



Agenda

Port & Harbor Advisory Commission Regular Meeting

Wednesday, January 22, 2025 at 5:30 PM

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

Homer City Hall

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

Zoom Webinar ID: 954 2610 1220 Password: 556404

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

CALL TO ORDER, 5:30 P.M.

AGENDA APPROVAL

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

RECONSIDERATION

APPROVAL OF MINUTES

- A. Unapproved December 11, 2024 PHC Minutes

VISITORS / PRESENTATIONS

STAFF & COUNCIL REPORT / COMMITTEE REPORTS

- A. Port & Harbor FY25 YTD
- B. Port & Harbor Staff Report - January 2025
- C. Homer Marine Trades Association (HMTA) Report

PUBLIC HEARING

PENDING BUSINESS

NEW BUSINESS

- A. City Manager Response to Motion from Port & Harbor Advisory Commission re: Petro 49

Memorandum PHC-25-001 from Port Admin Supervisor as backup
Memorandum PHC-25-002 from City Manager as backup
- B. Port & Harbor Advisory Commission Strategic Plan Revisions

Memorandum PHC-25-003 from Port Admin Supervisor as backup

C. Draft Lease Agreement for Dragging Anchor, LLC

Memorandum PHC-25-004 from Port Property Associate as backup

INFORMATIONAL MATERIALS

A. January 2025 Port Operations Report

B. Q4 2024 Statistics

October 2024

November 2024

December 2024

C. January City Manager's Report to Council

CM's Report for January 13, 2025

COMMENTS OF THE AUDIENCE (3 minute time limit)

COMMENTS OF THE CITY STAFF

COMMENTS OF THE MAYOR

COMMENTS OF THE COMMISSION

ADJOURNMENT

Next Regular Meeting is **Wednesday, February 26, 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.

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:_____

FUND 400 - PORT & HARBOR ENTERPRISE FUND				12/4/2024		
REVENUE DETAIL BY LINE ITEM, SORTED BY TYPE				42.7% of FY elapsed		
A/C Num.	Revenue Categories & Descriptions	FY23	FY24	FY25 YTD		FY25
		7/1/22 - 6/30/23	7/1/23 - 6/30/24	ACTUAL		7/1/24 - 6/30/25
		ACTUAL	ACTUAL	\$	%	BUDGET
0600	HARBOR ADMINISTRATION					
4515	Ferry Lease	18,000	18,000	-	0.0%	18,000
4650	Rents & Leases	597,344	541,035	252,725	50.5%	500,000
	Operating Revenue - Admin	615,344	559,035	252,725	48.8%	518,000
4527	PERS Revenue	32,821	-	-		-
4634	Port Storage Fee	207,662	186,535	78,480	81.6%	96,164
4635	Port Impound Fee	816	2,017	1,020		-
4705	Business Licenses	20	30	5		-
4801	Interest On Investments	73,468	132,076	-		-
4901	Surplus Property	2,187	-	1,220		-
4902	Other Revenue	11,189	-	-		-
	Non-Operating Revenue - Admin	328,162	320,658	80,725	83.9%	96,164
0601	HARBOR					
4245	Waste Oil Disp	1,079	-	100		-
4249	Oil Spill Recovery	-	-	-		-
4318	Parking Revenue	158,725	187,621	129,835	57.7%	225,000
4319	Electrical Supplies	1,449	1,014	357	15.0%	2,380
4402	Non Moving Fine	100	12,294	5,911		8,000
4624	Berth Transient Monthly	716,742	750,018	344,512	47.8%	720,640
4625	Berth Reserved	1,628,043	1,822,633	1,927,998	105.5%	1,828,236
4626	Berth Transient Annual	325,749	361,422	173,711	52.2%	332,805
4627	Berth Transient Semi Annual	132,878	152,941	22,788	14.6%	156,364
4628	Berth Transient Daily	159,413	170,535	85,636	55.4%	154,599
4629	Metered Energy	140,575	146,080	38,092	42.6%	89,472
4644	Pumping	-	-	41	0.0%	-
4645	Wooden Grid	4,089	6,010	3,656	75.6%	4,833
4646	Commerical Ramp	49,562	70,886	25,643	46.6%	55,000
4647	Berth Wait List	15,082	13,425	2,121	16.8%	12,623
4648	Steel Grid Fees	6,969	2,605	-	0.0%	8,000
4654	Spit Camping	35,018	217,711	141,064	128.2%	110,000
4663	Trans Energy 110v	34,863	45,379	23,456	54.9%	42,746
4664	Trans Energy 220v	20,569	29,451	14,054	48.9%	28,744
4665	Trans Energy 208v	204,723	193,837	49,467	31.1%	159,228
4666	Commerical Ramp Wharfage	41,055	67,182	36,763	91.9%	40,000
	Operating Revenue - Harbor	3,676,683	4,251,045	3,025,206	76.0%	3,978,670
4802	Penalty/Int	7,797	14,884	7,737	119.0%	6,500
4902	Other Revenue	66,923	67,272	30,693	51.0%	60,167
	Non-Operating Revenue - Harbor	74,720	82,156	38,429	57.6%	66,667

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A/C Num.	Revenue Categories & Descriptions	FY23	FY24	FY25 YTD		FY25
		7/1/22 - 6/30/23	7/1/23 - 6/30/24	ACTUAL		7/1/24 - 6/30/25
		ACTUAL	ACTUAL	\$	%	BUDGET
0602	PIONEER DOCK					
4631	USCG Leases	38,976	40,495	16,858	54.7%	30,796
4637	Seafood Wharfage-PD	-	-	-		-
4638	PD Fuel Wharfage	198,654	193,311	109,784	51.1%	214,809
4639	Pioneer Dock - Wharfage	-	-	-		-
4641	PD Water Sales	9,291	7,204	2,889	27.5%	10,500
4642	PD Docking	39,991	45,610	18,864	41.0%	46,000
	<u>Operating Revenue - Pioneer Dock</u>	<u>286,911</u>	<u>286,621</u>	<u>148,396</u>	<u>49.1%</u>	<u>302,106</u>
0603	FISH DOCK					
4620	Ice Sales	243,997	342,780	188,365	70.9%	265,742
4621	Cold Storage	22,319	24,603	3,013	12.1%	25,000
4622	Crane Rental	203,818	202,286	92,226	48.5%	190,306
4623	Card Access Fees	6,144	5,933	1,716	30.1%	5,700
4637	Seafood Wharfage	20,530	24,621	7,288	42.1%	17,324
4700	Other Wharfage Fish Dock	9,945	68	-	0.0%	9,843
	<u>Operating Revenue - Fish Dock</u>	<u>506,754</u>	<u>600,290</u>	<u>292,608</u>	<u>56.9%</u>	<u>513,915</u>
4206	<u>Fish Tax</u>	<u>116,236</u>	<u>78,772</u>	<u>122,128</u>	<u>189.2%</u>	<u>64,562</u>
0604	DEEP WATER DOCK					
4633	Stevedoring	49,565	9,834	9,042	75.3%	12,000
4637	Seafood Wharfage	-	-	-	0.0%	-
4640	Deep Water Dock Wharfage	152,709	8,402	10,962	23.5%	46,651
4643	Deep Water Dock Docking	121,387	116,074	67,629	67.6%	100,000
4668	Dwd Water Sales	41,651	21,435	18,946	63.2%	30,000
4672	Port Security Revenues	-	-	-	0.0%	-
	<u>Operating Revenue - DW Dock</u>	<u>365,311</u>	<u>155,745</u>	<u>106,578</u>	<u>56.5%</u>	<u>188,651</u>
0605	OUTFALL LINE					
4704	<u>Outfall Line</u>	<u>4,800</u>	<u>4,800</u>	<u>0</u>	<u>0.0%</u>	<u>4,800</u>
0606	FISH GRINDER					
4706	<u>Fish Grinder</u>	<u>6,803</u>	<u>10,393</u>	<u>6,460</u>	<u>87.4%</u>	<u>7,390</u>
0615	LOAD AND LAUNCH RAMP					
4653	L & L Ramp Revenue	120,243	147,506	57,332	44.1%	130,000
	<u>Operating Revenue - L & L Ramp</u>	<u>125,519</u>	<u>147,506</u>	<u>57,332</u>	<u>44.1%</u>	<u>130,000</u>
	<u>Total Revenues</u>	<u>6,107,243</u>	<u>6,497,020</u>	<u>4,130,587</u>	<u>70%</u>	<u>5,870,925</u>
	<u>Net Surplus (Deficit)</u>	<u>1,302,144</u>	<u>950,000</u>	<u>2,261,188</u>		<u>(26,572)</u>

FUND 400 - PORT & HARBOR ENTERPRISE FUND				12/4/2024		
COMBINED EXPENDITURES				42.7% of FY elapsed		
A/C Num.	Expenditure Categories & Descriptions	FY23	FY24	FY25 YTD ACTUAL		FY25
		7/1/22 - 6/30/23	7/1/23 - 6/30/24			7/1/24 - 6/30/25
		ACTUAL	ACTUAL	\$	%	BUDGET
Salaries and Benefits						
5101	Salary and Wages	1,200,096	1,359,272	547,559	35.3%	1,552,986
5102	Fringe Benefits	197,813	933,465	341,373	39.1%	873,798
5103	Part-time Wages	171,551	125,076	83,033	44.9%	184,933
5104	Part-time Benefits	19,895	14,587	9,706	41.9%	23,173
5105	Overtime	29,798	29,746	10,490	26.6%	39,439
5107	Part-time Overtime	164	506	-	0.0%	3,879
5108	Unemployment Benefits	-	4,932	645	0.0%	-
5112	PERS Relief	32,821	-	-	0.0%	-
Total Salaries and Benefits		1,652,138	2,467,583	992,806	37.1%	2,678,207
Maintenance and Operations						
5201	Office Supplies	6,257	3,644	1,665	35.4%	4,700
5202	Operating Supplies	21,809	24,058	15,401	59.2%	26,000
5203	Fuel and Lube	43,534	47,343	14,686	40.5%	36,300
5204	Chemicals	-	4,408	2,133	35.6%	6,000
5207	Vehicle and Boat Maintenance	18,002	31,509	8,817	35.3%	25,000
5208	Equipment Maintenance	69,361	54,846	24,378	31.7%	77,000
5209	Building & Grounds Maintenance	56,517	38,171	26,354	39.3%	67,000
5210	Professional Services	47,195	19,359	11,242	30.8%	36,500
5211	Audit Services	16,196	40,630	13,444	31.7%	42,468
5213	Survey and Appraisal	-	17,500	-	0.0%	12,500
5214	Rents & Leases	3,716	4,563	2,065	29.5%	7,000
5215	Communications	8,840	11,931	4,560	45.6%	10,000
5216	Freight and Postage	1,492	2,028	(507)	-9.2%	5,500
5217	Electricity	649,413	654,842	176,408	22.0%	803,495
5218	Water	85,913	138,976	104,605	114.3%	91,528
5219	Sewer	11,977	12,383	8,096	50.9%	15,919
5220	Refuse and Disposal	52,883	52,288	16,241	25.7%	63,300
5221	Property Insurance	88,108	106,791	116,336	100.0%	116,336
5222	Auto Insurance	9,740	10,907	11,950	103.7%	11,522
5223	Liability Insurance	77,367	86,006	100,515	122.8%	81,843
5226	Testing and Analysis	-	3,280	3,140	44.9%	7,000
5227	Advertising	4,345	6,217	1,931	27.6%	7,000
5228	Books and Subscriptions	107	-	-		-
5231	Tools and Equipment	17,252	5,137	8,956	47.9%	18,700
5234	Record and Permits	-	-	55	1.4%	4,000
5235	Membership Dues	7,435	6,045	775	11.1%	7,000
5236	Transportation	12,464	1,344	277	6.9%	4,000
5237	Subsistence	8,765	317	-	0.0%	4,000
5238	Printing and Binding	3,993	282	-	0.0%	3,500
5248	Lobbying	21,245	20,803	8,750	20.8%	42,000
5249	Oil Spill Response	-	-	-	0.0%	1,000
5250	Camera Area Network	214	2,423	-	0.0%	18,000
5252	Credit Card Expenses	101,699	132,045	69,804	54.1%	129,000

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		7/1/22 - 6/30/23	7/1/23 - 6/30/24	ACTUAL		7/1/24 - 6/30/25
		ACTUAL	ACTUAL	\$	%	BUDGET
5256	Waste Oil Disposal	18,691	39,118	18,480	41.1%	45,000
5258	Float and Ramp Repairs	43,986	20,460	3,466	13.9%	25,000
5287	Electrical Supplies	1,010	-	-	0.0%	2,100
5601	Uniform	5,986	11,490	1,136	9.9%	11,500
5602	Safety Equipment	5,880	6,938	5,742	38.3%	15,000
5603	Employee Training	5,681	30,692	5,908	14.4%	41,000
5606	Bad Debt Expenses	35,622	13,798	3,324	11.1%	30,000
5608	Debt Payment-Interest	-	-	-		-
5624	Legal Services	-	4,388	-	0.0%	100,000
5627	Port Security	-	-	-	0.0%	2,500
5635	Software	134	3,058	2,410	60.3%	4,000
5637	Diving Services	16,045	30,945	-	0.0%	8,500
5638	Signage Parking Delineation	18,065	35,561	18,687	60.3%	31,000
	Total Maint. and Operations	1,596,939	1,736,526	811,230	38.6%	2,100,713
	C/O and Transfers					
5106	Leave Cash Out	57,406	73,867	-	0.0%	49,513
5241	GF Admin Fees	-	-	-		-
5990	Transfers To	1,498,614	1,269,043	65,364	6.1%	1,069,064
	Total Others	1,556,021	1,342,910	65,364	5.8%	1,118,577
	Total	4,805,098	5,547,019	1,869,399	31.7%	5,897,497



Memorandum

To: Port and Harbor Advisory Commission
From: Amy Woodruff, Port Administrative Supervisor
Date: December 4, 2024
Subject: December Staff Report

Homer Harbor Expansion

Because of the holidays and the short timeline between the last Commission meeting and this one, we don't have significant updates on Harbor Expansion. We will keep you informed on the date for the next public meeting once it is selected.

Shore Power Compliance with National Electrical Code

We have updated the information we provide to shore power users about safe use of shore power pedestals in the harbor and will be conducting outreach to any vessels with non-compliant cords this month and next month. Equipment that doesn't comply with NEC standards can create excessive resistance that is a common cause of harbor fires.

Quarterly Reporting of Harbor Data

I've worked with Samantha, the new Administrative Secretary, to pin down how different data on harbor use in the 'monthly statistics' form is calculated. In order to ensure that activity is tracked in the month it occurs, and not in the month that it is reported to us, there will be some delays in providing data to the commission. We'll provide data for each quarter at the meeting following that quarter—so the next statistics will be in the January packet for October-December.

Attachments:

Project Updates



City of Homer

www.cityofhomer-ak.gov

Port and Harbor

4311 Freight Dock Road

Homer, AK 99603

port@cityofhomer-ak.gov

(p) 907-235-3160

(f) 907-235-3152

Port & Harbor Special Project Status Updates Dec 2024

Fish Grinder Building Replacement & Drainage	Project in Progress	Construction underway, some concrete has been poured
Parking Lot Improvements	Project on Hold	No further progress expected until permitting complete.
Paid Parking Program Planning & Permitting	Project in progress	Drafting language for permit application from DOT Right of Way
Outfall Line Pump Controls	Project in Progress	Will be completed when building replacement is complete
Ice Metering System	Project Funded	Delayed, parts are unavailable
Harbor Bottom Survey	Project in Progress	Survey completed, awaiting data
Crane 8 Control Replacement	Project in Progress	Still waiting on parts to complete project
Camera Pole Installation	Project Contract Awarded	Installation will be completed by Alaska Industrial Service
DWD Dolphin Repair	Project Complete	
Float Replacement	Design Funded	Completing the necessary steps to accept grant money from Denali Commission
Wood & Steel Grid Repair or Replacement	Seeking Design Funding	Will be presenting a task order to Council in January for engineering work through RESPEC

Status Categories:

Seeking design funding Design funded Design Contract Awarded Design in progress Design complete	Seeking project funding Project Funded Project Contract Awarded Project in Progress Project Complete
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2025 Council Meetings

Please look over your calendars to see which dates you are available for prior to the meeting. If shared equally, each commissioner will sign up for three meetings.

Date	Commission Report	Commissioner
January 27 th	January Meeting	Casey Siekaniec
February 10 th	--	
February 24 th	--	
March 10 th	February Meeting	Bob Shavelson
March 24 th	--	
April 14 th	March Meeting	Bob Shavelson
April 28 th	April Meeting	
May 12 th	--	
May 27 th (Tuesday)	--	
June 9 th	May Meeting	
June 23 rd	--	
July 28 th	June Meeting	
August 11 th	July Meeting	
August 25 th	--	
September 8 th	August Meeting	
September 22 nd	--	
October 13 th	September Meeting	Bob Shavelson
October 27 th	October Meeting	

November 10 th	--	
November 24 th	November Meeting	



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January 10, 2025

Mr. Jonathan Erickson, Vice President
Homerun Oil Company Inc.
PO Box 3670
Homer, AK 99603

Dear Mr. Erickson,

Thank you for taking the time to submit a lease application for City property. Unfortunately, the lease application for a portion of Lot 34, the right-of-way, and overslope on the Homer Spit is denied. This decision was made after a thorough review of your proposal and is based on the following reasons.

The Homerun Oil lease application is not compatible with the City of Homer Port and Harbor's current and future plans for the property. The proposal involves leasing a portion of Lot 34, which is currently designated for harbor patron parking, and also impacts the right-of-way and overslope on the Homer Spit. The City prioritizes using the harbor basin for moorage activities and City uses. On land, the proposal results in the loss parking spaces needed for vehicles during peak times. In the harbor, the proposal impedes marine vessel traffic and create navigational safety risks. Additionally, the proposal hinders the City's plans to expand Float System 4 and improve harbor operations by widening fairways. The city's intention to improve harbor operations will not be possible if this application is approved.

Additional concerns include the proposal's planned construction on utility rights-of-way, which is not permitted. The development plan also lacks sufficient detail, offering only a 'ballpark' figure without supporting documentation. Furthermore, the application does not address the sales levels required for the project's sustainability, making it challenging to assess the adequacy of financial backing. While Homerun Oil's experience in the fuel industry is acknowledged, it did not outweigh the other significant matters.

Respectfully,

Melissa Jacobsen
City Manager
City of Homer



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

January 15, 2025

Jonathon Erickson, Vice President
Homerun Oil Company, Inc.
PO Box 3670
Homer, AK 99603
By email: jerickson@homerunoil.com

Dear Mr. Erickson,

Thank you for taking the time to meet with me yesterday to discuss the denial of Homerun Oil's lease application for a portion of Lot 34 and overslope development on the Homer Spit.

In our meeting we discussed the Land Allocation Plan page C-4, a copy of which was included in your application packet. This page addresses the area that includes Lot 34 which is currently designated as "boat ramp and trailer parking". I pointed out that the notes state the RFP process for Lots 14-35 should be delayed until the master parking plan and overslope development standards and issues are dealt with. At this time the City does not have a Master Parking Plan for the Homer Spit parking and these properties are not available for lease without approval by the City Council. You had suggested that Lot 34 had been approved to lease by City Council for the Homer Spit Oyster Bar. Upon further research I find that this lease proposal was never approved by the City Manager and did not come before the City Council.

As an aside, there is a considerable difference between the Homer Spit Oyster Bar proposal and the Homerun Oil proposal, in that the Oyster Bar's plans did not include a pier and dock extending out into the fairway.

We also discussed the matter of the Homerun Oil proposal being incompatible with the Port and Harbor's plans for future expansion. While it is true that the City has not been awarded grant funds in the recent past for our harbor float replacement project, it does not mean the City will stop trying to secure this important funding.

I understand the time and effort you've put into your proposal. However, I find that the installation of an 80-foot pier extending from the northwest corner of the lot leading to a 75-foot ramp to the dock is not the highest and best use of City property as it will prohibit the City's ability for future expansion of our float system in that area. My decision to deny this application is confirmed.

Because there are no appellant rights outlined in Title 18.08 of Homer City Code, this decision may be appealed to the Superior Court.

Respectfully,

Melissa Jacobsen
City Manager
City of Homer



AGENDA ITEM REPORT

City Manager Response to Motion from the Port & Harbor Advisory Commission Regarding Petro 49

Item Type: Informational
Prepared For: Port and Harbor Advisory Commission
Date: January 15, 2025
From: Amy Woodruff, Administrative Supervisor
Through: Bryan Hawkins, Port Director

City Manager Melissa Jacobsen has provided a written response to the motion made by the Port & Harbor Advisory Commission at the November 20, 2024 regular meeting. I have attached that memorandum to this agenda item and included this business item to allow for discussion. The City Manager will be in attendance at our meeting and available to discuss her response.

RECOMMENDATION: Informational Item Only

Attachment: Memo from City Manager regarding the Petro 49 Lease



MEMORANDUM

Port and Harbor Advisory Commission's Request for Letter from City Manager to Petro 49

Item Type: Informational Memorandum
Prepared For: Chair Siekaniec and the Port and Harbor Advisory Commission
Date: January 6, 2025
From: Melissa Jacobsen, City Manager

Situation: At the November 20, 2024 Regular Meeting of the Port and Harbor Advisory Commission (PHC) the Commissioners adopted a motion requesting that the City Manager draft a letter to Petro Marine explaining the City's obligation to ensure the highest and best use and the maximum benefit of a highly valuable property in the Homer harbor, and asking how many hours it operated the fuel dock in 2024, and how many hours it expects to operate the small fuel dock in 2025.

Response: Following the November 20, 2024 meeting representatives from Petro 49 met with Port Director Hawkins and staff members Woodruff and Clarke to express their dissatisfaction with their lease being discussed in a public meeting that they were not advised of or invited to attend.

David Webb, Plant Manager, met with me directly on January 6, 2025 and reiterated Petro 49's concerns of the way the Port and Harbor Advisory Commission meeting was conducted where numerous negative comments and speculations about their marina operations were expressed and allegations were made that Petro 49 is trying to limit competition, in a public meeting that they were unaware was happening. For the staff and Commission's information, conduct like this puts the City at risk because it violates due process and is defamatory.

Mr. Webb informed me during our meeting that in the summer of 2024 Petro 49's main fuel dock was open 6am to 8pm seven days a week. The fuel dock on lot 8-E-1 was open from July through the 3rd week in August five days a week, Thursdays through Mondays from 11am to 7pm.

Pursuant to Homer City Code 2.04.0220 (f) the City Manager shall supervise the enforcement of municipal law and carry out the directives of the Council, administer all contracts entered into by the City and see that provisions of all franchises, permits, leases, and privileges granted by the City are observed.

Having read the lease and conferred with the City's attorney on this matter, I find that Petro 49 is in no way violating the terms of their agreement with the City. Based on this, I respectfully deny the Commission's request that I draft a letter to Petro 49.

Additionally, if PHC wishes to discuss an existing City lease, the lessee must be notified by City staff that their lease and operations are scheduled on the Commission's agenda and the specific matter being addressed. The lessee must also be provided the opportunity to be present for the discussion.

I understand the Commission's desire to discuss the City's leasing process and ground lease document, and welcome any constructive conversation from the Commission. I'm happy to be available for those discussions if you feel that will be helpful.

I plan to attend the January 22nd Commission meeting to respond to questions regarding this memo, if any.



MEMORANDUM

Update to Port & Harbor Advisory Commission Strategic Plan

Item Type: Backup Memorandum
Prepared For: Port & Harbor Advisory Commission
Date: January 15, 2025
From: Amy Woodruff, Administrative Supervisor
Through: Bryan Hawkins, Port Director

In the interest of maintaining focus on our shared goals, the Commission has agreed to produce and periodically refine a Strategic Plan. Our strategic plan was last amended in June of 2023, so it is time for a refresh. At the request of Commissioner Siekaniec, Staff have provided feedback below on the Staff perception of the status of each of these goals. We look forward to working with all of you to refine the Commission's goals for itself.

Ongoing Goals

1. Provide timely, relevant comment to the City Council on Port and Harbor issues.
Staff feel that the Commission is doing well on this item, and that it can be retained as an ongoing goal
2. Identify ways that the commission can collaborate with staff to provide value
Staff feel that the Commission is doing well on this item, and that it can be retained as an ongoing goal
3. Promote and support the investigation of the Harbor Expansion
Staff feel that the Commission is doing well on this item, and that it can be refined now that the General Investigation Study is well underway
4. Improve Communication with Council, Commissions, and the Community at large
 - a. ~~Task (Commission): Meet at least annually with Council in a work session; collectively sign up to attend or listen to each council meeting (Completed)~~
 - b. Task (All): Send informational items to other commissions as needed **(We have not sent informational items to other commissions in the past 12 months)**
 - c. ~~Task (Staff): Ensure informational items are publicly available on City website and City social media (Completed)~~
 - d. ~~Task (Shavelson): Draft 1 page communications plan (Completed)~~

Near term goals (end of 2024)

5. Have a Preliminary Business Plan for the Port & Harbor (November)
Staff worked with Special Projects Coordinator David Parker to create this document and it was reviewed by the commission. This project has since changed direction to design a

Financial Plan to be responsive to a request from Council directed to Commission in 2024.

Recommend Revision

- a. ~~Task (All): Review draft plan and develop steps forward~~
- 6. ~~Conduct a post-season recap of summer activities (October)~~ **(Completed, and ongoing annually, recommend removal)**
- 7. Continue identifying underutilized assets and additional sources of revenue. (December)]

Specific tasks identified below were completed, however there is always room to improve in this area

- b. ~~Task (Staff): Review tariff and develop suggested edits for consideration by commission~~
- c. ~~Task (Commission): Hold September work session on Harbor Tariff~~
- 8. Promote workforce development and housing for seasonal workers. (Unspecified)

Specific task has been completed, recommend updating to participate in code revision process as a part of Phase 2 of Comprehensive Planning

- d. ~~Task (Commission): Participate in Comprehensive Planning process with emphasis on housing.~~ **(Completed)**
- 9. ~~Update the Harbor Fleet Management Plan~~ **(Completed)**

Mid Term Goals (1-3 Years)

- 10. Support Port Director to conduct a Replacement Reserve Study for the Small Boat Harbor.
Not completed yet, in progress as a part of the development of a financial plan

- a. Task (Commission): provide feedback on the timeline and priorities for float replacement **(Will be solicited by Staff when time comes)**
- 11. Maximize financial returns for the city leases and promote cohesive Maritime aesthetic on the Spit

Review of City Base lease was completed, no zoning recommendations were compiled. Does this continue to be an area of interest for the commission?

- b. Task (Commission): Review City base lease and provide zoning recommendations to Planning Department
- 12. Develop a Homer Spit Uplands Improvement Plan including a paid parking plan
Proposed work session was deferred to accommodate presentation from Michael Jones on risk management. Does this continue to be an area of interest for the commission?

- c. Task (Commission): Host a public work session to collect thoughts and opinions on spit parking (January)
- 13. Explore a vessel traffic study for the Spit to address congestion issues in the transient areas of the harbor.

No progress on this item. Does this continue to be an area of interest for the commission?

- d. Task (Commission): Define problems and potential solutions
- 14. ~~Provide support on the City Comprehensive Plan rewrite.~~ **(Completed)**
- e. ~~Task (All): Invite spit stakeholders to Comprehensive Plan rewrite meetings to ensure their perspective is represented.~~ **(Completed)**

Long Term Goals (5 years or more)

- 15. Work with Federal and State agencies to develop long-term erosion control measures for the Spit.

In progress. Commission received December presentation from Jenny Carroll, staff will continue to notify commissioners of opportunities to advocate for projects at the state or federal level.

- a. Task (All): Participate in ADOT&PF process
- 16. Develop a plan to replace the Tidal Grids

In Progress, preparing funding request to Council for a study of both grids

- b. Task (Commission): Review possible parameters for financial plan for the Grids
- 17. Seek funding to construct the Large Vessel Haul-out and Repair Facility.

As a result of our conversations last year, Staff will work with Special Projects Coordinator Jenny Carroll to explore funding options and reductions of project scope that can bring this project closer to being a reality.

- ~~c. Task (All): Ensure that discussion of Homer Harbor Expansion includes the importance of this facility and does not affect the proposed site~~ **(Completed, all Project Development Team members are clear on the importance of this area)**
- d. ~~Task (Commission): Discuss potential lease arrangements for the facility at a Winter 2023-2024 commission meeting.~~ **(Thoroughly Completed!)**

RECOMMENDATION: Review the Staff evaluation of goal status Port & Harbor Advisory Commission 2023-2024 Strategic Plan, discuss what the commission's priorities are for their work in the coming years, and provide recommendations to update the goals for their 2024-2025 plan.

PORT AND HARBOR ADVISORY COMMISSION
2023-2024 STRATEGIC PLAN

Annually, the PHC prioritizes a list of ongoing, near-term, medium and long-term goals to aid the commission in charting a general course for the year and keeping on-task.

Ongoing Goals	1. Provide timely, relevant comment to the City Council on Port and Harbor issues.
	2. Identify ways that the commission can collaborate with staff to provide value
	3. Promote and support the investigation of the Harbor Expansion
	4. Improve Communication with Council, Commissions, and the Community at large a. Task (Commission): Meet at least annually with Council in a work session; collectively sign up to attend or listen to each council meeting b. Task (All): Send informational items to other commissions as needed c. Task (Staff): Ensure informational items are publicly available on City website and City social media d. Task (Shavelson): Draft 1-page communications plan
Near Term Goals By April 2024	5. Have a Preliminary Business Plan for the Port & Harbor (November) a. Task (All): Review draft plan and develop steps forward
	6. Conduct a post-season recap of summer activities (October) a. Task (Staff): Evaluate the success of the campgrounds program and other new activities
	7. Continue identifying underutilized assets and additional sources of revenue. (December) a. Task (Staff): Review tariff and develop suggested edits for consideration by commission b. Task (Commission): Hold September work session on Harbor Tariff
	8. Promote workforce development and housing for seasonal workers. (Unspecified) a. Task (Commission): Participate in Comprehensive Planning process with emphasis on housing.
	9. Update the Harbor Fleet Management plan. (September) a. Task (Staff): Collect information about anticipated vehicle purchases, fuel type preferences, useful life, and cost for all Port & Harbor rolling stock b. Task (Commission): Review updated Fleet Management Plan
Mid Term Goals 1 - 3 Years (2024 – 2026)	10. Support Port Director to conduct a Replacement Reserve Study for the Small Boat Harbor. a. Task (Commission): provide feedback on the timeline and priorities for float replacement

	11. Maximize financial returns for the city leases and promote cohesive Maritime aesthetic on the Spit a. Task (Commission): Review City base lease and provide zoning recommendations to Planning Department
	12. Develop a Homer Spit Uplands Improvement Plan including a paid parking plan a. Task (Commission): Host a public work session to collect thoughts and opinions on spit parking (January)
	13. Explore a vessel traffic study for the Spit to address congestion issues in the transient areas of the harbor. a. Task (Commission): Define problems and potential solutions
	14. Provide support on the City Comprehensive Plan rewrite. a. Task (All): Invite spit stakeholders to Comprehensive Plan rewrite meetings to ensure their perspective is represented.
Long Term Goals 5 Years or More (2028+)	15. Work with Federal and State agencies to develop long-term erosion control measures for the Spit. a. Task (All): Participate in ADOT&PF process
	16. Develop a plan to replace the Tidal Grids a. Task (Commission): Review possible parameters for financial plan for the Grids
	17. Seek funding to construct the Large Vessel Haul-out and Repair Facility. a. Task (All): Ensure that discussion of Homer Harbor Expansion includes the importance of this facility and does not affect the proposed site b. Task (Commission): Discuss potential lease arrangements for the facility at a Winter 2023-2024 commission meeting.

OVERALL PHC DUTIES & RESPONSIBILITIES

The purpose of the PHC is to act in an advisory capacity to the City Manager and the City Council on the problems and development of the City's Port and Harbor facilities. Consideration may include the physical facilities, possible future development, and recommendations on land use within the port and harbor areas. Duties and responsibilities are outlined in the PHC's Bylaws and under Homer City Code 2.64.040.

Links to online info:

- Homer City Code 2.64: www.codepublishing.com/AK/Homer
- Homer Port and Harbor Website: www.cityofhomer-ak.gov/port
- Port of Homer Terminal Tariff No. 1: www.cityofhomer-ak.gov/port/port-homer-terminal-tariff-no-1
- City of Homer Adopted Budget: www.cityofhomer-ak.gov/finance/budgets
- City Comprehensive Plans: <https://www.cityofhomer-ak.gov/planning/long-range-planning>

DUTIES OF COMMISSION/STAFF

Staff Liaison

- Assisting the Chair in setting meetings, preparing agendas, and other documentary material, and coordinating the acquisition of needed materials and training.
- Drafting/submitting reports, memos, and recommendations for those agenda items requiring decisions or recommendations by the Commission to City Council or the City Manager.
- Provide information about the budget.
- Inform the Commission of City Council actions and discussion of harbor-related issues.

Commissioners

- Attend City Council meetings as assigned.
- Attend work sessions and training opportunities.
- Come prepared to make a motion for action at meetings, or ask staff before the meeting for more information.
- Request information from the Staff Liaison or Presiding Clerk.
- Understand their role as an advisory body to City Council; for any change to happen regarding City policies or code usually a council member has to support a PHC's idea and be willing to sponsor a resolution or ordinance to change established City policies or rules.
- How the commission (as a whole) can communicate:
 - Work with the City Manager through the Staff Liaison to keep City Council informed on developing initiatives.
 - Send memos to Council periodically so they have a written report of what's going on; these are written by staff and likely will be part of the City Manager Report or under the PHC Report.
 - Have a Commissioner speak at a Council Meeting under Reports; the PHC is scheduled to give a report at the next City Council meeting following the PHC's regular monthly meeting. It is best to rotate members so Council gets to see and hear from each of you over time. Pay attention to feedback from Council; the Commission may need to change direction, or come up with more support for the topic.

Clerks

- Helps with packet preparation and dissemination
- Records meetings and prepares meeting minutes
- Ensures meetings are properly advertised
- Helps members understand and comply with City policies and procedures governing advisory bodies
- Helps the Commission learn to better communicate with City Council (Memorandums vs Resolutions and Ordinances)



ACTION ITEM REPORT

Draft Second Lease Assignment and Second Amendment for The Dragging Anchor, LLC

Item Type: Action Item Report
Prepared For: Port & Harbor Advisory Commission
Date: January 15, 2025
From: Mark Bowman, Port Property Associate
Through: Bryan Hawkins, Port Director

Per HCC 18.08.040 a., "All leases on the Homer Spit shall receive advisory review by the Port and Harbor Advisory Commission prior to submission to the Council or the City Manager for approval."

Attached is a draft Second Lease Assignment and Second Amendment for The Dragging Anchor, LLC, which has applied for assignment of the lease currently held by Eagle Eye Charters LLC DBA Bob's Trophy Charters. The Commission reviewed the application on November 20, 2024 and recommended that City Council approve the application. This is under revision by the City Attorney and may change.

The Application and draft Second Lease Assignment and Second Amendment will be presented to Council at their meeting on Monday, January 27, 2025.

RECOMMENDATION: Review the draft lease assignment and amendment, and make a motion to City Council to recommend that they approve the Second Lease Assignment and Second Amendment as drafted

Attachments: Second Lease Assignment and Second Amendment for The Dragging Anchor, LLC

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, continue to offer a coffee shop during the summer months and continue to provide a space where Spit Spot 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.

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



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

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



Hard Inquiries

When you apply for a new credit account, a hard inquiry will usually get added to your report, which can make a small dent in your score. Here are the inquiries on your Equifax report.

CREDCO

Inquiry: Jun. 21, 2024

Miscellaneous Reptg. Agencies +

Collections

If you've fallen behind on payments, your account could be sent to a collections agency. This can have a big impact on your credit score.

Clean slate! As of Nov. 01, 2024, you have no collection accounts on your credit report.

Public Records

Things like bankruptcies and legal judgments against you can show up on your credit report and do some damage to your score.

Lookin' good! As of Nov. 01, 2024, you have no public records on your report.

Suggested for your credit

Suggested cards

We suggest offers based on your credit, Approval Odds, and money we make from our partners.

Advertiser Disclosure

Apple Card



For You



Credit



41



Loans



Money



769 Reviews



Your chance of approval is **outstanding**—apply with no score impact.*



REWARDS RATE



ANNUAL FEE

1% - 3%

\$0

Cash Back

Continue

See details, rates, and fees



For You



Credit



42



Loans

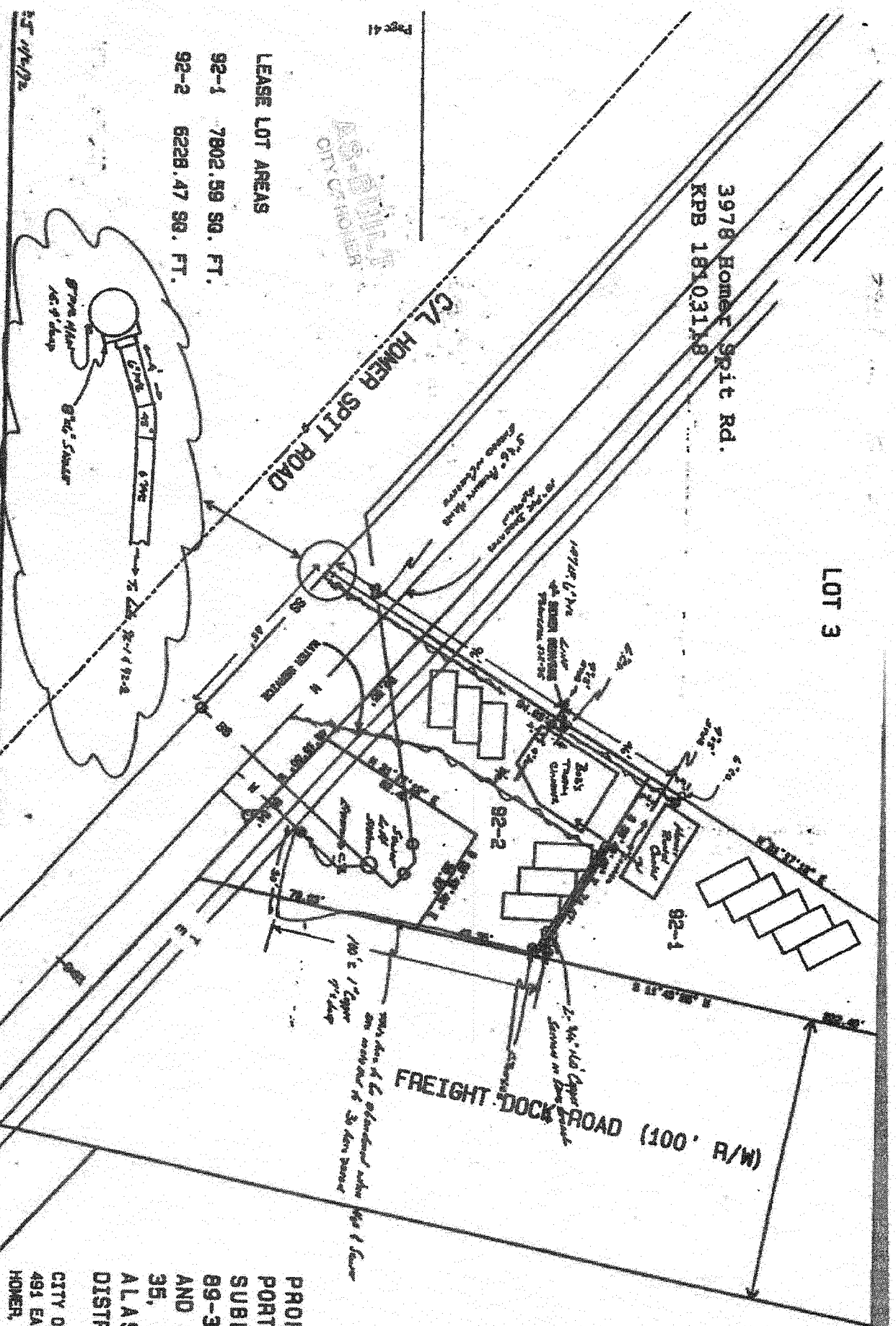


Money

89-3401-1
CITY OF HOMER

LEASE LOT AREAS

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



PROPOSED
PORTION O
SUBDIVIS
89-34). I
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35, T. 6
ALASKA,
DISTRICT
CITY OF HOMER
491 EAST PIONE
HOMER, ALASKA

CI

THEY WENT AND COMPLETED BY THE RESULTS REPORTED IN A MEMORANDUM DATED 10/15/52

[Signature]

[illegible]

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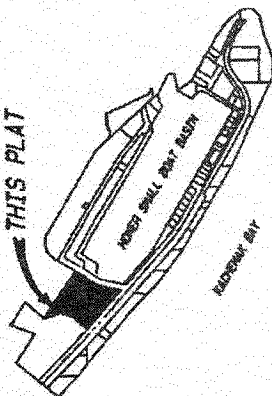
THE NEW YORK PUBLIC LIBRARY
ASTOR LENOX TILDEN FOUNDATION
455 FIFTH AVENUE
NEW YORK 17, N. Y.

IT SEEMS CERTAIN THAT THE SUBJECTS MENTIONED AND I INTEND TO PRACTICE
AND OPERATING IN THE STATE OF ALABAMA, AND THAT THESE SAID MEMBERS OF A
SOCIETY MAY BE AN OBSTACLE TO SUBJECT INVESTIGATION, AND THAT THE MEMBERS
OF THE SOCIETY ARE ACTUALLY ENGAGED IN RECRUITING AND THAT ALL INFORMATION AND OTHER
DETAILS BE CORRECT.

DATE 12/11/93 REGISTRATION NO. 7538-S
Stephen C. Smith
 REGISTERED LAND SURVEYOR



MADE IN U.S.A. 1980
LONDON OFFICE FOR THE CITY OF LONDON

[illegible][illegible]

14
SUBSCRIBED AND SWORN TO BEFORE ME THIS 14th DAY OF
JANUARY, 1932.

FILE RECORDED & INDEXED

Shawcross

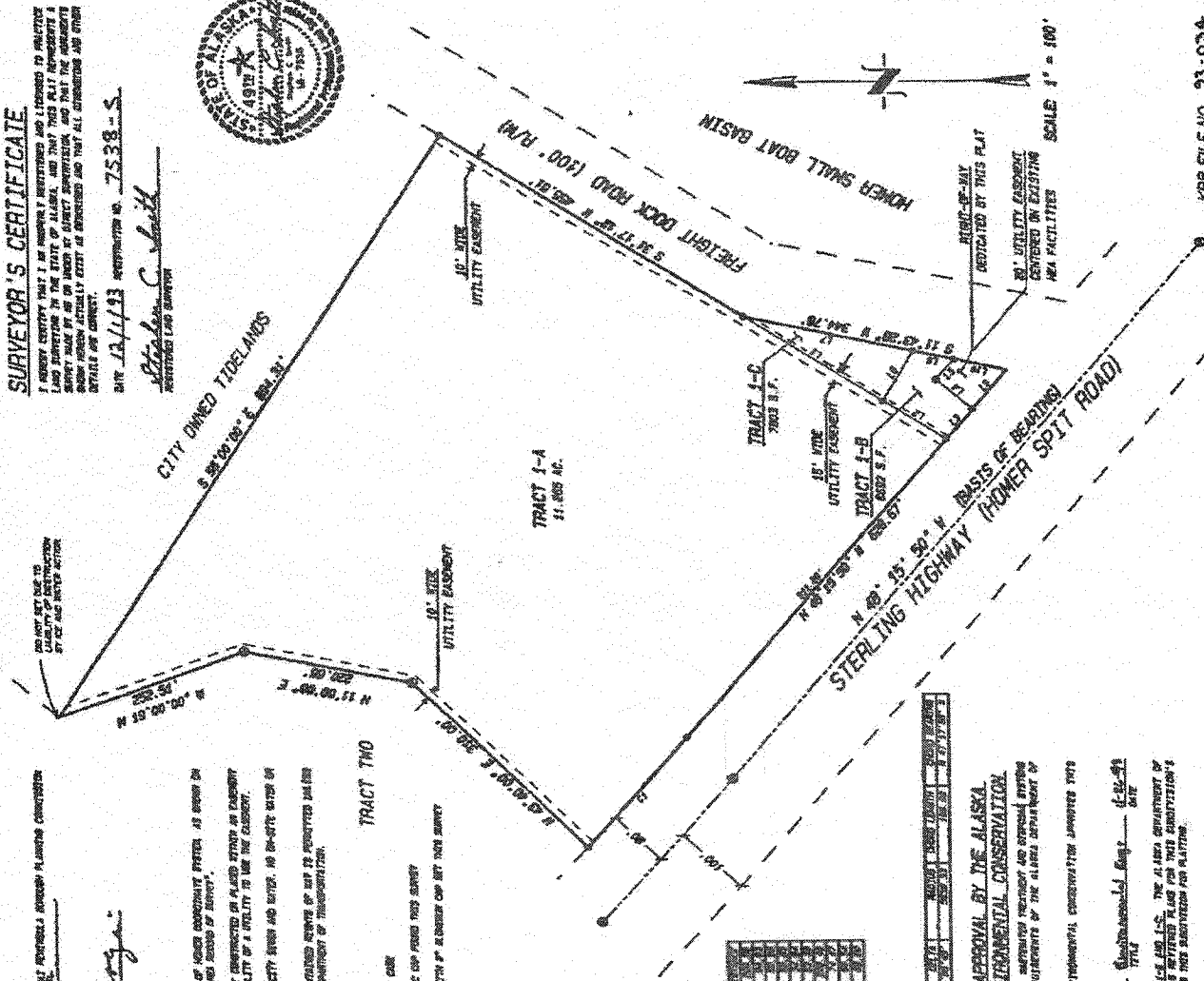
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BY SP-5 J. J. J. J. DATE 10/17/95

A REPLAY OF TRACT ONE, THE FISHIN' HOLE
ACCORDING TO PLAY NO. 92-38, HAD
LOCATED WITHIN THE SE1/4 S.35, T8S, R13W,
SEWARD MERIDIAN, ALASKA AND
WITHIN THE CITY OF HONOLULU

CONTAINING 33.567 ACRES
HERNDON & THOMPSON, INC.
STEPHEN C. SMITH, PLS
41745 BEAR CREEK DRIVE
HOMER, ALASKA 99603
907-234-8741

DATE: 4/12/93	COMP BY: SCS	JOB #92-12
		SHEET #1 OF 3



LINE TABLE

[illegible]

CERTIFICATE OF APPROVAL BY THE ALASKA
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
NATURAL RESOURCES DIVISION
MUST MEET THE REQUIREMENTS OF THE ALASKA DEPARTMENT OF
ENVIRONMENTAL CONSERVATION

THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION REQUESTS THE
CONSENTATION FOR PLATING.

[illegible]

STATION	DATE	TIME	NAME	LAST	FIRST
0770	10/10/54	10:10	WILLIAM	WILLIAM	WILLIAM

SHEETS NO. 2 & 3 ARE SIGNATURE SHEETS ONLY

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.

- 36
- Compose
- Mail
- Inbox 26
- Starred
- Snoozed
- Sent
- Drafts
- More

Labels

THE DRAGGING ANCHOR LLC - COMMERCIAL INSURANCE QUOTE Exter



Stephanie Green <sgreen@homerinscenter.com>
to me

Hello David,

Per our conversation, please see your requested quote information below for the Commercial Package Insurance coverage:

Commercial Coverages:

- **Buildings:** (Property rated at Replacement Cost with a \$1,000 deductible per building / contents)
 - Retail Building ~ \$341,760
 - Contents ~ \$50,000
 - Loss of Income ~ Decline
 - Coffee Shop Building ~ \$25,000
 - Contents ~ \$10,000
 - Loss of Income ~ Decline
 - Storage Shed ~ \$23,040
 - Contents ~ \$5,000
- **General Liability** @ \$2,000,000 / 1,000,000
 - Based on:
 - Marine Supply Store
 - Annual Estimated Sales ~ \$120,000
 - Nightly Lodging
 - Annual Estimated Sales ~ \$80,000
 - Coffee Shop
 - Annual Estimated Sales ~ \$50,000
 - Additional Insured Status - City of Homer
- Annual Premium ~ \$3,473

Feel free to call with any questions you might have and advise as to you you would like to proceed.

Thanks,

Stephanie Green
509 Sterling Hwy. Ste. 201
Homer, AK 99603
707.627.2225

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 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	☒ Full Lot ☐ 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@thedragginganchor.com

Business Entity & Financial Information

☐	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? ☐ No ☐ Yes – As of what date:	
☐	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? ☐ No ☐ Yes – As of what date:	

☒	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? ☐ No ☒ Yes – As of what date: September, 18 2024	
	Corporation is held: ☒ Privately ☐ Publicly – How and where is stock traded:	
☐	Other – Please explain:	
Proof of Financial Capability to Meet Obligations:	☒ 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.	
	☒ 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).	
	☐ 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? ☒ No ☐ 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? ☒ No ☐ 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? ☒ No ☐ 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:	☐ Short Term Lease (One Year or Less) – Duration (in months): ☒ Long Term Lease (More Than One Year) - 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). Duration (in years): 20 No. of Options to Renew: 2
Property Plan:	☒ Describe your Property Plan in your written narrative. Details should include but not be limited to: - 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 ☒ Provide a detailed schematic (to scale) that shows the following: - 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:	Do you have a development and/or improvement plan for the property, including plans for repairs or maintenance to any existing buildings? ☐ Yes 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. ☒ No In your written narrative, explain why.
City Planning & Other Agency Approvals:	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: - 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 ☐ 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. ☐ Attach any relevant documentation that verifies completion or pending status.

Insurance Requirements:	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. ☒ 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.
Benefits & Impacts on Community:	☒ In your written narrative answer the following questions: • 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:	☒ 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. Each reference must include the following: • 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:	☒ 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.

Required Attachments/Documentation

☒ Written Narrative
☒ Business Entity and Licensing Information • 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
☒ Financial Information
☒ Property Plan – Detailed Schematic of Property
☒ Development Plan documents/plans, if any
☒ 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: ☐ Planning ☐ Port & Harbor ☐ Economic Development ☐ Finance ☐ Public Works

Submitted for City Manager Review: _____

☐ Approved on: _____☐ 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: ☐ Yes ☐ No

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.

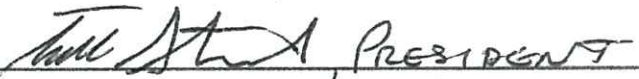
4. No Further Verification. Except as set forth in this Agreement, all of the terms and provisions of the Lease shall continue to apply and shall remain unmodified and in full force and effect. Effective as of the date hereof, all references to the "Lease" shall refer to the Lease as amended by this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

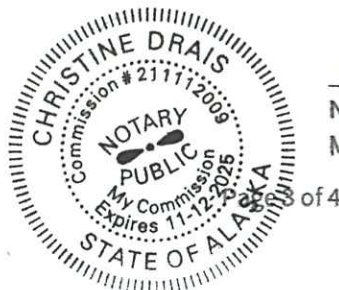
By: 
Todd Strand, President and Shareholder

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.

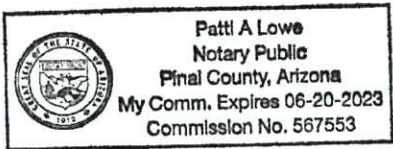



Notary Public in and for Alaska
My Commission Expires: 11-12-2025

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

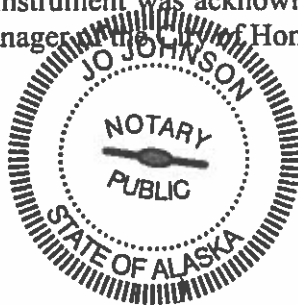
By: Katie Koester
Katie Koester, City Manager

By: Todd Strand
Todd Strand

ACKNOWLEDGMENTS

STATE OF
ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

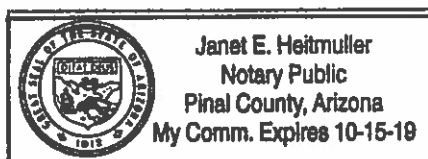
The foregoing instrument was acknowledged before me on December 28, 2016, by Katie Koester, City Manager of the City of Homer, an Alaska municipal corporation, on behalf of the City of Homer.



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

Jan 2025 Operations Report

Ice Plant

Cod season is ongoing and boats and boats are delivering. Currently Copper River and Pac Star (E & E) are taking deliveries.... In the news....

- Ice Plant down time maintenance is about 65% done
- Compressors High side 3 and 4 total rebuild
- Compressor Booster 1 complete rebuild
- Plan on Ice plant startup first week March.
- Upper and lower bearing replacement #2 ice machine.
- Ice bin, bait locker and ice delivery systems ready for startup.
- Crane's #2 and #8 in-op.. waiting for parts.
- Ammonia liquid and suction line inspections.
- Ongoing crane inspections and service happening this month.

Port Maintenance

- Ongoing Snow removal and sanding
- Ongoing electric pedestal maint.
- Ongoing Docks and Harbor infrastructure inspections
- Keeping up with recurring monthly work orders.
- Snow blower and powered broom inspections.

Operations

- Harbor occupancy is currently around 330 vessels
- Marine Repair Facility currently has 8 vessels/barges
- 29 vessels are signed up for the Winer Power program
- Staff pumped out multiple vessels due to rain accumulation
- Staff pumped out one bow picker that was actively sinking
- An abandoned skiff was retrieved from outside the harbor, owner found
- Assisted HVFD with one EMS call
- Implemented an updated shore power cord policy
- Performed parking enforcement around Spit properties and the Airport
- Adopted a family for Share the Spirit
- Troubleshoot intermittent radio issues
- Provided parking delineators and electronic billboards for fireworks display
- Planning for ADA improvements this spring/summer
- Pioneer and Deep Water Dock landings included: Perseverance; Endeavor; Tustumena; Kate Francis; Ann T. Cheramie w/ Petro Alaska
- Ferry Tustumena ceasing operations until April

Port & Harbor Monthly Statistical & Performance Report

For the Month of: **October 2024**

Moorage Sales

	<u>2024</u>	<u>2023</u>
Daily Transient	191	172
Monthly Transient	131	124
Semi-Annual Transient	4	2
Annual Transient	11	9
Annual Reserved	108	178

Grid Usage

1 Unit = 1 Grid Tide Use	<u>2024</u>	<u>2023</u>
Wood Grid	2	6
Steel Grid	0	0

Services & Incidents

	<u>2024</u>	<u>2023</u>
Vessels Towed	13	0
Vessels Moved	9	19
Vessels Pumped	23	1
Vessels Sunk	0	0
Vessel Accidents	0	0
Vessel Impounds	0	0
Equipment Impounds	0	3
Vehicle Impounds	0	0
Property Damage	0	0
Pollution Incident	0	2
Fires Reported/Assists	0	1
EMT Assists	0	3
Police Assists	0	1
Public Assists	18	11
Thefts Reported	0	0

Parking Passes

	<u>2024</u>	<u>2023</u>
Long-term Pass	2	4
Monthly Long-term Pass	5	3
Seasonal Pass	0	3

Crane Hours

<u>2024</u>	<u>2023</u>
	*

Stall Wait List

No. on list at Month's End	<u>2024</u>	<u>2023</u>
20' Stall	0	2
24' Stall	27	56
32' Stall	152	193
32'A Stall	19	13
40' Stall	75	72
50' Stall	34	35
60' Stall	4	4
75' Stall	6	8
Total:	317	383

Docking & Beach/Barge Use

1 Unit = 1 or 1/2 Day Use	<u>2024</u>	<u>2023</u>
Deep Water Dock	25	18
Pioneer Dock	20	10
Beach Landings	1	3
Barge Ramp	60	122

Marine Repair Facility

	<u>2024</u>	<u>2023</u>
Vessels Hauled-Out	0	1
Year to Date Total	10	5
Vessels using facility uplands	5	2

Wharfage (in short tons)

In Tons, Converted from Lb./Gal.	<u>2024</u>	<u>2023</u>
Seafood	130	1,519**
Cargo/Other	3,417	1,564
Fuel	25,529	18,850

** Processor wharfage June, July, & Aug finally submitted- business' catch up from summer

Ice Sales

	<u>2024</u>	<u>2023</u>
For the Month of October	285	*
Year to Date Total	2,529	*

Difference between

2023 YTD and 2024 YTD:

*

* not availabe at time of report

Port & Harbor Monthly Statistical & Performance Report

For the Month of: **November 2024**

Moorage Sales

	<u>2024</u>	<u>2023</u>
Daily Transient	71	35
Monthly Transient	67	70
Semi-Annual Transient	2	2
Annual Transient	5	8
Annual Reserved	27	31

Grid Usage

1 Unit = 1 Grid Tide Use	<u>2024</u>	<u>2023</u>
Wood Grid	1	0
Steel Grid	0	0

Services & Incidents

	<u>2024</u>	<u>2023</u>
Vessels Towed	1	0
Vessels Moved	4	3
Vessels Pumped	4	0
Vessels Sunk	1	0
Vessel Accidents	0	0
Vessel Impounds	0	0
Equipment Impounds	0	0
Vehicle Impounds	0	0
Property Damage	0	0
Pollution Incident	0	3
Fires Reported/Assists	0	0
EMT Assists	4	0
Police Assists	3	2
Public Assists	9	13
Thefts Reported	0	1

Parking Passes

	<u>2024</u>	<u>2023</u>
Long-term Pass	9	0
Monthly Long-term Pass	1	0
Seasonal Pass	0	0

Crane Hours

<u>2024</u>	<u>2023</u>
66.8	57.9

Stall Wait List

No. on list at Month's End	<u>2024</u>	<u>2023</u>
20' Stall	0	2
24' Stall	32	30
32' Stall	158	169
32' A Stall	19	14
40' Stall	75	70
50' Stall	34	35
60' Stall	4	3
75' Stall	6	3
Total:	328	324

Docking & Beach/Barge Use

1 Unit = 1 or 1/2 Day Use	<u>2024</u>	<u>2023</u>
Deep Water Dock	22	21
Pioneer Dock	26	19
Beach Landings	4	0
Barge Ramp	51	57

Marine Repair Facility

	<u>2024</u>	<u>2023</u>
Vessels Hauled-Out	1	1
Year to Date Total	11	6
Vessels using facility uplands	5	3

Wharfage (in short tons)

In Tons, Converted from Lb./Gal.	<u>2024</u>	<u>2023</u>
Seafood	45,431	0
Cargo/Other	1,462	676
Fuel	27,307	17,471

Ice Sales

	<u>2024</u>	<u>2023</u>
For the Month of November	70	34*
* closed for season		
Year to Date Total	2,599	2,371

Difference between 2023 YTD and 2024 YTD:

Port & Harbor Monthly Statistical & Performance Report

For the Month of: **December 2024**

<u>Moorage Sales</u>			<u>Stall Wait List</u>		
	<u>2024</u>	<u>2023</u>	No. on list at Month's End	<u>2024</u>	<u>2023</u>
Daily Transient	47	19	20' Stall	0	2
Monthly Transient	54	61	24' Stall	28	32
Semi-Annual Transient	4	4	32' Stall	151	170
Annual Transient	6	5	32' A Stall	18	14
Annual Reserved	5	13	40' Stall	75	72
			50' Stall	29	35
			60' Stall	4	3
			75' Stall	6	3
			Total:	311	329
<u>Grid Usage</u>			<u>Docking & Beach/Barge Use</u>		
1 Unit = 1 Grid Tide Use	<u>2024</u>	<u>2023</u>	1 Unit = 1 or 1/2 Day Use	<u>2024</u>	<u>2023</u>
Wood Grid	0	1	Deep Water Dock	20	24
Steel Grid	0	1	Pioneer Dock	29	18
			Beach Landings	3	0
			Barge Ramp	37	43
<u>Services & Incidents</u>			<u>Marine Repair Facility</u>		
Vessels Towed	2	1	Vessels Hauled-Out	<u>2024</u>	<u>2023</u>
Vessels Moved	0	5	Vessels Hauled-Out	2	0
Vessels Pumped	7	5	Year to Date Total	13	6
Vessels Sunk	0	1	Vessels using facility uplands	8	3
Vessel Accidents	0	0			
Vessel Impounds	0	0			
Equipment Impounds	0	0			
Vehicle Impounds	0	0			
Property Damage	0	0			
Pollution Incident	1	6			
Fires Reported/Assists	0	0			
EMT Assists	0	0			
Police Assists	0	0			
Public Assists	4	7			
Thefts Reported	1	0			
			<u>Wharfage (in short tons)</u>		
			Tons, Converted from Lb./Gal.	<u>2024</u>	<u>2023</u>
			Seafood tons	0	614
			Cargo/Other tons	39	26142*
			Fuel		**
			* Alaska marine excavation Aug-Oct late reporting		
			** not available at time of report		
<u>Parking Passes</u>			<u>Ice Sales</u>		
Long-term Pass	<u>2024</u>	<u>2023</u>	For the Month of December	<u>2024</u>	<u>2023</u>
Monthly Long-term Pass	32	11		*	*
Seasonal Pass	1	0	*Shut Down for Season		
	0	0	Year to Date Total	2,599	2,371
<u>Crane Hours</u>			<u>Difference between</u>		
	<u>2024</u>	<u>2023</u>	<u>2023 YTD and 2024 YTD:</u>		
	16	25.4			



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 13, 2025 Council Meeting

Surplus Sale

Sealed bids for City surplus equipment are being accepted through Wednesday, January 22. For full details visit, www.cityofhomer-ak.gov/cityclerk/city-homer-surplusequipment-sale-winter-2025. Looking ahead to future surplus sales I've asked the City Clerk to research some online auction platforms, such as Ritchie Brothers and Alaska Premier Auctions where the City can upload the information and the auction company facilitates the online bidding and collection of payment. My understanding is the auction company retains a portion of the sales and submits the balance to the City. For the amount of staff time for the Clerk's office to manage these surplus sales, we may find a savings. This also has the potential to expand our pool of bidders. More to come!

Digitization of the *Homer News* Completed

In late October the Library shipped the entire collection of the *Homer News* on microfilm to Ancestry.com, who spent a couple months scanning and indexing the materials. The archive from 1954 to 2021 is now available online. It can be accessed from any computer in the Library or a personal subscription to Newspapers.com.

Library Author Talk and Award Presented

On Dec. 17, Tom Kizzia and Rich Chiappone visited the library to talk about history and writing, drawing a crowd of 63 people. Tom Kizzia was presented with a State of Alaska legislative citation honoring his contributions to Alaskan literature. The award was presented by Representatives Andrew Gray and Sarah Vance.

Notable Work Anniversaries

In December we had two notable work anniversaries to celebrate. Chief Robl celebrated 40 years with the City and Bryan Hawkins celebrated 25 years with the City. Your commitment and excellence over the years have made a lasting impact—thank you both for all that you do!

Celebrating Kristen Faulkner

On Dec. 27, the City partnered with the Chamber of Commerce for an event celebrating Kristen Faulkner, Homer's very own Olympic medalist! On a visit home for the holidays, Kristen welcomed the community to Homer High School Mariner Theatre for a heartwarming Q&A session, with Jim Anderson, Jon and Sara Faulkner, and former Mayor Ken Castner. Kristen was presented with a City of Homer Award of Excellence

from former Mayor Castner. She was also presented with a State of Alaska legislative citation from Representative Sarah Vance.



Karen Hornaday Park Campground

With the recent mild winter weather Parks Maintenance Coordinator Chad Felice has been able to do some cleaning up at the Karen Hornaday Park Campground. The campground has been closed for a few years and the alders have taken over the campsites and roadway. Prior to the closure the City was having problems with illegal camping and other activities in the campground because the amount of alder and brush made it easy to hide out. The City has also heard feedback that the overgrowth made the park area feel unsafe for the kids playing on the playground. With the help of Public Works equipment operators, work is being done to selectively clear out the alder overgrowth and open up lines of sight around the campground. I walked the area with Chad, Public Works Superintendent Mike Zelinski, and Public Works Director Dan Kort this past Wednesday. Most campsites now have great views so campers can see the bay, watch a ballgame, or see their kids on the playground, and there will still be some buffer between campsites when the trees and remaining alders leaf out in the spring and summer. When the selective alder clearing is complete there will be areas where Parks can make improvements with landscaping and selective tree plantings. Stump removal around the campground is planned, along with some additional clearing and ditching below to help with drainage. We will be discussing options for opening the Karen Hornaday Campground during our departmental budget discussions, with a timeframe still to be determined.

There have been questions about some clearing that has been done near the park area on the hospital side of Woodard Creek. The City is not working in that area; it is right of way clearing along the power lines by Carlos Tree Service for Homer Electric Association.

Landslide Hazard Susceptibility Reporting

The Alaska Division of Geological & Geophysical Surveys (DGGs) has finished mapping landslide hazard susceptibility for the City of Homer and nearby Kachemak City. These maps are designed to help local officials and the public better understand areas that could be at risk for slope failures. They're also meant to support long-term regional planning, boost resilience, and guide updates to Homer's Comprehensive Plan.

While the maps don't predict future landslides, they highlight spots where landslides have happened in the past and recommend areas where further geotechnical studies might be needed, especially if development is planned.

Attachments:

State of Alaska Press Release DGGs publishes Homer landslide hazard susceptibility maps

Landslide Hazard Susceptibility Mapping in Homer, Alaska Executive Summary

Landslide Hazard Susceptibility Mapping in Homer Report

Landslide Maps



For Immediate Release: December 11, 2024

DGGS publishes Homer landslide hazard susceptibility maps

(Fairbanks, AK) – The Alaska Division of Geological & Geophysical Surveys (DGGS) has completed landslide hazard susceptibility mapping for the City of Homer and neighboring Kachemak City. The report is available here: <https://doi.org/10.14509/31155>.

The results are intended to educate officials and the public regarding locations of potential slope failure hazards, provide a basis for regional long-term planning and resilience, and to inform the City of Homer's update of their Comprehensive Plan.

"We're pleased that our partnership with DGGS brought these much-needed FEMA funds to Homer," said Julie Engebretsen, acting City Manager. "Our Planning Commission and City Council will use the new lidar data and landslide susceptibility report as resources while we work on slope stability issues in the coming years."

DGGS received funding in 2018 from the Federal Emergency Management Agency (FEMA) Cooperating Technical Partners program to conduct the work, which included collection of new high-resolution light detection and ranging (lidar) elevation data.

"DGGS is excited to make this new study available to the Homer community, which represents the first landslide susceptibility maps and report published by the agency," said Melanie Werdon, DGGS Director and State Geologist. "This project predates the [Alaska Landslide Hazards Program](#), established in 2023 to provide actionable science to communities that are affected by landslides."

These maps do not predict slope failures but depict locations where landslides have occurred and where additional geotechnical investigations are suggested if the area is targeted for development. DGGS is dedicated to mapping and assessing landslides, understanding and quantifying landslide hazards, and improving geologic hazard communication and coordination with other agencies and communities.

This report complements a 2022 coastal bluff stability assessment for Homer, also published through DGGS: <https://doi.org/10.14509/30908>.

The Department of Natural Resources' mission is to develop, conserve, and maximize the use of Alaska's natural resources consistent with the public interest.

Media Contact: Lorraine Henry 907-378-4926 lorraine.henry@alaska.gov

###

Stay connected:

DGGS on Facebook and X: @akdggs

DNR Newsroom: http://dnr.alaska.gov/commis/dnr_newsroom.htm

DNR on Social Media: http://dnr.alaska.gov/commis/social_media.htm

DNR Public Information Center: <http://dnr.alaska.gov/commis/pic/>

Landslide Hazards Susceptibility Mapping in Homer, Alaska—Executive Summary

- In the 2017 Risk Report for the Kenai Peninsula Borough, the City of Homer identified slope failures as a concern with a Recommended Resilience Strategy of completing a comprehensive slope failure hazard assessment for the city.
- To support the City of Homer’s resilience to potential hazards, the Alaska Division of Geological & Geophysical Surveys (DGGs) received funding from the Federal Emergency Management Agency (FEMA) Cooperating Technical Partners (CTP) program to create a map and database of existing slope failures, maps of shallow and deep-seated landslide susceptibility, and a map of simulated debris flow runouts for the City of Homer and neighboring Kachemak City. (<https://doi.org/10.14509/31155>)
- The landslide inventory integrates existing maps of prehistorical landslides, those caused by the 1964 Great Alaska Earthquake, and newly mapped slope failures identified in sequences of aerial photographs since 1950 and high-resolution light detection and ranging (lidar) data collected for the project. (<https://doi.org/10.14509/30591>)
- DGGs created shallow and deep landslide susceptibility maps following protocols like those developed by the Oregon Department of Geology and Mineral Industries, which includes incorporating landslide inventory data, basic geotechnical soil properties, and lidar-derived slope steepness.
- Debris flow runout extents were generated using the model Laharz, which simulates runouts based on catchment-specific physical parameters (for example, hypothetical sediment volumes).
- Data from these analyses are collectively intended to depict locations where landslides are relatively more likely to occur and to model the extent of their potential impacts. The maps are not intended to predict slope failures, and site-specific, detailed geotechnical investigations should be conducted prior to development in vulnerable areas.
- The intended use of these overview maps is to help identify slopes with a relatively high slope failure hazard in and around Homer, to provide a basis for regional, long-term planning and increased resilience, and to help identify localities where more detailed mapping is warranted if areas are to be developed or improved. Maps are not intended to be used for legal, engineering, or surveying purposes.
- DGGs developed the landslide inventory, shallow landslide susceptibility, deep landslide susceptibility, and debris flow runout maps using the best available data at the time of the project; however, there are many inherent limitations. Conditions that lead to a landslide are complex. Some influencing factors like geologic and hydrologic conditions, vegetation, seasonal weather, and long-term climate all change at different rates while other landslide triggers, like earthquakes, are unpredictable. As such, there is potential for areas not depicted on these maps to be affected by future landslides.
- This report complements a 2022 Coastal Bluff Stability Assessment for Homer, also published at DGGs (<https://doi.org/10.14509/30908>).

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LANDSLIDE HAZARD SUSCEPTIBILITY MAPPING IN HOMER, ALASKA

J. Barrett Salisbury



Aerial photograph looking south towards the Homer Spit.



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LANDSLIDE HAZARD SUSCEPTIBILITY MAPPING IN HOMER, ALASKA

J. Barrett Salisbury

Report of Investigation 2024-3

State of Alaska
Department of Natural Resources
Division of Geological & Geophysical Surveys

STATE OF ALASKA

Mike Dunleavy, Governor

DEPARTMENT OF NATURAL RESOURCES

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DIVISION OF GEOLOGICAL & GEOPHYSICAL SURVEYS

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LANDSLIDE HAZARD SUSCEPTIBILITY MAPPING IN HOMER, ALASKA

J. Barrett Salisbury

Abstract

The potential for slope failures poses a great safety and financial risk to people and infrastructure in many communities throughout Alaska, including the City of Homer. The Alaska Division of Geological & Geophysical Surveys (DGGS) completed a comprehensive landslide hazard assessment for the city by creating a map and database of historical and prehistoric slope failures, maps of shallow and deep-seated landslide susceptibility, and a map of simulated debris flow runouts for the City of Homer and neighboring Kachemak. The landslide inventory map integrates existing maps of landslides caused by the 1964 Great Alaska Earthquake and newly mapped slope failures identified in sequences of aerial photos since 1950 and high-resolution light detection and ranging (lidar) data collected for this project. DGGS created a shallow landslide susceptibility map following protocols like those developed by the Oregon Department of Geology and Mineral Industries, which includes incorporating landslide inventory data, geotechnical soil properties, and lidar-derived topographic slope to calculate the Factor of Safety (FOS)—a proxy for landslide susceptibility. Debris flow runout extents were generated using the model Laharz, which simulates runout extents based on catchment-specific physical parameters (e.g., hypothetical sediment volumes). Data from these analyses are collectively intended to depict locations where landslides are relatively more likely to occur or are relatively more likely to travel. The results provide important hazard information that can help guide planning and future risk investigations. The maps are not intended to predict slope failures, and site-specific, detailed investigations should be conducted prior to development in vulnerable areas. Results are for informational purposes and are not intended for legal, engineering, or surveying uses.

INTRODUCTION

In the 2017 Risk Report for the Kenai Peninsula Borough, the City of Homer identified slope failures as a concern with a Recommended Resilience Strategy of completing a comprehensive slope failure hazard assessment for the city (Alaska Department of Commerce, Community, and Economic Development, 2017). To support the City of Homer's resilience to potential hazards, the Alaska Division of Geological & Geophysical Surveys (DGGS) received funding in 2018 from the Federal Emergency Management Agency (FEMA) Cooperating Technical Partners (CTP) Program to create a map

and database of existing slope failures, maps of shallow and deep-seated landslide susceptibility, and a map of simulated debris flow runouts for the City of Homer and neighboring Kachemak City (fig. 1). The results of this study are intended to: 1) educate officials regarding locations of potential slope failure hazards; 2) provide information to inform future zoning and planning decisions; and 3) to inform the city's update of their Comprehensive Plan. For the area of interest (AOI) that includes the City of Homer, Kachemak City, and parts of Diamond Ridge, DGGS produced new, high-resolution (0.5 m per pixel) light detection and ranging (lidar)

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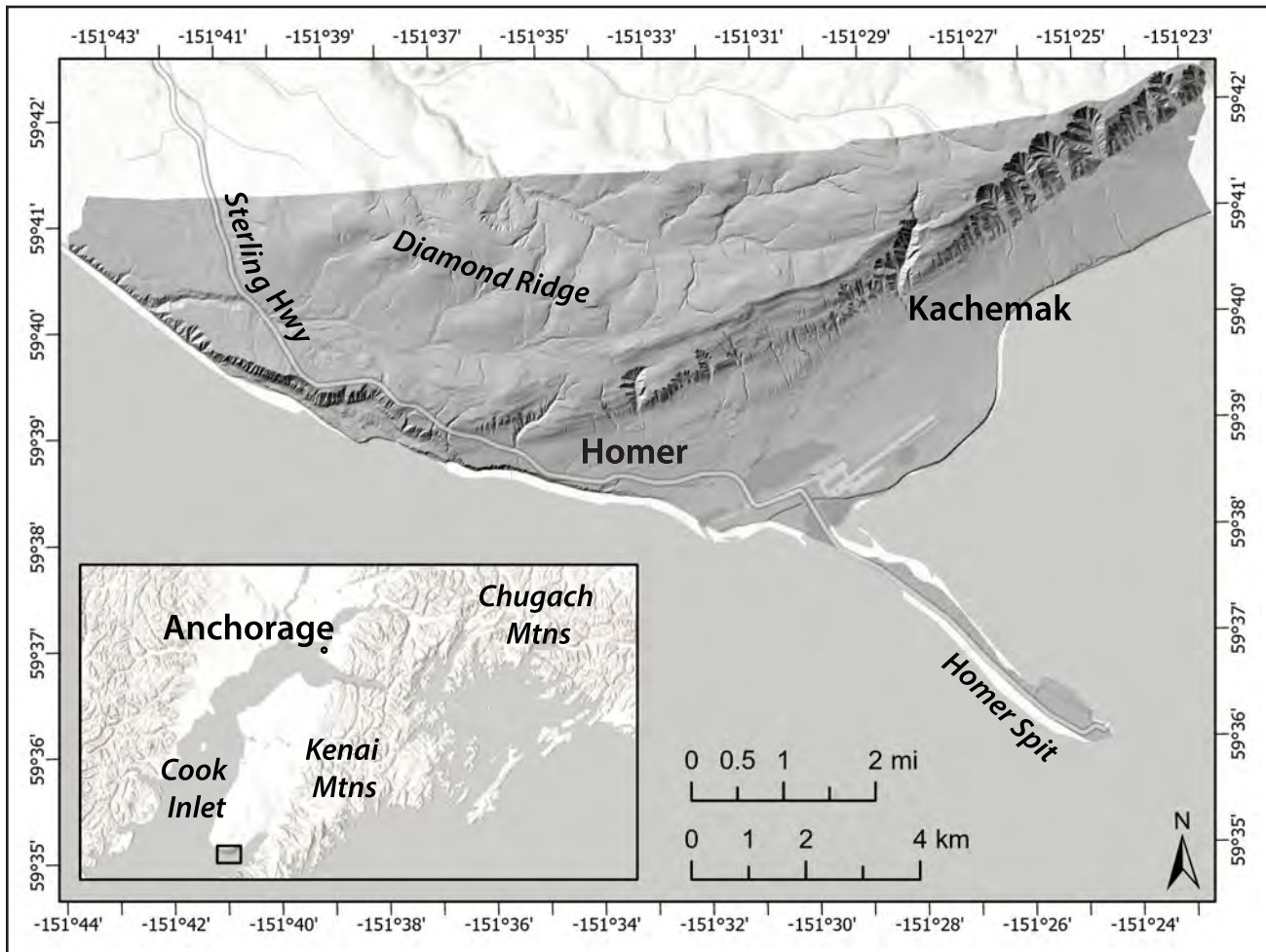


Figure 1. 2019 lidar extent (visible as a gray hillshade) and area of interest for Homer slope failure susceptibility assessment. Inset map shows study location on the western Kenai Peninsula.

elevation data and data layers specific to the AOI's slope failure hazards (Salisbury and others, 2021). This report describes the datasets and methods used for the resilience study and discusses mapping and modeling results that will be used to increase Homer's resilience to future slope failures.

BACKGROUND

Geologic Setting

Regionally, the Homer area falls within an accretionary wedge of sediments and sedimentary rocks lying above the Alaska-Aleutian subduction zone, where the Pacific plate is being subducted beneath the North American plate. The bedrock at the southern end of the Kenai Peninsula consists of moderately indurated, freshwater Eocene sands, silts, clays, and minor amounts of conglomerate

in generally thin and intergraded beds and lenses (Barnes and Cobb, 1959). Known collectively as the Kenai Group, these beds contain many subbituminous coal and lignite deposits from a few inches to 7 ft (2.1 m) thick that decrease in abundance and thickness to the north. Strata are generally flat or gently dipping northward less than about 10 degrees, and the coal and lignite beds act as aquitards, impeding the vertical movement of groundwater. The total thickness of the Kenai Group likely exceeds 4,700 ft (1,430 m) (Barnes and Cobb, 1959; Wilson and Hults, 2012). In general, the soils of Homer are mapped as silt loam with slight compositional variations owing to the nearly ubiquitous parent material. Exceptions include organic-rich wetland soils, beach deposits, or steep cliffs where erosion prevents soil formation (United

States Department of Agriculture [USDA] Natural Resources Conservation Service [NRCS], 2005).

The structure of the Kenai Group in Homer consists of northeast-trending broad folds. These folds (with limb dips less than ~10 degrees) are superposed on the northeast-trending regional forearc basin that defines Cook Inlet. Many high-angle faults have been mapped in wave-cut beach bluffs, but little is known about the extent of these northwest-striking features. In general, faults show a normal sense of displacement, are steep to sub-vertical, and have vertical displacements ranging from a few inches to nearly 80 ft (24.4 m) (Barnes and Cobb, 1959). While none of these fault offsets found in Tertiary rocks are the result of Holocene surface deformation, we cannot rule out the possibility that shallow, crustal faults exist in the active accretionary wedge at the modern plate boundary.

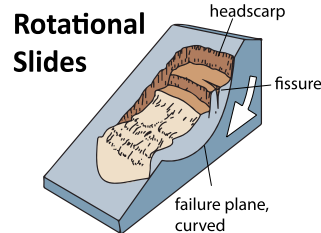
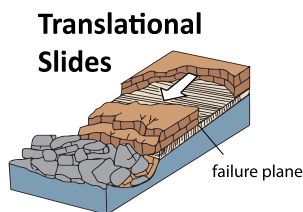
The physiography of Homer is characterized by a prominent, steep escarpment of moderately

cemented Tertiary sedimentary bedrock. The escarpment is a result of glacial scour by the Kachemak Bay ice lobe during the recent Moosehorn and Killey stades of the Naptowne glaciation, approximately 23 and 18 thousand years before present, respectively. The escarpment is dissected by steep canyons, and the gently sloping lowlands below are underlain by a mix of canyon-fed debris flow deposits and drift (i.e., Pleistocene sediments transported/deposited by glacial ice or meltwater) from the last major glaciation (Reger and others, 2007).

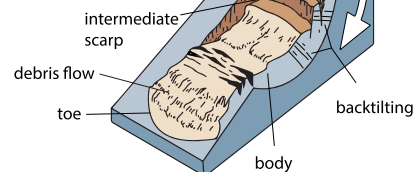
Types of Slope Failures

The term “landslide” is a commonly used catch-all term for gravity-driven mass movements. However, “landslide” refers to a range of movements, including slides, flows, falls, topples, and spreads (Cruden and Varnes, 1996) (fig. 2). A “slide” typically moves downslope along one or more failure planes, sometimes without much internal deformation. “Flows” move rapidly downslope as a viscous

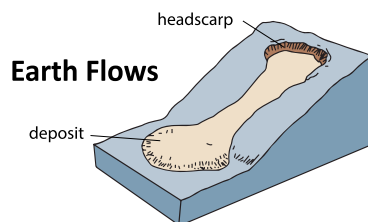
Types of Slides



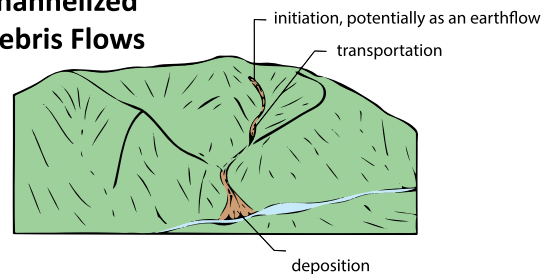
Complex Rotational Slides



Types of Flows



Channelized Debris Flows



Other Types of Slope Failures

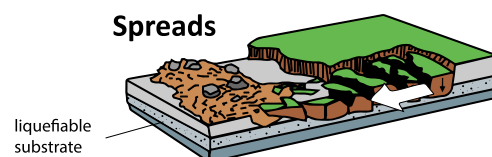
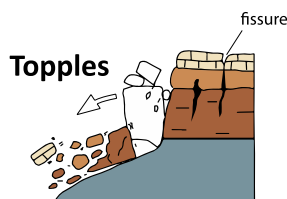
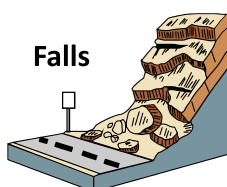


Figure 2. Types of slope failures as classified by Varnes (1978). Illustrations modified from Cruden and Varnes (1996) and Highland and Johnson (2004).

fluid because of water content and/or loss of cohesion within a moving mass. In and around Homer, there is evidence of several types of slides, flows, and complex mixes of the two.

Slides

Slides can occur in a wide range of geologic materials and typically occur on slopes of 20 to 40 degrees. Downslope movement occurs on one or more distinct failure planes, and a slide mass may travel with very little internal deformation. A translational landslide moves down (and potentially outward) along a planar failure surface without backwards tilting (fig. 2). Translational slides are typically shallower and move longer distances than rotational slides. A rotational slide moves along an upward-curved (i.e., spoon-shaped) failure plane such that the slide mass tilts backwards towards the headscarp (fig. 2). Both types of landslides, while initially sliding as a more-or-less coherent block, may disintegrate to rubble or transition to a flow, depending on local conditions. In either case, triggering mechanisms include saturation of slopes and increased water levels within the mass due to intense or prolonged rainfall or snowmelt, and human-induced or natural slope disturbances such as undercutting (e.g., removing the toe of an existing slope) or earthquake shaking (Cruden and Varnes, 1996; Highland and Bobrowsky, 2008).

Flows

Earthflows generally occur in fine-grained soils, including silts and clays, and exhibit a wide range of relative sizes, failure depths, and velocities. Earthflows typically have a characteristic hourglass shape, leaving behind a bowl or depression at the head of the slope failure, often with a headscarp (fig. 2). In Homer, flows typically occur on steep slopes within drainage catchments and range from hundreds to tens of thousands of square feet in area (tens to thousands of square meters). Ground observations and historical aerial photographs show that these earthflows likely initiate as small-scale slides that tend to be relatively shallow, mostly affecting the uppermost hydrologically active part of the soil column (approximately 5 ft [1.25 m]). Earthflows typically move as

plastic or viscous masses with strong internal deformation, because they are commonly triggered by saturation of soil due to prolonged or intense rainfall or snowmelt, earthquakes, or human-induced vibration (Keefer and Johnson, 1983). In Homer, daylighting coal beds in coastal bluffs and steep catchments act as aquicludes, and natural springs from above them, which may locally contribute to earthflow initiation.

Channelized debris flows occur on steep, concave slopes and are initiated as earthflows (or other types of landslides) that run into a channel and gain momentum by picking up more debris, water, or speed (fig. 2). Channelized debris flows are prevalent in steep gullies, particularly in areas of weak soil. These types of movements are typically initiated by heavy surface-water flow or in areas where earthflow conditions are common; they can move downslope rapidly, approaching 35 miles per hour (56 km per hour) (Cruden and Varnes, 1996; Highland and Bobrowsky, 2008). Even though channelized debris flows may be thin and watery, they can incorporate large boulders, vegetation, and other objects. Coupled with their sudden onset, even small debris flows can be lethal.

The debris flows that emanate from the bedrock-walled canyons and gullies deposit material on alluvial fans within and below the mouths of the canyons. The alluvial fan deposits have a fine-grained, silt and sand matrix and contain blocks of coal, cobbles, and plant debris of all sizes (Reger and others, 2007). Each fan is composed of many individual debris flow deposits, and some flows deposit materials beyond the fan limits in existing ephemeral stream channels. The debris flows are supply-limited phenomena, meaning each event effectively empties the source area (or drainage gully) of accumulated debris (Reger and others, 2007). The debris flow requires (1) sufficient time since the previous flow to accumulate sufficient debris in the source canyon and (2) a hydroclimatic event of sufficient duration or magnitude to saturate and mobilize the debris accumulated in the canyon (Jakob, 2005). Events are often initiated by a small earthflow from a steep

canyon wall, and this slide imparts an initiating pulse of material and energy to the existing unstable sediment in the canyon channels. Recurrence intervals are estimated to range from decades to centuries, with smaller events typically occurring more frequently than large events (Reger and others, 2007).

Bluff Point Landslide

The Sterling Highway at the western edge of Homer city limits closely follows the headscarp outline of the Bluff Point landslide (red line, fig. 3). The Bluff Point landslide is the largest landslide of the Kenai Peninsula lowland and is approximately 3.4 mi (5.4 km) long, up to 1.6 mi (2.6 km) wide, and has a scarp, or cliff relief, of 200 to 600 ft (60–215 m) (Reger and others, 2007). The

Baycrest/Homer Overlook Point offers a view to the southwest, down across the ponded area of the back-tilted landslide block (fig. 3, yellow area) that formed as the mass slid along one or more spoon-shaped failure planes at depth. Bathymetry of the seafloor in this area suggests that the main body of the landslide could have extended up to 1.2 mi (2 km) out from the modern shore (Reger, 1978), as also evidenced by exposures of basal shear surfaces in the beach far out from the modern bluff. Sediment layers at the modern shoreline are noticeably back-tilted, as opposed to the relatively flat-lying layers of the main bluff (figs. 2 and 3).

The landslide could have occurred any time since about 17,500 years before present (BP), when

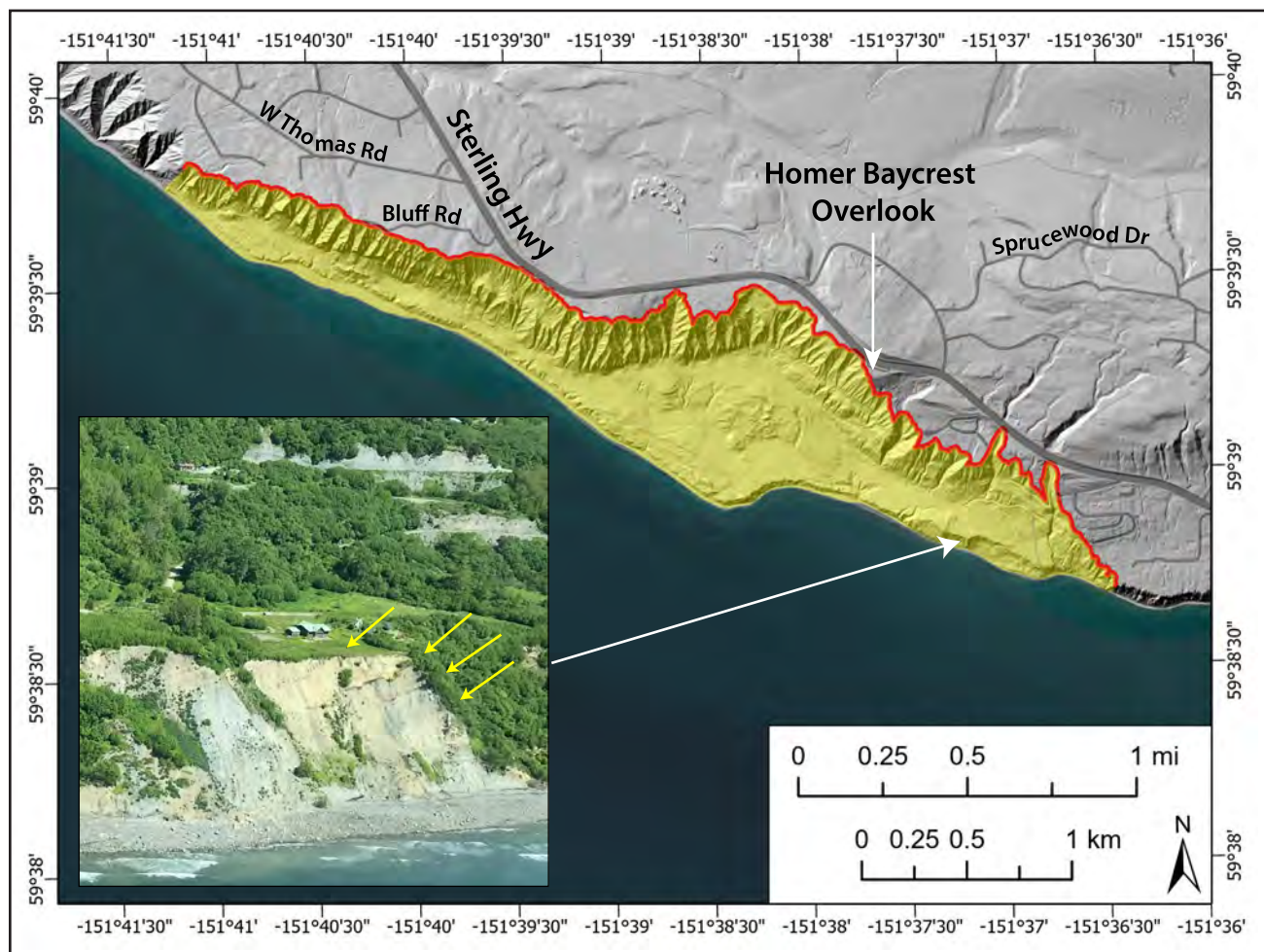


Figure 3. Bluff Point landslide headscarp extent (red line) along the Sterling Highway in the 2019 lidar-derived hillshade (Salisbury and others, 2021). Note that the headscarp has undergone significant erosion since formation ~2,250 years ago. The yellow area represents the headscarp wall and back-tilted landslide block. Inset: oblique aerial photograph of back-tilted coal seams within the landslide mass.

the Killey-age glaciers retreated from the Bluff Point area back into Kachemak Bay, effectively debutting (i.e., destabilizing) the slope. Radiocarbon age estimates of vegetation from a soil layer overrun by the landslide suggest the slide occurred about 2,250 BP (Berg and others, 2014). Though there is no direct evidence linking the Bluff Point landslide to a causative subduction zone earthquake, it is plausible that this massive bluff failure was triggered by such an event. Shennan and Hamilton (2006) analyzed fossil diatoms within peat-mud couplets to reconstruct land/sea-level changes for the 1964 and five earlier great earthquakes during the past 3,300 years, two of which occurred about 2,100 BP and 2,500 BP. Given the uncertainties associated with radiocarbon dating, it is possible (though not proven) that either of these earthquakes triggered the bluff collapse.

The slide block has been extensively modified by coastal processes since deposition, and therefore, it is not clear whether the Bluff Point landslide occurred as a single, catastrophic failure or as a series of progressive, smaller failures. The remnants of the original landslide block are continuously eroding and collapsing, and there is evidence that reactivation of old slump blocks is possible, with at least one portion of the old slump block having been active as recently as 2009 (Berg, 2009). Deep-seated landslides fail progressively over time, and—coupled with the potential for strong shaking in 1964-type subduction zone earthquakes—future failures of the headwall are inevitable (Reger and others, 2007).

Effects of the Great Alaska Earthquake, 1964

The effects of the March 27, 1964, Great Alaska Earthquake in the Homer area were thoroughly documented after the event. Observations included general damage caused by tectonic subsidence and earthflows, landslides, fissures, seiches, submarine landslides, and beach changes caused by strong ground shaking during the M9.2 event (Waller, 1966). While the earthquake effects in Homer were minor compared to devastation in

other parts of Alaska, most of the seismic damage to the community occurred on Homer Spit because of tectonic subsidence (2–3 ft [0.6–0.9 m]) and differential compaction and lateral spreading (an additional 1–4 ft [0.3–1.2 m]) (Plafker, 1969). Similarly, there were several areas of heightened coastal erosion in the months and years following the earthquake. This report focuses on the Bluff Point landslide headscarp and other inland areas where there were several instances of earthquake-induced geologic effects throughout the community.

Despite “the incompetent nature of the bedrock and of the thin layer of soil that overlies the rock,” Waller (1966) notes that, surprisingly, only one landslide and one earthflow of significance occurred in Homer during the 1964 earthquake, both north of Kachemak City. The landslide occurred as the collapse of a precipice between two steep, neighboring catchments eroding into the Kenai Group (fig. 4C, labeled 1964 event on the right). The landslide block disintegrated and spread into a debris apron approximately 600 feet (183 m) long and 100 feet (30 m) wide below the existing precipice. Waller (1966) stresses that “landslide hazards exist in comparable situations near Homer—and indeed anywhere that promontories extend out from precipitous bluffs and cliffs.”

The earthflow and channelized debris flow runout occurred in the neighboring drainage catchment southwest of the landslide (fig. 4C, labeled 1964 event on the left).

It created a jumbled mass of uprooted trees, mudflows, rafts of soil and vegetation, and collapsed ground. The area of disturbed ground [was] about 1,000 feet [305 m] long and [had] a maximum width of about 400 feet [122 m]. Horizontal displacement of material within the flow, however, probably did not exceed 200 ft [61 m]. The material involved [consisted] mainly of silt, some fine sand, and occasional layers of flat pebbles. The head of the flow is near the apex of

an alluvial fan at the mouth of a small canyon occupied by an intermittent stream. Water was seeping from both disturbed and undisturbed material... and may have contributed to causing the flow. (Waller, 1966).

Lastly, the earthquake caused many fissures throughout Homer, the most notable of which occurred near the headscarp of the Bluff Point landslide at a U.S. Bureau of Land Management field station built 50 ft (15 m) from the edge of the 700 ft (213 m) bluff. In general, a fissure is an opening crack that forms at the ground surface. Regarding earthquakes, fissures may be caused by several different mechanisms, including primary on-fault deformation or secondary off-fault deformation. The fissures that formed in Homer in 1964 are secondary effects of the earthquake (i.e., caused by seismic shaking) and represent the geomorphic expression of lateral spreads (perhaps due to liquefaction), subsidence from sediment compaction, the initiation of new landslides, or triggered movements on existing, retrogressive landslides (e.g., fig. 2, rotational slides, topples).

Numerous fissures developed during the earthquake on the surface above the bluff, some of them several inches wide. A few could be traced about 20 ft [6 m] down the bluff face. One earth fissure extended across the area of a field-station building and cracked the basement floor of the structure. Areas above and below promontories where earthslides might occur must remain suspect as sites for any building. (Waller, 1966).

Other anecdotal reports suggest that fissures at the mouth of Thurston Canyon were so large that “a Shetland pony fell into one several days after the earthquake and could not get out,” but these observations were not checked in the field (Waller, 1966).

Homer is located above a boundary between segments of the earthquake-generating Alaska-Aleu-

tian subduction zone—the Kodiak Island (KI) segment to the southwest and the Prince William Sound (PWS) segment to the northeast. While the 1964 Great Alaska Earthquake ruptured both the KI and PWS segments, recent paleoseismological findings from around the region suggest that the two segments may rupture independently. Research by Shennan and others (2014) suggests that the average recurrence interval for great ($M > 8$) megathrust earthquakes on the PWS segment is approximately 535 years, a slightly shorter recurrence interval than the 589 years estimated by Carver and Plafker (2008). Importantly, however, work in the KI segment revealed evidence for more frequent megathrust earthquakes than the PWS segment (Nishenko and Jacob, 1990), and recurrence intervals for $M 7.5$ – 8.0 earthquakes may be as low as 60 years in this area (Nishenko, 1991). The fact that there has been a significant historical earthquake in the area does not reduce the likelihood that there may be another earthquake at any time.

For context, peak ground accelerations (PGAs, the maximum ground shaking that occurs during an earthquake) in Homer during the $M 9.2$ Great Alaska Earthquake reached about $0.35g$, or 35 percent of the acceleration due to Earth’s gravity (U.S. Geological Survey [USGS] ShakeMap). However, time-independent Probabilistic Seismic Hazard Models—models that quantify the rate at which ground-motion levels at a site are exceeded—show a 2 percent chance in 50 years (the rough equivalent of an earthquake with a $\sim 2,500$ -year return period) for PGAs of approximately $0.6g$ in Homer (Wesson and others, 2007). The potential for future strong ground motion should not be underestimated.

METHODS

The Oregon Department of Geology and Mineral Industries published a series of special papers detailing protocols for inventory mapping of landslide deposits from lidar, shallow landslide susceptibility, and deep landslide susceptibility (Burns and Madin, 2009; Burns and others, 2012; Burns and Mickelson, 2016, respectively). Where

existing geologic and geotechnical soils data allow, we closely follow these suggested methods and build on other similar landslide hazard studies conducted by DGGs (e.g., Hubbard and others, 2024).

Lidar Acquisition and Processing

DGGs used lidar point cloud data to produce a high-resolution (1.6 ft [0.5 m]) digital terrain model (DTM) and a digital surface model (DSM) for Homer (Salisbury and others, 2021). The DTM, also known as a bare-earth elevation model, was essential for identifying landslide geomorphology beneath dense vegetation, confirming evidence of landslide activity identified in aerial photograph sequences, making Factor of Safety (FOS) calculations, and modeling potential debris flow runouts. DGGs operates a RIEGL VUX1-LR scanner integrated with a Global Navigation Satellite System (GNSS) and Northrop Grumman Inertial Measurement Unit. The lidar and the GNSS data were collected on June 3, 2019, and processed using TerraSolid software. The Alaska Division of Mining, Land and Water's Survey Section conducted a targeted Ground Control Survey for this project June 19–20, 2019. The resulting modeled surfaces reveal the complex topography required for slope failure interpretation and modeling. These data are available as a Raw Data File with an open end-user license. All files are available via the DGGs elevation portal at elevation.alaska.gov. See Salisbury and others (2021; doi.org/10.14509/30591) for additional metadata.

Landslide Inventory

There are few publications with comprehensive landslide catalogs near Homer, despite numerous examples of historical debris flows emanating from the steep bluffs and blocking roads in Homer. These events, typically caused by heavy rains or rain-on-snow events, cause flooding, blockage, and damage to roads, and damage to culverts and other water diversion structures.

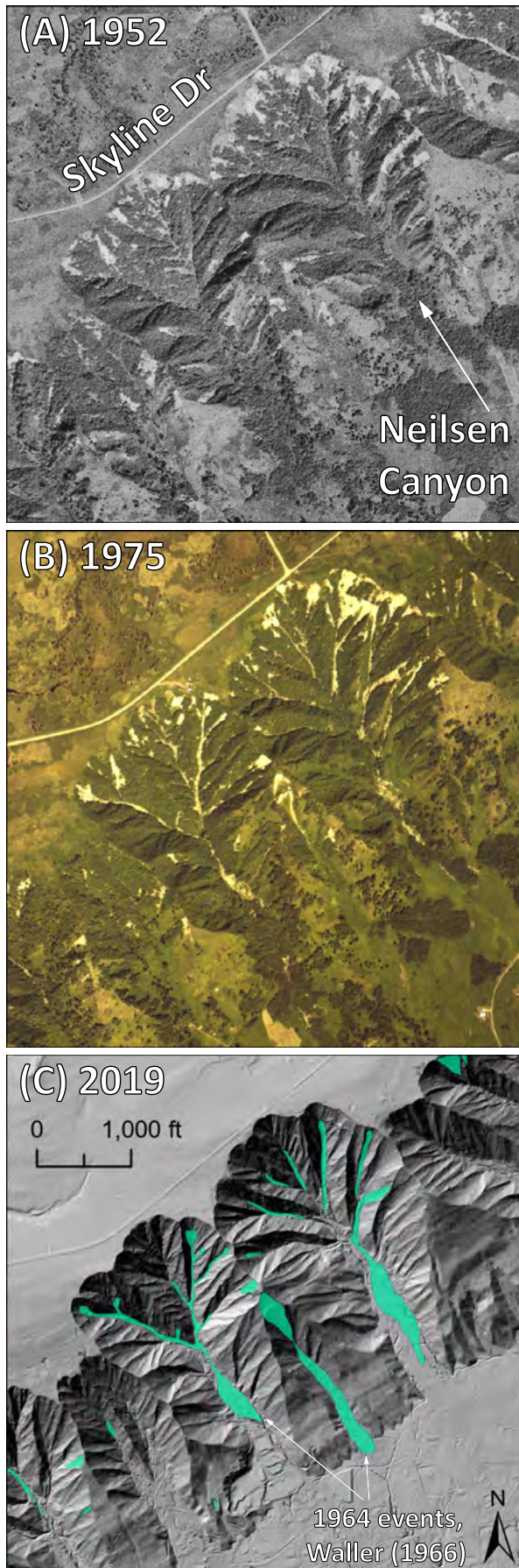
The comprehensive landslide inventory presented here (sheet 1) spans 1952–2019 and was generated by (1) collecting and organizing existing

information about previously identified landslides; (2) obtaining, georeferencing, and analyzing sets of aerial photographs since 1952; (3) acquiring, processing, and analyzing high-resolution lidar elevation data; (4) compiling all landslide information into a geodatabase; and (5) generating a landslide inventory map.

The most prominent landslide in the area, the Bluff Point landslide, has been well-known for some time. The Bluff Point headland was originally named by W.H. Dall of the U.S. Coast and Geodetic Survey in 1880. Early exploration in the southwestern Kenai Lowland was motivated by potential coal resources, and while the Bluff Point headland was mentioned in several reports in the following decades, the first instance of it being mapped as a paleo-landslide was in a USGS description of the Tertiary stratigraphy and associated coal resources in the area by Barnes and Cobb (1959). It has since been recognized in guidebooks and several news articles, and more recent work has helped refine the age estimate for the slide. The only other documentation of slope failures in the area followed the 1964 Great Alaska Earthquake (e.g., Waller, 1966), as mentioned above.

DGGs acquired multiple epochs of historical aerial photographs from the USGS Earth Explorer (earthexplorer.usgs.gov) and the Kenai Peninsula Borough Historical Imagery Viewer (gis.kpb.us/map/index.html?viewer=imagery). We chose years, or combinations of closely spaced years, with complete aerial coverage of upland Homer and Kachemak City while maximizing the number of distinct intervals since 1952. The photograph sets used are from 1952, 1975, 1984/1986, 2000, 2012–2013, and 2016 and were georeferenced in ArcGIS Pro.

For the Bluff Point landslide and all upland catchments, slope failure scars were delineated by comparing sets of aerial photographs. Interpreting slope failure scars from aerial photographs relied on the assumption that there is a one-to-one correlation between a newly identified scar and an earthflow



or debris flow event (fig. 4). We initially calibrated earthflow and debris flow identification using aerial photographs by analyzing the topographic expression of the slides that are known to have occurred during the 1964 Great Alaska Earthquake (fig. 4). This mapping strategy could underestimate the total number of individual slides, because the length of time required for vegetation to re-establish itself (a few years) is far exceeded by the average photo interval (~13 years). However, areas that remain unvegetated because they are oversteepened by failure or are channelized may have hosted several slides between one aerial photo epoch to the next.

Slope failure scars were delineated by digitizing the landslide footprints. To minimize positional error from distortion around the edges of the aerial photographs, landslide polygons were digitized directly on the 0.5 m, lidar-derived bare earth elevation models according to the geomorphic expression of the identified slope failures (e.g., fig. 4). At the same time, any landslide geomorphology indicative of recent instability but not visible in the air photographs was mapped as a landslide headscarp line only, as the full extent of the slide (i.e., deforestation) is difficult to determine from 2019 topography alone (fig. 5). We also mapped slope failures along the coastline, but in the 2019 lidar data only. Rarely, we also mapped debris flow deposits or runout zones with or without an immediate source area (fig. 5). These mapped features do not contain any additional date information. The slope geomorphology was mapped at about

Figure 4. A, B. Examples of georeferenced aerial photographs for two steep upland catchments where landslides were mapped by Waller (1966) after the 1964 Great Alaska Earthquake. We used changes in vegetation between air photo pairs to identify landslide, earthflow, and channelized debris flow scars. **C.** Slope failures that were identified between air photo sets were digitized in the 2019 lidar elevation data using geomorphic characteristics. Note: the channelized debris flow deposit polygons include both the source areas and runout zones (deposits). Though only two of the major events shown here are known to have occurred in the 1964 earthquake, it is likely that the channelized debris flow in Neilsen Canyon also occurred at the same time.

1:2,500, and the ArcGIS Pro feature class and associated geospatial information form the Landslide Inventory Database (fig. 6).

Shallow Landslide Susceptibility

The FOS (sheet 2) is a relationship between shear forces acting to move material downslope (e.g., gravity, unit weight) and forces acting to resist

downslope movement (e.g., soil cohesion) (Cornforth, 2005). In general, the greater the forces acting to move material downhill relative to forces resisting movement, the lower the FOS and the greater the likelihood a slope failure may occur.

In Homer, we estimate the FOS for shallow landslides, or earthflows, that are approximately the thickness of the mapped soil column (~5 ft [1.25 m] or less, USDA NRCS, 2005). The following formula combines geotechnical information about the earth materials with the slope of the land surface from our high-resolution lidar data:

$$FOS = \frac{c'}{\gamma t \sin \alpha} + \frac{\tan \Phi'}{\tan \alpha} - \frac{m(\gamma_w) \tan \Phi'}{\gamma \tan \alpha}$$

where c' is effective soil cohesion, Φ' is the effective angle of internal friction, γ is soil density (unit weight), γ_w is groundwater density (unit weight), t is depth to failure surface, m is the groundwater depth ratio, and α is slope in degrees.

Areas with an $FOS < 1$ are theoretically unstable because downslope stress is greater than the shear strength of the soil. FOS values equal to 1 are regarded as “critically stable”—meaning the driving and resisting forces are more-or-less balanced and the slope could fail at the slightest disturbance (e.g., a change in the water table position, vibration). Importantly, the FOS calculation involves several major assumptions regarding conditions present within a slope, so typically engineering geologists consider slopes with an $FOS < 1.5$ to be potentially unstable. Therefore, we classify FOS values from 1.0 to < 1.25 as highly susceptible to failure, values from 1.25 to 1.5 as moderately susceptible, and values > 1.5 as having low susceptibility of failure (Burns and others, 2012) (fig. 7; red, orange, and no color areas, respectively).

Nearly all the mapped soil types in Homer are from the same parent material (i.e., geologic unit) and therefore have similar material properties as silt loams. However, there are slight differences in grain size distributions that ultimately affect the saturated soil density, so we use respective values to

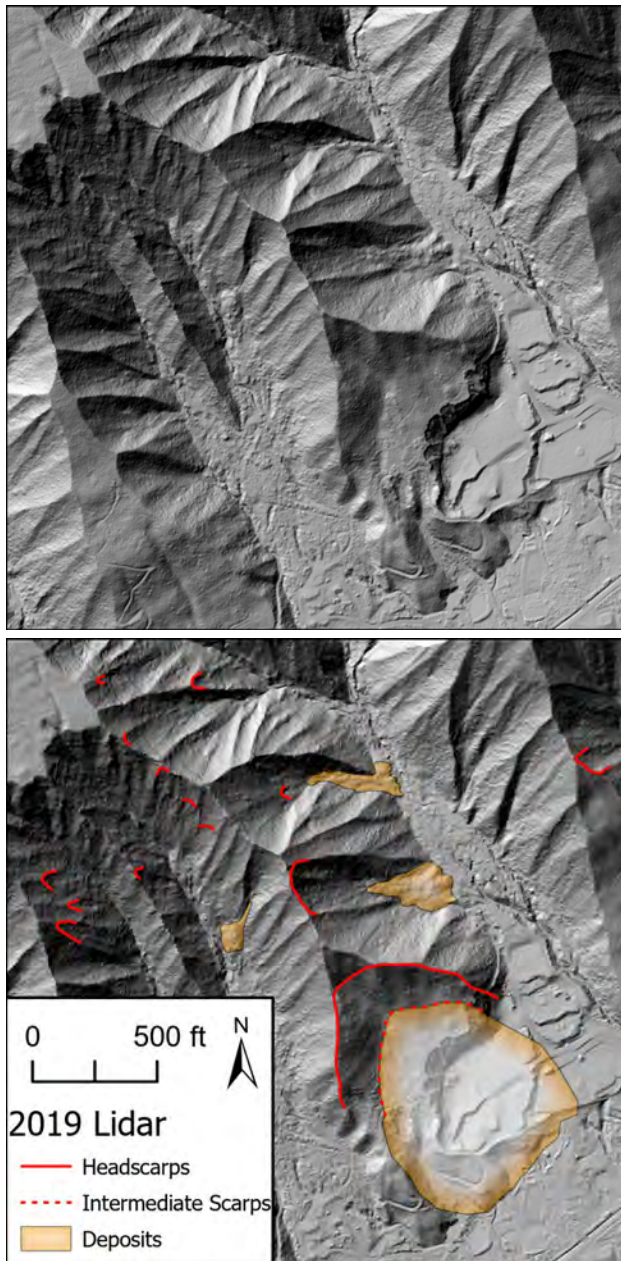


Figure 5. Excerpt of 2019 lidar landslide mapping near the end of China Poot Street. Headscarps, intermediate scarps, and deposits are only identifiable using bare-earth lidar and are not visible in aerial photographs. Some headscarps have no accompanying deposits and vice versa.

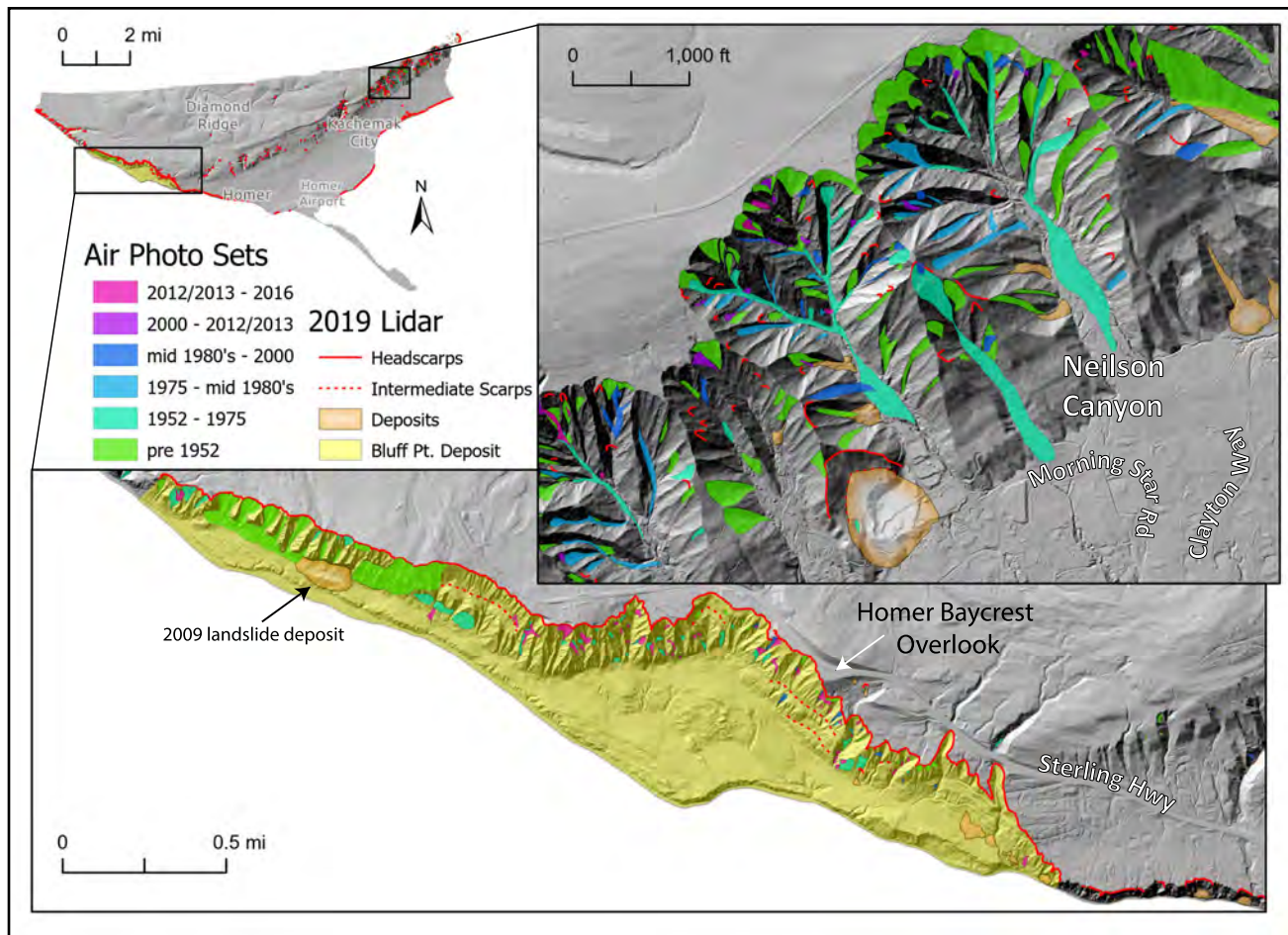


Figure 6. Excerpts from the complete landslide inventory database for the Bluff Point area (bottom) and Neilson Canyon area (top right). Earthflow and channelized debris flow scar polygons include both the source area and any associated deposit. The digital landslide inventory extends northeast of the 2019 lidar coverage into Thurston Canyon.

calculate the FOS for each group of mapped soils with the same dry unit weight (table 1). Representative angle of internal friction, cohesion, and groundwater density are assigned based on USDA data for the western Kenai Peninsula (table 2; USDA NRCS, 2005). Geotechnical properties are assumed to be constant within individual soil units. For all calculations, we used the highest values of bulk dry density to calculate saturated bulk density, and we assumed the groundwater depth ratio to be one (implying fully saturated conditions with groundwater levels at the surface, as earthflow and debris flow events often occur following significant hydroclimatic events).

For each group of soil types (table 1), we used soil properties to calculate the FOS for a range of

possible slopes (1–55 degrees), making note of slope angle thresholds corresponding to the FOS classification thresholds of 1.0, 1.25, and 1.5. We then used ArcGIS Pro Spatial Analyst toolbox to generate a slope map from the lidar-derived bare earth elevation model and extract the slope raster cells by soil type polygon. We display the data according to high (FOS $1 < 1.25$, red), moderate (FOS $1.25 - 1.5$, orange), or low (FOS > 1.5 , no color) susceptibility to failure according to soil-specific FOS results (fig. 7). Slopes steeper than about 55 degrees are assumed to be highly unstable. We calculated the slope using a resampled, 5 m (16.4 ft) bare earth elevation model to avoid classifying small-scale, steep but low-relief features (e.g., ditches, driveway embankments) as having high susceptibility to failure.

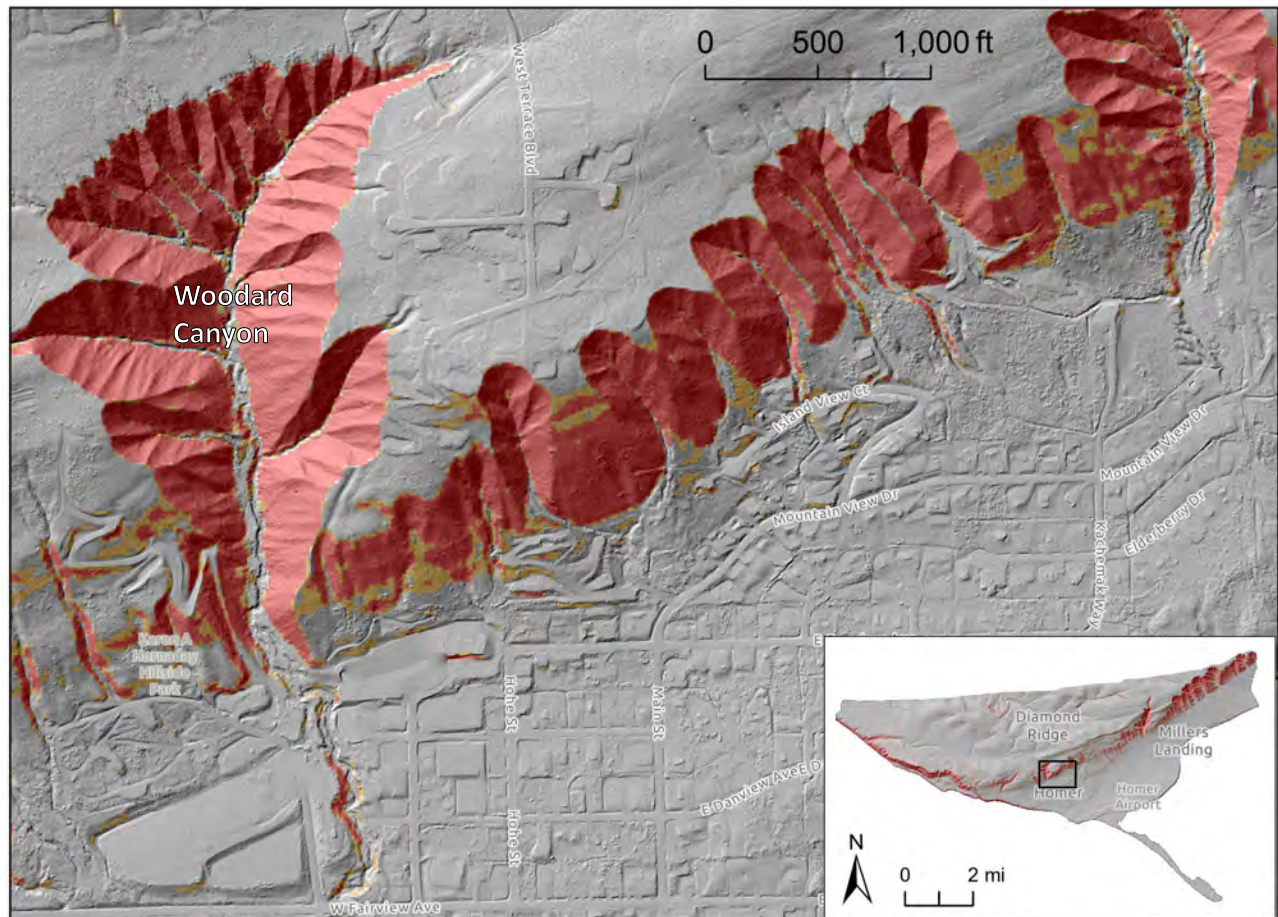


Figure 7. Excerpt from the Factor of Safety map (map sheet 2) highlighting areas of moderate (FOS 1.25–1.5, orange) and high (FOS 1–1.25, red) shallow landslide susceptibility at saturated conditions for the area near Woodard Canyon.

Deep-Seated Landslide Susceptibility

Deep-seated landslides involve the failure of materials, as the name implies, several tens of feet below layers of active soil and the uppermost weathered bedrock in an area. While the distinction between shallow and deep landslides is somewhat arbitrary, for the purposes of this report, deep slope failures include underlying lightly weathered or unweathered bedrock. In Homer, we have designated deep landslides as those that include materials below the mapped, uppermost hydrologically active soil column: for the purposes of this report, a failure surface deeper than approximately 5 ft (~1.25 m) (USDA NRCS, 2005). In general, this is a relatively shallow delineation compared to other landslide studies (Burns and Madin, 2009).

Deep landslide susceptibility is difficult to assess, but in this study area, deep-seated landslides tend to fail repeatedly and progressively. An initial, deep-seated failure weakens the strength of the local geologic material, increases permeability (resulting in an increase of water infiltration), and alters the topography by steepening toe and headscarp slopes (Burns and Mickelson, 2016). It is common for deep-seated landslides to move through retrogressive failure (i.e., continued upslope failure); therefore, the most likely locations for future deep landslides are within existing deep landslides (reactivation) or adjacent to and above existing deep landslides. Susceptibility maps rely heavily on an existing inventory of deep landslides, and all mapped deep landslide polygons and headscarp-flank polygons are considered high susceptibility areas.

Table 1. USDA Soil Series properties used in Factor of Safety calculations (USDA, 2005).

Soil Series Name	Soil Type	USDA Map Unit # in study area	Depth (in)	Dry Unit Weight (lb/ft ³)	Group
Badland Sea Cliff	silt loam	503, 504	60	1	1
null	gravel pit	563	null	2	2
null	tidal flat	688	null	2	2
null	urban	704	null	2	2
Salamatof	peat	651	60	6	3
Starichkof	peat	677, 678, 679	60	11	4
Island	silt loam	569, 570, 572	60	75	5
Mutnala	silt loam	618, 619, 620, 621, 622	60	81	6
Mutnala-Starichkof-Slikok	silt loam	623	60	81	6
Tuxedni	silt loam	700	60	81	6
Doroshin	mucky peat over silt loam	558, 559	60	87	7
Salamatof & Doroshin	peat over silt loam	650, 676	60	87	7
Truuli	muck	695	60	87	7
Beluga-Mutnala	silt loam	509	60	91	8
Kachemak	silt loam	573, 574, 575, 576, 577, 583, 584, 585	60	94	9
Smokey Bay	silt loam	657	60	94	9
Beluga-Smokey Bay	silt loam	510, 511	60	97	10
Beluga	silt loam	506, 507, 508	60	100	11
Coal Creek	silt loam	538	60	106	12
Spenard	peat over silt loam	673, 674, 675	60	106	12
Cryaquents	silt loam	701	60	106	12
Chunila	mucky silt loam	530, 531	60	112	13
Clunie	peat over silt loam	535	60	112	13
Qatal	silt loam	641	60	112	13
Slikok	peat over silt loam	653	60	112	13
Cryorthent	silt loam	703	60	112	13
Redoubt	silt loam	24	60	116	14
Cohoe	silt loam	541	60	119	15

Table 2. Generic USDA soil properties for the Soil Series in the western Kenai Peninsula (USDA, 2005).

Soil Property	Variable	Value	Unit
effective cohesion	c'	209	lb/ft ²
effective internal friction angle	ϕ'	25	°
unit weight (soil)	γ	varies	lb/ft ³
unit weight (water)	γ_w	64	lb/ft ³
depth to failure surface	t	5.0	ft
proportion of slope thickness saturated	m	1.0	

In the Homer area, there are several mapped deep-seated landslides, the most prominent of which is the Bluff Point landslide. We use a headscarp buffer to highlight the area surrounding the Bluff Point landslide with high susceptibility to deep-seated landslide failure. Most poorly consolidated coarse-grained geologic materials have an angle of internal friction of at least 26 degrees. Because a slope ratio of 2 horizontal to 1 vertical (2H:1V) is equal to 26 degrees, geotechnical engineers commonly use that ratio as a proxy for slope stability (Burns and Mickelson, 2016). The maximum widespread vertical relief of the Bluff Point landslide headscarp is about

600 ft (215 m), so we add a horizontal buffer of 1,200 feet (430 m) to the scarp (fig. 8).

Procedures exist for defining areas that are moderately susceptible to deep-seated landslide failure, including identifying susceptible geologic units, geologic contacts, and engineering geologic units (Burns and Mickelson, 2016). However, given the paucity of high-resolution geologic and soils data for the area, additional analyses were beyond the scope of this study.

Debris Flow Runout Modeling

Laharz is a numerical model developed by Schilling (1998) for the USGS that simulates the behavior of volcanic debris flows known as lahars. This model uses empirically derived, statistical descriptions of areas inundated by past mass-flow events to forecast areas likely to be inundated by hypothetical future events (sheet 3). Model coefficients can be adjusted to work with lahars/debris flows, rock avalanches, or materials with intermediate viscosities. The forecasts use power-law equations to relate a debris flow volume (V) to a

cross-sectional inundation area (A) and a planimetric inundation area (B) via two equations:

$$(1) A = cV^{2/3}$$

$$(2) B = cV^{2/3}$$

The constant parameters (c) effectively define the viscosity of flowing material and dictate the resulting distribution of debris on the landscape. Materials can range from pure water to rock, with water being the least viscous and rock being the most viscous material. Water generates a narrow stream and travels a long distance, whereas rock debris forms a steep pile at the terminus of the debris flow. The behavior of a debris flow falls between the two extremes and depends on the material grain size, distribution of debris, and the roughness of the landscape. We use standard debris flow constants from Griswold and Iverson (2008) of 0.1 for cross-sectional area (in equation 1) and 20 for planimetric area (in equation 2).

The software is designed to automate equations (1) and (2) over a three-dimensional elevation model using (a) a starting point of debris accu-

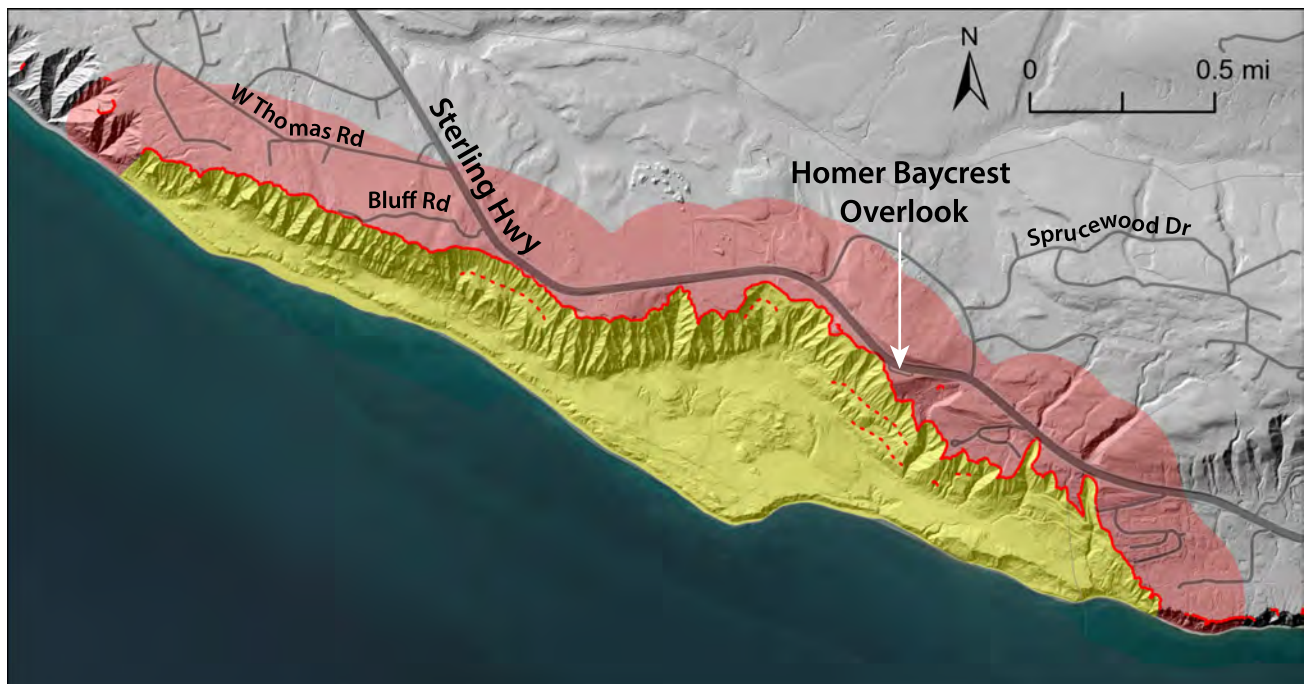


Figure 8. Deep-seated landslide susceptibility near the Bluff Point landslide (red polygon). The landslide body (yellow area, south of the red headscarp line) is the landslide deposit and is also susceptible to repeated failure.

mulation, (b) the total debris volume, and (c) the appropriate constant values described above. We chose the starting points of debris flows based on geomorphological evidence of debris accumulation within a catchment. This typically occurs at the transition from steep catchment slopes to flatter valley slopes, but it is dependent on the size, recent debris flow activity, and the degree of channelization within each catchment.

We simulate several debris volumes for each catchment. Assuming that earthflows mapped from aerial photographs and lidar data are shallow, or the approximate thickness of the mapped soil column (5 ft [1.42 m]), we calculate 5, 10, and 25 percent of the total volume of soil available in each catchment (fig. 9). For each catchment, we estimate the volume of landslides and earthflows identified in air

photos and lidar and use this as an additional debris flow volume input (fig. 9). The maximum amount of topsoil in a catchment identified as having moved since 1952 is about 25 percent of the total catchment area; thus, we assume 25 percent of the total volume is an appropriate upper limit to the amount of sediment that might be available for mobilization in a saturated debris flow. However, one major assumption regarding potential sediment volumes is that none of the available sediment (from mapped earthflows) has already left the catchment via fluvial transport or channelized debris flows. The volumes we use are rough estimates of the potential available material. Of course, it is possible that 100 percent of the total soil volume in a catchment fails in a debris flow, but historical aerial photographs do not indicate that this has happened recently.

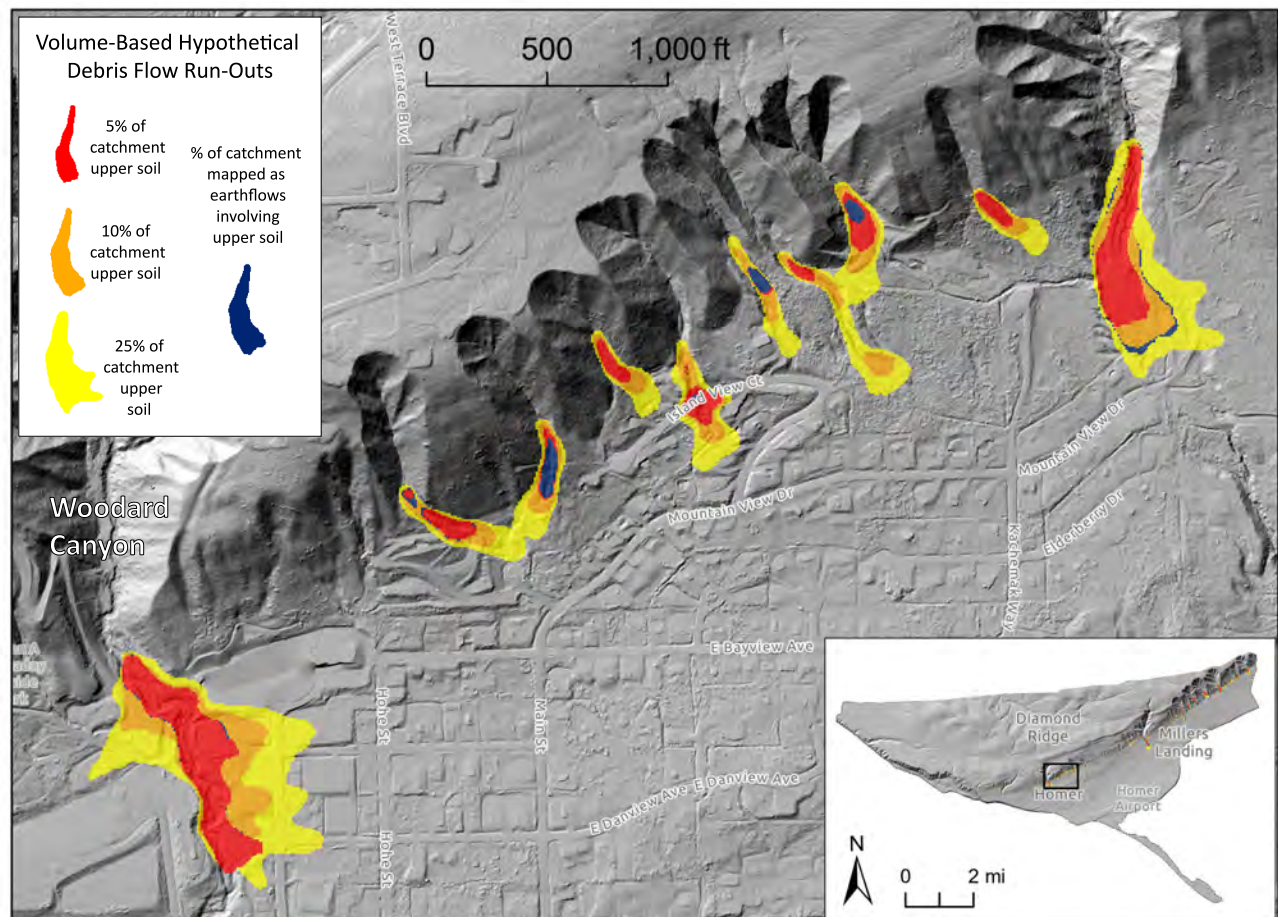


Figure 9. Excerpt from the Channelized Debris Flow runout map (map sheet 3). The percent of the Woodard Canyon catchment mapped as earthflows involving the upper soil column is just over five percent, and therefore, it is only barely visible between the red and the orange polygons.

Incremental volumes are calculated by cross-sectional area (perpendicular to flow direction), proceeding down the steepest path from the user-defined starting point. The distribution of material in a model result is based on the beginning position in a landscape, defined flow characteristics (model coefficient “c”), and initial volume. The model fills the lowest-lying areas in a cross section first (i.e., the active stream channel), spilling out onto the surrounding area (i.e., the alluvial fan) as dictated by the initial flow volume and local slope steepness. The model continues until the initial input volume is depleted. In some areas, the model produces unrealistic, spiky deposits because of small variations in the high-resolution bare earth elevation model. For all hypothetical runouts, we use ArcGIS Pro focal statistics and conditional tools to smooth the results.

RESULTS

Landslide Inventory and Database

Within the upland steep drainage catchments, we identified 678 slope failure scars in aerial photographs, including those present in the 1952 images. Nearly all these slope failures could be tied to geomorphological evidence (e.g., headscarps, over-steepened areas, slope failure deposits) in the 2019 lidar-derived elevation models. Table 3 summarizes the number and size distribution of photo-identified slope failures.

We identified an additional 404 slope failure scars using only the 2019 lidar data, many of which were along the coastline. We also identified

69 landslide deposits of various sizes throughout the study area. There is no additional event age data for these features. Most of these slope failure scars represent relatively small and shallow earthflows within the steep drainage catchments. Some notable exceptions include the channelized debris flows attributed to the 1964 earthquake and large topples from the face of the Bluff Point landslide headscarp (fig. 6). North of Kachemak City, at the end of China Poot Street, there is a significant, deep-seated paleo-landslide, the deposit of which covers 484,000 square feet (45,000 square meters) (figs. 5 and 6). This landslide is notable not only because of its size but also because the toe of the landslide deposit has been extensively excavated.

It should be noted that, except for the Bluff Point landslide headscarp, the coastline was not investigated using aerial photo sets. Nearly all the Homer and Kachemak City coastlines are susceptible to, or are currently undergoing, some sort of slope failure processes. Detailed coastline analysis and assessment of past and future trends is beyond the scope of this study but has been assessed in a parallel coastal bluff stability analysis (Buzard and Overbeck, 2022).

Factor of Safety Map

We calculated the FOS for the entire study area on a 5 m resampled bare earth elevation model (fig. 7; map sheet 2). Areas mapped as having elevated shallow landslide susceptibility are primarily on steep slopes. Our conservative anal-

Table 3. Summary of photo-identified slope failures.

Date	Number of slope failures	Average individual failure area ft ² (m ²)	Max individual failure area ft ² (m ²)	Sum total failure area ft ² (m ²)
prior to 1952	273	19,806 (1,840)	654,975 (60,013)	5,408,564 (502,472)
1952–1975	93	21,560 (2,003)	278,581 (25,881)	2,005,241 (186,293)
1975–mid 1980's	109	8,773 (815)	51,570 (4,791)	956,481 (88,860)
mid 1980's–2000	64	8,891 (826)	40,763 (3,787)	569,109 (52,872)
2000–2012/2013	60	3,832 (356)	14,908 (1,385)	230,380 (21,403)
2012/2013–2016	79	6,512 (605)	39,095 (3,632)	515,258 (47,869)

ysis (performed for soils at saturated conditions) suggests that slopes steeper than about 20–25 degrees are considered moderately susceptible to failure, and those steeper than about 30 degrees are highly susceptible to failure. The actively eroding canyon walls above Homer typically have steepnesses well into the highly susceptible category.

Deep-Seated Landslide Hazards

The Bluff Point landslide deposit (fig. 8, yellow area below the headscarp line) and the area immediately adjacent to and within 1,200 ft (430 m) of the Bluff Point landslide headscarp (fig. 8, red area above the headscarp line) present significant landslide hazards. Slope instability in the Bluff Point area is manifest as several different types of mass movements, each with varying severity. The most common type of failure occurs along the oversteepened inland Bluff Point headscarp or coastal bluffs as a mix of earthflows, rock falls, and cliff topples (fig 2). Natural or earthquake-induced fissures, as noted by Waller (1966) following the 1964 earthquake, make the cliffs more prone to toppling.

A more concerning type of instability involves deformation on new or reactivation of existing curved failure planes within the complex rotational landslide (fig. 2). In the case of Bluff Point, the toe of the original slide mass(es) extended into the ocean and was removed by coastal processes. Coupled with headscarp collapse onto the slide body, removal of the slide toe facilitates continued rotation—either as steady creep or in punctuated movements, the latter of which occurred in 2009 (Berg, 2009). In addition to an 820–1,000-foot-wide (250–300-m-wide) bluff collapse (identifiable in 2019 lidar, fig. 6), a several hundred-meter-wide stretch of the intertidal zone uplifted as much as 15 ft (~4.5 m) approximately 50–100 yards out in front of the main inland bluff (Berg, 2009). Progressive backtilting of sedimentary layers in the young slide block confirms deformation along a curved failure plane at depth. Ongoing coastal erosion and continued degradation of the Bluff Point headscarp wall (particularly as exacerbated by

1964-type earthquakes, extreme rainfall events, or uncharacteristically wet seasons driven by climate change) will drive continued slip on old failure planes and could eventually lead to reactivation of greater portions of the extensive landslide. Figure 8 highlights the area north of the Bluff Point headscarp that is potentially susceptible to continued deep-seated landslide failure. Particular attention should be paid to the western end of the Bluff Point landslide, where slopes are taller, steeper, more active, and poorly buttressed compared to the eastern half of the paleo-landslide.

The deep-seated paleo-landslide at the end of China Poot Street (figs. 5 and 6) also represents an area of elevated landslide hazard. The headscarp of the China Poot Street slide is approximately 130 ft (40 m) tall, so an appropriate horizontal buffer is about 260 ft (80 m) upslope of the primary headscarp. However, there is nothing developed immediately upslope of this landslide headscarp, so we do not explicitly draw the buffer. Development within and on the landslide deposit, and development in the mouths of catchments on either side of the China Poot Street landslide, should be considered to be at higher risk.

Additionally, in Thurston Canyon, just east of the 2019 lidar coverage, there is evidence of a deep-seated paleo-landslide on the northeast wall of the catchment (fig. 10). The established drainage in the main axis of the catchment and the incision of the landslide deposit itself suggest that it is relatively stable, but the original, oversteepened headwall has hosted small-scale earthflows as seen in neighboring catchments. This Thurston Canyon landslide is a good example of how a major, deep-seated failure within an upland catchment could either: 1) temporarily block exit flow from the catchment, eventually contributing to alluvial fan growth downstream in the form of repeat channelized debris flows; or 2) send deep-seated landslide debris directly out of the catchment as the landslide block disintegrates and flows downhill.

Debris Flow Runout Map

We simulated debris flow runouts for 47 individual catchments in Homer and Kachemak City (map sheet 3). For each catchment, we calculate flow volumes of 5, 10, and 25 percent of the estimated total soil volume, and where earthflows were identified in aerial photographs, the total volume of the identified earthflows in each catchment assumes a 5 ft (1.5 m) failure depth (fig. 9).

DISCUSSION AND LIMITATIONS

We developed the landslide inventory, shallow landslide susceptibility, deep landslide susceptibility, and debris flow runout maps using the best available data; however, there are many inherent limitations. The intended use of these overview maps is to help identify slopes with a relatively high slope failure hazard in and around Homer, to provide a basis for regional planning and increased resiliency, and to help identify localities where more detailed landslide mapping is warranted if areas are to be developed or improved. Limitations of the input data and modeling methods are such that the maps are not suitable to answer site-specific or legal questions. The maps should be used only for regional- or community-scale purposes.

The lidar-based mapping is a “snapshot” view of the current landscape based on available data and may change as new information regarding landslides becomes available and new landslides occur. Because we lack detailed site-specific information on every landslide, any existing engineered mitigative steps have not been accounted for. Local conditions may vary substantially from the parameters used to make these maps. It is likely that some slope failures were missed or misinterpreted by the map author, even using high-quality lidar-derived topographic data. We targeted our lidar survey point density to account for high vegetation density and known problem (i.e., unstable) areas, but we were only able to spot-check a few locations on the road system as part of this project.

The FOS calculations are sensitive to variability in the input parameters, and the map results are influenced by the accuracy and resolution of the input data for material properties, depth to failure, depth to groundwater, and slope angle. We estimated material properties based on available soils data, a limited amount of published field data, and

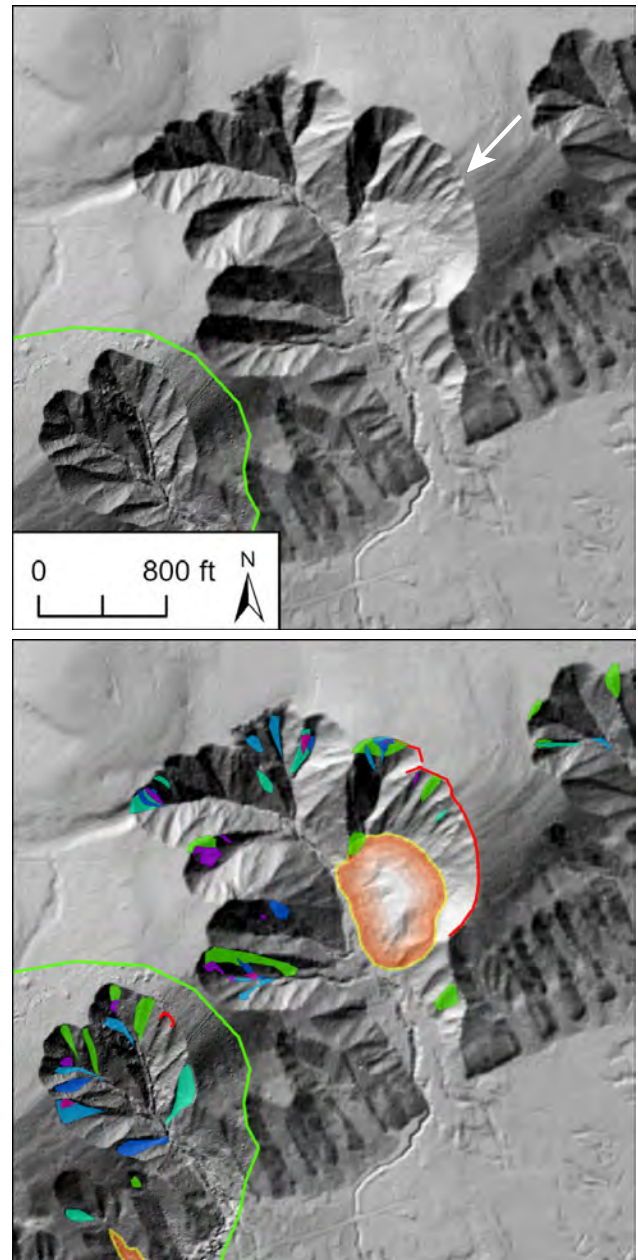


Figure 10. Deep-seated paleo-landslide on the east flank of Thurston Canyon, immediately east of the 2019 lidar coverage (2019 lidar extent delineated by green line). See figure 6 for symbol explanation.

assumed worst-case conditions. While it is possible for earthquakes to trigger slope failures, in a practical sense, the worst-case conditions mentioned here (i.e., saturated soils) will most likely be achieved through heavy seasonal precipitation or rain-on-snow events. Climate change is contributing to more variable weather patterns, from a changing snow-pack to increased instances of extreme precipitation, and monitoring soil moisture conditions may be an important tool for monitoring evolving hazards.

Site-specific studies should be undertaken before development on existing landslide and debris flow deposits. Many of the drainages in Homer's steep catchments are conduits for debris, and many catchments have debris flow fans at their bases, indicating that several debris flows have occurred there in the past. At some sites, excavated debris flows are more than 40 ft (~12 m) thick and are comprised of many individual debris flows. We recommend site-specific investigations by qualified geotechnical engineers to evaluate recent activity of debris flow fans and to test subsurface soil conditions for suitability in construction projects.

Debris flow runout modeling is primarily based on estimates of the sediment volume for each catchment and the point at which slope failures will begin deposition of materials. Although these estimates are based on our best assessment of the data, many factors can lead to large differences in the estimates and actual landslide runouts. For example, interaction of a debris flow with buildings or engineered earth materials can change the direction of flow. Large trees or other objects in a debris flow can change the final runout length and width. Lastly, the lidar-based digital elevation model contains artifacts from the removal of man-made structures (e.g., homes, porches). It would require extensive GIS and field work to locate and remove all structures completely.

Although several landslides were mapped by Waller (1966) after the 1964 Great Alaska Earthquake, anecdotal evidence and air photo analyses indicate that there were potentially many more land-

slides in Homer. Several additional photo-identified channelized debris flows occurred between 1952 and 1975 that were not mapped by Waller (1966) but exhibit similar characteristics to those that occurred during the 1964 event (e.g., fig. 4C, channelized debris flow in Neilsen Canyon). We did not identify other channelized debris flows in aerial photographs taken since 1952, and those that occurred in 1964 cover significantly more area (at ~23,000 square meters and ~25,000 square meters each) than most other slope failures since 1952. Furthermore, it is likely that there was significantly more fissuring at the tops of bluffs and along the deep-seated paleo-landslide scarps than was observed by Waller (1966). This is reasonable, given that at that time, far less of Homer was developed and access was significantly limited compared to today. With respect to potential earthquake-induced ground failures, Waller (1966) notes that "landslide hazards exist...anywhere that promontories extend out from precipitous bluffs and cliffs." Analysis of potential compound hazards—such as soil liquefaction on slopes—is beyond the scope of this project.

Lastly, evidence from Thurston Canyon and elsewhere along the shores of Kachemak Bay suggests that there is potential for large volume, deep-seated landslides in the upland catchments to disintegrate and flow downhill into developed areas. Modeling these types of failures and runouts would be purely speculative, but we cannot rule out the possibility that such an event may occur.

CONCLUSION

DGGS completed a comprehensive landslide hazard assessment for the City of Homer by creating a map and database of historical and prehistoric slope failures, maps of shallow and deep-seated landslide susceptibility, and a map of simulated debris flow runouts for the City of Homer and neighboring Kachemak City. Data from these analyses are collectively intended to depict overall landslide hazard, and the results provide important information that can help guide planning and future investigations. The maps are not intended

to predict slope failures, and site-specific, detailed investigations should be conducted prior to development in vulnerable areas. Results are for informational purposes and may not be used for legal, engineering, or surveying uses.

ACKNOWLEDGMENTS

DGGS collected and processed lidar for use in this landslide hazard resiliency project for the City of Homer, funded by the Federal Emergency Management Agency (FEMA) through Cooperating Technical Partnership (CTP) with the City of Homer and DGGS under federal grant number CTP EMS-2018-CA-00016-S01. DGGS thanks the Homer Planning Commission for guidance throughout the multi-year project, and Jonathan Godt, Rich Buzard, and Bretwood Higman for constructive reviews that greatly improved this manuscript.

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Carla Stanley, representing the
City of Homer

Update from the Board of Directors

Cook Inlet Regional Citizens Advisory Council

The Cook Inlet Regional Citizens Advisory Council held its regular meeting December 5th and 6th in Anchorage.

During the first day of meetings, the Council approved the special election of Brent Johnson. Mr. Johnson will represent the Commercial Fishing group on the Board. He brings more than 50 years of knowledge and experience in the local fishing community and has served on the Kenai Peninsula Borough Assembly since 2014 and currently serves as Assembly President. We are excited to welcome him to the Council.

On Friday, the Council received updates from several of its Ex-Officio members, including the US Coast Guard. Captain Christopher Culpepper, Commanding Officer Sector Western Alaska and US Arctic, explained some changes coming to USCG stations in Homer and Seward. Current-generation Cutters stationed there will be decommissioned and replaced with newer, 154-foot vessels along with larger crews. Those staffing changes are expected to happen early next year.

Givey Kochanowski, Alaska Regional Director for the Bureau of Ocean Energy Management (BOEM) spoke to the Council about the Bureau's environment program, intended to provide decision makers with the appropriate science to ensure offshore energy production happens safely and responsibly. He noted new studies and pilot projects within the National Energy Laboratory focused on renewable sources, such as wind, tidal, and wave, all of which have potential in Cook Inlet. Those programs focus on integrating marine and social sciences, biology, and traditional knowledge.

Cook Inlet Spill Prevention and Response, Inc. (CISPRI) General Manager Todd Paxton gave an update on his organization's plans for potentially replacing one of its primary response vessels, the Perseverance. That 207-foot ship, built in 1976, could be replaced by a new or repurposed vessel. CISPRI has also recently updated its registration as a primary contractor to provide Oil Spill Response Organization (OSRO) services beyond Cook Inlet.

The Council also heard reports from the National Oceanic and Atmospheric Administration (NOAA). Alaska Sea Ice Coordinator Michael Lawson gave an overview of the Cook Inlet Ice Camera Network, and how it's deployed in forecasting models and its importance in observation and data-gathering. CIRCAC staff developed the idea for and established the network nearly 20 years ago. One of the many planning and response improvements adopted after the grounding of the Seabulk Pride in 2006 was to provide real-time views of ice conditions. The network now includes nine cameras positioned at strategic points from the mouth of the Kenai River to the Don Young Port of Alaska. NOAA's Alaska Regional Preparedness Coordinator and Scientific Support Coordinator for the Alaska Regional Response Team, Liza Sanden made the Council aware of new virtual training opportunities for Shoreline Cleanup and Assessment Techniques (SCAT) coming up in the Spring.

Steve Ribuffo, Port Director for the Don Young Port of Alaska in Anchorage updated the Council on the facility's Petroleum and Cement Terminal construction. Completed in 2022, that terminal represents part of a long term modernization plan that is being completed in phases. In 2025, work will continue on Phase II – North Extension Stabilization, which will expand the port's capacity in the future. Other work will include demolition and replacement of cargo terminals and a second North Extension Stabilization project.

The Council also heard an operations update from Captain Jeff Brue, Global Marine Operations Manager for Marathon Petroleum.

The Council will hold its Annual Meeting on April 4th in Kenai.



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue

Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum

Agenda Changes/Supplemental Packet

TO: PORT& HARBOR ADVISORY COMMISSION
FROM: ZACH PETTIT, DEPUTY CITY CLERK I
DATE: JANUARY 22, 2025
SUBJECT: SUPPLEMENTAL

NEW BUSINESS

C. Draft Lease Agreement for Dragging Anchor, LLC

1. City of Homer Lease Application – Proposal Review & Staff Recommendations
2. 2025 Schematic of Planned Use
3. Public Comment Received

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Page 9



City of Homer

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Port and Harbor

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(p) 907-235-3160

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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	☐ <u>Insufficient</u>
<u>Notes:</u> 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	☐ <u>Insufficient</u>
<u>Notes:</u> 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	☒ <u>No</u>	☐ N/A	☐ <u>Insufficient</u>
<u>Notes:</u> 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	☒ <u>No</u>	☐ N/A	☐ <u>Insufficient</u>
<u>Notes:</u> 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	☒ <u>No</u>	☐ N/A	☐ <u>Insufficient</u>
<u>Notes:</u>				
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	☐ <u>Insufficient</u>
<u>Notes:</u> 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:



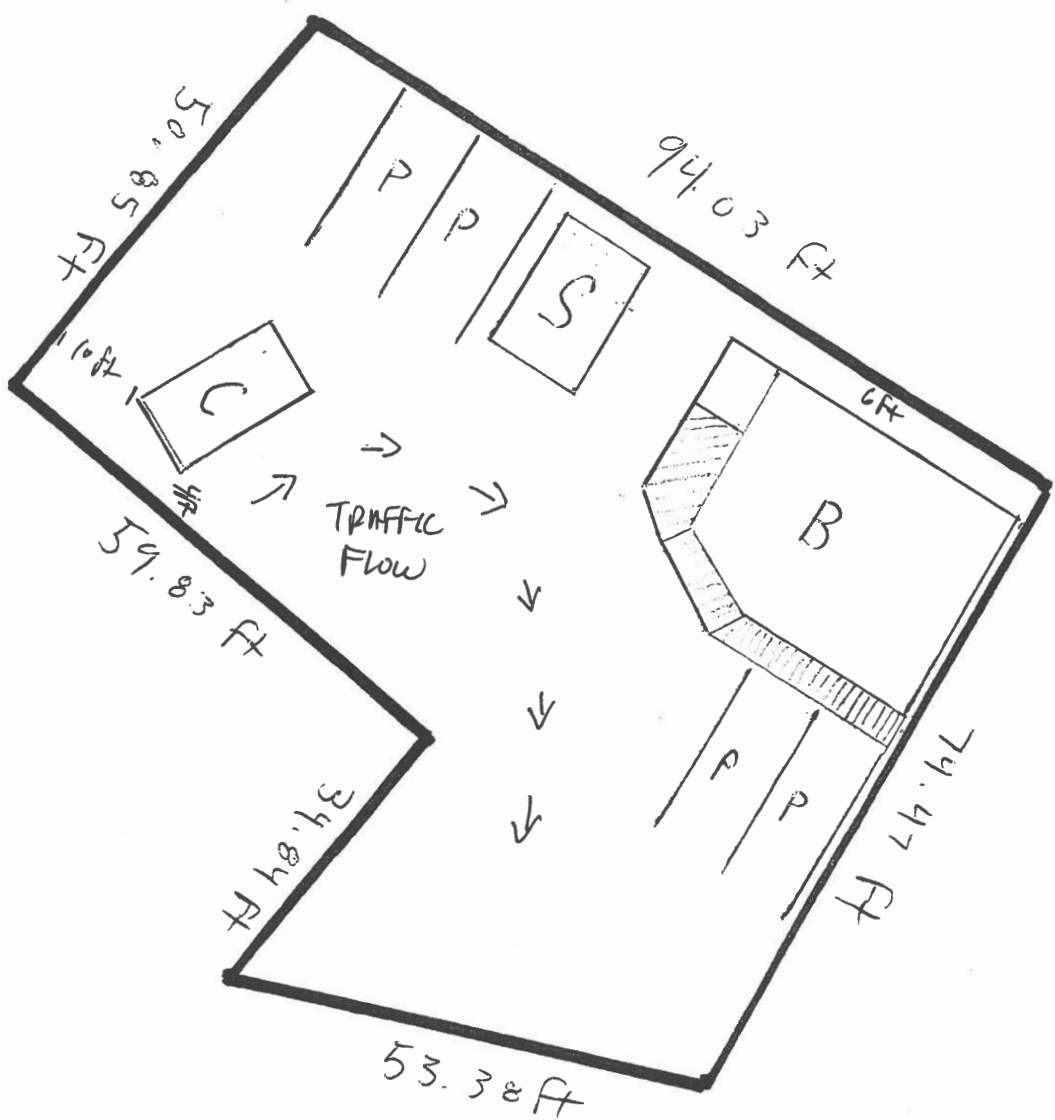
Date: 1.21.24

Attachments:

- 2017 Lease
- Assignments 1 & 2
- Application

DEAWING - THE DRAGGING ANCHOR LLC

N ↑



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

From: [Renee Krause](#)
To: [Zach Pettit](#)
Subject: FW: Comment for the Port & Harbor Advisory Commission Meeting 1/22/2025 - NEW BUSINESS Draft Lease Agreement for Dragging Anchor, LLC
Date: Wednesday, January 22, 2025 7:52:06 AM

See below Public Comment received.

Renee Krause, MMC
City Clerk/ADA Coordinator
City of Homer
491 E Pioneer Avenue
Homer, AK 99603
907-235-3130
907-235-3143 Fax
Rkrause@ci.homer.ak.us

"Listen to the wind, it talks. Listen to the silence, it speaks. Listen to your heart, it knows."

— *Ojibwe Prayer*

PUBLIC RECORDS LAW DISCLOSURE: Most e-mails from or to [this](#) address will be available for public inspection under Alaska public records law.

From: Bridget Maryott <discoverhomer@gmail.com>
Sent: Tuesday, January 21, 2025 11:14 PM
To: Department Clerk <clerk@ci.homer.ak.us>
Subject: Comment for the Port & Harbor Advisory Commission Meeting 1/22/2025 - NEW BUSINESS Draft Lease Agreement for Dragging Anchor, LLC

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

Public Comment for the Port & Harbor Advisory Commission Meeting 1/22/2025
NEW BUSINESS - Draft Lease Agreement for Dragging Anchor, LLC

Bridget Maryott
53650 Mansfield Ave
Homer, AK 99603
discoverhomer@gmail.com
907-235-4068

1/21/2025

Dear Members of the Homer Port and Harbor Commission,

I am writing to express my strong support for Erika and Dave Atwood's business, The Dragging Anchor, LLC, in their application for the assignment of the lease currently held by Eagle Eye Charters LLC (dba Bob's Trophy Charters).

The Atwoods are a hardworking local family who are deeply committed to improving and contributing to the Homer community. As the PHC considers their application, I encourage

you to take into account the positive impact their business will have on both the economy and the appearance of the Homer Spit. I have known Erika, Dave, and their son for many years and have consistently witnessed their integrity, strong work ethic, and dedication to their friends, family, and community. Erika's meticulous attention to cleanliness and Dave's keen eye for improvements will ensure that the property remains well-maintained and visually appealing, significantly enhancing the overall curb appeal.

The Dragging Anchor, LLC, will provide valuable services to both commercial and recreational fishermen, as well as tourists who frequent our area. It's long been noted that Homer Spit serves as the economic hub of our town, yet the nearest place to purchase marine supplies is currently miles away from the harbor. Additionally, the business will address a gap in services during the summer months, providing beverages and snacks to help meet the needs of hangry tourists.

While I support the idea of reevaluating the leasing code and reviving the committee, it is unfair to implement performance standards or make changes to the process in the midst of an active application. The Atwoods are looking to invest long-term on the Homer Spit, and applying new rules retroactively would present unnecessary challenges to a new local family business.

I believe The Dragging Anchor, LLC, will be a positive addition to the harbor community. I respectfully request that the PHC recommend the approval of the Second Lease Assignment and Second Amendment as drafted.

Thank you for considering this letter in support of The Dragging Anchor, LLC. I am confident that Erika, Dave, and their business will contribute to the Homer Spit's continued growth and success.

Sincerely,
Bridget Maryott