 2025 6:24 PM
To: Planning Dept, <planning@kpb.us>
Subject: <EXTERNAL-SENDER>B street row

CAUTION: This email originated from outside of the KPB system. Please use caution when responding or providing information. Do not click on links or open attachments unless you recognize the sender, know the content is safe and were expecting the communication.

Please **do not approve** vacating the B street right of way.

michael bavorsky
50957 Hubbard Ln
Homer AK 99603
907-299-0163

From: [Planning Dept.](#)
To: [Carpenter, Beverly](#); [Piagentini, Vincent](#)
Subject: FW: <EXTERNAL-SENDER>Doyon's Proposed Right of Way
Date: Friday, January 10, 2025 8:07:19 AM
Attachments: [image.png](#)

From: Sue Christiansen <christiansensue42@gmail.com>
Sent: Thursday, January 9, 2025 5:09 PM
To: Planning Dept, <planning@kpb.us>
Subject: <EXTERNAL-SENDER>Doyon's Proposed Right of Way

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Please do not vacate this Right of Way as proposed by Doyon. It is a beautiful, valuable, City-owned waterfront property overlooking a world-class shorebird habitat. KPB Code 20.70.180 states "... the commission shall not approve a vacation request unless it can be demonstrated that equal or superior access is or will be available." [Doyon is offering nothing in their application to the Borough.](#)

This Right of Way merits special consideration because: 1) it is a high-value waterfront property owned by the City of

Homer that we would be giving up. 2) It has historically been used to access a viewing platform for Homer's Shorebird Festival, Alaska's largest wildlife viewing festival. The site overlooks Mariner Park Lagoon, designated a Western Hemisphere Shorebird Reserve Site of International Importance, meaning that at least 100,000 shorebirds annually return here. Access to the viewing platform from both B-Street, the Spit Road, and the 30-ft vegetated buffer along the path (as promised by Doyon in their renderings and presentations to the Homer Planning Commission) must be maintained and secured through an easement for public access. This platform draws birders from all over the world.

Please ensure the 20-foot public access easement from B-Street, the 30-foot natural vegetation buffer, and the public access path to the Spit Road are delineated for public use on a revised plat before a ROW vacation is considered by the Borough Planning Commission and before the Homer City Council considers granting a ROW vacation.

Thank you for serving the Kenai Peninsula on the Planning Commission. Your time and energy is very much appreciated.
Sue Christiansen

From: [Planning Dept.](#)
To: [Carpenter, Beverly](#); [Piagentini, Vincent](#)
Subject: FW: <EXTERNAL-SENDER>Right of way
Date: Friday, January 10, 2025 8:08:29 AM

-----Original Message-----

From: James and Brenda <twodolmas@gmail.com>
Sent: Thursday, January 9, 2025 11:49 PM
To: Planning Dept, <planning@kpb.us>
Subject: <EXTERNAL-SENDER>Right of way

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Sent from my iPhone The city needs to protect the right away for viewing wildlife.

This provides additional economic opportunities to the city of Homer by bringing in tourists that spend money in our community to experience wildlife.

Brenda and James Dolma

P.O. Box 2994
Homer AK 99603

January 6, 2024

Planning Department
Kenai Peninsula Planning Commission
144 N. Binkley Street
Soldotna, AK 99669
Email: planning@kpb.us

RE: Proposed Vacation of B Street Right of Way

Dear Planning Commission Members:

Regarding Doyon Corporation's proposed B-Street ROW vacation in Homer at the Lighthouse Village site at the base of the Homer Spit, I do not support the vacation of this 50-foot ROW.

However, if the Commission decides to grant this vacation, I would like several conditions to be met on behalf of public access, wildlife viewing, and environmental protection.

First, a dedicated public access that is equal to or superior to the current ROW must be designated. Doyon should provide 20 feet for a new pedestrian/bicycle path wide enough for both uses. Six feet is not adequate. The trail must connect down to a new public viewing platform that will replace the one that was destroyed. From there, a dedicated public access to the Homer Spit Trail must be defined.

The new viewing platform should be at least equivalent in size to the old platform. The Kachemak Bay Shorebird Festival has used this platform during the festival for bird surveys and viewing programs for the public. It was also used by the general public year round. Since so much of Homer tourism depends on having good access to bird and other wildlife viewing, it is important to restore this much used facility and make sure there are agreements on its maintenance and public use into the future.

Adequate drainage for runoff from Bay Avenue with pollution control before it runs off the road must be developed to protect the estuary. This ROW drains into Mariner Park Slough, a sensitive bird area that has been designated as a part of the Western Hemisphere Shorebird Reserve Network.

West of the designated pedestrian/bike path is a grove of old growth spruce. This 30-foot buffer of vegetation and mature spruce should be protected as a green belt between Doyon's development and the adjoining subdivision as it provides a natural visual and acoustic separation for the adjoining subdivision. It also keeps a more natural setting for the pedestrian/bike corridor.

All of the above conditions must be specifically included in the new plat so that access with a green belt from Bay View to the viewing platform and then on to the Homer Spit Trail is guaranteed for future use.

Thank you for the opportunity to comment.

Respectfully,

Nina Faust

From: [Planning Dept.](#)
To: [Carpenter, Beverly](#); [Piagentini, Vincent](#)
Subject: FW: <EXTERNAL-SENDER>Doyon
Date: Friday, January 10, 2025 8:07:38 AM

From: Kate Finn <hundredthmonk21@gmail.com>
Sent: Thursday, January 9, 2025 5:13 PM
To: Planning Dept, <planning@kpb.us>
Subject: <EXTERNAL-SENDER>Doyon

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Please, please do not let Doyon minimize or eliminate the Right of Way from B or the Spit Road!!!
Please hold them to their word!
Kate Finn
City resident and lover of beach and view access.

From: [Planning Dept.](#)
To: [Piagentini, Vincent](#); [Carpenter, Beverly](#)
Subject: FW: <EXTERNAL-SENDER>B Street ROW vacation KPB file 2024-131 V
Date: Tuesday, January 7, 2025 8:10:18 AM

From: mary griswold <mgrt@xyz.net>
Sent: Monday, January 6, 2025 4:59 PM
To: Planning Dept, <planning@kpb.us>
Subject: <EXTERNAL-SENDER>B Street ROW vacation KPB file 2024-131 V

CAUTION: This email originated from outside of the KPB system. Please use caution when responding or providing information. Do not click on links or open attachments unless you recognize the sender, know the content is safe and were expecting the communication.

Please approve the B Street ROW vacation south of Bay Avenue with the following conditions: that Doyon grant a drainage easement south from Bay Avenue and that Doyon grant and develop a public pedestrian easement from Bay Avenue to the Homer Spit Road.

We have an opportunity to provide legal pedestrian access from Bay Avenue to the Homer Spit Trail along the Homer Spit Road. The existing well-established path from Bay Avenue turns left from the B Street ROW and trespasses across the Doyon property to the Homer Spit Road. Making a legal connection here completes a user-friendly trail from the end of the Homer Spit to downtown Homer without having to navigate vehicle-congested Ocean Drive. I have walked this illegal trespass trail for decades (during a time when the property owners did not object) until a recent owner put a chain across it at the property line. I would love to walk it again.

Vacating this ROW does not adversely affect access to any property. The ROW runs south to the north property line of parcel 18101027 which is owned by the Alaska State Aviation Division. This property is better accessed from the Homer Spit Road, which it abuts. The ROW does not extend to Kachemak Bay or to the city property between the Aviation Division parcel and the beach. The slope of the southern half is too steep to build a road within the ROW. Two Doyon properties have excellent access from the Homer Spit Road and the third Doyon parcel has excellent access from Bay Avenue. There are no other affected properties.

The ROW immediately south of the existing path's left turn across Doyon property is brushy, moderately sloping, and has no trail on it. It can be scrambled up and down, but it is not a popular route to anywhere.

Please support legal public access trails in Homer and approve this ROW vacation with appropriate binding conditions. This trade of public ROW for a strategic legal trail connector which Doyon has promised to build, is a fair and equitable deal for everyone.

Thank you for your consideration.
Mary Griswold
Homer resident

From: [Planning Dept.](#)
To: [Carpenter, Beverly](#); [Piagentini, Vincent](#)
Subject: FW: <EXTERNAL-SENDER>B-Street Right-Of-Way Comments
Date: Friday, January 10, 2025 8:05:11 AM

From: Kelly Harrell <akwildfish81@gmail.com>
Sent: Thursday, January 9, 2025 2:20 PM
To: Planning Dept, <planning@kpb.us>
Subject: <EXTERNAL-SENDER>B-Street Right-Of-Way Comments

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Dear KPB Planning Commission Members,

As an Alaskan who is an avid birder and frequently travels to Homer for bird viewing and outdoor activities, I encourage you to carefully consider the vacation of the Doyon B Street Right of Way in a manner that ensures public access is maintained or enhanced in this critical corridor. This beautiful, valuable City-owned waterfront property overlooking world-class shorebird bird habitat should not be vacated unless the company provides the public something of equal or better value in return. KPB Code 20.70.180 states that "... the commission shall not approve a vacation request, unless it can be demonstrated that equal or superior access is or will be available." [Doyon is offering basically nothing in their application to the Borough.](#)

This Right of Way merits special consideration because:

- 1) it is high-value waterfront property owned by the City of Homer that we would be giving up.
- 2) It has historically been used to access a viewing platform for Homer's Shorebird Festival, which is Alaska's largest wildlife viewing festival. The site overlooks Mariner Park Lagoon, which is designated as a Western Hemisphere Shorebird Reserve Network (WHSRN) Site of International Importance, which means that at least 100,000 shorebirds annually return here.

It is imperative that access from both B-Street and the Spit Road and the 30-ft vegetated buffer along the path (as promised by Doyon in their renderings and presentations to the Homer Planning Commission) is maintained and secured through an easement for public access.

The 20-foot public access easement from B-Street and 30-foot natural vegetation buffer and the public access path to the Spit Road should be clearly delineated on a revised plat for this property before a ROW vacation is considered by the Borough Planning Commission or the Homer City Council.

Doyon's proposed plans for a new boardwalk and bird viewing platform are encouraging. This would be a great improvement and addition, and the Commission should ensure these improvements are mandated as part of any exchange.

Sincerely,
Kelly Harrell
6621 Round Tree Drive
Anchorage, AK 99507

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From: [Planning Dept.](#)
To: [Carpenter, Beverly](#); [Piagentini, Vincent](#)
Subject: FW: <EXTERNAL-SENDER>B St. right of way
Date: Friday, January 10, 2025 8:06:03 AM

-----Original Message-----

From: Steve Hughes <kachemaktaz@gmail.com>
Sent: Thursday, January 9, 2025 3:37 PM
To: Planning Dept, <planning@kpb.us>
Subject: <EXTERNAL-SENDER>B St. right of way

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The highest and best use of the B street right of way would be to maintain this city land for public access in its natural state. I hope you will deny access to this property from the Doyon development.

Thank you,
Steve Hughes
Homer resident



Kachemak Bay Conservation Society
3734 Ben Walters Ln, Homer, AK 99603
907 235.8214
kbayconservation@gmail.com

January 8, 2025

Kenai Peninsula Borough Planning Commission
planning@kpb.us

RE: Doyon Request to Vacate B Street Right-of-Way (KPB File No. 2024-131V)

Members of the KPB Planning Commission:

The Kachemak Bay Conservation Society asks the KPB Planning Commission to **recommend denial of the B Street Right of Way (ROW) Vacation**, as presented by applicants.

KPB 20.70.180 states that “... the commission shall not approve a vacation request, unless it can be demonstrated that **equal or superior access is or will be available.**” Applicants have provided no information to demonstrate that section 180 is met, and there is ample information to the contrary. Note that in a 5-2 vote, the Homer Planning Commission recommended denying the ROW vacation for at their meeting on January 3, 2024 in the absence of an equal or better route offered (discussion of ROW begins on p. 24).

This ROW merits special consideration because it is high-value waterfront property owned by the City of Homer and it has historically been used to access a viewing platform for Homer’s Shorebird Festival, which is Alaska’s largest wildlife viewing festival.¹ The site overlooks Mariner Park Lagoon, which is designated as a Western Hemisphere Shorebird Reserve Network (WHSRN) Site of International Importance, which means that at least 100,000 shorebirds annually return here.² It is imperative that access to the viewing platform is maintained and secured through an easement for access to be considered “equal or superior.”

There has been much discussion between Doyon, the public, and the Homer Planning Commission about how we get to “equal or superior,” which is notably absent from this application to the KPB Planning Commission. This application scraps past agreements with the Homer Planning Commission and simply proposes a vacation while offering no alternative. This is unacceptable.

The Homer Planning Commission agreed to approve a Conditional Use Permit that requires the vacation of the B-Street ROW, based on Doyon’s promise that they would allow the public to **access the viewing platform from both B Street and the Spit Road**: Doyon proposed to vacate

¹ <https://www.homer.alaska.org/events/kachemak-bay-shorebird-festival/>

² <https://kachemakbaybirders.org/western-hemisphere-shorebird-reserve-network/>



Kachemak Bay Conservation Society
3734 Ben Walters Ln, Homer, AK 99603
907 235.8214
kbayconservation@gmail.com

the B Street ROW in exchange for (1) a 20-foot public access easement and (2) a 30-foot natural vegetation buffer to protect residential lots (3) public access from the Homer Spit Road. Doyon has said that these pathways would be open to public, but has not offered to dedicate a public easement to ensure that access. Under this arrangement, Doyon or any future owner could restrict access to hotel residents. This is not equal or superior.

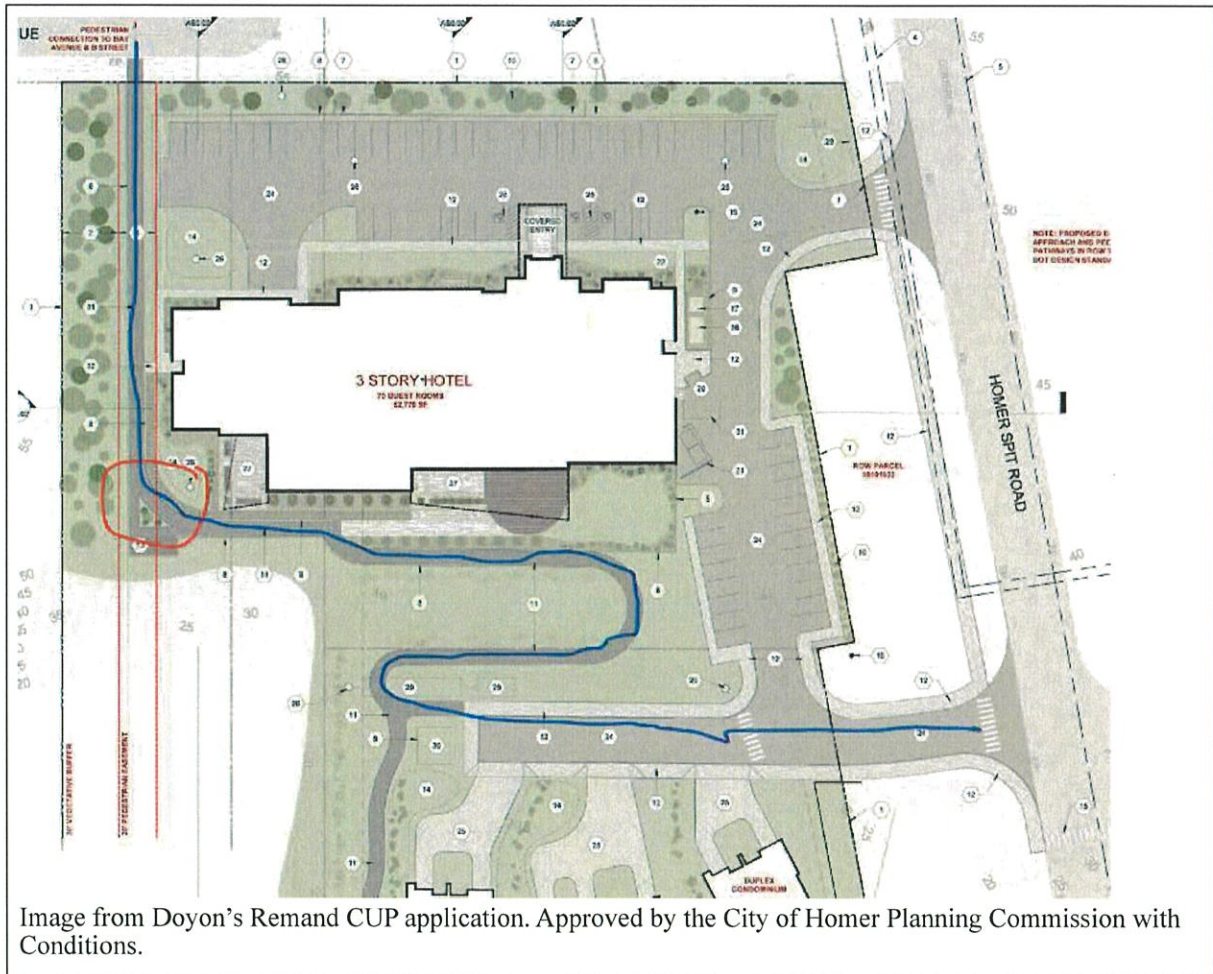


Image from Doyon's Remand CUP application. Approved by the City of Homer Planning Commission with Conditions.

We urge the Planning Commission to direct Doyon to establish a public easement from the upper viewing station to the lower bird viewing station by the condos, all the way through to the Homer Spit Road, as they promised the Homer Planning Commission they would do. These stipulations are necessary to achieve an equal or superior access to that which already exists.

Sincerely,

Roberta Highland,



Kachemak Bay Conservation Society

3734 Ben Walters Ln, Homer, AK 99603

907 235.8214

kbayconservation@gmail.com

President, Kachemak Bay Conservation Society

CALL TO ORDER

Session 24-01, a Special Meeting of the Planning Commission was called to order by Chair Scott Smith at 5:30 p.m. on January 3, 2024 at the Cowles Council Chambers in City Hall, located at 491 E. Pioneer Avenue, Homer, Alaska, and via Zoom Webinar. The worksession at 5:30 p.m. was canceled in order to start the meeting at this time.

PRESENT: COMMISSIONERS HIGHLAND, BARNWELL, SMITH, SCHNEIDER, VENUTI, CONLEY, STARK

STAFF: CITY PLANNER FOSTER, DEPUTY CITY CLERK KRAUSE, PUBLIC WORKS DIRECTOR KEISER

CONSULTING: KEN CASTNER, MAYOR

AGENDA APPROVAL

Chair Smith read the items from the Supplemental Packet into the record as follows: **PUBLIC HEARINGS** A. Staff Report 23-060, Conditional Use Permit (CUP) 23-08 Planned Unit Development Lighthouse Village Development at 1563 & 1663 Homer Spit Road and 1491 Bay Avenue B. Staff Report 23-061, Application Amending Zoning Map via Ordinance Rural Residential to General Commercial One C. Staff Report 23-062, Request to Vacate B Street Right of Way South of Bay Avenue - Public Comment Received and Amended Site Rendering. He inquired if the Commission had appropriate time to review the recent laydowns and public comments received and a five minute recess was requested from the Commission.

Chair Smith recessed the meeting at 5:35 p.m. to review the materials received as laydowns and the last 5 emails received in the Supplemental Packet. The meeting was called to order at 5:43 p.m.

Chair Smith requested a motion to approve the agenda as amended.

HIGHLAND/BARNWELL MOVED TO APPROVE THE AGENDA AS AMENDED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

PUBLIC COMMENTS ON ITEMS ALREADY ON THE AGENDA The public may speak to the Commission regarding matters on the agenda that are not scheduled for public hearing or plat consideration. (3 minute time limit).

There was one inquiry from a member of the public and they were directed when the appropriate time was to provide their comments on the agenda by the Chair.

RECONSIDERATION

CONSENT AGENDA

Chair Smith noted for the record that all items on the consent agenda are considered routine and non-controversial by the Planning Commission and are approved in one motion. If a separate discussion is desired on an item, a Commissioner may request that item be removed from the Consent Agenda and placed on the Regular Agenda under New Business. No Motion was necessary. There were no requests to move items from the Consent Agenda and the Chair requested a motion and second to adopt as presented.

- A. Unapproved Regular Meeting Minutes for December 6, 2023
- B. Decisions & Findings for Conditional Use Permit (CUP) 23-09 More than One Building Containing a Permitted Principal Use on a Lot at 1149 Virginia Way.
- C. Decisions & Findings for Conditional Use Permit (CUP) 23-10 More than One Building Containing a Permitted Principal Use on a Lot at 1161 Virginia Way.
- D. Decisions & Findings for Conditional Use Permit (CUP) 23-11 More than One Building Containing a Permitted Principal Use on a Lot at 1177 Virginia Way.

VENUTI/BARNWELL MOVED TO ADOPT THE CONSENT AGENDA AS PRESENTED.

There was no further discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

PRESENTATIONS / VISITORS

REPORTS

City Planner Foster noted that there were no City Council meetings since the Commission's December 6th meeting so there were no items of interest to provide to the Commission.

PUBLIC HEARINGS

Chair Smith requested declarations of ex parte communication for any of the items listed under Public Hearings since the December 6, 2023 regular meeting. They will address that issue now for all three items on the agenda.

Commissioner Conley declared an ex parte discussion on the Conditional Use Permit stating he was approached by Lane Chesley, the former Borough Assembly member and Planning Commissioner. It was under 10 minutes.

HIGHLAND VENUTI MOVED THAT COMMISSIONER CONLEY HAD EX PARTE COMMUNICATION.

Commissioner Highland requested additional details regarding the content of the discussion.

Mr. Conley stated that he and Mr. Chesley work together and Mr. Chesley brought up the Doyon Hotel in the course of their conversation and briefly recommended how additional focus should be given by the Commission.

repeating what he stated during his testimony from the meeting on December 6th. They both acknowledged that the conversation should stop and it did.

VOTE. NO. VENUTI, SMITH, SCHNEIDER, HIGHLAND, STARK, BARNWELL.

Motion failed

A. Staff Report 23-060, Request for Conditional Use Permit CUP 23-08 for a Planned Unit Development at 1563 Homer Spit Road, 1663 Homer Spit Road, and 1491 Bay Avenue

Chair Smith introduced the item by reading of the title, noting for the record that the Commission heard the Staff Report 23-060 in detail at the December 6th meeting and the Applicant provided their presentation in full. He stated that the Public Hearing portion for CUP 23-08 Planned Unit Development at 1563 and 1663 Homer Spit Road and 1491 Bay Avenue is being continued from that meeting and the Commission will commence hearing from those members of the public who wanted to provide testimony, but did not testify at the last meeting. He requested the public to limit their testimony specifically to the conditional use permit for the Planned Unit Development noting that there will be opportunity to speak on the other items at a later time.

Chair Smith stated that members of the public wishing to testify and did not at the last meeting that are attending via Zoom will go first then those members of the public present in Chambers.

Beverly Bowman, summer resident and has a business at 3361 B Street, expressed concerns on the height, parking and entrance to the employee residence and stated that if there was any room for a vehicle to park where the pedestrian trail was that members of the public would be parking there. She then commented on the public access or private access for residents of Bay Avenue and the landscaping behind the hotel.

George Matz, resident of Fritz Creek, avid birder, commented that he has been monitoring and involved in the Shorebird festival for the past 15 years and expressed concerns on access to continue the monitoring and provided information and comment on how popular the annual event was, that the area was part of the nationally and internationally recognized shorebird habitat citing the importance to the community and visitors.

Marcia Kuszmaul, city property owner and resident of Fritz Creek, expressed concerns on the loss of the viewing platform and the value of that amenity to her guests, expressed agreement with Public Works Director Keiser's report on aesthetics of the project, she did not think the proposed design reflected Homer as a coastal fishing village as there was nothing lighthouse about it and hopes that Doyon would reconsider the design. Ms. Kuszmaul expressed additional concerns on the impact of reported chemicals into the lagoon, environment and on the wildlife. She stated that she added her name to the letter that was being distributed as well.

Catie Bursh, city resident, residing on Mt. Augustine Drive, stated that she has always been ticked off regarding the condos at the end of the Spit just because it's a really unique piece of real estate. She noted that living in Homer for 40 years, it just keeps getting bigger and you are out on the Spit you see this big wall and did not think that is what they want for Homer. Ms. Bursh stated that she has been to Cancun and places where it was just a wall of hotels and you had to have a key card to access the beach or every mile or so there was a little skinny public access where you could squeeze through the hotels to get to the beach. She questioned why the hotel has to be at the edge, expressing that the hotel should be inland and that land should be a park. Everyone likes

parks and walking the beach, it is where the birds are. These areas should be preserved for public access and people, not just for making money, nobody wants to come home and see the backside of a bunch of hotels.

Cooper Freeman, expressed concerns with the GC1 guidelines, agreed with the previous speaker regarding using the land for a park and putting the hotel upland, land use goals on increasing housing diversity but decreasing the height and safety regarding pedestrians. He questioned if the city had the appropriate fire equipment, what impacts would there be if a tsunami occurred; the visual impact on Homer as there is no other four story building and did not believe that there should be one at the edge of the Spit, stormwater drainage into the wetlands, maximizing the parking, and will the Commission consider the letter that has over 200 signatures as each individual signature on the letter or as just one letter.

Nina Faust, city resident, could not support the proposal stating it did not follow the city regulations and should not be developed within flight paths or in a tsunami zone. The project should be moved back or remove the condos from the development, advocating for the development to be scaled smaller as she believed it was overkill for Homer. Ms. Faust opined that the project did not enhance the areas natural beauty and will block the view. She expressed that Doyon should maintain the green corridor around the development, put the platform back and connect Bayview Avenue trail onto the fill perimeter along the lagoon and out to the Spit Road. Ms. Faust spoke about the noise affecting the wildlife, performing green infrastructure to protect the lagoon from runoff or the possible failure of the fill due to the dense weight.

Jack Cushing, city resident, commented on the definition of conditional use and what it implies and having a condition that requires removing some of the illegal fill as part of the approval. He then commented again repeating from the December 6th meeting about the city giving right of ways away noting that he and his wife had submitted written comments that were included in the packet.

William Marley, city resident, provided written comments, repeated his concerns again from the December 6th meeting on having a high rise in the location of flight paths and previous air traffic accidents at other locations and Homer.

Dottie Harness, city resident on Klondike Avenue, stated she reviewed the staff report and based on the number of requests for waivers and exceptions recommended denying the CUP and the vacation of the right of way, but believed that it was a workable situation with practical solutions with several already mentioned by the public tonight. She hopes that the developer goes back and aims for some of those. Ms. Harness continued stating that if the Commission allows the waivers and exceptions that they are opening a very wide door for future developments to parade before them with requests for exceptions and variances. Ms. Harness noted that one of the city code items that the vacation asks is, if it offers equal or better access and in her opinion the applicant has not. She again expressed that the Commission should send a strong "nay" back to the Borough regarding this vacation as they depend on the Homer Planning Commission for advice and recommendations.

Mike McCarthy, city resident, expressed concerns on the timely notification to the public regarding this project since meetings were over the holidays and folks not being available to comment; the impact to traffic and the intersection of Kachemak Drive and Homer Spit Road; hazard mitigation for soil liquefaction has not been addressed in the current proposal, that could happen during an earthquake or other seismic event. Mr. McCarthy referred to a picture he provided of the impact to a residence in Homer at another location during the 1964 earthquake.

Miranda Weiss, city resident, commented on the size of the project, that it was led by a very large corporation making about \$1.5 billion dollars every year, asking for numerous accommodations. She recommended that the Commission reference the Comprehensive Plan and Spit Comprehensive Plan, particularly referencing points made on unique community character, quality of life, and scenic beauty. She expressed that a large hotel makes it look like anywhere USA stating specifically a large corporation that has no connection to Homer does not meet that test. Ms. Weiss further noted that the City Planner and Advisory Commission members have to say no sometimes, and guiding development means you need to say no. She continued by stating that she understood they were under extreme pressure to say yes and acknowledged that Doyon has invested a large sum of money already, but they need to make the hard decision, guide development and say "no thanks".

David Stutzer, non-resident, lives up off of Diamond Ridge Road, but he annually rents a stall at the Harbor and will be driving by this project all summer into the fall. He was concerned about the traffic as others and agreed that it will increase the load, before anything happens the property will need to be rezoned and understood the Commission was advisory to Borough Planning Commission and he recommends that they deny their re-plat because they want to vacate a right of way. Mr. Stutzer advocated that the right of way was public property and belongs to everyone and according to the plans he looked at they have not assured the public access to the tidal area for viewing the birds and walking down to the tidal zone. He then noted the right of the Commission to deny the Conditional Use Permit based on all the buildings including the condos are over the height limits and maximum square footage for buildable area is over 30 percent, citing portions of city code 21.24.040. Mr. Stutzer provided his experience as a builder that going up three floors is cheaper than two, and was surprised that the planning department even allowed the Commission to waste their time, noting that the department should have denied the application.

Sue Mauger, stated she was a resident of the Bridge Creek Watershed district that the city manages, she expressed her experience working on the library project and her first views on this project that it exceeded the city height and square footage and were well outside the parameters established in city code. Ms. Mauger then noted that the planning director concluded that there is no health, safety or welfare concerns with the proposed hotel building height which is completely irrelevant, that is not why that height policy was in place, it has to do with community character and natural environment and wanting Homer to remain a special place. She expressed concerns regarding water flow and contamination, noting the paved parking lot over a gravel lot, compression of the soils and from what they know these soils are contaminated and there is not enough consideration for the flow and changes to that flow pattern and then there are the number of required parking spaces, she stated she could not find that requirement in city code but feared that they are going to soon look like Soldotna with huge parking lots in front of their buildings and stated that there was not enough parking shown in the plans in her opinion and that means they will start parking in the public parking available on the base of the spit and Mariner Park. There is not enough information for her to say yes, and they should be told to go back and do your work.

Laurie Daniel, long time member of the Homer Community commented that she doesn't approve of the Doyon application and recommended that the Commission not approve it or any of the applications submitted. This project is asking for multiple exceptions, the plans are out of compliance, requires rezoning, replatting, and vacating a community right of way. She recited from the Comprehensive Plan regarding thoughtful development as well as cultural and historical aspects of the local area that we have prioritized as most important to living here. She believed the Doyon proposal disregards those priorities in favor of business expansion of a non-local huge corporate entity with no ties to the community. Ms. Daniels stated it simply does not meet our intentions and defined standards. The development is too large, dense and obliterates a decades

long environmental conservation designation and demonstrated traditional use of the site for wildlife viewing, highly impacts the adjacent neighborhood, includes several unnecessary elements in addition to the hotel and poses a tremendous disruption, with added congestion to traffic at an already problematic intersection and sharp curve. She stated that consideration should be taken for the proposed Harbor Expansion and that it would behoove the Commission to wait until the city has made a decision on that project and its consequent effects, as only then the proposed project impacts can be evaluated in the accurate context. She recommended that the Commission deny all permits from Doyon on this development and suggest they come back with a greatly reduced project.

Jennifer Gibbons, Homer resident about a mile from the proposed project, expressed her respect for Doyon's interest and efforts on this project but she is opposed to the project and does not find anything redeemable about it. Ms. Gibbons recommended that the Commission completely deny everything as she recreates all year round in the area and is very familiar with the traffic, the value to viewing wildlife and access for everybody in this community to be able to enjoy as it is why we are all here. She stated that she walks her dog, rides her bike, camps at Mariner. She does not think this project is consistent with what people value and many have expressed the same prior. Ms. Gibbons commented that she has heard from many on how fast and piecemeal Homer is expanding and that for this project they should take their time to allow the discussion and consideration.

Jon Faulkner, city resident and President of Land's End, stated that it is a busy business, heavily impacted by traffic from the Homer Spit. He welcomed Doyon to the community, supports investment and quality development, free enterprise and considers competition good for business and good for the consumer; Doyon is a great Alaskan regional corporation with roots going back years, strong track record in the state and as the owner of a comparable property he considered himself somewhat of an expert in this type of development and he has also designed and permitted several Planned Unit Developments on the Peninsula. He stated that his first recommendation was to not carve out a special favor to a new development in the form of increased maximum heights without broad public input, advising it was not the time to do it, this is not a little issue. Mr. Faulkner clarified that Land's End does not exceed the 35 feet height limit on any of the structures; meets traffic peaks comparable to Doyon's but believed 88 cars was low and recommended increasing that by 40%. In regards to Short Term Rentals with a proposed ordinance coming up that should be considered by the Commission in their approvals; traffic and safety issues on the Spit Road and at the intersection with Kachemak Drive is dangerous now and in his opinion a train wreck, adding the additional traffic will result in maddening delays for hundreds of people each day. Mr. Faulkner proposed a pedestrian underpass or culvert stating the slopes support it and it would be a wonderful addition. He noted the increased revenue for the city that would be paid by Doyon and suggested a partnership with Doyon to effect that pedestrian amenity. Mr. Faulkner did not favor vacation of B Street as he did not see it having a greater detrimental impact on Doyon as it would the community.

Penelope Haas, non-resident, keeps a boat in the harbor and is the author of the letter that has over 202 signatures¹, expressed her hope that the Commission was able to read the entire letter and did not want to repeat it. She reiterated what many previous people said and what was stated in the letter that this was not the place to throw out the book in terms of the city code, there is guidance on how to interpret the code in the comprehensive plan that pointed at protecting the ecology around this development, focusing density of our development away from this area and towards the city center. She expressed her desire for the Commission to find it within themselves to do what the community has clearly outlined they would like in the comprehensive plan and requested the Commission to deny the CUP and all associated parts, vacating the right of way on B

¹ There were no actual signatures on the submitted letter.

Street would end any certainty or clarity that people could view birds at this historic location, whatever Doyon might say, it means nothing, a right of way means a right of way and we should maintain that.

Eric Engebretsen, City resident born and raised, own and operate Bay Weld Boats, expressed his appreciation for Mr. Faulkner's comments, noting it was a big statement for him to publically welcome the competition. He stated that as a business owner, he is working hard to build a business, provide jobs, good lifestyles and a living for local people. Mr. Engebretsen informed the Commission that he left and came back because he could not find a better place, but he grew up with the distinct impression, hearing all the comments and concerns about this project, that there is a message coming out of Homer that we are reluctant to have business opportunities and development come to Homer and it struck him that here is a world renowned investor wanting to come to the community, do something pretty significant, and he was concerned that the message they are hearing is, No. He expressed his hope that there would be a way to proceed respectfully, that responsibly addresses concerns and leaves the door open for development that is done right, because in the long haul, that is what is best for the overall community.

Karin Marks, city resident and business owner since 1992, stated that there have been a lot of things said tonight but there are other points of view in this community and many of those are uncomfortable coming forward to speak. She expressed her appreciation for Mr. Engebretsen and Mr. Faulkner's comments and believed there were merits to this development from a corporation with Alaskan roots, interest in doing things to maintain the environment, and developing land tourism rather than cruise ship tourism with consideration to increase the shoulder season business, creating year round jobs, having accommodations for seasonal workers, providing conference/meeting space; noting the plan is not perfect but they can work with Doyon to make it the best possible. Ms. Marks noted that traffic is a top issue and continues to be whether this development happens on this property or not, but believed there are solutions, such as made by Mr. Faulkner. She addressed statements that were not appropriate, reminding the Commission that Doyon provided a new rendering that was in the supplemental packet addressing concerns on public access, providing a viewing platform, and just because they are a large corporation does not mean they are going to rape, burn and pillage the city. She continued with an explanation of the CUP process being approved on a case by case basis and when referencing the Comprehensive Plan recommended the Commission review Chapter 7 regarding economic vitality, as it is often overlooked, and use of such terms as center city versus city center and commerce business district.

Sarah Faulkner, city resident, co-owner of Land's End, commented that in business and development you shoot for the stars and hope to land on the moon and believed that it what they had here. The community wants the project built within the approved limits and we know from experience at Land's End that it is economically viable to build within the city code that we have now. She agreed with previous comments on the project being too big for the location, both footprint and height, expressed concern on vacating the easement since they have had a whole festival built around the shorebirds and that is a major viewing location, and traffic really needs to be addressed since that is the location that everyone speeds up right in front of that property.

Mike Barley, resident of Crossman Ridge Road, commented that "Homer Funky" gets another dink in its armor with this development, expressing that he liked what was there before at that location, referring to the Quonset huts as they have a long history in this state, and god knows they could use another auto body shop more than a hotel but he did not really have any opposition to having a hotel on the site, just the size in relation to the lots citing bigger is not always better. He also believed that they need more public space, not less. He recounted walking the trail and picking mushrooms, that it is a nice green space with lots of trees and they are going to put in a concrete wall and paved walkway. Mr. Barley did not think that the city should give that away. He agreed

with all the comments on the traffic and the building height and then opined on how the City Planner handled the notification of the public on this development when they heard at the last meeting that he has known about the project for a year, believing that there should have been more transparency. Mr. Barley added that he thought the City Planner's report was biased and not objective about the project and it came across like a done deal.

Jim Anderson, born and raised in Homer moved away for several years and then moved back a couple of years ago, stated that he has not done a lot of research on this project and appreciates all the time and energy that has gone into the opinions, facts, and information. He expressed being perplexed on how the public finds out things after it has presumably been accepted with little public awareness. Mr. Anderson recounted his years growing up in the community in those early days, working for three businesses who were very supportive of growth in Homer. He requested the Commission to be supportive of intentional and well thought out growth, noting that there was a lot of pencil work that had to be done for this project. He added that there is a food and beverage conundrum in the community, housing crisis for seasonal support staff, but Doyon appears to be creating solutions to those problems that existing establishments are currently facing. It can be daunting to come in and be seen as an outsider, anecdotally stating his carefully planned re-entry into the community since he also would be seen as an outsider. Mr. Anderson recommended uniting their voices to support reasonable change warning that "our little hamlet by the sea is going to be a community of duct tape and sledge hammers" as 20 years from now, Seward continues to grow, creating culinary opportunities by expanding their stores and restaurants. They are a lot closer to Anchorage. He supported protecting the environment, but people that attend the Shorebird Festival have all these wonderful opportunities to spend money, and there will be more people who are interested in protecting the environment as well, but Homer needs the infrastructure and the support to be able to allow responsible growth to happen.

Chair Smith closed the public hearing after confirming with the Clerk that there were no members of the audience attending on Zoom wishing to speak and seeing no one in the Council Chambers coming forward. He then offered the City Planner rebuttal to the public testimony.

City Planner Foster noted that Randy Kinney with Kinney Engineering who performed the Traffic Impact Analysis was in attendance and deferred to Mr. Kinney.

Randy Kinney, Kinney Engineering, provided the following rebuttal to concerns expressed:

- What a traffic impact analysis was, the methodology, how it works and how did they reach the numbers they did
 - o Reviews the development in accordance with land use
 - Outlined the components of the development, considered a campus
 - Hotel
 - Employee Housing/dormitory
 - Short term Rentals/Townhouses
 - o Used the National Data Base from the Institute of Transportation Engineers
 - Provides data for a large number of land uses that is accessed by companies all over the United States
 - o They used the highest or peak numbers for the time period
 - o Established a base line traffic volume
 - Compared the additional trips on the transportation system that the new development would provide.

- Acknowledged that the timing was not during summer peak travel times and this was recognized and factored into the calculations
 - Obtained the information from the continuous count station located on the Homer Spit Road for July which was two times the count from September
 - The number projected by the development would average 88 vehicle trips per hour and would not create a lot of additional delay
 - The average vehicle delay is only 20 seconds on the main transportation route
 - This delay from the increase in vehicle trips does not require mitigation in accordance with the State of Alaska regulations
- Reviewed Pedestrian very carefully and to mitigate traffic impact is to get people out of their vehicles and onto pathways walking or biking. They reviewed pedestrian delay at the two intersections, FAA Road and Kachemak Drive
 - FAA Road with the summer vehicle traffic and the curve along with the width of the road presents a large delay.
 - Recommend a two stage crossing or a pedestrian refuge which reduces the delay time and the sight distance by crossing one lane of traffic at a time
 - Kachemak Drive is better but there is still a substantial delay
 - Recommended rapid flashing pedestrian beacons to be installed at the existing crosswalk
- Recommended the pathway to connect Bay Avenue with the Homer Spit Road
- This project does not increase the congestion that is already being dealt with and the numbers do not require mitigation in accordance with state law
 - Ocean Drive is a state owned and maintained roadway
- Addressed vehicular accidents and the number of them were not very extensive over the past several years

Chair Smith addressed a request to take a brief recess by stating he would like to finish addressing the traffic impact related questions then take a recess. The Commission agreed by consensus and Chair Smith opened the floor to questions from the Commission for Mr. Kinney.

Mr. Kinney facilitated questions and answers on the following:

- Personal opinion was to the information and data reflected in the TIA
 - Expressed confidence in the report as he:
 - Followed a prescribed methodology
 - Identified impacts
 - Numbers speak for themselves
- Why the study was not conducted in July
 - The contract was not executed until August and that was the earliest they could get the work on the schedule.
 - Numbers realized reflect previous July traffic counts from existing counting equipment located a mile south of the Kachemak Drive intersection on the Homer Spit Road
 - July's numbers were twice the numbers in September
- Clarification on the where or how the number 88 expectation was derived
 - The campus is expected to generate an additional 88 vehicle trips per hour throughout once you build something this number will stay consistent throughout the life of the analysis
 - Background traffic can change

- Reviewed the previously stated information of traffic counts for September and July
 - Multiplied September numbers by a factor of two
- Clarified the term Baseline Traffic or Background Traffic
- Reiterated that the campus/hotel will generate 88 trips per hour additional to existing traffic
 - Account for the baseline traffic
 - He referred to page 32 of the TIA, Figure 10 complete figures are for 2022 and that reflected 8800, say 8900 for July
 - September traffic at the same location was 4000 or 4500
 - Numbers based on Average Daily Traffic
- You can go back and review previous years and the numbers stay fairly similar exceptions to the pandemic years when there was overall less traffic.

Chair Smith called for a recess at 7:45 p.m. The meeting was called back to order at 7:57 p.m.

Mr. Kinney continued his rebuttal and clarified the following:

- Background Traffic
 - o 700-900 vehicles per hour according to the continuous counter
 - o The type of land use for the new development extrapolates to 88-90 additional vehicles per hour
 - o This number will vary dependent on the time of year, month, day, time but is not expected to be greater
- There was no consideration of installation of raised pedestrian walkways over those areas discussed as the costs would be considerable, not to mention there is not enough land for the approaches that would be required on both sides. Overhead Pedestrian Crosswalks are multi-million dollar structures.

Chair Smith opened the floor to City Planner Foster for rebuttal.

City Planner Foster provided rebuttal to the following topics:

- Noted the revision provided by the Applicant of the proposed site plan includes viewing platforms
 - o This platform is not a recommended condition but the Commission could include that as a condition on the CUP
 - o Continuous pedestrian access is shown from Bay Avenue to the Homer Spit Road and is a condition that he has recommended for approval
- The inclusion of comments from the Fire Chief from his review of the proposed plan and statement that he will be working with the applicant further on the development of the project when or if a Zoning Permit application is submitted.
 - o The applicant is submitting a conditional use application for the use of the property to be approved, it is not a construction permit.
 - o The applicant will need to submit a Zoning Permit Application and it will need to be approved before construction can begin.
 - o The Zoning Permit is the next stage and there are conditions that need to be met before that will be granted.
- The process of the development and the public perception that it has been overly quick and non-transparent
 - o This Conditional Use Permit was processed as quickly and transparent as any other project in accordance with the Homer City Code.

- There was no secrecy or expeditious nature of the application process
- There are time requirements outlined in City Code for Conditional Use Permits that must be followed.
- This application was submitted, reviewed for completeness and due to the Commission's meeting schedule for November and December it was scheduled for the December meeting.
- Notification to the public was followed as outlined in city code. Applicants usually contact the planning department when they have an idea of something they might like to do and staff discusses the processes and permits that are required for their proposed project.
 - Until the application and fees are paid it is unknown whether the property owner will actually go forward with the development of the property.
 - Once the Planning Department receives the application and fees they proceed with review of the application and attached documents.
- A Traffic Impact Analysis (TIA) was requested by the Planning Department due to the scale of the project.
- Role and tasks of the City Planner in facilitating the application through the process of submittal, review, notice, advertising, presentation to the Commission and finally a public hearing.
- Acknowledged that the proposed project was large and could possibly take more time for review by the Commission.
 - Tremendous amount of information and public comment provided for the Commission in a short time period.
 - Decision is required no later than 45 days from close of the public hearing.
 - A Public Hearing must be held 60 days from date of receipt of application.
- There will be no vehicle connection, or parking, at the pedestrian access or B Street vacation of right of way.
- Aesthetics for a planned unit development in General Commercial 1 districts are limited and is different than the requirements for Central Business District or Town Center District
- Zoning the property for a Park, these lots are private property and zoned for rural residential and General Commercial 1, parks are not allowed.
- Issued regarding the potential for soil and or fill materials, foundations is done or conducted under the Zoning Permit application.
 - Building inspections for commercial and multifamily residential which are included in the site plan require fire marshal review that happens at the Zoning Permit stage, which includes site planning and construction.
- Army Corps of Engineers will be contacted by the applicant regarding wetlands and any permitting requirements as they are the authority and it will be a condition of the CUP.
- Letter from the Federal Aviation Authority will be a condition or requirement to obtain the Zoning Permit in regards to possible crane use.
 - The FAA did not have opposition to the overall building height but it did not address if cranes were used during construction.
- Parking requirements were addressed and shown on the site plan and calculations based on code requirements for the number of spaces.
 - Accommodating guests that are towing boats are definitely a consideration and will take up more than one space but there is nothing in city code that addresses consideration of that requirement.
 - There is a balance required by design and development in providing what is required by regulation in city code for a specific district, what is needed to adequately service the development, and what is needed to service the public.

- Parking is historically provided based on the peak usage for any land use such as retail, services, hotels, etc.
- The proposed development acknowledges the vehicular use and non-motorized use of the property.
- Preliminary Stormwater plan was submitted with the proposal but that is not addressed at the Conditional Use Permitting application. That is considered during the Zoning Permit application phase and is dependent on other factors as well.
- Exceptions and Variances
 - o Do not apply to this Conditional Use Permit application. The developer has submitted an application for a Conditional Use Permit for a Planned Unit Development which has a separate criteria for review.
 - o Variances and waivers have their own applications and are applied in a different manner to city code.
 - o This Planned Use Development process allows the flexibility for height, land use, density, and non-permitted usage on a portion of the property.
 - o The City Code that addresses Planned Use Developments (PUD) is 21.52 not 21.24
- Clarified the difference between variance and city code 21.24.040 which states a building height is limited to 35 feet
 - o This is something that the Commission has not had to address.
 - o Previous PUD's were denied as it came down to the analysis of the development by the Fire chief at the time and the inability to address fires in structures over 35 feet. Currently Homer has a ladder truck and that is not a limiting factor now.
- A standard Conditional Use Permit application would only require a site plan.
- Homer City Code 21.24.040(e) (4) is applicable to large retail such as a Walmart, Fred Meyer and not this project
- A PUD does not limit the Commission on their decision, however, clarifying that the only item that did not meet GC1 Zoning District and the PUD is the height.
 - o In accordance with City Code 21.52.040 addresses the ways that the Commission can deny the permit
- Homer City Code 21.44.020 (a)(1-3) was cited and questioned on applicability to this project, this lot does not fall under ravine, steep slope, or bluff or coastal edge. He referred to a picture a member of the public displayed earlier in the meeting.
 - o Bluff is described in city code as an abrupt elevation change in topography of at least 15 feet, with an average slope of not less than 200 percent (two feet difference in elevation per one foot of horizontal distance).
 - o "Coastal edge" is described in code as the seaward extent of a relatively flat land where a slope break or scarp occurs that is adjacent and within 300 feet of the mean high water line of Kachemak Bay. The chosen coastal edge must represent the seaward extent of land that is neither part of a previous landslide nor a bench on a slope.
 - o The Shannon & Wilson report includes an opinion regarding the possible movement of fill behind the existing retaining wall
- In rebuttal to the tsunami concern since the city does not have building code, falls under the Fire Marshall
 - o Comment was provided regarding the emergency management preparedness and action plans, which incorporates state, city and federal processes during disasters and natural events that occur. Noting that typically earthquakes and tsunamis are constant threats and hazards here in Alaska and if considered there would be no development allowed on the Spit.

- Review of the Comprehensive Plan, Objective A
 - this project does address affordable housing needs for the workforce
 - Walkable community – providing the pedestrian access through a boardwalk and connecting one Bay Avenue through the site, with amenities to view the tidal areas, provides three viewing areas and connection to the Homer Spit Road
 - Property was developed with Restaurant, Short Term Rentals, an auto body repair/towing business, boat parking versus a hotel and residential housing.

Chair Smith invited the applicant to come forward and provide rebuttal.

Patrick Duke, Senior Vice President & Chief Financial Officer, Zach Dunlap, Operations Manager with Doyon Limited and Lauren Egbert, Lead Architect & Project Manager with Womer & Associates provided rebuttal on public testimony for the following:

- Acknowledged that Doyon was a large company, testimony provided on the amount of money the business made to be \$1.5 Billion per year anecdotally stated that his bonus was really bad since it was misrepresented by a factor of 50 – he wanted to get that off the table.
 - Addressed the Land Use Agreement that the former property owner had regarding the viewing platform was never disclosed to Doyon.
 - Doyon did not violate any agreement as there is no language in that agreement that bound future land owners to keep and maintain the viewing platform.
 - Doyon wants to provide a viewing platform for public use and has provided revised conceptual drawings that show three viewing areas strategically placed overlooking the lagoon within the boardwalk pedestrian access
 - Demolition of the platform was a safety issue in their view.
- Reiterated the experience Doyon has working in environmentally sensitive areas such as the North Slope
 - Been in business for 50 years, 40 years on the North Slope
 - Largest landowner in the country
- This project will create jobs for the community
 - Use local contractors to construct to development
- Related prior experience coming into a small community with economic development and the community fought against it and later regretted turning away the project.
 - They loss residents due to the lack of work
 - Closed schools because of the lack of families with children
 - Loss of Services
- Doyon will be providing for shoulder season and winter economy by providing services used for conferences, visitors that fish, flight seeing tours, bear viewing, and year round restaurant/bar service.
 - Recited Homer documents related to a Conference Facility study performed in 2005 which is still relevant today
 - Conferences by organizations outside of the community has the potential to bring in \$2.5 million in revenue
 - Provide meeting room space
- The integrity of the company which represents 20,000 shareholders and has a proven track record to bring a balanced approach to every community with sensitivity for the environment, increased economic revenue and economic vitality.

- Acknowledged the public comments and concerns expressed at this meeting and the December meeting and have made some changes to the project to address those concerns with the pedestrian amenities and wildlife viewing over the tidal areas.
- Doyon is an Alaskan company and work diligently to maintain and employ Alaskan companies and local employees for all their businesses.
 - o Noted the companies Alaska based companies currently under contract for the development and the experience working in sensitive habitats such as Margaret Park, who worked on the mediation with Exxon Valdez and Mariner Park and is very familiar with Homer and the critical habitat.
- Doyon has followed all the regulations as outlined by City Code and there was no intention of the appearance that they were "rushing" the project.
 - o This development has gone through many renderings and will probably have many more until the final design is decided.
 - o Geotechnical work was done and due to discovery that is why the placement of the hotel is where it is on the land.
 - Environmental was included since they knew the historical use of the property
 - Auto Body Repair
 - Fuel containers on site
 - Made this investment at this stage prior to requirement to be aware of potential impacts to the project before construction in order to plan responsibly

Commissioner Highland reviewed the specification outlined in Homer City Code related to fill materials referencing Title 21.50.150 (a) and (b) and stated that the applicant heard the comments from the public regarding where the fill came from and she expressed concerns regarding the development of such a heavy structure on that fill and requested comment on that point.

Chair Smith asked if it would be okay for the Public Works Director to respond to Commissioner Highland's concerns. Commissioner Highland acquiesced.

Public Works Director Keiser provided input stating that she was unable to confirm or deny that the alleged fill material was placed. The city does not have a permit on file for the property and the Corps of Engineers were unable to locate a permit.

City Planner Foster referred to Homer City Code 21.50.150 Site Development Standards was applicable during the Zoning Permit stage, noting that the applicant would be required to submit due, to the nature of the project, a level three and show how they are meeting the requirements outlined in city code.

Commissioner Stark commented that the question from Commissioner Highland and comments made by the public assumed that the fill material, if placed, was presumably done illegally, that Doyon will hire a company to come in and excavate, then pop in a foundation and put a building up. The applicant has stated they have performed core drillings and analysis of the soil so that they understand what is there, based on that information when submitting the Zoning Permit application they will provide the appropriate plans. He noted that the safety of the investment by the applicant for the development with a lifecycle of 50 years or longer, plus as stated by the City Planner, a requirement of the Zoning Permit application phase. Mr. Stark was assured that this was not going to be a hole dug, concrete poured and the building erected. There will be special engineering

with it being so close to the coast and all. He expressed confidence that the project will be carefully reviewed by the new city engineer as well.

Chair Smith added that the public comment submitted was regarding the lack of the presence of a permit from 1981 not the content of the fill material and questioned if that would affect the pending application of the CUP for the PUD.

Commissioner Highland expressed her concerns on fill material and believed that the comments expressed by members of the public who were present at that time the fill was placed were valuable to issues regarding development of the property noting that this has been the largest proposed project before the commission since she was appointed. She then requested clarification from the applicant on the public concerns and questions expressed at this meeting and the last and how they were going to respond to all those questions.

Mr. Dunlap responded that they presented their application, made their presentation at the meeting in December and then provided amended site design from the concerns and questions stated at that meeting as there was one theme of bulk and scale and reiterated that they are a year into planning this project, provided a supplemental view of the employee housing unit from Bay Avenue, explaining that they were very thoughtful in the design for the site, the business planning aspect and reiterating that all requirements have been met. He expressed that Doyon has addressed the concerns of the public the best that they can within the scope of the project that benefits the community as well as Doyon and the site.

There was a brief discussion on process asking additional questions of the applicant between the Chair and Commissioner Highland.

Chair Smith then acknowledged the Clerk who noted it was almost 9:30 p.m. and a motion was required to extend the meeting. The Chair recommended two hours.

SCHNEIDER/BARNWELL MOVED TO EXTEND THE MEETING TO 11:30 P.M.

There was no additional discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair Smith then addressed the previous discussion stating that he has meant no disrespect but the Commission has discussed previously that during more difficult and larger meetings and it was agreed to maintain protocol, that they would adhere to the standard two questions, if needed the Commission can go back to Commissioner Highland's additional questions regarding the content of the letter. He added that the Applicant has provided responses in a general manner to the concerns and questions presented by the public not individually or specifically.

Commissioner Stark inquired if it would be possible for the applicant to provide a written response to the public's submitted questions for the Commission through the Clerk.

Mr. Duke stated that they would be willing to provide that to the Commission.

Chair Smith recognized the Clerk.

Deputy City Clerk Krause noted that the Public Hearing portion of the meeting has been closed, this was a public process and new information cannot be submitted. Rebuttal from the Applicant would need to be provided at this time so that the members of the public attending and the Commission can receive it. It is presumed that the Commission will be deliberating on this action so all information is required at this time.

Mr. Stark clarified his intent of allowing the Applicant to respond in writing since the public was able to submit their comments in writing.

Patrick Duke, Zach Dunlap and Lauren Egbert continued their rebuttal/response of questions from the Commission and public on the following:

- Reducing the scale and density of the project
 - o If the Commission finds that this footprint just cannot be approved then we will revise and present again until a design can be agreed upon
- What return the City receives for vacating the right of way of B Street south of Bay Avenue
 - o The benefit to the city is a development that will provide additional revenue to the city in the form of tax revenue for property and services
 - o Year round employment opportunities
 - o Additional opportunity for earning more revenue during the season for the businesses in town and on the spit
 - o Tourism Industry Association report for 2023 confirmed that it was a record year for Alaska and are predicting additional growth for 2024
- How will Doyon use the property in the off season
 - o Business plans considered the stated desire and need for meeting and conference space in the shoulder and winter months
 - o Community desire to have additional options for year round restaurant choices
 - o Community stated needs for employee housing options
- Does Doyon as a native owned corporation pay property tax or tax exempt
 - o Doyon pays property taxes in most locations with the exception of the military bases, they are not a sovereign nation and have no issue paying taxes on properties owned throughout the state.
- Does the Boardwalk Pedestrian Access extend beyond the viewing platform at the end of the right of way
 - o The Boardwalk will extend all along the edge of the proposed development from Bay Avenue to the Homer Spit Road and will accommodate Cyclists and Pedestrians at the same time plus there will be three different locations where people can stop to sit and view the wildlife, shorebirds. There will be a connection to a sidewalk through the development as well.
- Consideration of the proposed issues and concern with traffic and it will be Doyon's problem as well as everyone who travels that road but what are Doyon's thoughts about the potential issues.
 - o The development will need to deal with the issues with travel onto and off the Homer Spit Road from an operational perspective and while not an engineer the TIA did note the issues regarding pedestrian crossings at the intersections and as frequent visitors to the area will bring about more caution, professionally it hard to respond since they do not have a final design.

- Comprehensive Plan, Transportation Section, 2A refers to continued support that adequate streets are built by public and private sponsors to keep pace with current community development and support future community development. So would Doyon pressure AKDOT/PF and the City to construct a roundabout or other traffic mitigation at Kachemak Drive?
 - o Doyon is following the process and as such they would supportive of additional mitigation efforts if this project is approved.

City Planner Foster noted in Staff Report 23-060 Condition 6 which were recommendations from the TIA analysis specifically the last bullet point as follows: *The May 2012 Transfer of Responsibilities Agreement (TORA) between the City of Homer and DOT&PF for parking and pedestrian facilities near the project area apply to the improvements recommended in this TIA. Ownership and maintenance of the proposed pathway and pedestrians crossings will be finalized between the City of Homer, DOT&PF, and the developer prior to final permits being issued. The City, Developer and the State will be working together throughout the entire project.*

Public Works Director Keiser noted the state project upgrading the Sterling Highway to the intersection of Kachemak Drive and recommended that they should be advised regarding this potential project.

Mayor Castner reported on a recent visit by the Commissioner Anderson and discussion was conducted regarding the people who arrive at Homer Airport or via the Air Taxis and must walk alongside Kachemak Drive and Homer Spit Road on the shoulder with luggage and that is a year round problem so there is also going to be a redesign of Kachemak Drive noting a possibility of addressing those pedestrian issues in the area.

Patrick Duke, Zach Dunlap and Lauren Egbert continued their facilitation of questions from the Commission on the following:

- Noting the other traffic difficulties all along Ocean Drive due to increased businesses and future development of the Harbor, etc. it is apparent that Doyon is amenable to working with the City and others to come up with solutions.
 - o Doyon will be working with various organizations and intend to be good corporate citizens
 - o There will be the Alaska Native Heritage that will be unique to Homer and you do not see today
 - o Civic donations to various groups such as Boy Scouts and Girl Scouts
- What is the expected occupancy of the development on an annual basis for the Condos, Employee Housing, Short Term Rentals, and the hotel?
 - o Studies show that in this industry the goal is 85% - 90% occupancy in season
 - Winter may be 40% occupancy
 - o There are different mix such las food & beverage
 - o Conference
 - o Meetings
 - o The housing is expected to be seasonal but it would be available year round
- Has consideration been made on having oversized vehicular parking or motorcycle parking and auxiliary parking if there are times of 100 percent occupancy
 - o Not specifically considered but depending on how the business develops those options will be considered

Chair Smith brought the Commission back to Commissioner Highland's additional questions concerning the letter with 202 names included on it.

Commissioner Conley advised that they focus on what is relevant to the CUP as there is a lot of public comment that is pretty ambiguous, while important, but for the sake of time.

City Planner Foster stated that many of the points addressed in the letter were addressed in his analysis.

Commissioner Highland interjected that her questions were for the Applicant.

Public Works Director Keiser reminded the Commission that in review of Commissioner Conley's comment regarding City Code 21.52.040 it does require the Commission to address community standards in view of the Commission's decision making and many of the public comments address community standards.

Chair Smith agreed and further noted that City Planner Foster, Staff Report 23-060 and the Applicant have addressed many of the questions that are in the submissions and then questioned Commissioner Highland if she had additional questions. He then reminded everyone that the questions should be relevant to the CUP they should not be about the vacation of B Street, Preliminary Plat or rezone issue.

Commissioner Highland stated that she was not satisfied with the City Planner's response to the public comments as it was limited to Planned Unit Development code which allows flexibility and she opined that it appeared the public comment did not amount to anything. She would like to hear from the applicant their response to those questions or concerns presented.

Patrick Duke, Zach Dunlap and Lauren Egbert continued their facilitation of questions on the following:

- Did the Applicant review the Comprehensive Plan when you were designing your project?
 - o it guided the design of the proposed project
- It is essential to guide, to allow business development and the preservation of the essential environmental culture on historical elements. How does your project do this?
 - o If everyone in Homer could agree on a design that was aesthetically pleasing no new development would ever occur in Homer.
 - Everyone has a different personal view on what looks good
 - Not everyone who lives in a community can agree on what is best for the community
 - Established rules and regulations were followed for this project
- Concerns expressed regarding the height of the proposed hotel
 - o In developing the project the PUD allows the flexibility of design and height is part of the design.
 - Reasonable minds can agree to disagree
- Reviewing the previous activities at the location, which many in the public stated they were fine with or preferred, and then reviewing the proposed development and the comments that it looks more like it belongs in Anchorage and not the Homer Spit, what is your response to those comments?
 - o Our view of that property was very different
 - Old boats that had been there for years and were not seaworthy
 - Buildings and structures that should have been demolished several years ago.
 - Several very dilapidated
 - Old fuel barrels

- Reasonable minds can agree to disagree, not sure how to end this debate
- Providing comments that are derogatory to the design and disparaging a city that many including the applicant call home, because it does not appease one's palette is impolite and unprofessional.

Commissioner Highland acknowledged the last comment stating Homer and Anchorage are very different, people live in Homer and have expressed their viewpoints. This project is unusual for Homer and they can keep going down that same road so will end her questions.

- Doyon plans to market the conference abilities for the off season and has done studies of the market and this expectation will offset the slow season.
 - Correct studies and market evaluation has shown that there is strong interest in having conferences in the Homer during the shoulder season months/winter months
 - 2005 Conference Center Feasibility Report that Homer
 - Statements from local organizations needing meeting/conference locations
- Concerns expressed regarding the Corps of Engineers permit and wetlands will be addressed by the CUP
 - Doyon has hired a professional to perform a wetlands determination
 - Site evaluations performed
 - Determine the extent of the wetlands
 - Review by the Corps of Engineers as a third party
 - determines the limitations of the development
 - This will provide the limitations that the development must stay within

Chair Smith closed the rebuttal and questions on the CUP 23-08 and noted that a motion is in order. The Clerk has provided a suggested motion or direction that the Commission can move to deliberate at a date and time to be determined. He recommended that they review the motion first and questions can be asked regarding that or amendments made as suits the Commission.

Commissioner Highland requested clarification on conditions regarding Staff Reports 23-061 and 23-062.

City Planner Foster stated that the approval of the CUP is contingent on the vacation of the Right of Way, the Rezone and the Preliminary Plat. These conditions are dependent on those additional applications that are on the agenda.

Commissioner Conley recommended the Commission take the time to deliberate on this as there is a lot to consider.

Commissioner Highland requested clarification on Public Works Director Keiser report and if her comments were to be incorporated into the staff report, noting Ms. Keiser's memorandum on page 86 of the packet.

City Planner Foster noted that the statement was from the December meeting and whatever comments were provided for the December 6th meeting, it would be those comments.

Commissioner Highland re-stated her concern that the Memorandum from Public Works Director Keiser on page 86 of the current meeting packet should be discussed by the Commission before they make a decision.

Public Works Director Keiser agreed and reviewed the memorandum provided in the packet, noting she addressed comments made by the public at the December 6th hearing. She stated that the applicant has addressed a number of them and her recommendation to add specific conditions to the CUP in the event that it was approved, such as the viewing platform and pedestrian access. She noted that certain issues would be addressed if Homer had a building code but there is none, but a recommendation could be made for the requirements to be added, such as including a grease trap to prevent oil and fats to go into the sewer system. Chemicals were identified in the soil so a recommendation was made to construct using pile foundation to disturb as little of the soil as possible. These items she believed were easy to accommodate in the applicants design process.

There was a brief discussion on what is already included in the Conditions outlined in the suggested motion as presented by the Clerk.

Commissioner Stark noted the various items that the Commission should consider before making their motion and stated that they should make a motion to have separate deliberation meeting to have adequate time for review.

Chair Smith requested clarification on how that would be conducted.

Deputy City Clerk Krause advised that the Commission could take poll to determine which day and time would be best to schedule the meeting, noting that it would not be a public meeting.

STARK/SCHNEIDER MOVED TO HAVE THE COMMISSION SCHEDULE A DATE AND TIME TO BE DETERMINED TO SCHEDULE DELIBERATIONS.

There was a brief discussion on the time the Commission has to make their decision is 45 days from closing of the Public Hearing which was tonight.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

B. Staff Report 23-061, Application Amending Zoning Map via Ordinance

Chair Smith Introduced the item, noted that the Staff Report 23-061 was provided in full at the December 6th meeting and if desired by the Commission a summary of the report can be provided.

City Planner Foster determined that the Commission did not want a summary of Staff Report 23-061 for the record.

Chair Smith invited the applicant to make their presentation or speak to their application.

Zach Dunlap, Operations Manager for Doyon Limited introduced Katie Kirsis, Seabright Surveying & Design to speak to the application.

Katie Kirsis, Seabright Surveying, stated she prepared the rezone application and the re-plat. She reviewed the findings that was presented by the City Planner in the report and agreed that they supported the approval of the rezoning for the parcel to allow the development of the project as designed. The two parcels are already zoned GC1 and this property would be contiguous if the vacation is approved, noting that it would be appropriate shift in the zoning limits.

Chair Smith opened the public hearing.

Beverly Bowman, own property across from the proposed employee housing and commented that the project as presented would impact her property in general. She would prefer that the area stay residential. The employee housing does not show parking on Bay Avenue but noted that there is room to park some cars there and expressed concern about that. She recommended reconfiguring the proposed design.

Peter Garay, city resident, he commented on some earlier concerns for the flight paths and suggested getting some input from actual pilots to see if the project would actually have some impacts from their perspective.

Penelope Haas, non-resident, clarified that comments can only be on the rezone, speaking on behalf of the 202 people who have signed the letter that was provided in opposition to the rezone for this location due to it being a sensitive area ecologically. It is outside the city center which the Comprehensive Plan has designated for dense development. So many people who don't live adjacent signed the letter is because they come and recreate here or get their boat. She noted the viewshed matters to these folks and urged the Commission to consider the broader public interest.

Rika Mouw, city resident, commented that this rural residential lot on Bay Avenue is heavily treed piece of land, and if rezoned it would be completely logged and excavated to bring it down to the elevation of 164A. She stated that it is a protection and division of the neighborhood and Kachemak Drive.

Rick Foster, city resident, Klondike Avenue, commented his appreciation for the Ms. Mouw statement and where's Frank when you need him about spot zoning because this action was definitely spot zoning and should remain rural residential.

Betty Seaman, city resident, property owner next to the proposed property for rezone commented that she lives 160 feet away from the boundary line and against the rezone, it will indelibly change the character of the neighborhood, she still was unsure even with the new diagram regarding the 30-40 foot drop and there will be this wall of 20-30 feet, a gently slope with concerns that it falls off that bluff. Ms. Seaman wanted them to preserve that piece of land in its natural state, to allow the wildlife to remain which would provide viewing opportunities for their customers. She noted all the wildlife that can be seen in that section of land. She questioned that if the city needs more commercial land what happens the next time land come up, they rezone one then it's a domino effect.

Glenn Seaman, city resident, commented that the project proposes to increase the housing supply, condos, they will be like Land's End. The condos are not going to be for regular people but those that can afford a million dollars according to one local realtor's opinion, not homes but investment property. He then addressed the serene pristine natural environment, and that it will be maintained but that was a matter of opinion. Mr. Seaman believed there was a lot of corporate speak, noted the geologist on staff and protections for the critical habitat but having the project built to the edge will not provide that. Mr. Seaman offered

comments on the size of the project, impacts to the rural residential neighborhood, traffic study and the deliberation by the Commission being open to the public.

Karin Marks, city resident, reiterated the fact that Doyon has already made changes to the design from comments made at the last meeting and was sure that more changes would be coming forward from this meeting; noted that there are positive things that can be worked out and as a general thought the growth of Homer and how everything was so rural in the early days. The comprehensive plan addresses central city as a general term and doesn't necessarily mean the center of the business district. The General Commercial District 1 is where we need to grow. Reminded them to review the economic vitality chapter 7 as well.

Scott Adams, city resident, commented on the development of Bay Avenue, the large old spruce trees that will be lost, oversized structures, amending the zoning to accommodate a large project, advocating for compromise.

Eric Engebretsen, city resident, commented that the location in retrospect is the least impact for placement of a project of scale, he can sympathize with the residents but believe that placement doesn't impact the viewshed there is commercial buildings all around except the one side. He stated that he could have purchased the property next door, clear cut the trees and they would not be having this conversation.

Nick Garay, city resident, stated his fiancée just purchased property adjacent to the proposed site and wondered if there was a point person to ask questions about the project if there are issues during development.

Jack Cushing, city resident, commented on the rezoning noting the zoning applied to surrounding property.

Chair Smith closed the public hearing and opened the floor to questions for the Staff and Applicant from the Commission and rebuttal of public comment from Staff and the applicant.

City Planner Foster rebutted comments that there are limited areas within the city where on street parking and parking will be available onsite for employees, regarding spot zoning with two parcels already designated rural residential once rezoned it would be contiguous to the two parcels. He explained what spot zoning would be and this was not it. Mr. Foster addressed the notion that this rural residential area is called out in the Comp Plan as transitional, there is a demand for GC1 and this is the largest of the two areas. He then referenced the Zoning Map on the wall pointing out that the area in question was central within the city.

City Planner Foster continued by addressing the impact to the zoning of rural residential versus recreational, the notion of providing a buffer of trees for the neighboring property would be a good thing and through the vacation it becomes contiguous and acknowledged the plans showing trees and fencing being utilized. The lot is zoned rural residential and by right could be developed as such with no Zoning amendments.

Lauren Egbert, Womer, reviewed the design of the employee housing and from Bay Avenue looking south the view is upon the residential unit; utilizing the grade it the hotel appears as a two story structure not a three story structure. They are planning a vegetated barrier whether natural or structured and will be looking to code to act as a guide on that subject.

Questions presented to the Applicant and Staff as follows:

- Buffer between the proposed project and the rural residential neighborhood
 - o Hotels are very modular in nature
 - o Loss of rooms with loss of height
- Clarification on treating this project as a PUD
 - o Directing back to addressing strictly the rezone
 - o It is referred to as a PUD due to the entire proposal which includes the housing, hotels, condos etc.
 - o Reiterated that it is contingent upon approval of the CUP
- There may be possible replacement of rooms by adding them to the 4th floor
- The subject property for rezone is private property and just because it was not done by the former owner doesn't mean it cannot or should not be done.
 - o Condos are residential, employee housing is residential
 - o Comprehensive Plan recommends the area of placement where the hustle and bustle is occurring

Chair Smith restated that the Commission was required to make a recommendation on this action tonight.

HIGHLAND/SCHNEIDER MOVED TO ADOPT STAFF REPORT 23-061 AND RECOMMEND COUNCIL APPROVAL OF THE AMENDMENT TO THE ZONING MAP FOR 1491 BAY AVENUE FROM RURAL RESIDENTIAL TO GENERAL COMMERCIAL ONE.

There was no further discussion.

VOTE. YES. SMITH, SCHNEIDER, CONLEY, STARK
NO. HIGHLAND, BARNWELL, VENUTI

Motion carried.

C. Staff Report 23-062, Vacation of B Street Right of Way South of Bay Avenue

Chair Smith introduced the item and noted for the record that the staff report was heard in detail at the last meeting and asked if the Commission needed a summary of that report provided.

The Commission did not indicate a summary was needed and a short recess was requested.

Chair Smith called for a recess at 11:20 p.m. The meeting was called back to order at 11:26 p.m. with a request for a motion to extend the meeting.

SCHNEIDER/BARNWELL MOVED TO CONTINUE THE MEETING TO 12:30 A.M.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Katie Kirsis, Seabright Survey & Design stated they prepared the right of way vacation and provided a summary of the action noting that it would be included in the replat as well.

Zach Dunlap, applicant, stated that this vacation will allow them to extend the walkway which was depicted in the rendering provided in the supplemental packet.

Chair Smith opened the public comments.

Mark Mikols, city resident, commented on vacating the easement allows the public to trespass on private property. He questioned if that vacation would provide a legal access to the public.

Katie Kirsis responded that in exchange for vacating the right of way a pedestrian easement would be granted and would encompass the sidewalk providing perpetual legal access.

Rick Foster, city resident, Klondike Avenue, provided his experience dealing with vacation and believed that it would not be equal or superior to what is available now and believed that it would go to the Borough Planning Commission and City Council and it would be thrown out. He then added comments on Spot Zoning citing a similar location near the Research Reserve Buildings and that was determined to be spot zoning since it provided a similar buffer; then remarked on the Planned Unit Development was not widely accepted when first adopted due to the issues that may arise in the hands of weak planning director. We need to get rid of it and tighten the rules. Town Center is identified on the zoning map there is a central business district that is the focus of those districts.

Penelope Haas, non-resident, expressed comments regarding the applicant creating a little pathway, there is nothing equal to what is existing, the area is already protected, referred to building a large hotel across the land and large development that the public does not want and allowing the public to continue the use of what they already have.

Susan Cushing, city resident, expressed support for previous comments made, consideration for the future, viewing wildlife in that area to be vacated, removing one of the few remaining accesses to the beach at Mariner Park.

Rika Mouw, B Street Road Right of Way is priceless as an access to such a rare opportunity, it is a precious public asset and that privatizing this access would be similar to previous incident at Forest Trails taking out the trees, and it means so much more than a concrete sidewalk and viewing platform to many people.

Beverly Bowman, city resident, questioned if the City Planner was supposed to be impartial, it is spot zoning in her experience as a commercial real estate broker, spoke on the profit that Doyon is going to make, consideration of the existing residents and businesses on the spit if a tsunami hits

PW Director responded regarding the comment on illegally removing an easement providing clarification that this was not an easement but a right of way and the city was legally allowed to give away the land and previously done so on many occasions.

Glenn Seaman, city resident, commented that the borough has specific rules to vacate, and he feels that they will not follow the recommendations. He spoke about the platform and that it was not comparable, he reviewed the borough rules, if the commission votes to vacate that it should be similar to the previous owner.

Bette Seaman, city resident, commented on making it accessible as transportation so it needs to be wider to allow for passing people with strollers, questioned how they are going to have the platform that hangs out over the marsh. Questioned how wide the platform was and if it is only eight feet did not think that was wide enough.

Scott Adams, city resident by annexation, commented on the land being public land, value of the land, in the previous discussion according to a recent case of a property owner who wanted to close a trail that was used by snow machines that property owner lost. He warned that if they vacate this they are giving it away for just a trail and viewing platform.

Eric Engebretsen, city resident, commented on protecting land rights and uses, noted the trail goes to the left and the right but that does not give prescriptive rights to access private land.

Karin Marks, city resident, commenting on the process and the Commission can vote and then there is a vote at Council and the Borough and if the Commission passes this, it will go to City Council and allows Doyon to continue making improvements.

Chair Smith closed the public comments and offered rebuttal to Staff and the applicant.

City Planner Foster provided information on his duties and responsibilities as the staff liaison to the Commission. He reiterated the process of right of vacations noting that the Commission is not the final authority.

Staff and the Applicant responded and facilitated discussion on the following:

- Addressing the development, if the vacation is not approved.
 - o Applicant would go back to the drawing board
 - o Hope to come to a compromise, but it will be challenging
- provided the basis for placement of the hotel due to soil testing
- Important to encourage legal public access and believed it fit into the non-motorized transportation plan
 - o A pedestrian corridor would be established to the tide lands and platform
 - o Connection to Homer Spit Road would be tentative until the Applicant could review requirements, regulations
 - o Typical width of the pedestrian walkway was 15-20 feet
- Public Access and separation between the Rural Residential and General Commercial 1
 - o Clarification on spot zoning
 - o Screening
 - o Addressed by the Preliminary Plat
 - Provide continuous and contiguous to GC1
- There is an existing use for the Right of Way
 - o Improvement in the existing use
 - o Apparent value to the improvement of non-motorized connections and access
- Concerns on drainage easement
 - o Would provide improved drainage
- Details of the design have not been determined as yet by the applicant

- The city has no building department²
 - o Zoning Permit applications do not go to the level of detail needed for this project
 - o it is hoped that with the conditions established in the various documents that will be disseminated out of this, that the details will get solidified
- Public access creates issues between people, wildlife and dogs in the sensitive areas
 - o Employ known tactics to increase education for the public regarding sensitive areas
 - o Interpretive signage
- Clarification of a right of way and easement
 - o City has the authority to determine uses for a Right of Way
 - o Easements have a more defined restriction such as utility, pedestrian and use of that easement is limited to the restriction
 - o Public Access Easement is a term in the vernacular and would allow unrestricted public access along the route.
- Support was expressed by the Commission for the objectivity of the City Planner
 - o Required to provide technical analysis and review in accordance of the existing regulations
- Spacing requirements for pathways

STARK/SCHNEIDER MOVED TO ADOPT STAFF REPORT 23-062 AND RECOMMEND APPROVAL OF THE VACATION OF THE B STREET RIGHT OF WAY SOUTH OF BAY AVENUE WITH THE FOLLOWING COMMENTS:

1. CREATION OF A PUBLIC ACCESS ROUTE TO ACCOMMODATE PEDETRIAN BICYCLE ACCESS FROM BAY AVENUE ALL THE WAY TO HOMER SPIT ROAD.
2. DRAINAGE EASEMENT OR CONVENIENCE FOR DRAINAGE FROM BAY AVENUE SOUTH TO KACHEMAK BAY
3. RECOMMENDATIONS PROVIDED IN MEMORANDUM ON PAGE 86 OF THE PACKET FROM THE PUBLIC WORKS DIRECTOR FOR VACATING THIS PARCEL.

Discussion ensued on the following:

- Absent proof of equal and superior access action will fail at council level
- If this motion is passed Commissioner Venuti will be excusing himself at the Borough level
- Is it possible to create equal access given what the Mayor has stated and currently what is proposed by the Applicant is not spatially or otherwise?
 - o Define equal and better access based on Lot 163, there are lots of moving parts
 - It is existing trail the ends into the marsh land or onto private property
 - Applicant proposed a built walkway that is pedestrian and bicycle friendly
 - There is no possibility of the roadway to be constructed
- Public Works reviewed the possibility of improving the existing public access and it was determined that the City could not make the improvements required for access and drainage due to cost impediment so it was removed from the project
 - o Receiving a ten foot paved pedestrian/bicycle path that takes one from Bay Avenue to the Homer Spit Road would be a real asset to the City
- A partial trail that ends into private land versus a trail that proceeds from Bay Avenue to the proposed boardwalk that goes to Homer Spit Road
 - o Council hire an assessor appraise the access
 - o Require Doyon to maintain the pathway
- May be more tangibles for why it is better
- Lack of consideration for the vacation of the right of way to a private enterprise

² Public Works Director Keiser misspoke stating the city had no planning department

- The improved value may be a consideration
- Exchanging a right of way for an easement is not equal value

Chair Smith requested a motion to extend the meeting another hour at 12:30 a.m.

SCHNIEDER/HIGHLAND MOVED TO EXTEND THE MEETING TO 1:00 AM

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Further debate on the motion and points made were as follows:

- Council stated value of the right of way
- City has vacated similar right of way and did not require compensation to do so
- In review of the proposed non-motorized amenity Public Works would be very supportive but since the City has not building code unless there is a condition stated requiring this amenity there are no guarantees or assurance that the applicant will perform
 - The right to review plans and specifications is also needed.

STARK/BARNWELL MOVED TO ADD A COMMENT DESIGN SUBJECT TO APPROVAL BY THE HOMER CITY ENGINEER.

Additional discussion ensued on the city has approved trails standards to guide the construction so it is not arbitrary, corrected the verbiage to the motion.

VOTE. (Amendment.) NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Chair called for additional discussion on the main motion as amended.

Further discussion on the motion ensued with the following points made:

- Moving the right of way to the west to maintain a barrier between rural residential and GC1; how that action would impact the project and the applicant could respond to that question
- Right of Ways maintained by the city versus the property owner, preference for the maintenance to be taken on by the applicant
- Significant impacts would occur if the setback was created to more than what is required and would also impact the possible pedestrian access as well as drainage.

Chair Smith requested the Clerk to restate the motion and called for the vote.

STARK/SCHNEIDER MOVED TO ADOPT STAFF REPORT 23-062 AND RECOMMEND APPROVAL OF THE VACATION OF THE B STREET RIGHT OF WAY SOUTH OF BAY AVENUE WITH THE FOLLOWING COMMENTS:

1. CREATION OF A 10 FOOT PUBLIC ACCESS ROUTE TO ACCOMMODATE PEDESTRIAN AND BICYCLE ACCESS FROM BAY AVENUE ALL THE WAY TO THE HOMER SPIT ROAD.

2. DRAINAGE EASEMENT OR CONVEYANCE FOR DRAINAGE FROM BAY AVENUE SOUTH TO KACHEMAK BAY.

3. DESIGN SUBJECT TO BE APPROVED BY THE CITY OF HOMER ENGINEER

VOTE. NO. HIGHLAND, CONLEY, BARNWELL, VENUTI, SCHNEIDER

YES. STARK, SMITH

Motion failed.

PLAT CONSIDERATION

A. Staff Report 23-066, Bayview Subdivision Lighthouse Village Replat Preliminary Plat

Chair Smith Introduced the item by reading of the title and deferred to the Clerk regarding postponing this item to the next meeting.

Commissioner Highland requested postponement due to the hour.

Deputy City Clerk Krause deferred to the City Planner but noted that as far as process if allowed by the applicant they could do so.

City Planner Foster clarified that there are time limits and has 49 days and they are at 47 so he can send an email and the applicant can officially respond, or they can power through, the Applicant agreed to the postponement of this item to the next regular meeting.

Chair Smith requested a motion and second to continue to the next meeting.

HIGHLAND/SCHNEIDER MOVED TO POSTPONE STAFF REPORT THE BAYVIEW SUBDIVISION LIGHTHOUSE VILLAGE REPLAT PRELIMINARY PLAT TO THE NEXT REGULAR MEETING ON JANUARY 17, 2024.

Public Works Director Keiser stated that she will not be at the next meeting as tomorrow was her last day with the city and would like to provide some comments on the action.

1. Plats show the boundary of the wetlands and the applicant said that they were going to have a wetland delineation performed, she recommended having a requirement to see the wetland delineation added to plat so it is clear to all where it is

2. Referencing Note 8 refers to the Meeker easement, and for disclosure this Meeker easement is a problem that should be addressed. It was an easement between the city and Douglas Meeker in 1993 to allow encroachment into the city right of way by a retaining wall and the fill behind the retaining wall. This condition states that grantees at their expense shall restore the land within the above described easement to original condition at such time the grantee elects to remove said retaining wall. She recommended having a real estate attorney review and address the easement.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PENDING BUSINESS

NEW BUSINESS

INFORMATIONAL MATERIALS

A. 2024 Commission Annual Calendar

COMMENTS OF THE AUDIENCE

Penelope Haas, non-resident requested clarification on the status of the right of way vacation.

Chair Smith stated that it goes to City Council. City Planner Foster provided the next steps in the process for the vacation.

Scott Adams, commented on page 53 of the packet and expressed concerns on the recommendations by DOT regarding entrances to the project stating that the Commission should talk to DOT. He recommended that the Commission push for a traffic light due to inherent safety concerns

Deputy City Clerk called for a point of order noting that those comments are relevant to the CUP 23-08 and that public hearing was closed.

COMMENTS OF THE MAYOR/COUNCIL MEMBERS

Mayor Castner commented that he really wanted to point out to the audience that this Commission is unlike any other Commission they meet twice a month. Every single one of them have been thoroughly vetted before appointment was made by Council. He expressed appreciation of all the work they did and the seven commissioners tonight do it at every meeting. This is a very difficult Commission to serve on and the amount of work that is asked of them is very large.

COMMENTS OF THE STAFF

City Planner Foster commented his thanks for Jan's service. He has worked with her for a relatively brief time, but knew the huge impact in the community and that he has learned a lot working with Jan and really admires her dedication and hard work she did wearing two hats as the public works director and city engineer.

COMMENTS OF THE COMMISSION

Commissioner Highland expressed her appreciation for the excellence of the work Jan did during her time with the city. She will be missed. Ms. Highland thanked everyone for hanging in there tonight.

Commissioner Venuti expressed that it was another interesting meeting, noted that one of the things the Commission did not determine was when they would be meeting for deliberations.

The Clerk will contact the Commissioners to get available dates and times.

Commissioner Venuti then asked when the new associate planner would be starting and if they had planning experience.

City Planner Foster responded that he would start on next Monday, the 8th. The Associate Planner is experience in Landscape architecture and estimating. He added that it was six long months and was very excited to have another planner coming on board. There was light at the end of the tunnel.

Commissioner Conley expressed his appreciation for a great meeting and thanked the Chair for getting them through it all. Thanked City Planner Foster and the Clerk for their hard work. He wished Jan the best and notes that she was leaving some big shoes to be filled.

Commissioner Stark expressed his appreciation for the services provided by Ms. Keiser and wished her well and expressed his thanks for the Staff.

Chair Smith expressed his admiration for Jan's professionalism and service and wished her the best in the future. He expressed hope in coming to an amicable resolution that was amendable to all. He expressed his appreciation for the Clerk being the silent major contributor and hanging in there with them. Mr. Smith expressed appreciation for the public attending and staying through the entire meeting and providing substantive comments and evaluation that they did on the topics. He thanked the Mayor for attending this meeting and providing his valuable insight. Mr. Smith acknowledge the City Planner and his efforts and diligence in being a one man show for such a long period and providing exemplary service.

ADJOURNMENT

There being no further business Chair Smith adjourned the meeting at 1:10 a.m. The next regular meeting is on Wednesday, January 17, 2023 at 6:30 p.m. All meetings are scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar. Meetings will adjourn promptly at 9:30 p.m. An extension is allowed by a vote of the Commission.

Renee Krause

RENEE KRAUSE, MMC, DEPUTY CITY CLERK II

Approved: Jan 31, 2024

From: [Planning Dept.](#)
To: [Carpenter, Beverly](#); [Piagentini, Vincent](#)
Subject: FW: <EXTERNAL-SENDER>Right-Of-Way Vacation; KPB File 2024-131V
Date: Friday, January 10, 2025 12:01:11 PM

From: Rika Mouw <rikamouw@gmail.com>
Sent: Friday, January 10, 2025 11:44 AM
To: Planning Dept, <planning@kpb.us>
Subject: <EXTERNAL-SENDER>Right-Of-Way Vacation; KPB File 2024-131V

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January 10, 2025

re.: Right-Of-Way Vacation; KPB File 2024-131V (Homer B Street)

Dear Commissioners:

I am writing in concern about the vacation of the B Street extension ROW.

There are virtually no areas in which there is public access from a residential neighborhood to coastal wetlands where bird viewing is possible like in this area. This is a world class viewing area that draws birders from all over to view and enjoy feeding and migrating birds. This area is precious on so many levels and what is keeping it from degradation is the buffer and protection that the natural vegetation, mature trees, shrubbery and undisturbed soils along the steep slope bordering the wetlands is acting as protection, providing shade and filtering naturally draining water that runs to the wetlands. The Doyon land slated for development is already disturbed land that covers what used to be functional wetlands and habitat. That area has been compromised decades ago. The idea of further disturbing the area above, which happens to be the B Street ROW makes it extremely high value for its environmental asset to the greater asset below.

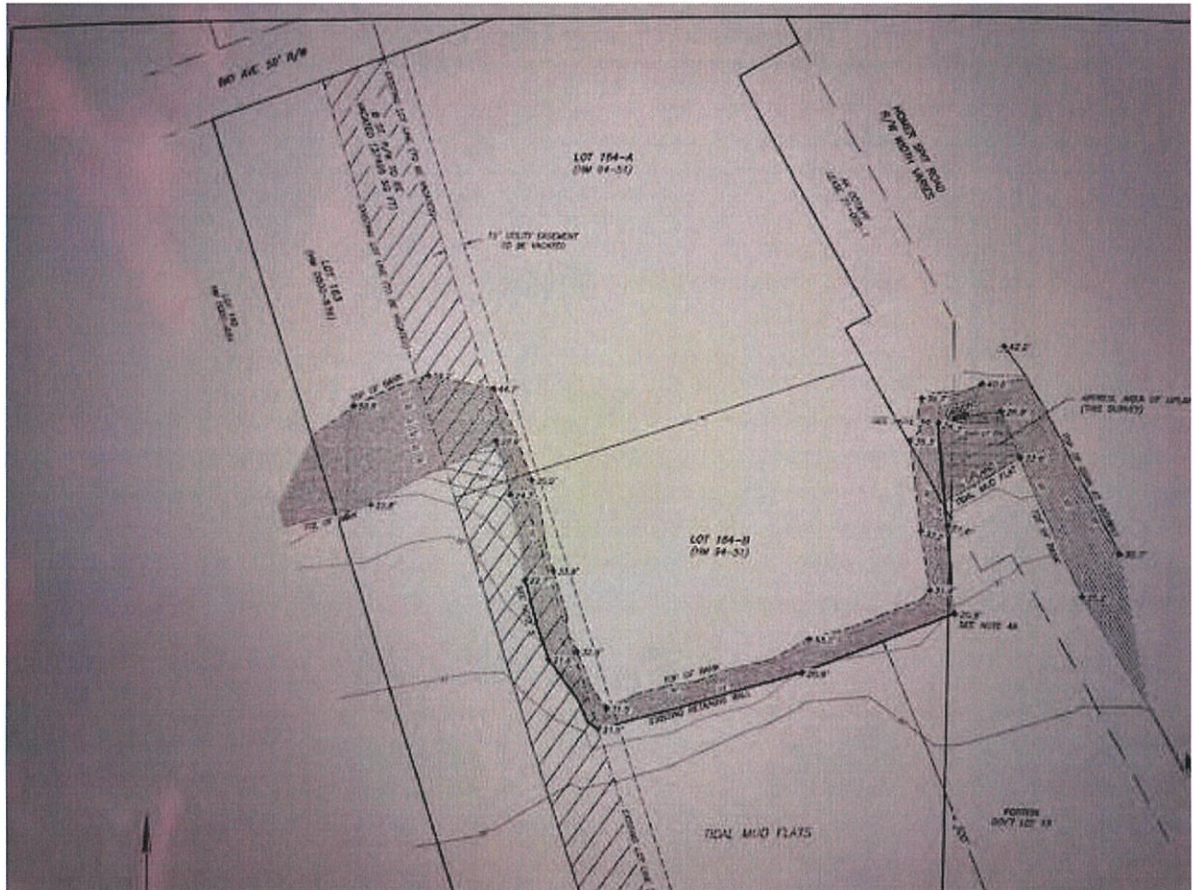
My husband and I live on coast line of Kachemak Drive. The bluff is continually eroding, even where the steep slope has not been disturbed. The natural drainage and movement of earth is constant and with warming winters and lack of ground being as frozen, the sloughing is accelerating. We are witnessing sedimentation running directly into the bay. We are witnessing changes along the bluff every year. This coastline is an extremely high value asset to the City of Homer and the community. The ROW is currently serving its highest value as it is. This coastline land is simply irreplaceable. What Homer would be giving up in vacating this land would be a very short term decision with too great a negative consequence.

Over and above more concentrated development and soil disturbance is that the City or the public would not be gaining equal or better connectivity to the existing transportation from Ocean Drive/Spit Road corridor. It doesn't exist now and it would not exist with vacating the ROW. There is nothing gained by the public and only a loss of mature trees, vegetative cover and decreasing natural habitat along an extremely precious and vulnerable coast line and wetlands below.

We do not see a public gain or increased benefit to the public even for the bird viewing the public had before.

You are familiar with this drawing so you can imagine the very consequential change in the coastal

Homer



From: [Planning Dept.](#)
To: [Carpenter, Beverly](#); [Piagentini, Vincent](#)
Subject: FW: <EXTERNAL-SENDER>PB File 2024-131V, Proposed Vacation of the B-Street Right of Way
Date: Friday, January 10, 2025 8:06:55 AM

From: mikeo@horizonsatellite.com <mikeo@horizonsatellite.com>
Sent: Thursday, January 9, 2025 4:21 PM
To: Planning Dept, <planning@kpb.us>
Cc: Mayor's Department <MayorDepartmental@kpb.us>
Subject: <EXTERNAL-SENDER>PB File 2024-131V, Proposed Vacation of the B-Street Right of Way

CAUTION: This email originated from outside of the KPB system. Please use caution when responding or providing information. Do not click on links or open attachments unless you recognize the sender, know the content is safe and were expecting the communication.

Dear Mr, Venuti and other Commissioners,

Unfortunately, I will be unable to participate in the meeting as scheduled to discuss the proposal.

I'm writing to oppose the request by Doyon LLC to vacate a portion of B-Strees to accommodate its hotel project. Allowing this would delete a valuable community asset and reduce the ability of people to access our waterfront and view coastal wildlife. Doyon seems to feel that the best way to accommodate tourism is to diminish that opportunity. The KPB and City of Homer should do everything possible to maintain it for the benefit of locals and visitors alike. Please deny Doyon's request.

Michael O'Meara
Homer & Anchor Point

From: [Planning Dept.](#)
To: [Carpenter, Beverly](#); [Piagentini, Vincent](#)
Subject: FW: <EXTERNAL-SENDER>Request to Deny B-Street Right-of-Way Vacation in Homer
Date: Friday, January 10, 2025 8:06:24 AM

From: avram salzmann <avramnds@gmail.com>
Sent: Thursday, January 9, 2025 4:01 PM
To: Planning Dept, <planning@kpb.us>
Subject: <EXTERNAL-SENDER>Request to Deny B-Street Right-of-Way Vacation in Homer

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Dear KPB Planning Commission,

My name is Avram Salzmann, I live at
617 Soundview Ave
Homer, AK
99603

I'm writing to request the Planning Commission deny the B-Street right-of-way vacation request by Doyon Tourism & Doyon Limited. KPB Code 20.70.180 states that "... the commission shall not approve a vacation request, unless it can be demonstrated that equal or superior access is or will be available."

The 20-foot public access easement from B-Street and 30-foot natural vegetation buffer and the public access path to the Spit Road should be clearly delineated on a revised plat for this property before a ROW vacation is considered by the Borough Planning Commission or the Homer City Council.

Thank you!

To: Kenai Peninsula Borough Planning Commission
From: Glenn and Bette Seaman
Date: January 7, 2025
Subject: Doyon Request to Vacate B Street Right-of-Way (KPB File No. 2024-131V)

We live on Bay Avenue, two lots west of and within 300 feet of proposed Doyon Hotel development. We received notice of the opportunity to comment of proposal to vacate an existing and currently used B Street Right-of-Way (ROW). We are happy to be a part of this process and appreciate the good faith efforts that Doyon has made to date to address public and community concerns.

The existing B Street ROW includes an unmaintained, primitive foot path that has been used for decades by pedestrians to gain access to waterfront, Homer Spit, and a wildlife and bird viewing station. This viewing station was developed through a collaboration with the landowner, Kachemak Bay Birders, and US Fish and Wildlife Service. The platform resided on both private land and the ROW (owned by the City of Homer). The previous owners – Doug Meeker and Hooks Hole LLC – both allowed and even encouraged private citizens to use their property for access to the viewing station, the Spit, and local businesses. The new landowner – Doyon Limited – chose to demolish the viewing station, both that portion on their land and that which resided on the ROW/City land. Buildings used by local business where either demolished or removed from the property. This eventually included the lighthouse itself, which is the namesake – Lighthouse Village – for which the project was named. In the revised plans, Doyon will construct two platforms, one by hotel and the old site.



Existing B-Street ROW primitive access on City-owned lands as viewed from B Street.

The City of Homer Codes do not address vacations, but Kenai Peninsula Borough (KPB) Code does. The City and Homer Planning Commission used Borough Code to address the proposed development. Our review and recommendations similarly reference Borough Code.

The current request to vacate the B Street ROW as detailed in “Notice of Public Hearing” does not meet the requirements Borough Code, particularly KPB 20.70.180. This section states, in part, that “... *the commission shall not approve a vacation request, unless it can be demonstrated that equal or superior access is or will be available.*” There was no discussion in the document to show how section 180 was met.

With the primitive, undeveloped (unpaved) access through the B Street ROW, the public could gain access to tidelands in Mariner Park Lagoon, the viewing station, local businesses, and the Spit Road trail. Pedestrians typically used part of private lands to reach the viewing station because they were welcomed by the landowners to do so. In essence, they had guaranteed access to tidelands and viewing station. They could get there on the ROW or City-owned lands if they

A 3D model from the Remanded Application showing the hotel, pathways, and adjacent roads and structures.



Recommendation:

1. Public access must be guaranteed from Bay Avenue to upper and lower viewing platforms and the Spit Road.
2. Public access requirements and buffers must be permanent and enforceable. Both the 20-foot public access easement and 30-foot natural vegetation buffer should be clearly delineated on the revised plat for this property.
3. Plat notes should include a clear description of any conditions or restrictions in these areas. [Note: A preliminary plat released with the 11/26/24 Public Notice is incomplete, and notes are outdated.]
4. Provide a revised preliminary plat to the Homer City Council and public before Council consideration. A revised preliminary plat be developed and shared with the public before it is reviewed and finalized by the Borough Platting Committee.

Thank you again for the opportunity to comment.

To delete....a

Analysis/Rationale

KPB 20.70.170. - Vehicular access. The planning commission shall not approve the vacation of a right-of-way unless an equal or superior right-of-way for vehicular access exists or will be provided in exchange. Where two or more access points are necessary for large vacant or semi-vacant areas of land, the commission shall consider density, use, projected development, and maintain sufficient rights-of-way to serve potential use.

This is addressed in the Public Hearing Notice and Homer Planning Staff analysis.

KPB 20.70.180. - Other access. Other lawful uses that exist or are feasible for the right-of-way shall be considered when evaluating a vacation request. When such uses exist or could exist within rights-of-way which are not suited for general road use, the commission shall not approve the vacation request, unless it can be demonstrated that equal or superior access is or will be available. The planning commission shall consider whether alternate uses present public safety issues which support approval of the vacation.

From: [Doyon, Vincent](#)
To: [Cowles, Nancy](#)
Subject: [KTEP Planning Commission - A Street ROW variation request](#)
Date: Monday, January 6, 2020, 3:10:46 PM
Attachments: [Doyon, Vincent, Lighthouse Village, Commercial Site](#)

From: [Doyon, Vincent](#) <vincent.doyon@cityofhomer.com>
Sent: Monday, January 6, 2020, 3:22 PM
To: [Hagopian, Vincent](#) <vhagopian@cityofhomer.com>
Subject: KTEP Planning Commission - A Street ROW variation request

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Good afternoon Vincent! Hope you are having a great day!

Never did get back to Friday... got sidetracked on other things, family and otherwise.

I will be recommending that the KTEP Planning Commission not approve ROW as proposed by Doyon. There was no justification provided by Doyon on fact they did not include any discussion/justification at all that they meet the requirements of KPB 20.20.170 and 20.20.200... all of which appear to apply in this instance. With that said, background, I will recommend that Doyon be required to provide a public statement - as required Homer Conditional Use Permit (CUP) "Doyon to dedicate 20-foot pedestrian easement as depicted on the architectural site plan" (see excerpt below from the Homer Planning Commission minutes where this was discussed). Moreover, as below the public access should be surveyed and depicted on the plan with appropriate clarifying notes.

Discussion for CUP: If it is unclear why the proposed Public was included in their November request and included in the public notice at that time, but not included with December public notice. Why is that? Should the plan included that in the proposal?

This issue was fully settled in the CUP public process, including what would be appropriate to ensure compliance with Borough's street access requirements. As an illustration of that, I attached my comments on proposal to abandon the ROW. The outcome of that process resulted in the required pedestrian easement highlighted above.

Summary

The team discussed the improvements made to the bird viewing area and the conditions for the Lighthouse Village development, including the height restrictions and traffic improvements. They also discussed the potential for future conditions, the placement of a crosswalk, and the implementation of a rapid rectangular flashing beacon. The conversation ended with a discussion on the draft report, the adoption of staff report 24, 0 5, 2, ... [View All](#)

Smart Chapters



Improving Accessibility and Hotel Height

Scott praised Doyon's efforts in improving accessibility to the bird viewing area, stating that they had done an exceptional job in meeting both public requests and concerns. Cowles agreed, noting that the city was getting a better deal than it would have if the right of way remained untouched. The discussion then shifted to Condition 2, with Cowles clarifying that the planning commission's approval was separate from the borough's approval process. Scott and Cowles agreed that the current condition was clear and concise. The meeting then moved on to discuss Condition 3, which required a 20-foot pedestrian easement to be dedicated as depicted on architectural site Plan Aso Point. There were no major concerns about this condition. The discussion then turned to Condition 4, which required the FAA to be contacted before construction began to confirm if a permit was needed for construction and cranes on the project. Scott then moved on to discuss Condition 5, which required outdoor lighting to be downplayed per Hcc. 2159, 0 3 0 in the community design manual. There were no major concerns about this condition either. Finally, the discussion turned to Condition 6, which stated that the maximum building height for the hotel was the height depicted in the plan unit development plans submitted for the conditional use permit. Franco expressed concern about the 35-foot height limit, citing the 1987 plane crash at the airport and the potential risk of a plane hitting a hotel full of people. Cowles responded by explaining that planned unit developments have the flexibility for a different height and that Doyon had already reduced the height of their project. He also pointed out that the propane storage tank near the landing field posed a more significant risk than the Doyon Hotel.

Next Steps

1. Doyon to rezone the property at 1491 Bay Avenue to General Commercial 1.
2. Doyon to work with the city to vacate the B Street right-of-way south of Bay Avenue.
3. Doyon to dedicate a 20-foot public pedestrian easement as depicted on the architectural site plan.
4. Doyon to contact the FAA before construction begins to confirm if a permit is required for construction cranes.
5. Doyon to ensure outdoor lighting is downlit per Homer City Code and the community design manual.
6. Doyon to implement traffic improvements recommended in the Traffic Impact Analysis, contingent on DOT approval.
7. Doyon to submit engineered water, sewer, and storm drain designs to Public Works for comment.
8. Doyon to submit final engineered designs to ADEC for approval after incorporating Public Works comments.
9. Doyon to begin construction within 2 years of conditional use permit approval.
10. Planning staff to initiate the process to consider allowing dance studios in additional zoning districts.
11. Planning Commission to discuss a potential moratorium on certain types of conditional use permits at the December meeting.

The team discussed the improvements made to the bird viewing area and the conditions for the Lighthouse Village development, including the height restrictions and traffic improvements. They also discussed the potential for future conditions, the placement of a crosswalk, and the ... [View All](#)

Smart Chapters



From 58:55

Staff Report Adoption and...



From 01:08:42

Amendment and Application...



From 01:24:07

Zoning Cod Amendment...

Amendment and Application Approval Discussed

In the meeting, Cowles discussed the need for an amendment to the third bullet point regarding the maintenance of the Bay Avenue as a dedicated public access. The amendment was proposed to read "a 20-foot public pedestrian easement must be dedicated as depicted on architectural site plan as O dot O 1." The motion to amend was seconded by Franco and passed without any objections. Cowles then provided a thorough assessment of the application, highlighting the benefits to the city, including employment, revenue, and property taxes. He also addressed concerns about the height of the building and the definition of a bluff. The conversation ended with a vote, which resulted in a unanimous approval of the application.

1. Doyon to rezone the property at 1431 Bay Avenue to General Commercial 1.
2. Doyon to work with the city to vacate the B Street right-of-way south of Bay Avenue.
3. Doyon to dedicate a 20-foot public pedestrian easement as depicted on the architectural site plan.
4. Doyon to contact the FAA before construction begins to confirm if a permit is required for construction cranes.
5. Doyon to ensure outdoor lighting is downlit per Homer City Code and the community design manual.
6. Doyon to implement traffic improvements recommended in the Traffic Impact Analysis, contingent on DOT approval.
7. Doyon to submit engineered water, sewer, and storm drain designs to Public Works for comment.
8. Doyon to submit final engineered designs to ADPC for approval after incorporation

To: Homer Planning Commission
From: Glenn and Bette Seaman
Subject: Lighthouse Village Development
Date: January 3, 2024 (supplemental comments to December 3 comments)

Our initial comments were submitted on December 3, which were included in December 5 supplemental packet to the Planning Commission. We encourage you to read these comments. These comments are supplemental to our initial comments and highlight ...

1. December 28 Comments, "RE: Conditional Use Permit (CUP) 23-08": We agree and support the group comments and recommendations submitted to the Planning Commission on December 28th. We encourage you take these into consideration when developing your recommendations. As submitted, the project is out of compliance with a number of goals and objectives of Homer Comprehensive Plan.
2. 3-D Documents are Inaccurate and Misleading: The 3-D documents are misleading, particularly with respect to the relative size of adjacent buildings (see page 61 of the packet). For instance, our house, the third lot from proposed development, is at least 1/3 the size of its representation in picture (one story, except 20 feet on the end), and has a much smaller footprint than indicated. It is actually smaller than our neighbor's house (the second house from the hotel). The multiple small houses across the street are also not represented accurately on this figure either. Was this intentional? Doyon uses this to show that the hotel is commensurate with adjacent residential development.
3. Review of Zoning Change and Abandonment of Right-of-Way (ROW): Additional comments are provided on Zoning Change and ROW are provided in the following pages.

Comments on Applicant and Staff Findings in Proposed Zoning Change

Comments are provided in the context of staff review and evaluation, pages 105 to 109 of the packet.

21.95.050 Planning Department review of zoning map amendment.

The Planning Department shall evaluate each amendment to the official zoning map that is initiated in accordance with HCC 21.95.020 and qualified under HCC 21.95.030, and may recommend approval of the amendment only if it finds that the amendment:

a. Is consistent with the comprehensive plan and will further specific goals and objectives of the plan.

Applicant: Doyon, Limited's proposal for a year-round hotel and condos in Homer, Alaska, is intricately woven into the city's comprehensive plan, a strategic roadmap designed to guide Homer's growth while safeguarding its distinct character. Anchored within the Land Use chapter of the project, the development seamlessly aligns with the overarching vision of the city, particularly the outlined goals of increasing housing supply and diversity (Goal 1) and maintaining the pristine quality of Homer's natural environment (Goal 2).

Comment: In reference to Goal 1 above, we do not see how project meaningfully increases housing supply, especially affordable housing, which the Comprehensive Plan recognizes as a priority. Given the nature of this development and high cost of construction, these units are likely to be very expensive, far beyond the reach of most residents. The proposed condos will likely be purchased as investment properties, following the Lands End model (according to reservation office staff, all but one of the condos are managed by Lands End). This will do little if anything to help meet the housing needs of local Homer residents.

The reference to Goal 2 – “Maintain the quality of Homer’s natural environment and scenic beauty” – is also in question. Doyon’s plan does nothing to maintain the natural environment, in fact they propose to put the hotel and condos immediately adjacent to tidal marsh with no consideration of their impact on the marsh. As a Habitat Biologist for the Alaska Department of Fish and Game for 27 years, I can safely say this development will have a substantial impact on wildlife use of the marsh. What does the proposed development do to maintain “Homer’s natural environment and scenic beauty?” Five condos crowding natural wildlife habitat does not meet that standard.

If one were to plan a hotel development in an environmentally sensitive way, it would not include the development of 5 triplex condo units right on the lower lot ... hugging the waterfront. Likewise, one wouldn't physically place the so close to the marsh ... much closer in fact than existing residences along the bluff. If and when Doyon does give biological and habitat considerations a full review, it is important that this be a

credible review by a qualified biologist. There is a lot of local knowledge and expertise on the use of Marine Park Lagoon area by birds and other wildlife. It is important to take advantage of this knowledge.

The plan envisions Homer as a city that respects its environment, boasting a unique and vibrant atmosphere that is both wonderful to live in and inspiring to visit. The proposed project contributes to this vision by adhering to the plan's emphasis on encouraging high-quality buildings and fostering a mix of well-defined commercial districts (Goal 3 and Goal 4). By promoting compact, walkable community development and integrating green infrastructure elements, the story goes beyond a mere real estate venture; it becomes a harmonious addition to the cityscape, echoing the plan's call for a balanced blend of development and open space.

The Land Use chapter specifically advocates for zoning concepts that encourage a variety of housing options, reflecting income and lifestyle diversity in Homer. Doyon, Limited's proposal aligns with this objective by presenting a mixed-use development that caters to diverse needs while respecting the natural landscape. The plan's proposed land use recommendations map, designed to clarify intended types of uses, resonates with the project's commitment to striking a balance between development density and preserving environmentally crucial areas.

Furthermore, the proposal dovetails with the plan's vision for an integrated system of green spaces, providing aesthetic and functional benefits to the community. By protecting corridors for trails, managing stormwater, preserving wildlife habitat, and maintaining viewsheds, the development becomes a housing solution and a contributor to the city's ecological well-being.

Comment: The ratio of “green spaces” to develop spaces (roadways, parking lots, hotel and condo footprints) is very small. Moreover, the current plan calls for clear cutting a live, healthy stand of mature spruce on lot. A complete removal of all trees and vegetation from the property does not “preserve wildlife habitat.” Also, the proposed buildings will obstruct the viewsheds, not maintain them. It is also unclear how the proposal is “protecting corridors for trail.” The current development would build the hotel over the current trail.

In essence, Doyon, Limited's development proposal mirrors the forward-thinking approach embedded in Homer's comprehensive plan, contributing to the city's economic vitality while ensuring that growth occurs in a manner that is both sustainable and in harmony with the community's values.

Analysis: The Comprehensive Plan states (Goal 1 Objective D Implementation Item 3): “Support planning and zoning regulations that promote land use strategies that include compact, mixed-use development, higher density development, and infill.” The proposed rezone is contiguous to the General Commercial 1 zoned properties at 1563 & 1663 Homer

Spit Road and complies with the general land use pattern set out in the Comprehensive Plan Land Use Recommendations Map. The General Commercial 1 district, with a proposed Conditional Use Permit Application for a Planned Use Development at this property, allows for greater mixed-use opportunities. A currently vacant property will be consolidated with the existing General Commercial 1 properties.

Staff Finding: The zoning change is consistent with the Comprehensive Plan and will support higher density mixed-use infill development.

Comment: We disagree the “zoning change” is consistent with Comprehensive Plan – or the whole project as currently proposed – is consistent with Comprehensive Plan.

b. Applies a zoning district or districts that are better suited to the area that is the subject of the amendment than the district or districts that the amendment would replace, because either conditions have changed since the adoption of the current district or districts, or the current district or districts were not appropriate to the area initially.

Applicant: Adjacent zoning districts are GC1 and RR. The proposed re-zone will facilitate land use that is compatible with adjacent GC1 development. Every effort is being made to segregate this development from the residential area to the west.

Comment: We disagree with the statement that “every effort is being made to segregate this development from the residential area to the west.” Much more can be done to truly be a good neighbor to adjacent residential properties. While the differences in elevation and fences are going in right direction, Doyon should downsize the project and keep some of the existing, healthy forest on the proposed lot to provide a more effective buffer and maintain some natural green space. Doyon appears more interested in maximizing hotel size and the number rooms than providing a meaningful sound, noise dampening, and visual barrier between the hotel and adjoining properties. This would also address several goals and objectives of the Homer Comprehensive Plan.

Analysis: Conditions have changed since the original adoption of the zoning district boundaries. The Ocean Drive/Homer Spit corridor consists of the majority of land zoned for General Commercial 1 in Homer, and much of it has already been developed. There is a strong demand for General Commercial 1 zoned properties, with limited availability of undeveloped commercial properties, especially larger parcels, in the City. This proposed rezone would provide much needed acreage for a commercial project.

Comment: Specifically, what “conditions have changed since the original adoption of zoning district boundaries.” This area as been fully developed for many years. Very little has changed in 25 years we have been in Homer. Does this set precedence for encroaching further on existing residential neighborhoods? Goal 1, Objective C is to

“maintain high quality residential neighborhoods.” As proposed, this project will forever change the quality of our peaceful residential neighborhood.

Staff Finding: The amendment would apply a zoning district that is better suited to the area because conditions have changed since the creation of the General Commercial 1 District boundaries.

Comment: See comment above. Staff assertion that “conditions have changed” should be explained further. This statement concerns us, as it sets it seems to set the stage for further encroachment on the Bay Avenue Rural Residential neighborhood.

c. Is in the best interest of the public, considering the effect of development permitted under the amendment, and the cumulative effect of similar development, on property within and in the vicinity of the area subject to the amendment and on the community, including without limitation effects on the environment, transportation, public services and facilities, and land use patterns.

Applicant: Consolidation of the properties allows a significant commercial investment to take place at the landmark location at the base of the Homer Spit. Benefit: complete renovation of a derelict site into a multi-million-dollar facility, increased employment opportunities with included employee housing option. The proposed development by Doyon, Limited holds great promise for enhancing property values in the area and contributing significantly to the local economy.

The development is separated from the adjacent property to the north by a retaining wall and difference in elevation. The development is separated from the adjacent property to the west by a 6' sight obscuring fence and 10' wide landscape buffer. The proposed development is carefully designed to be compatible with existing uses of the surrounding land. Through adherence to the planned unit development (PUD) regulations, the project aligns with the zoning district's provisions, ensuring that the mix of residential, commercial, and industrial elements integrates seamlessly into the existing landscape. The development plan considers the neighborhood's character, harmonizing scale, bulk, coverage, and density to preserve the desirable features of the surrounding area. By incorporating sustainable practices, on-site employee housing, and thoughtful design, the proposal aims to complement rather than disrupt the existing land uses, promoting a well-integrated and cohesive community.

Comment: How does a 6' fence provide sight, noise, or light reduction from a 47' hotel? The vegetation buffer is way too small, the neighborhood will be forever changed. Under the current plan, how deep will hotel be set down below current ground level. Where will fence be placed?

Analysis: City water and sewer are available and access to 1491 Bay Ave would be via Homer Spit Road, an Alaska Department of Transportation maintained road. Full police and fire services are available. Public services and facilities are adequate to serve increased intensity

land use. Development of this property via a Planned Unit Development with a hotel, workforce housing, and tri-plex residences would increase infill within the community, and create more opportunities for mixed-use development that is difficult to come by since Homer has limited opportunity for larger scale mixed-use General Commercial 1 development.

Staff Finding: The rezoning of this 1.35-acre lot that is contiguous to the General Commercial 1 is in the best interests of the public as it supports higher density mixed-use infill development.

Comment: We disagree. The decision of rezoning should be postponed until the issues of compliance with the Comprehensive Plan and other public issues have been addressed.

Comments on Proposed Vacation of B Street Right of Way.

Comments provided in the context of excerpts Planning Commission packet, pages 138-140.

Requested Action: Conduct a public hearing and make a recommendation on the vacation of B Street Right of Way south of Bay Avenue

General Information:

Applicants:	Doyon, Limited 11500 Sukdu Way Suite 250 Anchorage, AK 99515	Doyon, Tourism 11500 Sukdu Way Suite 250 Anchorage, AK 99515
Seabright Survey + Design, 1044 East Road Suite A, Homer AK 99603		
Location:	B Street, South of Bay Avenue	
Parcel ID:	18101034, 18101035, 17921015	
Zoning Designation:	Rural Residential and General Commercial 1	
Existing Land Use:	The rural residential lot is vacant. The GC1 lots formerly held an auto wrecking yard/repair shop, boat storage, a restaurant and small shops.	
Surrounding Land Use:	North: Peninsula Solid Waste shop, ministorage, rooming house South: Mariner Lagoon East: Homer Spit Road and airport properties West: Residential	
Comprehensive Plan:	Chapter 4 Goal 1 Objective A: Promote a pattern of growth characterized by a concentrated mixed use center, and a surrounding ring of moderate to high density residential and mixed-use areas with lower densities in outlying areas.	
Wetland Status:	The 2005 wetland mapping shows no wetland areas. The area below the retaining wall is tidally influenced and ACOE permitting is required for any development activities.	
Flood Plain Status:	Flood Zone AE 20 on southern section of the right of way	
Utilities:	City water and sewer are available	
Public Notice:	Notice was sent to 42 property owners of 47 parcels as shown on the KPB tax assessor rolls.	

Analysis: This vacation is within the Rural Residential District. This action would vacate B Street, south of Bay Avenue. Unlike other platting processes, the final approval of this vacation is decided by the Homer City Council. Staff recommends the Commission recommend approval of this vacation, contingent on public access being dedicated (discussion to follow).

City of Homer Code does not address right of way vacations, but the Kenai Peninsula Borough code does. The Borough holds platting authority, and the Homer Planning Commission is

advisory to the Borough on platting matters. Staff is using relevant portions of KPB code for an analysis of the right of way vacation.

KPB 20.70.170. - Vehicular access. The planning commission shall not approve the vacation of a right-of-way unless an equal or superior right-of-way for vehicular access exists or will be provided in exchange. Where two or more access points are necessary for large vacant or semi-vacant areas of land, the commission shall consider density, use, projected development, and maintain sufficient rights-of-way to serve potential use.

Staff Response: The City of Homer determined this portion of B Street was “unsuitable for road construction” in Resolution 2006-50. Vehicle access directly from B Street to Homer Spit Road is unlikely due to slope.

KPB 20.70.180. - Other access. Other lawful uses that exist or are feasible for the right-of-way shall be considered when evaluating a vacation request. When such uses exist or could exist within rights-of-way which are not suited for general road use, the commission shall not approve the vacation request, unless it can be demonstrated that equal or superior access is or will be available. The planning commission shall consider whether alternate uses present public safety issues which support approval of the vacation.

Comment: Per the above standard, there are other “lawful uses that exist and are feasible for the right-of-way” that were in place before Doyon’s purchase of this land and should be considered for the right-of-way (ROW) BEFORE there is any decision to abandon the ROW. The use was the public access and wildlife viewing platform near the former location of the lighthouse before Doyon demolished the platform.

Previous landowners – both Doug Meeker and Hooks Hole LLC – worked cooperatively the US Fish and Wildlife Service and other interested parties to maintain this popular wildlife viewing station. Why Doyon removed this platform is unclear. This land use agreement ensured the continued public use and maintenance of this viewing platform. The ROW included only part of the platform; the landowners agreed allow use other parts of the property. The property on which this platform and adjoining building were located was an illegal fill. Some level of collaboration was likely required by an after-the-fact permit from the permit from the Corps of Engineers. Other diagrams in the Doyon packet show the limit of Corps of Engineers fill line.

Per KPB 20.70.180, the platform was an existing public use within the ROW that is “not suited for general road use.” This standard further directs the commission to “not approve the vacation request, unless it can demonstrated that equal or superior access is or will be available.” Doyon has not demonstrated that equal or superior access is available.

KPB 20.70.200. - Waterfront access provisions. A right-of-way which serves to provide access to public waters shall not be vacated unless such a right-of-way is wholly impractical to all modes of transport including pedestrian or the use of such right-of-way causes damage to the right-of-way, adjacent properties, the waterbody or the watercourse, or threatens public safety which cannot otherwise be corrected and where such continued damage or threat would be contrary to the public interest.

Comment: None of these factors seem to apply to viewing platform.

KPB 20.70.210. - Other public areas. Dedications of land for use other than rights-of-way, which are considered for vacation, shall be approved only when it is in the public interest. The commission shall consider the intended purpose of the area, and any future uses of the area when making a decision. When a legitimate public purpose is or would be served by use of the area proposed for vacation, the commission shall not approve the vacation, unless the ownership of the land by the city or borough in a form other than dedicated would adequately serve the intended use.

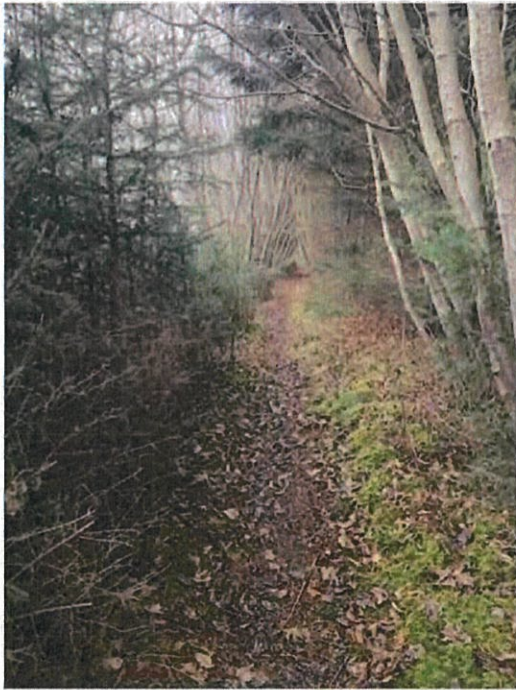
Comment: There clearly is “legitimate public purpose that would be served by use of area proposed for vacation”: the long-standing wildlife viewing area. For this and reasons noted on previous standards, we recommend that the Planning Commission either recommend the ROW not be vacated or the applicant be required provide equal or superior access as was provided by the previous wildlife viewing platform.

Staff response: There is an existing footpath from Bay Avenue south toward Kachemak Bay. Staff was unable to determine in the field if the trail was in the right of way or on private property. Due to removal of buildings and site work, staff was also unable to determine if the trail continues all the way to the tidal marsh, or if it turns east into the old lighthouse village site. The southern portion of the right of way also held a bird viewing platform. The platform was partially on lot 164 and partially within the right of way. It is unclear if this was a permitted encroachment into the right of way; no city documentation or permits were found in City records. Regardless, the bird viewing platform has been demolished.

Looking South from Bay Ave Trail looking east to Kachemak Drive the right of way also held a bird viewing platform. The platform was partially on lot 164 and partially within the right of way. It is unclear if this was a permitted encroachment into the right of way; no city documentation or permits were found in City records. Regardless, the bird viewing platform has been demolished.

Comment: Public Works indicated at the last Planning Commission meeting that they were going to look into the location of the existing trail, and whether it was on private property or within the ROW. From looking at aerial view and knowing that the Bay Avenue lots are only 80 feet wide, we are quite certain that trail is on ROW.

Looking South from Bay Ave



Trail looking east to Kachemak Drive



Staff recommends: The vacation of the right of way be conditional on the creation of a public access route to accommodate pedestrian and bicycle access from Bay Avenue to Homer Spit Road.

Public Works Comments: A drainage easement should be retained or accommodated for drainage from the Bay Avenue area.

Staff Recommendation:

Planning Commission recommends approval of the vacation with the following comments:

Condition 1: Creation of a public access route to accommodate pedestrian and bicycle access from Bay Avenue to Homer Spit Road.

Condition 2: Drainage Easement or conveyance for drainage from Bay Avenue south to Kachemak Bay.

Comment: We recommend that the applicant be REQUIRED to provide bike and pedestrian trail through the property. The Traffic Impact Analysis stated that a standard bike/pedestrian trail should be 12 feet wide As currently proposed, it appears there is only a 6 foot pathway shared with hotel guests. Such a small pathway

would be unsafe for both pedestrians and bikes. Moreover, we recommend there be clear and dedicated access provided to the viewing station, both for hotel clients and the general public. We suggest this pathway be located on west side of hotel to provide a larger buffer between the building and the adjacent Rural Residential properties.

From: [Planning Dept.](#)
To: [Carpenter, Beverly](#); [Piagentini, Vincent](#)
Subject: FW: <EXTERNAL-SENDER>Doyon CUP/Homer
Date: Friday, January 10, 2025 9:13:30 AM

From: Bob Shavelson <bobshavelson@gmail.com>
Sent: Friday, January 10, 2025 8:46 AM
To: Planning Dept, <planning@kpb.us>
Subject: <EXTERNAL-SENDER>Doyon CUP/Homer

CAUTION: This email originated from outside of the KPB system. Please use caution when responding or providing information. Do not click on links or open attachments unless you recognize the sender, know the content is safe and were expecting the communication.

Dear Planning Commission:

The 20-foot public access easement from B-Street and 30-foot natural vegetation buffer and the public access path to the Spit Road should be clearly delineated on a revised plat for this property before a ROW vacation is considered by the Borough Planning Commission or the Homer City Council.

Thank you -

--

Bob Shavelson
bobshavelson@gmail.com
907.299.3277

Jack & Susan Cushing

1423 Bay Avenue

Homer, AK 99603

(907) 399-1200 & (907) 299-5740

cushinghouse@gmail.com

January 21, 2025

Mayor Rachel Lord

Donna Aderhold, Council

Jason Davis, Council

Shelly Erickson, Council

Storm P. Hansen, Council

Bradley Parsons, Council

Caroline Venuti, Council

RE: REZONING OF LOT 163 BAYVIEW SUBDIVISION
VACATION OF PORTION OF B STREET ROW

After more than a year, Doyon has presented projected plans to the City of Homer Planning Department and the City of Homer general public. An avalanche of public testimony, written and oral, has been the response to Doyon's designs and their proclamation of being a good neighbor to follow Homer Comprehensive Plan and Codes. We are now at a crossroads, where Homer City Council has the final approval to rezone Lot 163 Bayview Subdivision from Rural to Commercial and to vacate the seaward portion of B Street ROW.

Our recommendation is for Homer City Council to DENY both of these requests until Doyon seriously comes to the table with a fair exchange for rezoning and vacation to receive a very valuable City property. To date, they have toned down their original aggressive design, redesigned a suitable bird viewing platform with ADA compatible path, decreased the number of town houses to be built on the edge of the wetlands, and offered to allow bird viewers and the public to access their property. All of these concessions will only serve to enhance their business opportunities, as they have stated. "We are a tourism business." However, Doyon refuses to give an official recorded easement in exchange for the large portion of the B Street ROW, and has not given proper access from the Spit Trail and Road on the seaward side of their property through the proposed vacation and viewing platform.

Bay Avenue is a de facto bike/pedestrian trail due to the dangerous travel on Ocean Drive to and from the Spit Trail. Only the exceptionally hardy travelers are ready to deal with the high speed deceleration of traffic coming off Spit Road on a blind curve and reduced shoulder. There must be a guarantee that specifically connects this Bay Avenue/B Street alternative clear through to the Spit Road crosswalk. Again, This guarantee must be an easement on the recorded plat.

It appears Doyon wants to take away B Street 750' x 50' ROW from the City of Homer saying to the effect that "There never was an easement. People who accessed the old Bird Viewing Platform were trespassing." This is simply not true. Three previous owners granted informal and semi-formal easement for public access. It was never framed by them as trespassing.

Some testimonies have expressed the view that people asking for clarity and correct process on this development are NIMBYs ("Not In My Back Yard") or "Anti-Development". To the contrary, the suggestions offered are good for development, offering people a safe way to enjoy their environment, private or public. Comments are within the intent and according to the Homer Comprehensive Plan. Every ROW in America at one time was undeveloped but reserved for future development. That is why ROWs are reserved. Otherwise, there wouldn't be any. So it is not a foregone conclusion that a ROW will be vacated at will, because a developer wants it. The conditions stated by the Homer Planning and Zoning Commission must be applied to this approval.

Unless Doyon is required by the Homer City Council to record a 20' easement and 30' vegetated buffer zone on the plat, they will continue to assert that B Street ROW, if vacated, is THEIR property into perpetuity. Doyon could reserve the right to close it off, have a gate when it suits them, (a concern stated by a KPB Planning Commissioner) and forever deny the City of Homer and its residents an easement to the water's edge. This is a trade. At this point, the City of Homer is getting the short end of the trade. If Doyon is required to sign over the easement to the City of Homer, officially noted on a recorded plat, then it will be a fair concession. Otherwise, there should not be transfer of valuable city property to the project and no rezoning.

(2

From: [Molly & Dave Brann](#)
To: [Department Clerk](#)
Subject: Rezone of Lot 163 Bayview Subdivisio
Date: Tuesday, January 21, 2025 4:18:17 PM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

To The City Council Members,

First of all, I want to say Thank You for the difficult work you do, for the City of Homer and the Citizens thereof.

I am writing to share my support for the position put forth by the Kachemak Bay Conservation Society related to the vacation of the B-Street Right-of-Way and the Rezone of Lot 163 Bayview Subdivision.

Without repeating all the reasons, I am saying I am in support of protecting bird habitat, protecting the nesting, feeding and migrating birds.

In the mid - late 1980s while teaching at Homer Middle School, I taught a Cross Curricula class called Birds of a Feather for jr. high kids to become familiar with our local and migrating birds. I also started The Shorebird Sister Schools Project which has grown into an international project studying migrating birds. When you get a chance, check out that website.

Once again, I am full support of doing what it takes to protect the birds and their habitat.

Thanks for your consideration of the above.

Sincerely,

Dave Brann



Kachemak Bay Conservation Society
3734 Ben Walters Ln, Homer, AK 99603
907 235.8214
kbayconservation@gmail.com

Wednesday, January 22, 2025

To:
Homer City Council
City of Homer Mayor

RE: REZONE OF LOT 163 BAYVIEW SUBDIVISION: Ordinance 25-01, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.10.030 Amending the Homer City Zoning Map to Rezone a Portion of the Rural Residential (RR) Zoning District to General Commercial 1 (GC1) Zoning District. Planning Commission. Introduction January 13, 2025 Public Hearing and Second Reading January 27, 2025.

VACATION OF PORTION OF B STREET ROW: New Business: Memorandum CC-25-xxx from City Clerk re: Vacation of a Portion of B Street Right of Way and Associated Utility Easements South of Bay Avenue granted by Bay View Subdivision Plat HM839

Dear Members of the City Council:

The proposed rezone of Lot 163 (Ordinance 25-01) and Right-of-Way vacation (Memorandum CC-25-xxx) would allow for intensive development of- and impact to- Mariner Park Lagoon, City-Owned-Land that is of internationally recognized importance for migratory birds, and has been used for decades by the birding community and Kachemak Bay Shorebird Festival, Alaska's largest wildlife viewing festival, and an important cornerstone of Homer's culture and economy.¹ The site overlooks Mariner Park Lagoon, which is designated as a Western Hemisphere Shorebird Reserve Network (WHSRN) Site of International Importance, which means that at least 100,000 shorebirds annually return here.²

To qualify for the WHSRN designation, the City of Homer—who owns the Lagoon—agreed to:

- **make shorebird conservation a priority**
- **protect and manage shorebird habitat** ³

¹ <https://www.homer.alaska.org/events/kachemak-bay-shorebird-festival/>

² <https://kachemakbaybirders.org/western-hemisphere-shorebird-reserve-network/>

³ <https://kachemakbaybirders.org/western-hemisphere-shorebird-reserve-network/>



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The City of Homer has pledged to ensure that this shorebird habitat will be protected on their property, and we should make-good on this promise, as it benefits both the public and developers.

We urge the Council to deny the ROW and the Rezone, and to ask the landowners to come up with a smaller plan that does not require these actions. A profitable hotel can be constructed in this location, with dimensions similar to the Aspen Suites Hotel, that would not require a Rezone and ROW Vacation, and that would have a more appropriate impact on bird habitat, traffic, the view-scape, and the environment, in keeping with our City's commitments to the WHSRN, the values of the community, and the wisdom of the current zoning for the area.

Your decisions on these questions should be in keeping with the best available information on the community values and Comprehensive Plan. The Comprehensive Plan directs us protect important ecological areas even if they are zoned commercial or otherwise for development:

"This [Comprehensive] plan takes two general approaches to guide development in relation to environmental conditions. One is to "overlay" information regarding environmental constraints and opportunities onto the Land Use Recommendations Map. This means, for example, that some portions of an area identified for development would be limited by the site-specific presence of steep slopes, wetland areas, drainage channels, etc. The second broad strategy is to recommend that appropriate standards be adopted so that where development does occur it is designed to respect environmental functions and characteristics."

This guidance reinforces the need to avoid or minimize habitat degradation from construction impacts, polluted runoff, and the disturbance of wildlife by the concentration of people and dogs in the area adjacent to the wetlands, where cranes nest and hundreds of thousands of shorebirds stop over every year in their spring in and fall migration. This is not the place for increased density and intensive commercial activity; it is a place for commercial activity of low impact and medium scale, as it has been zoned. Ecology aside, this is the wrong place for high-density commercial activity. We refer here to the City of Homer Comprehensive Plan for guidance:

"Objective A: Promote a pattern of growth characterized by a concentrated mixed-use center, and a surrounding ring of moderate-to-high density residential and mixed-use areas with lower densities in outlying areas.

Many of the community's most important goals are tied to the amount and location of growth. These goals include encouraging affordable housing, protecting environmental quality, creating a walkable community, and efficiently providing public services and facilities. The broad strategy behind this objective is to encourage concentrated residential and



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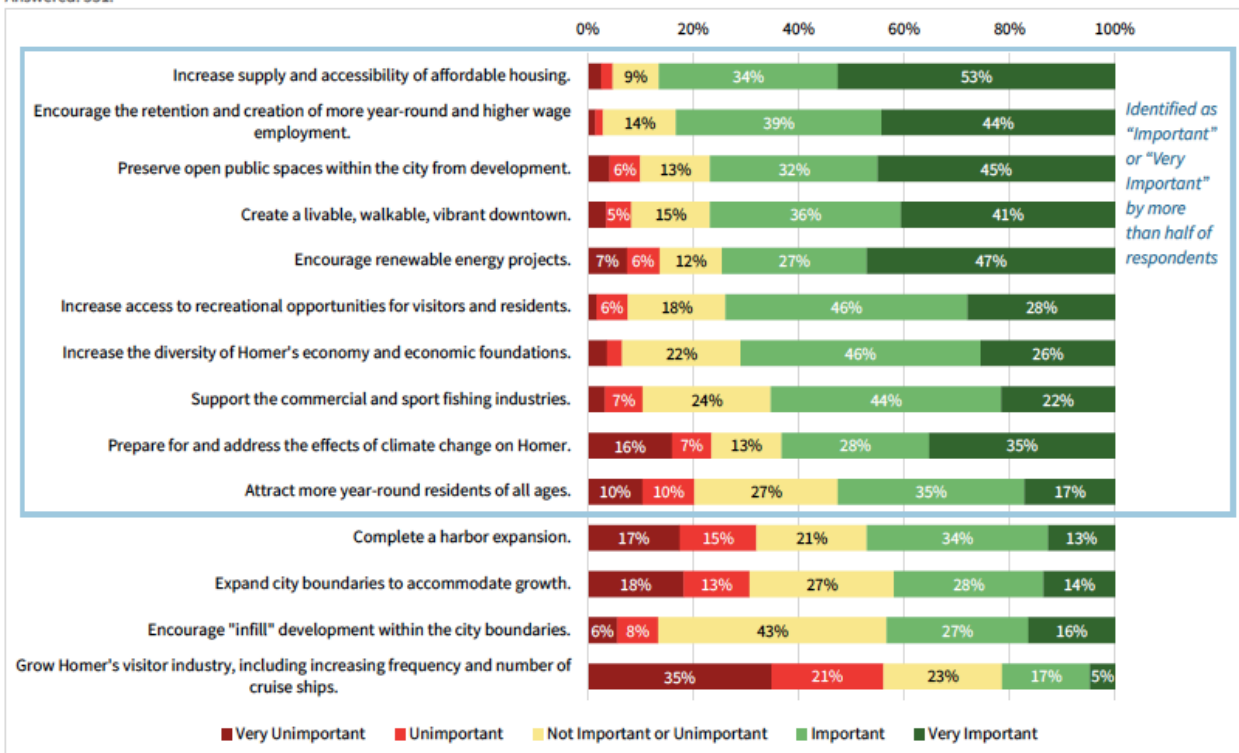
business growth in the central area of the city, with densities decreasing in outlying areas. The existing pattern of development in the city and current zoning generally follow this pattern. The alternative to this pattern – to allow this same quantity of growth to spread over a much wider area – works against all these goals.”

The Comprehensive Plan is clear about the community’s desire to concentrate growth in the City Center: we should not ignore this intention, and create what may be one of the largest buildings/complexes in Homer *outside* of the City Center. The location at the base of the Spit has not been zoned for dense development or tall buildings because of issues related to traffic congestion, tsunami inundation, and the need to conserve essential wildlife habitats, which have been discussed at length by the public at every meeting on this issue (see comments to this effect, with over 200 hundred signatures from the community). We should not allow a development that would undermine the safety and wellbeing of the local population and visitors or that would run strongly against the Comprehensive Plan’s clear guidance to direct dense development to the City Center.

We acknowledge that we are in the processes of re-writing our Comprehensive Plan, and so here is a quick analysis of how this project breaks down vis a vis the community’s top priorities, as ranked in the 2023 community survey.

Q13: Listed below are potential priorities for the greater Homer community to focus on for the next 10-20 years. For each potential priority, please indicate level of importance.

Answered: 551.





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#1 **“Increase supply an accessibility of affordable housing.”** The condos in the proposed project are not “affordable housing” by any measure. Note that the median income for Homer residents \$69,797,⁴ and so no special allowances should be made to the project on the basis of the condos.

#2 **“Encourage the retention and creation of year-round and higher wage employment.”** Hotel work is not “high wage” employment, and the applicants have not indicated how many year-round jobs they expect will be generated. If this hotel follows the pattern of other hotels in town, it will be a highly seasonal establishment, seeking to hire staff for low wages primarily in the summer months.

#3 **“Preserve open public spaces within the city from development.”** This property would is a good candidate for this priority. With some work to revegetate the filled area, it would make for world-class recreation and bird viewing park, with trails connecting to the spit and bird viewing platforms. While it is not the owner’s plan to preserve this property, and it is not the place of the Council to tell the owner what to do with their land, it is the place of the council to decide on the rezone and the ROW Vacation—denial of both of these requests would be in support of this value in this sensitive and unique ecological area.

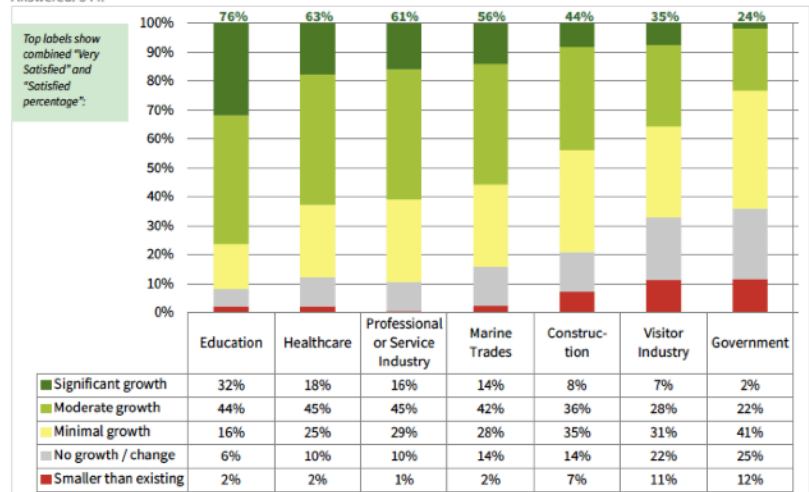
#4 **“Create a livable, walkable, vibrant downtown”** N/A, as this is not downtown. That said, walkability and connectivity are at issue here and ensuring access from B-Street to the Spit Road, via an access easement is essential.

5 **“Increase access to recreational opportunities for visitors and residents.”** The incorporation of the viewing platforms and trails in this proposal fit this description, thought they need to be instituted through easements on the title.

#6 **“Increase the diversity of Homer’s economy and economic foundations.”** This hotel and condo complex does not add to our economic diversity, instead, it advances the most unpopular priority listed on the survey, “Grow Homer’s visitor industry.” Over half the surveyed folks strongly oppose growing the tourism industry. The council should not rezone the property and vacate a right of way to support intensive growth of an industry

Q12: Please indicate your preferred level of growth for the following key economic sectors:

Answered: 544.



⁴ U.S. Census Bureau American Community Survey 2018 - 2022 Five Year Average for Homer.



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that has little to no community support. This finding is reenforced by another question on economic sectors where people want to see growth, which shows a strong preference for de-growth, no-growth and minimal growth in the “visitor industry.”⁵ Taken together, these values indicate that the application of “community standards” and the “welfare of the community” in this instance, mean that that it is not appropriate to rezone this area to allow for intensive visitor industry expiation in a location that so many people care about and are connected to, at the base of the Spit.

If, all things considered, the Council decides that you want to vacate the Right of Way and/or Rezone the lot, conditions must be set that (a) protect the environmental integrity of the site and (b) ensure long-standing historic public access to shorebird viewing, while granting the owners the right to develop their property. All conditions must be codified through title/deed restrictions. Without this level of assurance Doyon, or any future owner, could walk away from the agreements. Kachemak Bay Conservation Society urges the council in to set, as a minimum, the following conditions for vacation of B-Street Right of Way and Rezone of Lot 163 Bayview Subdivision:

1) A binding plan to ensure the protection of migratory birds and their habitat.

As noted above, approval of the rezone and ROW vacation would allow for large hotel/condo complex would be built in an area that has been used for decades by the Shorebird Festival, Alaska’s largest wildlife viewing festival, and a cornerstone of Homer culture and economy.⁶ The site overlooks Mariner Park Lagoon, which is designated as a Western Hemisphere Shorebird Reserve Network (WHSRN) Site of International Importance, which means that at least 100,000 shorebirds annually return here.⁷

To qualify for a WHSRN designation the City of Homer—who owns the Lagoon—agreed to:

- **make shorebird conservation a priority**
- **protect and manage shorebird habitat** ⁸

⁵ “Homer Comp Plan Survey and Map Summary” p. 24. Online at https://homercompplanupdate.com/wp-content/uploads/2024/09/09-06-24_HomerCompPlan-SurveyMap_Summary.pdf.

⁶ <https://www.homer.alaska.org/events/kachemak-bay-shorebird-festival/>

⁷ <https://kachemakbaybirders.org/western-hemisphere-shorebird-reserve-network/>

⁸ <https://kachemakbaybirders.org/western-hemisphere-shorebird-reserve-network/>



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The City of Homer has agreed to ensure that this shorebird habitat will be protected on their property, and we should make-good on this promise, as it benefits both the public and the developers. Therefore, the City should require protection of shorebirds and their habitat in Mariner Park Lagoon. As a condition of the vacation of the ROW and the Rezone of the lot, developers should have to work with local US Fish and Wildlife Service, Friends of Alaska National Wildlife Refuges (the local sponsors of the Kachemak Bay Shorebird Festival), as well as the Kachemak Bay Birders (supporters of the WHSRN) to come up with appropriate and binding measures to protect migratory birds and their sensitive habitat. This could be implemented in many ways, through, for example, a title restriction placed on the land the City gives to Doyon.

Issues that need to be addressed include:

- Disruption of nesting birds and migratory shorebirds during their spring and fall migrations as a consequence of increased activity at the hotel and condos.
- Mitigation of impacts of condo-dwellers and their dogs present a hazard to nesting and migratory birds that must be properly mitigated.
- Proper mitigation of disruptive aspects of construction (like pile driving).
- A higher standard of stormwater management in this highly sensitive area.
- Window strikes, light and noise pollution, need to be mitigated.

It is the City's responsibility to ensure the integrity of the WHSRN, and we should not give up our land (via the ROW vacation) or allow for intensive development (via the rezone) without ensuring the hotel and the sensitive habitat can coexist on good terms. These basic measures are in the interest of both the land owners (who want their guests to have a good shorebird viewing experience) and the public (who have a cultural and economic stake in the matter).

2) Provide a revised plat showing a **conservation easement protecting the existing woods in the B Street Right of Way**. Doyon has said that they want to protect Rural Residential neighbors from the noise, lights, etc. of the hotel via a 30' vegetative buffer, and this promise was a condition of the CUP proposed to the Planning Commission: a conservation easement on the title is needed to legitimize that guarantee. The value of the 50 foot wide, 750 foot long piece of City land being asked for by the applicants is some of the most high-value land in Homer: wooded, waterfront property with killer views of shorebird habitat and Kachemak Bay. It is worth a lot, and asking for a guarantee that the some of it will be conserved (as has been promised) is fair and proper.

3) Provide a revised plat showing a **20-ft Pedestrian Access Easement from both B Street and the Spit Road to the viewing platform**. Only through a formal public easement can public access be assured, providing the necessary guarantee of "equal



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or superior access” required in KPB 20.70.180.⁹ An unsecured public access is an unacceptable trade for our public right of way.

According to Shorebird Festival managers, approximately 100 birders have historically accessed the “Lighthouse Village” viewing platform at any given time during the festival, with 50 -200 visitors generally coming each day. The B-Street Right-of-Way is the only guarantee the remains ensuring that access, and cannot be relinquished without ensured access. This easement for a trail should be placed on the fill in front of the most seaward structures and NOT share any use with a normal vehicle drive or parking area. To do so would endanger users.

4) A drainage easement also should be maintained on the B Street ROW. A higher standard of stormwater management in this highly sensitive area is necessary. The Drainage Easement identified by the planning commission and staff is a proper condition for ROW vacation.

5) The new viewing platform should be at least equivalent in size to the old platform. The Kachemak Bay Shorebird Festival has used this platform during the festival for bird surveys and viewing programs for the public. It was also used by the general public year round. Since so much of Homer tourism depends on having good access to bird and other wildlife viewing, it is important to restore this much used facility and make sure there are agreements on its maintenance and public use into the future. As with all other conditions, this commitment must be secured through title restriction.

Thank you for your ongoing commitment to the community of Homer and for your consideration of these important issues.

Sincerely,

Penelope Haas

Vice-President, Kachemak Bay Conservation Society

⁹ KPB 20.70.180. - Other access. Other lawful uses that exist or are feasible for the right-of-way shall be considered when evaluating a vacation request. When such uses exist or could exist within rights-of-way which are not suited for general road use, the commission shall not approve the vacation request, unless it can be demonstrated that equal or superior access is or will be available. The planning commission shall consider whether alternate uses present public safety issues which support approval of the vacation.

From: [Katie Skundrich](#)
To: [Department Clerk](#)
Subject: Doyon Allowance
Date: Wednesday, January 22, 2025 10:41:15 AM

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Dear City Council Members,

As a member of this community and a small business owner trying to make my way in the world, it upsets me deeply that we would grant access to a large corporation with no restrictions. We live in Homer for particular reasons and I believe that unrestricted growth is a slippery slope that would turn Homer into something very different than it is today.

Please consider protecting this site; creating a public easement, and holding Doyon accountable for environmental impact on their proposed venture.

The people of Homer deserve to be heard and we need people to stand up for what is right.

Thank you for your consideration
And for your service in a challenging position.

Kaitlynn Skundrich

[Yahoo Mail: Search, Organize, Conquer](#)

January 23, 2025

Dear City Council Members,

I am writing as a long-term resident of Homer who loves birds and who feels extraordinarily fortunate to celebrate their return to Homer each spring during the Shorebird Festival. I have also had many quiet moments enjoying the birds in Mariner Park Lagoon during the fall and winter on the viewing platform at the end of the B Street Right-of-Way.

I urge you to sustain public access to a viewing platform over Mariner Park Lagoon by including a 20-ft Pedestrian Access Easement from both B Street and the Spit Road to the platform as a deed condition of the proposed rezone of Lot 163 (Ordinance 25-01) and Right-of-Way vacation. I also urge you to include a condition in the vacation of the ROW and the Rezone of the lot, and in the deed that developers should have to work with local US Fish and Wildlife Service, Friends of Alaska National Wildlife Refuges (the local sponsors of the Kachemak Bay Shorebird Festival), as well as the Kachemak Bay Birders to come up with appropriate and binding measures to protect migratory birds and their sensitive habitat. In addition, the deed should include a provision for maintenance of a new viewing platform at the end of the Right-of-Way equal in size to the old one and public access into the future.

As many people testified to the Planning Commission and City Council, the platform has been one of two places that people gather to watch the birds at high tide during the Kachemak Bay Shorebird Festival for decades. It is also one of the sites where the shorebird numbers have been monitored but local volunteers for more than a decade. It has also been a frequent birding stop year-round for local birders at high tide.

The Shorebird Festival is Alaska's largest wildlife festival in Alaska, drawing 800-1,000 people to Homer from all over Alaska and beyond in the spring and providing an economic boost to Homer businesses during a shoulder season. Doyon has acknowledged that they will benefit from the Festival and have said publicly that they want to be good neighbors and community members.

A public easement would provide the "equal or superior access" required in KPB 20.70.180. The Right of Way, which Doyon has proposed remain vegetated would mitigate a small portion of the impact the loss of amenities from construction of a large hotel, restriction of views of the Bay, traffic congestion, and heavier use of the Spit walking trail.

The City will also need to take care to ensure that construction and operation of the hotel and parking lot don't negatively impact shorebird habitat in Mariner Park Lagoon, which is designated as a Western Hemisphere Shorebird Reserve Network (WHSRN) Site of International Importance, This designation that is based on an agreement by the City to make shorebird conservation a priority and protect and manage the shorebird habitat.

Thank you for consideration of these comments and your work in keeping our local environment both a haven for wildlife and a bountiful and beautiful place to enjoy.

Sincerely,
Marilyn Sigman
4211 Kachemak Way
Homer, Alaska



MEMORANDUM

Revised Port of Homer Alaska Terminal Tariff No. 1 Adopted by Ordinance 24-53 Insurance Requirements

Item Type: Action Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: January 15, 2025
From: Bryan Hawkins, Port Director
Through: Melissa Jacobsen, City Manager

This memo responds to memo CC-24-227 from Councilmember Aderhold regarding the Homer Port & Harbor liability insurance requirements for recreation users. For ease of reference, the questions from the original memo are included in line with the responses.

For small private vessels not used for any commercial purpose and that is not likely to cause damage to harbor facilities, is \$300,000 (for liability) too much to require?

Liability insurance is designed to protect against financial loss in the event of an accident, natural disaster, or mishap. This protects against not only damage to our own facilities but damage to other boats stored in the harbor, some of which have values in excess of \$1,000,000. Throughout the year, we frequently receive calls from recreation users who knock kickers off another boat, scratch the paint on a nearby vessel, or lose power while navigating the harbor and hit something they hadn't intended to.

I had spoken with City of Homer Risk Management (AML-JIA), as well as several insurance agents who provide insurance to boaters. Based on those conversations, \$300,000 seemed to be a reasonable average limit for recreational and private boat owners that utilize the Homer Harbor facility. After further consideration and discussion with the Port and Harbor Advisory Commission, I have determined that the simplest path forward is to recommend the removal of any minimum coverage amount for all private vessels, maintain the minimum coverage amount for commercial vessels, and continue to require that all vessel owners provide proof that they maintain coverage for their vessel.

What is fair and reasonable?

I believe it is fair and reasonable to expect that if one vessel damages another, the responsible vessel should have sufficient insurance coverage to repair those damages. This is a fundamental principle of liability insurance.

I also believe that requiring recreational vessels to show proof of liability insurance is a reasonable approach to ensuring a basic level of protection. Only requiring proof of insurance for recreational vessel owners, instead of requiring a specific amount, will allow flexibility for owners to work with their insurers to choose coverage that is appropriate for their vessel. This will maintain some level of financial assurance in case of an incident.

What is the cost to the vessel owner of carrying \$300,000 in liability insurance?

Several variables influence the cost of liability insurance for recreational boat owners. From a basic internet search of several insurance companies, the average cost of \$300,000 in marine liability insurance for a power boat in the United States ranges between \$300 and \$600 annually. Type of vessel, area of operation, and time of year all play in, and no doubt Alaska trends to the upper end of the scale.

What is required at similar-sized harbors in Alaska?

Listed below are what harbors in Alaska, of similar size, are requiring for liability insurance.

Harbor	Recreational – Liability	Commercial - Liability	Notes
Seward	Proof of liability insurance required	\$1,000,000	Only set minimum for commercial/vessels for hire
Whittier	\$300,000	\$1,000,000	Set minimum for commercial/vessels for hire
Kodiak	No proof of insurance required	No proof of insurance required	
Cordova	Proof of liability insurance required	No less than \$100,000 per person, \$300,000 combined single limit per occurrence	
Valdez	Proof of insurance required	Proof of insurance required	Enforcement unclear

RECOMMENDATION:

After further consideration and discussion with the Port and Harbor Advisory Commission, staff recommends eliminating the \$300,000 liability insurance requirement for recreational and private boat owners. Instead, we propose simplifying the requirement to state that recreational and private vessel owners must provide proof of liability insurance for moorage in the harbor, with the city named as a certificate holder.

Attachments:

Port & Harbor Advisory Commission December 11, 2024 Unapproved Minutes

Memorandum C-24-227

Ordinance 24-53 with backup

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

Session 24-10, a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Chair Casey Siekaniec at 5:30 p.m. on December 11, 2024 in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar.

PRESENT: COMMISSIONERS BRADSHAW, FRIEND, PITZMAN, SIEKANIEC, SHAVELSON, VELSKO, ZEISET & STUDENT REPRESENTATIVE ROGERS

CONSULTING: PORT DIRECTOR HAWKINS

STAFF: PORT ADMINISTRATIVE SUPERVISOR WOODRUFF & DEPUTY CITY CLERK PETTIT

2. AGENDA APPROVAL

Chair Siekaniec requested a motion and second to approve the agenda.

ZEISET/VELSKO MOVED TO APPROVE THE AGENDA AS AMENDED.

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 November 20, 2024 PHC Minutes

ZEISET/BRADSHAW MOVED TO APPROVE THE NOVEMBER 20, 2024 MEETING MINUTES.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

6. VISITORS/PRESENTATIONS

6.A. Jenny Carroll, Long-Term Homer Spit Erosion Response

Special Projects and Communications Coordinator Carroll reviewed her presentation regarding Homer Spit Resilience Planning and the recent storm surge that damaged the Homer Spit.

7. STAFF & COUNCIL REPORT/COMMITTEE REPORTS

7.A. Port & Harbor FY25 YTD

7.B. Port & Harbor Staff Report – December 2024
Project Updates
Commissioner Report to Council for 2025 Council Meetings

Port Administrative Supervisor Woodruff provided an update regarding the Homer Harbor Expansion and shore power compliance with the National Electric Code for harbor users. She also provided a quarterly report of harbor data and a special projects update.

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

Commissioner Zeiset noted the Association's 2nd Annual Christmas Party on Friday, December 13th from 6:00-8:00 p.m. at Breakwater Marine Electric's shop.

8. PUBLIC HEARING(S)

9. PENDING BUSINESS

10. NEW BUSINESS

10.A. Leasing Application Process
Memorandum PHC-24-028 from Port Administrative Supervisor as backup
Memorandum from Commissioner Shavelson as backup

Chair Siekaniec introduced the item by reading of the title and deferred to Commissioner Shavelson, who provided the reasoning for his memorandum that was included in the packet.

Commissioner Velsko departed the meeting at 6:45 p.m.

SHAVELSON/ZEISET MOVED TO FORWARD COMMISSIONER SHAVELSON'S MEMO FROM DECEMBER 2ND TO THE CITY MANAGER FROM THE PORT & HARBOR COMMISSION.

Commissioner Pitzman stated that forwarding the memo and the list of concerns is a practical way to ensure there's a closer look into leases on the Spit.

Chair Siekaniec request the Clerk to perform a roll-call vote.

VOTE: YES: ZEISET, FRIEND, SIEKANIEC, BRADSHAW, PITZMAN, SHAVELSON.

Motion carried.

- 10.B. Memorandum CC-24-227 re: Harbor Liability Insurance
Memorandum PHC-24-029 from Port Director as backup

Chair Siekaniec introduced the item by reading of the title and deferred to Port Director Hawkins, who provided an explanation of the memorandums included in the packet.

PITZMAN/ZEISET MOVED TO AMEND THE PREVIOUSLY ADOPTED PORT OF HOMER TERMINAL TARIFF NO. 1 BY STRIKING “ARE REQUIRED TO CARRY LIABILITY INSURANCE WITH A MINIMUM OF \$300,000 COVERAGE,” AND INSERTING “MUST PROVIDE PROOF OF LIABILITY INSURANCE FOR MOORAGE IN THE HARBOR,” AND FORWARD THE RECOMMENDATION TO CITY COUNCIL.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

11. INFORMATIONAL MATERIALS

- 11.A. December 2024 Port Operations Report
- 11.B. City Manager’s Reports to Council
CM’s Report for November 25, 2024

Chair Siekaniec noted the informational materials provided in the packet.

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

David Atwood, city resident, noted that he was the applicant for the Dragging Anchor lease that was seen by the Commission during the November meeting. He made himself available to answer any questions the Commission had regarding the lease.

Michael Yourkowski, city resident, spoke to the complexity of the leasing process, and advocated for the Commission to make a recommendation to City Council to reinstate the Leasing Committee.

13. COMMENTS OF THE CITY STAFF

Port Director Hawkins noted that he just returned from Juneau, where he attended a board meeting for the Marine Exchange. He alluded to a couple of programs rolled out by the Exchange that are still being worked on.

Deputy City Clerk Pettit wished everyone a happy holiday season.

14. COMMENTS OF THE MAYOR

15. COMMENTS OF THE COMMISSION

Student Representative Rogers thanked everyone for a good meeting.

Commissioner Bradshaw thanked everyone for a good meeting, and noted that the Commission is heading in the right direction in terms of leasing discussions that are being had.

Commissioner Zeiset echoed Mr. Bradshaw's comments.

Commissioner Pitzman wished everyone a happy holiday season, and thanked Commissioner Shavelson for his work on the leasing topic. He thanked the public for their input, and noted that he's a customer of Marine Exchange of Alaska.

Commissioner Friend noted that it was a good meeting and wished everyone a happy holiday season. He also thanked the public for their participation.

Commissioner Shavelson stated that he thinks it's great that Mr. Hawkins is on the board of the Marine Exchange. He shared his support for Mr. Yourkowski's comments regarding reinstating the Leasing Committee. He wished everyone a happy holiday season.

Commissioner Siekaniec informed the Commission that there would be various political representatives in Homer on December 17th. He stated that he was thinking about penning a letter from the Port & Harbor Commission to some congressional delegations in support of mitigation that needs to happen on the Spit. He wished everyone a happy holiday season.

16. ADJOURNMENT

There being no further business to come before the Commission Chair Siekaniec adjourned the meeting at 7:24 p.m. The next Regular Meeting is Wednesday, January 22, 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.

Zach Pettit, Deputy City Clerk

Approved: _____



MEMORANDUM

Harbor Liability Insurance Requirements Approved by Ordinance 24-53

Item Type: Action Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: November 5, 2024
From: Donna Aderhold, Councilmember

The City Council passed Ordinance 24-53, adopting revised Port of Homer Terminal Tariff No. 1, at our October 28, 2024, regular meeting. Section 5.05 of the ordinance (see page 269-270, lines 84-94 of the October 28 regular meeting packet) states that “vessel owners using the City of Homer’s Terminal Facilities are required to carry liability insurance with a minimum of \$300,000 coverage and add the City as a certificate holder. ...”

Liability insurance is important for vessel owners to carry for their own protection. However, for small private vessels not used for any commercial purpose and that are not likely to cause damage to harbor facilities, is \$300,000 too much to require? What is fair and reasonable? What is the cost to the vessel owner of carrying \$300,000 in liability insurance? What is required at similar sized harbors in Alaska?

The meeting minutes from the Port and Harbor Commission’s September 25, 2024, meeting when the draft ordinance was discussed (see page 267 of the October 28 regular meeting packet) states that “There was a brief discussion regarding moorage, the right to deny access to vessels who don’t have insurance and the work skiff exemption.” The minutes do not include the nature of the Commission’s discussion regarding insurance requirements.

I am interested in asking the Port and Harbor Advisory Commission to revisit Section 5.05 of the Port of Homer Terminal Tariff No. 1 as it relates to small, privately owned vessels that are not used for commercial purposes and to discuss the questions listed above and provide City Council with answers to the questions and a draft ordinance amending this section of the tariff if that is warranted by the end of March 2025.

Recommendation: Discuss memorandum and vote on whether to send the memorandum to the Port and Harbor Advisory Commission for review and consideration.

CITY OF HOMER
HOMER, ALASKA

City Manager/Port Director

ORDINANCE 24-53

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
ADOPTING THE REVISED PORT OF HOMER ALASKA TERMINAL
TARIFF NO.1

WHEREAS, The Port and Harbor Tariff No. 1 is reviewed and updated annually; and

WHEREAS, Staff has completed its annual review and submitted edits, changes, and additions for review; and

WHEREAS, The proposed changes were reviewed by JDOLaw, the city's contracted law firm; and

WHEREAS, The Port and Harbor Advisory Commission also reviewed the revised tariff at their September 2024 meeting and made a motion recommending that council approve changes to Port and Harbor Tariff No. 1; and

WHEREAS, The revised Tariff No. 1 accurately represents the Homer Harbor's current and planned operational and fiscal policies.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. Port of Homer Alaska Terminal Tariff No. 1, is hereby amended to read as follows:

Under Rule 5-LIABILITY, INDEMNITY, INSURANCE-

RULE 5 – LIABILITY, INDEMNITY, INSURANCE

5.01. **CARGO** LIABILITY – The City of Homer, its Port personnel, its employees and agents, shall not be held liable ~~are not responsible~~ for any loss or damage to cargo regardless if the loss or damage is the result of ~~caused by~~ fire, frost, heat, dampness leakage, weather damage, evaporation, natural shrinkage, waste, insects, decayed and live animals, leakage or discharge from fire protection systems, collapse of buildings or structures, breakdown of plant protection systems, breakage of plant or machinery or equipment, or is caused by floats, logs, piling or camel logs required in breasting vessels away from wharf, or caused by anything outside the control of the City.

5.02. LABOR ACTIONS OF CIVIL UNREST – The City of Homer shall not be held liable ~~is not responsible~~ for any loss, damage, delays, costs or from any consequences as a result of civil

unrest, shortage of or action by labor, riots or strikes of any persons in their employ or in the service of others.

5.03. INDEMNITY

(A) DEFENSE AND INDEMNITY

Users of the City of Homer's **Terminal Facilities, as defined in this Tariff, Section 3.02.** ~~Port facilities~~ including **but not limited to,** vessels **owners** and crew **members, their vessel owners and its** agents or instruments, shippers or consignees, and shore personnel shall **defend,** indemnify and hold harmless the City **of Homer, its officers, employees, and agents** against any and all claims, **demands, losses, damages, or expenses** arising from any breach or default in performance of any obligation to such parties to be performed under the terms of this Tariff or arising from any act or omission of said parties **and** for all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claims, action or proceeding brought against the City of Homer except for those caused by the City's own negligence.

(B) MOORAGE AT HOMER'S TERMINAL FACILITIES

Vessel owners and operators shall defend, indemnify, and hold harmless the City of Homer, its officers, employees, and agents against any and all claims, demands, losses, damages, or expenses arising from or connected to moorage at the City of Homer's Terminal Facilities brought against the City except for those caused by the City's own negligence. The City shall not be held liable for any loss or damage incurred to the vessel or its associated items or be regarded as a "bailee" or "warehouseman". Vessel owners use the City of Homer's Terminal facilities moorage at their own risk; the City is not responsible for providing products or services to protect vessels from damage.

~~5.04. LIMITS OF LIABILITY—No provisions contained in this Tariff shall limit or relieve the Port of Homer from liability for its own negligence nor require any person, vessel or lessee to indemnify or hold harmless the Port of Homer from liability for its own negligence.~~

5.04 INSURANCE – Rates named in the Tariff do not include insurance of any kind. The City of Homer shall be under no obligation to provide any insurance of any type for any vessel, cargo, or liability arising out of use of the City docks or Terminal facilities. Terminal facility users shall comply with any applicable insurance requirements included in **this Tariff and** the Homer City Code or Alaska Statutes.

5.05 All vessel owners using the City of Homer's Terminal Facilities are required to carry liability insurance with a minimum of \$300,000 coverage and add the City as a certificate holder. Transient moorage users who do not provide proof of liability insurance will only be permitted to purchase moorage at the daily rate. Reserved moorage users who do not provide proof of liability insurance will not be permitted to renew their stall permit. Commercial boats-defined as vessels that are operated as part of a business, including but not limited to commercial fishing, charter fishing, vessel-for-hire, freight, tow, and construction are required to carry at a minimum \$1,000,000 of liability insurance, and to add the City of Homer as an additional insured with waiver of subrogation. All reserved

stall holders, annual and semi-annual transient moorage users are required to add the City of Homer as a certificate holder. Human-powered vessels are exempt from these insurance requirements.

5.06 ADDITIONAL INSURANCE – The City reserves the right to ~~require request~~ additional insurance coverage by users of the Port’s facilities or to be named additional insured at the discretion of the City. The City may request any additional insurance as deemed appropriate for port activities. For vessels that may be hazardous or become a menace to other vessels, their occupants, City facilities, the Port Director or City Manager may require an operator or owner of a vessel to furnish evidence that there is currently in effect liability insurance in an amount satisfactory to the City. The vessel’s owner or agent shall file a certificate of insurance or other satisfactory evidence signed by an agent or officer of the insurance company and stating the effectiveness and expiration date.

Under Rule 16 RATES: Labor, Towing, Pumping, Equipment, Special Services, Sewage, Third Party Billing, Search & Rescue-

16.05. SPECIAL SERVICES – Special services including waste, ~~bulk oil~~, or garbage disposal shall be billed at the City’s actual cost, including City labor costs, plus 125% of City costs for services. This includes the costs for outside services arranged and paid for by the City. **For bulk oil disposal fees see Appendix A Fee Schedule.** Except where otherwise required by law, the Port Director has the authority to provide, arrange for or refuse the provision of services in addition to those set out in this Tariff.

Under Rule 21 DOCK FUELING & BUNKERING AT THE PIONEER DOCK & DEEP WATER DOCK-

21.01. SPECIAL TERMINAL USE PERMIT AND REQUIREMENTS: For Petroleum Product Transfer – Fueling vessels at the Pioneer Dock and the Deep Water Dock by truck or vessel is permitted with the permission of the Port Director and the completion of a Special Terminal Use Permit. The Special Terminal Use Permit shall be completed ~~annually with an annual~~ **every three years with its associated** permit issuance fee. Fee cost can be found in Appendix A fee schedule. In addition, the Permittee shall file timely fuel wharfage reports stating the gallons of petroleum product dispensed with the required payment.

Under APPENDIX A-FEE SCHEDULE-

APPENDIX A- FEE SCHEDULE

The Port Director has authority to protect rates against inflation, raising them by a calculated percentage using the Consumer Price Index –Urban Alaska/Anchorage table, at the Port Director’s discretion and with City Council’s approval.

PORT & HARBOR FEES

Effective 1/1/2024

Please add 7.85% sales tax to fees unless otherwise noted

FISH DOCK

Note: Vessels left unattended at Fish Dock or obstructing access will be charged \$150.00 per hour

- Fish Dock use permit: \$5.00 per issuance
- Special Terminal use permit: \$200 per issuance
- Annual Crane Card: \$52.00 w/signed Authorization Agreement
- Crane Card Replacement: \$5.00 per card replaced
- Cranes:

0 - 15 minutes	\$22.66	<u>Crane Capacity</u> :
16 - 30 minutes		\$45.32 2½ ton #1, #3, #4, #5, #6, #8
31 - 45 minutes		\$67.98 5 ton #2, #7
46 - 60 minutes	\$90.64	
- Ice: \$130.90 Per Ton
After hours call out for Ice delivery = \$250.00 fee per call out
- Seafood Wharfage: \$4.76 per ton of seafood/fish product across the dock, regardless of species
- Ice/Non Fish Wharfage: \$14.50/ton, Includes ice not purchased from City & transferred Freight NOS over Fish Dock
- Community Fish Grinder: \$5 per tub (approx. 100lbs), \$30 per tote (approx. 1,000lbs); processing plant connection fee to outfall line \$7,000 (can be in 5 annual installments plus 7.5% interest); Annual outfall connection maintenance fee \$2,400.
- Cold Storage:
 - Lockers #1 – 8 (8' x 10') \$334.75 per month
 - Locker #9 (10' x 22') \$920.90 per month
 - ~~Inspections \$50.00 per hour~~

HARBOR

- Harbor Labor: \$200.00 per hour, plus equipment and direct costs (towing)
~~\$100.00~~/half hour minimum
- Pumps: \$40.79/day for electric pump
\$69.97/hour for gas pump, minimum charge of one hour. Includes attendant time
- Tow: skiff with operator 1 hour \$365.00
- Load & Launch Ramp: (Fees are inclusive of sales tax)
\$25 per day - (\$13.00 launch fee plus a \$12 parking impact levy for a total of \$25)
\$250 per season (April 1 – Oct. 15) - (\$130.00 launch fee plus \$120 parking impact levy= \$250)

175 \$25.00 per hour for unattended vessel/blocking ramps
176 \$100 penalty for commercial loading @ L&L ramp during peak hours
177 between 6am-6pm
178 • **Insufficient Funds:** \$50 insufficient funds check fee
179
180 **GRIDS** Required: moorage agreement, grid utilization form, schedule, & pay in
181 advance for first tide
182 • **Wood:** Max. 59 feet
183 0-59 feet \$2.10/ft/tide
184 • **Steel:** Max. 200 displacement tons - vessels 60 ft. to 120 ft
185 60-80 feet \$5.10/ft/tide 101-120 feet \$7.64/ft/tide
186 81-100 feet \$6.50/ft/tide 121-140 feet \$8.48/ft/tide
187
188 **STALL WAIT LIST** Stalls are offered once a year, mid-October
189 • **Stall Wait List:** \$30.00 per year per listing; prorated fee to the May Stall Wait List due
190 date
191 • **Stall Swap Request:** ~~\$25.00~~ **\$100** per request
192
193 **ELECTRICITY** Billing cycle is the 16th to the 15th of each month; Kilowatt cost
194 determined by public utility
195 • **Daily/Flat Rate:** 110v \$10.20/calendar day (monthly rate after 15
196 days)
197 208v/single phase \$20.12/calendar day (monthly rate after 17
198 days)
199 208v/3 phase \$45.20/calendar day (monthly rate after 7
200 consecutive days)
201 • **Monthly Rate:** 110v \$152.67
202 208v/single phase \$341.70
203 208v/3 phase & 480v \$28.80 + electrical usage charge per kilowatt
204 • **Metered Reserved Stalls:** \$23.95/month + electrical usage charge per kilowatt
205 Vacancy notification waiver available
206 • **Winter Power:** \$28.80 connect/disconnect fee + \$28.80/month + electrical usage
207 charge per kilowatt
208 Available October 16 – April 15 with signed application
209 Note: A transient vessel connected to power April 16 - October 15 will be charged the daily rate.
210 If a transient vessel consumes more electricity than would be covered by these flat rates, then
211 such transient vessel shall be charged for the actual consumption. Charges for kilowatts may
212 be adjusted without advance notice.

213 PORT

214 • Barge Ramp/Beach Use:

- 215 01' - 36' = \$1.50 per ft based on length overall of vessel + 1 ton wharfage (\$5.14)
 216 37' - 49' = \$1.50 per ft based on length overall of vessel + 2 tons wharfage (\$10.28)
 217 50'+ = \$1.50 per ft based on length overall of vessel (+ wharfage as reported)
 218 Annual Pass (Jan 1-Dec 31) for vessels ≤ 36' = (landing + 1 ton wharfage) x 10
 219 Annual Pass (Jan 1-Dec 31) for vessels 37' to 49' = (landing + 2 tons wharfage) x 10
 220 Penalty for going dry on barge ramp/causing restricted access- \$150 per tide cycle

222 • Dockage:

223 Note: These charges are applicable to all berthing locations on the Deep Water Dock and
 224 Pioneer Dock

- 225 - \$ 963.06 Cruise Ship Service Charge
 226 - \$52.00 Dockage Service Charge
 227 - Lightering Fee \$1,500, plus \$6.00 per passenger
 228 - Passenger wharfage fee (non-regulated) \$0.00 per passenger
 229 - Passenger wharfage fee (regulated) \$0.00 per passenger

230 -Gangway Rental- \$100 per day

231 -Camel Fender Rental \$50 per day

232

0' to 100'	\$338	<u>\$392</u>	451' to 475'	\$1,604	<u>\$1,861</u>	651' to 675'	\$3,917	<u>\$4,544</u>
101' to 200'	\$506	<u>\$587</u>	476' to 500'	\$1,762	<u>\$2,044</u>	676' to 700'	\$4,420	<u>\$5,127</u>
201' to 300'	\$788	<u>\$914</u>	501' to 525'	\$1,996	<u>\$2,315</u>	701' to 725'	\$5,119	<u>\$5,938</u>
301' to 350'	\$1,005	<u>\$1,166</u>	526' to 550'	\$2,154	<u>\$2,499</u>	726' to 750'	\$5,858	<u>\$6,795</u>
351' to 375'	\$1,098	<u>\$1,274</u>	551' to 575'	\$2,334	<u>\$2,707</u>	751' to 775'	\$6,644	<u>\$7,707</u>
376' to 400'	\$1,206	<u>\$1,399</u>	576' to 600'	\$2,582	<u>\$2,995</u>	776' to 800'	\$7,459	<u>\$8,652</u>

401' to 425'	\$1,337	<u>\$1,551</u>	601' to 625'	\$2,957	<u>\$3,430</u>
426' to 450'	\$1,490	<u>\$1,728</u>	626' to 650'	\$3,443	<u>\$3,994</u>

(lightering fees and passenger wharfage fees shall be calculated by full passenger manifest regardless of how many passengers disembark)

- **Storage:**
 - Open areas, fishing gear \$.12 per square foot/month
 - Open areas, non-fishing gear \$.17 square foot/month
 - Fenced storage yard \$0.22/sq ft/month
 - Deck Shelter Storage- prearranged \$35/per month
 - Demurrage - \$.09 per sq ft per day
- (Haul- Out Facility)*
 - Upland Dry Dockage for vessel w/annual moorage= \$.17 per sq ft/month
 - Upland Dry Dockage for vessel w/transient moorage = \$.20 per sq ft/month
 - Upland Dry Dockage for vessel w/ no moorage= \$.25 per sq ft/month
 - Dry Moorage - \$0 w/ current annual moorage paid (only available for large vessels with annual moorage, priority shall be given to Upland Dry Dockage needs over Dry moorage)**
 - Dry Dockage admin fee \$50
 - Haul Out facility Vendor Fee \$150
- **Water:**
 - \$38.81 per 1,000 gal. – minimum 5,000 gals
 - Scheduled delivery – \$102.00 connect/disconnect
 - Unscheduled delivery – \$139.32 connect/disconnect
- **Wharfage:**
 - \$5.14/ton wharfage on N.O.S. Freight (Not Otherwise Specified) for the Barge Ramp & Beach
 - \$7.96/ton wharfage on N.O.S. Freight for the Deep Water Dock & Pioneer Dock

Except as otherwise specifically provided, rates are in

264 U.S. dollars (USD) per short ton of 2000 lbs. or per 32 cubic foot. Short ton
265 =0.907185 metric tons (mt)

COMMODITY	WHARFAGE RATE (\$USD)
Aggregate (Gravel, stone, minerals)	\$1.00 per short ton/\$1.10 per mt
Agricultural Products (Grains, corn, legumes, etc.)	\$3.50 per short ton/\$3.86 per mt
Containerized Cargo	\$8.00 per short ton/\$8.82 per mt
Freight N.O.S. (Pioneer/Deep Water Docks) 1 ≥100 Short tons	\$7.96 per short ton/\$8.77 per mt
Freight N.O.S. (Pioneer/Deep Water Docks) 101 ≥ 1,000 Short Tons	\$6.00 per short ton/\$6.61 per mt
Freight N.O.S. (Pioneer/Deep Water Docks) 1,001 ≥ 10,000 Short Tons 10,000 + Short Tons	\$5.00 per short ton/\$5.51 per mt \$4.50 per short ton/\$4.96 per mt
Freight N.O.S. (Barge Ramp and Beach)	\$5.14 per short ton/ \$5.67 per mt
Freight N.O.S. (Fish Dock) ICE Fish Dock	\$14.50 per short ton/ 15.98 per mt \$14.50 per short ton/ 15.98 per mt
Hazardous materials, as established by Dept of Transportation materials commodity List. At location designated for loading, unloading or staging by USCG permit	\$8.00 per ton /Min. 1 ton
Livestock (horses, mules, cattle, hogs, sheep, goats, fowl)	\$10.12 per head
Petroleum	\$0.84 \$1.26 per barrel/ \$0.02 \$0.03 per gallon
Poles, Logs, cant or cut	\$3.95 per thousand board feet
Seafood/Fish Products (regardless of species) (all docks)	\$4.76 per short ton/\$5.24 per mt

266
267 • Disposal Oil \$50/drum
268 Used Antifreeze \$8.00/gallon

269		Oily Water/Bilge Slop	\$5.00 /gal delivered in drums
270	<u>PARKING</u>		
271	• <u>Fee pay day use parking:</u>	Day Use Fee Parking	\$10 per calendar day
272		Seasonal permits for day use parking	\$150
273		Monthly permits for day use parking	\$100.
274	• <u>Long term parking:</u>	Annual parking permit	\$150
275		Monthly parking permit >20ft	\$70
276		Monthly parking permit <20ft	\$85 \$70
277		Weekly parking permit >20ft	\$25
278		Weekly parking permit <20ft	\$35
279		Trailer parking (no boat)	\$7 per linear ft./month
280		Parking Citation	\$25 per citation
281		Failure to pay parking citation	\$25 for each month
282	past due		

283 * Parking permits refer to vehicles unless otherwise specified as “trailer”. Citations specific to
284 long term parking overstay shall be limited to \$250 per calendar year, with \$150 of the fine
285 credited toward an annual permit if applicable

287 MOORAGE

288 Note: Mooring charges commence when a vessel is made fast to a wharf, pier, harbor float or
289 other facility. A vessel moored between 12:01 a.m. and 10:00 a.m. shall be charged a full day’s
290 moorage.

291 • Reserved: ~~[\$63.41~~ **70.77** + (LOA x \$.05)] x LOA, plus a \$50.00 administrative fee.
292 (\$.05/ft caps at 86’)

293 • Annual Transient: ~~[\$63.41~~ **70.77** + (LOA x \$.05)] x LOA, plus a \$50.00 administrative fee.
294 (\$.05/ft caps at 86’)

295 • Semi-Annual Transient: ~~[\$42.48~~ **47.42** + (LOA x \$.05)] x LOA, plus \$33.50 administrative
296 fee (\$.05/ft caps at 86’)

297 • Monthly Transient: ~~[\$10.78~~ **12.03** + (LOA x \$.05)] x LOA, plus \$8.50 administrative fee
298 (\$.05/ft caps at 86’)

299 *Vessels that properly register and prepay moorage may deduct
300 \$0.50/foot/month

301 • Daily: ~~[\$1.90~~ **2.12** + (LOA x \$.05)] x LOA, plus \$1.50 administrative fee (\$.05/ft
302 caps at 86’)

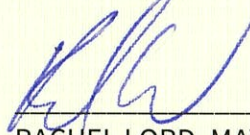
303 *Vessels that properly register and prepay moorage may deduct
304 \$5.00/day

306 Section 2. This Ordinance is of a permanent and general character.

Section 3. This ordinance is effective January 1, 2025.

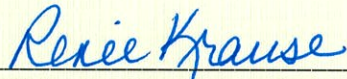
ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this 28th day of October, 2024.

CITY OF HOMER

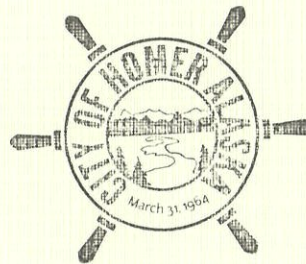


RACHEL LORD, MAYOR

ATTEST:



RENEE KRAUSE, MMC, CITY CLERK



YES: 5

NO: 0

ABSTAIN: 0

ABSENT: 0

First Reading: 10/14/24

Public Hearing: 10/28/24

Second Reading: 10/28/24

Effective Date: 10/29/24



MEMORANDUM

Ordinance 24-53 Adopting the revised Port of Homer Alaska Terminal Tariff No. 1

Item Type: Backup Memorandum
Prepared For: Mayor Castner and Homer City Council
Date: October 2 2024
From: Bryan Hawkins, Port Director
Through: Melissa Jacobsen, City Manager

Staff conduct an annual review of our Port of Homer Tariff No. 1 to make sure it reflects our current policies and rates, submitting any prospective changes to the City for review and approval. The following information listed below pertains to this year's proposed edits/changes.

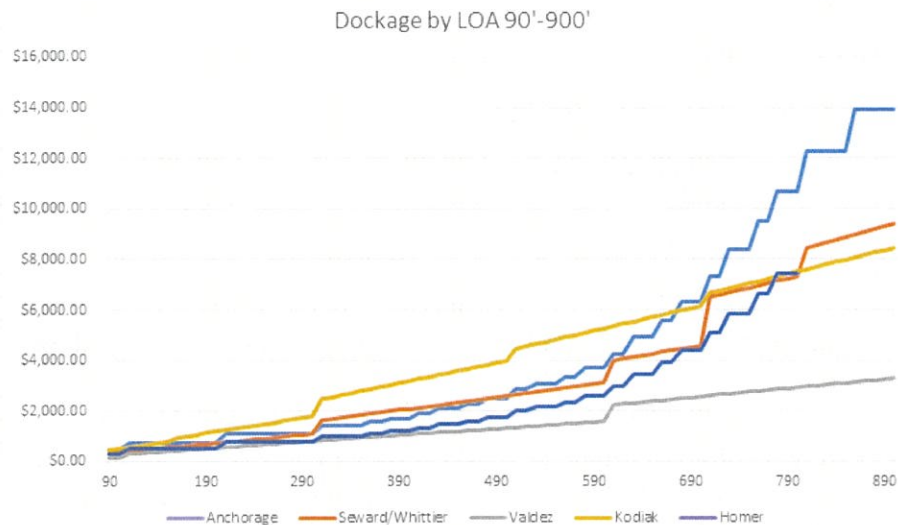
Policies

- Liability, indemnity, Insurance [RULE 5]- The City Lawyers and staff have revised the insurance language sections to clarify and better represent the requirements to protect both users and the City as they utilize harbor facilities.
- Special Terminal Use Permits [Rule 21.01]- For administrative reasons, all Terminal Use Permits have been changed from annual renewal requirements to every 3 years. The proposed language change is to reflect current policy

Fees

- Cold Storage Inspection fee \$50- removing fee- In practice, we don't use this fee.
- Stall Swap Request \$25- increase of fee to \$100- Stall Swap Requests represent individual preferences of a stall permittee who wishes to relocate to another location within their stall size class within the harbor. Unlike stall wait lists, these individual requests take significant staff time and attention in both the initial request period and the later tracking until a match is found. Also, unlike stall waitlists that require an annual fee to remain on the list, the stall swap request is a one-time fee and remains on file until a new location fitting the requested perimeters is found. Operations has requested an increase in this fee to \$100 to represent the associated staff time.
- Gangway and Camel Rental Fee -addition- We already rent these items. The addition of these fees in the tariff is intended to match the tariff to current operational administrative policy.

- Dockage, Deep Water Dock & Pioneer Dock- increase fee - We have not adjusted these fees in about a decade and a recent informal rate study conducted with similar nearby harbors has shown that we have been outpaced and our fees are too low to maintain the infrastructure effectively. (see attached graph). Staff recommend a 16% increase this year, with an annual 5% increase (mirroring our moorage rate structure) applied to following years moving forward. This planned increase would get us back to competitive rates by 2027. We also plan to conduct another informal comparison study again in 3-5 years to reassess.



- Dry moorage- Large Vessel Haul Out Facility- add- Due to overcrowding within the harbor basin, during the winter months on System 5, available space at the Large vessel haul out facility has been utilized for dry moorage with preference of use/space always given to those vessels that are conducting work.
- Parking. Monthly pass for vehicles over 20ft, decrease- The decrease from \$85 to \$70 for the monthly parking pass for vehicles over 20ft is necessary with the new online ability to purchase parking passes. A “monthly pass” will now simply be \$70 for ease of both software and human navigation.
- Moorage- increase fee- Adjustments for next year’s commodity rate have been added in preparation for January 1 2025 per the Homer Harbor’s current moorage rate and CPI increase policies.

Port and Harbor Advisory Commission made a motion in support of tariff changes and recommended council approval of Ordinance 24-53

RECOMMENDATION:

Move to recommend Council approval of Ordinance 24-53 adopting the proposed changes to Tariff No. 1.

10.C. Tariff Edits for 2025
Memorandum from Port Director as backup

Chair Siekaniec introduced the item by reading of the title and deferred to Port Director Hawkins. Mr. Hawkins explained that the largest change to the tariff was in regards to insurance for vessels, noting that the limits for commercial vessels has been changed to \$1 million, whereas the limit for all other vessels is \$300,000. There was brief discussion regarding moorage, the right to deny access to vessels who don't have insurance, and the work skiff exemption.

FRIEND/ZEISET MOVED TO AMEND THE EFFECTIVE BEGINNING DATE OF THE WORK SKIFF EXEMPTION TO JANUARY 1, 2026.

There was no further discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

SHAVELSON/ZEISET MOVED TO FORWARD TO HOMER CITY COUNCIL THE ANNUAL PORT TARIFF #1 CHANGES REFLECTED IN THE SEPTEMBER 18, 2024 MEMORANDUM FROM STAFF ALONG WITH THE AMENDMENT TO THE EFFECTIVE DATE OF THE WORK SKIFF EXEMPTION.

There was no further discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

11. INFORMATIONAL MATERIALS

11.A. September 2024 Port Operations Report
August 2024 Statistics

11.B. September City Manager's Report to Council

CM's Report for September 9, 2024
CM's Report for September 23, 2024

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

13. COMMENTS OF THE CITY STAFF

14. COMMENTS OF THE MAYOR