

Session 10-04 A Regular Meeting of the Lease Committee was called to order at 3:05 pm on October 14, 2010 by Chair Shelly Erickson at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

**PRESENT:** COMMITTEEMEMBERS ERICKSON, HAWKINS, ABOUD, HARVILLE  
AND ZIMMERMAN

**STAFF:** CITY MANAGER WALT WREDE  
ADMINISTRATIVE ASSISTANT TERRY FELDE  
PORT AND HARBOR ADMINISTRATIVE SUPERVISOR LISA ELLINGTON  
DEPUTY CITY CLERK RENEE KRAUSE

**APPROVAL OF THE AGENDA**

ABBOUD/HAWKINS – MOVED TO APPROVE THE AGENDA.

There was a brief discussion on the order of the items on the agenda.

The agenda was approved by consensus of the Committee.

**PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA** *(3 Minute Time Limit)*

There was no discussion.

**RECONSIDERATION**

There were no items for reconsideration.

**APPROVAL OF MINUTES**

A. Minutes for Regular Meeting on July 22, 2010

HAWKINS/HARVILLE - MOVED TO APPROVE THE MINUTES AS PRESENTED.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

**VISITORS**

There were no visitors scheduled.

**STAFF & COUNCIL REPORT / COMMITTEE REPORTS / BOROUGH REPORTS**

*(Chair set time limit not to exceed 5 minutes)*

There were no reports.

**PUBLIC HEARING** *(3 minute time limit)*

There were no public hearings scheduled.

**PENDING BUSINESS**

A. Kachemak Bay Wooden Boat Society Lease Proposal

ABBOUD/HAWKINS – MOVED TO DISCUSS THE KACHEMAK BAY WOODEN BOAT SOCIETY LEASE PROPOSAL.

Chair Erickson noted the size of the lay-down stating it was a lot of information to take in and make an informed decision. She requested that they keep everything concise as they did have a heavy agenda.

Dave Seaman, President, stated that they previously submitted their proposal and the information in the materials today represent the items that were requested at the previous meeting and would appreciate their recommendation to council for the proposed use. He then turned the narrative of their presentation over to Ms. Trisha Lilibridge.

Ms. Lilibridge explained that the Kachemak Bay Wooden Boat Society has raised additional funds, in the packet submitted they included a report from the Festival held in September; she proposed that the Wooden Boat Society be considered part of the percentage for recreational venues on the Spit as noted in the proposed Spit Comprehensive Plan. She stated that they tried to include all the information requested by the Committee at the last meeting. The packet of information explains the planned uses for the requested lease. She commented that the Spit Plan currently states that 0.4% is dedicated to parks and recreational. She indicated the requested area on the overview map provided by City Planner Abboud.

Mr. Abboud inquired how they would mitigate the effect of the work being done on the boats before and after a building has been built.

Ms. Lilibridge addressed the concerns of Mr. Abboud regarding the safety and dealing with hazardous materials. Mr. Seaman responded from the audience section that essentially until a building and facilities are constructed that work on boats would not be done. Any work would be minimal and assured the committee that steps would be taken to assure the safety of all persons in the area.

Ms. Lilibridge further commented that they would hope to have a committee established to determine the best use of the entire parcel. There are a number of issues currently with existing buildings and structures that should be addressed regarding safety and fire. The ultimate goal is to create an attractive and safe area.

Mr. Abboud commented that it may be more beneficial to that particular area to have the Society closer to the road for public accessibility or closer to the dredge spoils in regards to more convenient layout on the parcel, especially if the area is leaning more toward industrial. He agreed that the Pier One building is not situated ideally on the parcel.

Further discussion ensued regarding placement of the proposed building on the parcel.

Ms. Harville echoed Mr. Abboud's comments and felt that there are concerns with the location being junked up; loss of parking, and better planning was needed.

Mr. Zimmerman questioned the importance of being closer to the water or the road for the Wooden Boat Society. Mr. Seaman responded that being next to the water for the ability of launching boats was very important and crucial to their work.

Ms. Lilibridge stated that the Wooden Boat Society is seeking a recommendation of approval for the lease of .25 acres and go forward with additional group work on the entire parcel. She noted that there are better campsites than others and there is plenty of space available for all, it just needs to be planned better.

Mr. Clint Lilibridge responded to questions regarding the orientation of the site plan and the specific location; the proposed site plan allows for RV parking with appropriate turn around space; they are in the process of contacting various departments regarding this site.

Chair Erickson inquired if there is a possibility of establishing a committee or group regarding the use of the entire parcel. She believes that determining the best use for the parcel would be better before buildings are built. Is there anything planned to look into it? She questioned what the time frame for the completion of the Spit Comprehensive Plan.

A discussion followed on the designated use of the parcel, the completion timeline of the Spit Comprehensive Plan; whether it was prudent to plan a layout before Council makes a decision on the area; submitting a proposal to council regarding establishing a committee for review of this parcel; recommend waiting for the review of the 2011 Land Allocation Committee; review the proposal referencing the guidelines in the Lease Policy; recommend taking time to review the new materials provided to the committee in order to make informed decision; recommend postponing recommendation until the next regular meeting; the consideration for lease can be taken under exception to the policy; Port and Harbor Advisory Commission is fully supportive of this project; properties are not offered for lease until requested; recommending submitting to council the recommendation to approve sub-leasing the parcel so progress can go forward.

Chair Erickson requested a motion. Mr. Hawkins replied he had a motion but it did not address the current suggestion. The Chair asked for his motion.

HAWKINS/ZIMMERMAN – MOVED THAT KACHEMAK BAY WOODEN BOAT SOCIETY IS REQUESTING A 10,000 SQUARE FOOT PORTION OF LOT TR1-A BE MADE AVAILABLE TO THEM FOR A LONG TERM LEASE. THE LEASE COMMITTEE RECOMMENDS THE LAND ALLOCATION COMMITTEE CONSIDERS THE PROPOSAL FROM KACHEMAK BAY WOODEN BOAT SOCIETY DURING THE LAND ALLOCATION MEETING EARLY IN 2011. THE LEASE COMMITTEE FURTHER RECOMMENDS THAT IF COUNCIL AGREES TO MAKE THE LAND AVAILABLE TO KACHEMAK BAY WOODEN BOAT SOCIETY THAT IT SHOULD BE ADVERTISED IN A REQUEST FOR PROPOSAL IN KEEPING WITH CHAPTER FOUR OF THE CITY LEASE POLICY.

Chair Erickson clarified the motion. There was no discussion.

VOTE. YES. NON-OBJECTIVE. UNANIMOUS CONSENT.

Motion carried.

Chair Erickson inquired if the committee would like to recommend to council that a committee be formed to review this parcel.

Mr. Hawkins stated that there were a lot of eyes already working on that right now. City Manager Wrede commented that it would be a good recommendation with conditions. Let the Spit Comp plan pass then go into specific site planning issues. Doing that before the approval of the Spit Comp Plan would be premature. Mr. Seaman commented that the Wooden Boat Society would be interested in the site regardless if it was designated commercial or recreational. It was determined that the whole site was a little over 11 acres. Clarification was made on the size or the portion of the parcel requested for lease.

Chair Erickson asked if there was any further discussion. Chair Erickson requested the drawings to be reduced so they could be included in the next regular meeting packets. City Manager Wrede stated that staff will review the submitted proposal to verify if there was any missing information and will forward this information to the Kachemak Bay Wooden Boat Society.

There was no further discussion.

**NEW BUSINESS**

A. Homer Spit Campground Lease

HAWKINS/HARVILLE – MOVED TO DISCUSS.

Mr. Hawkins recommended the committee review the proposal in accordance with the lease policy. Mr. Abboud asked if the committee could review the application itself, referencing page 20 of the packet, item 5 and 6 of the application. He questioned whether the lessee is required to provide proof of compliance from the fire marshal and DEC. It was determined that would apply to a new applicant.

Mr. Chapple stated he did not currently have a document but assured the committee he could obtain any necessary documentation or certificates required to address the committee's concerns. He is not aware of any problems.

Mr. Abboud noted there was no financial statement as required by the application. Chair Erickson noted the inclusion of information regarding the property taxes and monies paid to the City for the current lease. City Manager Wrede addressed the concerns of the committee stating that sections of the application are geared more for a new applicant; it is not applicable to a current lessee.

Mr. Chapple gave a brief history on how he ended up with the campground on the spit 35 years ago. Chair Erickson noted that previously the lessee has provided services for the City regarding parking and inquired if they would be willing to provide services again. Mr. Chapple responded that he would be willing to help out and work with the City in any way he could.

In response to a query from the committee Mr. Chapple stated that he was interested in adding individual sewer and water to a limited number of spaces. He currently has 80-85 electric hook-ups on Lot 50. He is not sure about adding additional hook-ups along the beach. Improvements to Lot 50, along with the buildings include the electric and water/sewer. He further acknowledged that if he was to lose a portion of the lots he would prefer it to be Lot 49. There are approximately 68 electric hooks and two electric bases but no other improvements. It is used for parking and could accommodate up to 200 vehicles. It is not as popular for campers due to the lack of view, etc.

Mr. Abboud noted that the buildings are out of compliance with the setback requirement. Mr. Chapple stated the buildings are moveable and would be willing to relocate them to be in compliance.

There was further discussion on clarification of the existing right of way; leases required to fit within the boundaries of the designated lot or then partial lot leases are required; discrepancies in the Borough lot lines; Day Parking for RV's on Lot 49 for a small fee; Overflow parking for the Ferry Terminal; review of Chapter 11, item F of the lease policy for assistance in determining the status of the lease in question; recommend advertising the parcel for request for proposal due to the fact that this may not be the highest and best use for the parcels; can the request for proposal be advertised with enough leeway to allow lessee ample time for planning.

It was discussed by the committee that the lessee can be allowed to submit an amended proposal. Mr. Chapple commented that during the public meeting for the comp plan attendees expressed that the campground was a good fit for the area. Mr. Chapple commented that if the campground does not qualify, he wasn't sure what would fit there. Maybe the language should be removed from the policy.

Mr. Hawkins noted the request for proposal process as outlined in Chapter 4 of the Lease Policy. He opined that all public properties should be allowed to go out to bid to allow all public opportunity.

Chair Erickson commented that if there is a viable business, currently established, with plans to grow, and offering to pay more rent, the leases should be renewed or extended.

Mr. Abboud expressed concerns for a seasonal lease compared to some other entity that may have a 12 month lease and the RFP process would allow for that opportunity. Mr. Chapple explained that it was something that can be negotiated and they have seriously considered this option. There were additional ideas that could be implemented also.

Mr. Hawkins confirmed that the current lease expires October 2011. Chair Erickson noted the timeliness of the Chapple's in starting the renewal/new lease process as outlined by the policy.

City Manager Wrede affirmed that the committee did have the right to recommend the Chapple's amend their proposal. He believed that as the land manager there is a preference for the RFP process. The apparent concern of the committee was having a seasonal lease which provides less than market value for a property tied up for 12 months and rent is only paid for 4 months.

Mr. Chapple explained that they are open to all suggestions.

Mr. Zimmerman said the lease rates are a set figure and inquired if the value of lot 49 went down when the condos were constructed, a lot of view was lost, and if the lease rental did not reflect that maybe it should have.

Mr. Abboud appreciated the fact of Mr. Chapple would be strengthening his proposal and adding to the equation. As the land owner they are required to meet certain standards. He is in favor of allowing the extra time to encourage that aspect.

Mr. Hawkins commented that the Chapple's have complied with the lease requirements by submitting a letter on time. It was established that January 12, 2011 was the next regular meeting.

**HAWKINS/ZIMMERMAN – MOVED TO POSTPONE ACTION ON THIS LEASE PROPOSAL SO MR. CHAPPLE CAN STRENGTHEN HIS PROPOSAL FOR FURTHER REVIEW AT THE REGULAR MEETING IN JANUARY.**

Discussion on the clarity of the committee request for Mr. Chapple to go back and strengthen his proposal to include the additional ideas he has for the property; the City Manager will meet with Mr. Chapple to assist him with the steps to amend his proposal; working within the established guidelines of the Lease Policies; timeline for the advertising of property for lease through the proposal process; the ability and requirements to request council approve a lease without going through the proposal process.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

There was no further discussion.

**INFORMATIONAL MATERIALS**

A. Letter to Mr. Brad Faulkner from City of Homer dated July 22, 2010 Re: Lot 88-4 Lease Termination

Chair Erickson noted a Special Meeting has been scheduled for Wednesday, November 3, 2010 at 3:00 p.m. for review of Mr. Faulkner's proposal. This will allow him some time to get his proposal in order as he has been out of town. There will be review of proposals submitted for Lot 13B on the agenda.

City Manager Wrede commented that additional correspondence with Mr. Faulkner giving him an extension until November 15, 2010 to be off the property and until December 15, 2010 to have the property cleared off conditional on Mr. Faulkner being at this meeting.

Chair Erickson responded that it would be good to send him written notice as a reminder and explained the conversation she held with Mr. Faulkner on the reason he was unable to attend today.

Mr. Zimmerman expressed concerns that the tenants of Mr. Faulkner have been noticed of the impending removal. He did not want to see them left hanging in the wind. City Manager Wrede stated they have not contacted by the City but assured the committee that they would definitely work with those affected. It was clarified that all buildings belong to Mr. Faulkner. Mr. Zimmerman felt this matter should be addressed even if the tenants are taken care of. City Manager Wrede appreciated the concern and if it is apparent that the property will be vacated the City will take steps necessary to assist those affected by the ending of the lease.

There was no further discussion.

B. Request for Proposal to Lease City Property Lot 13B

Chair Erickson inquired if there was a specific request for the property. Mr. Hawkins stated that Snug Harbor was interested. They currently are on a month to month lease. She requested that none of the information be a lay down as it was difficult making a decision and very uncomfortable.

There was no further discussion.

C. City Council Budget Development Schedule

D. Resolution 10-77(A), Amending the City of Homer Property Management Policy and Procedures Manual.

There was no further discussion.

**COMMENTS OF THE AUDIENCE**

There were no comments from the audience.

**COMMENTS OF THE CITY STAFF**

City Manager Wrede commented that during a discussion with Mr. Abboud about providing a staff support for the committee. The discussion included establishing some processes such as staff report with reviews of the submitted proposals for compliance. There should be a deadline when the proposals are due prior to packet day. He noted the trouble Mr. Chapple had trying to ferret out what documentation was required has brought it to light that process improvement is needed.

Chair Erickson commented that a city liaison would be great to assist new businesses navigate the Lease process in the future.

A brief discussion on establishing an area or areas designated specifically for short term, temporary businesses without having to go through the whole lease proposal process would be extremely beneficial; the authority of the city manager signing short term, up to six month leases without council approval; amending the lease policies and other documents the dictate the established processes; establishing a summer or transient lease, for set fees, with no approval by lease committee or council required.

Chair Erickson requested this discussion to be added to the agenda for the special meeting.

**COMMENTS OF THE COUNCILMEMBER** *(If one is appointed)*

There were no comments.

**COMMENTS OF THE CHAIR**

Chair Erickson commented she was glad to address some of the procedural processes.

**COMMENTS OF THE COMMITTEE**

Mr. Abboud will be glad to work on some of the procedural stuff that they can offer more salient advice on presentations and proposers can get their ducks in a row. He cannot do that with his position on the committee. He supported staff reviews of the proposals to make sure everything was there.

Mr. Hawkins, Ms. Harville and Mr. Zimmerman had no comments.

**ADJOURN**

There being no further business before the Lease Committee Chair Erickson adjourned the meeting at 5:00 p.m. A special meeting is scheduled for 3:00 p.m. on November 3, 2010 and the next regular meeting is scheduled for 3:00 p.m. January 13, 2011 at City Hall, Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.

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Renee Krause, Deputy City Clerk I

Approved: \_\_\_\_\_