



Homer City Hall

491 E. Pioneer Avenue

Homer, Alaska 99603

www.cityofhomer-ak.gov

City of Homer Agenda

City Council Worksession

Monday, July 22, 2019 at 4:00 PM

City Hall Cowles Council Chambers

CALL TO ORDER, 4:00 P.M.

AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 6)

DISCUSSION TOPIC(S)

a. HERC Next Steps

Memorandum 19-093 Re: Needs and Future Plans for the Homer Education and Recreation Complex

COMMENTS OF THE AUDIENCE (3 minutes)

ADJOURNMENT NO LATER THAN 4:50 P.M.

Next Regular Meeting is Monday, August 12, 2019 at 6:00 p.m., Worksession 4:00 p.m. Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.



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 19-093

TO: Mayor Castner and Homer City Council
FROM: Councilmembers Aderhold and Lord
DATE: July 22, 2019
SUBJECT: Needs and Future Plans for the Homer Education and Recreation Complex (HERC)

The City issued a Request for Proposals (RFP) for the management, lease, and renovation of the HERC1 to explore public-private partnerships and lease arrangements for the property. The hope was to secure a long-term tenant willing to independently manage the facility and contribute to the HERC1's operating costs and capital needs. The RFP was open April 18th until June 24th, 2019 and no bids were received.

The HERC Task Force November 2018 Final Report's overall recommendation was to keep the HERC1 in warm status until November 2023, only extending the use of the existing lower level for recreational purposes with minimal use of the upper level. This five-year period would give the City and community time to pursue funding mechanisms for a determined use and come up with a long-term solution to the 60 year old building's "poor health." The Task Force limited their discussion regarding HERC2 to demolition only.

Given the lack of participation with the RFP, the City is again faced with decisions regarding HERC1 and Homer's needs related to indoor community space. Below are three issues Council needs to address based on the Task Force's 2018 Final Report and the Spring 2015 Parks, Arts, Recreation, and Culture Needs Assessment.

1) Meeting Homer's Recreation Needs

The Spring 2015 Parks, Arts, Recreation, and Culture Needs Assessment took a deep dive into the question of what the community needs for indoor recreation space. The final report identified 9 'Primary Tier Priorities' and 6 'Secondary Tier Priorities' needed in a future indoor facility however "*a multi-purpose community center facility was the most frequently identified need across providers, user groups, existing plans and the general public*" (pg. 55). These priorities may have changed since the community constructed the South Peninsula Athletic & Recreation Center (SPARC) after the Needs Assessment was completed.

According to the HERC Task Force's 2018 report, a 12,000 square foot building would be optimal for the community; the HERC1's current size (16,000 sq. ft.) is too large for the community's recreation needs.

Per Resolution 18-006, only the HERC1 gym and adjacent classroom space are currently used by community recreational programs that require minimal heat and utilities. This includes activities like martial arts, youth basketball, pickleball and zumba, which contribute ~\$14,700 in revenue annually according to the report.

2) Operating the HERC1 facility for 10 years at the expense of some much needed renovations

Based on the Task Force's Final Report, if the City elects to complete the HERC1's bare bones minimum renovation needs, it would cost approximately \$1.591 Million in the first five years. Keep in mind, this option would only extend the life of the building by 10 years and still requires demolition at the end of the 10th year. The renovations would, however, let the City provide limited additional services in the existing HERC1. Initially when the Task Force met, it was assumed the roof of the building could be hot mopped. Klauder & Associates determined this year that the entire roof needs to be replaced, which Public Works estimates at \$250,000. This is only the cost to replace the roof, and does not account for the additional structural improvements needed to support the improvement.

Overall, the Task Force emphasized if the City did choose to renovate the building, prompt action to address its deterioration is needed during the first 5 years following the report's publication (Nov. 2018-Nov. 2023).

3) Demolish the HERC1 at a set date and envision something new for the property

Every year the City delays either renovating or demolishing the HERC1, the costs to do either option increases. If the City elects to wait 5 years, allowing for current limited use to continue, and then demolish the HERC1, it would cost an estimated \$1.176 Million. This is because major structural improvements (like the roof) are needed soon regardless.

The attached spreadsheet provides scenarios for operating HERC1 as is for 5 years with money put aside for demolition in year 6 and a preliminary rough order of magnitude estimate for extending the life of HERC 1 by 10 years with money put aside for demolition at the end of 10 years. To aid in the discussion surrounding meeting Homer's recreational needs, the spreadsheet also includes a potential option for setting money aside for the feasibility study for a new indoor facility. A preliminary feasibility study for a Multi-Use Community Center is outlined for 2022 per the City's 2019-2024 Capital Improvement Plan. The total cost for this phase of the project is estimated at \$500,000. If the City begins to set aside \$250,000 during the next two fiscal years, consider that seed money towards a new facility that can accommodate recreational needs.

Questions for worksession discussion include the following:

- 1) Are we on a path to demolish HERC1? If so, on what timeline?
- 2) Is it time to prioritize the Multi-Use Community Center that has been included in the CIP for >5 years? If so, what does that look like?

Additional Resources:

Spring 2015 Parks, Arts, Recreation and Culture (Recreation and Culture) Needs Assessment

www.cityofhomer-ak.gov/sites/default/files/fileattachments/parks_and_recreation/page/7393/homer_parcs_needs_assessment_final.pdf

-Available under the "Special Topics" section on the City Parks and Recreation webpage

Nov. 2018 HERC Task Force: Final Recommendation Report

https://www.cityofhomer-ak.gov/sites/default/files/fileattachments/city_council/meeting/28781/herc_tf_final_report_11_30_18_high_res_-_copy.pdf

-Available on the City Planning Department's main page

Enc:

2019-2024 CIP page Multi-Use Community Center, Phase 1

5 Year Operating and Capital Costs for HERC1 spreadsheet based on Nov. 2018 HERC Task Force Final Report



Multi-Use Community Center, Phase 1

Project Description & Benefit: This project would be the first phase in designing and constructing a Multi-Use Community Center to adequately serve the social, recreation, cultural, and educational needs of the Homer community. Years of growing numbers of requests to Parks and Recreation for access to indoor facilities highlights the need for this project. A 2015 City of Homer Parks, Art, Recreation and Culture (PARC) Needs Assessment validated this perceived need. Incorporating an extensive public input process, the PARC Needs Assessment reflects the community's high priority on community access to public recreational and educational spaces and identifies a community center as a significant future investment for the community.

The community center is currently broadly envisioned as a comprehensive multi-generational facility that offers something for people of all ages. Public input identified a general-purpose gymnasium and a multi-purpose space for safe walking/running, dance, martial arts, performing arts, community events and dedicated space for youth as priority features. In addition to social, health and quality of life benefits, a multi-use center provides considerable opportunity for positive economic impact to the community. Direct impacts include new revenues from admission and rental fees generated by hosting regional or statewide conferences, weddings and/or other private rentals. Participants and spectators visiting Homer for these events will also indirectly benefit the community through their use of restaurants, retail shops, lodging, transportation and other hospitality industry services. This facility would draw additional year round programs and events to Homer, contribute to the local economy by attracting additional visitors and businesses, and would be an incentive for families to relocate to Homer.

The PARC Needs Assessment included a statistically valid survey question asking the community's interest for constructing and funding an \$18 million facility. 30% of respondents agreed with the statement that this facility is a priority in the next five years; an additional 27% placed it as a priority in the next five to ten years. The success of this project requires sources for capital funding and a sound feasibility study to determine how ongoing operations would be funded.

Plans & Progress: The first step is to complete a reconnaissance or a preliminary feasibility study of the size and type of facility, develop conceptual floor plans and site plans, estimate total construction cost and identify ongoing operational funding mechanisms.

Total Project Cost: \$500,000

Schedule: 2022

Priority Level: 3



The City of Unalaska's Community Center is the hub of community activities. Centrally located, the Community Center is widely used by both residents and visitors. It has everything from a cardio and weight room to music and art areas.

5 Year Operating and Capital Costs for HERC 1 based on Nov. 2018 HERC Task Force Final Report

Operate HERC1 as-is for 5 years with money put aside for demolition at Year 6

							5 Year Total	5 Year Total with Prelim. Feasibility Study
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024 (demolition)</u>		
Annual Operating Cost (assuming current level of use)	35,280	35,280	35,280	35,280	35,280	-		
Maintenance (ie. broken windows, fire extinguisher check, etc) & Capital Needs	?	?	?	?	?	-		
Roof replacement*	-	250,000	-	-	-	-		
Study of how to demolish building	35,000	-	-	-	-	-		
(Potential Option) Preliminary feasibility study for a Multi-Use Community Center		(250,000)	(250,000)					
HERC 1 Seed Money (total needed for demolition estimated at \$750,000)	150,000	150,000	150,000	150,000	150,000	-		
Total	185,280	435,280	185,280	185,280	185,280	-	1,176,400	1,676,400

Barebones minimum renovation and management to extend life of the HERC1 by 10 years and operate the building with some additional services/management; demo needed at end of 10th year***

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>		5 Year Total	10 Year Total
Annual Operating Cost (assuming current level of use)	35,280	35,280	35,280	35,280	35,280			
Maintenance (ie. broken windows, fire extinguisher check, etc) & Capital Needs	?	?	?	?	?			
Community Rec. Building Manager (assuming .5FTE salary & benefits)	-	-	-	50,000	50,000			
Study of long term improvements	-	65,000	-	-	-			
Roof replacement*	-	250,000	-	-	-			
Renovation**	-	-	1,000,000	-	-			
Total	35,280	350,280	1,035,280	85,280	85,280		1,591,400	2,426,680
							+ demo costs	+ demo costs

*This is a **rough** cost estimate for just replacing the roof - there may be other structural needs of the building that are not accounted for in this cost.

** The Task Force did not include an itemized breakdown of costs associated with renovation however on page 22 of the Final Report, they listed the need for a fire sprinkler system for the entire building; fire wall separation; convert building to natural gas heat; hot mop roof; convert all lighting fixtures to LED; repartition former UofA office area; other repairs/renovation as needed to meet IBC "E" occupancy with total costs ranging from \$900,000 - \$1.3 million.

***The Task Force noted in the Final Report on page 6 that "the only way a ten-year timeframe would be a desirable financial consideration for the City is if there is a long term lease or partnership agreement in place."

From: [Katie Koester](#)
To: [Melissa Jacobsen](#)
Subject: FW: HERC questionnaire
Date: Monday, July 15, 2019 1:28:36 PM

Melissa,

Will you please include this in the packet for the HERC worksession on Monday.

Thanks!

Katie

From: Shelly Erickson <shellyerickson@ci.homer.ak.us>
Sent: Friday, July 12, 2019 5:37 PM
To: Katie Koester <kkoester@ci.homer.ak.us>
Subject: HERC questionnaire

I am wanting to get a survey of Homer opinions of what to do with the HERC. I would suggest we do a campaign to find out what the residents really think, not just those who come to the meeting. The options I would like to put out there are:

1. HERC task force was to revisit in 5 years
2. Repair and up grade the facility and be willing to pay increased sales tax to deal with the building upgrade
3. Sell the Property
4. Tear it down and let it be a nice grassy field.

Shelly
Sent from my iPad